



# **SRJ TECHNOLOGIES GROUP PLC**

**ARBN 642 229 856**

## **PROSPECTUS**

**For the offer of 2,954,638 New Options to acquire CDIs in the capital of the Company to the Placement Participants and associated offers.**

**Offer of \$2,000,000 Convertible Notes**

**NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES**

**This is an important document which should be read in its entirety. Please call your stockbroker, accountant, financial adviser, taxation adviser or other independent professional adviser or the share registry if you have any questions.**

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## IMPORTANT NOTICE

### NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This prospectus relates to the Offer of options to acquire CHESSE Depository Interests over ordinary shares (**CDIs**) (**New Options**) and certain associated offers of rights and options and convertible notes (together, the **New Securities**) as set out in Section 3.2 (together, **Offers**) in SRJ Technologies Group plc (ARBN 642 229 856), a Jersey limited liability company (**Prospectus**)

#### Lodgement and quotation

This Prospectus is dated 23 November 2022 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. None of ASIC, ASX Limited (**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 New Securities will not be listed on ASX or any other securities exchange.

This Prospectus expires on 22 December 2023, the date which is 13 months after the Lodgement Date, and no New Securities will be issued on the basis of this Prospectus after that date.

#### Continuously Quoted Securities

This Prospectus is a transaction specific prospectus for the offer of New Securities to acquire continuously quoted CDIs.

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.

#### Note to Applicants

The information contained in this Prospectus is not financial product advice and does not take into account the investment objectives, financial situation or particular needs of any prospective investor. It is important that you read this Prospectus carefully and in full before deciding whether to invest in the Company. In considering the prospects of the Company, you should consider the risks that could affect the financial performance or position of the Company. You should carefully consider these risks in the light of your investment objectives, financial situation and particular needs (including financial and taxation issues) and seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

No person named in this Prospectus, nor any other person, guarantees the performance of the Company, the repayment of capital by the Company or the payment of a return on the New Securities offered under this Prospectus.

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

Your right to acquire New Securities under the Offer is not transferrable. Applicants should carefully read and follow the instructions in Section 3 and on the back of the accompanying Application Form (as defined below) when making the decision whether to apply for New Securities under the Offers.

#### Obtaining a copy of this Prospectus

Applicants under the Offers in Australia can obtain a copy of this Prospectus (free of charge) during the Offer period (as defined below) from the Company's website [www.srj-technologies.com/investors](http://www.srj-technologies.com/investors).

#### Statements of past performance

Past performance and pro forma financial information included in this Prospectus is given for illustrative purposes only and should not be relied upon as (and is not) an indication of the Company's views on its future financial performance or condition. Investors should note that past performance, including past CDI price performance, of the Company cannot be relied upon as an indicator of (and provides no guidance as to) the Company's future performance including future CDI price performance. The historical information included in this Prospectus is, or is based on, financial information that has previously been released to the market but also includes certain proforma financial information relating to the financial position of the Company as at 30 June 2022. The financial information in this Prospectus should be read in conjunction with, and is qualified by reference to, the information contained in Section 6.

Applicants should also be aware that certain financial data included in this Prospectus may be '*non-IFRS financial information*' under Regulatory Guide 230 Disclosing non-IFRS financial information published by ASIC. The Company believes this non-IFRS financial information provides useful information to users in measuring the financial performance and condition of the Company. The non-IFRS financial information does not have a standardised meaning prescribed by Australian Accounting Standards and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information and ratios (if any) included in this Prospectus.

#### Financial information and forward looking statements

All values are in Great British Pounds unless noted otherwise (**£** or **GBP**), rounded to the nearest \$0.1 million and financial data is presented as at or for the full year ended 31 December 2021 or half year ended 30 June 2022 (as applicable) unless stated otherwise. Any discrepancies between totals and sums of components in tables contained are due to rounding.

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

statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. Accordingly, 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. The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and prospective investors are cautioned against placing undue reliance on these forward-looking statements.

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

#### **No cooling-off period**

No cooling off rights apply to applications submitted under the Offers.

#### **Photographs and diagrams**

Photographs and diagrams used in this Prospectus that do not have descriptions are for illustration purposes only and should not be interpreted to mean that any person shown in them 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.

#### **Company website**

Any references to documents included on the Company's website at [www.srj-technologies.com/](http://www.srj-technologies.com/) are for convenience only, and none of the documents or other information available on the Company's website are incorporated herein by reference.

#### **Defined terms and time**

Capitalised terms and abbreviations used in this Prospectus have the meanings given to them in the Glossary. Unless otherwise stated or implied, references to times in this Prospectus are to Sydney, Australia time.

#### **Disclaimer**

Except as required by law, and only to the extent so required, neither the Company, the Lead Manager nor any other person warrants or guarantees the future performance of the Company, or any return on any investment made pursuant to this Prospectus.

As set out in Sections 1 and 3, it is expected that the CDIs will be quoted on ASX. The Company and the Share Registry (in each case, as defined below) disclaim all liability, whether in negligence or otherwise, to persons who trade the CDIs before receiving their holding statements.

#### **Selling restrictions**

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has

been taken to register or qualify the New Securities or the Offers, or to otherwise permit a public offering of CDIs, in any jurisdiction outside Australia. The distribution of this Prospectus outside Australia may be restricted by law and persons who come into possession of this Prospectus outside 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.

In particular, the CDIs have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States unless the CDIs are registered under the US Securities Act, or offered or sold in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

#### **Privacy**

By filling out the Application Form to apply for New Securities, you are providing personal information to the Company through the Share Registry, which is contracted by the Company to manage applications. The Company, and the Share Registry on its behalf, may collect, hold and use that personal information in order to process your application, service your needs as an investor, provide facilities and services that you request and carry out appropriate administration. If you do not provide the information requested in the Application Form, the Company and the Share Registry may not be able to process or accept your application.

Your personal information may also be provided to the Company's members, agents and service providers on the basis that they deal with such information in accordance with the Company's privacy policy. The members, agents and service providers of the Company may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law. The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- the Share Registry for ongoing administration of the register of members;
- printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
- market research companies for the purpose of analysing the Securityholder base and for product development and planning; and
- legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising on, the Company's issued securities and for associated actions.

The information contained in the Company's register of members must remain there even if that person ceases to be a Securityholder. Information contained in the Company's register of members is also used to facilitate dividend payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its members) and compliance by the Company with legal and regulatory requirements. An Applicant has a right to gain access to the information that

the Company and the Share Registry hold about that person, subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing or by telephone call to the Company's registered office or the Share Registry's office, details of which are disclosed in the corporate directory set out on the last page of this Prospectus.

#### **Enquiries**

Before making a decision about investing in the Offer, you should seek advice from your stockbroker, accountant, financial adviser, taxation adviser or other independent professional adviser to determine whether it meets your objectives, financial situation and needs.

If you have any questions on how to:

- a) complete your Application Form; or
- b) take up the New Securities offered to you,

please call the SRJ Offer Information Line between 8.30am and 5.00pm (AEDT time) Monday to Friday during the period from and including the date on which the Offer open until and including the date on which the Offer close:

Within Australia: +61 7 3334 4851

If you have misplaced your Application Form and would like a replacement form, please call the number above.

#### **Website**

To view annual reports, securityholder and other information about the Company, announcements, background information on the Company's operations and historical information, visit the Company's website at [www.srj-technologies.com/](http://www.srj-technologies.com/).

#### **Exchange rate**

Except whether otherwise specifically provided, all financial amounts in this Prospectus have been converted from GBP to AUD at an exchange rate of GBP1:AUD 1.76.

#### **Regulation of SRJ**

As the Company is not established in Australia, its general corporate activities (apart from any offering of securities in Australia) are not regulated by the Corporations Act of the Commonwealth of Australia or by the Australian Securities and Investments Commission but instead are regulated by the Companies (Jersey) Law 1991 and applicable Jersey law.

## KEY DATES

Event	Date
Issue of CDIs under the Placement	24 October 2022
Lodgement of Prospectus with ASIC and ASX	23 November 2022
Offer opens and Issue of First Tranche Convertible Notes	23 November 2022
Offer closes	25 November 2022
Annual General Meeting (AGM)	16 December 2022
Allotment of New Options, Uplift Options, Advisor Options, Broker Options and NED Rights (Allotment Date).	19 December 2022
Convertible Note offer closes	1 May 2023

Dates and times in this Prospectus are indicative only and subject to change. All times and dates refer to Sydney time. The Company reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws, to vary the dates of the Offer or any part of the Offer without prior notice, including extending the Offer or any part of the Offer or accepting late applications, either generally or in particular cases, or to withdraw the Offer or any part of the Offer without prior notice. Applicants are encouraged to submit their personalised Application Forms as soon as possible. The commencement of quotation of CDIs is subject to confirmation from ASX.

## KEY OFFER STATISTICS

Company	
ASX code	SRJ
Number of CDIs on issue at date of this Prospectus <sup>1</sup>	123,269,239
Number of CDIs issued under the Placement	8,864,000
New Options available under the Offer (on the basis of 1 New Option for every 3 CDIs subscribed for in the Placement)	2,954,638
New Options issue price	Nil
New Options and Broker Options exercise price	A\$0.25
Gross proceeds from the issue of New Options under the Offer	Nil. If all the New Options, Broker Options, Advisor Options and Uplift Options are exercised in full, this would raise \$2,317,737.
Advisor Options <sup>5</sup>	123,333 Advisor Options <sup>2</sup>
Uplift Options <sup>5</sup>	192,978 Uplift Options <sup>3</sup>

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<sup>1</sup> Assumes all Shares are held in the form of CDIs.

<sup>2</sup> To be issued to Jindabyne Capital Pty Ltd in lieu of fees for services in relation to the Offer. See section 3.2.1.

<sup>3</sup> Uplift CDIs and attaching New Options to be issued to certain investors as set out in section 3.2.3.

<b>Broker Options to be issued in connection with the Placement</b>	6,000,000 <sup>4</sup>
<b>Face Value of the Convertible Notes</b>	A\$2,000,000 <sup>4,5</sup>
<b>NED Rights<sup>5</sup></b>	438,724
<b>Number of CDIs on issue on completion of the Offers (undiluted)<sup>2</sup></b>	133,520,901
<b>Number of CDIs on issue on completion of the Offers (fully diluted)<sup>2</sup></b>	149,285,849

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<sup>4</sup> Issues are conditional upon shareholder approval at the AGM. The issue of Convertible Notes above \$500,000 is conditional upon shareholder approval at the AGM.

<sup>5</sup> Excludes any CDIs issued on conversion of the Convertible Notes. If Raleigh opts to convert their First Tranche Convertible Notes to CDIs, based on the Floor Price an additional 3,333,333 CDIs would be issued for a total of 152,619,182 CDIs on a fully diluted basis. Refer to sections 3.2.4 and 6.18 for further details.

## CHAIRMAN'S LETTER

23 November 2022

Dear investor,

SRJ was suspended from trading on ASX in November 2021 in conjunction with our proposed acquisition of STATS Group Limited. Unfortunately, due to volatile market conditions, the acquisition was unable to proceed and the Company's CDIs have remained suspended from quotation.

The Company has conducted a number of capital raisings (**Placements**) to fund working capital and growth of the business. SRJ is now issuing this Prospectus to offer New Options to participants under the recent placement, issue securities to certain advisers and participants in the Placements and to ensure that the CDIs issued under the Placements and on exercise of the New Options and Broker Options can be freely tradeable on ASX with a view to the Company's CDIs being reinstated to trading on ASX. SRJ has also obtained a \$2,000,000 Convertible Note facility to provide additional working capital for the Company and is offering the Convertible Notes under this Prospectus.

Further information on the Offers is set out in Sections 2 and 3 of this Prospectus, SRJ's business and growth strategy are detailed in the investor presentation in Section 4 of this Prospectus. You should read the entirety of this Prospectus carefully before deciding whether to participate in the Offers. An investment in the Company is speculative and subject to a range of risks, which are more fully detailed in Section 5. If any of these risks or other material risks eventuate it will likely have a material adverse impact on the Company's future financial performance and position.

The asset integrity market continues to strengthen with customers under pressure from regulators, the drive to secure ESG credentials and the need to maximise production in a high energy price environment. SRJ's business development activities are focussed on securing repeat business and building recurring revenue streams from existing key accounts as well as developing new opportunities in the UK, Middle East, West Africa and Australia.

The Company is seeing increasing demand for its strategic and operational consulting services as well as for its pipework repair/containment management solutions. As the industry defeats its maintenance and repair backlogs there is a shift to more strategically oriented asset integrity management and solutions.

This will result in the opportunity for larger, longer-term contracts and engagements as the industry looks to plan for decommissioning, the energy transition and ageing asset life extension over the next 3 - 5 years.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Robin Pinchbeck', with a long horizontal flourish extending to the right.

**Robin Pinchbeck**

**Chairman**



# 1 INVESTMENT OVERVIEW

The purpose of this Section 1 is to give potential investors an investment overview that helps them make an informed investment decision by highlighting key information. It is an introduction to the Offers and is not intended to replace the other sections of this Prospectus, which Applicants should read in full.

Topic	Summary	For more information
<b>The Company</b>		
<b>Who is the issuer of the New Options?</b>	SRJ Technologies Group plc.	
<b>What is the Company's business?</b>	SRJ develops and distributes a range of weld-free coupling and containment management solutions for use in process pipework systems in energy sector assets. It also provides Asset Integrity Management ( <b>AIM</b> ) consulting services to elevate integrity management performance of its customers.	Section 4
<b>What is the Company's strategy?</b>	<p>The Company's immediate strategy is to grow its business by:</p> <ul style="list-style-type: none"> <li>leveraging existing strategic partnerships to exploit revenue opportunities for SRJ's disruptive products and solutions;</li> <li>offering a range of safe, reliable and technically superior solutions through continued innovation driven by customer demand; and</li> <li>achieve market acceleration by expanding global client relationships and locations.</li> </ul> <p>The Company will also seek opportunities to develop or acquire adjacent technologies for systems integration and identify strategic acquisition opportunities to accelerate the growth of the business and move to a position of profitability.</p>	Section 4
<b>The Offers</b>		
<b>What was the Placement?</b>	The Placement was an offer of CDIs to certain sophisticated and professional investors to raise \$1.7 million. CDIs under the Placement were issued to investors on 24 October 2022.	Section 2.2
<b>What is the Offer?</b>	The Offer is for 1 free New Option for every 3 CDIs subscribed for by Placement Participants.	Section 2.1
<b>What are the other Offers under this Prospectus?</b>	<p>In addition to the Offer, the Company has also agreed to:</p> <ul style="list-style-type: none"> <li>offer the Advisor Options to Jindabyne Capital Pty Ltd in lieu of fees relating to the Placements;</li> <li>offer the Broker Options to the Lead Manager and Jindabyne Capital Pty Ltd for lead managing and assisting with the Placements;</li> <li>offer the Uplift Options to certain investors under the Prior Placements;</li> <li>issue the Convertible Notes to Raleigh Atlantic Limited; and</li> <li>offer the NED Rights to non-executive directors in lieu of director's fees.</li> </ul> <p>Further details of these offers are contained in Section 3.2.</p>	Section 3.2

<b>What was the purpose of the Placement</b>	The Placements and the Offers are being conducted to raise working capital to enable the Company's CDIs to be reinstated to trading on ASX (subject to satisfaction of ASX's conditions to reinstatement).	Section 2.2																												
<b>What are the Convertible Notes?</b>	The Company has agreed to issue redeemable, unsecured convertible notes to Raleigh Atlantic Limited under the Convertible Loan Note Instrument ( <b>Convertible Notes</b> ). The Company intends to draw down the initial tranche of \$500,000 of Convertible Notes shortly after close of the Offers. The terms of the Convertible Notes are summarised in Sections 3.2.4 and 6.18.	Section 3.2.4																												
<b>What will the proceeds of the Placement and Convertible Notes be used for?</b>	<table border="1"> <thead> <tr> <th>Allocation of Funds A\$'000</th> <th>A\$2.2m Subscription A\$(000)</th> <th>A\$2.2m Subscription £\$(000)</th> <th>% of funds raised</th> </tr> </thead> <tbody> <tr> <td>Hiring new staff in target jurisdictions</td> <td>554</td> <td>313</td> <td>25%</td> </tr> <tr> <td>BoltEx® Inventory</td> <td>342</td> <td>193</td> <td>16%</td> </tr> <tr> <td>Hydrogen projects R&amp;D</td> <td>202</td> <td>114</td> <td>9%</td> </tr> <tr> <td>Cost of the offer</td> <td>147</td> <td>83</td> <td>7%</td> </tr> <tr> <td>Working Capital</td> <td>955</td> <td>540</td> <td>43%</td> </tr> <tr> <td><b>Total</b></td> <td><b>2,200</b></td> <td><b>1,243</b></td> <td><b>100%</b></td> </tr> </tbody> </table>	Allocation of Funds A\$'000	A\$2.2m Subscription A\$(000)	A\$2.2m Subscription £\$(000)	% of funds raised	Hiring new staff in target jurisdictions	554	313	25%	BoltEx® Inventory	342	193	16%	Hydrogen projects R&D	202	114	9%	Cost of the offer	147	83	7%	Working Capital	955	540	43%	<b>Total</b>	<b>2,200</b>	<b>1,243</b>	<b>100%</b>	
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<b>Who can apply under the Offers?</b>	<p>The Offer is open to sophisticated, institutional and/or professional Investors who participated in the Placement.</p> <p>The other offers under this Prospectus are open to persons who have received an invitation from the Company. The Convertible Notes will be issued to Raleigh Atlantic Limited.</p> <p>There is no general offer to the public under this Prospectus.</p>	Section 3.3																												
<b>What are the New Options?</b>	Each New Option is an option to subscribe for one Share or CDI in the capital of the Company.	Section 3.1																												
<b>What is the issue price of the New Options?</b>	There is no issue price payable for the New Options. Applicants under the Offer will be allotted one New Option for every three CDIs subscribed for under the Placement.	Section 3.1																												
<b>What is the exercise price of the New Options?</b>	The exercise price for each New Option is \$0.25.	Section 3.1																												
<b>When can the New Options be exercised?</b>	The New Options can be exercised any time from the date of allotment until October 2025.	Section 6.17																												
<b>Will the New Options be listed on ASX?</b>	No. The New Options will not be quoted on ASX or any other securities exchange.	Section 6.17																												

<p><b>What are the Uplift Options?</b></p>	<p>The Uplift Options are New Options to be offered to Investors who were issued Uplift CDIs.</p> <p>Uplift CDIs were issued to Investors who participated in the Placement and also participated in the Prior Placements.</p> <p>Investors who participated in the Prior Placements and the Placement have received a 15% uplift of their investment under the Placement based on their investment in the Prior Placements, and will be allotted one Uplift Option for every three Uplift CDIs issued.</p>	<p>Section 3.2.3</p>																																
<p><b>What are the Broker Options?</b></p>	<p>The Company has also agreed to issue an aggregate of 6,000,000 New Options (<b>Broker Options</b>) to the Lead Manager in lieu of fees for lead managing the Placements and Jindabyne Capital Pty Ltd in consideration for Mr Sam Williams introducing certain investors to the Company in relation to the Placements.</p>	<p>Section 3.2.2</p>																																
<p><b>What is the effect of the Offers on the Company?</b></p>	<p>The maximum number of securities which may be issued under the Offers is set out below:</p> <table border="1" data-bbox="459 748 1235 1713"> <thead> <tr> <th>Offers</th> <th>No of securities</th> <th>Percentage of issued share capital at Completion (undiluted)</th> <th>Percentage of issued share capital at Completion (fully diluted)</th> </tr> </thead> <tbody> <tr> <td>Existing Securities</td> <td>123,269,239 CDIs 6,493,999 Performance Rights</td> <td>92.32% CDIs 0.00% Performance Rights</td> <td>82.57% CDIs 4.35% Performance Rights</td> </tr> <tr> <td>Placement and Offer</td> <td>8,864,000 CDIs 2,954,638 New Options</td> <td>6.64% CDIs 0.00% New Options</td> <td>5.94% CDIs 1.98% New Options</td> </tr> <tr> <td>Advisor Securities<sup>1</sup></td> <td>370,000 CDIs 123,333 New Options</td> <td>0.28% CDIs 0.00% New Options</td> <td>0.25% CDIs 0.08% New Options</td> </tr> <tr> <td>Broker Options<sup>1</sup></td> <td>6,000,000 Broker Options</td> <td>0.00%</td> <td>4.02%</td> </tr> <tr> <td>Uplift Securities<sup>1</sup></td> <td>578,938 CDIs 192,978 New Options</td> <td>0.43%</td> <td>0.43%</td> </tr> <tr> <td>NED Rights<sup>1</sup></td> <td>438,724 NED Rights</td> <td>0.33%</td> <td>0.29%</td> </tr> <tr> <td>Total</td> <td>149,285,849</td> <td>100.00%</td> <td>100.00%</td> </tr> </tbody> </table> <p><sup>1</sup> Subject to shareholder approval for the issue of these securities at the AGM</p> <p>The Company will also issue the First Tranche Convertible Notes to Raleigh Atlantic Limited shortly after closing of the Offer, to provide further working capital for the Company. The terms of the Convertible Notes including the CDIs that may be issued on conversion are set out in Sections 3.2.4 and 6.18. If Raleigh opts to convert their First Tranche Convertible Notes to CDIs based on the Floor Price an additional 3,333,333 CDIs will be issued for a total of 152,619,182 CDIs on a fully diluted basis</p>	Offers	No of securities	Percentage of issued share capital at Completion (undiluted)	Percentage of issued share capital at Completion (fully diluted)	Existing Securities	123,269,239 CDIs 6,493,999 Performance Rights	92.32% CDIs 0.00% Performance Rights	82.57% CDIs 4.35% Performance Rights	Placement and Offer	8,864,000 CDIs 2,954,638 New Options	6.64% CDIs 0.00% New Options	5.94% CDIs 1.98% New Options	Advisor Securities <sup>1</sup>	370,000 CDIs 123,333 New Options	0.28% CDIs 0.00% New Options	0.25% CDIs 0.08% New Options	Broker Options <sup>1</sup>	6,000,000 Broker Options	0.00%	4.02%	Uplift Securities <sup>1</sup>	578,938 CDIs 192,978 New Options	0.43%	0.43%	NED Rights <sup>1</sup>	438,724 NED Rights	0.33%	0.29%	Total	149,285,849	100.00%	100.00%	<p>Section 6</p>
Offers	No of securities	Percentage of issued share capital at Completion (undiluted)	Percentage of issued share capital at Completion (fully diluted)																															
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Total	149,285,849	100.00%	100.00%																															

	The effect of the Offers on the control and financial position of the Company is set out in Section 6.	
<b>Is shareholder approval required for the Offers?</b>	<p>No, shareholder approval is not required for the offer of the First Tranche Convertible Notes which will be made using the Company's placement capacity under Listing Rule 7.1.</p> <p>However shareholder approval at the AGM on 16 December 2022 will be required to approve:</p> <ul style="list-style-type: none"> <li>• the issue of the New Options;</li> <li>• the issue of the Uplift Options;</li> <li>• the offer of the Advisor Options;</li> <li>• the offer of the Broker Options;</li> <li>• the issue of the Convertible Notes other than the First Tranche Convertible Notes; and</li> <li>• the issue of the NED Rights.</li> </ul>	Section 3
<b>Key risks</b>		
<b>What are the key risks associated with the Company?</b>	<p><b>Loss making operation and funding</b></p> <p>The funds to be raised under the Offer are considered sufficient to meet the current objectives of the Company. However, additional funding will be required if further opportunities arise for capital expenditure, acquisitions, or joint ventures or to accelerate the growth of the business. If these events occur, the Company will look to raise additional funding via equity or debt financing. Failure to obtain sufficient funding may result in delay and indefinite postponement of the Company's activities and operations. There can be no guarantee that additional funding will be available when needed, on terms appropriate to the Company or that do not involve substantial shareholder dilution and there is no guarantee that the Company will ever reach profitability. At the current time, the Company is loss making and is not cash flow positive given it is still in its relatively early stages of commercialisation. As a result, it is reliant on raising funds from investors to fund its operations and product development.</p> <p><b>Failure to attract new customers</b></p> <p>The success of the Company's business relies on its ability to attract new business from existing customers and attract new customers including in new jurisdictions. The capacity to attract new customers and attract new business from existing customers and new customers will be dependent on many factors including the capability, cost-effectiveness, customer support and value compared to competing products.</p> <p><b>Protection of intellectual property</b></p> <p>The value of the Company's products is dependent on its ability to effectively identify, protect, defend, and in certain circumstances keep secret, its intellectual property, including business processes and know-how, copyrights, patents, trade secrets and trademarks. There is a risk that the Company may be unable to detect the unauthorised use of its intellectual property rights in all instances. Further, actions the Company takes to protect its intellectual property may not be adequate or enforceable and therefore may not prevent the misappropriation of its intellectual property and proprietary information.</p> <p><b>Competition</b></p> <p>Whilst the Company currently has expertise to deliver a high-quality product, it is anticipated that the level of competition could increase rapidly. There is no assurance that competitors will not succeed in developing products more effective or economic than the products developed by the Company which would render the Company's products uncompetitive. The Company faces a range of risks including that existing competitors could increase their market share through aggressive sales and marketing campaigns, product</p>	Section 5

research and development or price discounting; and existing and potential competitors, who may have significantly more resources, develop new or superior products or improve existing products to compete with the Company.

#### **Uncertainty of revenue and lack of formal customer contracts**

The Company does not have formal written contracts in place with the majority of its customers and in the written customer contracts it does have in place are generally not long-term and do not contain minimum purchase requirements. Customers order and purchase products from the Company on an ad hoc basis by submitting standard purchase orders with the Company which then supplies the products and issues an invoice for those products. The purchase orders are either on the Company's or the customer's standard terms and conditions which are generally on standard market terms. The Company's customers may decide not to continue placing purchase orders with the Company in the future at the same level as in prior periods. As a result, the Company's operating performance may vary from period to period and may fluctuate significantly in the future.

#### **Reliance on key customers**

A significant proportion of the Company's revenue is currently derived from the Company's largest customer, EnerMech, under the terms of the EnerMech Collaboration Agreement whereby EnerMech is a distributor of the Company's products. Sales under the EnerMech Collaboration Agreement represented approximately 55% of the expected revenue in 2022. The company's second-largest customer is SBM which contributes approximately 19% of the Company's revenue. Aggregated, EnerMech and SBM are approximately 74% of the Company's revenue. While the Company is reliant on a small number of large customers, management is of the opinion that this will continue to reduce as more SRJ products are installed thereby increasing asset reference points.

#### **Reliance on key personnel**

The nature of the Company's business requires its employees in the engineering team to be highly skilled and experienced in their respective fields. Further, the Company's management team consists of individuals, in particular Mr. Alexander Wood (CEO), Roger Smith (Head of EMEA), Paul Eastwood (Technical Director) and certain other senior employees of the Company, who have significant knowledge of the Company's technology, products and well-established relationships with the Company's key customers, third party manufacturers and suppliers. The loss of key members of the management team or members of the engineering team, or any delay in their replacement, may adversely affect the Company's ability to implement its strategies and may also adversely affect the Company's future financial performance.

#### **Launch and adoption of new and existing products**

The development and release of new products, or the adoption of these new products may take longer than expected, may involve additional costs and/or may delay new revenue streams. New third-party technologies could prove more advanced and be developed in less time than the Company's new products.

#### **Infringement of intellectual property rights**

The ability of the Company to operate without infringing the proprietary intellectual property rights of third parties is an integral part of its business. There is a risk that third parties may allege that the Company's products use intellectual property derived by them or from their products without their consent or permission.

#### **Impacts of COVID-19**

The COVID-19 pandemic continues to evolve and the Company considers it reasonably likely that its business will be affected in various ways (both directly and indirectly), including workforce and supply challenges for asset owners and oil and gas operators as a result of delays to pipeline maintenances, potential impacts on supply chains and possible decline in customer revenue arising from forced business closures. There is continued

uncertainty as to the further impact of COVID-19 including in relation to further governmental action, work stoppages, lockdowns, quarantines, travel restrictions, other unforeseen changes.

## 2. BACKGROUND TO AND PURPOSE OF THE OFFERS

### 2.1 Overview of the Offer

Under this Prospectus, SRJ is offering New Options to Placement Participants at an exercise price of \$0.25 per New Option. Placement Participants are not required to pay an issue price for the New Options. However, if the New Options were all exercised, this would raise gross proceeds for the Company of \$738,660.

### 2.2 Background to and purpose of the Offer

Since the Company announced its proposed acquisition of STATS (UK) Limited (**STATS**) on 23 November 2021, which the Company is no longer pursuing, the Company's CDIs have been suspended from trading on the ASX.

Following the termination of the Share Purchase Agreement for the STATS acquisition, SRJ has raised capital via private placements to either sophisticated investors or professional investors as set out below (**Prior Placements**):

Date	Number of CDIs	Issue Price
5 May 2022	2,128,870	\$0.20
30 June 2022	1,225,000	\$0.20
11 July 2022	900,000	\$0.20

In addition to the Prior Placements, the Company also conducted a further private placement on 24 October to raise up to \$1,700,000 through the issue of 8,864,000 CDIs over ordinary shares in the capital of the Company at a price of \$0.20 per CDI (**Placement**). The Placement was made to sophisticated investors and professional investors (**Placement Participants**).

In conjunction with the Placement, subject to shareholder approval being obtained at the AGM, Placement Participants are now being offered 1 New Option for every 3 CDIs subscribed for under the Placement. The New Options are being issued to Placement Participants pursuant to this Prospectus to ensure that the CDIs received on exercise of these New Options are free from on-sale restrictions (see Section 2.3).

In addition, SRJ has obtained an amended convertible note facility with Raleigh Atlantic Limited under which it can issue up to A\$2,000,000 of Convertible Notes to raise additional working capital for the Company (see Sections 3.2.4 and 6.18). The Company intends to issue the First Tranche Convertible Notes shortly following closing of the Offers. The balance of the Convertible Notes are subject to shareholder approval at the AGM. The Convertible Notes are being issued pursuant to this Prospectus to ensure that any CDIs received on conversion of the Convertible Notes are free from on-sale restrictions (see Section 2.3).

The Company conducted the Placement and is issuing this Prospectus to:

- 2.2.1 raise additional funds for working capital and growth of the Company;
- 2.2.2 enable the Company's CDIs to be reinstated to trading on ASX; and
- 2.2.3 lift resale restrictions on CDIs and other securities which have been issued while the Company has been suspended from trading on ASX.

In conjunction with the Offer and in order to conserve cash resources, the Company has also agreed to issue securities to its Lead Manager and others involved in raising funds under the Offers as described in Section 3.2 below.

### **2.3 On-sale restrictions under the Corporations Act**

If securities are issued to an investor without a disclosure document then (unless an exemption applies) the securities may be restricted under the Corporations Act from on-sale for the first 12 months from the date of issue unless the investor (to whom the securities are on-sold) also falls within one of the exemptions.

As the Company's CDIs have been suspended from trading on ASX for more than 5 days during the 12 months preceding the date of this Prospectus, the Company was precluded from relying on lodging a cleansing notice under section 708A(5) of the Corporations Act to remove any such on-sale restrictions from CDIs issued under the Prior Placements and the Placement.

However, section 708A(11) of the Corporations Act provides (amongst other things) that a sale offer does not need disclosure (and therefore will be exempt from the on-sale provisions) if:

- 2.3.1 the relevant securities are in a class of securities that are quoted securities of the body; and either:
- (a) a prospectus is lodged with ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
  - (b) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offer of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued, and
  - (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

### **2.4 Reinstatement to trading**

The Company's CDIs have been suspended from trading since 23 November 2021. The Company has applied to ASX for reinstatement of the CDIs and ASX has provided in-principle advice that the CDIs will be reinstated provided that the Company meets its conditions to reinstatement.

### **2.5 Non-Executive Director remuneration**

The Company is taking actions to improve its cash position and runway including reducing costs where possible and deferring some areas of expenditure. As part of this program the Company proposes to replace certain directors fees with the issuance of NED Rights, which are rights to receive CDIs, which will be issued under the SRJ Equity Incentive Plan.

Under this program, non-executive Directors will be entitled to elect to receive all or some of their non-executive director fees as NED Rights in lieu of cash fees. The non-executive Directors are entitled to make an election in respect of each financial year as to whether they wish to participate in the SRJ Equity Incentive Plan and, if so, to what extent. Directors may nominate a Related Party to receive their NED Rights (**Nominee**).

For the financial year ending 31 December 2022, the following non-executive Directors have agreed to forgo their entitlement to be paid director fees in cash for the following amounts and will receive the number of NED Rights set out in the table below in lieu of such fees based on the Offer Price per CDI.



Director	Cash fees foregone	NED Rights
<b>Robin Pinchbeck</b>	A\$21,247 (£11,739)	106,237
<b>Andrew Mitchell</b>	A\$21,247 (£11,739)	106,237
<b>Grant Mooney</b>	A\$45,250 (£25,000)	226,250

The first issue will take place shortly after the AGM in respect of the financial year ending 31 December 2022.

In future financial years, each non-executive Director or their Nominee will receive such number of NED Rights equal in value to the cash fees they had elected to forgo in respect of relevant financial year based on the VWAP of the CDIs at the applicable time.

As the Company has been suspended from trading for a period of time, the NED Rights for the financial year ending 31 December 2022 are being offered under this Prospectus.

### 3. DETAILS OF THE OFFERS

#### 3.1 Offer

Under the Placement, certain sophisticated, institutional and/or professional Investors were invited to subscribe for CDIs in the Company at the offer price of \$0.20 per CDI.

The Company has raised \$1,700,000 by the issue of 8,864,000 CDIs under the Placement. Subject to shareholder approval at the AGM, Placement Participants will under the Offer receive one New Option for every 3 CDIs subscribed for under the Placement. The Offer will only be extended to Placement Participants and Application Forms will only be provided to these parties.

The New Options are each a right to receive one fully paid Share or CDI on payment of the exercise price of \$0.25.

The terms of the New Options are set out in Section 6.17. All of the CDIs issued on the exercise of the New Options will be fully paid and will rank equally in all respects with existing CDIs on issue as at the date of this Prospectus.

#### 3.2 Ancillary Offers under this Prospectus

In addition to the Offer, the Company is making separate offers pursuant to this Prospectus as set out below:

##### 3.2.1 Advisor Options – Jindabyne Capital Pty Ltd

In lieu of fees relating to the Placements, the Company issued 370,000 CDIs to Jindabyne Capital Pty Ltd on 24 October 2022 (**Advisor CDIs**). The Company has also agreed to issue Jindabyne Capital Pty Ltd 1 New Option for every 3 Advisor CDIs issued (**Advisor Options**). Pursuant to this Prospectus the Company will offer the 123,333 attaching Advisor Options to Jindabyne Capital Pty Ltd subject to shareholder approval at the AGM under Listing Rule 7.1.

##### 3.2.2 Broker Options

In accordance with this Prospectus, the Company will also be offering the Lead Manager and Jindabyne Capital Pty Ltd an aggregate of 6,000,000 New Options (**Broker Options**) as follows:

- (a) 4,000,000 options to Novus Capital as part of the fees payable by the Company to the Lead Manager in relation to the Placements; and
- (b) 2,000,000 options to Jindabyne Capital Pty Ltd in consideration for Mr Williams introducing certain investors to the Company in relation to the Placements,

The offer of the Broker Options is conditional on shareholder approval at the AGM and will be allotted on or around 19 December 2022 (**Allotment Date**). Shareholder approval at the AGM is required because the issue of the Broker Options would exceed the Company's placement capacity under Listing Rule 7.1.

##### 3.2.3 Uplift Options

Investors who are participated in the Placement and also participated in the Prior Placements will be entitled to receive a 15% uplift of their investment in CDIs under the Placement based on their investment in the Prior Placements (**Uplift CDIs**). The Company issued the Uplift CDIs on 24 October 2022. Investors who receive Uplift CDIs will be entitled to receive one New Option for every three Uplift

CDIs received (**Uplift Options**). The Uplift Options will be issued pursuant to this Prospectus and are subject to receiving shareholder approval at the AGM for the purposes of ASX Listing Rule 7.1.

The number of Uplift CDIs issued to Investors was calculated according to the following formula:

$$(UC = FPI \times 0.15)$$

Where:

UC is the number of Uplift CDIs; and

FPI is the dollar value of the investment in the Prior Placements

### 3.2.4 Convertible Notes

Pursuant to this Prospectus, the Company will offer the Convertible Notes to Raleigh Atlantic Limited. The Convertible Notes will be issued under a convertible loan note instrument (**Convertible Note Loan Instrument**). The facility provides for the issue of up to A\$2,000,000 of Convertible Notes. The Convertible Notes will expire 18 months from the date of their issue. The proceeds raised from the issue of the Convertible Notes will be used for working capital.

Raleigh Atlantic Limited will immediately subscribe for A\$500,000 worth of Convertible Notes and then will subscribe for the convertible notes as the Company requires in multiples of A\$50,000 up to a value of A\$2,000,000.

The issue of the First Tranche Convertible Notes does not require shareholder approval at the AGM as this will fall within the Company's remaining Listing Rule 7.1 capacity. However, the issue of the balance of the Convertible Notes, up to the value of A\$2,000,000 is conditional on shareholder approval at the AGM for the purposes of Listing Rule 7.1.

### 3.2.5 NED Rights

As described in Section 2.5, the Company is offering NED Rights under the SRJ Equity Incentive Plan to its Non-Executive Directors in lieu of cash fees. The offer of the NED Rights is also conditional on shareholder approval at the AGM for the purposes of Listing Rule 10.14 and the NED Rights will be allotted on the Allotment Date.

## 3.3 How to apply

### 3.3.1 How to apply for New Options under the Offer

The Offer opens at 9am (AEDT) on 23 November 2022 and is expected to close at 5.00pm (AEDT) on 25 November 2022. The Company may elect to close the Offer or to extend the Offer or accept late Applications either generally or in particular cases. The Offer may be closed at any earlier date and time, without further notice. Applicants are therefore encouraged to submit their Applications as early as possible.

Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the reverse of the Application Form.

By making an Application, you declare that you were given access to this Prospectus, together with an Application Form. The Corporations Act prohibits any

person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

The Company, the Lead Manager and the Share Registry take no responsibility for any acts or omissions committed by your Broker in connection with your Application.

### 3.3.2 How to apply under the Ancillary Offers

Persons entitled to receive New Securities under the Ancillary Offers will receive a personalised invitation from the Company. Recipients must complete the Application Form accompanying the invitation in accordance with the instructions from the Company or your Broker in order to receive New Securities under the Ancillary Offers.

## 3.4 Is the Offer underwritten

Neither the Placement or the Offers are underwritten. The Placement was lead managed by Novus Capital Limited.

## 3.5 ASX quotation and trading

The Company will apply for quotation of the CDIs under the Offer. The ASX has provided in-principle advice to SRJ that its CDIs are likely to be reinstated to trading subject to satisfaction of customary conditions to reinstatement. While the Company is not aware of any reason why quotation would be denied, there is no assurance that the application will be granted.

The fact that ASX may grant quotation of the CDIs is not to be taken in any way as an indication of the merits of the Company, or the CDIs issued under the Offers.

## 3.6 CHES

The CDIs will participate from the date of commencement of quotation in the Clearing House Electronic Sub-register System (**CHES**), operated by ASX Settlement Pty Limited. These CDIs must be held in uncertificated form (i.e. no certificate will be issued) on the CHES sub-register under sponsorship of a sponsoring participant (usually a broker) or on the issuer-sponsored sub-register. Arrangements can be made at any subsequent time following quotation to convert your holdings from the issuer-sponsored sub-register to the CHES sub-register under sponsorship of a sponsoring participant or vice versa, by contacting your sponsoring participant.

## 3.7 No withdrawal or cooling-off rights

You cannot withdraw your application once it has been accepted. Cooling-off rights do not apply to an investment in the New Securities.

## 3.8 Risks of the Offers

As with any securities investment, there are risks associated with investing in the Company. Having regard to the risks applicable to the Company and its business, Investors should be aware that an investment in the New Securities offered under this Prospectus should be considered highly speculative and there exists a risk that you may, in the future, lose some or all of the value of your investment.

Before deciding to invest in the Company, investors should read this Prospectus in its entirety, in particular the specific risks associated with an investment in the Company set out

in Section 5 and should consider all factors in light of their personal circumstances and seek appropriate professional advice.

#### **4. PLACEMENT INVESTOR PRESENTATION**

## **5. RISK FACTORS**

### **5.1 Introduction**

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 risk factors can impact the value of an investment in the CDIs of the Company. The New Options and New Securities should be considered a speculative investment.

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.

Based on the information available as at the date of this Prospectus, set out below is a list of specific risks that the Company is exposed to or which investors in the Company are exposed to. The summary of risks that follows is not intended to be exhaustive and this Prospectus does not take into account the personal circumstances, financial position or investment requirements of any particular person. There may be additional risks and uncertainties that the Company is unaware of or that the Company currently considers to be immaterial, which may affect the Company and their related entities.

The below, and others not specifically referred to below may, in the future, materially affect the financial performance of the Company and the value of the Company's CDIs.

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

Before applying for New Options or New Securities, you should be satisfied that you have a sufficient understanding of the risks involved in making an investment in the Company and whether it is a suitable investment for you, having regard to your investment objectives, financial circumstances, and taxation position. You should read this Prospectus in its entirety and seek advice from your stockbroker, solicitor, accountant, financial adviser, or other independent professional adviser before deciding whether to apply for New Options or New Securities.

### **5.2 Risks specific to SRJ**

#### **5.2.1 Loss making operation and funding**

The funds to be raised under the Offers are considered sufficient to meet the current objectives of the Company. However, additional funding will be required if further opportunities arise for capital expenditure, acquisitions, or joint ventures or to accelerate the growth of the Company. If these events occur, the Company will look to raise additional funding via equity or debt financing. Failure to obtain sufficient funding may result in delay and indefinite postponement of the Company's activities and operations. There can be no guarantee that additional funding will be available when needed, on terms appropriate to the Company or that do not involve substantial shareholder dilution and there is no guarantee that the Company will ever reach profitability. At the current time, the Company is loss making and is not cash flow positive given it is still in its relatively early stages of commercialisation. As a result, it is reliant on raising funds from investors to fund its operations and product development.

#### **5.2.2 Failure to attract new customers**

The success of the Company's business relies on its ability to attract new business from existing customers and attract new customers.

The capacity to attract new customers and attract new business from existing customers will be dependent on many factors including the capability, cost-effectiveness, customer support and value compared to competing products. If customers do not continue to use the Company's products and increase their usage over time, and if new customers do not choose to use the Company's products, the growth in the Company's revenue may slow, or the Company's revenue may decline, which will have an adverse impact on the Company's operating and financial performance.

### 5.2.3 Protection of intellectual property

The value of the Company's products is dependent on its ability to effectively identify, protect, defend, and in certain circumstances keep secret, its intellectual property, including business processes and know-how, copyrights, patents, trade secrets and trademarks. There is a risk that the Company may be unable to detect the unauthorised use of its intellectual property rights in all instances. Further, actions the Company takes to protect its intellectual property may not be adequate or enforceable and therefore may not prevent the misappropriation of its intellectual property and proprietary information. Breach of the Company's intellectual property may result in the need for it to commence legal action, such as infringement or administrative proceedings, which could be costly, time consuming and potentially difficult to enforce in certain jurisdictions and may ultimately prove unfavourable to the Company.

The Company's failure to protect its intellectual property rights could have an adverse impact on its operations and financial performance. In particular:

Various events outside of the Company's control pose a threat to its intellectual property rights, as well as to its products and technologies. For example, effective intellectual property protection may not be available or feasible in every country in which the Company's products and services could be distributed. Also, the efforts the Company has taken to protect its proprietary rights may not be sufficient or effective.

Whilst the Company has obtained a number of patents for its product components, it otherwise largely relies on trade secrets and the confidentiality and intellectual property protections in its contracts with employees and third parties to protect its intellectual property rather than formal legal mechanisms to protect its intellectual property. There is always the possibility, despite the Company's efforts, that the confidentiality and intellectual property protections the Company implements will be insufficient to protect the Company's intellectual property. In particular, the Company cannot guarantee that its contractual confidentiality and intellectual property protections will be sufficient to restrict access to the Company's sensitive intellectual property or that employees, third party manufacturers and others who have had access to the Company's sensitive intellectual property during the course of their employment or engagement with the Company, do not unlawfully use such sensitive intellectual property either during or after their employment or engagement ceases or is terminated. The secrecy of this information could be compromised by outside parties or by employees or others engaged by the Company.

There is always the possibility that the Company's registered or unregistered intellectual property (including its patents or trademarks) may be deemed invalid or unenforceable. It is also possible the Company may not be able to protect some of its innovations and technology. Further to this, the Company may not have adequate patent or copyright protection for certain innovations and technology that later turn out to be important.



## Competition risk

Whilst the Company currently has expertise to deliver a high-quality product, it is anticipated that the level of competition could increase rapidly. There is no assurance that competitors will not succeed in developing products more effective or economic than the products developed by the Company which would render the Company's products uncompetitive.

The Company faces the risk that:

- (a) existing competitors could increase their market share through aggressive sales and marketing campaigns, product research and development or price discounting;
- (b) existing and potential competitors, who may have significantly more resources, develop new or superior products or improve existing products to compete with the Company;
- (c) the Company may fail to increase adoption and usage of its products or introduce new products;
- (d) the Company may fail to anticipate and respond to changing opportunities, technology, or customer requirements as quickly as its competitors;
- (e) the Company's competitors may enhance their product offering to improve their competitive positioning relative to the Company;
- (f) new market entrants into the pipeline repair and emergency pipeline replacement market could develop products which compete with the Company's products; and
- (g) customers who purchase the Company's products today may, as they continue to grow, decide to invest in or develop their own solutions, rather than purchasing them from third parties such as the Company.

If any of these risks arise, the Company may compete less effectively and the Company's market share and ability to secure existing or new business could be reduced, which would have an adverse impact on the Company's operating and financial performance.

### 5.2.4 Uncertainty of revenue and lack of formal customer contracts

The Company does not have formal written contracts in place with the majority of its customers and in the written customer contracts it does have in place are generally not long-term and do not contain minimum purchase requirements. Customers order and purchase products from the Company on an ad hoc basis by submitting standard purchase orders with the Company which then supplies the products and issues an invoice for those products. The purchase orders are either on the Company's or the customer's standard terms and conditions which are generally on standard market terms. The Company's customers may decide not to continue placing purchase orders with the Company in the future at the same level as in prior periods. As a result, the Company's operating performance may vary from period to period and may fluctuate significantly in the future.

Since the Company has no long-term written contracts with its customers, if the Company's relationship with any of its major customers deteriorates, or should any of these major customers not order products from the Company, then the Company's business and financial condition could be adversely impacted.

#### 5.2.5 Reliance on key customers

A significant proportion of the Company's revenue is currently derived from the Company's largest customer, EnerMech, under the terms of the EnerMech Collaboration Agreement whereby EnerMech is a distributor of the Company's products. Sales under the EnerMech Collaboration Agreement represented approximately 55% of the expected revenue in 2022. The company's second-largest customer is SBM which contributes approximately 19% of the Company's revenue. Aggregated, EnerMech and SBM are approximately 74% of the Company's revenue. While the Company is reliant on a small number of large customers, management is of the opinion that this will continue to reduce as more SRJ products are installed thereby increasing asset reference points.

#### 5.2.6 The Company may face difficulties encountered by many companies early in their commercialisation

The Company commenced operations in 2011 and has primarily been focused on the development, testing and certification of its products to date. While the Company is revenue generating and is expanding its customer base and relationships in the industry, its ability to sell its products at a larger scale still needs to be proven.

The Company remains in the initial stages of commercialising its key products. As is common with companies with limited operating history, the Company has incurred net losses since its inception, has never been profitable and can give no assurance that the Company will be profitable or cash-flow positive in the future. In assessing the Company's business prospects, you should consider the various risks encountered by companies early in their commercialisation. These risks include the Company's ability to:

- (a) progress the commercialisation of its products and services and implement its growth strategy;
- (b) increase awareness of its brand and market acceptance of its products;
- (c) obtain any required future certifications or approvals for new products and maintain existing certifications and approvals;
- (d) manage expanding operations effectively; and
- (e) respond effectively to competitive pressures and development.

#### 5.2.7 Reliance on key personnel

The nature of the Company's business requires its employees in the engineering team to be highly skilled and experienced in their respective fields. Further, the Company's management team consists of individuals, in particular Alexander Wood (CEO) and Roger Smith (Managing Director – Europe & MENA), and certain other senior employees of the Company, who have significant knowledge of the Company's technology, products and well-established relationships with the Company's key customers, third party manufacturers and suppliers. In particular, SRJ is heavily reliant on its engineering team in the United Kingdom with the product design skills concentrated in a small number of personnel in the United Kingdom. The loss of key members of the management team or members of the engineering team, or any delay in their replacement, may adversely affect the Company's ability to implement its strategies and may also adversely affect the Company's future financial performance.

Further to this, if the Company is unable to retain or motivate key personnel, hire qualified personnel, or maintain its corporate culture, the Company may not be able to successfully execute its business plans. The Company's performance and future success depends on its continuing ability to identify, hire, develop, motivate, and retain highly skilled personnel for all areas of the organisation, particularly design and engineering.

Competition for qualified employees in the Company's industry, particularly product design, is intense. In addition, the Company's compensation arrangements, such as equity award programs, may not always be successful in attracting new employees and retaining and motivating existing employees. The Company's continued ability to execute on its strategies effectively depends on its ability to attract new employees and to retain and motivate existing employees.

#### 5.2.8 Launch and adoption of new and existing products

The development and release of new products, or the adoption of these new products may take longer than expected, may involve additional costs and/or may delay new revenue streams. New third-party technologies could prove more advanced and be developed in less time than the Company's new products. There is also risk that the Company's new products may not be well received or adopted by its customers as a result of various reasons including (amongst others) the new products not being well priced when compared to competing products or the new products lacking a strong feature that resonates with customers.

In particular, the business strategy set out in the investor presentation in Section 4 assumes the adoption of the Company's existing products and the successful launch and adoption of new products. If for any reason the adoption of the Company's existing products or the development and launch of new products is delayed or these products are not successfully marketed or adopted by the Company's customers or new customers, then this could cause additional costs and/or delays in the timing for the Company to recognise revenue and could therefore materially impact the Company's ability to achieve its business strategy. If significant further expenditure is required, the Company may also be required to raise further funding to develop and launch these or other new products.

#### 5.2.9 Impacts of COVID-19 and associated risk of recession

The COVID-19 pandemic continues to evolve and the Company considers it reasonably likely that its business will be affected in various ways (both directly and indirectly), including workforce and supply challenges for asset owners and oil and gas operators as a result of government imposed restrictions, delays to pipeline maintenances, potential impacts on supply chains and possible decline in customer revenue arising from forced business closures. There is continued uncertainty as to the further impact of COVID-19 including in relation to further governmental action, work stoppages, lockdowns, quarantines, travel restrictions, other unforeseen changes and the potential for an economic recession either globally or in certain jurisdictions in which the Company operates.

#### 5.2.10 Global and jurisdiction risk

The Company has operations in Australia and the United Kingdom, conducts projects in various other jurisdictions and has its corporate and head office functions in Jersey. As at the Prospectus Date, the Company derives revenue from operations in foreign countries. As a result, the Company is exposed to fluctuations in currency exchange rates [particularly in USD as compared to GBP], which are not managed by way of hedging at present. These fluctuations in currency, exchange rates, the introduction of foreign exchange controls which restrict or prohibit repatriation of funds, and technology export and import

restrictions, prohibitions or delays may adversely impact the Company's operating and financial performance.

The sale of products in foreign jurisdictions also exposes the Company to national trade laws, regulatory rules and regulations (where applicable) and failure to comply with any applicable law or regulatory requirement could result in penalties and enforcement action.

#### 5.2.11 Manufacturing, supply and product liability risk

The Company may be subject to product liability claims if a defect in a product sold or supplied by the Company results in, or is alleged to have resulted in, personal injury or property damage. The Company's business model relies on third party suppliers to supply certain product components and also relies on third party manufacturers to manufacture the Company's products. Although the Company has policies and procedures in place to ensure its products are of a certain standard, there can be no assurance that manufacturing defects will not arise in the Company's products or that key components provided by third party suppliers may be defective.

Product defects could expose the Company to product liability claims or litigation which may result in the revocation of certifications or approvals for certain products and or monetary damages being awarded against the Company.

In addition, a product defect may expose the Company to financial liability, decrease demand for its products or damage the Company's business reputation, brand names or its relationships. If any of those events were to occur, they may adversely impact the Company's operating and financial performance.

#### 5.2.12 Failure to realise benefits from research and development costs

Developing technology is expensive and the investment in the development of these product offerings often involves an extended period of time to achieve a return on investment. An important element of the Company's business strategy is to continue to make investments in innovation and related product opportunities. The Company believes that it must continue to dedicate resources to the Company's innovation efforts to develop technology product offerings in order to maintain the Company's competitive position. The Company may not, however, receive significant revenues from these investments for several years, or may not realise such benefits at all.

#### 5.2.13 Insurance risk

While the Company currently has in place what it reasonably believes to be sufficient levels of insurance to cover general and product liability, directors' and officers' liability and workers compensation claims, there is a possibility that events may arise which are not covered by the Company's insurance policies. In the event of a successful claim being made against the Company, this may adversely impact the Company's reputation, result in payment of excesses incurred in defending claims, result in payment of any amount of liability that exceeds available insurance coverage and may increase future insurance premiums.

The Company may be unable to obtain appropriate insurance cover for all relevant matters, particularly given the Company's operations in overseas countries may be considered by insurers to present additional risk, depending upon political and litigious circumstances in the country in question.

#### 5.2.14 Health and safety risk

The Company is subject to OH&S risks associated with operating within an environment of high-pressure gas and oil infrastructure with technology and machinery that are potentially dangerous. If an OH&S claim was made against SRJ, it would need to defend such claims, which is costly and may result in the Company incurring significant costs, management time and reputational damage, any of which would be adverse to the Company's financial performance.

#### 5.2.15 Country/region specific risks in new and/or unfamiliar markets

The Company has operations in a number of overseas jurisdictions and is exposed to a range of different legal and regulatory regimes, including in new jurisdictions in which the Company is expanding its operations. As the Company expands its presence in new international jurisdictions, it is subject to the risks associated with doing business in regions that may have political, legal and economic instability or less sophisticated legal and regulatory systems and frameworks, including:

- (a) unexpected changes in, or inconsistent application of, applicable foreign laws and regulatory requirements;
- (b) less sophisticated technology standards;
- (c) difficulties engaging local resources; and
- (d) potential for political upheaval or civil unrest.

As the Company increases its operations in existing regions or enters newer regions there is a risk that the Company fails to understand the laws, regulations and business customs of these regions. This gives rise to risks relating to labour practices, foreign ownership restrictions, tax regulation, difficulty in enforcing contracts, changes to or uncertainty in the relevant legal and regulatory regimes and other issues in foreign jurisdictions in which the Group may operate. This could interrupt or adversely affect parts of the Company's business and may have an adverse effect on the Company's operations and financial performance.

#### 5.2.16 Jersey tax risks

As the Company's operations are moving towards a more global focus, there are two key tax risks from a Jersey perspective:

**Residence** - the Company is currently tax resident in Jersey and liable to Jersey income tax at 0%. There is a risk that, as the Company's operations are moving more towards a global focus, the Company will become tax resident in another jurisdiction and not tax resident in Jersey which would give rise to a higher corporate income tax rate rather than 0%. As an example, with the SRJ's operations headquartered in the UK, alongside SRJ's UK based consulting team the risk exists that the Company will become tax resident in the UK whose current rate of tax is 20%.

**Substance** – certain Jersey tax resident companies, which have income from a relevant activity, to demonstrate they have substance in Jersey.

**Jersey Substance** – The Taxation (Companies-Economic Substance) (Jersey) Law 2019 was introduced in Jersey from 1 January 2019 for Jersey tax resident companies. This legislation requires certain Jersey tax resident companies, which have income from a relevant activity, to demonstrate they have substance in Jersey by:

- (a) being directed and managed in Jersey;

- (b) having physical substance in Jersey (i.e. having adequate people, premises and expenditure in Jersey); and
- (c) conducting core-income generating activities in Jersey.

There is a risk that, should the Company remain Jersey tax resident but with an additional global focus, the Company will not be able to demonstrate that it has adequate substance in Jersey by not satisfying tests (a), (b) and (c) above.

The Taxation (Companies – Economic Substance) (Jersey) Law 2019 provides progressive sanctions for non-compliance including financial penalties, disclosure and striking off from the register. Non-compliance could also impact the Company's reputation and have an adverse effect on its financial condition.

#### 5.2.17 Inability to develop products compatible with future energy technology

The Company may seek to expand into new energy markets in the future. However, there is a risk that the Company's current technology will not be fully compatible with these future energy infrastructures. Although the Company will likely invest in developing products that are compatible with any such future energy markets, there is a risk that competitors may develop products that are more compatible with these future energy infrastructures or may develop such products faster than the Company is able to. Not being able to compete or effectively compete in these new energy markets could adversely affect the Company's business and may have an adverse effect on the Company's operations and financial performance.

#### 5.2.18 Supply chain disruption risk

The Company's products are comprised of products and materials available in the commercial market. The ability to source underlying products and materials to use in the manufacture of the Company's products may be impacted by factors outside of the Company's control. Additionally, the Company's estimated cost of components may also vary due to availability of products, resources, materials or any variables that may impact on the cost of components or elements in its products.

The Company's manufacturers source key components for SRJ's product from third party suppliers. The Company does not have written contracts in place with any of these third-party suppliers. The delivery of such components may be delayed, or a specific supplier may not be able to deliver at all, which may lead to a longer sales cycle or may force the Company to shift to another supplier. COVID-19 may also affect supply chains which may be disrupted due to Government imposed COVID-19 restrictions. A disruption to supply of these products may adversely affect the Company's operating and financial performance. If the disruptions were prolonged and another third-party supplier or manufacturer could not be sourced, this could have a material adverse effect on the Company's ability to meet existing customer demand and to continue to grow the business.

### 5.3 Risks related to the Offer and an investment in CDIs

#### 5.3.1 Exposure to general economic and financial market conditions

General domestic and global economic conditions may adversely impact the price of the CDIs for reasons outside the Company's control. This includes credit conditions, increases in unemployment rates, negative consumer and business sentiment and an increase in interest rates, amongst other factors. There is a risk that the CDIs may trade on the ASX at a price below the Exercise Price for the

Options for a wide variety of reasons, not all of them related to the financial performance of the Company.

Factors that may influence the general economic climate include but are not limited to:

- (a) changes in Government policies, taxation and other laws;
- (b) future demand for pipeline repair and emergency pipeline replacement products and services;
- (c) the strength of the equity and share markets in Australia and throughout the world;
- (d) changes in investor sentiment toward particular market sectors;
- (e) movement in, or outlook on, exchange rates, interest rates and inflation rates;
- (f) industrial disputes in regions in which the Group operates;
- (g) financial failure or default by an entity with which the Company may become involved in a contractual relationship;
- (h) natural disasters, social upheaval or war; and
- (i) threats to health including pandemics and in particular the current disruptions and economic impacts (which are yet to be fully determined) as a result of COVID-19.

### 5.3.2 Price of CDIs

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

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

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

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

### 5.3.3 Foreign exchange risk

The proceeds of the Offer will be received in Australian Dollars, while the Company's functional currency is GBP. The Company is not currently hedging against exchange rate fluctuations, and consequently will be at the risk of any adverse movement in the GBP-Australian Dollar exchange rate between the pricing of the Offer and the closing of the Offer.

The CDIs will be listed on the ASX and priced in Australian Dollars. However, the Company's reporting currency is GBP. As a result, movements in foreign exchange rates may cause the price of the Company's CDIs to fluctuate for reasons unrelated to the Company's financial condition or performance and may result in a discrepancy between the Company's actual results of operations and investors' expectations of returns on securities expressed in Australian Dollars.

#### 5.3.4 Liquidity risk

The CDIs issued under the Offer will only be listed on the ASX and will not be listed for trading on any other securities exchanges in Australia, the United Kingdom or elsewhere. As such, there can be no guarantee that an active market in the CDIs will develop or continue, or that the market price of the CDIs will increase. If a market does not develop or is not sustained, it may be difficult for investors to sell their CDIs. Furthermore, the market price for the CDIs may fall or be made more volatile because of the relatively low volume of trading in the Company's securities. When trading volume is low, significant price movement can be caused by trading a relatively small number of CDIs. If illiquidity arises, there is a real risk that security holders will be unable to realise their investment in the Company.

#### 5.3.5 Exposure to changes in tax rules or their interpretations

Tax rules or their interpretation for both the Company and its Shareholders may change.

There is a risk that both the level and basis of taxation may change both in Jersey and Australia, as well as new markets it may enter in the future. The tax considerations of investing in the CDIs may differ for each investor. Each prospective investor is encouraged to seek professional tax advice in connection with any investment in the Company.

#### 5.3.6 There are costs and management time involved in complying with Jersey and Australian laws

As a Jersey company, the Company will need to ensure its continuous compliance with the laws of Jersey. The Company is listed on the ASX and registered as a foreign company in Australia, therefore the Company will also need to ensure continuous compliance with relevant Australian laws and regulations, including the ASX Listing Rules and certain provisions of the Corporations Act. To the extent of any inconsistency between the laws of Jersey and Australian law and regulations, the Company may need to make changes to its business operations, structure or policies to resolve such inconsistency. If the Company is required to make such changes, this is likely to result in additional demands on management and extra costs.

#### 5.3.7 Inability to pay dividends or make other distributions

The ability for future dividends or other distributions to be paid by the Company will be contingent on its ability to generate positive cash flows.

There is no guarantee that dividends will be paid on the CDIs or underlying Shares in the future, as this is a matter to be determined by the Board in its discretion and



the Board's decision will have regard to, amongst other things, the financial performance and position of the Company, relative to its capital expenditure and other liabilities.

#### 5.3.8 Government and regulatory factors

Laws and regulations may be adopted with respect to the Company's products in relation to issues such as user privacy, intellectual property, securities regulation, information security and the content and quality of products and services, which could increase costs or limit the Company's proposed scope of activity.

#### 5.3.9 Litigation risk

In the ordinary course of business, the Company may be involved in litigation disputes from time to time. Litigation disputes brought by third parties including, but not limited to customers, suppliers, competitors, business partners, employees and government bodies may adversely impact the financial performance and industry standing of the business, in the case where the impact of legal proceedings is greater than or outside the scope of the Company's insurance. Such litigation could negatively impact the industry standing of the Company, cause the Company to incur unforeseen expenses, occupy a significant amount of management's time and attention and could negatively affect the Company's business operations and financial position.

#### 5.3.10 Force majeure events

Acts of terrorism, an outbreak or escalation of international hostilities or fires, floods, earthquakes, labour strikes, civil wars and other natural disasters may cause an adverse change in investor sentiment with respect to the Company specifically or the stock market more generally, which could have a negative impact on the value of an investment in the CDIs.

#### 5.3.11 Speculative nature of investment

The above list of key risks ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above risks and others not specifically referred to above may in the future materially affect the Company, its financial performance or the value of the CDIs. This is particularly so for an early stage business such as the Company, where there is limited operating history and experience. The CDIs issued under the Offer carry no guarantee in respect of profitability, dividends, return of capital or the price at which they may trade on the ASX. Potential investors should therefore consider an investment in the Company as speculative and should consult their professional advisers before deciding whether to apply for CDIs under the Offer.

## 6. EFFECT OF THE OFFERS

### 6.1 Historical and pro forma financial position

Set out below is a summary of the Company's reviewed consolidated statement of financial position as at 30 June 2022 together with an unaudited pro forma statement of financial position as at 30 June 2022 giving effect to the Prior Placements, the Placement and the Offers (together the **Financial Information**).

The Financial Information is presented in an abbreviated form and does not contain all of the disclosures that are usually provided in the Company's annual report (**Annual Report**) prepared in accordance with the applicable accounting standards and therefore cannot be expected to provide as full an understanding of the financial position of the Company as a statement of financial position in the Annual Report.

The Financial Information as at 30 June 2022 has been derived from the Company's financial statements for the period ending 30 June 2022 released to ASX on 24 October 2022.

An unaudited convenience translation in Australian dollars of the Pro Forma Balance Sheet as at 30 June 2022 has been included (the indicative foreign exchange rate applied is A\$1.00 = GBP £0.57. The Pro Forma Balance Sheet is indicative only and is not intended to be a statement of the Company's current or future financial position. The Pro Forma Balance Sheet should be read in conjunction with the Investigating Accountant's Report at Attachment 1.

Pro-Forma Balance Sheet	30 June 2022 Reviewed (£)	Pro forma (£)	Pro forma (\$)
<b>CURRENT ASSETS</b>			
Inventory	26,186	26,186	46,087
Debtors	169,345	169,345	298,047
Cash at bank and in hand	299,912	1,589,540	2,797,590
<b>TOTAL CURRENT ASSETS</b>	<b>495,443</b>	<b>1,785,071</b>	<b>3,141,724</b>
<b>Fixed assets</b>			
Intangible assets	820,033	820,033	1,443,258
Tangible Assets	219,136	219,136	385,679
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1,039,169</b>	<b>1,039,169</b>	<b>1,828,937</b>
<b>TOTAL ASSETS</b>	<b>1,534,612</b>	<b>2,824,240</b>	<b>4,970,661</b>
<b>CURRENT LIABILITIES</b>			
Creditors	977,715	879,894	1,548,613
<b>Current assets less current liabilities</b>	<b>(482,272)</b>	<b>905,177</b>	<b>1,593,111</b>

<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>(556,897)</b>	<b>1,944,346</b>	<b>3,422,048</b>
<b>NON CURRENT LIABILITIES</b>			
Creditors	43,669	43,669	76,857
<b>NET ASSETS/(LIABILITIES)</b>	<b>513,228</b>	<b>1,900,677</b>	<b>3,345,191</b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	22,231	1,198,222	2,108,872
Share premium account	13,974,414	14,088,050	24,794,969
share based payment reserve	1,634,999	1,634,999	2,877,598
Translation reserve	9,530	9,530	16,772
Profit and loss account	(15,127,946)	(15,030,125)	(26,453,020)
<b>TOTAL EQUITY</b>	<b>513,228</b>	<b>1,900,677</b>	<b>3,345,191</b>

## 6.2 Pro forma adjustments

The following transactions and events contemplated in this Prospectus which are to take place on or before completion of the Offer, referred to as the Pro Forma Adjustments, are presented as if they, together with the Offer, had occurred on or before 30 June 2022 and are set out below.

With the exception of the pro forma transactions noted below no material transactions have occurred between 30 June 2022 and the date of this Second Supplementary Prospectus, which the Directors consider require disclosure.

### *Subsequent event transactions:*

- 6.2.1 The receipt of proceeds from the issue of 900,000 CDIs in July 2022 at an issue price of A\$0.20 each for a total of A\$180,000 (£102,000). In addition, a further receipt of \$A20,000 (£11,400) was received in relation to the placements which has occurred prior to 30 June 2022.
- 6.2.2 Renegotiation of trade creditors occurred which reduced the trade creditor balance by £97,800 (A\$172,165).

### *Pro forma transactions:*

- 6.2.3 The completion of the Offer raising approximately A\$1.7 million (£1.0 million) and involving the issue of 8,864,000 CDIs (8,864,000 shares). A\$103,000 (£59,000) of costs associated with the Offer will be incurred and capitalised against share capital.

6.2.4 The subscription for the First Tranche Convertible Notes (A\$500,000) (see Section 6.18). This will increase cash and called up share capital by £284,000 (A\$500,000).

### 6.3 Capital structure as at the date of this Prospectus and immediately after the Offers

The effect on the capital structure of SRJ as a result of the Offers is set out below.

Type of securities	Date of Prospectus	Completion of the Offer	Completion of the Offer (fully diluted)
CDIs	123,369,239	133,520,901	133,520,901
Options	Nil	Nil	9,270,949
Performance Rights	Nil	Nil	6,493,999
Convertible Notes	Nil	\$500,000	Nil <sup>5</sup>
<b>Total</b>	123,369,239	<b>133,520,901</b>	<b>149,285,849</b>

### 6.4 Effect on Control

#### 6.4.1 Dilution

The maximum number of securities which may be issued under the Offers is set out below:

Offers	No of securities	Percentage of issued share capital at Completion (undiluted)	Percentage of issued share capital at Completion (fully diluted)
Placement	8,864,000 New CDIs	6.64%	5.94%
	2,954,638 New Options	0.00%	1.98%
Advisor Securities <sup>1</sup>	370,000 CDIs	0.28%	0.25%
	123,333 New Options	0.00%	0.08%

<sup>5</sup> If Raleigh opts to convert their First Tranche Convertible Notes to CDIs an additional 3,333,333 CDIs will be issued for a total of 152,619,182 CDIs on a fully diluted basis

<b>Broker Options<sup>1</sup></b>	6,000,000 Broker Options	0.00%	4.02%
<b>Uplift Securities<sup>1</sup></b>	578,938 CDIs	0.43%	0.39%
	192,978 New Options	0.00%	0.13%
<b>NED Rights<sup>1</sup></b>	438,724 NED Rights	0.33%	0.29%
<b>Total<sup>2</sup></b>	26,016,610	7.68%	13.08%

<sup>1</sup> Subject to shareholder approval for the issue of these securities at the AGM

<sup>2</sup> If the Company were to issue the full \$2,000,000 of Convertible Notes and Raleigh opts to convert these Convertible Notes to CDIs, based on the Floor Price an additional 13,333,333 CDIs will be issued for a total of 162,619,182 CDIs on a fully diluted basis

#### 6.4.2 Substantial shareholders

The table below sets out the relevant interests of the substantial shareholders of the Company prior to and immediately following the Offers.

Shareholder	At Prospectus Date	%	Immediately following the Offers	%	Immediately following the Offers (fully diluted)	%
<b>AVI Partners</b>	27,574,855	22.37%	27,574,855	20.65%	27,574,855	18.47%
<b>Solibay Capital Partners Inc</b>	9,858,048	8.00%	9,858,048	7.38%	9,858,048	6.60%
<b>Total</b>	37,432,903	30.37%	37,432,903	28.04%	37,432,903	25.07%

#### 6.5 Rights and liabilities attaching to CDIs

The CDIs issued on exercise of the Options and the conversion of the Convertible Notes will be fully paid and will rank *pari passu* with the CDIs currently on issue.

#### 6.6 Memorandum and Articles of Association and rights attaching to the Shares

A summary of the Company's securities and provisions of its Articles of Association is set out below. A copy of the Company's Articles of Association can be inspected during office hours at the registered office of the Company and Securityholders have the right to obtain a copy of the Company's Articles of Association, free of charge. This summary is not intended to be exhaustive.

#### 6.7 General

The rights attaching to ownership of the Shares are detailed in the Articles and, in certain circumstances, regulated by the Jersey Companies Law, the ASX Listing Rules, the ASX Settlement Operating Rules and the general law.

The following is a broad summary of the more significant rights, privileges and restrictions attaching to the Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders in the Company. To obtain such a statement, you should seek independent legal advice.

## 6.8 **Objects**

The memorandum of association of the Company does not contain an objects clause, and the Company's objects are therefore unrestricted.

## 6.9 **Share capital**

The share capital of the Company is £100,000 divided into 550,000,000 ordinary shares with a par value of £0.00018188175 each.

## 6.10 **Resolutions**

A two-thirds majority of Shareholders present and entitled to vote at a general meeting of the Company is required to pass a special resolution.

A simple majority of Shareholders present and entitled to vote at a general meeting of the Company is required to pass an ordinary resolution.

## 6.11 **Rights attaching to shares**

### *Voting Rights*

Subject to the Jersey Companies Law and to any rights or restrictions attached to any shares, on a show of hands every Shareholder present in person or by proxy has one vote, and where a proxy has been appointed by more than one Shareholder, such proxy shall have one vote for each Shareholder.

On a poll, every Shareholder present in person or by proxy has one vote for every share of which he is a holder. If more than one of the joint holders of a share tenders a vote on the same resolution, whether in person or by proxy, the vote of the joint holder named first in the register of members shall be accepted to the exclusion of the vote(s) of the other joint holders.

### *Dividends*

Subject to the provisions of the Jersey Companies Law, the Company may, by ordinary resolution, declare a dividend to be paid to the Shareholders, according to their respective rights and interests. No dividend shall exceed the amount recommended by the Board.

*Subject to the provisions of the Jersey Companies Law, the Board may pay interim dividends.*

Except insofar as the rights attaching to, or the terms of issue of, any share otherwise provide all dividends shall be declared and paid according to the Shareholder's holding of Shares.

### *Authority to allot shares; no pre-emption rights*

The Board may exercise all of the powers of the Company to allot and issue shares. No pre-emption rights apply on the allotment and/or issue of Shares.

### *Purchase of own shares*

Subject to the provisions of the Jersey Companies Law and to any rights conferred on the holders of any class of shares, the Company may purchase all or any of its shares of any class, including any redeemable shares. Subject to Jersey law, the Company may hold as treasury shares any shares purchased or redeemed by it.

### *Return of capital on winding up*

On a winding up, assets available for distribution among the members must be applied first in repaying members the amount paid up (as to par but not any premium) on their shares respectively and, if there is any balance remaining, it must be distributed to members in proportion to each member's holding of shares at the start of the winding up.

If the Company is wound up, the directors or the liquidator (as the case may be) may, with the sanction of a special resolution of the Shareholders and any other sanction required by law divide among the Shareholders all or any part of the non-cash assets of the Company.

## **6.12 Transfer of certificated shares**

Subject to the Articles, any Shareholder may transfer a certificated share by instrument of transfer in any usual form, or in such other form as the Board may approve and which shall be signed by or on behalf of the transferor and (in the case of a share which is unpaid or not fully paid) by or on behalf of the transferee.

The Board may refuse to register any transfer of a certificated share which would result in a breach of the ASX Listing Rules.

## **6.13 Variation of rights**

Unless otherwise stated in their terms of issue, the rights attached to a class of shares may only be varied:

6.13.1 by special resolution of members of that class; or

6.13.2 by a consent in writing signed by or on behalf of holders of two thirds of the issued shares of that class.

Unless otherwise expressly provided by the rights attached to any class of shares those rights shall not be deemed to be varied by the creation or issue of further shares ranking after or equally with them.

## **6.14 General Meetings**

### *Annual general meetings*

An annual general meeting of the Company must be held in each year (in addition to any other meetings which may be held in that year) and such meeting must be specified as the annual general meeting. The Board will determine the place(s) and time of the annual general meeting, subject to the provisions of the Jersey Companies Law.

If it is anticipated that a meeting will be conducted as an electronic general meeting or a combined physical and electronic general meeting, the notice of meeting shall state how it is proposed that persons attending or participating in the meeting electronically should communicate with each other during the meeting.

### *General Meetings*

The Board may convene a general meeting. The Board must also convene a general meeting on receipt of a requisition by Shareholders (representing at least 10% of the paid up share capital of the Company) or, in default, a general meeting may be convened by such requisitions, as provided by the Articles.

### *Length and Form of Notice*

An annual general meeting and all other general meetings of the Company must be called by at least 14 days' notice. Notice will be given to such Shareholders as are, under the

Articles, entitled to receive such notices from the Company and to the Directors and the auditors of the Company.

## **6.15 Notices**

Subject to Jersey law (and other rules applicable to the Company), any notice, document or information to be sent or supplied by the Company to a director or Shareholder may be sent or supplied in hard copy form, in electronic form or by means of a website.

In the case of joint holders of a share, a notice, document or information shall be validly sent or supplied to all joint holders if sent or supplied to the joint holder who is named first in the register.

## **6.16 Directors**

### *Appointment of Directors*

Any person who is willing to act as a director, and is not disqualified by law from being a director of a company, may be appointed to be a director:

- by ordinary resolution; or
- by a decision of the directors.

Any appointment of a director may be either to fill a vacancy or as an additional director.

### *Retirement of Directors*

A director (excluding the managing director) must not hold office (without re-election) past the third annual general meeting following the director's appointment or three years, whichever is longer.

At each annual general meeting one-third of the directors (except for the managing director) or, if their number is not three or a multiple of three then the number nearest but not exceeding one-third, shall retire from office by rotation.

### *Termination of director's appointment*

A director will cease to hold office if the director:

- is prohibited or disqualified from being a director by law;
- is declared bankrupt in any jurisdiction;
- makes any arrangement or composition with the director's creditors generally;
- in the opinion of a registered medical practitioner given to the Company in writing, becomes incapacitated and incapable of acting as a director and may remain incapacitated for more than three months;
- resigns from office by notice in writing to the Company and the resignation has taken effect in accordance with its terms; or
- is removed from office by ordinary resolution.

### *Size of Board and Board Vacancies*



Unless and until otherwise determined by ordinary resolution, the number of directors shall not be subject to any maximum, but shall not be less than three. At the date of this Prospectus no such resolution has been passed by the Company.

*Remuneration of non-executive directors*

Unless otherwise determined by ordinary resolution of the holders of ordinary shares in accordance with the ASX Listing Rules, the maximum aggregate amount of directors' fees per annum that may be paid to non-executive directors for their services as directors shall be A\$500,000.

*Director indemnity and insurance*

Indemnity: To the fullest extent permitted by the Jersey Companies Law, every present and former officer of the Company is to be indemnified out of the assets of the Company against any loss or liability incurred by the officer by reason of being or having been an officer of the Company.

Insurance: The directors may, at the expense of the Company, purchase and maintain insurance for the benefit of any officer of the Company in respect of any loss or liability incurred by the officer by reason of being or having been an officer of the Company.

*Amendment of Articles of Association*

In accordance with the Jersey Companies Law, the Company may only amend its articles of association by special resolution.

*CHESS Depositary Interests*

Details of CDIs and the key differences between holding CDIs and holding the underlying Shares are set out below:

<p><b>What are CDIs?</b></p>	<p>In order for the Shares to trade electronically on the ASX, the Company intends to participate in the electronic transfer system known as CHESS operated by ASX Settlement.</p> <p>CHESS cannot be directly used for the transfer of securities of companies domiciled in certain foreign jurisdictions, such as Jersey. Accordingly, to enable the Shares to be cleared and settled electronically through CHESS, the Company intends to issue depositary interests called CHESS Depositary Interests or CDIs.</p> <p>CDIs confer the beneficial ownership in foreign securities such as the Shares on the CDI holder, with the legal title to such Shares being held by an Australian depositary nominee.</p>
<p><b>Who is the depositary nominee and what do they do?</b></p>	<p>The Company will appoint CDN, a subsidiary of the ASX, and an approved general participant of ASX Settlement to act as its Australian depositary.</p> <p>CDN will hold legal title to the Shares on behalf of CDI holders. CDN will receive no fees for acting as the depositary for the CDIs.</p> <p>By completing an Application Form, an Applicant will apply for Shares to be issued to CDN, which will in turn issue CDIs to the Applicant.</p>
<p><b>What registers will be maintained recording your interests?</b></p>	<p>The Company will operate a certificated principal register of Shares in Jersey and an uncertificated issuer sponsored sub-register of CDIs and an uncertificated CHESS sub-register of CDIs in Australia.</p>

	<p>The Company's uncertificated issuer sponsored sub-register of CDIs and uncertificated CHESSE sub-register of CDIs will be maintained by the Share Registry in Australia. The principal register of Shares in Jersey is the register of legal title and will record the legal ownership by CDN of the Shares underlying the CDIs. The two uncertificated sub-registers of CDIs combined will make up the register of beneficial ownership in the Shares underlying the CDIs.</p>
<p><b>How is local and international trading in CDIs affected?</b></p>	<p>CDI holders who wish to trade their CDIs will be transferring the beneficial interest in the Shares rather than the legal title. The transfer will be settled electronically by delivery of the relevant CDI holdings through CHESSE. In other respects, trading in CDIs is essentially the same as trading in other CHESSE approved securities, such as shares in an Australian company.</p>
<p><b>What is the CDI:Share ratio?</b></p>	<p>One CDI will represent an interest in one Share.</p>
<p><b>What will Applicants receive on acceptance of their Applications?</b></p>	<p>Successful Applicants will receive a holding statement which sets out the number of CDIs held by the CDI holder and the reference number of the holding. These holding statements will be provided to a holder when a holding is first established and where there is a change in the holdings of CDIs.</p>
<p><b>How do CDI holders convert from a CDI holding to a direct holding of Shares on the Jersey principal register?</b></p>	<p>CDI holders who wish to convert their ASX listed CDIs to Shares to be held on the Jersey register can do so by instructing the Company's Share Registry either:</p> <ul style="list-style-type: none"> <li>• directly in the case of CDIs on the issuer sponsored sub-register operated by the Company. CDI holders will be provided with a request form entitled "CDI cancellation" for completion and return to the Company's Share Registry; or</li> <li>• through their sponsoring participant (usually their broker) in the case of CDIs which are sponsored on the CHESSE sub-register. In this case, the sponsoring broker will arrange for completion of the relevant form and its return to the Company's Share Registry.</li> </ul> <p>The Company's Share Registry will then arrange for the Shares to be transferred from CDN into the name of that holder and a new share certificate will be issued. This will cause the Shares to be registered in the name of the holder on the Company's principal share register in Jersey and trading on the ASX will no longer be possible. The Shares are not and will not in the near future be quoted on any other market.</p> <p>The Company's Share Registry will not charge an individual security holder or SRJ a fee for transferring CDI holdings into Shares (although a fee will be payable by market participants). It is expected that this process will be completed with 24 hours, provided that the Share Registry is in receipt of a duly completed and valid CDI cancellation request form. However, no guarantee can be given about the time for this conversion to take place.</p> <p>If holders of Shares wish to convert their holdings to CDIs, they can do so by contacting the Company's Share Registry in Jersey. The Company's Share Registry in Jersey will not charge a fee to a holder of Shares seeking to convert the Shares to CDIs (although a fee will be payable by market participants).</p>
<p><b>What are the voting rights of a CDI holder?</b></p>	<p>If holders of CDIs wish to attend and vote at the Company's general meetings, they will be able to do so. Under the ASX Listing Rules and the ASX Settlement Operating Rules, the Company as an issuer of CDIs must allow CDI holders to attend any meeting of the holders of Shares</p>

	<p>unless relevant Jersey law at the time of the meeting prevents CDI holders from attending those meetings.</p> <p>In order to vote at such meetings, CDI holders have the following options:</p> <ul style="list-style-type: none"> <li>(i) instructing CDN, as the legal owner, to vote the Shares underlying their CDIs in a particular manner. A voting instruction form will be sent to CDI holders with the notice of meeting or proxy statement for the meeting and this must be completed and returned to the Company's Share Registry prior to the meeting; or</li> <li>(ii) informing the Company that they wish to nominate themselves or another person to be appointed as CDN's proxy with respect to the Shares underlying their CDIs for the purposes of attending and voting at the general meeting; or</li> <li>(iii) converting their CDIs into a holding of Shares and voting these at the meeting (however, if thereafter the former CDI holder wishes to sell their investment on the ASX it would be necessary to convert their holding of Shares back to CDIs). In order to vote in person, the conversion must be completed prior to the record date for the meeting. See above for further information regarding the conversion process.</li> </ul> <p>As holders of CDIs will not appear on the Company's share register as the legal holders of the Shares, they will not be entitled to vote at Shareholder meetings unless one of the above steps is undertaken.</p> <p>As each CDI represents an interest in one Share, a CDI holder will be entitled to one vote for every CDI they hold.</p> <p>CDI voting instruction forms and details of these alternatives will be included in each notice of meeting sent to CDI holders by the Company.</p> <p>These voting rights exist only under the ASX Settlement Operating Rules, rather than under the Companies (Jersey) Law 1991. Since CDN is the legal holder of applicable Shares, the holders of CDIs do not have any directly enforceable rights under the Company's Articles of Association or Memorandum of Association.</p>
<p><b>What dividend and other distribution entitlements do CDI holders have?</b></p>	<p>Despite legal title to the Shares being vested in CDN, the ASX Settlement Operating Rules provide that CDI holders are to receive all economic benefits and other entitlements in relation to the underlying Shares, including dividends and other entitlements which attach to the underlying Shares. These rights exist only under the ASX Settlement Operating Rules (which have the force of law by virtue of the Corporations Act), rather than under the Companies (Jersey) Law 1991.</p> <p>Whilst the Company does not anticipate declaring any dividends in the foreseeable future, should it do so in the longer term, the Company will declare any dividends in GBP as that is its main functional currency. In that event, the Company will pay any dividend in AUD by default to CDI holders, or in GBP if elected by the CDI holder. If the CDI holder wishes to receive dividends in GBP they must complete an appropriate form and return it to the Company's Share Registry, no later than the close of business on the dividend record date.</p>
<p><b>What corporate action entitlement (such as rights issues and bonus issues) do CDI holders have?</b></p>	<p>CDI holders receive all direct economic and other entitlements in relation to the underlying Shares. These include entitlements to participate in rights issues, bonus issues and capital reductions. These rights exist only under the ASX Settlement Operating Rules, rather than under the Companies (Jersey) Law 1991.</p>

<p><b>What rights do CDI holders have in the event of a takeover?</b></p>	<p>If a takeover bid or similar transaction is made in relation to the Shares of which CDN is the registered holder, under the ASX Settlement Operating Rules, CDN must not accept the offer made under the takeover bid except to the extent that acceptance is authorised by the relevant CDI holder. CDN must ensure that the offeror processes the takeover acceptance of a CDI holder if such CDI holder instructs CDN to do so.</p> <p>These rights exist only under the ASX Settlement Operating Rules, rather than under the Companies (Jersey) Law 1991.</p>
<p><b>What notices and announcement will CDI holders receive?</b></p>	<p>CDI holders will receive all notices and company announcements (such as annual reports) that Shareholders are entitled to receive from the Company. These rights exist only under the ASX Settlement Operating Rules, rather than under the Companies (Jersey) Law 1991.</p>
<p><b>What rights do CDI holders have on liquidation or winding up?</b></p>	<p>In the event of the Company's liquidation, dissolution or winding up, a CDI holder will be entitled to the same economic benefit in respect of their CDIs as holders of Shares. These rights exist only under the ASX Settlement Operating Rules, rather than under the Companies (Jersey) Law 1991.</p>
<p><b>Will CDI holders incur any additional ASX or ASX Settlement fees or charges as a result of holding CDIs rather than Shares?</b></p>	<p>A CDI holder will not incur any additional ASX or ASX Settlement fees or charges as a result of holding CDIs rather than Shares.</p>
<p><b>Where can further information be obtained?</b></p>	<p>For further information in relation to CDIs and the matters referred to above, please refer to the ASX website and the documents entitled:</p> <p>(i) Understanding CHES Depositary Interests at: <a href="http://www.asx.com.au/documents/settlements/CHES_Depositary_Interests.pdf">http://www.asx.com.au/documents/settlements/CHES_Depositary_Interests.pdf</a>; and</p> <p>(ii) ASX Guidance Note 5 at: <a href="http://www.asx.com.au/documents/rules/gn05_ches_depository_interests.pdf">http://www.asx.com.au/documents/rules/gn05_ches_depository_interests.pdf</a> or contact your stockbroker or the Offer Information Line.</p>

## 6.17 Terms of the New Options, Advisor Options, Uplift Options and Broker Options

The terms and conditions of the New Options, Advisor Options, Uplift Options and Broker Options (together, the **Options**) are as follows:

*Exercise Price:* Each Option has an exercise price of A\$0.25.

*Exercise Period:* A Option may be exercised on any business day from the date of grant to 24 October 2025 but not thereafter. An Option Exercise Form is only effective when the Company has received the full amount of the exercise price in cash or cleared funds. Any remaining Options which have not been exercised by the Expiry Date will automatically lapse.

*Expiry Date:* The expiry date for the Options is 5.00pm on 24 October 2025.

*Quotation of Options:* The Options will not be quoted.

*Register:* The Company will maintain a register of holders of Options in accordance with applicable laws.

*Transfer:* A Option may not be transferred or assigned except with the prior written consent of the Company.

*Exercise:* On valid exercise, the Company will issue one Share or CDI for each Option exercised. Options may be exercised wholly or in part by delivery to the Registry of an Option Exercise Form together with payment of the aggregate exercise price in accordance with the instructions on the Option Exercise Form. Option holders may elect whether to receive Shares or CDIs when they exercise Options.

*Quotation of Shares:* The Company must make an application for quotation of CDIs issued on exercise of the Options on ASX in accordance with the Listing Rules.

*Dividend entitlement:* Options do not carry any dividend entitlements. CDIs or Shares issued on exercise of Options rank equally with other issued Shares/CDIs of the Company on and from issue. CDIs and Shares issued upon the exercise of Options will only participate in a future dividend or other shareholder action if such CDIs or Shares have been issued on or prior to the applicable record date for determining entitlements.

*Voting Rights:* The Options do not confer upon the holder a right to receive notices of general meetings (except as may be required by law), nor any right to attend, speak at or vote at general meetings of the Company.

*Reorganisations:* If there is any reorganisation of the issued share capital of the Company, the rights of the Option holders will be varied to the extent necessary to comply with the ASX Listing Rules which apply to the reorganisation at the time of reorganisation.

*Participating rights:* For determining entitlements, Option holders may only participate in new issues of Securities to holders of Shares or CDIs in the Company if the Option has been exercised and CDIs or Shares allotted in respect of the Option before the record date of the proposed new issue.

*Adjustments:* If between the date of issue and the date of exercise of an Option the Company makes one or more rights issues (being a pro-rata issue of Shares in the capital of the Company that is not a bonus issue) in accordance with the Listing Rules, the exercise price of Options on issue will be reduced in respect of each rights issue according to the following formula:

$$NE = OP - E [P - (S + D)] / (N + 1)$$

Where:

- NE is the new exercise price of the Option;
- OP is the old exercise price of the Option;
- E is the number of underlying Shares into which one Option is exercisable;
- P is the volume weighted average market price per CDI recorded on ASX during the 5 trading days ending on the day before the ex-rights date or ex-entitlements date (excluding special crossings and overnight sales);
- S is the subscription price for Shares/CDIs to be issued under the pro rata issue
- D is the amount of any dividend due but not yet paid on the existing Shares (except those to be issued under the pro rata issue); and
- N is the number of existing Shares with rights or entitlements that must be held to receive a right to one new Share under the pro rata issue.

If there is a bonus issue to the holders of Shares/CDIs, the number of Shares/CDIs over which the Option is exercisable will be increased by the number of Shares/CDIs which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.

## 6.18 Terms of Convertible Notes

The terms and conditions of the Convertible Notes are summarised below:

- 6.18.1 *Subscription Period:* Six months from the date of the Convertible Note Loan Instrument.
- 6.18.2 *Face Value:* A\$2,000,000 (**Face Value**).
- 6.18.3 *Drawdown:* Raleigh Atlantic Limited agrees to immediately subscribe for A\$500,000 (the **Initial Subscription**) and such number of Convertible Notes as the Company may require it to subscribe for up to an aggregate amount of A\$2,000,000 in multiples of A\$50,000 within the Subscription Period.
- 6.18.4 *Rank and Security:* The Convertible Notes when issued and outstanding shall rank pari passu, equally and rateably, without discrimination or preference among themselves and as unsecured obligations of the Company.
- 6.18.5 *Use of Proceeds:* General working capital and capital expenditure.
- 6.18.6 Redemption:
- (a) The Noteholder may elect to redeem the Convertible Notes on a date which is not less than 18 months after the date of this Instrument (**Redemption Date**).
  - (b) On a redemption request from the noteholder, the Company may elect to redeem the outstanding Convertible Notes and any accrued interest in cash and/or CDIs/ordinary shares (**Repayment CDIs**) at the Conversion Price provided that the Noteholder can require 25% of the redemption amount to be paid in CDIs/ordinary shares with the balance in cash.
  - (c) The Company shall have the right but not the obligation to redeem any outstanding Convertible Notes at any time either in cash or CDIs/shares, provided that the Noteholder can require 25% of the redemption amount to be paid in CDIs/ordinary shares at the Conversion Price with the balance in cash.
- 6.18.7 *Interest:* Interest shall accrue and be payable, in cash and/or CDIs/shares as the case may be, on any outstanding Convertible Notes (so far as not converted) at a rate of 8% per annum (**Interest Rate**) shall be paid on redemption or conversion.
- 6.18.8 Events Resulting in Immediate Redemption

The Convertible Notes then in issue shall be immediately redeemed at the principal amount, together with interest on the Convertible Notes outstanding at the Interest Rate, if:

- (a) an administration order is made in relation to the Company or any of its subsidiaries; or
- (b) an order is made, or an effective resolution is passed, for the winding-up, liquidation, administration or dissolution of the Company or any of its subsidiaries (except for the purpose of reorganisation or amalgamation of the Company or any of its subsidiaries); or
- (c) an encumbrancer takes possession or a receiver is appointed of the whole or the major part of the assets or undertaking of the Company or any of its subsidiaries or if distress, execution or other legal process is levied or

enforced or sued out on or against the whole or the major part of the assets of the Company or any of its subsidiaries; or

- (d) the Company or any of its subsidiaries stops (or threatens to stop) payment of its debts generally or ceases (or threatens to cease) to carry on its business or a substantial part of its business; or
- (e) the Company or any of its subsidiaries is deemed to be unable to pay its debts or compounds or proposes or enters into any reorganisation or special arrangement with its creditors generally.

6.18.9 *Conversion*: The Convertible Notes and any accrued and outstanding interest are convertible into Shares or CDIs:

- (a) at any time following the date of issue at the election of the noteholder;
- (b) automatically on a change of control occurring; or
- (c) on a redemption request by the noteholder.

6.18.10 *Conversion price*: the higher of (a) 90% of the average of the five lowest daily volume weighted average market prices of the Company's CDIs during the 20 trading days on the ASX before the issuance of the conversion CDIs; and (b) A\$0.15, subject to adjustment in accordance with the terms of the instrument as a result of changes to the share capital of the Company (**Adjustment Event**).

6.18.11 *Covenants*: The Company undertakes that, while the Convertible Notes remain on issue, it shall:

- (a) notify each Noteholder in writing as soon as reasonably practicable of an Adjustment Event;
- (b) maintain sufficient shareholder authority to satisfy the conversion of the Convertible Notes in full;
- (c) not proceed with a fundraising unless it has first entered into a letter with the noteholder which commits the Company to repay all amounts owing to it from the proceeds of the fundraising or alternatively that the Noteholder shall serve a Redemption Notice and may be repaid in cash or CDIs/shares.

6.18.12 *Transfer Provisions*: The Convertible Notes are not transferable except with the prior written consent of the Company.

## 6.19 Terms of NED Rights

A summary of the terms of the NED rights is as follows:

- 6.19.1 A NED Right is an entitlement to one fully paid CDI or Share in the Company, issued under the SRJ Equity Incentive Plan (summarised in Section 6.20);
- 6.19.2 NED Rights are granted for nil consideration, and have a nil exercise price;
- 6.19.3 A NED Right will lapse if it is not exercised within 10 years of the grant date;
- 6.19.4 NED Rights do not carry dividend or voting rights. Shares allocated upon exercise of NED Rights carry the same dividend and voting rights as other and Shares.

## 6.20 Summary of Equity Incentive Plans

The Company adopted two equity incentive plans prior to its initial listing, the SRJ Employee Equity Incentive Plan and the SRJ Equity Incentive Plan (together the **Equity Incentive Plans**), to assist in the reward, retention and motivation of the Group's Directors, senior management and employees. The SRJ Equity Incentive Plan captures those parties that are not employees of the Group including Non-Executive Directors. The NED Rights will be issued under the SRJ Equity Incentive Plan.

Under the rules of the Equity Incentive Plans, the Board has discretion to offer any of the following awards:

6.20.1 options to acquire Shares; and/or

6.20.2 performance rights to acquire Shares.

(collectively, the **Awards**).

Performance Rights issued will be subject to performance hurdles. Performance hurdles will be determined on a case by case basis (for example, the vesting of Performance Rights may be connected to company milestones or to achievement of a financial performance threshold). The vesting conditions and/or performance hurdles applicable to Performance Rights will be determined by the Board, the Remuneration and Nomination Committee or a trustee appointed to manage the Equity Incentive Plans (referred to in this Section as the **Grantor**).

The terms and conditions of the Equity Incentive Plans are set out in comprehensive rules. A summary of the rules of the Equity Incentive Plans is set out below:

- The SRJ Employee Equity Incentive Plan is open to Executive Directors, senior management and employees of the Company or its related bodies corporate, as determined by the Grantor. Participation is voluntary.
- The SRJ Equity Incentive Plan is open to Non-Executive Directors and Consultants of the Company or its related bodies corporate, as determined by the Grantor. Participation is voluntary.
- The Grantor may determine the type and number of Awards to be issued under the Equity Incentive Plans to each participant and other terms of issue of the Awards, including but not limited to:
  - the conditions and/or performance hurdles that must be met by a participant in order for an Award to vest (if any);
  - the fee to be paid by a participant on the grant of Awards (if any);
  - the exercise price of any option granted to a participant;
  - the period during which a vested option can be exercised; and
  - any forfeiture conditions or disposal restrictions applying to the Awards and any Shares that a participant receives upon exercise of their options or vesting of Performance Rights.
- An Award holder may not transfer or assign his/her Award and if they attempt to do so the Award will lapse.



- When any conditions and/or performance hurdles have been satisfied, participants will receive fully vested Shares or their options/Performance Rights will become vested and will be exercisable into Shares (as applicable).
- Each vested option and performance right enables the participant to be issued or to be transferred one Share upon exercise or vesting (as applicable), subject to the rules governing the Equity Incentive Plan and the terms of any particular offer.
- Participants holding options or Performance Rights are:
  - not permitted to vote at any general meeting of the Company (except as required by law);
  - not entitled to a dividend. The Board has the discretion to grant an Award holder a ‘dividend equivalent’, but this is payable only upon vesting of the Award and at the end of any holding period applicable to the Award;
  - not granted a right to a return of capital or to participate in surplus profits or assets upon winding up or otherwise. The Company maintains a discretion to determine whether an ‘Award’ will vest or lapse in these circumstances; and
  - not permitted to participate in new issues of Securities by the Company but adjustments may be made to the number of Shares over which the options or Performance Rights are granted and/or the exercise price (if any) to take into account changes in the capital structure of the Company that occur by way of pro rata and bonus issues in accordance with the rules of the Equity Incentive Plan and the ASX Listing Rules.
  - In the event of a change of control of the Company, subject to the Listing Rules, an Award will vest to the extent determined by the Board.
- The Remuneration and Nomination Committee may determine that upon a participant becoming a good leaver, the Awards of that participant may vest early or any holding period applicable to those Awards may be waived or reduced.
- The Equity Incentive Plans limit the number of Awards that the Company may grant without Shareholder Approval, such that the aggregate of all Awards on issue (assuming all options and Performance Rights were exercised):
  - in reliance on Class Order Relief, do not at any time exceed in aggregate 5% of the total issued capital of the Company calculated in accordance with Class Order Relief; and
  - other than in reliance on Class Order Relief, do not at any time exceed in aggregate 10% of the total issued capital of the Company at the date of any proposed new Awards.

The maximum number of Awards that may be issued under the Equity Incentive Plans is 10% of the number of Shares on issue at the time of issue, which at the time of this Prospectus will be a maximum of 12,326,923 Shares.

## **7. Additional information**

### **7.1 Nature of this Prospectus**

This Prospectus is a prospectus to which the special content rules under section 713 of the Corporations Act apply. Section 713 allows the issue of a more concise prospectus for offer of:

- 7.1.1 securities in a class which have been continuously quoted by ASX for the three months prior to the date of the prospectus;
- 7.1.2 securities convertible into continuously quoted securities; or
- 7.1.3 options over such continuously quoted securities.

CDIs in the Company have been continuously quoted by ASX for the three months prior to the date of this Prospectus. The information in this Prospectus principally concerns the terms and conditions of the Offer and the information that investors and their professional advisers would reasonably require to make an informed assessment of:

- 7.1.4 the effect of the Offer on the Company; and
- 7.1.5 the rights and liabilities attaching to the New Securities.

This Prospectus contains this information only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in it. It does not include all the information that would be included in a prospectus for an initial public offering of CDIs.

The Company, since listing, has provided ASX with a substantial amount of information regarding its activities. That information is publicly available. Securityholders and other investors should read this Prospectus in conjunction with that publicly available information before making an investment decision.

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

### **7.2 Reporting and disclosure obligations**

The Company is a disclosing entity for the purposes of the Corporations Act and is therefore subject to regular reporting and disclosure obligations under the Corporations Act and ASX Listing Rules. These obligations require ASX to be notified periodically and on a continuous basis of information about specific events and matters as they arise for the purpose of ASX making the information available to the financial market operated by it.

In particular, the Company has an obligation under ASX Listing Rules (subject to certain limited exceptions) to notify ASX immediately of any information concerning the Company, of which it becomes aware, which a reasonable person would expect to have a material effect on the price or value of the Company's securities. The Company is also required to prepare and lodge with ASIC and ASX both yearly and half-yearly financial statements accompanied by a Directors' declaration and report, and an audit or review report.

### **7.3 Availability of other documents**

ASX maintains records of company announcements for all companies listed on ASX. The Company's announcements may be viewed on ASX website ([www.asx.com.au](http://www.asx.com.au)). ASIC also maintains records in respect of documents lodged with it by the Company, and these may be obtained from or inspected at any office of ASIC. The Company will provide a copy of

any of the following documents, free of charge, to any person who requests a copy during the Offer period:

- 7.3.1 the Annual Report lodged with ASIC and given to ASX by the Company for the year ended 31 December 2021;
- 7.3.2 Appendix 4D and financial statements for the half year ended 30 June 2022;
- 7.3.3 any continuous disclosure notice given by the Company to ASX (being any document used to notify ASX of information relating to the Company under the continuous disclosure provisions of ASX Listing Rules and the Corporations Act) after the date of lodgement with ASIC and giving to ASX of the Annual Report referred to above and before lodgement with ASIC of this Prospectus. Details of these notices are as follows:

Date	Title of announcement
1 November 2022	<a href="#"><u>Application for quotation of securities - SRJ</u></a>
28 October 2022	<a href="#"><u>Quarterly Activities/Appendix 4C Cash Flow Report</u></a>
24 October 2022	<a href="#"><u>Appendix 4D</u></a>
24 October 2022	<a href="#"><u>Half Yearly Report and Accounts</u></a>
19 October 2022	<a href="#"><u>Voluntary Escrow</u></a>
14 September 2022	<a href="#"><u>Application for quotation of securities - SRJ</u></a>
14 September 2022	<a href="#"><u>Notice under ASX Listing Rule 3.10A</u></a>
10 August 2022	<a href="#"><u>Change of Director's Interest Notice - Wood</u></a>
10 August 2022	<a href="#"><u>Notification of cessation of securities - SRJ</u></a>
29 July 2022	<a href="#"><u>Quarterly Activities/Appendix 4C Cash Flow Report</u></a>
12 July 2022	<a href="#"><u>Application for quotation of securities</u></a>
1 July 2022	<a href="#"><u>Application for quotation of securities</u></a>
12 May 2022	<a href="#"><u>Application for quotation of securities</u></a>
9 May 2022	<a href="#"><u>SRJ secures another flange integrity and hot bolting campaign</u></a>
5 May 2022	<a href="#"><u>SRJ acquisition of STATS not proceeding</u></a>
29 April 2022	<a href="#"><u>Quarterly Activities/Appendix 4C Cash Flow Report</u></a>

All requests for copies of the above documents should be addressed to:  
 Company Secretary  
 Level 4, 225 St Georges Terrace  
 Western Australia, Perth, 6000

Certain documents are also available on the Company's website, <https://www.srj-technologies.com/>.

At the date of this Prospectus, save as disclosed in this Prospectus, there is no information that has not been disclosed under the continuous disclosure requirements of the ASX Listing Rules and which the Board considers would be reasonably required in order to assess the Company's assets and liabilities, financial position and prospects and the rights and liabilities attaching to CDIs in the Company.

#### 7.4 Interests of Directors

Other than as set out below or elsewhere in this Prospectus:

7.4.1 No Director or proposed Director has, or has had in the two years before lodgement of this Prospectus, an interest in:

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

7.4.2 No amounts, whether in cash or CDIs or otherwise, have been paid or agreed to be paid and no benefits have been given or agreed to be given to any Director either to induce them to become, or to qualify them as, a Director, or otherwise for services rendered by them in connection with:

- (a) the promotion or formation of the Company; or
- (b) the Offers (or any of its components).

As at the date of this Prospectus, the Directors have the following interests in issued securities of the Company, either directly or indirectly:

Director	CDIs	Performance Rights	Percentage at the Prospectus Date	Percentage on completion of the Offers	Percentage on completion of the Offers (fully diluted)
<b>Robin Pinchbeck</b>	316,934	380,000	0.26%	0.24%	0.46%
<b>Alex Wood</b>	206,250	1,646,666	0.17%	0.15%	1.24%
<b>Grant Mooney</b>	Nil	Nil	Nil	Nil	Nil
<b>Andrew Mitchell</b>	Nil	Nil	Nil	Nil	Nil

1. Alexander Wood holds 19% of the shares of AVI Partners, which holds 21.25% of the issued share capital of the Company on a fully diluted basis.

## 7.5 Consents

Each of the following parties has given and has not, before the issue of this Prospectus, withdrawn its written consent to being named in the Prospectus and to the inclusion, in the form and context in which it is included, of any information described below as being included with its consent.

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

Each of the parties referred to below, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than the reference to its name and any statement or report included in this Prospectus with the consent of that party as described below:

- 7.5.1 Maddocks has consented to being named in the Corporate Directory of this Prospectus as the Australian legal adviser to the Company, but it does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by Maddocks;
- 7.5.2 Grant Thornton has consented to being named in the Corporate Directory of this Prospectus as the Investigating Accountant to the Company and the inclusion of their Investigating Accountant's Report in Attachment 1, but it does not make any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by Grant Thornton;

## 7.6 Interests of advisers and costs of the Offers

Other than as set out below or elsewhere in this Prospectus, no adviser involved in the preparation of this Prospectus (nor any firm in which any adviser is a partner), has held at any time in the past two years any interests in:

- 7.6.1 the formation or promotion of the Company;
- 7.6.2 any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- 7.6.3 the Offer (or any component of it) itself.

In addition, other than as set out below, no amounts (whether in cash, CDIs or otherwise) have been paid or agreed to be paid and no benefits have been given or agreed to be given to any adviser (or any firm in which the adviser is a partner) for services rendered by the adviser, or the adviser's firm in connection with the promotion or formation of the Company or in connection with the Offer:

- 7.6.4 Novus Capital will receive fees of 6.0% of funds raised under the Placements, with 4,000,000 Broker Options to be issued to Novus Capital in lieu of payment, and a \$45,000 success fee;
- 7.6.5 In lieu of fees relating to the Placements, Jindabyne Capital Pty Ltd received 370,000 CDIs on 24 October 2022. The Company has also agreed to issue Jindabyne Capital Pty Ltd 123,333 attaching Advisor Options to Jindabyne Capital Pty Ltd and 2,000,000 Broker Options for services in relation to the Placements.

7.6.6 Maddocks has acted as legal adviser to the Company in relation to this Prospectus and the Offer. In aggregate, the Company has paid or agreed to pay \$35,000 (plus GST and disbursements) for these services to the date of this Prospectus. Further amounts may be paid to Maddocks in accordance with their usual time based charge out rates.

7.6.7 Grant Thornton has acted as Investigating Accountant to the Company in relation to this Prospectus and the Offer. In aggregate, the Company has paid or agreed to pay \$15,000 (plus GST and disbursements) for these services to the date of this Prospectus. Further amounts may be paid to Grant Thornton in accordance with their usual time based charge out rates.

## **7.7 Not investment advice or financial product advice**

The information in this Prospectus is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs or circumstances. SRJ is not licensed to (and does not) provide financial product advice in respect of the New Options or New Securities.

The information in this Prospectus does not take into account the investment objectives, financial situation or needs of you or any particular investor. Before deciding whether to apply for New Options or New Securities, you should consider whether they are a suitable investment for you in the light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. You should conduct your own independent review, investigation and analysis of New Options the subject of the Offer. If, after reading this Prospectus, you have any questions about the Offer, you should contact your stockbroker, accountant, financial adviser, taxation adviser or other independent professional adviser.

## **7.8 Information availability**

Investors in Australia can obtain a copy of this Prospectus during the Offer period by calling +61 7 3334 4851 any time from 8.30am to 5.00pm (AEDT time) Monday to Friday.

Neither this Prospectus nor the accompanying Application Form may be distributed to or relied upon by, persons that are in the United States or otherwise distributed in the United States.

## **7.9 Litigation and Claims**

So far as the Directors are aware, there is no current or threatened 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.

## **7.10 Past performance**

Past performance and pro-forma historical financial information given in this Prospectus is provided for illustrative purposes only and is not, and should not be relied upon as, an indication of future performance. The historical information in this Prospectus is, or is based upon, information that has been released to the market. For further information, please see past announcements released to ASX.

## **7.11 Consents to lodgement of this Prospectus**

Each Director of the Company has consented, and not withdrawn their consent, to the lodgement of this Prospectus with ASIC as required by section 720 of the Corporations Act.

## 8. Glossary

Term	Meaning
<b>Advisor CDIs</b>	means the 370,000 CDIs issued to Jindabyne Capital Pty Ltd in lieu of fees relating to the Prior Placements and the Placement.
<b>Advisor Options</b>	means the offer of the 123,333 New Options, attaching to the Advisor CDIs to Jindabyne Capital Pty Ltd.
<b>Advisor Securities</b>	means the Advisor CDIs and Advisor Options.
<b>AGM</b>	The annual general meeting of SRJ shareholders to be held on 16 December 2022.
<b>Allotment Date</b>	19 December 2022
<b>Ancillary Offers</b>	means the offers of securities under this Prospectus described in Section 3.2.
<b>Applicant</b>	means a person who submits a valid Application Form pursuant to this Prospectus.
<b>Application</b>	means an application for New Options or New Securities under this Prospectus.
<b>Application Form</b>	means the application form attached to or accompanying this Prospectus for investors to apply for New Options under the Offer.
<b>Articles</b>	The Articles of Association of the Company.
<b>ASIC</b>	Australian Securities and Investments Commission.
<b>ASIC Act</b>	Australian Securities and Investments Commission Act 2001 (Cth).
<b>ASX or Australian Securities Exchange</b>	ASX Limited (ABN 98 008 624 691), or the financial market operated by it, as the context requires.
<b>ASX Listing Rules</b>	The official listing rules of ASX, as amended or waived from time to time.
<b>ASX Settlement</b>	ASX Settlement Pty Limited (ABN 49 008 504 532).
<b>ASX Settlement Operating Rules</b>	The operating rules of ASX Settlement, and to the extent they are applicable, the operating rules of each of ASX and ASX Clear Pty Limited ABN 48 001 314 503.
<b>ATO</b>	Australian Tax Office.
<b>Australian Accounting Standards</b>	Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board and Urgent Issues Group Interpretations.
<b>Board</b>	the board of directors of the Company from time to time.

<b>Broker Options</b>	the New Options to be issued to the Lead Manager and Jindabyne Capital Pty Ltd for their management and assistance with the Offer.
<b>CDI</b>	CHESSE Depository Interests.
<b>CGT</b>	Capital gains tax.
<b>CHESSE</b>	Clearing House Electronic Subregister System operated in accordance with the Corporations Act.
<b>Company or SRJ</b>	SRJ Technologies Group plc ARBN 642 229 856.
<b>Convertible Notes</b>	the redeemable, unsecured convertible notes with a face value of A\$2,000,000 to be issued on the key terms set out in Section 6.18.
<b>Corporations Act</b>	Corporations Act 2001 (Cth).
<b>CRN</b>	Customer Reference Number.
<b>Director or Directors</b>	A member of the board of directors of the Company from time to time.
<b>Expiry Date</b>	24 October 2025
<b>Financial Information</b>	has the meaning given in Section 6.
<b>First Tranche Convertible Notes</b>	means the initial tranche of \$500,000 of Convertible Notes to be issued shortly after the Closing Date.
<b>Floor Price</b>	means the floor price for conversion of the Convertible Notes into CDIs being A\$0.15.
<b>GBP or £</b>	Great British Pounds being the lawful currency of the United Kingdom.
<b>Group</b>	SRJ Technologies Group plc its subsidiaries and affiliates.
<b>GST</b>	Goods and services or similar tax imposed in Australia.
<b>HIN</b>	Holder Identification Number.
<b>IFRS</b>	International Financial Reporting Standards.
<b>Jindabyne Capital</b>	Jindabyne Capital Pty Ltd ACN 142 870 595.
<b>Lodgement Date</b>	23 November 2022, being the date this Prospectus is lodged with ASIC.
<b>NED Rights</b>	means the entitlement to a CDI or Share to be issued to non-executive Directors in lieu of director's fees on terms set out in Section 6.18.
<b>New Option</b>	an option to acquire a Share or CDI on the terms set out in Section 6.17.



<b>New Securities</b>	means the rights, options and convertible notes to be issued under the Offers.
<b>Offer</b>	the offer of 2,954,638 New Options to acquire CDIs in the capital of the Company to the Placement Participants.
<b>Offers</b>	means the offers of the New Options, Broker Options, Advisor Offer, Uplift Securities, the Convertible Notes and NED Rights.
<b>Performance Rights</b>	The rights to acquire shares issued under the Incentive Plans on the key terms set out in Section 6.20.
<b>Prior Placements</b>	has the meaning given in Section 2.2.
<b>Placement</b>	means the private placement of 8,864,000 CDIs completed on 24 October 2022.
<b>Placements</b>	means the Prior Placements and the Placements
<b>Placement Participants</b>	has the meaning given in Section 2.2.
<b>Pro Forma Balance Sheet</b>	has the meaning given in Section 6.
<b>Prospectus</b>	this prospectus prepared by the Company in accordance with the special content rules under section 713 of the Corporations Act in respect of the Offer.
<b>Securityholder</b>	the registered holder of a CDI or Share.
<b>Securityholding</b>	the number and value of CDI(s) held in the Company.
<b>Share</b>	a fully paid ordinary share in the capital of the Company.
<b>Share Registry</b>	Computershare Investor Services Pty Ltd.
<b>SRJ</b>	SRJ Technologies Group plc ARBN 642 229 856.
<b>SRJ Equity Incentive Plan</b>	means Employee's Equity Incentive Plan.
<b>SRN</b>	Security Reference Number.
<b>Uplift CDIs</b>	means the 578,938 bonus CDIs offered to participants in the Prior Placements who also participated in the Placement.
<b>Uplift Options</b>	means the offer of 192,978 New Options to investors who received Uplift CDIs.
<b>Uplift Securities</b>	means the Uplift CDIs and Uplift Options.

## **Corporate directory**

### **Head Office**

La Quai House  
Le Quai D’Auvergne  
St Helier, Jersey JE2 3TN  
Ph: +44 (0) 1534 626 818  
Email: [info@srj-technologies.com](mailto:info@srj-technologies.com)

### **UK Office**

Unit 2, Waterside House  
Port Hamble, Satchell Lane  
Amble, Southampton SO31 4QD  
Ph: +44 (0) 2382 549 818  
Email: [info@srj-technologies.com](mailto:info@srj-technologies.com)

### **Australian Office**

Level 4  
225 St Georges Terrace  
Perth WA 6000  
Ph: +61 (08) 6162 6199  
Email: [js@srj-technologies.com](mailto:js@srj-technologies.com)

### **Website**

[www.srj-technologies.com](http://www.srj-technologies.com)

### **Stock exchange listing**

SRJ is listed on ASX (code 'SRJ')

### **Australian legal adviser**

Maddocks  
Angel Place  
Level 27, 123 Pitt Street  
Sydney NSW 2000

### **Investigating Accountant**

Grant Thornton Corporate Finance Pty Ltd  
Level 27, 383 Kent Street  
Sydney NSW 2000

### **Share Registry**

Computershare Investor Services Pty Ltd  
Level 11, 172 St Georges Terrace  
Perth WA 6000



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# Attachment 1 Investigating Accountant's Report

The Board of Directors  
SRJ Technologies Group PLC  
Le Quai House, Le Quai d'Auvergne  
St Helier, Jersey JE2 3TN

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**Grant Thornton Corporate  
Finance Pty Ltd**  
Level 17  
383 Kent Street  
Sydney NSW 2000  
Locked Bag Q800  
Queen Victoria Building NSW  
1230  
T +61 2 8297 2400

23 November 2022

Dear Directors

## ***INDEPENDENT LIMITED ASSURANCE REPORT AND FINANCIAL SERVICES GUIDE***

### **Introduction**

This report has been prepared at the request of the directors of SRJ Technologies Group PLC. ("SRJ" or the "the Company") for inclusion in the Prospectus dated 23 November 2022 (the "Prospectus") public offering readmission to the Australian Securities Exchange.

Grant Thornton Corporate Finance Pty Ltd ("Grant Thornton Corporate Finance") holds an appropriate Australian Financial Services Licence (AFS Licence Number 247140) under the Corporations Act 2001 for the issue of this report. This report is both an Independent Limited Assurance Report, the scope of which is set out below, and a Financial Services Guide, as attached at **Appendix A**.

Expressions defined in the Prospectus have the same meaning in this report, unless otherwise specified.

### **Scope**

Grant Thornton Corporate Finance has been engaged by the Directors of the Company to perform a limited assurance engagement in relation to the following historical financial information included in Section 6 of the Prospectus:

#### ***Statutory Consolidated Historical Financial Information***

- The reviewed historical consolidated Balance Sheet as at 30 June 2022 which is included in Section 6.1 of the Prospectus;

(together the "Statutory Consolidated Historical Financial Information").

#### ***Pro Forma Consolidated Historical Financial Information***

- The pro forma historical consolidated Balance Sheet as at 30 June 2022 and the pro forma adjustments applied as at that date which is included in Section 6.1 of the Prospectus.

(the "Pro Forma Consolidated Historical Financial Information")

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ABN-59 003 265 987 ACN-003 265 987 AFSL-247140

Grant Thornton Corporate Finance Pty Ltd ABN 59 003 265 987 ACN 003 265 987 (holder of Australian Financial Services Licence No. 247140), a subsidiary or related entity of Grant Thornton Australia Limited ABN 41 127556 389. 'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Limited is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. Liability limited by a scheme approved under Professional Standards Legislation.

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(together the **Historical Financial Information**)

The Historical Financial Information is presented in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001 (Cth).

The Historical Financial Information have been prepared for inclusion in the Prospectus and has been derived from the reviewed consolidated financial statements of SRJ Technologies Group PLC and its controlled entities. The consolidated financial statements of SRJ Technologies Group PLC for the 6 month period to 30 June 2022 were reviewed by Grant Thornton Limited in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'.. The review opinion issued to the Directors in relation to reviewed consolidated financial statements included an emphasis of matter in relation to material uncertainty of the Company to continue as a going concern.

The stated basis of preparation is the recognition and measurement principles prescribed by applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland (UKGAAP) and the Company's accounting policies.

The Pro Forma Consolidated Historical Financial Information has been derived from the Statutory Consolidated Historical Financial Information after adjusting for the effects of the pro forma adjustments described in Section 6.2 of the Prospectus (the "Pro Forma Adjustments"). The stated basis of preparation is the recognition and measurement principles contained in UK GAAP and the Company's adopted accounting policies applied to the Pro Forma Adjustments as if those events or transactions had occurred as at the date of the Statutory Consolidated Historical Financial Information. Due to its nature, the Pro Forma Consolidated Historical Financial Information does not represent the Company's actual or prospective financial position, financial performance or cash flows.

### **Directors' Responsibility**

The Directors are responsible for:

- the preparation and presentation of the Statutory Consolidated Historical Financial Information and Pro Forma Consolidated Historical Financial Information including the selection and determination of the pro forma adjustments made to the Statutory Consolidated Historical Financial Information and included in the Pro Forma Consolidated Historical Financial Information; and
- the information contained within the Prospectus.

This responsibility includes for the operation of such internal controls as the Directors determine are necessary to enable the preparation of the Statutory Consolidated Historical Financial Information and the Pro Forma Consolidated Historical Financial Information that are free from material misstatement, whether due to fraud or error.

### **Our Responsibility**

Our responsibility is to express limited assurance conclusions on the Statutory Consolidated Historical Financial Information and the Pro Forma Consolidated Historical Financial Information based on the procedures performed and evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450: "*Assurance Engagements involving Corporate Fundraisings and/ or Prospective Financial Information*".

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

Our engagement did not involve updating or re-issuing any previously issued audit or review report of the Group used as a source of the financial information.

We have performed the following procedures which we, in our professional judgement, considered reasonable in the circumstances.

***Statutory Consolidated Historical Financial Information and Pro Forma Consolidated Historical Financial Information***

- consideration of work papers, accounting records and other documents, including those dealing with the extraction of the Statutory Consolidated Historical Financial Information from the audited financial statements of the Group covering the 6 month period to 30 June 2022.
- consideration of the appropriateness of the pro forma adjustments described in Section 6.2 of the Prospectus;
- enquiry of the Directors, management and others in relation to the Statutory Consolidated Historical Financial Information and Pro Forma Consolidated Historical Financial Information;
- analytical procedures applied to the Statutory Consolidated Historical Financial Information and Pro Forma Consolidated Historical Financial Information;
- a review of the work papers, accounting records and other documents of the Group and its auditors; and
- a review of the consistency of the application of the stated basis of preparation and adopted accounting policies as described in the Prospectus used in the preparation of the Statutory Consolidated Historical Financial Information and Pro Forma Consolidated Historical Financial Information.

**Conclusion**

***Statutory Consolidated Historical Financial Information and Pro Forma Consolidated Historical Financial Information***

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Statutory Consolidated Historical Financial Information and Pro forma Consolidated Historical Financial Information is not presented fairly, in all material respects, in accordance with the stated basis of preparation and (in respect of the Pro Forma Consolidated Historical Financial Information) the event(s) or transaction(s) to which the Pro Forma Adjustments relate, as described in Section 6.2 of the Prospectus, as if those event(s) or transaction(s) had occurred as at the date of the Pro forma Consolidated Historical Financial Information.

**Restriction on Use**

Without modifying our conclusion, we draw your attention to Section 6.1 of the Prospectus which describes the purpose of the Financial Information, being for inclusion in the Prospectus. As a result, this Independent Limited Assurance Report may not be suitable for another purpose.

### **Consent**

Grant Thornton Corporate Finance consents to the inclusion of this Independent Limited Assurance Report in the Prospectus in the form and context in which it is included and to being named in the Prospectus as the Investigating Accountant.

### **Liability**

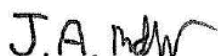
The liability of Grant Thornton Corporate Finance is limited to the inclusion of this report in the Prospectus. Grant Thornton Corporate Finance makes no representation regarding, and has no liability, for any other statements or other material in, or omissions from the Prospectus.

### **Independence or Disclosure of Interest**

Grant Thornton Corporate Finance does not have any pecuniary interests that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. Grant Thornton Corporate Finance will receive a professional fee for the preparation of this Independent Limited Assurance Report.

Yours faithfully,

GRANT THORNTON CORPORATE FINANCE PTY LTD

A handwritten signature in black ink, appearing to read "J.A. Mather".

JONATHAN MATHER

Partner



## Appendix A (Financial Services Guide)

This Financial Services Guide is dated 23 November 2022.

### 1 About us

Grant Thornton Corporate Finance Pty Ltd (ABN 59 003 265 987, Australian Financial Services Licence no 247140) (Grant Thornton Corporate Finance) has been engaged by SRJ Technologies Group PLC (“SRJ” or “the Company”) to provide a report in the form of an Independent Limited Assurance Report (the “Report”) for inclusion in a Prospectus dated 23 November 2022 (the “Prospectus”) relating to the offer in the Company (the “Offer”). You have not engaged us directly but have been provided with a copy of the Report as a retail client because of your connection to the matters set out in the Report.

### 2 This Financial Services Guide

This Financial Services Guide (FSG) is designed to assist retail clients in their use of any general financial product advice contained in the Report. This FSG contains information about Grant Thornton Corporate Finance generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the Report, and how complaints against us will be dealt with.

### 3 Financial services we are licensed to provide

Our Australian financial services licence allows us to provide a broad range of services, including providing financial product advice in relation to various financial products such as securities and superannuation products and deal in a financial product by applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of securities and superannuation products.

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ABN-59 003 265 987 ACN-003 265 987 AFSL-247140

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## 4 General financial product advice

The Report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs. You should consider your own objectives, financial situation and needs when assessing the suitability of the Report to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

Grant Thornton Corporate Finance does not accept instructions from retail clients. Grant Thornton Corporate Finance provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Thornton Corporate Finance does not provide any personal financial product advice directly to retail investors nor does it provide market-related advice directly to retail investors.

## 5 Fees, commissions and other benefits we may receive

Grant Thornton Corporate Finance charges fees to produce reports, including the Report. These fees are negotiated and agreed with the entity which engages Grant Thornton Corporate Finance to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this Report, Grant Thornton Corporate Finance will receive from the Company a fee of \$15,000 (excluding GST), which is based on commercial rates plus reimbursement of out-of-pocket expenses.

Partners, Directors, employees or associates of Grant Thornton Corporate Finance, or its related bodies corporate, may receive dividends, salary or wages from Grant Thornton Australia Ltd.

None of those persons or entities receive non-monetary benefits in respect of, or that is attributable to, the provision of the services described in this FSG.

## 6 Referrals

Grant Thornton Corporate Finance - including its Partners, Directors, employees, associates and related bodies corporate - does not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

## 7 Associations with issuers of financial products

Grant Thornton Corporate Finance and its Partners, Directors, employees or associates and related bodies corporate may from time to time have associations or relationships with the issuers of financial products. For example, Grant Thornton Australia Ltd may be the auditor of, or provide financial services to the issuer of a financial product and Grant Thornton Corporate Finance may provide financial services to the issuer of a financial product in the ordinary course of its business.

In the context of the Report, Grant Thornton Corporate Finance considers that there are no such associations or relationships which influence in any way the services described in this FSG.

## 8 Independence

Grant Thornton Corporate Finance is required to be independent of SRJ in order to provide this Report. The following information in relation to the independence of Grant Thornton Corporate Finance is stated below.

*“Grant Thornton Corporate Finance and its related entities do not have at the date of this Report, and have not had within the previous two years, any shareholding in or other relationship with SRJ Technologies Group PLC that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Offer.*

*Grant Thornton Corporate Finance has no involvement with, or interest in the outcome of the Offer, other than the preparation of this Report.*

*Grant Thornton Corporate Finance will receive a fee based on commercial rates for the preparation of this Report. This fee is not contingent on the outcome of the Offer. Grant Thornton Corporate Finance’s out of pocket expenses in relation to the preparation of the Report will be reimbursed. Grant Thornton Corporate Finance will receive no other benefit for the preparation of this Report.*

## 9 Complaints

Grant Thornton Corporate Finance has an internal complaint handling mechanism and is a member of the Australian Financial Complaints Authority (AFCA) (membership no. 11800). All complaints must be in writing and addressed to the Head of Corporate Finance at Grant Thornton Corporate Finance. We will endeavour to resolve all complaints within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to AFCA who can be contacted at:

### **Australian Financial Complaints Authority**

GPO Box 3  
Melbourne, VIC 3001  
Telephone: 1800 931 678 (free call)

Email: [info@afca.org.au](mailto:info@afca.org.au)

Grant Thornton Corporate Finance is only responsible for the Report and FSG. Grant Thornton Corporate Finance will not respond in any way that might involve any provision of financial product advice to any retail investor.

## 10 Compensation arrangements

Grant Thornton Corporate Finance has professional indemnity insurance cover under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of section 912B of the Corporations Act, 2001.

## 11 Contact Details

Grant Thornton Corporate Finance can be contacted by sending a letter to the following address:

Head of Corporate Finance  
Grant Thornton Corporate Finance Pty Ltd  
Level 17, 383 Kent Street  
Sydney, NSW, 2000