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PATHKEY.AI LTD
ACN 063 144 865

OFFER DOCUMENT

For a pro rata non-renounceable rights issue to Eligible Shareholders on the basis of one Share for every four existing Shares held by Eligible Shareholders on the Record Date at an issue price of $0.012 per Share to raise approximately $920,517 (before costs) (**Offer**).

The Offer opens on 12 December 2025 and closes at 5:00pm (AEDT) on 5 January 2026 (unless it is lawfully extended). Valid acceptances must be received before that time.

Applications for Shares by Eligible Shareholders can only be made by using or following the instructions on an Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Form sets out the Eligible Shareholders' Entitlement to participate in the Offer.

Please read the instructions in this Offer Document and on the accompanying Entitlement and Acceptance Form.

This document is not a prospectus and does not contain all of the information that an investor may require in order to make an informed investment decision regarding the Shares offered by this document.

The Shares offered by this Offer Document should be considered as speculative.

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IMPORTANT NOTICE

No third party authority

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 Document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

This document is not a prospectus

This Offer Document is dated 4 December 2025, has been prepared by Pathkey.AI Ltd and is for a rights issue of continuously quoted securities (as defined in the Corporations Act) of the Company. This Offer Document is not a prospectus under the Corporations Act and has not been lodged with the ASIC. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the Shares offered by this document.

This Offer Document including each of the documents attached to it and which form part of this Offer Document are important and should be read in their entirety prior to making an investment decision. In particular, Shareholders should refer to the risk factors set out in Section 4 of this Offer Document. If you do not fully understand this Offer Document or are in any doubt as to how to deal with it, you should consult your professional adviser.

Section 708AA of the Corporations Act

This Offer Document has been prepared in accordance with section 708AA of the Corporations Act and applicable ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84 (**ASIC Instrument 2016/84**). In general terms, section 708AA permits certain companies to undertake rights issues without being required to use or provide to shareholders a prospectus or other disclosure document. Accordingly, the level of disclosure in this Offer Document is significantly less than the level of disclosure required in, and what you would expect in, a prospectus. Eligible Shareholders should rely on their own knowledge of the Company, refer to disclosures made by the Company to ASX and consult their professional advisers before deciding to accept the Offer.

Eligibility

Applications for Shares by Eligible Shareholders can only be made on an original Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement to participate in the Offer.

Overseas Shareholders

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

The Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia and New Zealand. It is not practicable for the Company to comply with the securities laws of overseas jurisdictions (other than those mentioned above) having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction.

New Zealand Shareholders

The Offer is being made in New Zealand pursuant to the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 (New Zealand).

Notice to nominees and custodians

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form or otherwise make an Application for Shares will be taken by the Company to constitute a representation that there has been no breach of those regulations.

Forward-looking statements

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

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

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Offer Document will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

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

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 4 of this Offer Document.

Privacy Act

If you complete an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and uses that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

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

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Offer Document.

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

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CORPORATE DIRECTORY

Directors

Mr Damon Rasheed
Executive Director

Mr Paul Niardone
Non-Executive Director

Ms Shannon Robinson
Non-Executive Director

Company Secretary

Jonathan Hart

Registered Office

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Milsons Point NSW 2061

Telephone: + 61 3 9923 1222
Facsimile: +61 3 9923 1222

Email: info@pathkey.ai
Website: https://pathkey.ai/

Share Registry*

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SYDNEY NSW 2000

Telephone (Australia): 1300 288 664
Telephone (International): +61 2 9698 5414
Email: corporate.actions@automicgroup.com.au

Legal Advisers

Steinepreis Paganin
Level 14, QV1 Building
250 St Georges Terrace
PERTH WA 6000

Lead Manager

GBA Capital Pty Ltd
Level 2, 68 Pitt Street
SYDNEY NSW 2000

Auditor*

William Buck
Level 20, 181 William Street
MELBOURNE VIC 3000

*These parties have been included for information purposes only. They have not been involved in the preparation of this Offer Document.

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TABLE OF CONTENTS

1.	**KEY OFFER INFORMATION**	**2**
2.	**DETAILS OF THE OFFER**	**3**
3.	**ACTION REQUIRED BY SHAREHOLDERS**	**9**
4.	**RISK FACTORS**	**12**
5.	**DEFINED TERMS**	**15**

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1. KEY OFFER INFORMATION

1.1 Indicative Timetable

Event	Date
Company Announces Rights Issue	27 November 2025
Lodgement of Offer Document, Appendix 3B and Cleansing Notice	4 December 2025
Notice sent to security holders	4 December 2025
Ex date	9 December 2025
Record Date for determining Entitlements	10 December 2025
Issue of Tranche 1 Placement Shares	11 December 2025
Dispatch of Offer Document to Eligible Shareholders & Opening Date	12 December 2025
Last day to extend Closing Date	30 December 2025
Closing Date	5 January 2026
Shares quoted on a deferred settlement basis	6 January 2026
ASX notified of under subscriptions	12 January 2026
Issue date/Shares entered into Shareholders' security holdings	12 January 2026
Quotation of Shares issued under the Offer	13 January 2026

* Subject to the ASX Listing Rules, the Directors reserve the right to extend the Closing Date for the Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the Shares.

** These dates are indicative only and are subject to change.

1.2 Key statistics of the Offer

	Shares	Options
Offer Price per Share	$0.012	-
Entitlement Ratio	1:4	-
Securities currently on issue[1]	306,839,069	122,531,467
Shares to be issued under Offer[2]	76,709,767	-
Shares to be issued under Tranche 1 of Placement[3]	19,783,786	-
Securities on issue Post-Offer	**403,332,622**	**122,531,467**
Shares to be issued under Tranche 2 of Placement[3]	188,549,547	-
Securities to be issued post-Offer[4]	6,474,138	62,500,000
Securities on issue Post-EGM	**598,356,307**	**185,031,467**

Notes:

1. Refer to ASX announcements for details with respect to the Shares and Options currently on issue.
2. Assuming the full subscription of $920,517 is achieved under the Offer.
3. Refer to Section 2.2 for further information with respect to the Placement.
4. Comprising the following Securities, each of which are subject to Shareholder approval to be sought at an extraordinary general meeting to be convened in the coming months (**EGM**):
   (a) 6,474,138 Shares to be issued to advisors of the Company in consideration for corporate advisory and marketing services; and
   (b) 58,500,000 Options to be issued to advisors for corporate advisory services. Options will be exercisable at $0.025 within 2 years from issue (**Initial Options**). On exercise of the Initial Options, holders will receive one Share and one Option exercisable at $0.03 within 3 years of issue of the Initial Options (**Secondary Options**) and on exercise of the Secondary Options, holders will receive one Share and one Option exercisable at $0.035 within 4 years from issue of the Initial Options;
   (c) 4,000,000 Options to be issued to Shannon Robinson as a Director incentive. Options will be exercisable at $0.03 on or before 20 August 2029.

   This does not include Shares that may be issued to GBA (or its nominees) in the event it elects to receive fees through the issue of Shares, which could result in the issue of up to an additional 17,209,729 Shares. Refer to Section 2.5 for further information with respect to the Lead Manager Mandate.

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2. DETAILS OF THE OFFER

2.1 The Offer

The Offer is being made as a non-renounceable entitlement offer of one Share for every four Shares held by Eligible Shareholders registered at the Record Date at an issue price of $0.012 per Share. Fractional entitlements will be rounded down to the nearest whole number.

Based on the capital structure of the Company as set out in Section 2.8 of this Offer Document, a maximum of approximately 76,709,767 Shares will be issued pursuant to this Offer to raise up to approximately $920,517 (before costs).

As at the date of this Offer Document, the Company has 129,674,324 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Offer. Please refer to Section 2.8 of this Offer Document for information on the exercise price and expiry date of the Options on issue.

All of the Shares offered under this Offer Document will rank equally with the Shares on issue at the date of this Offer Document.

The Directors may at any time decide to withdraw this Offer Document and the offer of Shares made under this Offer Document in which case the Company will return all Application monies (without interest) within 28 days of giving such notice of withdrawal.

2.2 Placement

As announced on 27 November 2025, the Company has received firm commitments to raise $2.5 million under a placement through the issue of 208,333,333 Shares at an issue price of $0.012 per Share to sophisticated and professional investors (**Placement**). The Placement was lead managed by GBA Capital Pty Ltd (ACN 643 039 123) (**GBA** or **Lead Manager**) and is to be conducted in two tranches, as follows:

(a) **Tranche 1:** 19,783,786 Shares at an issue price of $0.012 to raise $237,405; and

(b) **Tranche 2:** 188,549,547 Shares at an issue price of $0.012 to raise $2,262,595.

Shares under Tranche 1 of the Placement are to be issued on the Business Day following the Record Date for the Offer. As such, investors under Tranche 1 of the Placement will not have an Entitlement to take up Shares under the Offer.

The issue of Shares under Tranche 2 of the Placement is subject to Shareholder approval, which is to be sought at a general meeting of Shareholders to be convened in the coming months.

2.3 Use of Funds

Completion of the Offer will result in an increase in cash in hand of up to approximately $920,517 (before the payment of costs associated with the Offer). The Company intends to apply the funds raised under the Offer as follows:

Items of expenditure	$	%
Enhancement of AI engine and TrialKey platform[1]	$320,000	34.76%
Scaling commercial activities[2]	$250,000	27.16%
Pursuit of adjacent AI-sector acquisition opportunities[3]	$150,000	16.30%
Working capital[4]	$119,302	12.96%
Expenses of the Offer[5]	$81,215	8.82%
Total	**$920,517**	**100.00%**

Notes:

1. Continuing to ingest additional datasets, improve platform functionality, generate new predictive features, and trial alternative machine-learning models to enhance accuracy and scalability.
2. Increasing business development capacity, attending key industry conferences, and expanding outreach to pharma, biotech, and CRO partners to drive commercial adoption.

3. Conducting due diligence and strategic assessment of potential acquisition targets aligned with PathKey's AI capabilities and growth roadmap.
4. Working capital includes corporate and administrative costs, such as the general costs associated with the management and operation of the Company's business including administration expenses, management salaries, directors' fees, corporate marketing, investor relations and other associated costs.
5. Being legal fees of $10,000, broker fees of $56,517, quotation fees of $6,067 and printing & distribution fees of $10,000. This assumes broker fees are satisfied via cash payment.

The above table is a statement of the Board's current intentions as at the date of this Offer Document. However, Shareholders should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments, market and general economic conditions and environmental factors. In light of this, the Board reserves the right to alter the way the funds are applied.

2.4 Pro forma balance sheet

	Audited 30 June 2025 $	Subsequent Events[1] $	Placement[2] $	Offer[3] $	Proforma[4] $
Current assets					
Cash and cash equivalents	107,500	457,122	2,337,896	839,302	3,741,820
Trade and other receivables	56,767	-	-	-	56,767
Financial assets	329,400	-	-	-	329,400
Other	4,454	-	-	-	4,454
Total current assets	**498,121**	**457,122**	**2,337,896**	**839,302**	**4,132,441**
Non-current assets				-	
Other investment assets	2	-	-		2
Property, plant and equipment	15,158	-	-	-	15,158
Total non-current assets	**15,160**	**-**	**-**	**-**	**15,160**
Total assets	**513,281**	**457,122**	**2,337,896**	**839,302**	**4,147,601**
Current liabilities					
Trade and other payables	369,912	(216,000)	-	-	153,912
Borrowings	411,734	(411,734)	-	-	-
Total current liabilities	**781,646**	**(627,734)**	**-**	**-**	**153,912**
Total liabilities	**781,646**	**(627,734)**	**-**	**-**	**153,912**
Net assets (liabilities)	**(268,365)**	**1,084,856**	**2,337,896**	**839,302**	**3,993,689**
Equity					
Issued capital	23,640,010	1,206,039	2,337,896	839,302	28,023,247
Reserves	1,047,033	17,641	-	-	1,064,674
Accumulated losses	(24,955,408)	(138,824)	-	-	(25,094,232)
Total equity	**(268,365)**	**1,084,856**	**2,337,896**	**839,302**	**3,993,689**

Notes:

1. Subsequent events include a placement of Shares on 21 August 2025 to raise $457,122 (before costs), conversion of $216,000 in Director fees into Shares, conversion of $411,734 owing under convertible notes into Shares and issue of 2,000,000 Options to Paul Niardone (a Director of the Company).
2. Placement to raise $2,500,000 through the issue of 208,333,333 Shares at an issue price of $0.012 per Share, less broker fees of $150,000 and quotation fees of $12,104. Refer to Section 2.2 for further details. This assumes GBA fees are satisfied via cash payment.
3. Assuming full subscription of $920,517 , less legal fees of $10,000, broker fees of $56,517, quotation fees of $5,984 and printing & distribution fees of $10,000. This assumes GBA fees are satisfied via cash payment.
4. The pro forma balance sheet does not incorporate issues of Securities post-Offer, as the issues are not directly connected with the Offer and are subject to Shareholder approval.

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2.5 Lead Manager

GBA has been appointed as lead manager and book runner to the Placement and the Offer pursuant to a lead manager mandate between the Company and GBA dated 19 November 2025 (**Lead Manager Mandate**). GBA will receive a capital raising fee equivalent to 6% of the gross amount raised under the Placement and the Offer for the provision of lead manager and book running services.

GBA may elect to receive the fees listed above in the form of Shares with a deemed issue price of $0.012 (being the same issue price of Shares offered under the Placement and the Offer), the issue of which will be subject to Shareholder approval.

GBA will be responsible for the payment of any capital raising fee (or part thereof) to other brokers or wealth management firms for allocations made to their respective high net worth or retail clients.

2.6 Entitlements and acceptance

Details of how to apply under the Offer are set out in Section 3 of this Offer Document.

The Entitlement of Eligible Shareholders to participate in the Offer will be determined on the Record Date. Your Entitlement is shown on the Entitlement and Acceptance form accompanying this Offer Document.

2.7 No rights trading

The rights to Shares under the Offer are non-renounceable. Accordingly, there will be no trading of rights on the ASX and you may not dispose of your rights to subscribe for Shares under the Offer to any other party. If you do not take up your Entitlement to Shares under the Offer by the Closing Date, the Offer to you will lapse.

2.8 Capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted, is set out below.

Securities	Shares	Options
Current[1]	306,839,069	122,531,467
Shares to be issued under the Offer[2]	76,709,767	-
Shares to be issued under Tranche 1 of the Placement[3]	19,783,786	-
Total Shares on issue after completion of the Offer	**403,332,622**	**122,531,467**
Shares to be issued under Tranche 2 of the Placement[3]	188,549,547	-
Securities to be issued post-Offer[4]	6,474,138	62,500,000
Total Shares on issue post-EGM	**598,356,307**	**185,031,467**

Notes:

1. Refer to ASX announcements for details with respect to the Shares and Options currently on issue.
2. This number may vary due to rounding of Entitlements and may decrease as a result of the rounding down of Shares offered under the Offer.
3. Refer to Section 2.2 for further information with respect to the Placement.
4. Comprising the following Securities, each of which are subject to Shareholder approval:
   (a) 6,474,138 Shares to be issued to advisors of the Company in consideration for corporate advisory and marketing services, subject to receiving Shareholder approval at a general meeting to be convened in the coming months; and
   (b) 58,500,000 Options to be issued to advisors for corporate advisory services. Options will be exercisable at $0.025 within 2 years from issue (**Initial Options**). On exercise of the Initial Options, holders will receive one Share and one Option exercisable at $0.03 within 3 years of issue of the Initial Options (**Secondary Options**) and on exercise of the Secondary Options, holders will receive one Share and one Option exercisable at $0.035 within 4 years from issue of the Initial Options;
   (c) 4,000,000 Options to be issued to Shannon Robinson as a Director incentive. Options will be exercisable at $0.03 on or before 20 August 2029.

   This does not include Shares that may be issued to GBA (or its nominees) in the event it elects to receive fees through the issue of Shares, which could result in the issue of up to an additional 17,209,729 Shares.

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Excluding the Securities to be issued post-Offer, the capital structure on a fully diluted basis as at the date of this Offer Document would be 429,370,536 Securities and on completion of the Offer (assuming all Entitlements are accepted and no Options are exercised prior to the Record Date) would be 525,864,089 Securities.

No Shares or Options on issue are subject to escrow restrictions, either voluntary or ASX imposed.

2.9 Dilution

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 20% (as compared to their holdings and number of Shares on issue as at the date of this Offer Document). Examples of how the dilution may impact Shareholders are set out in the table below:

Holder	Holding at Record Date	% at Record Date[1]	Entitlements	Holding if Offer not taken up	% post-Offer
Shareholder 1	50,000,000	16.30%	10,000,000	50,000,000	13.04%
Shareholder 2	25,000,000	8.15%	6,250,000	25,000,000	6.52%
Shareholder 3	10,000,000	3.26%	2,500,000	10,000,000	2.61%
Shareholder 4	5,000,000	1.63%	1,250,000	5,000,000	1.30%
Shareholder 5	1,000,000	0.33%	250,000	1,000,000	0.26%

Notes:

1. This is based on a share capital of 306,839,069 Shares at the date of this Offer Document. Shareholders should note that the Placement and other Shares issued after the Record Date will have a further dilutionary impact on each individual Shareholder's holding.

2.10 Directors Interests and Participation

Each Director's relevant interest in the securities of the Company at the date of this Offer Document and their Entitlement is set out in the table below.

Director	Shares	Options	%	Entitlement	$
Damon Rasheed	14,486,362	5,700,000	4.72%	3,621,590	$43,459.08
Paul Niardone	-	2,000,000	-	-	-
Shannon Robinson	-	-	-	-	-

As announced on 27 October 2025, subject to Shareholder approval at a general meeting to be convened in the coming months, Ms Robinson is to be issued 4,000,000 Options.

Mr Rasheed has confirmed his intention to take up at least $25,000 in respect of his Entitlement.

2.11 Effect of the Offer on control and voting power in the Company

The Company's substantial holders and their Entitlement prior to the Offer are set out in the table below.

Substantial holder	Shares	%	Entitlement	$
Antanas Guoga	49,155,882	16.02%	12,288,970	$147,467.64
Irwin Biotech Nominees Pty Ltd	42,316,371	13.79%	10,579,092	$126,949.10

Notes:

1. In the event Mr Guoga takes up his full Entitlement and no other Shares are issued under the Offer, Mr Guoga's voting power could increase to 20.32%. Mr Guoga has provided the Company with an undertaking that he will take up a portion of his Entitlement to bring his voting power up to a maximum of 19.99% following the Offer and no more.
2. The voting power in the table is prior to the issue of Shares under the Offer.

No Shareholder can obtain a voting power in the Company in excess of 20% through take up of Entitlements under the Offer.

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2.12 Market Price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX. The highest, lowest and last closing market sale prices of the Shares on ASX during the three months immediately preceding the date of release of this Offer Document and the respective dates of those sales were:

	Price	Date
Highest	$0.036	4 September 2025
Lowest	$0.014	21, 24 and 27 November 2025 and 1 December 2025
Last	$0.015	3 December 2025

2.13 Opening and Closing Dates

The Offer opens on the Opening Date, being 12 December 2025, and closes on the Closing Date, being 5:00pm (AEDT) on 5 January 2026 (or such other dates as the Directors in their discretion shall determine subject to the ASX Listing Rules). The Company will accept Entitlement and Acceptance Forms until the Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the ASX Listing Rules.

2.14 Issue and dispatch

Shares issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and the indicative timetable set out in Section 1 of this Offer Document. Shares issued pursuant to the Shortfall Offer will be issued on a progressive basis.

Pending the issue of the Shares or payment of refunds pursuant to this Offer Document, all Application monies will be held by the Registry in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest by completing and returning the Entitlement and Acceptance Form or otherwise making an Application for Shares under this Prospectus.

The expected dates for issue of Shares offered by this Offer Document and dispatch of holding statements is expected to occur on the dates specified in the Timetable set out in Section 1 of this Offer Document.

It is the responsibility of Applicants to determine the allocation prior to trading in the Shares. Applicants who sell Shares before they receive their holding statements will do so at their own risk.

2.15 ASX listing

Application for official quotation by ASX of the Shares offered pursuant to this Offer Document will be made. The fact that ASX may grant official quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

2.16 CHESS

The Company is a participant in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares allotted to them under this Offer Document. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

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2.17 Risk Factors

An investment in Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are non-exhaustive. Please refer to Section 4 of this Offer Document for further details.

2.18 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for Shares under this Offer Document. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders.

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

2.19 Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX and, as such, the Company is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules.

Specifically, the Company is required to notify ASX of information about specific events and matters as they arise for the purposes of the ASX making that information available to the securities markets conducted by the ASX. In particular, the Company has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify the ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price of value of its securities.

This Offer Document is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include information that would be included in a disclosure document or which investors ought to have regard to in deciding whether to subscribe for Shares under the Offer. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

All announcements made by the Company are available from its website https://pathkey.ai/ or the ASX www.asx.com.au.

Additionally, the Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a directors' statement and report, and an audit report or review. These reports are released to ASX and published on the Company's and the ASX websites.

This Offer Document (including the Entitlement & Acceptance Form) and the contracts that arise from acceptance of the Applications are governed by the laws applicable in New South Wales and each Applicant submits to the non-exclusive jurisdiction of the courts of New South Wales.

2.20 Enquiries concerning Offer Document

Enquiries relating to this Offer Document should be directed to the Company on +61 3 9923 1222.

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3. ACTION REQUIRED BY SHAREHOLDERS

3.1 How to Accept the Offer

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Offer Document. You may participate in the Offer as follows:

Participation	Action Required
if you wish to accept your Entitlement in full:	Complete the Entitlement and Acceptance Form, filling in the details in the spaces provided and arrange payment by BPAY® or EFT for the amount indicated on the Entitlement and Acceptance Form.
if you only wish to accept part of your Entitlement:	Fill in the number of Shares you wish to accept in the space provided on the Entitlement and Acceptance Form and arrange payment by BPAY® or EFT for the appropriate Application monies (at $0.012 per Share); or
if you do not wish to accept all or part of your Entitlement:	You are not obliged to do anything.

Your completed Entitlement and Acceptance Form and payment must reach the Registry no later than 5:00pm (AEDT) on the Closing Date.

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

3.2 Implications of an acceptance

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

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

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

3.3 Payment by cheque/bank draft

The Company will not accept payment by cheque or bank draft.

3.4 Payment options

(a) **By BPAY®**

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

(i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;

(ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and

(iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, to the extent of the excess.

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

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

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

(b) **By Electronic Funds Transfer (overseas applicants)**

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

(i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;

(ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and

(iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, to the extent of the excess.

3.5 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Offer Document and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be $0.012 being the price at which Shares have been offered under the Offer.

No Applicant under the Shortfall Offer has any assurance of being allocated all or any Shares applied for. The allocation of Shortfall Shares by Directors in consultation with the Lead Manager will be influenced by the following factors:

(a) number of shares bid for by particular Applicants;

(b) the timeliness of the bid by particular Applicants;

(c) the Company's desire to expand its spread of institutional shareholders;

(d) the size and type of funds under management of particular Applicants;

(e) overall anticipated level of demand under the Offer;

(f) the likelihood that particular Applicants will:

(i) be long-term Shareholders;

(ii) support the Company's Share price post the Offer by purchasing Shares on-market;

(iii) support future funding rounds if and when required; and

(g) any factors other than those described above that the Company and its brokers consider appropriate.

Allocations under the Shortfall Offer will also be managed to ensure that no Shareholder goes above the 20% threshold imposed by section 606 of the Corporations Act.

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The Company will not be liable to any person not allocated Shares or not allocated the full amount applied for. Similarly, no Shares will be issued via the Shortfall Offer to any related parties of the Company.

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4. RISK FACTORS

4.1 Introduction

The Shares offered under this Offer Document should be considered speculative because of the nature of the Company's business.

There are numerous risk factors involved with the Company's business. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which securities will trade.

The following is a summary of the more material matters to be considered. However, this summary is not exhaustive and potential investors should examine the contents of this Offer Document in its entirety and consult their professional advisors before deciding whether to apply for the Shares.

4.2 Key investment risks

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. Prospective investors should read this Offer Document in its entirety before deciding whether to apply for Shares under this Offer Document.

These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Offer Document.

Risk	Description
Company specific risks	
Intellectual Property Rights	The Company's ability to protect its registered and unregistered intellectual property rights and any improvements across various jurisdictions is critical to preserving the value of its product innovation and brand development. Such rights and associated information may be the subject of infringement or unauthorised disclosure by third parties, and asserting or defending such rights may be costly and time-consuming.
Competition	The Company's chosen market is subject to domestic and international competition and is subject to changing customer demand and preferences, with competition based on a variety of factors. The Company's financial performance or operating margins could be adversely affected if its competitors develop or extend competitive advantages over it, if new competitors enter the market or if the Company fails to successfully adapt to changes in the market. Market consolidation or future acquisitions could also result in further competition and changes to margins and market share, which could negatively impact the Company's financial performance or operating margins.
Reliance of key personnel	The Company's success depends to a significant extent on the ability, performance and experience of its key personnel. The Company is reliant on attracting and retaining quality senior executives and other key technical and operational employees who provide expertise, experience and strategic direction in operating the business. The Company cannot guarantee that it will be able to continue to attract and retain sufficiently qualified management personnel or maintain its relationships with key organisations and contractors. The loss of the services of any of those key employees and the associated corporate knowledge of those people or the inability to attract new qualified personnel, could materially adversely affect the Company's reputation, financial and operational performance.
Workplace health and safety risk	Key personnel, sales, administration and other staff are also exposed to risks, particularly if they are travelling. The Company must comply with various health and safety laws. There is a risk that penalties and other liabilities for the violation of health and safety law and standards may be imposed on the Company and may have an adverse effect on the Company's reputation and its revenue, profitability and growth.
Information technology	The Company relies on various information technology systems and assets for its business operations. Any failure to successfully maintain the Company's IT systems or roll out updates or changes across its business operations, in

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Risk	Description
	accordance with its requirements from time to time, may negatively impact the Company's business and performance. The Company may be subject to various IT system failures, network disruptions, cybersecurity attacks, breaches in data security, and other non-malicious or malicious disruptions and incidents, which may materially adversely affect the Company's operations, financial condition and operating results.
Litigation and regulatory matters	The Company is subject to the usual business risk that litigation or disputes may arise from time to time in the ordinary course of its business activities. These may include claims, disputes, inquiries and investigations involving competitors, customers, suppliers, employees, governmental agencies/authorities, regulators or other third parties. Any successful claim against the Company may adversely impact its future financial performance or position as well as its reputation and brand. Further, the occurrence of a litigation dispute may be costly and can impact on the Company's reputation which may have a material adverse effect on the business, financial condition and results of the Company.
Insurance	The Company maintains appropriate policies of insurance coverage consistent with those customarily carried by organisations in its industry sector. However, there is no guarantee that such insurance will be available in the future on a commercially reasonable basis or that the Company will have adequate insurance to cover losses it sustains. Uninsured loss or a loss in excess of the Company's insured limits could adversely affect the Company's business, financial condition and operational results.
Business Interruption	The Company's business operations could be exposed to damage or interruption, system failures, power or telecommunication providers' failure, fire, flooding, extreme weather events, natural disasters, global geo-political events, hostilities and acts of terrorism, war, outbreaks of pandemics or diseases, travel restrictions, lockdowns or human error. Such occurrences events may impact the Company's ability to operate and could result in business interruption, the loss of customers and/or revenue, brand or reputational damage and weakening of its competitive position, which could in turn adversely affect the Company's operating and financial performance.
Dilution Risk	If you do not take up all of your entitlement under the Offer, your percentage holding of Shares will be diluted by not participating to the full extent in the Offer. Investors may also have their investment diluted by future capital raisings.
Maintenance of professional reputation	The success of the Company is reliant on the maintenance of its reputation in the marketplace. Any factors that damage the reputation of the Company may potentially result in a failure to win new contracts and impinge on the ability to maintain relationships with existing customers, as well as affect its ability to attract key employees. If any of these occur, this could materially adversely affect the Company's business, operating and financial performance.
General Risks	
Additional requirements for capital	The funds raised under the Offer are considered sufficient to meet the current proposed objectives of the Company. Additional funding may be required in the event future costs exceed the Company's estimates and to effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur. The Company may seek to raise further funds through equity or debt financing, joint ventures or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of its research and development programmes. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.
Taxation	Future changes in Australian taxation law or the tax laws of any country in which the Company operates, including changes in interpretation or application of the law by the relevant authorities may affect the taxation treatment of an investment in shares in the Company or the holding and disposal of those shares. Further, changes in tax law, or changes in the way tax law is or is expected to be interpreted, in the jurisdictions in which the Company operates, may impact the future tax liabilities of the Company.
General economic conditions	Economic conditions, both domestic and global, may affect the performance of the Company. Factors such as fluctuations in currencies, commodity prices, inflation, interest rates, supply and demand and industrial disruption may have an impact on operating costs and share market prices. The Company's future

Risk	Description
	possible revenues and Share price can be affected by these factors, all of which are beyond the control of the Company or its Directors.
Equity market conditions	Securities listed on the stock market can experience extreme price and volume fluctuations that are often unrelated to the operating performances of such companies. The market price of Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. General factors that may affect the market price of Shares include economic conditions in both Australia and internationally (particularly Australian, US and Chinese economic conditions), investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.
Macroeconomic environment	There is potential for changes in the macroeconomic environment to impact the sector that the Company operates in. These include, but are not limited to: (a) changes in inflation, interest rates and foreign currency exchange rates; (b) changes in employment levels and labour costs, which may affect consumer spending and the cost structure of the Company; (c) changes in aggregate investment and economic output; and (d) other changes in economic conditions which may affect consumer spending or the revenue or costs of the Company.
Change in government policy and legislation	Any material adverse changes in relevant government policies or legislation of Australia may affect the viability and profitability of the Company, and consequent returns to investors. The activities of the Company are subject to various federal, state and local laws governing prospecting, development, production, taxes, labour standards and occupational health and safety, and other matters.

4.3 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the securities offered under this Offer Document. Therefore, the securities to be issued pursuant to this Offer Document carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for securities pursuant to this Offer Document.

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5. DEFINED TERMS

$ or A$ means an Australian dollar.

Applicant refers to a person who submits an Entitlement and Acceptance Form, or submits a payment of subscription monies in respect of the Offer.

Application refers to the submission of an Entitlement and Acceptance Form or Shortfall Application Form (as the case may be).

ASX means ASX Limited (ACN 008 624 691) or, where the context permits, the Australian Securities Exchange operated by ASX Limited.

ASX Listing Rules means the Listing Rules of the ASX.

Closing Date means the closing date set out in Section 1 or such other date as may be determined by the Directors.

Company means Pathkey.AI Ltd (ACN 063 144 865).

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

Directors mean the directors of the Company.

Eligible Shareholder means a Shareholder whose details appear on the Company's register of Shareholders as at the Record Date whose registered address is in Australia or New Zealand.

Entitlement means the entitlement to subscribe for one Share for every four Shares held by an Eligible Shareholder on the Record Date.

Entitlement and Acceptance Form means the Entitlement and Acceptance Form accompanying this Offer Document.

Lead Manager or **GBA** means GBA Capital Pty Ltd (ACN 643 039 123).

Lead Manager Mandate has the meaning given in Section 2.5.

Offer means the pro rata non-renounceable offer of Shares at an issue price of $0.012 each on the basis of one Share for every four Shares held on the Record Date subscribed for pursuant to this Offer Document.

Offer Document means this Offer Document.

Opening Date means the opening date set out in Section 1 of this Offer Document.

Placement has the meaning given in Section 2.2.

Record Date means the record date set out in Section 1 of this Offer Document.

Section means a section of this Offer Document.

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

Shareholder means a holder of Shares.

Shortfall means those Shares under the Offer not applied for by Shareholders under their Entitlement**.**

Shortfall Offer means as defined in Section 3.5 of this Offer Document.

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