

NEXION GROUP LTD
ACN 628 415 887

ENTITLEMENT ISSUE PROSPECTUS

For a pro-rata non-renounceable entitlement issue of 1 Share for every 1 Share held by Eligible Shareholders registered at the Record Date at an issue price of \$0.05 per Share together with 1 free New Option for every 1 Share applied for and issued to raise up to \$6,424,048 (based on the number of Shares on issue as at the date of this Prospectus) (**Entitlement Offer**).

This Prospectus also contains an offer of Lead Manager Options. Refer to Section 2.2 of this Prospectus for details of the Lead Manager Options Offer.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The Securities offered by this Prospectus should be considered as highly speculative.

IMPORTANT NOTICE

This Prospectus is dated 25 November 2022 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

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

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities offered by this Prospectus should be considered as highly speculative.

Applications for Securities offered pursuant to this Prospectus can only be made by an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus and is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Representations contained in this Prospectus are made taking into account that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters are publicly available information or may reasonably be expected to be known to investors and professional advisers whom prospective investors may consult.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your

financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Forward-looking statements

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

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

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's 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 investors are cautioned not to place undue reliance on these forward-looking statements.

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

These 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. These risk factors are set out in Section 5.

Overseas shareholders

The Offers do not, and are not intended to, constitute an offer in any place or jurisdiction in which, or

to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offers are not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia, New Zealand or Singapore.

For further information on overseas Shareholders please refer to Section 2.10.

Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Securities.

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

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

Please refer to Section 6.2 for further details.

Target Market Determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of Options issued under this Prospectus. The Company and the Lead Manager will only distribute this Prospectus to those investors who fall within the target market determination (TMD) as set out on the Company's website (www.nexiongroup.io). By making an application under the Offers, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at nexiongroup.io. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian or New Zealand or Singaporean resident and must only access this Prospectus from within Australia, New Zealand or Singapore.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on 1300 436 110 during office hours or by emailing the Company at info@nexiongroup.io.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Company Website

No documents or other information available on the Company's website is incorporated into this Prospectus by reference.

Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would

contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

Photographs and Diagrams

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

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 8.

All references to time in this Prospectus are references to Australian Western Standard Time.

Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your

application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offers please call the Company Secretary on 1300 436 110.

CORPORATE DIRECTORY

Directors

Paul Glass
Managing Director and CEO

Kevin Read
Co-Founder, COO

Peter Christie
Non-Executive Chairman

Chris Daly
Non-Executive Director

Company Secretary

Jack Toby

Registered Office

Ground Floor, 12 Newcastle Street
PERTH WA 6000

Telephone: 1300 436 110

Email: info@nexiongroup.io
Website: www.nexiongroup.io

Legal Advisers

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Auditor

Stantons International Audit and
Consulting Pty Ltd
Level 2, 1-5 Walker Avenue
WEST PERTH WA 6005

Lead Manager

Peak Asset Management
39/55 Collins Street
MELBOURNE VIC 3000

Telephone: + 61 1300 304 460

Share Registry*

Computershare Investor Services Pty
Limited
Level 11, 172 St Georges Terrace
PERTH WA 6000

Telephone: +61 8 1300 787 272
Facsimile: +61 8 9323 2033

*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

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1. KEY OFFER INFORMATION

1.1 Timetable

Event	Date
Announce Entitlement Offers Lodge Prospectus with ASIC and ASX and Appendix 3B with ASX	Pre-market Friday, 25 November 2022
Ex date (Entitlement Offer)	Tuesday, 29 November 2022
Record Date for determining Entitlements	Wednesday, 30 November 2022
Entitlement Offer opening date, Prospectus sent to Shareholders	Monday, 5 December 2022
Last day to extend the Entitlement Offer Closing Date	Prior to 12pm (AEDST) on Wednesday, 14 December 2022
Entitlement Offer Closing Date	5pm (WST) on Monday, 19 December 2022
Entitlement Offer Shares and Options commence trading on a deferred settlement basis	Tuesday, 20 December 2022
Announcement of Entitlement Offer results and shortfall	Friday, 23 December 2022
Issue Entitlement Offer Shares and Options and lodge App 2A with ASX applying for quotation of the Entitlement Offer Shares and Options	Prior to 12pm (AEDST) on Wednesday, 28 December 2022
Quotation of Entitlement Offer Shares and Options on a normal settlement basis	Thursday, 29 December 2022

*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. Accordingly, the date the Securities are expected to commence trading on ASX may vary.

1.2 Key statistics of the Offers

Shares

Offer Price per Share	\$0.05
Entitlement Ratio (based on existing Shares)	1:1
Shares currently on issue	128,480,961
Shares to be issued under the Offer	128,480,961
Gross proceeds of the issue of Shares	\$6,424,048

Shares on issue Post-Offers**256,961,922****Notes:**

1. Refer to Section 4.1 for the terms of the Shares.

Options

Offer Price per New Option	nil
Option Entitlement Ratio (based on Shares subscribed for)	1:1
Options currently on issue	14,632,451
New Options to be issued under the Offer	128,480,961
Lead Manager Options to be issued under the Lead Manager Options Offer	6,000,000
Gross proceeds of the issue of Options	Nil
Options on issue Post-Offers	149,113,412

Notes:

1. Refer to Section 4.2 for the terms of the New Options and Lead Manager Options.

1.3 Key Risk Factors

Prospective investors should be aware that subscribing for Securities involves a number of risks and an investment in the Company should be considered as highly speculative. The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are set out in Section 5.

1.4 Directors' Interests in Securities

The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below:

Director	Shares	Options ¹	Performance Rights	Share Entitlement	New Option Entitlement	\$
Peter Christie ²	5,340,570 ⁷	104,375	1,422,086 ⁸	5,340,570	5,340,570	267,028.50
Paul Glass ³	11,910,784	Nil	3,318,200 ⁹	11,910,784	11,910,784	595,539.20
Kevin Read ^{4, 5}	12,123,217	62,500	3,318,200 ¹⁰	12,123,217	12,123,217	606,160.85
Chris Daly ⁶	1,959,925	104,375	948,057 ¹¹	1,959,925	1,959,925	97,996.25

Notes:

1. Options expiring on 4 February 2025 at \$0.30.

2. Mr Christie holds his securities indirectly through Herdsman Lake Capital Asia Pte Ltd and Herdsman Lake Capital Nominees Pty Ltd.
3. Mr Glass holds his securities indirectly through Kingsley International Pty Ltd <Kingsley International Trust A/C>. Mr Glass is a director and shareholder of Kingsley International Pty Ltd and a potential beneficiary of the Kingsley International Trust.
4. Mr Read holds his securities indirectly through Read Tech Pty Ltd <Read Tech Trust A/C> (**Read Tech**). Mr Read is a director and shareholder of Read Tech Pty Ltd and a potential beneficiary of the Read Tech Trust.
5. Mr Read is an alternate director to Mr Paul Glass.
6. Mr Daly holds his securities indirectly through Claude L. Daly & Sons Pty Ltd. Mr Daly is a director and shareholder of Claude L. Daly & Sons Pty Ltd and a potential beneficiary of the Chris Daly Family Trust.
7. Comprising:
 - (a) 5,131,820 Shares held by Herdsman Lake Capital Asia Pte Ltd; and
 - (b) 208,750 Shares held by Herdsman Lake Capital Nominees Pty Ltd.
8. Comprising:
 - (a) 657,550 Class A Performance Rights, of which 336,834 Class A Performance Rights will convert to Shares following the Record Date; and
 - (b) 764,536 Class B Performance Rights
9. Comprising:
 - (a) 1,534,282 Class A Performance Rights, of which 785,944 Class A Performance Rights will convert into Shares following the Record Date; and
 - (b) 1,783,918 Class B Performance Rights.
10. Comprising:
 - (a) 1,534,282 Class A Performance Rights of which 785,944 Class A Performance Rights will convert into Shares following the Record Date; and
 - (b) 1,783,918 Class B Performance Rights.
11. Comprising:
 - (a) 438,366 Class A Performance Rights, of which 224,555 Class A Performance Rights will convert to Shares following the Record Date; and
 - (b) 509,691 Class B Performance Rights.

The Board recommends all Shareholders take up their Entitlements. The Directors reserve the right to take up their respective Entitlement in whole or in part at their discretion.

1.5 Details of Substantial Holders

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

Shareholder	Shares	Options	Performance Rights	Percentage (%)	
				Undiluted	Fully Diluted
Read Tech Pty Ltd <Read Tech Trust A/C> ²	12,123,217	62,500	3,318,200	9.44%	12.07%
Kingsley International Pty	11,910,784	Nil	3,318,200	9.27%	11.85%

Shareholder	Shares	Options	Performance Rights	Percentage (%)	
				Undiluted	Fully Diluted
Ltd <Kingsley International Trust A/C> ³					
Cheque Raise Pty Ltd	10,196,175	Nil	Nil	7.94%	7.94%

Notes:

1. This is based on a share capital of 128,480,961 Shares as at the date of the Prospectus and assumes no other Shares are issued and no Options or Performance Rights are exercised.
2. Mr Kevin Read is a director and shareholder of Read Tech Pty Ltd and a potential beneficiary of the Read Tech Trust.
3. Mr Paul Glass is a director and shareholder of Kingsley International Pty Ltd and a potential beneficiary of the Kingsley International Trust.

In the event all Entitlements are accepted, there will be no change to the substantial holders on completion of the Offers.

1.6 Lead Manager

CoPeak Corporate Pty Ltd <The Trustee for Peak Asset Management Unit Trust> (ACN 632 277 144), an authorised representative of Dayton Way Securities Pty Ltd (ACN 124 327 064) (Dayton Way Securities) (AFSL No. 382585) (**Peak or Lead Manager**) has been appointed as the lead manager of the Entitlement Offer pursuant to an agreement (**Lead Manager Mandate**). A summary of the terms of the Lead Manager Mandate and total fees payable are set out in Section 6.4.1 below.

1.7 Effect on Control

Based on current shareholding and Entitlements of Shareholders (including substantial Shareholders) as at the date of this Prospectus, regardless of the amount raised under the Entitlement Offer, no Shareholder will increase their holding, to an amount in excess of 19.9% through applying for their Entitlements.

Further as set out in Section 2.7, on the basis of the allocation policy, no person will acquire, through participation in the Shortfall Offer a holding of Shares of, or increase their holding to, an amount in excess of 19.9% of all the Shares on issue on completion of the Offers.

Further there will be no change to any Shareholder's voting power as a result of the issue of the New Options. Where New Options are exercised into Shares, the voting power of the Shareholders who exercise the New Options will increase. The likelihood of New Options being exercised is dependent on the price of Shares from time to time until the New Options expire.

1.8 Potential dilution on non-participating Shareholders

In addition to potential control impacts set out in Section 1.7, Shareholders should note that if they do not participate in the Entitlement Offer, their holdings are likely to be diluted by approximately 50% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).

No immediate dilution will occur as a result of the issue of New Options under this Prospectus. However subsequent exercise of any or all of the New Options will result in dilution. Assuming all New Options offered pursuant to this Prospectus are issued and exercised into Shares, Shareholders who do not participate in the Entitlement Offer, are likely to be diluted by an aggregate of approximately 50% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus).

For illustrative purposes, the table below shows how the dilution may impact the holdings of Shareholders:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Entitlement Offer	Holdings if Entitlement Offer not taken Up	% post Offer
Shareholder 1	10,000,000	7.78%	10,000,000	10,000,000	3.89%
Shareholder 2	5,000,000	3.89%	5,000,000	5,000,000	1.95%
Shareholder 3	1,500,000	1.17%	1,500,000	1,500,000	0.58%
Shareholder 4	400,000	0.31%	400,000	400,000	0.16%
Shareholder 5	50,000	0.04%	50,000	50,000	0.02%
Total	500,000,000		500,000,000		

Notes:

1. This is based on a share capital of 128,480,961 Shares as at the date of the Prospectus and assumes no other Shares are issued and no Options or Performance Rights are exercised.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

2. DETAILS OF THE OFFER

2.1 The Entitlement Offer

The Entitlement Offer is being made as a pro-rata non-renounceable entitlement issue of 1 Share for every 1 Share held by Eligible Shareholders registered at the Record Date at an issue price of \$0.05 per Share together with 1 New Option for every 1 Share subscribed for and issued. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, (and assuming no Shares are issued prior to the Record Date including on exercise or conversion of securities on issue) approximately 128,480,961 Shares and 128,480,961 New Options may be issued under the Entitlement Offer to raise up to \$6,424,048. No funds will be raised from the issue of the New Options.

As at the date of this Prospectus the Company has 14,632,451 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Entitlement Offer. Please refer to Section 4.2 for information on the exercise price and expiry date of the Options on issue.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.1 for further information regarding the rights and liabilities attaching to the Shares. The New Options will be exercisable at \$0.10 on or before 31 December 2025 and otherwise on the terms set out in Section 4.2.

The purpose of the Entitlement Offer and the intended use of funds raised are set out in Section 3.

2.2 Lead Manager Options Offer

This Prospectus also contains an offer for the issue of Lead Manager Options for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of the Lead Manager Options issued by the Company.

The Lead Manager Options will be issued on the same terms as the New Options as set out in Section 4.2.

Relevantly, section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and
- (b) either:
 - (i) a prospectus is lodged with the 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
 - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers 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.

The Lead Manager Options Offer is an offer of up to 6,000,000 Lead Manager Options to the Lead Manager (or its nominee/s) in part consideration for services provided to the Company in respect of the Entitlement Offer. Accordingly, no funds will be raised from the issue of the Lead Manager Options.

The Lead Manager Options offered will only be issued to the Lead Manager (or its nominee/s). Application forms in respect of the Lead Manager Options will only be provided by the Company to the Lead Manager (or its nominee/s).

The Lead Manager Options will be exercisable at \$0.10 each on or before 31 December 2025 and otherwise on the terms and conditions set out in Section 4.2.

The Company has agreed to issue the Lead Manager Options to the Lead Manager (or its nominee/s) under the Lead Manager Mandate pursuant to the Company's existing Listing Rule 7.1 placement capacity. As noted in above, the Lead Manager Options are being offered under this Prospectus to ensure that secondary trading restrictions do not apply to the Lead Manager Options should they be granted quotation on ASX (refer to Section 2.8 for further details on quotation).

2.3 What Eligible Shareholders may do

The number of Securities to which Eligible Shareholders are entitled is shown on the personalised Entitlement and Acceptance Form which can be accessed at www.computersharecas.com.au/nngentitlementissue. Eligible Shareholders may choose any of the options set out in the table below.

Option	Key Considerations	For more information
Take up all of your Entitlement	<ul style="list-style-type: none"> Should you wish to accept all of your Entitlement, then your application for Securities under this Prospectus must be made by following the instructions on the personalised Entitlement and Acceptance Form which can be accessed at www.computersharecas.com.au/nngentitlementissue. Please read the instructions carefully. Payment can be made by the methods set out in Section 2.4. As set out in Section 2.4, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form. 	Section 2.4 and Section 2.5.
Take up all of your Entitlement and also apply for Shortfall Securities	<ul style="list-style-type: none"> Should you wish to accept all of your Entitlement and apply for Shortfall Securities, then your application for your Entitlement and additional Shortfall Securities under this Prospectus must be made by following the instructions on your personalised Entitlement and Acceptance Form which can be accessed at www.computersharecas.com.au/nngentitlementissue. Please read the instructions carefully. Payment can be made by the methods set out in Section 2.4. Payment should be made for your Entitlement and the amount of the Shortfall for which you are applying. 	Sections 2.4, 2.5 and 2.7.

Option	Key Considerations	For more information
	<ul style="list-style-type: none"> If you apply for Shortfall Securities beyond your Entitlement you are deemed to have accepted your Entitlement in full. You should note that the allocation of Shortfall Securities is at the Company's absolute discretion as per the allocation policy set out in Section 2.7. Accordingly, your application for additional Shortfall Securities may be scaled-back. The Company's decision on the number of Shortfall Securities to be allocated to you will be final. 	
Take up a proportion of your Entitlement and allow the balance to lapse	<ul style="list-style-type: none"> If you wish to take up only part of your Entitlement and allow the balance to lapse, your application must be made by completing the personalised Entitlement and Acceptance Form which can be accessed at www.computersharecas.com.au/nngentitlementissue for the number of Securities you wish to take up and making payment using the methods set out in Section 2.4 below. As set out in Section 2.4, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form. 	Section 2.4 and Section 2.5
Allow all or part of your Entitlement to lapse	<ul style="list-style-type: none"> If you do not wish to accept any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement by the Closing Date, the Entitlement Offer to you will lapse. 	N/A

The Entitlement Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

2.4 Payment options

(d) By BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall

Securities (if any) under the Shortfall Offer, to the extent of the excess.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. **It is your responsibility to ensure that funds submitted through BPAY® are received by 5:00pm (WST) on the Closing Date. The Company shall not be responsible for any delay in the receipt of the BPAY® payment.**

Guidance where you have more than one CRN (Shareholding of Shares)

If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those Shareholdings only use the CRN specific to that Shareholding as set out in the applicable Entitlement and Acceptance Form. **Do not use the same CRN for more than one of your Shareholdings.** This can result in your Application monies being applied to your Entitlement in respect of only one of your Shareholdings (with the result that any Application in respect of your remaining Shareholdings will not be valid).

(e) By Electronic Funds Transfer (overseas applicants)

For payment by Electronic Funds Transfer (**EFT**) for overseas Eligible Shareholders, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via EFT if you are the holder of an account that supports EFT transactions to an Australian bank account. Please note that should you choose to pay by EFT:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, to the extent of the excess.

(f) No payment by cheque or cash

Payment by cheque or cash will not be accepted.

2.5 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application monies by BPAY® or EFT will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety;

- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® or EFT payment instruction is given in relation to any Application monies, the application may not be varied or withdrawn except as required by law.

2.6 Minimum subscription

There is no minimum subscription.

2.7 Shortfall Offer

Any Entitlement not taken up pursuant to the Entitlement Offer will form the Shortfall Offer (**Shortfall Securities**). The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.05, being the price at which Shares have been offered under the Entitlement Offer.

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall Offer and potentially be allocated to other Eligible Shareholders or other third parties as part of the Shortfall Offer. The Shortfall Offer will only be available where there is a Shortfall between applications received from Eligible Shareholders and the number of Securities proposed to be issued under the Entitlement Offer.

Eligible Shareholders who wish to subscribe for Securities above their Entitlement are invited to apply for Shortfall Securities under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Shortfall Securities in accordance with Sections 2.4.

The Board presently intends to allocate Shortfall Securities as follows:

- (a) to Eligible Shareholders who apply for an excess of their full Entitlement, so long as the issue of Shortfall Securities to that Eligible Shareholder would not take their voting power to in excess of 19.99%; and then
- (b) to other parties identified by the Directors, which may include parties who are not currently Shareholders.

No Shares will be issued to a party under the Shortfall Offer if the effect would be to increase that party's voting power in the Company to an amount greater than 19.99%.

The Company reserves the right to issue an Eligible Shareholder a lesser number of Shortfall Securities than applied for or no Shortfall Securities at all. However, the Directors do not intend to refuse an application for Shortfall Securities from Eligible Shareholders other than in circumstances of oversubscription or where acceptance may result in a breach of the Corporations Act. If the number of Shortfall Securities applied for by Eligible Shareholders exceeds the total Shortfall, the Shortfall Securities will be allocated among applying Eligible Shareholders proportionate to their existing holdings.

All decisions regarding the allocation of Shortfall Securities will be made by the Directors and will be final and binding on all applicants under the Shortfall Offer; as such there is no guarantee that any Shortfall Securities applied for will be issued to Eligible Shareholders.

The Company will have no liability to any Applicant who receives less than the number of Shortfall Securities they applied for under the Shortfall Offer. If the Company scales back any applications for Shortfall Securities under the Shortfall Offer any Application monies will be returned (without interest) as soon as practicable.

Eligible Shareholders resident in jurisdictions outside Australia should note that their participation in the Shortfall Offer may be restricted by Australia's foreign investment laws. The Company reserves the right to not issue Shortfall Shares to an Eligible Shareholder where it reasonably believes that doing so may infringe on Australia's foreign investment laws.

2.8 ASX listing

Application for Official Quotation of the Securities offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all Application monies for the Shares within the time prescribed under the Corporations Act, without interest.

Application for Official Quotation of the New Options offered pursuant to this Prospectus will also be made within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the New Options offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any New Options.

The fact that ASX may grant Official Quotation to the Securities is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

2.9 Issue of Securities

Securities issued pursuant to the Offers will be issued in accordance with the ASX Listing Rules and timetable set out at Section 1.

Securities issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Securities issued is less than the number applied for, or where no issue is made surplus Application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all Application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Securities issued under the Offers will be mailed as soon as practicable after the issue of Securities and for Shortfall Securities issued under the Shortfall Offer as soon as practicable after their issue.

2.10 Overseas shareholders

The Entitlement Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Securities these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Entitlement Offer is not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia, New Zealand or Singapore.

New Zealand

The Securities are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Singapore

This document and any other materials relating to the Shares and New Options have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document relating to the Shares and New Options may not be issued, circulated or distributed, nor may the Shares and New Options be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the **SFA**) or another exemption under the SFA.

This document has been given to you on the basis that you are an existing holder of the Company's shares. If you are not such a shareholder, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Shares and New Options being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire Shares and New Options. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Nominees and custodians

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia and New Zealand or Singapore without the prior consent of the Company, taking into account

relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

3. PURPOSE AND EFFECT OF THE OFFER

3.1 Purpose of the offer

The purpose of the Entitlement Offer is to raise up to \$6,424,048 before costs.

The funds raised from the Entitlement Offer are intended to be applied in accordance with the table set out below:

Item	Proceeds of the Entitlement Offer	Full Subscription (\$)	%
1.	Development of Cloud Services business	\$1,250,000	19.5%
2.	Development of Hardware Services business	\$1,250,000	19.5%
3.	Development of Cyber Security Services	\$1,250,000	19.5%
4.	Development of Networking Services	\$1,250,000	19.5%
5.	Capital Raising Costs	\$385,443	6.0%
6.	Other Expenses of the offer	\$77,453	1.2%
7.	Working capital	\$961,152	15.0%
	Total	\$6,424,048	100%

Notes:

1. Refer to Section 6.8 for further details relating to the estimated expenses of the Offers.

On completion of the Entitlement Offer, the Board believes the Company will have sufficient working capital to achieve its stated objectives. In the event the Entitlement Offer is not fully subscribed, operational objectives are likely to be modified, which may result in delay or substantial changes to the Company's future plans. In this event (and after accounting for associated Offers costs) it is likely that the Company will appropriately scale back funds available for Development of Cloud Services business (Item 1), Development of Hardware Services business (Item 2), Development of Cyber Security Services (Item 3) and Development of Networking Services (Item 4).

In addition, it should be noted that the Company's budgets and forecasts will be subject to modification on an ongoing basis depending on the results achieved from its business activities and operations.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

3.2 Effect of the Offers

The principal effect of the Offers, assuming all Entitlements are accepted and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date, will be to:

- (a) increase the cash reserves by \$5,961,152 (after deducting the estimated expenses of the Offers) immediately after completion of the Offers;

- (a) increase the number of Shares on issue from 128,480,961 as at the date of this Prospectus to 256,961,922 Shares; and
- (b) increase the number of Options on issue from 14,632,451 as at the date of this Prospectus to 143,113,412 Options.

3.3 Effect on capital structure

The effect of the Offers on the capital structure of the Company, assuming all Entitlements are accepted and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date, is set out below.

Shares

	Number
Shares currently on issue	128,480,961
Shares offered pursuant to the Entitlement Offer	128,480,961
Total Shares on issue after completion of the Offers	256,961,922

Options

	Number
Options currently on issue ¹	14,632,451
Total Options on issue as at the date of this Prospectus	14,632,451
New Options to be issued pursuant to the Entitlement Offer	128,480,961
Lead Manager Options to be issued pursuant to the Lead Manager Options Offer	6,000,000
Total Options on issue after completion of the Offers	149,113,412

Notes:

1. Comprising:
 - (a) 6,038,702 Options expiring on 31 January 2024 and exercisable at \$0.40; and
 - (b) 8,593,749 Options expiring on 4 February 2025 and exercisable at \$0.30.

Performance Rights

	Number
Performance Rights currently on issue	9,480,572 ¹
Performance Rights offered pursuant to the Offers	Nil
Total Performance Rights on issue after completion of the Offers	9,480,572

Notes:

1. There are currently 4,383,664 Class A Performance Rights on issue, of which 2,245,555 Class A Performance Rights will convert into Shares following Record Date as follows:
 - (a) Herdsman Lake Capital Nominees Pty Ltd <Herdsman Lake Capital A/C> holds 657,550 Class A Performance Rights, of which 336,834 Class A Performance Rights will convert into Shares following the Record Date;

- (b) Kingsley International Pty Ltd <Kingsley International A/C> holds 1,534,282 Class A Performance Rights, of which 785,944 Class A Performance Rights will convert into Shares following the Record Date;
- (c) Read Tech Pty Ltd <Read Tech A/C> hold 1,534,282 Class A Performance Rights of which 785,944 Class A Performance Rights will convert into Shares following the Record Date;
- (d) Claude L Daly & Sons Pty Ltd <Chris Daly Family A/C> holds 438,366 Class A Performance Rights, of which 224,555 Class A Performance Rights will convert into Shares following the Record Date;
- (e) Wiserange Investments Pty Ltd <Socab Trading A/C> holds 175,347 Class A Performance Rights, of which 89,822 Class A Performance Rights will convert into Shares following the Record Date; and
- (f) Jack Toby holds 43,837 Class A Performance Rights, of which 22,456 Class A Performance Rights will convert into Shares following the Record Date.

The capital structure on a fully diluted basis as at the date of this Prospectus would be 158,593,984 Shares and on completion of the Offers (assuming all Entitlements are accepted and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date) would be 415,555,906 Shares.

3.4 Pro-forma balance sheet

The audited balance sheet as at 30 June 2022 and the unaudited pro-forma balance sheet as at 30 June 2022 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options or convertible securities are exercised prior to the Record Date and including expenses of the Offers.

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

	Audited 30-Jun-22 \$	Pro Forma 2022
Current assets		
Cash and cash equivalents	1,241,672	7,202,824
Trade and other receivables	1,474,695	1,474,695
Prepayments	8,470	8,470
Inventory	24,243	24,243
Financial assets at amortised cost	0	0
Total current assets	2,749,080	8,710,232
Non-current assets		

	Audited 30-Jun-22 \$	Pro Forma 2022
Property, plant and equipment	906,178	906,178
Right-of-use asset	1,504,840	1,504,840
Intangible Assets	1,120,726	1,120,726
Other non-current assets	70,163	70,163
Total non-current assets	3,601,907	3,601,907
Total assets	6,350,987	12,312,139
Current liabilities		
Trade and other payables	2,060,928	2,060,928
Lease liability	214,788	214,788
Employee benefits	144,955	144,955
Loans payable	270,241	270,241
Total current liabilities	2,690,912	2,690,912
Non-current liabilities		
provisions to make good	22,814	22,814
Lease liability	1,397,678	1,397,678
Loans payable	340,203	340,203
Other Payables	599,076	599,076
Deferred tax liability	604,478	604,478
Total non-current liabilities	2,964,249	2,964,249
Total liabilities	5,655,161	5,655,161
Net Assets / (Liabilities)	695,826	6,656,978
Equity		
Contributed equity	13,225,858	19,060,659
Share based payment reserve	1,371,035	1,497,386
Accumulated losses	(13,901,067)	(13,901,067)
Capital and reserves attributable to members	695,826	6,656,978
Total Equity	695,826	6,656,978

Notes:

The Pro-forma balance sheet is based on the audited 30 June 2022 financial statements with the following adjustments:

1. Assumes fully subscribed rights issue of 128,480,960 @ \$0.05 to raise \$6,424,048 before costs.
2. Capital Raising Costs of 6% being \$385,443.

3. Issue of 6,000,000 Lead Manager Options with an exercise price of \$0.10 with a black scholes valuation of \$126,351.
4. Additional expenses of the offer including:

ASIC Fees	3,206
ASX Fees	42,247
Legal Fees	24,500
Printing and Distribution	5,000
Miscellaneous	2,500
Total	77,453

5. In addition to the above, the issue of 1 attaching option per ordinary share subscribed for being 128,480,960 options with an exercise price of \$0.10 with an expiry date of 31 December 2025 (no balance sheet effect).

4. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

4.1 Rights and liabilities attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to the Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to 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.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

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

4.2 Terms of New Options and Lead Manager Options

(a) **Entitlement**

Each Option entitles the holder to subscribe for one (1) Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (g), the amount payable upon exercise of each Option will be \$0.10 (**Exercise Price**)

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 31 December 2025 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Quotation of Options**

The Company may, in its absolute discretion and subject to the requirements of ASX Listing Rule 2.5, apply for official quotation of the Options on the ASX. In the event that the Options are granted official quotation on the ASX in the future, the Company is under no obligation to maintain the quotation and may take any action that may result in termination of quotation of the Options by the ASX.

(e) **No offer of Options or Shares issued on exercise if Options are not quoted**

If the Options are not quoted on the ASX, the Optionholder must not offer any of the Options, or the Shares issued on exercise of the Options, for sale to any person (Secondary Offer) within 12 months from the respective date of issue of those Options or Shares (as applicable) unless:

- (i) the Secondary Offer does not require disclosure as a result of sections 707 or 708 of the Corporations Act (excluding section 708(1) of the Corporations Act);
- (ii) the Secondary Offer does not require disclosure as a result of section 708A or ASIC Class Order 04/671 or any variation or replacement of such Class Order;
- (iii) the Secondary Offer is made pursuant to a disclosure document in accordance with the Corporations Act; or
- (iv) the Secondary Offer is received by a person outside Australia.

For the avoidance of doubt, paragraph (e)(iii) does not create any obligation on the Company to issue a disclosure document (whether at its cost or otherwise).

(f) **Participation rights**

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

(g) **Reconstruction of capital**

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

(h) **Notice of exercise**

The Options shall be exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the Optionholder to exercise all or a specified number of Options held by them accompanied by an Option Certification and payment to the Company for the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company. An exercise of only some Options shall not affect the rights of the Optionholder to the balance of the Options held by them.

(i) **Receipt of notice of exercise**

The notice of exercise of Options may be deemed by the Company to be received at the end of the calendar month in which it is actually received and the Company shall comply with the ASX Listing Rules with respect to the issue of resultant Shares and the issue of a statement of shareholding.

(j) **Shares issued on exercise**

Shares issued pursuant to an exercise of Options shall rank, from the date of issue, equally with the existing Shares of the Company in all respects.

(k) **Application for quotation of Shares**

If admitted to the official list of ASX at the time, the Company shall make an application to have those Shares issued pursuant to an exercise of Options listed for official quotation by ASX.

(l) **Bonus share issue**

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

(m) **No right to change exercise price**

There is no right to change the exercise price of the Options nor the number of underlying Shares over which the Options can be exercised.

(n) **Transferability**

If at any time the Options are quoted on the ASX then the Options are transferable at such time. If at any time the Options are not quoted on the ASX and they have been issued for less than 12 months, then the Options are not transferable at such time. If at any time the Options have been issued for 12 months or more, then the Options are transferrable at such time.

5. RISK FACTORS

5.1 Introduction

The Securities offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 5, together with all other information contained in this Prospectus.

The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 5, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities. This Section 5 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 5 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

5.2 Company specific

Risk Category	Risk
Potential dilution for	<p>In addition to potential control impacts set out in Section 1.7, Shareholders should note that if they do not participate in the Entitlement Offer, their holdings are likely to be diluted by approximately 50% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).</p> <p>No immediate dilution will occur as a result of the issue of New Options under this Prospectus. However subsequent exercise of any or all of the New Options will result in dilution. Assuming all New Options offered pursuant to this Prospectus are issued and exercised into Shares, Shareholders who do not participate in the Entitlement Offer, are likely to be diluted by an aggregate of approximately 100% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus).</p> <p>It is not possible to predict what the value of the Company, a Share or an Option will be following the completion of the Entitlement Offer being implemented and the Directors do not make any representation as to</p>

Risk Category	Risk
	<p>such matters.</p> <p>The last trading price of Shares on ASX prior to the Prospectus being lodged of \$0.08 is not a reliable indicator as to the potential trading price of Shares after implementation of the Entitlement Offer.</p>
Control risk	<p>Read Tech (of which Mr Kevin Read is a director and shareholder, and potential beneficiary of the Read Tech Trust) is currently the largest Shareholder of the Company and has a relevant interest in approximately 9.44% of the Shares in the Company. Assuming Read Tech takes up its full Entitlement and no other Shareholders accept their entitlements, Read Tech's voting power in the Company could be as high as 17.24%.</p> <p>Read Tech's significant interest in the capital of the Company means that it is in a position to potentially influence the financial decisions of the Company, and its interests may not align with those of all other Shareholders.</p>
Contractual Risk	<p>The Company enters into long term contracts to rent use of its information technology infrastructure to customers. This recurring revenue is fundamental to the ongoing ability for the Company to generate revenue.</p> <p>While the contracts typically have 36-month terms, customers can terminate for a range of reasons including non-performance and breach.</p> <p>Maintaining performance against contracts and retaining customers is essential to the ongoing ability of the Company to remain a going concern.</p>
Customer relationships	<p>The growth of the Company depends in part on increasing the number of its customers. The Company's ability to maintain levels of customer numbers, or to increase the number of customers further, in applicable business sectors and geographical areas is likely to be subject to limits.</p> <p>There is a risk that one or more customers may terminate their contracts early or that, upon expiration of their existing contracts, they may choose not to renew arrangements with the Company or that the subsequent terms may be less favourable to the Company.</p> <p>Failure to maintain customer relationships or renew agreements could result in the Company's revenues declining and operating results being materially and adversely affected.</p>
Supplier relationships	<p>The Company plans to utilise wholesale infrastructure providers to deliver services into the Company's national and international network. This includes suppliers of data and voice networks, as well as third party data centres.</p> <p>The Company is dependent on ongoing mutually beneficial relationships with such key suppliers.</p>

Risk Category	Risk
	<p>Termination or failure to renew agreements with such suppliers could impact on the provision of services by the Company, which would be likely to have a material adverse effect on the Company's operations and financial position.</p> <p>In addition, any change to applicable rates and charges by key suppliers could impact on the Company's gross margin and profitability.</p>
Privacy and Data Collection Risk	<p>Use of the NEXION OneCloud Nodes and Aryaka PoPs involves the storage, transmission, and processing of data including certain personal or individually identifying information. Personal privacy, information security, and data protection are significant issues. The regulatory framework governing the collection, processing, storage, and use of business information, particularly information that includes personal data, is rapidly evolving and any failure or perceived failure to comply with applicable privacy, security, or data protection laws, regulations or contractual obligations may adversely affect the Company's business.</p>
Reputational	<p>Extended disruption to the Company's services within or beyond its control could cause customers to view the Company as an operational risk and this could adversely affect the Company's ability to retain existing customers or attract new ones.</p>
Changes to laws or regulations	<p>The Company is subject to local laws and regulations in each jurisdiction in which it provides its services. Future laws or regulations may be introduced concerning various aspects of the Company's business, all of which may impact its operations. Changes in or extensions of laws and regulations affecting the Company's business could restrict or complicate the Company's business and significantly increase its compliance costs.</p> <p>For example, the Company will need to consider and respond to ongoing changes to data retention laws and the impact these laws may have on The Company's business.</p>
Technological developments	<p>If the Company fails to adapt to technological changes, this could have an adverse affect on the Company's business, operating results and financial position.</p> <p>The ability to improve the Company's existing products and services and develop new products and services is subject to risks inherent in the development process. The Company's products and services may be shown to be ineffective, not capable for adaptation to its customer's business, or unable to compete with superior or cheaper products or services marketed by third parties.</p> <p>There is no assurance that the Company will be successful in maintaining its market share or that it will be able to develop and introduce competitive technological advances in a timely and cost effective</p>

Risk Category	Risk
	way.
Leases	The Company derives a portion of its revenue from datacentres and in data centre racks where it owns the equipment but leases the premises or rack. Failure to renegotiate leases at the time of renewal or some other event causing the Company to lose access to the equipment in these facilities may adversely impact the Company's business.
Hacking and vandalism	The Company may be adversely affected by malicious third-party applications that interfere with, or exploit, security flaws in the company's software and infrastructure. Viruses, worms and other malicious software programs could, among other things, jeopardise the security of information stored in a customer's or the Company's computer systems. If the Company's efforts to combat these malicious applications are unsuccessful, or if its software or infrastructure has actual or perceived vulnerabilities, the Company's business reputation and brand name may be harmed, which may result in a material adverse effect on the Company's operations and financial position.
Protection of Intellectual Property Rights	<p>The commercial value of the Company's intellectual property assets is dependent on any relevant legal protections. These legal mechanisms, however, do not guarantee that the intellectual property will be protected or that the Company's competitive position will be maintained. No assurance can be given that employees or third parties will not breach confidentiality agreements, infringe or misappropriate the Company's intellectual property or commercially sensitive information, or that competitors will not be able to produce non-infringing competitive products. Competition in retaining and sustaining protection of technologies and the complex nature of technologies can lead to expensive and lengthy disputes for which there can be no guaranteed outcome. There can be no assurance that any intellectual property which the Company (or entities it deals with) may have an interest in now or in the future will afford the Company commercially significant protection of technologies, or that any of the projects that may arise from technologies will have commercial applications.</p> <p>It is possible that third parties may assert intellectual property infringement, unfair competition or like claims against the Company under copyright, trade secret, patent, or other laws. While the Company is not aware of any claims of this nature in relation to any of the intellectual property rights in which it has or will acquire an interest, such claims, if made, may harm, directly or indirectly, the Company's business. If the Company is forced to defend claims of intellectual property infringement, whether they are with or without merit or are determined in the Company's favour, the costs of</p>

Risk Category	Risk
	such litigation may be potentially significant and may divert management's attention from normal commercial operations.
Rapid growth risk	The Company aims to experience rapid growth in the scope of its operating activities which may expand operations in new jurisdictions. This growth is anticipated to result in an increased level of responsibility where if unable to be managed, will result in not being able to take advantage of market opportunities and execute its business plan or respond to competitive pressure.
Competition	<p>The market in which the Company operates includes large and well-funded technology companies whose resources exceed those currently available to the Company. In recent years, these competitors have strategically focused resources on the application market and have established extensive experience in developing and marketing applications. There can be no assurance that the Company will be able to match or compete with the efforts of such competitors that release competing products to market.</p> <p>Rival product offerings by existing and new competitors as well as technology developments by competitors may have an adverse effect on the Company's business operations, financial performance and prospects as well as on the value and market price of the Company's shares. This risk may influence the Company's customer acquisition cost and customer lifetime value.</p>
Catastrophic loss	<p>Computer viruses, fire and other natural disasters, break-ins, or a failure of power supply, information systems, hardware, software or telecommunication systems or other catastrophic events could lead to interruption, delays or cessation in service to the Company's customers. This may result in actual or consequential loss to the Company. The Company may be unable to operate its business, potentially putting The Company in breach of its contractual obligations, damaging its reputation and adversely affecting its ability to generate revenue.</p> <p>The Company may not have adequate disaster recovery plans to prevent or minimise loss. The Company also cannot guarantee that it will be able to obtain sufficient insurance to cover loss arising from a catastrophic event, the result of which could have a material adverse effect on the Company's business and financial performance.</p>
Acquisitions	The Company's revenue growth targets may be impacted if it is unable to find suitable businesses and acquire them on reasonable terms. Once acquired, businesses might perform worse than expected.
Growth	There is a risk that the Company may be unable to grow its business through acquisition of new customers or increasing revenue generated from existing customers. A

Risk Category	Risk
	lack of growth may cause future losses.
Reliance on key personnel	<p>The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.</p> <p>The Company may not be able to replace its senior management or key personnel with persons of equivalent expertise and experience within a reasonable period of time or at all and the Company may incur additional expenses to recruit, train and retain personnel. Loss of such personnel may also have an adverse effect on the performance of the Company.</p>
International expansion	<p>The Company has acquired customers in foreign jurisdictions, including North America, New Zealand and South Africa, and has a strategy of expanding in off-shore markets. However, there is no guarantee that the Company will be able to retain or continue to grow its revenues in those jurisdictions. As the Company expands into existing or new jurisdictions, there are risks that these initiatives may result in additional operating complexities, new and unique regulatory requirements, unforeseen costs, failure to achieve expected revenue or to achieve the intended outcomes.</p>
Requirement to raise additional funds	<p>The Company may be required to raise additional equity or debt capital in the future. There is no assurance that it will be able to raise that capital when it is required or, even if available, the terms may be un-satisfactory.</p>
Coronavirus (COVID-19)	<p>The outbreak of the coronavirus disease (COVID-19) is impacting global economic markets. The Company's Share price may be adversely affected by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.</p>
Foreign Jurisdiction Risk	<p>The Company intends expanding operations internationally. There is a risk investing in international operations may not be profitable or succeed due to poor execution or external factors beyond the Company's control including obtaining appropriate licences and consents for the Company's business, taxation, working conditions, insurance, demand for services, contractors, potential acquisitions, growth, counterparties, intellectual property, technical failure, operational failure, disputes, litigation, non-payment, currency exchange rates, debt and interest rates, financial performance, legal compliance, political unrest and operational management.</p>

5.3 Industry specific

Risk Category	Risk
Product liability	As with all products, there is no assurance that unforeseen adverse events or defects will not arise in the Company's products. Adverse events could expose the Company to product liability claims or litigation, resulting in the removal of regulatory approval for the relevant products and/or monetary damages being awarded against the Company. In such event, the Company's liability may exceed the Company's insurance coverage, if any.
Disputes	<p>The activities of the Company may result in disputes with third parties, including, without limitation, the Company's investors, competitors, regulators, partners, distributors, customers, directors, officers and employees, and service providers. The Company may incur substantial costs in connection with such disputes.</p> <p>Further, a change in strategy may involve material and as yet unanticipated risks, as well as a high degree of risk, including a higher degree of risk than the Company's strategy in place as of the date hereof.</p>
Loss of Customers	The Company has established important relationships through development of its business to date. The loss of one or more customers through termination or expiry of contracts may adversely affect the operating results of the Company.
Litigation	The Company is exposed to possible litigation risks including, but not limited to, intellectual property ownership disputes, security breaches, contractual claims, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.
Data loss, theft or corruption	<p>The Company will store data in its own systems and networks and also with a variety of third party service providers. Exploitation or hacking of any of the Company's systems or networks could lead to corruption, theft or loss of the data which could have a material adverse effect on the Company's business, financial condition and results. Further, if the Company's systems, networks or technology are subject to any type of 'cyber' crime, its technology may be perceived as insecure which may lead to a decrease in the number of customers.</p> <p>The Company has not been hacked, but it is possible that the Company may experience negative publicity if their systems are able to be hacked at some point in the</p>

Risk Category	Risk
	future.
Foreign exchange	The Company will be operating in a variety of jurisdictions, outside of Australia and as such, expects to generate revenue and incur costs and expenses in foreign currencies. Consequently, movements in currency exchange rates may adversely or beneficially affect the Company's results or operations and cash flows. For example, the appreciation or depreciation of the US dollar relative to the Australian dollar would result in a foreign currency loss or gain. Any depreciation of currencies in foreign jurisdictions in which the Company operates may result in lower than anticipated revenue, profit and earnings of the Company.
Insurance coverage	<p>The Company faces various risks in conducting its business and may lack adequate insurance coverage or may not have the relevant insurance coverage. The Company proposes to arrange and maintain insurance coverage for its employees, as well as directors and officers liability insurance, however it does not currently propose to arrange and maintain business interruption insurance or insurance against claims for certain property damage. The Company will need to review its insurance requirements periodically. If the Company incurs substantial losses or liabilities and its insurance coverage is unavailable or inadequate to cover such losses or liabilities, the Company's financial position and financial performance may be adversely affected.</p> <p>The Company considers that it has sufficient insurance policies in place in respect of its business and assets. However, the occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.</p>

5.4 General risks

Risk Category	Risk
Additional requirements for capital	The Company's capital requirements depend on numerous factors. The Company may require further financing in addition to amounts raised under the capital raising. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its proposed use of funds as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.
Economic conditions and	General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and

Risk Category	Risk
other global or national issues	inflation rates, currency exchange controls and rates, national and international political circumstances (including wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations.
Market conditions	<p>Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> (a) general economic outlook; (b) introduction of tax reform or other new legislation; (c) (interest rates and inflation rates; (d) changes in investor sentiment toward particular market sectors; (e) the demand for, and supply of, capital; and (f) terrorism or other hostilities. <p>The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and technology or defence stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.</p> <p>Further, the value of the Shares may fluctuate more sharply than that of other securities, given the low per Share pricing of the Shares under the Prospectus, and the fact that investment in the Company is highly speculative.</p>
Dividends	Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.
Taxation risk	The acquisition and disposal of Shares will have tax consequences for investors, which will vary depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent professional taxation and financial advice about the consequences of acquiring and disposing of Securities from a taxation viewpoint and generally.
Ukraine conflict	General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and

Risk Category	Risk
	<p>inflation rates, currency exchange controls and rates, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's activities, as well as on its ability to fund those activities.</p> <p>General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.</p> <p>Specifically, it should be noted that the current evolving conflict between Ukraine and Russia is impacting global macroeconomics and markets generally. The nature and extent of the effect of this conflict on the performance of the Company and the value of its Shares remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by the conflict between Ukraine and Russia and overall impacts on global macroeconomics. Given the situation is continually evolving, the outcomes and consequences are inevitably uncertain.</p>

5.5 Speculative investment

The risk factors described above, and other risks factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities.

Prospective investors should consider that an investment in the Company is highly speculative.

There is no guarantee that the Securities offered under this Prospectus will provide a return on capital, payment of dividends or increases in the market value of those Securities.

Before deciding whether to subscribe for Securities under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

6. ADDITIONAL INFORMATION

6.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

6.2 Continuous disclosure obligations

As set out in the Important Notes Section of this Prospectus, the Company is a disclosing entity for the purposes of section 713 of the Corporations Act. Accordingly, information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

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

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

The Company notes it is currently in the process of seeking debt funding from a range of lenders to establish a borrowing facility of up to \$24 million.

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

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
27 October 2022	NNG Quarterly Activities Report and Appendix 4C Sep-22

Date	Description of Announcement
14 October 2022	NNG Notice of Annual General Meeting on 24-Nov-22
28 September 2022	NNG ASX Appendix 4G 30-Jun-22

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.nexiongroup.io.

6.3 Market price of Shares and New Options

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares and New Options are enhanced disclosure securities quoted on ASX.

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

	(\$)	Date
Highest	\$0.11	1 November 2022
Lowest	\$0.056	17 October 2022
Last	\$0.08	24 November 2022

As the issue of the New Options under this prospectus represents the first time the Company will have quoted Options on issue, there are no previous closing market sale prices preceding the date of lodgement of this Prospectus that can be disclosed.

6.4 Material Contracts

6.4.1 Lead Manager Mandate

The Company has signed a mandate letter to engage Peak to act as lead manager of the Entitlement Offer (**Lead Manager Mandate**), the material terms and conditions of which are summarised below:

Fees	The Company will pay Peak:
	(a) a capital raising fee of 6% on total funds raised by Peak under the Entitlement Offer (excluding GST);
	(b) subject to raising the full subscription under the Entitlement Offer, the Company will issue Peak (or to its nominee(s)) up to 6,000,000 Lead Manager Options on the terms set out in Section 4.2; and
	(c) expenses, including travel and subsistence, and goods and services purchased on the Company's behalf, are charged at cost. In the event any expense is above \$200, prior written approval is required to be sought from the Company.

Termination Events	In the event that the Lead Manager Mandate is terminated, Peak shall be entitled to its fees up until the engagement termination date.
Exclusivity	This Lead Manager Mandate is not an exclusive appointment, and should the Company undertake future capital raisings, it is free to do so with other advisers.
Term	The term of the Lead Manager Mandate commenced on 7 September 2022 and will end on 31 December 2022, whereby the Company may seek to extend the term of the engagement.

The Lead Manager Mandate otherwise contains provisions considered standard for an agreement of its nature (including representations, warranties and confidentiality provisions).

6.5 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any 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:
 - (i) its formation or promotion; or
 - (ii) the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (i) the Offers.

Security holdings

The relevant interest of each of the Directors in the Securities as at the date of this Prospectus, together with their respective Entitlement, is set in Section 1.4.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive

Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$500,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive Directors as disclosed in the Company's 2022 Annual Report.

Director	FY ending 2022	FY ending 2023
Paul Glass	519,132	360,000
Kevin Read	482,632	342,000
Peter Christie	151,342	66,000
Chris Daly	122,895	66,000

6.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offers; or
- (f) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offers.

Peak has acted as the lead manager to the Entitlement Offer. The Company will issue Peak (or its nominee/s) up to 6,000,000 Lead Manager Options and estimates it will pay Peak up to \$385,443 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Peak has not received any fees from the Company for any other services.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offers. The Company estimates it will pay Steinepreis Paganin \$20,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$272,421.41 (excluding GST and disbursements) for legal services provided to the Company.

6.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the 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 in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- (c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Peak has given its written consent to being named as the lead manager to the Entitlement Offer in this Prospectus.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus.

Stantons International Audit and Consulting Pty Ltd (**Stantons**) has given its written consent to being named as auditor to the Company in this Prospectus and the inclusion of the 30 June 2022 audited balance sheet of the Company in Section 3.4. Stantons has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

6.8 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offers are estimated to be approximately \$462,896 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	42,247
Lead Manager fees	385,443
Legal fees	24,500
Miscellaneous	7,500
Total	462,896

7. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

Paul Glass
Managing Director and Chief Executive Officer
For and on behalf of NEXION Group Ltd

8. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at Section 1 (unless extended).

Company or **Nexion** means Nexion Group Ltd (ACN 628 415 887).

Constitution means the constitution of the Company as at the date of this Prospectus.

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

CRN means Customer Reference Number in relation to BPAY®.

Directors means the directors of the Company as at the date of this Prospectus.

Eligible Shareholder means a Shareholder whose details appear on the Company's register of Shareholders as at the Record Date and who resides within Australia, New Zealand or Singapore or is permitted to participate in the Entitlement Offer as contemplated in Section 2.10.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Entitlement Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Entitlement Offer means the non-renounceable entitlement issue the subject of this Prospectus.

Exercise Price means the exercise price of the New Options being \$0.10.

Ineligible Shareholder means a Shareholder as at the Record Date whose registered address is not situated in Australia, New Zealand or Singapore or is not permitted to participate in the Entitlement Offer as contemplated in Section 2.10.

Lead Manager or **Peak** means CoPeak Corporate Pty Ltd <The Trustee for Peak Asset Management Unit Trust> (ACN 632 277 144), an authorised representative of Dayton Way Securities Pty Ltd (ACN 124 327 064) (Dayton Way Securities) (AFSL No. 382585).

Lead Manager Option means an Option issued on the terms set out in Section 4.2.

Lead Manager Options Offer means the offer of up to 6,000,000 Options to the Lead Manager in part consideration for providing lead manager services in respect of the Entitlement Offer.

New Option means an Option issued on the terms set out in Section 4.2.

Offers means the Entitlement Offer and the Lead Manager Options Offer.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at Section 1.

Section means a section of this Prospectus.

Securities means Shares and/or Options as the context requires.

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

Shareholder means a holder of a Share.

Shortfall means the Securities not applied for under the Entitlement Offer (if any).

Shortfall Application Form means the Shortfall Offer application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall Securities on the terms and conditions set out in Section 2.7.

Shortfall Securities means those Securities not applied for under the Offer (if any) and offered pursuant to the Shortfall Offer.

WST means Western Standard Time as observed in Perth, Western Australia.