atturra

Atturra Limited
ACN 654 662 638

Prospectus

Initial public offer of approximately 49.6 million Shares in Atturra Limited to raise approximately $24.8 million

Financial Advisor

ANZ

Joint Lead Managers and Underwriters

morgans

Shaw and Partners

Legal Advisor

HWL EBSWORTH LAWYERS

Important information

Prospectus

This Prospectus is issued by Atturra Limited ACN 654 662 638 (**Atturra** or **Company**).

This Prospectus is dated Wednesday, 17 November 2021 (**Prospectus Date**) and was lodged with ASIC on that date. No Shares will be issued on the basis of this Prospectus later than 13 months after the Prospectus Date.

The Company will apply to ASX within seven days of the Prospectus Date for admission of the Company to the Official List and for quotation of its Shares on ASX. None of ASIC, ASX or their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

Except as required by law, and only to the extent so required, neither the Company, nor any other person warrants or guarantees the future performance of the Company, the repayment of capital by the Company, or the payment of a return on the Shares.

No person is authorised to give any information or to make any representation in connection with the Offer which is not included in this Prospectus. Any information or representation not included in this Prospectus may not be relied on as having been authorised by the Company, the Directors, the Joint Lead Managers or any other person involved in the preparation of the Prospectus or the making of the Offer. In making any investment decision you should rely only on the information in this Prospectus.

Conditional Offer

The Offer under this Prospectus is conditional upon the following events occurring:

a. successful completion of the Restructure; and

b. ASX providing the Company with a list of conditions which, once satisfied, will result in the Company's Admission.

If any of these conditions are not satisfied then the Offer will not proceed, no Shares will be allotted pursuant to this Prospectus and the Company will repay all Application Monies received under the Offer, without interest, in accordance with the Corporations Act.

Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable the Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in the Prospectus. In such circumstances, any Application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be conferred on Applications received during the Exposure Period.

Electronic Prospectus and Application Form

This Prospectus will generally be made available in electronic form by being posted on the Company's website at https://atturra.com/au-en/ipo. A hard copy of the Prospectus and the Application Form is available free of charge to any person in Australia by calling the Company's Offer Information Line on 1300 158 770 (within Australia) or +61 3 9415 4036 (outside Australia) between 8.30am and 5.00pm (Sydney time) Monday to Friday (business days only) during the Offer Period.

Applications

Applications for Shares under this Prospectus may only be made during the Offer Period on the Application Form included in, or accompanying, this Prospectus in its hard copy form, or in its electronic form which must be downloaded in its entirety from https://atturra.com/au-en/ipo, together with an electronic copy of this Prospectus. By making an Application, you declare that you were given access to the Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing the Application Form on to another person unless it is included in, or accompanied by, this Prospectus in its hard copy form or the complete and unaltered electronic copy of this Prospectus. Refer to Section 9 for further information.

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.

To the extent permitted by law, each of the Company, the Share Registry, and the Joint Lead Managers disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving their holding statement, whether on the basis of a confirmation of allocation provided by any of them, by the Company's Offer Information Line, by a broker or otherwise.

Selling restrictions in foreign jurisdictions

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify this Prospectus, the Shares or the Offer, or to otherwise permit a public offering of Shares, in any jurisdiction outside Australia or New Zealand.

The distribution of this Prospectus (including in electronic form) outside Australia or New Zealand may be restricted by law and persons who come into possession of this Prospectus outside Australia or New Zealand should seek advice on, and observe, any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

In particular, this Prospectus may not be released or distributed in the United States. The Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (US Securities Act) or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States unless the Shares are registered under the US Securities Act or are offered and sold in transactions exempt from, or not subject to the registration requirements of the US Securities Act and any other applicable securities laws in the United States.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act"). The Securities are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;

- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). Accordingly, this document may not be distributed, and the new Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the new Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to new Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted new Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

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.

Singapore

This document and any other materials relating to the new Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of new Shares, may not be issued, circulated or distributed, nor may the new Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an "institutional investor" (as defined in the SFA) or (ii) an "accredited investor" (as defined in the SFA). If you are not an investor falling within one of these categories, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the new Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire new Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Not investment advice

The information contained in this Prospectus is not financial product advice and does not take into account the investment objectives, financial situation and particular needs (including financial and tax issues) of any prospective investor. You should seek professional investment advice before subscribing for Shares under this Prospectus.

Consider risks of investment

It is important that you read this Prospectus carefully and in full before deciding whether or not to invest in the Company. There are risks associated with an investment in the Company. The Shares offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Shares. In particular, in considering the prospects of the Company, you should consider the risk factors that could affect the Company's business, financial condition and results of operations. Some of the key risk factors that should be considered by prospective investors are set out in Sections 2.5 and 7 of this Prospectus. You should consider these factors carefully in light of your investment objectives, financial situation and particular needs (including financial and taxation issues). There may be risk factors in addition to these that should be considered in light of your personal circumstances. If you have any queries in connection with this Prospectus or in relation to an investment in the Company, you should seek advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether or not to invest in the Shares.

Disclosing entity

If admitted to the Official List, the Company will be a disclosing entity for the purposes of the Corporations Act and, as such, will be subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules.

Disclaimer

Except as required by law, and only to the extent so required, neither the Company, the Joint Lead Managers nor any other person warrants or guarantees the future performance of Atturra, the repayment of capital by Atturra, or the payment of a return on the Shares.

No person is authorised to give any information or to make any representation in connection with the Offer which is not included in this Prospectus.

Each Joint Lead Manager has acted as lead manager and underwriter to the Offer and has not authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Prospectus and there is no statement in this Prospectus which is based on any statement made by it or by any of its affiliates, directors, officers, employees, agents or advisers. To the maximum extent permitted by law, each Joint Lead Manager and each of its affiliates, directors, officers, employees, agents and advisers expressly disclaim all liabilities in respect of, make no representations regarding, and take no responsibility for, any part of this Prospectus other than references to their name and address and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Prospectus.

This disclaimer does not purport to disclaim any warranties or liability which cannot be disclaimed by law.

Statements of past performance

This Prospectus includes information regarding the past performance of the Company. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

Financial information

Section 5 of this Prospectus sets out in detail the Financial Information of the Company. The basis of preparation of the Financial Information is set out in Section 5.2.

The Company's financial year end is 30 June. All references to FY21, FY20 and FY19 appearing in this Prospectus are to the financial years ended 30 June 2021, 30 June 2020, and 30 June 2019, respectively, unless otherwise indicated.

The Historical Financial Information is presented on both an actual and pro forma basis and has been prepared and presented in accordance with the recognition and measurement principles of Australian Accounting Standards (**AAS**) (including the Australian Accounting Interpretations) issued by the Australian Accounting Standards Board (AASB), which are consistent with International Financial Reporting Standards (**IFRS**) and interpretations issued by the International Accounting Standards Board (**IASB**).

The Financial Information is presented in abbreviated form. It does not include all of the presentation and disclosures required by the AAS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act. The Financial Information in this Prospectus should be read in conjunction with, and is qualified by reference to, the information contained in Section 5 and Appendix A of Section 5.

Financial amounts

All financial amounts contained in this Prospectus are expressed in Australian dollars (indicated by $, A$ or AUD). If any amount has been converted from another currency to Australian dollars, the conversion rate used has been stated. All financial amounts are rounded to the nearest $'000 (thousand) unless otherwise stated. Some numerical figures included in this Prospectus have been subject to rounding adjustments. Any discrepancies between totals and sums of components in tables contained in this Prospectus are due to rounding.

Forward looking statements

This Prospectus contains forward looking statements which may be identified by words such as "believes", "considers", "could", "estimates", "expects", "intends", "may", and other similar words that involve risks and uncertainties. Certain statements, beliefs and opinions contained in this Prospectus, particularly those regarding the possible or assumed future financial or other performance of the Company, industry growth or other trend projections are or may be forward-looking statements.

Any forward looking statements are subject to various known and unknown risk factors that could cause the Company's actual results and circumstances to differ materially from the results and circumstances expressed or anticipated in these statements. Such 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 the Company or its Directors and management. Forward looking statements should be read in conjunction with, and are qualified by reference to, the risk factors as set out in Sections 2.5 and 7 and other information in this Prospectus.

The Directors and the Joint Lead Managers 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. The Company has 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 to the extent required by law.

This Prospectus, including the Industry Overview in Section 4, uses market data, industry forecasts and projections. The Company has obtained significant portions of this information from market research and commentary prepared by third parties. The authors of such information have not provided their consent for these statements to be included in this Prospectus. The Company is relying upon ASIC Corporations (Consents to Statements) Instrument 2016/72 for the inclusion of these statements in this Prospectus without such consent having been obtained.

Important notice to New Zealand investors

This Offer to New Zealand investors is a recognised offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This Offer and the content of the Prospectus are principally governed by Australian rather than New Zealand law. The Corporations Act and the regulations made under that Act set out how the Offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial product regulators have enforcement responsibilities in relation to this Offer. If you are a New Zealand resident and need to make a complaint about this Offer, please contact the Financial Markets Authority, New Zealand (http://www.fma.govt.nz). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

No cooling off rights

Cooling off rights do not apply to an investment in Shares offered under this Prospectus. This means that, in most circumstances, you cannot withdraw your Application.

Photographs and diagrams

Photographs and diagrams used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents or that the assets or products shown in them are, or on Completion will be, owned, sold or supplied by the Company. Maps and diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the Prospectus Date.

Documents available on website

Any references to documents included on the Company's website at https://atturra.com/au-en/ are provided for convenience only, and none of the documents or other information available on these websites or any other website referred to in the sources contained in this Prospectus, are incorporated in this Prospectus by reference.

Defined terms and time

Defined terms and abbreviations used in this Prospectus, unless specified otherwise, have the meanings given in the glossary of this Prospectus at Section 12. Unless otherwise stated or implied, references to times in this Prospectus are to the time in Sydney, Australia.

Unless otherwise stated or implied, references to dates or years are calendar year references.

Privacy

By completing an Application Form, you are providing personal information to the Company and to the Share Registry, which is contracted by the Company to manage Applications. The Company and the Share Registry on its behalf, may collect, hold, use and disclose that personal information for the purpose of processing your Application, servicing your needs as a Shareholder, providing facilities and services that you need or request and carrying out appropriate various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies or as otherwise authorised under the *Privacy Act 1988* (Cth) (as applicable). If you do not provide the information requested in the Application Form, the Company and the Share Registry may not be able to process or accept your Application.

Once you become a Shareholder, the Corporations Act and Australian taxation legislation require information about you (including your name, address and details of the Shares you hold) to be included in the Share register of the Company. In accordance with the requirements of the Corporations Act, information on the Share register will be accessible by members of the public. The information must continue to be included in the Share register if you cease to be a Shareholder.

The Company and Share Registry may disclose your personal information from time to time to inform you about other products and services offered by the Company which they consider may be of interest to you. Your personal information may also be provided to the Company's agents and service providers on the basis that they deal with such information in accordance with the Company's privacy policy. The agents and service providers of the Company may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law. Agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared include those listed below or as otherwise authorised under the *Privacy Act 1988* (Cth):

- the Share Registry for ongoing administration of the Share register;
- the Joint Lead Managers in order to assess your Application;
- brokers for the purpose of providing their services;
- printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
- market research companies for the purpose of analysing the Shareholder base and for product development and planning; and
- legal and accounting firms, auditors, contractors, management consultants and other advisers for the purpose of administering, and advising on, the Shares and for associated actions.

Information contained in the Company's Share register is also used to facilitate corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its Shareholders) and for compliance with legal and regulatory requirements.

An Applicant has a right to access, correct and update his or her personal information held by or on behalf of the Company, subject to certain exemptions under law. A reasonable fee may be charged for access. Access requests must be made in writing or by telephone call to the Company's registered office or the Share Registry's office, details of which are disclosed in the corporate directory on the final page of this Prospectus. The Company will aim to ensure that the personal information it retains about you is accurate, complete and up to date. To assist with this, please contact the Company or the Share Registry if any of the details you have provided change.

By submitting an Application, you agree that the Company and the Share Registry may communicate with you in electronic form or contact you by telephone in relation to the Offer.

Questions

If you have any questions about this Prospectus or how to apply for Shares, you should seek advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser. Instructions on how to apply for Shares are set out in Sections 2.9, 9.8 and on the Application Form. Alternatively, please contact the Company's Offer Information Line on 1300 158 770 (within Australia) or +61 3 9415 4036 (outside Australia) between 8.30am and 5.00pm (Sydney time) Monday to Friday (business days only) during the Offer Period.

This document is important and should be read in its entirety before making any investment decision.

Contents

Section 1. Key Offer Information

Important dates

Prospectus Date	Wednesday, 17 November 2021
Opening Date for the Offer	Thursday, 25 November 2021
Closing Date for the Offer	5.00pm (Sydney time) Wednesday, 8 December 2021
Settlement Date	Thursday, 16 December 2021
Issue and transfer of Shares under the Offer (Completion)	Friday, 17 December 2021
Expected dispatch of holding statements	Monday, 20 December 2021
Expected date of quotation of Shares on ASX	Wednesday, 22 December 2021

Note: This timetable is indicative only and may change. Unless otherwise indicated, all times are stated in Sydney time. The Company, in consultation with the Joint Lead Managers, reserves the right to vary any and all of the above dates and times without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Offer Period, to accept late Applications (either generally or in particular cases), or to cancel or withdraw the Offer, in each case without notifying any recipient of this Prospectus or Applicants). If the Offer is cancelled or withdrawn before the issue of Shares, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as soon as possible after the Offer opens.

Key offer statistics

Offer Price per Share	$0.50
Total proceeds of the Offer	$24.8 million
Number of new Shares available under the Offer	49.6 million
Number of Employee Gift Offer Shares	0.8 million
Total number of Shares on issue at Completion	200.6 million
Market capitalisation at the Offer Price (undiluted)	$100.3 million
Pro forma net cash position on Completion	$28.6 million
Enterprise value (undiluted)	$71.8 million

Refer to Section 11.5 for further details regarding the capital structure of the Company.

How to invest

Applications for Shares can only be made by completing and lodging the Application Form attached to or accompanying this Prospectus.

Instructions on how to apply for Shares are set out in Sections 2.9 and 9.8 of this Prospectus and on the back of the Application Form.

Letter from the Chairman

Dear Investor,

On behalf of the Board, it is my pleasure to offer you the opportunity to become a shareholder of Atturra Limited (**Atturra** or the **Company**).

Atturra is a leading privately-owned Australian technology services business, providing expertise across a broad range of specialist, in-demand IT areas with the capability to deliver end-to-end solutions to clients. Atturra uses market leading technologies and business applications that enable technological transformations of a diverse range of public and private sector organisations.

Supporting an Australia-wide trend towards digital transformation, Atturra offers services in the following high growth areas - Advisory and Consulting, Business Applications, Data and Integration, Cloud Services, Change Management and Adoption and Management Control Solutions.

Since inception, Atturra has built its know-how and technology expertise to maintain a competitive and defensible position with clients. This know-how underpins the Atturra business model, and enables the Company's consultants to design, implement and maintain IT solutions for its clients. Atturra generated $98.3 million in revenue and $6.8 million[1] in EBIT in FY21. This is forecast to grow to $126.7 million in revenue and $11.5 million[2] in EBIT for FY22.

There is a large market opportunity for Atturra to continue its growth trajectory. IT services spend in Australia is estimated to be $37.0 billion in 2021, and is expected to grow at a compound annual growth rate (**CAGR**) of 4.1% over the period 2021-25.[3, 4]

Atturra aims to be Australia's leading IT solutions provider with high engagement across industries, employees, and clients. To achieve this, the next phase of the Company's growth strategy is focused on building scale.

Atturra's current infrastructure will allow the Company to scale into a significantly larger business. Atturra plans to grow by focusing on growing national presence across target industries, creating new service lines, headcount growth and revenue growth from its existing client base. The Offer is being made to provide funding to accelerate the outlined growth strategy. The Board and leadership team are focused on the opportunity to significantly grow the Atturra business. Led by CEO Stephen Kowal, his management team has significant experience in the IT services and advisory industry, and has also intimate knowledge of the various industries it operates in.

To fund the growth plan, Atturra is seeking to raise $24.8 million through the issue of approximately 49.6 million new Shares under the Offer at a price of $0.50 per Offer Share. The Offer provides an opportunity for incoming investors to share in our exciting future.

This Prospectus contains detailed information about the Offer, the Atturra business and growth plan, the industry in which Atturra operates, and the historical financial information of Atturra, as well as the key risks associated with an investment in the Company. These key risks are set out in Sections 2.5 and 7.

It is important that you read this Prospectus carefully, and in its entirety, before deciding whether to invest in the Company.

On behalf of the Board of Directors, I look forward to welcoming you as a Shareholder.

Yours faithfully,

Shan Kanji
Chairman

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1. Excludes COVID-19 government grants (including JobKeeper).
2. Financials are presented on a pro-forma basis: figures are post-IFRS and include ongoing public company costs. Excluding one-off Offer costs (e.g, Advisor costs, ASX listing fee, employee gift shares).
3. Gartner, Quoted in ARN, https://www.arnnet.com.au/article/689818/australian-it-spending-grow-by-6-4-103b/, accessed 8 October 2021.
4. Gartner and Frost & Sullivan estimate.

Atturra's leading position in the market together with our focus on digital transformation and the management team's substantial experience will deliver exceptional success as we continue our growth trajectory

— **SHAN KANJI**

Section 2.

Investment Overview

2.1. Introduction

TOPIC	SUMMARY
Who is the issuer of this Prospectus?	Atturra Limited ACN 654 662 638.
What is Atturra and what does it do?	Atturra is a leading privately owned Australian technology services business. Formed in 2015, Atturra is a leader in designing, implementing and maintaining IT solutions for many of Australia's largest private and public entities. Atturra provides expertise across a broad range of specialist in-demand IT areas to deliver solutions to clients. Atturra uses transformative and market leading technologies and business applications that enable digital transformation. Atturra engages over 500 consultants, IT and support personnel in Sydney, Melbourne, Brisbane, Canberra, Adelaide, Perth, New Zealand and Singapore. This includes over 200 security cleared personnel that enables Atturra to undertake work with Federal Government, Defence and National Security organisations. ***For more information see Section 3.1***
What is the history of Atturra?	Atturra was created by bringing together five specialist IT services brands - ANATAS, Cubic Consulting, Kobold, SME Gateway and Veritec. The vision has become to build a leading Australian IT solutions business that can drive digital transformation and provide clients with end-to-end IT outcomes. Atturra has since grown both organically and through several acquisitions. Between 2015 and 2021, Atturra executed five acquisitions including Galaxy 42 Pty Ltd and ChartSmart Pty Ltd which both increased the Company's capability in delivering TechnologyOne services, which has become a core focus in delivering services to Local and Federal Government. Atturra also acquired the majority of shares in Noetic Group Pty Ltd which expanded the Company's capability to provide IT consulting to primarily the Defence industry. Atturra has also developed practices organically as a key partner to Microsoft, Software AG, Boomi and Smartsheet. This blend of capabilities allows Atturra to maintain and develop a competitive and defensible position with clients and position it for future growth. ***For more information see Section 3.1.2***

2.2. Key features of the Company's business model

TOPIC	SUMMARY
What is the Company's service offering, and the key solutions offered?	Atturra provides a broad range and flexible suite of integrated solutions across the main services of: • Advisory and Consulting • Business Applications • Data and Integration • Cloud Services • Change Management and Adoption • Management Control Solutions • Industry Engagement These business lines are distinct, but interrelated, allowing Atturra to provide end-to-end, whole-of-organisation solutions. Atturra continues to build its know-how and technology expertise to maintain and develop its competitive position with clients. This know-how underpins the Atturra business model, and enables the Company's consultants to design, implement and maintain IT solutions for its clients. ***For more information see Section 3.2***
How does Atturra generate revenue and how does the Company expect to grow revenue?	Atturra primarily obtains revenue through designing, implementing and maintaining IT solutions for private and public companies. Revenue growth is driven by a mix of existing and new clients as a result of Atturra having made significant investment to target industries with a high barrier to entry including Education, Defence, Local and Federal Governments and to be a leading implementation partner for high growth technologies. Atturra seeks to broaden its service offering through innovation and solutions development to expand its client base and increase the average revenue per client. ***For more information see Section 3***

TOPIC	SUMMARY
What is Atturra's client value proposition?	Atturra service offerings seek to provide clients with a differentiated, compelling value proposition: • Deliver a holistic, single solution through the design of multiple value-added digital services, resulting in a differentiated, bespoke offering with superior client experience • Easy and flexible integration into client environments • Facilitate enterprise digital transformation with high levels of digitisation and automation • Increased productivity for users across client organisations as a result of digital transformation • Change management services to drive the successful adoption of new technical and business solutions, maximising the success of transformational projects • Industry focus ensuring deep knowledge and capability to rapidly implement comprehensive solutions • Measurability at the core of each implementation, with analytics to assist clients and their users to gain immediate efficiencies and insights • Extensive range of leading technologies and business applications ensuring clients stay ahead of the development curve • Know-how and processes developed throughout corporate history and previous, successful, engagements deliver value to enterprises and government clients ***For more information see Section 3.2.4***
How does Atturra sell its services?	Atturra uses both a direct and indirect (including referrals from partners) approach to its sales and market strategy. Through its network, Atturra collectively pursues client opportunities with its partners. Upon successfully entering into a client contract, Atturra will engage with the client and work collaboratively to ensure a successful client outcome. This is a key strategy in the Atturra sales approach, as much of its work is derived from client referrals and word of mouth leads based on the successful client outcomes. ***For more information see Section 3.4***
What is the Company's proprietary intellectual property?	Atturra has developed and owns proprietary technology, built to support future growth in designing, implementing, and providing IT services and projects. The Company continues to build its know-how and technology expertise to maintain and develop its competitive position with clients. This know-how underpins the Atturra business model, and enables the Company's consultants to design, implement and maintain IT solutions for its clients. ***For more information see Section 3.3.3***

TOPIC	SUMMARY
What is the Company's business strategy and growth strategy?	Atturra's technology strategy is to focus on high growth technologies, for example the Integration Platform as a Service (iPaaS) market that has a CAGR of over 40% (2020-2025) or technologies where Atturra can have a market dominant position. Atturra's industry strategy is to focus on industries in which there is either a high barrier to entry, for example Defence which requires security clearances, or there is no clear market leader. This is the case in Local Government where Atturra is rapidly becoming a service provider of choice growing to 90 local councils in FY21. Atturra is a significant market player used by government and leading enterprises in Australia. Atturra aims to be Australia's leading IT solutions provider with high engagement across industries, employees and clients. To achieve this, the next phase of the Company's growth strategy is focused on building scale. Atturra management believes that its current infrastructure can scale to support a significantly larger business. Atturra plans to grow organically and inorganically by focusing on its growth pillars. ***For more information see Section 3.6***
How has COVID-19 impacted Atturra?	Because of the ability of Atturra's employees to work remotely and Atturra's client base still requiring IT services, COVID-19 has not had a material adverse impact on the Company in the last 12 months to 31 October 2021. ***For more information see Section 5.8.3***

2.3. Key features of the Company's industry

TOPIC	SUMMARY
What market or industry does the Company operate in?	Atturra operates in the IT Services market including data and integration services, business application services (e.g. for Enterprise Resource Planning (ERP) solutions), consulting/advisory services, cloud services, support and maintenance services, training, as well as managed services. IT services is the single largest segment within the larger IT sector which includes other segments namely, devices, data centre systems, enterprise software and communication services. Total enterprise IT spending in Australia is estimated at $103.0 billion in 2021.[1] Of that, IT services spend in 2021 is estimated to be $37.0 billion.[2] This IT services spend is expected to grow at a CAGR of 4.1% over the period 2021-25.[3] This market is served by large consulting and IT service companies, as well as Tier 2 and small service providers. ***For more information see Section 4***

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1. Gartner, Quoted in ARN, https://www.arnnet.com.au/article/689818/australian-it-spending-grow-by-6-4-103b/, accessed 8 October 2021.
2. Gartner, Quoted in ARN, https://www.arnnet.com.au/article/689818/australian-it-spending-grow-by-6-4-103b/, accessed 8 October 2021.
3. Gartner and Frost & Sullivan estimate.

TOPIC	SUMMARY
Who does the Company compete with?	The competitive landscape for Atturra includes a number of consultancy and IT services businesses that offer end-to-end managed services, data and integration, ERP in most cases and Client Relationship Management (CRM) in some cases. The key competitors within the markets Atturra operates in include large and small niche players including the following businesses: **Consulting**: Accenture-Avanade, Capgemini, Deloitte, Ernst & Young, KPMG and PwC. **IT Services**: Cognizant, DXC, Fujitsu, HCL Technologies, IBM, Infosys Technologies, NTT, Optus Enterprise, Tech Mahindra, Telstra Enterprise, TCS and Wipro. ***For more information see Section 4.6***

2.4. Investment highlights and key strengths

TOPIC	SUMMARY
Large addressable market and considerable industry tailwinds	Atturra offers consulting, IT services and technology solutions to accelerate digital transformation in the growing Australian IT services market, with an estimated spend of $37.0 billion in 2021.[4] Demand for IT services is increasing due to organic growth and acquisitions. COVID-19 has also shifted organisations to investing in cloud technology to be more agile and adaptable to change if needed. There is a strong thematic around cloud adoption, digital transformation, data science and user experience that is driving both government and enterprise client engagement around future transformation projects. Atturra is well positioned to capitalise on these strong industry fundamentals and market drivers through its core services and reputable brand. ***For more information see Sections 4.2, 4.3 and 4.4***
Long-term client relationships established across private and public sector and multiple industries	Atturra has a diverse, stable, and growing client base. Since 2015, Atturra has worked with over 600 clients including large government agencies, Local Governments, and private enterprises, including some of the biggest brands in Australia (refer to Section 3.2.5). Atturra believes it is one of the largest domestic IT service providers to Federal Government and local councils and is a member of several major government procurement panels. The top-20 clients of Atturra generated 62% of the total revenue for FY21, and 33% of those clients have had a commercial relationship with Atturra for over 5 years. The client experience, expertise and knowledge that Atturra builds with its clients results in very low churn. Of the top-50 clients in FY19, 49 remained active clients in FY21, representing client retention of 98%. Existing clients continuously upgrade their processes, systems and enterprise software, and new clients engage with Atturra as digital transformation drives the next phase of growth. ***For more information see Sections 3.2.5 and 3.5***

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[4] Gartner, https://www.technologydecisions.com.au/content/it-management/news/australian-it-spending-pegged-to-grow-4-in-2021-52955061, accessed 17 June 2021.

TOPIC	SUMMARY
Entrenched service provider to growing industries	Atturra targets growing industries where it can build a sustainable long term competitive advantage, and where significant barriers to entry exist. Atturra has successfully built its business in sovereign and strategically important sectors, including Defence, Education, Utilities, and Local Government sectors. Consistent provision of high-quality services, and development/delivery of bespoke solutions that are industry specific, ensures that Atturra does not compete solely on margin and cost. Reflecting this ongoing strategy, Atturra has made strategic investments and acquisitions to drive future growth, most recently in the Education and Defence sectors. ***For more information see Sections 3.2.5 and 3.5***
Leading technology expertise with unique know-how	Atturra has market leading expertise in designing, implementing, and supporting client's systems and processes. Atturra's expertise include solutions and services based upon leading technology providers such as Microsoft, TechnologyOne, and Boomi. These products are in high demand and importantly, allows Atturra to build up its own know-how and processes. ***For more information see Sections 3.2.3 and 3.5***
Considerable existing and near-term growth opportunities	Atturra aims to be Australia's leading IT solutions provider with high engagement across industries, employees and clients. To achieve this, the next phase of the Company's growth strategy is focused on building scale. Atturra management believes that its current infrastructure can scale to support a significantly larger business. Atturra plans to grow by focusing on growing national presence across target industries, creating new service lines, headcount growth and revenue growth from its existing client base. ***For more information see Section 3.6***
Demonstrable track record of growth	Atturra has reached several key milestones that positions the Company strongly to execute on the growth strategy: • Revenue has grown to $98.3 million[5] in FY21 representing a CAGR of 23.5% since FY19; • EBIT has grown to $6.8 million[6] in FY21, up 127% on the previous year; • Atturra has worked with over 600 clients to date; and • Atturra engages over 500 personnel to service a range of industries including Utilities, Education and Government. ***For more information see Section 5***
Management and Board experience	Atturra Board and management are committed to overseeing the business through its next phase of growth as an ASX-listed company. Management has strong and relevant experience in the IT services industry and Atturra has an experienced board of Directors, possessing a strong mix of complementary skills and well placed to oversee Atturra as an ASX-listed company. ***For more information see Sections 8.1 and 8.2***

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[5] Excludes JobKeeper payments.

[6] Excludes JobKeeper payments.

2.5. Key risks

Investors should be aware that subscribing for Shares in the Company involves a number of risks. The risk factors summarised below are some of the key risks but not an exhaustive list of all of the risks associated with the Company or an investment in Shares. Further details on the risks summarised below and other key risks are included in Section 7. These risks, and other general risks applicable to all investments in listed securities, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should review all of these risks carefully before making an investment decision.

TOPIC	SUMMARY
Ability to attract and retain clients	There is a risk that Atturra will not be able to attract new clients or attract new clients at the rate, over the time frames or with pricing revenues and costs it currently expects or has experienced historically. ***For more information see Section 7.1***
Failure to retain existing clients	Atturra is dependent on its ability to retain existing clients in order to generate revenue. There is a risk that it will not be able to retain existing clients when contract terms expire, or otherwise retain those clients to use Atturra's service offerings. ***For more information see Section 7.1***
Operating in a competitive industry	Atturra operates in an industry that sees disruptors entering the market with new technologies. A risk to the Company would be the entry to market of a new disruptive technology that would threaten an existing offering. ***For more information see Section 7.1***
Third party technology reliance	Atturra's operations would be materially impacted if existing third party suppliers no longer made their software and technologies available to the Company or materially increased the price of the use of their software or technologies. Another risk that is associated with Atturra's reliance on third parties is if these third party vendors commence their own services arm. Clients may perceive the vendor to be the better provider of services for their technologies and therefore elect to engage such vendors over Atturra. ***For more information see Section 7.1***
Service offerings may fail to meet requirements	There is a risk that upgrading service offerings or transitioning clients onto newly developed service offerings may result in unforeseen costs, may fail to achieve anticipated revenue or may not achieve the intended outcomes. A failure by Atturra to provide its service offerings with functionality that meets client requirements would have an adverse impact on its ability to develop new client relationships and maintain existing client relationships. ***For more information see Section 7.1***
Diminishing reputation of brand	There is a risk that Atturra's reputation could be affected by the actions of third parties, such as business partners, technology providers and its client base. There is also a risk that unforeseen issues or events may arise that adversely impact its reputation. ***For more information see Section 7.1***

TOPIC	SUMMARY
Failure to attract and retain key personnel	There is a risk that Atturra's growth, and in particular the continuous development of its service offerings will be limited by an inability to attract and/or retain key staff. If Atturra fails to attract and retain key personnel, the pace of its future growth may be restricted, and the quality of its service offerings may be reduced. *For more information see Section 7.1*
Exposure to potential breaches of data security	There is a risk that security and technical precautionary measures taken by Atturra and its third party operators will not be sufficient to prevent unauthorised access to the Company's networks, systems and databases. There is also a risk that Atturra's service offerings are adversely affected by misuse by staff or contractors, disruption, failure, service outages or data corruption that could occur as a result of computer viruses, bugs, worms, malware, internal or external misuse by website, hacking or cyber-attacks. *For more information see Section 7.1*
Failure to effectively manage growth	The Company expects further growth in the future which could place significant strain on current management, operational and financial resources as well as the infrastructure supporting the Company. In particular, given the specific expertise that employees and contractors of Atturra require, the lack of a readily available labour force with skills aligned with the Company's service offerings may hinder its growth. *For more information see Section 7.1*
Exposure to acquisition risks	There is a risk that the Company may not be able to identify and acquire suitable businesses or, if it does, it may not be able to integrate effectively the operations, products, technologies and personnel of the acquired companies and achieve expected synergies. In addition, the acquisition of an existing business involves a risk of unknown or unanticipated liabilities being incurred, in respect of which the Company is not able to rely on any contractual protection, following completion of the acquisition. *For more information see Section 7.1*
Ability to access future capital	If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and this could have a material adverse effect on the Company's activities and could affect the Company's ability to continue as a going concern. *For more information see Section 7.1*
Lack of registrable IP	The Company does not have any registrable IP in relation to its software codes nor does it hold any patents in relation to its service offerings. In the event that senior employees leave the Company, there is a risk that business "know how" or trade secrets in relation to a service offering provided by the Company may be lost and unable to be regained by the Company. *For more information see Section 7.1*
Price of Shares	Once the Company becomes a publicly listed company, it will become subject to general market risk that is inherent in all securities listed on a stock exchange. This may result in fluctuations in the Company's share price that are not explained by the Company's fundamental operations and activities. *For more information see Section 7.2*

TOPIC	SUMMARY
Liquidity of shares	Once the Shares are quoted on ASX, there can be no guarantee that an active trading market for the Shares will arise or that the price of the Shares will increase. ***For more information see Section 7.2***
Inability to pay dividends or make other distributions	The ability for future dividends or other distributions to be paid by the Company will be contingent on its continued ability to generate profits. Furthermore, to the extent that the Company pays any dividends, the ability to offer fully franked dividends is contingent on making taxable profits in excess of accumulated losses. Taxable profits may be volatile, making the payment of dividends unpredictable. ***For more information see Section 7.2***
Taxation changes	Changes in tax law (including goods and services taxes and stamp duties), or changes in the way taxation laws are interpreted, may impact the Company's tax liabilities or the tax treatment of a Shareholder's investment. In particular, both the level and basis of taxation may change. ***For more information see Section 7.2***
Litigation risk	Atturra may be involved in litigation disputes from time to time. Litigation disputes brought by third parties, including but not limited to distribution partners, clients, suppliers, business partners and employees may adversely impact the financial performance and industry standing of the business, in the case where the impact of legal proceedings is greater than or outside the scope of the Company's insurance. ***For more information see Section 7.2***
Accounting standards	Changes in the Australian Accounting Standards and subjective assumptions, estimates and judgements by management related to complex accounting matters could significantly affect the Company's financial results or financial condition. ***For more information see Section 7.2***
Force majeure	Significant catastrophic events (such as war, acts of terrorism, pandemics, loss of power, cyber security breaches or global threats) or natural disasters (such as earthquakes, fire or floods or the outbreak of epidemic disease) could disrupt the Company's operations and those of its clients. Such impacts may affect the Company's ability to deliver services to its clients by interrupting critical functions, reducing demand for the Company's services, preventing clients from honouring their contractual obligations to the Company, or otherwise harming the Company's business. ***For more information see Section 7.2***
Unforeseen risk	There may be other risks of which the Directors are unaware as at the Prospectus Date which may impact on the Company, its operations and/or the valuation and performance of its Shares. ***For more information see Section 7.2***
Shareholder dilution risk	The Company may undertake additional offerings of Shares and of securities convertible into Shares in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, the voting power of the Company's Existing Shareholders will be diluted. ***For more information see Section 7.2***

TOPIC	SUMMARY
Speculative nature of investment	The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus. As a result, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares. Potential investors should consider that an investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus. ***For more information see Section 7.2***

2.6. Key financials and dividend policy

TOPIC	SUMMARY
How does the Company expect to fund its operations?	The Company has generated surplus Cash Flow from Operating Activities in each of FY19, FY20 and FY21. A surplus is also expected in FY22. ***For more information see Section 5.4.3***
What is the Company's pro forma historical financial performance?	See table below. ***For more information see Section 5.3.1***

	PRO FORMA		
$ MILLIONS	FY19	FY20	FY21
Revenue	64.8	76.0	98.3
Gross profit	16.1	17.8	29.6
EBITDA	1.1	4.2	8.4
EBIT	(0.0)	3.0	6.8
Net profit before tax	(0.1)	2.9	6.7
Net profit after tax	(0.2)	2.6	5.6

<table>
<tr><th>TOPIC</th><th>SUMMARY</th></tr>
<tr><td>What is the Company’s statutory historical financial performance?</td><td>
<table>
<tr><th></th><th colspan="3">STATUTORY</th></tr>
<tr><th>$ MILLIONS</th><th>FY19</th><th>FY20</th><th>FY21</th></tr>
<tr><td>Revenue</td><td>64.8</td><td>76.0</td><td>98.3</td></tr>
<tr><td>Gross profit</td><td>16.2</td><td>18.1</td><td>29.6</td></tr>
<tr><td>EBITDA</td><td>0.6</td><td>4.6</td><td>11.2</td></tr>
<tr><td>EBIT</td><td>0.2</td><td>3.5</td><td>9.6</td></tr>
<tr><td>Net profit before tax</td><td>0.1</td><td>3.4</td><td>9.5</td></tr>
<tr><td>Net profit after tax</td><td>(0.0)</td><td>2.9</td><td>7.6</td></tr>
</table>
<i>For more information see Section 5.3.4</i></td></tr>
<tr><td>Are there any forecasts of future earnings?</td><td>Yes. The Board forecasts FY22 revenue to grow to $126.7 million which is up 29% on FY21 and FY22 EBIT to grow to $11.5 million (before Offer costs) which is up 69% on FY21. The FY22 forecast earnings is based on 2 months of actual performance and 10 months of forecast performance.
<i>For more information see Section 5.3.1</i></td></tr>
<tr><td>What is the Company’s dividend policy?</td><td>There is no intention for the Group to pay a dividend in respect of the forecast period outlined in this Prospectus. It is the Directors’ intention to reinvest future cash flows into further growing the Company.
The payment of dividends by the Group beyond the forecast period is at the discretion of the Directors and will be a function of a number of factors including the Company’s operating results, cash flows, financial condition, availability of franking credits and any other factors the Directors may consider relevant.
<i>For more information see Section 5.10</i></td></tr>
</table>

TOPIC	SUMMARY
What will the Company's capital structure be on Completion? ***continued***	The capital structure of the Company following Admission is summarised in the table below:

SHARES	NUMBER
Shares on issue as at the Prospectus Date	1
Shares to be issued under the Restructure[7]	150,277,368
Shares to be issued under the Offer[7]	50,359,080
Total Shares on issue at Admission[8]	200,636,449

PERFORMANCE RIGHTS	NUMBER
Performance Rights on issue as at the Prospectus Date	750,000
Performance Rights to be issued under the Offer	Nil
Total Performance Rights on issue at Admission	750,000

For more information see Section 11.5

2.7. Directors and key management

TOPIC	SUMMARY
Who are the Directors of the Company?	The Board consists of: a. Shan Kanji – Non Executive Chairman; b. Jonathan Rubinsztein – Non Executive Director; c. Nicole Bowman – Non Executive Director; and d. Stephen Kowal – Chief Executive Officer & Executive Director. Information about the experience, background, personal interests and independence of each Director is set out in Section 8.1. ***For more information see Section 8.1***
Who are the key management of the Company?	The key management team consists of: a. Stephen Kowal – Chief Executive Officer and Executive Director; b. Richard Shaw – Chief Financial Officer; and c. Kunal Shah – Company Secretary. Information about the experience and background of each member of key management is set out in Sections 8.1 and 8.2. ***For more information see Section 8.2***

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[7] This also includes approximately 800,000 Shares issued under the Employee Gift Offer to Eligible Employees.

[8] Under the Restructure, existing shareholders of Atturra Holdings were offered either Shares or a combination of Shares and a cash payment in consideration for the acquisition of 100% of the issued capital of Atturra Holdings. 23 of the existing shareholders elected to receive Shares and one of the existing shareholders elected to receive a combination of a cash payment of $779,540 (being the equivalent of 1,559,080 Shares) with the remainder of the consideration as Shares. A summary of the Restructure is set out in Section 11.4.

2.8. Significant interests of key people and related party transactions

<table>
<tr><th>TOPIC</th><th>SUMMARY</th></tr>
<tr><td>Who will be the substantial Shareholders of the Company upon Admission?</td><td>Upon Admission, the substantial Shareholders will have the following shareholding interests:
<table><tr><th>SHAREHOLDER</th><th>SHARES</th><th>%</th></tr><tr><td>Driftwood IT Pty Limited</td><td>81,688,100</td><td>40.7%</td></tr><tr><td>263 Finance Pty Limited</td><td>33,255,612</td><td>16.6%</td></tr></table>
<i>For more information see Section 11.6</i></td></tr>
<tr><td>What benefits and interests are payable to Directors and what significant interest in Shares do they hold?</td><td>As at the Prospectus Date, Directors are entitled to receive annual remuneration as follows:
<table><tr><th>DIRECTOR</th><th>REMUNERATION (A$)</th></tr><tr><td>Shan Kanji</td><td>Nil</td></tr><tr><td>Stephen Kowal</td><td>$375,000 per annum (including superannuation) plus short term incentives and long term incentives as set out in Section 8.3.3.1.</td></tr><tr><td>Jonathan Rubinsztein</td><td>Nil</td></tr><tr><td>Nicole Bowman</td><td>$75,000 per annum (including remuneration as chair of Audit and Risk and Nomination and Remuneration Committees)</td></tr></table></td></tr>
<tr><td>What benefits and interests are payable to Directors and what significant interest in Shares do they hold?</td><td>On Admission, the Directors will have the following interests in Shares:
<table><tr><th>DIRECTOR</th><th>NO. OF SHARES HELD</th></tr><tr><td>Shan Kanji[9]</td><td>114,943,712</td></tr><tr><td>Stephen Kowal[10]</td><td>6,872,943</td></tr><tr><td>Jonathan Rubinsztein[11]</td><td>5,825,055</td></tr><tr><td>Nicole Bowman[12]</td><td>Nil</td></tr></table>
Further details in relation to the remuneration and shareholding interests of the Directors are set out in Sections 8.3.1 and 8.3.2.
<i>For more information see Sections 8.3.1 and 8.3.2</i></td></tr>
</table>

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[9] Held by his associates.

[10] Held partly in his individual capacity and through his related entity.

[11] Held by his associates.

[12] Nicole Bowman intends to participate in the Offer. The Directors' final shareholdings will be released to ASX at the time of Admission.

TOPIC	SUMMARY
Are the Directors of Atturra selling Shares into the Offer?	No, the Directors as at the Prospectus Date are not selling Shares under the Offer. ***For more information see Section 8.3.1***
Will any Shares be subject to restrictions on disposal following Admission?	The Company intends to enter into voluntary escrow arrangements under which 29,175,250 Shares will be subject to voluntary escrow until 1 October 2022. 82,172,066 Shares will be subject to voluntary escrow until 1 October 2023 and 38,930,053 Shares will be subject to voluntary escrow until 1 October 2024. During the period in which these securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner. The Company will announce to ASX full details (quantity and duration) of the Shares held in escrow prior to the Shares commencing trading on ASX. ***For more information see Section 9.13***
What contracts with related parties is the Company a party to?	On 28 January 2021 (**Effective Date**), the Group companies FTS NHC Pty Ltd (**Borrower**) and FTS Nominees Pty Ltd (**Guarantor**) entered into an unsecured loan agreement with 263 Finance Pty Ltd (**Lender**) pursuant to which the Lender granted a loan to the Borrower of $1,750,000 (**Loan Amount**) with the maximum draw down from the loan to be $5,750,000 (**Facility Limit**) (**263 Finance Loan Agreement**). Subsequently on 20 August 2021, 6 November 2021 and on 9 November 2021 the parties entered into three deeds of amendment and restatement of the 263 Finance Loan Agreement (collectively, the **Amended 263 Finance Loan Agreement**). As at the date of this Prospectus, an amount of $5,750,000 has been drawn under the Amended 263 Finance Loan Agreement. On 28 October 2021, the Company entered into an agreement with Shan Kanji trading as Kanji & Co ABN 61 553 393 384 (**K&C**), a legal services practice which is a related party of the Company by virtue of Shan Kanji being the principal solicitor. Under the agreement, K&C provides the Company with legal services from time to time and on a matter by matter basis on standard arm's length terms. On 12 November 2021, FTSG Pty Ltd, a subsidiary of the Company, entered into an agreement effective from 1 October 2021 with Kanji IT Pty Ltd ACN 653 921 058 (**Kanji IT**), an IT services practice which is a related party of the Company on the basis that it is an associate of Shan Kanji, a Director of the Company. Under the agreement, Kanji IT provides the Company with hosting services for its payroll system on standard arm's length terms. ***For more information see Section 8.3.5***

2.9. Overview of the Offer

TOPIC	SUMMARY
What is the Offer?	The Offer comprises of approximately 49.6 million new Shares to be issued by the Company at the Offer Price of $0.50 per Share to raise approximately $24.8 million. There will also be 0.8 million Shares issued to Eligible Employees for nil consideration. ***For more information see Section 9.2***
What is the Offer Price?	$0.50 per Share. ***For more information see Section 9.2***
What is the Offer Size?	The Offer is for approximately 49.6 million Shares and approximately 0.8 million Shares under the Employee Gift Offer. The Shares issued under the Offer will represent approximately 25.1% of the total Shares on issue following Completion, with the remaining approximately 74.9% held by Existing Shareholders. All Shares under the Offer (excluding those issued under the Employee Gift Offer, which will be issued to Eligible Employees for nil consideration) will be issued at the Offer Price, being $0.50 per Share. ***For more information see Section 9.2***
What is the structure of the Offer?	The Offer is comprised of: • the Broker Offer, which is open to Australian resident retail clients of Brokers who receive a firm allocation of Shares from the Joint Lead Managers; • the Institutional Offer, which consists of an offer to institutional investors in Australia and a number of other eligible jurisdictions to apply for Shares; • the Priority Offer, which is open to investors who have received an invitation to participate in the Priority Offer from the Company; and • an Employee Gift Offer which is open to Eligible Employees who have received a personalised invitation to participate in the Employee Gift Offer from Atturra. ***For more information see Section 9.3***
Why is the Offer being conducted?	The Offer is being conducted to: • provide funding to implement the business model, objectives and growth strategy of Atturra as stated in Section 3.6; • provide Atturra with the benefits of an increased profile that arises from being a publicly listed company; • provide Selling Shareholders with an opportunity to realise all or part of their investment in Atturra Holdings; and • provide a liquid market for Shares and an opportunity for others to invest in Atturra. The Board believes that on Admission, the Company will have sufficient working capital to achieve its objectives. ***For more information see Section 9.4***

TOPIC	SUMMARY
What is the proposed use of proceeds raised under the Offer?	The proceeds received by the Company from the issue of new Shares under the Offer will be used as follows: USE OF FUNDS – A$M IP development and operating costs and working capital – $1.4 million Acquisitions – $20.0 million Payment of Offer costs – $2.6 million Payments to fund the Restructure – $0.8 million **Total Offer Proceeds – $24.8 million** Further details are set out in the table in Section 9.5. ***For more information see Section 9.5***
Is the Offer underwritten?	The Offer is fully underwritten by the Joint Lead Managers. ***For more information see Section 9.8***
Who are the Joint Lead Managers?	Morgans Corporate Limited and Shaw and Partners Limited have been appointed as the Joint Lead Managers to the Offer. ***For more information see Section 11.10***
Will the Shares be quoted on ASX?	The Company will apply for Admission and quotation of the Shares on ASX under the code 'ATA' within seven days of the Prospectus Date. Admission is conditional on ASX approving the application for Admission and quotation. If approval is not given within three months after the Prospectus Date (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act. ***For more information see Section 9.14***
What is the allocation policy?	The allocation of Shares within and between the Institutional Offer, the Broker Offer, the Priority Offer and Employee Gift Offer will be determined by the Company in consultation with the Joint Lead Managers. The Company, in consultation with the Joint Lead Managers, has absolute discretion regarding the basis of allocation of Shares amongst Applicants. No assurance can be given that any Applicant under the Offer will be allocated all or any Shares applied for. The Company will not be liable to any person not allocated Shares or not allocated the full amount applied for. ***For more information see Sections 9.9.2, 9.10.4, 9.11.4, and 9.12.4***
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Applicants on an acquisition of Shares under the Offer. ***For more information see Section 9.8***

TOPIC	SUMMARY
What are the tax implications of investing in the Shares?	Refer to Section 11.9 and note that it is recommended that all Shareholders consult their own independent tax advisers regarding the income tax (including capital gains tax), stamp duty and GST consequences of acquiring, owning and disposing of Shares, having regard to their specific circumstances. ***For more information see Section 11.9***
How can I apply?	Applicants under the Priority Offer may apply for Shares online or by completing a valid Application Form attached to or accompanying this Prospectus in accordance with the instructions set out in the Application Form. Applicants under the Broker Offer should follow the instructions of their Broker. Application procedures for institutional investors have been advised to the institutional investors by the Joint Lead Managers. Eligible Employees will receive a letter of offer detailing the terms of the Employee Gift Offer, along with details of how to apply for Shares. Completed Application Forms and accompanying payment must be lodged with the Share Registry before 5.00pm Sydney time on the Closing Date. An Application may not be withdrawn after it is submitted unless the Applicant is permitted to withdraw the Application in accordance with the Corporations Act. ***For more information see Section 9.8***
What is the minimum and maximum Application size?	The minimum Application size is $2,000 worth of Shares (4,000 Shares). Payment for the Shares must be made in full at the Offer Price, being $0.50 per Share. The Joint Lead Managers and the Company reserve the right to reject any Application or to allocate a lesser number of Shares than applied for. There is no maximum value of Shares that may be applied for under the Offer. ***For more information see Section 9.8***
When will I receive confirmation that my Application has been successful and when can I sell my Shares?	Confirmations of successful Applications in the form of holding statements are expected to be dispatched by standard post on or around Monday, 20 December 2021. The expected date of quotation of Shares is Wednesday, 22 December 2021. After quotation, Shareholders and other investors may buy or sell Shares at the prevailing market price. There may or may not be a liquid market for Shares and Shares may trade above or below the Offer Price. It is the responsibility of each Applicant to confirm their holding before trading Shares. Applicants who sell Shares before they receive an initial holding statement do so at their own risk. ***For more information see Section 9.8***
Can the Offer be withdrawn?	Yes. The Company reserves the right not to proceed with the Offer at any time before the issue of Shares to successful Applicants. If the Offer does not proceed, Application Monies will be refunded. No interest will be paid on any Application Monies refunded as a result of the withdrawal of the Offer. ***For more information see Section 9***

TOPIC	SUMMARY
Where can I find out more information about this Prospectus or the Offer?	All enquiries in relation to this Prospectus should be directed to the Company's Offer Information Line on 1300 158 770 (within Australia) or +61 3 9415 4036 (outside Australia) between 8.30am and 5.00pm (Sydney time) on Monday to Friday during the Offer Period. If you are unclear in relation to any matter or are uncertain as to whether Shares are a suitable investment for you, you should seek professional advice from your stockbroker, solicitor, accountant, financial advisor or other independent and qualified professional adviser before deciding whether to invest. ***For more information see Section 9***

Section 3.

Company and Business Overview

3.1. Overview

3.1.1 Atturra snapshot

Atturra is a leading privately owned technology services business in Australia. Formed in 2015, Atturra is a leader in designing, implementing, and maintaining IT solutions for many of Australia's largest private and public organisations. Atturra has and continues to achieve strong growth since inception, with a revenue CAGR of 23.5% from FY19 to FY21.

Atturra provides expertise across a broad range of specialist in-demand IT areas to deliver solutions to clients. Atturra uses transformative and market leading technologies and business applications that enable digital transformation.

Atturra currently engages over 500 consultants, IT and support personnel in Sydney, Melbourne, Brisbane, Canberra, Adelaide, Perth, New Zealand and Singapore. This includes over 200 security cleared personnel that enables Atturra to undertake work with Federal Government Agencies, Defence and National Security organisations.

In delivering its solutions, Atturra focuses on three core principles:

- **Simplify**: Identify, assess and reduce redundant business processes and systems
- **Optimise**: Assess existing business processes and systems to be enhanced or improved
- **Modernise**: Upgrade and/or replace legacy business processes and systems with updated versions

Figure 3.1: Atturra snapshot and key business lines

atturra

Leading integrated IT solutions provider

Mission and vision
- Help organisations realise their business potential through core principles
● Simplify ● Optimise ● Modernise

Key business lines
- Advisory and Consulting
- Business Applications
- Data and Integration
- Cloud Services
- Change Management and Adoption
- Management Control Solutions
- Industry Engagement

Business snapshot
- **$126.7m** FY22 revenue(a)
- **$11.5 m** FY22 EBIT(b)
- **Over 500 personnel**
- **Of which over 200 security cleared**

a. Revenue from customers, excludes government grants.

b. Financials are presented on a pro-forma basis: figures are post-IFRS and include ongoing public company costs. Excluding one-off Offer costs (e.g, Advisor costs, ASX listing fee, employee gift shares).

3.1.2 Company history

Established in 2015, Atturra (formerly known as FTS Group) was created by bringing together five specialist IT services brands that were specialists in their respective fields – ANATAS, Cubic Consulting, Kobold, SME Gateway and Veritec. The vision has become to build a leading Australian IT solutions company that can drive digital transformation and provide clients with end-to-end IT outcomes.

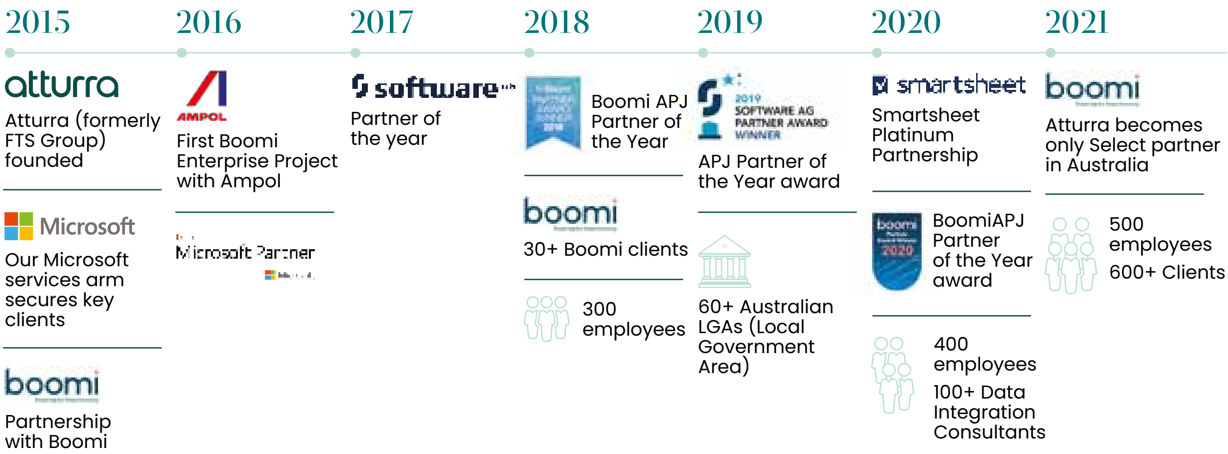
Atturra has since grown both organically and through several acquisitions. Between 2015 and 2021 Atturra executed five acquisitions including Galaxy 42 Pty Ltd and ChartSmart Pty Ltd which both increased the Company's capability in delivering TechnologyOne services which has become a core focus in delivering services to Local and Federal Government. Atturra also acquired the majority of shares in Noetic Group Pty Ltd which expanded the Company's capability in providing IT consulting to primarily the Defence industry.

These acquisitions are aligned to the Company's industry strategy, focusing on industries in which there are either high barriers to entry, for example Defence which requires security clearances, or there is no clear market leader. These acquisitions are also aligned to the Company's technology strategy of selecting technologies where Atturra can have a market dominant position or are high growth.

Atturra has also developed practices organically as a key partner to Microsoft, Software AG, Boomi and Smartsheet. This blend of capabilities allows Atturra to maintain and develop a competitive and defensible position with clients and position it for future growth.

Some key milestones in Atturra's history since launch in 2015 are set out in Figure 3.2 below.

Figure 3.2: Atturra key milestones



2015

Atturra (formerly FTS Group) founded

Our Microsoft services arm secures key clients

Partnership with Boomi

2016

First Boomi Enterprise Project with Ampol

2017

Partner of the year

2018

Boomi APJ Partner of the Year

30+ Boomi clients

300 employees

2019

APJ Partner of the Year award

60+ Australian LGAs (Local Government Area)

2020

Smartsheet Platinum Partnership

BoomiAPJ Partner of the Year award

400 employees

100+ Data Integration Consultants

2021

Atturra becomes only Select partner in Australia

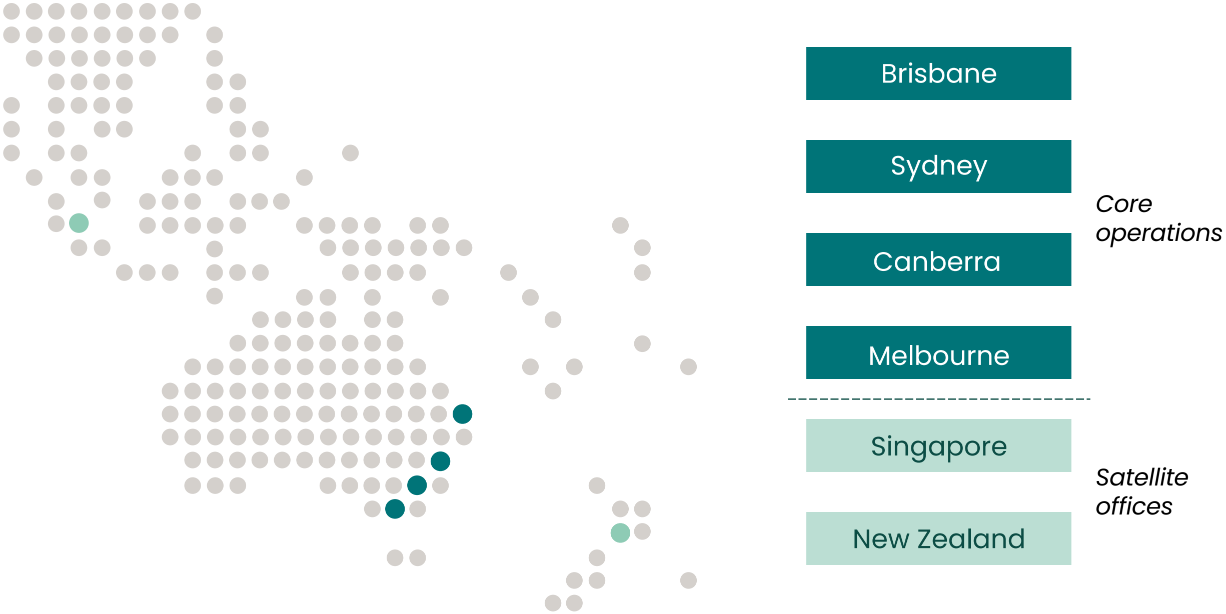
500 employees

600+ Clients

3.1.3 Operations

Atturra has over 500 consultants and personnel across Australia. Atturra is headquartered in Sydney and has offices in Canberra, Brisbane and Melbourne. In addition, Atturra also has personnel in Adelaide, Perth, Singapore and New Zealand, providing national coverage and local support for international clients and technology partners.

Figure 3.3: Atturra operational footprint



3.2. Business overview

3.2.1 Business overview and service offerings

Atturra provides a broad range and flexible suite of integrated solutions across the main business service segments including:

- Advisory and Consulting
- Business Applications
- Data and Integration
- Cloud Services
- Change Management and Adoption
- Management Control Solutions
- Industry Engagement

These business segments are distinct, but interrelated, allowing Atturra to provide holistic, whole-of-organisation solutions.

Table 3.1: Atturra key service lines

Advisory and Consulting	Atturra provides holistic consulting services, from project concept through to design, implementation and support, serving as a key competitive advantage and enhancing its client value proposition. Key services provided include: • Design and implementation of transformation programs • Expert reviews of projects, programs and operational processes to optimise enterprise governance and risk management • Design, development and facilitation of experimentation and testing processes to validate concepts and prototypes • Value management through benefits realisation • Identification, analysis and insight to support Executive Decisions[1]
Business Applications	Atturra sources and incorporates key business applications to support the design and delivery of key client process and system objectives. As businesses shift legacy applications to more modern integrated platforms, Atturra helps clients navigate complex application landscapes, which often include a mix of legacy systems, digital and/or SaaS platforms. This division works closely with SaaS leaders including, Microsoft and TechnologyOne.
Data and Integration	Atturra assists clients to remove data silos and improve business processes by enabling a data connected IT landscape ("data integration"). Atturra delivers its services by enabling clients to utilise modern iPaaS, API, and Master Data Management Solutions for designing and implementing agile integration solutions leveraging Atturra's IP and industry best practices. Atturra Data and Integration partners closely with iPaaS and API leaders including Boomi, Software AG, and Solace. Complementing data integration, Atturra delivers additional data outcomes including data platforms and data analytics. Atturra partners closely with leading providers including Snowflake and Okta to implement distributed platforms for high performance database management, enabling on-demand flexible storage and reporting of data.

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1. Executive Decisions refer to decisions which are often delegated to a committee (primarily in Government and Defence).

Cloud Services	Cloud Services are the transition of IT infrastructure to cloud-hosted systems, improving clients' business efficiency, streamlining processes and improving client and employee experiences. Atturra provides end-to-end IT project delivery to modernise IT infrastructure and applications to maximise the benefits of operating in the cloud. Atturra delivers Cloud Services by leveraging its expertise in public, hybrid and protected cloud environments. This division works closely with Cloud technology leaders such as Microsoft Azure.
Change Management and Adoption Services	Atturra Change Management and Adoption Services is the collective approach of preparing, supporting and helping Atturra's clients effectively implement large-scale technological change. Services provided in this division include a broad range of people-focused activities, including communications, coaching and engagement exercises.
Management Control Solutions	Atturra provides senior business leaders with confidence when they need to make decisions – even when they are under time pressure. This is achieved by combining human intelligence and smart technology. Leveraging data and analytics, these solutions deliver insights across the decision support and analytics spectrum.
Industry Engagement	Atturra provides industry capability and expertise by connecting over 400 Australian SMEs with Defence and Government clients. The Company uses a distinctive brand – SME Gateway – to provide this capability.

3.2.2 Corporate strategy

Atturra has developed a corporate strategy to position itself in significant market gaps, to capture local market share and move towards becoming Australia's leading IT solutions provider.

Gap in the market	Atturra will seek to capture market share where there are gaps in the market or areas of demand. An example of this for Atturra is sovereign procurement. Governments have implemented guidance towards increased Australian procurement to reduce sovereign risk and support local businesses. Atturra has actively engaged with global technology leaders to be able to provide international service capability to Australian clients.
Strategic target sectors	Atturra targets client segments with high barriers to entry such as Government and Defence. Atturra has created increased barriers to entry for competitors with over 200 security cleared staff able to work on projects requiring security clearance. With high barriers to entry, once within an industry, Atturra uses its position to create a network effect of new business, especially if the industry is under-serviced. As an example, within the Local Government segment, Atturra has grown its Local Government client base by 176% from 2019 to 2021. This has also occurred in higher education, with Atturra's client base growing by 150% from 2019 to 2021.

Strategic technology expertise	Atturra prioritises gaining technology expertise in specialised, high growth areas. For example, iPaaS is a market with few vendors and high demand growing at over 40% CAGR (2020-2025). Atturra wants to be a leading implementation partner for these high growth technologies. For Boomi, Smartsheet and WebMethods, Atturra already is a leading partner. For technologies with no partner ecosystem, such as TechnologyOne, Atturra seeks to be a key provider. As few other vendors have this breadth of expertise, Atturra becomes entrenched with clients and is difficult to displace.
Build intellectual property	Atturra is continually creating a bank of intellectual property and know-how focused on repeatability across clients. For example, Atturra has created a Google G-Suite to Office365 migrator that makes transitioning to Microsoft environments quick, simple and safe. This is complemented by organisation-wide collaboration tools built on Microsoft SharePoint, and deployment support tools for Microsoft Azure. Together these types of tools save valuable development time for Atturra and its clients.

3.2.3 Key technology capabilities

Atturra has a number of strategic technology partnerships with several category-leaders that enable the Company to implement its services. Several of these partners are leaders in their IT areas and as they grow in popularity, demand and usage, Atturra is positioned to deliver these services to clients. Table 3.2 details the list of technologies where Atturra is a leading service provider.

Table 3.2: Atturra key technology capabilities

TECHNOLOGY SERVICE CAPABILITY	DESCRIPTION
Boomi	Atturra believes it has the largest Boomi integration team in Australia. In 2018 and 2020, Atturra was awarded the Asia-Pacific Japan Partner of the Year award. Atturra is the only Asia-Pacific Japan partner to be a member of the Boomi Global Partner Advisory Board and the only Australian-owned Partner with the partner status of “Select”. Boomi has grown to over 17,000 customers worldwide and is well established in the global data transformation market. As Boomi has grown in Asia-Pacific, Atturra has supported its growth and grown alongside it. Boomi is a suite of cloud-based applications allowing customers to automate digital data transformation. Digital data transformation is the process of moving data from one system to another. Typically, this process requires significant manual input. Boomi improves this process by allowing organisations to move data faster and more efficiently, including through the cloud.

TECHNOLOGY SERVICE CAPABILITY	DESCRIPTION
Boomi *continued*	The *Total Economic Impact of the Boomi AtomSphere Platform, August 2021*, a commissioned study conducted by Forrester Consulting showed that with a successful implementation of Boomi, over a 3 year period a customer can expect to experience: • $3.2 million in gross profit unlocked through additional revenue streams • $2.3 million in savings by retiring previous integration solutions • $2.7 million value gained through increased data analyst productivity and faster data discovery • The ability to enable citizen developers across the organization for self-service integration projects • Boomi AtomSphere Platform delivered 410% ROI and reduced integration development time by 65% boomi Partner Award Winner 2020 Boomi PARTNER AWARD WINNER 2018
Microsoft	Atturra is a Microsoft Gold Partner, having been awarded certification from Microsoft on the basis of having the best-in-class capability within multiple Microsoft solution areas. As a Gold Partner, Atturra has access to powerful go-to-market offers and programs that help continually expand and grow the Company. Gold certification also allows Atturra to pursue more advanced Microsoft specialisations unavailable to the general market. With over 5 years' experience as a Gold Partner, Atturra has built a reputation as the go-to partner for Microsoft's best-performing products: • Dynamics 365 – Microsoft's market-leading CRM suite. Growing 49% in the last quarter (April-June 2021). • Azure – Microsoft's market-dominating cloud platform of more than 200 products and cloud services. Growing 50% in quarter four of FY21. • Power Platform – Microsoft's powerful set of applications that allow you to automate processes, build solutions, analyse data, and create virtual agents. Growing at 400% in 2020. • Microsoft 365 – Microsoft's market-leading office productivity suite. Growing 20% in the last quarter with 51.9M subscribers. IDC figures show that in 2020 Microsoft partners generated an estimated $9.58 for every $1 worth of Microsoft revenue and they expect this number to increase to $10.04 by 2024. The market opportunity with Microsoft is accelerating and Atturra is exceptionally well-positioned to take full advantage. Gold Microsoft Partner Microsoft

TECHNOLOGY SERVICE CAPABILITY	DESCRIPTION
Software AG	Software AG webMethods Integration and API platform solutions allow customers to integrate all systems, clouds, data and devices providing the foundations for new business models. Atturra has been a long-standing preferred Systems Integrator for Software AG for webMethods, assisting in delivering many projects and initiatives to clients. Atturra is a leader in the webMethods community, helping more customers upgrade their platforms than all other partners in Australia combined. Atturra is leading the way with webMethods modernisation by being the first and only partner in Australia to successfully migrate an Enterprise webMethods deployment to modern cloud AWS infrastructure. Having a very strong position in webMethods, Atturra has positioned itself to benefit from the technology upgrade cycles. Atturra believes that it has won every major webMethods upgrade project taken to market since FY19. Atturra believes it has the largest webMethods integration team in Australia and in 2017, Atturra was awarded the Asia-Pacific Japan Rising Star Partner of the year. In 2019, Atturra was awarded the Asia-Pacific Japan Partner of the Year award. 2019 SOFTWARE AG PARTNER AWARD WINNER
Smartsheet	Smartsheet, developed and marketed by Smartsheet Inc., is a SaaS offering for collaboration and work management., Smartsheet is used to assign tasks, track project progress, manage calendars, share documents, and manage other work, using a tabular user interface. In the third quarter of fiscal 2021, Smartsheet's dollar net retention rate was 125%. Moreover, Smartsheet's average annual contract value (ACV) per domain-based customer increased 42% year over year to $4,665. Atturra is an Australia Pacific Japan (APJ) Platinum partner of Smartsheet. Atturra is the only ANZ Certified Services Partner, and the only ANZ Certified Education Partner. In 2021, Atturra was awarded the APAC Partner of the Year award. smartsheet | aligned Platinum Partner

TECHNOLOGY SERVICE CAPABILITY	DESCRIPTION
TechnologyOne	TechnologyOne is Australia's leading enterprise software company and one of Australia's top 200 ASX-listed companies. Their products are widely used across Australia and New Zealand across a range of industries and they hold dominant market positions in both higher education and Local Government sectors. As an example, 73% of Australians live in a council powered by TechnologyOne. Atturra believes it is the largest independent provider of services supporting the TechnologyOne applications. It has helped over 100 clients to enhance, simplify and modernise their use of the TechnologyOne applications. Atturra has assisted numerous clients migrate from on-premise versions to the latest TechnologyOne SaaS versions and expects this workload to increase given recent announcements by TechnologyOne (https://technologyonecorp.com/saas/pathway-to-saas) that they are discontinuing support for their on-premises applications.
INFOR	INFOR is a global enterprise company that provides software products for every aspect of a business. INFOR builds complete industry suites in the cloud and efficiently deploys technology that puts the user experience first, leverages data science, and integrates easily into existing systems. Atturra is an Alliance Partner to INFOR to provide services to clients utilising their asset maintenance application IPS and their Local Government application Pathway both widely used in Australia and New Zealand. Atturra believes it is INFOR's largest Pathway application specialist further enhancing Atturra's position in the Local Government market.
OpenText	OpenText is a market leader in Enterprise Information Management software and solutions, enabling intelligent and connected enterprises. Atturra has a partnership with OpenText ANZ as an exclusive local partner focused on Data Capture and Data Archive (unstructured data). This partnership will be a key focus for Atturra in the future.

3.2.4 Client value proposition

Atturra provides end-to-end, differentiated offerings and a compelling value proposition to clients. Some of the key benefits and selling propositions for clients using Atturra's services include:

- Delivery of a holistic, single solution through the design of multiple value-added digital services, resulting in a differentiated, bespoke offering with superior client experience
- Easy and flexible integration into client environments
- Facilitation of enterprise digital transformation with high levels of digitisation and automation
- Increased productivity for users across client organisations as a result of digital transformation
- Change management services to drive the successful adoption of new technical and business solutions, maximising the success of transformational projects
- Industry focus ensuring deep knowledge and capability to rapidly implement comprehensive solutions
- Measurability at the core of each implementation, with analytics to assist clients and their users to gain immediate efficiencies and insights
- Extensive range of leading technologies and business applications ensuring clients stay ahead of the development curve
- Know-how and processes developed throughout corporate history and previous, successful, engagements to deliver value to enterprises and government clients

Atturra management believe the Company is well equipped and has built a solid foundation to accelerate the next stage of growth.

3.2.5 Key clients

The strength of the Atturra business and value proposition is reflected in the quality and size of its client base. Since 2015, Atturra has worked with over 600 clients. The Company's client base includes public and private entities in growing sectors, including Local and Federal Government, education, Defence, superannuation and financial planning, and Utilities, amongst others.

Table 3.3: Key client sectors

VERTICAL	ATTURRA MARKET PERSPECTIVE
Local Government	Atturra is a leading IT service provider to local councils (also referred to as Local Government Authorities or LGAs), underpinned by its expertise in business systems consulting and position as a leading independent consulting provider of TechnologyOne. Atturra has recently extended its capability in this key vertical by partnering with INFOR and are now their leading service provider for their Pathway application. TechnologyOne and INFOR Pathway applications hold a dominant position in large-to-medium sized councils across Australia and New Zealand. Atturra views the Local Government sector as a consistent market with significant growth prospects and it is a strategic segment because in the view of Atturra it lacks a dominant service provider. Atturra has 90 LGA clients, a selection of which are listed below: Bayside Council Fraser Coast REGIONAL COUNCIL MIDCOAST council

VERTICAL	ATTURRA MARKET PERSPECTIVE
Federal Government	Atturra believes it is one of the largest sovereign Australian IT service providers to the Federal Government, providing advisory, technical skills, product knowledge, whilst also leveraging its security cleared staff. A selection of Federal Government clients include: • Department of Health • Department of Education, Skills and Employment • Department of Agriculture, Water and the Environment
Education	Atturra identified the Education vertical as requiring significant simplification, optimisation and modernisation of its systems and business processes. With COVID-19 causing a major disruption to revenue for higher education institutions, Atturra intentionally expanded its footprint in this sector understanding there would be a significant driver for change. Atturra grew its client base to 30 institutions in FY21, and expects to see continued growth from a general recovery in the sector as international and on campus learning returns. Institutions need to invest in their student management systems and business processes, to reflect the changing environment. Atturra's acquisition of ESAM Consulting in April 2021 provided capability across student management systems and related business processes, in particular the TechnologyOne student system. This acquisition expanded its overall capability and highlighted its commitment to this important vertical market. In Atturra's view there is no dominant service provider in the Education industry and as a result, Atturra aspires to be a leading service provider to the higher education market by 2025, and as a result has invested in education specific skills. A selection of current Education clients include: MACQUARIE University VICTORIA UNIVERSITY MELBOURNE AUSTRALIA QUT Queensland University of Technology
Defence	Atturra provides technical and advisory services to the Department of Defence, leveraging its growing cohort of security cleared staff. In servicing the Defence industry, Atturra provides both its direct service lines to Defence's Services and Groups and also a number of SMEs[2] in the Defence sector. Atturra has significant Defence industry consulting and technical capability. Atturra is contracted to the Department of Defence for the next three years to support the Joint Experimentation Directorate working on its forward work plan for FY21-26. Atturra management expect continued geopolitical uncertainty and focus on sovereign capabilities and providers to drive recurring opportunities in this segment.

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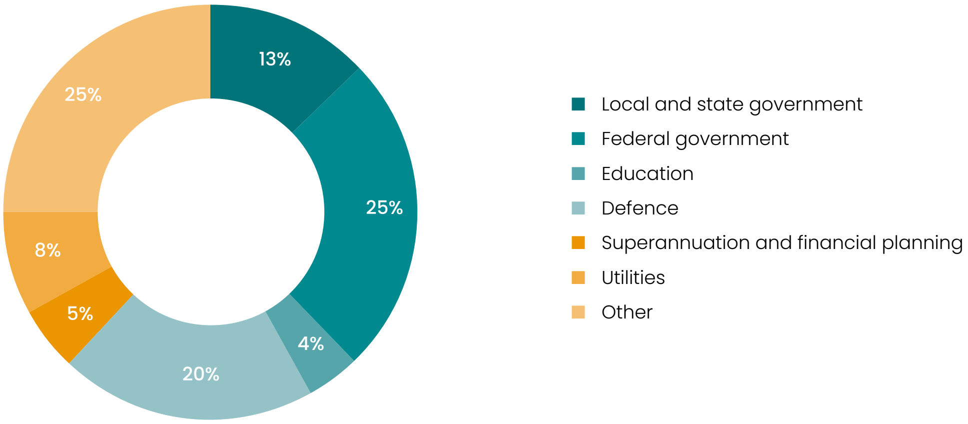
[2] Small to-medium enterprises.

VERTICAL	ATTURRA MARKET PERSPECTIVE
Superannuation and financial planning	The superannuation and financial planning sector has provided ongoing demand for a broad range of Atturra services, including data integration and migration as entities seek to grow in a secure and regulatory compliant environment. A selection of superannuation and financial planning clients include: aware SUPER Australian Unity ANZ
Utilities	Clients in the utilities sector utilise specialist services offered by Atturra to solve business and regulatory challenges and bolster growth. Atturra enables utilities clients to increase productivity, reduce downtime, and unlock new revenue opportunities as they innovate to meet increasing demand for energy while staying cost-effective and environment-friendly. Atturra played a critical role in supporting a number of utilities clients in Victoria to meet the 5MS Compliance deadlines. Atturra continues to support ongoing regulatory compliance supporting clients with the ongoing data governance changes. The following provides a selection of utilities clients: Zinfra AEMO AusNet services Jemena

Key client metrics

Atturra has low client concentration risk, with revenue diversified among a large number of clients. Federal Government and Defence represent the largest revenue generating industries for Atturra. 13 of the top-25 clients of Atturra are in the commercial sector and 62% of those are listed companies.

Figure 3.4: FY21 Revenue by industry



Atturra prides itself on its strong client relationships and in turn high client retention. Among its top 20 clients, 53% of clients have been with Atturra for over 3 years. Of the top 50 clients in FY19, 49 were paying clients in FY21. This 98% retention rate demonstrates the inherent stickiness and quality of its services and solution offerings.

A key focus of the Company is to continue expanding its offering to increase value to its clients. Atturra experiences a growing number of recurring business from clients, demonstrating the high client satisfaction. For example, Atturra's FY21 top-20 clients have signed an average of over 60 contracts each since their first contract with Atturra.

Figure 3.5: Client concentration by revenue in FY21

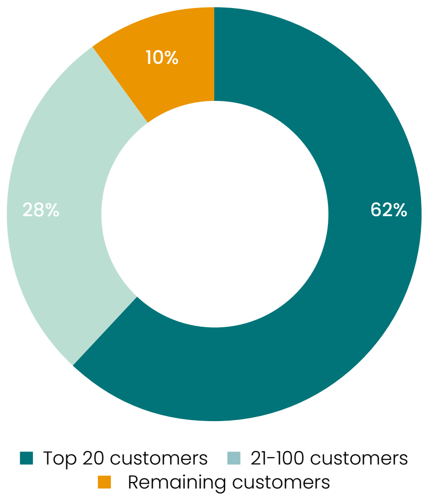
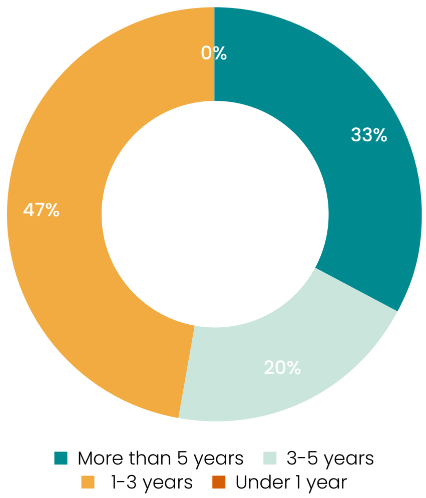


Figure 3.6: Client tenure among its Top 20 clients in FY21



The typical starting client engagement is less than 12 months, although in practice clients will typically continue its relationship with Atturra through entering into new contracts after the initial engagement is completed, as is evident in the client retention rates.

The top-20 clients generated 62% of revenue in FY21, which implies a potential to increase spend per client for the 375 clients that generated the remaining 38% of revenue. This will also lower the client concentration risk over time.

Atturra management believes that there is future potential to increase recurring revenue, including the expansion of managed services. Managed services has not been a focus of the business to date, however it is an opportunity for future growth and management is evaluating the market for opportunities both organic and acquisition-led to expand into this area.

3.2.6 Client case studies

To illustrate the types of engagement Atturra undertakes, the following case studies are provided:

Table 3.4: Atturra client case studies

Ampol/Boomi	**Client**: Ampol **Technology**: Atturra implemented Boomi's cloud-based iPaaS to support Ampol's overhaul of digital capabilities to become an agile organisation that can adapt to fast-changing market conditions and customer demands. **Services**: Atturra used Boomi to feed near-real time information back to Ampol's ERP, CRM, point-of-sales, supply chain systems and third-party platforms to inform business decisions. **Outcome**: Ampol was enabled to deliver new system integration services 70% faster and at 30% of the previous cost, providing a secure and scalable way of connecting customer, supplier, and SaaS platforms to its self-hosted IT applications.
Department of Agriculture, Water and Environment/ Microsoft	**Client**: The Department of Agriculture, Water and Environment (**DAWE**) **Technology**: Atturra implemented Microsoft Dynamics 365 solution to streamline the application process to obtain a licence to export waste glass for both exporters and DAWE personnel. **Services**: Atturra and DAWE together mapped out and implemented a user-friendly, mobile-accessible portal that ensured legal compliance providing DAWE personnel with the evidence needed to approve a licence. **Outcome**: The platform went live at the start of 2021, on time within the government timeframe. The system is likely to be expanded to plastic, tyres, paper and cardboard over the coming years.
MidCoast Council/ TechnologyOne	**Client**: MidCoast Council (formed from the merger of Great Lakes, Greater Taree, and Gloucester Shire Councils) **Technology**: Atturra assisted with the implementation of TechnologyOne as the core system to merge each council to a common set of processes on a core system with new and agreed operational procedures. **Services**: Atturra worked with MidCoast Council to adapt and implement the TechnologyOne application and to define a common set of business processes and operational procedures that delivered the benefits Council was seeking. **Outcome**: MidCoast Council has a fully integrated system running on one set of business processes, with training provided to council personnel.

3.3. Business model

3.3.1 How Atturra engages with clients

Atturra provides tailored, bespoke solutions to each client's unique situation. Depending on the specifics of an engagement, Atturra may use one or multiple service lines (referred to in Section 3.2.1) to successfully deliver a project to a client.

In a typical client engagement, desired outcomes are understood, a scope of work is developed, including deliverables and any applicable milestones.

Once Atturra is formally contracted, a project management plan is established to ensure the engagement is delivered in line with Atturra's ISO[3] certified system. Throughout each project, close client engagement is maintained incorporating Atturra's project management methodologies ensuring project delivery on time, within budget and to the quality required.

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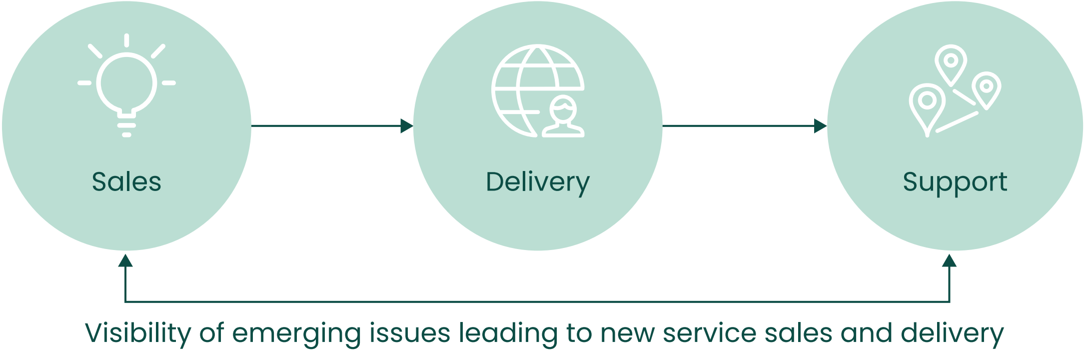
[3] ISO 9001:2015 Quality management systems.

The close relationships Atturra develops with its clients throughout its projects, combined with domain expertise, industry knowledge and technological capabilities, serve as a competitive differentiator that presents increased market share opportunities.

Post project-delivery, Atturra frequently provides ongoing support and monitoring, continuing close client relationships that lead to further engagements. This dynamic is demonstrated through a long tenure of relationships with clients.

Figure 3.7: How Atturra works with clients



3.3.2 Revenue model

Atturra primarily generates revenue through specific projects for the provision of IT services across each of its business segments – Advisory and Consulting, Business Applications, Data and Integration, Cloud Services, Change Management and Adoption and Management Control Solutions.

Revenue is generated as a fee-for-service for a specific project, an hourly rate or a combination.

Given the evolving and ongoing nature of client requirements, engagement is primarily characterised by repeat projects as required by Atturra's clients.

See Section 5 for further detail on the Company's revenue model.

3.3.3 Intellectual property and know-how

Atturra has developed its own proprietary technology and processes, built to support future growth in designing, implementing, and providing IT services and projects. The Company continues to build its know-how and technology expertise to maintain and develop its competitive position with clients. This know-how underpins the Atturra business model, and enables the Company's consultants to design, implement and maintain IT solutions for its clients.

The know-how developed by Atturra includes, but is not limited to the following:

- Atturra has built an application that provides a centralised portal for managing SAP infrastructure deployments on Microsoft Azure. This SAP Deployment Tool allows SAP developers to directly enter their requirements for supporting cloud infrastructure, check status, and once the deployment is complete, access the relevant infrastructure details.
- An integration with Microsoft Dynamics 365 ERP and other leading ERP solutions that delivers end-to-end tracking of produce throughout the product lifecycle.
- Built on Microsoft SharePoint Online and Office 365, Atturra's Modern Intranet solution is designed to make the experience about people, increasing employee engagement and collaboration.
- Atturra's G-Suite to Office migrator tools are designed to make the process of migrating from Google G-suite to Office365 quick, simple and safe.
- DA Online/ePlanning Connector - Integrates LGAs with the Department of Planning Industry and Environment (DPIE) in NSW, works with TechnologyOne, Infor and Civica. The connector automates the process for integration to the NSW DPIE Development Application (DA) Online portal and creates a seamless DA application process from council to State Government. The solution is a managed service subscription which is fully support and maintains compliance with all NSW DPIE updates.

- Standardised approach to define the effort and the process steps for upgrading webMethods with migration assets to expedite the code migration (reducing effort and testing requirements).
- Standardised approach to define the effort and the process steps for migrating traditional integration tools to a modern iPaaS Boomi. The migration assets expedite the code migration and CI/CD (continuous integration/continuous deployment) assets streamline the testing and migration phases.
- Atturra has developed a scalable implementation methodology that provides a structured and systematic approach to implementing ERP business solutions. This incorporates specific steps, activities and templates unique to applications like TechnologyOne and Infor Pathway. This methodology ensures that all tasks and activities critical to success are identified and actioned.
- Prescriptive artificial intelligence (AI) and predictive analytic algorithms.
- Management Control System design patterns – knowledge models (or patterns) and control system designs of various strategic and operational management systems used to accelerate the design and implementation of management systems for complex organisations.
- Software solution accelerators used in reducing time to value of management control solutions in the areas of:
  - Cyber system risk and control management
  - Asset management
  - Integrated logistics decision support
  - Strategic partnering management
  - Business management
  - Transformation governance and benefits management.
- Atturra has developed a tool that allows clients to see continuous change management progress, building to successful user adoption and meeting strategic objectives. Measuring against 7 key dimensions, the Company's technology uses hard and soft data at key points in the project, including user surveys, usage statistics, service tickets and learning content access.
- Atturra has a set methodology for acquisitions which has proved successful in bringing in new capabilities and not losing the essence of the acquired entities.
- Implementation processes and IP to rapidly deploy solutions for the key technologies that Atturra supports.
- Creation of templates to support consistent rollout between clients.

3.4. Sales and marketing

3.4.1 Sales strategies

Through its network, Atturra collectively pursues client opportunities both directly and with its partners. Upon successfully entering into a client contract, Atturra will engage with the client and work collaboratively to ensure a successful client outcome. This is a key strategy in the Atturra sales approach, as much of its work is derived from client referrals and word of mouth leads based on the successful client outcomes.

Atturra uses both a direct and indirect (through technology partners) approach to its sales and marketing strategy.

Direct sales strategy

In its direct sales approach, Atturra identifies and deals directly with clients and is involved throughout the entire sales cycle, from first engagement with the client through to entering into a contract for project delivery.

Direct sales are undertaken through existing relationships with clients and prospective new clients. Client relationships are developed at the senior executive level. Atturra develops relationships through, amongst other things, its sales and senior management attending and participating in industry networking and events, in addition to targeted use of professional networking services.

As part of its sales planning (normally on a quarterly basis), the Atturra sales and marketing team identifies new and prospective clients to approach. As the client discussion develops, other Atturra teams and personnel are involved as necessary to shape proposals.

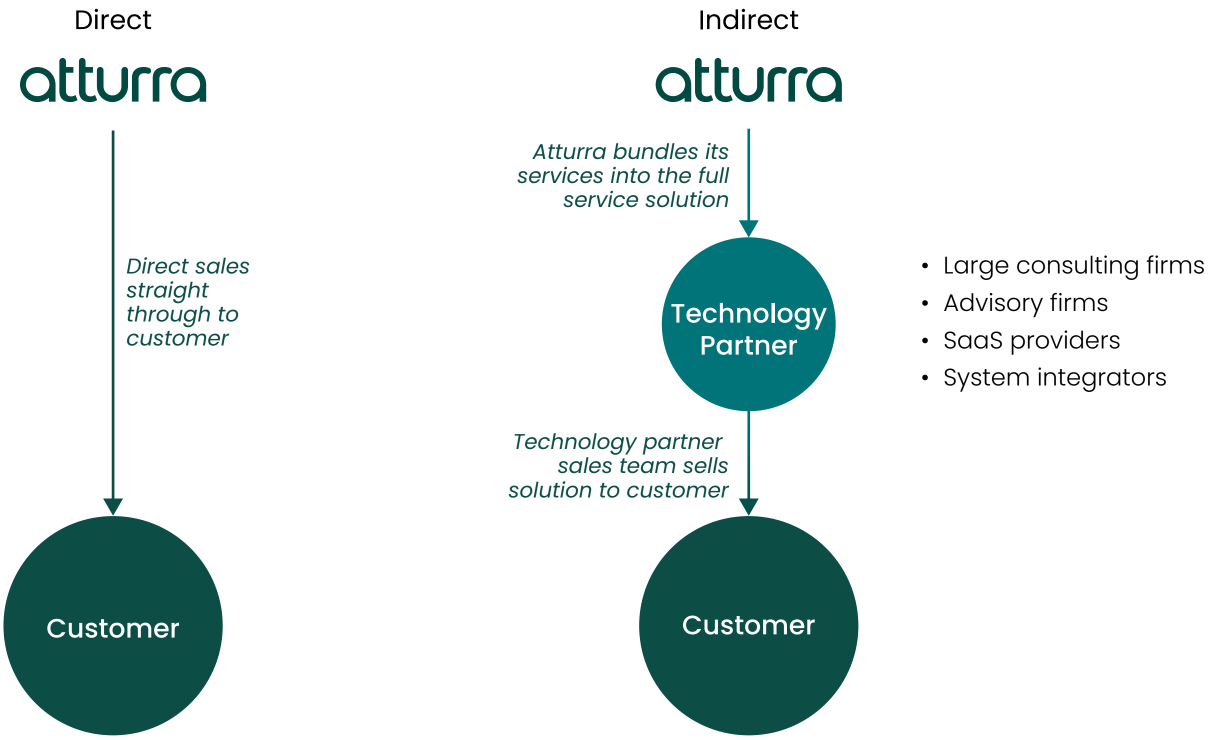
Indirect sales strategy

Indirect sales are a similar process to the direct sales approach, however the key difference is that the lead generation (first contact with the potential client) is typically initiated by a technology partner. A technology partner is any separate organisation, typically an entity such as a large consulting or advisory business, or another IT service provider that does not compete with Atturra. Atturra's key technology partners also introduce leads to Atturra.

As part of the engagement with that client, the technology partner has engaged Atturra for its specialist capabilities and know-how and for which the technology partner may not have its own in-house capability.

As Atturra works in close collaboration with its partners, these sales opportunities are progressed in a very similar way as direct opportunities.

Figure 3.8: Market approaches



3.4.2 Sales team and resources

Atturra has been highly successful in growing its client base as a result of this blended direct and indirect sales model, combined with successfully delivering projects to its clients as described in Sections 3.3.1 and 3.4.1. The Company has a sales, marketing and account management team of approximately 25 personnel as at the Prospectus Date.

Atturra uses a CRM platform to track and assess the effectiveness of marketing campaigns, the conversion into the sales pipeline, and expected revenue.

The established reputation of Atturra within the IT solutions market supports a significant number of longstanding repeat clients and referrals. This established network also has the benefit of lowering client acquisition costs.

3.4.3 Channels to market

Sales leads and inquiries are typically generated through client acquisition channels as outlined below:

Table 3.5: Channels to Market

Direct sales	Client contracts, both for private enterprises and government (Local and Federal), are generated directly from the Company's sales and marketing team. The sales team often engages directly with clients in relation to areas such as: • addressing specific client needs or use cases such as implementing an ERP system or new technical architecture (for example, to support a client's digital transformation strategy) • specific industry events or initiatives, such as increases in government defence spending announced at the May 2021 budget.[4]
Technology partners	The Company's technology partners are an established source of referrals. This partner network helps extend the Atturra marketing footprint and delivers inbound leads. As part of their own advertising, technology partners often actively market Atturra services in their own advertising and branding. Atturra has a track record of joint go-to-market sales, which are instances where the Company works with a partner to solve complex problems requiring Atturra solutions. Atturra solutions are combined with the technology partner's own hardware, infrastructure or software components. This is then presented as a single proposal to clients.
Internal referrals	Clients that use Atturra on a limited basis (e.g. one state or one service line) may expand to whole of organisation use, including overseas and/or extend to other Atturra service lines.
Existing clients	The Company will continue to build a strong brand and significant trust with its client base which often cascades to new sales opportunities. This expansion provides upselling and cross-selling opportunities to its existing client base which further entrenches Atturra by adding further value to the client from a trusted provider.
Tenders/Panels	Government entities and large organisations often procure suppliers by publishing requirements by competitive tender. Atturra will submit a tender response and in evaluating this response, the client evaluates Atturra capabilities and solutions against competing tenders.

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4. The 2021-2022 Australian Defence budget is $44.6 billion, that is an increase on 2020–21 of 6.1% in nominal terms and 4.1% in real terms.

3.4.4 Marketing initiatives

Marketing to date has been to distinct client segments and industry verticals. The key marketing initiatives include:

- Increasing Atturra brand awareness through a clear strategy and thought leadership initiatives:
  - Public relations and media relations
  - Executive profiling through platforms such as LinkedIn and industry publications
  - Positioning key executives and technology leaders as experts in their field, through representation at key industry and partner events
- Supporting the Company's sales strategy by ensuring sales staff and senior management maintain a strong pipeline of qualified prospects. This is achieved through three steps:
  - Identifying potential markets that Atturra wants to expand into. This is primarily achieved through ongoing discussions with clients and technology partners
  - Identifying which IT solutions are suitable for that particular segment
  - Target and approach key client decision makers based on the core go-to-market offerings that are relevant to them (both digitally and through personal interactions):
    - an example of this marketing strategy is a targeted LinkedIn campaign using digital marketing to generate awareness amongst C-Suite executives on how an ERP and latest automation technologies can improve business efficiencies and reporting capabilities
    - this strategy often includes targeted marketing campaigns in conjunction with key technology partners such as Microsoft, Boomi and Smartsheet. Joint marketing with these partners has further benefits for Atturra as it further broadens the Company's marketing reach.

3.5. Key strengths

Atturra is a leader in IT services and projects for numerous high value industries with a blue-chip client base that is continuously investing and upgrading legacy systems. The Atturra business has a number of key strengths that position it to compete strongly in its target markets:

Table 3.6: Key Strengths

Long-term client relationships established across private and public sector and multiple industries	Atturra has a diverse, stable and growing client base. Since 2015, Atturra has worked with over 600 clients including large government agencies, Local Governments, and private enterprises, including some of the biggest brands in Australia (refer to Section 3.2.5). Atturra believes it is one of the largest domestic IT service providers to the Federal Government and local councils. The client base is diverse, stable and growing. The top-20 clients generated 62% of the total revenue for FY21, and 33% of those clients have had a commercial relationship with Atturra for over 5 years. The client experience, expertise and knowledge that Atturra builds with its clients results in very low churn. From the top-50 clients in FY19, 49 were active clients in FY21, demonstrating client retention of 98%. Existing clients continuously upgrade their processes, systems and enterprise software, and new clients engage with Atturra as digital transformation drives the next phase of growth.

Blue chip strategic partnerships	Atturra has a number of key strategic partnerships with leading IT technology and software providers including Boomi, Microsoft, Software AG, Smartsheet, INFOR and OpenText. In several instances, Atturra is the leading partner in Australia or a leading service provider in a particular segment. These technologies also allow Atturra to build long term relationships and revenue streams via hosting, licencing or development of client-specific IP to maximise client retention. These technologies allow Atturra to support government, Defence and critical national industry requirements and needs providing long term value creation for clients.
Large addressable market and considerable industry tailwinds	Atturra offers consulting, IT services and technology solutions to accelerate digital transformation in the growing Australian IT services market, with an estimated spend of $37.0 billion in 2021.[5] Demand for IT services is increasing due to organic growth and acquisitions. COVID-19 has also driven organisations to investing in cloud technology to be more agile and adaptable to change if needed. There is a strong thematic around cloud adoption, digital transformation, data science and user experience that is driving both government and enterprise client conversations. Atturra is well positioned to capitalise on these strong industry fundamentals and market drivers through its core services and reputable brand.
Entrenched service provider to high growth industries	Atturra targets growing industries where it can build a sustainable long term competitive advantage, and where significant barriers to entry exist. Atturra has successfully built its business in sovereign and strategically important sectors, such as Defence, Education, Utilities and Local Government sectors. Consistent provision of high-quality, in-demand capabilities including delivery of Microsoft, TechnologyOne, and Boomi solutions and services, and development/delivery of bespoke solutions and services that are industry specific, ensures Atturra does not compete solely on margin and cost. Reflecting this ongoing strategy, Atturra has made strategic investments and acquisitions to drive future growth, most recently in the Education and Defence sectors.
Leading proprietary technology expertise with unique know-how	Atturra has market leading expertise in designing, implementing and supporting client's systems and processes. Atturra's expertise include solutions and services based upon leading technology providers such as Microsoft, TechnologyOne, and Boomi. These products are in high demand and importantly, allow Atturra to build up its own know-how and processes.

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5. Gartner, https://www.arnnet.com.au/article/print/689818/australian-it-spending-grow-by-6-4-103b/, accessed 17 June 2021.

3.6. Growth opportunities

Atturra operates in a growth market with high barriers to entry, such that incumbent providers are more likely to win contracts because of the technologies that they support and their in-built IP and know-how generated during previous engagements. Atturra is a significant market player used by government and leading enterprises in Australia. Atturra aims to be Australia's largest and leading IT solutions provider with high engagement across industries, employees and clients. To achieve this, the next phase of the Company's growth strategy is focused on building scale.

Atturra management believes that its current infrastructure can scale to support a significantly larger business. Atturra is exploring a number of opportunities to grow by focusing on its growth pillars listed below:

Figure 3.9: Atturra growth pillars

Grow national presence across target industries	Actively exploring organic and acquisition-led growth strategies to further grow the Company's presence across Australia. Acquisitions are focused on enhancing the Company's technology capabilities and increasing market share in targeted industries.
Create new service lines	Broaden Atturra's service offering to expand its client base and increase the average revenue per client. This includes enhancements to existing services and development of new capabilities that align to growing technologies.
Headcount growth	Hiring and onboarding of new consultants and industry leads to drive sales growth. Given its strong track record of growth, and increasing demand from end markets, Atturra will continue to identify and hire targeted, skilled, personnel further increasing its capabilities.
Revenue growth from existing client base	Enhance revenues from key accounts and grow 'share of spend' across the existing client base.

3.6.1 Grow national presence across target industries

Atturra's strategy is to focus on select industries, for example Local Government, Federal Government, Education, Defence and Financial Services, with the aim to land and expand or commonly referred to as the "breadth and depth" strategy.

The addressable markets in its target markets are large and there is substantial opportunity (IT services has an estimated spend of A$37.0 billion in 2021[6]) to secure new clients without significantly increasing its existing cost base and headcount.

There is opportunity to further expand within an industry, for example, as more Local Governments utilise Atturra services, this further encourages other organisations to also use Atturra to maximise their efficiencies.

Through its partner network, Atturra receives information on growth rates for industries and projected growth rates for their technology platforms. This insight from its partners allows Atturra to make informed decisions on where to expand its portfolio.

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[6] Gartner, IbisWorld, Computer Economics, Atturra and Frost & Sullivan analysis.

In addition to organic growth, Atturra will continue to focus on acquisitions that enhance core IP in focus industries and technologies. The IT services industry is a highly fragmented market with many small vendors. As a result of being in operation since 2015, Atturra has increasingly become familiar with various service providers across the Australian and New Zealand markets and believes that there are opportunities to expand its expertise and know-how through targeted acquisitions of companies that can be easily integrated both technically and culturally.

Expansion opportunities exist not only within the industries that Atturra services, but also through the technologies in which Atturra has developed expertise. For example, Boomi operates in the global iPaaS market, which is expected to grow at a CAGR of 40.4% to reach A$13.75 billion by 2025.[7] Atturra is well positioned to capture the growing opportunity due to their market leading Boomi position and reputation.

In terms of potential acquisitions, Atturra is often in discussions in relation to possible acquisition opportunities. Atturra also often bids on market opportunities as they arise. Atturra has not ceased this normal market engagement activity as a consequence of the IPO. As at the date of this Prospectus, none of the current discussions have resulted in any binding agreements however, it is probable, over the period of November to December 2021, that Atturra may make at least one non-binding offer in respect of a possible acquisition. This would only be to initiate preliminary conversations around price and structure, and would not lead to a binding agreement until after Completion.

3.6.2 Create new service lines

Atturra seeks to broaden its service offering through innovation and solutions development to expand its client base and increase the average revenue per client. Atturra intends to continue to extend its service offering by attracting new clients to drive growth.

Some of the key initiatives include:

- **Connecting with new technology providers**: Broadening the service capability by connecting with providers of in-demand technology that can provide Atturra clients with modern solutions that assist in simplifying and optimising their business. An underlying thesis is to select high growth technologies (for example Boomi), ultra-specialised technologies (for example Webmethods) or technologies that are inherently difficult to displace because of complexity. In addition Atturra is continually looking for technologies that do not have a clear market leading partner or no clear partner system, which recently is reflected by Atturra’s early adoption of Smartsheet and the independent work around TechnologyOne that does not use a partner model.
- **Expanding existing competencies in key demand areas**: Offering broader data, advanced analytics, automation, AI and machine learning capabilities can accelerate digital transformation efforts of Atturra clients. Another key example is the focus on leveraging its data integration capability to work on all facets of data, recently reflected by work starting to be done with technologies like Snowflake;
- **Target Strategic Sectors**: Atturra will continue to target strategic sectors that have a high barrier to entry (for example, Defence) or that it considers underserviced (such as Local Government). When Atturra targets sectors Atturra focuses on maximising the client base and then expanding its offerings. An example of this is Education where Atturra has expanded from 10 to 30 clients over the last 3 years;
- **Gateway Provider**: Atturra believes it is in a unique market position having targeted markets with high barriers to entry (e.g. Local Government with no TechnologyOne partner ecosystem) and that in the view of Atturra are underserviced. This unique market position in the view of Atturra means it is well placed to introduce new technologies into that client base, internally referred to as the “Technology Gateway” provider; and
- **Niche Technologies**: Atturra as part of its strategy to focus on industries with high barriers to entry is continuously looking at opportunities to expand into what it classes as “Niche Technologies”. These are technologies that are very specialised and as a result Atturra can become the leading provider. An example of some of the technologies that Atturra works with are Semaphore and Wolfram Mathematica in our Management Control Solutions service line.

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[7] Global iPaaS Market Expected to Reach USD 10.3 Billion by 2025 (vynzresearch.com).

Atturra adopts a continuous improvement approach by investing in solutions to expand its service offering. The service development is driven by collating feedback and product enhancement suggestions both internally and from its existing broad client base.

Expanding its service offering will provide additional opportunities to further entrench Atturra's existing client base through cross-sell and upsell initiatives and support to new client acquisitions. The services portfolio is reviewed periodically by management to identify opportunities for the introduction and development of new service offerings.

3.6.3 Headcount growth

Acquiring the right talent at the right time can assist in the scalability of Atturra. Experienced senior management is important when providing sector specific expertise. Atturra has talent acquisition teams across ACT and NSW, in addition to human resource personnel across ACT and Queensland to ensure direct access to local talent. The existing strategy of Atturra to dominate in certain segments of technology helps to attract talent given its leading position. Atturra will continue to invest in its capabilities and people to ensure future growth is supported and new projects are successfully delivered.

Atturra has grown its headcount from over 250 in FY15 to over 500 in FY21, demonstrating the commitment to investing in personnel and its development of a strong corporate culture. The availability of a security cleared staff pool is integral to servicing public sector clients.

3.6.4 Revenue growth from existing client base

Atturra has aggressively grown its client base over the last few years, and has a strong position in Federal Government, Defence, Utilities, Financial Services, Local Government (Atturra has grown its Local Government client base by 176% from 2019 to 2021) and Education (Atturra has grown its education client base by 150% from 2019 to 2021).

Atturra seeks to increase the share of spend amongst the existing client base and undertake cross-selling and upselling of additional services. Currently, Atturra operates seven service lines. Atturra plans to support this growth strategy by undertaking further investment in its sales and marketing team and broadening its account management to improve its cross-selling capabilities.

In addition to expanding through its service lines, Atturra is focused on setting up further partnering agreements with key technology providers that would benefit from and allow access to Atturra's client base. Atturra anticipates a continuing expansion of alliances with core technology providers, which is reflected recently with the partnership agreement with Infor (market leader in council rates and rating systems).

Opportunities exist in key industries that Atturra has an established reputation in. For example, Atturra is a dominant player in TechnologyOne consulting, servicing 90 local councils. Councils are becoming increasingly focused on digital initiatives, including migration of IT systems to the cloud and an increased uptake of modernised ERP solutions. Atturra can leverage their existing strong relationships and reputation to capitalise on new opportunities from an existing client base.

Higher education is another sector where their technology needs are evolving. As a result of COVID-19 driving change towards remote working, digitalisation of overall university operations is expected to substantially increase over the next few years. Atturra serves 30 education clients across Australia, and has a team of specialist student management consultants, uniquely positioning them to benefit from the forecasted growth in the industry. Atturra plans to upsell from the core services it currently provides to providing end-to-end services.

3.6.5 International growth

Although the primary focus is to grow within Australia, Atturra also believes there is currently an attractive market opportunity for its solutions with opportunistic growth in Asia and New Zealand. There is potential to expand in key locations where existing Australian clients have an international footprint, increasing penetration in each target industry vertical.

However, Atturra will only selectively expand into international markets when it has strong partner support, most recently the expansion into Asia with strong support from Boomi. It is not anticipated in the next few years that Atturra will have any material presence overseas, however this is reviewed on a regular basis.

Atturra established personnel in New Zealand to capitalise on the forecasted growth opportunity. The New Zealand arm is well positioned to increase in scale and has already secured contracts.

3.7. Regulatory obligations

As Atturra is an IT services provider, the Company must operate within the general legal framework common to companies and IT vendors, in particular laws governing intellectual property, data protection, privacy and proper business practices.

The Company places great importance on ensuring the quality, confidentiality, integrity, and availability of the data held by the Company and in meeting data protection obligations when processing personal data. The Company uses a variety of technical and organisational measures to help protect personal data from unauthorised access, use or disclosure. This includes protecting its own infrastructure and data from cyber security threats. The Company will periodically review its processes to ensure data protection standards are maintained.

In particular, Atturra seeks to comply with its obligations under the *Privacy Act 1988* (Cth) and Australian privacy principles, as well as the privacy requirements of individual government agencies it has as clients and non-government suppliers.

Additionally, Atturra with projected annual consolidated revenue of more than $100 million in FY22, seeks to comply with its obligations under the *Modern Slavery Act 2018* (Cth) and aims to publish its first Modern Slavery Statement by December 2022.

Section 4.

Industry Overview

This report describes the Australian Information Technology (**IT**) services market, and has been commissioned from Frost & Sullivan by Atturra (**Atturra** or the **Company**) to support its initial public offering (**IPO**) process.

4.1. Introduction and Overview

Atturra is an Australian technology services company that provides end-to-end IT services to a diverse range of public and private sector organisations. Its key target markets include Local Councils, Federal Government, the Defence sector, the Wealth Management and Superannuation Sector, Utilities, and the Higher Education sector.

The *IT Services* market includes data and integration services, business application services (e.g. for Enterprise Resource Planning (**ERP**) solutions), consulting/advisory services, cloud services, support and maintenance services, training, as well as managed services.

IT services is the single largest segment within the larger IT sector which includes other segments namely, devices, data centre systems, enterprise software and communication services. Total enterprise IT spending in Australia is estimated at $103.0 billion in 2021.[1] Of that, IT services spend in 2021 is estimated to be $37.0 billion.[2] This IT services spend is expected to grow at a CAGR of 4.1% over the period 2021-25.[3]

This market is served by large consulting and IT service companies, as well as tier 2 and small service providers.

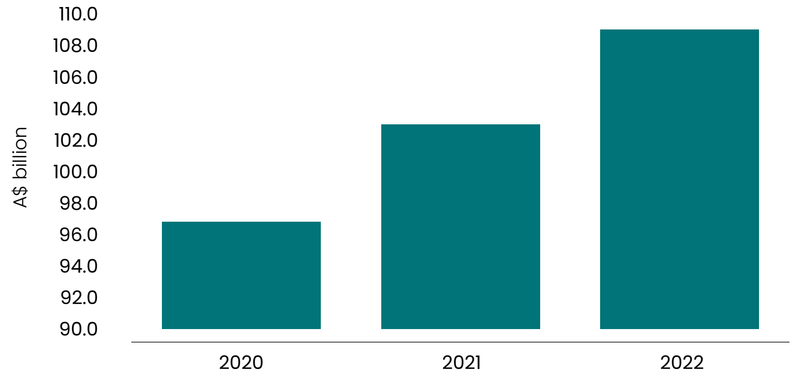
4.1.1 Methodology

In writing this report, Frost & Sullivan has used existing published data sources from government statistics, journals, articles, analyst reports and company reports and presentations, which are considered reliable. All currency refers to Australian dollars ($) unless stated otherwise.

4.2. Total Addressable Market and Growth

The figure below outlines the total enterprise IT spend in Australia for the period 2020 to 2022.

Figure 4.1: Total Enterprise IT Spend, A$ billion, Australia, 2020 to 2022



■ Enterprise IT spending in Australia (A$ billion)	96.8	103.0	109.0

Source: Garner, Quoted in ARN, https://www.arnnet.com.au/article/689818/australian-it-spending-grow-by-6-4-103b/, accessed 8 October 2021.

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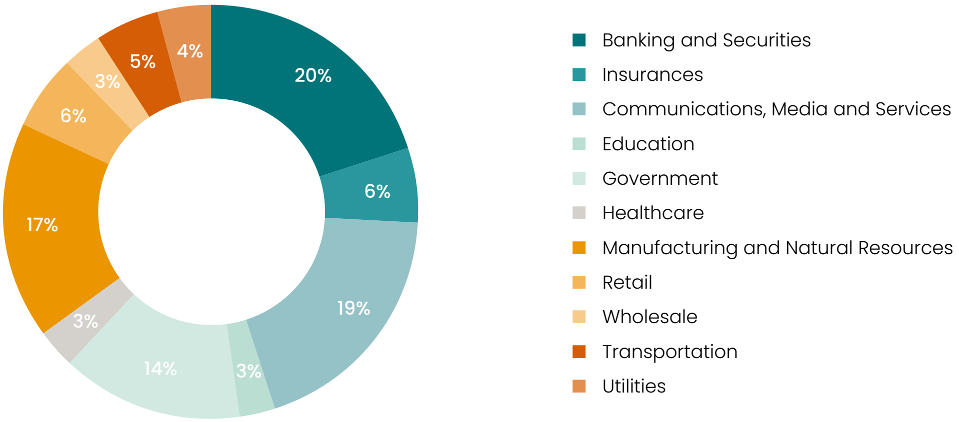
1. Gartner, Quoted in ARN, https://www.arnnet.com.au/article/689818/australian-it-spending-grow-by-6-4-103b/, accessed 8 October 2021.
2. Ibid.
3. Gartner and Frost & Sullivan estimate.

Enterprise IT Spend: All IT expenditure by businesses on IT staff, data centres, IT systems, software, IT services, telecom services and devices.

By major vertical, enterprise IT spend is split as shown below:

Figure 4.2: Total Enterprise IT Spend by Major Vertical, % Split, Australia, 2020

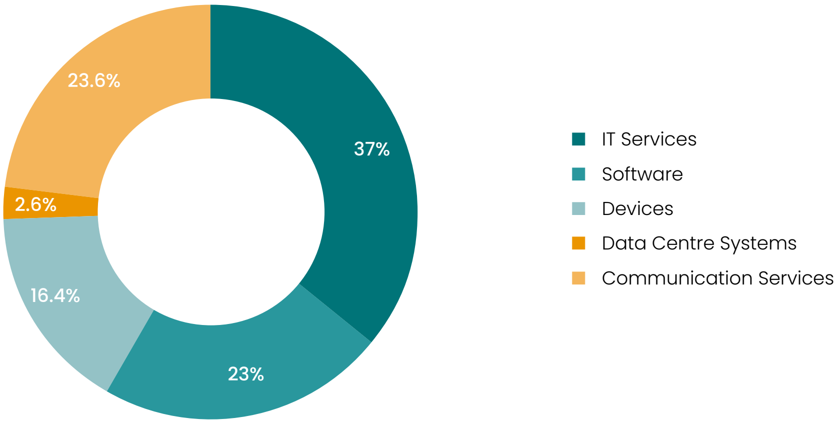


Source: Gartner, October 2020, https://www.gartner.com/en/newsroom/press-releases/2020-10-29-gartner-forecasts-australian-enterprise-it-spending-to-grow-3-point-6-percent-in-2021, accessed 8 October 2021.

4.3. IT Services Spend (Total Addressable Market)[4]

Given Atturra's intention to expand services and verticals served, the total addressable market for Atturra in Australia equates to the $37 billion per year IT services segment outlined below.

Figure 4.3: Enterprise IT Spend by Segment, A$ billion, Australia, 2021



Sources: Gartner, Quoted in ARN, https://www.arnnet.com.au/article/689818/australian-it-spending-grow-by-6-4-103b/, accessed 8 October 2021.

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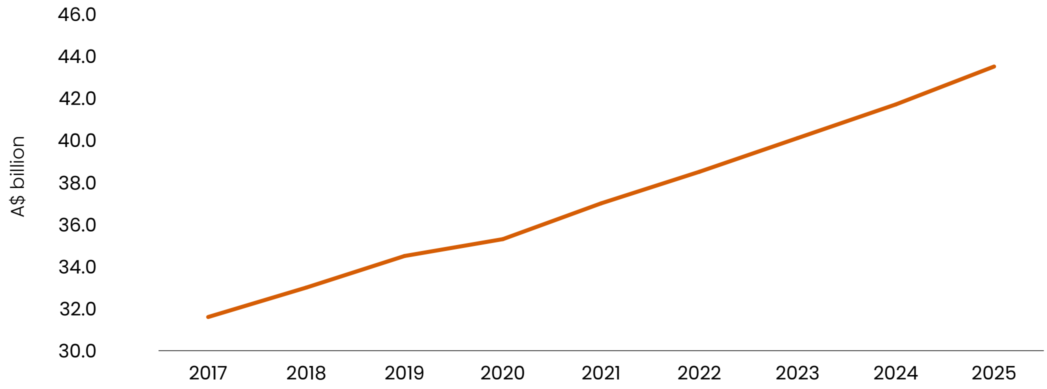
[4] Addressable market opportunity refers to potential market and not actual market revenues.

The figure below outlines historical and forecast IT services spend (assuming the CAGR for IT service spend for 2014-21 of 4.1% is sustained over the period 2021-25 as well):

Figure 4.4: IT Services Spend, Australia, 2017 to 2025



— IT Services spending in Australia (A$ billion)	31.6	33.0	34.5	35.3	37.0	38.5	40.1	41.7	43.5

Source: Gartner (2017-21) and Frost & Sullivan estimate (2022-25).

The long-term prospects suggest continued growth (especially driven by some of the verticals that Atturra serves such as government and financial services).

4.4. Market Drivers

The key trends driving demand for IT services in Australia include the following:

4.4.1 Increased Demand for Relevant IT Services

Data and Integration: Organic growth and acquisitions, an exponential increase in the volume of operational data being generated, siloed organisational structures, as well as investments in cloud computing and AI are driving demand for integration services (including integration architecture, Application Programming Interface (**API**) strategies, migration solutions, etc.).

Consulting/Advisory: To support clients on their digital transformation journey, IT consulting/advisory services such as system design, audits/reviews and risk assessments, security consulting, testing, implementation/transformation support, etc. are in demand.

ERP Solutions: The demand for cloud-based ERP solutions (supported by overall priorities around enhanced operational visibility, real-time decision making and efficiency) is growing at a faster pace than on-premises ERP.

4.4.2 Increased Reliance on Outsourcing IT

Growing IT complexity (through the leverage of new and disruptive digital solutions) compels businesses to outsource solutions management to expert third parties to improve business agility and more effectively manage digital transformation. Inefficient in-house models are giving way to more flexible, scalable and cost-effective outsourcing arrangements. With businesses needing to right-size existing IT infrastructure and more effectively leverage IT assets and staff to achieve broader business goals, a trusted partner with the appropriate technology expertise, flexibility and portfolio is seen as extremely valuable.

In addition, enterprise customers need support in dealing with cyber security threats, ensuring network reliability, automating business processes, managing enterprise mobility, managing multi-vendor solutions and legacy systems integration.

4.4.3 Maturity of Connectivity Infrastructure

As of end March 2021, there were 8.1 million residential homes and businesses connected to the National Broadband Network (**NBN**) offering high-speed broadband.[5] By mid-2020, the 5G[6] rollout, which commenced in 2019, had reached over 2,300 sites deployed by Telstra and Optus. At that same time, the number of Internet of Things (**IoT**)[7] services in Australia reached around 4.4 million.[8]

4.4.4 Strong Business Use of Digital Technology and Growth of the Technology Workforce

In 2018-19, 97.0% of all Australian businesses had internet access, 54.5% had a web presence, 47.8% had a social media presence and 63.0% placed orders via the internet.[9] Also, despite the disruption of the pandemic, the technology workforce in Australia had 33,400 more workers in 2020 compared to 2019 (reaching a new peak of 805,525 workers). This represented a 4.3% increase in a year (compared to 1.3% growth in employment in professional industries and a 1.7% decline in overall number of employed people).[10] Referring to the massive surge in telework, telehealth, online retail, online education, and online entertainment amongst other digitally-enabled activities since the start of the pandemic, the report 'Global Trade and Investment Megatrends' by Austrade and CSIRO Data61 states - "Ten years of digital transformation has happened in a few months".[11] The report goes on to state that "much of the newly virtualised activity is likely to remain virtual post-crisis, leading to long-term structural shifts."[12] This strong uptake of digital solutions and practices is expected to support demand for IT services over the long term.

4.4.5 Increased Demand for Services to Enable Remote Working

According to ABS, in April 2021, 35.9% of Australians aged 18 years and over with a job worked from home (as compared to 23.6% prior to March 2020).[13] A number of surveys have shown that post-COVID-19, there is likely to be a marked preference for some level of remote working (with potentially a day or two physically in office each week). For example, a 2021 survey showed that only 10% in Australia see their traditional work environment as the ideal work environment in the future (with 35% preferring a mix of face-to-face and remote working, 25% preferring mostly virtual working with some face-to-face, 16% a wholly virtual place where employees can contribute from any location and 14% preferring mostly face-to-face with some remote working).[14] This shift to hybrid work arrangements is likely to drive demand for enterprise videoconferencing endpoints and infrastructure,[15] unified communications-as-a-service (**UCaaS**)[16] software licences, as well as digital collaborations tools and workflows.

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5. NBN Co, https://www.nbnco.com.au/corporate-information/media-centre/media-statements/nbn-on-track-to-achieve-fy21-financial-forecast, accessed 12 May 2021.
6. 5G refers to the fifth generation of broadband mobile telecommunications network that provides increased data rates and reduced latency to support greater connectivity and enables M2M services and the IoT.
7. IoT is when objects are connected, virtualised and imbued with data measurement capabilities (giving physical and virtual objects an identity, interconnecting the objects that can monitor and interact with each other and having the ability to generate real-time insights from data that can be incorporates into existing organisational processes.
8. Communications and media in Australia, Supply and use of services, 2019–20, ACMA, April 2021.
9. Characteristics of Australian Business, ABS, June 2020.
10. ACS Australia's Digital Pulse 2021, Future directions for Australia's Technology workforce, Deloitte Access Economics.
11. Hajkowicz S, Bratanova A, Schleiger E and Brosnan A. 2020. Global trade and investment megatrends: Exploring opportunities and risks for the Australian economy during and after the COVID-19 crisis with strategic foresight. CSIRO Data61.
12. Ibid.
13. Household Impacts of COVID-19 Survey, ABS April 2021.
14. Upskilling hopes and fears, Australian data, PwC, 2021.
15. Rooms systems, office systems and Internet protocol (IP) and integrated service digital networks (ISDN)-based videophones, multipoint control units (MCUs) - also known as conferencing bridges, gateways, gatekeepers, etc.
16. UCaaS refers to a hosted or pure-cloud unified communications solution (integrated set of voice, data, and video communications applications) that involves the delivery of pre-integrated network-based applications (e.g., business telephony, voice and unified messaging, presence management, online meetings, mobility, etc.), whereby the end-user organisation pays a monthly subscription fee to access those applications.

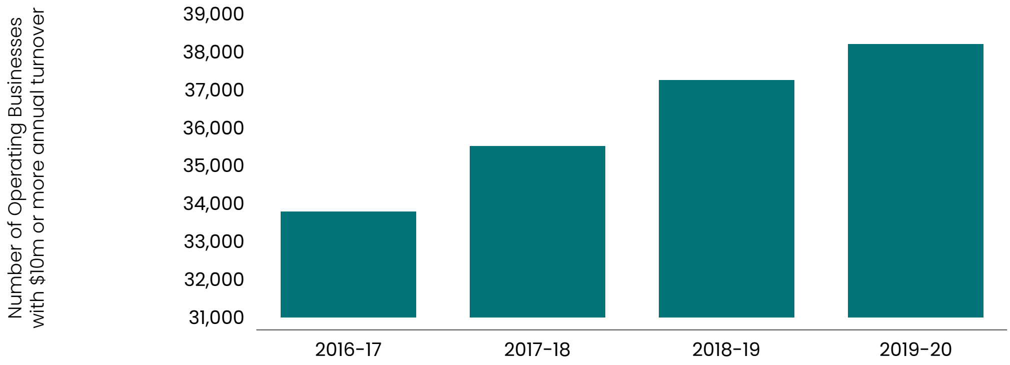
4.4.6 Need for Solutions to Enhance Agility and Resiliency

The operational disruptions caused by COVID-19 in 2020 have prompted organisations to invest more in cloud solutions to scale and deploy new services quickly, customer experience (**CX**) solutions[17] to address high customer interaction volumes and expectations, and artificial intelligence (**AI**)-based solutions[18] to support decision-making. This has helped drive demand for related IT services to design, test, implement, integrate and manage these solutions.

4.4.7 Increasing Number of Businesses

The total number of operating businesses in Australia rose 2% in 2019-20, and the number of such businesses with annual turnover of $10 million or more rose 2.6%. This expansion of the addressable opportunity supports revenue growth for IT services.

Figure 4.5: Number of Operating Businesses at end of Financial Year with $10m or more in Annual Turnover, Australia, 2016-17 to 2019-20



■ Number of Operating Businesses with $10 million or more annual turnover	33,789	35,517	37,253	38,209

Source: ABS, 8165.0 Counts of Australian Businesses, including Entries and Exits, June 2016 to June 2020.

4.4.8 Strong Mergers & Acquisitions (M&A) and Public Listing Activity

Despite the negative impact of the COVID-19 pandemic in H1 2020, the latest reported overall M&A deal volumes in Australia were consistent with the previous period. This has been driven by increased M&A activity in the IT sector (as companies seek to grow technology capabilities and access to new customers) and the industrials sector (as companies seek to raise operational efficiencies through consolidation). This strong M&A activity trend supports demand for IT services to help integrate disparate legacy systems and support growth in scale.

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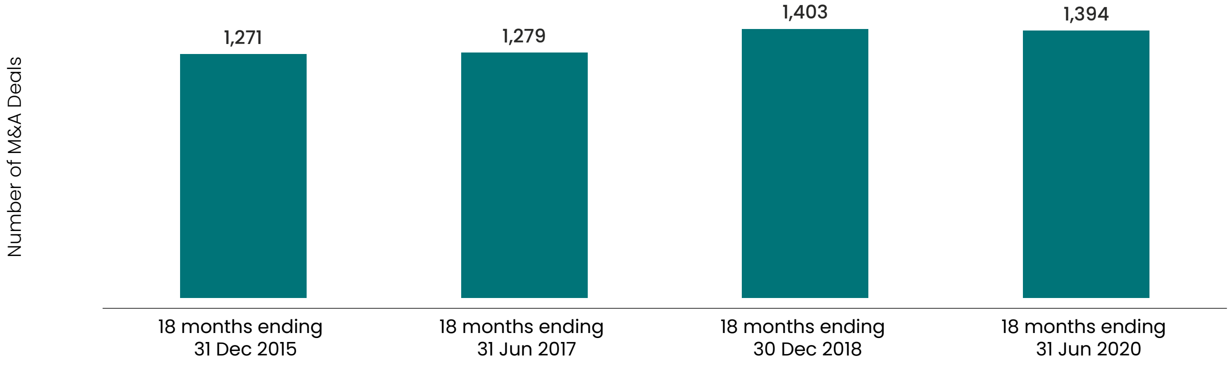
17. Customer experience is the accumulation of all the customer's experience(s) throughout his/her journey with the supplier across any and all the functions and/or products/services across any and all the touchpoints of the supplier.
18. AI refers to machines running cognitive processes that are designed based on human intelligence (including learning, understanding, reasoning, and interacting).

Figure 4.6: Number of M&A Deals, Australia, 18 month periods - 2015 to 2020



Source: Grant Thornton, Dealtracker 2020, November 2020.

Similarly, the public listing of companies supports further expenditure on digital services to support scaling up operations. In the second half of 2020, there was more than five times the number of initial public offerings (**IPOs**) than there were in the first half.[19]

4.5. Vertical-specific Operational and Digital Transformation Trends

The key vertical and digital transformation trends impacting the opportunity for Atturra in its main target markets are outlined below:

4.5.1 Local Government

4.5.1.1 Snapshot

Australia has 537 Local Government bodies (also referred to as councils), of which 55% are regional, rural, or remote. Councils employ close to 200,000 people and own, manage, and maintain roads, cycle ways, footpaths, parks, pools and other community assets conservatively valued at $457 billion, with an annual operation spend of more than $38 billion.[20] Other key services delivered by councils include waste management, land use planning, building and development regulation, environmental management, and some levels of childcare and early learning, aged care, medical and allied health services. In addition, councils often play a proactive role in ensuring liveability outcomes for communities, investment attraction, business mentoring, training, networking and incubation.

The size, digital maturity and scale of in-house workforce varies significantly amongst councils depending on whether they are large metropolitan councils or small rural and remote councils. The main challenges impacting Local Government include balancing diverse expectations of the communities they serve against funding pressures and the priorities of State and Federal Governments that provide funding.

4.5.1.2 Digital Transformation Trends

Digital initiatives in focus for councils include:

- Migration of council IT systems to the cloud;
- Increased uptake of ERP solutions;
- Creation and management of open data to build transparency;
- Communicating with community via social media, other digital marketing channels and websites;
- Online bookings for council owned/managed facilities;
- Leverage of smart city solutions (including smart street lighting, waste management, water management, building energy management, and parking), etc.

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[19] The Tale of Two Halves: The 2020 Australian IPO Review, Herbert Smith Freehills.

[20] 2021-22 Pre-budget Submission, Australian Local Government Association.

4.5.2 Federal Government

4.5.2.1 Snapshot

There are 13 Federal Government portfolios in Australia.[21] Departments within these portfolios look to improve their performance on a range of metrics including customer-centricity (with greater emphasis on easy to use, personalised services), transparency, efficiencies (through adoption of whole-of-government approaches) and effective leverage of smart solutions for improved analysis and decision making.

4.5.2.2 Digital Transformation Trends

In the global rankings for e-government performance of all United Nations member states for 2020, Australia ranked fifth;[22] on the basis of its progress towards modernising public services, making government agencies more user-centric, its legal framework underpinning digital data protection, its effective online government service portals and its whole-of-government IT initiatives.

As part of its drive to accelerate digital transformation of government services, the Federal Government set up the Digital Transformation Agency (**DTA**) in 2016 that led the development of the Digital Transformation Strategy (released in 2018) (with the stated goal to be one of the top three digital governments in the world by 2025).

IT expenditure in the Federal Government sector is driven by a significant push to update ageing infrastructure, enable e-governance programs and online service delivery, facilitate increased mobility amongst government employees, enhance cybersecurity practices and tools and improve overall agency efficiencies.

The shift to work-from-home at the start of COVID-19 lockdowns was facilitated by a surge in the utilisation of collaboration tools. 64% of public servants were working from home in August 2020.[23] 91% of public service managers believed their teams' productivity was the same or even higher when working from home.[24] Two-thirds of public service employees wanted to continue working from home on a regular basis.[25]

The Australian Government's 2021 Federal budget includes $200.1 million to enhance myGov,[26] $301.8 million investment to enhance the My Health Record[27] and an expansion of the digital identity system, and $50 million to enhance cyber security in government, data centres and future telecommunications networks.[28]

Moving forward, the robustness of public-facing platforms is going to be in focus as demonstrated by the significant surge in interactions during COVID-19. For example, Services Australia processed 1.3 million JobSeeker claims in 55 days (typically, the same claim volume would have been processed in 2.5 years). Similarly, the myGov website received 2.6 million logins on 25 March 2020 (a 44% increase on the previous record of 1.8 million daily logins during the July 2019 tax time period). Also, between 20 January and 29 May 2020, the Department of Health's social media team saw over a 3,000% increase on business-as-usual social media activity.[29]

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[21] Second Morrison Ministry, Mar 2021, https://pmc.gov.au/sites/default/files/publications/ministry-list-30mar21_0.pdf, accessed 21 June 2021.

[22] UN E-Government Survey 2020, United Nations Department of Economic and Social Affairs, 2020.

[23] Working During the Pandemic, Public sector working from home survey: June – July 2020, Community and Public Sector Union (CPSU).

[24] Ibid.

[25] Ibid.

[26] The Australian Government online portal to access a range of services (e.g. Centrelink, Medicare and ATO).

[27] The online health record portal.

[28] A Modern Digital Economy to Secure Australia's Future, May 2021. https://www.pm.gov.au/media/modern-digital-economy-secure-australias-future#:~:text=The%20Morrison%20Government%20is%20investing,leading%20digital%20economy%20by%202030., accessed 24 May 2021.

[29] State of the Service report 2019-20, Australian Public Service Commission, November 2020.

4.5.3 Higher Education[30]

4.5.3.1 Snapshot

Australia has 41 local universities (including a small specialist university) and two overseas institutions that operate in the country. 37 of these are public universities. In total, approximately 1.5 million students are served by the country's higher education industry.[31] Despite the fall in university revenues during 2020 (on account of COVID-19-driven international border closures), they are expected to commence recovery in 2022 once borders reopen.

The COVID-19-driven rise in unemployment rates and weakened wage growth is expected to prompt increased uptake of short courses from non-university higher education institutions designed to upskill workforce in transition or out of employment.

4.5.3.2 Digital Transformation Trends

- Over the long term, online/distance learning is expected to become an integral part of overall university strategy.
- Once on-campus learning returns, it is expected that the demand for smart campus[32] enabling solutions will return.
- Digitisation of overall university operations and support systems is expected to gain momentum.
- The increase in lifelong, non-traditional students (with the requirement of anytime-anywhere learning) and the demand for greater personalisation of learning is expected to drive demand for enabling digital technologies and services. This translates into demand for APIs for integrating platforms to productivity, communication and collaboration tools, learning management systems (**LMS**)[33], AI modules, student information systems, and more.

4.5.4 Defence

4.5.4.1 Snapshot

The Australian Government has committed total funding of $575 billion to Defence over the decade to 2029-30.[34] Geo-political tensions, regional instability and the changed threat landscape is driving demand for greater agility and new capabilities within Defence.

Increasingly, Australia's Defence is placing a strategic value on engaging and growing local supplier capabilities. This is in the form of a new and enhanced contractual framework for Australian Industry Capability (**AIC**). Prime contractors to Defence are expected to deliver specific and enforceable commitments for Australian industry capability, IP transfer, skills transfer, research and development, and spend in Australia. The independent AIC audit program is expected to review whether prime contractors are meeting their AIC contractual obligations. Changes introduced to Commonwealth Procurement Rules now call for the development of sovereign capability to be included as a value-for-money consideration. The review into the Australian Standard for Defence Contracting (**ASDEFCON**) and Defence procurement is also expected to support reduced cost and time of tendering.[35]

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[30] Higher education is delivered by public and private universities and non-university higher education institutions offering degree courses.

[31] Universities Australia Snapshot 2020, https://www.universitiesaustralia.edu.au/publication/snapshot-2020/, accessed 18 May 2021.

[32] Learning environments that leverage a range of digital tools to improve student learning, student safety and campus experience.

[33] An LMS is a software application or a Web-based technology used to plan, implement, automate, organise, track and assess a specific learning process and predict the learning outcomes. LMS is essentially a course management system that allows the instructor to build course content and to monitor student achievement. LMS systems are also designed to facilitate instructor-student, student-student, and instructor-parent communication.

[34] Keeping Australia safe in a rapidly changing global environment, Minister for Defence, the Hon Peter Dutton, May 2021. https://www.minister.defence.gov.au/minister/peter-dutton/media-releases/keeping-australia-safe-rapidly-changing-global-environment, accessed 18 May 2021.

[35] Defence Connect Budget Lunch, Canberra, The Hon Melissa Price, Minister for Defence Industry, May 2021, https://www.minister.defence.gov.au/minister/melissa-price/speeches/defence-connect-budget-lunch-canberra, accessed May 2021.

4.5.4.2 Digital Transformation Trends

Investment in information and cyber domain capabilities for Defence are expected to total around $15 billion over the decade 2020-2030 (across joint command, control and communications systems, joint electronic warfare, defensive cyberspace operations, and systems to integrate intelligence, surveillance and reconnaissance programs and data) and an additional $5 billion towards enabling enterprise-wide IT capabilities.[36]

4.5.5 Financial Services

4.5.5.1 Snapshot

Prior to COVID-19, Australia enjoyed nearly three decades of consecutive economic growth (a record amongst developed nations over this same period). Amongst other things, this stability has been underpinned by a strong financial services sector. Strong growth in the Australian share market over time has had a positive impact on investor confidence, the value of managed funds, as well as individual and institutional wealth. This has helped support the financial services sector's overall growth. The sector has seen strong growth in the non-banking lending sector, as well as an increase in the number of new and disruptive solutions and services being offered by innovative fintech[37] start-ups.

Atturra's current focus within the financial services sector is on superannuation and financial planning service segments. As of 5 November 2020, there were 21,284 financial advisers on the ASIC Financial Advisers Register (**FAR**).[38] Superannuation assets in Australia totalled $3,126.9 billion in March 2021 (13.9% higher than a year ago).[39] A national survey in 2019 found that 27% of Australians had received financial advice in the past, 41% of Australians intended to get financial advice in the future and 37% of participants who had recently thought about getting financial advice but had not gone ahead were open to using digital advice (also referred to as robo-advice).[40] The survey also indicated that the most common areas in which advice was needed were investments, retirement income planning, growing superannuation, budgeting or cash flow management and aged care planning.[41]

4.5.5.2 Digital Transformation Trends

Higher customer expectations in terms of engagement with superannuation and financial planning service companies, pressure on margins, high regulatory compliance obligations, and the inflexibility of legacy software systems are some factors driving digital investments in this segment. Areas of focus include:

- Web-based user interfaces (**UIs**),
- Mobile apps,
- Automated investment and financial planning investment tools,
- Automated advice, and
- Self-learning AI to analyse large data pools and unstructured data to improve targeting of financial products based on customer behaviour and financial activity.

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[36] 2020 Defence Strategic Update, Department of Defence, 2020.

[37] The term "Fintech" refers to any business which provides a financial service using novel data storage, data analysis algorithms or personal telecommunication devices. Disruptive technologies being leveraged by fintechs include cloud computing, mobile apps, Near Field Communication (NFC), robo-advice, customised analysis algorithms, blockchain and AI.

[38] Money Management, January 2021, https://www.moneymanagement.com.au/, accessed 16 June 2021.

[39] Australian Prudential Regulation Authority (APRA), May 2021, https://www.apra.gov.au/news-and-publications/apra-releases-superannuation-statistics-for-march-2021, accessed 25 May 2021.

[40] Financial advice: What consumers really think, Australian Securities and Investments Commission (ASIC) August 2019.

[41] Ibid.

4.5.6 Utilities

4.5.6.1 Snapshot

Australia has 22 electricity and gas network (transmission & distribution) businesses[42] (with a mix of public and private ownership), 45 electricity retail utilities,[43] and 196 water and wastewater service operators.[44]

Decarbonisation, decentralisation and digitisation are the major transformative trends impacting utilities. Australia is deploying renewables (primarily solar photovoltaic (**PV**) and wind) ten times faster per capita than the global average and four times faster per capita than in Europe, China, Japan or the US. In addition, the uptake of electric vehicles, rollout of smart meters, energy contribution from the demand side (prosumers with rooftop solar and battery storage), growth in smart home solutions, uptake of demand response solutions by commercial & industrial customers and smart grid solutions such as virtual power plants are combining to open the sector to new entrants in electricity. To make this low-carbon transition and achieve decentralisation, access to relevant digital skills and reskilling/upskilling their existing workforce is critical. However, the process of reskilling/upskilling is often delayed or compromised by competing activities and initiatives.

Water conservation, non-revenue water (**NRW**) reduction, smart water meter rollouts, addressing the ageing workforce and infrastructure challenge, as well as more customer-centric engagement are key priorities for the water sector.

Over the long term, the power retail sector is likely to see new entrants coming into Australia.
In the water sector, utilities are looking to redefine their role beyond water/wastewater services to demonstrate social value through enhanced liveability outcomes and become more customer-centric.

4.5.6.2 Digital Transformation Trends

The leverage of drones, condition monitoring sensors, augmented reality/virtual reality (**AR/VR**) solutions, cloud computing solutions, AI and data analytics is likely to gain further traction across utilities. This includes operational solutions at the back-end (particularly integrating distributed renewable energy or decentralised water systems with the network and advanced system modelling), as well as customer facing solutions (such as customer portals, customer apps, automated billing and alerts/notifications, online platforms for trading excess energy generated from rooftop solar, etc.).

4.6. Competitive Landscape

4.6.1 Competitive Factors

The key competitive factors providing competitive advantage for IT services in Australia include:

- **Technology stack**: The use of industry-leading solutions from global technology vendors helps service providers build their own intellectual property (IP) and improve market penetration.
- **Team**: Service providers with experienced senior management and personnel who have relevant expertise are able to achieve optimal outcomes for their customer base. For a number of public sector clients (e.g. Local Government, Federal Government and Defence), the availability of a security-cleared team is a critical factor in their selection of IT services partners.
- **High customer retention**: The ability to positively impact mission critical activities within customer organisations by leveraging relevant expertise and methodologies improves customer retention rates. In several government projects, incumbent service providers on panels who are used in initial phases are likely to be retained in subsequent phases.

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[42] Guide to Australia's Energy Networks, Energy Networks Australia.

[43] Australian Energy regulator (AER) and Economic Regulation Authority WA.

[44] Infrastructure Australia.

- **Mix of verticals served**: As COVID-19 has demonstrated, some verticals are more resilient than others to massive disruptions. In addition, serving a diverse mix of customers helps make IT service providers less susceptible to cyclical downturns in some verticals.
- **Geographic spread**: Presence across states and territories helps protect against demand declines in one state or territory.
- **Australian based entities**: Local industry employment/procurement requirements in large government/public sector contracts put Australian owned and operated service providers at a distinct advantage. This advantage is likely to become more important as international competitors continue to acquire local firms.
- **Breadth of services**: Service providers with a breadth of services and who have established a position with customers as trusted advisors are well placed to expand the scope of engagement and as a result the revenue per customer.

4.6.2 Tiers of Competition

Apart from Atturra, other entities active in IT services in Australia include the following:

Table 4.1: IT Services Tiers of Competition, Australia, 2021

TIER	EXAMPLES
Tier 1	**Consulting**: Accenture-Avanade, Capgemini, Deloitte, Ernst & Young, KPMG, PwC, etc. **IT Services**: Cognizant, DXC, Fujitsu, HCL Technologies, IBM, Infosys Technologies, NTT, Optus Enterprise, Tech Mahindra, Telstra Enterprise, TCS, Wipro, etc.
Tier 2	AC3, Altis Consulting, Brennan IT, Cubesys, Data#3, Datacom, Empired[45], Logicalis, Mindtree, NEC Australia, Nexon, SoftwareONE, TechnologyOne, Rhipe, Unisys, Vigilant IT, etc.
Others	Extremely fragmented segment with a diverse range of small service providers

Source: Frost & Sullivan; not an exhaustive list

The Tier 1 and some Tier 2 companies offer end-to-end managed services, data and integration, ERP in most cases and CRM in some cases.

4.6.3 Acquisitions of Domestic Firms

The Australian IT services market has witnessed a number of acquisitions of domestic firms by multinational competitors seeking to expand expertise, capabilities, client base and presence, including the following:

Table 4.2: Recent Australian IT Service Provider Acquisitions, Australia, 2019-2021

MONTH/YEAR	TARGET	ACQUIRER	SERVICE DESCRIPTION
May 2021	Perth-headquartered Electro 80	Accenture	Operational technology (OT) and IT services
Apr 2021	Melbourne-headquartered Versor	Fujitsu Australia	Data analytics specialist management consultancy
Mar 2021	Melbourne-headquartered RXP Services	Capgemini	Digital consultancy and branding, design and customer experience solutions

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[45] In July 2021, Capgemini announced its intention to acquire Empired, https://www.capgemini.com/au-en/news/capgemini-announces-proposal-to-acquire-australian-cloud-transformation-and-digital-services-provider-empired-2/, accessed 25 October 2021.

MONTH/YEAR	TARGET	ACQUIRER	SERVICE DESCRIPTION
Mar 2021	Brisbane-headquartered Insync Technology	Rapid Circle	Microsoft workplace and security specialist
Jan 2021	Sydney-headquartered Servian	Cognizant	Data analytics consultancy
Jan 2021	Melbourne-headquartered Carter Digital	Infosys	Design agency
Oct 2020	Melbourne-headquartered Momenton	Tech Mahindra	Consultancy and implementation services
Sep 2020	Melbourne-headquartered DWS	HCL Technologies	IT services
Mar 2020	Sydney-headquartered WhiteSky Labs	Capgemini	MuleSoft consultancy
Mar 2020	Melbourne-headquartered GAPbusters	Sonata Software	Customer experience management
Mar 2020	Melbourne-headquartered Zimbani	Deloitte Australia	Cyber security services
Feb 2020	Perth-headquartered Cerberus Technologies	Convergint Technologies	Systems integration
Feb 2020	Sydney-headquartered AlphaBeta Advisors	Accenture	Consultancy
Nov 2019	Melbourne-headquartered BNW Consulting	SoftwareOne	SAP platform specialist
Nov 2019	Sydney-headquartered Bluleader	DXC Technology	Systems integration
Oct 2019	Sydney-headquartered Presence of IT	Deloitte Australia	Human resources (HR) and payroll solutions consultancy
Jan 2019	Sydney-headquartered Plaut IT	EY	SAP consulting and technical services

Sources: Company reports and Frost & Sullivan.

4.7. Conclusions

The growth in the number of Australian businesses with annual turnover of $10 million or more, the maturity of Australia's connectivity infrastructure, strong business use of digital technologies, increased demand for services to enable remote working, the need for solutions to enable agility and resiliency, increased reliance on outsourcing of IT services (particularly integration, consulting/advisory and ERP solutions) are driving growth of the total addressable opportunity for Atturra.

Total enterprise IT spending in Australia is estimated at $103.0 billion in 2021. The addressable market for Atturra in Australia i.e. the IT Services segment is forecast to grow from $37.0 billion in 2021 to $43.5 billion in 2025.

As one of the leading Australian-owned IT service companies supporting the digital transformation of key verticals such as Government, Higher Education, Defence, Financial Services and Utilities, Atturra is well placed to grow its addressable opportunity, particularly in data and integration, ERP solutions and consulting/advisory services.

4.8. Disclosure

This is an independent report prepared by Frost & Sullivan. Save for the preparation of this report and services rendered in connection with this report for which normal professional fees will be received, Frost & Sullivan has no interest in Atturra and no interest in the outcome of the IPO. Payment of these fees to Frost & Sullivan is not contingent on the outcome of the IPO. Frost & Sullivan has not and will not receive any other benefits (including any commissions) and there are no factors which may reasonably be assumed to have influenced the contents of this report nor which may be assumed to have provided bias or influence. Frost & Sullivan consents to the inclusion of this report in the Prospectus in the form and context in which it is included. As at the date of this report, this consent has not been withdrawn. Frost & Sullivan does not hold a dealer's licence or Financial Services Licence. This report does not constitute advice in respect of the IPO.

Section 5.

Financial Information

5.1. Introduction

The financial information of Company contained in this Section 5 includes the historical and pro forma historical financial information for the years ended 30 June 2019 (FY19), 30 June 2020 (FY20), and 30 June 2021 (FY21), the statement of financial position as at 30 June 2021 and the Forecast Financial Information for the financial year ending 30 June 2022 (FY22F) collectively the **Financial Information** as summarised in Table 5.1 below.

Where **Statutory** is referred to in the Historical Financial Information, this means that the Historical Financial Information has been derived from the audited consolidated financial statements of the Company for FY19, FY20 and FY21. These general purpose consolidated financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act.

Where Statutory is referred to in the Forecast Financial Information, this means that the Forecast Financial Information has been prepared using the same accounting principles as the Statutory Historical Financial Information.

Table 5.1: Overview of the Company's Financial Information

DEFINITIONS	STATUTORY FINANCIAL INFORMATION	PRO FORMA FINANCIAL INFORMATION
Historical Financial Information	**Statutory Historical Financial Information** comprises the following: • statutory historical consolidated income statements for FY19, FY20 and FY21 (**Statutory Historical Income Statements**); • statutory historical consolidated cash flows for FY19, FY20 and FY21 (**Statutory Historical Cash Flows**); and • statutory historical consolidated statement of financial position as at 30 June 2021 (**Statutory Historical Statement of Financial Position**).	**Pro Forma Historical Financial Information** comprises the following: • pro forma historical consolidated income statements for FY19, FY20 and FY21 (**Pro Forma Historical Income Statements**); • pro forma historical consolidated cash flows for FY19, FY20 and FY21 (**Pro Forma Historical Cash Flows**); and • pro forma historical consolidated statement of financial position as at 30 June 2021 (**Pro Forma Historical Statement of Financial Position**).
Forecast Financial Information	**Statutory Forecast Financial Information** comprises the following: • statutory forecast consolidated income statement for FY22F (**Statutory Forecast Income Statement**); and • statutory forecast consolidated cash flows for FY22F (**Statutory Forecast Cash Flows**).	**Pro Forma Forecast Financial Information** comprises the following: • pro forma forecast consolidated income statements for FY22F (**Pro Forma Forecast Income Statement**); and • pro forma forecast consolidated cash flows for FY22F (**Pro Forma Forecast Cash Flows**).

The Financial information in this Section 5 should also be read in conjunction with the risk factors set out in Section 7 of the Prospectus, the significant accounting policies of the Company as set out in Appendix A and the other information contained in this Prospectus.

Also summarised in this Section 5 are the following:

- The basis of preparation and presentation of the Financial Information (see Section 5.2) including the application of relevant new and revised accounting standards had they applied to the Statutory Historical Financial Information (see Sections 5.2.3, 5.2.4 and 5.2.5);
- An explanation of certain financial measures that are neither recognised by the Australian Accounting Standards Board (**AASB**) nor under the International Financial Reporting Standards (**IFRS**) issued by the International Accounting Standards Board (**IASB**) that are used by the Company and included in this Prospectus to assist investors in understanding the financial performance of the business (see Section 5.2.11) (**non-IFRS financial measures**);
- A summary of the Company's key pro forma operating and financial metrics (see Section 5.3.2);
- The pro forma adjustments to the Statutory Historical Financial Information and the Statutory Forecast Financial Information, and reconciliations to the Pro Forma Historical Financial Information and the Pro Forma Forecast Financial Information respectively (see Section 5.3);
- Details of the Company's net debt as at 30 June 2021 (see Section 5.6);
- The Directors' best-estimate general and specific assumptions underlying the Forecast Financial Information (see Section 5.9);
- Management discussion and analysis of the Pro Forma Financial Information (see Section 5.9);
- An analysis of the key sensitivities in respect of the Forecast Financial Information (see Section 5.9.11); and
- A summary of the Company's proposed dividend policy (see Section 5.10).

The Financial Information has been reviewed by Pitcher Partners Sydney Corporate Finance Pty Ltd (**Investigating Accountant**) in accordance with the Australian Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*, as stated in its Investigating Accountant's Report on the Financial Information. Investors should note the scope and limitations of the Investigating Accountant's Report on the Financial Information (see Section 6 of the Prospectus).

All amounts disclosed in the tables are presented in Australian dollars and unless otherwise noted, are in millions rounded to one decimal place (the nearest hundred thousand). Rounding of figures provided in the Financial Information may result in some immaterial differences between the sum of components and the totals outlined within tables and percentage calculations.

5.2. Basis of Preparation and Presentation of the Financial Information

5.2.1 Overview

The Directors are responsible for the preparation and presentation of the Financial Information.

The Financial Information included in this Prospectus is intended to present potential investors with information to assist them in understanding the historical financial performance, cash flows and financial position of the Company, together with the forecast financial performance and cash flows for FY22F.

The Statutory Financial Information has been prepared and presented in accordance with the recognition and measurement principles of Australian Accounting Standards (AAS) issued by the AASB, which are consistent with IFRS and interpretations issued by the IASB.

The Significant Accounting Policies adopted in the preparation of the Financial Information are set out in Appendix A and have been consistently applied throughout the financial periods presented in this Prospectus unless stated otherwise.

The Pro Forma Historical Financial Information and Pro Forma Forecast Financial Information have been prepared solely for inclusion in this Prospectus and have been derived from the Statutory Historical Financial Information and the Statutory Forecast Financial Information adjusted for certain transactions and pro forma adjustments as described further below.

The Pro Forma Historical Financial Information and Pro Forma Forecast Financial Information have been prepared in accordance with the recognition and measurement principles contained in AAS, other than that they include adjustments that have been prepared in a manner consistent with AAS that reflects: (i) the inclusion or exclusion of certain transactions that occurred or are forecast to occur in the relevant periods; and (ii) the impact of certain transactions as if they occurred on or after 30 June 2018 in the Pro Forma Historical Financial Information and in the Pro Forma Forecast Financial Information.

Due to their nature, the Pro Forma Historical Financial Information and Pro Forma Forecast Financial Information do not represent the actual or prospective financial position, financial performance or cash flows of the Company. The Company believes that the Pro Forma Historical Financial Information provides useful information as it permits investors to examine what it considers to be the underlying financial performance and cash flows of the business presented on a consistent basis with the Pro Forma Forecast Financial Information.

This Prospectus includes Forecast Financial Information based on the specific and general assumptions of the Company as described in Section 5.8.

The Financial Information is presented in an abbreviated form insofar as it does not include all the presentation and disclosures required by AAS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

In addition to the Financial Information, Section 5.2.11 describes certain non-IFRS financial measures that are used to manage and report the Company's business that are not defined under or recognised by AAS or IFRS.

5.2.2 Segment Information

The business of Atturra is primarily conducted in Australia. The chief operating decision maker monitors performance of the Company at the consolidated entity level and therefore there is only one operating and reporting segment.

5.2.3 Preparation of the Historical Financial Information

The Statutory Historical Financial Information has been extracted from the reduced disclosure consolidated financials for the year ended 30 June 2019 and 30 June 2020 and the general purpose financial statements for the financial year ended 30 June 2021. The consolidated financial statements for FY19, FY20 and FY21 were audited by PricewaterhouseCoopers (**PwC**) in accordance with Australian Auditing Standards. PwC issued an unqualified audit opinion on each of the financial reports.

The Pro Forma Historical Financial Information has been prepared for the purposes of inclusion in this Prospectus and has been derived from the Statutory Historical Income Statements and the Statutory Historical Cash Flows after reflecting the following pro forma adjustments:

- the application of classification of profit and loss items from the year ended 30 June 2021 as if this classification had been applied from 1 July 2018;
- the application of AASB 16 *Leases* (**AASB 16**) as if this had been applied from 1 July 2018 to 30 June 2019;
- the estimated incremental costs of being a publicly listed company, including additional Board and governance costs, incremental audit, tax, legal and compliance related costs, and ASX listing fees assuming Completion had occurred on 1 July 2018;
- the removal of COVID-19 government grants (including JobKeeper); and
- the income tax effect of the above pro forma adjustments.

Investors should note that past results are not a guarantee of future performance.

Table 5.3 sets out the pro forma adjustments made to the Statutory Historical Income Statements and a reconciliation of the Statutory Historical Income Statements to the Pro Forma Historical Income Statements. Table 5.8 sets out the pro forma adjustments made to the Statutory Historical Cash Flows and a reconciliation of the Statutory Historical Cash Flows to the Pro Forma Historical Cash Flows.

The Pro Forma Historical Statement of Financial Position is derived from the Statutory Historical Statement of Financial Position, and is adjusted to reflect the impact of the Offer (tax effected), including costs directly attributable to the Offer being offset against share capital (with the remainder expensed in Retained Earnings).

The Pro Forma Historical Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of the future financial position of the Company.

Section 5.5 sets out the pro forma adjustments made to the Statutory Historical Statement of Financial Position and a reconciliation of the Statutory Historical Statement of Financial Position to the Pro Forma Historical Statement of Financial Position.

5.2.4 Preparation of the Forecast Financial Information

The Forecast Financial Information is presented on both a statutory and pro forma basis and has been prepared solely for inclusion in this Prospectus.

The basis of preparation and presentation of the Statutory Forecast Financial Information and the Pro Forma Forecast Financial Information is consistent with the basis of preparation and presentation of the Statutory Historical Financial Information and Pro Forma Historical Financial Information, respectively.

The Forecast Financial Information has been prepared by the Company based on an assessment of the current economic and operating conditions, including the impact of the COVID-19 pandemic, and should be read in conjunction with the general and specific best estimate assumptions set out in Section 5.8.2 and Section 5.8.5, the sensitivity analysis described in Section 5.9.11, the risk factors described in Section 7 of the Prospectus, the Significant Accounting Policies set out in Appendix A, and the other information in this Prospectus.

The inclusion of these best estimate assumptions and these risks is intended to assist investors in assessing the reasonableness and likelihood of the assumptions occurring and is not intended to be a representation that the assumptions will occur.

The Directors believe the general and specific best estimate assumptions, when taken as a whole, to be reasonable at the time of preparing the Prospectus. However, the information is not fact, and investors are cautioned not to place undue reliance on the Forecast Financial Information. Investors should be aware that the timing of actual events and the magnitude of their impact might differ from the assumptions made in preparing the Forecast Financial Information and that this may have a material positive or negative effect on the Company's actual financial performance, cash flows or financial position.

In addition, the assumptions upon which the Forecast Financial Information is based are, by their very nature subject to significant uncertainties and contingencies, many of which will be outside the control of the Company, the Directors and management, and are not reliably predictable. Accordingly, none of the Company, its Directors and management or any other person can give investors any assurance that the outcomes disclosed in the Forecast Financial Information will arise. Events and outcomes might differ in amount and timing from the assumptions, with a material consequential impact on the Forecast Financial Information.

The Company has no intention to update or revise the Forecast Financial Information or other 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.

The Statutory Forecast Financial Information represents the Company's best estimate of the financial performance and cash flows that it expects to report in its consolidated financial statements in FY22F. The Statutory Forecast Financial Information includes two months of actual financial results and ten months of forecast financial results to 30 June 2022.

The Pro Forma Forecast Financial Information has been derived from the Statutory Forecast Financial Information, after applying pro forma adjustments, as if those adjustments took effect from the beginning of the forecast period, to reflect:

- the incremental costs of being a publicly listed entity;
- impact of AASB 16 as though it was effective from 1 July 2018;
- the impact of the Offer including capital raised and the capital structure in place following the Offer;
- income tax effect of the above pro forma adjustments.

Section 5.3.3 sets out the pro forma adjustments made to the Statutory Forecast Income Statements and a reconciliation of the Statutory Forecast Income Statements to the Pro Forma Forecast Income Statements. Section 5.4.1 sets out the pro forma adjustments made to the Statutory Forecast Cash Flows and a reconciliation to the Pro Forma Cash Flows.

Due to its nature, the Pro Forma Forecast Financial Information does not represent the actual or prospective financial performance or cash flows of the Company.

5.2.5 Change in accounting standards

The Company adopted AASB 9 Financial Instruments (**AASB 9**) on 1 January 2018. AASB 9 required that the Company adopt the expected credit loss model for accounting for impairment of financial assets accounted for at amortised cost rather than the incurred loss model required by AASB 139 Financial Instruments (**AASB 139**). An expected credit loss model results in the impairment provision being recognised in a period earlier than the incurred loss model because it requires judgements to be made about expected future losses rather than reflecting actual losses. Adoption of the standard has not materially impacted the measurement of any financial assets and, as such, no pro forma adjustment to the Historical Financial Information has been made.

The Company adopted AASB 16 Leases (**AASB 16**) using the modified retrospective method during the financial year ended 30 June 2020. The accounting treatment for a lessee under AASB 117 Leases (**AASB 117**) was based on categorising the lease either as a finance lease (recognised on balance sheet) or an operating lease (not recognised on balance sheet). Under AASB 16 the Company is required to recognise a lease liability and a right-of-use asset on the balance sheet for most leases. As a result of the adoption of AASB 16, operating expenses decrease and depreciation and interest expense increase, and the timing of expense recognition changes due to the change from a straight-line rental expense to depreciation and interest expense (with interest expense having an accelerated profile). This Prospectus presents the Pro Forma Historical Financial Information for FY19 on a consistent basis to illustrate the impact of AASB 16, had the standard been applied at 1 July 2018. Refer to Section 5.3.3 for further detail on the quantification of this impact.

5.2.6 Acquisition of Atturra MCS (formerly known as Mentum)

In August 2021, the Company completed the acquisition of Mentum Systems Pty Ltd, currently trading as Atturra MCS, an IT consulting business. The Forecast Financial Information includes the contribution of this business from the date of acquisition.

5.2.7 Acquisition of Atturra Business Applications – Education (formerly known as ESAM Consultants)

In April 2021, the Company completed the acquisition of ESAM Consultants Pty Ltd, currently trading as Atturra Business Applications – Education. The Historic Financial Information includes the contribution of this business from the date of acquisition.

5.2.8 Sale of Data & AI business

In March 2021, the Company sold its Data & AI business. The Data & AI business was an immaterial contribution to the Company's Financial Information and accordingly, no pro-forma adjustments have been made to the Financial Information.

5.2.9 Acquisition of Atturra Advisory (formerly known as Noetic Group)

In February 2021, the Company acquired a majority stake (55%) in Noetic Group Pty Ltd, whose wholly owned subsidiary, Noetic Solutions Pty Ltd, currently trades as Atturra Advisory outside Canberra and as Noetic Solutions Pty Ltd in Canberra, an advisory and consulting business primarily servicing the Government and Defence sectors. In October 2021, the Company increased its shareholding in Noetic Group Pty Ltd to approximately 80%. In accordance with AAS, the Company consolidates the financials of Atturra Advisory and recognises a non-controlling interest in its net profit.

5.2.10 Acquisition of Atturra Business Applications – Government (formerly known as Chartsmart Consulting)

In July 2020, the Company completed the acquisition of Canberra-headquartered IT consulting group, Chartsmart Consulting Pty Ltd, currently trading as Atturra Business Applications – Government. The Historic Financial Information includes the contribution of this business from the date of acquisition.

5.2.11 Explanation of certain non-IFRS measures

The Company uses certain measures to manage and report on business performance that are not recognised under AAS nor IFRS. These measures are collectively referred to in this Section 5 as "non-IFRS financial measures".

These non-IFRS financial measures do not have a prescribed definition under AAS or IFRS and therefore may not be directly comparable to similarly titled measures presented by other entities. These should not be construed as an indication of, or an alternative to, corresponding financial measures determined in accordance with AAS or IFRS. Although the Company believes these non-IFRS financial measures provide useful information for measuring the financial performance and condition of the business, they should be considered as supplements to the consolidated statement of profit or loss and consolidated statement of cash flow measures that have been presented in accordance with the AAS and IFRS, nor as a replacement for them. Investors are cautioned not to place undue reliance on any non-IFRS financial measures included in the Prospectus.

These non-IFRS financial measures that are referred to in this Prospectus include the following:

- **Cost of sales** means expenses which are incurred directly in relation to a customer contract, and which primarily includes consultant wages, salaries and employee costs
- **Gross profit** means revenue less cost of sales
- **EBITDA** means earnings before interest, tax depreciation and amortisation
- **EBIT** means earnings before interest and tax
- **Capital expenditure** means expenditure primarily related to property, plant and equipment
- **Net cash flow before interest and tax** means cash flow from operating activities after accounting for cash flows in relation to capital expenditure
- **Net cash flow before Offer impacts** means net cash flow before interest and tax after lease payments, debt drawdowns (repayments), net interest payments and tax paid. Offer impacts means proceeds from issue of Shares less Offer costs
- **Net cash flow** means net cash flow before Offer impacts after proceeds from issue of Shares, repayments of borrowings and costs of the Offer
- **Working capital** means the sum of current trade and other receivables, less the sum of trade and other creditors, provisions and advance payments from customers.

5.3. Historical and Forecast Income Statements

5.3.1 Pro Forma Historical and Forecast Income Statements

Table 5.2: Pro Forma and Statutory Income Statements

		PRO FORMA HISTORICAL			PRO FORMA FORECAST	STATUTORY FORECAST
$ MILLIONS	**NOTES**	**FY19**	**FY20**	**FY21**	**FY22F**	**FY22F**
Revenue	1	64.8	76.0	98.3	126.7	126.7
Cost of sales	2	(48.7)	(58.3)	(68.8)	(85.9)	(85.9)
Gross profit		**16.1**	**17.8**	**29.6**	**40.8**	**40.8**
Other income		(0.7)	0.1	0.2	–	–
Employee expenses	3	(9.7)	(9.8)	(16.6)	(20.2)	(20.6)
General and admin		(3.6)	(3.2)	(4.1)	(6.4)	(6.7)
Sales & marketing		(0.5)	(0.4)	(0.5)	(0.7)	(0.7)
Occupancy		(0.5)	(0.2)	(0.2)	(0.4)	(0.4)
Operating expenses		**(15.0)**	**(13.6)**	**(21.2)**	**(27.6)**	**(28.4)**
EBITDA		**1.1**	**4.2**	**8.4**	**13.1**	**12.4**
Depreciation and amortisation	4	(1.1)	(1.4)	(1.6)	(1.6)	(1.6)
Share of profit from equity investments		–	0.2	0.1	–	–
EBIT		**(0.0)**	**3.0**	**6.8**	**11.5**	**10.8**
Interest	5	(0.1)	(0.1)	(0.1)	(0.4)	(0.4)
Net profit before tax		**(0.1)**	**2.9**	**6.7**	**11.2**	**10.5**
Tax		(0.1)	(0.4)	(1.1)	(2.5)	(2.4)
Net profit after tax		**(0.2)**	**2.6**	**5.6**	**8.6**	**8.0**
Non-controlling interests (NCI)		(0.2)	(0.3)	(1.1)	(0.4)	(0.4)
Net profit after tax and NCI		**(0.3)**	**2.3**	**4.5**	**8.2**	**7.6**

Notes:

1. Revenue from customers is derived from providing IT consulting services across a range of specialist IT services including digital advisory, business applications, data and integration, cloud services, and change management as described in Section 3 of this Prospectus. FY20, FY21, and FY22F revenue refers to revenue from customers while FY19 revenue refers to total revenue which included $0.3m other income.
2. Cost of sales represents costs incurred directly related to completing customer contracts, which primarily includes consultant salaries, contractor and sub-contractor wages and costs.
3. Employee expenses in statutory FY22F includes the impact of one-off employee gift shares issued as part of the Offer.
4. Depreciation and amortisation expense relates primarily to the depreciation of IT hardware, amortisation of software systems, and the depreciation component of leases accounted for under AASB 16.
5. Interest included in the Pro Forma Historical and Forecast Income Statements represents the interest component of the leases accounted for under AASB 16, interest on borrowings, and interest income.

5.3.2 Key Pro Forma Operating and Financial Metrics

Table 5.3: Key operating and financial metrics for FY19 to FY22F

		PRO FORMA			
	NOTES	FY19	FY20	FY21	FY22F
Key operating metrics					
Number of billable staff	1	299	335	465	550
Forecasted revenue contribution of top two contracts ($m)	2	4.7	4.3	6.3	7.8
Forecasted impact on gross margin of top two contracts ($m)	3	1.6	1.5	2.3	2.8
Key financial metrics					
Revenue growth (% increase)			17.3%	29.3%	28.8%
EBITDA margin % (EBITDA/revenue)		1.7%	5.5%	8.5%	10.4%
Gross profit growth (% increase)			10.5%	66.2%	37.9%

Notes:

1. Billable staff are the number of consultants that are available to undertake billable work for customers
2. Actual/forecast revenue of top two contracts (top two revenue contributors)
3. Actual/forecast gross margin of top two contracts

5.3.3 Pro Forma adjustments to the Statutory Historical Income Statements and Statutory Forecast Income Statement

Table 5.4: Pro Forma Adjustments to Statutory Historical and Forecast EBITDA

$ MILLIONS	NOTES	FY19	FY20	FY21	FY22F
Statutory EBITDA		**0.6**	**4.6**	**11.2**	**12.4**
AASB 16 adoption	1	0.7	–	–	–
Offer costs	2	–	–	–	0.3
Public company costs	3	(0.2)	(0.2)	(0.1)	–
JobKeeper payments		–	(0.3)	(2.6)	–
Employee gift shares	4	–	–	–	0.4
Pro Forma EBITDA		**1.1**	**4.2**	**8.4**	**13.1**

Table 5.5: Pro Forma Adjustments to Statutory Historical and Forecast NPAT

$ MILLIONS	NOTES	FY19	FY20	FY21	FY22F
Statutory net profit after tax and NCI		**(0.2)**	**2.6**	**6.5**	**7.6**
AASB 16 adoption	1	(0.1)	–	–	–
Offer costs	2	–	–	–	0.3
Public company costs	3	(0.2)	(0.2)	(0.1)	–
JobKeeper payments		–	(0.3)	(2.6)	–
Employee gift shares	4	–	–	–	0.4
Tax adjustment	5	0.1	0.1	0.8	(0.1)
Pro Forma profit/(loss) after tax		**(0.3)**	**2.3**	**4.5**	**8.2**

Notes:

1. The Company adopted AASB 16 in FY20 which is effective for annual periods that begin on or after 1 July 2019. A pro forma adjustment has been applied in FY19 that results in recording an interest expense and a depreciation charge in relation to the right of use asset and lease liability recognised on the balance sheet.
2. Total costs of the Offer will be approximately $2.6 million. Of this amount, approximately $0.3 million (before tax) will be expensed in the Income Statement. The remaining costs estimated at $2.3 million will be offset against equity in the Balance Sheet.
3. Public company costs reflect the Company's estimate of the incremental annual costs that the Company will incur as a listed entity. These include additional audit and compliance costs, listing fees, share registry fees, as well as investor relations and communications costs.
4. The Company will be issuing one-off employee gift shares as part of the Offer.
5. The pro forma adjustment represents the pro forma impacts to the Statutory Historical and Forecast taxation expense arising from the other pro forma adjustments based on the prevailing tax rates in each year.

5.3.4 Statutory Historical Income Statements

Table 5.6: Statutory Historical Income Statements for FY19 to FY21

		STATUTORY HISTORICAL		
$ MILLIONS	NOTES	FY19	FY20	FY21
Revenue	1	64.8	76.0	98.3
Cost of sales	2	(48.6)	(58.0)	(68.8)
Gross profit		**16.2**	**18.1**	**29.6**
Other income		–	0.7	2.9
Employee expenses	3	(9.7)	(9.8)	(16.6)
General, admin and other		(3.6)	(2.9)	(3.9)
Sales & marketing		(0.5)	(0.4)	(0.5)
Occupancy		(1.2)	(0.2)	(0.2)
Other expenses		(0.7)	(0.8)	–
Operating expenses		**(15.6)**	**(13.5)**	**(18.4)**
EBITDA		**0.6**	**4.6**	**11.2**
Depreciation and amortisation	4	(0.4)	(1.4)	(1.6)
Share of profit from equity investments		–	0.2	0.1
EBIT		**0.2**	**3.5**	**9.6**
Interest	5	(0.1)	(0.1)	(0.1)
Net profit before tax		**0.1**	**3.4**	**9.5**
Tax		(0.1)	(0.5)	(1.9)
Net profit after tax		**(0.0)**	**2.9**	**7.6**
Non-controlling interests (NCI)		(0.2)	(0.3)	(1.1)
Net profit after tax and NCI		**(0.2)**	**2.6**	**6.5**

Refer to Table 5.2 for notes.

5.4. Historical and forecast cash flows

5.4.1 Pro Forma Historical and Forecast Cash Flows

Table 5.7: Pro Forma Historical and Pro Forma and Statutory Forecast Cash Flows

		PRO FORMA HISTORICAL			PRO FORMA FORECAST	STATUTORY FORECAST
$ MILLIONS	NOTES	FY19	FY20	FY21	FY22F	FY22F
EBITDA		**1.1**	**4.2**	**8.4**	**13.1**	**12.4**
Change in working capital	1	(1.5)	2.1	7.7	(2.7)	(2.7)
Non-cash expenses	2	0.7	0.8	0.6	–	0.4
Cash flow from operating activities		**0.3**	**7.1**	**16.6**	**10.4**	**10.1**
Payments for property, plant and equipment		0.1	(0.3)	(0.1)	(0.2)	(0.2)
Cash received from/(invested in) equity investments	3	(0.4)	(3.4)	(1.1)	(6.0)	(6.0)
Increase/(Decrease) in lease liabilities		(0.6)	(0.9)	(1.5)	(1.1)	(1.1)
Net cash flow before interest and tax		**(0.7)**	**2.6**	**13.9**	**3.1**	**2.8**
Proceeds/(Repayment) of borrowings	4					2.8
Net interest payments						(0.4)
Taxes paid						(2.4)
Other cash flow	5					–
Dividends paid						–
Net cash flow before Offer impacts						**2.8**
Proceeds from issue of shares	6					24.8
Cost of the Offer and other	7					(2.2)
Net cash flow						**25.4**

Notes:

1. The working capital movement in FY21 was primarily due to an increase in provisions. Working capital movement in FY22F is driven by the unwinding of provisions and an increase in receivables in line with revenue growth.
2. Non-cash expenses include items such as share-based employee expenses and loss on disposal of plant and equipment.
3. Investments in FY21 include the acquisitions of ESAM Consultants Pty Ltd, ChartSmart Consulting Pty Ltd, and Noetic Group Pty Ltd. Investments in FY22F includes the acquisition of Mentum Systems Pty Ltd and a $1.9m contingent consideration in relation to Noetic Group Pty Ltd.
4. Proceeds/(Repayment) of borrowings primarily reflects the net impact of a drawdown ($4.0 million) and scheduled repayment ($1.0 million) of debt facilities used to fund the acquisition of Mentum Systems Pty Ltd.
5. Other cashflow in FY20 (see Table 5.8) related to proceeds from issuance of Shares.
6. Proceeds from issue of Shares represents the cash inflow from the primary raise of $24.8 million.
7. The cost of the Offer ($2.6 million) is offset against equity ($2.3 million) and expensed in the Income Statement ($0.3 million).

5.4.2 Statutory Historical Cash Flows

Table 5.8: Statutory Historical Cash Flows

		STATUTORY HISTORICAL		
$ MILLIONS	NOTES	FY19	FY20	FY21
EBITDA		**0.6**	**4.6**	**11.2**
Change in working capital	1	(1.5)	2.1	7.7
Non-cash expenses	2	0.7	0.8	0.6
Cash flow from operating activities		**(0.2)**	**7.5**	**19.4**
Payments for property, plant and equipment		0.1	(0.3)	(0.1)
Cash received/(invested) from equity investments	3	(0.4)	(3.4)	(1.1)
Lease payments		–	(0.9)	(1.5)
Net cash flow before interest and tax		**(0.5)**	**3.0**	**16.7**
Proceeds/(Repayment) of borrowings	4	0.3	(13.7)	0.0
Net interest payments		(0.1)	(0.1)	(0.1)
Taxes paid		(1.2)	(0.3)	(1.8)
Other cash flow	5	(0.0)	15.6	0.2
Dividends paid		–	–	(6.5)
Net cash flow before Offer impacts		**(1.6)**	**4.6**	**8.5**

Refer notes to Table 5.7.

5.4.3 Pro Forma adjustments to the Statutory Historical Cash Flows and Statutory Forecast Cash Flow

Table 5.9: Reconciliation of Statutory net cash flow before interest and tax to Pro Forma net cash flow before interest and tax for FY19, FY20, FY21 and FY22F

		HISTORICAL			FORECAST
$ MILLIONS	NOTES	FY19	FY20	FY21	FY22F
Statutory net cash flow before interest and tax		(0.5)	3.0	16.7	2.8
AASB 16 adoption	1	0.0	–	–	–
Offer costs	2	–	–	–	0.3
Public company costs	3	(0.2)	(0.2)	(0.1)	–
JobKeeper payment		–	(0.3)	(2.6)	–
Pro Forma net cash flow before interest and tax		(0.7)	2.6	13.9	3.1

Notes:

1. The Company adopted AASB 16 in FY20 which is effective for annual periods that begin on or after 1 July 2019. A pro forma adjustment has been applied in FY19 that results in recording an interest expense and a depreciation charge in relation to the right of use asset and lease liability recognised on the balance sheet.
2. Total costs of the Offer will be approximately $2.6 million. Of this amount, approximately $0.3 million (before tax) will be expensed in the Income Statement. The remaining costs estimated at $2.3 million will be offset against equity in the Balance Sheet.
3. Public company costs reflect the Company's estimate of the incremental annual costs that the Company will incur as a listed entity. These include additional audit and compliance costs, listing fees, share registry fees, as well as investor relations and communications costs.

5.5. Statutory and Pro Forma Historical Statements of Financial Position

Table 5.10: Statutory and Pro Forma Historical Statements of Financial Position as at 30 June 2021

$ MILLIONS	NOTES	PRO FORMA ADJUSTMENTS[1] STATUTORY HISTORICAL 30 JUNE 2021	IMPACT OF THE OFFER	PRO FORMA HISTORICAL 30 JUNE 2021
Cash and cash equivalents		17.3	22.2	39.5
Trade and other receivables		23.1		23.1
Other current assets		0.4		0.4
Current assets		**40.8**	**22.2**	**63.0**
Goodwill and intangible assets		8.1		8.1
Deferred tax assets	2	4.0	(0.0)	4.0
Property, plant and equipment		0.3		0.3
Other assets		0.6		0.6
Right of Use Assets		3.3		3.3
Non-current assets		**16.3**	**(0.0)**	**16.2**
Total assets		**57.1**	**22.2**	**79.3**
Trade and other payables		26.5		26.5
Borrowings		0.3		0.3
Lease liability		0.7		0.7
Other current liabilities	3	9.6		9.6
Income Tax Payable		3.0		3.0
Current liabilities		**40.0**	**–**	**40.0**
Borrowings		1.8		1.8
Lease liability		2.3		2.3
Other non-current liabilities		0.8		0.8
Non-current liabilities		**4.9**	**–**	**4.9**
Total liabilities		**44.9**	**–**	**44.9**
Net assets	**4**	**12.2**	**22.2**	**34.4**
Equity		25.9	23.6	49.5
Retained earnings and other		(14.5)	(1.4)	(15.9)
Non-Controlling Interest		0.8		0.8
Total equity		**12.2**	**22.2**	**34.4**

Notes:

1. Proceeds of $24.8 million will be raised through the issue of new Shares which will be partly used to fund the costs of the Offer of $2.6 million. $2.3 million ($1.6 million after tax) of Offer Costs have been determined to relate to the primary raise and will be offset against equity, while $0.3 million ($0.2 million after tax) will be expensed to the Income Statement and recognised in retained earnings. The $0.4 million employee gift offer ($0.4 million after tax) will also be expensed and recognised in retained earnings.
2. The Offer cost of $2.6 million creates a deferred tax asset of $0.8 million, assuming a 30% company tax rate. This is offset by a reduction in deferred tax assets of $0.8 million. These deferred tax assets represent prior period losses of certain subsidiaries. Given the uncertainty over the tax outcomes arising as a result of the IPO process, the deferred tax assets in respect of losses have been derecognised in the pro-forma financial information.
3. Other current liabilities comprise employee benefit obligations ($4.8 million), contract liabilities ($3.4 million), and current provisions ($1.4 million).
4. The Company recorded net assets of $12.2 million as at 30 June 2021, prior to this Offer. Post-Offer net assets increase by $22.2 million, due to an increase in cash and movement in deferred tax assets.

5.6. Net debt

Table 5.11: Statutory and Pro forma net debt position as at 30 June 2021

$ MILLIONS	NOTES	STATUTORY AS AT 30 JUNE 2021	PRO FORMA ADJUST-MENTS	PRO FORMA AT 30 JUNE 2021
Cash and cash equivalents	1	17.3	22.2	39.5
Non-current loans and borrowings		1.8	–	1.8
Lease liabilities	2	3.1	–	3.1
Non-current employee benefit obligations	3	0.8	–	0.8
Long-term debt		**5.6**		**5.6**
Net debt (cash)		**(11.7)**		**(33.9)**

Notes:

1. Cash and cash equivalents will increase by a net amount of $22.2 million as a result of the $24.8 million proceeds from the issue of Shares less the costs of the Offer of $2.6 million.
2. Lease liabilities primarily relate to the premises occupied by the Company in New South Wales, Victoria, Australian Capital Territory and Queensland, as described in Section 3.1.3 of this Prospectus. The property lease is accounted for under AASB 16 which results in the recognition of the present value of the liability for future lease payments being recorded on the balance sheet.
3. Non-current employee benefit obligations represent long-service leave obligations which is not debt however has debt-like properties.

5.6.1 Summary of existing banking facilities

The Company currently has a credit card facility with the National Australia Bank (**NAB**) of $0.02 million and a bank guarantee facility of $0.08 million with NAB and bank guarantee facility of $0.08 million with the Commonwealth Bank of Australia (**CBA**).

The Company also has a borrowing facility with 263 Finance Pty Ltd, which is an entity associated with one of the shareholders. This was upsized in August 2021 where key terms of the borrowing include total limits of $5.75 million (fully drawn as at August 2021) with annual repayment of $1.0 million with a final repayment date in January 2024.

5.7. Liquidity and capital resources

Following Completion of the Offer, the Company's principal sources of funds will be cash flow from operations and cash held at Completion of the Offer. The Company expects that it will have sufficient cash flow from operations to meet its business needs during the forecast period and will have sufficient working capital to carry out its stated objectives.

The Company's ability to generate sufficient cash depends on its future performance which, to a certain extent, is subject to a number of factors beyond the Company's control including general economic, financial and competitive conditions.

There is $0.2 million planned capital expenditure for FY22F related to office fit out and hardware upgrades.

5.8. Forecast Financial Information

5.8.1 Assumptions in relation to the Forecast Financial Information

The Forecast Financial Information has been prepared based on the significant accounting policies adopted by the Company, which are in accordance with AAS and are disclosed in Appendix A. The Forecast Financial Information is based on various general and specific assumptions concerning future events, including those set out below. This information is intended to assist investors in assessing the reasonableness and likelihood of the assumptions occurring but is not intended to be a representation that the assumptions will occur.

In preparing the Forecast Financial Information, the Company has undertaken an analysis of historical performance and applied assumptions in order to forecast future performance for FY22F. The Company believes the assumptions, when taken as a whole, to be reasonable at the time of preparing this Prospectus, including each of the general and specific assumptions set out in Section 5.8.2 and 5.8.5 respectively. However, the actual results are likely to vary from the forecast and any variation may be materially positive or negative. The assumptions upon which the Forecast Financial Information is based are by their nature subject to significant uncertainties and contingencies, many of which are outside the control of the Company and the members of its Board and are not reliably predictable.

Accordingly, no assurance is given that the Forecast Financial Information or any prospective statement contained in this Prospectus will be achieved. Events and outcomes might differ in amount and timing from the assumptions, with a material positive or negative impact on the Forecast Financial Information. The assumptions set out below should be read in conjunction with the sensitivity analysis set out in Section 5.9.11, the risk factors set out in Section 7 of the Prospectus and the Investigating Accountant's Report set out in Section 6 of the Prospectus.

5.8.2 General Assumptions

The following general assumptions are relevant to the Forecast Financial Information:

- there is no material change in the competitive and operating environments in which the Company operates;
- other than the expected easing of the Government imposed COVID-19 restrictions, there is no significant deviation from current market expectations of the Australian or global economic conditions relevant to the Company, including the market in which it operates;
- there is no material change in the legislative regimes (including tax) and regulatory environment in which the Company operates;
- there is no material amendment to, or termination of, any material agreement (or across a range of similar contracts like information technology supplier contracts which are in aggregate material) relating to the Company's business other than as disclosed in this Prospectus;
- there are no significant disruptions to the continuity of operations of the Company, and there are no other material changes in the Company's business;
- there are no material acquisitions, disposals, restructures or investments for the Company other than as disclosed in the Prospectus;
- there are no material changes to the Company's corporate and funding structure other than as set out in, or contemplated by, this Prospectus;
- there is no loss of key management personnel and the Company will maintain the ongoing ability to recruit and retain required personnel;
- there is no material litigation that will arise or be settled to the benefit or detriment of the Company;
- there are no contingent liabilities that will arise or be realised to the detriment of the Company;
- there is no change in applicable Australian Accounting Standards and IFRS that would have a material impact on the Company's accounting policies, financial reporting or disclosure requirements, or its financial performance or position;
- none of the key risks set out in Section 7 of the Prospectus eventuate, or if they do, none of them has a material adverse impact on the operations of the Company; and
- the Offer proceeds are received in accordance with the timetable set out in Section 1 of this Prospectus.

5.8.3 Impact of COVID-19

Atturra received government grants (JobKeeper and cash flow boost) of $0.3 million in FY20, and $2.6 million in FY21. Jobkeeper was paid to certain subsidiaries and covers 196 employees in FY20 and 202 employees in FY21. For the remainder of FY22F, the Company is not expecting any disruption of its operations to arise from COVID-19. COVID-19 in early 2020 had an impact on Atturra primarily as a result of significant uncertainty and a rapid lockdown, which disrupted many projects that were underway. Atturra however was already set up to work remotely and very shortly after the initial COVID-19 shock the pandemic has had limited impact on the business, this is in part because the majority of Atturra client base is fortunately not directly impacted (for example Government, Utilities and Defence). The main challenge with COVID-19 going forward is employee wellbeing, the psychological impact of lockdowns and the reduced capability to bring in overseas skilled workers.

Because of the ability of Atturra's employees to work remotely and Atturra's client base still requiring IT services, COVID-19 has not had a material adverse impact on the Company in the last 12 months to 31 October 2021.

5.8.4 Other forecast assumptions

The following other assumptions have been made in preparing the FY22F forecast:

- Depreciation: depreciation policy and useful life assumptions are forecast to remain consistent with historical levels. Depreciation includes expenses in relation to AASB 16 and lease liabilities;
- Amortisation: amortisation policy and useful life assumptions are forecast to remain consistent with historical level;
- Interest expenses: interest expenses in relation to AASB 16, lease liabilities and debt facility; and
- Income tax expense: pro forma income tax expense is assumed to be based on the profit (or loss) before tax at the relevant Australian company tax rate after adjusting for permanent tax differences.

5.8.5 Specific assumptions

The Forecast Financial Information has been prepared with consideration of the actual, unaudited, trading performance of the Company through to 31 August 2021 and is based on various specific assumptions. The key specific assumptions are summarised below.

The Company generates revenue through designing, implementing, and maintaining IT solutions to both public and private clients.

Operating expenses comprise employee benefits expenses, general and administration expenses, sales and marketing expenses, occupancy expenses and other relevant expenses.

5.8.5.1 Revenue

Revenue is forecast based on customer relationships which have already signed contracts or for which contracts are highly likely to be signed, based on past experience and relationships with that customer. Revenue is recognised for the major business activities using the contract types outlined below.

- Time and material: Where the Company provides services charged on the basis of actual time and materials incurred, the performance obligation is completed as and when the services are rendered, and costs are incurred. Hence revenue recognition is aligned to the costs incurred. Revenue is calculated based on contractual billing rates for the services performed.
- Fixed price: Where fixed price contracts are entered into, comprising multiple performance obligations, the services provided are over time and revenue is recognised when milestones are achieved, and the respective performance obligation has been completed.
- Software: Software licensing revenue includes revenue received as an agent for selling software licences. Revenue is recognised when the software licence is sold to the customer. Software maintenance and managed services revenue is recognised evenly over the life of the relevant contracts in line with the delivery of services.

The Company has achieved year on year growth since its incorporation in 2015. The forecast assumes revenue growth of 28.8% in FY22F. In the historical period FY19 to FY21, revenue from customers has grown at a compound annualised growth rate of 23.5% due to:

- New contract wins and extensions from existing customers; and
- Acquisitions.

Atturra has and continues to grow by targeting high growth industries where it can establish a competitive advantage and bespoke sector knowledge and expertise. These include sensitive sectors where the customer considers that an Australian service provider is important, such as the Defence, Education or Local Government sector.

5.8.5.2 Cost of sales

Cost of sales include costs which are directly related to fulfilling customer contracts. These primarily include consultant salaries, payroll tax, contractor and sub-contractor wages as well as associated employee entitlements such as superannuation, annual leave and long service leave.

Atturra forecasts its cost of sales based on historic experience and levels, along with expected levels of customer activity.

5.8.5.3 Employee expenses

Employee expenses relate to employees which are not directly related to a specific customer contract. These include finance and administration staff, sales and marketing staff, support staff as well as senior management.

5.8.5.4 Sales & marketing expenses

Primarily consists of expenses associated with increasing Atturra's brand profile and awareness with clients. This includes targeted use of online marketing such as LinkedIn campaigns and targeted campaigns with key technology partners including Microsoft, Boomi and Smartsheet. The Company also incurs expenses for PR and media relations, and through representation at key industry events and conventions.

Sales and marketing expense is forecasted to grow at a higher rate than historical years, due to the re-branding undertaken for the Company (Atturra) and an increase in general advertising and marketing activity. Sales and marketing expense as a percentage of revenue is in line with historical levels.

5.8.5.5 Other expenses

Other expenses include occupancy expenses, including any occupancy expenses not accounted for under AASB 16, technology and communications, professional services, utilities and other office costs. Other expenses also include general and administration expenses relate to costs associated with the normal operations of the Company such as accounting fees, audit fees, insurances, stationery, as well as an allowance for the costs associated with being a publicly listed entity.

5.8.5.6 Capital expenditure and working capital

Capital expenditure of $0.2 million is budgeted for FY22F primarily related to office fit out. Costs associated with maintaining software programmes are recognised as an expense as incurred.

Forecast working capital is based on historical trends and primarily comprise movement in trade receivables, trade and other creditors, GST, contractor costs payable, other current liabilities, unearned revenue, and various provisions such as for annual leave and bonuses.

5.9. Management Discussion and Analysis of the Pro Forma Historical Financial Information and Pro Forma Forecast Financial Information

5.9.1 Overview

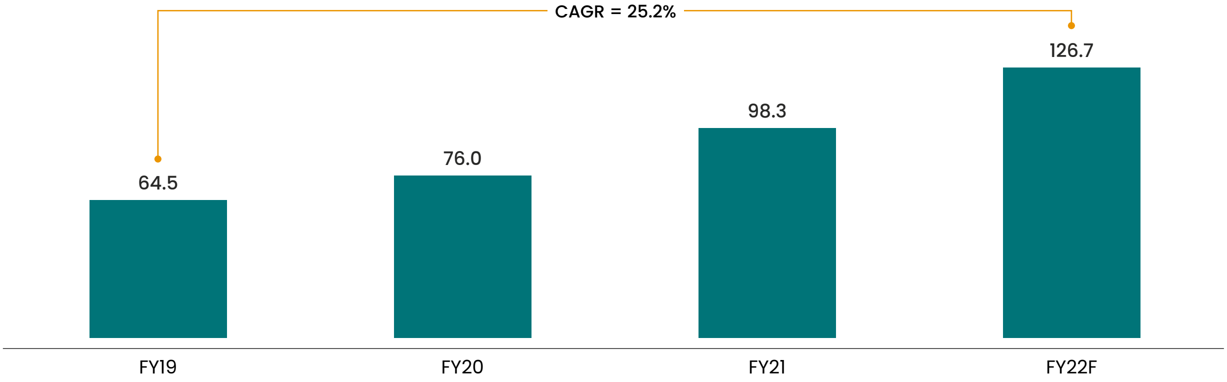
This Section 5.9 sets out a discussion of the main factors which affected the Company's operating and financial performance in FY19, FY20 and FY21, as well as the factors the Company expects may continue to be a driver during FY22F.

The discussion of these general factors is intended to provide a brief summary only and does not detail all the factors that affected historical operating and financial performance, nor everything which may affect the Company's operating and financial performance in the future. Unless otherwise stated, all metrics and financial information presented in this section, and the related commentary is on a pro forma basis only.

The information in this Section 5.9 should also be read in conjunction with the general and specific assumptions in Sections 5.8.2 and 5.8.5, the sensitivities in Section 5.9.11 and the risk factors set out in Section 7 of the Prospectus and the other information contained in this Prospectus.

5.9.2 Revenue

Figure 5.1: Pro Forma Revenue from Customers FY19 - FY22F ($m)



Pro forma revenue excludes COVID-19 government grants received in FY20 and FY21.

From FY19 to FY20, revenue from customers grew 17.9% from $64.5 million to $76.0 million. This increase was primarily due to organic growth as well as the acquisition of the Atturra Business Applications service line.

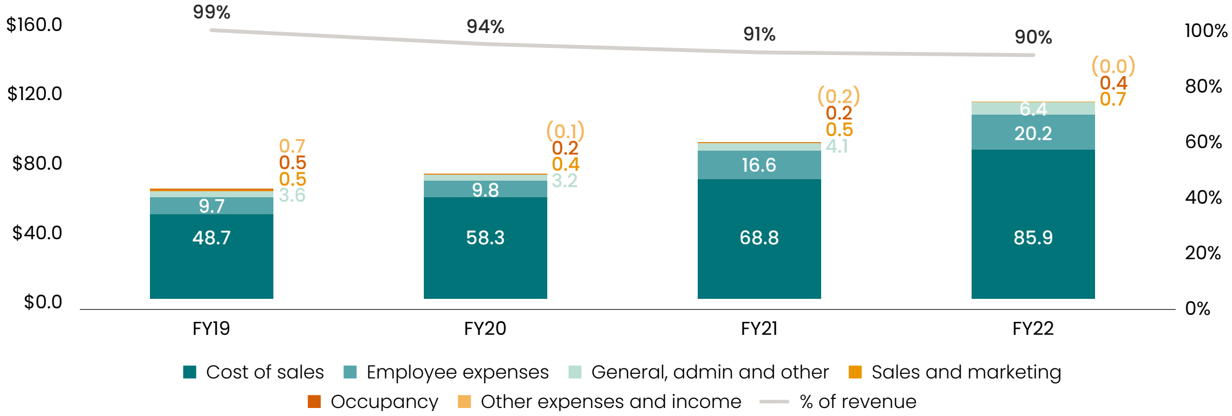
From FY20 to FY21, revenue from customers grew 29.3% from $76.0 million to $98.3 million. This increase incorporated organic growth as well as the revenue from several acquisitions completed during the year, including Noetic Group Pty Ltd in February 2021 as well as ESAM Consultants Pty Ltd in April 2021.

From FY21 to FY22F, revenue from customers is forecast to grow 28.8% from $98.3 million to $126.7 million. The forecast growth is due to new contracts, extension of existing contracts, growth in the existing customer base, and the acquisition of Mentum Systems Pty Ltd which was completed in August 2021.

5.9.3 Cost of Sales and Operating Expenses

The below illustrates total expenses, comprised of cost of sales and operating expenses, as well as total expenses as a percentage of revenue from FY19 – FY22F.

Figure 5.2: Cost of sales and operating expenses by category ($m) and as a % of revenue from customers FY19-FY22F

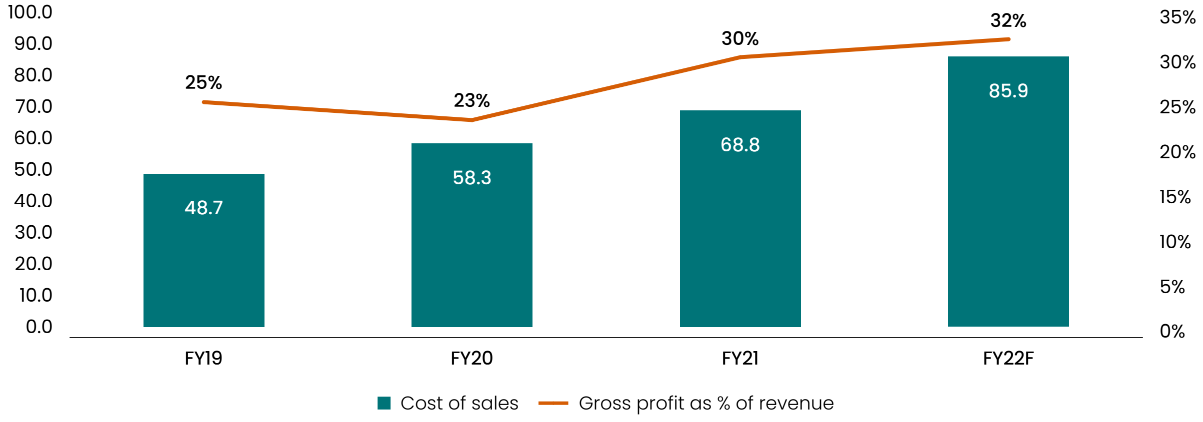


Refer to Section 5.8.5 for explanation of cost categories.

5.9.4 Cost of sales and gross profit

Cost of sales comprises salaries and associated on-costs for permanent consultants and contractors, client reimbursable expenses (e.g. travel costs), and other expenses such as hosting costs and software licence costs. On-costs include employee-related expenses such as superannuation, annual leave, and payroll tax.

Figure 5.3: Cost of sales ($m) and Gross Profit as a % of Revenue FY19 – FY22F



Cost of sales has increased FY19-FY22 primarily as a result of increased headcount and personnel costs (consultants and contractors), in line with the Company's revenue growth.

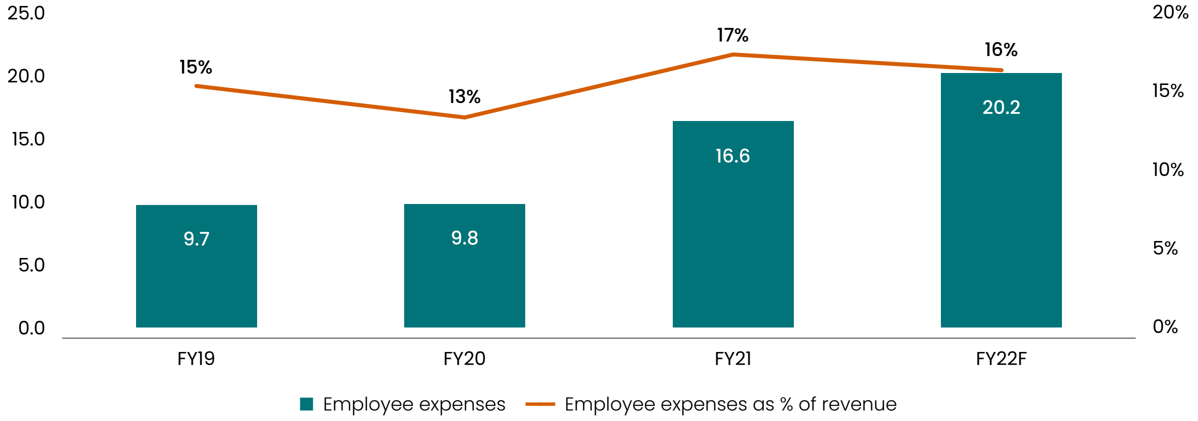
From FY19 to FY20, cost of sales increased $9.6 million with the majority of the increase attributable to consultant costs and sub-contractor costs.

From FY20 to FY21, cost of sales increased $10.5 million with the majority of the increase attributable to consultant costs. Gross profit as a percentage of revenue improved to 30.1% in the period, due to an increase in higher margin customer contracts.

In FY22F, cost of sales is forecasted to increase $17.1 million to $85.9 million. This is mainly due to an increase in consultant costs reflecting increased headcount to support business growth.

5.9.5 Employee Expenses

Figure 5.4: Employee Expenses ($m) and Employee Expenses as a % of Revenue



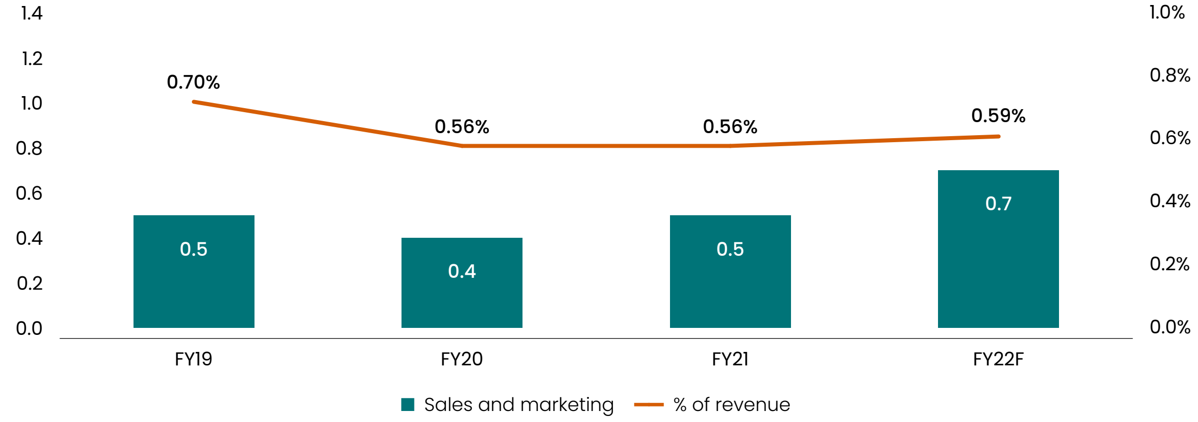
Employee expenses include salaries, commission, superannuation, annual leave, long service leave, payroll tax and workers compensation expenses for Finance & Administration staff, Sales & Marketing staff as well as Senior Management.

Total employee expenses have increased through FY19-21 in line with headcount and revenue. Acquisitions made during the period have increased both revenue and employee expenses.

From FY21 to FY22F, employee expenses are forecast to increase from $16.6 million to $20.2 million. The number of Finance & Administration and Sales & Marketing staff and Senior Management are forecast to remain relatively constant over this period, so employee expenses as a percentage of revenue is expected to decline during the year.

5.9.6 Sales and Marketing Expenses

Figure 5.5: Sales and Marketing Expenses ($m) and Sales and Marketing Expenses as a % of Revenue

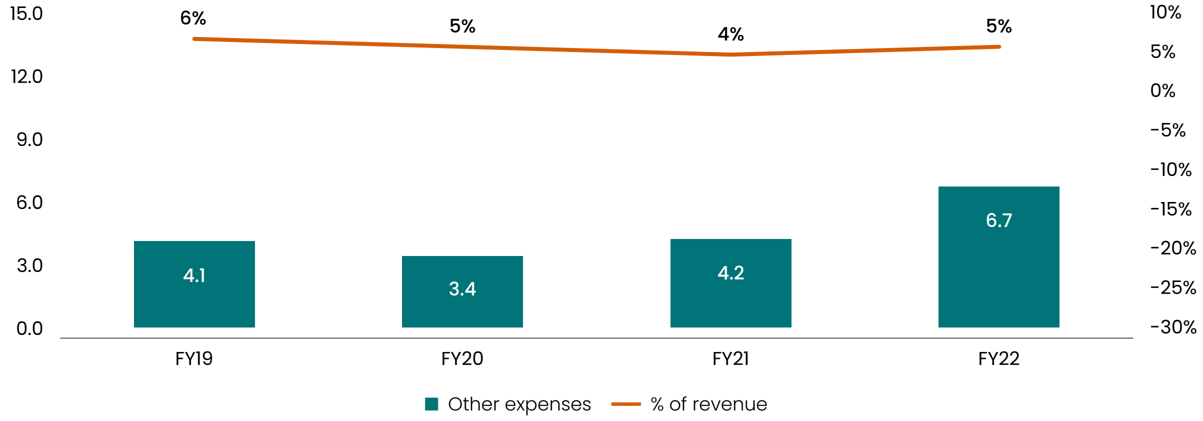


Sales and marketing expenses include advertising and marketing costs, attendance at events and conventions, client entertainment and donations/sponsorships. Atturra advertises through LinkedIn campaigns, targeted ads and through attendance of key management at industry events.

FY22F sales and marketing expenses is expected to be 0.6% of revenue, in line with historical levels.

5.9.7 General, Administration, Occupancy and Other Expenses

Figure 5.6: General, Administration, Occupancy and Other Expenses ($m) and as a % of Revenue



These include general and administration costs such as audit fees, staff entertainment, and insurances, as well as the costs of operating as a public company. This category of expenses also includes occupancy costs associated with renting offices which are not captured under AASB 16.

The decrease in expenses from $4.1 million in FY19 to $3.4 million in FY20 is primarily due to the decrease in other IT costs as well as occupancy expenses.

The increase from $3.4 million in FY20 to $4.2 million in FY21 is primarily due to the increase in consultancy fees and other IT costs. The increase from $4.2 million in FY21 to $6.7 million in FY22F is forecast to primarily due to recognising the full year impact of acquisitions made during FY21 and a modest increase in travel costs.

5.9.8 Depreciation and Amortisation

Depreciation: relates to the depreciation of plant and equipment, furniture, fittings and equipment, leasehold improvements, as well as right of use assets relating to AASB-16. Depreciation is calculated using the straight-line method to allocate the plant and equipment cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, if shorter, the lease term. Depreciation is expected to remain constant at $1.6 million in FY22F.

Amortisation: relates to the amortisation of acquired and developed software, the majority of which is amortised based on an expected useful economic life of five years. No amortisation is forecast for FY22F.

5.9.9 Net Interest Expense

Pro forma net interest expense primarily reflects the interest element in relation to the accounting for leases in accordance with AASB 16 and interest associated with the debt facility currently in place.

5.9.10 Tax

Income tax expense included in the forecast for FY22F has been based on the effective tax rates expected to be applicable to the Company and allowing for known upcoming expenses such as Offer costs (that may be tax deductible) as well as public company listing costs.

5.9.11 Sensitivity Analysis

The Forecast Financial Information is based on a number of estimates and assumptions described in Section 5.8 that are subject to business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Company, its Directors and management, and based upon assumptions with respect to future business developments, which are subject to change.

Investors should be aware that future events cannot be predicted with certainty and as a result, deviations from the figures forecast in this Prospectus are to be expected. To assist investors in assessing the impact of these assumptions on the forecasts, set out in Table 5.12 is a summary of the sensitivity of certain Forecast Financial Information to changes in a number of key variables. The changes in the key variables as set out in the sensitivity analysis are not intended to be indicative of the complete range of variations that may be experienced. For the purposes of the analysis below, the effect of the changes in key assumptions on the FY22F pro forma consolidated forecast revenue of $126.7 million and EBIT of $11.5 million is presented. The sensitivity analysis is intended as a guide only and variations in actual performance could exceed the ranges shown.

Table 5.12: Sensitivities

		PRO-FORMA FY22		
$ MILLIONS	NOTES	INCREASE/ DECREASE	IMPACT ON REVENUE ($000)	IMPACT ON EBIT ($000)
Loss of DIPD contract	1	+/- 100%	+/- 3,381	+/- 237
Loss of JED contract	2	+/- 100%	+/- 4,438	+/- 488
+/- 5% of total revenue	3	+/- 5%	+/- 6,334	+/- 1,738

Notes:

1. Calculation based on +/-100% in a key defence customer contract of the Company (Defence Industry Policy Division Sustainment Services (J1006)).
2. Calculation based on +/-100% in a key defence customer contract of the Company (JED).
3. Calculation based on +/-5% of total FY22F revenue and the estimated increase/decrease in required project managers.

Care should be taken in interpreting these sensitivities. The estimated impact of changes in each of the variables has been calculated in isolation from changes in other variables, in order to illustrate the likely impact on the forecast. In practice, changes in variables may offset each other or be additive, and it is likely that the Company would respond to any adverse change in one variable by seeking to minimise the net effect on the Company's revenue and EBIT.

5.10. Dividend Policy

There is no intention for the Company to pay a dividend in respect of the forecast period outlined in this Prospectus. It is the Directors' intention to reinvest future cash flows in further growing the Company.

The payment of dividends by the Company beyond the forecast period is at the discretion of the Directors and will be a function of a number of factors including the Company's operating results, cash flows, financial condition, availability of franking credits and any other factors the Directors may consider relevant.

Appendix A.

Significant Accounting Policies Relevant to the Financial Information

This note provides a list of all significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements are for the Group consisting of Atturra Holdings Pty Ltd (formerly known as Foundation Technology Holdings Pty Ltd) and its subsidiaries.

a. Basis of preparation

This annual financial report for the year ended 30 June 2021 is the first Atturra Holdings Pty Ltd (formerly known as Foundation Technology Holdings Pty Ltd) Group annual financial report to be prepared in accordance with Australian Accounting Standards. AASB 1 First time Adoption of Australian Accounting Standards has been applied in preparing these financial statements, with a transition date of 1 July 2019.

Financial statements of the Group until 30 June 2020 had been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards only. The Group's adoption of AASB 1 did not have any impact on the financial position, financial performance and cash flows of the Group. Because there was no change in recognition or measurement of balances due to the adoption of AASB 1, these financial statements do not include any AASB 1 first-time adoption reconciling items or an opening balance sheet.

These general purpose consolidated financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act. Atturra Holdings Pty Ltd (formerly known as Foundation Technology Holdings Pty Ltd) is a for-profit entity for the purpose of preparing the consolidated financial statements.

i. Compliance with IFRS

The consolidated financial statements of the Atturra Holdings Pty Ltd (formerly known as Foundation Technology Holdings Pty Ltd) Group also comply with International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IASB**).

ii. Historical cost convention

These consolidated financial statements have been prepared under the historical cost basis.

iii. Comparative figures

Comparative figures, are, where appropriate, reclassified to be comparable with figures presented in the current financial year. The changes in presentation are considered to provide more relevant information and have also been adopted in the current year.

iv. New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time in their annual reporting period commencing 1 July 2020:

- *AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material [AASB 101 and AASB 108]*
- *AASB 2018-6 Amendments to Australian Accounting Standards - Definition of a Business [AASB 3]*
- *AASB 2019-3 Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform [AASB 9, AASB 139 and AASB 7]*
- *AASB 2019-5 Amendments to Australian Accounting Standards - Disclosure of the Effect of New IFRS Standards Not Yet issued in Australia [AASB 1054]*
- *Conceptual Framework for Financial Reporting and AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework.*

The adoption of these amendments did not have any impact on the amounts recognised in prior periods and will also not affect the current or future periods.

v. New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2021 reporting periods and have not been early adopted by the Group. The Group's assessment indicates that there are no new Australian Accounting Standards or interpretations that have been issued but are not yet effective with an expected material impact on the Group's financial statements in the period of initial application.

b. Principles of consolidation and equity accounting

i. Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.

ii. Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see below (iii)), after initially being recognised at cost.

iii. Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group. The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 1(i).

iv. Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Atturra Holdings Pty Ltd (formerly known as Foundation Technology Holdings Pty Ltd).

v. Changes in ownership interests (continued)

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

c. Foreign currency translation

Functional and presentation currency

Items included in the consolidated financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars ($), which is Atturra Holdings Pty Ltd (formerly known as Foundation Technology Holdings Pty Ltd)'s functional and presentation currency.

d. Revenue recognition

i. AASB 15 Revenue from Contracts with Customers

AASB 15 aligns revenue recognition with the pattern for transfer of control of the output from satisfying a performance obligation to a customer. In order to achieve this, the standard requires the application of a five-step model in recognising revenue from contracts with customers:

ii. Project Revenue - time and materials agreements

Where the Group provides services charged on the basis of time and materials, revenue is recognised when the services are rendered and costs are incurred. If services have not been invoiced at reporting date but are billable by the Group, an amount is recorded as contract assets.

iii. Project Revenue - Fixed price agreements

Where the Group provides services under a fixed price agreement the performance obligation is completed over time and hence an output method based on percentage-of-completion is applied to recognise revenue. When the outcome of a fixed price agreement can be measured reliably, revenue is recognised based on the proportion of work performed to date relative to the total contract. When the outcome of a fixed price agreement cannot be measured reliably, revenue is recognised only to the extent the costs incurred under the contract are expected to be recoverable. If services have not been invoiced at reporting date but are billable by the Group, an amount is recorded as contract assets.

iv. Management fee revenue

One of the Group's entities, SME Gateway, recognises revenue based on a percentage of amounts billed to the end customer, rather than the full amount, as SME Gateway is considered to be an agent arranging for the member companies to provide services to the end customer. As SME Gateway is only entitled to the management fee when an amount is invoiced to the end customer, this consideration is therefore variable, depending on the invoiced amounts of services delivered. Revenue is recognised to the extent that future reversal is not highly probable, which is usually once the services have been delivered.

v. Software licensing

Software licencing revenue includes revenue received as an agent for selling software licences of other software providers. Revenue is recognised when the software licence is sold to the customer.

vi. Software maintenance and managed services

Software maintenance and managed services revenue is recognised evenly over the life of the relevant contracts in line with the delivery of services.

vii. Other Revenue

Other Revenue mainly includes membership fees, income from security clearance and partner incentive income.

Membership fees are recognised evenly over the life of the relevant contracts in line with delivery of services.

Revenue from security clearances and partner incentive income is recognised at a point in time when the performance obligation is completed and control passes to the customer.

viii. Interest income

Interest income is recognised using the effective interest rate method.

e. Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions. During the 2021 financial year, the Group received government assistance of $2,631,000 (2020: $256,000) presented as Other income. There are no unfulfilled conditions or other contingencies attached to these grants.

f. Income tax

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting year in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

g. Leases

The Group leases various properties, furniture, equipment and motor vehicles.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable by the Group under residual value guarantees,

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point,
- adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by Atturra Holdings Pty Ltd (formerly known as Foundation Technology Holdings Pty Ltd), which does not have recent third party financing, and
- makes adjustments specific to the lease, eg term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

i. Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

ii. Residual value guarantees

To optimise lease costs during the contract period, the Group sometimes provides residual value guarantees in relation to equipment leases.

h. Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity,

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

Non-controlling interests in an acquired entity are recognised at fair value or at the non-controlling interest's proportionate share of the acquired entities net identifiable assets. This decision is made on an acquisition by acquisition basis.

i. Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting year.

j. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

k. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

l. Investments and other financial assets

i. Classification

The Group classifies its financial assets as those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

ii. Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

iii. Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (**FVPL**), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

iv. Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group into the following category classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated income statement.

v. Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the consolidated income statement as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

vi. Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

m. Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting year in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

- Furniture 4 - 6 years
- Office equipment 3 - 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year.

An item of equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is Group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

The carrying values of equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment exists when the carrying value of an asset or cash- generating unit exceeds its estimated recoverable amount. The asset or cash generating unit is then written down to its recoverable amount.

n. Intangible assets

i. Goodwill

Goodwill is measured as described in note 1(h). Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

ii. Software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

iii. Amortisation methods and useful lives

The Group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

- Software 5 years

o. Trade and other payables

Trade payables and other payables are carried at amortised cost due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to the company prior to the end of the financial year that are unpaid and arise when the company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days. Payables to related parties are carried at the principal amount.

p. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the year of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the year of the facility to which it relates.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting year.

q. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the year for the time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the year in which they are incurred.

r. Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting year. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

s. Employee benefits

i. Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

ii. Other long-term employee benefit obligations

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the consolidated statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

iii. Share-based payments

Share-based compensation benefits may be provided to certain employees as part of the employees remuneration. Under the arrangement, shares are issued to employees for no cash consideration or at a discount and vest immediately on grant date. On this date, the fair value of the shares issued less any amount paid by the employee is recognised as an employee benefit expense with a corresponding increase in equity.

The fair value of the shares issued is independently determined by obtaining an external valuation of the shares issued on grant date.

t. Contributed equity

Ordinary shares are classified as equity.

u. Earnings per share

i. Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

ii. Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

v. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the consolidated statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

w. Rounding of amounts

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the consolidated financial statements. Amounts in the consolidated financial statements have been rounded off in accordance with that Instrument to the nearest dollar.

Section 6.

Independent Limited Assurance Report

PITCHER PARTNERS

Pitcher Partners Sydney Corporate Finance Pty Ltd

Level 16, Tower 2 Darling Park
201 Sussex Street
Sydney NSW 2000

Postal Address
GPO Box 1615
Sydney NSW 2001

p. +61 2 9221 2099
e. sydneypartners@pitcher.com.au

17 November 2021

The Directors
Atturra Ltd
Level 2, 10 Bond Street
Sydney, NSW 2000

Dear Directors,

PART 1: INDEPENDENT LIMITED ASSURANCE REPORT ON ATTURRA LTD HISTORICAL FINANCIAL INFORMATION, PRO FORMA HISTORICAL FINANCIAL INFORMATION AND FORECAST FINANCIAL INFORMATION

6.1 INTRODUCTION

The directors ("*Directors*") of Atturra Ltd (*"Listco"*) have engaged Pitcher Partners Sydney Corporate Finance Pty Ltd (*"Pitcher Partners"*) to report on the Historical Financial Information, Pro Forma Historical Financial Information and Forecast Financial Information of Atturra Holdings Pty Ltd (the *"Company"* including the entities it controls *"Group"*) to be included in the prospectus of Listco (*"Prospectus"*) for the proposed initial public offering of fully paid ordinary shares in Listco ("*Offer*") and listing on the Australian Securities Exchange (*"ASX"*).

We have prepared this Independent Limited Assurance Report ("*Report*") to be included in a Prospectus dated on or around 17 November 2021 relating to the Offer.

The Offer is underwritten by the Joint Lead Managers (*"Underwriter"*).

Under the Offer, there will be no options attached to the Shares.

Unless stated otherwise, expressions defined in the Prospectus (in which this Report is included) have the same meaning in this Report and section references are to sections of the Prospectus.

The nature of this Report is such that it can only be issued by an entity which holds an Australian Financial Services License (*"AFSL"*) under the Corporations Act. Pitcher Partners holds the appropriate AFSL authority under the Corporations Act. Refer to our Financial Services Guide included as Part 2 of this Report.

6.2 SCOPE

This Report deals with the financial information included in Section 5 of the Prospectus ("*Financial Information*"). The Financial Information consists of:

- statutory historical consolidated statement of financial position as at 30 June 2021, statutory historical consolidated income statements and statutory historical consolidated cash flows for the financial years ended 30 June 2019, 2020 and 2021 of the Group (*"Statutory Historical Financial Information"*);
- pro forma historical consolidated statement of financial position as at 30 June 2021, pro forma historical consolidated income statements and historical consolidated cash flows for the financial years ended 30 June 2019, 2020 and 2021 of the Group (*"Pro Forma Historical Financial Information"*);

Adelaide Brisbane Melbourne Newcastle Perth Sydney

Pitcher Partners Sydney Corporate Finance Pty Ltd, ABN 77 122 561 184, is an authorised representative of Pitcher Partners Sydney Wealth Management Pty Ltd, ABN 85 135 817 766, AFSL 336950. Liability limited by a scheme approved under Professional Standards Legislation.

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- statutory forecast consolidated income statement and statutory forecast consolidated statement of cash flow for the financial year ending 30 June 2022 of the Group (*"Statutory Forecast Financial Information"*);
- pro forma forecast consolidated income statement and pro forma forecast consolidated statement of cash flow for the financial year ending 30 June 2022 of the Group (*"Pro Forma Forecast Financial Information"*); and
- related notes as set out in Section 5 of the Prospectus.

The Financial Information is presented in an abbreviated form insofar as it does not include all the presentation and disclosures required by Australian Accounting Standards applicable to general purpose financial reports.

The Pro Forma Historical Financial Information in Sections 5.3, 5.4 and 5.5 has been prepared to illustrate the financial position and performance of the Group as at completion of the Offer and has been prepared on the basis of the recognition and measurement principles contained in Australian Accounting Standards applied to the Financial Information and the events to which the pro forma assumptions relate, as described in Sections 5.3.3, 5.4.3 and 5.5 of the Prospectus, as if those events had occurred as at the date of the Statutory Historical Financial Information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Group's actual or prospective Financial Information.

The Statutory Historical Financial Information and the Pro Forma Historical Financial Information comprise the Historical Financial Information.

The Pro Forma Forecast Financial Information in Sections 5.3 and 5.4 has been prepared to illustrate the financial position and performance of the Group as at completion of the Offer and has been prepared on the basis of the recognition and measurement principles contained in Australian Accounting Standards applied to the Financial Information and the events to which the pro forma forecast assumptions relate, as described in Section 5.8 of the Prospectus, as if those events had occurred prior to 1 July 2021. Due to its nature, the Pro Forma Forecast Financial Information does not represent the Group's actual or prospective financial performance and or cash flows for the financial year ending 30 June 2022.

The Statutory Forecast Financial Information and the Pro Forma Forecast Financial Information comprise the Forecast Financial Information.

6.3 DIRECTORS' RESPONSIBILITIES

The Directors of Listco are responsible for the preparation and presentation of:

- the Statutory Historical Financial Information and Pro Forma Historical Financial Information, including its basis of preparation and the selection and determination of pro forma adjustments made to the Statutory Historical Financial Information and included in the Pro Forma Historical Financial Information; and
- the Forecast Financial Information, including its basis of preparation and the best-estimate assumptions underlying the Forecast Financial Information and the selection and determination of the pro forma adjustments made to the Statutory Forecast Financial Information and included in the Pro Forma Forecast Financial Information;
- the sensitivity of the Pro Forma Forecast Financial Information to changes in key assumptions; and
- the information contained within the Prospectus.

This includes responsibility for its compliance with applicable laws and regulations and such internal controls as the Directors determine are necessary to enable the preparation of the Financial Information that is free from material misstatement, whether due to fraud or error.

6.4 OUR RESPONSIBILITIES

Our responsibility is to express a limited assurance conclusion on the Financial Information included in Section 5 of the Prospectus based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re issuing any previously issued audit or review report on any Financial Information used as a source of the Financial Information.

6.5 CONCLUSION

Statutory Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that the Statutory Historical Financial Information, comprising:

- the Statutory Historical Consolidated Statement of Financial Position as at 30 June 2021, as set out in Section 5.5 of the Prospectus;
- Statutory Historical Consolidated Income Statements for the financial years ended 30 June 2019, 2020 and 2021, as set out in Section 5.3.4 of the Prospectus; and
- Statutory Historical Consolidated Cash Flows for the financial years ended 30 June 2019, 2020 and 2021, as set out in Section 5.4.2 of the Prospectus,

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 5.2.3 of the Prospectus being the recognition and measurement principles described under Australian Accounting Standards and the Company adopted accounting policies, as described in Appendix A of the Prospectus, applied to the Statutory Historical Financial Information.

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information, comprising:

- the Pro Forma Historical Consolidated Statement of Financial Position as at 30 June 2021, as set out in Section 5.5 of the Prospectus;
- Pro Forma Historical Consolidated Income Statements for the financial years ended 30 June 2019, 2020 and 2021, as set out in Section 5.3.1 of the Prospectus; and
- Pro Forma Historical Consolidated Cash Flows for the financial years ended 30 June 2019, 2020 and 2021, as set out in Section 5.4.1 of the Prospectus,

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 5.2.3 of the Prospectus being the recognition and measurement principles contained in Australian Accounting Standards and the Company adopted accounting policies applied to the Pro Forma Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in Sections 5.3.3, 5.4.3 and 5.5 of the Prospectus, as if those events or transactions had occurred as at the date of the Statutory Historical Financial Information.

Statutory Forecast Financial Information

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that, in all material respects:

- the Directors' best-estimate assumptions used in the preparation of the Statutory Forecast Financial Information of the Group for the year ending 30 June 2022 do not provide reasonable grounds for the Statutory Forecast Financial Information; and
- the Statutory Forecast Financial Information:
  - is not prepared on the basis of the Directors' best-estimate assumptions as described in Section 5.8 of the Prospectus; and
  - is not presented fairly in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Group's adopted accounting policies, and as described in Section 5.2.4; and
- the Statutory Forecast Financial Information itself is unreasonable.

Pro Forma Forecast Financial Information

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that, in all material respects:

- the Directors' best-estimate assumptions used in the preparation of the Pro Forma Forecast Financial Information of the Group for the year ending 30 June 2022 do not provide reasonable grounds for the Pro Forma Forecast Financial Information; and
- the Pro Forma Forecast Financial Information:
  - is not prepared on the basis of the Directors' best-estimate assumptions as described in Section 5.8 of the Prospectus; and
  - is not presented fairly in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Group's adopted accounting policies, and as described in Section 5.2.4; and
- the Pro Forma Forecast Financial Information itself is unreasonable.

Statutory and Pro Forma Forecast Financial Information

The Forecast Financial Information has been prepared by management of the Company and adopted by the Directors of Listco in order to provide prospective investors with a guide to the potential financial performance and cash flows of the Group for the financial year ending 30 June 2022. There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to events and transactions that have not yet occurred and may not occur. Actual results are likely to be different from the Forecast Financial Information since anticipated events or transactions frequently do not occur as expected and the variations may be material.

The Directors' best estimate assumptions on which the Forecast Financial Information is based relate to future events and/or transactions that management expect to occur and actions that management expect to take, and are also subject to uncertainties and contingencies, which are often outside the control of Listco. Evidence may be available to support the assumptions on which the Forecast Financial Information is based, however such evidence is generally future orientated and therefore speculative in nature. We are therefore not in a position to express a reasonable assurance conclusion on those best estimate assumptions, and accordingly, provide a lesser level of assurance on the reasonableness of the Directors' best estimate assumptions. We do not express any opinion on the achievability of the results. The limited assurance conclusion expressed in this report has been formed on the above basis.

Prospective investors should be aware of the material risks and uncertainties relating to an investment in Listco, which are detailed in the Prospectus, and the inherent uncertainty relating to the prospective financial information. Accordingly, prospective investors should have regard to the investment risks described in Section 7 and sensitivities set out in Section 5.9.11 of the Prospectus. The sensitivity analysis set out in Section 5.9.11 of the Prospectus demonstrates the impacts on the Forecast Financial Information of changes in key best estimate assumptions. The Forecast Financial Information is therefore only indicative of the financial performance which may be achievable. We express no opinion as to whether the Forecast Financial Information will be achieved.

We have assumed, and relied on representations from certain members of management of the Company, that all material information concerning the prospects and proposed operations of the Group has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

6.6 RESTRICTION ON USE

Without modifying our conclusions, we draw attention to Section 5.2 of the Prospectus, which describes the purpose of the Financial Information, being for inclusion in the Prospectus. As a result, the Financial Information may not be suitable for use for another purpose. Pitcher Partners disclaim any assumption of responsibility for any reliance on this report, or on the Forecast Financial Information to which it relates, for any purpose other than that for which it was prepared.

Investors should consider the risks factors set out in Section 7 of the Prospectus.

6.7 SOURCES OF INFORMATION

Pitcher Partners has made enquiries of the Directors, selected management of the Company and other parties as considered necessary during the course of our analysis of the Financial Information of the Group. We have also referred to the Prospectus and material documents which relate to the proposed operations of the Group.

We have no reason to believe the information supplied is not reliable.

6.8 INDEPENDENCE OR DISCLOSURE OF INTEREST

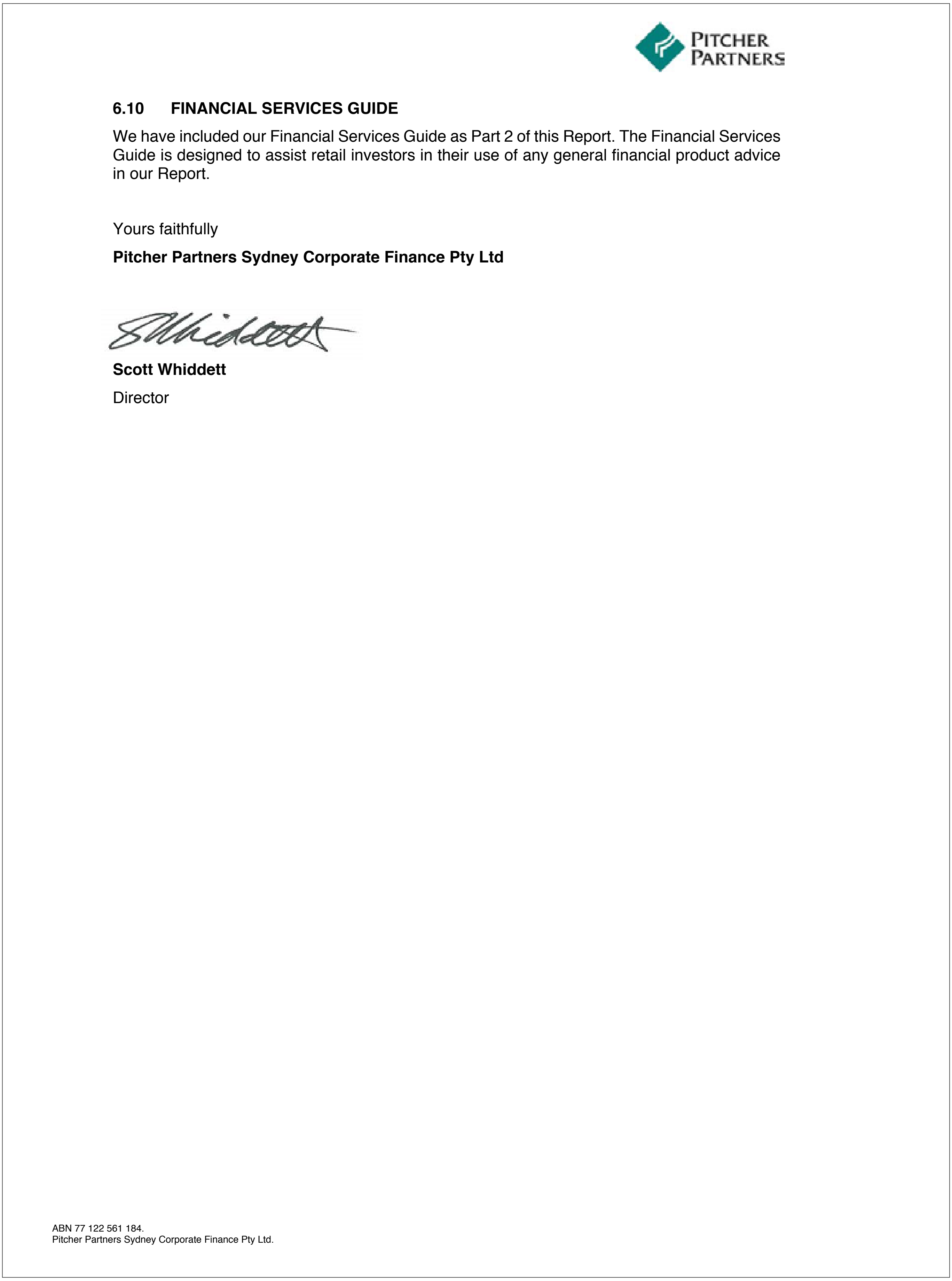
Pitcher Partners has no financial or other interest that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion on the matters that are subject of this Report for which normal professional fees will be received.

Neither Pitcher Partners, any director thereof, nor any individual involved in the preparation of the Report have any financial interest in the outcome of this Offer, other than a fee payable to Pitcher Partners in connection with the preparation of our Report for which normal professional fees will be received.

6.9 LIABILITY

Pitcher Partners has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report, this consent has not been withdrawn.

The liability of Pitcher Partners is limited to the inclusion of this Report in the Prospectus. Pitcher Partners has not authorised the issue of the Prospectus. Accordingly, Pitcher Partners makes no representation regarding, and takes no responsibility for, any other Statements or material in or omissions from, the Prospectus.



PITCHER
PARTNERS

6.10 FINANCIAL SERVICES GUIDE

We have included our Financial Services Guide as Part 2 of this Report. The Financial Services Guide is designed to assist retail investors in their use of any general financial product advice in our Report.

Yours faithfully

Pitcher Partners Sydney Corporate Finance Pty Ltd

S Whiddett

Scott Whiddett

Director

PART 2 - FINANCIAL SERVICES GUIDE

This Financial Services Guide was prepared on 17 September 2021.

1. Pitcher Partners Sydney Corporate Finance Pty Ltd

Pitcher Partners Sydney Corporate Finance Pty Ltd (*"Pitcher Partners"*) is licensed as an Australian Financial Services Licensee, Licence No. 516413.

Pitcher Partners may provide the following financial services to wholesale and retail clients:

- Financial product advice for the following classes of financial products:
  - (i) deposit and payment products including:
    - (a) basic deposit products;
    - (b) deposit products other than basic deposit products; and
    - (c) non-cash payment products;
  - (ii) debentures, stocks or bonds issued or proposed to be issued by a government;
  - (iii) interests in managed investment schemes excluding investor directed portfolio services; and
  - (iv) securities;

  (collectively "Authorised Financial Products") and
- Deal in a financial product by:
  - (i) arranging for another person to issue, acquire, vary or dispose of a financial product in respect of the following classes of financial products:
    - (a) interests in managed investment schemes excluding investor directed portfolio services; and
    - (b) securities; and
  - (ii) applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of the following classes of products:
    - (a) deposit and payment products including:
      - (1) basic deposit products;
      - (2) deposit products other than basic deposit products; and
      - (3) non-cash payment products;
    - (b) debentures, stocks or bonds issued or proposed to be issued by a government;
    - (c) interests in managed investment schemes excluding investor directed portfolio services; and
    - (d) securities.

2. Financial Services Guide

The Corporations Act 2001 (Cth) requires Pitcher Partners to provide this Financial Services Guide (*"FSG"*) in connection with its provision of an Independent Limited Assurance Report (*"Report"*) which is included in the Prospectus issued by Listco.

3. General Financial Product Advice

The financial product advice provided in our Report is known as "general advice" because it does not take into account your personal objectives, financial situation or needs. You should consider whether the general advice contained in our Report is appropriate for you, having regard to your own personal objectives, financial situation or needs. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

4. Remuneration

The fees we charge for preparing reports are usually determined on an hourly basis, however they may be a fixed amount or derived using another basis. We may also seek reimbursement of any out-of-pocket expenses incurred in providing the services.

Fee arrangements are agreed and confirmed in a letter of engagement with the party or parties who engage us.

Neither Pitcher Partners, nor its directors or officers, nor any related bodies corporate and their directors and officers, receives any other fees, commissions or other benefits in connection with preparing and providing this report.

All of our employees receive a salary and while eligible for annual salary increases and bonuses based on overall performance they do not receive any commissions or other benefits arising directly as a result of the services provided to you. We do not pay commissions or provide any other benefits to any parties or person for referring customers to us in connection with the reports that we are licensed to provide.

Pitcher Partners' shareholders (including any shareholders of a related body corporate) will also receive a benefit based on Pitcher Partners' ongoing overall performance.

5. Independence

Pitcher Partners is required to be independent of the Entity.

Neither Pitcher Partners, any related entities, any Director thereof, nor any individual involved in the preparation of the Report have any financial interest in the outcome of the Listco's Offer, other than a fee in connection with the preparation of our Report for which professional fees in the order of $155,000 (excluding GST) will be received and fees agreed from time to time.

No pecuniary or other benefit, direct or indirect, has been received by Pitcher Partners, any related entities, their Directors or employees, or related bodies corporate for or in connection with the preparation of this Report.

6. Complaints Resolution

Pitcher Partners is only responsible for its Report and this FSG. Complaints or questions about the Prospectus should not be directed to Pitcher Partners which is not responsible for that document.

If you have a complaint about Pitcher Partners' Report or this FSG:

1. You can contact the Complaints Manager of Pitcher Partners on (02) 9221 2099 or send a written complaint to GPO Box 1615, Sydney NSW 2001 or PPSCFComplaints@pitcher.com.au. We will try to resolve your complaint quickly, fairly and within prescribed timeframes.
2. If you do not get a satisfactory outcome, you have the right to complain to the Australian Financial Complaints Authority at GPO Box 3 Melbourne VIC 3001, email at info@afca.org.au or call on 1800 931 678 (free call). AFCA provides fair and independent financial services complaint resolution that is free to consumers.

Section 7.

Risks

This Section describes some of the potential risks associated with the Company's business and the industries in which the Company operates, and the risks associated with an investment in Shares. The Company is subject to a number of risks which may, either individually or in combination, adversely impact its future operating and financial performance, investment returns and the value of the Shares. The occurrence or consequences of some of the risks described below are partially or completely outside of the control of the Company or its Directors and management. The Company does not purport to list every risk that may be associated with the business or the industries in which the Company operates, or associated with an investment in Shares, now or in the future. The selection of risks has been based on an assessment of a combination of the probability of the risk occurring, the ability to mitigate the risk and the impact of the risk if it did occur. This assessment is based on the knowledge of the Directors as at the Prospectus Date.

There is no guarantee or assurance that the risks will not change or that other risks or matters that may adversely affect the Company's business, the industry in which it operates or an investment in the Shares, will not emerge.

There can be no guarantee that the Company will achieve its stated objectives, deliver on its business strategy, or that any forward looking statement contained in this Prospectus will be achieved or realised. You should note that past performance may not be a reliable indicator of future performance.

Before applying for Shares you should be satisfied that you have a sufficient understanding of the risks involved in making an investment in the Company and whether it is a suitable investment for you, having regard to your investment objectives, financial circumstances and taxation position. You should seek advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before investing in the Company.

7.1. Company specific risks

7.1.1 Ability to attract and retain clients

Atturra is dependent on its ability to attract new clients, particularly to grow market share and increase revenue. Atturra operates in a competitive industry and its ability to attract new clients is particularly dependent on the continued successful roll out of its service offerings. There is a risk that Atturra will not be able to attract new clients or attract new clients at the rate, over the time frames or with pricing revenues and costs it currently expects or has experienced historically.

There are a number of reasons why Atturra may not be able to attract new clients including where potential new clients select alternative providers following competitive tender processes.

The ability to attract new clients will be dependent on many factors including the capability, cost-effectiveness, pricing, suitability of offering, and quality of Atturra's services and the marketing strategies employed by Atturra.

If Atturra is unable to attract new clients or attract new clients at the rate, over the time frames or with pricing revenues and costs it currently expects (and is not able to offset this with additional revenue from existing clients), this may have a material adverse impact of the financial performance of Atturra.

7.1.2 Atturra may fail to retain existing clients

Atturra is dependent on its ability to retain existing clients in order to generate revenue. There is a risk that it will not be able to retain existing clients when contract terms expire, or otherwise retain those clients to use Atturra's service offerings.

As set out in Section 3.2.5, the Company currently has a diverse client base and limited concentration risk, with no single contract work order accounting for over 5% of the Company's revenue. However, if existing clients do not continue to engage Atturra for services, terminate existing engagements or do not increase their usage over time, the growth in Atturra's revenue may slow or decline, which will have an adverse impact on Atturra's operating and financial performance. In particular, some of the Company's existing engagements may be terminated on short notice or for convenience, including the engagements summarised in Section 10 of this Prospectus.

There are a number of reasons why Atturra may not be able to retain existing clients, including because existing clients, in no particular order:

1. elect to delay implementing Atturra's service offerings;
2. perceive Atturra is not meeting the client's expectations or pricing;
3. decide for their own internal reasons that Atturra's service offerings are no longer required;
4. merge with a company that uses a competitor's service offerings;
5. elect to switch to a competitor's service offerings;
6. no longer require Atturra's services due to the project being completed; and
7. elect to terminate a services agreement as Atturra has failed to (or is perceived by the client to have failed to) deliver a project or the relevant service offering.

With respect to public sector clients such as various Australian government departments, a material change to government policies or legislation, such as contracting and procurement procedures with private sector companies like Atturra, may also effect Atturra's ability to retain those clients. As such, any material changes in Australian government procurement policies or legislation may have a material adverse impact on the financial performance of Atturra.

If Atturra is unable to retain existing clients, or generate the level of services used by those existing clients at all, or on the terms or over the time frames it expects or consistent with historical experience, this may have a material adverse impact on the financial performance of Atturra.

7.1.3 Atturra operates in a competitive industry

Atturra competes with a number of other companies that provide similar IT services. Among these competitors, Atturra's operating performance is influenced by a number of factors including the success and awareness of its brand, the loyalty of its client base, the functionality of its service offering and its commitment to ongoing development. In particular, the Company operates in an industry that sees disruptors entering the market with new technologies. A risk to the Company would be the entry to market of a new disruptive technology that would threaten an existing offering. As the Company has deep specialisations, a competitor entering the market with a new technology could potentially make some of the Company's service offerings redundant.

Any change in the competitive factors referred to above may impact Atturra's ability to retain existing clients and attract new clients. As such, there is a risk that:

1. competitors offer more cost-efficient services than those of Atturra, which may result in the Company being required to introduce price reductions to retain existing clients or incur additional costs to attract new clients resulting in reduced profitability;
2. competitors develop software that Atturra does not have access to, which the Company would subsequently need to incur capital expenditure to develop. Where Atturra is unable to adapt its service offering, it may lose existing clients and/or be unable to attract new clients; and
3. existing or potential competitors may have significantly greater resources than Atturra, which may enable them to develop superior services than that of its service offerings resulting in the competitor being able to adapt more quickly to new technologies, evolving industry trends or changing client needs.

These factors could have an adverse impact on Atturra's future financial performance.

7.1.4 Atturra relies on third party technology

Atturra relies on the success of third-party software (e.g. Microsoft, Boomi, TechnologyOne, Software AG and Smartsheet) for the development, implementation and operation of its service offerings. Atturra's operations would be materially impacted if existing third-party suppliers no longer made their software and technologies available to the Company or materially increased the price of the use of their software or technologies. If this occurs, Atturra may need to find new suppliers of such software and technologies who may offer less favourable terms, or, alternatively, undertake additional development tasks internally, which would require significant capital expenditure.

Another risk that is associated with Atturra's reliance on third parties is if these third-party vendors commence their own services' arm. Clients may perceive the vendor to be the better provider of services for their technologies and therefore elect to engage such vendors over Atturra.

7.1.5 Atturra's service offerings may fail to meet requirements

Atturra relies on continued investment in its service offerings. There is a risk that upgrading service offerings or transitioning clients onto newly developed service offerings may result in unforeseen costs, may fail to achieve anticipated revenue or may not achieve the intended outcomes. A failure by Atturra to provide its service offerings with functionality that meets client requirements would have an adverse impact on its ability to develop new client relationships and maintain existing client relationships which in turn may have an adverse impact on its future financial performance.

7.1.6 Atturra's brand may diminish in reputation

Maintaining Atturra's reputation is important to retaining and increasing Atturra's client base and to growing its business. There is a risk that Atturra's reputation could be affected by the actions of third parties, such as business partners, technology providers and its client base. There is also a risk that unforeseen issues or events may arise that adversely impact its reputation.

For instance, any failures of service offerings or any reduction in the quality of service offerings provided to clients by Atturra may adversely affect its brand reputation and value. In addition, if Atturra is unable to respond quickly to rectify any failures of its service offerings, they may also adversely impact its brand reputation and value. If Atturra's reputation is diminished, it may result in existing clients ceasing to do business with the Company or result in the failure to attract potential new clients. It may also impede Atturra's ability to compete successfully and may adversely affect the Company's future financial performance.

Additionally, any negative publicity or announcement relating to any of the Company's substantial Shareholders, key personnel or activities may adversely affect the performance of the Company's Shares, whether or not it is justifiable. Examples of such negative publicity or announcements may include involvement in legal or insolvency proceedings, failed business transactions or joint ventures.

7.1.7 Atturra may not be able to attract and retain key personnel

Atturra's success, including its ability to grow its business, depends upon the continued service of key management, technical and sales personnel. There is a risk that Atturra's growth, and in particular the continued development of its service offerings, will be limited by an inability to attract and/or retain key staff. If Atturra fails to attract and retain key personnel, the pace of its future growth may be restricted, and the quality of its service offerings may be reduced with a resultant adverse impact on its business and operations.

7.1.8 Atturra is exposed to potential breaches of data security

As an IT service provider, the use of information technology by the Company is critical to its ability to deliver services to clients, and to the growth of its business. Atturra and its clients are dependent on the effective performance, reliability and availability of its software solutions, including in certain circumstances, hardware and software provided by third party data centre operations and telecommunication providers (including servers, the internet, hosting services and the cloud environment). In particular, the Company works on certain projects with classified information, such as its engagements with the Department of Defence, meaning that data security and associated procedures are of significant importance to the retention of existing clients of the Company. The Company may be exposed to cyber-attacks, unauthorised access to data, theft and disruption outside of its control.

There is a risk that security and technical precaution measures taken by Atturra and its third-party operators will not be sufficient to prevent unauthorised access to the Company's networks, systems and databases. There is also a risk that Atturra's service offerings are adversely affected by misuse by staff or contractors, disruption, failure, service outages or data corruption that could occur as a result of computer viruses, bugs, worms, malware, internal or external misuse by website, hacking or cyber-attacks. A failure of Atturra's service offerings (which may not be deliberate and/or may be outside the control of the Company, the Directors and management) could reduce the attractiveness of the Company's service offerings to its clients and/or may subject Atturra to reputation damage, a loss of confidence in the services it provides, claims by clients, loss of existing and potential clients, legal action and/or regulatory scrutiny. The Company may also incur costs as a result of rectifying any incidents or introducing additional safeguards to minimise the risk of future security breaches. Such circumstances could negatively impact Atturra's reputation, business and future financial performance.

7.1.9 Failure to effectively manage growth

The Company has experienced recent growth in revenue, employee numbers and customer base. The Company expects further growth in the future which could place significant strain on current management, operational and financial resources as well as the infrastructure supporting the Company. In particular, given the specific expertise that employees and contractors of Atturra require, the lack of a readily available labour force with skills aligned with the Company's service offerings may hinder its growth and adversely affect its future growth strategy and financial performance.

The Company's future success depends on its ability to effectively manage this growth. In particular, if the Company's business expands into other jurisdictions (such as Singapore and New Zealand), the Company will be required to effectively support its business in multiple jurisdictions. If the Company were unable to provide effective support, the Company's ability to achieve its growth objectives by geographic expansion of its service offerings into new markets outside of Australia may be materially impaired. Further, failure to appropriately manage growth could result in failure to attract new customers which could adversely affect the Company's operating and financial performance.

7.1.10 Atturra may be exposed to acquisition risks

Part of the Company's business strategy is to seek suitable acquisitions of complementary businesses. The inherent risk with any acquisition is that the underlying assets do not ultimately produce the financial returns that the acquirer anticipates.

There is a risk that the Company may not be able to identify and acquire suitable businesses or, if it does, it may not be able to integrate effectively the operations, products, technologies and personnel of the acquired companies and achieve expected synergies.

In addition, the acquisition of an existing business involves a risk of unknown or unanticipated liabilities being incurred, in respect of which the Company is not able to rely on any contractual protection, following completion of the acquisition. As such, there is a risk that the Company may suffer loss or damage flowing from unforeseen events in relation to the underlying assets and liabilities of any future potential acquisitions. Any of the above factors, either individually or in combination, may have an adverse effect on the Company's financial and operational performance.

7.1.11 Ability to access future capital

The Company may require further financing in the future, in addition to amounts raised under this Prospectus. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the current market price (or Offer Price) or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

Although the Directors believe that additional capital can be obtained if required, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and this could have a material adverse effect on the Company's activities and could affect the Company's ability to continue as a going concern.

7.1.12 Lack of registrable IP

The most common forms of registrable IP are patents, trademarks and designs. Other forms of IP for which there is no statutory registration system include copyright, confidential information, business "know how" and trade secrets. The Company does not have any registrable IP in relation to its software codes nor does it hold any patents in relation to its service offerings. The Company however does have other forms of IP such as business "know how", trade secrets and other copyright materials such as reference materials obtained from previous projects and engagements with clients.

In the event that senior employees leave the Company, there is a risk that business "know-how" or trade secrets in relation to a service offering provided by the Company may be lost and unable to be regained by the Company. This may affect the Company's ability to continue to offer a particular service offering or result in a reduction in the capability of a Company's service offering, which may in turn have an adverse effect on the Company's financial and operational performance.

7.2. General risks

7.2.1 Price of Shares

Once the Company becomes a publicly listed company, it will become subject to general market risk that is inherent in all securities listed on a stock exchange. This may result in fluctuations in the Company's share price that are not explained by the Company's fundamental operations and activities.

The price at which Shares are quoted on ASX may increase or decrease due to a number of factors. These factors may cause the Shares to trade at prices below the Offer Price. There is no assurance that the price of the Shares will increase following quotation on ASX, even if the Company's earnings increase.

Some of the factors which may adversely impact the price of the Shares include, but are not limited to, the number of potential buyers or sellers of Shares on ASX at any given time, fluctuations in the domestic and international markets for listed securities, general economic conditions including interest rates, inflation rates, exchange rates, commodity prices, changes to government fiscal, monetary or regulatory policies and settings, changes in legislation or regulation, inclusion in or removal from market indices, recommendations by brokers or analysts, global hostilities, tensions and acts of terrorism, the nature of the markets in which the Company operates and general operational and business risks.

Deterioration of general economic conditions may also affect the Company's business operations, and the consequent returns from an investment in Shares.

7.2.2 Liquidity of Shares

There has been no public market in the Shares prior to the Offer. Once the Shares are quoted on ASX, there can be no guarantee that an active trading market for the Shares will arise or that the price of the Shares will increase. There may be relatively few prospective buyers or sellers of the Shares on ASX at any given time.

Upon Completion, the Existing Shareholders of the Company will hold approximately 74.9% of the total issued capital of the Company. Of these Shares 100% will be the subject of voluntary escrow arrangements as detailed in Section 9.13. This creates a liquidity risk as a portion of issued capital may not be able to be freely tradable for a period of time. The ability of an investor in the Company to sell their Shares on the ASX will depend on the turnover or liquidity of the Shares at the time of sale. Therefore, investors may not be able to sell their Shares at the time, in the volumes or at the price they desire.

Following the end of the relevant escrow period, a significant sale of Shares by the escrowed Shareholders, or the perception that such sales might occur, could adversely affect the market price of the Shares.

7.2.3 Inability to pay dividends or make other distributions

The ability for future dividends or other distributions to be paid by the Company will be contingent on its continued ability to generate profits. Furthermore, to the extent that the Company pays any dividends, the ability to offer fully franked dividends is contingent on making taxable profits in excess of accumulated losses. Taxable profits may be volatile, making the payment of dividends unpredictable.

The value and availability of franking credits to a Shareholder will differ depending on the Shareholder's particular tax circumstances. Shareholders should also be aware that the ability to use franking credits, either as a tax offset or to claim a refund after the end of the income year, will depend on the individual tax position of each Shareholder.

7.2.4 Taxation changes

An investment in Shares involves tax considerations which differ for each Shareholder depending on their individual financial affairs. Each prospective investor is encouraged to seek independent financial advice about the consequences of acquiring Shares, pursuant to the Offer, from a taxation viewpoint and generally.

Changes in tax law (including goods and services taxes and stamp duties), or changes in the way taxation laws are interpreted, may impact the Company's tax liabilities or the tax treatment of a Shareholder's investment. In particular, both the level and basis of taxation may change.

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

7.2.5 Litigation risk

In the ordinary course of business, the Company may be involved in litigation disputes from time to time. Litigation disputes brought by third parties, including but not limited to distribution partners, clients, suppliers, business partners and employees may adversely impact the financial performance and industry standing of the business, in the case where the impact of legal proceedings is greater than or outside the scope of the Company's insurance. Additionally, litigation risks relating to the Company may include, but are not limited to, contractual claims, environmental claims, occupational health and safety claims, employee claims and regulatory disputes. There is a risk that material or costly disputes could affect the financial performance or condition of the Company.

As at the Prospectus Date, there are no material legal proceedings affecting the Company and the Directors are not aware of any legal proceedings pending or threatened against or affecting the Company.

7.2.6 Accounting standards

Changes in the Australian Accounting Standards and subjective assumptions, estimates and judgements by management related to complex accounting matters could significantly affect the Company's financial results or financial condition.

There is also a risk that interpretations of existing Australian Accounting Standards, including the measurement and recognition of key income statement and balance sheet items, including revenue and receivables (and in particular, licensing revenue), may differ. Changes to Australian Accounting Standards or changes to the commonly held views on the application of those standards could materially adversely affect the financial performance and position reported in the Company's financial statements.

7.2.7 Force majeure

Force majeure is a term used to refer to an event beyond the control of a party claiming that the event has occurred. Significant catastrophic events (such as war, acts of terrorism, pandemics, loss of power, cyber security breaches or global threats) or natural disasters (such as earthquakes, fire or floods or the outbreak of epidemic disease) could disrupt the Company's operations and those of its clients. Such impacts may affect the Company's ability to deliver services to its clients by interrupting critical functions, reducing demand for the Company's services, preventing clients from honouring their contractual obligations to the Company, or otherwise harming the Company's business. To the extent that some disruptions or uncertainties result in delays to the delivery of services, or the cancellation of contracts, its business, results of operations and financial condition could be harmed.

7.2.8 Unforeseen risk

There may be other risks of which the Directors are unaware as at the Prospectus Date which may impact on the Company, its operations and/or the valuation and performance of its Shares.

7.2.9 Shareholder dilution risk

The Company may undertake additional offerings of Shares and of securities convertible into Shares in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such Shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, the voting power of the Company's Existing Shareholders will be diluted.

7.2.10 Speculative nature of investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

As a result, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that an investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

Section 8.

Key People, Interests and Benefits

8.1. Board of Directors

The Board members have been selected for their extensive experience and expertise. They bring a variety of skills and experience, including industry and business knowledge, corporate governance, financial management and operational experience.

No Director has been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years which is relevant or material to the performance of their duties as a Director or which is relevant to an investor's decision as to whether to subscribe for Shares. No Director has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that they were an officer, or within a 12-month period after they ceased to be an officer.

The Company considers that a Director is an Independent Director where that Director is free from any business or other relationship that could materially interfere, or be perceived to interfere with, the independent exercise of the Director's judgement. The Company has also assessed the independence of its Directors having regard to the requirements for independence which are set out in Recommendation 2.3 of the ASX Recommendations.

Table 8.1: Board of Directors

DIRECTOR	EXPERIENCE
Shan Kanji *Non-Executive Chair* *Non-Independent*	Shan Kanji is the Non-Executive Chair and an associate of the major shareholders of Atturra. Shan has spent more than 15 years as a senior business leader with a proven track record of running scale diversified and complex industrial and technology businesses in Australia and New Zealand. He has extensive experience with start-ups in technology, property development, manufacturing and other sectors. Shan was instrumental in the formation of, and growth in, Atturra and its predecessor organisations. Shan is on the board of the Australian Steel Institute, the nation's peak body representing the Australian manufactured steel supply chain. Shan holds a Bachelor of Laws and a Bachelor of Commerce from the University of NSW and is a practising lawyer and the Principal of Kanji & Co.
Stephen Kowal *CEO and Executive Director* *Non-Independent*	Stephen Kowal is the CEO and Executive Director of Atturra. Stephen has been the CEO since early 2019 and, prior to his appointment, has held senior executive and non-executive positions in the IT and consultancy sectors since 2001. Prior to joining Atturra, Stephen led sales for the Australian and New Zealand division for DXC Technology, a US multinational business to business IT services provider. Stephen was also previously the President for the Computer Sciences Corporation's (**CSC**) Australian and New Zealand Insurance and Banking business. Stephen is highly experienced across the insurance, banking, government, and natural resources sectors, holding several Chief Information Officer roles within the US, Chile, and Australia. Stephen holds a Bachelor of Science from the University of NSW, a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia, and Diploma of Insurance from the Australian and New Zealand Institute of Insurance and Finance (**ANZIF**). ANZIF awarded Stephen the PC Wickens award in 2015. Stephen is a Fellow of the Governance Institute of Australia, Fellow of the Financial Services Institute of Australia, Senior Associate of ANZIF and a member of the Australian Institute of Company Directors (**AICD**).

DIRECTOR	EXPERIENCE
Jonathan Rubinsztein *Non-Executive Director* *Independent*	Jonathan has recently taken the position of CEO of Nuix. Nuix is an ASX-listed company and a leading provider of investigative analytics and intelligence software with a vision of "finding truth in the digital age". Prior to this, he was the Managing Director & CEO of Infomedia Ltd, an ASX300 company providing SaaS solutions to the parts and service sector of the global automotive industry. Jonathan and the team grew the market capitalisation over 300% during the five and a half years that he led the business. Prior to that, Jonathan was the CEO and one of the founding shareholders at Red Rock Consulting, the largest Oracle Consulting business in ANZ with eight offices and 600 staff. This was sold to UXC and then eventually acquired by DXC and is currently the Oracle practice within DXC called DXC Red Rock. Jonathan was also a Founder and Director of RockSolid SQL, a company that built monitoring and automated data management software. Jonathan has been on the board of a number of philanthropic ventures including Humanitix, the first not-for-profit ticketing platform that redistributes profits from booking fees to various charities. He has also been on the board of Missionvale, a not-for-profit organisation that provides love and care for the destitute and those with HIV/AIDS in the extremely poor township of Missionvale, Port Elizabeth, South Africa.
Nicole Bowman *Non-Executive Director* *Independent*	Nicole is an experienced leader, non-executive director and lawyer whose leadership career has spanned over 21 years across industries as diverse as mining, finance, sport and manufacturing, both in Australia and internationally. In addition to her executive and legal experience, Nicole spent a combined total of seven years as a non-executive director of ASX-listed mining and exploration companies Blackthorn Resources Limited, and Intrepid Mines Limited. During this period Nicole chaired each of the Audit and Risk Committee and the Nomination and Remuneration Committee in turn. Nicole was also a founding director of Football South Coast Limited and a member of the former FFA Women's Advisory Group. She is currently a board member of the charity Dress for Success Sydney Inc. and the founder of its Illawarra branch. In 2019 she was appointed the Australia Day Ambassador for Wollongong in recognition of her philanthropic work. In 2019 Nicole established her own leadership practice, focused on coaching and training leaders and teams to enable them to achieve exceptional results using readily implementable and practical tools, insights and skills. Nicole holds a Bachelor of Economics and Bachelor of Laws (Hons) from the University of Sydney and is a member of the AICD.

8.2. Key Management Team

Table 8.2: Key Management Team

SENIOR MANAGEMENT	EXPERIENCE
Richard Shaw *CFO*	Richard Shaw is the CFO of Atturra. He has held CFO roles in the finance, IT and media sectors for over 20 years. Richard has extensive experience in ASX listed businesses. Prior to joining Atturra Richard was CFO of Yellow Brick Road Holdings Limited (**YBR**), a diversified financial services provider. He led the financial operations of that business for nine years, from pre-IPO (with circa 70 brokers), growing to a national network of over 1,500 advisers. At YBR, Richard led over $100 million in capital funding, debt funding and strategic acquisition transactions. Richard's previous CFO roles include OzEmail Internet, Bluefreeway Limited and Commsecure Limited. Richard is a Certified Practicing Accountant. He holds a Bachelor of Commerce from the University of Tasmania and a Master of Business Administration from the University of Technology, Sydney.
Kunal Shah *Company Secretary*	Kunal has over 20 years' financial experience in the technology, manufacturing and construction industries and has extensive experience working with sales and operations teams providing commercial and contractual guidance. Kunal has co-ordinated and assisted in numerous corporate transactions including acquisitions, divestments and business restructures. During his executive career, Kunal has held senior finance positions with Anatas Pty Ltd, Cubic Consulting Pty Ltd and more recently Atturra. Kunal holds a Bachelor of Commerce from Gujarat University and a Master of Business and Accounting from the University of Technology, Sydney. Kunal is an Affiliate member of the Governance Institute of Australia and has six years of experience in the provision of company secretarial, governance and business administration services.

8.3. Interests and benefits

This Section sets out the nature and extent of the interests and fees of certain persons involved in the Offer.

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

a. Director or proposed Director;
b. person named in this Prospectus and who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
c. promoter of the Company; or
d. underwriter to the Offer or financial services licensee named in the Prospectus as a financial services licensee involved in the Offer,

holds as at the Prospectus Date, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

a. the formation or promotion of the Company;
b. property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
c. the Offer.

Other than as set out below or elsewhere in this Prospectus, no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to any such person for services in connection with the formation or promotion of the Company or the Offer to induce them to become, or qualify as a Director, or for services provided in connection with the formation or promotion of the Company or the Offer.

8.3.1 Directors' interests in Shares and other securities

As at the Prospectus Date, Stephen Kowal holds 1 Share in the Company, being 100% of the issued Share capital of the Company.

Following the Restructure but immediately prior to the issue of Shares under the Offer, the Directors hold the securities set out in the table below either personally, or through entities associated with the Director (excluding any Shares applied for under the Offer). Some of these securities will be subject to escrow arrangements. Refer to Section 9.13 for further details.

Table 8.3: Directors' interests in securities

DIRECTOR	SHAREHOLDING FOLLOWING THE RESTRUCTURE BUT IMMEDIATELY PRIOR TO THE ISSUE OF SHARES UNDER THE OFFER	PERFORMANCE RIGHTS	PERCENTAGE INTEREST IN SHARES FOLLOWING THE RESTRUCTURE BUT IMMEDIATELY PRIOR TO THE ISSUE OF SHARES UNDER OFFER (UNDILUTED)	PROPOSED PERCENTAGE INTEREST[1] IN SHARES AT ADMISSION[2]
Shan Kanji	114,943,712	Nil	75.70%	57.63%
Stephen Kowal	6,872,943	750,000	4.53%	3.43%
Jonathan Rubinsztein	5,825,055	Nil	3.84%	2.90%
Nicole Bowman	Nil	Nil	Nil	Nil

Note 1: The Directors are entitled to apply for Shares under the Offer. The above table does not take into account any Shares the Directors may acquire under the Offer. As at the Prospectus Date, only Nicole Bowman intends to participate in the Offer. The Directors' final shareholdings will be released to ASX at the time of Admission.

Note 2: The proposed percentage interest in Shares of each Director at admission assumes that the maximum amount sought to be raised under this Prospectus is raised by the Company as a result of the Offer.

8.3.2 Non-Executive Director remuneration

Each of the Non-Executive Directors has entered into appointment letters with the Company confirming the terms of their appointment and their roles and responsibilities. A Non-Executive Director may terminate their directorship at any time by advising the Board in writing. The appointment letters are otherwise on standard commercial terms.

Under the Constitution, the Board decides the total amount paid to each Non-Executive Director as remuneration for their services as a Director. However, under the ASX Listing Rules, the total amount of fees paid to all Directors for their services (excluding, for these purposes, the salary of any Executive Director) must not exceed in aggregate in any financial year the amount fixed by the Company's Shareholders in general meeting. This amount has been fixed initially in the Company's Constitution at $900,000 per annum in aggregate and may be varied by ordinary resolution in general meeting.

Shan Kanji, Chair and Non-Executive Director, and Johnathan Rubinsztein, Non-Executive Director, do not receive any fees as at the Prospectus Date. The Company has agreed to pay Nicole Bowman $60,000 per annum for her role as Non-Executive Director as at the Prospectus Date. Additional fees are payable to Nicole Bowman in consideration of her role as Chair of Board Committees, as detailed in Section 8.4.2 below.

8.3.3 Executive remuneration

8.3.3.1 CEO and Executive Director

The Company has entered into an employment agreement with Mr Kowal, CEO and Executive Director, which sets out the terms of his employment, the key terms of which are summarised below. The agreement otherwise contains additional provisions considered standard for agreements of this nature.

Table 8.4: CEO and Executive Director Remuneration

TERM	DESCRIPTION
Base salary	$375,000 per annum, inclusive of superannuation.
Incentives	Short-term incentives: At the end of each financial year, the Board, acting reasonably, will determine a short term cash bonus of up to $375,000 per annum (inclusive of superannuation) to be paid within three months of the end of the relevant financial year. Long-term incentives: Mr Kowal has been granted 750,000 Performance Rights as at the Prospectus Date under the LTI Plan, the terms of which are provided under Section 8.3.6.1. The quantum of the incentive will be calculated by reference to Group's financial performance. If paid, the long term incentive would be paid through either an incentive plan which vests proportionally over three years or, if no plan is in place, as a cash incentive.
Termination	The agreement may be terminated by the Company by providing six months' notice in writing to Mr Kowal. The agreement may be terminated by Mr Kowal by providing either nine months' notice in writing, during the period of 1 July 2021 to 1 July 2023, or six months' notice in writing, after 1 July 2023.

8.3.3.2 Chief Financial Officer

The Company has entered into an employment agreement with Mr Shaw, CFO, which sets out the terms of his employment, the key terms of which are summarised below. The agreement otherwise contains additional provisions considered standard for agreements of this nature.

Table 8.5: CFO Remuneration

TERM	DESCRIPTION
Base salary	$250,000 per annum, exclusive of superannuation.
Incentives	Short-term incentives: For the period commencing 7 September 2021 to 30 June 2022, Mr Shaw has a target short-term incentive of $62,250 per annum (inclusive of superannuation). For the period commencing 1 July 2022 to 31 March 2023, Mr Shaw has a target short-term incentive of $56,250 per annum (inclusive of superannuation).
Termination	The agreement may be terminated by either party providing either six months' notice in writing, on or before 31 March 2023, or three months' notice in writing, after 31 March 2023.

8.3.4 Deeds of indemnity, insurance and access

The Company is party to a deed of indemnity, insurance and access with each of the Directors. Under these deeds, the Company indemnifies each Director to the extent permitted by law against any liability arising as a result of the Director acting as a director of the Company. The Company is also required to maintain insurance policies for the benefit of the relevant Director and must allow the Directors to inspect board papers in certain circumstances. The deeds are considered standard for documents of this nature.

8.3.5 Related party transactions

The Company has entered into the following related party transactions on arms' length terms:

a. letters of appointment with each of its Non-Executive Directors on standard terms (refer to Section 8.3.2 for details);
b. executive services agreements with the CEO and Executive Director and the CFO on standard terms (refer to Section 8.3.3 for details);
c. deeds of indemnity, insurance and access with each of its Directors on standard terms (refer to Section 8.3.4 for details);
d. loan arrangement between Group entities FTS NHC Pty Ltd as borrower and FTS Nominees Pty Ltd as guarantor and 263 Finance Pty Ltd, a related party of the Group, as lender (refer to Section 10.3 for details);
e. services agreement between the Company and Shan Kanji trading as Kanji & Co ABN 61 553 393 384 (**K&C**), a related party, for the provision of legal services to the Company, on standard terms (refer to Section 10.4 for details); and
f. IT services agreement between the Group entity FTSG Pty Ltd and Kanji IT Pty Ltd, a related party of the Group, for the provision of IT services to FTSG Pty Ltd, on standard terms (refer to Section 10.5 for details).

As at the Prospectus Date, no other material transactions with related parties or Directors' interests exist that the Directors are aware of, other than those disclosed in the Prospectus.

8.3.6 Employee incentive arrangements

8.3.6.1 Long term incentive plan

Prior to the Prospectus Date, the Company established a long term incentive plan to align the interests of eligible employees with shareholders through the sharing of a personal interest in the future growth and development of the Company and to provide a means of attracting and retaining skilled and experienced eligible persons (**LTI Plan**).

A total of 750,000 Performance Rights have been granted to the CEO (Stephen Kowal) under the LTI Plan. Other executives and Directors will be granted up to an aggregate of 1,800,000 Performance Rights under the LTI Plan in April 2022.

The key terms of the LTI Plan are set out below:

Table 8.6: LTI Plan Key Terms

TERM	DESCRIPTION
Eligible participants	An eligible participant includes a person: a. who is a senior executive of the Company or an Associated Company (together, an **Employing Company**); or b. who receives an invitation under the LTI Plan, but who can only make an application if an arrangement has been entered into that will result in the person becoming a senior executive of an Employing Company, (**Eligible Participant**).

TERM	DESCRIPTION
Plan interests	Eligible Participants will be provided with an opportunity to acquire a financial interest in the Company, which will align their interests more closely with shareholders and provide greater incentive for them to focus on the Company's longer-term goals.
Quantum	The number of Performance Rights offered to an Eligible Participant (or their nominee) will be specified in the invitation made to that Eligible Participant. Each Performance Right carries a right to receive a Share (subject to satisfaction of any performance criteria within any performance period).
Terms and conditions	The Board may from time to time invite an Eligible Participant to participate in the LTI Plan (**Invitation**). The Board may, in relation to an Invitation made to an Eligible Participant, prescribe: • the performance criteria that must be satisfied as a condition for a Share to be allocated in respect of a Performance Right; and • the performance period over which the performance criteria must be satisfied. Invitations will specify, amongst other things: • the number of Performance Rights available; • the performance criteria applicable to some or all of the Performance Rights (if any); • the performance period applicable to some or all of the Performance Rights (if applicable); • the time period in which an Eligible Participant has to make an offer to the Company; and • the circumstances in which the Performance Rights will, or are deemed to, lapse. Following receipt by an Eligible Participant of an Invitation, the Eligible Participant may make an application to participate in the LTI Plan by delivering to the Company a duly completed and executed application form within the closing time specified in the Invitation (**LTI Offer**). The Board may then decide to accept or reject the LTI Offer made by the Eligible Participant. The LTI Offer is accepted by the Company granting Performance Rights referred to in the LTI Offer to the Eligible Participant (or its nominee). An Eligible Participant is not required to make any payment on acceptance of the LTI Offer by the Company. A Performance Right will only vest if the Board determines that the performance criteria (if any) have been satisfied within the performance period. However, if at any time prior to the last date of the performance period: • an Eligible Participant ceases to be an employee of an Employing Company as a result of special circumstances (including retirement, redundancy, death or permanent disablement of an Eligible Participant, or other circumstances that the Board determines from time to time) (**Special Circumstances**), the Board may at its discretion waive some or all of the performance criteria and determine the number of Performance Rights that may vest; and

TERM	DESCRIPTION
Terms and conditions **continued**	• a specified event occurs (including a takeover bid being made in respect of the Company or an insolvency event occurring with respect to the Company) (**Event**), the Board may at its discretion waive some or all of the performance criteria and determine that any unvested Performance Rights vest within 5 business days of an Event occurring (or such longer period determined by the Board) by giving written notice. The Board may determine that instead of allocating Shares to a participant, the Company will pay a cash amount equivalent to the market value of the Shares (as determined by the Board) reduced by the amount and any superannuation contribution or taxes paid or withheld by the Employing Company.
Lapse of Performance Rights	A Performance Right will lapse on the earliest date that: a. is the last date of the performance period and the performance criteria have not been satisfied in respect of that Performance Right; b. if the relevant person ceases to be an employee at any time before the end of the performance period (and there are no Special Circumstances), the date that the relevant person ceases to be an employee (or such longer period determined by the Board); c. if there are Special Circumstances but the Board has not waived the performance criteria, is 30 days from the date of cessation (or such longer period determined by the Board); d. if an Event occurs but the Board has not waived the performance criteria, is 5 business days of an Event occurring (or such longer period determined by the Board); e. the Board determines that the relevant person has, in the Board's opinion: i. been dismissed with cause; ii. committed any act of fraud, theft or gross misconduct in relation to the affairs of an employing company (whether or not charged with an offence); or iii. brought an employing company into disrepute; and the Board determines that a breach or occurrence of any condition or event contained in the Invitation requires the lapse of the Performance Right.
Restrictions	A participant must not assign, transfer, sell or grant a security interest or otherwise deal with a Performance Right.
Amendments	The Board may at any time amend the LTI Plan or waive or amend the application of any of the rules of the LTI Plan in relation to a participant with retrospective effect. However, where any amendments will reduce any of the participant's rights in respect of their Performance Rights or Shares, the Board must obtain the prior written consent of at least 75% of the participants affected by the change unless the amendment is to correct a manifest error or for the purpose of complying with applicable laws or to take into consideration possible adverse tax implications in respect of the LTI Plan arising from changes to relevant tax guidance. The Board may also waive, amend or replace any performance measure in a performance criteria attaching to a Performance Right if the Board determines that the original performance criteria is no longer appropriate or applicable, provided that the interests of the relevant participant are not, in the opinion of the Board, materially prejudiced or advantaged relative to the position reasonably anticipated at the time of the grant.

8.3.6.2 Exempt Employee Share Plan

The Company has also established an Exempt Employee Incentive Plan to align the interests of eligible employees of the Company (and Associated Companies) with Shareholders (**Exempt Employee Incentive Plan** or **Share Plan**).

No grants of Shares have been made under the Share Plan as at the Prospectus Date. The key terms of the Share Plan are as follows.

Table 8.7: Share Plan Key Terms

TERM	DESCRIPTION
Eligible Participant	An eligible participant is an employee who is a: a. permanent full-time or permanent part-time employee (other than an executive or non-executive director) of an Employing Company; or b. person who receives an invitation under the Share Plan but who can only make an offer if an arrangement has been entered into that will result in the person becoming a permanent full-time or part-time employee, who the Board determines to be eligible to participate in the Share (**Eligible Share Participant**).
Plan interests	Eligible Share Participants will be provided with an opportunity to acquire fully paid ordinary shares in the capital of the Company (**Plan Shares**).
Quantum	The number of Plan Shares offered to an Eligible Share Participant will be specified in the invitation made to that Eligible Share Participant.
Terms and conditions	The Board may from time to time invite Eligible Share Participants to participate in the Share Plan (**Invitation**). Invitations will be subject to such terms as the Board determines and will specify, amongst other things, the following: a. the maximum number of Shares that can be acquired by an Eligible Share Participant under the Share Plan; b. the time period in which an Eligible Share Participant has to accept the Invitation; and c. the proposed acquisition date of the Plan Shares by the Eligible Share Participant. Following receipt by an Eligible Share Participant of an Invitation, the Eligible Share Participant may make an offer by delivering to the Company a duly completed and executed application form within the closing time specified in the Invitation. The Board may then decide to accept or reject the offer made by the Eligible Share Participant. The Board may from time to time in its absolute discretion provide Plan Shares to Eligible Share Participants for no monetary consideration.
Restrictions	A Participant must not assign, transfer, sell or grant a security interest or otherwise deal with a Plan Share from the date that the participant acquires their Plan Shares until the earlier of: a. three years after the date of acquisition of the Plan Shares; and b. the date that the Eligible Share Participant ceases to be an Employee, (**Restrictive Period**). No restrictions on dealing with the Plan Shares apply after the Restrictive Period.

TERM	DESCRIPTION
Amendments	The Board may at any time amend the Share Plan or waive or amend the application of any of the rules under the Share Plan in relation to an Eligible Share Participant from time to time with retrospective effect. However, where any amendments will reduce any of the Eligible Share Participants' rights in respect of their Plan Shares, the Board must obtain the prior written consent of at least 75% of the Eligible Share Participants affected by the change unless the amendment is to correct a manifest error or for the purpose of complying with applicable laws or to take into consideration possible adverse tax implications to the Share Plan arising from changes to relevant tax guidance.

8.4. Corporate governance

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the Company's policies and procedures with openness and integrity and to pursuing the true spirit of corporate governance in a manner commensurate with the Company's needs.

The Company has in place corporate governance practices which are formally embodied in corporate governance policies and codes adopted by the Board (**Policies**). The Company's corporate governance Policies are structured to comply with the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* (4th Edition) (**ASX Recommendations**).

The ASX Recommendations set out recommended corporate governance practices for entities listed on the ASX that, in the ASX Corporate Governance Council's view, are likely to achieve good governance outcomes and meet the reasonable expectations of most investors in most situations. They are guidelines, not prescriptions. In light of the Company's size and nature, the Board considers that its current structure reflects a cost effective and practical approach to directing and managing the Company and its operations. As the Company's activities develop in size, nature and scope, the structure of the Board and its approach to corporate governance generally (and its adoption of the ASX Recommendations) will continue to be assessed. The Company's departures from the ASX Recommendations as at the Prospectus Date are included at Section 8.4.11 below.

As a listed entity, the Company will be required to report against the ASX Recommendations and disclose to stakeholders any divergence from the ASX Recommendations in its annual report.

The following is a summary of the Policies. A copy of each of the Policies is available on the Company's website.

8.4.1 Board Charter

The Board has adopted a Board Charter which sets out the responsibilities of the Board in greater detail, including the following responsibilities:

a. delegating appropriate powers to executive Directors and senior management to ensure the effective day-to-day management of the business and monitoring the exercise of these powers;
b. appointing, monitoring, replacing and where appropriate removing, senior executives and the company secretary;
c. establishing and monitoring executive succession planning;
d. demonstrating leadership, defining the Company's purpose and setting the Company's strategic direction, objectives and goals;
e. exercising the prudential control of the Company's finances and operations, including monitoring its financial performance and approving its operating budgets and major capital expenditure;
f. overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit;
g. ensuring timely, accurate and effective communication with, and reporting to, Shareholders, the market and relevant regulatory bodies;

h. ensuring timely and balanced disclosure of all material information relating to the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities;

i. approving the Company's statement of values and code of conduct to underpin the desired culture within the Company;

j. satisfying itself that the Company has in place an appropriate risk management framework for both financial and non-financial risks;

k. approving the Company's remuneration policies and satisfying itself that the Company's remuneration policies are aligned with the Company's purpose, values, strategic objectives and risk appetite;

l. evaluating and adopting, with or where appropriate without modification, the ASX Corporate Governance Principles; and

m. supervising compliance with the Company's corporate governance policies.

The composition of the Board, its performance and the appointment of new Directors will be reviewed from time to time by the Board. Election of Directors is substantially the province of Shareholders in general meeting.

8.4.2 Board committees

In order to better manage its responsibilities, the Board has established the Audit and Risk Committee and the Nomination and Remuneration Committee. Each Committee has adopted a charter approved by the Board which sets out its responsibilities. Other committees may be established by the Board as and when required. Membership of Board committees will be based on the needs of the Company, ASX requirements and other regulatory requirements and the skills and experience of individual Directors.

Subject to Admission, the Chair of the Audit and Risk Committee receives an amount of $10,000 per annum and the Chair of the Nomination and Remuneration Committee receives an amount of $5,000 per annum. In addition to the above Nicole was paid $10,000 for providing any required services to the Company with respect to its listing on the ASX (including but not limited to attending due diligence committee meetings).

8.4.3 Audit and Risk Committee

The Audit and Risk Committee is currently comprised of:

- Nicole Bowman (Chair);
- Shan Kanji; and
- Jonathan Rubinsztein.

The role and responsibilities, composition and membership requirements of the Audit and Risk Committee are documented in the Audit and Risk Committee Charter.

The purpose of the Audit and Risk Committee is to assist the Board with:

a. oversight of the Company's discharge of its responsibilities with respect to the adequacy of the Company's corporate reporting processes and internal control framework;

b. oversight of the Company's relationship with the external audit firm, including their appointment or removal, review of their performance and review of their work plan scope;

c. determining the independence of the external audit firm, and determining the policy for partner rotation for the external audit firm; and

d. review of the Company's risk management program, including:

    i. ensuring legal and regulatory compliance;

    ii. ensuring protection of capital;

    iii. implementing and reviewing appropriate risk management systems, the risk appetite statement and the risk management framework to manage both financial and non-financial risks;

    iv. monitoring the performance of management against the risk management framework, including whether it is operating within the risk management appetite set by the Board; and

    v. receiving reports from management on new and emerging sources of risk and the risk controls and mitigation measures that management has put in place to deal with those risks.

The Audit and Risk Committee Charter provides that the committee should comprise of at least three members, all of whom are Non-Executive Directors and are familiar with and able to read and understand financial statements and a majority of whom are independent Directors. At least one member should have accounting or related financial expertise and qualifications and the chair of the Audit and Risk Committee should be an independent Director who is not Chair of the Board.

All of the current members of the Audit and Risk Committee are Non-Executive Directors who have extensive executive leadership experience and are familiar with and able to read and understand financial statements. Two of the three current members of the Audit and Risk Committee are independent Non-Executive Directors and the Chair of the Committee is not Chair of the Board.

8.4.4 Nomination and Remuneration Committee

The Nomination and Remuneration Committee is currently comprised of:

- Nicole Bowman (Chair);
- Shan Kanji; and
- Jonathan Rubinsztein.

The role and responsibilities, composition, structure and membership requirements of the Nomination and Remuneration Committee are documented in the Remuneration and Nomination Committee Charter.

The purpose of the Nomination and Remuneration Committee is to assist the Board:

a. to review and assess the necessary and desirable competencies of the Directors;
b. to monitor and evaluate the performance of each Director individually, of the Board collectively and of each Board committee collectively;
c. to develop succession plans for the Board and to oversee development by management of succession planning for senior executives; and
d. to develop, evaluate and review remuneration practices and policies.

The Nomination and Remuneration Committee Charter provides that the committee should comprise of at least three members, all of whom are Non-Executive Directors and a majority of whom are independent Directors. The Chair of the Committee should be an independent Director who is not Chair of the Board.

The majority of the current members of the Nomination and Remuneration Committee are independent Non-Executive Directors and the Chair of the Committee is not Chair of the Board.

8.4.5 Code of Conduct

The Company's Code of Conduct sets out the legal and ethical obligations and the standard of behaviour expected of individuals working for the Company.

The Code of Conduct deals with the following principal areas:

a. honesty and integrity;
b. conflicts of interest or duty;
c. corporate opportunities;
d. confidential information;
e. fair dealing;
f. protection and proper use of company assets;
g. privacy;
h. responsibilities to the community and the environment;
i. compliance with laws, regulations, policies and procedures; and
j. reporting unlawful and unethical behaviour.

8.4.6 Continuous Disclosure and Shareholder Communications Policy

The Board is committed to ensuring that the Company maintains direct, open, timely and effective communications with all Shareholders. Information will be communicated to Shareholders through announcements to ASX, the Company's annual report, annual general meetings, half yearly and full year results, and the Company's website, https://atturra.com/.

8.4.7 Diversity and Inclusion Policy

The Company has adopted a Diversity and Inclusion Policy which sets out its commitment to diversity and inclusion in the workplace. Under the Diversity and Inclusion Policy, the Board states its commitment to encouraging inclusive workplace practices and behaviours and foster a work environment that values the contributions of employees with diverse backgrounds, experiences and perspectives.

8.4.8 Securities Trading Policy

The Company has a Securities Trading Policy which applies to all Directors and employees of the Company. The purpose of the policy is to set restrictions on dealing in securities to minimise the risk of insider trading, ensure the Company is able to meet its reporting obligations under the ASX Listing Rules and increase transparency to assist in maintaining market confidence in the integrity of dealings in the Company's securities.

The Securities Trading Policy imposes a general prohibition on short term dealing. It also imposes additional prohibitions on Directors and senior management in respect of dealings during black-out periods and hedging unvested entitlements and establishes an approval procedure for any dealing. It also outlines the restrictions on dealings by employees.

8.4.9 Anti-Bribery and Corruption Policy

The Company has an Anti-Bribery and Corruption Policy for Directors, employees, contractors, volunteers and agents. It provides a summary of the law on bribery and corruption, outlines the circumstances in which it is unacceptable to receive gifts, entertainment and hospitality and provides a reporting mechanism for allegations of bribery and corruption.

The policy prohibits facilitation payments, kickbacks and donations to political parties or which are intended to obtain an improper advantage for the Company.

8.4.10 Whistleblower Policy

The Company has a Whistleblower Policy which encourages employees to report suspected or known instances of misconduct. The Whistleblower Policy establishes the mechanisms and procedures for employees to report misconduct in a manner which protects the whistleblower and gathers the necessary information for the Company to investigate such reports and act appropriately.

8.4.11 Departures from Corporate Governance Recommendations

The Company's departures from the ASX Recommendations are set out in the following table.

Table 8.8: Departures from ASX Recommendations

ASX RECOMMENDATION	EXPLANATION FOR DEPARTURE
Recommendation 2.4 A majority of the board of a listed entity should be Independent Directors.	The Board considers that Mr Kanji and Mr Kowal are not Independent Directors. Accordingly, the Company does not satisfy recommendation 2.4. However, the Company is not at the size or complexity to warrant the appointment of an additional Independent Director.
Recommendation 2.5 The chair of the board of a listed entity should be an Independent Director and, in particular, should not be the same person as the CEO of the entity.	The Board has appointed Mr Kanji as the Non-Independent Chairman of the Board. Accordingly, the Company does not satisfy recommendation 2.5. However, the Board considers Mr Kanji to be the most appropriate person to act as the Chairman of the Board given his experience and knowledge of the Company and industry.

Section 9.

Details of the Offer

9.1. Important Information

This Prospectus contains details of the Offer to apply for Shares in the Company. You are encouraged to:

a. read the contents of this Prospectus carefully, including the risks in Section 7; and
b. obtain independent professional advice from your accountant, lawyer, financial adviser or any other party qualified to provide advice on the contents of this Prospectus.

9.2. The Offer

This Prospectus relates to an initial public offering of new Shares issued by Atturra at the Offer Price of $0.50 per Share. A total of approximately 49.6 million Shares will be available under the Offer to raise approximately $24.8 million. There will also be approximately 0.8 million Shares issued under the Employee Gift Offer to Eligible Employees.

The total number of Shares on issue at completion of the Offer will be approximately 200.6 million and all Shares will, once issued, rank equally with each other. The Shares offered under this Prospectus will represent approximately 25.1% of the Shares on issue at Completion.

The Shares to be issued pursuant to the Offer are of the same class and will rank equally with the existing Shares on issue. The rights and liabilities attaching to the Shares are further described in Section 11.7.

The Offer is made on the terms, and is subject to the conditions, set out in this Prospectus.

The Prospectus also contains an offer for 1 Share at the Offer Price, which shall remain open until Admission (unless closed earlier by the Directors, in their sole discretion) (**Cleansing Offer**). The purpose of the Cleansing Offer is to remove any secondary sale restrictions and facilitate future secondary trading of Shares to be issued by the Company after the close of the Offer but prior to the Company's Admission, being the Shares that will be issued to Selling Shareholders as part of the Restructure upon receipt of conditional approval to be admitted to the Official List of the ASX. Further details of the Restructure are set out in Section 11.4.

9.3. Conditional Offer

The Offer under this Prospectus is conditional upon the following events occurring:

a. successful completion of the Restructure; and
b. ASX providing the Company with a list of conditions which, once satisfied, will result in the Company's Admission.

If any of these conditions are not satisfied then the Offer will not proceed, no Shares will be allotted pursuant to this Prospectus and the Company will repay all Application Monies received under the Offer, without interest, in accordance with the Corporations Act.

9.4. Purpose of the Offer

The purpose of the Offer to:

a. facilitate the Company's application for Admission;
b. allow the Selling Shareholders an opportunity to realise part of their shareholding in Atturra Holdings;
c. provide a liquid market for Shares in the Company;
d. provide the Company with the benefits of an enhanced profile that arises from being listed;
e. provide the Company with access to capital markets;
f. broaden the Company's shareholder base; and
g. provide funding to enable the Company to:
    i. provide funding to implement the business model, objectives and growth strategy of Atturra as stated in Section 3.6;
    ii. provide Atturra with the benefits of an increased profile that arises from being a publicly listed company;
    iii. provide Selling Shareholders with an opportunity to realise all or part of their investment in

Atturra Holdings; and

iv. provide a liquid market for Shares and an opportunity for others to invest in Atturra.

9.5. Use of funds

The table below sets out in detail the proposed use of the Company's funds:

Table 9.1: Use of funds

USE OF FUNDS[1]	$	%
IP development, operating costs and working capital	1.4 million	5.6
Acquisitions	20.0 million	80.6
Costs of the Offer[2]	2.6 million	10.4
Payments to fund the purchase of shares under the Restructure	0.8 million	3.2
Total	**24.8 million**	**100.0**

Notes:

1. Shareholders should note that the above estimated expenditures will be subject to modification on an ongoing basis depending on the results obtained from the Company's activities. Due to market conditions, the development of new opportunities and/or any number of other factors (including the risk factors outlined in Section 7), actual expenditure levels may differ significantly from the above estimates. It is anticipated that the $20 million of funds allocated to acquisitions will be utilised within the 12 to 24 months following the Prospectus Date, subject to there being suitable acquisition targets.
2. Expenses paid or payable by the Company in relation to the Offer are set out in Section 9.18.

The Directors have made enquiries and nothing has come to their attention to suggest that the Group is not continuing to earn profit from continuing operations up to the Prospectus Date.

9.6. Structure of the Offer

The Offer is structured as follows:

a. the Institutional Offer, which consists of an invitation to apply for Shares made to institutional investors in Australia, and a number of other authorised jurisdictions to apply for Shares (see Section 9.9);

b. the Broker Firm Offer, which is only open to investors who have a registered address in Australia and who have received an allocation from their broker (see Section 9.10);

c. the Priority Offer, which is only open to investors who receive a personal invitation to participate in the Priority Offer (see Section 9.11); and

d. the Employee Gift Offer, which is open to Eligible Employees that receive an invitation from the Company to acquire, at no cost, the nearest whole number of Shares up to the value of $1,000 each (see Section 9.12 for further details on the Employee Gift Offer).

9.7. Underwriting of Offer

The Offer is underwritten by the Joint Lead Managers (other than the Employee Gift Offer). A summary of the Underwriting Agreement, including the events which would entitle the Joint Lead Managers to terminate the Underwriting Agreement, is set out in Section 10.8. The Offer is made with disclosure under this Prospectus and is made on the terms, and is subject to the conditions, set out in this Prospectus.

9.8. Terms and conditions of the Offer

Table 9.2: Terms and conditions of the Offer

TOPIC	SUMMARY
What is the type of security being offered?	Fully paid ordinary Shares in the Company.
What are the rights and liabilities attached to the security being offered?	A description of the rights and liabilities attaching to the Shares is set out in Section 11.7
What is the Offer Price?	Successful Applicants under the Offer will pay the Offer Price, being $0.50 per Share.
What is the Offer Period?	The Offer will open at Thursday 25 November 2021. The key dates, including details of the Offer Period, are set out on page 5 of this Prospectus. The timetable is indicative only and may change. Unless otherwise indicated, all times are stated in Sydney time, Australia time. The Company, in consultation with the Joint Lead Managers, reserves the right to vary both of the times and dates without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Closing Date, to accept late Applications, either generally or in particular cases, or to cancel or withdraw the Offer before Completion, in each case without prior notice). If the Offer is cancelled or withdrawn before the allocation of Shares, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as soon as possible after the Offer opens. No Shares will be issued on the basis of this Prospectus later than 13 months after the Prospectus Date.
What are the cash proceeds to be raised under the Offer?	$24.8 million will be raised if the Offer proceeds. The Company will receive approximately $24.8 million for the issue of new Shares by the Company (prior to deductions for Offer costs) with $0.8 million (before costs) to fund the Restructure.
Is the Offer underwritten?	Yes. The Offer is underwritten by the Joint Lead Managers (other than the Employee Gift Offer). See Section 10.8 for more information.
Who can apply for Shares under the Offer?	The Broker Firm Offer is open to persons who have received a firm allocation of Shares from their Broker and who have a registered address in Australia. You should contact your Broker to determine whether you can receive a firm allocation from them under the Broker Firm Offer. The Institutional Offer consists of an invitation to certain institutional investors in Australia and certain foreign jurisdictions to apply for Shares under the Offer. The Priority Offer is open to investors who have received an invitation to participate in the Priority Offer from Atturra.

TOPIC	SUMMARY
How can I apply under the Offer?	Applications for Shares under the Offer can only be made using the relevant Application Form accompanying this Prospectus. The Application Form must be completed in accordance with the instructions set out on the form. No brokerage, stamp duty or other costs are payable by Applicants. All Application Monies will be paid into a trust account. An original, completed and lodged Application Form together with payment for the Application Monies constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Application Form on the terms, and subject to the conditions, set out in this Prospectus. The Application Form does not need to be signed to be valid. If the Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may be treated by the Company as valid. The Directors' decision as to whether to treat such an Application as valid and how to construe amend or complete the Application Form is final. If your cheque or BPAY® payment for the Application Monies is different to the amount specified in your Application Form then the Company may accept your Application for the amount of Application Monies provided. It is the responsibility of Applicants outside Australia to obtain all necessary approvals for the allotment and issue of Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained and that the Applicant: a. agrees to be bound by the terms of the Offer; b. declares that all details and statements in the Application Form are complete and accurate; c. declares that, if they are an individual, they are over 18 years of age and have full legal capacity and power to perform all its rights and obligations under the Application Form; d. authorises the Company and its respective officers or agents, to do anything on their behalf necessary for the Shares to be issued to them, including to act on instructions of the Company's Share Registry upon using the contact details set out in the Application Form; e. acknowledges that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that Shares are suitable for them given their investment objectives, financial situation or particular needs; and f. acknowledges that neither the Shares nor the Offer have been, and will not be, registered under the securities laws in any other jurisdictions outside Australia and accordingly, the Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws.

TOPIC	SUMMARY
What is the minimum and maximum Application size under the Broker Firm Offer?	The minimum Application under the Broker Firm Offer, Priority Offer and Institutional Offer is A$2,000 for 4,000 Offer Shares. Under the Employee Gift Offer, Eligible Employees will be offered the opportunity to apply for an amount of $1,000 worth of Shares. There is no maximum value of Shares that may be applied for under the Offer. The Joint Lead Managers, in consultation with the Company, reserve the right to reject any Application or to allocate a lesser number of Shares than applied for.
How to pay your Application amount by BPAY®	Please lodge your online application by visiting https://atturra.com/au-en/ipo to complete the online Application Form accompanying the electronic version of this Prospectus. You must make your Application payment by BPAY® before 5.00pm on the Closing Date. Applicants making an online payment must use the specific biller code and the unique client reference number (**CRN**) generated by the online Application. Online Application Forms not accompanied by a BPAY® payment will be rejected.
Issue of Shares	The issue of the Shares offered by this Prospectus will take place as soon as practicable after the Closing Date. The Directors, in consultation with the Joint Lead Managers, reserve the right to issue the Shares in full for any Application or to issue any lesser number or no Shares, or to decline any Application if they believe the Application does not comply with applicable laws or regulations. If an Application Form is not completed correctly, or if the accompanying payment of the Application Monies is for the wrong amount, it may still be treated as a valid Application. The Directors' decision whether to treat the Application as valid and how to construe, amend or complete the Application Form is final. However, an Applicant will not be treated as having applied for more Shares than is indicated by the amount of Application Monies paid by the Applicant.
Irrevocable offer to subscribe	A completed Application Form or online application constitutes an irrevocable offer to subscribe for Shares on the terms and conditions set out in this prospectus (including any supplementary or replacement prospectus), and as set out in the Application Form. The Company, in consultation with the Joint Lead Managers, reserves the right to: a. reject any Application, including Applications that have not been correctly completed or are accompanied by payments that are dishonoured; b. accept late Applications received after the close of the Offer; c. allocate to any Applicant a lesser number of Shares than that for which that Applicant applied; and d. waive or correct any errors made by an Applicant in the Application of that Applicant.
When will I receive confirmation that my Application has been successful?	It is expected that initial holding statements will be dispatched by standard post on or about Monday, 20 December 2021.

TOPIC	SUMMARY
When are the Shares expected to commence trading?	Shares are expected to commence trading on ASX on or around Wednesday, 22 December 2021. It is the responsibility of each Applicant to confirm their holding before trading Shares. Applicants who sell Shares before they receive an initial holding statement do so at their own risk. The Company, the Share Registry and the Joint Lead Managers disclaim all liability, whether in negligence or otherwise, if you sell Shares before receiving your holding statement, even if you obtained details of your holding from the Company's Offer Information Line or confirmed your firm allocation through a broker.
Are there any escrow arrangements?	Yes. Details are provided in Section 9.13.
Are there any taxation considerations?	The tax consequences of any investment in the Shares will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to invest. Refer to Section 11.9 for general tax considerations.
Are there any brokerage, commission or stamp duty considerations?	No brokerage, commission or stamp duty is payable by Applicants on the acquisition of Shares under the Offer.
What should you do with any enquiries?	All enquiries in relation to this Prospectus should be directed to the Company's Offer Information Line on 1300 158 770 (within Australia) or +61 3 9415 4036 (outside Australia) between 8.30am and 5.00pm (Sydney time), Monday to Friday (business days only) during the Offer Period. If you are unclear in relation to any matter or are uncertain as to whether Shares are a suitable investment for you, you should seek professional guidance from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest.

9.9. Institutional Offer

9.9.1 Invitation to bid

The Institutional Offer consists of an invitation to certain institutional investors in Australia and a number of other eligible jurisdictions to apply for Shares. The Joint Lead Managers have advised institutional investors of the application procedures for the Institutional Offer. Offers and acceptances in the Institutional Offer are made with disclosure, under this Prospectus, and are at the Offer Price.

9.9.2 Allocation policy under the Institutional Offer

The allocation of Shares among applicants in the Institutional Offer has been determined by the Joint Lead Managers and Atturra. The Joint Lead Managers and Atturra have absolute discretion regarding the basis of allocation of Shares among institutional investors and there was no assurance that any institutional investor would be allocated any Shares, or the number of Shares for which it had bid.

The allocation policy is influenced by, but not constrained by, the following factors:

- the price and number of Shares bid for by particular bidders;
- Atturra's desire for an informed and active trading market following listing on the ASX;
- Atturra's desire to establish a wide spread of institutional Shareholders;

- the overall level of demand under the Broker Firm Offer, Priority Offer and Institutional Offer;
- the timeliness of the bid by particular bidders; and
- any other factors that Atturra and the Joint Lead Managers consider appropriate.

9.10. Broker Firm Offer

9.10.1 Who may apply

The Broker Offer is open to investors with a registered address in Australia who have received an allocation from their broker and are not located in the United States. You should contact your Broker to determine whether you can receive an allocation of Shares under the Broker Firm Offer.

9.10.2 How to apply

By receiving an offer of allocation of Shares from your Broker you can apply for those Shares under the Broker Firm Offer. You should contact your Broker for information about how to submit your Application Form and for payment instructions.

Applicants under the Broker Firm Offer should contact their Broker to request a Prospectus and Application Form, or download a copy at https://atturra.com/au-en/ipo. Your Broker will act as your agent and it is your Broker's responsibility to ensure that your Application Form and application monies are received before 5.00pm (Sydney time) on the closing date or any earlier closing date as determined by your Broker.

Broker clients should complete and lodge their Application Form with the Broker from whom they received their invitation to acquire Shares under this Prospectus. Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the reverse of the Application Form. Applicants under the Broker Firm Offer must not send their Application Forms or payment to the Share Registry.

In applying for Shares, you declare that you were given access to the Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus. Applicants under the Broker Firm Offer should contact their Broker about the minimum and maximum application size. An Application may be accepted by the Company in respect of the full amount, or any lower amount than that specified in the Application Form, without further notice to the Applicant.

Atturra and the Joint Lead Managers may determine a person to be eligible to participate in the Broker Firm Offer and may amend or waive the Broker Firm Offer application procedures or requirements, in its discretion in compliance with applicable laws.

The Joint Lead Managers, Atturra and the Share Registry take no responsibility for any acts or omissions committed by your Broker in connection with your application.

9.10.3 How to pay for your Shares

Broker Firm Offer applicants must pay their application monies to their Broker in accordance with instructions provided by that Broker.

9.10.4 Allocation policy under the Broker Firm Offer

Broker Firm allocation of Shares will be determined by the Joint Lead Managers in agreement with the Company. Shares that are allocated to Brokers for allocation to their clients will be issued or transferred to the applicants nominated by those Brokers. It will be a matter for each Broker as to how they allocate Shares among their retail clients, and they (and not the Company nor the Joint Lead Managers) will be responsible for ensuring that retail clients who have received an allocation from them receive the relevant Shares.

9.11. Priority Offer

9.11.1 Who may apply

The Priority Offer is open to investors who have received an invitation to participate in the Priority Offer from the Company. If you have been invited by the Company to participate in the Priority Offer, you will be treated as an applicant under the Priority Offer in respect of those Shares allocated to you.

9.11.2 How to apply

If you have received an invitation to participate in the Priority Offer from the Company, you will be separately advised of the application procedures under the Priority Offer.

By making an application, you declare that you were given access to the Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

You may apply for Shares up to the amount indicated on your personalised invitation.

9.11.3 How to pay for your Shares

The Priority Offer applicants must pay their application monies by BPAY® in accordance with the instructions when submitting their online application.

Applicants should make sure when completing your BPAY® payment, to use the specific biller code and unique Client Reference Number generated by the online Application Form. Application monies paid via BPAY® must be received by the Share Registry by no later than 5.00pm (Sydney time) on Wednesday, 8 December 2021 and it is your responsibility to ensure that this occurs. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment and you should therefore take this into consideration when making payment. Neither the Company nor the Joint Lead Managers take any responsibility for any failure to receive application monies or payment by BPAY® before the Priority Offer close arising as a result of, among other things, delays processing of payments by financial institutions.

9.11.4 Allocation policy under the Priority Offer

The Joint Lead Managers will consult with Atturra regarding the allocation of Shares within the Priority Offer. The Company, in consultation with the Joint Lead Managers, will determine the allocation of Shares to applicants under the Priority Offer and may reject an application, or allocate fewer Shares than applied for.

9.12. Employee Gift Offer

9.12.1 Who may apply

Eligible Employees are entitled to participate in the Employee Gift Offer.

Eligible Employees are investors who live in Australia and are permanent full time or permanent part-time employees of the Company on 1 November 2021, provided that they remain so employed and have not given, or been given, notice to terminate employment when the Employee Gift Offer closes, which is expected to be on or around Wednesday, 8 December 2021.

9.12.2 How to apply

As an Eligible Employee, you will have received a letter of offer detailing the terms of the Employee Gift Offer, along with details of how to go online and apply for your Employee Gift Offer Shares. If you wish to apply for Shares under the Employee Gift Offer, you should follow the instructions in your personalised invitation.

9.12.3 How to pay for your Shares

The cost of Shares under the Employee Gift Offer will be funded by the Company. No additional payment from Eligible Employees is required for the Employee Gift Offer.

9.12.4 Allocation policy under the Employee Gift Offer

Eligible Employees resident in Australia will receive an allocation of $1,000 worth of Shares (rounded down to the nearest whole Share based on the Offer Price) shortly after the Completion of the Offer. These Shares will be held by CPU Share Plans Pty Limited as trustee (**CPU Trustee**) on behalf of the Employees. They will then receive a holding statement to confirm the registration of their allocation of Shares in their name.

9.13. Escrow arrangements

Existing Shares held at the date of the Company's Admission will be subject to voluntary escrow arrangements.

The Company intends to enter into voluntary escrow arrangements under which 29,175,250 Shares will be subject to voluntary escrow until 1 October 2022. 4,677,240 of those Shares held in voluntary escrow are held for the benefit of Jeff Bugden who is a retired member of Atturra and in certain circumstances he can sell those Shares between 21 March 2022 and 1 October 2022. 82,172,066 Shares will be subject to voluntary escrow until 1 October 2023. 38,930,053 Shares will be subject to voluntary escrow until 1 October 2024.

The estimated escrow that will be imposed upon substantial Shareholders and Directors is set out in the tables below.

Table 9.3: Escrow arrangements for substantial Shareholders

SUBSTANTIAL SHAREHOLDER	ESCROWED SHARES	ESCROW PERIOD
263 Finance Pty Ltd (Shan Kanji associate)	16,724,090	Until 1 October 2022
	16,531,522	Until 1 October 2023
	–	Until 1 October 2024
Driftwood IT Pty Ltd (Shan Kanji associate)	–	Until 1 October 2022
	46,630,870	Until 1 October 2023
	35,057,230	Until 1 October 2024

Table 9.4: Escrow arrangements for Directors

DIRECTOR	ESCROWED SHARES	ESCROW PERIOD
Stephen Kowal	1,000,000	Until 1 October 2022
	3,776,731	Until 1 October 2023
	2,096,212	Until 1 October 2024
Jonathan Rubinsztein	847,534	Until 1 October 2022
	3,200,910	Until 1 October 2023
	1,776,611	Until 1 October 2024

During the period in which these securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.

The Company will announce to its ASX platform full details (quantity and duration) of the Shares held in escrow prior to the Shares commencing trading on ASX.

It is intended that a holding lock be applied to the existing Shares that are subject to escrow restrictions. The holding lock will prevent the escrowed Shareholders from disposing of their escrowed Shares for the applicable escrow period.

The Company's free float at Admission will be not less than 20%.

9.14. Application to ASX for listing and quotation of Shares

The Company will apply to ASX within seven days of the Prospectus Date for Admission and quotation of the Shares on ASX. The Company's ASX code is expected to be 'ATA'.

The fact that ASX may admit the Company to the Official List is not to be taken as an indication of the merits of the Company or the Shares offered for subscription under the Offer.

If permission is not granted for the quotation of the Shares on ASX within three months after the Prospectus Date (or any later date permitted by law), all Application Monies received by the Company will be refunded (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.

On Admission, the Company will be required to comply with the ASX Listing Rules, subject to any waivers obtained from time to time.

9.15. CHESS and issuer sponsored holdings

The Company will apply to participate in ASX's Clearing House Electronic Subregister System (**CHESS**) and will comply with the ASX Listing Rules and ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on ASX under which transfers are effected in an electronic form.

When the Shares become approved financial products (as defined in ASX Settlement Operating Rules), holdings will be registered in one of two subregisters, an electronic CHESS subregister or an issuer sponsored subregister.

For all successful Applicants, the Shares of a Shareholder who is a participant in CHESS or a Shareholder sponsored by a participant in CHESS will be registered on the CHESS subregister. All other Shares will be registered on the issuer sponsored subregister.

Following Completion, Shareholders will be sent a holding statement that sets out the number of Shares that have been allocated to them. This statement will also provide details of a Shareholder's Holder Identification Number for CHESS holders or, where applicable, the Securityholder Reference Number of issuer sponsored holders. Shareholders will subsequently receive statements showing any changes to their shareholding. Certificates will not be issued.

CHESS holders will receive subsequent statements at the end of each month in which there has been a change to their holding on the register and as otherwise required under the ASX Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Shareholder's sponsoring broker in the case of a holding on the CHESS subregister or through the Share Registry in the case of a holding on the issuer sponsored subregister. The Company and the Share Registry may charge a fee for these additional issuer sponsored statements.

9.16. Restrictions on distributions

No action has been taken to register or qualify the Shares or the Offer in any jurisdiction outside Australia or otherwise to permit a public offering of the Shares in any jurisdiction outside Australia.

This Prospectus may not be released or distributed in the United States or elsewhere outside Australia, unless it has attached to it the selling restrictions applicable in the jurisdictions outside Australia, and may only be distributed to persons to whom the Offer may lawfully be made in accordance with the laws of any applicable jurisdiction.

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the United States and may not be offered or sold, directly or indirectly, in the United States. The Shares will be offered and sold only to non-US persons outside the United States in offshore transactions as defined in and in reliance on Regulations S under the US Securities Act.

Each Applicant in the Broker Firm Offer, and each institutional investor to whom the Institutional Offer is made under this Prospectus, will be taken to have represented, warranted and agreed as follows:

- it understands that the Shares have not been, and will not be, registered under the US Securities Act or the securities law of any state of the United States and may not be offered or sold, directly or indirectly, in the United States;
- it is not in the United States;
- it has not and will not send the Prospectus or any other material relating to the Offer to any person in the United States; and
- it will not offer or sell the Shares in the United States or to any US person.

Any offer, sale or resale of the Shares in the United States by a dealer (whether or not participating in the Offer) may violate the registration requirements of the US Securities Act if made prior to 40 days after the date on which the Offer Price is determined and the Shares are allocated under the Offer or if such Shares were purchased by a dealer under the Offer.

9.17. Selling restrictions

This document does not constitute an Offer of Securities in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the Securities may not be offered or sold, in any country outside Australia except to the extent permitted below.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act"). The Securities are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). Accordingly, this document may not be distributed, and the new Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the new Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to new Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted new Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

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.

Singapore

This document and any other materials relating to the new Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of new Shares, may not be issued, circulated or distributed, nor may the new Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an "institutional investor" (as defined in the SFA) or (ii) an "accredited investor" (as defined in the SFA). If you are not an investor falling within one of these categories, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the new Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire new Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

9.18. Offer expenses

The Company will pay all of the costs associated with the Offer. If the Offer proceeds, the total estimated expenses in connection with the Offer (including advisory, legal, accounting, tax, listing and administrative fees as well as printing, advertising and other expenses) are estimated to be approximately $2.6 million including GST.

Table 9.5: Offer Expenses

COST (INCLUSIVE OF GST)	$000'S
Capital raising costs	72
Joint Lead Managers fees	952
Legal fees	205
Advisor fees	1,143
ASX fees	165
Printing and other costs	22
Total	**2,560**

9.19. Tax implications of investing in Atturra

The taxation consequences of any investment in the Shares will depend on your particular circumstances. It is your responsibility to make your own enquiries concerning the taxation consequences of an investment in Atturra.

The Australian taxation implications overview of investing in Atturra is set out in Section 11.9. The information in Section 11.9 is not intended as a substitute for investors obtaining independent tax advice in relation to their personal circumstances.

9.20. Further information

If you have queries about investing under the Offer, you should contact your stockbroker, financial adviser, accountant or other professional adviser.

If you have queries about how to apply under the Offer or would like additional copies of this Prospectus, please call the Offer Information Line on 1300 158 770 (within Australia) or +61 3 9415 4036 (outside Australia) between 8.30am and 5.00pm (Sydney time).

The Prospectus and information about the Offer can be accessed in electronic form at https://atturra.com/au-en/ipo.

9.21. Acknowledgements

Each Applicant under the Offer will be deemed to have:

- agreed to become a member of the Company and to be bound by the terms of the Constitution and the terms and conditions of the Offer;
- acknowledged having personally received a printed or electronic copy of the Prospectus (and any supplementary or replacement Prospectus) including or accompanied by the Application Form and having read them all in full;
- declared that all details and statements in their Application Form are complete and accurate;
- declared that the Applicant(s), if a natural person, is/are over 18 years of age;
- acknowledged that, once the Company or a Broker receives an Application Form, it may not be withdrawn;
- applied for the number of Shares at the Australian dollar amount shown on the front of the Application Form;
- agreed to being allocated and issued the number of Shares applied for (or a lower number allocated in a way described in this Prospectus), or no Shares at all;
- authorised the Company and the Joint Lead Managers and their respective officers or agents, to do anything on behalf of the Applicant(s) necessary for Shares to be allocated to the Applicant(s), including to act on instructions received by the Share Registry upon using the contact details in the Application Form;
- acknowledged that, in some circumstances, the Company may not pay dividends, or that any dividends paid may not be franked;
- acknowledged that the information contained in this Prospectus (or any supplementary or replacement Prospectus) is not financial product advice or a recommendation that Shares are suitable for the Applicant(s), given the investment objectives, financial situation or particular needs (including financial and tax issues) of the Applicant(s);
- declared that the Applicant(s) is/are a resident of Australia (except as applicable to the Institutional Offer);
- acknowledged and agreed that the Offer may be withdrawn by the Company or may otherwise not proceed in the circumstances described in this Prospectus; and
- acknowledged and agreed that if Completion does not occur for any reason, the Offer will not proceed.

Section 10.

Material agreements

10.1. Department of Defence

The Group companies, being SME Gateway Pty Ltd ACN 106 981 560, (**SME Gateway**) Noetic Solutions Pty Ltd ACN 098 132 024 (**Noetic**) and Veritec Pty Ltd ACN 166 493 394 (**Veritec**) have been appointed to the panel of the Australian Government's Department of Defence (**Department of Defence**) to provide the Group's service offerings to the Department of Defence.

The panel agreement to which SME Gateway and Noetic have been appointed is the Defence Support Services Standing Offer Panel (**DSSP**) and the panel agreement to which SME Gateway and Veritec has been appointed is the Information Communications Technology Provider Arrangement (**ICTPA**) (collectively, the **Panel Agreements**).

Appointment to the DSSP allows SME Gateway and Noetic the ability to provide a broad range of services under relevant work orders (see Section 10.1.2 for the material work order under the DSSP) to support the acquisition and sustainment of the Department of Defence's Air, Joint Systems, Land and Maritime division's capital equipment and system projects.

The appointment of SME Gateway and Veritec to the ICTPA allows the Group to provide a broad range of ICT services to the Department of Defence under relevant work orders (see Section 10.1.3 for the material work order under the ICTPA).

Each Panel Agreement grants SME Gateway, Noetic and Veritec the non-exclusive right to provide to the Department of Defence part or all of the services of the kind for which the service provider is included on the panel. There are no minimum levels of procurement guaranteed by the Department of Defence that must be made during the term of the Panel Agreements.

Under each of the Panel Agreements, in addition to the termination rights specified for each Panel Agreement below, the Department of Defence has the ability to terminate:

a. the DSSP, if SME Gateway or Noetic suffers an insolvency event, commits any breach that allows the Department of Defence to terminate the DSSP, fails to remedy a material breach of a provision of the DSSP within 10 working days of receiving notice to do so and the SME Gateway or Noetic fails to maintain or obtain any authorisations (being a licence, accreditation, permit, registration, regulatory approval or other documented authority) required by the Department of Defence; and

b. the ICTPA, if SME Gateway or Veritec commits a material breach, suffers an insolvency event or fails to remedy any breach of a provision of the ICTPA within 14 days of receiving notice to do so.

DSSP

SME Gateway and Noetic's appointment to the DSSP is dated 20 April 2018. The additional terms specific to this agreement are as follows:

Table 10.1: DSSP Terms

Term	SME Gateway's and Noetic's appointment to the DSSP expires on 20 April 2023, with the Department of Defence having the ability to extend their appointment by up to 2 years if it provides notice not less than 30 days prior to 20 April 2023.
Additional termination provision	The Department of Defence may at any time terminate, reduce the scope of, or suspend the DSSP or any contract under the DSSP by notifying the SME Gateway or Noetic in writing. SME Gateway nor Noetic will be entitled to any profit anticipated on any part of the contract terminated (that was created under the DSSP), reduced or suspended for convenience, or to make any other claim (at law or in equity) arising out of or in connection with the termination, reduction or suspension.

ICTPA

SME Gateway and Veritec's appointment to the ICTPA is dated 11 July 2018. The additional terms specific to this agreement are as follows:

Table 10.2: ICTPA Terms

Term	SME Gateway and Veritec's appointment to the ICTPA expires on 13 July 2023, with the Department of Defence having the ability to extend their appointment by up to 3 years until 13 July 2026 and then a further 2 years until 13 July 2028, if it provides at least 60 days' notice to Veritec before the relevant expiry date.
Additional termination provision	The Department of Defence may, at any time and in its absolute discretion terminate the ICTPA or any contract created under it (in whole or in part) for any reason, including for a machinery of government change, by providing at least 30 days written notice to Veritec.

10.1.1 Joint Experimentation Directorate (JED) Official Order

On 9 June 2021, Noetic was awarded the contract by the Department of Defence for Noetic to develop classified scenario environments, experimentation design and analysis, the management of simulation tools and training as part of supporting the Department of Defence's JED forward work plan for FY21 to FY26 (**JED Official Order**). The term of the JED Official Order commenced on 2 August 2021 and ends on 1 August 2024. The terms and conditions under the DSSP govern the JED Official Order.

10.1.2 DIPD Sustainment Services

On 7 June 2021 and as amended on 30 June 2021, Veritec entered into the contract with the Department of Defence for Veritec to provide Microsoft Dynamics 365 capability, business analysis services and Microsoft Power BI capability to the Defence Industry Policy Division (**DIPD**) of the Department of Defence (**DIPD Work Order**). The term of the DIPD Work Order is for 12 months which commenced on 7 June 2021. The Department of Defence has two options of up to 12 months each at the Department of Defence's discretion to extend the DIPD Work Order, provided at least 60 days' notice is given to Veritec before the expiry of the relevant term. Otherwise the terms and conditions of the ICTPA govern the DIPD Work Order.

10.2. Department of Education, Skills and Employment

Veritec has been contracted through a statement of work issued by DXC Technology Australia Pty Ltd (**DXC**) to support DXC in delivering the New Employment Services Model (**NESM**), a major project by the Department of Education, Skills and Employment (**DESE**) to reform employment services for job seekers, employers and providers (**DESE Contract**).

Under the DESE Contract, Veritec will provide IT infrastructure based on core Microsoft components, including the delivery of the Digital Services Contact Centre to be developed on Microsoft Dynamics 365. Additionally, Veritec will provide IT integration capabilities across NESM.

The DESE Contract commenced on 1 October 2021 and expires on 17 February 2022.

Under the DESE Contract and in addition to the termination rights specified below, DXC has the ability to terminate the DESE Contract if Veritec:

a. breaches a material provision of the DESE Contract and that breach is not remedied;

b. breaches any provision of the DESE Contract and that breach is not remedied within 14 days after receiving written notice requiring it to do so; or

c. is unable to perform its obligations under the DESE Contract.

In addition, DXC may by providing Veritec with five business days' notice, terminate in whole or in part, reduce the scope of, the DESE Contract, including when there is a machinery of government change, the need for the service offerings provided by Veritec has been cancelled, changed or reduced or funding is depleted.

In the event DXC terminates or reduces the scope of the DESE Contract, Veritec will not be entitled to any profit anticipated on any part of the contract terminated, reduced or suspended for convenience, unless otherwise specified.

10.3. Finance Loan Agreement

On 28 January 2021 (**Effective Date**), the Group companies FTS NHC Pty Ltd (**Borrower**) and FTS Nominees Pty Ltd (**Guarantor**) entered into an unsecured loan agreement with 263 Finance Pty Ltd (**Lender**) pursuant to which the Lender granted a loan to the Borrower of $1,750,000 (**Loan Amount**) with the maximum draw down from the loan to be $5,750,000 (**Facility Limit**) (**263 Finance Loan Agreement**). Subsequently on 20 August 2021, 6 November 2021 and on 9 November 2021 the parties entered into three deeds of amendment and restatement of the 263 Finance Loan Agreement (collectively, the **Amended 263 Finance Loan Agreement**). As at the Prospectus Date, an amount of $5,750,000 has been drawn under the Amended 263 Finance Loan Agreement.

The material terms of the Amended 263 Finance Loan Agreement are:

a. Term: the total amount outstanding under the Amended 263 Finance Loan Agreement is to be repaid by 31 January 2024 or following receipt of a written demand from the Lender to the Borrower specifying a date for repayment which is not less than 13 months from the date of the demand.

b. Interest: interest accrues daily and payable by the Borrower to the Lender quarterly on and from 1 November 2021 at a rate equivalent to the Australian Bank Bill Swap Reference Rate in the relevant quarter plus a margin of 1%.

c. Repayment: The Borrower must repay the Loan Amount or any amount drawn by the Borrower up to the Facility Limit as follows (whichever occurs earlier):

    i. on 31 January 2024, the entire amount owning under the Amended 263 Finance Loan Agreement must be repaid in full;

    ii. on each anniversary of the Effective Date, the Facility Limit is reduced by $1,000,000 (**Reduced Facility Limit**) and any amount owing in excess of the Reduced Facility Limit must be repaid to the Lender;

    iii. in the event the Borrower's net profit before tax and before interest payable to the Lender falls below two times interest payable to the Lender by the Borrower in that year;

    iv. in the event the Borrower's net debt becomes higher than 2.75 times net profit before interest, tax, depreciation and amortisation; or

    v. if there is a change in control, being a transfer of 25% or more of the issued share capital of the Company or Atturra Holdings Pty Ltd ACN 132 368 104 (**Atturra Holdings**), excluding any transfer:

        A. from a shareholder of the Company or Atturra Holdings to their associate; or

        B. by 263 Finance Pty Ltd and Driftwood IT Pty Ltd of all of their shares in the Company or in Atturra Holdings.

    vi. The Borrower is currently entitled to make an early repayment of any part or all of the outstanding Loan Amount or the amount drawn by the Borrower up to the Facility Limit.

d. Guarantee: The Guarantor guarantees to the Lender the punctual payment of the amount owing and any obligation or liability of any kind that the Borrower has to the Lender under the Amended 263 Finance Loan Agreement.

    The Amended 263 Finance Loan Agreement otherwise contains terms and conditions (including representations, warranties and indemnifications and standard confidentiality provisions) considered standard for agreements of this nature.

10.4. Kanji & Co Legal Services Agreement

On 28 October 2021, the Company entered into an agreement with Shan Kanji trading as Kanji & Co ABN 61 553 393 384 (**K&C**), a legal services practice which is a related party of the Company by virtue of Shan Kanji being the principal solicitor.

Under the agreement, K&C provides the Company with legal services from time to time and on a matter by matter basis on standard arm's length terms. The agreement otherwise contains terms and conditions considered standard for an agreement of this nature.

10.5. Kanji IT Services Agreement

On 12 November 2021, FTSG Pty Ltd, a subsidiary of the Company, entered into an agreement effective from 1 October 2021 with Kanji IT Pty Ltd ACN 653 921 058 (**Kanji IT**), an IT services practice which is a related party of the Company on the basis that it is an associate of Shan Kanji, a Director of the Company.

Under the agreement, Kanji IT provides the Company with hosting services for its payroll system on standard arm's length terms with an annual value of $10,000. The agreement, which expires on 30 June 2026, otherwise contains terms and conditions considered standard for an agreement of this nature.

10.6. Noetic Group Shareholders Agreement

Noetic Group Pty Ltd ACN 117 643 240 (**Noetic Group**) is a non-wholly owned subsidiary of the Company whereby 80% of the issued share capital is held by FTS NHC Pty Ltd ACN 646 747 113 (a wholly owned subsidiary of the Company) and Atturra Holdings. The remaining 20% is owned equally by Peter Murphy and Andris Balmaks.

As set out in Section 11.4, subject to completion of the Restructure, Atturra Holdings will become a wholly owned subsidiary of the Company.

Noetic Group currently has a shareholders agreement dated 1 February 2021 (**Noetic Group Shareholders Agreement**) whereby the following key matters are required to be determined by a special majority decision being an affirmative vote of 75% or more of the votes cast by directors present and entitled to vote on the resolution or decision:

a. Related party transactions: enter into, materially vary or terminate, an agreement or arrangement to the extent that it is for the direct or indirect benefit of:
    i. A director of Noetic Group;
    ii. A shareholder of Noetic Group; or
    iii. A special relative (being for example a spouse, de-facto partner, mother, father brother, child or grandchild) of a director or shareholder,

    Except if it is for the benefit of all shareholder of Noetic Group in proportion to their shareholding in Noetic Group;
b. Senior management: appoint any employee or contract of a group company of Noetic Group whose total remuneration or fees exceeds $250,000, or materially change or negotiate the terms of engagement, role, remuneration or responsibilities of these employees or contractors;
c. Remuneration of directors and bonuses: increase the remuneration payable or pay other bonuses to a director of Noetic Group;
d. Constitution: alter the Company's constitution except to be consistent with the Noetic Group Shareholders Agreement;
e. Change in nature of the business: stop carrying on, or materially alter the nature or scale of operations of the business or start any material business or operational activities which are new to Noetic Group and its subsidiaries;
f. Assets: acquire, dispose of or transfer an asset (either tangible or intangible) having a value of $100,000 or more in aggregate; and
g. Contracts: enter into, terminate, alter, assign, novate, enforce or waive a right under, a contract except in the ordinary course of the business of Noetic Group and its subsidiaries. Any contract with aggregate expenditure to Noetic Group and its subsidiaries which is reasonably likely to exceed $100,000 must be regarded as not being in the ordinary course of business of Noetic Group and its subsidiaries.

10.7. Protegic Shareholders Agreement

Protegic Pty Ltd ACN 104 218 804 (**Protegic**) is a non-wholly owned subsidiary of the Company whereby 24.4% of the issued share capital is held by FTS PHC Pty Ltd ACN 606 815 310 (**FTS PHC**) (a wholly owned subsidiary of the Company). The remaining 75.6% is owned by various other shareholders who are not related to the Company.

Protegic currently has a shareholders agreement dated on or around 2016 (**Protegic Shareholders Agreement**) whereby the following key matters are required to be determined by shareholders who hold at least 67% of the votes of all shareholders of Protegic:

a. the acquisition and sale of major assets including any sale of the business or any part of it;
b. the amendment of the constitution of Protegic;
c. creating and issuing a new class or classes of shares in Progetic; and
d. varying or creating any of the rights which attach to any of the shares in Progetic.

10.8. Underwriting Agreement

The Company and Atturra Holdings (as guarantor) have entered into an underwriting agreement dated 17 November 2021 (**Underwriting Agreement**) with Shaw and Partners Limited and Morgans Corporate Limited, pursuant to which the Joint Lead Managers have agreed to act on an exclusive basis as bookrunners, lead managers and underwriters for the Offer.

The key provisions of Underwriting Agreement are set out below.

Fees and Expenses

The Company has agreed to pay the following fees to the Joint Lead Managers:

a. a management fee of 1.00% of the proceeds of the Offer; and
b. an underwriting fee of 2.75% of the proceeds of the Offer

At the sole discretion of the Company, the Company may also pay the Joint Lead Managers a discretionary success fee of 0.75% of the proceeds of the Offer.

Termination Events

The Joint Lead Managers may, in certain circumstances, terminate their obligations under the Underwriting Agreement on the occurrence of certain termination events (in some circumstances, having regard to the materiality of the relevant event) including, but not limited to, where:

a. the S&P/ASX 300 Index closes on two consecutive business days or closes on the trading day immediately prior to the Settlement Date, more than 10% below its level as at 5:00pm on the business day immediately preceding the date of the Underwriting Agreement;
b. any material adverse change occurs in the assets, liabilities, share capital, Share structure, financial position or performance, profits, losses or prospects of the Company from those disclosed in this Prospectus;
c. a statement contained in the Offer documents or any information supplied by the Company or Atturra Holdings is or becomes misleading or deceptive or is likely to mislead or deceive;
d. a member of the Group creates or agrees to create an encumbrance over the whole or a substantial part of its business or property which was not otherwise disclosed in this Prospectus;
e. a member of the Group is or becomes insolvent, or an act occurs or an omission is made which may result in a member of the Group becoming insolvent;
f. any regulatory action occurs in relation to the Offer, including where ASIC issues proceedings in relation to the Company or Atturra Holdings, or any other government agency commences any investigation or public action in relation to the Offer or in relation to the Company or Atturra Holdings including into its Directors and senior management;
g. Atturra lodges a Supplementary prospectus without the consent of the Joint Lead Managers or, in a Joint Lead Manager's reasonable opinion, becomes required to lodge a Supplementary Prospectus because of a circumstance set out in section 719(1) of the Corporations Act;
h. any Directors or senior management of Atturra cease to perform their roles without the written consent of the Joint Lead Managers;

i. a general moratorium on commercial banking activities in Australia, New Zealand, the United States of America, the United Kingdom, Japan, the People's Republic of China, Hong Kong, Singapore, South Korea, or any member state of the European Union is declared by the relevant central banking authority in any of those countries;

j. trading in securities generally has been suspended or materially limited for at least one trading day, by any of the ASX, the Hong Kong Stock Exchange, the London Stock Exchange or the New York Stock Exchange;

k. any of the obligations of the relevant parties under any of the Material Contracts are not capable of being performed in accordance with their terms or if any of the Material Contracts are terminated, be that through lawful termination or otherwise, cease to have effect or are breached;

l. Atturra or a member of the Group makes any unauthorised change including, but not limited to, disposing or agreeing to dispose, the whole, or a substantial part, of its business or property other than as contemplated in this Prospectus;

m. a person charges or encumbers or agrees to charge or encumber, the whole, or a substantial part of the business or property of the Company, Atturra Holdings or the Group other than pursuant to the relevant finance arrangements with 263 Finance Pty Ltd or in the ordinary course of business;

n. a Director or a senior member of management of the Company or Atturra Holdings engages in any fraudulent conduct or activity;

o. the Company and Atturra Holdings are or will be prevented from conducting or completing the Offer;

p. the Offer or the Offer documents do not comply with any applicable law or regulatory requirement;

q. an event specified in the Timetable is delayed for more than 2 business days without the prior written approval of the Joint Lead Managers;

r. the Restructure agreement or a voluntary escrow deed is withdrawn, varied, terminated, rescinded, altered or amended, breached or failed to be complied with;

The following termination events are subject to materiality:

s. if any of the Material Contracts are breached or altered, amended or varied without the consent of the Joint Lead Managers;

t. there occurs a new circumstance that has arisen since this Prospectus was lodged that would have been required to be included if it had arisen before this Prospectus was lodged;

u. there is a change in law which does or would likely prohibit, materially restrict or regulate the Offer or materially reduce the likely level of valid applications or materially affect the financial position of the Company or have a material adverse effect on the success of the offer;

v. there is an outbreak of hostilities (whether or not a war or a national emergency has been declared) not presenting existing, or a major escalation in existing hostilities occurs, or a national emergency is declared, or a terrorist act is perpetrated involving any one or more of Australia, Canada, a member of the European Union, Japan, Hong Kong, India, New Zealand, North Korea, Russia, Singapore, South Korea, the People's Republic of China, the United Kingdom or the United States of America, or any diplomatic, military, commercial or political establishment of any of these countries elsewhere in the world;

w. the Company or an entity in the Group issues a public statement concerning the Offer which has not been approved by a Joint Lead Manager; or

x. the Company or Atturra Holdings breaches any of its undertakings or obligations under the Underwriting Agreement.

Indemnity

Subject to certain exclusions relating to, amongst other things, fraud, wilful default or gross negligence of any Joint Lead Managers, their respective related bodies corporate, affiliates and each of their respective directors, officers, partners, employees, agents and advisers, the Company undertakes to keep the Joint Lead Managers indemnified from losses suffered by them in connection with, but not limited to, the Offer, the Offer documents, the Restructure or the Underwriting Agreement.

Section 11.

Additional information

11.1. Registration

Atturra Limited was incorporated as a public company limited by shares in New South Wales on 20 October 2021, for the purpose of acquiring the Group.

11.2. Company tax status and financial year

The Company will be taxed as an Australian tax resident public company for the purposes of Australian income tax law.

The Company's financial year ends on 30 June annually.

11.3. Corporate structure

The corporate structure of the Company and its subsidiaries is provided under Annexure A.

11.4. Summary of the Restructure

On 16 November 2021, the Company entered into an agreement with 24 existing shareholders of Atturra Holdings (**Selling Shareholders**) for the acquisition of 100% of the fully paid ordinary shares on issue in Atturra Holdings (**Atturra Holdings Shares**) (**Restructure**). The transactions contemplated under the agreement are conditional upon the Company receiving a letter confirming conditional approval to list on the Official List from the ASX (**Conditional Approval Letter**).

In consideration for the acquisition of the Atturra Holdings Shares, the Selling Shareholders may elect to receive either:

a. **Consideration A**: Shares on the basis of one Share for every one Atturra Holdings Share that the Selling Shareholder holds; or

b. **Consideration B:** A number of Shares equal to 75% of the number of Atturra Holdings Shares held by the Selling Shareholder and cash equal to the value of 25% of the number of Atturra Holdings Shares held by the Selling Shareholder, using the issue price per Share under the Offer.

Of the Selling Shareholders, 23 have elected to receive Consideration A, being Shares in consideration for their Atturra Holdings Shares on a one for one basis. One Selling Shareholder has elected to receive Consideration B, equal to the issue of 4,677,240 Shares and an amount of $779,540 cash.

As such, a total of 150,277,368 Shares will be issued on the same day as the Shares to be issued under the Offer as part of the acquisition of 100% of the issued capital of Atturra Holdings. A total of $779,540 cash will be paid to the Selling Shareholders, to be paid from the proceeds of the Offer within 5 business days of the Company's admission to the Official List.

If the Company has not received the Conditional Approval Letter from ASX (or has not had this requirement waived), within 6 months from the date of the agreement, the agreement may be terminated by either the Company or the Selling Shareholders. The terminating party must give written notice to the other party.

The agreement otherwise contains terms and conditions (including representation and warranties given by the Selling Shareholders) considered standard for an agreement of this nature.

11.5. Capital Structure

The capital structure of the Company following Completion is summarised in the tables below:

Table 11.1: Capital Structure

SHARES	NUMBER
Shares on issue as at the Prospectus Date	1
Shares to be issued under the Restructure[1]	150,277,368
Shares to be issued under the Offer[2]	50,359,080
Total Shares on issue at Admission	**200,636,449**

PERFORMANCE RIGHTS	NUMBER
Performance Rights on issue as at the Prospectus Date	750,000
Performance Rights to be issued under the Offer	Nil
Total Performance Rights on issue at Admission	**750,000**

11.6. Substantial Shareholders

Those Shareholders which have a relevant interest in 5% or more of the Shares on issue as at the Admission are set out in the table below.

Table 11.2: Shareholders with Over 5% Interest

SHAREHOLDER	SHARES	%
Driftwood IT Pty Limited	81,688,100	40.7%
263 Finance Pty Limited	33,255,612	16.6%

The substantial Shareholders have each advised that they do not intend to subscribe for Shares under this Prospectus.

11.7. Summary of rights and liabilities attaching to Shares and other material provisions of the Constitution

11.7.1 Introduction

The rights and liabilities attaching to Shares are set out in the Constitution and are, in certain circumstances, regulated by the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules and general law.

A summary of the significant rights and liabilities attaching to the Shares and of the other material provisions of the Constitution are set out below. This summary is non-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. The summary assumes that the Company is admitted to the Official List.

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1. Under the Restructure, existing shareholders of Atturra Holdings were offered either Shares or a combination of Shares and a cash payment in consideration for the acquisition of 100% of the issued capital of Atturra Holdings. 23 of the existing shareholders elected to receive Shares and one of the existing shareholders elected to receive a combination of a cash payment of $779,540 (being the equivalent of 1,559,080 Shares) with the remainder of the consideration as Shares. A summary of the Restructure is set out in Section 11.4.
2. This also includes 800,000 Shares issued under the Employee Gift Offer to Eligible Employees.

11.7.2 Voting

Subject to any rights or restrictions for the time being attached to any class or classes of shares in the Company (at present, there is only one class of shares), at a general meeting of the Company:

a. each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;

b. on a show of hands, every Shareholder present in person or by proxy, attorney or representative has one vote (unless a Shareholder has appointed more than one proxy); and

c. on a poll, every Shareholder present in person or by proxy, attorney or representative has one vote for each Share held (with adjusted voting rights for partly paid shares).

If the votes are equal on a proposed resolution, the chairman of the meeting has a second or casting vote.

11.7.3 Dividends

Subject to the Corporations Act, the Board may pay any interim and final dividends that, in its judgement, the financial position of the Company justifies. The Board may also pay any dividend required to be paid under the terms of issue of a Share, and fix a record date for a dividend and the timing and method of payment. As per Section 5.10, the Directors do not expect the Company to pay a dividend in the short to medium term.

11.7.4 Issue of further Shares

Subject to the Corporations Act, ASX Listing Rules, ASX Settlement Operating Rules and any rights and restrictions attached to a class of shares, the Board may issue or grant options for, or otherwise dispose of, Shares on the terms, with the rights, and at the times that the Board decides.

11.7.5 Variation of class rights

In addition to the requirements under the Corporations Act and ASX Listing Rules, the procedure set out in the Constitution must be followed for any variation of rights attached to the Shares. The rights attached to a class of shares may be varied or cancelled by:

a. the holders of at least 75% of the issued shares in the class consenting in writing; or

b. a special resolution passed at a separate meeting of the holders of shares in that class.

11.7.6 Transfer of Shares

Subject to the Constitution and to any restrictions attached to a Share, Shares may be transferred by any means permitted by the Corporations Act or by law. The Company must comply with the obligations imposed on it by the ASX Listing Rules or the ASX Operating Rules.

The Board may or must refuse to register a transfer of Shares:

a. only if that refusal would not contravene the ASX Listing Rules or the ASX Operating Rules;

b. if the registration of the transfer would create a new holding of an unmarketable parcel;

c. to a subsidiary of the Company; and

d. if the Corporations Act, the ASX Listing Rules or the ASX Operating Rules forbids registration.

If the Board refuses to register a transfer, the Company must give the lodging party notice of the refusal and the reasons for it within five business days after the date on which the transfer was delivered to it.

11.7.7 General meetings

Each Shareholder is entitled to receive notice of, attend and vote, at general meetings of the Company. The Company must give at least 28 days' written notice of a general meeting.

The Board may postpone, cancel or change the place of a meeting of Shareholders in accordance with section 249D and 250N of the Corporations Act and the Constitution.

11.7.8 Winding up

Subject to the Constitution, the Corporations Act and any preferential rights attaching to any class or classes of shares, on the Company being wound up, Shareholders will be entitled to any surplus assets of the Company in proportion to the Shares held by them.

If the Company is wound up, the liquidator may, with the sanction of a special resolution:

a. divide the whole or part of the Company's property among Shareholders;

b. decide how the division is to be carried out as between Shareholders or different classes of Shareholders; and

c. vest assets of the Company in trustees on any trust for the benefit of the Shareholders as the liquidator thinks fit.

11.7.9 Unmarketable parcels

In accordance with the ASX Listing Rules, the Board may sell Shares which constitute less than a marketable parcel by following the procedures set out in the Constitution.

11.7.10 Proportional takeover provisions

The Constitution requires Shareholder approval in relation to any proportional takeover bid. These provisions will cease to apply unless they are renewed by Shareholders passing a special resolution by the third anniversary of either the date that those rules were adopted or the date those rules were last renewed.

11.7.11 Directors – appointment and removal

Under the Constitution, the Board is comprised of a minimum of three Directors. Directors can be elected or re-elected at general meetings of the Company.

No Director (excluding any managing director) may hold office without re-election beyond the third annual general meeting following the meeting at which the Director was last elected or re-elected or three years, whichever is longer. The Board may also appoint a Director in addition to the existing Directors or to fill a casual vacancy on the Board, and that Director (apart from the managing director) must not hold office past the next annual general meeting of the Company.

11.7.12 Directors – voting

Items to be considered at a meeting of the Board must be decided by a majority of votes cast by the Directors entitled to vote on the resolution. If the votes are equal on a proposed resolution, the chairman of the meeting does have a second or casting vote.

11.7.13 Directors – remuneration

Details of material provisions of the Constitution relating to the remuneration of the Directors are set out in Section 8.3.

11.7.14 Powers and duties of Directors

The business and affairs of the Company are to be managed by or under the direction of the Board, which (in addition to the powers and authorities conferred on it by the Constitution) may exercise all powers and do all things that are within the Company's power and the powers that are not required by law or by the Constitution to be exercised by the Company in general meetings.

11.7.15 Preference Shares

The Company may issue preference shares, including preference shares that are liable to be redeemed with the sanction of a resolution, in accordance with the Corporations Act. There are no preference shares on issue as at the Prospectus Date.

11.7.16 Amendment

The Constitution may be modified, repealed or replaced only by a special resolution passed by Shareholders.

11.7.17 Interests of advisors

The Company has engaged the following professional advisors in relation to the Offer. The amounts that the Company has paid, or agreed to pay, to these advisors is set out below.

Australia and New Zealand Banking Group Limited, operating through its Corporate Advisory segment, has acted as Financial Adviser to the Company in relation to the Offer. The Company has paid, or agreed to pay, approximately $900k (excluding disbursements or GST) for the services up to the date of this Prospectus.

Morgans Corporate Limited and Shaw and Partners Limited have acted as Joint Lead Managers to the Offer. The Company has paid, or agreed to pay, fees in accordance with the Joint Lead Managers Mandate, as summarised in Section 9.18, for these services as at the Prospectus Date.

HWL Ebsworth Lawyers has acted as Australian legal advisor to the Company in relation to the Offer (excluding in relation to taxation and stamp duty matters). The Company has paid, or agreed to pay, approximately $200k (excluding disbursements and GST) for these services as at the Prospectus Date. Further amounts may be paid to HWL Ebsworth Lawyers in accordance with their normal time-based charge-out rates.

Pitcher Partners Sydney Corporate Finance Pty Ltd has acted as the Investigating Accountant and has prepared the Investigating Accountant's Report for inclusion in the Prospectus. The Company has paid, or agreed to pay, approximately $155k (excluding disbursements and GST) for these services as at the Prospectus Date. Further amounts may be paid to Pitcher Partners Sydney Corporate Finance Pty Ltd for other work in accordance with their normal time-based charge-out rates.

11.8. Litigation and claims

So far as the Directors are aware, as at the Prospectus Date, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

11.9. Summary of tax issues

11.9.1 Summary of tax issues for investors

The comments in this Section 11.9 provide a general outline of Australian tax issues for Australian tax resident Shareholders who acquire Shares under this Prospectus and that hold Shares in the Company on capital account for Australian income tax purposes. The categories of Shareholders considered in this summary are limited to individuals, companies (other than life insurance companies), trusts, partnerships and complying superannuation funds that hold their Shares on capital account.

This summary does not consider the consequences for foreign resident Shareholders, insurance companies, banks, Shareholders that hold their Shares on revenue account or carry on a business of trading in shares, Shareholders who are exempt from Australian tax, or Shareholders who are subject to the Taxation of Financial Arrangements rules contained in Division 230 of the *Income Tax Assessment Act 1997.*

The summary in this Section is general in nature and is non-exhaustive of all Australian tax consequences that could apply in all circumstances of any given Shareholder. The individual circumstances of each Shareholder may affect the taxation implications of the investment of the Shareholder.

It is recommended that all Shareholders consult their own independent tax advisers regarding the income tax (including capital gains tax), stamp duty and GST consequences of acquiring, owning and disposing of Shares, having regard to their specific circumstances.

The summary in this Section is based on the relevant Australian tax law in force, established interpretations of that law and understanding of the practice of the relevant tax authority as at the time of issue of this Prospectus Date. The summary does not take into account the tax law of countries other than Australia.

Tax laws are complex and subject to ongoing change. The tax consequences discussed in these summaries do not take into account or anticipate any changes in law (by legislation or judicial decision) or any changes in the administrative practice or interpretation by the relevant authorities. If there is a change, including a change having retrospective effect, the income tax, stamp duty and GST consequences should be reconsidered by Shareholders in light of the changes. The precise implications of ownership or disposal of the Shares will depend upon each Shareholder's specific circumstances.

This summary does not constitute financial product advice as defined in the Corporations Act.

11.9.2 Dividends paid on Shares

Dividends may be paid to Shareholders by the Company. The Company may attach 'franking credits' to such dividends. Franking credits broadly represent the extent to which a dividend is paid by the Company out of profits that have been subject to Australian tax. It is possible for a dividend to be fully franked, partly franked or unfranked. The dividend should be included in each Shareholder's assessable income for the relevant year of income.

It should be noted that the concept of a dividend for Australian income tax purposes is very broad and can include payments that are made in respect of such things as off-market share buy-backs.

To the extent that franking credits are attached to a dividend, Australian tax resident Shareholders should include in their assessable income an amount equal to the franking credits (in addition to the dividend paid) in the income year in which the dividend is paid or credited.

Australian tax resident Shareholders should be entitled to a tax offset equal to the franking credits attached to the dividend so long as they are a "qualified person". A "qualified person" is a Shareholder who, in broad terms, hold Shares in the Company "at risk" for a period of more than 45 days within a period beginning on the day after the date on which the Shareholder acquired the Shares and ending on the 45th day after the date on which the Shares became "ex dividend". An individual may also be a "qualified person" where their total franking credit entitlement in the relevant income year is below $5,000 for the relevant year.

In some cases, an amount of a tax offset not applied against an Australian tax resident Shareholder's tax liability can be refunded to that Shareholder. Whether this is available depends on the particular circumstances of the Shareholder, including their entity type.

Foreign tax resident Shareholders may be subject to withholding tax on the dividend payments they receive. While withholding tax is not imposed on fully franked dividends, it is necessary that the Company withhold tax on unfranked and some partially-franked dividends paid to foreign tax resident Shareholders.

Where Australia does not have a double tax agreement with the foreign tax resident Shareholder's country of residence, the withholding rate is 30%. However, where there is such an agreement, the rate will generally be reduced to between 0 to 15%.

11.9.3 Australian Capital Gains Tax (CGT) implications for Australian tax resident Shareholders on a disposal of Shares

Australian tax resident Shareholders who hold their Shares on capital account will be required to consider the impact of the Australian CGT provisions in respect of the disposal of their Shares. A capital gain will arise where the capital proceeds on disposal exceed the cost base of the Share (broadly, the cost base is the amount paid to acquire the Share plus any (non-tax deductible) transaction costs incurred in relation to the acquisition or disposal of the Shares). In the case of an arm's length on-market sale, the capital proceeds should be the total amount of the money and property received from the sale of the Shares. A CGT discount may be applied against the capital gain (after first deducting any available capital losses, see below) where the Shareholder is an individual, complying superannuation entity or trustee, and the Shares have been held for more than 12 months prior to the CGT event. Where the CGT discount applies, any capital gain arising to individuals and entities acting as trustees (other than a trust that is a complying superannuation entity) may be reduced by one-half after offsetting current year or prior year capital losses. For a complying superannuation entity, any capital gain may be reduced by one-third, after offsetting current year or prior year capital losses.

Where the Shareholder is the trustee of a trust that has held the Shares for more than 12 months before disposal, the CGT discount may flow through to the beneficiaries of the trust if those beneficiaries are not companies. Shareholders that are trustees should seek specific advice regarding the tax consequences of distributions to beneficiaries who may qualify for discounted capital gains.

A capital loss will be realised where the reduced cost base of the Share (the reduced cost base is determined by a similar (although not identical) calculation to the cost base) exceeds the capital proceeds from disposal. Capital losses may only be offset against capital gains realised by the Shareholder in the same income year or future income years, subject to certain loss recoupment tests being satisfied. Capital losses cannot be offset against other forms of assessable income.

11.9.4 Australian CGT implications for foreign tax resident Shareholders on a disposal of Shares

Foreign tax resident Shareholders may make a capital gain on the disposal of taxable Australian property (including Shares). For tax purposes, the Shares will only be considered taxable Australian property where broadly:

a. the foreign tax resident Shareholder owns an interest of 10% or more in the Company; and
b. more than 50% of the value of the Company relates to taxable Australian real property (i.e. Australian land or buildings).

On the basis that the value of the Company is unlikely to be generated mostly from Australian real property interests, it is unlikely that the Shares would be considered taxable Australian property. As such, foreign tax resident Shareholders who acquire and subsequently dispose of their Shares are unlikely to be subject to Australian tax on any gains from the disposal of the Shares. At the same time, any capital loss cannot be utilised by the foreign tax resident Shareholder to reduce their Australian tax liability (if any).

11.9.5 Withholding Tax

Resident Shareholders may, if they choose, notify the Company of their tax file number (**TFN**), ABN, or a relevant exemption from withholding tax with respect to dividends.

In the event that the Company is not so notified, Australian tax may be required to be deducted at the maximum marginal tax rate plus the Medicare levy from the cash amount of the unfranked portion (if any) of the dividends. No amount is required to be deducted by the Company in respect of fully franked dividends. The rate of withholding is currently 47%.

The Company is required to withhold and remit to the ATO such tax until such time as the relevant TFN, ABN or exemption notification is given to it. Resident Shareholders will be able to claim a tax credit/rebate (as applicable) in respect of any tax withheld on the dividends in their individual income tax returns.

A Shareholder that holds Shares as part of an enterprise may quote their ABN instead of their TFN. Foreign tax resident Shareholders are not required to comply with the above requirement.

11.9.6 Stamp Duty

Shareholders should not be liable for stamp duty in respect of their initial subscription for Shares. Under current stamp duty legislation, no stamp duty should ordinarily be payable by Shareholders on any subsequent transfer of Shares whilst the Company remains listed.

Shareholders should seek their own advice as to the impact of stamp duty in their own particular circumstances.

11.9.7 Australian Goods and Services Tax (GST)

Under current Australian law, no GST should be payable by Shareholders in respect of the issue, acquisition, disposal or transfer of their Shares in the Company regardless of whether or not the Shareholder is registered for GST. Shareholders may not be entitled to claim full input tax credits in respect of any GST included in the costs they have incurred in connection with their acquisition of the Shares. Separate GST advice should be sought by Shareholders in this respect relevant to their particular circumstances.

No GST should be payable by Shareholders on receiving dividends distributed by the Company.

11.10. Consents to be named

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

Each of the parties referred to in this Section has consented, and as at the Prospectus Date has not withdrawn, its consent, to:

a. be named in this Prospectus in the form and context in which it is named; and
b. the inclusion of the following statements in this Prospectus, in the form and context in which they are included (and all other references to those statements).

Australia & New Zealand Banking Group Limited, operating through its Corporate Advisory segment has given its written consent to being named as the Financial Advisor to the Company in this Prospectus in the form and context in which it is named. Australia & New Zealand Banking Group Limited has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Morgans Corporate Limited and Shaw and Partners Limited have given their written consent to being named as Joint Lead Managers to the Company in this Prospectus in the form and context in which it is named. Morgans Corporate Limited and Shaw and Partners Limited has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

HWL Ebsworth Lawyers has given its written consent to being named as the Australian legal advisor to the Company in this Prospectus in the form and context in which it is named. HWL Ebsworth Lawyers has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Pitcher Partners Sydney Corporate Finance Pty Ltd has given its written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the Investigating Accountant Report in this Prospectus. Pitcher Partners Sydney Corporate Finance Pty Ltd has not withdrawn their consents prior to the lodgement of this Prospectus with ASIC.

PricewaterhouseCoopers has given, and has not withdrawn, prior to the Prospectus Date, its written consent to be named in this Prospectus as the auditor to the Company in the form and context in which it is named.

11.11. Governing law

This Prospectus and the contracts that arise from the acceptance of the Applications under this Prospectus are governed by the law applicable in New South Wales and each Applicant under this Prospectus submits to the exclusive jurisdiction of the courts of New South Wales and of the Commonwealth of Australia.

11.12. Authorisation of this Prospectus

Each Director has authorised the issue of this Prospectus and has consented to its lodgement with ASIC and has not withdrawn that consent as at the Prospectus Date.

Section 12.

Glossary

TERM	MEANING
5MS	Five-minute settlement.
$, A$ or **AUD**	Australian dollars.
Admission	The Company's admission to the Official List, following Completion.
AI	Artificial Intelligence.
API	Application Programming Interface.
Applicant	means a person who submits an Application Form.
Application	means an application to acquire Shares under this Prospectus.
Application Form	means the application form attached to this Prospectus.
Application Monies	means application monies for Shares under the Offer received and banked by the Company.
ASIC	Australian Securities and Investments Commission.
Associated Company	means a body that: a. is a related body corporate of the Company in terms of section 50 of the Corporations Act; b. the Board determines will participate in either the LTI Plan or the Share Plan, as applicable; and c. agrees to be bound by the rules of either the LTI Plan or the Share Plan, as applicable.
ASX	ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
ASX Listing Rules	The official listing rules of ASX.
ASX Recommendations	ASX Corporate Governance Council's Principles and Recommendations (4th edition).
ASX Settlement Operating Rules	The official operating rules of ASX Settlement Pty Ltd ACN 008 504 532.
Atturra Holdings	means Atturra Holdings Pty Ltd ACN 132 368 104.
Atturra Holdings Share	Has the meaning provided in Section 11.4.
Board	The board of Directors.
Broker Firm Offer	The invitation to apply for Shares made under this Prospectus to Australian resident clients of Brokers who have received an invitation to participate from their Broker.
CAGR	Compound Annual Growth Rate.
CHESS	Clearing House Electronic Subregister System, operated by ASX Settlement Pty Ltd ACN 008 504 532.
COVID-19	The coronavirus pandemic.
Closing Date	The date on which the Offer closes, being Wednesday 8 December 2021, subject to variation by the Company and the Joint Lead Managers without prior notice.

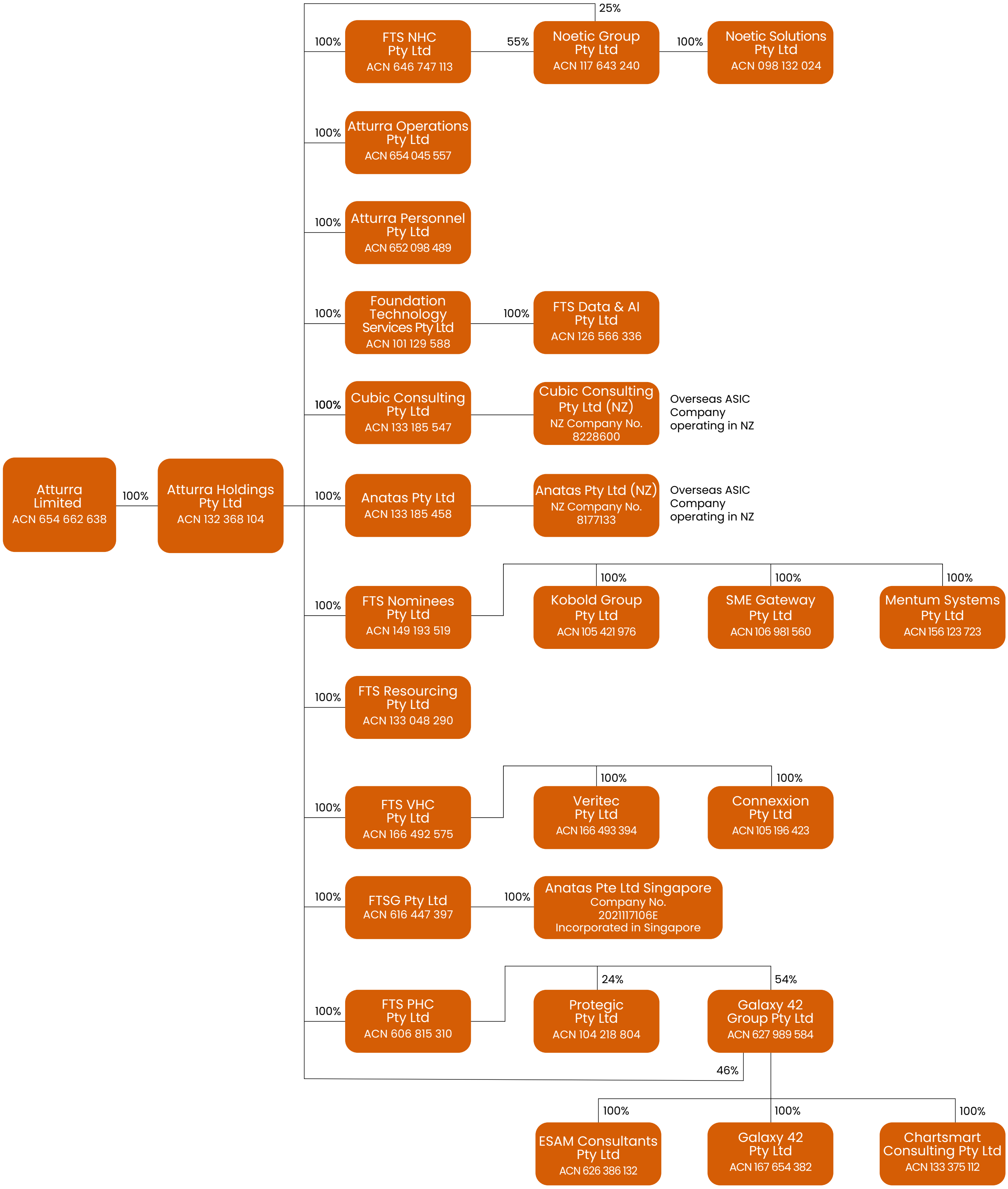
TERM	MEANING
Company, ATA or Atturra	means Atturra Limited ACN 654 662 638 or Atturra Holdings Pty Ltd ACN 132 368 104 as the context requires pending the completion of the Restructure.
Completion	Settlement and issue of Shares under the Offer.
Conditional Approval Letter	Has the meaning provided in Section 11.4.
Constitution	The constitution of the Company from the date of Admission as amended from time to time.
Corporations Act	*Corporations Act 2001* (Cth).
CRM	Client Relationship Management.
C-Suite	Executive level managers within a company.
Director	A Director of the Company from time to time.
DTA	Digital Transformation Agency.
Eligible Employee	Has the meaning provided for under Section 9.12.1.
Employee Gift Offer	Has the meaning provided for under Section 9.12.
ERP	Enterprise Resource Planning.
Executive Decisions	Decisions which are often delegated to a committee (primarily in Government and Defence).
Existing Share	Subject to the Restructure, the Shares on issue following the Restructure but prior to the issue of the new Shares.
Existing Shareholder	The holder of an Existing Share.
Exposure Period	The seven day period after lodgement of this Prospectus with ASIC, unless modified by ASIC, beginning on Wednesday, 17 November 2021.
Financial Information	The Statutory Historical Financial Information and Pro Forma Historical Financial Information.
Fintech	Financial Technology.
Group	The Company and its subsidiaries.
Institutional Offer	The Offer of Shares to institutional investors as described in Section 9.9.
Investigating Accountant	Pitcher Partners Sydney Corporate Finance Pty Ltd.
Investigating Accountant's Report	The report prepared by the Investigating Accountant in Section 6.
IoT	Internet of Things.
IP	Intellectual Property.

TERM	MEANING
iPaaS	Integration Platform as a Service.
IPO	Initial Public Offering.
IT	Information Technology.
Joint Lead Managers	Morgans Corporate Limited and Shaw and Partners Limited.
LGA	Local Government Authority.
LMS	Learning Management System.
LTI Plan	Has the meaning provided under Section 8.3.6.1.
NBN	National Broadband Network.
Offer	The offer of Shares under this Prospectus as outlined in Section 9.2
Offer Period	The period of time in which Applications for the new Shares under this Offer may be made, beginning on the Opening Date and ending on the Closing Date.
Offer Price	$0.50 per Share.
Offer Shares	Shares under this Offer.
Official List	The official list of securities permitted quotation and so, trading on ASX.
Opening Date	The date on which the Offer opens, being Thursday 25 November 2021.
Performance Right	Means a right to acquire a Share under the LTI Plan.
Priority Offer	The offer of Shares outlined in Section 9.11.
Prospectus	This document (including the electronic form of this prospectus) and any supplementary or replacement prospectus in relation to this document.
Prospectus Date	The date that this Prospectus was lodged with ASIC, being 17 November 2021.
Restructure	The proposed restructure as contemplated under Section 11.4.
SaaS	Software as a Service.
Selling Shareholders	Has the meaning provided under Section 11.4.
Share	A fully paid ordinary share in the Company.
Share Registry	Computershare Limited.
Shareholder	Holder of Shares in the Company.
UCaaS	Unified Communication as a Service.
UI	User Interface.

Annexure A.

Group Structure

Group Structure diagram



Corporate Directory

Directors

Chair and Non-Executive Director

Shan Kanji

CEO and Executive Director

Stephen Kowal

Non-Executive Directors

Nicole Bowman

Jonathan Rubinsztein

Company Secretary

Kunal Shah

Registered Office

Level 33,
88 Phillip Street,
Sydney NSW 2000

Australian Financial Advisor

Australia & New Zealand Banking Group Limited

242 Pitt Street
Sydney NSW 2000

Joint Lead Managers

Morgans Corporate Limited

Level 29, 123 Eagle Street
Brisbane QLD 4000

Shaw and Partners Limited

Level 7, 2 Chifley Square
Sydney NSW 2000

Australian Legal Adviser

HWL Ebsworth Lawyers

Level 14, Australia Square,
264-278 George Street
Sydney NSW 2000

Investigating Accountant

Pitcher Partners Sydney Corporate Finance Pty Ltd

Level 16, Tower 2 Darling Park
201 Sussex Street
Sydney NSW 2000

Auditor

PricewaterhouseCoopers

One International Towers Sydney
Watermans Quay
Barangaroo NSW 2000
Australia

Share Registry

Computershare Limited

Level 3, 60 Carrington Street
Sydney NSW 2000

Proposed ASX Code

ATA

Offer Information Line

1300 158 770 (within Australia)

+61 3 9415 4036 (outside Australia)

Company Website

https://atturra.com

atturra