

Unith Ltd.

ACN 083 160 909

Prospectus

For:

- **the non-renounceable pro rata entitlement issue of one (1) New Share for every seven (7) Shares held by Eligible Shareholders at the Record Date at an issue price of \$0.014 (1.4 cents) per New Share to raise up to approximately \$2,077,290 before costs, together with one (1) free-attaching Unlisted Option and one (1) free-attaching Listed Option, for every two (2) New Shares issued to Eligible Shareholders (Entitlement Offer); and**
- **the Secondary Offers, being the Shortfall Placement, the Oversubscriptions Offer and the Broker Offer,**

(together, the Offers).

It is proposed that the Entitlement Offer will close at 5.00pm (AEDT) on 18 March 2024. The Directors reserve the right to close the Entitlement Offer earlier or to extend this date without notice. Applications must be received before that time.

This is an important document and requires your immediate attention. It should be read in its entirety. Please consult your professional adviser(s) if you have any questions about this document.

Investment in the New Shares and New Options offered pursuant to this Prospectus should be regarded as highly speculative in nature, and investors should be aware that they may lose some or all of their investment. Refer to Section 4 for a summary of the key risks associated with an investment in the Shares.

Important Notice

This Prospectus is dated, and was lodged with ASIC on, 23 February 2024. Neither ASIC nor ASX (or their respective officers) take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. The expiry date of this Prospectus is 5.00pm AWST on that date which is thirteen (13) months after the date this Prospectus was lodged with ASIC. No Shares will be issued on the basis of this Prospectus after that expiry date.

Application for Official Quotation of the New Shares and Listed Options offered pursuant to this Prospectus has been made in accordance with the timetable set out at the commencement of this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offers, other than as is contained in this Prospectus. Any information or representation not contained in this Prospectus should not be relied on as having been made or authorised by the Company or the Directors in connection with the Offers.

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

Exposure Period

No exposure period applies to the Offers.

Electronic Prospectus and Entitlement and Acceptance Forms

This Prospectus will generally be made available in electronic form by being posted on the Company's website at www.unith.ai. Persons having received a copy of this

Prospectus in its electronic form may obtain an additional paper copy of this Prospectus and the relevant Entitlement and Acceptance Form (free of charge) from the Company's Australian registered office during the Entitlement Offer Period by contacting the Company. Contact details for the Company and details of the Company's Australian registered office are detailed in the Corporate Directory. The Entitlement Offer constituted by this Prospectus in electronic form is only available to persons receiving an electronic version of this Prospectus and relevant Entitlement and Acceptance Form within Australia.

Applications will only be accepted on the relevant Entitlement and Acceptance Form attached to, or accompanying, this Prospectus or in its paper copy form as downloaded in its entirety from www.unith.ai. The Corporations Act prohibits any person from passing on to another person the Entitlement and Acceptance Form unless it is accompanied by or attached to a complete and unaltered copy of this Prospectus.

Prospective investors wishing to subscribe for Shares under the Entitlement Offer should complete the Entitlement and Acceptance Form. If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your Application. If acceptance is by BPAY® there is no need to return an Entitlement and Acceptance Form.

The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement. Please refer to the instructions in Section 4 regarding the acceptance of your Entitlement and completion of the Entitlement and Acceptance Form.

By returning an Entitlement and Acceptance Form, you acknowledge that you have received and read this

Prospectus and you have acted in accordance with the terms of the Entitlement Offer detailed in this Prospectus.

Eligibility

Eligible Shareholders can only take up their Entitlements by completing and returning the Entitlement and Acceptance Form accompanying this Prospectus. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement to participate in the Entitlement Offer.

Website

No document or information included on the Company's website is incorporated by reference into this Prospectus.

Foreign Investors

No action has been taken to register or qualify the New Shares or New Options the subject of this Prospectus, or the Entitlement Offer, or otherwise to permit the public offering of the New Shares or New Options, in any jurisdiction outside Australia.

The Entitlement Offer is not being extended, and New Shares and New Options will not be issued, to Shareholders with a registered address which is outside Australia, New Zealand or the Netherlands. It is not practicable for the Company to comply with the securities laws of overseas jurisdictions (other than those mentioned above) having regard to the number of overseas Shareholders, the number and value of securities these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction.

The distribution of this Prospectus in jurisdictions outside of Australia may be restricted by law and persons who come into possession of this Prospectus outside of Australia should

seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer of New Shares or New Options in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

Continuously Quoted Securities

In preparing this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers. This Prospectus is issued pursuant to section 713 of the Corporations Act. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all information that would be included in a prospectus for an initial public offering.

Speculative Investment

The New Shares and New Options offered pursuant to this Prospectus should be considered highly speculative. There is no guarantee that the New Shares and New Options offered pursuant to this Prospectus will make a return on the capital invested, that dividends will be paid on the Shares or that there will be an increase in the value of the New Shares or New Options in the future.

Prospective investors should carefully consider whether the New Shares and New Options offered pursuant to this Prospectus are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position. Refer to Section 4 for details relating to the key risks applicable to an investment in the New Shares and New Options.

Using this Prospectus

Persons wishing to subscribe for New Shares and New Options offered by this Prospectus should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses, and prospects of the Company and the rights and liabilities attaching to the New Shares and New Options offered pursuant to this Prospectus. If persons considering subscribing for New Shares and New Options offered pursuant to this Prospectus have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser for advice.

Privacy Statement

To apply for New Shares and New Options you will be required to provide certain personal information to the Company and the Share Registry. The Company and the Share Registry will collect, hold and use your personal information in order to assess your Application, service your needs as an investor, provide facilities and services that you request and carry out appropriate administration. The Corporations Act and taxation law requires some of this personal information to be collected. If you do not provide the information requested, your Application may not be able to be processed efficiently, or at all.

By submitting an Entitlement and Acceptance Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Entitlement and Acceptance Form for the purposes detailed in this Privacy Statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If an Applicant becomes the holder of New Shares or New Options, the Corporations Act requires the Company to include information about the Shareholder (including name, address and details of the New Shares or New Options held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its Shareholders) and compliance by the Company with its legal and regulatory requirements.

Forward-Looking Statements

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

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

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. Key risk factors associated with an investment in the Company are detailed in Section 4. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

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

The Company cannot and does not give assurances that the results, performance or achievements expressed or implied in the forward- looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward- looking statements.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are

illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Prospectus.

Currency

All financial amounts contained in this Prospectus are expressed as Australian currency unless otherwise stated. Conversions may not reconcile due to rounding. All references to "\$" or "A\$" are references to Australian dollars.

Time

All references to time in this Prospectus are references to AWST, being the time in Perth, Western Australia, unless otherwise stated.

Glossary

Defined terms and abbreviations used in this Prospectus are detailed in the glossary in Section 8.

Corporate Directory

Directors

Mr Sytze Voulon, Non-Executive
Chairman

Mr Justin Baird, Non-Executive
Director

Mr Scott Mison, Non-Executive
Director

Mr Matthew Blake, Non-Executive
Director

Company Secretary

Mr Scott Mison

Registered Office

202 / 37 Barrack Street,
Perth, Western Australia

Share Registry *

Boardroom Pty Limited,
Level 8, 210 George Street,
Sydney, New South Wales

Lead Manager

Evolution Capital Pty Ltd
Suite 6.01, Level 6,
1 Castlereagh Street,
Sydney, New South Wales

Auditor *

RSM Australia Partners
Level 21, 55 Colins Street,
Melbourne, Victoria

Legal Advisor

Eaton Hall, Corporate & Commercial
Lawyers, 20/210 Queen Victoria
Street, North Fremantle, Western
Australia

* These entities have been included for information purposes only. They have not been involved in the preparation of this Prospectus.

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Indicative Timetable

Lodgement of Prospectus with ASIC	23 February 2024
Lodgement of Prospectus with ASX	23 February 2024
Lodgement of completed Appendix 3B with ASX	23 February 2024
"Ex" Date	27 February 2024
Record Date (at 7:00pm AEDT)	28 February 2024
Prospectus and Entitlement and Acceptance Form dispatched to Eligible Shareholders	29 February 2024
Opening date of the Offer	29 February 2024
Last day to extend the Closing Date	13 March 2024
Closing Date (at 5:00pm AEDT)	18 March 2024
New Shares and New Options quoted on a deferred settlement basis	19 March 2024
Announcement of results of issue	25 March 2024
Issue of New Shares and New Options and lodgement of Appendix 2A with ASX applying for quotation of the securities	25 March 2024

The above timetable is indicative only and subject to change. Subject to the Listing Rules, the Directors reserve the right to vary these dates, including the Closing Date, without prior notice. Any extension of the Closing Date will have a consequential effect on the anticipated date for issue of the New Shares under the Entitlement Offer. The Directors also reserve the right not to proceed with the whole or part of the Entitlement Offer at any time prior to allotment. In that event, the relevant Application Monies will be returned without interest.

Letter from the Chairman

Dear Investor

On behalf of the board of Unith Ltd (**Company**), I am pleased to present this Prospectus and to invite you to participate in the Entitlement Offer.

The Entitlement Offer is a non-renounceable pro rata entitlement issue of one (1) New Share for every seven (7) Shares held by Eligible Shareholders at the Record Date at an issue price of \$0.014 (1.4 cents) per New Share to raise up to approximately \$2,077,290 before costs. The Entitlement Offer is made to all Eligible Shareholders with a registered address in Australia, New Zealand or the Netherlands on the Record Date, being 28 February 2024.

On 5 February 2024 the Company also announced that it had undertaken a placement of Shares to sophisticated and institutional investors at \$0.0145 (1.45 cents) per Share to raise \$2,000,000 before costs (**Placement**). The Company issued 137,931,034 Shares and 68,965,517 attaching Unlisted Options, pursuant to the Placement, on or about 12 February 2024. Further, the Company will issue 68,965,517 Listed Options to subscribers pursuant to the Placement, following Shareholder approval (if approved) at the EGM.

The proceeds of the Offers and the Placement will be primarily used for the general public launch of the Digital Human platform as a self-service product, increasing Unith's commercial team and marketing spend, improving user experience, enhancing conversational AI capabilities and analytics and working capital.

Further information about the Company and its operations is contained in publicly available documents lodged by the Company with the ASIC and ASX. This Prospectus should be read in conjunction with this material.

There are a number of risks associated with investing in the share market generally and the Company specifically. The New Shares and New Options must be regarded as highly speculative. Potential investors in the Company should carefully consider the risks (detailed in Section 4).

On behalf of the Board, I would like to thank you for considering the Offers. We greatly appreciate your continued support.

Yours faithfully



Mr Sytze Voulon
Chairman

Investment Overview

Topic	Summary	More Information
What is the Entitlement Offer and what are its key terms?	The Entitlement Offer is a non-renounceable pro rata entitlement issue of one (1) New Share for every seven (7) Shares held by Eligible Shareholders at the Record Date at an issue price of \$0.014 (1.4 cents) per New Share to raise up to approximately \$2,077,290 before costs, together with one (1) free-attaching Unlisted Option and one (1) free-attaching Listed Option for every two (2) New Shares issued to Eligible Shareholders.	See Section 1.1.
What is the Placement?	On 5 February 2024 the Company announced that it had undertaken a placement of Shares and New Options to sophisticated and institutional investors at \$0.0145 (1.45 cents) per Share to raise \$2,000,000 before costs. On or about 12 February 2024, the Company issued 137,931,034 Shares and 68,965,517 attaching Unlisted Options to the subscribers under the Placement. Further, the Company will issue 68,965,517 Listed Options to subscribers pursuant to the Placement, following Shareholder approval (if approved) at the EGM.	See Section 1.2.
What is the purpose of the Entitlement Offer?	<p>The purpose of the Entitlement Offer is to raise up to approximately \$2,077,290 before costs.</p> <p>The proceeds of the Entitlement Offer will be used for the general public launch of the Digital Human platform as a self-service product, increasing Unith's commercial team and marketing spend, improving user experience, enhancing conversational AI capabilities and analytics and working capital.</p>	See Section 1.1.
What are the key risks of investing in the Company?	<p>The business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the securities of the Company.</p> <p>The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which they can effectively manage them is limited.</p> <p>Set out below are specific risks that the Company is exposed to:</p> <ul style="list-style-type: none"> • Failure to scale up and commercialise <p>There is a risk that the Company will be unable to achieve sufficient scale in the commercialisation of its products across all target customer segments, which could potentially result in reduced or negative growth.</p>	See Section 4.

Topic	Summary	More Information
	<p>There is also a risk that the Company's products launched and developed to the market may be unprofitable because they are not supported by sufficient market interest or otherwise not adequately marketed and fail to sell. There is also a risk that the products waste operating costs or incurs operating costs earlier than necessary or greater than forecast.</p> <ul style="list-style-type: none"> <li data-bbox="555 528 767 555">• Force majeure The Company, now or in the future, may be adversely affected by risks outside the control of the Company including epidemics (such as the novel coronavirus), labour unrest, machinery or equipment breakdown or damage, transportation disruptions, civil disorder, war, subversive activities or sabotage, extreme weather conditions, fires, floods, explosions or other catastrophes or quarantine restrictions. <li data-bbox="555 891 1007 947">• Failure to effectively attract new, or retain existing, customers The Company's business depends on its ability to retain existing clients, attract further business from existing clients and to gain new clients. There is a risk the Company's existing clients reduce their usage of the Company's products. The Company's ability to retain existing clients and attract new clients, as well as the Company's clients' level of usage of the Company's solution, depends on many factors including the adequacy of the Company's solution with respect to matters such as functionality, reliability, cost-effectiveness, pricing and client support. In addition, clients' use of the Company's solution may be affected by external factors such as changes to laws and regulations which affect the Company's clients' business. If the Company's clients do not continue to use the Company's solution or increase their use over time, or if new clients do not choose to use the Company's solution, the growth in the Company's revenue may slow or decline. <li data-bbox="555 1686 1038 1765">• Disruption to, or failure of, technology systems and software, including security breaches There is a risk that the Group's systems and software may be adversely affected by damaged or faulty equipment misuse by staff or contractors, disruption, failure, service outages or data corruption that could occur as a result of computer viruses, "worms", malware, ransomware, internal or external misuse by websites, hacking or cyber-attacks, and other 	

Topic	Summary	More Information
	<p>disruptions including natural disasters, power surges or outages, terrorist attacks, or other similar events.</p> <p>There is also a risk that security and technical precaution measures taken by the Group and its third-party operators will not be sufficient to prevent unauthorised access to the Group's networks, systems and databases.</p> <p>Operational or business delays, and damage to reputation, may result from any disruption or failure of the Group's information systems and product delivery platforms, which may be caused by events outside the Group's control. This could lead to claims against the Group by its customers, reduce the attractiveness of the Group's software and services to its clients, subject the Group to legal action and/or regulatory scrutiny and the potential termination of customer contracts.</p> <ul style="list-style-type: none"> <li data-bbox="555 913 895 943">• Technology and software <p>Long term development of software can lead to dependency on dated technology that restricts maintainability, speed of development, security and the Group's competitiveness in the market. Rapid growth can incur technical debt in service of speed to market. As with all information technology and software products, there is a risk of technological obsolescence. New technology may be perceived by customers to have advantages over the Group's current products.</p> <ul style="list-style-type: none"> <li data-bbox="555 1335 967 1364">• Talent retention and acquisition <p>The Group's success depends to some extent on its ability to attract and retain key personnel; specifically technology talent, implementation and customer success roles, payroll specialists and senior management with extensive experience in, and knowledge of, the education, government, justice and employment industries in which the Group operates.</p> <p>The loss of key personnel may adversely affect the Group's ability to develop its products, or implement its business strategies and may adversely affect its future financial performance. This continues to be an elevated risk due to a tight labour market, wage inflation driven by an increased demand for this talent by acceleration of digital strategies, lack of migration and skills shortages.</p> <ul style="list-style-type: none"> <li data-bbox="555 1962 778 1991">• Regulatory risk <p>The Group's products are significantly</p>	

Topic	Summary	More Information
	<p>influenced and affected by government policy and regulations which apply to the education, employment and government related entities industries in which the Group operates. There is a risk that the Group may fail to keep abreast of such policy and regulations and potential changes to the same, which may have an adverse impact on its business, operations and financial performance.</p> <p>Any material new or altered law, regulation or policy which impacts the Group's products could require the Group to increase spending and employee resources on regulatory compliance and/or change its business practices, which would adversely affect the Group's operations and profitability. Further, there is a risk that customers may reduce their usage of the Group's products, or that the Group may fail to attract new customers, if the Group fails to offer solutions with appropriate coverage of compliance or regulatory requirements as sought by its customers.</p> <ul style="list-style-type: none"> • Investment in capital markets As with all stock market investments, there are risks associated with an investment in the Company. Securities listed on the stock market, and in particular securities of technology companies, have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of Shares regardless of the Company's performance. The price of Shares might trade below or above the issue price for the New Shares. • Climate change There are a number of climate-related factors that may affect the Company's business or its assets. For instance: <ul style="list-style-type: none"> • climate change or prolonged periods of adverse weather and climatic conditions (including rising sea levels, floods, hail, drought, water, scarcity, temperature extremes, frosts, earthquakes and pestilences) may have an adverse effect on the Company's ability to access and utilise its operations and/or on the Company's ability to sell its products; and • changes in policy, technological innovation and consumer or investor preferences could adversely impact the Company's business strategy or the value of its assets (including its 	

Topic	Summary	More Information
	<p>tenements), or may result in less favourable pricing for products, particularly in the event of a transition (which may occur in unpredictable ways) to a lower-carbon economy.</p> <p>The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company and you should refer to the additional risk factors in Section 6 of this Prospectus before deciding whether to apply for Shares pursuant to this Prospectus.</p>	
<p>What is the effect of the Offers on the capital structure of the Company?</p>	<p>The maximum number of Shares that may be issued under the Entitlement Offer is approximately 148,377,885 Shares (and approximately 148,377,884 attaching New Options) which will represent approximately 12.1% (or 15.8% on a fully-diluted basis, including attaching New Options, assuming conversion of all attaching New Options into Shares) of the enlarged issued share capital of the Company following the Entitlement Offer.</p> <p>The maximum number of Shares that may be issued under the Oversubscriptions Offer is approximately 35,714,285 Shares (and approximately 35,714,284 attaching New Options) which will represent approximately 2.9% (or 4.1% on a fully-diluted basis, including attaching New Options, assuming conversion of all attaching New Options into Shares) of the enlarged issued share capital of the Company following the Oversubscriptions Offer.</p> <p>The maximum number of Shares that may be issued under the Entitlement Offer and the Oversubscriptions Offer is approximately 184,092,170 Shares (and approximately 206,092,168 attaching New Options) which will represent approximately 15.1% (or 22.4% on a fully-diluted basis, including attaching New Options, assuming conversion of all attaching New Options into Shares) of the enlarged issued share capital of the Company following the Entitlement Offer, the Placement and the Oversubscriptions Offer.</p>	<p>See Section 2.1.</p>
<p>Are the Offers subject to a minimum subscription?</p>	<p>No.</p>	<p>See Section 1.3.</p>
<p>Who can participate in the Offers?</p>	<p>Eligible Shareholders, being certain Shareholders on the Record Date with a registered address in Australia, New Zealand or the Netherlands on the Share Register, may participate in the Entitlement Offer.</p> <p>Eligible Shareholders and investors invited by the Company, may participate in the Oversubscriptions Offer.</p>	<p>See Section 1.12.</p>
<p>How do I accept my Entitlement and apply</p>	<p>All Eligible Shareholders are entitled to participate in the Entitlement Offer. If you wish</p>	<p>See Section 3.2.</p>

Topic	Summary	More Information
for securities under the Oversubscriptions Offer?	to accept all or part of your Entitlement, you must complete your Entitlement and Acceptance Form that accompanies this Prospectus, including by indicating how many Oversubscription Offer Shares you wish to apply for, and send it to the Share Registry together with payment, including by cheque or follow the instructions to pay via BPAY®.	
Can I sell or transfer my Entitlement under the Entitlement Offer?	No, as the Entitlement Offer is non-renounceable, you cannot sell or transfer any of your Entitlement. There will be no trading of Entitlements on ASX.	See Section 1.5.
Is the Entitlement Offer underwritten?	The Entitlement Offer is not underwritten.	See Section 1.13.
What is the Oversubscriptions Offer?	This Prospectus is also for an oversubscriptions offer of up to approximately 35,714,285 New Shares and approximately 17,857,142 Listed Options and approximately 17,857,142 Unlisted Options on same terms as the Entitlement Offer, to raise up to approximately \$500,000, whereby the Company may utilise its applicable Listing Rules 7.1 and 7.1A capacities to issue New Shares and New Options to Eligible Shareholders or new investors (by invitation only).	See Section 1.14.
What is the Shortfall Placement?	This Prospectus is also for a shortfall placement on same terms as the Entitlement Offer, whereby in circumstances where there is a shortfall between Applications received from Eligible Shareholders and the number of New Securities proposed to be issued under the Entitlement Offer, the remaining Shortfall Securities may be placed at the discretion of the Directors, with the assistance of the Lead Manager, within 3 months of the Closing Date, to Eligible Shareholders and sophisticated investors and professional investors at the discretion of the Company.	See Section 1.15.
How can I obtain further information?	Further information can be obtained by reading this Prospectus and consulting your professional advisors. You can also contact the Company on 1300 853 651 (from within Australia) and +61 (3) 9020 1468 (from outside Australia) for further details.	Corporate Directory.
Company contact	You can contact the Company Secretary on 1300 853 651 (from within Australia) and +61 (3) 9020 1468 (from outside Australia) for further details.	Corporate Directory.

1. DETAILS OF ENTITLEMENT OFFER

1.1 The Entitlement Offer

This Entitlement Offer is a non-renounceable pro rata entitlement issue of one (1) New Shares for every seven (7) Shares held by Eligible Shareholders at the Record Date at an issue price of \$0.014 (1.4 cents) per New Share to raise up to approximately \$2,077,290 before costs.

The Company currently has 1,038,645,201 Shares on issue. Approximately 148,377,885 New Shares may be issued under the Entitlement Offer (subject to rounding). The current securities on issue include 137,931,034 Shares and 68,965,517 attaching Unlisted Options issued pursuant to the Placement on or about 12 February 2024. Further, the Company will also issue 68,965,517 Listed Options to subscribers pursuant to the Placement, following Shareholder approval (if any) at the EGM.

Where the determination of the Entitlement of any Shareholder results in a fraction of a New Share or New Option, such fraction will be rounded up to the nearest whole New Share or New Option.

All New Shares offered under this Prospectus will rank equally with the existing Shares on issue. Refer to Section 5 for details of the rights attaching to Shares and New Options.

1.2 Placement

The Company has recently undertaken a placement of Shares to sophisticated and professional investors (as defined in sections 708(8) and 708(11) of the Corporations Act).

The Placement comprised the issue of 137,931,034 Shares at an issue price of \$0.0145 (1.45 cents) per Share to raise up to approximately \$2,000,000 (before costs) and the Placement Shares have the same rights as the New Shares being offered under the Entitlement Offer. The Placement Shares were issued before the Record Date and will carry an Entitlement to participate in the Entitlement Offer.

1.3 Minimum Subscription

The Entitlement Offer is not subject to a minimum subscription condition.

1.4 Purpose of Prospectus

The purpose of this Prospectus is to:

- (a) raise up to approximately \$2,077,290 pursuant to the Entitlement Offer (assuming the Entitlement Offer is fully subscribed);
- (b) raise up to approximately \$500,000 pursuant to the Oversubscriptions Offer (assuming the Oversubscriptions Offer is fully subscribed);
- (c) facilitate quotation of the Listed Options; and
- (d) give effect to the Offers.

1.5 No rights trading

The rights to New Shares under the Entitlement Offer are non-renounceable. Accordingly, there will be no trading of rights on ASX and you may not dispose of your rights to subscribe for New Shares or New Options under the Entitlement Offer to any other party. If you do not take up your Entitlement under the Entitlement Offer by the Closing Date, your Entitlement will lapse.

1.6 Funding allocation

Completion of the Offers and the Placement will result in an increase in cash in hand of up to \$4,577,290 (before associated costs).

The proceeds of the Offers will be used for the general public launch of the Digital Human platform as a self-service product, increasing Unith's commercial team and marketing spend, improving user experience, enhancing conversational AI capabilities and analytics and working capital.

The following table shows the expected use of funds in the two year period following the date of this Prospectus including funds raised from the Offers and the Placement:

Item	\$	%
General public launch of the Digital Human platform as a self-service product	1,845,000	40%
Commercial team and marketing spend	615,000	13%
Enhancing conversational AI capabilities, analytics and improving user experience	820,000	18%
Working capital	952,814	21%
Expenses of the Entitlement Offer	344,476	8%
Total funds allocated	4,577,290	100%

Shareholders should note that the above estimated expenditures will be subject to modification on an ongoing basis depending on the results obtained from the Company's activities. Due to market conditions, the development of new opportunities (in respect of the Company's business) and/or any number of other factors (including the risk factors outlined in Section 4), actual expenditure levels may differ significantly to the above estimates. In light of this, the Board reserves the right to alter the way the funds are applied.

1.7 CHES

The Company operates an electronic CHES sub-register and an electronic issue sponsored sub-register. These two sub-registers will make up the Company's register of shares. The Company will not issue certificates to shareholders. Rather, holding statements (similar to bank statements) will be dispatched to shareholders as soon as practicable after allotment. Holding statements will be sent either by CHES (for shareholders who elect to hold shares on the CHES sub-register) or by the Company's Share Registry (for shareholders who elect to hold their shares on the issuer sponsored sub-

register). The statements will set out the number of Shares allotted under the Prospectus and provide details of a shareholder's Holder Identification Number (for shareholders who elect to hold shares on the CHESS sub register) or Shareholder Reference Number (for shareholders who elect to hold their shares on the issue sponsored sub-register). Updated holding statements will also be sent to each shareholder following the month in which the balance of their shareholding changes, and also as required by the Listing Rules or the Corporations Act.

1.8 Official Quotation

The Company will apply to ASX for the New Shares and Listed Options being offered by this Prospectus to be granted Official Quotation.

If ASX does not grant permission for Official Quotation within 3 months after the date of this Prospectus (or within such longer period as may be permitted by ASIC) none of the New Shares offered by this Prospectus will be allotted and issued. If no allotment and issue is made, all Application Monies will be refunded to Applicants (without interest) as soon as practicable.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation is not to be taken in any way as an indication of the merits of the Company or the New Shares and New Options offered pursuant to this Prospectus.

1.9 Application Monies held on trust

Application Monies will be held in trust for Applicants until the allotment of the New Shares. Any interest that accrues will be retained by the Company.

1.10 Withdrawal

The Directors may at any time decide to withdraw this Prospectus and the Entitlement Offer, in which case, the Company will return all Application Monies (without interest) in accordance with the Corporations Act.

1.11 Risk factors of an investment in the Company

Prospective investors should be aware that an investment in the Company should be considered highly speculative and involves a number of risks inherent in the business of the Company. Section 4 details the key risk factors which prospective investors should be aware of. It is recommended that prospective investors consider these risks carefully before deciding whether to invest in the Company.

This Prospectus should be read in its entirety. If you have any questions about the desirability of, or procedure for, investing in the Company please contact your stockbroker, accountant or other independent adviser.

1.12 Overseas applicants

No action has been taken to register or qualify the Shares, or the Entitlement Offer, or otherwise to permit the public offering of the Shares, in any jurisdiction outside of Australia, New Zealand or the Netherlands.

The distribution of this Prospectus within jurisdictions outside of Australia may be restricted by law and persons into whose possession this Prospectus comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws.

This Prospectus does not constitute an offer of New Shares or New Options in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

It is the responsibility of any overseas Applicant to ensure compliance with all laws of any country relevant to his or her Application. The return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation and warranty that there has been no breach of such law and that all necessary approvals and consents have been obtained.

New Zealand

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

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

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime. The rights, remedies and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this Entitlement Offer. If you need to make a complaint about the Entitlement Offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint. The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

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

Additional Warning Statement: Currency Exchange Risk

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

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

Additional Warning Statement: Trading on Financial Product Market

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

European Union (The Netherlands)

This Prospectus has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this Prospectus may not be made available, nor may the New Shares or New Options be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the **European Prospectus Regulation**). In accordance with Article 1(4)(a) of the European Prospectus Regulation, an offer of New Shares and New Options in the European Union is limited to persons who are “qualified investors” (as that term is defined in Article 2(e) of the European Prospectus Regulation).

1.13 Underwriting

The Entitlement Offer is not underwritten.

1.14 Oversubscriptions Offer

The Oversubscriptions Offer comprises and offer of approximately:

- (a) 35,714,285 additional New Shares; and
- (b) 17,857,142 Listed Options and 17,857,142 Unlisted Options,

if required, pursuant to the Company's Listing Rule 7.1 and/or Listing Rule 7.1A capacities to:

- (c) firstly, Eligible Shareholders who apply for Shortfall Securities; and
- (d) secondly, to investors invited by the Company to participate in the Oversubscriptions Offer,

(Oversubscriptions Offer) to raise up to an additional approximately \$500,000 (before costs).

Where there is additional demand by Eligible Shareholders for Shortfall Securities, the Company may, in its absolute discretion, treat any such demand as an application under the Oversubscriptions Offer.

The Oversubscriptions Offer is a separate offer made pursuant to this Prospectus and will remain open until the Closing Date. The issue price for each New Share to be issued under the Oversubscriptions Offer shall be \$0.014 being the price at which New Shares are offered under the Entitlement Offer. The New Options will be free-attaching to the New Shares on the same basis as for the Entitlement Offer.

Investors who are not Eligible Shareholders but have been invited by the Company to participate in the Oversubscriptions Offer will be provided an Application Form together with a copy of this Prospectus and may apply under the Oversubscriptions Offer by completing the appropriate section on the Application Form.

To the extent that it is commercially practicable and taking into account the Company's requirement for funds, the Directors will endeavour to allocate the securities pursuant to the Oversubscriptions Offer to a spread of investors, in order to mitigate any control effects which may arise from issuing those securities to a single or small number of investors. In any event, the Company will endeavour to ensure that no subscriber will be permitted to acquire New Shares and New Options under the Oversubscriptions Offer to the extent that such acquisition would result in that subscriber acquiring a Relevant Interest in issued Voting Shares in the Company that increases their, or someone else's, Voting Power in the Company either: (i) from 20% or below to more than 20%, or (ii) from a starting point that is above 20% and below 90% (on a post-Offers basis).

The intended use of any funds raised from the Oversubscriptions Offer is set out in Section 1.6.

1.15 Shortfall

Any New Shares under the Entitlement Offer that are not applied for by Eligible Shareholders, will form the Shortfall.

In the event that there are any Shortfall Securities, the remaining Shortfall Securities may be placed at the discretion of the Directors, with the assistance of the Lead Manager, within 3 months of the Closing Date, to Eligible Shareholders and sophisticated investors and professional investors (**Shortfall Placement**). The issue price for each New Share to be issued under the Shortfall Placement shall be \$0.014 being the price at which New Shares are offered under the Entitlement Offer. The New Options will be free-attaching to the New Shares on the same basis as for the Entitlement Offer.

Investors who are not Eligible Shareholders but have been invited by the Company to participate in the Shortfall Placement will be provided an Application Form together with a copy of this Prospectus and may apply under the Shortfall Placement by completing the appropriate section on the Application Form.

To the extent that it is commercially practicable and taking into account the Company's requirement for funds, the Directors will endeavour to allocate the Shortfall Securities to a spread of investors, in order to mitigate any control effects which may arise from issuing the Shortfall Securities to a single or small number of investors. In any event, the Company will endeavour to ensure that no subscriber will be permitted to acquire Shortfall Securities under the Shortfall

Placement to the extent that such acquisition would result in that subscriber acquiring a Relevant Interest in issued Voting Shares in the Company that increases their, or someone else's, Voting Power in the Company either: (i) from 20% or below to more than 20%, or (ii) from a starting point that is above 20% and below 90% (on a post-Offers basis).

The intended use of any funds raised from the Oversubscriptions Offer is set out in Section 1.6.

1.16 Broker Offer

The Broker Offer is the offer to the Lead Manager of:

- (a) 10,000,000 Unlisted Options and 10,000,000 Listed Option; and
- (b) 1 Unlisted Option and 1 Listed Option for every \$2 raised from New Shares placed by the Lead Manager pursuant to the Shortfall Placement,

in accordance with the Lead Manager Agreement. The Company will not raise any funds from the Broker Offer but has received services from the Lead Manager in relation to the Offers.

1.17 Major activities and financial information

A summary of the major activities and financial information relating to the Company for the financial year ended 30 June 2023 is contained in the Annual Report which is available on the Company's website at www.unith.ai.

The Company's continuous disclosure notices (i.e. ASX announcements) since the lodgement of its Annual Report for the year ended 30 June 2023 with ASX on 31 August 2023 are detailed in Section 6.1.

Copies of these documents are available free of charge from the Company or the Company's website: www.unith.ai. The Directors strongly recommend that Applicants review these and all other announcements prior to deciding whether or not to participate in the Offers.

1.18 Paper copies of prospectus

The Company will provide paper copies of this Prospectus (including any supplementary or replacement document) and the applicable Entitlement and Acceptance Form to investors upon request and free of charge. Requests for a paper copy from Australian resident investors should be directed to the Company Secretary on 1300 853 651 (from within Australia) and +61 (3) 9020 1468 (from outside Australia).

1.19 Enquiries

This Prospectus provides information for potential investors in the Company, and should be read in its entirety. If, after reading this Prospectus, you have any questions about any aspect of an investment in the Company, please contact your stockbroker, accountant or independent financial adviser. Enquiries from Australian resident investors relating to this Prospectus, or requests for additional copies of this Prospectus, should be directed to the

Company Secretary on 1300 853 651 (from within Australia) and +61 (3) 9020 1468 (from outside Australia).

2. EFFECT OF THE ENTITLEMENT OFFER

2.1 Capital Structure

Following the issue of New Shares and New Options under the Offers (assuming full subscription), the Company's share capital structure will be impacted as follows (on an undiluted basis):

	Number of Shares	Percentage of Shares (undiluted)
Balance as at the date of this Prospectus	1,038,645,201	85%
Entitlement Offer	148,377,885	12.1%
Oversubscriptions Offer	35,714,285	2.9%
Total:	1,222,737,371	100%

Notes: There are also 448,621,205 options and 23,873,948 performance rights on issue of various classes (and corresponding terms and conditions). The Company does not anticipate that any of the existing options and performance rights will be converted into Shares prior to the Record Date.

2.2 Dilution

If Eligible Shareholders do not take up their full Entitlements under the Entitlement Offer, then the interests of those Eligible Shareholders will be diluted. The proportional interests of any ineligible Shareholders will be diluted because those ineligible Shareholders are not entitled to participate in the Entitlement Offer.

Assuming no existing options or performance rights are converted prior to the Record Date, the maximum number of Shares which will be issued pursuant to the Entitlement Offer is approximately 148,377,885. This equates to approximately 12.1% of all the issued Shares in the Company following the completion of the Entitlement Offer (assuming that no options or performance rights are converted prior to that date).

The maximum dilution the Offers will have on existing Shareholders will be approximately 15.1% (on an undiluted basis) and approximately 22.4% on a fully-diluted basis.

2.3 Effect of the Entitlement Offer on control

If all Eligible Shareholders take up their full Entitlements, there would be no significant effect on the control of the Company, as the Entitlement Offer is made pro-rata and in that case no rights would lapse or revert to the Shortfall Placement.

As the Company does not propose to apply to ASIC for approval of the appointment of a nominee for the purposes of section 615 of the Corporations Act, the Company will endeavour to ensure that no person will be permitted to acquire a Relevant Interest in issued Voting Shares in the Company that increases their, or someone else's, Voting Power in the Company either: (i)

from 20% or below to more than 20%, or (ii) from a starting point that is above 20% and below 90%.

There are no Shareholders holding an interest in 5% or more of the Shares on issue as at the date of this Prospectus. Based on the information known as at the date of this Prospectus, on the assumption that Eligible Shareholders take up their full Entitlements under the Entitlement Offer, as at the Closing Date there will be no persons that will have an interest in 5% or more of the Shares on issue.

2.4 Pro-forma statement of financial position

Set out below are the Company's Consolidated Statement of Financial Position as at 31 December 2023 (unaudited) and the Company's Pro-Forma Consolidated Statement of Financial Position as at 31 December 2023 (unaudited) (**Statements**).

The Statements are presented in abbreviated form insofar as they do not include all the disclosures that are present in annual financial reports as required by Australian Accounting Standards. The significant accounting policies that underpin the Statements are the same policies as those outlined in the Company's Annual Report for the year ended 30 June 2023.

The Pro-Forma Statement of Financial Position has been prepared on the basis that there are no material movements in the assets and liabilities of the Company between 31 December 2023 and the completion of the Entitlement Offer except for the matters the subject of notes below, including:

- (a) completion of the Placement to raise \$2,000,000 (before costs);
- (b) at full subscription of the Offers, the issue of 184,092,170 New Shares at \$0.014 (1.4 cents) each (subject to rounding and assuming that no options or performance rights are converted before the Record Date) to raise up to \$2,577,290 (before associated costs);
- (c) estimated costs of the Entitlement Offer and the Placement; and
- (d) operating expenditure and device business expenditure from 31 December 2023 to date.

The accounting policies adopted in the preparation of the pro forma balance are consistent with the accounting policies adopted and described in the Company's Financial Report for the year ended 30 June 2023 and should be read in conjunction with that Financial Report.

Pro-forma Balance Sheet:

	Reviewed 31-Dec-23	Unaudited Pro Forma Adjustments (Placement)	Unaudited Pro Forma Adjustments (Entitlement Offer)	Unaudited Pro Forma
	\$	\$	\$	\$
Assets				

Current assets

Cash and cash equivalents	1,395,462	1,880,000	2,232,814	5,508,276
Trade and other receivables	650,355			650,355
Accrued income	577,390			577,390
Other assets	90,775			90,775
Total current assets	2,713,982	1,880,000	2,232,814	6,826,796

Non-current assets

Other financial assets	6,211,633			6,211,633
Property, plant and equipment	52,762			52,762
Right-of-use assets	805,153			805,153
Intangibles	1,822,727			1,822,727
Total non-current assets	8,892,275	-	-	8,892,275

Total assets	11,606,257	1,880,000	2,232,814	15,719,071
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Liabilities**Current liabilities**

Trade and other payables	1,303,966			1,303,966
Deferred revenue	63,874			63,874
Lease liabilities	357,399			357,399
Employee benefits	21,391			21,391
Total current liabilities	1,746,630	-	-	1,746,630

Non-current liabilities

Lease liabilities	482,418			482,418
Total non-current liabilities	482,418	-	-	482,418

Total liabilities	2,229,048	-	-	2,229,048
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Net assets	9,377,209	1,880,000	2,232,814	13,490,023
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Equity

Issued capital	48,018,022	1,880,000	2,232,814	52,130,836
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Reserves	6,043,807			6,043,807
Accumulated losses	<u>(44,655,657)</u>			<u>-44,655,657</u>
Equity attributable to the owners of Unith Ltd	9,406,172	1,880,000	2,232,814	13,518,986
Non-controlling interest	<u>(28,963)</u>			<u>-28,963</u>
Total equity	<u>9,377,209</u>	<u>1,880,000</u>	<u>2,232,814</u>	<u>13,490,023</u>

3. ACTION REQUIRED BY APPLICANTS

3.1 Entitlements

Your entitlement to participate in the Entitlement Offer will be determined on the Record Date. The number of New Shares that Eligible Shareholders are entitled to is shown on the Entitlement and Acceptance Form accompanying this Prospectus.

If you do not accept your Entitlement, then your percentage holding in the Company will be diluted.

If you are an Eligible Shareholder you may either:

- (a) take up all or part of your Entitlement in accordance with this Prospectus, and in these circumstances you apply for New Shares and New Options under the Oversubscriptions Offer; or
- (b) decline to exercise all or part of your Entitlement and allow it to lapse.

If you are an Eligible Shareholder and wish to accept all or part of your Entitlement:

- (c) carefully read this Prospectus in its entirety;
- (d) consider the risks associated with an investment in the Company (refer to Section 4) in light of your personal circumstances;
- (e) complete the relevant personalised Entitlement and Acceptance Form, including the number of New Shares you wish to accept under the Entitlement Offer and apply for under the Oversubscriptions Offer, in accordance with the instructions contained in this Prospectus and detailed on the Entitlement and Acceptance Form; and
- (f) return the completed Entitlement and Acceptance Form together with the Application Monies (calculated at \$0.014 (1.4 cents) per New Share accepted) in accordance with Section 3.2, so that it is received by no later than 5.00pm (AEDT) on the Closing Date.

To the extent you do not accept all or part of your Entitlement, it will lapse. As the Entitlement Offer is non-renounceable, your Entitlement is not able to be tradeable on ASX or otherwise transferable or able to be sold.

Shareholders who do not take up their Entitlement in full will not receive any payment or value for any part of the Entitlement they do not take up. Shareholders who do not take up their Entitlement in full will have their proportionate interest in the Company diluted.

3.2 How to Apply

Complete the hard copy of the Entitlement and Acceptance Form accompanying the hard copy of this Prospectus and mail or hand deliver the completed Entitlement and Acceptance Form with cheque or bank draft to the Share Registry at the relevant address shown on the Entitlement and Acceptance Form so it is received before 5.00pm (AEDT) on the Closing Date.

By Post To:	Delivered To:
Unith Ltd C/- Boardroom Pty Limited, Level 8, 210 George Street, Sydney, New South Wales 2000	Unith Ltd C/- Boardroom Pty Limited, Level 8, 210 George Street, Sydney, New South Wales 2000

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to “Unith Ltd” and crossed “Not Negotiable”.

Applicants in Australia may also apply for New Shares and New Options by applying online at www.investorserve.com.au. An Applicant must comply with the instructions on the website. An Applicant paying the Application Monies by BPAY® must use the unique BPAY® Customer Reference Number provided.

A personalised Entitlement and Acceptance Form will be issued to the Eligible Shareholders together with a copy of this Prospectus.

An original completed and lodged Entitlement and Acceptance Form (or a paper copy of the Entitlement and Acceptance Form from the Electronic Prospectus), together with a cheque for the Application Monies, constitutes a binding and irrevocable offer to subscribe for the number of New Shares and New Options specified in the Entitlement and Acceptance Form. The Entitlement and Acceptance Form does not have to be signed to be a valid Application. An Application will be deemed to have been accepted by the Company upon allotment of the New Shares.

It is a term of the Entitlement Offer that if an Application is not completed or submitted correctly it may still be treated as a valid Application for New Shares and New Options. The Company’s decision whether to treat an Application as valid and how to construe, amend, complete or submit the Application is final. By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Money or making a payment by BPAY, you:

- (a) agree to be bound by the terms of this Prospectus and the provisions of the Constitution;
- (b) authorise the Company to register you as the holder(s) of the New Shares and New Options allotted to you;
- (c) declare that all details and statements made in the Entitlement and Acceptance Form are complete and accurate;
- (d) declare that you are not associated (as that term is defined in sections 12 and 16 of the Corporations Act) with any existing Shareholder of the Company;
- (e) declare that you will not acquire a Relevant Interest in issued Voting Shares in the Company that increases your, or someone else’s, Voting Power in the Company either: (i) from 20% or below to more than 20%, or (ii) from a starting point that is above 20% and below 90%;

- (f) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement Offer;
- (g) acknowledge that once the Company receives the Entitlement and Acceptance Form or your payment by BPAY, you may not withdraw it (including if the Underwriting Agreement is terminated) except as allowed by law;
- (h) agree to apply for, and be issued with up to, the number of New Shares that you apply for at the issue price \$0.014 (1.4 cents) per New Share;
- (i) authorise the Company and its officers or agents to do anything on your behalf necessary for the New Shares and New Options to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in the Entitlement and Acceptance Form;
- (j) declare that you are the current registered holder(s) of the Shares in your name as at the Record Date;
- (k) acknowledge that the information contained in this Prospectus is not investment advice or a recommendation that New Shares and New Options are suitable for you, given your investment objectives, financial situation or particular needs;
- (l) acknowledge, represent and warrant that the law of any other place does not prohibit you from being given this Prospectus or making an application for New Shares and New Options; and
- (m) acknowledge, represent and warrant that you are an Eligible Shareholder and have read and understood this Prospectus and the Entitlement and Acceptance Form and that you acknowledge the matters, and make the warranties and representations and agreements, contained in this Prospectus and the Entitlement and Acceptance Form.

The Entitlement Offer may be closed at an earlier date and time at the discretion of the Directors, without prior notice. Applicants are therefore encouraged to submit their Entitlement and Acceptance Forms as early as possible. However, the Company reserves the right to extend the Entitlement Offer or accept late Applications.

3.3 Brokerage

No brokerage or stamp duty is payable by Eligible Shareholders who accept their Entitlement or apply for securities under the Oversubscriptions Offer.

4. RISK FACTORS

The Shares are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend that potential investors consider the risks factors described below, together with information contained elsewhere in this Prospectus, and consult their professional advisers before deciding whether to apply for New Shares and New Options under this Prospectus.

The proposed future activities of the Company are subject to a number of risks and other factors which may impact its future performance. Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, many of the risks are outside the control of the Company and cannot be mitigated.

Investors should be aware that the performance of the Company may be affected and the value of its New Shares and New Options may rise or fall over any given period. Some of the factors which investors should consider before they make a decision whether or not to take up their entitlement include, but are not limited to, the risks in this Section 4.

4.1 Company Specific Risks

(a) Failure to scale-up or commercialise

There is a risk that the Company will be unable to achieve sufficient scale in the commercialisation of its products across all target customer segments, which could potentially result in reduced or negative growth.

There is also a risk that the Company's products launched and developed to the market may be unprofitable because they are not supported by sufficient market interest or otherwise not adequately marketed and fail to sell. There is also a risk that the products waste operating costs or incurs operating costs earlier than necessary or greater than forecast.

(b) Force majeure

The Company, now or in the future, may be adversely affected by risks outside the control of the Company including epidemics (such as the novel coronavirus), labour unrest, machinery or equipment breakdown or damage, transportation disruptions, civil disorder, war, subversive activities or sabotage, extreme weather conditions, fires, floods, explosions or other catastrophes or quarantine restrictions.

(c) Failure to effectively attract new, or retain existing, customers

The Company's business depends on its ability to retain existing clients, attract further business from existing clients and to gain new clients. There is a risk the Company's existing clients reduce their usage of its products.

The Company's ability to retain existing clients and attract new clients, as well as the Company's clients' level of usage of the Company's solution, depends on many factors including the adequacy of the

Company's solution with respect to matters such as functionality, reliability, cost-effectiveness, pricing and client support. In addition, clients' use of the Company's solution may be affected by external factors such as changes to laws and regulations which affect the Company's clients' business. If the Company's clients do not continue to use the Company's solution or increase their use over time, or if new clients do not choose to use the Company's solution, the growth in the Company's revenue may slow or decline.

(d) Disruption to, or failure of, technology systems and software, including security breaches

There is a risk that the Group's systems and software may be adversely affected by damaged or faulty equipment misuse by staff or contractors, disruption, failure, service outages or data corruption that could occur as a result of computer viruses, "worms", malware, ransomware, internal or external misuse by websites, hacking or cyber-attacks, and other disruptions including natural disasters, power surges or outages, terrorist attacks, or other similar events.

There is also a risk that security and technical precaution measures taken by the Group and its third-party operators will not be sufficient to prevent unauthorised access to the Group's networks, systems and databases.

Operational or business delays, and damage to reputation, may result from any disruption or failure of the Group's information systems and product delivery platforms, which may be caused by events outside the Group's control. This could lead to claims against the Group by its customers, reduce the attractiveness of the Group's software and services to its clients, subject the Group to legal action and/or regulatory scrutiny and the potential termination of customer contracts.

(e) Technology and software

Long term development of software can lead to dependency on dated technology that restricts maintainability, speed of development, security and the Group's competitiveness in the market. Rapid growth can incur technical debt in service of speed to market. As with all information technology and software products, there is a risk of technological obsolescence. New technology may be perceived by customers to have advantages over the Group's current products.

(f) Talent retention and acquisition

The Group's success depends to some extent on its ability to attract and retain key personnel; specifically, technology talent, implementation and customer success roles, payroll specialists and senior management with extensive experience in, and knowledge of, the education, government, justice and employment industries in which the Group operates.

The loss of key personnel may adversely affect the Group's ability to develop its products, or implement its business strategies and may adversely affect its future financial performance. This continues to be

an elevated risk due to a tight labour market, wage inflation driven by an increased demand for this talent by acceleration of digital strategies, lack of migration and skills shortages.

(g) Regulatory risk

The Group's products are significantly influenced and affected by government policy and regulations which apply to the education, employment and government related entities industries in which the Group operates. There is a risk that the Group may fail to keep abreast of such policy and regulations and potential changes to the same, which may have an adverse impact on its business, operations and financial performance.

Any material new or altered law, regulation or policy which impacts the Group's products could require the Group to increase spending and employee resources on regulatory compliance and/or change its business practices, which would adversely affect the Group's operations and profitability. Further, there is a risk that customers may reduce their usage of the Group's products, or that the Group may fail to attract new customers, if the Group fails to offer solutions with appropriate coverage of compliance or regulatory requirements as sought by its customers.

(h) Investment in capital markets

As with all stock market investments, there are risks associated with an investment in the Company. Securities listed on the stock market, and in particular securities of technology companies, have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of Shares regardless of the Company's performance. The price of Shares and New Options might trade below or above the issue price for the New Shares and New Options.

(i) Climate change

There are a number of climate-related factors that may affect the Company's business or its assets. For instance:

- (i) climate change or prolonged periods of adverse weather and climatic conditions (including rising sea levels, floods, hail, drought, water, scarcity, temperature extremes, frosts, earthquakes and pestilences) may have an adverse effect on the Company's ability to access and utilise its operations and/or on the Company's ability to transport or sell its products; and
- (ii) changes in policy, technological innovation and consumer or investor preferences could adversely impact the Company's business strategy or the value of its assets (including its tenements), or may result in less favourable pricing for products, particularly in the event of a transition (which may occur in unpredictable ways) to a lower-carbon economy.

(j) Dilution risk

Upon implementation of the Offers and the Placement, assuming all Entitlements are accepted, all New Shares and New Options under the Placement are subscribed for, and no existing options or performance rights are converted prior to the Record Date, the number of Shares in the Company will increase from 1,038,645,201 currently on issue to 1,360,668,405. This means that each Share will represent a significantly lower proportion of the ownership of the Company.

It is not possible to predict what the value of the Company or a Share will be following the completion of the Entitlement Offer being implemented and the Directors do not make any representation as to such matters.

The last effective trading price of Shares on ASX prior to the prospectus being lodged of \$0.015 (1.5 cents) is not a reliable indicator as to the potential trading price of Shares after implementation of the Offers.

(k) Competition risk

The industry in which the Company will be involved is subject to domestic and global competition.

Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(l) Insurance risks

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover, and some risks, notably including cyber-security risks may not be able to be adequately insured on commercial terms.

The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance against all risks associated with the business's operations is not always available and where available the costs can be prohibitive.

(m) Reliance on key management

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel.

There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

4.2 General Risks

(a) Litigation

The Company may be subject to litigation and other claims with its suppliers. Such claims are usually dealt with and resolved in the normal course, but should any claims not be resolved any dispute or litigation in relation to this or any other matter in which the Company may in the future become involved could result in significant disruption, potential liability and additional expenditure.

(b) Share market conditions

The market price of the Shares may fall as well as rise and may be influenced by the varied and unpredictable movements in the equity markets. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) Economic risk

Changes in the general economic climate in which Company operates may adversely affect the financial performance of Company. Factors that may contribute to that general economic climate include the extent to which renewable energy becomes increasingly popular and/or viable, the level of direct and indirect competition against the Company, industrial disruption in Australia, the rate of growth of Australia's gross domestic product, interest rates and the rate of inflation.

(d) Policies and legislation

Any material adverse changes in government policies or legislation of Australia or any other country that the Company has economic interests may affect the viability and profitability of the Company.

(e) Taxation

There may be tax implications arising from applications for New Shares, the receipt of dividends (both franked and unfranked) (if any) from the Company, the participation in any on-market Share buy-back and on the disposal of New Shares.

(f) Global credit and investment markets

Global credit, commodity and investment markets volatility may impact the price at which the Shares trade regardless of operating performance, and affect the Company's ability to raise additional equity and/or debt to achieve its objectives, if required.

(g) Counterparty risk

There is a risk that contracts and other arrangements within which the Company is party to and obtains a benefit from, will not be performed by the relevant counterparties if those counterparties become insolvent or are otherwise unable to perform their obligations.

(h) Investment speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company.

The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Shares and New Options offered under this Prospectus.

Therefore, the New Shares and New Options to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Shares and New Options. Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for New Shares and New Options pursuant to this Prospectus.

5. RIGHTS ATTACHING TO SHARES AND NEW OPTIONS

5.1 General rights

A summary of the rights attaching to the New Shares and New Options under the Offers is detailed below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities that attach to the New Shares and New Options in any specific circumstances, the Shareholder should seek legal advice.

5.2 Rights attaching to Shares

(a) Voting Rights

Subject to the Constitution and any rights or restrictions at the time being attached to a class of shares, at a general meeting of the Company every Shareholder present in person, or by proxy, attorney or representative has one vote on a show of hands, and upon a poll, one vote for each Share held by the Shareholder and for each partly paid share held, a fraction of one vote equal to the proportion which the amount paid up bears to the amounts paid or payable on that share. In the case of an equality of votes, the chairperson does not have a casting vote.

(b) Dividends

Subject to the Corporations Act and the ASX Listing Rules, the Directors may determine that a dividend (whether interim, final or otherwise) is payable and fix the amount, method and time for payment of the dividend.

(c) Winding up

If the Company is wound up whether voluntarily or otherwise, the liquidator may, with the sanction of a special resolution (being a resolution passed by not less than 75% of the votes validly cast at a general meeting), divide amongst the Shareholders in specie or kind, the whole or any part of the assets of the Company and may for that purpose, set such value as the liquidator considers fair upon any property to be so divided and may determine how the division is to be carried out as between the Shareholders or different classes of shareholders of the Company.

(d) Transfer of Shares

Generally, Shares are freely transferable, subject to satisfying the requirements of the ASX Listing Rules, the ASX Settlement Operating Rules, the ASX Clear Operating Rules and the Corporations Act. The Directors may decline to register any transfer of Shares but only where permitted to do so by the Corporations Act, the ASX Listing Rules, the

ASX Settlement Operating Rules, the ASX Clear Operating Rules or under the Constitution.

(e) Calls on Shares

Subject to the Corporations Act, the Constitution and the terms of issue in respect of a Share, the Company may, at any time, make calls on the Shareholders of a Share for all, or any part of, the amount unpaid on the Share. If a Shareholder of the Company fails to pay a call or instalment of a call, the Company may, subject to the Corporations Act and the ASX Listing Rules, commence legal action for all, or part of the amount due, enforce a lien on the Share in respect of which the call was made or forfeit the Share in respect of which the call was made.

(f) Further Increases in Capital

Subject to the Corporations Act, the ASX Listing Rules, the Constitution and any rights attached to a class of Shares, the Company (under the control of the Directors) may allot and issue Shares and grant options over Shares, on any terms, at any time and for any consideration, as the Directors resolve.

(g) Variation of Rights Attaching to Shares

Subject to the Corporations Act, the ASX Listing Rules, the Constitution and the terms of issue of Shares in a particular class, the Company may vary or cancel rights attached to Shares in that class by either special resolution passed at a general meeting of the holders of the Shares in that class, or with the written consent of the holders of at least 75% of the votes in that class.

(h) General Meeting

Each Shareholder will be entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive notices, accounts and other documents required to be furnished to Shareholders under the Constitution, the Corporations Act and the ASX Listing Rules.

(i) Alteration of constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least 75% of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

5.3 Terms of Listed Options

(a) Entitlement

Each Listed Option entitles the holder to subscribe for one Share upon exercise of the Listed Option.

(b) Exercise Price

Subject to Section 5.3(j), the amount payable upon exercise of each Listed Option will be \$0.03 (in this Section 5.3, **Exercise Price**).

(c) Expiry Date

Each Listed Option will expire at 5.00pm (AWST) on 31 March 2026 (in this Section 5.3, **Expiry Date**). An Listed Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

The Listed Options are exercisable at any time on or prior to the Expiry Date (in this Section 5.3, **Exercise Period**).

(e) Notice of Exercise

The Listed Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Listed Option certificate (in this Section 5.3, **Notice of Exercise**) and payment of the Exercise Price for each Listed Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Listed Option being exercised in cleared funds (in this Section 5.3, **Exercise Date**).

(g) Timing of issue of Shares on exercise

Within 5 Business Days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 5 Business Days after the Exercise Date, the Company will:

- (iii) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, as soon as practicable lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer

for sale of the Shares does not require disclosure to investors;
and

- (v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Listed Options.

If a notice delivered under Section 5.3(g)(iv) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 5 Business Days or as soon as practicable after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

- (h) Shares issued on exercise

Shares issued on exercise of the Listed Options rank equally with the then issued shares of the Company.

- (i) Quotation of Listed Option and of Shares issued on exercise

- (i) The Company will apply for quotation of the Listed Options to ASX. In the event that quotation of the Listed Options cannot be obtained, the Listed Options will remain unlisted.

- (ii) Application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Listed Options.

- (j) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Listed Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

- (k) Participation in new issues

There are no participation rights or entitlements inherent in the Listed Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Listed Options without exercising the Listed Options.

- (l) Change in exercise price

An Listed Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Listed Option can be exercised.

- (m) Transferability

The Listed Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

5.4 Terms of Unlisted Options

(a) Entitlement

Each Unlisted Option entitles the holder to subscribe for one Share upon exercise of the Unlisted Option.

(b) Exercise Price

Subject to Section 5.4(j), the amount payable upon exercise of each Unlisted Option will be \$0.023 (in this Section 5.4, **Exercise Price**).

(c) Expiry Date

Each Unlisted Option will expire at 5.00pm (AWST) on 30 September 2024 (in this Section 5.4, **Expiry Date**). An Unlisted Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

The Unlisted Options are exercisable at any time on or prior to the Expiry Date (in this Section 5.4, **Exercise Period**).

(e) Notice of Exercise

The Unlisted Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Unlisted Option certificate (in this Section 5.4, **Notice of Exercise**) and payment of the Exercise Price for each Unlisted Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Unlisted Option being exercised in cleared funds (in this Section 5.4, **Exercise Date**).

(g) Timing of issue of Shares on exercise

Within 5 Business Days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 5 Business Days after the Exercise Date, the Company will:

- (iii) allot and issue the number of Shares required under these terms and conditions in respect of the number of Unlisted Options

specified in the Notice of Exercise and for which cleared funds have been received by the Company;

- (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, as soon as practicable lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Unlisted Options.

If a notice delivered under Section 5.4(g)(iv) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 5 Business Days or as soon as practicable after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

- (h) Shares issued on exercise

Shares issued on exercise of the Unlisted Options rank equally with the then issued shares of the Company.

- (i) Quotation of Unlisted Option and of Shares issued on exercise

- (i) The Company will not apply for quotation of the Unlisted Options to ASX.

- (ii) Application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Unlisted Options.

- (j) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Unlisted Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

- (k) Participation in new issues

There are no participation rights or entitlements inherent in the Unlisted Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Unlisted Options without exercising the Unlisted Options.

(l) Change in exercise price

An Unlisted Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Unlisted Option can be exercised.

(m) Transferability

The Unlisted Options are non-transferable.

5.5 Dividend policy

The Company does not intend to declare or pay any dividends in the immediately foreseeable future.

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

6. ADDITIONAL INFORMATION

6.1 Continuous disclosure obligations

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act, and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The New Shares are in the same class as Shares that have been quoted on the official list of the ASX during the three months prior to the issue of this Prospectus.

This Prospectus is a 'transaction specific prospectus' to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities, or operation to acquire securities, in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms 'transaction specific prospectuses' are only required to contain information in relation to the effect of the issue of New Shares and New Options on the Company and the rights attaching to the New Shares and New Options. It is not necessary to include general information in relation to all of the assets and liabilities, the financial position, profits and losses or prospects of the issuing company.

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

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

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

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

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and

- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the closing date of the Entitlement Offer:
- (i) the annual financial report of the Company for the financial year ended 30 June 2023 being the most recent annual financial report of the Company lodged with the ASIC before the issue of this Prospectus; and
 - (ii) any documents used to notify ASX of information relating to the Company in the period from lodgement of the annual financial report referred to in paragraph (i) above until the issue of this Prospectus in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act.

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

The Company has lodged the following announcements with ASX since the lodgement of its annual report on 31 August 2023:

Description of announcement	Date
Notice of General Meeting/Proxy Form	21 February 2024
Update - Proposed issue of securities - UNT	13 February 2024
Revised Entitlement Offer Timetable	13 February 2024
Successful Placement and Cleansing Notice	13 February 2024
Application for quotation of securities - UNT	12 February 2024
Notification regarding unquoted securities - UNT	12 February 2024
Notification of cessation of securities - UNT	12 February 2024
Update - Proposed issue of securities - UNT	9 February 2024
Unith's Investment in Generative AI Sees 100% Growth	8 February 2024
Update - Proposed issue of securities - UNT	7 February 2024
Investor Update	6 February 2024
Proposed issue of securities - UNT	5 February 2024
Proposed issue of securities - UNT	5 February 2024
Placement and Entitlements Offer to raise up to \$4.5m	5 February 2024
Trading halt	1 February 2024
Quarterly Activities/Appendix 4C Cash Flow Report	31 January 2024
S203D and S249D Notices received	24 January 2024
Business Update	5 December 2023

Results of Meeting	1 December 2023
Cleansing Notice Section 708A(5)(e)	13 November 2023
Application for quotation of securities - UNT	13 November 2023
Notice of Annual General Meeting/Proxy Form	27 October 2023
Letter to Shareholders - AGM	27 October 2023
Quarterly Activities / Appendix 4C Cash Flow Report	17 October 2023
UNITH Q1 FY24 Investor Webinar	16 October 2023
Corporate Governance Statement and Appendix 4G	1 September 2023
Commentary on Full Year Results	31 August 2023
Appendix 4E & Annual Report to shareholders	31 August 2023

6.2 Lead Manager Agreement

In accordance with the Lead Manager Agreement, the Lead Manager has agreed to act as lead manager and broker for the purposes of the Placement, the Entitlement Offer and the Shortfall Placement.

Under the Lead Manager Agreement, the Lead Manager has agreed to, inter alia:

- (a) assist with managing and facilitating the Entitlement Offer; and
- (b) assist on a best endeavours basis to facilitate the Placement and the Shortfall Placement.

In consideration for the provision of the services, the Company must pay Lead Manager the following fees:

- (c) 6% plus GST on all funds raised from:
 - (i) the Placement; and
 - (ii) New Shares placed by the Lead Manager pursuant to the Shortfall Placement;
- (d) 10,000,000 Unlisted Options and 10,000,000 Listed Options; and
- (e) 1 Unlisted Option and 1 Listed Option for every \$2 raised from New Shares placed by the Lead Manager pursuant to the Shortfall Placement.

The Lead Manager Agreement contains other terms and conditions considered standard for an agreement of its nature.

The Lead Manager is not a related party of the Company.

6.3 Interests of Directors

No Director or proposed director (or entity in which they are a partner or director) has, or has had in the two years before the date of this Prospectus, any interests in:

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

no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to:

- (d) any Director or proposed director to induce him or her to become, or to qualify as, a Director or proposed director; or
- (e) any Director or proposed director for services which he or she (or an entity in which they are a partner or director) has provided in connection with the formation or promotion of the Company or the Entitlement Offer,

except as disclosed in this Prospectus and as follows.

6.4 Director holdings

The Directors and their related entities have the following interests in Shares as at the date of this Prospectus:

Director	Shares held
Mr Sytze Voulon, Non-Executive Chairman ¹	2,000,000
Mr Justin Baird, Non-Executive Director	Nil
Mr Scott Mison, Non-Executive Director ²	4,006,061
Mr Matthew Blake, Non-Executive Director ³	3,909,091

Notes:

1. Mr Sytze Voulon also holds 2,000,000 options over ordinary shares exercisable at \$0.06 expiring 25 July 2024.
2. Mr Scott Mison also holds 3,000,000 options over ordinary shares exercisable at \$0.06 expiring 25 July 2024.
3. Mr Matthew Blake also holds 3,000,000 options over ordinary shares exercisable at \$0.06 expiring 25 July 2024.

At the date of this Prospectus, the Directors and their related entities who hold shares and intend to accept all of their Entitlements, subject to their respective financial positions prior to the Closing Date. Based on the intentions of the Directors and their related entities at the date of this Prospectus in relation to the Entitlement Offer, and assuming that no options or performance rights are converted prior to the Record Date, the Directors and their related entities will have approximately the following interests in Shares as at the Closing Date:

Director	Shares held
Mr Sytze Voulon, Non-Executive Chairman ¹	2,285,714
Mr Justin Baird, Non-Executive Director	Nil
Mr Scott Mison, Non-Executive Director ²	4,578,335
Mr Matthew Blake, Non-Executive Director ³	4,467,532

Notes:

1. Mr Sytze Voulon also holds 2,000,000 options over ordinary shares exercisable at \$0.06 expiring 25 July 2024.
2. Mr Scott Mison also holds 3,000,000 options over ordinary shares exercisable at \$0.06 expiring 25 July 2024.
3. Mr Matthew Blake also holds 3,000,000 options over ordinary shares exercisable at \$0.06 expiring 25 July 2024.

6.5 Remuneration of Directors

The Directors have received the following remuneration in respect of the financial years ended 30 June 2022 and 30 June 2023.

Director	Remuneration (\$) for financial year ended 30 June 2022	Remuneration (\$) for financial year ended 30 June 2023
Mr Sytze Voulon, Non-Executive Chairman ¹	46,667	80,124
Mr Justin Baird, Non-Executive Director ²	Nil	Nil
Mr Scott Mison, Non-Executive Director ³	96,000	96,000
Mr Matthew Blake, Non-Executive Director ⁴	60,000	60,000

Note:

1. Mr Sytze Voulon is paid an annual salary of \$80,124.
2. Mr Justin Baird was appointed as director of the Company on 26 July 2023, and is paid an annual salary of \$60,000.
3. Mr Scott Mison is paid an annual salary of \$60,000, plus an additional \$36,000 for company secretarial services.
4. Mr Matthew Blake is paid an annual salary of \$60,000.

A Director may also be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out-of-pocket expenses incurred as a result of their directorship or any special duties.

6.6 Interests of promoters, experts and advisers

No promoter or other person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus (or entity in which they are a

partner or director) holds, has, or has had in the two years before the date of this Prospectus, any interest in:

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

and no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be paid to a promoter or any person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (or entity in which they are a partner or director), provided in connection with the formation or promotion of the Company or the Offers, except as disclosed in this Prospectus and as follows:

- (d) Evolution Capital Pty Ltd has acted as Lead Manager to the Placement. In respect of this work, in addition to the New Options the subject of the Broker Offer, the Company will pay Evolution Capital Pty Ltd approximately \$244,637 (assuming maximum Shortfall) or approximately \$120,000 (assuming nil Shortfall);
- (e) Eaton Hall has acted as the Australian lawyers to the Company for the Entitlement Offer. In respect of this work the Company will pay Eaton Hall approximately \$40,000. During the two years before the date of this Prospectus, Eaton Hall has provided the Company with legal services and was paid approximately \$66,550 for these services; and
- (f) Boardroom Pty Limited conducts the Company's share registry functions. Boardroom Pty Limited will be paid for these services on standard industry terms and conditions.

The amounts disclosed above are exclusive of GST (if any) payable by the Company in respect of those amounts.

6.7 Related party transactions

At the date of this Prospectus, no material transactions with related parties and Directors' interests exist that the Directors are aware of, other than those disclosed in the Prospectus.

6.8 Expenses of Entitlement Offer

The total expenses of the Offers payable by the Company are:

Expense	Amount (\$)
Lead Manager fees ¹	244,637
ASIC lodgement fee	3,206
ASX quotation fee	14,133

Legal expenses	40,000
Share Registry	30,000
Printing and distribution	12,000
Miscellaneous	500
Total	344,476

Note:

1. This is based on 100% shortfall. Based on a nil shortfall, the Lead Manager fees would be \$120,000.

6.9 Market price of Shares

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

- (a) Highest: \$0.022 (2.2 cents) on 4 January 2024; and
- (b) Lowest: \$0.013 (1.3 cents) on 15 February 2024.

The latest available market sale price of the Shares on ASX prior to the date of lodgement of this Prospectus with ASIC was \$0.015 (1.5 cents) per Share on 22 February 2024.

6.10 Taxation

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offers, by consulting their own professional tax advisers. Neither the Company nor any of its Directors or officers accepts any liability or responsibility in respect of the taxation consequences of the matters referred to above.

6.11 Litigation and Claims

So far as the Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company (or any other member of the Group) is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company or the Group, other than as disclosed in this Prospectus.

6.12 Consents

Each of the parties referred to in this Section 6.12:

- (a) has given the following consents in accordance with the Corporations Act which have not been withdrawn as at the date of lodgement of this Prospectus with ASIC; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference

to its name and a statement included in this Prospectus with the consent of that party as specified in this Section 6.12.

None of the parties referred to in this Section 6.12 authorised or caused the issue of this Prospectus or the making of the Entitlement Offer.

Evolution Capital Pty Ltd has given its written consent to being named as the Lead Manager in respect to the Placement. Evolution Capital Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Eaton Hall has given its written consent to being named as Australian legal advisor to the Company. Eaton Hall has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Each of the Directors has given their written consent to being named in this Prospectus in the context in which they are named and have not withdrawn their consent prior to lodgement of this Prospectus with ASIC.

6.13 Electronic Prospectus

Pursuant to Regulatory Guide 107 ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an Electronic Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of Shares in response to an electronic Entitlement and Acceptance Form, subject to compliance with certain provisions. If you have received this Prospectus as an Electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the Entitlement and Acceptance Form. If you have not, please email the Company and the Company will send to you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

The Company reserves the right not to accept an Entitlement and Acceptance Form from a person if it has reason to believe that when that person was given access to the electronic Entitlement and Acceptance Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application moneys received will be dealt with in accordance with section 722 of the Corporations Act.

6.14 Documents Available for Inspection

Copies of the following documents are available for inspection during normal business hours at the registered office of the Company at 202 / 37 Barrack Street, Perth, Western Australia:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 6.12.

6.15 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules, and which is required to be set out in this Prospectus.

6.16 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the New Shares.

7. AUTHORISATION

This Prospectus is authorised by each of the Directors.

This Prospectus is signed for and on behalf of the Company, pursuant to a resolution of the Board, by:



Mr Sytze Voulon
Chairman
Dated 23 February 2024

8. GLOSSARY OF TERMS

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$ means Australian dollars.

AEDT means Australian Eastern Daylight Savings Time.

AI means artificial intelligence.

Applicant means a person who submits an Entitlement and Acceptance Form.

Application means a valid application for New Shares and New Options under the Entitlement Offer made pursuant to an Entitlement and Acceptance Form.

Application Form means an application form provided by the Company in respect of one or more Secondary Offers.

Application Monies means Application monies for Shares under the Entitlement Offer received and banked by the Company.

ASIC means the Australian Securities and Investments Commission.

ASX means Australian Securities Exchange Limited (ACN 008 624 691) or, where the context requires, the financial market operated by it.

ASX Settlement Rules means ASX Settlement Operating Rules of ASX Settlement Pty Ltd (ABN 49 008 504 532).

AWST means Australian Western Standard Time.

Board means the board of Directors as at the date of this Prospectus.

Broker Offer has the meaning given in Section 1.16.

CHES means Clearing House Electronic Subregister System.

Closing Date means the closing date of the Entitlement Offer detailed in the Indicative Timetable.

Company means Unith Ltd (ACN 083 160 909).

Constitution means the constitution of the Company.

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

Directors means the directors of the Company.

EGM means the Extraordinary General Meeting of the Company to be held on 28 March 2024.

EGM Notice means the Notice of Meeting for the EGM dated 19 February 2024.

Electronic Prospectus means the electronic copy of this Prospectus located at the Company's website www.unith.ai.

Eligible Shareholder means an eligible person in accordance with Section 1.12 who:

- (a) is a Shareholder at 4.00pm (AWST) on the Record Date; and
- (b) has a registered address in Australia, New Zealand or the Netherlands as recorded with the Share Registry as at the Record Date.

Entitlement means a Shareholder's entitlement to subscribe for New Shares under the Entitlement Offer.

Entitlement and Acceptance Form means the Entitlement and Acceptance Form attached to this Prospectus.

Entitlement Offer means the non-renounceable pro rata entitlement issue by the Company, pursuant to this Prospectus, of one (1) New Share for every seven (7) Shares held by Eligible Shareholders at the Record Date at an issue price of \$0.014 (1.4 cents) per New Share, together with one (1) free-attaching Unlisted Option and one (1) free-attaching Listed Option for every two (2) New Shares issued to Eligible Shareholders.

General Meeting means a general meeting of Shareholders.

Group means any and all of:

- (a) the Company; and
- (b) the following wholly-owned subsidiaries: Q Share Plan Pty Ltd, Bongo IP Pty Ltd, Digital Global Marketing Pty Ltd, Crowd Mobile Co-Operatief U.A., Crowd Mobile QA Services B.V., Track Holdings B.V., Track Online B.V., Track Concepts B.V., Be Tracked Media B.V., Vivazz Mobile B.V., Track Mobile B.V., Immediato B.V., Mobilizo B.V., Yulara B.V., Crowd Mobile IP B.V., Crowd Media B.V., Inala QA B.V., and Unith Research Labs SLU;

GST means Goods and Services Tax.

Indicative Timetable means the indicative timetable for the Entitlement Offer on page 7 of this Prospectus.

Lead Manager Agreement means the agreement between the Company and Lead Manager dated 31 January 2024.

Lead Manager means Evolution Capital Pty Ltd (ACN 652 397 263).

Listed Option means an option to acquire a Share, with an exercise price of \$0.03 and expiring on 31 March 2026, on the terms and conditions set out at Section 5.3.

Listing Rules means the listing rules of the ASX.

New Options means Listed Options and Unlisted Options.

New Share means a Share offered pursuant to the Entitlement Offer.

Offers means the Entitlements Offer and the Secondary Offers.

Official Quotation or **Quotation** means official quotation by ASX in accordance with the Listing Rules.

Opening Date means the date specified as the opening date in the Indicative Timetable.

Oversubscriptions Offer has the meaning given in Section 1.14.

Placement means the issue of 137,931,034 Shares at \$0.0145 per Share to raise up to \$2,000,000 before costs.

Placement Shares means the New Shares to be issued pursuant to the Placement.

Prospectus means this prospectus dated 23 February 2024.

Record Date means the date referred to as such in the Indicative Timetable.

Related Bodies Corporate means a body corporate that is deemed by the Corporations Act to be related to the principal entity.

Relevant Interest has the meaning given to that term in the Corporations Act.

Secondary Offers means the Shortfall Placement, Oversubscriptions Offer and Broker Offer.

Section means a section of this Prospectus.

Share Registry means Boardroom Pty Limited (ACN 003 209 836).

Shareholder means any person holding Shares.

Shares means ordinary fully paid shares in the capital of the Company.

Shortfall Placement has the meaning given in Section 1.14.

Shortfall means those New Shares not validly applied for by Eligible Shareholders under the Entitlement Offer by the Closing Date, and which will revert to the Shortfall placement process described in Section 1.14.

Shortfall Securities means the Shares the subject of the Shortfall, along with attaching New Options on the same terms as for the Entitlements Offer.

Unlisted Option means an option to acquire a Share, with an exercise price of \$0.023 and expiring on 30 September 2024, on the terms and conditions set out at Section 5.4.

Voting Power has the meaning given to that term in the Corporations Act.

Voting Shares has the meaning given to that term in the Corporations Act.