

## Release to the Australian Securities Exchange

### XTEK 1 for 3.7 Pro-Rata Non-Renounceable Entitlement Offer Opens

**Monday, 11 October 2021:** XTEK Limited (ASX:XTE) ("XTEK") is pleased to advise that the XTEK 1 for 3.7 Pro-Rata Non-Renounceable Entitlement Offer ("Offer") as previously announced by the Company on 4 October 2021, will open today.

The Record Date for participation in the Offer is 7.00pm (Sydney time) Thursday, 7 October 2021. All Eligible Shareholders (as defined in the Offer Booklet accompanying this announcement) will have the opportunity to participate in the Offer and purchase new fully paid ordinary shares ("Shares") at an issue price of A\$0.26 per Share at an offer ratio of 1 new Share for every 3.7 existing Shares held.

The Offer, which is partially underwritten up to a maximum of \$3.0 million by MST Financial Services Pty Ltd as underwriter to the Offer and non-executive chairman Uwe Boettcher and major shareholder Altor Capital Pty Ltd as sub-underwriters, will be targeting to raise A\$5.0 million. All new Shares issued under the Offer will be issued on the same terms as, and will rank equally with, existing XTEK Shares.

Full details in respect to the Offer are detailed within the Offer Booklet, which is attached and forms part of this announcement. Copies of the Offer Booklet and individualised Application Forms are being dispatched to all Eligible Shareholders.

The proposed timetable for the Offer is as follows:

Key Dates	Date	Offer Activity
Record Date	7.00pm (Sydney time), Thursday 7 October 2021	Date for deciding Eligible Shareholders
Announcement Date	Monday, 4 October 2021	Offer is announced to the market
Opening Date	Monday, 11 October 2021	Offer opens; Offer Booklet dispatched
*Closing Date	Monday, 25 October 2021	Offer closes at 5pm (AEST) on this date
*Allotment Date	Monday, 1 November 2021	Shares are allotted and issued
*Dispatch Date	Tuesday, 2 November 2021	Holding statements dispatched
*Quotation Date	Tuesday, 2 November 2021	Date which new securities are traded

\*The dates marked with an asterisk (\*) are indicative only and are subject to change.

**Announcement authorised by the XTEK Limited Board of Directors.**

**Signed** for and on behalf of XTEK Limited:



**Lawrence A Gardiner**  
Company Secretary  
11 October 2021

**General enquiries:**

**Lawrence Gardiner**, Company Secretary  
**XTEK Limited**  
**M:** +61 418 488 931  
**E:** [Laurie@xtek.net](mailto:Laurie@xtek.net)

**Media enquiries:**

**Rod North**, Managing Director  
**Bourse Communications Pty Ltd**  
**T:** +613 9510 8309 **M:** +61 408 670 706  
**E:** [rod@boursecommunications.com.au](mailto:rod@boursecommunications.com.au)

**About XTEK Limited**

XTEK Limited provides high-quality products to deliver tailored solutions to the government, law enforcement, military, space and commercial sectors. XTEK is focused on developing and commercialising its proprietary technologies by leveraging its established distribution network. These technologies include XTclave™ produced ballistic products and advanced composite solutions, and XTatlas™ real time contextual video, which provide unique solutions for western military forces and other government agencies. In addition, the supply and maintenance of Small Unmanned Aerial Systems (SUAS) remains a focus for XTEK.

For more information visit the XTEK website at [www.xtek.net](http://www.xtek.net)



**XTEK LTD**  
ABN 90 103 629 107

# Entitlement Offer

**XTEK Limited**

**ACN 103 629 107**

---

Details of a 1 for 3.7 pro-rata non-renounceable entitlement offer of new ordinary shares in XTEK Limited at an offer price of A\$0.26 per New Share to raise approximately A\$5 million. Partially underwritten to A\$3 million.

---

The Entitlement Offer opens on 9.00am (Sydney time) 11 October 2021 and closes at 5.00pm (Sydney time) on 25 October 2021 (unless extended).

**This Offer Booklet is an important document and requires your immediate attention. It should be read in its entirety before you decide whether to participate in the Entitlement Offer. If you have any questions about any part of the Offer Booklet you should consult your professional adviser.**

This Offer Booklet is dated 11 October 2021.

This Offer Booklet may not be released to US wire services or distributed in the United States or any other country outside Australia or New Zealand.

# Offer Booklet

---

<b>Important information</b>	<b>4</b>
<b>Key dates</b>	<b>5</b>
<b>Letter from the Chairman</b>	<b>6</b>
<b>Summary of options available to you</b>	<b>8</b>
<b>Entitlement Offer overview</b>	<b>9</b>
<b>1. Details of the Entitlement Offer</b>	<b>9</b>
1.1 The Entitlement Offer	9
1.2 Purpose of the Entitlement Offer	10
1.3 Top-Up Facility	10
1.4 Underwriting and sub-underwriting	10
1.5 Shortfall	11
1.6 Issue of New Shares	11
1.7 ASX quotation	11
1.8 Application Monies	11
1.9 Market prices for Shares on ASX	11
1.10 Foreign Shareholders	11
1.11 Nominees and custodians	12
1.12 Taxation implications	12
1.13 Risks	12
1.14 Regular reporting and disclosure	12
1.15 Rights and liabilities attaching to New Shares	13
1.16 Disclaimer	13
1.17 Financial amounts	13
1.18 Privacy	13
1.19 Governing Law	13
<b>2. Required Actions</b>	<b>13</b>
2.1 Eligible Shareholders – Australia and New Zealand	13
2.2 Payment	14
2.3 Declining all or part of your Entitlement	15
2.4 Ineligible Shareholders	15
2.5 Warranties made on acceptance of Entitlement Offer	15
2.6 Refunds	17
2.7 Withdrawals	18
2.8 Confirmation of your Application and managing your holding	18
<b>ASX Announcement</b>	<b>19</b>
<b>Investor Presentation</b>	<b>20</b>
<b>Additional information</b>	<b>21</b>
<b>3. Capital structure</b>	<b>21</b>
3.1 Effect of the Capital Raising on capital structure	21
3.2 Financial effect of the Entitlement Offer	21
3.3 Impact on control	21
3.4 Major shareholder and Director participation	21
<b>4. Risk factors</b>	<b>22</b>
4.1 Introduction	22

4.2	General risks	22
4.3	Specific risks	23
4.4	New Zealand Shareholders	24
<b>5.</b>	<b>Eligible Shareholders</b>	<b>24</b>
<b>6.</b>	<b>Not investment advice or financial product advice</b>	<b>24</b>
<b>7.</b>	<b>Foreign jurisdictions</b>	<b>25</b>
<b>8.</b>	<b>Taxation</b>	<b>25</b>
8.1	General	25
8.2	Income tax	26
8.3	New Shares	26
8.4	Goods and Services Tax and Stamp Duty	27
<b>9.</b>	<b>Underwriting</b>	<b>27</b>
<b>10.</b>	<b>Information availability</b>	<b>30</b>
<b>11.</b>	<b>Forward-looking statements and future performance</b>	<b>30</b>
<b>12.</b>	<b>Past performance</b>	<b>31</b>
	<b>Glossary</b>	<b>32</b>
	<b>Corporate Directory</b>	<b>34</b>

---

# Important information

Defined terms used in these important notices have the meaning given in this Offer Booklet.

## **NOT FOR RELEASE TO US WIRE SERVICES OR DISTRIBUTION IN THE UNITED STATES**

This Offer Booklet has been issued by XTEK Limited ACN 103 629 107 (**XTEK**).

The information in this Offer Booklet is not a prospectus, product disclosure statement, disclosure document or other offering document under the Corporations Act (or any other law) and has not been lodged with ASIC.

### ***International offer restrictions***

This Offer Booklet may not be released or distributed in the United States. This Offer Booklet, the Investor Presentation and ASX announcements relating to the Offer released on ASX and the Entitlement and Acceptance Form do not constitute an offer, invitation or recommendation to subscribe for or purchase any security or financial product to a Shareholder in the US and neither this document nor anything attached to this document shall form the basis of any contract or commitment to a Shareholder in the US.

The distribution of this Offer Booklet (including an electronic copy) outside Australia and New Zealand, is restricted by law. This Offer Booklet is not to be distributed in, and no offer of New Shares may be made, in countries other than Australia and New Zealand. No action has been taken to register or qualify the Entitlement Offer or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia.

In particular, this Offer Booklet, the Investor Presentation and ASX announcements relating to the Offer released on ASX and the Entitlement and Acceptance Form do not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States, or any other jurisdiction in which, or to any person to whom, such an offer would be illegal.

The New Shares have not been, and will not be, registered under the US Securities Act and may not be offered or sold directly or indirectly in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

### ***Future performance***

This Offer Booklet may contain certain forward-looking statements. The words *anticipate, believe, expect, project, forecast, estimate, likely, intend, should, could, may, target, plan, consider, foresee, aim, will* and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of XTEK. These factors may include changes in customer demand for XTEK's products, damage to brands and associated consumer images under which XTEK's products are sold, fluctuations in the value of the Australian dollar, damage to XTEK's relationships with its customers, suppliers and service providers, a breach by XTEK of its contractual or debt covenants, increased competition, loss of key personnel, litigation and disputes, counterparty and credit risk, acquisitions and new business, change in operations, interest rate risk, market price fluctuations, general economic conditions, taxation, regulatory issues and changes in law and accounting policies. There can be no assurance that actual outcomes will not differ materially from these statements.

This Offer Booklet is not financial product or investment advice nor a recommendation to acquire New Shares and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek legal, taxation and financial advice appropriate to their jurisdiction and circumstances.

XTEK is not licensed to provide financial product advice in respect of New Shares. No cooling off regime applies to Applications under the Entitlement Offer.

An investment in New Shares is subject to investment and other known and unknown risks, some of which are beyond the control of XTEK, including possible loss of income and principal invested. XTEK does not guarantee any particular rate of return or the performance of XTEK, nor does it guarantee the repayment of capital from XTEK or any particular tax treatment. In considering an investment in New Shares, investors should have regard to (among other things) the risks and disclaimers outlined in this Offer Booklet.

# Key dates

This Offer Booklet is dated 11 October 2021.

The following are key indicative dates relating to the Entitlement Offer.

Activity	Date
Announcement of the Entitlement Offer and results of the Institutional Placement	4 October 2021
Entitlement Offer Record Date (7.00pm Sydney time)	7 October 2021
Settlement of Shares issued under the Institutional Placement	8 October 2021
<b>Entitlement Offer opens</b> (9.00am Sydney time)	11 October 2021
<b>Offer Booklet and Entitlement and Acceptance Forms dispatched to Eligible Shareholders</b>	11 October 2021
*Allotment and commencement of trading of Shares issued under the Institutional Placement	11 October 2021
<b>* Entitlement Offer closes (5.00pm Sydney time)</b>	25 October 2021
*Allotment of New Shares issued under the Entitlement Offer	1 November 2021
*Dispatch of holding statements in respect of New Shares issued under the Entitlement Offer	2 November 2021
*Commencement of normal trading of New Shares issued under the Entitlement Offer	2 November 2021

The dates marked with an asterisk (\*) are indicative only and are subject to change. All times refer to Sydney time.

# Letter from the Chairman



Dear fellow security holders,

## **Invitation to participate in pro-rata non-renounceable entitlement offer of New XTEK Shares @ A\$0.26 per New Share Entitlement Offer**

On behalf of the Directors of XTEK Limited (**XTEK**), I am pleased to invite you to participate in our recently announced 1 for 3.7 pro-rata non-renounceable entitlement offer of new XTEK shares (**New Shares**) at an issue price of A\$0.26 per New Share to raise approximately A\$5.0 million (**Entitlement Offer**).

On 4 October 2021, XTEK announced its intention to raise approximately A\$7.7 million through an institutional placement (raising approximately A\$2.7million) (**Institutional Placement**) and the Entitlement Offer (raising approximately A\$5.0 million) (the Institutional Placement and the Entitlement Offer collectively, **Capital Raising**).

As announced to ASX on 4 October 2021, XTEK has successfully completed the Institutional Placement which raised approximately A\$2.7 million. This offer booklet (**Offer Booklet**) relates to the Entitlement Offer.

Under the Entitlement Offer, XTEK is offering to Eligible Shareholders 1 New Share for every 3.7 Existing Shares already held. The issue price is A\$0.26 per New Share, which is the same price as the institutional investors who participated in the Institutional Placement, and as set out in the personalised Entitlement and Acceptance Form enclosed with this Offer Booklet.

If you take up your Entitlement in full, you may also apply for Additional New Shares under the Top-Up Facility (refer to Section 1.3 of this Offer Booklet for more information).

All shares offered under the Capital Raising will be issued at a price of A\$0.26 per New Share, which represents an approximate 31.7% discount to the 15 day VWAP up to and including Wednesday, 29 September 2021 which was the last day of trading prior to the trading halt for the Placement. Each New Share issued under the Capital Raising will rank equally with existing shares on issue and will be quoted on ASX.

The Entitlement Offer is partially underwritten by the Underwriter and Lead Manager, MST Financial Services Pty Limited and the sub-underwriters up to approximately A\$3.0 million. The Institutional Placement was fully underwritten.

XTEK's largest shareholder, Altor Capital, has agreed to sub-underwrite up to A\$1.6 million of the Entitlement Offer. Additionally, I also have agreed to sub-underwrite up to A\$260,000 of the Entitlement Offer, and waive any sub-underwriting fees for doing so.

Should there be any shortfall of New Shares under the Entitlement Offer and Top-Up Facility, the directors of the Company reserve the right to issue the shortfall of New Shares available for a period of up to three months following the Closing Date at a price no less than offered under the Capital Raising in accordance with the ASX Listing Rules.

The Entitlement Offer will raise approximately A\$5 million.

The proceeds from the Capital Raising of approximately A\$7.7 million will be used to:

- develop an Australian-made small VTOL UAV for upcoming sales opportunities with ADF;
- develop the next XTatlas software applications;
- expand the range of hard armour plates and helmets made using XTEK's patented XTclave process; and
- for general working capital.

Details of the Entitlement Offer and how to participate and take advantage of the Entitlement Offer can be found in this Offer Booklet.

**The closing date for the receipt of your Entitlement and Acceptance Form and Application Monies for the Entitlement Offer is 5.00pm (Sydney time) on 25 October 2021.**




If you decide to take this opportunity to increase your investment in XTEK please ensure that, before this time, your completed Entitlement and Acceptance Form and Application Monies are received by the Share Registry, Computershare Investor Services Pty Limited, or you have paid your Application Monies through BPAY® in accordance with the instructions set out in the enclosed Entitlement and Acceptance Form and 'Required Actions' Section of this Offer Booklet.

For further information, I urge you to read the Investor Presentation referred to in this Offer Booklet and released to ASX on 4 October 2021 and the summary of some of the key risks associated with an investment in XTEK at section 4 of this Offer Booklet. Shareholders who are in any doubt as to how they should respond to this Entitlement Offer should consult their stockbroker, accountant, solicitor or other independent professional adviser.

If you require further assistance in relation to the details of the Entitlement Offer, please do not hesitate to contact XTEK Offer Information Line on 1300 855 080 (within Australia) or +61 3 9415 4000 (from outside Australia) at any time between 8.30am to 5.00pm (Sydney time), Monday to Friday, during the Offer Period or visit the XTEK Entitlement Offer website at <https://xtekooffer.thereachagency.com>.

We look forward to your consideration of this Entitlement Offer and your continued support.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Uwe Boettcher', written in a cursive style.

Uwe Boettcher  
Chairman  
XTEK Limited

# Summary of options available to you

If you are an Eligible Shareholder, you may take one of the following actions:

- take up all of your Entitlement and, if you wish, also apply for Additional New Shares under the Top-Up Facility;
- take up part of your Entitlement and allow the balance to lapse; or
- do nothing, in which case your Entitlement will lapse and you will receive no value for that lapsed Entitlement.

The Entitlement Offer closes at 5.00pm (Sydney time) on 25 October 2021.

Ineligible Shareholders are not entitled to participate in the Entitlement Offer.

Options available to you	Key considerations
1. Take up all of your Entitlement	<ul style="list-style-type: none"><li>• You may elect to apply for New Shares at the Issue Price (see Section 2 for instructions on how to take up your Entitlement).</li><li>• The New Shares will rank equally in all respects with Existing Shares.</li><li>• If you take up all of your Entitlement, you may also apply for Additional New Shares under the Top-Up Facility (see Section 2 for instructions on how to apply for Additional New Shares). There is no guarantee that you will be allocated any Additional New Shares under the Top-Up Facility.</li></ul>
2. Take up part of your Entitlement	<ul style="list-style-type: none"><li>• If you do not take up your Entitlement in full, those Entitlements not taken up will lapse and you will not receive any payment or value for them.</li><li>• You will not be entitled to apply for Additional New Shares under the Top-Up Facility.</li><li>• If you do not take up your Entitlement in full, your proportionate equity interest in XTEK will be diluted as a result of the Entitlement Offer.</li></ul>
3. Do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements	<ul style="list-style-type: none"><li>• If you do not take up your Entitlement, you will not be allocated New Shares and your Entitlements will lapse. Your Entitlement to participate in the Entitlement Offer is non-renounceable, which means your Entitlements are non-transferrable and cannot be sold, traded on ASX or any other exchange, nor can they be privately transferred.</li><li>• If you do not take up your Entitlement your proportionate equity interest in XTEK will be diluted as a result of the Entitlement Offer.</li></ul>

# Entitlement Offer overview

## 1. Details of the Entitlement Offer

### 1.1 The Entitlement Offer

Following announcement on 4 October 2021 by XTEK of successful completion of the Institutional Placement raising approximately A\$2.7 million, XTEK is conducting a partially underwritten 1 for 3.7 pro-rata non-renounceable entitlement offer to institutional and retail Shareholders as at the Record Date in Australia or New Zealand at the Issue Price of A\$0.26 per New Share. The Entitlement Offer will be underwritten up to a maximum of A\$3 million.

#### *Entitlement Offer*

Each Eligible Shareholder is entitled to subscribe for 1 New Share for every 3.7 Existing Shares held on the Record Date. The Entitlement Offer is non-renounceable. This means that Shareholders who do not take up their Entitlements by 5.00pm (Sydney time) on the Closing Date of 25 October 2021, will not receive any payment or value for those Entitlements, and their proportionate equity interest in XTEK will be diluted.

The Entitlement Offer is being made under section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**) which allows rights issues to be made without a prospectus, provided certain conditions are satisfied. As a result, it is important for Eligible Shareholders to read and understand the information on XTEK and the Entitlement Offer made publicly available, prior to accepting all or part of their Entitlement or applying for Additional New Shares. In particular, please refer to this Offer Booklet and XTEK's other periodic and continuous disclosure announcements to the ASX available at [www.asx.com.au](http://www.asx.com.au).

The number of New Shares to which you are entitled is shown on the accompanying Entitlement and Acceptance Form. If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

Fractional entitlements to New Shares have been rounded up to the nearest whole number of New Shares.

New Shares issued under the Entitlement Offer will be fully paid and rank equally with Existing Shares, including in respect of entitlement to dividends. If you take no action you will not be allocated any New Shares and your Entitlement will lapse.

To qualify for the Entitlement Offer, you must:

- (a) be registered as a Shareholder at 7.00pm (Sydney time) on the Record Date;
- (b) have an address in Australia or New Zealand as recorded on XTEK's share register as at the Record Date; and
- (c) be eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus or other formal offer document to be lodged or registered,

#### **(Eligible Shareholder).**

Shareholders who are not Eligible Shareholders are '**Ineligible Shareholders**'. XTEK reserves the right to determine whether a Shareholder is an Eligible Shareholder or an Ineligible Shareholder.

By returning a completed personalised Entitlement and Acceptance Form or making a payment by BPAY®, you will be taken to have represented and warranted that you satisfy each of the criteria listed above to be an Eligible Shareholder. Nominees, trustees or custodians are therefore advised to obtain independent professional advice as to how to proceed.

By receiving this Offer Booklet, you will be taken to have acknowledged and agreed that determination of eligibility of investors for the purposes of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of XTEK, and each of XTEK and the Underwriter and each of their respective affiliates disclaim any duty or liability (including for negligence) in respect of that

determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law.

## 1.2 Purpose of the Entitlement Offer

The net proceeds of the Entitlement Offer will be used to:

- develop an Australian-made small VTOL UAV for upcoming sales opportunities with ADF;
- develop the next XTAtlas software applications;
- expand the range of hard armour plates and helmets made using XTEK's patented XTclave process; and
- for general working capital.

Further details regarding the use of funds are set out in the Investor Presentation which can be found here <https://www.asx.com.au/asxpdf/20211004/pdf/4517gf5cmsctz3.pdf>.

## 1.3 Top-Up Facility

Eligible Shareholders who take up their Entitlements in full may also apply for Additional New Shares in a 'top-up' facility (**Top-Up Facility**). Please note that New Shares in excess of Entitlements will only be allocated to Eligible Shareholders if and to the extent that XTEK determines in its absolute discretion based on the Allocation Policy outlined below.

Any New Shares in excess of Entitlements will be limited by the Allocation Policy and also to the extent that there are sufficient New Shares from Eligible Shareholders who do not take up their full Entitlements. Subject to the following, XTEK may apply a pro-rata scale-back (in its absolute discretion).

### **Allocation Policy**

The Allocation Policy is that each Eligible Shareholder that:

- (a) takes up their Entitlement in full; and
- (b) subscribes for Additional New Shares under the Top-Up Facility,

will be allocated a number of Additional New Shares that is the number of Additional New Shares subscribed for by that Eligible Shareholder. There will be no cap applied to applications to the Top-Up Facility, although allocations may be scaled-back pro rata if the Top-Up Facility is oversubscribed.

In addition, Eligible Shareholders should be aware that:

- (a) there is no guarantee that any application in the Top-Up Facility will be successful and XTEK reserves the right to issue any shortfall by way of the Top-Up Facility or by other means and reserves the right to satisfy applications in the Top-Up Facility at its sole and complete discretion, including by applying the pro rata scale-back mechanism;
- (b) the Top-Up Facility has the same closing date as the Entitlement Offer (being, 25 October 2021);
- (c) the issue price of Additional New Shares under the Top-Up Facility is the same as the Issue Price, A\$0.26 per Additional New Share; and
- (d) XTEK will not issue Additional New Shares under the Top-Up Facility where to do so would result in a breach of its constitution, the Corporations Act or the ASX Listing Rules.

### **Scale-back**

If there are oversubscription applications under the Top-Up Facility, XTEK reserves the right to scale back applications for Additional New Shares on a pro rata basis.

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

## 1.4 Underwriting and sub-underwriting

The Entitlement Offer is partially underwritten by the Underwriter, MST Financial Services Pty Ltd to a maximum of A\$3 million, subject to the terms and conditions of the Underwriting Agreement dated 4 October 2021. Please refer to Section 9 for further details.

It is important to note that the Underwriter will be acting for, and providing services to, XTEK in relation to the Entitlement Offer and will not be acting for or providing services to Shareholders. The Underwriter has been engaged solely as an independent contractor and is acting solely in a contractual relationship on an arm's length basis with XTEK. The engagement of the Underwriter by XTEK is not intended to create any agency or other relationship between the Underwriter and Shareholders.

The following major shareholder and director of XTEK have agreed to sub-underwrite the Entitlement Offer up to a maximum value of A\$1.86 million in the following proportions:

- (a) Altor Capital as to A\$1.6 million; and
- (b) Chairman and non-executive director Uwe Boettcher as to A\$260,000.

The director listed above will not receive any sub-underwriting fees or other fees in connection with their sub-underwriting.

Please refer to Section 3.4 for further details.

## **1.5 Shortfall**

In the event of any shortfall of New Shares under the Entitlement Offer and Top-Up Facility, the directors of the Company reserve the right to issue the shortfall of New Shares available for a period of up to three months following the Closing Date at a price no less than offered under the Capital Raising in accordance with the ASX Listing Rules.

## **1.6 Issue of New Shares**

New Shares under the Entitlement Offer are expected to be issued on or around 1 November 2021 (subject to variation at the discretion of XTEK). Fractional entitlements to New Shares will be rounded up to the nearest whole number of New Shares.

XTEK reserves the right (in its absolute discretion) to reduce the number of New Shares allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claims prove to be overstated or otherwise incorrect or if they fail to provide information to substantiate their claims.

## **1.7 ASX quotation**

XTEK will apply for official quotation of New Shares issued under this Offer Booklet. If permission for quotation is not granted by ASX, the New Shares will not be issued and Application Monies will be refunded (without interest) as soon as practicable.

## **1.8 Application Monies**

Until New Shares are issued, XTEK will hold the Application Monies in one or more bank accounts in Australia. The account(s) will be established and kept solely for the purpose of depositing Application Monies and retaining those funds for as long as required.

Any interest accrued on Application Monies will not be paid to the relevant Eligible Shareholder, including if the Entitlement Offer is cancelled or withdrawn.

## **1.9 Market prices for Shares on ASX**

The lowest and highest market prices of Shares on ASX during the three months immediately preceding the announcement of the Capital Raising on 4 October 2021 were A\$0.30 and A\$0.475 respectively. The Issue Price of A\$0.26 per New Share represents a 31.7% discount to the 15 day VWAP up to and including Wednesday, 29 September 2021 which was the last day of trading prior to the trading halt for the Placement.

## **1.10 Foreign Shareholders**

The New Shares being offered under this Offer Booklet are being offered to Shareholders with registered addresses in Australia or New Zealand.

The Entitlement Offer will not be offered to Ineligible Shareholders. XTEK has determined that it is not economically viable to make offers to Ineligible Shareholders due to the cost of meeting compliance requirements with securities laws in each applicable jurisdiction in which Ineligible Shareholders reside. XTEK reserves the right in its absolute discretion to offer the Entitlement

Offer to a Shareholder with an address in XTEK 's share register outside Australia or New Zealand if XTEK is satisfied that it is not precluded from lawfully issuing New Shares to that Shareholder either unconditionally or after compliance with conditions which the Board in its sole discretion regards as acceptable.

This Offer Booklet does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register the New Shares or otherwise permit an offering of New Shares in any jurisdiction outside of Australia or New Zealand.

The distribution of this Offer Booklet outside Australia or New Zealand may be restricted by law. In particular, this document or any copy of it must not be distributed or released in the United States. If you come into possession of this Offer Booklet, you must observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities laws.

Please refer to Section 7 of this Offer Booklet for further information in relation to the foreign jurisdictions in which this Entitlement Offer may be made.

### **1.11 Nominees and custodians**

Nominees with registered addresses in the eligible jurisdictions may also be able to participate in the Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold Shares, provided that the applicable beneficiary would satisfy the criteria for an Eligible Shareholder.

Nominees and custodians which hold Shares as nominees or custodians will have received, or will shortly receive, a letter from XTEK. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Entitlement Offer is not available to beneficiaries on whose behalf they hold Shares who would not satisfy the criteria for an Eligible Shareholder.

Due to legal restrictions, nominees and custodians may not send copies of this Offer Booklet or accept the Entitlement Offer on behalf of any person in the United States, or any other jurisdiction outside Australia or New Zealand. XTEK is not required to determine whether or not any registered shareholder is acting as a nominee or the identity or residence of any beneficial owners of Existing Shares.

### **1.12 Taxation implications**

You should be aware that there may be taxation implications associated with participating in the Entitlement Offer and receiving New Shares (and any Additional New Shares). The taxation consequences of participating in the Entitlement Offer and/or receiving New Shares (and any Additional New Shares) may vary depending on the individual circumstances of each Shareholder.

Please refer to Section 8 of this Offer Booklet for a general discussion of the Australian tax consequences of the Entitlement Offer for Eligible Shareholders resident in Australia and who hold their Shares as capital assets.

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

### **1.13 Risks**

There are a number of risks associated with an investment in XTEK which may affect its financial performance, financial position, cash flows, distributions, growth prospects and Share price. You should consider the key risk factors which are set out in section 4 of this Offer Booklet.

### **1.14 Regular reporting and disclosure**

XTEK is a 'disclosing entity' for the purposes of the Corporations Act and accordingly is subject to regular reporting and disclosure obligations under the Corporations Act and ASX Listing Rules. These obligations require XTEK to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the market. In particular, XTEK has an obligation (subject to a limited exception) to notify ASX once it is, or becomes, aware of information concerning XTEK which a reasonable person would expect to have a material effect on the price or value of XTEK's securities. All announcements made by XTEK to

ASX are available from ASX's website ([www.asx.com.au](http://www.asx.com.au)) and from XTEK's website ([Announcements | XTEK](#)).

Additionally, XTEK is required to prepare and lodge with ASIC yearly and half yearly financial statements accompanied by a directors' statement and report, and an audit or review report. These reports are released to ASX and published on XTEK and ASX websites. You should also have regard to any further announcements which may be made by XTEK to ASX after the date of this Offer Booklet.

### **1.15 Rights and liabilities attaching to New Shares**

New Shares and any Additional New Shares issued under this Offer Booklet will be fully paid ordinary shares in the capital of XTEK and will rank equally with all Existing Shares, including for any dividend paid after the date of issue of the New Shares.

The rights and liabilities attaching to Shares are set out in XTEK's constitution and are regulated by the Corporations Act, the general law, the ASX Listing Rules and the ASX Settlement Rules. The constitution may only be varied by a special resolution passed in a general meeting by 75% of the vote cast by Shareholders present (and entitled to vote) at the meeting.

### **1.16 Disclaimer**

No person is authorised to give any information or make any representation in connection with the Entitlement Offer described in this Offer Booklet, which is not contained in this Offer Booklet. Any information or representation not contained in this Offer Booklet may not be relied on as having been authorised by XTEK in connection with the Entitlement Offer. Except as required by law, and only to the extent so required, none of XTEK, or any other person, warrants or guarantees the future performance of XTEK or any return on any investment made pursuant to this Offer Booklet.

### **1.17 Financial amounts**

Money as expressed in this Offer Booklet is in Australian dollars unless otherwise indicated. Any discrepancies between totals in tables and sums of components in tables in this Offer Booklet and between those figures and figures referred to in other parts of this document may be due to rounding.

### **1.18 Privacy**

Chapter 2C of the Corporations Act requires information about you as a Shareholder (including your name, address and details of your Shares) to be included in the public register of members of XTEK. Information is collected to administer your Shares. Your personal information may be disclosed to XTEK. You can obtain access to your personal information by contacting the Share Registry at the address or telephone number listed in the corporate directory. The Share Registry's privacy policy is available on its website [www.computershare.com/au](http://www.computershare.com/au).

### **1.19 Governing Law**

This Offer Booklet, the Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the laws applicable in Victoria, Australia. Each Applicant for New Shares (including any Additional New Shares) submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.

## **2. Required Actions**

### **2.1 Eligible Shareholders – Australia and New Zealand**

If you are an Eligible Shareholder you may:

- (a) take up all of your Entitlement and, if you wish, also apply for Additional New Shares under the Top-Up Facility;
- (b) take up part of your Entitlement and allow the balance to lapse; or
- (c) decline to exercise your Entitlement, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements.

If you are an Eligible Shareholder and wish to take up all or part of your Entitlement, or you wish to also apply for Additional New Shares:

- (a) read this Offer Booklet in full;
- (b) consider the risks associated with the Entitlement Offer, as summarised in section 4 of this Offer Booklet, in light of your personal circumstances;
- (c) decide whether to participate in the Entitlement Offer; and
- (d) make payment and apply for New Shares by either:

#### **BPAY®**

Make payment through BPAY® in accordance with the instructions in this Offer Booklet on the Entitlement and Acceptance Form.

If you pay by BPAY® you do not need to return the Entitlement and Acceptance Form.

**We strongly urge you to apply by paying through BPAY if possible. This is the fastest and easiest way to apply and is recommended in light of delays to postal services caused by the COVID-19 pandemic, as you do not need to return the Entitlement and Acceptance Form enclosed with this Booklet if you choose this option.**

#### **Mail**

Complete the Entitlement and Acceptance Form accompanying this Offer Booklet in accordance with the instructions set out on the form. If you have not received an Entitlement and Acceptance Form please call the Share Registry on 1300 855 080 (within Australia) or +61 3 9415 4000 (outside Australia) between 8.30am and 5.00pm (Sydney time) or visit the XTEK Entitlement Offer website at <https://xtekooffer.thereachagency.com>.

Return the completed Entitlement and Acceptance Form together with payment in accordance with Section 2.2, using the enclosed envelope or to the following address so that it is received by no later than 5.00pm (Sydney time) on 25 October 2021 (or such other date as may be determined by XTEK):

*Australia & New Zealand* – By mail – postal delivery

Delivery address:       Computershare Investor Services Pty Limited  
                                  GPO Box 505  
                                  Melbourne, Victoria 3001 Australia

Completed Entitlement and Acceptance Forms and Application Monies will not be accepted at XTEK's registered office.

A reply paid envelope is enclosed for your convenience. If mailed in Australia, no postage stamp is required. If mailed from New Zealand, correct postage must be affixed. Eligible Shareholders in New Zealand should ensure that their Entitlement and Acceptance Form and Application Monies are mailed early to ensure they arrive at the postal address specified above by 5.00pm (Sydney time) on 25 October 2021 (or such other date as may be determined by XTEK).

## **2.2 Payment**

The Issue Price of A\$0.26 per New Share is payable on exercise of your Entitlement. For all Australian and New Zealand Eligible Shareholders payments must be received by 5.00pm (Sydney time) on 25 October 2021 (or such other date as may be determined by XTEK).

Shareholders should be aware of the time required to process payments by cheque, money order, bank draft and BPAY® in choosing the appropriate application and payment method.

Payment will only be accepted in Australian currency and must be:

- (a) through the BPAY® facility according to the instructions set out on the Entitlement and Acceptance Form; or
- (b) by cheque, money order or bank draft drawn on an Australian financial institution, made payable to 'XTEK Limited' and crossed 'Not Negotiable';

Cash will not be accepted. Receipts for payment will not be issued. If you provide insufficient funds to meet the Application Monies due to take up all or part of your Entitlement, you may be



taken by XTEK to have applied for such lower number of New Shares as your cleared Application Monies will pay, or your Application may be rejected.

If you pay for more than your full Entitlement, you are deemed to have applied for as many Additional New Shares as your excess amount will pay for in full (subject to the Allocation Policy and any scale-back determined by XTEK in its absolute discretion).

Any Application Monies received for more than your final allocation of New Shares and Additional New Shares will be refunded to you as soon as practicable (only where the amount is A\$5.00 or greater). You are not entitled to any interest that accrues on any Application Monies received or returned (wholly or partially).

*Eligible Shareholders may pay through BPAY®*

Australian Eligible Shareholders and New Zealand Eligible Shareholders with an Australian bank account may pay through BPAY®. Payment by BPAY® should be made in accordance with the instructions set out in the Entitlement and Acceptance Form using the reference number shown on that form and must be received by no later than 5.00pm (Sydney time) on 25 October 2021 (or such other date as may be determined by XTEK). Applicants should be aware that their own financial institution may implement earlier cut off times with regard to electronic payment. Applicants should therefore take this into consideration when making payment. It is the responsibility of the Applicant to ensure that funds submitted through BPAY® are received by this time.

If you are paying by BPAY®, please make sure to use the specific Biller Code and unique Customer Reference Number on the front of your Entitlement and Acceptance Form. If you receive more than one Entitlement and Acceptance Form, please only use the Customer Reference Number specific to the Entitlement on that form. You must use the reference number shown on each Entitlement and Acceptance Form to pay for each holding separately. If you inadvertently use the same Customer Reference Number for more than one of your Entitlements, you will be deemed to have applied only for New Shares (and Additional New Shares) on the Entitlement to which that Customer Reference Number applies. If you pay by BPAY® and do not pay for your full Entitlement, your remaining Entitlements will lapse.

**If you make your payment by BPAY® you do not need to lodge the Entitlement and Acceptance Form. We strongly urge you to apply by paying through BPAY if possible. This is the fastest and easiest way to apply and is recommended in light of delays to postal services caused by the COVID-19 pandemic, as you do not need to return the Entitlement and Acceptance Form enclosed with this Booklet if you choose this option.**

Your completed Entitlement and Acceptance Form or BPAY® acceptance, once received by the Share Registry, cannot be withdrawn.

### **2.3 Declining all or part of your Entitlement**

If you decide not to take up all or part of your Entitlement, the Entitlement which is unexercised will lapse and may be taken up by the Underwriter (or by persons they nominate, including sub-underwriters) or by Eligible Shareholders under the Top-Up Facility. Your Entitlement to participate in the Entitlement Offer is non-renounceable and cannot be traded on the ASX nor any other financial markets, nor can it be privately transferred.

If you decide not to participate in the Entitlement Offer, you do not need to fill out or return the accompanying Entitlement and Acceptance Form. By allowing your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement and you will not receive any value for your Entitlement. Your proportionate interest in XTEK will also be diluted to the extent that New Shares are issued under the Entitlement Offer.

### **2.4 Ineligible Shareholders**

If you are an Ineligible Shareholder, you may not take up any of, or do anything in relation to, your Entitlement under the Entitlement Offer.

### **2.5 Warranties made on acceptance of Entitlement Offer**

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY®, you will be deemed to have acknowledged, represented and warranted that

you, and each person on whose account you are acting, are an Eligible Shareholder or otherwise eligible to participate.

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

- (a) you are an Eligible Shareholder;
- (b) you are not in the United States and you are not acting for the account or benefit of any person in the United States in connection with the subscription for Entitlements or the purchase of New Shares (including any Additional New Shares) in the Entitlement Offer and you are not otherwise a person to whom it would be illegal to make an offer of or issue of Entitlements and New Shares (including any Additional New Shares) under the Entitlement Offer and under any applicable laws and regulations;
- (c) you understand that the Entitlements and the New Shares (including any Additional New Shares) have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States, or in any other jurisdiction outside Australia or New Zealand. Accordingly, you understand and acknowledge that, under the Entitlement Offer, the Entitlements and the New Shares (including any Additional New Shares) may not be issued to, taken up, acquired or exercised by persons who are, or are acting for the account or benefit of, a person in the United States (to the extent that such person holds Shares and is acting for the account or benefit of a person in the United States);
- (d) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or New Zealand and is not in the United States and is not acting for the account or benefit of a person in the United States (to the extent that such person holds Shares and is acting for the account or benefit of a person in the United States), and you have not sent this Offer Booklet, the Entitlement and Acceptance Form or any information relating to the Entitlement Offer to any such person;
- (e) you are acquiring New Shares (including any Additional New Shares) outside the United States in 'offshore transactions' as defined and in reliance on Regulation S under the US Securities Act;
- (f) you and each person on whose account you are acting have not and will not send any materials, or copies thereof, relating to the Entitlement Offer to any person in the United States or any other country outside Australia and New Zealand;
- (g) you acknowledge that you have read and understand this Offer Booklet and your Entitlement and Acceptance Form in their entirety;
- (h) you agree to be bound by the terms of the Entitlement Offer, the provisions of this Offer Booklet, and XTEK's constitution;
- (i) you authorise XTEK to register you as the holder(s) of New Shares (including any Additional New Shares) allotted to you;
- (j) you declare that all details and statements in your Entitlement and Acceptance Form are complete and accurate;
- (k) if you are a natural person, you declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under your Entitlement and Acceptance Form;
- (l) you acknowledge that after XTEK receives your Entitlement and Acceptance Form or any payment of Application Monies through BPAY®, you may not withdraw your Application or funds provided except as allowed by law;
- (m) you agree to apply for and be issued up to the number of New Shares specified in the Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies through BPAY®, at the Issue Price;
- (n) you authorise XTEK, the Underwriter, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares (including any Additional

New Shares) to be issued to you, including to act on instructions of the Share Registry on using the contact details set out in your Entitlement and Acceptance Form;

- (o) you declare that you were the registered holder(s) at the Record Date of the Shares indicated on your Entitlement and Acceptance Form as being held by you on the Record Date;
- (p) you acknowledge that the information contained in this Offer Booklet and your Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- (q) you acknowledge that this Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in XTEK and is given in the context of XTEK's past and ongoing continuous disclosure announcements to ASX;
- (r) you acknowledge the statement of risks in the 'Risk Factors' section included in this Offer Booklet, and that investments in XTEK are subject to risk;
- (s) you acknowledge that none of XTEK, the Underwriter, nor their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of XTEK, nor do they guarantee the repayment of capital;
- (t) you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of Shares on the Record Date;
- (u) you authorise XTEK to correct any errors in your Entitlement and Acceptance Form or other form provided by you;
- (v) you represent and warrant (for the benefit of XTEK, the Underwriter and their respective related bodies corporate and affiliates) that you are an Eligible Shareholder and are otherwise eligible to participate in the Entitlement Offer;
- (w) you acknowledge and agree that determination of eligibility of investors for the purposes of the Entitlement Offer was made by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of XTEK and/or the Underwriter, and each of XTEK and the Underwriter and their respective related bodies corporate and affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise of that discretion to the maximum extent permitted by law;
- (x) you represent and warrant that the law of any place does not prohibit you from being given this Offer Booklet and your Entitlement and Acceptance Form, nor does it prohibit you from making an Application for New Shares (including any Additional New Shares) and that you are otherwise eligible to participate in the Entitlement Offer; and
- (y) if in the future you decide to sell or otherwise transfer the New Shares, you will only do so in the regular way transactions on the ASX are conducted or otherwise where neither you nor any person acting on your behalf know, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States or is acting for the account or benefit of a person in the United States.

If you take up and pay for all or part of your Entitlement before the Closing Date, you will be issued your New Shares on 1 November 2021. If you apply for Additional New Shares under the Top-Up Facility then, to the extent your application for Additional New Shares is accepted (in whole or part), you will be issued the Additional New Shares on the same day. XTEK's decision on the number (if any) of Additional New Shares to be allocated to you will be final and binding.

## **2.6 Refunds**

Any Application Monies received for more than your final allocation of New Shares and any Additional New Shares will be refunded as soon as practicable after the Closing Date (except where the amount is less than A\$5.00). No interest will be paid to Applicants on any Application Monies received or refunded.

## **2.7 Withdrawals**

You cannot, in most circumstances, withdraw your Application once it has been accepted. Cooling-off rights do not apply to an investment in New Shares or any Additional New Shares.

## **2.8 Confirmation of your Application and managing your holding**

You may access information on your holding, including your Record Date balance and the issue of New Shares from this Entitlement Offer, and manage the standing instructions the Share Registry records on your holding on the Share Registry website, [www.computershare.com/investor](http://www.computershare.com/investor). To access the Investor Centre section of this website you will need your SRN or HIN and you will need to pass the security challenge on the site.

# ASX Announcement

Please refer to the ASX announcement at [www.asx.com.au](http://www.asx.com.au) for further information.

The relevant announcement details are shown per below under 'Historical announcements' for XTE:

4/10/2021 8:48am 'XTEK launches Capital Raising' or click [here](#) to view.

# Investor Presentation

Please refer to the ASX announcement at [www.asx.com.au](http://www.asx.com.au) for further information.

The relevant Investor Presentation details are shown per below under 'Historical announcements' for XTE:

4/10/2021 'XTEK Investor Briefing Presentation' or click [here](#) to view.

# Additional information

This Offer Booklet (including the ASX announcements and Investor Presentation in relation to the Entitlement Offer referred in it) and accompanying personalised Entitlement and Acceptance Form have been prepared by XTEK.

This Offer Booklet should be read in conjunction with XTEK's other periodic and continuous disclosure announcements to the ASX available at [www.asx.com.au](http://www.asx.com.au).

No party other than XTEK has authorised or caused the issue of the information in this Offer Booklet, nor takes any responsibility for, or makes, any statements, representations or undertakings in this Offer Booklet.

## 3. Capital structure

### 3.1 Effect of the Capital Raising on capital structure

The approximate capital structure of XTEK will be as follows:

Shares	Number
Shares on issue as at 11 October	71,036,559
Shares issued under the Institutional Placement	10,384,615
New Shares offered under the Entitlement Offer as per this Offer Booklet	19,199,070
Total New Shares to be issued under the Capital Raising	29,583,685
Total number of Shares on issue on close of the Capital Raising	100,620,244

Note: The exact number of Shares issued under the Entitlement Offer depends on fractional Entitlements on the Record Date.

### 3.2 Financial effect of the Entitlement Offer

Please see the Investor Presentation here:

<https://www.asx.com.au/asxpdf/20211004/pdf/4517gf5cmsctz3.pdf> for the financial effect of the Entitlement Offer on XTEK.

### 3.3 Impact on control

The Directors do not believe that the Entitlement Offer will have a material effect on the control of XTEK as no individual shareholder currently owns more than 20% of the Shares and XTEK does not expect any shareholder to hold more than 20% after completion of the Entitlement Offer.

### 3.4 Major shareholder and Director participation

Altor Capital, having subscribed in the Placement for A\$1 million in New Shares and holding (post Placement) approximately 12.17% of the issued share capital of XTEK, has agreed to sub-underwrite up to A\$1.6 million of the Entitlement Offer.

In compliance with the ASX Listing Rules, any Directors who are eligible to participate in the Entitlement Offer will not be able to apply for any Additional New Shares under the Top-Up Facility.

The following major shareholder and a director of XTEK, being Altor Capital and Chairman and non-executive director Uwe Boettcher respectively, have agreed to sub-underwrite up to A\$1.86 million of the Entitlement Offer and Uwe Boettcher will not receive any sub-underwriting fees or other fees in connection with his sub-underwriting. The terms of their sub-underwriting agreement are otherwise the same as other sub-underwriters and their commitment to sub-underwrite will terminate if the Underwriting Agreement is terminated. Please refer to Section 9 for a summary of the termination events under the Underwriting Agreement.

## 4. Risk factors

### 4.1 Introduction

XTEK's operations are subject to a number of risks which may impact its future performance and forecasts. Before subscribing for New Shares, Shareholders should carefully consider and evaluate XTEK and its business and whether the New Shares are suitable to acquire having regard to their own investment objectives and financial circumstances and taking into consideration the material risk factors.

In particular, Shareholders should consider the risk factors outlined in this 'Risk factors' section of the Offer Booklet, any of which could affect the operating and financial performance of XTEK or the value of an investment in XTEK. The risk factors set out in this section are not exhaustive.

You should consult your stockbroker, accountant, solicitor, tax adviser or other independent professional adviser to evaluate whether or not to participate in the Entitlement Offer. XTEK has applied to ASX for the grant of official quotation of the New Shares. It is expected that normal trading on ASX will commence in relation to New Shares issued under the Entitlement Offer on 2 November 2021. XTEK will have no responsibility and disclaims all liability (to the maximum extent permitted by law, including for negligence) to persons who trade New Shares before the New Shares are quoted on the official list of ASX or before they receive their written confirmation of issue, whether on the basis of confirmation of the allocation provided by XTEK, the Share Registry or the Underwriter. ASX accepts no responsibility for any statement in this Offer Booklet.

### 4.2 General risks

#### (a) Market Perceptions

Shares are a speculative investment and are vulnerable to macroeconomic changes including sudden changes in the market's perception of a company's value. Positive financial returns are not guaranteed, and the Share price may be affected by various factors, many of which may be outside of XTEK's control. These can include investor sentiment and general market conditions. In particular, the Share price of XTEK can be affected by factors including, among other things, development of new defence products or technologies by XTEK or its competitors, domestic and foreign government policy, litigation and dispute matters including in relation to intellectual property, and the retention and reimbursement of key personnel.

In addition, XTEK does not have a large market capitalisation compared to larger companies listed on ASX and may have a low trading volume compared to these other companies. This may result in increased volatility of the price of the Shares, compared to the market as a whole or indices such as the S&P ASX 200 index.

Changes in the Share price may impact on the value of XTEK's Shares generally.

#### (b) Changes in Political Environment and International Conflicts

XTEK's Share price and ability to generate returns to investors can be affected by changes in legislation, domestic or foreign governments and government policy. In particular, government policies can have a sudden and material impact on XTEK if it results in new defence or security projects being announced, or alternatively if such projects are cancelled or postponed.

Additionally, XTEK's future sales and returns may be influenced by any future domestic or international conflicts or peacekeeping missions, particularly where such conflicts may involve the deployment of troops or other defence resources of XTEK's customers. XTEK's financial performance may depend on whether XTEK is awarded significant contracts in relation to any such events.

#### (c) Economic changes

XTEK may be impacted by various economic factors including exchange rate fluctuations, inflation, central bank policies and interest rates. These and other economic factors may also impact XTEK's ability to attract new business or supply customers. In particular, any exchange rate fluctuations could affect XTEK's product sales, particularly those subject to 'standing offer' arrangements.



### 4.3 Specific risks

#### (a) Competitors

XTEK's competitive position may deteriorate as a result of factors including actions by existing competitors, the entry of new competitors or a failure by XTEK to continue to position itself successfully as the defence industry environment changes. XTEK has various domestic and foreign competitors in the defence industry. Many of these competitors may have greater financial or other business capabilities (including brand goodwill) than XTEK, which may advantage them in obtaining sales from potential customers.

#### (b) Operating Performance

XTEK designs, makes, sells and supports specialist equipment and machinery to help protect and sustain Defence, police, security and other agencies. This is done through two key divisions: a Technology Division and a Ballistics Division. The sales cycle for these three divisions can differ. In particular, certain of our divisions have a longer technological development to market time period than other divisions. If these divisions cannot bring products to market, have significant cost overruns, or customer perceptions of XTEK's technological developments do not meet expectations, XTEK's financial performance may be adversely impacted. In relation to XTEK's divisions that have a shorter sales cycle, XTEK relies on its customers seeing value in its products and services. If customers do not see continued value in XTEK's products and services, this may negatively impact the financial position of XTEK.

#### (c) Superseded and Obsolete Technology

There is a risk that, as marketable technologies continue to develop in the defence industry, there may be certain technological developments that supersede, and render obsolete, the existing product and service offering of XTEK, which would negatively affect XTEK's profitability. XTEK's proprietary XTclave™ technology is currently being tested by the US Defense Department. Whether or not the US Defense Department decides to proceed with further testing of, or submit orders for, XTEK's products using this proprietary technology may have a material impact on XTEK's financial performance.

#### (d) Key Personnel

The Board and key personnel of XTEK are integral to its ongoing performance. XTEK has in place policies and agreements to seek to retain Board members and its key personnel, so that XTEK may continue to supply its defence services and develop technologies to better serve its customers. However, XTEK cannot guarantee that its Board members and key personnel will remain employed by XTEK. XTEK seeks to retain the services of certain key personnel through the provision of short and long term incentive programs, however notes that these personnel may still choose to leave XTEK. The loss of these key personnel, and an inability to recruit or retain suitable replacement or additional personnel, may adversely affect XTEK's future financial performance.

#### (e) Intellectual Property Rights

XTEK develops defence technologies and seeks to protect its investment in developing such technologies through the use of intellectual property rights. Therefore, XTEK is reliant on these intellectual property rights, and needs to support and enforce them as necessary. XTEK's performance may be negatively impacted if:

- (i) any of its intellectual property rights applications are not granted by relevant authorities; or
- (ii) it has to incur significant expenditure either enforcing its intellectual property rights (including where it may have to initiate proceedings in a foreign jurisdiction), or defending intellectual property actions brought by other companies or competitors.

#### (f) Reputational Damage

Issues may arise from time to time that would give rise to reputational risk and cause harm to XTEK and its business dealings and prospects. These issues include appropriately dealing with legal and regulatory requirements, issues of ethics, dealing with anti-corruption and bribery legislation, trade sanctions legislation, environmental issues,

privacy, information and technology security, sales and trading practices. Failure to address these issues appropriately could give rise to additional legal, financial and operational risks, subject XTEK to regulatory actions, fines and penalties or harm the reputation of XTEK, its customers and investors in the marketplace.

(g) **Ongoing Funding risks**

XTEK requires ongoing funding to continue operating, develop its Defence technologies and expand its business.

XTEK may need to pursue funding opportunities in the future and if these funding opportunities are identified and used, they may have a dilutionary impact on a Shareholder's holding in XTEK, or a negative impact on XTEK's Share price.

There is a risk that XTEK may not be able to access sufficient funding through the debt or equity markets, which may result in XTEK needing to urgently source alternative funding in order to continue to have sufficient funding to meet its ongoing business requirements.

#### **4.4 New Zealand Shareholders**

New Zealand Shareholders should also consider the taxation and currency risks associated with investing in New Shares.

### **5. Eligible Shareholders**

The information in this Offer Booklet contains an offer of New Shares to Eligible Shareholders in Australia or New Zealand and has been prepared in accordance with section 708AA of the Corporations Act. Please refer to Section 1.1 for Eligible Shareholder criteria.

The Entitlement Offer is not being extended to any Shareholders outside Australia or New Zealand. By returning a completed Entitlement and Acceptance Form or making a payment through BPAY®, you will be taken to have represented and warranted that you satisfy each of the Eligible Shareholder criteria, including making the warranties and representations in Section 2.5.

### **6. Not investment advice or financial product advice**

The Entitlement Offer to which the information in this Offer Booklet relates complies with the requirements of section 708AA of the Corporations Act. The information in this Offer Booklet is not a prospectus, product disclosure statement, disclosure document or other offering document under the Corporations Act (or any other law) and has not been lodged with ASIC. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. XTEK is not licensed to provide financial product advice in respect of the New Shares or any other financial products.

The information in this Offer Booklet does not purport to contain all the information that you may require to evaluate a possible Application for New Shares, nor does it contain all the information which would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with XTEK's other periodic statements and continuous disclosure announcements lodged with ASX, which are available at [www.asx.com.au](http://www.asx.com.au). The information in this Offer Booklet does not take into account your investment objectives, financial situation or needs or those of any particular investor. Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial objectives and having regard to the merits or risks involved. You should conduct your own independent review, investigation and analysis of the Shares, the subject of the Entitlement Offer.

If, after reading this Offer Booklet, you have any questions about the Entitlement Offer, you should contact your stockbroker, accountant, solicitor, tax adviser or other independent professional adviser. You should obtain any professional advice you require to evaluate the merits and risks of an investment in XTEK before making any investment decision based on your investment objectives.

## 7. Foreign jurisdictions

The information in this Offer Booklet, the Investor Presentation and the ASX announcements relating to the Offer released to ASX and the Entitlement and Acceptance Form do not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer, and no action has been taken to register the New Shares or otherwise permit a public offering of the New Shares in any jurisdiction outside of Australia or New Zealand. Return of the personalised Entitlement and Acceptance Form or your BPAY® payment will be taken by XTEK to constitute a representation by you that there has been no breach of any such laws.

The distribution of this Offer Booklet outside Australia or New Zealand may be restricted by law. In particular, this Offer Booklet or any copy of it must not be taken into or distributed or released to any person in the United States or any other jurisdiction outside Australia or New Zealand. If you come into possession of this Offer Booklet, you must observe such restrictions and should seek your own advice on such restrictions.

Due to legal restrictions, nominees and custodians may not send copies of this Offer Booklet or any material relating to the Entitlement Offer or accept the Entitlement Offer in relation to any person in the United States or any other jurisdiction outside Australia or New Zealand.

### *United States*

This Offer Booklet, the Investor Presentation and ASX announcements relating to the Offer released to ASX and the Entitlement and Acceptance Form do not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States.

The New Shares have not been, and will not be, registered under the US Securities Act and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws. The New Shares in the Entitlement Offer are being offered and sold outside the United States in 'offshore transactions' as defined and in reliance on Regulation S under the US Securities Act.

### *New Zealand*

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

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. 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.

## 8. Taxation

### 8.1 General

Taxation is only one of the matters that must be considered when making a decision in relation to participating in the Entitlement Offer.

Set out below is a summary of the Australian tax implications of the Entitlement Offer for Eligible Shareholders who are residents of Australia for tax purposes and who hold their Shares on capital account.

This Section does not consider the Australian tax consequences for particular types of Eligible Shareholders, including those who:

- (a) hold their Shares as assets used in carrying on a business or who may carry on the business of share trading, banking or investment; or
- (b) hold their Shares through an employee share scheme or whose Shares are held as revenue assets or trading stock; or
- (c) may be subject to special tax rules, such as insurance companies, partnerships, tax exempt organisations, trusts (except where expressly stated), superannuation funds

(except where expressly stated) or temporary residents or subject to the taxation of financial arrangements (**TOFA**) rules or the investment management regime (**IMR**); or

(d) are not tax residents of Australia.

The summary below is based on the law in effect as at the date of this Offer Booklet, is general in nature and should not be relied on by Eligible Shareholders as tax advice. Eligible Shareholders should seek specific and independent advice applicable to their own particular circumstances from their own financial and tax advisers.

## **8.2 Income tax**

### *Issue of Entitlements*

Subject to the qualifications noted above and assuming that the Eligible Shareholder continues to hold their Shares until the issue of the Entitlements, the issue of the Entitlements will not, of itself, result in any amount being included in the assessable income of an Eligible Shareholder. This is on the basis that the Entitlements satisfy the requirements in section 59-40 of the *Income Tax Assessment Act 1997* (Cth) and will therefore be treated on issue as non-assessable and non-exempt income.

### *Exercise of Entitlements*

Eligible Shareholders who exercise their Entitlements and subscribe for New Shares will acquire those Shares with a cost base for CGT purposes equal to the Issue Price payable by them for those Shares plus any non-deductible incidental costs they incur in acquiring them. Eligible Shareholders will not make any capital gain or loss, or derive assessable income, from exercising the Entitlements or subscribing for the New Shares.

### *Lapse of Entitlements*

On the basis that no proceeds will be received by Eligible Shareholders who allow their Entitlements to lapse in whole or in part, no income tax consequences should arise for those Eligible Shareholders in relation to the lapsing of their Entitlements.

## **8.3 New Shares**

### *Taxation of income for Eligible Shareholders*

Eligible Shareholders who exercise their Entitlements will acquire New Shares. Any future dividends or other distributions made in respect of those New Shares will be subject to the same taxation treatment as dividends or other distributions made on Shares held in the same circumstances.

For Eligible Shareholders to be eligible for a tax offset in relation to any franking credits attached to a dividend paid by XTEK on the New Shares, they will need to hold the New Shares *at risk* for at least 45 days, not counting the day of acquisition or disposal (referred to as the *holding period rule*). The holding period rule generally only needs to be satisfied once for the New Shares and will apply in respect of the New Shares beginning on the day after the day on which the Eligible Shareholder acquires the New Shares.

The holding period rule does not apply if the Eligible Shareholder is an individual where the total entitlement to franking credits for the year of income of the individual in which the dividend is received is below A\$5,000.

### *Taxation of disposals for Eligible Shareholders*

The disposal of New Shares will give rise to a CGT event for Eligible Shareholders. Eligible Shareholders may make a capital gain or capital loss, depending on whether the capital proceeds of that disposal are more than the Eligible Shareholder's cost base or less than the Eligible Shareholder's reduced cost base of the New Shares. The cost base of those Shares is described above, but, for these purposes, the cost base should also include a reasonable apportionment of the non-deductible incidental costs on disposal and any interest paid in respect of borrowings used to acquire those Shares that was not otherwise deductible to the Eligible Shareholder.

If an Eligible Shareholder makes a capital loss, the Eligible Shareholder can only use that capital loss to offset other capital gains (i.e. the capital loss cannot be used to offset other assessable income). However, if the capital loss cannot be used in a particular income year, it may be carried forward for use in future income years, providing certain tax loss recoupment tests are satisfied.

The capital loss cannot be carried back to offset a prior year net capital gain. Trusts are not subject to tax loss recoupment rules in relation to net capital losses.

If an Eligible Shareholder makes a capital gain, the Eligible Shareholder may benefit from the CGT discount available to individuals, trusts and complying superannuation funds in respect of a disposal of the New Shares. In order to benefit from the CGT discount, the New Shares must have been held for at least 12 months before the earlier of the entry into a contract for the sale of the New Shares or disposal of the New Shares. New Shares will be treated for the purposes of the CGT rules as having been acquired when the Eligible Shareholder exercised the Entitlement to subscribe for them. Any current year or carry forward capital losses of the Eligible Shareholder can only be applied to offset the capital gain prior to the application of any applicable CGT discount.

#### *Taxation of a return of capital by XTEK without cancellation of the New Shares*

Where a return of capital is made by XTEK, the cost base and reduced cost base of the Eligible Shareholder's New Shares for CGT purposes will be reduced by the amount of the return of capital, with any excess over the cost base triggering a capital gain. The amount returned may also include a dividend component, or be deemed under taxation law to include a dividend component, which should be subject to tax as set out above under the 'Taxation of income for Eligible Shareholders' subheading.

#### *Tax file numbers and withholding*

An Eligible Shareholder is not required to quote their tax file number (**TFN**) or their Australian Business Number (**ABN**) to XTEK. However, if TFN, ABN or exemption details are not provided, Australian tax may be required to be deducted by XTEK at the maximum marginal tax rate plus the Medicare levy from certain dividends paid.

No withholding requirement applies in respect of fully franked dividends paid by XTEK on the New Shares.

## **8.4 Goods and Services Tax and Stamp Duty**

Australian GST or stamp duty should not be payable in respect of the issue or exercise of the Entitlements or the acquisition of New Shares pursuant to the Entitlement Offer. In the context of Australian stamp duty, this should be the case on the basis that no one shareholder, whether alone or together with associated persons (or together with other persons in respect of any acquisitions forming part of the one arrangement), acquires or commences to hold a 90% or greater interest in XTEK. Eligible Shareholders may be charged GST on third party acquisitions (such as brokerage or advisor fees) in respect of the issue or exercise of the Entitlements or the acquisition of New Shares, depending on their individual circumstances. To the extent GST is charged on third party acquisitions, Eligible Shareholders may not be entitled to claim input tax credits in respect of the GST included in the costs incurred in connection with the issue or exercise of the Entitlements or the acquisition of New Shares. Separate independent GST advice should be sought by Eligible Shareholders in this respect, relevant to their particular circumstances.

## **9. Underwriting**

XTEK has entered into an underwriting agreement with the Underwriter (**Underwriting Agreement**). Under the Underwriting Agreement, the Underwriter was appointed by XTEK on an exclusive basis, to act as lead manager for the Capital Raising and as underwriter for the Entitlement Offer. The obligations of the Underwriter are subject to the satisfaction of certain conditions precedent, including (but not limited to):

- (a) preparation of offer documents;
- (b) due diligence investigations being undertaken to the satisfaction of the Underwriter;
- (c) ASX not indicating that it will not admit the New Shares to quotation; and
- (d) receipt by the Underwriter of certain customary opinions and reports from XTEK and its advisers.

XTEK has (subject to certain limitations) agreed to indemnify the Underwriter and its related bodies corporate and each of any of their respective directors, officers, employees and

representatives against losses in connection with the Entitlement Offer, the performance of the Underwriter's obligations under the Underwriting Agreement or the Underwriting Agreement.

XTEK and the Underwriter have given certain representations, warranties and undertakings in connection with (among other things) the conduct of the Entitlement Offer.

The Underwriter may terminate the Underwriting Agreement and be released from its obligations if any of a range of events occur including events both not subject to materiality and subject to materiality. A summary of these key termination events is set out below.

The Underwriter will be remunerated by XTEK for providing these underwriting services at market rates and be reimbursed for certain expenses. The Underwriter has not authorised or caused the issue of, and takes no responsibility for, this Offer Booklet, and to the maximum extent permitted by law, disclaims all liability in connection with the Entitlement Offer and this Offer Booklet.

The Underwriter may (in certain circumstances, including having regard to the materiality of the relevant event) terminate the Underwriting Agreement and be released from its obligations under it on the occurrence of certain events, including (but not limited to) where:

- (a) the Underwriter (acting reasonably) forms the view that a statement contained in the offer materials or any information made public by the Company is or becomes false, misleading or deceptive or likely to mislead or deceive (including by omission), or a matter required by the Corporations Act is omitted from the offer materials or the issue of the offer materials becomes misleading or deceptive or likely to mislead or deceive;
- (b) a cleansing notice issued is defective, or a corrective statement is required to be issued under the Corporations Act (other than as a result of a new circumstance arising);
- (c) XTEK ceases to be admitted to the official list of ASX or the Shares are suspended from trading on, or cease to be quoted on ASX;
- (d) any of the following notifications are made:
  - (i) an application is made by ASIC for an order under Part 9.5 in relation to the Entitlement Offer or ASIC commences, or gives notice of an intention to hold, any investigation or hearing under Part 3 of the ASIC Act or other applicable laws; or
  - (ii) ASIC applies for an order under sections 1324B or 1325 of the Corporations Act in relation to an offer materials or prosecutes or commences proceedings against or gives notice of an intention to prosecute or commence proceedings against XTEK;
- (e) an obligation arises on the Company to give ASX a notice in accordance with section 708AA(12) of the Corporations Act or a new circumstance arises or becomes known which, if known at the time of issue of the Investor Presentation and Entitlement Offer cleansing notice would have been required to be included in the Investor Presentation or the Entitlement Offer cleansing notice;
- (f) an event specified in the timetable set out in the Underwriting Agreement (other than the date of despatch of the Offer Booklet) is delayed for more than two business days without the prior written consent of XTEK;
- (g) XTEK or a member of its Group is or becomes Insolvent or there is an act or omission which is likely to result in the XTEK or a member of its Group becoming Insolvent;
- (h) the S&P/ASX 300 Index closes at a level that is 90% or less of the level of that index as at the close of trading on the business day immediately preceding the date of this agreement (**Reference Level**) and remains below the Reference Level:
  - (i) at the close of trading on ASX for 2 consecutive business days; or
  - (ii) at the close of trading on ASX on the business day immediately prior to the settlement date being 1 November 2021 2021;
- (i) the occurrence of any of the following in relation to XTEK:
  - (i) varies any term of the Constitution;
  - (ii) alters the issued capital or capital structure other than in connection with the Entitlement Offer, or as contemplated by the Entitlement Offer Documents; or

- (iii) disposes, attempts or agrees to dispose of a substantial part of the business or property of XTEK (including any material Subsidiary),  
without the prior written consent of the Underwriter;
- (j) a change in CEO or CFO or in the board of directors of XTEK occurs;
- (k) a Group Member breaches, or defaults under (including potential event of default or review event which gives a lender or financier the right to accelerate or require repayment of the debt or financing), any provision, undertaking covenant or ratio of a material debt or financing arrangement or any related documentation to which that entity is a party which has or is likely to have a material adverse effect on the Group;
- (l) any of the following occurs:
  - (i) XTEK ceases to be admitted to the official list of ASX or the Shares cease trading or are suspended from quotation on ASX other than in connection with the Entitlement Offer;
  - (ii) ASX makes any official statement to any person, or indicates to XTEK or the Underwriter that official quotation on ASX of the Shares will not be granted; or
  - (iii) approval is refused or approval is not granted which is unconditional (or conditional only on customary listing conditions which would not, in the opinion of the Underwriter, have a material adverse effect on the success of the Entitlement Offer), to the official quotation of the Shares on ASX on or before the dates referred to in the Timetable, or if granted, the approval is subsequently withdrawn, qualified or withheld;
- (m) either of the following occurs:
  - (i) a general moratorium on commercial banking activities in Australia, the United States of America, Canada, the United Kingdom, Japan, Hong Kong, Singapore or the People's Republic of China is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries; or
  - (ii) trading in all securities quoted or listed on ASX, the London Stock Exchange, the Hong Kong Stock Exchange, the Tokyo Stock Exchange, the Singapore Stock Exchange or the New York Stock Exchange is suspended or limited for more than 1 trading day;
- (n) the occurrence of any adverse change or disruption to financial, political or economic conditions, or controls or financial markets in Australia, New Zealand, Hong Kong, Singapore, the United States of America or the United Kingdom or elsewhere or any change or development involving a prospective adverse change in any of those conditions or markets;
- (o) any of the following occur:
  - (i) a director of XTEK is charged with an indictable offence;
  - (ii) any Government Agency commences any public proceedings against XTEK or any of the Directors in their capacity as a director of XTEK, or announces that it intends to take such action; or
  - (iii) any director of XTEK is disqualified from managing a corporation under Part 2D.6 of the Corporations Act;
- (p) a default by XTEK in the performance of any of its obligations under the Underwriting Agreement occurs; or
- (q) any material adverse change occurs in the assets, liabilities, the equity of any XTEK shareholders, financial position or performance, profits, losses or prospects of XTEK or any Group member (in so far as the position in relation to the Group member affects the overall position of XTEK), from the position disclosed to the Underwriter on or before the date of this agreement;

Please note that the above is not an exhaustive list of the termination events in the Underwriting Agreement.

The Underwriter will be paid:

- (i) an underwriting fee of 4% of the total cash proceeds raised from the Capital Raising; plus
- (ii) a management fee of 2% of the total cash proceeds raised from the Capital Raising.

The Underwriter will also be reimbursed for certain expenses, including but not limited to legal, marketing and communication costs, printing, couriers, postage and distribution, roadshow expenses, accommodation and travel expenses that the Underwriter incurs in respect of the Entitlement Offer.

Neither the Underwriter nor any of its related bodies corporate and affiliates, nor any of its directors, officers, partners, employees, representatives or agents have authorised or caused the issue of this Offer Booklet and they do not take any responsibility for this document or any action taken by you on the basis of information contained in this document. To the maximum extent permitted by law, the Underwriter and its related bodies corporate and affiliates and each of their respective directors, officers, partners, employees, representatives or agents exclude and disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Entitlement Offer and this information being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. Neither the Underwriter nor any of its related bodies corporate and affiliates, nor any of their respective directors, officers, partners, employees, representatives or agents make any recommendations as to whether you or your related parties should participate in the Entitlement Offer, nor do they make any representations or warranties to you concerning this Entitlement Offer or any such information, and you represent, warrant and agree that you have not relied on any statements made by either Underwriter or any of their respective related bodies corporate and affiliates or any of their respective directors, officers, partners, employees, representatives or agents in relation to the New Shares or the Entitlement Offer generally.

## 10. Information availability

Eligible Shareholders in Australia or New Zealand can obtain a copy of this information during the period of the Entitlement Offer by calling the Share Registry on 1300 855 080 (within Australia) or +61 3 9415 4000 (outside Australia) between 8.30am to 5.00pm (Sydney time) Monday to Friday during the Offer Period or visit the XTEK Entitlement Offer website <https://xtekoffer.thereachagency.com>. A replacement Entitlement and Acceptance Form can be requested by calling the Share Registry.

## 11. Forward-looking statements and future performance

Neither XTEK, its officers, employees, agents, associates and advisers, nor any other person warrants or guarantees the future performance of the New Shares or any return on any investment made pursuant to the information in this Offer Booklet. Forward-looking statements, opinions and estimates provided in the information in this Offer Booklet are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. These statements can generally be identified by the use of words such as 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'predict', 'guidance', 'plan' and other similar expressions. Any forward-looking statements including projections, guidance on future production, sales, earnings, dividends, and other estimates are provided as a general guide only and should not be relied on as an indication or guarantee of future performance. They are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of XTEK and the Board, including the risks described in section 4, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward-looking statements in this Offer Booklet.



## 12. Past performance

Past performance information given in this Offer Booklet is provided for illustrative purposes only and should not be relied on as (and is not) an indication of future performance. The historical information in this Offer Booklet is, or is based on, information that has been released to the market. For further information, please see past announcements released to ASX.

# Glossary

Term	Definition
<b>Additional New Shares</b>	New Shares offered to an Applicant in excess of their Entitlement under the terms of the Top-Up Facility
<b>Allocation Policy</b>	As defined in Section 1.3
<b>Altor Capital</b>	Altor Capital Pty Ltd ACN 604 311 720
<b>Applicant</b>	An Eligible Shareholder who applies for New Shares under this Offer Booklet
<b>Application</b>	An application for a specified number of New Shares or Additional New Shares by an Applicant under this Offer Booklet
<b>Application Monies</b>	Funds accompanying a completed Entitlement and Acceptance Form or funds paid by BPAY®
<b>ASIC</b>	Australian Securities and Investments Commission
<b>ASX</b>	ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires
<b>ASX Listing Rules</b>	The listing rules of ASX
<b>ASX Settlement Rules</b>	The Settlement Operating Rules made by ASX Settlement Pty Limited ACN 008 504 532
<b>Board</b>	The Directors acting as a board of XTEK
<b>Capital Raising</b>	The Institutional Placement and the Entitlement Offer
<b>CGT</b>	Capital Gains Tax
<b>Closing Date</b>	The date on which the Entitlement Offer closes, expected to be 5.00pm (Sydney time) on 25 October 2021
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth)
<b>Directors</b>	The directors of XTEK
<b>Eligible Shareholder</b>	As defined in Section 1.1
<b>Entitlement</b>	The number of New Shares each Eligible Shareholder is offered under the Entitlement Offer
<b>Entitlement and Acceptance Form</b>	The personalised form for participation in the Entitlement Offer attached to or accompanying this Offer Booklet
<b>Entitlement Offer</b>	The partially underwritten pro-rata non-renounceable entitlement offer of 1 New Share for every 3.7 Existing Shares at A\$0.26 per New Share on the terms set out in this Offer Booklet to Eligible Shareholders
<b>Existing Shares</b>	Shares on issue at the Record Date
<b>Group</b>	XTEK and its subsidiaries and any body corporate, trust or other entity which is controlled by XTEK whether in a fiduciary capacity or otherwise, directly or indirectly and any other person, that person and each Related Corporation of that person.

<b>Term</b>	<b>Definition</b>
<b>GST</b>	Goods and Services Tax
<b>Ineligible Shareholder</b>	As defined in Section 1.1
<b>Institutional Placement</b>	The institutional placement component of the Capital Raising completed and announced to ASX on 4 October 2021
<b>Investor Presentation</b>	The investor presentation released to ASX on 4 October 2021
<b>Issue Price</b>	The price payable for one New Share under the Entitlement Offer or A\$0.26
<b>Sydney time</b>	The time in Sydney, Australia
<b>New Share</b>	A Share offered and issued under the Entitlement Offer
<b>Offer Booklet</b>	This document
<b>Offer Period</b>	11 October 2021 to 25 October 2021 or any other date as may be determined by XTEK
<b>Record Date</b>	7.00pm (Sydney time) on 7 October 2021
<b>XTEK</b>	XTEK Limited ACN 103 629 107
<b>Section</b>	A section of this Offer Booklet
<b>Share</b>	A fully paid ordinary share in the capital of XTEK
<b>Share Registry</b>	Computershare Investor Services Pty Limited ABN 48 078 279 277
<b>Shareholder</b>	A holder of at least one Share as recorded on XTEK's share register
<b>Top-Up Facility</b>	As defined in Section 1.3
<b>US Securities Act</b>	US Securities Act of 1933, as amended
<b>Underwriter</b>	MST Financial Services Pty Ltd ACN 617 475 180, who is underwriting the Entitlement Offer on the terms and conditions of the Underwriting Agreement
<b>Underwriting Agreement</b>	As defined in Section 9

# Corporate Directory

## ***Directors***

Uwe Daniel Boettcher (Chair)

Christopher M Fullerton

Christopher Pyne

Mark Smethurst

## ***Chief Executive Officer***

Scott Basham

## ***XTEK Secretary***

Lawrence Gardiner

## ***Registered Office***

3 Faulding Street Symonston, ACT, 2609

## ***Australian legal advisers to the Offer***

MinterEllison  
Level 20, Collins Arch  
447 Collins Street  
Melbourne VIC 3000

## ***Underwriter***

MST Financial Services Pty Ltd ACN 617 475 180  
Level 13/14 Martin Place,  
Sydney, NSW 2000

## ***Share Registry***

Computershare Investor Services Pty Limited  
Yarra Falls  
452 Johnston Street  
Abbotsford VIC 3067







**XTEK LTD**  
ABN 90 103 629 107

**For all enquiries:**

**Phone:**

(within Australia) 1300 855 080

(outside Australia) +61 3 9415 4000

**Web:**

[www.investorcentre.com/contact](http://www.investorcentre.com/contact)

**Make your payment:**



See overleaf for details of the Offer and how to make your payment

---

## Non-Renounceable Entitlement Offer — Entitlement and Acceptance Form

---

 **Your payment must be received by 5:00pm (Sydney time) Monday, 25 October 2021**

This is an important document that requires your immediate attention. It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

### Step 1: Registration Name & Offer Details

Details of the shareholding and entitlements for this Offer are shown overleaf.

Please check the details provided and update your address via [www.investorcentre.com](http://www.investorcentre.com) if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

### Step 2: Make Your Payment

You can apply to accept either all or part of your Entitlement. If you accept your full Entitlement, you can also apply for Additional New Shares. Enter the number of New Shares you wish to apply for and the amount of payment for those New Shares.

By making your payment you confirm that you agree to all of the terms and conditions as detailed in the Offer Booklet dated 11 October 2021.

Choose one of the payment methods shown below.

**BPAY®:** See overleaf. Do not return the payment slip with **BPAY** payment.

**By Mail:** Complete the reverse side of the payment slip and detach and return with your payment. Make your cheque, bank draft or money order payable in Australian dollars to "**XTEK Limited**" and cross "**Not Negotiable**". The cheque must be drawn from an Australian bank. Cash is not accepted.

Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques received may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the payment slip. Receipts will not be forwarded. Funds cannot be debited directly from your account.

Entering your contact details is not compulsory, but will assist us if we need to contact you.

**Turn over for details of the Offer →**

