



DTI Group Ltd

ACN 069 791 091

Entitlement Offer Booklet

**1 for 3 pro rata non-renounceable entitlement offer
of \$0.018 per New Share to raise \$2,009,859**

Fully underwritten by Finico Pty Ltd ACN 002 046 559

This is an important document which is accompanied by an Entitlement and Acceptance Form. Both documents should be read in their entirety.

If you have any questions please contact your professional adviser or the Company Secretary, Ian Hobson, on +61 8 9479 1195.

THE ENTITLEMENT OFFER CLOSES AT 5.00PM (AEST) ON 30 SEPTEMBER 2021.

VALID ACCEPTANCES MUST BE RECEIVED BEFORE THAT TIME.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

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Corporate Directory

Head Office

DTI Group Ltd
31 Affleck Road
Perth Airport WA 6105

Directors

Mr Greg Purdy
Non-Executive Chairman

Mr Steve Gallagher
Non-Executive Director

Mr Andrew Lewis
Non-Executive Director

Mr Chris Afentoulis
Non-Executive Director

Company Secretary

Mr Ian Richard Hobson

Legal Adviser

Blackwall Legal
Level 26, AMP Building
140 St Georges Terrace
Perth WA 6000

Underwriter

Finico Pty Ltd
854 Lorimer Street
Port Melbourne VIC 3207

Share Registry

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne Vic 3001

Important Notices

This Offer Booklet is dated 3 September 2021.

The Entitlement Offer is being made in accordance with section 708AA of the Corporations Act modified by ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84.

This Offer Booklet does not contain all the information which an investor may require to make an informed investment decision. The information in this Offer Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

This Offer Booklet should be read in its entirety before you decide to participate in the Entitlement Offer. This Offer Booklet is not a prospectus or other disclosure document under the Corporations Act and has not been lodged with ASIC.

By returning an Entitlement and Acceptance Form or otherwise paying for your New Shares through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Offer Booklet and you have acted in accordance with and agree to the terms of the Entitlement Offer detailed in this Offer Booklet.

No Overseas Offering

This Offer Booklet and the accompanying Entitlement and Acceptance Form do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. In particular, this Offer Booklet does not constitute an offer to Ineligible Shareholders and may not be distributed in the United States and the New Shares may not be offered or sold directly or indirectly to persons in the United States.

This Offer Booklet is not to be distributed in and no offer of New Shares is to be made in countries other than Australia and New Zealand.

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

The distribution of this Offer Booklet (including an electronic copy) outside Australia and New Zealand is restricted by law. If you come into possession of the information in this Offer Booklet you should observe such restrictions and seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

New Zealand

The New Shares are not being offered or sold to the public within New Zealand other than to existing Shareholders with addresses in New Zealand to whom the offer of New Shares is being made in reliance on the *Financial Market Conduct Act 2013* (New Zealand) and the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016* (New Zealand).

This Offer Booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Market Conduct Act 2013* (New Zealand). This Offer Booklet is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

United States

None of the information in this Offer Booklet or the Entitlement and Acceptance Form that will accompany this booklet when it is dispatched to Eligible Shareholders constitutes an offer to sell, or the solicitation to buy, any securities in the United States. Neither this Offer Booklet (or any part of it) nor the Entitlement and Acceptance Form when that is to be made available, may be released or distributed directly or indirectly to persons in the United States.

The New Shares have not been and will not be registered under the US Securities Act or the securities law of any state or other jurisdiction of the United States. The Entitlement may not be taken up by any persons in the United States or by persons (including nominees or custodians) who are acting for the account or benefit of a person in the United States and the New Shares may not be offered, sold or resold in the United States or to or for the account or benefit of a person in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable securities laws of any state or other jurisdiction in the United States.

Risks

Refer to the “Key Risks” in Sections 3.1 and Section 5 for a summary of specific and general risk factors that may affect DTI Group.

Definitions and Time

Defined terms used in this Offer Booklet are contained in Section 4. All references to time are to Australian Eastern Standard Time, unless otherwise indicated.

Summary of the Entitlement Offer

Ratio	1 New Share for every 3 Existing Shares
Offer Price	\$0.018 per New Share
Size	111,658,853 New Shares
Gross Proceeds	\$2,009,859

Key Dates

Announcement of Offer	3 September 2021
Lodgement of Offer Booklet, section 708AA(2)(f) notice & Appendix 3B with ASX	3 September 2021
Ex date	8 September 2021
Record Date for determining Entitlements	9 September 2021
Offer Booklet despatched to Shareholders with personalised offer and acceptance forms & Company announces despatch has been completed	13 September 2021
Notice sent to Ineligible Shareholders	13 September 2021
Last day to extend Closing Date	27 September 2021
Closing Date	30 September 2021
Securities quoted on a deferred settlement basis	1 October 2021
ASX notified of under subscriptions	5 October 2021
Issue date and deferred settlement trading ends	6 October 2021
Despatch of holding statements	7 October 2021

Note: Dates and times are indicative only and subject to change. All times refer to AEST.*Subject to the Listing Rules, the Directors reserve the right to extend the Closing Date for the Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the New Shares.

DTI Group, in consultation with the Underwriter, reserves the right to extend these dates without prior notice subject to the Corporations Act, Listing Rules and other applicable laws.

Enquiries

For any enquiries please call the Company Secretary, Ian Hobson, on +61 8 9479 1195 or contact your stockbroker, accountant, solicitor or other professional adviser.

Chairperson's Letter



3 September 2021

Dear Shareholder

On behalf of DTI Group, I am pleased to invite you to participate in the recently announced 1 for 3 non-renounceable entitlement offer for new DTI Group ordinary shares (**New Shares**) to raise \$2,009,859 via the issue of approximately 111,658,853 New Shares at an offer price of \$0.018 per New Share (**Entitlement Offer**).

The Entitlement Offer is fully underwritten by Finico Pty Ltd (a major shareholder) (**Underwriter**). The Underwriter (in its own right or via its associated shareholder) is a major shareholder of the Company, and has, in addition to the Underwriting, provided a firm commitment to the Company to subscribe for its Entitlement (which commitment equates to the issue of 41,610,621 New Shares to raise \$748,991).

The proceeds of the Entitlement Offer will provide the working capital needed to execute contracted work that DTI Group has been awarded (refer to Section 7 for more information).

Under the Entitlement Offer, Eligible Shareholders have the opportunity to invest at the price of \$0.018 per New Share. Your Entitlement is set out in your personalised Entitlement and Acceptance Form that accompanies this booklet.

If you take up your Entitlement in full, you can also apply for Additional New Shares under a 'Top-up' Facility (refer to Section 1.2 for more information).

The Offer Price represents a discount of 12% to the 30-day volume-weighted average price of Shares for the period up to 2 September 2021 (being the last trading date before the announcement of the Entitlement Offer).

The Entitlement Offer is non-renounceable and Entitlements will not be tradeable on ASX or otherwise transferable. Shareholders who do not take up their Entitlement in full will not receive any value in respect of those Entitlements they do not take up. I encourage you to consider this Entitlement Offer carefully.

Other Information

This Offer Booklet contains important information, including:

- instructions on how to apply, detailing how to participate in the Entitlement Offer if you choose to do so, and a timetable of key dates
- instructions on how to take up all or part of your Entitlement.

A personalised Entitlement and Acceptance Form which details your Entitlement, to be completed in accordance with the instructions contained therein, accompanies this Offer Booklet.

The Entitlement Offer closes at 5.00pm AEST on 30 September 2021.

Please read in full the details on how to submit your Entitlement and Acceptance Form, which are set out in this Offer Booklet.

You should also consult your stockbroker, solicitor, accountant or other professional adviser to evaluate whether or not to participate in the Entitlement Offer.

On behalf of the Board of DTI Group, I encourage you to consider this investment opportunity and thank you for your ongoing support.

Yours faithfully

A handwritten signature in black ink, appearing to read 'G. Purdy', with a large, stylized flourish extending from the bottom right.

Greg Purdy
Chairperson

1 Description of the Entitlement Offer

1.1 Overview

The Entitlement Offer constitutes an offer to Eligible Shareholders only. Eligible Shareholders who are on DTI Group's share register on the Record Date are entitled to acquire 1 New Share for every 3 Existing Shares held, being a total of 111,658,853 New Shares to raise \$2,009,859 before costs. Fractional Entitlements will be rounded up to the nearest whole number of New Shares. The proceeds of the Entitlement Offer will be applied to business and product development and marketing, and to strengthen the Company's balance sheet in order to fund future growth. For further details regarding the proposed use of funds following the Entitlement Offer, please refer to Section 7.

The Company has received a commitment from Finico to take up its entitlement under the Entitlement Offer, being 41,610,621 New Shares for a total subscription of \$748,991 (**Finico Commitment**). Following the subscription pursuant to the Finico Commitment, the balance of the Entitlement Offer will be 70,048,232 New Shares. Finico has also agreed to underwrite the Entitlement Offer.

The Company requires funds prior to the close of the Entitlement Offer and on this basis Finico agreed to advance an amount of \$1,000,000 to the Company (**Underwriter Loan**) on or about 6 September 2021. The repayment of the Underwriter Loan will be satisfied by the Company:

- (a) issuing 41,610,621 New Shares to Finico under and in accordance with the Entitlement Offer, effectuating a debt to equity conversion; and
- (b) making a cash payment of \$251,009.

Interest of 8.0% per annum is payable on the Underwriter Loan.

The Offer Price represents a discount of 12% to the 30-day volume-weighted average price of Shares for the period up to 2 September 2021 (being the last trading date before the announcement of the Entitlement Offer).

The Entitlement Offer is non-renounceable. Accordingly, Entitlements will not trade on ASX nor can they be transferred or otherwise disposed of.

An Entitlement and Acceptance Form setting out your Entitlement accompanies this Offer Booklet. Eligible Shareholders may subscribe for part or all of their Entitlement. Eligible Shareholders who do not take up all their Entitlements will have their percentage shareholding in DTI Group diluted.

Eligible Shareholders should be aware that an investment in DTI Group involves risks. The key risks identified by DTI Group are summarised in Section 5.

1.2 Issue of additional Shares under the Top-up Facility

Any New Shares not taken up by the Closing Date may be made available to those Eligible Shareholders who take up their full Entitlement and apply for Additional New Shares under the Top-up Facility. Eligible Shareholders may apply for any number of Additional New Shares under the Top-up Facility although the number of Additional New Shares available under the Top-up Facility cannot exceed the Shortfall.

There is no guarantee that those Shareholders will receive the number of Additional New Shares applied for under the Top-up Facility, or any. The Directors reserve the right to allot and issue

Additional New Shares under the Top-up Facility at their discretion. Any balance will revert to the Underwriter.

2 How to Apply

If you wish to take up part or all of your Entitlement, or you wish to apply for Additional New Shares, you can pay by either of the options detailed in Sections 2.1 and 2.2.

2.1 Payment by BPAY®

If you wish to pay by BPAY®, please follow the instructions on your personalised Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

Please note that should you choose to pay by BPAY®:

- you do not need to submit the personalised Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form
- if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which are covered in full by your application monies; and if you do pay for more than your full Entitlement, you are deemed to have applied for as many Additional New Shares as your excess amount will pay for in full (subject to any scale-back determined by DTI Group in its absolute discretion).

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 5.00pm (AEST) on 30 September 2021. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.

If you are paying by BPAY®, please make sure to use the specific Biller Code and unique Customer Reference Number on the back of your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form, please only use the Customer Reference Number specific to the Entitlement on that form. If you inadvertently use the same Customer Reference Number for more than one of your Entitlements, you will be deemed to have applied only for New Shares (and Additional New Shares) on the Entitlement to which that Customer Reference Number applies.

2.2 Payment by cheque, bank draft or money order

If you wish to pay by cheque, bank draft or money order, you should complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the form and return it accompanied by a cheque, bank draft or money order in Australian currency for the amount of the application monies, payable to “DTI Group Ltd” and crossed “Not Negotiable”.

Your cheque, bank draft or money order must be:

- for an amount equal to \$0.018 multiplied by the number of New Shares (and if applicable, Additional New Shares) that you are applying for
- in Australian currency drawn on an Australian branch of a financial institution.

Cash payments will not be accepted. Receipts for payment will not be issued.

Shareholders who make payment via cheque, bank draft or money order should mail their completed personalised Entitlement and Acceptance Form together with application monies using the reply-paid or self-addressed envelope provided with this Offer Booklet to:

Computershare Investor Services Pty Limited
GPO Box 505
Melbourne Vic 3001
Australia

You should ensure that sufficient funds are held in relevant account(s) to cover the application monies. If the amount of your cheque for application monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares (and if applicable, Additional New Shares) you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Shares (and if applicable, Additional New Shares) as your cleared application monies will pay for (and to have specified that number of New Shares on your personalised Entitlement and Acceptance Form). Alternatively, your application will not be accepted.

2.3 Representations, allotment and refunds

If you take no action, you will not be allocated New Shares and your Entitlement will lapse. Your Entitlement to participate in the Entitlement Offer is non-renounceable and will not be tradeable or otherwise transferable. Eligible Shareholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up.

By completing and returning your personalised Entitlement and Acceptance Form with application monies or making a payment by BPAY®, you will be deemed to have represented:

- that you are an Eligible Shareholder (as defined in the Glossary at Section 4)
- on behalf of each person on whose account you are acting that: (i) you are not in the United States and are neither a US Person nor acting for the account or benefit of a US Person; (ii) you acknowledge that the New Shares (and Additional New Shares) have not been and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdictions in the United States, or in any other jurisdiction outside Australia or New Zealand and accordingly, the New Shares (and New Additional Shares) may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws; and (iii) you have not and will not send any materials relating to the Entitlement Offer to any person in the United States or that is, or is acting for the account or benefit of, a US Person.

If you take up and pay for all or part of your Entitlement before the close of the Entitlement Offer at 5.00pm (AEST) on 30 September 2021, you will be issued your New Shares on 5 October 2021. If you apply for Additional New Shares then, subject to DTI Group's absolute discretion to scale-back your application for Additional New Shares (in whole or part), you will be issued these on 5 October 2021. DTI Group's decision on the number of Additional New Shares to be allocated to you will be final. DTI Group also reserves the right (in its absolute discretion) to reduce the number of New Shares (and if applicable, Additional New Shares) allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claims prove to be overstated or otherwise incorrect or if they fail to provide information to substantiate their claims.

Cash payments will not be accepted. Receipts for payment will not be issued.

Any application monies received for more than your final allocation of New Shares and Additional New Shares will be refunded to you as soon as practicable. No interest will be paid to applicants on any application monies received or refunded.

Applicants with queries on how to complete the Entitlement and Acceptance Form should contact the Company Secretary, Ian Hobson, on +61 8 9479 1195.

3 Important Information

This Offer Booklet (including the Chairperson's Letter) and accompanying personalised Entitlement and Acceptance Form have been prepared by DTI Group. The information in this Offer Booklet is dated 3 September 2021.

This Offer Booklet should be read in conjunction with DTI Group's other periodic and continuous disclosure announcements to ASX available at www.asx.com.au.

No party other than DTI Group has authorised or caused the issue of the information in this Offer Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in this Offer Booklet.

This information is important and requires your immediate attention.

You should read the information in this Offer Booklet carefully and in its entirety before deciding whether to invest in New Shares (and Additional New Shares). In particular, you should consider the risk factors outlined in Section 6, any of which could affect the operating and financial performance of DTI Group or the value of an investment in DTI Group.

You should consult your stockbroker, accountant, solicitor or other professional adviser to evaluate whether or not to participate in the Entitlement Offer.

3.1 Risk Factors

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware of are set out in Section 5 of this Offer Booklet.

Relevantly, the Company has a "going concern" emphasis of matter in its financial report for the year ended 30 June 2021 (**Annual Financial Report**). Details of the "going concern" emphasis is set out below and in Section 5 of this Offer Booklet.

The Company has recorded a profit after tax of \$0.03 million for the year ended 30 June 2019 and had operating cash outflows of \$1.48 million.

These conditions indicate the existence of a material uncertainty that may cast a significant doubt about the group's ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent on securing additional funding through capital raising activities.

In addition, the Company generates a significant portion of its revenue from customer contracts for the provision, installation and maintenance of its equipment. DTI is in negotiation with certain third parties in respect of contracts in which it is supplying products to those parties. These negotiations stem from the Company having identified several contracts with less than optimum margins.

These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Offer Booklet.

3.2 Underwriting

The Company has entered into the Underwriting Deed with Finico, pursuant to which Finico has agreed to underwrite up to 100% of the potential Shortfall, being \$1,260,868 or 70,048,232 New Shares (**Underwritten Shares**). Pursuant to the Underwriting Deed, Finico also agreed to advance

the Underwriter Loan (of \$1,000,000) to the Company on or about 6 September 2021, the repayment of which will be satisfied and offset by the Company via the issue of 41,610,621 New Shares to Finico under the Entitlement Offer and a cash payment of \$251,009. Interest is payable on the Underwriter Loan at a rate of 8% per annum.

The Company agrees to pay the Underwriter an underwriting fee of 1% of the above underwriting commitment (being an underwriting fee of \$12,608 plus GST), such fee to be paid on the date of allotment of the New Shares. The Company acknowledges that the Underwriter is relying on item 10 of section 611 of the Corporations Act, and covenants to take all necessary action within its control to comply with those exceptions with respect to the Entitlement Offer and the Underwriting, including appointing a nominee for the purpose of section 615 of the Corporations Act to sell the New Shares which would otherwise be available for Ineligible Shareholders.

Further, the Company undertakes to issue a cleansing notice under section 708AA(2)(f) of the Corporations Act which complies with section 708AA(7) of the Corporations Act and otherwise take such necessary action to ensure that the Underwritten Shares are immediately tradeable after their issue.

As is customary with these types of arrangements, the Underwriting Deed includes a number of termination events, including but not limited to:

- **(Offer Booklet):** the Company does not despatch the Offer Booklet to Shareholders on the Despatch Date or the Offer Booklet or the Entitlement Offer is withdrawn by the Company;
- **(Non-compliance with requirements):** the Offer Booklet does not contain all the information required by the Corporations Act and/or the Listing Rules or contains a false or misleading statement;
- **(Non-compliance with law):** the Offer does not comply with the Corporations Act and/or the Listing Rules or any applicable law;
- **(Restriction on allotment):** the Company does not allot the Entitlement Shares (including the Shortfall) within the time required by the Underwriting Deed, the Corporations Act, any statute, regulation (including the Listing Rules) or order of a court of competent jurisdiction or any governmental or semi-governmental agency or authority;
- **(Authorisation):** any authorisation or exemption which is material to anything referred to in the Offer Booklet or the Underwriting is repealed, revoked or terminated or expires, is not applicable or is modified or amended in a manner unacceptable to the Underwriter acting reasonably including without limitation, the application of exception 2 in Listing Rule 10.12 and item 10 of section 611 of the Corporations Act to the Underwriting;
- **(Default):** default or breach by the Company under the Underwriting Deed of any terms, condition, warranty, representation, covenant or undertaking;
- **(Adverse change):** an event occurs which gives rise to a material adverse effect or any adverse change or any development including a prospective adverse change after the date of the Underwriting Deed in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of the Company;
- **(Suspension of debt payments or operations):** the Company suspends payment of its debts or operations generally;
- **(Event of insolvency):** an event of insolvency occurs in respect of the Company;

- **(Litigation):** any material litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Deed commenced against the Company;
- **(Change in shareholdings):** there is a material change in the major or controlling shareholdings of the Company (other than as a result of the Offer and as disclosed in the Offer Booklet) or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to the Company;
- **(Share price fall):** the closing share price of the Company's shares on the ASX is 15% lower than the closing price on the date of the Underwriting Deed; and
- **(Constitution):** the Company alters its constitution in any manner not contemplated by the Offer Booklet.

3.3 Eligible Shareholders

The Entitlement Offer in this Offer Booklet contains an offer of New Shares to Eligible Shareholders in Australia and New Zealand and has been prepared in accordance with section 708AA of the Corporations Act as modified by ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84.

Eligible Shareholders are those holders of Existing Shares who:

- are registered as holders of Existing Shares as at 5.00pm (AEST) on 9 September 2021;
- have a registered address on the DTI Group share register in Australia or New Zealand;
- are not in the United States and are not US Persons or acting for the account or benefit of US Persons; and
- are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

Shareholders who do not satisfy the above criteria are Ineligible Shareholders.

3.4 Substantial Shareholders

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

Shareholder	Shares	%	Offer Entitlement (Shares)
Finico Pty Ltd (and Associates) ¹	124,831,863	37.3	41,610,621
UIL Limited ²	103,253,989	30.8	34,417,996

¹ The registered holder of Finico's Shares is Invia Custodian Pty Ltd as trustee for The Morris Family Trust (which holds 124,831,863 Shares). Finico will be subscribing for 41,610,621 New Shares under the Entitlement Offer. Finico's Associate, Cape Schanck Investments Pty Ltd (**Cape Schanck**), holds 700,000 Shares and intend to take up its Entitlement of 233,334 New Shares.

² The registered holder of UIL's Shares is JP Morgan Nominees Australia Limited.

In the event all Entitlements are accepted there will be no change to the substantial Shareholders' relevant interests on completion of the Entitlement Offer.

Finico will, as a result of the Entitlement Offer, increase its relevant interests in the Company. In the unlikely event that no Shareholders other than Finico and Cape Schanck take up their

Entitlements, Finico's relevant interest will be 53.1% upon completion of the Entitlement Offer (on the basis that Finico must take up in full its commitment under the Underwriting).

In this regard, as set out in the Underwriting Deed, the Company acknowledges that the Underwriter is relying on the application of item 10 of section 611 of the Corporations Act to the Underwriting and covenants to take all necessary action within its control to comply with those exceptions with respect to the Entitlement Offer and the Underwriting, including appointing a nominee for the purpose of section 615 of the Corporations Act to sell the New Shares which would otherwise be available for Ineligible Shareholders.

As at the date of this Offer Booklet, in respect of Finico, Invia Custodian Pty Ltd as trustee for The Morris Family Trust and Cape Schanck intend to accept all of their Entitlements.

The Company advises that present intentions may change as new information becomes available, as circumstances change or in the light of all material information, facts and circumstances necessary to assess the operational, commercial, taxation and financial implications of those decisions at the relevant time. This includes the final subscription reached under the Entitlement Offer and working capital which is then available to the Company at the time.

The dilutionary effect of the Entitlement Offer in the event that Shareholders do not participate in the Entitlement Offer is further described in Section 3.5.

3.5 Effect of the Entitlement Offer

If all Entitlements are accepted by Shareholders to the full extent, then the Entitlement Offer will not result in any change to the control of DTI Group.

If all Entitlements under the Entitlement Offer are not accepted to the full extent, then the shareholding interest of non-participating Shareholders will be diluted.

Shareholders should note that if they do not participate in the Entitlement Offer, their holdings are likely to be diluted by 25% (as compared to their holdings and number of Shares on issue as at the date of this Offer Booklet). Examples of how the dilution may impact Shareholders are set out in the table below:

Holder	Holding as at Record Date	% at Record Date	Entitlements under the Entitlement Offer	Holdings if Entitlement Offer not taken Up	% Post Entitlement Offer
Shareholder 1	10,000,000	2.99	3,333,334	10,000,000	2.24
Shareholder 2	5,000,000	1.49	1,666,667	5,000,000	1.12
Shareholder 3	1,500,000	0.45	500,000	1,500,000	0.34
Shareholder 4	400,000	0.12	133,334	400,000	0.09
Shareholder 5	200,000	0.06	66,667	200,000	0.04

Note: The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are placed in accordance with the terms of the Top Up Facility and the Underwriting Deed. In the event all Entitlements are not accepted and some or all of the resulting Shortfall issued under the Top-up Facility and the Underwriting Deed was not subsequently placed, the dilution effect for each Shareholder not accepting their Offer Entitlement would be a lesser percentage.

3.6 Allocation policy and scale-back

If there are excess oversubscription applications, DTI Group reserves the right to scale back applications for Additional New Shares on an equitable basis and in accordance with a Shortfall allocation policy established by the Company.

In the event of a scale-back, the difference between the application monies received, and the number of Additional New Shares allocated to you multiplied by the Offer Price will be refunded following allotment. No interest will be paid on any application monies received and returned.

3.7 Continuous disclosure

DTI Group is a disclosing entity for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations including an obligation under Listing Rules (subject to certain exceptions) to disclose to ASX any information of which it is or becomes aware concerning DTI Group and which a reasonable person would expect to have a material effect on the price or the value of Shares. All such disclosures are available at www.asx.com.au. You have the opportunity to access any information about DTI Group which has previously been disclosed to ASX, in particular the audited DTI Group annual report for the year ended 30 June 2021. You should also have regard to any further announcements which may be made by DTI Group to ASX after the date of this Offer Booklet.

3.8 No Entitlements trading

Entitlements are non-renounceable and Entitlements will not be tradeable on ASX or otherwise transferable.

3.9 Notice to nominees and custodians

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

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

In particular, a person acting as a nominee for other persons may not take up Entitlements on behalf of or send any documents relating to the Entitlement Offer to any person in the United States.

DTI Group is not required to determine whether or not any registered holder is acting as a nominee or to determine the identity or residence of any beneficial owners of Shares. Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlement Offer is compatible with applicable foreign laws. DTI Group is not able to advise on foreign laws.

3.10 Foreign holder Nominee

The Company will appoint an ASIC approved nominee to act as nominee for the purposes of section 615 of the Corporations Act (**Nominee**).

The Nominee sale procedure will be implemented in accordance with section 615 of the Corporations Act as follows:

- The Company will, at the issue price for the New Shares, issue to the Nominee the New Shares that Ineligible Shareholders would be entitled to if they were eligible to participate in the Entitlement Offer (**Nominee Shares**).
- The Nominee will then sell the Nominee Shares at a price and otherwise in a manner and at such time as determined by the Nominee in its absolute and sole discretion.
- The net proceeds of the sale of the Nominee Shares (after deducting the aggregate subscription price of the Nominee Shares and costs of sale including brokerage and commission), if any, will be distributed to the Ineligible Shareholders for whose benefit the New Shares are sold in proportion to their shareholdings as at the Record Date.
- If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company. Accordingly, there is a possibility that Ineligible Shareholders may receive no net proceeds if the subscription price plus costs of the sale of the Nominee Shares are greater than the sale proceeds. The Company and the Nominee will not be held liable for a failure to obtain any net proceeds, or for the sale of any the Nominee Shares at any particular price or the timing of such sale.

3.11 Taxation

You should be aware that there may be taxation implications associated with participating in the Entitlement Offer and receiving New Shares (and Additional New Shares).

DTI Group does not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares (and Additional New Shares) under the Entitlement Offer. DTI Group, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders.

Shareholders should consult their professional tax adviser in connection with subscribing for New Shares (and Additional New Shares) under this Offer Booklet.

3.12 Rounding of Entitlements

Where fractions arise in the calculation of Entitlements, they will be rounded up to the nearest whole number of New Shares.

3.13 Ranking of New Shares (and Additional New Shares)

The New Shares (and Additional New Shares) will be issued on a fully paid basis and will rank equally in all respects with Existing Shares. The rights and liabilities attaching to the New Shares (and Additional New Shares) are set out in DTI Group's constitution, a copy of which is available on the Company's website at <https://www.dti.com.au/investors/>.

3.14 Future performance and forward-looking statements

Neither DTI Group nor any other person warrants or guarantees the future performance of the New Shares (and Additional New Shares) or any return on any investment made pursuant to the Entitlement Offer. This Offer Booklet contains certain "forward-looking statements". Forward-looking words such as, "expect", "should", "could", "may", "predict", "plan", "will", "believe", "forecast", "estimate", "target" and other similar expressions are intended to identify forward-looking statements within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this Offer Booklet are based on

assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Forward-looking statements including forecasts, projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Such forward-looking statements only relate as at the date of this Offer Booklet and DTI Group does not assume any obligation to update such information. They are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of DTI Group and its Directors, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward-looking statements in this Offer Booklet.

You should also refer to the “Key Risks” which are included in Section 5.

3.15 Past performance

Investors should note that the past share price performance of DTI Group's shares provides no guidance as to future share price performance. For further information, please see past announcements released to ASX.

3.16 No cooling off rights

Cooling off rights do not apply to an investment in New Shares (and Additional New Shares). You cannot withdraw your application once it has been accepted.

3.17 Not investment or financial product advice

This Offer Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. DTI Group is not licensed to provide financial product advice in respect of the New Shares (and Additional New Shares). The information contained in this Offer Booklet does not purport to contain all the information that you may require to evaluate a possible application for New Shares (and Additional New Shares).

Before deciding whether to apply for New Shares (and Additional New Shares), you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the Information, you have any questions about the Entitlement Offer, you should contact your stockbroker, accountant, solicitor or other professional adviser.

3.18 Governing law

This information contained in this Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the laws applicable in Western Australia, Australia. Each applicant for New Shares (and Additional New Shares) submits to the non-exclusive jurisdiction of the courts of Western Australia, Australia.

3.19 Foreign jurisdictions

This Offer Booklet has been prepared to comply with the requirements of the securities laws of Australia.

This Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Entitlement Offer, the Entitlements or the New Shares (and Additional New Shares), or otherwise

permit the public offering of the New Shares (and Additional New Shares), in any jurisdiction other than Australia and New Zealand.

The distribution of this Offer Booklet (including an electronic copy) outside Australia and New Zealand may be restricted by law. If you come into possession of this Offer Booklet, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

3.20 Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Offer Booklet.

Any information or representation that is not in this Offer Booklet may not be relied on as having been authorised by DTI Group, or its related bodies corporate in connection with the Entitlement Offer. Except as required by law, and only to the extent so required, none of DTI Group, or any other person, warrants or guarantees the future performance of DTI Group or any return on any investment made pursuant to this Offer Booklet.

4 Glossary

Word	Meaning
Additional New Shares	New Shares in excess of an Eligible Shareholder's Entitlement
AEST	Australian Eastern Standard Time
ASIC	Australian Securities and Investment Commission
Associate	has the meaning given in the Corporations Act
ASX	Australian Securities Exchange
BPAY®	Electronic bill payment system in Australia
Closing Date	the closing date set out in the Key Dates summary on page 5 of the Offer Booklet
Company	DTI Group Ltd
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Despatch Date	the date of despatch of the Offer Booklet to Eligible Shareholders
Director	a director of DTI Group
DTI Group	DTI Group Ltd ACN 069 791 091
Eligible Shareholders	a Shareholder on the Record Date who: <ul style="list-style-type: none"> • has a registered address in Australia or New Zealand or is a Shareholder to whom the Company has determined it can extend the Entitlement Offer • is eligible under all applicable securities laws to receive an offer under the Entitlement Offer.
Entitlement	the entitlement to subscribe for 1 New Share for every 3 Shares held by an Eligible Shareholder on the Record Date
Entitlement and Acceptance Form	the entitlement and acceptance form accompanying the Offer Booklet
Entitlement Offer	the non-renounceable pro rata offer of New Shares at the Offer Price on the basis of 1 New Share for every 3 Existing Shares
Existing Shares	the Shares on issue as at the Record Date
Finico	Finico Pty Ltd ACN 002 046 559
GST	has the meaning given in <i>A New Tax Systems (Goods and Services Tax) Act 1999</i> (Cth)
Ineligible Shareholder	a Shareholder who is not an Eligible Shareholder
Listing Rules	the listing rules of ASX
Material Adverse Effect	has the meaning given in the Underwriting Deed

Word	Meaning
New Shares	Shares to be allotted and issued under the Entitlement Offer, including (as the context requires) the shortfall from the Entitlement Offer issued to the Underwriters
Offer Booklet	this offer document dated 3 September 2021
Offer Price	\$0.018 per New Share
Record Date	the record date set out in the Key Dates summary on page 5 of the Offer Booklet
Relevant Company	the Company and each Subsidiary
Section	a section of this Offer Booklet
Share	a fully paid ordinary share in DTI Group
Shareholder	a registered holder of a Share
Shortfall	the New Shares not subscribed for under the Entitlement Offer
Subsidiary	a subsidiary of the Company
Top-up Facility	the facility described in Section 1.2
UIL	UIL Limited (a major Shareholder of the Company)
Underwriter	Finico
Underwriting	has the meaning given in the Underwriting Deed
Underwriting Deed	the Underwriting Deed dated 31 August 2021 between DTI Group and Finico, as described in Section 3.1
Underwriter Loan	the loan from the Underwriter (\$1,000,000) provided to the Company on or about 6 September 2021 under the Underwriting Deed
Underwritten Shares	has the meaning given in Section 3.2
US Person	the meaning given in Rule 902(k) of Regulation S under the US Securities Act
US Securities Act	<i>US Securities Act of 1933</i>

5 Key Risks

5.1 Company Specific

Going Concern

The Annual Report included a note on the financial condition of the Company and the possible existence of a material uncertainty about the Company's ability to continue as a going concern.

As set out in the Annual Financial Report, the Group recorded a profit after tax of \$0.03 million for the year ended 30 June 2021 (2020: \$2.7 million loss) and had net operating cash outflows of \$1.48 million (2020: \$1.16 million outflow).

These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. The ability of the Group to continue as a going concern is dependent upon the success of the following measures undertaken by management:

- The Group has \$3.4 million of working capital as at 30 June 2021 to fund its working capital requirements;
- The Group continues to focus on improving commercial terms to reduce future working capital requirements and improve profitability by negotiating with customers and improving its bidding process to secure more favourable terms; and
- The Group continues to implement its turnaround plan and is closely executing this plan with the expectation of producing positive cash flow from operations and managing cost to budget.

The Directors believe that there are reasonable grounds that the Group will continue as a going concern.

The major Shareholders have provided financial support through shareholder loans in the past and expect to continue to support DTI on this basis. The business forecast shows positive cash flow from Q2 FY2022.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, nor to amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

5.2 Failure to retain existing customers or attract new customers

As a usual part of its business, DTI's customer contracts and projects are subject to tender, variations, additions or reductions. DTI's ability to renew contracts with existing customers and win new contracts with existing and new customers is fundamental to its business, growth and profitability. DTI could lose one or more key customers or significant contracts or projects due to a range of events. Any loss of key customers, or loss of funding or a reduction in government budget allocations to key customers, significant contracts or projects, may materially and adversely affect DTI's revenue and financial performance.

5.3 Competition

DTI operates in a competitive industry. DTI competes with some companies that are larger and more financially secure, as well as with some companies that benefit from local experience and relationships with customers. Increased competition could result in price reductions, underutilisation of personnel, reduced operating margins and loss of customers or market share. Any of these occurrences in any region in which DTI may operate could adversely affect its operating and financial performance.

5.4 Software and technology risks

Technology is the key enabler of DTI's products and services and is dependent on the effective performance and reliability of DTI's hardware, software and support services. DTI may not be able to provide the required level of support and services to clients, or fail to successfully achieve the required development of its technology and systems to meet clients' needs, match competitors or meet regulatory requirements, which may, in turn, adversely affect its operations, technology development and could adversely affect its operating and financial performance. Further, DTI's hardware and software may be exposed to damage, malware or interruption from unforeseen events which may cause the systems to be unavailable from time to time which may in turn affect DTI's ability to meet customer expectations and deliver consistent, quality services to its clients.

5.5 Technology obsolescence

The technology in the mass transit industry is constantly evolving. There is no guarantee that DTI can keep up with technological developments within the industry and a failure to do so may have a negative effect on the Company's business and its ability to compete effectively within its target markets. Accordingly, there is a risk that new entrants will develop technology that is superior to DTI's solutions which could result in DTI's technology becoming obsolete.

5.6 Failure to monetise return on investment

The technology that DTI has developed for the mass transit industry is complex, industry specific and often involves an extended period of time to achieve a final product and subsequently a return on investment for the development. An important part DTI's business and growth strategy is to continue to make investments in innovation and related product opportunities to improve the technology and product solutions to maintain DTI's industry leading competitive position.

5.7 Retention of Key Personnel

DTI depends on the talent and experience of its employees. Whilst every effort is made to retain key employees and contractors and to recruit new personnel as the need arises, loss of a number of key personnel may adversely affect DTI's earnings or growth prospects. In addition, strong demand for skilled personnel may limit DTI's growth and profitability caused by scarcity of professional personnel or by potential increases in compensation costs associated with attracting or retaining such personnel.

5.8 Existing Contacts for Supply

The Company is a party to various supply contracts with third parties for the supply of its products. DTI will be exposed to, and may be adversely affected by, the key terms of those contracts including the pricing of those contracts.

DTI's financial performance is dependent on its ability to deliver its contracts and projects in accordance with those contractual obligations. Contractual obligations include pricing and may include set dates for delivery. If the price at which the product is to be delivered is below DTI's costs,

this will negatively impact DTI and may require DTI to seek to re-negotiate those contracts on more favourable terms. There is no certainty that DTI will be in a position to do so, as this is dependent on the ability to vary price in the relevant contract. The failure to do so in those circumstances may result in significant losses to DTI. DTI is presently in discussions with third parties to seek to re-negotiate certain of its contracts. In addition to pricing, if delivery is delayed the customer may seek to claim damages from DTI. Disputes which arise in relation to contractual obligations may result in significant losses and acute pressure on DTI's cash flow.

5.9 Delays with the commencement of new contracts or dependence on third parties

Where DTI wins a contract, commencement of the contract can be delayed past the expected commencement date. DTI is also a party to a number of contracts where the Company's ability to perform its obligations and commence earning revenue is dependent on third parties performing their own contractual arrangements in a timely manner. DTI may not have any contractual protection against such delays. Any delay in the commencement of a contract may result in a delay in DTI receiving revenue or may cause DTI to incur additional costs, and therefore could have an adverse impact on the Company's financial performance, including its ability to achieve management's forecasts for the business.

5.10 Working capital requirements

DTI requires capital in order to finance the manufacture and installation of its technology products as well as provide bank guarantees or insurance bonds to support contract arrangements. The Company's precise capital requirements depend on numerous factors. Depending on the DTI's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Entitlement Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If DTI is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its expansion and development programmes as the case may be.

5.11 Reliance on growth strategy

DTI's future success relies heavily on the successful implementation of its strategy of being a provider of integrated video surveillance, passenger communication and fleet management solutions for the global mass transit industry. Successful execution of this strategy will require DTI to successfully apply its core competencies in the development or modification of its products and software. No assurance can be given that DTI will be successful in the ongoing implementation of this strategy. DTI's growth strategy relies heavily on market acceptance of its products and services. There is a risk that market acceptance of DTI's products and services will not be as high as DTI expects or that market acceptance may take longer than expected to materialise.

5.12 Regional specific risks/unfamiliar markets

DTI operates in markets globally. As the Company continues to expand its presence in new international jurisdictions, DTI remains subject to risks associated with doing business in regions that may have political, legal and economic instability or less sophisticated legal and regulatory systems and frameworks.

5.13 Foreign exchange risk

Some of the components used in the manufacture of DTI's products are acquired in foreign currencies. Also, some of DTI's receivables, payables, intercompany transfers and expenses are incurred in foreign currencies and some of DTI's sales occur in foreign currencies. Adverse

movements in exchange rates for either of DTI's revenue, expenditure, receivables, payables or intercompany transfers, or cash holdings in foreign currency may adversely affect the financial performance of DTI.

5.14 Increased costs risk

DTI's manufacturing and outsourced manufacturing operations are dependent upon the delivery of materials and components by outside suppliers. While DTI utilise components that are standard items and available from a number of suppliers where possible, others are manufactured to DTI's specifications. The failure of the Company to source and supply its materials and components at acceptable costs and in the quantities and specifications required by DTI, could have an adverse impact on the profitability of contracts entered into and the sales and financial performance of DTI.

5.15 Regulatory risks

Some aspects of the industry in which DTI operates are impacted by government legislation and regulations in respect to collection of data, privacy, data protection, freedom of information and other matters. The industry may undergo regulatory or legislative change which may create opportunities or adversely impact the activities and operations of DTI.

5.16 Litigation

The Company may be subject to litigation and other claims and disputes in the course of its business, including contractual disputes with suppliers or clients, employment disputes, indemnity claims, and occupational and other claims. There is a risk that such litigation, claims and disputes could materially and adversely affect DTI's operating and financial performance due to the cost of settling such claims, and affect the Company's reputation. At the date of this Presentation, DTI is not currently engaged in any litigation.

5.17 Force Majeure risks

Events may occur within the markets that DTI operates that could impact upon the Australian or global economies that DTI or its clients operate within. These events could impact the operations of DTI and the price of DTI's Shares. The events include but are not limited to acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other natural or man-made events or occurrences that can have an adverse effect on the demand for DTI's products and services and its ability to conduct business. DTI has only a limited ability to insure against some of these risks.

5.18 Concentration of shareholding

At the date of this Offer Booklet Finico and UIL have a combined controlling relevant interest of 68.1% of the DTI Shares on issue. Furthermore, Finico has agreed to underwrite the Offer. Finico and UIL, if they act together, have the capacity to control the election of Directors, the approval of significant corporate transactions and the success of a takeover or similar offer for the Shares. The interests of Finico and UIL may differ from the interests of the Company and the interests of Shareholders who purchase New Shares under the Offer.

5.19 Share Price movements

The market value of DTI's shares quoted on the ASX may go up or down for a variety of reasons, including changes in the pricing of comparable stocks, shifts in demand for listed equities and changes to general economic conditions. The change in the market capitalisation may result in a risk that there will not be an active market for DTI's Shares and there may be periods where there is little or no liquidity. The deterioration of the market capitalisation may also adversely impact the

Company's financial reputation when tendering for major contracts against more financially stable competitors.

5.20 Factors outside DTI's control

In addition to the specific risks summarised above, a number of factors outside DTI's control may significantly impact on DTI, its performance and the price of DTI Shares. These factors include:

- the COVID-19 pandemic
- economic conditions in both Australia and internationally
- relative changes in foreign exchange rates
- investor sentiment and local and international share market conditions
- changes to government policy, legislation or regulation
- changes in fiscal, monetary and regulatory policies
- the nature of competition in the industries in which DTI operates
- interest rates and inflation rates
- the introduction of taxation reform.

5.21 Impact on DTI's revenue, expenses and cash flows

Investors should recognise that DTI's revenues, expenses and cash flows could be negatively affected by any of the above factors which, in turn, may affect the price or value of DTI Shares.

5.22 Market fluctuations

The share prices for many companies can be subject to wide fluctuations which, in many cases, may reflect a diverse range of non-specific influences such as global hostilities and tensions, acts of terrorism and the general state of the economy. Such market fluctuations may materially adversely affect the market price of DTI Shares.

6 Pro Forma Balance Sheet

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

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted (either through the Entitlement Offer or subsequently taken up under the Top-Up Facility and the Underwriting) and costs of the Offer paid.

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

	Audited 30 June 2021	Proforma 30 June 2021
Current assets		
Cash and cash equivalents	\$765,789	\$2,731,668
Trade and other receivables	\$3,043,896	\$3,043,896
Contract assets	\$1,301,445	\$1,301,445
Inventories	\$3,604,373	\$3,604,373
Other current assets	\$438,633	\$438,633
Total current assets	\$9,154,136	\$11,120,015
Non-current assets		
Other receivables	\$380,041	\$380,041
Property, plant and equipment	\$386,690	\$386,690
Intangible assets	\$606,256	\$606,256
Contract assets	\$185,672	\$185,672
Right of use asset	\$157,244	\$157,244
Total non-current assets	\$1,715,903	\$1,715,903
Total assets	\$10,870,039	\$12,835,918
Current liabilities		
Trade and other payables	\$2,601,263	\$2,601,263
Contract liabilities	\$623,080	\$623,080
Borrowings	\$56,283	\$56,283
Provisions	\$1,990,229	\$1,990,229
Lease liability	\$277,537	\$277,537
Total current liabilities	\$5,548,392	\$5,548,392
Non-current liabilities		
Provisions	\$111,247	\$111,247
Total non-current liabilities	\$111,247	\$111,247
Total liabilities	\$5,659,639	\$5,659,639
Net assets	\$5,210,400	\$7,176,279
Equity		
Contributed equity	\$33,885,113	\$35,850,992
Reserves	\$169,131	\$169,131
Accumulated losses	(\$28,843,844)	(\$28,843,844)
Total equity	\$5,210,400	\$7,176,279

7 Use of funds

The funds raised from the Entitlement Offer is planned to be used in accordance with the table set out below:

	(\$)	%
Project working capital – Prasa, CSW, SFMTA LRVs	\$1,238,000	61.6%
Project working capital - Comeng (cash backing for bank guarantee)	\$380,041	18.9%
Acquisition of long lead time inventory/electronic components	\$347,838	17.3%
Expenses of the Entitlement Offer	\$43,980	2.2%
Total	\$2,009,859	100%

Expenses of the offer:	(\$)
Underwriting fee	\$12,608
Legal fees	\$7,500
ASX fees	\$8,385
Foreign holder nominee fee	\$2,000
Share registry / postage	\$10,000
ASIC fee	\$3,487
Total	\$43,980