

# Entitlement Offer Booklet

---

## **Dawney & Co Limited ACN 138 270 201**

A non-renounceable Entitlement Offer to existing Shareholders of **Dawney & Co Limited** of 1 New Share at an issue price of \$0.205 each for every 4 Shares held, to raise up to approximately \$993,967 before costs.

The Entitlement Offer is not underwritten.

## **Lead Manager**

Centec Securities Pty Ltd ACN 007 281 745

### **Important Notice**

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

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

**NOT FOR PUBLICATION, DISTRIBUTION OR RELEASE IN OR INTO THE UNITED STATES OR TO ANY PERSON LOCATED OR RESIDENT IN THE UNITED STATES**



## Important information and Summary of Capital Raising

---

### Interpretation

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

Terms of which are used but not defined in this Offer Booklet are defined in the NSX Operating Rule Definitions.

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

### Key dates for investors

Announcement of Entitlement Offer, and Offer Booklet and s708AA(2)(f), and Application for Quotation of Additional Securities lodged with NSX	Before 12 PM Tuesday 11 January 2022
Record Date for the Entitlement Offer (7:00pm AEST)	Tuesday 18 January 2022
Despatch of Offer Booklet Opening Date of Entitlement Offer (9:00am AEST)	Thursday 20 January 2022
Closing Date of Entitlement Offer (5:00pm AEST)	Monday 31 January 2022
Announcement of results of issue (no more than 3 business days after Closing Date)	Wednesday 2 February 2022
Issue Date - expected date of issue of the New Shares under the Entitlement Offer	Friday 4 February 2022
Normal trading in Shares begins	Monday 7 February 2022

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

## Entitlement Offer

Number of New Shares to be issued*	4,848,622
Issue Price	\$0.205
Gross proceeds (approximately) *	\$993,967
Costs of Entitlement Offer (up to)	\$ 40,000
<b>Total net proceeds of the Capital Raising*(approximately)</b>	<b>\$953,967</b>

*\*The various numbers in this table are only the Company's best estimates as at the date of this Offer Booklet. These numbers assume that: the Entitlement Offer is fully subscribed. If any of these assumptions prove incorrect, then the numbers in this table may change accordingly.*

The Entitlement Offer will not be underwritten.

## Entitlement and Acceptance Forms

Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which is accompanying this Offer Booklet or making payment of Acceptance money by BPay® or other Electronic Funds Transfer to Dawney & Co Limited in accordance with the instructions set out in this Offer Booklet and on the Entitlement and Acceptance Form.

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

## Important notice

The Entitlement Offer made pursuant to this Offer Booklet is for a rights issue, of “continuously quoted securities” of the Company as that term is used in the Corporations Act. The Shortfall Share Offer is a “related issue” as that term is used in ASIC’s *Corporations (Non-Traditional Rights Issues) Instrument 2016/84 (Instrument 2016/84)*. This Offer Booklet is not a disclosure document for the purposes of Chapter 6D of the Corporations Act. The Company is offering the securities under this Offer Booklet without disclosure to investors under Chapter 6D of the Corporations Act in reliance on Section 708AA of the Corporations Act, as modified by Instrument 2016/84. Accordingly, the level of disclosure contained in this Offer Booklet is significantly less than that required under a prospectus and Eligible Shareholders should: consider all relevant facts and circumstances, including their knowledge of the Company and disclosures made to NSX; and should consult their professional advisers, before deciding whether to accept the Entitlement Offer.

This Offer Booklet is dated 11 January 2022 and was lodged with NSX on that date. NSX does not take any responsibility for the contents of this Offer Booklet.

Securities will only be issued on the basis of this Offer Booklet in accordance with the terms set out in this Offer Booklet.

As at the date of this Offer Booklet, the Company has complied with:

- the provisions of Chapter 2M of the Corporations Act, as they apply to the Company; and
- Section 674 of the Corporations Act.

## **No excluded information**

As at the date of this Offer Booklet, the Company is not aware of any excluded information of the kind which would require disclosure in this Offer Booklet pursuant to sections 708AA(8) and (9) of the Corporations Act.

## **Eligible and Foreign Shareholders**

The Entitlement Offer and Shortfall Share Offer are only being extended to all Shareholders on the Record Date who have a registered address<sup>1</sup> in one of the Prescribed Jurisdictions of Australia, New Zealand, Canada, Israel, Italy or Singapore. Neither the Entitlement Offer nor the Shortfall Share Offer are being extended to, and do not qualify for distribution or sale by or to, and no New Shares will be issued to, Shareholders having a registered address outside the Prescribed Jurisdictions (**Ineligible Shareholders**).

The Company is of the view that it is unreasonable to make an offer to Ineligible Shareholders having regard to:

- the number of Ineligible Shareholders;
- the number and value of the New Shares to be offered to Ineligible Shareholders; and
- the cost of complying with the legal requirements in the relevant jurisdictions to make the Offer to Ineligible Shareholders.

Accordingly, the Company has not made any investigation as to the regulatory requirements that may prevail in the countries outside of the Prescribed Jurisdictions in which persons who have a legal or beneficial interest in the Company's Shares may reside. The distribution of this Offer Booklet in jurisdictions other than the Prescribed Jurisdictions may be restricted by law and any failure to comply with such restrictions might constitute a violation of applicable securities laws.

## ***New Zealand***

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

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. This document is not an investment statement, prospectus or product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that such a document prepared under New Zealand law is required to contain.

## ***Canada (British Columbia, Ontario and Quebec provinces)***

This document constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "**Provinces**"), only to persons to whom New Shares may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This document is not a prospectus, an advertisement, or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons who are "accredited investors" within the meaning of National Instrument 45-106 – *Prospectus Exemptions*, of the Canadian Securities Administrators.

---

<sup>1</sup> In respect of a Shareholder, a "registered address" means the address recorded for that particular Shareholder in the Share Register.

No securities commission or authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of the New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws. While such resale restrictions generally do not apply to a first trade in a security of a foreign, non-Canadian reporting issuer that is made through an exchange or market outside Canada, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

*Statutory rights of action for damages and rescission.* Securities legislation in certain Provinces may provide a purchaser with remedies for rescission or damages if an offering memorandum contains a misrepresentation, provided the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province. A purchaser may refer to any applicable provision of the securities legislation of the purchaser's Province for particulars of these rights or consult with a legal adviser.

*Certain Canadian income tax considerations.* Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as there are Canadian tax implications for investors in the Provinces.

*Language of documents in Canada.* Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

## **Israel**

The Company does not intend to offer the New Shares to the public in Israel within the meaning of the Israeli Securities Law, 1968 or offer new securities within any specific year, to more than 35 offerees resident in Israel. The New Shares have not been approved or disapproved by the Israeli Securities Authority (ISA), nor have such New Shares been registered for sale in Israel. The New Shares may not be offered or sold, directly or indirectly, to the public in Israel, absent the publication of a prospectus. The ISA has not issued permits, approvals or licences in connection with the offering or publishing of this document, nor has it authenticated the details included herein, confirmed their reliability or

completeness, or rendered an opinion as to the quality of the New Shares being offered. Any resale in Israel, directly or indirectly, to the public of the new Shares offered by this document is subject to restrictions on transferability and must be effected only in compliance with Israel securities laws and regulations.

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

### ***Italy***

This document has not been prepared in accordance with the Prospectus Regulation (Regulation (EU) 2017/1129) (as amended, the **Regulation**) on prospectuses or any measures made under that Regulation or the laws of any EU Member State or EEA treaty adherent state. This document has not been reviewed, prior to its being issued, by any regulatory authority in any EU Member State or EEA treaty adherent state and therefore may not contain all the information required where a document is prepared pursuant to that Regulation or those laws.

This document does not and shall not constitute an invitation to the public in any EU Member State or EEA treaty adherent state to purchase shares and the Company. The distribution of this document and the offer of New Shares are restricted to the persons to whom it is addressed and should be treated as private and confidential. No persons other than the person to whom this document is addressed may treat it as constituting an invitation to him/her/it to invest in the New Shares and the Entitlements. If an addressee of this document is not interested in investing in the New Shares and the Entitlements, such addressee should immediately return this document.

### ***Singapore***

#### **Shareholder's resident in Singapore**

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) of Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

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

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

### **Forward looking statements**

Some of the information contained in this Offer Booklet constitutes forward-looking statements that are subject to various risks and uncertainties. Forward-looking statements include those containing such words as 'anticipate', 'estimate', 'should', 'will', 'expects', 'plans' or similar expressions. These statements discuss future objectives or expectations concerning results of operations or financial conditions or provide other forward-looking information. The Company's actual results, performance or achievements could be significantly different from

the results or objectives expressed in, or implied by, those forward-looking statements. This Offer Booklet details some important factors that could cause the Company's actual results to differ from the forward-looking statements made in this Offer Booklet.

### **No representations**

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

This Offer Booklet does not provide investment advice or advice on the taxation consequences of accepting the Entitlement Offer or the Shortfall Share Offer. The Offer and the information in this Offer Booklet, do not take into account your investment objectives, financial situation, and particular needs (including financial and tax issues) as an investor. In particular, in considering whether or not to invest in the New Shares, it is important that you consider the risk factors contained in Section 4 of this Offer Booklet that could affect the financial performance and position of the Company in light of your investment objectives, financial situation and particular needs (including financial and tax issues), and seek investment advice from your financial or other professional advisers. Except as required by law, and only to the extent so required, neither the Company nor any other person warrants the future performance of the Company or any return on any investment.

### **Deciding to accept the Offer**

Please read this document carefully before you make a decision to invest. An investment in the Company has a number of specific risks which you should consider before making a decision to invest. Some of these risks are summarised in Section 4 of this Offer Booklet. This Offer Booklet is an important document and you should read it in full before deciding whether to invest pursuant to the Entitlement Offer and the Shortfall Share Offer. You should also have regard to other publicly available information about the Company, including NSX announcements and published Financial Statements, which can be found at the Company's website [www.dawneyco.com.au](http://www.dawneyco.com.au).



**Table of Contents**

---

Important information and Summary of Capital Raising.....2  
Table of Contents .....8  
Chairman’s letter .....9  
1. Entitlement Offer Details .....11  
2. Company Information .....15  
3. Effect of Offer on capital structure and control.....16  
4. Risks.....19  
5. How to Apply .....22  
6. Additional information.....26  
7. Definitions and Glossary .....28  
Corporate Directory .....31

## Chairman's letter

---

11 January 2022

Dear Shareholder,

On behalf of the Directors, I am pleased to invite you, as a valued Shareholder of **Dawney & Co Limited ACN 138 270 201 (Dawney or the Company)**, to participate in Dawney's recently announced 1 for 4 non-renounceable entitlement offer of new Dawney ordinary shares (**New Shares**) at an issue price of \$0.205 per New Share to raise up to approximately \$993,967 (**Entitlement Offer**).

### Use of Proceeds

The proceeds raised from the Entitlement Offer will go towards growing the Company's capital base, reducing its fixed expense ratio and meeting the costs of the entitlement offer. Most of the new capital will be deployed by the Board in accordance with its proven and successful investment strategy.

The number of New Shares that you are entitled to subscribe for under the Entitlement Offer (**your Entitlement**) is set out in your personalised Entitlement and Acceptance Form that accompanies this Offer Booklet. The Entitlement Offer is open to all Shareholders with a registered address in either Australia, New Zealand, Canada, Israel or Italy (**Eligible Shareholders**) as at **7:00pm (AEST) Tuesday 18 January 2022** (the **Record Date**).

If you are an Eligible Shareholder and you wish to accept your Entitlement pursuant to the Entitlement Offer, you will need to complete the Entitlement and Acceptance Form and return it together with the appropriate Application Money to the Company's Share Registry before **5pm (AEST) on the Closing Date of Wednesday 2 February 2022**.

If you take up your full Entitlement, you can also apply for additional New Shares (**Additional New Shares**) under a Shortfall Facility (refer to Sections 1.2 and 5.3 of this Offer Booklet for more information) (**Shortfall Facility**). The offer price for the Additional New Shares will be the Issue Price of \$0.205 per Additional New Share. Any Additional New Shares must be allocated from that pool of New Shares which remain available for allocation, after the allocation of all Entitlements to each Eligible Shareholder who has applied for their Entitlements (**Shortfall Shares**). Further, the Company will not allocate Additional New Shares to any Eligible Shareholder to the extent that the allocation will result in that Eligible Shareholder acquiring a holding of more than 20% in the Company or otherwise contravening s 606 Corporations Act. Please see Sections 1.2 and 5.3 of this Offer Booklet for details on how to apply for Additional New Shares.

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

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

Allotment of the New Shares issued under the Entitlement Offer will occur on or about Friday 4 February 2022.

The Board of Directors reserves the right to place any shortfall from the Entitlement Offer to third parties within three (3) months of the close of the Offer at a price no lower than the Offer Price.

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

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

Yours sincerely,

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

Kerry Daly  
Chairman  
Dawney & Co Limited

## 1. Entitlement Offer Details

---

### 1.1 The Entitlement Offer

The Entitlement Offer is an offer to Eligible Shareholders of an estimated 4,848,622 New Shares at an Issue Price of \$0.205 per New Share, on the basis of 1 New Share for every 4 Shares held (**Entitlement**), to raise up to approximately \$993,967 (before costs).

On the same date as announcing the Entitlement Offer, the Company applied to the NSX for the New Shares to be granted official quotation on the NSX. Official quotation of the New Shares is expected to occur on or about **Monday, 7 February 2022**.

Fractional Entitlements will be rounded down to the nearest whole number of New Shares.

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

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

Eligible Shareholders who do not take up all of their Entitlements, will along with Ineligible Shareholders, have their percentage Shareholding in the Company diluted. Eligible Shareholders should be aware that an investment in the Company involves risks. The key risks identified by the Company are set out in Section 4 of this Offer Booklet.

For the avoidance of doubt, no New Shares will be issued to any Shareholder or other investor to the extent that in the reasonable opinion of the Company, that issue would:

- (a) result in the relevant Shareholder breaching section 606 of the Corporations Act; or
- (b) be likely to result in a declaration of unacceptable circumstances for the purposes of section 657A of the Corporations Act were an application to be made under section 657C of the Corporations Act.

### 1.2 Shortfall Facility

Each Eligible Shareholder may apply for Additional New Shares, in addition to their Entitlement, at an issue price of \$0.205 per New Share (**Shortfall Facility**).

Any New Shares not taken up under the Entitlement Offer by the Closing Date (**Shortfall**) may be made available to those Eligible Shareholders who took up their full Entitlement and applied for Additional New Shares under the Shortfall Facility.

The Company has appointed Centec Securities Pty Ltd ACN 007 281 745 (**Centec**) as an intermediary in relation to the offer of any Shortfall Shares to third parties. Centec will receive a fee of \$8,250 which will be paid by the issue of 40,244 New Shares to Centec.

There is no guarantee that such Shareholders will receive the number of Additional New Shares applied for, or indeed any Additional New Shares at all. There is no cap on the number of Additional New Shares that Eligible Shareholders may apply for under the Shortfall Facility, although the number of New Shares available under the Shortfall Facility will not exceed the Shortfall following the Entitlement Offer. The allocation of Additional New Shares will be made at the discretion of the Board, if there is greater demand than available New Shares.

The Directors shall allot and issue Additional New Shares in accordance with the allocation policy for the Shortfall set out in Section 5.3. The Company has received letters of commitment from the persons and corporations set forth in Section 5.3. The Company may reject any application for Additional New Shares or allocate fewer Additional New Shares than applied for by subscribers for Additional New Shares.

The ability for the Company to issue Additional New Shares is dependent upon the extent of any Shortfall. Applications for Additional New Shares must be made in the Additional New Shares section on the Entitlement and Acceptance Form accompanying this Offer Booklet.

### **1.3 Eligibility of Shareholders**

The Entitlement Offer is being offered to all Eligible Shareholders.

Eligible Shareholders are Shareholders on the Record Date who:

- (a) have a registered address in a Prescribed Jurisdiction; and
- (b) are not ineligible under applicable securities laws in any country to receive an offer under the Entitlement Offer without any requirement for a prospectus to be lodged or registered.

Shareholders who do not meet the criteria to participate in the Offer (for example not having a registered address in a Prescribed Jurisdiction), are Ineligible Shareholders. Ineligible Shareholders are not entitled to participate in the Offer to subscribe for New Shares. The Company made this decision taking into account the number of Shareholders located outside of the Prescribed Jurisdictions, the number and value New Shares to which those Shareholders would otherwise be entitled, and the potential cost of complying with the legal requirements and regulatory requirements in those overseas jurisdictions.

Shareholders resident in Prescribed Jurisdictions holding Shares on behalf of persons who are Ineligible Shareholders are responsible for ensuring that the taking up of any Entitlements under the Offer does not breach the law in the relevant jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of any relevant law.

### **1.4 Investment risks**

Eligible Shareholders should be aware that an investment in the Company is subject to investment and other known and unknown risks, including possible loss of income and principal invested. A number of these risks are specific to the Company and the industry in which it operates. Some of the key risks identified by the Company are outlined in Section 4 of this Offer Booklet. However, these risks should not be taken to be exhaustive of the risks faced by the Company or its Shareholders. Those risk factors and others not specifically referred to in this Offer Booklet, may materially affect the financial performance of the Company and the value of its Shares in the future.

Dawney has implemented strategies, actions, systems and safeguards for known risks. However, some risks are beyond its control. Consequently, the prevailing price or value of New Shares issued under the Entitlement Offer may be more or less than the Issue Price.

In any event, the Company does not guarantee any particular rate of return, the performance of the Company, the payment of any dividends, the repayment of capital from the Company, any price for the Company's Shares or any particular tax treatment.

## 1.5 New Share terms

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

## 1.6 Sources and proposed use of funds

The Directors intend to apply the funds raised from the Capital Raising as follows:

Sources of funds	Amount (\$)
Proceeds of Entitlement Offer <sup>(1)</sup>	\$993,967
Proposed use of funds	
General investment purposes	\$953,967
Estimated Costs of Entitlement Offer <sup>(2)</sup>	\$40,000
Use of funds	\$993,967

*(1) Assumes that the Entitlement Offer is fully subscribed, including debt conversions to satisfy subscription amounts. It further assume that: the Entitlement Offer is fully subscribed and none of the Existing Options are exercised. If any of these assumptions prove incorrect, then the numbers in this table will change accordingly.*

*(2) Includes and fees for legal and registry services.*

However, in the event that circumstances change or other opportunities arise, the Directors reserve the right to vary the proposed uses of funds in an effort to maximise the benefit to Shareholders.

## 1.7 Allotment and allocation

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

Allocation of New Shares applied for under the Shortfall Facility will be allocated and allotted in accordance with the allocation policy set out in Section 5.3. Successful Applicants will be notified in writing of the number of New Shares allocated to them as soon as possible following the allocation being made. It is the responsibility of Applicants to confirm the number of New Shares allocated to them prior to trading in New Shares. Applicants who sell New Shares before they receive notice of the number of New Shares allocated to them do so at their own risk.

After allowing for the demands of Eligible Shareholders under the Entitlement Offer, the Directors reserve the right to place any Shortfall under the Entitlement Offer within three (3) months at a price no lower than the offer price of \$0.205, if possible.

## 1.8 NSX listing

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

## 1.9 CHESSE

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

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

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

## 2. Company Information

---

### 2.1 Company Overview and strategic plan

Dawney & Co Ltd is a value focused investment company, listed on the National Stock Exchange (**NSX**). Since the Board's appointment on 5 October 2018, the cumulative growth in NTA per share, after all costs but before tax to 31 December 2021 was 40.9% (being 16c to 22.54c [unaudited]). On an annualised basis (over 3.25 years) this equates to 12.6% per annum.

### 2.2 Overview of Portfolio

The largest 5 holdings as at 31 December 2021:

Company	Market value of shares
Benjamin Hornigold Ltd	\$804,962
Western Areas Ltd	\$514,500
Quantum Health Group Ltd	\$504,000
Jindalee Resources Ltd	\$440,000
The Agency Group Aus Ltd	\$367,500
AF Legal Group Ltd	\$346,756

### 2.3 Dividend Policy

There is currently no intention to pay dividends. The Board reserves its right to declare a dividend if and when it deems appropriate.

### 2.4 Capital Management Policy

The Company's capital management plan is to grow its capital base through investment growth and future acquisitions.

### 2.5 NTA Reports to Shareholders

To assist Shareholders in the Company to assess the value, the Company reports to NSX the net tangible asset backing (**NTA**) per share as at the end of the preceding month. The calculation of the net tangible asset backing of Shares is made in accordance with the Listing Rules and on an unaudited basis.



### 3. Effect of Offer on capital structure and control.

---

#### 3.1 Effect on capital structure

Subject to rounding down of fractional Entitlements (assuming full subscription under the Entitlement Offer), the capital structure of the Company following the issue of New Shares under the Capital Raising is expected to be as follows:

Shares on issue as at 11 January 2022 (date of the announcement of the Entitlement Offer)	19,394,489
New Shares to be issued under the Entitlement Offer	4,848,622
New Shares to be issued to Centec Securities Pty Ltd	40,244
Shares on issue following the close of the Entitlement Offer and the Shortfall Share Offer <sup>1</sup>	24,283,355

The Company currently has no Existing Options on issue.

As no Options or other convertible securities will be issued pursuant to the Offer, the number of Options and other convertible securities on issue will not increase as a result of the Offer and will remain at nil.

#### 3.2 Potential effects of the Entitlement Offer on control of the Company

The potential effect that the Entitlement Offer and Shortfall Facility, will have on the control of Dawney, and the consequences of that effect, will depend on a number of factors, including investor demand and existing shareholdings. Given the structure of the Entitlement Offer as a pro-rata issue, the likely effect that the issue of the New Shares will have on the control of the Company can be summarised as follows:

- If all Eligible Shareholders take up their Entitlement for the New Shares under the Entitlement Offer, the Entitlement Offer will have no material effect on the control of the Company;
- to the extent that any Eligible Shareholder does not take up their Entitlement for the New Shares under the Entitlement Offer, that Eligible Shareholder's percentage holding in the Company will be diluted; and
- to the extent that an Eligible Shareholder takes up their full Entitlement for New Shares and acquires Additional New Shares, that Eligible Shareholder's percentage holding in the Company will increase.

##### (a) Effect in general

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

However, if only some Eligible Shareholders take up their Entitlements, those Eligible Shareholders who do not take up all of their Entitlements will (along with Ineligible Shareholders), have their interest in the Company diluted.

Other than the Company's largest shareholder Sandon Capital Pty Ltd, given the Company's allocation policy, the Company is not aware of any scenario in which it would be possible for any other Shareholder or a person to acquire a Relevant Interest in more than 20% of the Company as a consequence of the Offer.

**(b) Snapshot of possible change in position of Substantial Shareholder**

As set forth in section 5.3, the Company has received commitments for some 4,477,354 of the Entitlement Offer, including from Sandon Capital Pty Ltd, the Company's largest Substantial Shareholder with some 8,094,791 or 41.73% of the Company. (**Sandon**). Sandon have committed to take up their Entitlement of some 2,023,697 New Shares.

**(c) Sandon Capital Pty Ltd's Relevant Interest in Voting Shares (Voting Power)**

Sandon Capital Pty Ltd currently has a Relevant Interest in 8,094,791 Shares (41.73%) of the Company. Sandon Capital Pty Ltd has an Entitlement of some 2,023,697 New Shares under the Entitlement Offer and proposes to take up all of its Entitlement.

The Company presently does not have commitment for some 371,268 New Shares of the Entitlement Offer. (**Anticipated Shortfall**) If the Anticipated Shortfall arises and Sandon takes up its full Entitlement Sandon's present relevant interest and changes under that possible scenario are set out in the following table below.

Event	Shares held by Sandon Capital Pty Ltd	Voting Power Sandon Capital Pty Ltd %
Date of Offer Booklet	8,094,791	41.73
Entitlement Offer fully subscribed (including Sandon Capital Pty Ltd)	10,118,488	41.67
Entitlement Offer subscribed to extent of Anticipated Shortfall	10,118,488	42.32

*The numbers in this table assume that: the Entitlement Offer is fully subscribed and Centec Securities Pty Ltd ACN 007 281 745; are issued their full fee comprising 40,244 New Shares. If any of these assumptions prove incorrect, then these numbers will change accordingly.*

**(d) Directors' Interests and Participation**

Director	Current Shares	Voting Power (%)	Entitlement	\$
Kerry Daly	213,888	1.10	53,472	10,961.76
Mitch Dawney	2,550,000	13.19	637,500	130,687.50
Giles Craig	265,316	1.37	66,329	13,597.45

The Company notes that under NSX Listing Rule 6.45 the Company is prevented from issuing Shortfall Shares to any Shareholder who is a Related Party (which includes all of the Directors and any entities that they control), without Shareholder approval unless that issue

would fit within one of the exceptions in Listing Rule 6.45. One of the exceptions is if the person receives the securities under a pro-rata issue.

As the Entitlement Offer is being made available in all jurisdictions where the Company currently has Shareholders, the Company considers that it is not aware of any reason presently why it is not possible for a Related Party Shareholder to increase its Relevant Interest by subscribing for Shortfall Shares.

### **3.3 Director and major Shareholder intentions**

The Directors have indicated they are not participating in the Entitlement Offer. Some of the Company's largest Shareholders have shown their support for the Entitlement Offer by indicating that they intend to subscribe for some or all of their Entitlements under the Offer. For further details on commitments from Shareholders see section 5.3.

#### 4. Risks

---

Investing in New Shares in the Company involves some risk. There are a number of factors, both specific to the Company and of a general nature, which may affect the future operating and financial performance of the Company and the value of your investment in the Company. Some of these factors can be mitigated by appropriate commercial action. However, many are outside the control of the Company, are dependent on the policies adopted and approaches taken by regulatory authorities, or cannot otherwise be mitigated. If you are unsure about subscribing for New Shares in the Company, you should first seek advice from your stockbroker, accountant, financial or other professional adviser.

The New Shares offered under this Offer Booklet carry no guarantee in respect of profitability, dividends, return of capital or the price at which they may trade on NSX. The past performance of the Company should not necessarily be considered a guide to the future performance of the Company. As with any equity investment, substantial fluctuations in the value of your investment may occur. This Offer Booklet does not set out all the risks you may face in applying for, and holding, additional Shares in the Company.

The key risks are summarised below:

<b>Key Business risk</b>	<b>Description</b>
<b>Economic risk</b>	Investment returns are influenced by market factors, including changes in the economic conditions (e.g. changes in interest rates and economic activity), changes to legislative and political environment, as well as changes in investor sentiment. In addition, exogenous shocks, natural disasters, acts of terrorism and financial market turmoil (such as the global financial crisis) can (and sometimes do) add to equity market volatility as well as impact directly on individual entities. As a result, no guarantee can be given in respect of the future earnings of the Company or the earnings and capital appreciation of the Company's investments or appreciation of the Company's share price. Any variation in commodity prices could materially affect the operating results of the Company.
<b>Industry risk</b>	There are a number of industry risk factors that may affect the future operation or performance of the Company. These factors are outside the control of the Company. Such factors include increased regulatory and compliance costs and variation
<b>Market risk</b>	There is a risk that Securities will fall in value over short or extended periods of time. Financial markets tend to move in cycles, and individual Security prices may fluctuate and under perform other asset classes over extended periods of times. Investors in the Company are exposed to this risk both through their holding in Shares and Options as well as through the Company's Portfolio of investments.
<b>Interest rates</b>	Any variation in short and long term interest rates could materially affect the operating results of the Company.
<b>Financial market volatility</b>	A fall in global equity markets, global bond markets or lack of change in the value of the Australian dollar against other major currencies may discourage investors from moving money into or out

	of equity markets. This may have a negative effect on the price at which Shares trade.
<b>Performance of other asset classes</b>	Good performance (or anticipated performance) with other assets classes can encourage individuals to divert money away from equity markets. This may have a negative impact on the price at which Shares trade on ASX.
<b>Liquidity risk</b>	The Company will be a listed entity, therefore the ability to sell Shares and Options will be a function of the turnover of the Company's Shares and Options at the time of sale. Turnover itself is a function of the size of the Company and also the cumulative investment intentions of all current and possible investors in the Company at any one point in time. In addition, there is no guarantee that the Company's investments will be liquid.
<b>Operational costs</b>	Operational costs for the Company as a proportion of total assets will be affected by the level of total assets of the Company and by the level of acceptance of this Offer. Operational costs will represent a greater proportion of total assets and will reduce the operating results of the Company and accordingly the ability to make dividend payments if the Company only achieves the minimum subscription under this Offer than if it secures a greater level of acceptance.
<b>Regulatory risk</b>	The Company is exposed to the risk of changes to applicable laws or their interpretation which have a negative effect on the Company, its investments or returns to Shareholders and the risk of noncompliance with reporting or other legal obligations.
<b>COVID-19 Pandemic and natural disasters</b>	<p>The Company's ability to continue operating is dependent on the health of the capital markets (both debt and equity) which the Company needs to access in order to fund its ongoing operations. While these markets are always influenced by the general condition of the wider economy, the COVID – 19 Pandemic has had a materially adverse effect on, and continues to have such an effect on these markets.</p> <p>The events relating to the COVID-19 Pandemic have recently resulted in significant market falls and volatility in the prices for securities trading on the NSX and on other foreign securities exchanges. There is continued uncertainty as to the future impact of the COVID-19 Pandemic including relation to government action, work stoppages, lockdowns, quarantines, travel restrictions and the impact on the Australian economy and securities markets.</p>
<b>Government policy and taxation</b>	Changes in relevant taxation, interest rates, other legal, legislative and administrative regimes, and Government policies in Australia (at Federal and State level), may have an adverse effect on the assets, operations and ultimately the financial performance of Company.
<b>Credit or counterparty risk</b>	The strategies of the Company rely on the successful performance of contracts with external counterparties, including securities brokers and issuers of Securities to which the Company may have investment exposure. There is a risk that these counterparties may not meet their responsibilities, including as a result of the insolvency, financial distress or liquidation of the counterparty.

<b>Contractual risk</b>	The Company's ability to efficiently conduct its operations in a number of respects depends upon a third party product and service providers and contracts have, in some circumstances, been entered into by the Company and its subsidiaries in this regard. Any default under such contracts by a third party may adversely affect the Company.
<b>Key man risk</b>	Mitch Dawney is the Managing Director of the Company. Mitch is responsible for devising and implementing the Company's investment strategy. The Company is exposed to the risk that Mitch Dawney will cease to be involved with the Company and cease to manage the Company's portfolio.
<b>Strategy risk</b>	The performance of the Company is reliant on the success of the investment strategy employed by the Board. There is no guarantee that any aspect of such a strategy will be successful.
<b>Legal risk</b>	The Company, from time to time, may become active in a portfolio company in an attempt to improve value. There is a possibility this action may lead to litigation or other enforcement action.
<b>Limited diversification</b>	The Portfolio may be less diversified than other listed investment companies. The Company has flexibility to take significant positions in individual investments. This may reduce the diversity of the Portfolio and would increase the exposure to abnormal falls in the market price of any single investment.
<b>Dilution risk</b>	The Entitlement Offer is pro rata to all Eligible Shareholders. Shareholders who do not exercise their full pro rata Entitlement face the risk their proportionate share of the Company will be diluted to the extent other Eligible shareholders exercise their Entitlements and to the extent other Directors issue any New Shares under the Shortfall Facility.
<b>NTA dilution risk</b>	The Offer Price of the New Shares to be issued under the Entitlement offer is \$0.205, which is a 9.1% discount to the 31 December 2021 pre-tax NTA (\$0.2254 per share). This means that New Shares issued under the Entitlement Offer will, all other things being equal, dilute the NTA per share. As the Entitlement Offer is a pro rata offer to all Eligible Shareholders who do not exercise their Entitlements in full will incur dilution of value on a per share basis.

## 5. How to Apply

---

### 5.1 Your choices as an Eligible Shareholder

The number of New Shares to which each Eligible Shareholder is entitled (**Entitlement**) is calculated as at 7:00pm (AEST) on the Record Date of Tuesday 18 January 2022 and is shown on the personalised Entitlement and Acceptance Form accompanying this Offer Booklet.

Eligible Shareholders may:

- (a) take up their Entitlement in full, and if they do so, they may apply for Additional New Shares under the Shortfall Facility (refer to Sections 1.2 and 5.3);
- (b) take up part of their Entitlement, in which case the balance of the Entitlement would lapse (refer to Section 5.4); or
- (c) allow their Entitlement to lapse (refer to Section 5.5).

The Company reserves the right to reject any Application that is received after the Closing Date. The Closing Date for acceptance of the Entitlement Offer is **5:00pm (AEST) on Monday 31 January 2022**.

Ineligible Shareholders may not take up any of their Entitlements.

### ACCEPTANCE OF OFFER

By making a BPAY or EFT payment:

- (d) you represent and warrant that you have read and understood the Entitlement Offer Booklet and that you acknowledge the matters, and make the warranties and representations contained therein and in this Entitlement and Acceptance Form;
- (e) you provide authorisation to be registered as the holder of Shares acquired by you and agree to be bound by the Constitution of the Company.

### 5.2 Acceptance of Full or Partial Entitlement of Shares

If you wish to accept your full entitlement:

- (a) make payment by BPAY or EFT for your full entitlement by following the instructions on the Entitlement and Acceptance Form.

If you only wish to accept part of your entitlement (and allowing the balance to lapse):

- (b) calculate the payment amount for the portion of your entitlement that you wish to take up in accordance with the partial entitlement section of this Entitlement and Acceptance Form; and
- (c) make payment by BPAY or EFT for that portion of your entitlement by following the instructions on the Entitlement and Acceptance Form.

in each case funds are to be received no later than **5.00pm (AEST) on Monday 31 January 2022**.

Refund amounts, if any, will be paid in Australian dollars. You will be paid by EFT where a bank account has been nominated or by cheque (if a bank account has not be nominated) sent by ordinary post to your address as recorded on the Share Register.

### 5.3 Taking up your Entitlement in full and applying for Shortfall Shares

A Shortfall will exist if any Eligible Shareholder does not take up their full Entitlement. Additional New Shares applied for will only be allocated and issued if any Eligible Shareholders do not apply for their full Entitlements, and therefore a Shortfall exists – the Entitlement Offer is undersubscribed.

The Company has received binding letters of commitment to subscribe for New Shares from the following persons (**Commitment Parties**):

<b>Name</b>	<b>Number of Shortfall Facility Shares</b>	<b>Number of Entitlement Offer Shares</b>	<b>Total Amount</b>
Ingot Capital Investments Pty Ltd	487,804	nil	\$99,999.82
Maxlek Pty Ltd	114,818	275,426	\$80,000.02
Noontide Investments Pty Ltd	18,902	225,000	\$49,999.91
Sandon Capital Pty Ltd	nil	2,023,697	\$414,857.89
Trojan Investments Pty Ltd	600,000	nil	\$123,000.00
Westferry Operations Pty Ltd at the Westferry Fund	731,707	nil	\$149,999.94
<b>Total</b>	<b>1,953,231</b>	<b>2,524,123</b>	<b>\$ 917,857.58</b>

Allocation and allotment of any Additional New Shares applied for will be made in accordance with the following policy:

- (a) The Directors will allocate the balance of any Shortfall Shares to Eligible Shareholders who have indicated they wish to take up Additional New Shares as provided for in Section 5.2 and 5.3.
- (b) The Directors will allocate the Shortfall Shares to the Commitment Parties who have indicated they wish to take up Additional New Shares as provided for in Section 5.3.
- (c) These Additional New Shares will be allocated on a pro-rata basis if there is a greater demand than available shares.
- (d) Any Related Party or Eligible Shareholder associated with them will only be entitled to participate in the Shortfall Facility where the Entitlement Offer is a pro rata issue under NSX LR 6.45 .
- (e) The Company will not allocate or issue Additional New Shares under the Shortfall Facility, where it is aware that to do so would result in a breach of the Corporations Act, the Listing Rules or any other relevant legislation or law. Eligible Shareholders wishing to apply for Additional New Shares must consider whether or not the issue



of the Additional New Shares applied for would breach the Corporations Act or the Listing Rules having regard to their own circumstances.

- (f) There is no guarantee that Eligible Shareholders will be successful in being allocated any of the Additional New Shares that they apply for. The Company may reject any application for Additional New Shares or allocate fewer Additional New Shares than applied for by Applicants for Additional New Shares in accordance with the policy set out above.

#### **5.4 Allowing your Entitlement to lapse**

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

#### **5.5 Consequences of not taking up your Entitlement**

If you do not take up all of your Entitlement in accordance with the instructions set out above, any New Shares that you would have otherwise been entitled to under the Entitlement Offer, may be issued by the Directors to other Eligible Shareholders and/or Shortfall Placement participants pursuant to an application by them for Shortfall Shares.

#### **5.6 Payment**

The consideration for the New Shares is payable in full on Application by a payment of \$0.205 per New Share.

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

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

You do not need to return the form if you have made payment via BPAY or EFT. Your BPAY or EFT reference number will process your payment for your share subscription electronically.

#### **5.7 Binding effect of Entitlement and Acceptance Form**

A payment made through BPay or EFT, constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Offer Booklet and, once lodged or paid, cannot be withdrawn.

By making a payment by BPay or EFT, you will be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

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

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

### **5.8 Brokerage, handling fees and stamp duty**

Save for the fee payable to Centec as set forth in section 1.2 , no other brokerage, handling fees or stamp duty is payable by Applicants in respect of their applications for New Shares under this Offer Booklet. The amount payable on acceptance will not vary during the period of the Entitlement Offer and no further amount is payable on allotment.

Application Monies will be held in trust in a subscription account until allotment of the New Shares. The subscription account will be established and kept by the Company on behalf of the Applicants. Any interest earned on the Application Monies will be retained by the Company irrespective of whether allotment takes place.

## 6. Additional information

---

### 6.1 Section 708AA Corporations Act

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

This Offer Booklet is issued under section 708AA of the Corporations Act. This section enables disclosing entities to issue an Offer Booklet in relation to securities in a class of securities which has been quoted by NSX at all times during the 12 months before the date of the Offer Booklet, or options to acquire such securities. Apart from formal matters, this Offer Booklet need only contain information that:

- (a) is excluded information as at the date of the Offer Booklet pursuant to sections 708AA (8) and (9) (**Excluded Information**); and
- (b) states:
  - (1) the potential effect the issue of the New Shares will have on the control of the Company; and
  - (2) the consequences of that effect.

In addition, as a result of ASIC Class Order 08/35, section 708AA(12) requires that if, after the notice required under section 708AA(2)(f) (**Cleansing Notice**) has been lodged and before the New Shares are issued (**Relevant Period**) the Company becomes aware of:

- (a) any information that would be Excluded Information for the purpose of the Cleansing Notice; or
- (b) a material change to the potential effect the issue of the relevant securities will have on the control of the Company or the consequences of that effect,

(**Additional Information**), the Company must disclose that Additional Information to the NSX as soon as practicable and before the end of the Relevant Period. Accordingly, the Company will disclose by announcement to the NSX any Additional Information that it becomes aware of during the Relevant Period.

The Company advises that it has committed to a priority sub-underwriting of a maximum amount of \$225,000 of the proposed \$10,500,000 rights issue being undertaken by ASX listed Vortiv Ltd. (**Vortex Offer**) At the date of this Offer Booklet, the Company is not aware of whether there will be any shortfall under the Vortex Offer.

### 6.2 Rights and liabilities attaching to New Shares

The New Shares will have from issue the same rights attaching to all existing Shares on issue. The rights attaching to ownership of the New Shares are set out in the Constitution, a copy of which is available for inspection at the registered office of the Company during business hours or via the NSX Market Announcements platform. This Offer Booklet does not contain a summary of the principal rights and liabilities of holders of the New Shares.

### 6.3 Expenses of the Entitlement Offer

All expenses connected with the Entitlement Offer are being borne by the Company. Total expenses of the Entitlement Offer are estimated as at the date of this Offer Booklet to be no more than \$40,000 (assuming that the Entitlement Offer is fully subscribed). These expenses

include, amongst other things legal fees, NSX listing fees, share registry fees and printing and postage costs.

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

#### **6.4 Consents and disclaimers**

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

**Automic Group** has given and has not withdrawn its consent to be named in this Offer Booklet as the Share Registry of the Company in the form and context in which it is named. It has had no involvement in the preparation of any part of this Offer Booklet other than recording its name as Share Registry to the Company. It takes no responsibility for any part of the Offer Booklet other than the references to its name.

**Centec Securities Pty Ltd** has given and has not withdrawn its consent to be named in this Offer Booklet as the Lead Manager to the Entitlement Offer in the form and context in which it is named. It has had no involvement in the preparation of any part of this Offer Booklet other than recording its name as Lead Manager to the Entitlement Offer. It takes no responsibility for any part of the Offer Booklet other than the references to its name.

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

#### **6.5 Directors' statement**

This Offer Booklet is issued by Dawney & Co Limited ACN 138 270 201. Each Director has consented to the lodgement of the Offer Booklet with NSX.

Signed on the date of this Offer Booklet on behalf of Dawney & Co Limited by:



Kerry Daly  
Chairman  
Dawney & Co Limited

## 7. Definitions and Glossary

---

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

<b>Acceptance</b>	An acceptance of Entitlements.
<b>Applicant</b>	An Eligible Shareholder who has applied to subscribe for New Shares by submitting an Entitlement and Acceptance Form or arranging for payment through BPay in accordance with the instructions on the Entitlement and Acceptance Form.
<b>Application</b>	The submission of an Entitlement and Acceptance Form accompanied by the relevant Application Monies or arranging for payment of the relevant Application Monies through BPay in accordance with the instructions on the Entitlement and Acceptance Form.
<b>Application Money</b>	The aggregate amount payable for the New Shares applied for in a duly completed Entitlement and Acceptance Form or through BPay, calculated as the Issue Price multiplied by the number of New Shares applied for.
<b>Automatic Group</b>	means the Share Registry.
<b>ASIC</b>	Australian Securities & Investments Commission.
<b>Associate</b>	Has the meaning given to that term in the Corporations Act.
<b>Board</b>	The board of Directors of the Company.
<b>Business Day</b>	Has the same meaning as ascribed to that term in the Listing Rules.
<b>Capital Raising</b>	The Entitlement Offer and the Shortfall Share Offer.
<b>Centec</b>	Centec Securities Pty Ltd ACN 007 281 745
<b>CHES</b>	The Clearing House Electronic Sub Register System, an automated transfer and settlement system for transactions in securities quoted on the NSX under which transfers are effected in paperless form.
<b>Closing Date</b>	Monday 31 January 2022, the date the Entitlement Offer closes.
<b>Company or Dawney</b>	Dawney & Co Limited ACN 138 270 201.
<b>Constitution</b>	The constitution of the Company.
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).
<b>Director</b>	A director of the Company.
<b>Eligible Shareholder</b>	A Shareholder on the Record Date who has a registered address in the Prescribed Jurisdictions, or is a Shareholder that the Company has otherwise determined is eligible to participate.
<b>Entitlements</b>	The entitlement to subscribe for a specific number of New Shares pursuant to the Entitlement Offer.
<b>Entitlement and Acceptance Form</b>	The entitlement and acceptance form accompanying this Offer Booklet.

<b>Entitlement Offer or Offer</b>	The non-renounceable offer to Eligible Shareholders to subscribe for 1 New Share for every 4 Shares of which the Shareholder is the registered holder on the Record Date, at an issue price of \$0.205 per New Share pursuant to this Offer Booklet.
<b>Existing Options</b>	All existing options to subscribe for Shares currently on issue as at the date of this Offer Booklet.
<b>Ineligible Shareholder</b>	A Shareholder (or beneficial holder of Shares) who is a Shareholder on the Record Date with a registered address outside of the Prescribed Jurisdictions.
<b>Issue Price</b>	\$0.205 for each New Share applied for.
<b>Listing Rules</b>	The listing rules of the NSX.
<b>Management</b>	The senior management of the Company as distinct from its directors, although an individual may be both a member of the Board and Management.
<b>New Shares</b>	Shares to be allotted and issued under the Entitlement Offer, or the Shortfall Share Offer.
<b>NSX</b>	NSX Limited or National Stock Exchange ABN 11 000 902 063
<b>Offer Booklet</b>	This document.
<b>Opening Date</b>	Thursday 20 January 2022 , the date the Entitlement Offer opens.
<b>Option Holders</b>	The holders of the Existing Options.
<b>Options</b>	Options to subscribe for Shares, on issue in the Company from time to time.
<b>Prescribed Jurisdictions</b>	Australia, New Zealand, Canada, Israel and Italy and any other jurisdiction in which the Company subsequently determines that it may make the Offer.
<b>Professional Investor</b>	Has the Meaning given to it in the Corporations Act.
<b>Record Date</b>	Thursday 7.00pm (AEST) on Tuesday 18 January 2022 .
<b>Register of Members</b>	The register of members of the Company.
<b>Relevant Interest</b>	Has the meaning given to that term in the Corporations Act.
<b>Share</b>	A fully paid ordinary share in the capital of the Company.
<b>Share Register</b>	Register of Members maintained by the Share Registry on behalf of the Company for the purposes of section 169 of the Corporations Act.
<b>Share Registry</b>	Automic Group Pty Ltd 152 260 814.
<b>Shareholder</b>	A holder of Shares.
<b>Shortfall Facility</b>	The facility described in Section 5.3 under which Eligible Shareholders may apply for additional New Shares in excess of their Entitlement.

<b>Shortfall or Shortfall Shares</b>	Any New Shares not taken up pursuant to the Entitlement Offer that are issued pursuant to the Shortfall Share Offer and the Shortfall Facility.
<b>Shortfall Share Offer</b>	The offer of Shortfall Shares to be issued pursuant to the Shortfall Facility, which is a “related offer” for the purposes of section 708AA(2)(a) as amended by <i>ASIC Corporations (Non—Traditional Rights Issues) Instrument 2016/84</i> .
<b>Sophisticated Investor</b>	Has the meaning given to it in the Corporations Act.
<b>Substantial Shareholder</b>	A substantial Shareholder of the Company as set out in Section 3(b) of this Offer Booklet.
<b>Voting Power</b>	Has the meaning given to that term in the Corporations Act.
<b>Voting Share</b>	Has the meaning given to that term in the Corporations Act.

---

## Corporate Directory

Directors and Company Secretary	Solicitors to the Capital Raising
<p>Kerry Daly Giles Craig Mitchell Dawney</p>	<p><b>HopgoodGanim</b> Level 8, Waterfront Place 1 Eagle Street Brisbane QLD 4000 Tel: +61 7 3024 0000 <a href="http://www.hopgoodganim.com.au">www.hopgoodganim.com.au</a></p>
Administration, Principal Place of Business and Registered Office	Share Registry
<p><b>Dawney &amp; Co Limited</b> Level 8, 1 Eagle Street Brisbane QLD 4001 Tel: (07) 3024 0336 <b>Error! Hyperlink reference not valid.</b><a href="http://www.dawneyco.com.au">www.dawneyco.com.au</a></p>	<p><b>Automic Group</b> Level 5, 126 Phillip Street, Sydney NSW 2000</p>
Lead Manager	
<p><b>Centec Securities Pty Ltd ACN 007 281 745</b> Level 21 , Matisse Tower, 110 Mary Street, Brisbane , QLD Tel : (07) 32129200</p>	