

Entitlement Offer Booklet

SenterpriSys Limited ACN 146 845 123

A non-renounceable Entitlement Offer to existing shareholders of **SenterpriSys Limited** of 1 New Share at an issue price of \$0.03 each for every 3 Shares held to raise up to approximately \$705,426 before costs.

Important Notice

This document is not a prospectus. This document does not contain all of the information that an investor may require in order to make an informed investment decision regarding the New Shares offered pursuant to this document. The New Shares offered pursuant to this document should be considered speculative.

This document should be read in its entirety. If after reading this document you have any questions about the Offer or the New Shares then you should consult your stockbroker, accountant or other professional adviser.

Important information and Summary of Capital Raising

Interpretation

A number of terms and abbreviations used in this Offer Booklet have defined meanings, which are explained in the “Definitions and Glossary” at Section 7.

Money as expressed in this Offer Booklet is in Australian dollars unless indicated otherwise.

Key dates for investors

| | |
|---|---------------|
| Announcement of Entitlement Offer | 1 April 2021 |
| Voluntary Suspension whilst Rights Issue is in progress | 1 April 2021 |
| Notice to Shareholders | 1 April 2021 |
| Offer Booklet lodged with NSX | 1 April 2021 |
| Trading on Ex basis | 7 April 2021 |
| Record Date for the Entitlement Offer (7:00pm AEST) | 8 April 2021 |
| Despatch of Offer Booklet | 15 April 2021 |
| Opening Date of Entitlement Offer (9:00am AEST) | 15 April 2021 |
| Last Day to extend the Offer Closing Date | 27 April 2021 |
| Closing Date of Entitlement Offer (5:00pm AEST) | 29 April 2021 |
| NSX notified of under subscriptions (no more than 3 business days after Closing Date) | 30 April 2021 |
| Allotment Date - expected date of allotment of the New Shares issued under the Entitlement Offer and the Shortfall Share Offer (if any) | 3 May 2021 |
| Normal trading begins | 5 May 2021 |
| Despatch Date - expected date of despatch of New Shares holding statements under the Entitlement Offer and the Shortfall Share Offer (if any) | 5 May 2021 |

The dates set out in the above table are subject to change and are indicative only. The Company reserves the right to alter this timetable at any time, subject to the Corporations Act and the Listing Rules, without notice. The Directors, subject to the requirements of the Listing Rules and the Corporations Act, may extend the period of the Entitlement Offer or bring forward the Closing Date at their discretion. This may have a consequential effect on the other dates. Investors are encouraged to submit their Entitlement and Acceptance Forms as soon as possible.

Entitlement Offer

| | |
|--|-------------------|
| Number of New Shares to be issued | 23,514,198 Shares |
| Issue Price | \$0.03 |
| Gross proceeds (approximately) | \$705,426 |
| Costs of Entitlement Offer * | \$20,000 |
| Total net proceeds of the Capital Raising*(approximately) | \$685,426 |

* Estimate as at the date of this Information Booklet, and assumes that the Entitlement Offer is fully subscribed

Entitlement and Acceptance Forms

It is the responsibility of overseas Applicants to ensure compliance with all laws of any country relevant to their Acceptance.

Important notice

This Offer Booklet is issued under Section 708AA of the Corporations Act (as notionally modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*).

This Offer Booklet is provided for information purposes and is not and does not purport to be a prospectus or other disclosure document for the purposes of the Corporations Act. Accordingly, this Offer Booklet does not contain all of the information which would otherwise be required to be disclosed in a prospectus or other disclosure document and does not necessarily contain all of the information which a prospective investor may require to make an investment decision.

Neither ASIC nor NSX, nor any of their officers or employees takes responsibility for this Offer or the merits of the investment to which this Entitlement Offer relates.

Eligible and Foreign Shareholders

The Company seeks to make offers under the Entitlement Offer to all Shareholders. Therefore, the Entitlement Offer is being extended to all Shareholders on the Record Date who have a registered address in the Prescribed Jurisdictions.

The Entitlement Offer is made only to those Shareholders who are Shareholders on the Record Date and who have registered addresses in the Prescribed Jurisdictions (**Eligible Shareholders**), and only Eligible Shareholders will be offered New Shares.

This Entitlement Offer (including the Offer Booklet) does not constitute an offer of, or invitation to subscribe for securities in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this Offer Booklet in jurisdictions outside of the Prescribed Jurisdictions, including Papua New Guinea, Great Britain and Thailand, may be restricted by law and persons who come into possession of this Offer Booklet should seek their own advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Where this Offer Booklet is available to persons domiciled in a country other than the Prescribed Jurisdictions, and where that country's securities code or legislation requires registration, this Offer Booklet is provided for information purposes only. No action has been taken to register or qualify this Offer Booklet or to otherwise permit a public offering of New Shares outside the Prescribed Jurisdictions.

It is the responsibility of investors resident outside the Prescribed Jurisdictions to obtain all necessary approvals for applying for New Shares pursuant to this Offer Booklet. The return of a completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation and

warranty by the Applicant that all approvals necessary in the jurisdiction in which the Applicant resides, have been obtained.

The Entitlement Offer has not been, and will not be, registered under the *United States Securities Act of 1933* and is not being made in the United States or to persons resident in the United States.

No action has been taken to register or qualify the New Shares or the Entitlement Offer, or otherwise permit a public offering of New Shares, in any jurisdiction outside the Prescribed Jurisdictions. Shares may not be offered or sold in any country outside the Prescribed Jurisdictions.

New Zealand

In making this offer to Eligible Shareholders in New Zealand, the Company is relying on the *Securities Act (Overseas Companies) Exemption Notice 2002 (NZ)* by virtue of which this Information Booklet is not required to be registered in New Zealand, and the Financial Reporting (Overseas Companies) Exemption Notice (NZ) by which the Company's financial statements are not required to be filed in New Zealand. For the purpose of these Exemption Notices this Offer Booklet is an 'Authorised Advertisement'.

No representations

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Booklet. Any information or representation in connection with the Offer not contained in this Offer Booklet may not be relied on as having been authorised by the Company or its officers. This Offer Booklet does not provide investment advice or advice on the taxation consequences of accepting the Entitlement Offer. The Entitlement Offer and the information in this Offer Booklet, do not take into account your investment objectives, financial situation and particular needs (including financial and tax issues) as an investor. In particular, in considering whether or not to invest in the New Shares, it is important that you consider the risk factors contained in this Offer Booklet that could affect the financial performance and position of the Company in light of your investment objectives, financial situation and particular needs (including financial and tax issues), and seek investment advice from your financial or other professional advisers. Except as required by law, and only to the extent so required, neither the Company nor any other person warrants the future performance of the Company or any return on any investment.

Deciding to accept the Offer

Please read this document carefully before you decide to invest. An investment in the Company has a number of specific risks which you should consider before deciding to invest. Some of these risks are summarised in this Offer Booklet. This Offer Booklet is an important document and you should read it in full before deciding whether to invest pursuant to the Entitlement Offer. You should also have regard to other publicly available information about the Company, including NSX announcements, which can be found at the Company's website www.senterprisys.com

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1. Chairman's letter

15 April 2021

Dear Shareholder,

On behalf of the Directors, I am pleased to invite you, as a valued Shareholder of SenterpriSys Limited (**SPS** or the **Company**), to participate in SPS's recently announced 1 for 3 non-renounceable entitlement offer of new SPS ordinary shares (**New Shares**) at an issue price of \$0.03 per New Share to raise approximately \$705,426 (before costs) (**Entitlement Offer**).

The issue price of \$0.03 per New Share represents a 3.33% discount to the 30-day volume-weighted average Share price (being \$0.031 as at 15 March 2021). Allotment of the New Shares issued under the Entitlement Offer will occur on 3 May 2021.

Reasons for the Capital Raising

The funds raised by the Company will be invested during 2022 in the following ways:

- a) To repay a short term loan to Rainrose Pty Ltd (a related entity of Mr Lev Mizikovsky) of \$300,000.
- b) To fund the working capital of the business for the next 12-18 months for the SPS team to complete and launch the software to market.

It is anticipated by the Directors that SPS will receive external revenue from customers in FY 2022.

In the event circumstances change or other opportunities arise, the Directors reserve the right to vary the use of the proceeds from the issue of the New Shares to ensure Shareholder benefits are maximised at all times.

Offer Details

The number of New Shares you are entitled to subscribe for under the Entitlement Offer (Entitlement) is set out in your personalised Entitlement and Acceptance Form that accompanies this Offer Booklet.

If you are an Eligible Shareholder and you wish to accept your Entitlement pursuant to the Entitlement Offer, you will need to complete the Entitlement and Acceptance Form and return it together with the appropriate application money to the Company's Share Registry before 5pm (AEST) on the **Closing Date of 29 April 2021**.

Entitlements are non-renounceable and cannot be traded on the NSX or otherwise transferred. This means that if you choose not to take up your Entitlement you will not receive any value in respect of your Entitlement and your percentage interest in the Company will reduce.

Shortfall Facility

The Entitlement Offer will include a shortfall facility under which Eligible Shareholders who take up their full Entitlement will be invited to apply for New Shares in the Entitlement Form from a pool of those Entitlements not taken up by other Shareholders of the Company (**Shortfall Facility**). There is no guarantee that applicants under this Shortfall Facility will

receive all or any of the additional New Shares that they applied for under the Shortfall Facility. The Board of the Company reserve their right to alter the allocation policy and to allocate New Shares under the Short Fall Facility at their discretion.

Director Intentions Regarding Their Entitlements

There is a requirement under the NSX Listing Rules for an 'open market' in SPS Shares. This means that the minimum percentage of securities in public hands, (i.e. persons who are not a director or substantial shareholder of the issuer or a director of a substantial shareholder of the issuer or an associate of any of them) must at all times be no less than 25%.

Presently:

- Mr Mizikovsky and his related entities hold approximately 62.9% of the Shares in SPS.
- Tamawood Limited which, for the purposes of the NSX Listing Rules is a substantial holder and of whom Mr Mizikovsky is a director, holds approximately 10.23% of the Shares in SPS.
- The other SPS Directors (not including Mr Mizikovsky) hold collectively 3.751% of the Shares in SPS.

As a result the present open market for SPS Shares is 23.12%.

Whilst Mr Mizikovsky has indicated he and his related entities are willing to take up all of their Entitlements, it has been agreed with Mr Mizikovsky that the number of Entitlements he and his related entities will be collectively able take up will be limited so that the open market for SPS Shares increases to and does not drop below 25%.

In effect, the more Eligible Shareholders who take up their Entitlements in full and apply for additional New Shares under the Shortfall Facility, the greater the ability of Mr Mizikovsky and his related entities to take up their full Entitlements and the greater the opportunity for SPS to raise the maximum amount for funds under the Capital Raise. For the avoidance of doubt:

- The SPS Directors (not including Mr Mizikovsky) have shown their full support for the Entitlement Offer by indicating they intend to subscribe for their full Entitlement.
- Mr Mizikovsky and his related entities have indicated they intend to take up the maximum number of their Entitlements possible under the Listing Rules.

Key information with respect to the Entitlement Offer is set out in this Offer Booklet. Please read the Offer Booklet carefully before deciding whether or not to invest.

If there is any matter on which you require further information, you should consult your stockbroker, accountant or other professional adviser.

On behalf of the Directors, I encourage you to consider this investment opportunity carefully and thank you for your ongoing support of SPS.

Yours sincerely,



Lev Mizikovsky
Non-Executive Director
SenterpriSys Limited

2. Entitlement Offer Details

2.1 The Entitlement Offer

The Entitlement Offer is an offer to Eligible Shareholders of an estimated 23,514,198 New Shares at an Issue Price of \$0.03 per New Share, on the basis of 1 New Share for every 3 Share held (**Entitlement**), to raise approximately \$705,426 (before costs).

The funds raised by the Company will be invested during 2022 in the following ways:

- a) To repay a short term loan to Rainrose Pty Ltd (a related entity of Mr Lev Mizikovsky) of \$300,000.
- b) To fund the working capital of the business for the next 12-18 months for the SPS team to complete and launch the software to market.

It is anticipated by the Directors that SPS will receive external revenue from customers in FY 2022.

On the same date as announcing the Entitlement Offer, the Company applied to the NSX for the New Shares to be granted official quotation on the NSX. Official quotation of the New Shares is expected to occur on or about 3 May 2021.

The issue price of \$0.03 per New Share represents a 3.33% discount to the 30-day volume-weighted average Share price (being \$0.031) as at 15 March 2021.

The Entitlement Offer is non-renounceable. Accordingly, Entitlements do not trade on the NSX, and they cannot be transferred or otherwise disposed of.

An Entitlement and Acceptance Form setting out your Entitlement accompanies this Offer Booklet. Eligible Shareholders may subscribe for all or part of their Entitlement. There is no minimum subscription amount.

2.2 Eligibility of Shareholders

The Entitlement Offer is being offered to all Eligible Shareholders.

Eligible Shareholders are Shareholders on the Record Date who:

- (a) have a registered address in a Prescribed Jurisdiction;
- (b) are not in the United States or to persons (including nominees or custodians) acting for the account or benefit of a person in the United States; and
- (c) are not ineligible under applicable securities laws in any country to receive an offer under the Entitlement Offer without any requirement for a prospectus to be lodged or registered.

2.3 Investment risks

Eligible Shareholders should be aware that an investment in the Company is subject to investment and other known and unknown risks, including possible loss of income and principal invested. A number of these risks are specific to the Company and the industry in which it operates. Some of the key risks identified by the Company are outlined in Section 3.6 of this Offer Booklet. However, these risks should not be taken to be exhaustive of the risks faced by the Company or its Shareholders. Those risk factors referred to in the Offer Booklet, may materially affect the financial performance of the Company and the value of its Shares in the future.

SPS has implemented strategies, actions, systems and safeguards for known risks. However, some risks are beyond its control. Consequently, the prevailing price or value of New Shares issued under the Entitlement Offer may be more or less than the Issue Price. In any event, the Company does not guarantee any particular rate of return, the performance of the Company, the payment of any dividends, the repayment of capital from the Company, any price for the Company's Shares or any particular tax treatment.

2.4 New Share Terms

Each New Share will rank equally with all existing Shares then on issue. Full details of the rights and liabilities attaching to the Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

2.5 Sources and proposed use of funds

The Directors intend to apply the funds raised from the Capital Raising as follows (assuming the Entitlement Offer is fully subscribed):

| Sources of funds | Amount (\$'000) |
|---|-----------------|
| Existing cash (as at 12 March 2021) | 35 |
| Add Debtors Due 31 March 2021* | 59 |
| Proceeds of Entitlement Offer | 705 |
| Total source of funds | 799 |
| Proposed use of funds | Amount (\$'000) |
| Working capital required from 1 April to 30 June including repayment of a loan from Rainrose Pty Ltd of \$300,000 | (450) |
| Total use of funds | (450) |
| Closing Cash** | 349 |

*Assumes all debts are paid in full and on time, due 31 March 2021

**Closing Cash is estimated subject to 100% participation in the Rights Issue

2.6 Use of Funds

The funds raised by SPS will be invested during 2022 in the following ways:

- To repay a short term loan to Rainrose Pty Ltd (a related entity of Mr Lev Mizikovsky) of \$300,000.
- To fund the working capital of the business for the next 12-18 months for the SPS team to complete and launch the software to market.

2.7 Allotment and allocation

The Company will proceed to allocate New Shares as soon as possible after the Closing Date and receiving NSX permission for official quotation of the New Shares.

Successful Applicants will be notified in writing of the number of New Shares allocated to them as soon as possible following the allocation being made.

It is the responsibility of Applicants to confirm the number of New Shares allocated to them prior to trading in New Shares. Applicants who sell New Shares before they receive notice of the number of New Shares allocated to them do so at their own risk.

2.8 NSX listing

The Company applied for the listing and official quotation of the New Shares on the NSX on same date as announcing the Entitlement Offer. If granted, official quotation of the New Shares will commence as soon as practicable after allotment of the New Shares to Applicants. It is the responsibility of the Applicants to determine their allocation of New Shares prior to trading.

2.9 CHESS

The Company will apply for the New Shares to participate in CHESS, in accordance with the NSX Listing Rules and NSX Settlement Operating Rules.

The Company will not issue certificates to Shareholders with respect to the New Shares. After allotment of the New Shares, Shareholders who are issuer sponsored will be provided with an issuer sponsored statement and those who are CHESS holders will receive an allotment advice.

The CHESS statements, which are similar in style to bank account statements, will set out the number of New Shares allotted to each successful Applicant pursuant to this Offer Booklet. The statement will also advise holders of their holder identification number ("HIN"). Further statements will be provided to holders which reflect any changes in their holding in the Company during a particular month.

2.10 Foreign Shareholders

The Company seeks to make offers under the Entitlement Offer to all Shareholders. Therefore, the Entitlement Offer is being extended to all Shareholders on the Record Date who have a registered address in the Prescribed Jurisdictions.

The Entitlement Offer is made only to those Shareholders who are Shareholders on the Record Date and who have registered addresses in the Prescribed Jurisdictions (Eligible Shareholders), and only Eligible Shareholders will be offered New Shares.

This Entitlement Offer (including the Offer Booklet) does not constitute an offer of, or invitation to subscribe for securities in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this Offer Booklet in jurisdictions outside of the Prescribed Jurisdictions, including Great Britain and Singapore, may be restricted by law and persons who come into possession of this Offer Booklet should seek their own advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Where this Offer Booklet is available to persons domiciled in a country other than the Prescribed Jurisdictions, and where that country's securities code or legislation requires registration, this Offer Booklet is provided for information purposes only. No action has been taken to register or qualify this Offer Booklet or to otherwise permit a public offering of New Shares outside the Prescribed Jurisdictions.

It is the responsibility of investors resident outside the Prescribed Jurisdictions to obtain all necessary approvals for applying for New Shares pursuant to this Offer Booklet. The return of a completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation and warranty by the Applicant that all approvals necessary in the jurisdiction in which the Applicant resides, have been obtained.

The Entitlement Offer has not been, and will not be, registered under the United States Securities Act of 1933 and is not being made in the United States or to persons resident in the United States.

No action has been taken to register or qualify the New Shares or the Entitlement Offer, or otherwise permit a public offering of New Shares, in any jurisdiction outside the Prescribed Jurisdictions. Shares may not be offered or sold in any country outside the Prescribed Jurisdictions.

2.11 New Zealand

In making this offer to Eligible Shareholders in New Zealand, the Company is relying on the Securities Act (Overseas Companies) Exemption Notice 2002 (NZ) by virtue of which this Information Booklet is not required to be registered in New Zealand, and the Financial Reporting (Overseas Companies) Exemption Notice (NZ) by which the Company's financial statements are not required to be filed in New Zealand. For the purpose of these Exemption Notices this Offer Booklet is an 'Authorised Advertisement'.

3. Effect of Capital Raising on Control of SPS

3.1 Present position

At the date of this Offer Booklet, Mr Lev Mizikovsky and his related entities are the largest Shareholders, controlling approximately 62.90% of the Shares on issue in the Company.

The top 20 Shareholders of the Company as at 15 March 2021 are as follows:

As at 15 March 2021

| Shareholder | Shares | % Issued |
|--|-------------------|--------------|
| POLTICK PTY LTD | 25,005,593 | 35.45 |
| SKYLEVI PTY LTD | 8,183,344 | 11.60 |
| TAMAWOOD LIMITED | 7,214,740 | 10.23 |
| RAINROSE PTY LTD | 5,758,626 | 8.16 |
| NOWCASTLE PTY LTD | 2,872,108 | 4.07 |
| ANKLA PTY LTD | 2,243,042 | 3.18 |
| MR MICHAEL WILLIAM FENNELL + MRS TANIA MAREE FENNELL <FENNELL FAMILY A/C> | 1,550,001 | 2.20 |
| MIZI SUPERANNUATION PTY LTD <MIZI SUPER FUND A/C> | 1,172,280 | 1.66 |
| ANDREW THOMAS | 789,453 | 1.12 |
| IAN HENDERSON | 702,187 | 1.00 |
| RIPELAND PTY LTD | 551,940 | 0.78 |
| IAN HENDERSON + MARIAN ELIZABETH HENDERSON <THE SCOTSTOUN SUPERFUND A/C> | 547,813 | 0.78 |
| MUTUAL TRUST PTY LTD | 525,819 | 0.75 |
| M & T FENNELL SUPER FUND PTY LTD <THE M & T SUPER FUND A/C> | 500,000 | 0.71 |
| MR TIMOTHY MARK BARTHOLOMAEUS | 468,125 | 0.66 |
| ROBERT PATRICK LYNCH | 468,125 | 0.66 |
| MR RADE DUDUROVIC + MRS JACQUELINE JEANETTE DUDUROVIC <R&J SUPERANNUATION FUND A/C> | 350,840 | 0.50 |
| MR ROBERT LYNCH + MRS SINEAD LYNCH <R & S LYNCH S/F A/C> | 350,000 | 0.50 |
| PASSLOW SUPER PTY LTD <PASSLOW SUPER FUND A/C> | 257,500 | 0.37 |
| MR TIMOTHY MARK BARTHOLOMAEUS + MS PATRESE CAROLINE BARTHOLOMAEUS <BART INC FAMILY A/C> | 250,000 | 0.35 |
| Total Top 20 | 59,761,536 | 84.72 |

3.2 Capital structure

Subject to rounding up of fractional Entitlements and assuming none of the Existing Options are exercised before the Record Date, the capital structure of SPS following the issue of New Shares under the Capital Raising (assuming full subscription under the Entitlement Offer) is expected to be as follows:

| | |
|--|------------|
| Shares on issue as at 12 May 2021 (announcement of the Capital Raising) | 70,542,594 |
| New Shares to be issued under the Entitlement Offer | 23,514,198 |
| Shares on issue following the close of the Entitlement Offer | 94,056,792 |

3.3 Potential effects of the Entitlement Offer on Control of SPS

The Entitlement Offer is a pro-rata offer so that if all Eligible Shareholders take up their Entitlements and none of the Option Holders exercise their Existing Options and participate in the Entitlement Offer, the existing Voting Power of all Eligible Shareholders will remain the same.

However, if some Shareholders take up their Entitlements, Shareholders who do not take up all of their Entitlements will have their interest in SPS diluted.

The Company seeks to make the Entitlement Offer to all Shareholders and has extended the Entitlement Offer to Shareholders with registered addresses in the Prescribed Jurisdictions. Accordingly, if all other Shareholders take up their Entitlement, foreign Shareholders with registered addresses in the Prescribed Jurisdiction (at the date of this Offer Booklet) will not be diluted as a consequence of the Entitlement Offer, unless they elect not to take up their Entitlements.

3.4 Related Party

As a Director, Mr Lev Mizikovsky is also a substantial shareholder of SPS. Lev Mizikovsky and his related entities intend to participate for 100% of their entitlement under the Capital Raising subject to the limitations set out in Section 3.6 of this Offer Booklet. The effect of a change in ownership is reflected in Section 3.5 and 3.6 of this Offer Booklet.

3.5 Directors' intentions

The Directors' direct and indirect interests in the Company as at the date of the announcement of the Entitlement Offer are as follows:

| Director | Relevant Interest in Shares held (directly and indirectly) | Percentage holding | Entitlement (New Shares) |
|-----------------|---|--------------------|-----------------------------|
| Lev Mizikovsky | 44,370,520 | 62.90% | 14,790,173 |
| Mike Fennell | 2,061,530 | 2.92% | 687,176 |
| Rade Dudurovic | 588,730 | 0.83% | 196,243 |
| Laurie Lefcourt | 1,000 | 0.001% | 334 |

Each of the Directors has shown their support for the Entitlement Offer by indicating that they intend to subscribe for their full Entitlement, subject to the limitations in respect of Mr Mizikovsky set out in Section 3.6 of this Offer Booklet.

3.6 Change of Control

The effect of the Rights Issue on control depends on the extent to which Eligible Shareholders take up their Entitlements under the Entitlement Offer. If all Eligible Shareholders take up their Entitlements the following table shows the impact on control.

The effect on control under various scenarios as shown in the table below:

| Effect on control | Current shareholding | | 100% take-up by all shareholders | |
|-----------------------------|----------------------|-------|----------------------------------|-------|
| | Shares | % | Shares | % |
| Lev Mizikovsky & Associates | 44,370,520 | 62.90 | 59,160,693 | 62.90 |

There is a requirement under the NSX Listing Rules for an 'open market' in SPS Shares. This means that the minimum percentage of securities in public hands, (i.e. persons who are not a director or substantial shareholder of the issuer or a director of a substantial shareholder of the issuer or an associate of any of them) must at all times be no less than 25%.

Presently:

- Mr Mizikovsky and his related entities hold approximately 62.9% of the Shares in SPS.
- Tamawood Limited which, for the purposes of the NSX Listing Rules is a substantial holder and of whom Mr Mizikovsky is a director, holds approximately 10.23% of the Shares in SPS.
- The other SPS Directors (not including Mr Mizikovsky) hold collectively 3.751% of the Shares in SPS.

As a result the present open market for SPS Shares is 23.12%.

Whilst Mr Mizikovsky has indicated he and his related entities are willing to take up all of their Entitlements, it has been agreed with Mr Mizikovsky that the number of Entitlements he and his related entities will be collectively able to take up will be limited so that the open market for SPS Shares increases to and does not drop below 25%.

In effect, the more Eligible Shareholders who take up their Entitlements in full and apply for additional New Shares under the Shortfall Facility, the greater the ability of Mr Mizikovsky and his related entities to take up their full Entitlements, and the greater the opportunity for SPS to raise the maximum amount for funds under the Capital Raise. For the avoidance of doubt Mr Mizikovsky and his related entities have indicated they intend to take up the maximum number of their Entitlements possible under the Listing Rules.

3.7 Risks

| Risk | Description |
|--|---|
| Strategic risk | Consumer behaviours continue to be influenced by such factors as economic conditions, adverse fluctuation in interest rates and choices in both online and in-store retail options. |
| General economic conditions and market risks | Any adverse market conditions including increased competition from new and existing competitors, interest rate and foreign exchange movements may lead to a decline in sales and profitability. |

| | |
|--|---|
| Loss of premises | SPS leases facilities. Damage or destruction of these facilities could result in the loss of products and hence adversely impact SPS's financial results, despite SPS holding insurance cover for such an event. |
| SPS products | SPS's success in generating profits and increasing its market share is based on the success of its key products. Reliance on key products makes SPS vulnerable to negative publicity or reduced sales from product quality. |
| Risks associated with an investment in shares | <p>There are risks associated with investments in shares. The shares trading price is affected for a number of reasons all outside the control of SPS:</p> <ul style="list-style-type: none"> • Movements in Australian stock markets; • Changes in investor sentiment; • Preventing Australian and international economic conditions and outlook; • Changes in interest rates • Change in government or regulation and policies |
| Equity raising dilution risk | If shareholders do not participate in the rights issue, then their percentage shareholding in SPS will be diluted. |
| Information technology systems failure | There is a risk that SPS fails to finish or maintain its Software adequately, or that updates may introduce errors and performance issues, adversely impacting revenue and causing customer satisfaction in the Software to fall. |
| Regulatory risk | The manufacturing activities of SPS are subject to various regulatory requirements. Failure by SPS to comply with specified regulations may result in closure of production facilities or the inability to market SPS products for therapeutic use resulting in the loss of revenue and profitability. |
| Taxation losses | The ability of SPS to obtain the benefit of existing tax losses will depend on future profitability and may be adversely affected by changes in business activities, levels of taxable income and profitability relating to the use of the tax losses. Changes in taxation laws (or their interpretation) in Australia could materially affect SPS's financial performance and impact on its ability to obtain the benefit of existing tax losses. |
| Accounting | Changes in accounting or financial reporting standards may adversely impact the reported financial performance of SPS. |
| Failure to realise benefits from product development costs | Developing software and 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. However, SPS may not receive significant revenues from these investments for several years, or may not realise such benefits at all. |

4. Financial Information

The Company's financial information is prepared in accordance with Australian Accounting Standards, which include Australian Equivalents to International Financial Reporting Standards. The accounting policies upon which financial information has been prepared are set out in the Company's audited financial statements for the year ended 30 June 2020.

Audited financial statements for the year ended 30 June 2020 can be viewed on the NSX website at www.NSX.com.au or on the Company's website at www.senterprisys.com

5. How to Apply

5.1 Your choices as an Eligible Shareholder

The number of New Shares to which each Eligible Shareholder is entitled (Entitlement) is calculated as at the Record Date and is shown on the personalised Entitlement and Acceptance Form accompanying this Offer Booklet.

Eligible Shareholders may:

- (a) take up their Entitlement in full (refer to Section 5.1);
- (b) take up part of their Entitlement, in which case the balance of the Entitlement would lapse (refer to Section 5.2); or
- (c) allow their Entitlement to lapse (refer to Section 5.3).

SPS reserves the right to reject any Entitlement and Acceptance Form that is not correctly completed or that is received after the Closing Date. The Closing Date for acceptance of the Entitlement Offer is 5.00pm (AEST) on **29 April 2021**.

5.2 Taking up your Entitlement in full

If you wish to take up your Entitlement in full, follow the instructions set out on the Entitlement and Acceptance Form.

Please return your completed Entitlement and Acceptance Form together with your Application Monies in accordance with Section 5.4 for the amount shown on the Entitlement and Acceptance Form to the Share Registry so that it is received no later than 5.00pm (AEST) on **29 April 2021** at the address set out below:

By post

SenterpriSys Limited
C/O Computershare Investor
Services Pty Limited
GPO Box 505
Melbourne VIC 3001

Entitlement and Acceptance Forms will not be accepted at the Company's registered office. You may also take up all of your Entitlement by payment of the Application Monies through BPAY in accordance with the instructions on the Entitlement and Acceptance Form. If payment is made through BPAY, you do not need to return the Entitlement and Acceptance Form. Your payment must be received by no later than 5.00pm on **29 April 2021**.

Refund amounts, if any, will be paid in Australian dollars. You will be paid by cheque sent by ordinary post to your address or paid by direct credit as recorded on the share register.

5.3 Taking up part of your Entitlement and allowing the balance to lapse

If you wish to take up part only of your Entitlement, complete the Entitlement and Acceptance Form for the number of New Shares you wish to take up and follow the other steps required in accordance with Section 5.1 above.

5.4 Allowing your entitlement to lapse

If you do not wish to accept all or any part of your Entitlement, do not take any further action and that part of your Entitlement will lapse.

5.5 Payment

The consideration for the New Shares is payable in full on application by a payment of \$0.03 per New Share.

The Entitlement and Acceptance Form must be accompanied by a cheque, bank draft or money order for the Application Monies. Cheques must be drawn in Australian currency on an Australian bank and made payable to '**SenterpriSys Limited**' and crossed 'Not Negotiable'.

Alternatively, you may arrange for payment of the Application Monies through BPAY in accordance with the instructions on the Entitlement and Acceptance Form.

You may arrange for payment through BPAY in accordance with the instructions on the Entitlement and Acceptance Form. If payment is made through BPAY and the Company receives an amount that is less than the Issue Price multiplied by your Entitlement (**Reduced Amount**), your payment may be treated as an application for as many New Shares as your Reduced Amount will pay for in full.

Eligible Shareholders must not forward cash by mail. Receipts for payment will not be issued.

5.6 Binding effect of Entitlement and Acceptance Form

A completed and lodged Entitlement and Acceptance Form, or a payment made through BPAY, constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Offer Booklet and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Monies or making a payment by BPAY, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (a) you are an Eligible Shareholder and are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Entitlement Offer;
- (b) you acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or under the laws of any other jurisdiction outside the prescribed

jurisdiction (if registration is required); and

- (c) you have not and will not send any materials relating to the Entitlement Offer to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States.

6 Additional information

6.1 Section 708AA Corporations Act

The Company is a disclosing entity and therefore subject to regular reporting and disclosure obligations under the Corporations Act. Under those obligations, the Company is obliged to comply with all applicable continuous disclosure and reporting requirements in the Listing Rules.

This Offer Booklet is issued under Section 708AA of the Corporations Act (as notionally modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*).

This Offer Booklet is provided for information purposes and is not and does not purport to be a prospectus or other disclosure document for the purposes of the Corporations Act. Accordingly, this Offer Booklet does not contain all of the information which would otherwise be required to be disclosed in a prospectus or other disclosure document and does not necessarily contain all of the information which a prospective investor may require to make an investment decision.

Neither ASIC nor NSX, nor any of their officers or employees takes responsibility for this Offer or the merits of the investment to which this Offer relates.

6.2 Rights and liabilities attaching to New Shares

The New Shares will have from issue the same rights attaching to all existing Shares on issue. The rights attaching to ownership of the New Shares are set out in the Constitution, a copy of which is available for inspection at the registered office of the Company during business hours or via the NSX Market Announcements platform.

This Offer Booklet does not contain a summary of the principal rights and liabilities of holders of the New Shares.

6.3 Expenses of the Entitlement Offer

All expenses connected with the Entitlement Offer are being borne by the Company. Total expenses of the Entitlement Offer are estimated as at the date of this Offer Booklet to be approximately \$20,000 (assuming that the Entitlement Offer is fully subscribed).

In addition, the Company may if it deems it necessary for the success of the Entitlement Offer, pay brokers' stamping fees which will be equal to a percentage of the Issue Price (including GST) of New Shares issued under either the Entitlement Offer to stockbrokers who submit a valid claim for a broker stamping fee on successful Applications.

6.4 Consents and disclaimers

Written consents to the issue of this Offer Booklet have been given and at the time of this Offer Booklet have not been withdrawn by the following parties:

Computershare Investor Services Limited has given and has not withdrawn its consent to be named in this Offer Booklet as the Share Registry of the Company in the form and context in which it is named. It has not been involved in the preparation of any part of this Offer Booklet other than recording its name as Share Registry to the Company. It takes no responsibility for any part of the Offer Booklet other than the references to its name.

Sparke Helmore Lawyers has given and has not withdrawn its consent to be named in this Offer Booklet as solicitors to the Company for the Entitlement Offer in the form and context in which it is named. It takes no responsibility for any part of the Offer Booklet other than references to its name.

6.5 Directors' statement

This Offer Booklet is issued by SenterpriSys Limited. Each Director has consented to the lodgement of the Offer Booklet with NSX.

Signed on the date of this Offer Booklet on behalf of SenterpriSys Limited by:

A handwritten signature in black ink, appearing to read 'G Acton', with a stylized flourish at the end.

Geoff Acton
Company Secretary
SenterpriSys Limited

7 Definitions and Glossary

Terms and abbreviations used in this Offer Booklet have the following meaning:

| | |
|--|--|
| Acceptance | An acceptance of Entitlements. |
| AEST | Australian Eastern Standard Time. |
| Applicant | An Eligible Shareholder who has applied to subscribe for New Shares by submitting an Entitlement and Acceptance Form or arranging for payment through BPAY in accordance with the instructions on the Entitlement and Acceptance Form. |
| Application | The submission of an Entitlement and Acceptance Form accompanied by the relevant Application Monies or arranging for payment of the relevant Application Monies through BPAY in accordance with the instructions on the Entitlement and Acceptance Form. |
| Application Monies | The aggregate amount payable for the New Shares applied for in a duly completed Entitlement and Acceptance Form or through BPAY, calculated as the Issue Price multiplied by the number of New Shares applied for. |
| ASIC | Australian Securities & Investments Commission. |
| NSX | NSX Limited ACN 089 447 058 or the National Stock Exchange of Australia, as applicable. |
| Board | The board of Directors of the Company |
| Business Day | Has the same meaning as ascribed to that term in the Listing Rules. |
| Capital Raising | The Entitlement Offer. |
| CHESS | The Clearing House Electronic Sub Register System, an automated transfer and settlement system for transactions in securities quoted on the NSX under which transfers are effected in paperless form. |
| Closing Date | 29 April 2021, the date the Entitlement Offer closes. |
| Company or SPS | SenterpriSys Limited ACN 146 845 123 |
| Constitution | The constitution of the Company. |
| Corporations Act | <i>Corporations Act 2001</i> (Cth). |
| Director | A director of the Company. |
| Eligible Shareholder | A Shareholder on the Record Date who has a registered address in the Prescribed Jurisdictions or is a Shareholder that the Company has otherwise determined is eligible to participate. |
| Entitlement | The entitlement to subscribe for New Shares pursuant to the Entitlement Offer. |
| Entitlement and Acceptance Form | The entitlement and acceptance form accompanying this Offer Booklet. |

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|-----------------------------------|---|
| Entitlement Offer or Offer | The non-renounceable offer to Eligible Shareholders to subscribe for 1 New Shares for every 3 Share of which the Shareholder is the registered holder on the Record Date, at an issue price of \$0.03 per New Share pursuant to this Offer Booklet. |
| Existing Options | All existing options to subscribe for Shares currently on issue as at the date of this Offer Booklet. |
| Offer Booklet | This document. |
| Issue Price | \$0.03 for each New Share applied for. |
| Listing Rules | The listing rules of the NSX. |
| New Shares | Shares to be allotted and issued under the Entitlement Offer. |
| Opening Date | 15 April 2021, the date the Entitlement Offer opens. |
| Prescribed Jurisdictions | Australia and New Zealand. |
| Record Date | 8 April 2021 |
| Relevant Interest | Has the meaning given to that term in the Corporations Act. |
| Share | A fully paid ordinary share in the capital of the Company. |
| Share Registry | Computershare Investor Services Pty Limited ABN 48 078 279 277 |
| Shareholder | A holder of Shares. |

| Directors and Company Secretary | Solicitors to the Capital Raising |
|--|--|
| <p>Lev Mizikovsky (Director) Laurie Lefcourt (Director) Rade Dudurovic (Director) Mike Fennell (Managing Director)</p> | <p>Sparke Helmore Lawyers Level 23 240 Queen Street Brisbane QLD 4001 Tel: +61 7 3016 5000 www.sparke.com.au</p> |
| Administration, Principal Place of Business and Registered Office | Share Registry |
| <p>SenterpriSys Limited 15 Suscatand Street Rocklea QLD 4106 Tel: +61 7 3040 4939 www.senterprisys.com</p> | <p>Computershare Investor Services Pty Limited GPO Box 2975 Melbourne VIC 3001 Tel: +61 3 9415 4000 www.computershare.com.au</p> |