

# Titomic Limited

ACN 602 793 644  
(ASX code: TTT)

## Retail Entitlement Offer Booklet

*Renounceable pro-rata offer to Eligible Retail Shareholders on the basis of 2.3 New Shares for every 1 Share held as at the Record Date at an Offer Price of \$0.01 per New Share (**Retail Offer**).*

### Important Notice

*This Retail Offer Booklet is not a prospectus or other form of disclosure document under the Corporations Act 2001 (Cth). It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding the Offer or about the rights attaching to the New Shares offered by this Retail Offer Booklet.*

*This Retail Offer Booklet is important and requires your immediate attention. It should be read in its entirety. If you do not understand its content or are in doubt as to the course you should follow, you should consult your stockbroker or professional adviser without delay.*

*Please read the instructions in this Retail Offer Booklet and on the online Entitlement & Acceptance Form regarding the acceptance of your Entitlement.*

**This Retail Offer Booklet is not for release, publication or distribution in the United States or elsewhere where such an offer would be in contravention of securities laws.**

## Important Notes

### 1. Retail Offer Booklet

This Retail Offer Booklet has been prepared by Titomic Limited ACN 602 793 644 (the **Company**). This Retail Offer Booklet is not a prospectus or other form of disclosure document under the *Corporations Act 2001* Cth (**Corporations Act**) and has not been lodged with ASIC. The Offer contained in this Retail Offer Booklet is being made in accordance with section 708AA of the *Corporations Act* as modified by *ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84*.

As a result, it is important for Eligible Retail Shareholders to read and understand the information on the Company and the Offer made publicly available, before accepting all or part of their Entitlement. In particular, please refer to the information in this Retail Offer Booklet, the Company's annual reports and other announcements made available at <https://titomic.com/> or [www.asx.com.au](http://www.asx.com.au).

### 2. This is an important document

The information contained in this Retail Offer Booklet does not constitute investment advice and has been prepared without taking into account each Eligible Retail Shareholder's investment objectives or financial circumstances. You should seek advice from your professional adviser before deciding to invest. Investing in the Company involves risks.

The Retail Offer Booklet does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding the Offer or about the rights attaching to the New Shares offered by this Retail Offer Booklet.

### 3. Disclaimer

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

To the extent permitted by law, neither the Company nor any other person warrants the future performance of the Company or any return on any investment made under this Retail Offer Booklet, except as required by law and then only to the extent so required.

### 4. Future performance and forward-looking statements

Neither the Company nor any other person warrants, represents or guarantees (expressly or by implication) the future performance of the New Shares or any particular rate of return on any investment made pursuant to Offer, or any particular tax treatment.

This Retail Offer Booklet contains certain "forward looking statements". Forward-looking statements include those words such as "believe", "anticipate", "estimate", "expect", "will", "plan", "should", "may", "intend", "likely", "forecast" and other similar expressions but not limited to statements regarding the outcome and effects of the Offer. Forward-looking statements, opinions and estimates provided in the information in this Retail Offer Booklet are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements in this Retail Offer Booklet are current and speak only as at the date of this Retail Offer Booklet.

No representation or warranty (express or implied) is given as to the accuracy, completeness or correctness, likelihood of achievement or reasonableness of any forecasts, prospects or returns contained in this Retail Offer Booklet.

While due care and attention have been used in the preparation of forward-looking statements, you are cautioned not to place undue reliance on such statements. To the maximum extent permitted by law, the Company disclaims any obligation or undertaking to release any updates or revisions to such information to reflect any change in expectations or assumptions.

### 5. Past performance

Investors should note that the Company's past performance including Share price performance provides no guarantee or guidance as to future Share price performance.

Any past performance information given in this Retail Offer Booklet is provided for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance including the Company's future financial position or Share price performance.

## 6. Risks

An investment in the Company is subject to investment and other known and unknown risks, uncertainties, and assumptions, many of which are outside the control of the Company and its board, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward-looking statements in this Retail Offer Booklet.

Refer to the 'Risks' section included in section 6.2 of this Retail Offer Booklet for a summary of general and specific risk factors that may affect the Company.

## 7. Eligibility

Shareholders will be eligible to participate in the Offer if they have a registered address in Australia or New Zealand and certain shareholders in Turkey and the United Kingdom as at 7:00pm (AEST) on the Record Date.

Applications for New Shares by Eligible Retail Shareholders can only be made through the Entitlement & Acceptance Form accessed [through the offer website at www.computersharecas.com.au/tttoffer](http://www.computersharecas.com.au/tttoffer), to be accompanied by payment via Bpay®, as described herein. The Entitlement & Acceptance Form sets out an Eligible Retail Shareholder's Entitlement to participate in the Offer.

## 8. Overseas Shareholders

This Retail Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer or to issue this Retail Offer Booklet. No action has been taken to permit a public offering of the New Shares under the Offer in any jurisdiction outside of Australia and New Zealand.

It is not practicable for the Company to comply with the securities laws of any other overseas jurisdictions other than Australia and New Zealand having regard to the number of overseas Shareholders, the number and value of the New Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction.

The Retail Offer is extended to one shareholder in the Republic of Türkiye. This is not a public offering of securities in the Republic of Türkiye and the New Shares are only being privately placed to certain one investor. The investor is presumed to know that the Company has not made any advertisement or public disclosure and must request any information necessary to make an

informed investment decision directly from the Company.

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

It is the responsibility of any Applicant to ensure compliance with any laws of a country relevant to their application. Completion online of the Entitlement & Acceptance Form (and payment by Bpay®) will be taken by the Company as a representation that there has been no breach of such laws, that the Applicant is an Eligible Retail Shareholder and that (other than as noted above) the Applicant is physically present in Australia, New Zealand, Turkey or United Kingdom.

Shareholders outside Australia or New Zealand, (except for certain shareholders in Turkey and the United Kingdom) (**Ineligible Foreign Shareholders**) should refer to Section 2.15 for details of how their Entitlement will be dealt with.

Shareholders resident in New Zealand should consult their professional advisors as to whether any government or other consents are required, or other formalities need to be observed, to enable them to take up their Entitlements under the Offer.

## 9. Not for Distribution outside Australia and New Zealand

This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. The New Shares have not been, nor will be, registered under the U.S. Securities Act of 1933 (U.S. Securities Act) or the securities laws of any state or other jurisdiction of the United States.

The Entitlements may not be taken up by, and the New Shares may not be offered or sold to, any person in the United States or any person that is, or is acting for the account or benefit of, any person in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

This document may not be released or distributed in the United States. The distribution of this document in other jurisdictions outside Australia and New

Zealand may also be restricted by law and any such restrictions should be observed. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

**10. Currency**

All references to A\$, \$A, dollar or \$ in this Retail Offer Booklet are to Australian currency.

**11. Definitions and references to time**

Capitalised words and expressions in this Retail Offer Booklet have the meaning given to them in Section 7. Unless otherwise stated, any reference to time in this Retail Offer Booklet is a reference to Melbourne, Australia time.

**12. Date of this Retail Offer Booklet**

This Retail Offer Booklet is dated 4 July 2023

## Key Offer details<sup>1</sup>

Key details of the Offer	
Offer to Eligible Retail Shareholders	2.3 New Shares for every 1 Share held at the Record Date at the Offer Price for Shareholders who subscribe for their full Entitlement
Offer Price per New Share	\$0.01 (or 1 cent) per New Share payable in full on Application
Maximum number of New Shares expected to be issued under the Retail Offer	495,256,418 New Shares (approximately)
Maximum number of New Shares expected to be issued under the Institutional Offer	54,420,479 New Shares (approximately)
Number of Shares issued or to be issued under the Placement <sup>2</sup>	100,000,000 Shares
Maximum proceeds from the Offer, including both the Retail Offer and Institutional Offer (excluding costs associated with the Offer)	Approximately \$5.5 million (before expenses and costs of the issue)
Proceeds from the Placement (excluding costs associated with the Placement) <sup>2</sup>	\$1 million (before expenses and costs of the issue)
Maximum number of Shares expected to be on issue following the Offer, including Shares issued under Retail Offer, Institutional Offer and the Placement, assuming that all Shares under the Placement are issued (approximately) (refer to Section 3 for more detail)	888,666,852 Shares (approximately)

<sup>1</sup> Please refer to the Letter from the Chairman contained in this Retail Offer Booklet and the Company's ASX announcement dated 28 June 2023 for further details in relation to the Placement.

<sup>2</sup> Includes Shares to be issued to Director, Dag Stromme, which is subject to the Company receiving shareholder approval pursuant to ASX Listing Rule 10.11.

## Important dates\*

Event	Date
Trading Halt	Pre-market open, Monday, 26 June 2023
Announcement of Offer (Institutional and Retail) and Placement Lodge Appendix 3B for the Entitlement Offer (Notification of the proposed issue) Lodge Cleansing Statement for Entitlement Offer	Prior to 12pm (AEST), Monday, 26 June 2023
Company conducts Placement and Institutional Offer	Monday, 26 June 2023 - Tuesday, 27 June 2023
Announcement of results of Placement and Institutional Offer Trading halt lifted and shares resume trading on an ex-entitlement basis, rights trading begins on a deferred settlement basis	Pre-market open, Wednesday, 28 June 2023
Record Date to determine Entitlements under the Offer	7.00pm (AEST), Wednesday, 28 June 2023

Issue shares under Placement Lodge Appendix 2A in relation to Placement Lodge Cleansing Statement for Placement	Monday, 3 July 2023
Lodge Retail Offer Booklet with ASX Despatch of Retail Offer Booklet and Entitlement and Acceptance Form to Eligible Retail Shareholders Announcement that despatch occurred Opening Date of Retail Offer	Tuesday, 4 July 2023
Rights commence trading on the ASX on normal settlement basis	Wednesday, 5 July 2023
Rights trading ends at close of trading	Thursday, 6 July 2023
If agreed by ASX, securities quoted on a deferred settlement basis from market open	Friday, 7 July 2023
Last date to extend Closing Date for Retail Offer	Prior to 12pm (AEST), Monday, 10 July 2023
Issue shares under Institutional Offer Lodge Appendix 2A in relation to Institutional Offer	Monday, 10 July 2023
Retail Offer Closing Date	Thursday, 13 July 2023
Announcement of results of the Retail Offer Retail Shortfall Bookbuild (for Entitlements not taken up by Eligible Retail Shareholders and Entitlements of Ineligible Foreign Shareholders (if applicable))	Tuesday, 18 July 2023
Announcement of results of Retail Shortfall Bookbuild	Wednesday, 19 July 2023
Settlement of New Shares under the Retail Offer	Friday, 21 July 2023
Issue shares under Retail Offer Lodge Appendix 2A in relation to Retail Offer	Monday, 24 July 2023
Trading of new shares under Retail Offer expected to commence (T+2)	Tuesday, 25 July 2023
Payment of Retail Premium (if any)	Wednesday, 26 July 2023

*\* The above dates are indicative only and subject to change. The Company reserves the right, subject to the Corporations Act and the Listing Rules, to extend the Closing Date, or to withdraw the Offer at any time without prior notice in which case all Application Monies will be refunded (without interest) as soon as practicable. Any extension of the Closing Date will have a consequential effect on the issue date of New Shares. All dates and times are references to Melbourne, Australia time.*

## Letter from the Chairman

4 July 2023

On behalf of the Board of Titomic Limited (**Company**), I invite you to participate in the Company's accelerated renounceable pro-rata entitlement offer of 2.3 New Shares for every 1 Share held at an Offer Price of \$0.01 (1 cent) per New Share, (**Offer**).

Gleneagle Securities (Aust) Pty Ltd (**Gleneagle** or **Underwriter**) has been appointed as lead manager and underwriter of the Offer. The Offer is fully underwritten pursuant to an underwriting agreement entered into between the Company and Gleneagle dated 26 June 2023, further details of which are set out in section 2.9.

This Offer, forms a capital raise of approximately \$5.5 million (before costs) in total. The Offer consists of two components, that being an institutional component that has raised, subject to receipt of funds, approximately \$550,000 (**Institutional Offer**) and a retail component the subject of this Retail Offer Booklet (**Retail Offer**). The Institutional Offer was made to Eligible Institutional Investors, as determined by the Company and the Underwriter. Under the Retail Offer, the Company is seeking to raise a further approximately \$4.95 million.

The Company expects funds under the Institutional Offer to be received on or around 7 July 2023. Subject to settlement of funds, the New Shares subscribed for under the Institutional Offer are expected to be issued on 10 July 2023.

The Company has also announced that it conducted a placement of Shares to sophisticated and professional investors (as defined under section 708 of the Corporations Act) (**Placement**) at \$0.01 per Share and has raised \$1 million. The funds raised under the Placement include a firm commitment to invest an amount of \$250,000 by Titomic Director, Dag Stromme. The issue of New Shares to Mr Stromme under the Placement will be subject to the Company receiving shareholder approval for the purposes of ASX Listing Rule 10.11, which the Company intends to seek at a forthcoming extraordinary general meeting. Shares under the Placement (excluding those Shares to be issued to Mr Stromme) were issued on 3 July 2023.

The Placement was structured taking into account the New Shares to be issued under the Offer (i.e. 549,676,897 New Shares). The Company has applied for and received a waiver from ASX in respect of Listing Rule 7.1 to the extent necessary to permit the Company to calculate the number of Shares it may issue without shareholder approval under the Placement on the basis that the calculation of the Company's remaining placement capacity under Listing Rule 7.1 is deemed to include the number of New Shares that may be issued under the Rights Issue (although the Shares to be issued under the Placement will be issued prior to the New Shares under the Offer). Please refer to the Company's ASX announcement dated 28 June 2023 for further details in relation to the Placement.

Funds raised under the Offer, in combination with funds raised under the Placement, will be used primarily to:

- develop increased manufacturing capacity and enhanced capability for increased sales opportunities of current products and new business opportunities;
- funds costs of the Offer; and
- provide additional working capital.

The Retail Offer is to be made pursuant to s708AA of the Corporations Act and may be summarised as follows:

- Australian and New Zealand residents and certain shareholders in Turkey and New Zealand holding Shares may subscribe under the Offer for 2.3 New Shares for every 1 Share held as at the Record Date of 7.00pm AEST on 28 June 2023, (**Offer**).
- The Retail Offer of approximately 495,256,418 New Shares to an amount of approximately \$4.95 million.

- New Shares are priced at \$0.01 (1 cent) per New Share.

A copy of this Retail Offer Booklet has been lodged with the ASX and can be accessed on the ASX website or via the Company's website <https://titomic.com/>.

As a Board, we appreciate the support of our existing Shareholders and we have been mindful of providing existing Shareholders this opportunity to further their investment in the Company.

Yours sincerely

**Humphrey Nolan**  
**Chairman**  
**Titomic Limited**



# 1. Summary

Item	Explanation	Where to find Information
<b>What is the Retail Offer?</b>	Renounceable entitlement offer of New Shares, as described below ( <b>Retail Offer</b> )	Section 2.1
<b>What are the terms of the Retail Offer?</b>	2.3 New Shares for every 1 Share held on the Record Date at an offer price of \$0.01 (1 cent) per Share. All Share Entitlements issued will be rounded up to the nearest whole number.	Section 2.1
<b>Can I sell or transfer my Entitlements?</b>	Yes, the Retail Offer is renounceable and, accordingly, you can offer to sell or transfer any of your Entitlement on the ASX or via an off-market transfer.	Section 2.6
<b>Is the Offer underwritten?</b>	Yes, the Offer is fully underwritten.	Section 2.9
<b>Is there a Minimum Subscription Amount</b>	No, there is no minimum subscription amount.	
<b>How do the New Shares rank in comparison to existing Shares</b>	All New Shares issued under the Offer will rank equally in all respects with existing Shares from the date of their issue.	Section 2.17
<b>Who can invest?</b>	Eligible Retail Shareholders of the Company as at 7.00pm AEST on 28 June 2023 ( <b>Record Date</b> ).	Sections 2.1 and 2.5
<b>What are my choices?</b>	<p>As an Eligible Retail Shareholder you may:</p> <ul style="list-style-type: none"><li>• take up all of your Entitlement under the Offer;</li><li>• exercise only a portion of your Entitlement and allow the balance to lapse;</li><li>• sell all or a proportion of your Entitlement on the ASX or via an off-market transfer; or</li></ul> <p>do nothing and let all or part of your Entitlement be sold into the retail shortfall bookbuild process to be conducted on or about 18 July 2023 (<b>Shortfall Retail Bookbuild</b>), with any proceeds in excess of the Offer Price (net of any withholding tax and expenses) paid to the relevant shareholders (<b>Retail Premium</b>).</p>	Section 4.1

## 2. Details of the Offer

### 2.1 The Offer

The Company is offering Eligible Retail Shareholders the opportunity to subscribe for 2.3 New Shares for every 1 Share held at 7.00pm (AEST) on the Record Date at an Offer Price of \$0.01 (1 cent) per New Share. The Offer is comprised of the Institutional Offer to Eligible Institutional Shareholders (which has already completed) and the Retail Offer to Eligible Retail Shareholders (the component of the Offer the subject of this Retail Offer Booklet).

Where the determination of the Entitlement of any Eligible Retail Shareholder results in a fraction of a New Share, that will be rounded up to the nearest whole New Share.

Your Entitlement under the Offer is shown on the online Entitlement & Acceptance Form. Details on how to accept the Offer are set out in Section 4.2.

### 2.2 Size of the Offer

As at the Record Date, the Company has on issue 238,989,955 Shares; 24,812,500 unlisted options, 19,887,058 performance shares and 58,621,961 listed options.

Since the Record Date 75,000,000 Shares were issued on 3 July 2023 to investors under the Placement. A further 25,000,000 Shares are expected be issued under the Placement to Director, Dag Stromme, subject to the Company receiving shareholder approval pursuant to ASX Listing Rule 10.11.

Approximately 549,676,897 New Shares is offered under the Offer (including under both the Institutional Offer and the Retail Offer) to raise approximately \$5.5 million before the expenses of the Offer are taken into account. There is no minimum amount of capital that must be subscribed under this Offer.

### 2.3 Use of Funds

It is currently proposed that the Company will use the funds from the Offer, in combination with funds from the Placement, as follows:

Description	A\$
Develop increased manufacturing capacity and enhanced capability for increased sales opportunities of current products and new business opportunities	\$2.7 million
Business operational expenses and working capital	\$3.3 million
Costs of the Offer	\$0.5 million
<b>Total use of funds</b>	<b>\$6.5 million</b>
Proceeds of the Offer (including both the Institutional Offer and the Retail Offer)	\$5.5 million
Proceeds of the Placement	\$1.0 million
<b>Total Proceeds</b>	<b>\$6.5 million</b>

### 2.4 Opening and Closing Date

The Retail Offer will open for receipt of acceptances on 4 July 2023. The Closing Date for

acceptance of your Entitlement is 5.00 pm (AEST) on 13 July 2023.

The Company reserves the right, subject to the Corporations Act and the Listing Rules, to extend the last date for completion online of the Entitlement & Acceptance Form (and payment by Bpay®), or to delay or withdraw the Offer at any time without prior notice. Where the Offer is withdrawn, all Application Monies will be refunded (without interest) as soon as practicable by direct credit or otherwise by cheque to your registered address as noted on the Company's share register.

Any extension of the Closing Date will have a consequential effect on the issue date of New Shares.

## 2.5 Entitlements under the Offer

The Entitlement of Eligible Retail Shareholders to participate in the Offer will be determined on the Record Date. Your Entitlement is shown on the online Entitlement & Acceptance form accessible through the offer website at [www.computersharecas.com.au/tttoffer](http://www.computersharecas.com.au/tttoffer).

Shareholders who do not take up their Entitlements in full will have their percentage interest in the Company diluted as compared to that percentage as at the Record Date.

## 2.6 Rights trading

The Retail Offer is renounceable and therefore Eligible Retail Shareholders can offer to sell or transfer any of their Entitlement on the ASX or via an off-market transfer (or any other exchange or privately transferred). If you wish to sell your Entitlement on the ASX you should instruct your stockbroker personally and provide them with the details they request.

Entitlement trading (under the ASX ticker: TTTR) commenced on a deferred settlement basis on 28 June 2023, commences on a normal settlement basis at 10.00am (AEST) on 5 July 2023 and ceases on the close of trading on 6 July 2023. If you wish to sell all or part of your Entitlement on the ASX you must do so **by no later than 4.00pm (AEST time) on 6 July 2023**.

If you wish to sell or transfer all or part of your Entitlement to another person or party other than on-market through ASX, then you must do the following:

- complete a standard renunciation form (which you should be able to obtain from your stockbroker or the offer website); and
- the purchaser should contact the Company on +61 438 759 620 or [ben.andrews@titomic.com](mailto:ben.andrews@titomic.com) to organise payment by electronic funds transfer.

Payment by the purchaser via electronic funds transfer must be received in cleared funds by the Share Registry by no later than 5.00pm (AEST time) on 13 July 2023.

Please note that Entitlements may only be sold or transferred through the Share Registry if the relevant shareholding is held on the issuer sponsored sub register. You should seek advice from your stockbroker in this regard.

The transferee must have an address in Australia or New Zealand.

If the purchaser of your entitlement is an Ineligible Foreign Shareholder or a person that would be an Ineligible Foreign Shareholder if they were a registered holder of Shares, that purchaser will not be able to take up the Entitlement they have purchased.

In the event you are not able to take up your Entitlement, those Entitlements will be offered for sale in the Retail Shortfall Bookbuild (in which case, you may receive no value or payment for them in the event that relevant sales are made at the Offer Price).

If you purchase Entitlements on-market, please ensure that you take steps to accept those Entitlements, by making a payment of the Offer Price of \$0.01 per Entitlement. Your broker may assist you with this as part of your on-market purchase or you will need to obtain payment details and acceptance instructions from the Company on +61 438 759 620 or [ben.andrews@titomic.com](mailto:ben.andrews@titomic.com).

Your payment to accept your Entitlements (including any Entitlements purchased on-market or

allocated to you based on your Record Date holding), must be received by 5:00pm (AEST) on 13 July 2023.

## 2.7 No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your Application once it has been received.

## 2.8 Retail Shortfall Bookbuild

Eligible Retail Shareholders who do not take up or sell their Entitlement (in full or in part) or whose Application is not supported by cleared funds (**Renouncing Shareholders**) will be deemed to have renounced their Entitlement (or that part of their Entitlement that they have not taken up or sold), and those renounced Entitlements will be transferred and potentially sold through a bookbuild process to be undertaken by Gleneagle (**Shortfall Retail Bookbuild**).

If the Shortfall Retail Bookbuild is conducted at the Offer Price no premium will be payable to Renouncing Shareholder. If the Shortfall Retail Bookbuild is conducted at a price which is higher than the Offer Price, the premium will be paid to Renouncing Shareholders on 26 July 2023, but there is no guarantee there will be any retail premium.

Eligible Retail Shareholders should note that if they renounce all or part of their Entitlement, their percentage shareholding in the Company will be diluted to the extent of their non-participation in the Entitlement Offer.

## 2.9 Underwriting Agreement

The Entitlement Offer is fully underwritten (and will be managed) by Gleneagle in accordance with the terms of the Underwriting Agreement. The Underwriter has also agreed to manage the Placement.

Under the Underwriting Agreement, the Underwriter will procure subscriptions for any Entitlements that are not taken up by Eligible Retail Shareholders under the Offer or the Retail Shortfall Bookbuild (**Shortfall**). The Underwriter has entered into sub-underwriting agreements with various parties to subscribe for the Shortfall.

A summary of the material terms of the Underwriting Agreement is set out in Schedule 1 of this Booklet.

## 2.10 Directors' interests

The relevant interest of each of the Directors in the securities of the Company as at the Record Date is set out in the table below:

Officer	Existing Shares	Existing interest in options	Existing performance rights
Richard Wilson	120,000	-	2,252,083
Dag Stromme	1,572,255	269,231 listed options 234,375 unlisted options	2,572,917
Humphrey Nolan	100,000	-	4,572,917
Andreas Schwer	215,384	115,384 listed options	3,833,333
Mira Ricardel	96,154	96,154 listed options	-

		2,500,000 unlisted options	
Herbert Koeck	1,677,729	312,500 unlisted options	6,655,808

The table does not include the effects of any Director's participation in the Entitlement Offer or the Placement.

The funds raised under the Placement include a firm commitment to invest an amount of \$250,000 by Director, Dag Stromme. The issue of the Shares to Mr Stromme under the Placement is subject to the Company receiving Shareholder approval pursuant to ASX Listing Rule 10.11, which it intends to seek at a forthcoming extraordinary general meeting.

The Directors of the Company may participate in the Entitlement Offer (without having to obtain Shareholder approval), on the same terms as all other Eligible Retail Shareholders (as an exception to the prohibition under ASX Listing Rule 10.11).

## 2.11 Issue and despatch

The issue of New Shares offered by this Retail Offer Booklet is expected to occur on 24 July 2023.

It is the responsibility of Applicants to determine their allocation prior to trading in the New Shares. Applicants who sell New Shares without making such determination do so at their own risk.

The Company will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares before the New Shares are listed on the official list of ASX or before they receive their holdings statements, whether on the basis of confirmation of the allocation provided by the Company, the Share Registry or otherwise.

## 2.12 ASX Listing

The Company will make an application for official quotation by ASX of the New Shares offered under this Retail Offer Booklet. If that permission is not granted by ASX, the Company will not issue any New Shares and all Application Monies received will be refunded (without interest) in full to the Applicants.

The fact that the ASX may grant official quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares. Neither the ASX nor any of its officers accepts or takes any responsibility for the contents of this Retail Offer Booklet.

It is expected that normal trading on the ASX will commence in relation to the New Shares on 25 July 2023.

## 2.13 CHESS

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

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, Shareholders will be provided with a statement (similar to a bank account statement) that sets out the number of New Shares allotted to them under this Retail Offer Booklet. The notice will also advise Shareholders of their Holder Identification Number (**HIN**) and explain, for future reference, the sale and purchase procedures for the New Shares under CHESS and issuer sponsorship.

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

## 2.14 Ineligible Foreign Shareholders

In accordance with ASX Listing Rule 7.7.1 and Section 9A of the Corporations Act, other than as

noted below, the Company has decided that it is unreasonable to make the Retail Offer to any Shareholder with a registered address outside Australia, New Zealand and certain shareholders in Turkey and United Kingdom as at the Record Date (**Ineligible Foreign Shareholder**), having regard to:

- (a) the number of Shareholders with addresses in such other countries as a proportion of total Shareholders in the Company;
- (b) the number and value of the New Shares those Shareholders would be offered under the Offer; and
- (c) the cost to the Company of complying with applicable legal and regulatory requirements in such other countries.

To the extent that there are any Ineligible Foreign Shareholders registered at the Record Date, the Company will send details of the Offer to each Ineligible Foreign Shareholder and advise each Ineligible Foreign Shareholder that they will not be offered New Shares under the Offer.

In accordance with section 615 of the Corporations Act, the Company has appointed the Underwriter, (ie. Gleneagle Securities (Aust) Pty Ltd) as nominee (**Foreign Sales Nominee**) which appointment has been approved by ASIC. The Foreign Sale Nominee is appointed to arrange for the sale of the New Shares which represent the Entitlements of the Ineligible Foreign Shareholders. The Company has requested the Foreign Sales Nominee to:

- (a) accept the Entitlements that would otherwise have been issued to Ineligible Foreign Shareholders;
- (b) sell those Entitlements;
- (c) remit the proceeds of sale (less expenses) to the Ineligible Foreign Shareholders in proportion to their pro rata entitlement under the Entitlement Offer.

## 2.15 Overseas shareholders

No action has been taken by the Company to register the New Shares or otherwise permit an offering of the New Shares in any jurisdiction other than Australia or New Zealand. Eligible Retail Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up Entitlements under the Offer does not breach regulations in the relevant overseas jurisdiction.

This Retail Offer Booklet does not, and is not intended to, constitute an offer or invitation in the United States, to any US person, to any person acting for the account or benefit of a person in the United States, or in any other place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

The New Shares have not been and will not be registered under the US Securities Act or the securities laws of any state or jurisdiction in the United States and may only be offered, sold or resold in, or to persons in, the United States in accordance with an available exemption from registration.

Eligible Retail Shareholders who are nominees, trustees or custodians are advised to seek independent advice as to how to proceed. The Offer is being made to all Eligible Retail Shareholders. The Company is not required to determine whether or not any Eligible Retail Shareholder is acting as a nominee or the identity or residence of any beneficial owners of Shares.

Where any registered holder that qualifies as an Eligible Retail Shareholder is acting as a nominee for a foreign person, that registered holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws.

Any person in the United States or any person that is, or is acting for the account or benefit of a U.S. person with a holding through a nominee may not participate in the Entitlement Offer and the

nominee must not take up any Entitlement or send any materials into the United States or to any person that is, or is acting for the account or benefit of, a U.S. person.

It is the responsibility of a Shareholder to ensure compliance with any laws of a country relevant to their application. Online completion of an Entitlement and Acceptance Form (and making payment via Bpay®) will be taken by the Company as a representation that there has been no breach of such laws and that the Applicant is an Eligible Retail Shareholder.

## 2.16 Foreign Jurisdictions

This Booklet has been prepared to comply with the requirements of the securities laws of Australia and New Zealand.

This Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Offer or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia and New Zealand. Online completion of the personalised Entitlement & Acceptance Form (and making payment via Bpay®) will be taken by the Company to constitute a representation by you that there has been no breach of any such laws. Eligible Retail Shareholders who are nominees or custodians should see Section 2.18.

The distribution of this document (including in electronic format) outside Australia and New Zealand may be restricted by law. If you come into possession of this Booklet, you should observe such restrictions. In particular, this document or any copy of it must not be distributed in the United States. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

### (a) New Zealand

The Offer contained in this Retail Offer Booklet to Eligible Retail Shareholders with registered addresses in New Zealand is made in reliance on the provisions of the *Financial Markets Conduct Act 2013 (New Zealand) (FMC Act)*, the *Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand)* and the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016*. Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any New Shares.

This Retail Offer Booklet has been prepared in accordance with Australian law and has not been registered, filed with, or approved by the New Zealand regulatory authority under the FMC Act. This Retail Offer Booklet is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

To the extent that a person holds Shares on behalf of another person resident outside Australia or New Zealand, it is that person's responsibility to ensure that any acceptance complies with applicable foreign laws. The Company reserves the right to reject any Application that it believes come from a person who is not an Eligible Retail Shareholder.

### (b) United States

This Booklet does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. The New Shares have not been, nor will be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be issued to, or taken up or exercised by, and the New Shares may not be offered or sold to, persons in the United States or persons who are acting for the account or benefit of a person in the United States. The New Shares will only be offered and sold outside the United States in 'offshore transactions' as defined in and in reliance on Regulation S under the U.S. Securities Act.

### (c) Republic of Türkiye

The Retail Offer is extended to one shareholder in the Republic of Türkiye on the basis of previous investments made by that investor in the Company. This is not a public offering of securities in the Republic of Türkiye and the New Shares are only being privately placed to certain one investor. The investor is presumed to know that the Company has not made any

advertisement or public disclosure and must request any information necessary to make an informed investment decision directly from the Company.

This document is not intended to be an advertisement, promotion or solicitation by the Company or any securities, including the New Shares. This document, as well as any other material relating to the New Shares, does not constitute an offer to any other person. This document may only be used by those investors to whom it has been sent in connection with the offering described herein and may neither, directly nor indirectly, be distributed or made available to other persons without the express consent of the Company.

Any investor should refer to any applicable provisions of the securities legislation of the investor's province or territory for particulars of these rights or consult with a legal advisor.

(d) United Kingdom

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

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

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

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

## **2.17 Rights and liability attaching to New Shares**

The New Shares issued under the Offer will be on a fully paid basis and will rank equally in all respects with existing Shares. Full details of the rights and liabilities attaching to Shares are set out in the Company's constitution, a copy of which is available for inspection at the Company's registered office during normal business hours. You may also contact the Company's Share Registry (refer to the corporate directory) to request a copy of the Company's constitution.

## **2.18 Nominees and custodians**

The Offer is being made to all Eligible Retail Shareholders. Nominees with registered addresses in the eligible jurisdictions may also be able to participate in the Offer in respect of some or all of the beneficiaries on whose behalf they hold Shares, provided that the applicable beneficiary would satisfy the criteria for an Eligible Retail Shareholder.

Nominees and custodians should note in that the Offer is not available to beneficiaries on whose behalf they hold Shares who would not satisfy the criteria for an Eligible Retail Shareholder.

Due to legal restrictions, nominees and custodians may not send copies of this Booklet or accept the Offer on behalf of any person in the United States or other jurisdiction outside Australia or New



Zealand, except to beneficial shareholders who are institutional or professional investors in certain foreign countries or as the Company may otherwise permit in compliance with applicable law.

The Company is not required to determine whether or not any registered Shareholder is acting as a nominee or the identity or residence of any beneficial owners of Shares.

## **2.19 Risks**

There are a number of risks associated with an investment in New Shares in the Company. A brief overview of some of the key risks is outlined in Section 6.2.

An investment in the Company carries certain risks that may impact on the future profitability of the Company and the value of the Company's securities. The New Shares should be considered speculative. The Directors recommend that potential investors carefully consider this Retail Offer Booklet and consult their professional advisors before deciding whether to apply for Offer Shares pursuant to this Retail Offer Booklet.

### 3. Effect of the Offer

#### 3.1 Effect of the Offer on the capital structure of the Company

The total number of New Shares to be issued under the Offer (the exact number depends on the rounding up of individual holdings) will be up to approximately 549,676,897.

The table below sets out, for illustrative purposes only, the existing Share capital structure of the Company at the Record Date (before the Offer) together with the impact of the issue of the New Shares under the Offer. It assumes that none of the below options are exercised prior to the Record Date.

Shares	Number
Existing Shares as at date of the Offer	238,989,955
Existing listed options as at date of the Offer	58,621,961
Existing unlisted options and rights as at the date of the Offer	44,699,558
Maximum number of New Shares issued under the Offer (approximately)	549,676,897
Number of New Shares issued under the Placement (assuming all Shares under the Placement are issued)	100,000,000

The effect of the Offer will be to increase the number of Shares on issue in the Company and increase the cash held by the Company (before taking into account the expenses of the Offer) by up to approximately \$5.5 million.

Expenses of the Offer are expected to be approximately \$500,000.

#### 3.2 Potential effect on control of the Company

Eligible Retail Shareholders who take up their Entitlements in full should not have their interest in the Company diluted by the Offer (subject to immaterial movements as a result of rounding of Entitlements). However, some dilution will occur to all shareholders due to the Placement to the extent they did not participate in the Placement.

The potential effect the Offer will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including investor demand.

The potential effect of the Offer on the control of the Company is as follows.

- (a) If all Eligible Retail Shareholders take up their Entitlements under the Offer, then the Offer will have no significant effect on the control of the Company.
- (b) If some Eligible Retail Shareholders do not take up all of their Entitlements under the Offer, then the interests of those Eligible Retail Shareholders will be diluted. This may result in new investors having interests in the Company as the Offer is, subject to the Retail Shortfall Bookbuild, underwritten and the Underwriter will procure subscriptions for the remaining Entitlements which may be from existing or new investors.
- (c) The proportional interests of Ineligible Foreign Shareholders will be diluted because those Ineligible Foreign Shareholders are not entitled to participate in the Offer.

In the unlikely event that no Eligible Retail Shareholders apply for any New Shares under the Entitlement Offer and no new investors apply for New Shares under the Retail Shortfall Bookbuild, given the underwriting and sub-underwriting arrangements entered into by various parties, the maximum impact on the interests of sub-underwriters on completion of the Entitlement Offer is

expected to be as set out in the table below. The table below is on the basis that completion of the issue of all Shares under the Placement has also occurred.

Shareholder / sub-underwriter <sup>1</sup>	Relevant interest (pre Offer)		Maximum New Shares that may be acquired	Relevant interest on completion of Offer	
	Shares	%		Shares	%
Bennelong Group	50,000	0.02%	220,000,000	250,050,000 <sup>2</sup>	28.14%
Pointroad Pty Limited	7,339,932	3.07%	10,000,000	17,339,932	1.95%
Gleneagle Asset Management	Nil	0.00%	45,000,000	65,000,000 <sup>3</sup>	7.31%
Woodlands Asset Management	Nil	0.00%	47,000,000	47,000,000	5.29%
MDR Capital	Nil	0.00%	10,000,000	15,000,000 <sup>4</sup>	1.69%
Spinite Pty Limited	Nil	0.00%	20,000,000	20,000,000	2.25%
Thorney Investment Group	Nil	0.00%	50,000,000	50,000,000	5.63%
Quality Life Limited	10,053,846	4.21%	30,000,000	40,053,846	4.51%
TS Pty Limited	Nil	0.00%	15,000,000	15,000,000	1.69%
Rigi Pty Limited	Nil	0.00%	10,000,000	10,000,000	1.13%
Leojohn Pty Limited	Nil	0.00%	15,000,000	15,000,000	1.69%
Gil Sartena	Nil	0.00%	3,000,000	3,000,000	0.34%
Shaw Partners	Nil	0.00%	15,000,000	25,000,000 <sup>5</sup>	2.81%
Wentworth Group	Nil	0.00%	5,000,000	5,000,000	0.56%

<sup>1</sup>The figures set out in this table also include any relevant interests held by each party's associated entities (if any)

<sup>2</sup> Includes 30,000,000 Shares issued under the Placement

<sup>3</sup> Includes 20,000,000 Shares issued under the Placement

<sup>4</sup> Includes 5,000,000 Shares issued under the Placement

<sup>5</sup> Includes 10,000,000 Shares issued under the Placement

Given the table above assumes a 100% Shortfall (ie. no Eligible Retail Shareholders apply for any New Shares, which the Company believes is highly unlikely), to the extent that Eligible Retail Shareholders do apply for New Shares under the Offer or new investors subscribe for New Shares under the Retail Shortfall Bookbuild, the above noted percentages (and therefore impact on the control of the Company) will be less than shown in the table.

To the extent that any of the sub-underwriters who are also Eligible Retail Shareholders take up their Entitlement under Offer, their relevant interest on completion of the Offer may be higher than shown in the table.

### 3.3 Market Price of Shares

The highest and lowest closing market prices of the Shares on the ASX during the 3 months of trading preceding the date of announcement of the Offer, being 26 June 2023 (**Announcement Date**) and the respective dates of those sales, are:

Highest closing market price: \$0.125 (12.5 cents) on 28 March 2023

Lowest closing market price: \$0.041 (4.1 cents) on 21 June 2023

The volume weighted average sale price on the ASX of the Shares (adjusted to take into account the dilutive effect of the Offer) (**VWAP**) during the 3 months immediately preceding the Announcement Date

is \$0.036 (3.6 cents).

The Entitlement Offer price represents a discount of:

- (a) 81.13% to the Company's closing price on 23 June 2023 of \$0.053 (5.3 cents);
- (b) 56.52% to the Company's 10-day VWAP preceding the Announcement Date of \$0.023 (2.3 cents); and
- (c) 62.96% to the Company's 30-day VWAP preceding the Announcement Date of \$0.027 (2.7 cents).

### **3.4 Impact of change in ASX Market price**

The market price of the Company's Shares on the ASX may change between the date of this Retail Offer Booklet and the date of issue of Shares under the Offer.

If there is a decrease in that market price, this will result in a corresponding proportionate decrease in the market value of Shares issued to the Applicant. If there is an increase in that market price, this will result in a corresponding proportionate increase in the market value of Shares issued to the Applicant.

However, any increase or decrease in market value will not alter the issue price per New Share, nor the number of New Shares to be issued, under the Offer.

### **3.5 Pro forma statement of financial position**

The pro forma statement of financial position as at 31 May 2023 set out in Schedule 2 of this Booklet shows the expected impact of the Offer on the Company to give Shareholders information on the Company's pro forma assets and liabilities. The pro forma balance sheet is presented in an abbreviated form, insofar as it does not include all disclosures required by Australian accounting standards applicable to annual financial statements.

The pro forma balance sheet is based on the Company's half year financial statement for the period ending 31 December 2022 and has been prepared on the basis of the Company's normal accounting policies. The pro forma balance sheet is not intended to represent the Company's actual financial position on completion of the Offer and should be read together with the notes set out below the pro forma balance sheet and the Company's periodic and continuous disclosures.

## 4. Action required by Shareholders

### 4.1 What Eligible Retail Shareholders may do

The number of New Shares to which you are entitled (your **Entitlement**) is shown on the online Entitlement & Acceptance Form that is accessible through the offer website at [www.computersharecas.com.au/tttoffer](http://www.computersharecas.com.au/tttoffer).

If you do not take up all of your Entitlement, then your percentage holding in the Company will be diluted (refer to Section 3.2 above).

As an Eligible Retail Shareholder you may:

- (a) take up all or part of your Entitlement (refer to Section 4.2 below); or
- (b) offer to sell or transfer any of your Entitlement on the ASX or via an off-market transfer trade; or
- (c) do nothing and let all or part of your Entitlement be sold into the retail shortfall bookbuild process to be conducted on or about 18 July 2023 (**Shortfall Retail Bookbuild**), with any proceeds in excess of the Offer Price (net of any withholding tax and expenses) paid to the relevant shareholders (**Retail Premium**).

The Company is not required to determine whether or not any registered shareholder is acting as a nominee or the identity or residence of any beneficial owners of securities. Eligible Retail Shareholders who are nominees, trustees or custodians are advised to seek independent advice as to how they should proceed.

As detailed in Section 2.16, Ineligible Foreign Shareholders cannot take any of the steps set out in Sections 4.1, 4.2 and 4.3.

### 4.2 Applying for New Shares

You may only take up all or part of your Entitlement by:

- (a) following the instructions on the personalised Entitlement & Acceptance Form available online at [www.computersharecas.com.au/tttoffer](http://www.computersharecas.com.au/tttoffer) and making payment by Bpay® (Australian residents only) corresponding to the component (part or all) of your Entitlement you wish to accept, or
- (b) for New Zealand, Turkey and United Kingdom residents only, that are unable to pay by BPAY®, your personalised Entitlement and Acceptance form available at [www.investorcentre.com](http://www.investorcentre.com) contains instructions on how to pay via EFT using the relevant SWIFT Code, corresponding to the component (part or all) of your Entitlement you wish to accept,

by making payment you are taken to make each of the statements set out in Section 4.5 of this Retail Offer Booklet.

**You cannot accept the Offer by any means other than by making payment in accordance with applicable payment method described in sections (a) or (b) below.**

- (c) If paying via Bpay® (**Australian Residents only**):
  - (i) Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through Bpay® by the date and time mentioned above;

- (ii) you must follow the instructions for Bpay® set out in the online Entitlement & Acceptance Form; and
  - (iii) if you subscribe for less than your Entitlement or do not pay for your full Entitlement, you are taken to have accepted your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.
- (d) If paying via Electronic Funds Transfer (**EFT**) (**New Zealand, Turkey and United Kingdom residents only**)
- (i) payment for an amount equal to \$0.01 (1 cent) multiplied by the number of Shares that you are applying for;
  - (ii) in Australian currency (AUD) paid to the bank account specified on the EFT instructions accompanying the Entitlement & Acceptance Form available at [www.investorcentre.com](http://www.investorcentre.com). Payment cannot be made in New Zealand dollars; and
  - (iii) your payment maybe subject to fees and charges that your bank or any intermediary banks may deduct for performing the funds transfer. Advise your bank to elect remitter to bear all charges so that the correct amount received by us, the beneficiary, is the same as the application amount you wish to apply for and your application monies in Australian dollars (AUD).

*Note: For New Zealand, Turkey and United Kingdom residents only - all references in this Booklet to making payment via Bpay® are to be read as including making payment via EFT, as described in (b) above.*

#### **4.3 Entitlements not taken up**

If you do not wish to accept any of your Entitlement, you are not obliged to do anything. The number of Shares you currently hold and your rights attaching to those Shares (such as voting rights) will not be affected should you choose not to accept any part of your Entitlement. If you do not participate in the Offer your percentage holding in the Company will be reduced and the lapsed Entitlements will be transferred and potentially offered for sale in the Shortfall Retail Bookbuild.

#### **4.4 Payment is binding**

Payment by Bpay® or EFT constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Retail Offer Booklet and, once lodged, cannot be withdrawn. The Directors' decision whether to treat an acceptance as valid is final.

#### **4.5 Representations you will be taken to have made by accepting the Offer**

By completing your Entitlement & Acceptance Form online and making a payment by Bpay®, you will be deemed to have:

- (a) fully read and understood this Retail Offer Booklet and the online Entitlement & Acceptance Form in their entirety;
- (b) agreed to be bound by the terms of the Offer, the provisions of this Retail Offer Booklet and the Company's Constitution;
- (c) declared that you are over 18 years of age and have the legal capacity and power to perform all your rights and obligations under the Offer and your online Entitlement & Acceptance Form;
- (d) authorised the Company to register you as the holder of the New Shares;
- (e) acknowledged that once the Company receives your online Entitlement & Acceptance Form and any payment of Application Monies via Bpay®, you may not withdraw your application or funds provided except as allowed by law;
- (f) confirmed that you have a registered address in Australia, New Zealand, Turkey or the United Kingdom (and otherwise eligible to participate as set out in this Retail Offer Booklet) as at the Record Date;

- (g) confirmed that you were the registered holder at the Record Date of the Shares indicated in the online Entitlement & Acceptance Form as being held by you on the Record Date;
- (h) agreed to apply for and be issued up to the number of New Shares specified in the online Entitlement & Acceptance Form, and for which you have submitted payment of any Application Monies via Bpay®, at the Offer Price per New Share;
- (i) authorised the Company, the Share Registry and their respective officers, employees or agents to carry out on your behalf all necessary actions for the New Shares to be issued to you;
- (j) understood and acknowledged that the information contained in this Retail Offer Booklet and your online Entitlement & Acceptance Form is not investment advice nor a recommendation that the New Shares are suitable for you given your investment objectives, financial situation or circumstances;
- (k) acknowledged that this Retail Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to the ASX;
- (l) acknowledged that investment in the Company is subject to the risk factors outlined in Section 6 of this Retail Offer Booklet;
- (m) acknowledged that the Company or its related bodies corporate, affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers do not guarantee the performance of the Company or the Share price, nor do they guarantee the repayment of capital;
- (n) authorised the Company to correct any errors in your Entitlement & Acceptance Form or any other document provided to you;
- (o) agreed to provide any requested substantiation of your eligibility to participate in the Offer and your holding of Shares on the Record Date; and
- (p) represented and warranted that:
  - (i) you are not in the United States and are not acting for the account or benefit of a person in the United States;
  - (ii) the New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States and accordingly, the New 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 the US Securities Act and any other applicable securities laws; and
  - (iii) you have not and will not send any materials relating to the Offer to any person in the United States or a person acting for the account or benefit of a person in the United States.

#### **4.6 Privacy Act**

If you complete an application for New Shares (or make payment via Bpay®), you will be providing personal information to the Company (directly or by the Company's Share registry). The Company collects, holds and uses that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons including but not limited to those inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's Share registry.

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

Collection, maintenance and disclosure of certain personal information is governed by legislation

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

#### **4.7 Brokerage**

No brokerage is payable by Shareholders who accept their Entitlement. No stamp duty is payable for subscribing for an Entitlement.

#### **4.8 Queries concerning your Entitlement**

If you have any queries concerning your Entitlement please contact the Company on +61 438 759 620 or [ben.andrews@titomic.com](mailto:ben.andrews@titomic.com).



## **5. Additional information regarding the Offer**

### **5.1 Reliance on Retail Offer Booklet**

The Offer is made pursuant to section 708AA of the Corporations Act without the issue of a prospectus or disclosure document under Chapter 6D of the Corporations Act. These provisions of the Corporations Act allow entitlement offers and related issues to be made by providing certain confirmations to the market on the basis that all information that investors and their professional advisers would reasonably require to make an informed investment decision in relation to the Offer, when read with this Retail Offer Booklet, is publicly available.

This Retail Offer Booklet is not a prospectus, disclosure document or other offering document under the Corporations Act (or any other Australian or any foreign law) and has not been lodged with ASIC.

For the Company to rely on the disclosure exemption in section 708AA of the Corporations Act, the Company is required to lodge a "cleansing notice" under section 708AA(2)(f) of the Corporations Act. That notice is required to:

- (a) set out any information that has been excluded from a continuous disclosure notice in accordance with the Listing Rules and that investors and their professional advisers would reasonably require, and would reasonably expect to find in a disclosure document, for the purpose of making an informed assessment of:
  - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
  - (ii) the rights and liabilities attaching to the New Shares; and
- (b) state the potential effect of the issue of the New Shares on the control of the Company and the consequences of that effect.

The Company has lodged a cleansing notice in respect of the Offer with ASX on 26 June 2023.

### **5.2 Announcements**

The Company is a disclosing entity for the purposes of the Corporations Act and is therefore subject to regular reporting and disclosure obligations under the Corporations Act and Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the market. In particular, the Company has an obligation (subject to certain limited exceptions) to notify ASX once it is, or becomes, aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Company's securities.

Eligible Retail Shareholders intending to participate in the Offer should refer to the announcements made by the Company to the ASX. This information is available from the ASX website, [www.asx.com.au](http://www.asx.com.au) (ASX Code: TTT), and the Company's website, <https://titomic.com/>.

Additionally, the Company is also required to prepare and lodge with ASX yearly and half yearly financial statements accompanied by a directors' statement and report and an audit review or report. These reports are released to ASX and published on the Company's and ASX's websites.

Copies of the Company's announcements and yearly and half yearly financial reports will also be available from the Company Secretary.

## **6. Risks**

Shareholders should consider the investment in the context of their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Shareholder should consult their own stockbroker, solicitor, accountant or other professional adviser before deciding whether or not to invest in the New Shares.

An investment in New Shares should be regarded as very speculative and involves many risks. The New Shares carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

This section identifies some of the major risks associated with an investment in the Company. There may be other risks which the Directors and/or management of the Company are unaware which may impact upon the Company, its operations and/or the value and performance of the New Shares and the Company generally. Intending Applicants before any decision is made to subscribe for shares should read the Company's prior continuous disclosure announcements to the ASX market in order to fully appreciate the risks particular to an investment in a company such as Titomic Limited.

### **6.1 Speculative nature of investment**

Any potential investor should be aware that subscribing for New Shares involves various risks. The New Shares to be issued carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those shares. Investing in an early-stage growth company such as Titomic should be considered highly speculative and involves numerous significant risks including under capitalisation and risks to future revenue generation. Titomic makes no representation that its commercialisation plans will be achieved. Titomic incurs operating losses and may continue to do so in the future. The Directors anticipate that Titomic will incur further losses until it is able to effectively commercialise and generate additional revenue. Titomic's failure to successfully execute its growth strategy may have a significant adverse effect on its financial performance and prospects.

### **6.2 Business risks associated with the Company**

#### **Specific Risks:**

(a) Sufficiency of funding

The Company has limited financial resources and will need to raise additional funds from time to time to finance the continued research, development and commercialisation of its technology / products and its other longer-term objectives. The Company's ability to raise additional funds will be subject to, among other things, factors beyond the control of the Company and its Directors, including cyclical factors affecting the economy and share markets generally. The Directors can give no assurance that future funds can be raised by the Company on favourable terms, if at all. If for any reason the Company was unable to raise future funds, its ability to achieve its milestones, secure future manufacturing contracts and continue future development / commercialisation of its technology / product would be significantly affected.

(b) Impact of COVID-19

To date, COVID-19 has affected equity markets, governmental action, regulatory policy, quarantining, self-isolations and travel restrictions. The Company has in place business continuity plans and procedures to help manage the keys risks that may cause a disruption to the Company's business and operations, but their adequacy cannot be predicted.

(c) Product risk

The Titomic Kinetic Fusion process is yet to reach full commercial production and the chosen applications of this technology incorporate innovative and not fully proven equipment, methods and processes. There is a risk that market uptake of the Titomic Kinetic Fusion technology may be slow or may not meet expectations, which would compromise Titomic's anticipated business model, financial condition and operational results. There is a risk that the Titomic Kinetic Fusion technology may not perform, delaying development of Titomic's manufacturing and revenue earning capacity.

- (d) **Reliance on key personnel**  
Titomic's operational success depends substantially on the continued employment of senior executives, technical staff and other key personnel. The loss of key personnel may have an adverse effect on Titomic's operations and financial performance.
- (e) **Competition risk**  
The additive manufacturing sector for metal products is dominated by the 3D printer sector. The 3D metal printer industry is a competitive sector that is reliant upon continual technological advancement. There are several large competitors that operate in this industry. The development of new and superior 3D metal printers by a competitor could affect Titomic's ability to commercialise the Titomic Kinetic Fusion process. There is a risk that existing competitors or new entrants to the market may develop superior or more cost-effective 3D additive manufacturing processes for metal powders, which could have an adverse effect on Titomic's business and financial position. Titomic may be unable to develop further products or keep pace with rapid technological developments in its market space and may lose market share to its competitors.
- (f) **Funding risks**  
Titomic will require further financing to fund the expansion of Titomic's business. There are no guarantees that Titomic will be able to raise any additional required funding on a timely basis, on favourable terms, or that such funding will be sufficient to enable Titomic to implement its planned commercial strategy. If Titomic is unable to obtain further funding as needed, it may be required to reduce its operational activities or research and development activities, which may adversely affect the financial condition of Titomic.
- (g) **Counterparty risks**  
Titomic will engage with a number of counterparties to successfully commercialise and exploit the Titomic Kinetic Fusion process. Such counterparties include manufacturing equipment providers, robotics program contractors, metal powder providers and joint venture partners. If relationships with some or all of these parties break down, or these parties fail to perform their obligations, Titomic's operational performance may be adversely affected.
- (h) **Nature of investment**  
There are inherent risks associated with investment in any listed company. The Shares under the Offers do not guarantee payment of dividends, return on capital or maintenance of capital or value. The value of the Shares may vary depending on the financial and operating performance of Titomic and external factors over which Titomic and its directors have no control, including changes to market sentiment.
- (i) **Intellectual property**  
The Company's ability to leverage its innovation and expertise in additive manufacturing depends upon its ability to protect its intellectual property and any improvements to it. There is a risk that the Company's intellectual property may be the subject of unauthorised disclosure or be unlawfully infringed. The Company may also incur substantial costs in asserting or defending its intellectual property rights.
- (j) **Future capital requirements**  
The Company's business may require substantial further financing in addition to the amounts raised pursuant to the Offers. Although the Directors believe that additional capital can be obtained, there is no assurance that appropriate capital or funding can be obtained on terms favourable to the Company or at all. If the Company is unable to obtain additional funding, it may be required to reduce, delay or suspend its operations which may have a material adverse effect on the Company's activities or its ability to continue as a going concern.
- (k) **Dilution risk**  
In the future, the Company may elect to issue Shares to engage in fundraisings, including financing acquisitions that the Company may decide to make, or its future strategies in general. While the Company will be subject to the constraints of the ASX Listing Rules

regarding the percentage of its capital it is able to issue within a 12-month period (other than where exceptions apply), Shareholders may be diluted as a result of such issues of Shares and fundraisings.

(l) Industry focus

The Company currently operates predominantly in the defence and aerospace sectors and intends to expand its operations into the tooling sector. The level of activity in these sectors will be influenced by external factors including supply and demand, exchange rates, the competitiveness of the Company's operations and the cost of key resources including people, equipment and alloy powders. Variations to these factors, which may be beyond the Company's control, may have an adverse effect on the Company's future operating results.

(m) Product liability

If components or equipment manufactured by the Company do not meet required manufacturing standards or are found to be faulty, defective or unsafe, Titomic may face product liability claims which may affect the Company's brand reputation, revenue earning potential and operating results. The Company may not be able to successfully secure or renew product liability insurance, or defend itself against product liability claims. Any product liability claims may disrupt the Company's business operations and financial performance.

(n) Compliance with laws and regulations

The Company's business is subject to a range of legal and industry compliance requirements particularly in relation to the defence and aerospace sectors. Many of these laws, regulations and compliance requirements are constantly evolving and are subject to change and uncertain interpretation. In addition, new laws and regulations may be implemented in the future that could impact the Company's business.

(o) Foreign jurisdiction risk

As the Company operates in foreign jurisdictions (such as North America and Europe), it will be subject to those risks associated with operating in a foreign jurisdiction. Such risks may include economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, licencing, repatriation of income or return of capital, consumer health and safety or labour relations.

(p) General economic conditions

Adverse changes in economic conditions such as to interest rates, exchange rates, inflation, government policy, taxation law, investor sentiment towards particular market sectors, demand for and supply of capital, national and international economic conditions (including prolonged effects of the COVID-19 pandemic, trade conflicts between major countries, terrorism, war, social upheaval or other hostilities) amongst others are outside Titomic's control and have the potential to have an adverse impact on Titomic (including Titomic's financial performance and/or financial position) and its operations.

(q) Litigation

As previously announced by the Company, Titomic has been served with a Summons filed with the Supreme Court of NSW with respect to claim for commercially misleading conduct. If the result of the claim is unfavourable for Titomic, it may have an adverse impact on Titomic's financial position and its operations, however, the company denies the claims set out in the Summons and will vigorously defend.

(r) Export control risk

Many countries have implemented defence export control legislation and regulations that are designed to protect national security interests and stem the proliferation of military goods and technologies that may be associated with conventional, chemical, biological and nuclear weapons and the systems that deliver them. To achieve this, the export and supply of goods, technology and/or information that are classified as “controlled” may be restricted and prior approval is required by a relevant government regulator before this export can take place.

## **General Risks:**

### **(s) Market Conditions**

The Company is subject to general market risk that is inherent in all securities listed on a stock exchange. This may result in fluctuations in the Share price that are not explained by the Company’s fundamental operations and activities.

The price at which Shares are quoted on the ASX may increase or decrease due to a number of factors. There is no assurance that the price of the Shares will increase even if the Company’s earnings increase.

Some of the factors which may adversely impact the price of the Shares include:

- fluctuations in the domestic and international market for listed securities;
- general economic conditions including interest rates, inflation rates, exchange rates, commodity and oil prices, changes to government fiscal, monetary or regulatory policies and settings;
- changes in legislation or regulation;
- inclusion in or removal from market indices;
- the nature of the markets in which the Company operates;
- general operational and business risks; and
- sale of a substantial number of Company’s securities.

### **(t) Liquidity**

There can be no guarantee that an active market in the Shares will develop or that the price of the Shares will increase. There may be relatively few buyers or a relatively high number of sellers of Shares on the ASX at any given time. This may increase the volatility of the market price of Shares. It may also affect the market price at which Shareholders are able to sell their Shares.

### **(u) Force Majeure**

Events may occur within or outside Australia that could affect investor sentiment or impact upon the global and Australian economies, the operations of the Company and the price of the Shares. These events include acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, pandemics, outbreaks of disease or other man-made or natural events. These events can have an adverse effect on the demand for the Company’s goods and services and its ability to conduct business. The Company has only a limited ability to insure against some of these risks.

### **(v) Investment risk**

The Shares to be issued pursuant to this Offer should be considered speculative. They carry no guarantee as to the payment of dividends, return of capital, or the market value of the Shares. The prices at which an investor may be able to trade the Shares may be above or below the price paid for the Shares. While the Directors commend the Offer, investors must make their own assessment of the likely risks and determine whether an investment in the Company is appropriate to their own circumstances.

### **(w) Ability to Raise Funds**

There is no certainty regarding the ability of the Company to raise sufficient funds to meet its needs in the future. The Company’s future capital requirements depend on a number of factors including the Company’s ability to generate income from its operations. The Company

may need to raise additional capital from equity or debt sources due to unforeseen circumstances or for appropriate acquisitions. There can be no assurance that the Company will be able to raise such capital on favourable terms or at all. If adequate funds are not available on acceptable terms, the Company may not be able to develop its business, and this may have an adverse impact on the Company's operations.

(x) Litigation risk

There is a risk that the Company may in the future be the subject of or require to commence litigation, mediation or arbitration in relation to any future disputes. The impact of such actions may have a material adverse impact on the Company.

(y) Taxation Risks

Changes in tax law, or changes in the way tax laws are interpreted may impact the tax liabilities of the Company, Shareholder returns, or the tax treatment of a Shareholder's investment. In particular, both the level and basis of taxation may change. Tax law is frequently being changed, both prospectively and retrospectively. Any actual or alleged failure to comply with, or any change in the application or interpretation of tax rules applied in respect of such transactions, may increase the Company's tax liabilities or expose it to legal, regulatory or other actions.

(z) Changes in accounting standards

Australian Accounting Standards are issued by the Australian Accounting Standards Board and are not within the control of the Company and its Directors. Any changes to the accounting standards or to the interpretation of those standards may have an adverse effect on the reported financial performance and position of the Company.

## 7. Defined terms

**\$ or AUD** means Australian dollar;

**Applicant** refers to a person who submits an Entitlement & Acceptance Form online and makes payment via Bpay® or EFT;

**Application** refers to the submission of an Entitlement & Acceptance Form online and making payment via Bpay® or EFT;

**Application Monies** means monies payable by Applicants in respect of their Applications;

**ASX** means ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context may require;

**Board** means the board of Directors;

**Closing Date** means the closing date of the Offer being 5.00pm (AEST) on 13 July 2023 (subject to the right of the Company to vary the date without notice);

**Company or Titomic** means Titomic Limited ACN 602 793 644;

**Corporations Act** means *Corporations Act 2001 (Cth)*;

**Directors** means the directors of the Company;

**Eligible Retail Shareholder** means a Shareholder whose details appear on the Company's register of Shareholders as at the Record Date whose registered address is in Australia or New Zealand and certain shareholders in Turkey and the United Kingdom, and who did not receive an offer to participate in the Institutional Offer but are otherwise eligible as contemplated by this Retail Offer Booklet;

**Eligible Institutional Shareholder** means a Shareholder whose details appear on the Company's register of Shareholders as at the Record Date, being an institutional, professional or sophisticated Shareholder who is invited to participate in the Institutional Offer (as determined by the Company and the Underwriter in their discretion);

**Entitlement** means the entitlement to subscribe for 2.3 New Shares for every 1 Share held by an Eligible Retail Shareholder on the Record Date as set out in the Entitlement & Acceptance Form and **Entitlements** has a corresponding meaning;

**Entitlement & Acceptance Form** means the online Entitlement & Acceptance Form;

**FMC Act** means *Financial Markets Conduct Act 2013 (New Zealand)*;

**Gleneagle or Underwriter** means Gleneagle Securities (Aust) Pty Ltd ACN 136 930 526;

**Ineligible Foreign Shareholder** means a Shareholder, at the Record Date whose registered address is not situated in Australia or New Zealand (except for certain shareholders in Turkey and United Kingdom), and who is not an Eligible Institutional Shareholder;

**Institutional Offer** means the institutional component of the Entitlement Offer made to Eligible Institutional Shareholders;

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

**New Shares** means the Shares proposed to be issued pursuant to this Offer;

**Offer or Entitlement Offer** means renounceable pro rata offer of New Shares on the basis of 2.3 New Shares for every 1 Share held at the Offer Price, made up of the Retail Offer and the Institutional Offer;

**Offer Price** means \$0.01 (1 cent) per New Share;

**Opening Date** means the opening date of the Retail Offer being 4 July 2023 (subject to the right of the Company to vary the date without notice);

**Placement** means the offer of 100,000,000 Shares to be issued by the Company at the Offer Price to sophisticated and professional investors (as defined under section 708 of the Corporations Act) to raise \$1 million, further details of which are set out in the Company's ASX announcement dated 28 June 2023;

**Record Date** means 7.00pm (AEST) on 28 June 2023;

**Related Bodies Corporate** has the meaning as provided in the *Corporations Act 2001*;

**Retail Offer** means the retail component of the Entitlement Offer made to Eligible Retail Shareholders and the subject of this Retail Offer Booklet;

**Retail Offer Booklet** means this offer document dated 4 July 2023;

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

**Shareholder** means a holder of Shares; and

**Share Registry** means Computershare Investor Services Pty Limited.



## 8. Corporate directory

### Directors

Name	Position
Herbert Koeck	Managing Director
Humphrey Nolan	Independent Non-Executive Chairman
Andreas Schwer	Independent Non-Executive Director
Dag Stromme	Independent Non-Executive Director
Richard Wilson	Independent Non-Executive Director
Mira Ricardel	Independent Non-Executive Director

### Company Secretary

Chris Healy

### Chief Financial Officer

Jon Nield

### Registered Office

G, 365 Ferntree Gully Road  
Notting Hill VIC 3168

### Principal Place of Business

G, 365 Ferntree Gully Road  
Notting Hill VIC 3168

### Share Registry

Computershare  
Yarra Falls, 452 Johnston Street  
Abbotsford, VIC 3067  
1300 850 505 (within Australia) or  
+61 3 9415 4000 (outside Australia)

## Schedule 1 - Material terms of Underwriting Agreement

### Fees

Under the Underwriting Agreement, the Underwriter will be paid management and selling fees of 6% of the gross proceeds of the Placement and management and underwriting fees of 6% of the gross proceeds of the Entitlement Offer. The Company must also reimburse the Underwriter for certain expenses (including legal expenses) and disbursements incurred in connection with its role as Underwriter.

### Conditions precedent

The obligations of the Underwriter to underwrite the Offer is subject to the satisfaction of certain conditions precedent. These conditions precedent include:

- the Underwriter receiving a completed due diligence questionnaire from the Company;
- the preparation and release of all Retail Offer Booklets;
- issue of the Shares under the Placement; and
- ASX not having indicated to the Company or the Underwriter that it will not grant permission for quotation of the New Shares under the Placement or either component of the Entitlement Offer.

### Warranties and indemnities

The Underwriting Agreement contains a number of representations and warranties given by the Company in favour of the Underwriter that are considered to be standard for an agreement of this nature. Furthermore, the Company has (subject to certain limitations) agreed to indemnify the Underwriter, its Related Bodies Corporate and each of their respective officers, employees and advisers against losses incurred in connection with the Offer.

### Unqualified termination events

The Underwriter may terminate the Underwriting Agreement upon the occurrence of certain termination events, including but not limited to:

- **(defective disclosure)** the Offer documents or any aspect of the Offer does not comply in any material respect with the Corporations Act or the Listing Rules or any other applicable law including due to a statement in the Offer documents which is or becomes misleading or deceptive or likely to mislead or deceive in a material respect, or omit any information that is required;
- **(new circumstance)** a new circumstance arises that would have been required to be disclosed in the Offer documents had it arisen before the Offer documents were lodged with ASX; or
- **(timetable)** any event specified in the Offer timetable is delayed for more than 5 Business Days without the prior written consent of the Underwriter;
- **(offences by Directors)** a Director is charged with an indictable offence, a government agency, commences any public action against a Director or announces that it intends to take any such action or any Director is disqualified from managing a corporation under the Corporations Act;
- **(insolvency)** Titomic or any of its Related Bodies Corporate is insolvent or there is an act or omission which may result in it becoming insolvent; and
- **(market fall)** the S&P/ASX 200 index closes in the period from the announcement of the Offer to the settlement of the Offer at a level that is 10% or more below the level of that index as at the close of trading on the Business Day before the date of the Underwriting Agreement.

### Qualified termination events

The Underwriter may terminate their obligations under the Underwriting Agreement if certain events occur and that event has, or is likely to have (in the reasonable opinion of the Underwriter), a material adverse effect on the success, marketing or settlement of the Offer, the value of the Shares or the willingness of investors to subscribe for New Shares or the performance of the secondary trading market of the New Shares at any time during the 30 day period following allotment under the Entitlement Offer or the Placement. Such events include but are not limited to:

- **(adverse change)** there is an adverse change, or an event occurs which is likely to give rise to an adverse change, in the financial position, results, operations or prospects of the Company;
- **(contravention)** a contravention by the Company or any of its Related Bodies Corporate of the Corporations Act, the Company's constitution, or any of the Listing Rules, or the Company commits a fraudulent act;
- **(representations and warranties)** a representation or warranty made or given by the Company under the Underwriting Agreement proves to be, or has been, or becomes, untrue or incorrect;

- **(change of law)** there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State of Australia, or any Federal or State authority of Australia adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of this Agreement), any of which does or is likely to prohibit or regulate the Offer, capital issues or stock markets or adversely affects the Company or investors in it; or
- **(hostilities)** hostilities not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of the United States, Australia, New Zealand, the United Kingdom, France, Germany, Russia, North Korea, South Korea, China, Japan or a member state of the European Union or the declaration by any of these countries of a national emergency or war or a major terrorist act is perpetrated anywhere in the world.

## Schedule 2 - Pro forma statement of financial position

Pro-Forma Statement of Financial Position as at 31 May 2023  
(all amounts are expressed in AUD)

Amount in '\$000 (Note 1)	Notes	As at 31 December 2022	Adjustments for period from 01 January 2023 to 31 May 2023 (Note 2)	Adjustment for the transaction (Note 3)	Pro-forma including value of rights and placement
<b>Current assets</b>					
Cash and cash equivalents	2	2,139	(834)	6,181	7,486
Trade and Other receivables		1,794			1,794
Inventories		1,937			1,937
Other current assets		992		-	992
<b>Total current assets</b>		<b>6,863</b>	<b>(834)</b>	<b>6,181</b>	<b>12,209</b>
Intangible assets		577			577
Property, plant and equipment		2,860			2,860
<b>Total non-current assets</b>		<b>3,438</b>			<b>3,438</b>
<b>Total assets</b>		<b>10,300</b>	<b>(834)</b>	<b>6,181</b>	<b>15,647</b>
<b>Current liabilities</b>					
Trade payables		1,394			1,394
Other financial liabilities		1,854			1,854
Provisions		936			936
<b>Total current liabilities</b>		<b>4,184</b>			<b>4,184</b>
<b>Non-current liabilities</b>					
Other financial liabilities		2,008			2,008
Provisions		481			481
<b>Total non-current liabilities</b>		<b>2,489</b>			<b>2,489</b>
<b>Total liabilities</b>		<b>6,673</b>			<b>6,673</b>
<b>Total net assets</b>		<b>3,627</b>	<b>(834)</b>	<b>6,181</b>	<b>8,974</b>
<b>Equity</b>					
Share capital		61,191	2,347	6,181	69,720
Options' reserve		-			-
Share based payment reserve		6,675			6,675
Accumulated Losses		(64,239)	(3,182)		(67,420)
<b>Total equity</b>		<b>3,627</b>	<b>(834)</b>	<b>6,181</b>	<b>8,974</b>

- All amounts disclosed in the tables, unless otherwise noted, are presented in Australian dollars and rounded to the nearest thousand. Rounding in the Financial Information may result in some immaterial rounding differences between totals and sums of components and the total percentage calculations outlined within tables, figures and commentary.
- Adjustments for period 1 January 2023 to 31 May 2023 includes all 'material' business transactions, including working capital requirements and ongoing business operating income and expenses
- The rights issue generates cash inflow for the Company at the time of taking up the rights offer. The share placement also generated cash for the company at the completion of the placement process.