Recapitalisation Presentation

24 September 2021

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Executive Summary

Introduction

- Australia’s largest independent security monitoring provider with ~75,000 connections, focused on wholesale distribution
- 95% of revenue is subscription based with diversified “sticky” customer base across government, commercial, residential and personal emergency response with an average customer tenure of 7 years
- Strong cashflow generation, high margin and scalable cost base providing strong operating leverage with a 40%+ gross margin in FY2021
- Potential tax shield of up to $18.2 million through utilisation of carry forward tax losses in Australia, to be used to enhance cash flow
- Equity Raising and Debt Restructuring will strengthen the balance sheet by reducing finance costs and provide financial strength with $9.3 million cash to pursue growth opportunities and further business improvement
- Recent Board and CEO appointments bring a combination of industry experience and know-how, and a track record of value creation for shareholders
- New team has grown EBITDA from ($5.8) million in FY19 to $4.3 million FY21 since appointment in January 2020
- Strong backing from turn-around specialists on the Board, including Black Crane who are sub-underwriting up to $15.4 million and committing to entitlement of $3.6 million via new equity capital and debt offsetting

Recapitalisation and Balance Sheet Consolidation

Equity recapitalisation and amended debt terms will strengthen the balance sheet and unlock organic growth and further operational improvements.

1 **Equity Raising**	▪ The Company is conducting a fully underwritten placement (**"Placement"**), and subsequent accelerated renounceable entitlement issue (**"Entitlement Offer"**) to raise approximately $32.0 million (collectively the **"Offer"**) ▪ Funds raised under the Placement and the Entitlement Offer will be used for the repayment or reduction of the Company's debt facilities, together with transaction costs and working capital
2 **Balance Sheet Consolidation**	▪ Conditional upon the Company raising approximately $32.0 million under the Offer, and the relevant agreements between the Company and its lenders having being satisfied to give effect to the Debt Amendments, the Company's existing principal debt is to be reduced to approximately $27.2 million – Funds raised under the Placement and the Entitlement Offer will be used for the repayment or reduction of the Company's debt facilities with Ares (**"Secured Debt"**), Black Crane (**"Black Crane Loan"**), and First Samuel (**"Loan Notes"**), with $3.7 million of debt forgiveness agreed by junior creditors. – $9.3 million pro-forma cash balance will accelerate growth by unlocking accretive M&A opportunities and facilitating product diversification
3 **Proposed Name Change, Share Consolidation, & Performance Rights Issue**	▪ The Company intends to change its name to **Intelligent Monitoring Group Limited** (proposed ASX Code: IMB:ASX reserved) to better reflect the broader range of operations and activities of the Company moving forward ▪ The Company proposes to undertake a 100-for-1 share consolidation ▪ The Company proposes to issue performance rights of up to 370 million shares (with hurdle prices of +20-100% of the raise price) collectively to John Hallam (CEO) and Dennison Hambling (Exec Director) – A shareholders meeting seeking approval to change the name, undertake share consolidation and issue the performance rights will be convened in due course.

Investment Overview

Investment Proposition

IMG has a strong underlying business together with a clear growth strategy. The Equity Raising and Debt Restructuring will strengthen the balance sheet and enable the Company to focus on delivering its strategy.

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Quality Business – Defensive Cash Flows

- National player with approximately 74,500 lines (68% Wholesale 32% Direct)
- Consolidating to two strongly performing security operating centres
- Revenue cash paid, monthly, from a contracted recurring customer base
- 3rd largest player by line numbers, largest Australian owned business, largest monitoring only focus.

Clear Growth Strategy – Target 3 x 50,000 by 2025

"Target 50,000" - 50,000 Wholesale lines, 50,000 Direct lines, 50,000 devices

- Attract further resellers / bureaus through deeper engagement (30% share of resellers - >700 currently – target 50% in three years
- Support our resellers through selective conversion of "wholesale to direct" line via accretive acquisitions
- Diversify our monitoring revenue streams through a focus on devices, in addition to lines. Significant opportunity with Sofihub and Video Monitoring
- Significant scope for bolt on or transformative, accretive acquisitions

Restructured Balance Sheet – Unlock Growth and Value

- Equity Raising and Debt Restructuring strengthens the balance sheet better positioning the Company to execute its immediate, and long-term growth strategy
- Balance sheet improvement will help attract new resellers and high quality staff
- Reduced interest costs, with sufficient working capital to meet near-term debt obligations
- Pro-forma cash balance of $9.3 million will accelerate growth and scalability

Strong Senior Management and Supportive Board – Incentivised to Deliver

- Messrs Kennan, Hallam and Hambling, have all been involved with the Company over the last 18 months and have contributed to the significant progress made by the Company in FY21
- Board & management are strongly incentivised through a $19.0 million commitment to the capital raise and performance rights to drive shareholder value
- The Board has proven experience in creating value through business improvement

Clear Strategy

To become the leading wholesale device monitoring provider in Australia.

Stabilise Core Operations

- P&L and Cashflow now stabilised with operations consolidated to an integrated and stable base
- Balance Sheet rationalisation will position the Company to enhance stakeholder relationships,
- Will allow the company to further improve operational efficiency by investing in further system enhancements and integrating front and back office

Organic Growth Strategy Target 3x 50,000 by 2025

- The Company has identified a number of wholesale line providers which it will target to increase its market share above 30% in the wholesale market
- The company has identified a number of lines it might acquire through its existing wholesale partnership base
- Focus on consolidation of monitoring systems and control rooms by upgrading systems to one platform with leading technology
- Focus on incremental, high return, growth opportunities (such as Sofihub and Video Surveillance)

Unlock Significant Scale through Selective M&A

- The company will actively consider targeted & accretive M&A strategies with the goal of becoming the premier Device Monitoring Company in Australasia
- The Company’s long-term outlook includes product diversification into the Internet-of-Things market and automated monitoring
  - Aged Care Monitoring: Led by Sofihub sales
  - Video Surveillance: The company will look to expand its existing use of video in conjunction with its reseller partners

Experienced Executive Team

Committed Executive Management team are well credentialled and in a position to lead the Company post recapitalisation.

John Hallam
Chief Executive Officer

- Joined Feb 2020, CEO from July 2021
- Deep security monitoring experience across numerous Australian monitoring companies
- General Manager – Telstra Intelligent Monitoring
- Managing Director – UTC Australia Fire, Security & Monitoring Products
- National Sales & Marketing Manager – 3M Australia Personal Safety

Dennison Hambling
Executive Director and Vice Chairman

- Joined Jan 2020, Executive Director August 2021
- Significant experience in direct investment and rebuilding companies
- Former Head of Public & Private Equity 360 Capital Group
- Current Non Executive Director of Cardioscan – a global healthcare monitoring platform

Peter Kennan
Non-Executive Chairman

- Joined Jan 2020, Chairman Effective July 2021
- Founder of Black Crane and has significant experience in investing and assisting turnaround companies
- Current Non Executive Director MMA

Peter Kennan & **Dennison Hambling** have been jointly associated with the following companies in the past:

1. Elders (via the Elders Hybrid)
2. Emeco (led the financial restructure and recovery)
3. MMA Marine (Peter Kennan – Non-Executive Director)

Business and Strategy Overview

Business Overview

IMG is Australia's largest wholesale provider of security monitoring services with ~74,500 connections.

- IMG provide Security monitoring services through the following categories:

  1) **Wholesale Monitoring**
     - Customer pays third party service provider (reseller) who is responsible for ongoing sales, installation and maintenance (effectively a 'white label' offering)

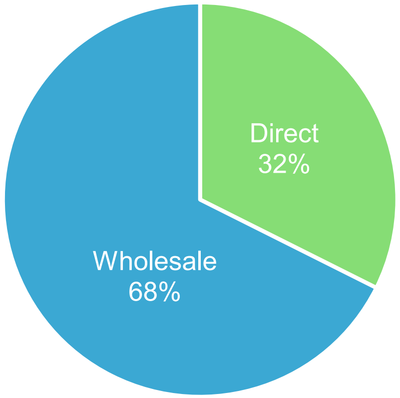
  2) **Direct Monitoring**
     - Servicing (or invoicing) the customer directly with a monitoring service
     - These customers are typically former customers of our wholesalers who have been "converted" to direct IMG customers over time.

- The Company services three core types of end-use clients:
  - **Commercial:** Corporate and small business
  - **Residential:** Domestic home security
  - **Individuals:** Personal emergency response systems (PERS)

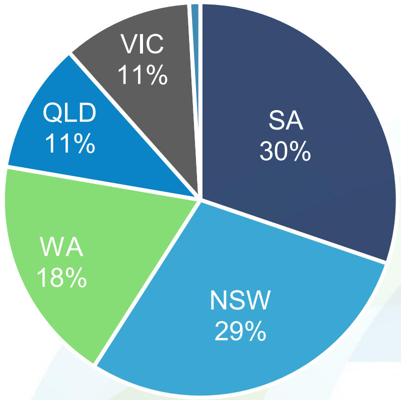
- Connections are currently monitored at three Grade A1 monitoring control centres across NSW, SA and WA

- The Company offers protective services in WA in the form of physical guarding, and training to healthcare workers
  - These offerings are adjacent to IMG's monitoring services

Connection Type



Connection location



Growth Model

Organic growth of Wholesale lines leads to significant future profit uplift from conversions.

- IMG is focused on being the premier **Wholesale Monitoring** business in Australia.

- Working with approx. 30% of the approximately 2,000 active resellers in Australia – IMG seeks to provide:

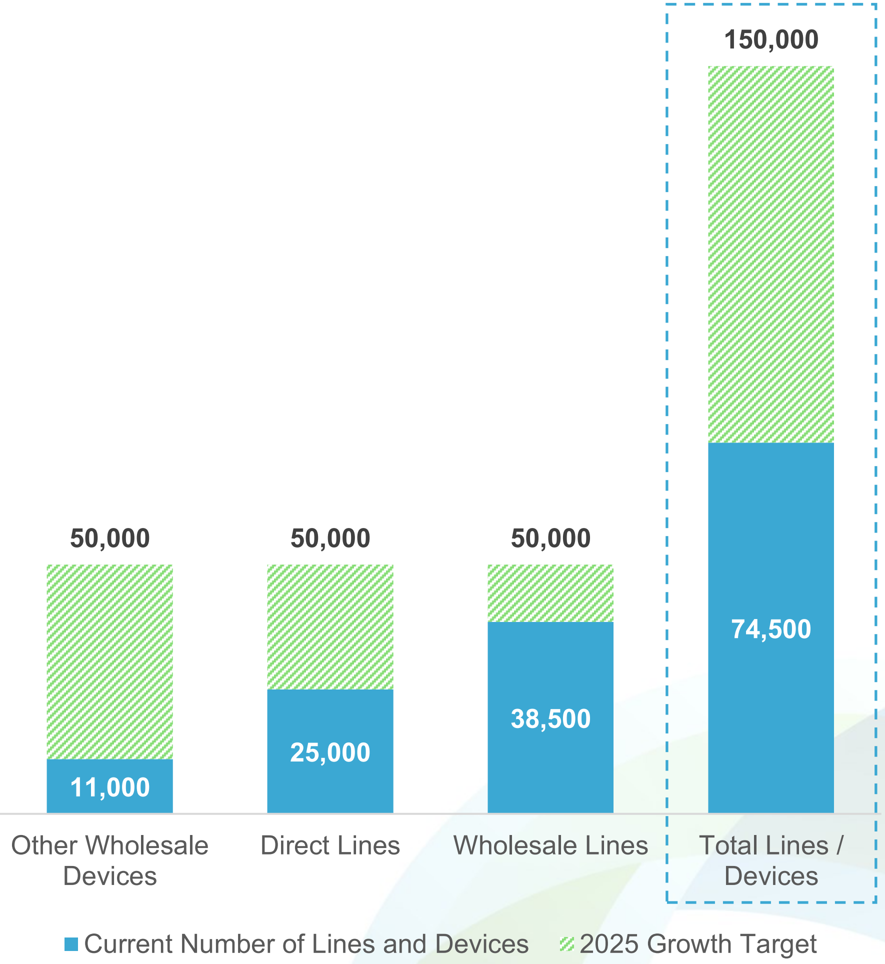
  1) **Leading focused & unconflicted service**
     - By focusing on delivering the best 24/7/365 day alert service combined with leading reporting and communication and:
  2) **New products and areas for growth**
     - Turning our focus to supporting incremental product areas, such as Video surveillance, asset monitoring and personal protection

- IMG will look to grow its lines/device penetration via new reseller relationships (targeting 50% share) and the growth of our existing resellers. Recapitalisation will make IMG a more attractive partner for new reseller customers.

- As part of the service IMG will at times buy resellers lines (at less than 22x RMR ~<3x EBITDA) to help facilitate resellers growth plans, cash requirements or retirement strategies. These acquisitions will be done as part of a long term partnership approach with our resellers.

- The three year plan has a target of 50% market share of wholesale lines, 50,000 direct lines, and 50,000 non-security devices with continued strong gross margins. **"Target 3 x 50,000 by 2025"**

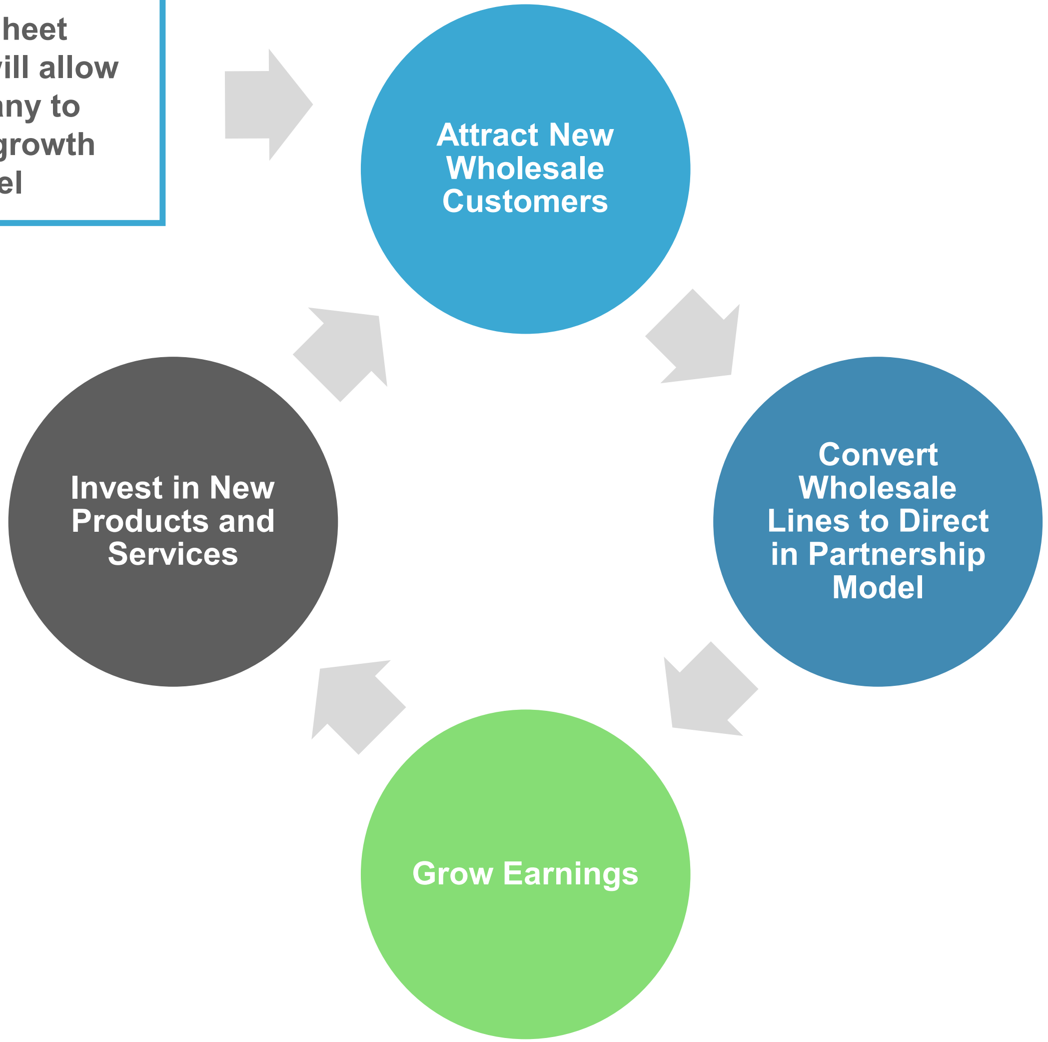
Organic Growth Plan: Target 3 x 50,000 by 2025



Growth Model

Balance sheet restructure will unlock the flywheel for ongoing growth.

Balance sheet restructure will allow the Company to accelerate growth flywheel



Attractive Incremental Economics

- Incremental Gross Margin of approx. 80%
- Additional operating staffing required for every +5,000 lines/devices
- Target EBITDA Margin >30% by 2025

2025 Goal

Target 3 x 50,000 Customers

- 50,000 Wholesale lines
- 50,000 Direct lines
- 50,000 Devices

150,000 Total Customers

Conceptual EBITDA Target

- $50.0 million Revenue[1]
- 40% Gross Margin[2]

$15.0 million EBITDA[3]

1. Revenue assumed to double as customer base doubles
2. Consistent with historical gross margin, refer to Slide14
3. Overheads are assumed to remain inline with FY21 figures

Financial Overview

Reset of balance sheet to reduce funding costs and provide financial strength to pursue growth opportunities.

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P&L Summary				
		FY21	**FY22**	**Run-Rate Q4 FY22**
Revenue	*$m*	25.5	26.0	27.0
Gross Margin	*$m*	10.3	10.7	11.0
EBITDA[1]	*$m*	4.3	4.5	6.1
NPATA[1]	*$m*	<0	1.1	2.6
Gross margin	*%*	*40%*	*41%*	*41%*
EBITDA margin	*%*	*17%*	*17%*	*22%*
NPATA margin	*%*	-	*4%*	*10%*

Cash Flow Summary[2]				
		FY21	**FY22**	**Run-Rate Q4 FY22[3]**
EBITDA[1]	*$m*	4.3	4.3	6.1
Tax	*$m*	-	-	-
Interest	*$m*	(2.7)	(1.9)	(1.7)
Operational Cash Flow	***$m***	**1.6**	**2.3**	**4.4**
Sustaining Capex	*$m*	(0.3)	(0.3)	(0.2)
Growth Capex	*$m*	(2.2)	(3.6)	(1.0)
Free Cash Flow	***$m***	(0.9)	(1.5)	3.1

- Defensible, recurring revenue from “sticky” customer base
- Reduction in funding costs significantly improves earnings generation
- Potential for incremental margin enhancement through revenue growth
- Further platform integration drives cost improvement during FY22
- Last 3 months Wholesale Line numbers +2%

- Capital light business model – low capex and low working capital requirements which will only rise if EBITDA increases
- Significant reduction in funding costs through reduced debt and interest
- Strong cash flow generation to reinvest back into the Company to stimulate growth

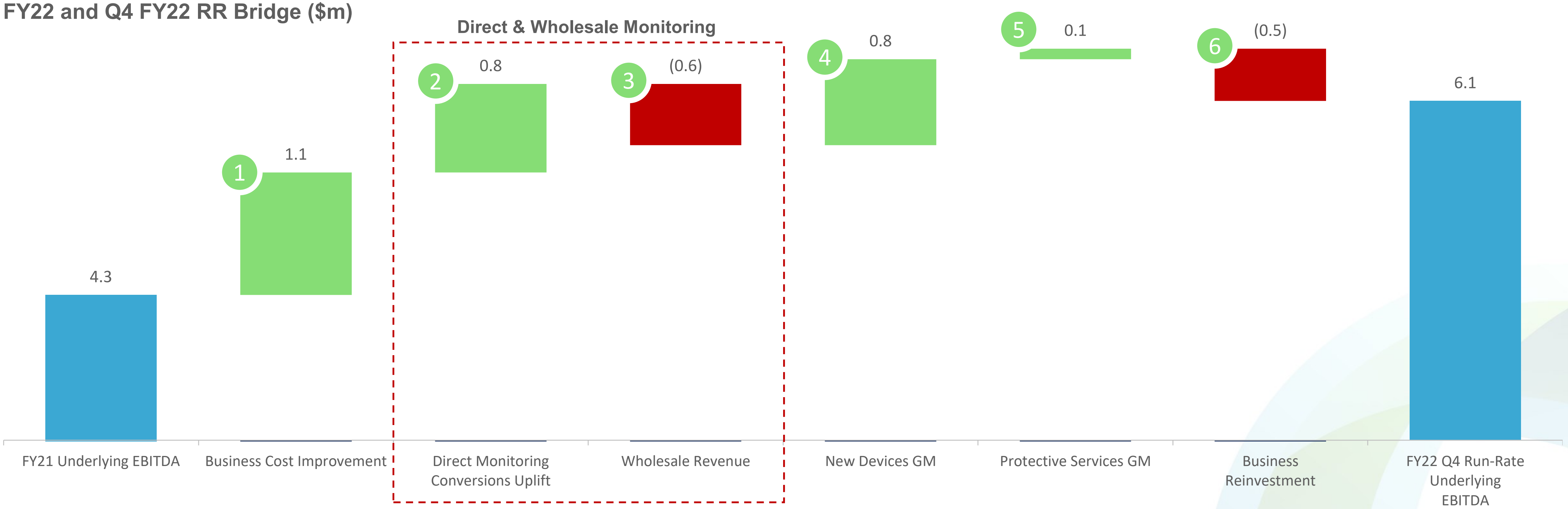
1. Represents underlying EBITDA and NPATA adjusted for non-recurring items such as business acquisition costs or restructuring expenses, but excluding integration costs, refer to Slide 15 for detailed Q4 FY22 Run-Rate EBITDA Bridge
2. Assumes no movement in net working capital
3. Assumes FY23 capex due to potential implementation of new operating system in Q4 FY22

FY22 Business Plan and Q4 FY22 Run-Rate Bridge

Significant uplift in Q4 FY22 run-rate EBITDA is largely driven by direct monitoring, and monitoring devices contributions.

1. Site consolidation reduces overhead cost
2. Increased number of direct monitored lines acquired through wholesale conversion strategy
3. Wholesale revenue reduces due to churn and conversions
4. Continued rollout of new devices, which commenced in FY21, expected to significantly increase GM contribution by successful launch to wholesale & direct channel
5. Positive momentum in training and guarding in protective services
6. Upfront investment in new monitoring platform will reduce future overhead costs and enable expanded product portfolio

FY22 and Q4 FY22 RR Bridge ($m)



Capital Structure

Recapitalisation to reduce gearing and provide a stable financial position to pursue identified growth opportunities.

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		Current	Pro-Forma[1]
Share price	*$ / share*	0.020	0.005
Market Capitalisation	***$m***	**4.8**	**33.3**
Cash[2]	*$m*	1.8	9.3
Debt[3]	*$m*	53.7	28.8
Net Debt	*$m*	51.8	19.5
Enterprise Value	***$m***	**56.7**	**52.7**
P/E	*x*	-	12.8x
Gearing (Gross Debt/EBITDA)	*x*	12.4x	4.7x
Gearing (Net Debt/EBITDA)	*x*	12.0x	3.2x

$32.0 million equity raise (via rights issue) @ $0.005 per share and notes conversion

- ✓ Significant reduction in leverage and absolute cost of funding
  - $32.0 million of new equity capital, of which $25.0 million is cash and $7.1 million is debt to equity offsetting
  - Existing convertible bond and major shareholder Black Crane willing to cornerstone raising with sub-underwriting and participation via new equity of up to $12.0 million investment and debt offsetting (up to $7.1 million)
- ✓ Debt re-termed with a clear achievable path through to refinancing

1. Q4 FY22 run-rate EBITDA and NPATA assumed
2. Jun-21 balance sheet items adjusted for recapitalisation and Debt Restructure
3. Includes $0.1 million finance leases and premium funding

Pro-forma Balance Sheet

Reset of balance sheet to reduce funding costs and provide financial strength to pursue growth opportunities.

		Jun-21	Jun-21 Pro-Forma
Cash and equivalents	*$m*	1.8	9.3
Other assets	*$m*	33.2	33.2
Total Assets	***$m***	**35.1**	**42.5**
Black Crane debt	*$m*	6.6	-
Unsecured debt	*$m*	9.4	-
Ares debt[2]	*$m*	37.6	28.7
Other liabilities[2]	*$m*	13.8	13.8
Total Liabilities	***$m***	**67.3**	**42.4**
Total Equity	***$m***	**(32.2)**	**0.1**

- Pro-forma balance sheet shows the impact of events based at 30 Jun-21 balances:
  - Reduction of existing debt facilities, through repayments and conversion to equity (**“Debt Restructuring”**)
    - $3.7 million unsecured creditor debt forgiveness – with the outstanding balance repaid
    - Black Crane debt offsetting up to $7.1 million
    - Ares $7.7 million principal repayment
  - Cash of $9.3 million available in addition to operating cash flow to fund
    - Investment into new operating platform to drive operating efficiencies and growth opportunities
    - Accretive acquisitions
- Ares and the Company have agreed to amend the terms and conditions (**“Debt Amendments”**) of their existing debt agreement, including the following material variations:
  - The Company is to make a principal repayment from the proceeds of the Offer of $7.7 million plus a redemption premium of 15%, for a total payment of $8.9 million;[3]
  - Two further repayments are due of $750,000 each, on each of 31 March and 30 September 2022;
  - The term of the facility is extended to 30 September 2023; and
  - The financial covenants have been revised to better match the Company’s short-term outlook[1]

1. Refer to TPS ASX Rights Issue Announcement, dated 24 September 2021, for further information
2. Finance leases and premium funding included in “Other liabilities”. For total debt figure refer to Slide.16
3. The amounts of debt reduction for each of Black Crane and Ares may be adjusted so that more funds are used to repay Ares. However, the aggregate of the repayments will remain materially unchanged

Equity Raising

Equity Raising Overview

Fully Underwritten Equity Raising of approximately $32.0 million.

Offer Size and Structure	▪ Fully underwritten Equity Raising of approximately $32.0 million (**"Offer"**), comprising: – a placement of 36,143,441 new fully paid ordinary Shares in the Company to professional, sophisticated, and institutional investors to raise $180,717 (**"Placement"**). Placement shares will be cum-entitlement – an accelerated renounceable entitlement issue of twenty-three (23) Shares for every one (1) Share held by those Eligible Shareholders registered at the Record Date at an issue price of $0.005 per Share to raise $31,866,468 (**"Entitlement Offer"**)
Offer Price	▪ All Shares offered under the Offer will be issued at a price of A$0.005 per New Share, which represents a 75% discount to the last traded price of A$0.020 on 21 September 2021
Source and Use of Proceeds	See tables below
Entitlement Offer Details	▪ The Entitlement Offer comprises an accelerated offer to Eligible Institutional Shareholders (**"Institutional Entitlement Offer"**) and an offer to Eligible Retail Shareholders (**"Retail Entitlement Offer"**) ▪ The Entitlement Offer provides all Shareholders the opportunity to subscribe for 23 New Shares for every existing share held as at Tuesday 5pm Western Standard Time (WST) 28 September 2021 (**"Record Date"**) ▪ In addition to taking up your Entitlement in full, you may apply for additional Shares (Additional Shares) under a 'top up' facility whereby the Company is offering Additional Shares to those Eligible Retail Shareholders who take up their Entitlements in full ("**Retail Shortfall Offer**") ▪ The Entitlement Offer is renounceable, and entitlements will be tradeable and otherwise transferable
Ranking	▪ Each New Share issued under the Offer will rank equally with existing fully paid ordinary shares in Threat Protect on issue. Threat Protect will, upon issue of the New Shares under the Offer, seek quotation of the New Shares on the ASX
Underwriters	▪ The Offer is fully underwritten by Morgans Corporate Limited. Black Crane will enter into an agreement with the Underwriter to sub-underwrite the Entitlement Offer up to $15.4 million. See Appendix B for a summary of the key terms of the Underwriting Agreement

Source of funds	A$m
Placements proceeds	0.2
Entitlement Offer proceeds	31.9
Total	**32.0**

Uses of funds	A$m
Repayment of debt	21.7
Transaction costs & capital for growth purposes	10.4
Total	**32.0**

Equity Raising Timetable

Event	Date
Entity enters trading halt	Before market, Wednesday 22 September 2021
Company conducts Placement	Wednesday 22 and Thursday 23 September 2021
Announcement of Placement and Entitlement Offer, Lodge Appendix 3Bs with ASX, Lodge Prospectus with ASIC and ASX	Before 10am (WST), Friday 24 September 2021
Company conducts Institutional Offer (including bookbuild for Institutional Offer Shortfall)	Friday 24 and Monday 27 September 2021
Settlement and issue of Placement Shares, Lodgment of Appendix 2A for the Placement Shares	Monday 27 September
Announcement of results of Institutional Offer, Quotation of Placement Shares, Trading resumes on an ex-rights basis, Retail Rights start trading on deferred settlement basis	Before market, Tuesday 28 September 2021
Record Date for the Entitlement Offer	5pm (WST), Tuesday 28 September 2021
Settlement of Institutional Offer Shares (including Institutional Offer Shortfall), Lodgment of Appendix 2A for the Institutional Offer	Thursday 30 September 2021
Issue and quotation of Institutional Offer Shares	Friday 1 October 2021
Prospectus dispatched to Retail Shareholders, Company announces dispatch has completed, Opening Date for Retail Offer	Monday 4 October 2021
Retail Rights trading ends	Close of trading on Monday 11 October 2021
Securities quoted on a deferred settlement basis	Tuesday 12 October 2021
Last day to extend Retail Offer closing date	Wednesday 13 October 2021
Closing Date of Retail Offer	Monday 18 October 2021
Announcement of results of Retail Offer	Thursday 21 October 2021
Bookbuild for any Retail Offer Shortfall (if applicable)	Thursday 21 and Monday 25 October 2021
Announcement of results of Retail Offer Shortfall bookbuild	Tuesday 26 October 2021
Settlement of Retail Offer, Issue of Retail Offer Shares, Lodgment of Appendix 2A with ASX	Thursday 28 October 2021
Quotation of Retail Offer Shares	Friday 29 October 2021
Settlement of Retail Offer Shortfall, Issue Retail Offer Shortfall Shares	On or before Monday 8 November 2021
Quotation of Retail Offer Shortfall Shares	Tuesday 9 November 2021

Appendix A – Key Risks

Key Risks

Company specific	
Potential for Significant Dilution	Upon implementation of the Entitlement Offer and the Placement, assuming all Entitlements are accepted, the Placement is fully subscribed and no other Shares are issued prior to the Record Date, the number of Shares in the Company will increase from 240,956,278 currently on issue to 6,650,393,256. This means that immediately after the Entitlement Offer, each Share will represent a significantly lower proportion of the ownership of the Company. It is not possible to predict what the value of the Company, a Share will be following the completion of the Entitlement Offer being implemented and the Placement being completed and the Directors do not make any representation as to such matters. The last trading price of Shares on ASX prior to the Prospectus being lodged of $0.020 is not a reliable indicator as to the potential trading price of Shares after implementation of the Entitlement Offer and completion of the Placement.
Control Risk	Black Crane currently has a relevant interest in approximately 12.97% of the Shares in the Company. Assuming Black Crane takes up its full Entitlement, no other Shareholders accept their entitlements, and Black Crane sub-underwrites the Entitlement Offer, Black Crane's voting power in the Company may increase to as high as 57.61%. Black Crane'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. Black Crane could hold a relevant interest in more than 25% of the Company which means that it has the potential to prevent a special resolution from being passed by the Company (such resolution requiring at least 75% of the votes cast by members entitled to vote on the resolution). Special resolutions are required in relation to approve certain Company matters including potentially seeking the delisting of the Company, amending the Constitution, approving the voluntary winding up of the Company and, if at any time the share capital of the Company is divided into different classes of Shares, approving the variation of the rights attached to any such class.
Additional Requirements for Capital	The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Entitlement Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If 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 exploration programmes 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.

Key Risks

Company specific	
Default Risk Under Debt arrangements	The Company has and may continue to enter into debt facilities and agreements such as the debt arrangements with Ares, First Samuel and Black Crane, under which it will have obligations to make payments to the investors on the relevant due dates and repay amounts advanced to Company on the relevant due dates. Following the Entitlement Offer the Company will have extinguished the First Samuel Debt and expects to have extinguished and significantly reduced the amount owing to Black Crane. Under the terms of the Black Crane Debt Termination Agreement any remaining debt owing to Black Crane at the end of the Entitlement Offer will have the maturity date extended to 31 December 2023. Following the Entitlement Offer and repayment under the use of funds, $27.2 million will remain owing to Ares. Two further payments will be due of $750,000 each on 31 March and 30 September 2022. The term for full repayment will also be extended to 30 September 2022. The Company expects to be able to make the interim payments using the proceeds from future debt or equity raisings, cash flows from operations or proceeds from the sale of assets. However, as set out in the Going Concern Risk there is a risk that the Company may be unable to procure or raise sufficient cash resources from its operations, future debt or equity raisings to make the final payments under the Company's debt arrangements. Under the agreement with Ares the Company also must comply with financial covenants. For further details refer to the announcement dated 24 September 2021. Should the Company default on its obligations under any of its debt arrangements (including the obligation to meet financial covenants) an event of default will occur. In these circumstances, if the Company is unable to raise sufficient funds or otherwise cure the default, the full debt may become immediately repayable and the debt holders may enforce the security granted and sell some or all of the Company's assets.
Going Concern	The Company's annual report released on the ASX platform on 31 August 2021 (**Financial Report**) includes a note on the financial condition of the Company and the possible existence of a material uncertainty about the Company's ability to continue as a going concern. Notwithstanding the 'going concern' qualification included in the Financial Report, the Directors believe that upon the successful completion of the Entitlement Offer, the Company will have sufficient funds to adequately meet the Company's current exploration commitments and short term working capital requirements. In the event that the Entitlement Offer is not completed successfully there is significant uncertainty as to whether the Company can continue as a going concern which is likely to have a material adverse effect on the Company's activities.

Key Risks

Company specific	
Climate Risk	There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include: i. the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and ii. climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.
Coronavirus (COVID-19)	The outbreak of the coronavirus disease (**COVID-19**) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term 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. The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. In compliance with its continuous disclosure obligations, the Company will continue to update the market in regard to the impact of COVID-19 on its revenue channels and any adverse impact on the Company. If any of these impacts appear material prior to close of the Entitlement Offer, the Company will notify investors under a supplementary prospectus.

Key Risks

Industry specific	
Customer and Customer Retention Risk	As with most businesses, the Company runs risk from a loss of clients. The Company as is common in this industry typically enjoys long customer relationships, and it has a diverse spread of customers. However, as with other industries, technology advancements or the Company not performing to customers expectations, may lead to an increase in the difficulty of retaining customers. Loss of or significant decrease in business from customers could harm the Company's revenues and the Company's business. Further, although the Company has agreements in place with such customers, these agreements require the Company and/or the customers to meet certain obligations. Whilst the Company monitors its obligations under agreements there is no guarantee that customers will adequately or fully comply with their respective contractual rights and obligations including the obligations to pay for services provided.
Innovation Risk	The Company's ability to retain, increase, and engage its users and address their evolving needs and to increase revenues will depend heavily on management's ability to successfully create, launch and grow demand for new products, both independently and in conjunction with strategic partners. Remaining innovative and developing new and unique product offerings require investment and configuration that requires monetary and internal resource investment which may erode the Company's competitive position and adversely affect the growth and profitability of the Company.
Regulatory Risk	The introduction of new policies or legislation or amendments to existing policies or legislation and the failure by governments to act promptly to introduce new or amend existing policies or legislation that governs Company operations or contractual obligations, could impact adversely on the operations and, ultimately, the financial performance of the Company. In conjunction with its strategic partners, management monitors the policies and regulations that apply to Company operations and regularly engages and consults with government agencies.
Privacy and Cyber Security Risk	The Company collects, transmits and stores commercial and financial information. Advances in computer capabilities, increasingly sophisticated tools and methods used by hackers and cyber terrorists, new discoveries in the field of cryptography or other developments may result in the Company's failure or inability to adequately protect its commercially sensitive information. An external cyberattack may have a detrimental effect on the Company. The Company will be unable to service clients for the period of the outage which could ultimately result in a loss of clients and consequently revenue. Confidential company and client information may be compromised. The Company has established measures and systems to minimise the likelihood of security breaches and these systems are regularly monitored for development or improvement.

Key Risks

General	
Economic	General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities.
Market Conditions	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: i. general economic outlook; ii. introduction of tax reform or other new legislation; iii. interest rates and inflation rates; iv. changes in investor sentiment toward particular market sectors; v. the demand for, and supply of, capital; and vi. terrorism or other hostilities. 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. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.
Litigation Risk	The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, 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.
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	The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All prospective investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally. To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under the Prospectus.

Key Risks

General	
Reliance on Key Personnel and Staff Risks	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. The Company is dependent on securing and retaining skilled staff to operate. This includes skilled security personal to staff the security operating centres, and executive personal. There can be no guarantee that the Company will always be able to find, train and retain appropriate staff in a manner that does not impact the operations and therefore financial performance of the Group.
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 Shares. Prospective investors should consider that an investment in the Company is highly speculative. There is no guarantee that the Shares offered under the Prospectus will provide a return on capital, payment of dividends or increases in the market value of those Shares. Before deciding whether to subscribe for Shares under the Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.
Customer Disputes	The Company can from time to time find itself in a dispute with a customer. Given the significant diversity of the customer base, the impact of any one dispute is immaterial. However should a systematic failure occur in the monitoring operations, there is no guarantee that this would not impact the availability of the services to many customers and therefore result in multiple disputes that could have an effect on the profitability of the Company. The Company monitors the systems carefully to minimise the risk of such disruptions and widespread customer disputes and complaints
Competition Risk	The Company operates in a large, competitive industry with numerous competitors. Some of these competitors are part of sizeable listed offshore groups. The Company cannot guarantee that competition will not increase and could have a material impact on the groups profitability in the future.
Acquisition Risk	As part of the new strategic director the Group, the Company is exploring merger and acquisition opportunities with a view to strengthening its existing business. Any entry into, or commitment to, such relationship or opportunity will bring additional risks specifically contractual risks. The Company would also be likely to incur transactional costs in evaluating and negotiating such relationships which will need to be incurred regardless of whether the proposed transactions complete or bring benefit to the Company. If consideration for such acquisitions are in the form of equity, or require equity financing, shareholder interests in the Company will likely be diluted. If debt financing is available and used it may involve restrictions on financing and operating activities of the Company. There is no guarantee that following any acquisition that the acquisition would ultimately be beneficial to the Group.

Key Risks

General	
Licence Risks	The Company uses its best endeavours to ensure compliance with the relevant state security legislation and also maintains a Grading of A1 – Australian Standard 2201.2 There can be no guarantee that the company is always able to maintain its licenses at this or any standard going forward.
Licence Agreement Risks	The Company is a party to a number of licence agreements with respect to the operation of its business. Whilst the Company monitors its compliance with such licence agreements, there is no guarantee that the Company or third parties will adequately or fully comply with their respective contractual rights and obligations. Depending on the relevant licence agreement and any future breaches of the obligations, the termination of a licence agreement may have an impact on the financial performance of the Group if a replacement licence agreement cannot be entered.
Intellectual Property Protection Risks	The Company seeks to differentiate its service through providing a unique and valuable service. In addition, it seeks to use the latest and most effective products and software to do so. There can be no guarantee that the Company is able to protect any or all of its intellectual property developed in the provision of its service in the future. In addition the Company may be required to incur significant expenses in monitoring and protecting its intellectual property rights or defending against claims it has infringed on a third party's patent or other intellectual property rights. It may initiate or otherwise be involved in litigation against third parties for infringement, or to establish the validity, of its rights. Any litigation, whether or not it is successful, could result in significant expense to the Company and cause a distraction to management

Appendix B – Underwriting Agreement Terms

Key Terms of the Underwriting Agreement

- Morgans Corporate Limited (ACN 010 669 726) has been engaged by the Company to act as lead manager, bookrunner and underwriter (**Underwriter**) to the Entitlement Offer and Placement on an exclusive basis (**Underwriting Agreement**).
- In the execution of the Underwriters obligations, the Underwriter is entitled to engage with sub-underwriters on its own terms and expense. The Underwriter intends to enter into a sub-underwriting agreement with Black Crane Asia Pacific Opportunities Fund, for a sub-underwritten amount of up to 15.4 million (**Black Crane Sub-Underwritten Amount**).
- **Fees:** The Company must immediately pay the following fees from available funds (exclusive of GST) to the Underwriter on the Institutional and Retail Settlement Date:
  - a management fee of 1% of the Institutional Offer, Placement Proceeds and Retail Offer Proceeds; and
  - an underwriting fee of 4% of the Institutional Offer, Placement Proceeds and Retail Offer Proceeds (less the Black Crane Sub-Underwritten Amount).
- **Termination:** The Underwriter may immediately terminate the Underwriting Agreement, by notice in writing to the Company, at any time prior to:
  - 8.00am on the retail allotment date, if certain non-materiality qualified termination events occur (e.g. if the Company ceases to be admitted to the official list of the ASX or there is a change in certain officers other than as previously disclosed); and
  - 6:00am on the retail allotment date, if certain materiality qualified termination events occur (e.g. if the Company commits a breach of the Corporations Act, Listing Rules, Constitution, or other applicable laws).

Appendix C – International Offer Restrictions

International Offer Restrictions

- The Entitlement Offer is being extended to all Shareholders. This includes Shareholders with a registered address in Australia, New Zealand, Canada, Germany, Hong Kong, Isle of Man, Philippines, The United Republic of Tanzania, United Arab Emirates, United Kingdom and Zambia.

- Each country listed above permits an offer of Shares to all or a limited number of Shareholders with registered addresses in the country without the need for any locally compliant prospectus or registration pursuant to exemptions that appear applicable to the Entitlement Offer. An offer of Shares to all Shareholders will not exceed permitted limits in any of the countries listed above.

- No lodging is required with any regulatory authority in any country except Canada (where a notice must be filed with the relevant provincial securities regulator).

- The Prospectus will include appropriate foreign offer restriction legends.

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