



Prospectus

Trajan Group Holdings Limited
ACN 152 617 706

Initial public offering of Shares
in Trajan Group Holdings Limited

Financial Adviser



Joint Lead Managers



ORD MINNETT

Legal Adviser



Important notices

Offer

The Offer contained in this Prospectus is an invitation to acquire fully paid ordinary shares (**Shares**) in Trajan Group Holdings Limited ACN 152 617 706 (**Company**). This Prospectus is issued by the Company and Trajan SaleCo Limited ACN 649 243 274 (**SaleCo**). See Section 7 for further information on the Offer, including as to details of the securities that will be issued and transferred under this Prospectus.

Lodgement and Listing

This Prospectus is dated 7 May 2021 (**Prospectus Date**) and was lodged with ASIC on that date.

The Company will apply to the ASX within seven days after the Prospectus Date for admission of the Company to the Official List and quotation of the Shares on the ASX (**Listing**).

None of ASIC, the ASX or their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

Expiry Date

No Shares will be issued or sold on the basis of this Prospectus later than 13 months after the Prospectus Date.

Not investment advice

The information contained in this Prospectus is not financial product advice and does not take into account the investment objectives, financial situation or particular needs (including financial and tax issues) of any prospective investor.

Consider risks of investment

It is important that you read this Prospectus carefully and in full before deciding whether to invest in the Company. In particular, in considering the prospects of the Company, you should consider the risk factors that could affect the Company's performance. Some of the key risk factors that should be considered by prospective investors are set out in Sections 1.4 and 5 of this Prospectus. However, there may be risk factors in addition to these that should be considered in light of your personal circumstances. You should carefully consider these factors in light of your investment objectives, financial situation and particular needs (including financial and taxation issues) and seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest.

You should also consider the assumptions underlying the Forecast Financial Information set out in Section 4 that could affect the Company's business, financial condition and results of operations.

Disclaimer

Except as required by law, and only to the extent so required, no person named in this Prospectus, nor any other person, guarantees the performance of the Company, the repayment of capital by the Company or the payment of a return on the Shares.

No person is authorised to give any information or make any representation in connection with the Offer which is not included in this Prospectus. Any information or representation not included in this Prospectus may not be relied on as having been authorised by the Company, the Directors, SaleCo, the SaleCo Directors, the Joint Lead Managers or any other person involved in the preparation of the Prospectus or the making of the Offer. In making any investment decision you should rely only on information in this Prospectus.

Canaccord Genuity (Australia) Limited (**Canaccord**) and Ord Minnett Limited (**Ord Minnett**) have acted as Joint Lead Managers to the Offer and have not authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Prospectus and there is no statement in this Prospectus which is based on any statement made by any Joint Lead Manager or by any of their respective affiliates or related bodies corporate (as defined in the Corporations Act) (**Related Bodies Corporate**), or any of their respective officers, directors, employees, partners advisers or agents. To the maximum extent permitted by law, the Joint Lead Managers, their respective Related Bodies Corporate, and any of their respective officers, directors, employees, partners, advisers or agents expressly disclaim all liabilities in respect of, make no representations regarding, and take no responsibility for, any part of this Prospectus other than references to their name and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Prospectus.

Exposure Period

The Corporations Act prohibits the Company and SaleCo from processing applications to acquire Shares under this Prospectus (**Applications**) in the seven day period after the Prospectus Date (**Exposure Period**). This Exposure Period may be extended by ASIC by up to a further seven days.

The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this Prospectus, in which case any Application may need to be dealt with in accordance with section 724 of the Corporations Act.

Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be conferred on any Applications received during the Exposure Period.

Obtaining a copy of this Prospectus

This Prospectus is available in electronic form to Australian resident investors on the Company's Offer website, <https://trajangroupippo.thereachagency.com>. The Offer constituted by this Prospectus in electronic form is available only to Australian residents accessing the website within Australia and is not available to persons in any other jurisdictions, including the United States.

A hard copy of the Prospectus is available free of charge during the Offer Period to any person in Australia by calling the Trajan Offer Information Line on 1300 850 505 (within Australia) or

+61 3 9415 5000 (outside Australia) between 8.30am and 5.30pm (Melbourne time) Monday to Friday (excluding public holidays).

Statements of past performance

This Prospectus includes information regarding the past performance of the Company. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

Presentation of Financial Information

Section 4 sets out in detail the Financial Information referred to in this Prospectus and the basis of preparation for the Financial Information. The Financial Information in this Prospectus should be read in conjunction with, and is qualified by reference to, the information contained in Sections 1.4 and 5.

All references to FY2019, FY2020, FY2021F and FY2022F appearing in this Prospectus are to the financial years ended or ending 30 June 2019, 30 June 2020, 30 June 2021 and 30 June 2022 respectively, unless otherwise indicated.

All references to HY2020 and HY2021 appearing in this Prospectus are to the half financial years ended 31 December 2019 and 31 December 2020 respectively, unless otherwise indicated.

All financial amounts contained in this Prospectus are expressed in Australian dollars unless otherwise stated. Any discrepancies between totals and sums and components in tables, figures and diagrams contained in this Prospectus are due to rounding.

The Historical Financial Information has been prepared in accordance with the recognition and measurement principles prescribed by the Australian Accounting Standards issued by the Australian Accounting Standards Board, which comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board.

The Financial Information is presented in an abbreviated form. It does not include all of the presentation and disclosures required by the Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

This Prospectus includes Forecast Financial Information based on the best estimate assumptions of the Directors and on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the Prospectus Date are expected to take place. The basis of preparation and presentation of the Forecast Financial Information, to the extent applicable, is consistent with the basis of preparation and presentation for the Historical Financial Information. The Forecast Financial Information presented in this Prospectus is unaudited.

The Financial Information in this Prospectus should be read in conjunction with, and it is qualified by reference to, the information contained in Sections 1.4, 4 and 5.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as “believes”, “considers”, “could”, “estimates”, “expects”, “intends”, “may”, and other similar words that involve risks and uncertainties. Certain statements, beliefs and opinions contained in this Prospectus, particularly those regarding the possible or assumed future financial or other performance of the Company, industry growth or other trend projections are or may be forward-looking statements. The Forecast Financial Information is an example of forward-looking statements.

Any forward-looking statements are subject to various known and unknown risk factors that could cause the Company’s actual results and circumstances to differ materially from the results and circumstances expressed or anticipated in these statements. Such statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management, SaleCo or the SaleCo Directors. Forward-looking statements should be read in conjunction with, and are qualified by reference to, Section 4, the risk factors as set out in Sections 1.4 and 5 and other information in this Prospectus.

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

No person who has made any forward-looking statements in this Prospectus (including the Company) has any intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, other than to the extent required by law.

Market and industry information

This Prospectus, including the industry overview in Section 2, contains statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry forecasts and projections. The Company has obtained significant portions of this information from market research and commentary prepared by third parties. There is no assurance that any of the forecasts or forward information contained in the reports, surveys and research of such third parties that are referred to in this Prospectus will be achieved. The Company has not independently verified this information. Estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed in the key risk factors in Sections 1.4 and 5.

Investors should note that market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions.

International Offer restrictions

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of Shares, in any jurisdiction outside Australia. The distribution of this Prospectus (including in electronic form) outside Australia may be restricted by law and persons who come into possession of this Prospectus outside Australia should observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus does not constitute an offer to sell, or a solicitation of any offer to buy, securities in the United States. In particular, the Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States, except in transactions exempt from, or not subject to the registration requirements of the US Securities Act and any applicable US securities laws.

This Prospectus may only be distributed in the United States to Institutional Investors by the Company or a registered US broker-dealer of Canaccord and only if this Prospectus is accompanied by the US Offering Circular.

See Section 7.18 for more detail on selling restrictions that apply to the Offer and sale of Shares to Institutional Investors in jurisdictions outside of Australia.

To the extent any person in any jurisdiction outside Australia lawfully receives an offer under this Prospectus, the taxation treatment of Australian securities may not be the same as those for securities in foreign jurisdictions.

No cooling off rights

Cooling off rights do not apply to an investment in Shares offered under this Prospectus. This means that, in most circumstances, you cannot withdraw your Application.

Photographs and diagrams

Photographs and diagrams used in this Prospectus that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents or that the assets shown in them are or, on Completion of the Offer will be, owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale or accurately represent the technical aspects of the products. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the Prospectus Date.

Applications

Applications for Shares may only be made during the Offer Period on the Application Form included in, or accompanying, this Prospectus in its hard copy form, or in its electronic form which must be downloaded in its entirety, together with an electronic copy of this Prospectus. By making an Application, you declare that you were given access to the Prospectus, together with an Application Form.

The Corporations Act prohibits any person from passing the Application Form on to another person unless it is included in, or accompanied by, this Prospectus in its paper copy form or the complete and unaltered electronic version of this Prospectus.

To the extent permitted by law, each of the Company, SaleCo, the Registry, and the Joint Lead Managers disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving their holding statement, whether on the basis of a confirmation of allocation provided by any of them, by the Trajan Offer Information Line, by a Broker or otherwise.

Privacy

By completing an Application Form, you are providing personal information to the Company, SaleCo and the Registry, which is contracted by the Company to manage Applications. The Company, SaleCo and the Registry on their behalf, and their agents and service providers, may collect, hold, use and disclose that personal information for the purpose of processing your Application, servicing your needs as a Shareholder, providing facilities and services that you need or request and carrying out appropriate administration, and for other purposes related to your investment listed below.

If you do not provide the information requested in the Application Form, the Company, SaleCo and the Registry may not be able to process or accept your Application.

Once you become a Shareholder, the Corporations Act and Australian taxation legislation require information about you (including your name, address and details of the Shares you hold) to be included in the Share register. In accordance with the requirements of the Corporations Act, information on the Share register will be accessible by members of the public. The information must continue to be included in the Share register if you cease to be a Shareholder.

The Company and the Registry may disclose your personal information for purposes related to your investment to their agents and service providers including those listed below or as otherwise authorised under the *Privacy Act 1988* (Cth):

- the Registry for ongoing administration of the Share register;
- the Joint Lead Managers in order to assess your Application;
- Brokers for the purpose of providing their services;

Important notices (continued)

- printers and other companies for the purpose of preparing and distributing statements and for handling mail;
- market research companies for the purpose of analysing the Company's shareholder base and for product development and planning; and
- legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising on, the Shares and for associated actions.

The Company's agents and service providers may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law.

Information contained in Company's Share register is also used to facilitate corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its shareholders) and compliance by the Company with legal and regulatory requirements.

An Applicant has a right to access his or her personal information that the Company, SaleCo and the Registry hold about that person, subject to certain exemptions under law. A reasonable fee may be charged for access. Access requests must be made in writing or by telephone call to the Registry, details of which are set out in the corporate directory on the final page of this Prospectus.

By submitting an Application, you agree that the Company and the Registry may communicate with you in electronic form or contact you by telephone in relation to the Offer.

The Company aims to ensure that the personal information it retains about you is accurate, complete and up to date. To assist with this, please contact the Company or the Registry if any of the details you have provided change.

Financial Services Guide

The provider of the independent review of the Financial Information is required to provide Australian retail clients with a Financial Services Guide in relation to that review under the Corporations Act. The Investigating Accountant's Report and accompanying Financial Services Guide is provided in Section 8.

Intellectual property

This Prospectus may contain trademarks of third parties, which are the property of their respective owners. Third-party trademarks used in this Prospectus belong to the relevant owners and use is not intended to represent sponsorship, approval or association by or with the Company.

Documents available on website

Any references to documents included on the Company's website at <https://www.trajanscimed.com/> or the Offer website at <https://trajangroupipo.thereachagency.com> are for convenience only, and none of the documents or other information available on these websites is incorporated in this Prospectus by reference.

Defined terms and time

Defined terms and abbreviations used in this Prospectus have the meanings given in the glossary of this Prospectus at Section 10. Unless otherwise stated or implied, references to times in this Prospectus are to Melbourne, Victoria, Australia time.

Questions

If you have any questions about this Prospectus or the Offer, please contact the Trajan Offer Information Line on 1300 850 505 (within Australia) or +61 3 9415 5000 (outside Australia) between 8.30am and 5.30pm (Melbourne time) Monday to Friday (excluding public holidays).

This document is important and should be read in its entirety before making any investment decision.

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Key Offer Information

Important dates

Prospectus Date	7 May 2021
Opening date of the Retail Offer	17 May 2021
Closing date of the Retail Offer	25 May 2021
Settlement of the Offer	28 May 2021
Allotment of Shares	31 May 2021
Expected dispatch of holding statements	1 June 2021
ASX trading commences on a normal settlement basis	7 June 2021

Dates may change

The above dates are indicative only and may change without notice. Unless otherwise indicated, all times and dates are stated in Australian Eastern Standard time. Trajan, SaleCo and the Joint Lead Managers reserve the right to vary any and all of the above dates and times of the Offer without notice, including, subject to the ASX Listing Rules and the Corporations Act, to extend the Offer, close the Offer early or to accept late Applications, either generally or in particular cases, or to cancel or withdraw the Offer before Settlement, in each case without notifying any recipient of this Prospectus or any Applicant. Offers may be made and may be open for acceptances, under this Prospectus either generally or in particular cases, including until Completion or, subject to the Corporations Act, thereafter, at the discretion of the Directors.

If the Offer is cancelled or withdrawn before the allocation of Shares, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as soon as possible after the Offer opens.

How to invest

The above dates are indicative only and may change without notice. Unless otherwise indicated, all times and Applications for Shares can only be made by completing and lodging an Application Form. Instructions on how to apply for Shares are set out in Section 7 and on the back of the Application Form.

Questions

Please call the Trajan Offer Information Line on 1300 850 505 (within Australia) or +61 3 9415 5000 (outside Australia) from 8.30am to 5.30pm (Melbourne time) Monday to Friday (excluding public holidays). If you are unclear in relation to any matter or are uncertain as to whether Trajan is a suitable investment for you, you should seek advice from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest in Trajan.

Key Offer Statistics¹

Offer Price	\$1.70 per share
Total number of New Shares to be issued under the Offer ²	29.4 million
Total number of Existing Shares to be sold under the Offer	23.5 million
Total proceeds of the Offer	\$90.0 million
Number of Shares to be held by the Existing Shareholder on Completion of the Offer ³	76.5 million
Total number of Shares on issue on Completion of the Offer ²	129.4 million
Market capitalisation at the Offer Price ⁴	\$220.0 million
Pro forma net cash (as of 31 December 2020) ⁵	\$41.8 million
Implied enterprise value at the Offer Price ⁶	\$178.2 million
Enterprise value/pro forma FY2022 forecast revenue ⁷	2.2x
Enterprise value/pro forma FY2022 forecast EBITDA ⁸	16.7x
Enterprise value/pro forma FY2022 forecast EBITDAR&D ⁹	11.8x

1. This table contains Forecast Financial Information and information derived from the Forecast Financial Information. The Forecast Financial Information is based on assumptions and accounting policies set out in Section 4 and Appendix A, and is subject to the key risks set out in Section 5. There is no guarantee that the forecasts will be achieved. Certain financial information in this Prospectus is described as pro forma for the reasons described in Section 4. Forecasts have been included in this Prospectus for the financial years ending 30 June 2021 and 30 June 2022.

2. Excludes any Shares which may be issued under the Employee Gift Offer. The total number of Shares which may be issued under the Employee Gift Offer is 152,880.

3. Excluding any Shares acquired under the Offer.

4. Calculated as the total number of Shares on issue on Completion of the Offer multiplied by the Offer Price.

5. Pro forma net cash represents cash and cash equivalents as at 31 December 2020, calculated on a pro forma basis assuming Completion of the Offer, less borrowings as at 31 December 2020.

6. Calculated as the market capitalisation at the Offer Price, less pro forma net cash as at 31 December 2020.

7. Enterprise value/pro forma FY2022 revenue multiple is calculated as the enterprise value at the Offer Price divided by pro forma FY2022 forecast revenue of \$82.6m.

8. Enterprise value/pro forma EBITDA is calculated as the enterprise value at the Offer Price divided by pro forma FY2022 forecast EBITDA of \$10.7m.

9. Enterprise value/EBITDAR&D is calculated as the enterprise value at the Offer Price divided by pro forma FY2022 forecast EBITDAR&D of \$15.1m.

Chair's letter

Dear Investor,

On behalf of the Board of Directors of Trajan Group Holdings Limited (Trajan), I am pleased to offer you the opportunity to become a shareholder in Trajan and join us on the next phase of our growth journey.

Established in 2011, Trajan presents a unique opportunity for investors to invest in an Australian headquartered, global participant in the analytical science instrument and device industry.

Founded by Stephen and Angela Tomisich, Trajan is a purpose led business that aims to enrich human wellbeing through the design, manufacture and supply of products and solutions that enhance scientific measurement. Our precision componentry and solutions are used in the analysis of biological, food and environmental samples across a variety of segments that impact human wellbeing, as well as having a broad range of life science applications including, pharmaceutical, clinical diagnostics and pathology. Trajan has also developed a portfolio of innovative technologies and devices which are expected to support the trend towards decentralised, personalised data-based healthcare.

Trajan's customers include some of the world's largest life science, biopharma and analytical companies. These customers have rigorously tested our product quality and performance, becoming long-term partners of Trajan across many of the specialised segments in which we operate.

The analytical science sector is a highly specialised area with significant barriers to entry due to the extreme precision demanded of the products and componentry, as well as significant regulatory requirements. It is also a strategically important industry due to the critical role of end-use analysis in ensuring the health and safety of society.

Analytical science instruments and devices are used in laboratories to identify and quantify specific components of a sample. One segment of the global analytical science industry in which Trajan operates is the mass spectrometry market, which was valued at USD 4.1 billion in 2020. End-user segments within this market include pharmaceutical applications which are projected to grow at a CAGR of 9.3% and environmental testing which is projected to have a CAGR of 6.5% from 2020 to 2025.¹

Trajan is a global business with less than 10% of its FY2020 sales coming from customers based in Oceania and more than 40% of FY2020 sales being derived from customers based in the Americas. Our Melbourne head office facility is complemented by similar global centres of excellence across three key sites in the United States (US) and one in Malaysia. The Company has an established global infrastructure platform and leadership team to support us in executing on the next phase of our growth strategy.

Investors will be represented by a Board of six Directors. This will comprise two Trajan executive officers including the co-founder, CEO and Managing Director, Stephen Tomisich, and four newly appointed Independent Non-Executive Directors including myself as Chair. The Board collectively possesses a broad range of skills, insights and experiences across the global analytical and life science industry, senior corporate leadership roles and ASX director roles.

Under the Offer, Trajan is seeking to raise gross proceeds of \$90 million at an Offer Price of \$1.70 per Share. The proceeds raised will predominantly be used to execute the Company's growth strategy which encompasses both strategic acquisitions of complementary businesses, technologies and processes, and continued investment in our proprietary technology and device portfolio. The proceeds will also allow the Existing Shareholder, a family trust of which Stephen and Angela Tomisich (the co-founders of Trajan) are beneficiaries, the opportunity to realise a minority part of their investment in the Company. On Completion of the Offer, new investors are expected to hold 40.9% of the Shares on issue in the Company, with the balance held by the Existing Shareholder. The Existing Shareholder will be subject to voluntary escrow arrangements, ensuring strong alignment with new investors.

1. MarketsandMarkets, Mass Spectrometry Market – Analysis & Global Forecasts to 2025, published in 2020.



This Prospectus contains important and detailed information in relation to the Offer, the Company, the industry in which Trajan operates and Trajan's historical and forecast financial performance. An investment in Trajan is subject to a range of risks which could adversely affect prices and demand for products and impact Trajan's market share, including; new and existing competitors; manufacturing and production issues; loss of key customers or a reduction in sales to key customers; the ongoing commerciality of existing products; the commerciality of new product pipeline; risks associated with executing acquisitions; and protecting intellectual property ownership and use. For more information about the key risks associated with an investment in Trajan, please refer to Section 5.

I encourage you to read the Prospectus carefully and in its entirety, and to consult with your independent professional adviser in connection with the Offer.

On behalf of the Board of Directors, I thank you for considering an investment in Trajan and look forward to welcoming you as a shareholder in the next iteration of Trajan's journey.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'John Eales', with a stylized flourish at the end.

John Eales AM
Non-Executive Chair

1

Investment overview



1. Investment overview

1.1 – Overview of Trajan and its business model

Topic	Summary	For more information
Who is Trajan?	<p>Trajan is a Melbourne headquartered global developer and manufacturer of analytical science instruments, devices and solutions.</p> <p>Trajan has operations in Australia and across the United States (US), Europe and Asia.</p>	Section 3.1
What is Trajan's history?	<p>Trajan was established in 2011 by Stephen and Angela Tomisich with the aim of enriching human wellbeing through scientific measurement. Stephen and Angela have extensive backgrounds in analytical chemistry and biomedical science with over 50 years of combined experience in the global analytical science industry and clinical trial management.</p> <p>Trajan's operations were initiated by the acquisition of two pathology consumables businesses in 2011 and 2013.</p> <p>In 2013, Trajan made the significant acquisition of the chromatography and liquid handling businesses of SGE Analytical Science, a business operating in the highly specialised analytical syringe sector, as well as having a range of other chromatography products.</p> <p>In 2015, Trajan made the strategic decision to focus its core expertise and operations on where it could impact data quality, being everything that touches the sample in the analytical workflow. Trajan invested significantly in the modernisation of its manufacturing processes and relocated its US and European operations into modern, custom-fitted facilities, as it did with workflow automation provider LEAP Technologies, Inc. (LEAP), which was acquired in 2016.</p>	Sections 3.2 and 3.9.3.1
What does Trajan do?	<p>Trajan designs and manufactures a portfolio of precision consumable products and devices and solutions.</p> <p>These products and solutions are ultimately used in the analysis of biological, food and environmental samples.</p> <p>Trajan has a pipeline of emerging technologies which includes microsampling devices, novel sample preparation chemistries and a portable modular analytical instrument system.</p>	Section 3.1
What is the industry in which Trajan operates?	<p>Trajan operates in the global analytical science instrument and device industry. Analytical science instruments and devices are used in laboratories to identify and quantify specific components of a sample.</p> <p>Typical applications of this testing are the analysis of food and environmental samples across various applications that impact human wellbeing, as well as having a broad range of life sciences applications including biological, pharmaceutical and pathology applications.</p> <p>Chromatography, often coupled with mass spectrometry (MS), is one of the key analytical techniques in analytical science. Chromatography and mass spectrometry instruments and associated systems are manufactured and supplied by large global corporations. Trajan designs and manufactures critical precision consumable componentry, devices and solutions which support these instruments.</p>	Section 2.1

1. Investment overview (continued)

Topic	Summary	For more information
<p>What is Trajan's business model and how does it generate revenue?</p>	<p>Trajan derives revenue from the sale of products, devices and solutions to a customer portfolio that includes large multi-national original equipment manufacturers (OEMs) in the analytical science industry, biopharmaceutical, food and contract research organisation (CRO) laboratories and scientific distribution businesses.</p> <p>Trajan has a specialisation approach, focussing on targeted segments of the industry where analytical products or components have the potential to significantly impact data quality.</p>	<p>Sections 3.3 and 3.5</p>
<p>What are Trajan's key products?</p>	<p>Trajan supplies a broad range of precise technical products and solutions in the global analytical science industry and has a pipeline with a range of emerging technologies in various stages of development. Key product categories include:</p> <ul style="list-style-type: none"> • separation science: a range of products that facilitate the chemical separation of components in a sample, which plays a critical role in the overall performance of an analytical instrument. Product families include gas chromatography (GC) inlet liners, chromatography columns and microfluidic devices; • analytical syringes: high-value, exacting devices and technologies used to aspirate and dispense minute volumes of liquid, either coupled to instrument robotics or for standalone use; • precision fluidic systems (PFS): including precise and inert tubing constructs to facilitate control of sample flow within instrument platforms; • polymer science: including septa materials and caps and a range of sample preparation chemistries; • dispensing syringes: which are used to precisely deliver and mix liquids in biochemistry and clinical automation systems; • pathology: a range of products and solutions that assist accurate sample collection, evaluation in pathology workflows; • automation: a range of advanced robotic automation workflow solutions; • microsampling: a family of device platforms including the hemaPEN® remote blood-sampling device; and • miniaturisation: a miniature modular liquid instrument separation system. 	<p>Section 3.4</p>
<p>Who uses Trajan's products?</p>	<p>The ultimate end-users of Trajan's products are analysis and research laboratories performing testing for the food, beverage, water, environmental, biological, pharmaceutical and pathology industries.</p>	<p>Sections 2.1.1 and 3.5</p>
<p>How does Trajan develop its products?</p>	<p>Trajan's research and development (R&D) generally begins with traditional in-house R&D serviced by nearly 80 scientists and engineers. Trajan's R&D program is complemented by an array of strategic collaborations and alliances within industry, academia, and government grant funding where available.</p>	<p>Section 3.7</p>

Topic	Summary	For more information
<p>What differentiates Trajan's products from other similar products?</p>	<p>Trajan's products possess precision, reproducible quality and consistency which enables end-users to achieve high standards of analytical performance. Trajan's management, scientists and engineers have a deep understanding of the end-user applications of its products and seeks to collaborate with customers closely where possible.</p>	<p>Sections 3.4.1 and 3.5.2</p>
<p>What is Trajan's growth strategy?</p>	<p>The chromatography instruments market, being a major market within the analytical science instrument and device industry, is projected to achieve a CAGR of 5.1% from 2020 to 2025.²</p> <p>Trajan believes it will continue to achieve organic market share growth through the continued development and introduction of extension products and innovative emerging technologies.</p> <p>Trajan has a track record of successful identification and integration of specialist technical capabilities and processes via strategic acquisitions, that have value across the analytical workflow. The capital raised by the Company under the IPO will enable the continuation and potential acceleration of this strategy.</p>	<p>Sections 2.3.3 and 3.9</p>
<p>How does Trajan fund its operations?</p>	<p>Trajan's operations are self-funded by its cash flow earnings.</p> <p>The Company also has loan facilities with HSBC.</p>	<p>Sections 3.3 and 4.5.2</p>
<p>What is the Company's dividend policy?</p>	<p>The payment of a dividend by Trajan is at the discretion of the Board and will depend upon a number of factors (many of which may be outside the control of Trajan and its Directors and management, and are not reliably predictable), including the general business environment, operating results, cash flows and Trajan's future funding requirements, capital management initiatives, taxation considerations, any contractual, legal or regulatory restrictions on the payment of dividends by Trajan, and any other factors the Directors may consider relevant.</p> <p>While it is the aim of Trajan that, in the longer term, its financial performance and position will enable the payment of dividends, at the Prospectus Date, Trajan does not intend, nor expect to declare nor pay any dividends in the immediately foreseeable future as Trajan's focus will be to reinvest available funds in order to maximise its growth.</p>	<p>Section 4.9</p>

2. MarketsandMarkets, Chromatography Instruments Market – Global Forecasts to 2025, published in 2020.

1. Investment overview (continued)

1.2 – Key features of Trajan's industry

Topic	Summary	For more information
What industries and segments does Trajan operate in?	<p>Trajan operates in the global analytical science instrument and devices industry.</p> <p>Trajan develops and manufactures precision components across a broad range of segments, with a focus on liquid and gas chromatography and mass spectrometry.</p> <p>The analytical science industry supplies to a range of life science and laboratory-based customers, including those within the food, beverage and environmental testing industries, as well as in the biopharma sector.</p>	Section 2.1.1
What are the key drivers for the industries which Trajan operates in?	<p>Key drivers for the industry include:</p> <ul style="list-style-type: none">• demand for testing for food and beverage contamination, safety and process quality control;• demand for testing of water quality;• increased public awareness and regulatory steps to test for environmental contaminants;• pharmaceutical drug development and manufacturing, vaccine development and deployment and clinical research and diagnostics requirements; and• demand from pathology related fields including forensics and toxicology.	Section 2.1.3
What are the key trends affecting the industries which Trajan operates in?	<p>The key trends affecting the industries which Trajan operates in are:</p> <ul style="list-style-type: none">• increasing focus, awareness and regulations on minimising contaminants in air, food and water;• increasing regulatory requirements;• analytical measurement moving towards clinical applications;• move towards data-based healthcare;• decentralised healthcare; and• personalised measurement.	Section 2.3.4
What is the size of Trajan's addressable market?	<p>The global chromatography instruments market was estimated to be USD 8.6 billion in 2020.³</p> <p>The global chromatography accessories and consumables market was estimated to be USD 3.6 billion in 2020.⁴</p> <p>The global mass spectrometry market was estimated to be USD 4.1 billion in 2020.⁵</p>	Section 2.3.3

3. MarketsandMarkets, Chromatography Instruments Market – Global Forecasts to 2025, published in 2020.

4. MarketsandMarkets, Chromatography Accessories & Consumables Market – Global Forecasts to 2025, published in 2020.

5. MarketsandMarkets, Mass Spectrometry Market – Analysis & Global Forecasts to 2025, published in 2020.

1.3 – Summary of Trajan’s key strengths

Topic	Summary	For more information
Strong customer relationships	<p>Trajan has a deep understanding of leading global life science companies and their requirements. Trajan has long standing relationships with many of these companies, which are fostered by length of tenure in supplying key components and as collaborators assisting in solving complex problems the industry faces.</p>	Section 3.5.2
Precision design and manufacturing of advanced chemistries	<p>Trajan has strong technical expertise and know-how of the manufacturing of precision analytical instruments and components. It has deep end-use understanding of the components and the applicable chemistries on sample test results.</p> <p>Trajan’s automated fabrication capabilities across borosilicate and quartz (fused silica) glasses, polymer and other materials enable consistency of analytical performance of analytical instruments.</p> <p>Trajan’s larger customers regularly review Trajan on key criteria including technology, quality, responsiveness, value and innovation.</p>	Sections 3.4 and 3.5.2
High quality and experienced management team and Board	<p>Trajan’s management team has significant global experience across health, science, technology, research and academia.</p> <p>Trajan has invested heavily via both external recruitment and internal development to assemble an experienced management team who have oversight and responsibility for specific product categories.</p> <p>Trajan leadership is supported by its extensive technical staff. Trajan has nearly 86 qualified scientists and engineers, including 17 with PhD credentials.</p> <p>Trajan has an experienced Board of Directors that bring relevant experience and skills, including industry and business knowledge, financial management and corporate governance experience.</p>	Sections 3.7.2, 3.10.1, 6.1 and 6.2

1. Investment overview (continued)

Topic	Summary	For more information														
Global infrastructure	<p>Trajan has global manufacturing capabilities (comprising five sites across three continents), which are strategically situated in close proximity to key customers.</p> <p>In addition to this, Trajan has two distribution hubs servicing Europe, Middle East, Africa, Japan and India.</p> <p>Manufacturing operations</p> <table border="1"> <tr> <td data-bbox="400 689 703 734">Melbourne, VIC, Australia</td> <td data-bbox="703 689 1222 824">Global head office, manufacturing facility, global distribution hub and R&D centre. 66,000 ft² indoor manufacturing facility, located on a 190,000 ft² site.</td> </tr> <tr> <td data-bbox="400 831 703 875">Penang, PG, Malaysia</td> <td data-bbox="703 831 1222 920">30,000 ft² micro assembly and fabrication facility, strategically positioned in a lower cost region and as a future Asian distribution hub.</td> </tr> <tr> <td data-bbox="400 927 703 972">Austin, TX, USA</td> <td data-bbox="703 927 1222 1115">10,400 ft² facility that provides complementary production operations to Melbourne, enabling scale and flexibility in the supply-chain. Expertise in precision extrusion and cutting of nano-bore tubing for analytical systems. Trajan is in discussions to double the current size.</td> </tr> <tr> <td data-bbox="400 1122 703 1167">Bethel, CT, USA</td> <td data-bbox="703 1122 1222 1189">20,000 ft² facility focused on silicone technologies and production automation.</td> </tr> <tr> <td data-bbox="400 1196 703 1240">Raleigh, NC, USA</td> <td data-bbox="703 1196 1222 1263">4,200 ft² facility focused on automation for analytical systems.</td> </tr> </table> <p>Commercial and distribution hubs</p> <table border="1"> <tr> <td data-bbox="400 1352 703 1397">Milton Keynes, UK</td> <td data-bbox="703 1352 1222 1420">Distribution hub servicing customers in Europe, Middle East, Africa and India.</td> </tr> <tr> <td data-bbox="400 1426 703 1471">Yokohama, Japan</td> <td data-bbox="703 1426 1222 1471">Distribution hub servicing the Japanese market.</td> </tr> </table>	Melbourne, VIC, Australia	Global head office, manufacturing facility, global distribution hub and R&D centre. 66,000 ft ² indoor manufacturing facility, located on a 190,000 ft ² site.	Penang, PG, Malaysia	30,000 ft ² micro assembly and fabrication facility, strategically positioned in a lower cost region and as a future Asian distribution hub.	Austin, TX, USA	10,400 ft ² facility that provides complementary production operations to Melbourne, enabling scale and flexibility in the supply-chain. Expertise in precision extrusion and cutting of nano-bore tubing for analytical systems. Trajan is in discussions to double the current size.	Bethel, CT, USA	20,000 ft ² facility focused on silicone technologies and production automation.	Raleigh, NC, USA	4,200 ft ² facility focused on automation for analytical systems.	Milton Keynes, UK	Distribution hub servicing customers in Europe, Middle East, Africa and India.	Yokohama, Japan	Distribution hub servicing the Japanese market.	Section 3.6
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Relationships with leading academic institutes	<p>Trajan has a targeted approach to academic collaborations. This enables deep engagement with, and significant influence of, the R&D program, as well as sole rights to the resultant intellectual property (IP). Trajan is currently collaborating with a number of institutions in respect of numerous technological and commercial developments.</p>	Section 3.7														

1.4 – Summary of key risks (also refer to Section 5.1)

Topic	Summary
New and existing competitors could adversely affect prices and demand for products and impact Trajan's market share	<p>Trajan operates in an industry in which precision products and equipment are required and customers constantly seek enhancement and refinement of these products. As such, Trajan's position in the relevant market segments in which it operates may be adversely impacted where new or existing competitors strengthen their market presence through increased funding of product development or industry consolidation, increased brand awareness or attractiveness to customers, or through financial or operational advantages which allow them to compete more aggressively on product quality and/or pricing. A loss of Trajan's competitive position in the market may adversely impact the financial performance of the Company. In addition, the Company may need to quickly and effectively adapt pricing and margins in response to changes in the competitive landscape or increase competitive pressure. This may have an adverse effect on Trajan's financial and/or operational performance.</p> <p>For more information please see Section 5.1.1.</p>
Manufacturing and production risks	<p>Trajan manufactures a majority of its products at five sites: Melbourne (Australia), Penang (Malaysia), Austin (US), Bethel (US) and Raleigh (US). The Melbourne site is the largest of the five sites and produces the largest amount of goods (by volume and by value). All sites are exposed to the risk of natural disasters and operational or human error which may result in manufacturing delays or disruptions. Examples of risks to manufacturing and production include major equipment failure, damage or operational issues with product manufacturing infrastructure, fire, flood and any other event which may cause long-term loss of access to utilities. Any manufacturing delay or disruption has the potential to adversely impact supply of products to customers, which could in turn affect contractual obligations. While Trajan maintains what it considers to be an appropriate level of stock to meet any minor manufacturing delays, a major or prolonged manufacturing delay is likely to impact on the Company's financial performance.</p> <p>For more information please see Section 5.1.2.</p>
Loss of key customers or a reduction in sales to key customers	<p>As noted in Section 3.5, Trajan has a broad and global customer base which means that it is not overly reliant on any individual customer. However, Trajan's 10 largest customers currently comprise a substantial portion of its revenue and a material breach of contract or a failure to maintain positive relations with those customers may result in an adverse outcome for Trajan's financial performance.</p> <p>While the Company has entered into long-term supply contracts with some of its key customers, those supply contracts generally provide the customer with rights to terminate for convenience and otherwise do not oblige customers to purchase any minimum or maximum quantity of products from Trajan. While these contractual arrangements are customary for the industries in which the Company operates, they present a risk that key customers may elect to reduce their product purchases from Trajan in the future or unilaterally terminate their supply contracts for convenience.</p> <p>In addition, Trajan does not hold formal written contracts with some of its key customers. While Trajan has a long track record of undertaking business with these parties on consistent terms and conditions, the absence of a formal written contract exposes Trajan to the same risks identified for contracted customers – relevantly, that uncontracted customers may elect to reduce their dealings with Trajan in the future or unilaterally decide to cease all dealings with Trajan.</p> <p>The loss of any existing customer will adversely affect Trajan's revenue.</p> <p>For more information please see Section 5.1.3.</p>

1. Investment overview (continued)

Topic	Summary
Customer funding risk impact sales	<p>A portion of Trajan's customers rely on ongoing financial support from governments, charitable foundations and other institutions. There is an inherent risk that any one or more of these customers are unable to secure the ongoing funding required to undertake research or other activities for which Trajan's products are required and, therefore, cease to purchase Trajan's products. Similarly, there is a risk that Trajan's customers which rely on private funding are unable to secure the required funding which precedes those clients purchasing products from Trajan. If any of these risks materialise, Trajan could experience a loss of revenue in respect of the sale of products to the relevant customers.</p> <p>For more information please see Section 5.1.4.</p>
Ongoing commerciality of existing products	<p>There is a risk that Trajan's existing products could lose all or part of their commerciality. This could occur because of any of several factors, including inadvertent redundancy as a result of alternate products entering the market from a competitor or otherwise. While Trajan is confident in its market position and market share, there can be no guarantee that its existing products will continue to be commercially viable. Any loss of commerciality of its products may adversely affect Trajan's financial performance.</p> <p>For more information please see Section 5.1.5.</p>
Commerciality of new product pipeline	<p>There are many risks associated with the development of new technology, particularly in the health sector where regulatory and safety standards are paramount. Developing new products and commercialising them is time consuming and expensive and Trajan's competitors include well-resourced market participants. On top of the regulatory requirements, the commercial success of Trajan's new technology products is reliant on the acceptance and take-up of them by customers. While Trajan has had success in the past in introducing evolved, enhanced and customised products to customers, the level of market acceptance and adoption of Trajan's new products is not assured and will depend on numerous factors.</p> <p>The acceptance of Trajan's new products may be slower than expected or may not gain enough acceptance to reach sufficient critical mass for ongoing commercial production. Trajan cannot guarantee that any products under development will result in the launch of a commercially viable or successful product.</p> <p>For more information please see Section 5.1.6.</p>
Future acquisitions risks	<p>Trajan intends to continue to actively assess acquisition opportunities of complementary and synergistic businesses and assets. Although the Company will attempt to undertake all reasonable and appropriate due diligence investigations in respect of any acquisition opportunity, there is a risk that those investigations may be incomplete or inaccurate and will not ultimately identify an adverse issue which could result in the performance of the acquired business or asset being less than expected, unexpected liabilities accruing to Trajan or unexpected revenue and customer losses occurring from the acquired business or asset. Although the Company will seek to ensure it has appropriate acquisition structures in place and to obtain suitable warranties and indemnities in respect of an acquisition, there is a risk that adverse issues are subsequently discovered and that these risks cannot be fully mitigated by any contractual protection. If an unforeseen liability arises in respect of which the Company is not able to rely on any contractual protection, this may adversely affect Trajan's financial and operating performance.</p> <p>For more information please see Section 5.1.7.</p>

Topic	Summary
Market expansion risk	<p>Trajan's future expansion into new markets (whether into new products or product categories or in new locations) may expose the Company to unforeseeable risks. These risks include regulatory requirements, complications or inefficiencies related to staff, managerial and operational performance, enforcement of contractual obligations and intellectual property rights, differing consumer sentiments and preferences, competition from existing established competitors, exchange rate fluctuations, political or economic instabilities and taxation.</p> <p>Trajan will make informed decisions on the attractiveness and effectiveness of any future expansions into new markets, based on information available at that time. If available information is ultimately inaccurate, or circumstances arise outside of Trajan's control while entering a new market, there may be a material adverse effect on the financial and/or operational performance of the Company.</p> <p>For more information please see Section 5.1.8.</p>
Ability to retain and attract key personnel	<p>Trajan relies heavily on its existing key management personnel, particularly CEO and co-founder Stephen Tomisich. These individuals have intimate knowledge of Trajan's business, its operations, products and customers. There can be no assurance that Trajan will be able to retain all key management personnel and the departure of such personnel may adversely affect the Company's financial and operational performance.</p> <p>While Trajan undertakes succession planning in the ordinary course of business, Trajan's business may be disrupted and its financial and/or operational performance could be materially adversely affected if Trajan cannot attract and/or retain employees or senior management personnel to implement Trajan's growth strategy.</p> <p>For more information please see Section 5.1.9.</p>
Foreign exchange fluctuations	<p>Trajan's management accounts and financial statements are maintained and presented in AUD. While Trajan incurs labour, input and other production costs in various currencies due to its global operations, a significant proportion of costs are incurred in AUD. However, the majority of Trajan's revenue is received in USD. Accordingly, Trajan is exposed to foreign exchange movements generally and, in particular, movements in the USD:AUD exchange rate. Although the Company attempts to mitigate this risk via a hedging strategy (see Section 4.8) and is seeking to diversify its production costs by increasing production in other locations, long-term material adverse movements in the USD:AUD exchange rate would be detrimental to the Company's financial performance.</p> <p>For more information please see Section 5.1.10.</p>
Intellectual property ownership and use	<p>The value of many Trajan products is dependent on granted patents, trademarks and other intellectual property rights such as licences to exploit intellectual property rights which Trajan may have been granted by third parties, as well as unregistered intellectual property such as know-how and trade secrets. Unauthorised parties may obtain or copy some or all of Trajan's intellectual property which may ultimately result in competitors adopting and commercialising such intellectual property. Competitors may also develop alternative intellectual property that closely mirrors or circumvents Trajan's intellectual property.</p> <p>In addition, there is a risk that Trajan may inadvertently fail to protect its intellectual property sufficiently or infringe the intellectual property rights of third parties. Any such breaches could result in an inability to use the intellectual property in question and erode Trajan's competitive position. The Company may also take legal action to remedy a breach of proprietary information which may involve significant expense and have a material adverse effect on Trajan's financial and/or operational performance in the future.</p> <p>For more information please see Section 5.1.11.</p>

1. Investment overview (continued)

Topic	Summary
Regulatory approvals	<p>Trajan's business is governed by various regulations in the jurisdictions in which it operates. The production and sale of its products is dependent on obtaining and maintaining regulatory approvals and other required government agency approvals. Approvals frequently required in relation to Trajan's products include approvals from the TGA, Conformité Européenne Mark (CE Mark) and FDA.</p> <p>Where Trajan sells its products on an OEM basis to analytical instrument producers, those customers are often responsible for obtaining and maintaining regulatory approvals. The regulatory approvals currently held by Trajan for its products are listed in Section 3.11.</p> <p>If Trajan or its OEM customers were to fail to obtain or maintain the requisite regulatory approvals for its products, Trajan's revenue and profitability may be adversely affected.</p> <p>For more information please see Section 5.1.12.</p>
The achievement of margin enhancement from Malaysian operations	<p>Trajan opened a production facility in Penang, Malaysia in 2017 and the Company is gradually transitioning the assembly of certain products to that facility. Trajan anticipates the transition to result in lower operational costs associated with those products. However, there is a risk that the cost savings are less than expected, or are realised more slowly than expected, or are not realised at all.</p> <p>For more information please see Section 5.1.13.</p>
Reliance on key suppliers	<p>Trajan relies on suppliers for some key material inputs for the fabrication of its products including glass, metal and polymer as well as components for its automation platforms. Certain suppliers may not be readily replaceable due to their customised supply or due to a Trajan customer's requirement for validation of the replacement product supplied (for instance, to an OEM customer). If such suppliers were to cease trading or otherwise cease supplying Trajan for any reason, the Company's operational and financial performance may be adversely affected.</p> <p>For more information please see Section 5.1.14.</p>
Cost of key inputs	<p>Trajan is exposed to changes to the costs of key material inputs for the fabrication of its products. Any increase in these costs will increase the cost of production for Trajan and may result in a reduction in profitability where these costs cannot be passed onto customers or be mitigated by savings in other aspects of the production process. The ability to pass such cost increases onto customers may be limited due to existing supply arrangements, agreements and contracts.</p> <p>Separate from key material inputs, labour costs represent a material proportion of Trajan's overall cost base and any increase in labour costs will impact the profitability of Trajan.</p> <p>For more information please see Section 5.1.15.</p>
Workplace incidents or accidents	<p>The manufacture of Trajan's products involves certain processes that involve the use of machinery and equipment and the storage, use and disposal of hazardous chemicals. Trajan is subject to laws and regulations governing the use, storage, handling and disposal of these materials and, while Trajan ensures that its safety protocols comply with these laws and regulations, there is a risk that accidental injury, exposure or contamination may occur. If such a risk were realised, Trajan may incur reputational damage, compensation claim/s and/or other legal damages claims. For more information please see Section 5.1.16.</p>

Topic	Summary
IT failure or security breach	<p>Trajan relies on the capability and dependability of third-party software and IT service providers to assist in managing its business operations. The Company is in possession of sensitive employee and customer information and data. There is a risk that any system failure of software or services provided by third parties could compromise Trajan's data security and integrity. Each of these risks could adversely affect Trajan's financial performance.</p> <p>For more information please see Section 5.1.17.</p>
COVID-19 related risks	<p>Events related to the ongoing COVID-19 pandemic have resulted in significant global uncertainty and market volatility. The scope of the impact or potential impact of the ongoing COVID-19 pandemic on Trajan's operations cannot be determined with any meaningful degree of accuracy and, therefore, there is a risk that events related to the pandemic may have a material adverse effect on Trajan's financial and/or operating performance.</p> <p>Despite vaccination programs being underway globally, there is a risk that Trajan's manufacturing operations or supply chain could be adversely affected by the ongoing COVID-19 pandemic. A disruption to Trajan's manufacturing operations and/or supply chain may have a material adverse effect on Trajan's financial and/or operating performance.</p> <p>For more information please see Section 5.1.18.</p>
GDPR compliance	<p>There has been increased focus on privacy and data security issues that could potentially affect Trajan's business, including the impact of the EU General Data Protection Regulation (GDPR), Trajan is in the process of reviewing its GDPR compliance. This could be a rigorous and time-intensive process that may increase Trajan's cost of doing business or require a change to business practices, and despite those efforts, there is a risk that Trajan may be subject to fines and penalties, litigation, and reputational harm in connection with any European activities.</p> <p>For more information please see Section 5.1.19.</p>
Existing Shareholder retains a significant stake in the Company post-Listing	<p>Following Completion, the Existing Shareholder will hold 59.1% of the issued capital of the Company. 76,470,588 Shares, representing 59.1% of the issued capital of the Company, will be subject to the Escrow Restrictions described in Section 7.21. There will be no restrictions on the sale of any Escrowed Shares on and from the date on which those Escrow Restrictions are released in accordance with the terms of the voluntary escrow deed described in Section 7.21, or sooner, in the event an exception to the restriction is available.</p> <p>Following the end of the escrow period, a significant sale of Shares by the Existing Shareholder, or the perception that such sales have occurred or might occur, may adversely affect the price of Shares. Alternatively, the absence of any sale of Shares by the Existing Shareholder may cause or contribute to a diminution in the liquidity of the market for the Shares.</p> <p>For more information please see Section 5.2.1.</p>

1. Investment overview (continued)

1.5 – Summary of key Financial Information

Topic	Summary	For more information																																																
What is Trajan's pro forma historical and forecast financial performance?	<p>A selected summary of Trajan's Historical Financial Information and Forecast Financial Information is set out below. This information should be read in conjunction with the detailed discussion of the Financial Information set out in Section 4, including the assumptions, management discussion and analysis and sensitivity analysis, as well as the key risks set out in Section 5.</p> <p>Section 4.3 sets out the pro forma adjustments made to the Statutory Historical Income Statements and a reconciliation of the Statutory Historical Income Statements to the Pro Forma Historical Income Statements.</p> <p>Section 4.4. sets out the pro forma adjustments to the Statutory Historical Cash Flows and a reconciliation of the Statutory Historical Cash flows to the Pro Forma Historical Cash flows.</p> <p>Refer to Section 4.3 for a summary of R&D expenses within Pro Forma Historical Income Statements and Pro Forma Forecast Income Statement.</p> <table border="1" data-bbox="400 974 1222 1337"> <thead> <tr> <th rowspan="2" style="background-color: #d3d3d3;">\$ Thousands</th> <th colspan="4" style="background-color: #d3d3d3;">Pro forma historical</th> <th colspan="2" style="background-color: #d3d3d3;">Pro forma forecast</th> </tr> <tr> <th style="background-color: #d3d3d3;">FY2019</th> <th style="background-color: #d3d3d3;">FY2020</th> <th style="background-color: #d3d3d3;">HY2020</th> <th style="background-color: #d3d3d3;">HY2021</th> <th style="background-color: #d3d3d3;">FY2021F</th> <th style="background-color: #d3d3d3;">FY2022F</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td>67,766</td> <td>71,852</td> <td>36,142</td> <td>37,411</td> <td>74,648</td> <td>82,562</td> </tr> <tr> <td>EBITDA</td> <td>5,445</td> <td>5,266</td> <td>2,275</td> <td>5,074</td> <td>9,457</td> <td>10,683</td> </tr> <tr> <td>EBITDAR&D</td> <td>9,583</td> <td>10,259</td> <td>4,550</td> <td>7,217</td> <td>13,739</td> <td>15,101</td> </tr> <tr> <td>NPAT</td> <td>1,314</td> <td>1,664</td> <td>704</td> <td>2,833</td> <td>4,999</td> <td>5,833</td> </tr> <tr> <td>Operating cash flow</td> <td>3,446</td> <td>2,292</td> <td>826</td> <td>4,428</td> <td>7,587</td> <td>12,092</td> </tr> </tbody> </table>	\$ Thousands	Pro forma historical				Pro forma forecast		FY2019	FY2020	HY2020	HY2021	FY2021F	FY2022F	Revenue	67,766	71,852	36,142	37,411	74,648	82,562	EBITDA	5,445	5,266	2,275	5,074	9,457	10,683	EBITDAR&D	9,583	10,259	4,550	7,217	13,739	15,101	NPAT	1,314	1,664	704	2,833	4,999	5,833	Operating cash flow	3,446	2,292	826	4,428	7,587	12,092	Section 4 and 5
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1.6 – Directors and management

Topic	Summary	For more information
Who are Trajan's Directors?	<ul style="list-style-type: none">• John Eales AM, Independent Non-Executive Chair;• Stephen Tomisich, Chief Executive Officer and Managing Director;• Robert Lyon, Executive Director;• Tiffany Lewin, Non-Executive Director;• Rohit Khanna PhD, Non-Executive Director; and• Sara Watts, Non-Executive Director.	Section 6.1
Who are Trajan's key management personnel?	<ul style="list-style-type: none">• Stephen Tomisich, Chief Executive Officer;• Alister Hodges, Chief Financial Officer (CFO);• Andrew Gooley PhD, Chief Scientific Officer;• Robert Lyon, Head of Corporate Development and General Counsel;• Nigel Gilligan, Chief Operations Officer; and• Sam Evans, Senior Vice President Business Development.	Section 6.2

1. Investment overview (continued)

1.7 – Significant interests of key people and related party transactions

Topic	Summary	For more information																																							
<p>Who currently holds Shares in the Company and what will their interest be in the Company at Completion of the Offer?</p>	<p>The sole current shareholder in the Company is the Tomisich Family Trust, which is controlled by Trajan founders Stephen and Angela Tomisich. Stephen Tomisich is also the CEO and a Director of the Company. As at the Prospectus Date the Tomisich Family Trust holds 100.0 million Shares in the Company, which is 100% of the issued capital.</p> <p>At Completion of the Offer it is expected that the Tomisich Family Trust will hold 76,470,588 Shares, representing 59.1% of the issued capital of the Company.</p> <p>New Shareholders will hold in aggregate 52,941,177 Shares immediately following Completion. It is not anticipated that any new Shareholder will hold 20% or more of the issued capital immediately following Completion.</p>	<p>Sections 5.2.1, 7.6, 7.7 and 7.21</p>																																							
<p>What significant benefits and interests are payable to Directors and other persons connected with Trajan or the Offer and what significant interests do they hold?</p>	<p>The expected holdings of securities of Directors on Completion (excluding any Shares the Directors and their associated entities may elect to acquire under the Offer) are set out in the table below.</p> <p>For more information see Section 6.3.7.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #555; color: white;"> <th rowspan="2" style="text-align: left;">Director¹</th> <th colspan="2" style="text-align: center;">Interests held at the Prospectus Date</th> <th colspan="2" style="text-align: center;">Interests held at Completion</th> </tr> <tr style="background-color: #d3d3d3;"> <th style="text-align: center;">Shares</th> <th style="text-align: center;">Options</th> <th style="text-align: center;">Shares</th> <th style="text-align: center;">Options²</th> </tr> </thead> <tbody> <tr> <td>John Eales AM</td> <td style="text-align: center;">–</td> <td style="text-align: center;">–</td> <td style="text-align: center;">–</td> <td style="text-align: right;">191,178</td> </tr> <tr> <td>Stephen Tomisich</td> <td style="text-align: right;">100,000,000</td> <td style="text-align: center;">–</td> <td style="text-align: right;">76,470,588</td> <td style="text-align: center;">–</td> </tr> <tr> <td>Robert Lyon</td> <td style="text-align: center;">–</td> <td style="text-align: center;">–</td> <td style="text-align: center;">–</td> <td style="text-align: right;">439,250</td> </tr> <tr> <td>Tiffany Lewin</td> <td style="text-align: center;">–</td> <td style="text-align: center;">–</td> <td style="text-align: center;">–</td> <td style="text-align: right;">88,235</td> </tr> <tr> <td>Rohit Khanna</td> <td style="text-align: center;">–</td> <td style="text-align: center;">–</td> <td style="text-align: center;">–</td> <td style="text-align: right;">88,235</td> </tr> <tr> <td>Sara Watts</td> <td style="text-align: center;">–</td> <td style="text-align: center;">–</td> <td style="text-align: center;">–</td> <td style="text-align: right;">88,235</td> </tr> </tbody> </table>	Director ¹	Interests held at the Prospectus Date		Interests held at Completion		Shares	Options	Shares	Options ²	John Eales AM	–	–	–	191,178	Stephen Tomisich	100,000,000	–	76,470,588	–	Robert Lyon	–	–	–	439,250	Tiffany Lewin	–	–	–	88,235	Rohit Khanna	–	–	–	88,235	Sara Watts	–	–	–	88,235	<p>Sections 6.3.2, 6.3.7, 6.3.9, 6.3.10, 6.3.12 and 9.6</p>
Director ¹	Interests held at the Prospectus Date		Interests held at Completion																																						
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Rohit Khanna	–	–	–	88,235																																					
Sara Watts	–	–	–	88,235																																					
<p>Notes:</p> <p>1. Directors may hold their interests in Shares and Options directly, or through entities associated with them (e.g. through holdings by companies or trusts).</p> <p>2. Assuming each of the Director Option Offers are taken up in full by each Director.</p> <p>The Directors, other than the Group Managing Director, Stephen Tomisich, are entitled to receive Options at Completion as described in Section 6.3.2 and all Directors are eligible to participate in the Company's Long Term Incentive Plan described in Section 6.3.9.</p>																																									

Topic	Summary	For more information
<p>What significant benefits and interests are payable to Directors and other persons connected with Trajan or the Offer and what significant interests do they hold? continued</p>	<p>In addition, key management personnel and other employees of the Company are entitled to receive Options on or around Completion as described in Section 6.3.9.2 and Section 6.3.10 and are otherwise eligible to participate in the Company's Long Term Incentive Plan described in Section 6.3.9.</p> <p>On or about Listing, the Tomisich Family Trust (which is controlled by Stephen and Angela Tomisich) will receive a Pre-IPO Dividend of up to \$3,350,000 as the sole Existing Shareholder. The payment of the Pre-IPO Dividend is conditional on Completion of the Offer.</p> <p>Advisers and other service providers are entitled to fees for services and have other interests as disclosed in Section 6.3.12.</p>	<p>Sections 6.3.2, 6.3.7, 6.3.9, 6.3.10, 6.3.12 and 9.6</p>
<p>Will any Shares be subject to restrictions on disposal following Completion?</p>	<p>All Shares held by the Tomisich Family Trust, being the sole Existing Shareholder, will be subject to voluntary escrow arrangements which will prevent those Shares from being disposed of for specific periods.</p>	<p>Section 7.21</p>
<p>Are there any related party transactions?</p>	<p>Trajan's head office and Australian manufacturing facilities located in Ringwood, Victoria is owned by Trajan Property P/L and is occupied by the Trajan Group on the terms of the Ringwood Facility Property Lease summarised in Section 9.6.2.</p> <p>Trajan Property P/L is not a member of the Trajan Group as it is not owned (whether directly or indirectly) by the Company.</p> <p>Trajan Property P/L is ultimately held by a trust of which Stephen and Angela Tomisich, the co-founders of Trajan, are the beneficiaries.</p> <p>The Ringwood Facility Property Lease was negotiated on arm's length terms and in the opinion of the Directors (other than Stephen Tomisich who has a material personal interest in the Ringwood Property Lease) comprises an agreement which contains provisions which are customary for commercial leases of the nature of the Ringwood Facility Property Lease.</p> <p>Other than as disclosed in this Prospectus, Trajan is not party to any material related party arrangements.</p>	<p>Section 6.5</p>

1. Investment overview (continued)

1.8 – Overview of the Offer

Topic	Summary	For more information
Who is the issuer of this Prospectus?	Trajan Group Holdings Limited ACN 152 617 706 and Trajan SaleCo Limited ACN 649 243 274.	Section 7.1
What is the Offer?	<p>The Company is offering to issue 29,411,765 New Shares to raise \$50.0 million and SaleCo is offering to sell 23,529,412 Existing Shares for \$40.0 million.</p> <p>Total proceeds of the Offer are expected to raise \$90 million in total of which \$40.0 million is payable to the Existing Shareholder via SaleCo.</p> <p>The Offer Price is \$1.70 per Share.</p> <p>All Shares issued pursuant to this Prospectus will, from the time they are issued, rank equally with all Existing Shares. A summary of the rights attaching to the Shares is set out in Section 9.7.</p>	Sections 7.1 and 9.7
Why is the Offer being conducted?	<p>The purpose of the Offer is to:</p> <ul style="list-style-type: none">• provide funding and financial flexibility to accelerate investment in manufacturing infrastructure;• provide funding to support the Company's growth strategy and future growth opportunities which may arise through strategic acquisitions;• provide funding to invest in the continued development and acceleration of the commercialisation of the Company's new technology products;• broaden Trajan's shareholder base and provide a liquid market for Shares;• provide Trajan with the benefits of an increased profile that arises from being a publicly listed entity; and• pay transaction costs. <p>The Offer also provides the Existing Shareholders with an opportunity to realise part of their investment in the Company through the sale of Existing Shares through SaleCo.</p> <p>The proceeds received by the Company from the issue of Shares under the Offer will be used as set out in Sections 7.3 and 7.4.</p>	Sections 7.3 and 7.4
What is the consideration payable for the Shares?	The price payable under the Offer is \$1.70 per Share.	Section 7.1
What is SaleCo and what is its involvement in the Offer?	<p>SaleCo is a special purpose vehicle established to sell Shares acquired from the Existing Shareholder. The Existing Shareholder has executed a deed under which it has irrevocably offered to sell certain Shares held by them to SaleCo free from encumbrances and third-party rights.</p> <p>SaleCo will acquire in total 23,529,412 Shares from the Existing Shareholder.</p> <p>Existing Shares will be transferred to Successful Applicants under the Offer at the Offer Price.</p>	Section 9.4

Topic	Summary	For more information												
How is the Offer structured?	<p>The Offer comprises:</p> <ul style="list-style-type: none"> the Broker Firm Offer – open to Australian resident retail clients of Brokers who have received a firm allocation from their Broker (see Section 7.10); the Priority Offer – open to selected investors as agreed between the Company and the Joint Lead Managers (see Section 7.11); the Employee Gift Offer – open to Eligible Gift Employees who have received an offer from the Company to acquire, at no cost, \$1,000 worth of Shares (rounded down to the nearest whole Share based on the Offer Price) (see Section 7.12); and the Institutional Offer – an invitation to bid for Shares made to Institutional Investors in the Permitted Jurisdictions (see Section 7.15). 	Section 7												
Is the Offer underwritten?	Yes. The Joint Lead Managers have fully underwritten the Offer (other than the Employee Gift Offer) pursuant to the Underwriting Agreement.	Section 9.6.1												
What is the allocation policy?	<p>The allocation of Shares between the parts of the Offer will be determined by the Company, SaleCo and the Joint Lead Managers in their absolute discretion and being influenced by a range of factors. For further information please refer to Sections 7.10.4, 7.11.4, 7.12.4 and 7.15.2.</p> <p>For the Broker Firm Offer, it will be a matter for each Broker how it allocates Shares among its clients.</p>	Sections 7.10.4, 7.11.4, 7.12.4 and 7.15.2.												
What is the expected effect of the Offer on the Company's capital structure?	<table border="1" data-bbox="400 1279 1222 1429"> <thead> <tr> <th colspan="2" data-bbox="400 1279 799 1330">Capital structure at Prospectus Date</th> <th colspan="2" data-bbox="799 1279 1222 1330">Capital structure at Completion</th> </tr> <tr> <th data-bbox="400 1330 639 1382">Shares</th> <th data-bbox="639 1330 799 1382">Options</th> <th data-bbox="799 1330 1038 1382">Shares</th> <th data-bbox="1038 1330 1222 1382">Options</th> </tr> </thead> <tbody> <tr> <td data-bbox="400 1382 639 1429">100,000,000</td> <td data-bbox="639 1382 799 1429">–</td> <td data-bbox="799 1382 1038 1429">129,411,765¹</td> <td data-bbox="1038 1382 1222 1429">2,274,053²</td> </tr> </tbody> </table> <p>Notes:</p> <ol style="list-style-type: none"> This number excludes any Shares which may be issued under the Employee Gift Offer. The total number of Shares which may be issued under the Employee Gift Offer is 152,880. Assuming all Options are taken up under the LTIP Offers. 	Capital structure at Prospectus Date		Capital structure at Completion		Shares	Options	Shares	Options	100,000,000	–	129,411,765 ¹	2,274,053 ²	Section 7.6
Capital structure at Prospectus Date		Capital structure at Completion												
Shares	Options	Shares	Options											
100,000,000	–	129,411,765 ¹	2,274,053 ²											
What are the terms of the Shares offered under the Offer?	A summary of the material rights and liabilities attaching to the Shares offered under the Offer is set out in Section 7.20.	Sections 7.20 and 9.7												
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Applicants on acquisition of Shares under the Offer. See Section 9.6.1.1 for details of various fees payable by Trajan to the Joint Lead Managers.	Section 9.6.1.1												

1. Investment overview (continued)

Topic	Summary	For more information
What are the tax implications of making an investment?	Shareholders may be subject to Australian income tax or withholding tax on any future dividends paid. The tax consequences of any investment in Shares will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice before deciding whether to invest.	Section 9.11
How can I apply?	<p>Applicants under the Broker Firm Offer should follow the instructions provided by their Broker in relation to any application for Shares.</p> <p>Applicants under the Priority Offer may apply for Shares by following the instructions in their personalised invitation to participate in the Priority Offer.</p> <p>Applications under the Employee Gift Offer must be made by submitting the Employee Gift Offer Application Form in accordance with the instructions on the personalised invitation.</p> <p>To the extent permissible by law, an Application by an Applicant under the Offer is irrevocable.</p>	Sections 7.10.2, 7.11.2 and 7.12.2
When will I know my Application has been successful?	It is expected that initial holding statements will be dispatched by standard post on or around 1 June 2021.	Section 7.9
Can the Offer be withdrawn?	<p>The Company and SaleCo reserve the right not to proceed with the Offer (or any part of it) at any time before the issue or transfer of Shares to Successful Applicants.</p> <p>If the Offer does not proceed, Application Monies will be refunded.</p> <p>No interest will be paid on any Application Monies refunded as a result of the withdrawal of the Offer.</p>	Section 7.9

2

Industry overview



2. Industry overview

2.1 – Introduction

2.1.2 – Background

Trajan operates in the global analytical science industry. The majority of the Company's current revenue is derived from developing and manufacturing a range of precision consumable components and solutions. These components and solutions are supplied to laboratory-based customers for the purpose of scientific analyses of samples across various segments that impact human wellbeing including the food, environmental, biological and pharmaceutical sectors.

2.1.2 – The analytical science workflow

Analytical science involves the determination and measurement of the composition of natural and artificial substances – solids, fluids or gases.

Sample analysis typically incorporates the following four key stages which can be described as the *analytical workflow*.



- 1. Sample collection and preparation:** collecting the initial physical sample (e.g. blood draw or air, food or water sample) and preparing it for testing.
- 2. Instrument interface and introduction:** introducing the sample into the analytical instrument for analysis, typically via injection or spray.
- 3. Analytical instrument:** analysis of the sample by the instrument which often involves the chemical and/or physical separation of the sample into its components.
- 4. Data analysis:** generating results, analysing the output of the analytical instrument to identify or quantify the components of the sample.

2.1.3 – Analytical science instruments and devices

Analytical science instruments and devices are used in laboratories to identify and quantify specific components of a sample. Common applications include:

- testing for food and beverage contamination, safety and process quality control;
- testing for environmental contaminants;
- a broad range of biological and healthcare applications including pharmaceutical drug development and manufacturing, vaccine development and clinical research and diagnostics; and
- pathology including forensics and toxicology.

Common instruments and devices used in the analytical science industry include chromatography and mass spectrometry systems. Please refer to Section 2.1.4 below for an explanation of chromatography and mass spectrometry.

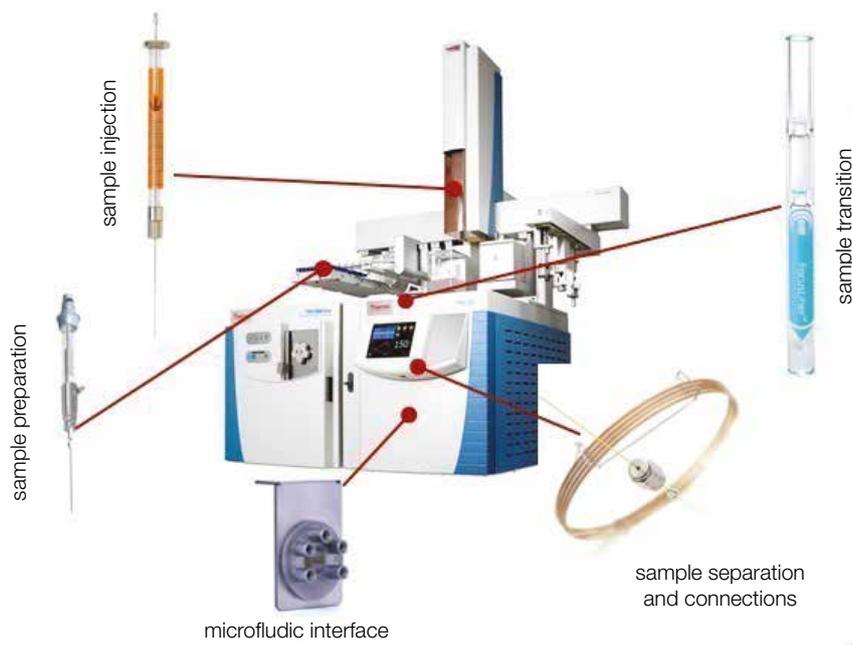
Many chromatography and mass spectrometry instruments and systems are manufactured and supplied by large global corporations, known as OEMs. The accuracy and consequential effectiveness of these instruments can be dependent on their critical consumable componentry, including inlet liners and columns. These consumable components are used to prepare a sample for analysis, to introduce the sample to the instrument, to transport the sample through the instrument and to allow the separation of the sample within the instrument. Trajan is a designer and manufacturer of these components and supplies many system manufacturers.

Figure 1 below presents an example of a chromatography-mass spectrometry instrument typically used by a laboratory, Figure 2 highlights some of the consumable products used in analytical science instruments.

Figure 1: Samples ready for analysis by chromatography and mass spectrometry



Figure 2: Illustrative example of some of the consumable products used in an analytical science instrument



Automation is increasingly employed in the analytical science industry to streamline the analytical workflow, particularly with regard to preparing and processing samples. Automation is driven by the benefits of optimising the analytical technique for method consistency and enhanced overall laboratory efficiency and productivity which is delivering increased analytical throughput and accuracy. Trajan supplies automation systems to laboratories around the world.

2. Industry overview (continued)

2.1.4 – Chromatography and mass spectrometry explained

Chromatography is the process of separating out the components of a sample. In the case of liquid chromatography (**LC**) the sample is tested in a liquid form, while in the case of gas chromatography (**GC**) the sample is converted into a gaseous state. In 'high performance' liquid chromatography (**HPLC**), which is an advanced LC technique, the sample is pressurised enabling more efficient and faster analysis.

Mass spectrometry (**MS**) is a technique used for 'detecting' and 'identifying' separated components of a sample by identifying different ions based on their mass-to-charge ratio. A chromatograph is often directly coupled to a mass spectrometer and called GC-MS or LC-MS.

Figure 3: Samples in vials being loaded into an analytical system

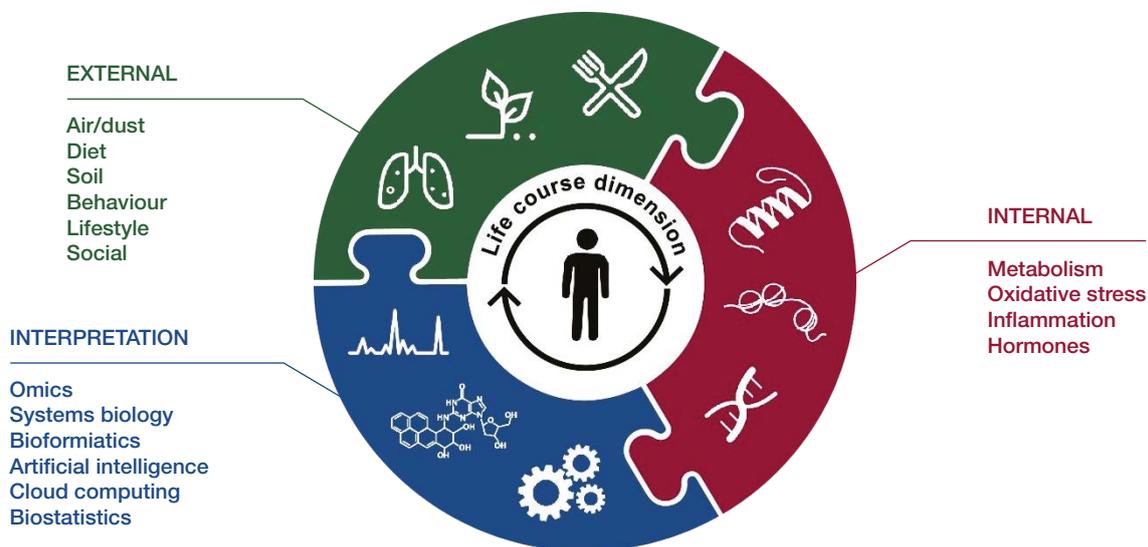


2.2 – The applications of chromatography and mass spectrometry

The “exposome” refers to all the non-genetic exposures experienced by a human. Core to Trajan’s strategic direction is that the human condition is a result of both genetics and an individual’s exposome. As the exposome changes over an individual’s lifetime, regular or continuous monitoring may become helpful in guiding improved health outcomes.

GC-MS and LC-MS are used in the detection of substances playing a biologically active role in the exposome. An illustration of the exposome is presented in Figure 4 below. GC-MS and LC-MS are critical in measuring all elements of the exposome that impact human health.

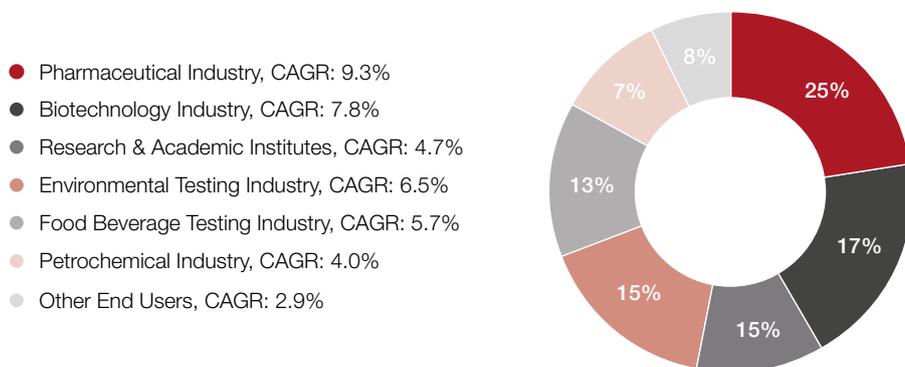
Figure 4: Illustration of the human exposome



Source: Australian Laboratory for Emerging Contaminants, School of Chemistry, University of Melbourne, Victoria, Australia.

Figure 5 provides an analysis of the end-user market segments and growth rates of the key end-user markets of GC-MS and LC-MS sample analysis. These are the markets that Trajan products ultimately service.

Figure 5: Global market by end-user 2020⁶



Note: CAGRs for the period 2020 to 2025.

2.2.1 – Life science

2.2.1.1 – Life science research

LC-MS and GC-MS are key analytical technologies used in emerging fields of life science research, including the study of proteins, lipids and products of metabolism and approaches to understanding the human condition. LC-MS and GC-MS enables detection, identification and quantification of proteins, lipids and metabolites (small molecules) from biological specimens. This capability is leading to an enhanced understanding of human diseases which in turn is leading to new biomarkers and influencing drug targets and therapies.

6. MarketsandMarkets Research Private Ltd, Mass Spectrometry Market – Global Forecasts to 2025, published in 2020.

2. Industry overview (continued)

2.2.1.2 – Pharmaceutical

Chromatography is a valuable tool for the biopharma sectors as it can provide highly sensitive information about product quality and purity. In the pharmaceutical industry, LC and LC-MS are used in research and development, production and quality control. They enable the characterisation of compounds and the identification of impurities in active ingredients. The pharmaceutical industry is one of the largest users of LC and LC-MS for the detection, isolation and purification of drug metabolites, along with drug discovery.

Growing demand for generics and the resulting increase in production volumes continues to drive testing demand. In addition, increased focus on new biologic therapeutics is leading to greater investments in high-throughput bioprocessing and downstream analytical instruments and testing.

2.2.1.3 – Contract research organisations

Contract research organisations (**CROs**) are essential partners in the drug development field who offer outsourced research-based services to biopharma companies, medical device developers and government research organisations. As companies in the pharmaceutical and biotechnology industries shift their development pipelines towards more targeted therapies, biopharma groups may operate leaner R&D infrastructures that could shift development and testing work across to CROs.

2.2.1.4 – Toxicology

Chromatography techniques such as GC are used in forensics and toxicology to identify and measure samples in law enforcement contexts including drugs of abuse, biological fluids, tissue samples, blood and hair. They are used in arson investigation to identify potential flammable liquids. Both LC-MS and GC-MS are used to detect the presence of drugs, metabolites and other compounds in blood.

2.2.1.5 – Clinical diagnostics

Clinical diagnostics is an important and growing market for LC-MS. LC-MS has multiple important diagnostics and biomarker testing applications.

Current applications cover a wide range of uses including analytes in therapeutic drug monitoring and newborn baby screening for metabolic disorders. In some countries, blood samples of all newborn babies must be analysed using LC-MS to detect metabolic disorders.

A future possible application is moving from targeted to untargeted “omics” approaches relying on pattern recognition/pattern discrimination, or biomarker testing, as a means of informing diagnostic decisions. Growth in this application is expected due to the high incidence of cancer and other target diseases, growing recommendations of screening tests and an increasing focus on personalised medicine. The pathology space is another growing area for Trajan technologies as LC/MS technology continues to expand its presence and as emerging economies including China, India and Brazil continue to expand pathology testing activities.⁷

2.2.2 – Environmental testing

Chromatography and mass spectrometry play a key role in environmental testing and the data generation connecting to exposome studies. For example, monitoring environmental pollutants is a major application of GC-MS. It is used to identify and quantify toxic pollutants such as dioxins, herbicides and pesticides in air, soil and water samples with advancements in technology allowing for greater detection of contaminants. These substances are also detected and quantified in human samples such as blood, breast milk and urine, revealing the extent of exposure.

Government agencies such as the United States Environmental Protection Agency (**EPA**) issue guidelines for regulating the inspection, sampling and testing of environmental samples to detect the presence of pollutants and contaminants. This regulatory focus is expected to be further driven by the continued industrialisation of emerging economies and contribute to a growing societal awareness of pollution.

Demand for consumable products related to testing in these markets tends to be resilient to macro-economic factors as environmental and food monitoring are generally viewed as non-discretionary and essential services to society. LC-MS is also commonly used in environmental monitoring of less volatile, often more complex, environmental pollutants.

7. MarketsandMarkets Research Private Ltd, Anatomic Pathology Market – Global Forecast to 2025, published in 2020.

2.2.3 – Food and beverage testing

Both GC-MS and LC-MS are key technologies for analysing food quality, food safety and food authenticity. Types of analysis include spoilage detection, detection of undesirable, dangerous or otherwise undisclosed additives or residues in food and beverages, and nutritional quality analysis.

Regulators in Japan and the European Union along with recent United States Food and Drug Agency (**FDA**) guidelines require quality assurances via analytical testing, especially for imported food. Food safety regulations and growing food safety concerns are expected to drive growth into the future. Higher levels of disposable income in emerging economies resulting in increased demand for higher quality and safer food products is also anticipated to drive growth, particularly for meat, poultry and seafood products.

2.3 – Global analytical science market

2.3.1 – Industry participants and interconnectedness

The analytical science industry consists of four key interconnected participant groups:

1. Instrument manufacturers: Instrument manufacturers design and produce the analytical instrument platforms.

These manufacturers often partner with third parties such as Trajan to develop and supply certain specialty products and consumables for their instruments. According to Strategic Directions International, the ten largest analytical instrument makers in 2019 were⁸:

- Thermo Fisher Scientific Inc.;
- Agilent Technologies, Inc.;
- Danaher Corporation;
- Illumina, Inc.;
- Merck Group;
- Waters Corporation;
- Shimadzu Corporation;
- PerkinElmer, Inc.;
- Bruker Corporation; and
- Mettler-Toledo International Inc.

2. Component and consumables suppliers: Component and consumables suppliers develop and manufacture specialty precision products and consumables.

They supply instrument manufacturers on either an OEM-branded or self-branded basis. In addition, they supply to laboratory distributors who will typically carry their products in broad supply catalogues. They also sell products directly to laboratories.

Each product category is highly specialised with different manufacturing requirements, product life span and competitive market dynamics. Trajan is an example of a specialist component and consumables developer, as are companies such as Restek Corporation, the Hamilton Company and New Objective, amongst others.

3. End-user laboratories: End-user laboratories acquire GC/LC-MS instruments from instrument manufacturers and purchase components and consumables from specialty producers, distributors or the instrument manufacturers themselves.

This group encompasses diagnostic/analytical laboratories, pharmaceutical and biotech laboratories, CROs, academic and research institutes and fee-for-service testing laboratories.

8. Strategic Directions International, Company Market Shares 2019: Competitive Profiles of Leading Instrument Suppliers.

2. Industry overview (continued)

The typical useful lifetime of an analytical instrument is approximately ten years. During this period the end-user may spend as much, or more, on consumables supply as they did for the purchase of the original instrument. Examples of laboratory customers include:

- Pathology testing laboratories such as the NSW Health Administration Corporation (**NSW Health**) and Sonic Healthcare Limited;
- Environmental testing laboratories such as Eurofins and Australian Laboratory Services (**ALS**);
- Large Pharmaceutical companies such as Pfizer, Glaxo Smith Kline, Bristol Myers Squibb and Merck; and
- Universities and medical research institutes such as the University of Melbourne and the South Australian Health and Medical Research Institute.

4. **Distributors:** Distributors comprise of intermediaries between the instrument manufacturers and the end-use laboratories.

Examples of large global distributors of analytical instruments and devices include:

- VWR Corporation;
- Fisher Scientific (a subsidiary of Thermo Fisher Scientific Inc.);
- Canadian Life Science Inc. (a subsidiary of Calibre Scientific, Inc.);
- Sigma-Aldrich (a subsidiary of Merck Group); and
- Cole-Palmer Inc.

2.3.2 – Competitive landscape

The global analytical science industry is led by a group of instrument manufacturers that operate global platforms with multiple research, development, manufacturing and distribution centres around the world (refer to Section 2.3.1). This cohort has actively utilised mergers and acquisitions (**M&A**) to acquire niche category leaders, including in consumables, to both complement organic growth in their core analytical instrument segment and to position for the future.

The next layer of analytical science businesses are generally operating on a smaller scale. Within this group, there are a large number of organisations that tend to have some form of speciality, niche technology or targeted geographical market coverage. The competitive landscape within specific product and component segments is generally composed of only a few key operators due to the level of inherent specialisation.

Given Trajan's wide range of specialist products and extensive product commercialisation pipeline, Trajan competes with a broad subset of component and consumables suppliers or larger instrument manufacturers. But it also competes with early-stage companies developing and commercialising a range of products which share similarities with some of Trajan's new product pipeline (e.g. microsampling devices companies).

Please refer to Section 3.5 for further details on Trajan's market position.

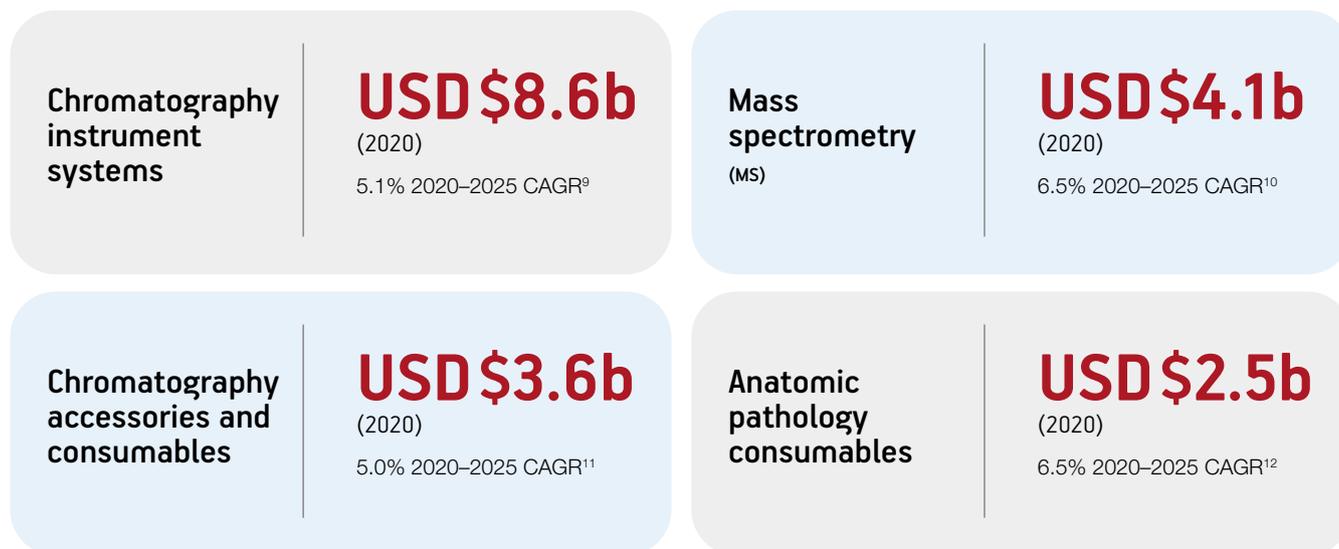
2.3.3 – Market size and growth

Due to the diversity of segments in the analytical science market and the variety of end-user markets the Company serves, Trajan believes an appropriate way to represent the total addressable market (TAM) and its expected growth projections is to reference the market size and growth projections of the chromatography instruments market and the chromatography accessories and consumables segment, reference the market size and growth projections of the mass spectrometry market and overlay an end-user segment perspective.

Table 1 below summarises the segments of the analytical science industry and estimated growth rates.

Table 1: Size and growth rates of analytical science product segments:

End user segment, market size and projected growth rate



2.3.3.1 – Chromatography instruments market size and growth

The global market for chromatography instruments is expected to grow from USD 8.6 billion in 2020 to USD 11.0 billion by 2025, representing a compound annual growth rate (CAGR) of 5.1%. Market growth is expected to be underpinned by the increasing role of chromatography in biopharma R&D, the drug approval process, an increased awareness and focus on environmental issues and food and beverage testing and assurance. Growth rates within the sector can differ depending on the type of technique, area of application and product type.⁹

2.3.3.2 – Chromatography accessories and consumables segment size and growth

Achieving a CAGR of 5.0% from 2020, the global market for chromatography accessories and consumables is projected to be USD 4.6 billion by 2025, up from USD 3.6 billion in 2020. Columns, autosamplers, flow management consumables, chromatography fittings and tubing are some of the largest segments within the chromatography accessories and consumables market.¹¹

Future growth is likely to be derived from the continued expansion in R&D spend in the drug development field due to the ability to gather data on product quality and purity, and the outsourcing of drug development contributing to increased employment of CROs in specialist drug development.

2.3.3.3 – Mass spectrometry market size and growth

The mass spectrometry market was estimated to be USD 4.1 billion in 2020. It is forecast to grow to USD 5.6 billion by 2025, representing a CAGR of 6.5%. Pharmaceutical research and development is the largest end-use market for mass spectrometry. Uses range from early stages in the drug discovery process through to late-stage drug development and clinical trials.¹⁰ Future growth is expected to be driven by technological advances, government initiatives relevant to pollution control and environmental testing and a growing focus on food quality and safety.

9. MarketsandMarkets Research Private Ltd, Chromatography Instruments Market – Global Forecasts to 2025, published in 2020.

10. MarketsandMarkets Research Private Ltd, Mass Spectrometry Market – Global Forecasts to 2025, published in 2020.

11. MarketsandMarkets Research Private Ltd, Chromatography Accessories & Consumables Market – Global Forecasts to 2025, published in 2020.

12. MarketsandMarkets Research Private Ltd, Anatomic Pathology Market – Global Forecast to 2025, published in 2020.

2. Industry overview (continued)

2.3.4 – Megatrends driving future industry growth

Listed below are the key trends which are expected to drive growth within the analytical science industry.

2.3.4.1 – Decentralised healthcare

- The escalating costs of healthcare systems and a vulnerable and ageing population is driving the decentralisation of healthcare. An example of this is 'point-of-care' and remote sampling devices.
- The digitisation of the healthcare industry is driving significant growth in community participation in healthcare initiatives via increased regional access and community participation due to the ease of access.
- Prevention measurement/monitoring strategies which aim to minimise people getting sick in the first place, rather than treating them once sick, are recognised as key to reversing the escalating cost and resource burden on healthcare systems. Such steps are based on analytical data.

2.3.4.2 – Personalised measurement

- The growing role of understanding and measuring genomics, metabolomics, lipidomics and proteomics in personalised diagnostics and treatments is dependent on the accuracy of data from the sample across the analytical science workflow.
- Medical treatments, practices, interventions, and devices are increasingly being decentralised and customised to individual patient groups based on their predicted response or risk of disease.
- Increasing ease of access and the reduction in cost of these treatments is expected to fuel demand.

2.3.4.3 – Clinical application of analytical techniques

- In the same way that point-of-care devices are enabling diagnostic testing in a clinical or patient setting, analytical tests and devices are expected to have increasing clinical applications.
- This is illustrated by the fact that Waters Corporation, one of the world's largest manufacturers of mass spectrometers, is now using mass spectrometry to map and understand the molecules present within a malignant tumour¹³
- United Kingdom (UK) based business Forth is an example of analytical techniques moving to a clinical or pre-patient setting. Forth provides home blood tests to provide users with scientific data "to help you navigate your way to better health."¹⁴

2.3.4.4 – Data-based healthcare

- The emergence of innovative health measurement technology will see the generation of significant volumes of data which will require interpretation.
- The quality of the information delivered through these processes, upon which future healthcare decisions will be made, is dependent on the quality of the underlying data. Trajan focuses on delivering products and services that improve scientific measurement quality, and therefore improve information quality.

2.3.4.5 – Minimising contaminants in air, food and water

- Increasing concern around the impact of emerging environmental contaminants and understanding the relationship to the human condition, the exposome.
- The globalisation of the food supply chain and need for safety/contaminant testing.
- Increased regulatory requirements and environmental and food safety concerns are expected to further intensify the requirements for testing via analytical methods.

The emerging global middle class is expected to increase the demand for a cleaner environment and access to a safe and clean food supply chain. The middle class population in Asia-Pacific alone is projected to rise from 1.38 billion people in 2015 to 3.49 billion people in 2030.¹⁵

13. https://videos.waters.com/detail/video/5515919271001/mass-spec-imaging-enables-greater-understanding-of-tumors-than-ever-before?autoStart=true&q=josephine%20bunch&locale=en_US

14. <https://www.forthwithlife.co.uk/> (Humankind Ventures Limited).

15. Forecast of the global middle class population from 2015 to 2030 by region, Statista Research Department, 1 Dec 2020.

2.3.4.6 – Increasing research investments in biologics

- Chromatography, and specifically LC-MS, are widely used analytical techniques in the pharmaceutical industry and are garnering a growing emphasis as molecule complexity increases in the shift towards biologics.
- It is the separation and identification of different molecules performed by LC-MS, for example drug candidates, metabolites and active ingredients, that play a critical role in the drug development and manufacturing process, including freedom from impurities and the interaction with the human biology.
- Large pharmaceutical companies investing in developing biologic drugs require high volumes of LC-MS in all segments from discovery to development and into quality assurance and quality control.

2.3.4.7 – Ageing global population

The overall global healthcare industry is expected to expand substantially as the proportion of the global population aged over 60 years old continues to grow. In 2017 the global population aged 60 years or over was 962 million. By 2050 this is projected to more than double to 2.1 billion people.¹⁶

2.3.4.8 – Expanding generic availability of small molecule pharmaceuticals

- A growth in testing is required as pharmaceutical products have moved into generics and are becoming available to a much larger portion of the world's population.
- Analytical instruments (especially LC) and consumables demand would logically be strongly correlated to global pill consumption which continues to grow.

2.4 – Barriers to entry

Trajan believes a number of barriers to entry in the analytical science industry make it difficult for new companies to establish a meaningful market position. These barriers are predominantly related to developing the overlapping knowledge of tightly controlled fabrication techniques and processes and understanding the precise impact of those techniques and processes on the end-use chemistries of the product.

2.4.1 – Technical expertise and intellectual property (know-how)

Analytical science products are specialised, high precision products developed and manufactured for specific analytical and regulatory requirements. As a result, the design and manufacturing knowledge required to consistently achieve the required level of precision is high.

For example, scientific glass, particularly in a tubular form, is the base material used for many analytical science componentry products which interact with an analytical sample. Trajan considers the expertise and know-how required to design and manufacture such glass-based components with consistent physical and chemical properties and at scale, is very difficult to obtain and not easily replicated.

Specialist know-how is also required around the synthesis and application of chemistries to create surface inertness or to design an intended active interaction with an analytical sample.

2.4.2 – Requirements from customers

2.4.2.1 – Deep customer integration

Customers in the analytical science industry require suppliers with intricate knowledge of the intended product end-use and market. This allows collaborative research, development and innovation between customers and suppliers and ultimately products which are significantly customised and tailored.

Once products are tested, approved and implemented by a customer, it tends to lead to a long-term supply relationship while the product continues to perform to expectations. This is due to the cost, time and disruption which would be caused by changing suppliers and the overhead burden of validating an alternative technology. Revalidation can increase the likelihood of potential regulatory audits and if refiling is required with a regulatory agency, the validation and refiling may have to be done in each country or region in which the product is supplied.

16. United Nations, World Population Ageing 2017 – Highlights report, Department of Economic and Social Affairs, Population Division.

2. Industry overview (continued)

2.4.2.2 – Scale and global footprint

Large industry customers require suppliers to be able to service end-laboratory demand across diverse geographies with differing product mix and demand profiles. They require suppliers to support them with appropriately customised packaging and to have an understanding of the various global sales channels, while also having the ability to provide an integrated supply chain to ensure responsive supply to the laboratory end-user.

Manufacturing operations located proximate to a customer's operations enables suppliers to build a deeper level of connectivity, while also allowing them to efficiently service demand and assist when issues arise. Large global customers in the industry view suppliers that have multiple geographically dispersed sites favourably, due to capacity and assurance of continuity of supply in the event of an unforeseen geographic shutdown.

2.4.3 – Regulatory compliance and conformance

Products within the analytical science industry are required to comply with the relevant regulations and international standards applicable to the market in which the company and product or device operates.

This is a significant barrier to entry for new entrant companies without significant expertise in the regulatory landscape as appropriate certifications that are required by customers are time consuming to obtain. As such, for a customer to switch suppliers of a critical component entails regulatory risk, as well as significant planning and cost.

As analytical techniques move closer towards clinical applications, the regulations covering medical devices, such as those issued by the **FDA**, the **TGA**, the United Kingdom Medicines and Healthcare products Regulatory Agency (**MHRA**) and European Union Competent Authorities, become increasingly relevant.

Further details regarding the regulatory framework which applies to Trajan is outlined in Section 3.11.

2.5 – Industry impact of COVID-19

The predominant impact of the COVID-19 pandemic on the analytical science sector was disruption to supply chains, for example, delays in product deliveries to end-users. Uneven demand for products and services was also experienced by industry participants due to regional specific shutdowns and lockdowns.

Laboratories have become increasingly accustomed to operating in this disrupted environment and have established protocols to allow continuity of operations. In many cases, laboratories perform essential services and even where operations recorded lower processing volumes, a backlog of samples to be analysed built up and is expected to contribute to continued demand growth.

The COVID-19 pandemic is not expected to have a long-term effect on the fundamental growth drivers in the analytical science market as many pharmaceutical and biopharma companies are focusing on new drug development to combat the pandemic, which may contribute to unexpected growth in the chromatography and mass spectrometry markets.

According to research by Strategic Directions International, Inc. for industry group Analytical, Life Sciences & Diagnostics Association (**ALDA**) the global chromatography, mass spectroscopy and automation market achieved growth of 4.0% in the last quarter of calendar year 2020, compared with the corresponding quarter in 2019. This is broadly in line with long-term industry projections as detailed in Section 2.3.3 and is evidence of the robust and non-discretionary nature of the laboratory end-customers. Within this sector, automation was the strongest performer, achieving growth on the prior corresponding quarter of 6.8%.¹⁷

17. Analytical, Life Sciences & Diagnostics Association – Industry Market Assessment – Quarterly Review, Q4 2020, prepared by Strategic Directions International, Inc.

3

Company overview



3. Company overview

3.1 – Introduction to Trajan

Trajan is a Melbourne headquartered global developer and manufacturer of analytical and life sciences products and devices, seeking to enrich human wellbeing through scientific measurement. In the context of human wellbeing, Trajan’s current portfolio of products comprise consumable products, devices and solutions that are used in the analysis of biological, food, water and other environmental samples.

Figure 6: Trajan end-user markets



The breadth and quality of Trajan’s products, combined with global operations across the US, Europe and Asia Pacific, has allowed Trajan to establish trusted relationships with key participants in the analytical science instrument and device industry. These relationships are further supported by Trajan’s emerging technology pipeline which includes microsampling devices, novel sample preparation chemistries and a portable modular instrument system.

The development of Trajan’s existing and emerging product portfolio has been informed by Trajan’s industry expertise, customer insights across the sector and partnerships with academic institutions. Trajan believes its next generation product portfolio, which has been funded internally by Trajan’s existing cash flows, has significant commercialisation potential.

Figure 7: Trajan's global footprint



Trajan has grown to encompass 420 staff across manufacturing sites located in Melbourne, Penang (Malaysia), Bethel (US), Raleigh (US) and Austin (US), complimented by operational sites located in Yokohama, (Japan) and Milton Keynes, (UK). Trajan's global footprint is strategically organised to provide proximity to key customers. The Melbourne site remains Trajan's global headquarters. Management has recently invested significantly into the Penang manufacturing site which both compliments and extends upon the Company's existing operations in Australia and the US. The Penang manufacturing site provides Trajan with a lower cost footprint and the capacity to meet the forecast growth.

Figure 8: Trajan's global headquarters in Melbourne



3. Company overview (continued)

3.2 – Company history

Trajan was established in 2011 by Stephen and Angela Tomisich who shared a determination to build a scientific business that could deliver genuine impact, but most importantly, truly benefit people and society. Trajan's vision today remains the same as it was 10 years ago – enriching wellbeing through scientific measurement.

Stephen and Angela have extensive backgrounds in analytical chemistry and biomedical science with over 50 years of combined experience in the global analytical science and clinical trial management industries. Their experience with large global life science businesses positioned Trajan with a strategic global focus from the outset and brought significant industry knowledge and customer and personal relationships. It also ensured Trajan introduced rigorous corporate governance standards and processes from inception.

Trajan's operations were initiated by the 2011 acquisition of the pathology consumables business of Grate Scientific, the forerunner to Trajan Pathology. Despite now being one of Trajan's smaller product categories, this acquisition is illustrative of Trajan's approach to identifying specialist product categories and acquiring them in a 'founder-friendly' manner. The acquisition was complemented by the 2013 acquisition of Grate Scientific's peer, HD Scientific.

In 2013, Trajan also completed the significant acquisition of the chromatography and liquid handling businesses of SGE Analytical Science (**SGE**), a business operating in the highly specialised analytical syringe sector which also produced a range of other chromatography products. SGE possessed fundamental precision manufacturing know-how in glass and other materials and, through its acquisition, provided Trajan with an added range of core capabilities. The addition of SGE's global distribution hubs and global customer base also provided Trajan with a global footprint.

Following the acquisition, Trajan performed a detailed review of the SGE business, rationalising products and focusing on the products with the highest performance and strongest market potential. That is, products which had the potential to be category leaders.

In 2015, Trajan made the strategic decision to focus its core expertise and operations on where it could impact data quality, being everything that touches the sample in the analytical workflow.

Following this decision, Trajan started investing significantly in the modernisation of its manufacturing processes, assisted by Australian government funding, with a focus on building cleaner environments for fabrication and manufacturing processes where cleanliness could impact quality. During this period, Trajan also started the preparation of transitioning its labour-intensive processes to a new greenfield site in Penang, Malaysia.

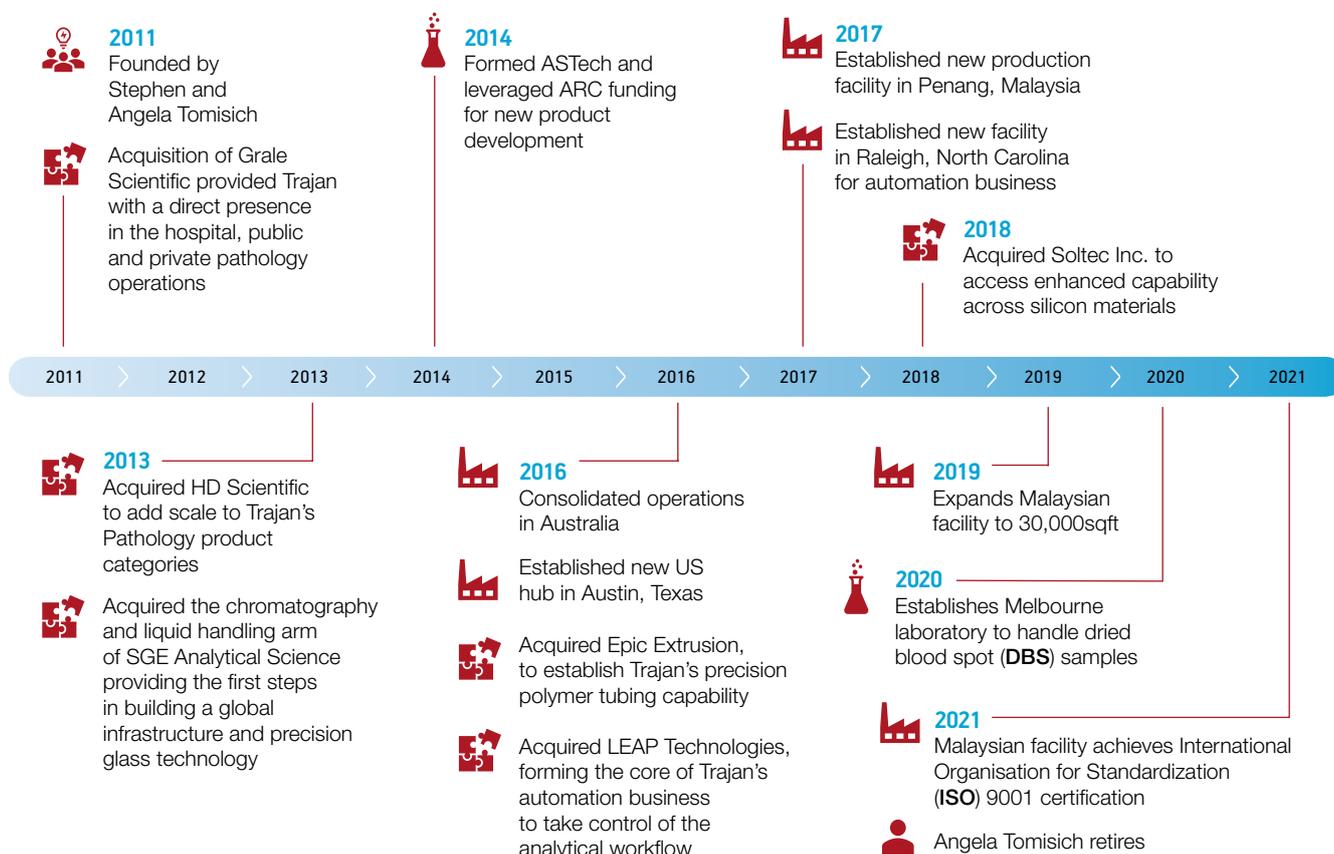
Trajan subsequently divested the ageing SGE sites and relocated its US and European operations into modern, custom-fitted facilities.

Since formation, Trajan has made a total of seven complementary acquisitions focussed on accessing specialist skills and capabilities across the analytical workflow. Each acquisition was strategically targeted to gain specialist know-how, capability and expertise that aligned with Trajan's long-term business model and vision. Whilst acquired businesses sometimes formed the platform for a new product category, each acquired business has subsequently been significantly refined by Trajan, received substantial investment, and has been refocussed on core differentiated products with a complementary fit across the analytical workflow.

Trajan's mission today is to deliver value and impact through collaboration and agile commercial partnerships, developing leading technologies to deliver breakthrough analytical solutions to the world.

A summary of Trajan's key milestone since inception is outlined in Figure 9 below.

Figure 9: Trajan timeline



3.3 – Trajan's business model

3.3.1 – Overview

Trajan's business model is centred around identifying specialised areas of analytical science where an analytical product or component has the potential to significantly impact data quality. Trajan then applies its technical, operational and R&D expertise to improve the quality, precision and at-scale manufacturing and distribution efficiency of that product or component to achieve what Trajan believes is industry best practice. Trajan's analytical products and components are sold to a broad range of participants in the analytical science industry, including large blue-chip multi-national OEMs, pharmaceutical, food and CRO laboratories and scientific distribution companies.

Underpinning Trajan's efforts to achieve industry best practice is the significant investment made to build a global infrastructure platform to service a global base of blue-chip customers operating in the analytical science industry. This platform includes a combination of physical assets, including manufacturing facilities and infrastructure across five global sites providing customer proximity and scale, as well as a high calibre team which has been strategically assembled to execute on Trajan's organic and inorganic growth plan.

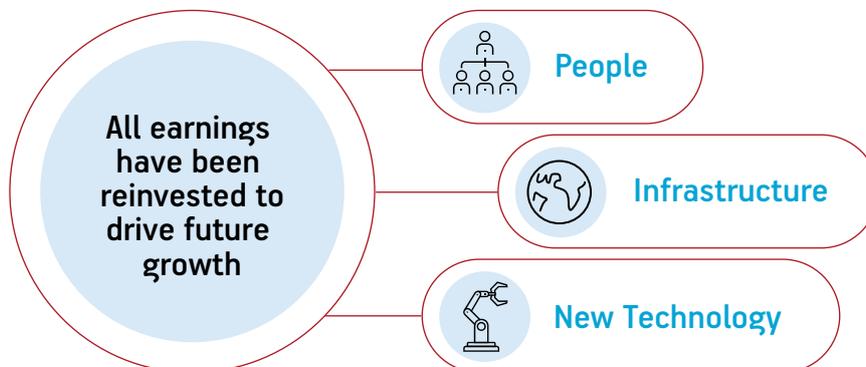
Trajan has built a proven framework to identify, acquire and integrate complementary businesses into its infrastructure. This framework involves a 'founder-friendly' approach which is driven by deep industry relationships nurtured by the CEO and senior management team. Trajan's senior management have a strong track record of identifying strategic targets with specialist capabilities and are experienced in M&A execution and integration which has delivered revenue synergies across the business.

Over the past six years Trajan has driven a large-scale technology development program focused on establishing a technology platform to underpin Trajan's growth objectives. This initiative is 'over and above' Trajan's normal day-to-day business operations and its focus on continuing to develop and enhance its existing commercial product lines.

Trajan's investment approach to date has focused on re-investing free cash flow into developing the key pillars of the Company's platform and leveraging that investment through commercial, academic and government collaborations.

3. Company overview (continued)

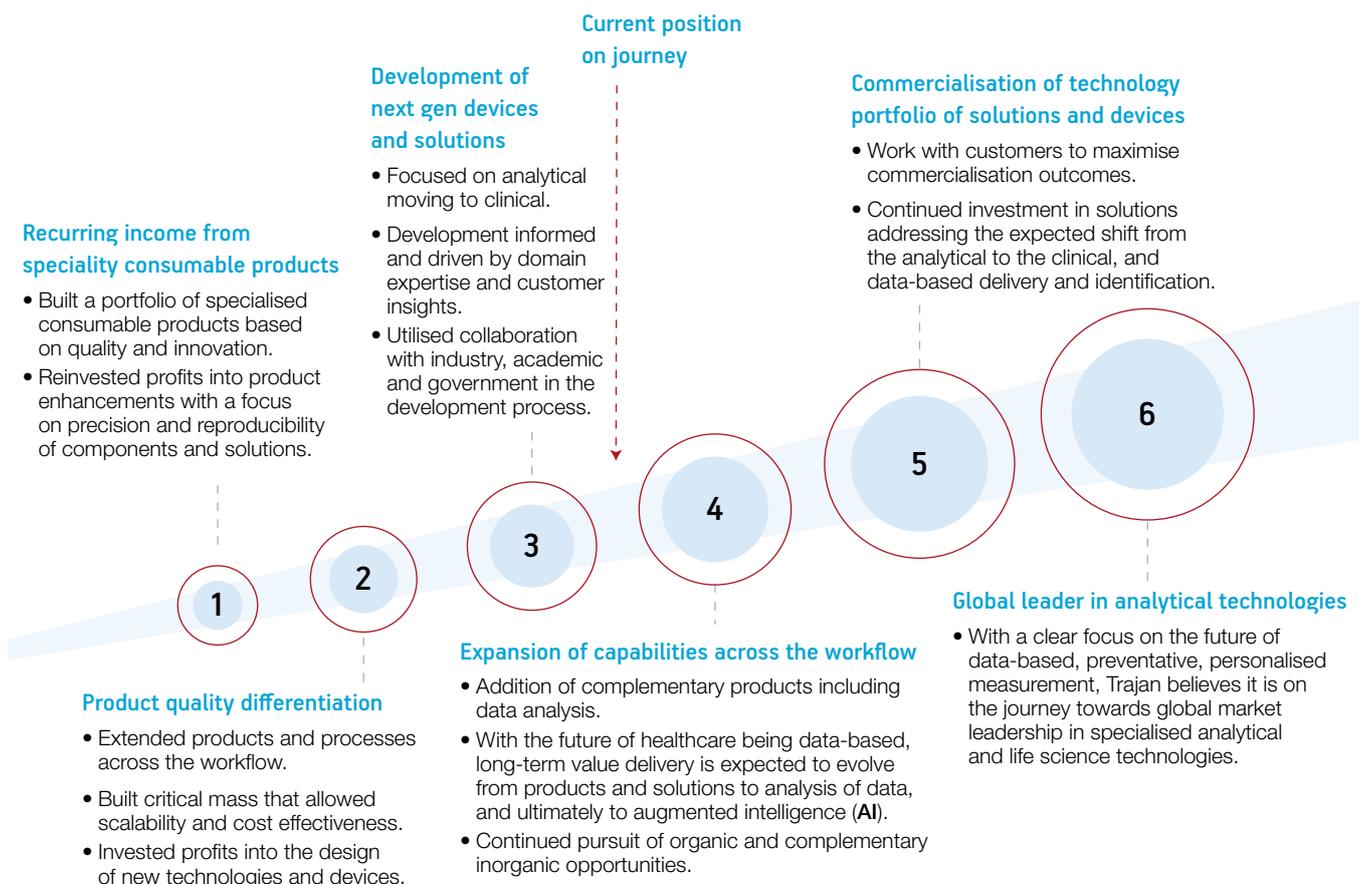
Figure 10: The core to Trajan's platform



3.3.2 – The Trajan journey

Trajan has built a strong platform which it believes it can now leverage for its next stage of growth globally. Figure 11 provides a summary of Trajan's journey towards becoming a global leader in analytical technologies.

Figure 11: The Trajan journey



3.3.3 – Trajan’s product portfolio across the analytical science workflow

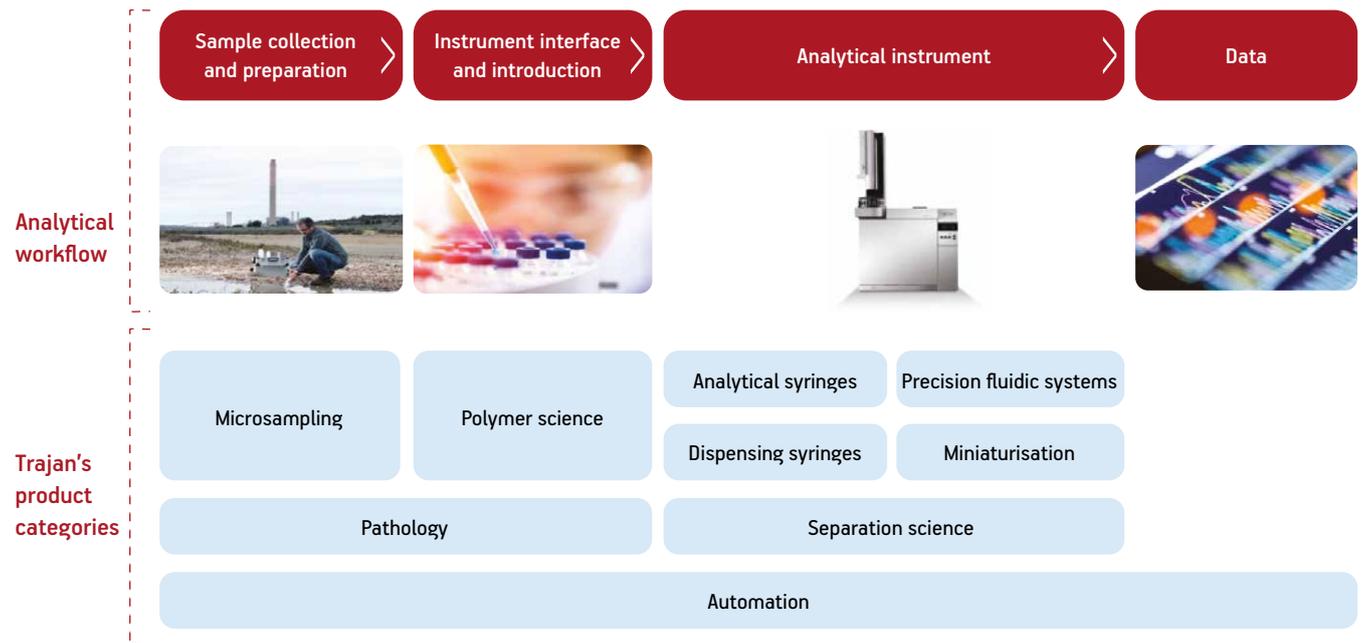
Trajan’s range of precision products are helping customers solve complex problems relating to lab and operational productivity across the analytical science workflow. Refer to Section 2.1.2 for a description of the analytical science workflow.

In order to improve analytical data quality, Trajan believes a “sample centric” rather than a “product centric” approach to the analytical workflow is required. Historically, instrumentation variation was the primary driver of data discrepancies driving significant investment by the analytical science industry under a “product centric” approach to improving data quality. It is now widely recognised that modern instruments have reached a level of precision whereby discrepancies in data quality are most likely to come from something that has impacted the physical sample prior to analysis – underpinning Trajan’s “sample centric” approach to improving analytical data quality.

Trajan’s approach is to create products and solutions that bridge the gap between instrumentation precision and discrepancies arising from products which touch the sample. For example, a sample vial sealing material (**septa**) should not contain or interfere with the target analytes. It is equally important that the materials used in the construction of the analytical syringe – which aspirates the sample from the vial, is also constructed from materials that do not interfere with that specific analysis.

Each step in the analytical workflow represents a link in a chain and the utilisation of just one product in the chain that impacts or interferes even slightly with the sample can lead to variations in result quality. Only by considering all of the components involved in the workflow, as the sample encounters them, can result quality be optimised.

Figure 12: Trajan’s synergistic product categories



3. Company overview (continued)

3.3.4 – Trajan’s core business segments

Trajan separates its business into the following two segments covering Trajan’s range of product and solution categories:

Analytical Products – includes a diverse range of analytical products that are focussed on biological, food and environmental testing applications.

Life Science Solutions – includes a range of solutions focussed on areas directly related to human health.

Within each of the above segments are specific product categories and their corresponding product families.

Table 2: Overview of Trajan’s product families

	Product and solution category	Product family
Analytical Products	Separation science	<ul style="list-style-type: none"> • GC Inlet liners • GC columns • Ferrules • Microfluidics
	Analytical syringes	<ul style="list-style-type: none"> • Metal syringes • Gas tight syringes • eVol • Liquid:liquid extraction (uLLE) • Electrokinetic extraction (EkE)
	Precision fluidic systems	<ul style="list-style-type: none"> • Polymer-sheathed fused silica tubing (PEEKsil) • Emitter tips • Multi-lumen emitter tips
	Polymer science	<ul style="list-style-type: none"> • Septa and caps • Porous polymer monoliths
	Dispensing syringes	<ul style="list-style-type: none"> • Dispensing syringes
Life Science Solutions	Pathology	<ul style="list-style-type: none"> • Microscope slides • Coverslips • Slide and cassette storage
	Automation	<ul style="list-style-type: none"> • HDX-MS automation • Liquid – powder dispensing • Infusion automation
	Microsampling	<ul style="list-style-type: none"> • hemaPEN® • Microbiopsy • Bio-SPME
	Miniaturisation	<ul style="list-style-type: none"> • Hummingbird

■ Emerging product families

Note: Emerging product families are in advanced development or very early stage commercialisation.

3.3.5 – Key dependencies

Trajan's business model is dependent on the following key dependencies:

- **Expertise and technical know-how** – Trajan's products are specialised, highly precise and developed and manufactured for specific analytical purposes. As a result, a high level of expertise and technical know-how is required by Trajan's staff. See Sections 3.4 and 3.7 for more information.
- **Ongoing demand for analytical testing** – Demand for Trajan's products is dependent on continued demand for analytical testing, both the testing required by regulatory bodies, and other. See Section 2 and Section 3.5 for more information.
- **Specialised manufacturing facilities** – Trajan operates custom designed, specialised facilities to manufacture its precision products, devices and components. See Section 3.6.1 for more information.
- **Material supply** – Trajan relies on suppliers for raw materials including glass, metal and polymer materials as well as key components for its automation platforms. See Section 3.6.2 for more information.
- **Management personnel** – Trajan's operations are complex and global and industry experienced management personnel are critically important to the Company. See Sections 3.10.1 and 6.2 for more information.

3.4 – Trajan's product categories

Trajan's products are categorised into specific product families that relate to their position within the analytical workflow.

3.4.1 – Product categories within Trajan's Analytical Products business segment

3.4.1.1 – Separation science

Product family	Description
<p>GC inlet liners</p> <p>Figure 13: SGE FocusLiner, inlet liner</p> 	<p>Overview</p> <p>A precisely formed glass tube, sometimes containing complex internal structures and chemical coatings. It is within an inlet liner that the liquid sample is injected, vaporised and then swept onto the GC column for separation. Inlet liners are integral to the performance of GC.</p> <p>Point of differentiation</p> <p>Trajan has developed unique automated fabrication capabilities for glass inlet liners that ensure precise physical dimensions are achieved with reproducibility, liner to liner. This enables consistency of the analytical performance of the instrument.</p>
<p>GC columns</p> <p>Figure 14: BP1 GC columns</p> 	<p>Overview</p> <p>Performs the critical analytical separation process in GC as the gaseous sample flows through and interacts with the internal surface of the GC column.</p> <p>Point of differentiation</p> <p>Trajan has developed a suite of specialised chemistries that target specific analytical separations with a focus on environmental and food applications that impact human health. Trajan's production capability is highly verticalised developing these chemistries from raw materials and fabricating the precision tubing within its own facility.</p>

3. Company overview (continued)

Product family	Description
Ferrules Figure 15: Graphite Ferrule with 0.5 mm internal diameter 	Overview Used to seal the connection of the column or liner to the GC system. <p>Point of differentiation Trajan has a unique range of metal-based ferrule products that deliver enhanced performance in GC-MS systems. This is coupled with Trajan's capability to provide a broader range of ferrule products in other materials.</p>

Microfluidics Figure 16: SilFlow® GC 3 port splitter 	Overview SilFlow® uses planar microchannel technology for the application of column splitting, detector splitting and backflush within a chromatography system. <p>Point of differentiation Over 50 different microfluidic designs, enabling sophisticated analytical processes unlike any other format within complex chromatography systems.</p>
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3.4.1.2 – Analytical syringes

Product family	Description
Analytical syringes Figure 17: SGE guided plunger syringe 	Overview High value, multi-use devices used to aspirate and dispense extremely accurate volumes of liquid as small as one microlitre, with an accuracy range of +/- 1%. They allow unattended sample injection when used with an automated platform. <p>Point of differentiation Trajan has fabrication know-how that ensures correct marriage of the plunger and the accurately formed internal surface of the syringe glass barrel to ensure reliability, longevity and analytical integrity. The design and fabrication of the metal needles, along with the methods and materials used in the assembly of analytical syringe devices, is critical to ensure analytical performance.</p>

eVol Syringe Figure 18: eVol syringe 	Overview Trajan has a unique “eVol Syringe” product that couples a precision motor drive to the syringe to remove operator variations, increasing overall reliability. <p>Point of differentiation Reduces the need for operator skill to be able to deliver accurate and reproducible results from a hand-held analytical syringe.</p>
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Product family	Description
uLLE	<p>Overview</p> <p>Liquid:liquid extraction “in-syringe” sample preparation is targeted to replace current manual laboratory practice on an automated platform.</p> <p>The emerging uLLE technology involves a novel mechanism for mixing an organic solvent with an aqueous sample to extract the target analytes without compromising the volumetric precision and accuracy.</p> <p>The first beta site of the uLLE is scheduled for installation in the fourth quarter of FY2021.</p> <p>Point of differentiation</p> <p>Trajan has developed a syringe device that can automate a 24-hour continuous process, which today is currently a manual mixing and extraction process.</p> <p>See Section 3.11.2 for regulatory approval requirements for commercialisation.</p>

Emerging product family

EkE in a syringe technology	<p>Overview</p> <p>Capillary electrophoresis (CE) has been used for many years as a technique to separate proteins and metabolites in biological samples. The electrokinetic extraction “in a syringe” has been developed to a functional prototype level – an “on-line” electrokinetic removal of serum proteins before electrospray ionisation mass spectrometry (ESI-MS) of key target molecules. Scoping of the next version of the system is expected in FY2022.</p> <p>Point of differentiation</p> <p>Trajan is developing an “in-syringe” electro separation clean-up of samples for bioanalysis in-line with the mass spectrometer.</p> <p>See Section 3.11.2 for regulatory approval requirements for commercialisation.</p>
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Emerging product family

3.4.1.3 – Precision fluidics systems (PFS)

Product family	Description
<p>PEEKsil</p> <p>Figure 19: PEEKsil tubing</p> 	<p>Overview</p> <p>Within analytical instrumentation, liquids and gases progress along a tubular flow path. The physical form, the nature of connections and the chemical inertness of that hardware can have a material impact on the quality and reproducibility of analytical data.</p> <p>Point of differentiation:</p> <p>PEEKsil is a tubing construct that allows high pressure to be used in HPLC. The use of high pressure is not possible with just fused silica tubing (FST) and connection flexibility is not possible with rigid metal tubing.</p>

3. Company overview (continued)

Product family	Description
<p>Emitter tips</p> <p>Figure 20: A readout from Trajan's "cyclops" technology showing (cross-section) FST ID, OD, concentricity and coating thickness that enables the production of precise, constant emitter tips</p> 	<p>Overview: In the LC-MS platform the emitter tip sprays the effluent from the HPLC into the mass spectrometer.</p> <p>Point of differentiation: Trajan has leveraged its unique FST fabrication capability to produce emitter tips with tightly controlled constant bore. Unlike the tapered bore products on the market, the Trajan design enables greatly extended lifetime and analytical reproducibility.</p>

<p>Multi-lumen emitter tips</p>	<p>Overview</p> <p>Trajan is developing a multi-lumen emitter tip that sprays the effluent from the HPLC into the mass spectrometer. The initial design has nine parallel bores of 10um each still all contained within the standard 360um OD capillary format.</p> <p>Point of differentiation</p> <p>Other competitive approaches to array sprays are at various pre-commercial stages, but none adopt the standard tubular format like Trajan.</p> <p>See Section 3.11.2 for regulatory approval requirements for commercialisation.</p>	<p>Emerging product family</p>
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3.4.1.4 – Polymer science

Product family	Description
<p>Septa and caps</p> <p>Figure 21: Septa with silicone with Polytetrafluoroethylene (PTFE) film</p> 	<p>Overview</p> <p>Trajan manufactures a range of polymer materials that are formed to seal sample vials, known as septa. Trajan utilises a highly automated production facility to assemble septa discs and caps that are used to seal vials containing analytical samples.</p> <p>Point of differentiation</p> <p>Trajan has a competitive advantage in that it produces and processes the septa materials from base ingredients, minimising contamination and allowing specialised treatments and formulations.</p>

Product family	Description
Porous Polymer Monoliths	<p>Overview</p> <p>Trajan is developing a suite of sample preparation chemistries that enhance analyte selectivity and sensitivity across a broad range of sample types by providing consistent performance independent of flow rate. The technology would allow formulation and curing in a broad range of physical forms, for example, tips, cartridges and well plates.</p> <p>Point of differentiation</p> <p>Trajan has developed IP around a “meso porous modification” that allows molecular weight selectivity. By using a different chemical backbone structure, the behaviour of the material can be changed to perform tasks, such as cell separation.</p> <p>See Section 3.11.2 for regulatory approval requirements for commercialisation.</p>

Emerging product family

3.4.2 – Product categories within Trajan’s Life Science Solutions business segment

3.4.2.1 – Dispensing syringes

Product family	Description
Dispensing syringes Figure 22: Dispensing syringes 	<p>Overview</p> <p>Dispensing syringes are precise liquid delivery devices. They do not make contact with the sample, but rather are used to precisely deliver and mix liquids in biochemistry and clinical automation systems.</p> <p>Point of differentiation</p> <p>Trajan’s expertise in liquid handling technologies, glass technology and glass and metal assembly has enabled the development of a reliable long-life use product, which in these platforms is critical for laboratory productivity.</p>

3.4.2.2 – Pathology

Product family	Description
Microscope slides Figure 23: Series 3 adhesive microscope slides 	<p>Overview</p> <p>Microscope slides for immunohistochemistry (IHC). IHC is a method for detecting antigens in cells of biological tissue. This enables the diagnosis of disease conditions. For example, cancer diagnostics through the examination of human tissue.</p> <p>Point of differentiation</p> <p>By partnering with leading manufacturers based in Japan and Germany, Trajan has brought to market a range of slides that enable improved tissue adherence to the slide surface and a reduction in tissue breakdown or fragmentation. This results in an improved specimen and image, which is then presented to the pathologist for diagnosis.</p>

3. Company overview (continued)

Product family	Description
Coverslips Figure 24: Series 1 coverslips 	Overview Manufactured using ultra-thin pure white borosilicate glass in controlled conditions with uniform thickness and smoothness in non-corrosive and non-fogging packaging. Point of differentiation The physical design protects sample integrity and delivers reliable performance in automated platforms.

3.4.2.3 – Automation

Based upon deep scientific knowledge of sample preparation practices and utilising diverse sample handling and processing technologies, Trajan's Automation product category provides a wide range of complete automated sample-centric workflow solutions.

In addition to the ability to consult on and implement bespoke automated preparative or sample collection solutions across the entire analytical, life science or diagnostic laboratory, Trajan Automation specialises in a number of key areas. Two examples are HDX-MS automation, and liquid-powder dispense systems, detailed below.

Product family	Description
HDX-MS automation Figure 25: LEAP HDX-MS automation 	Overview Hydrogen deuterium exchange mass spectrometry (HDX-MS) is a biophysical technique enabling the study of protein behaviour. It is a complex analytical process that can be performed with robotic precision using the Trajan platform. Point of differentiation Trajan's use of materials and components in combination with smart sequencing software enables reproducible accuracy in timing of liquid transfers, maintaining pH control, temperature control and identifies ideal digestion conditions.

Powder-liquid dispensing Figure 26: LEAP CHRONECT Quantos powder-liquid automation 	Overview The drug discovery process can involve the investigation of an array of powder-based materials. This work is traditionally performed manually or in a semi-automated fashion, making it tedious and time consuming. Point of differentiation Trajan's automated platform includes the integration of accurate dosing and weighing technology into liquid sample preparation and instrument analysis. It allows the end-to-end process to be completed unattended.
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3.4.2.4 – Microsampling

Product family	Description
<p>hemaPEN®</p> <p>Figure 27: hemaPEN®</p> 	<div style="text-align: right; background-color: #2c5e8a; color: white; padding: 2px 5px; font-weight: bold;">Emerging product family</div> <p>Overview</p> <p>Trajan has developed a blood microsampling device for remote (outside of the clinic) use. The hemaPEN® design is focused on delivering sample quality, including volumetric accuracy, consistency and integrity. The target market for remote microsampling is patient monitoring situations where the alternative would be a clinic-based venous blood draw.</p> <p>hemaPEN® incorporates intellectual property which is owned by the University of Tasmania (UTAS) and for which Trajan has been granted an exclusive worldwide licence to commercialise.</p> <p>In 2020, hemaPEN® became a Class 1 registered medical device in Europe, the US and Australia. Refer to section 3.11 for further details of the regulatory approval requirements for this product.</p> <p>Commercial sales of hemaPEN® have commenced in recent years with many devices supplied free of charge (FOC) to the market for research and validation.</p> <p>Point of differentiation</p> <p>Unlike other microsampling products, hemaPEN®:</p> <ul style="list-style-type: none"> • simultaneously draws four true biological replicate samples using precision capillaries; • seals the samples upon collection protecting them from any human or environmental contamination; and • reproducibly dries all four samples halting metabolism at the same rate independent of ambient temperature or humidity conditions.
<p>Microbiopsy</p> <p>Figure 28: Trajan's microbiopsy prototype</p> 	<div style="text-align: right; background-color: #2c5e8a; color: white; padding: 2px 5px; font-weight: bold;">Emerging product family</div> <p>Overview</p> <p>Trajan is in the final stages of developing a novel microbiopsy device which samples 400-600 cells from the skin surface in a quick and painless manner and has a broad range of applications including testing and presentation for skin conditions. This device incorporates intellectual property which is owned by the University of Queensland and for which Trajan is finalising the grant of an exclusive worldwide licence to commercialise.</p> <p>Point of differentiation</p> <p>The technology is designed to painlessly sample the skin surface in remote settings to enable detection and monitoring of various conditions, including forms of skin cancer, parasitic infections, allergies and a range of tropical diseases, at low cost.</p> <p>Please refer to Section 3.11.2 for an overview of the regulatory approval requirements for commercialisation of this product.</p>

3. Company overview (continued)

Product family	Description
<p>Biocompatible Solid Phase Microextraction (Bio-SPME)</p> <p>Figure 29: An illustration of Trajan's Bio-SPME</p> 	<div style="text-align: right; background-color: #2c4e64; color: white; padding: 2px 5px; font-weight: bold;">Emerging product family</div> <p>Overview</p> <p>Trajan has developed a device platform that has performance and robustness advantages for a broad range of liquid sample types, for example blood, urine, water, beverages, over existing SPME products.</p> <p>The driver for the development of Bio-SPME was a partnership with a large pharmaceutical client to enable in-vivo monitoring of free drug active ingredients in the bloodstream of live laboratory test animals, while minimising trauma.</p> <p>This device platform incorporates intellectual property which is owned by the University of South Australia. Trajan has an exclusive right for the grant of a licence to commercialise this intellectual property, and is negotiating with the University on the terms for such a licence.</p> <p>Point of differentiation</p> <p>The device greatly enhances performance with Bio-SPME experimental data demonstrating a four-fold sensitivity enhancement over commercially available products. The technology format can be broadly deployed across all liquid sample types; biological, food and environmental.</p> <p>See Section 3.11.2 for regulatory approval requirements for commercialisation.</p>

3.4.2.5 – Miniaturisation

Product family	Description
<p>Hummingbird</p> <p>Figure 30: The first briefcase-based prototype system of Hummingbird</p> 	<div style="text-align: right; background-color: #2c4e64; color: white; padding: 2px 5px; font-weight: bold;">Emerging product family</div> <p>Overview</p> <p>Hummingbird is a miniature, modular, liquid separation system. The demand for the product is being driven by several of Trajan's large pharmaceutical customers based in the USA. These customers have requested development of a portable "miniaturised HPLC" which can perform onsite sampling to minimise analysis turnaround times.</p> <p>Point of differentiation</p> <p>The benefits of the Hummingbird include:</p> <ul style="list-style-type: none"> • syringe based solvent pumps and light-emitting diode (LED) based detection allows for an optimised performance for a task while minimising cost; • a small footprint would allow the system to be placed directly next to the reactor, for example, inside the fume hood; • the modular nature of the system allows a custom configuration for the task ahead and automated sampling; and • while aiming at the use of micro and capillary columns (0.15-1 mm internal diameter (ID) and up to 100 mm long) the system is targeting performance to meet suitability tests required by the US pharmaceutical industry. <p>Please refer to Section 3.11.2 for an overview of the regulatory approval requirements for commercialisation of this product.</p>

3.5 – Market position and customers

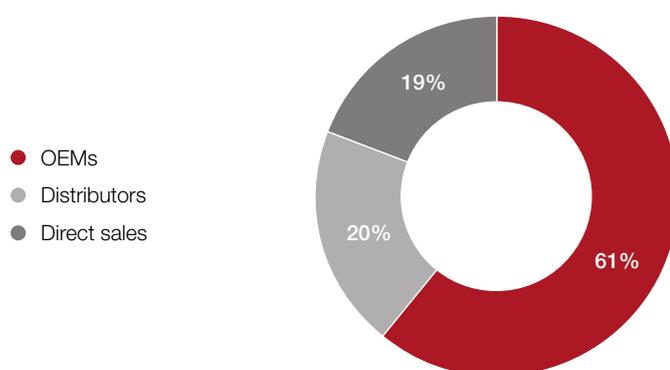
3.5.1 – Summary

Trajan's customer portfolio includes large blue-chip multi-national OEMs, pharmaceutical, food and CRO laboratories and both global and regional scientific distribution companies. There is some overlap in these categories, for example, some OEM companies have significant distribution divisions and Trajan produces some OEM product for distribution customers.

While distribution partners typically resell Trajan-branded products, the nature of Trajan's relationship with its OEM partners ranges from collaborative technology developments to design and supply of components embedded within their instrumentation through to customised consumable products to support those platforms.

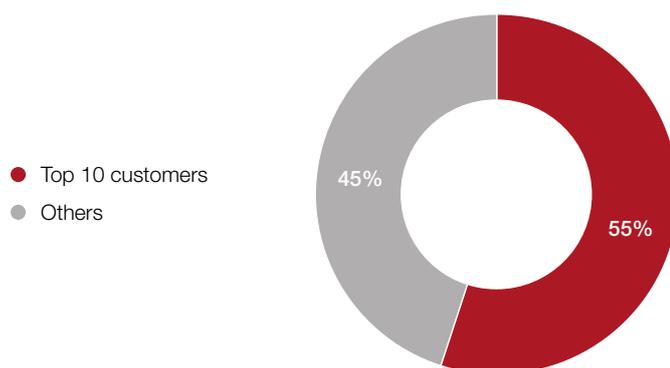
Out of Trajan's three key customer channels, OEMs account for the largest share with approximately 61% of total FY2020 revenue, driven by the significant size of the typical OEM customer.

Figure 31: Trajan FY2020 revenue by customer channel



As illustrated below, Trajan has built long-term relationships with many of its major customers. Trajan has achieved consistent revenue growth across its top ten customers. In March 2021, Trajan extended its supply agreements with its largest customer through to 2026.

Figure 32: Trajan FY2020 top 10 customers by revenue



Trajan supplies to its key customers across a number of their subsidiaries, business units, geographic locations and product categories. As a result, there is significant diversity and stratification of procurement with each key customer.

As illustrated in Figure 33, Trajan is a global business with over 90% of total sales in FY2020 made outside of the Oceania region.

3. Company overview (continued)

Figure 33: Trajan FY2020 revenue by region

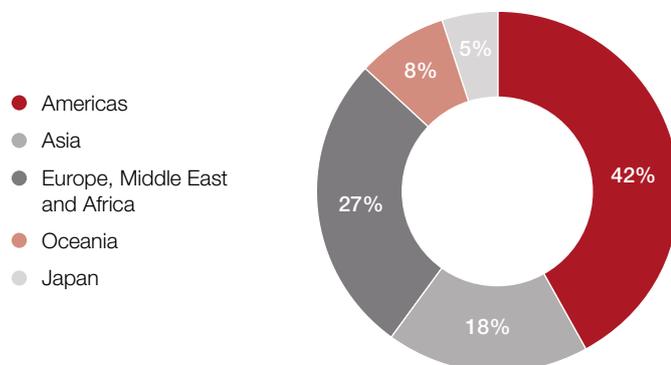


Table 4: Breadth and diversity of supply to leading customers

	Length of customer tenure	Number of unique supply locations in FY2020	No. of unique stock-keeping units (SKUs) supplied in FY2020
Customer 1	8 years	20	364
Customer 2	8 years	26	653
Customer 3	8 years	57	1,244

3.5.2 – Competitive advantage

Analytical science customers require suppliers to have strong technical expertise due to the precision and complexity of the underlying analytical techniques and instruments. Trajan's automated fabrication capabilities across borosilicate and quartz (fused silica) glasses, polymer and other materials enable consistency of analytical performance of instruments. Trajan's larger customers regularly review Trajan on key criteria including technology, quality, responsiveness, value and innovation.

Along with the technical expertise, one of Trajan's competitive advantages is the deep industry and customer knowledge and end-market understanding of the role its components play in a customer's instrument or workflow. Trajan has intimate industry knowledge and is focussed on collaboration, customisation and tailored solutions for its customers. This is a key contributor to the 'stickiness' of Trajan's customer relationships.

Another contributing factor is an inherent risk for customers in changing suppliers. Once a product is designed, manufactured, tested, approved and commenced, it tends to lead to a long-term supply relationship and deliver stable recurring revenue for Trajan. The work involved for a customer in substituting a competing product can be substantial, and Trajan has found the large analytical science organisations tend to be risk averse and conservative when it comes to switching out suppliers.

Products within the analytical science industry can also be required to comply with the relevant regulations and international standards applicable to each market in which the company and product or device competes, creating additional barriers to entry. Section 2.4 further identifies the barriers to entry in the analytical science sector.

3.5.3 – Market position and key competitors

Trajan's market position today varies greatly by segment and product category. Each product category is highly specialised with different end-uses, chemistries employed, manufacturing requirements, product life span and competitive market dynamics.

Trajan's management believes it has achieved market best practice and reached a market leadership position in a number of product areas. In other areas, Trajan has a relatively small market share where it has developed a new technology or product and is continuing to invest in bringing the product up to its internal criteria of best practice. Such markets offer significant long-term growth opportunity to Trajan. Examples of other specialist component and consumables developers in the sector include Restek Corporation, Hamilton Company and New Objective. In addition, some large OEMs including Agilent Technologies, Inc., Thermo Fisher Scientific Inc. and Danaher Corporation also manufacture and supply specialist components and consumables in certain product categories.

3.5.4 – Product branding

Trajan develops and manufactures products under a range of Trajan owned product and technology brands, including “SGE”, “LEAP”, “FocusLiner” and “SiITite”, as well as a multitude of tailored branding/livery for OEM customers.

3.6 – Production and operations

Trajan has invested heavily to establish the current global infrastructure which is at the core of its strategic direction. The infrastructure platform encompasses manufacturing facilities and infrastructure across five sites located across the globe. Trajan’s global footprint is specifically designed to support future growth at scale.

Key advantages of Trajan’s global infrastructure platform include:

- risk mitigation;
- disaster recovery capabilities;
- proximity to key customers to facilitate optimum performance as a global supply chain partner;
- capacity to respond to fluctuations in demand; and
- a diversified cost base.

3.6.1 – Manufacturing operations

Trajan has established some global manufacturing capabilities strategically situated in closer proximity to key customers. Trajan has been transitioning the manufacturing of a number of product lines from Melbourne to its state-of-the-art, lower cost facility in Malaysia. The new Malaysian site both complements and expands upon existing operations in Australia and the US and is expected to deliver significant margin enhancement as legacy manufacturing operations in these higher cost regions are rationalised.

Table 5: Summary of manufacturing and distribution sites

Manufacturing operations	
Melbourne, VIC, Australia	Global head office, manufacturing facility, global distribution hub and R&D centre. 66,000 ft ² indoor manufacturing facility, located on a 190,000 ft ² site.
Penang, PG, Malaysia	30,000 ft ² micro assembly and fabrication facility, strategically positioned in a lower cost region and as a future Asian distribution hub.
Austin, TX, USA	10,400 ft ² facility that provides complementary production operations to Melbourne, enabling scale and flexibility in the supply chain. Expertise in precision extrusion and cutting of nano-bore tubing for analytical systems. The site is also a distribution centre servicing North and South American customers. Trajan is in discussions to expand the floor space leased at this site to approximately double the current size.
Bethel, CT, USA	20,000 ft ² facility focused on silicone technologies and production automation.
Raleigh, NC, USA	4,200 ft ² facility focused on automation for analytical systems.

3. Company overview (continued)

Commercial and distribution hubs

Milton Keynes, UK	Distribution hub servicing customers in Europe, Middle East, Africa and India.
Yokohama, Japan	Distribution hub servicing the Japanese market.

3.6.2 – Suppliers

Trajan sources three key materials from global suppliers: glass, polymer and metals.

Trajan acquires glass for the fabrication of numerous products and has a long-term relationship with its leading supplier. It has supply relationships with multiple glass suppliers across its product range, and secondary sources in each category.

In polymer, Trajan sources both finished components and raw polymer sticks. Trajan has multiple well-established suppliers of polymer.

Trajan has three main suppliers of metals which are available on global commodity markets.

All Trajan suppliers are assessed against an internal risk management scorecard, including with reference to Trajan's International Organisation for Standardization (ISO) 9001:2015 certification, an international standard for quality management systems.

3.6.3 – Sales and distribution

Trajan's driving focus is a highly customer-centric approach to advancing analytical accuracy through the definition, development and distribution of tailored solutions for global analytical and life science companies. This is achieved by a global team of dedicated key account managers executing holistic account management that facilitates deep, broad cross functional relationships. In this manner, Trajan has formed strong links with key customers that enables direct insights into their businesses. This deep business to business relationship is further supported by an extensive, highly tenured customer service function located in close proximity to the customer.

3.7 – Research and development

3.7.1 – Research and development overview

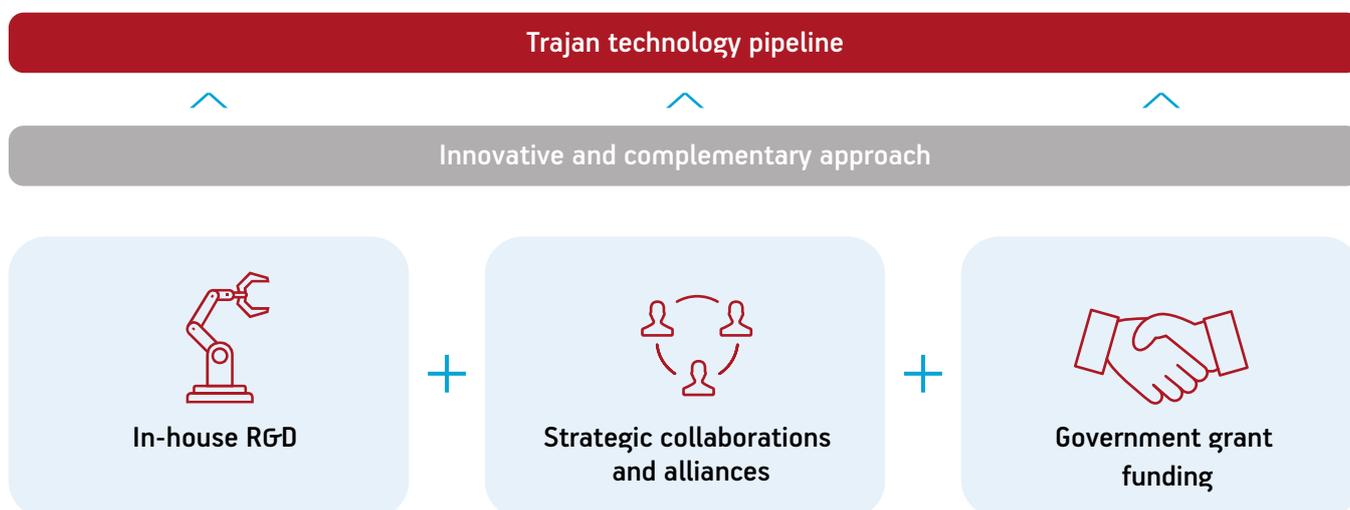
Trajan is a future focused business with a pipeline of new products and technologies on the pathway towards commercialisation.

Trajan's pipeline belies the size of the business and is the result of an innovative, complementary approach which combines traditional in-house R&D with an array of strategic collaborations and alliances with industry and academia.

Trajan's investment approach has been to channel all available free cash flow from its business into new development programs and leverage that investment through commercial, academic and government collaborations. This approach has enabled amplification on the scale and scope of the development activity that would generally be expected by a business of Trajan's size.

Trajan development costs have been historically expensed as incurred, rather than capitalised on the balance sheet.

Figure 34: Trajan's R&D program



3.7.2 – In-house R&D

A targeted investment approach to R&D involves the selection of specific programs that Trajan determines will have potential commercial outcomes for the Company. Trajan has a significant complement of technical staff with 61 qualified scientists and 25 engineers, including 17 staff with PhD credentials.

In addition to new product development, Trajan fosters a culture of continued investment in the enhancement of product capabilities and manufacturing efficiencies. A key focus for Trajan's team of in-house engineers is to drive the continuous automation of low-value manual processes throughout the manufacturing life cycle driving margin expansion.

Leveraging its deep customer relationships, Trajan routinely responds to customer requests for enhancements or modifications to existing products, which are developed in-house utilising Trajan's deep knowledge of the customer's requirements.

3.7.3 – Strategic collaborations and alliances

Strategic collaborations enable Trajan to access key opinion leaders (**KOLs**), analytical instrumentation infrastructure (LC-MS and GC-MS instruments) and, importantly, the problems the KOLs are looking to solve. This results in Trajan's technology pipeline being "pulled" and informed by downstream requirements, with Trajan being positioned to then commercialise the resultant IP.

Institutions that Trajan is currently collaborating or has previously collaborated with for technological and commercial developments include:

- Pfizer, Inc.;
- University of Tasmania (**UTAS**);
- University of Melbourne;
- University of Adelaide;
- Institute for Tropical Medicine, Antwerp, Belgium;
- University of Calgary;
- Flinders University;
- Melbourne Health, Royal Melbourne Hospital;
- Murdoch Children's Research Institute;
- Future Industries Institute at University of South Australia; and
- PARTEQ Innovations at Queen's University, Canada.

3. Company overview (continued)

3.7.3.1 – ARC Training Centre for Portable Analytical Separation Technologies (ASTech) Program

ASTech is a partnership between Trajan and three leading research universities in Australia – University of South Australia, University of Tasmania and La Trobe University. It was formed with the aim of developing new capabilities and technologies that have the potential to progress the deployment of portable separation science systems into society and to train the next generation of industry-ready researchers. As the sole commercial collaborator to ASTech, Trajan realises the combined research and industry knowledge. The ASTech program initially comprised c.\$5.5m in funding and 14 scientists from across the world over three years.

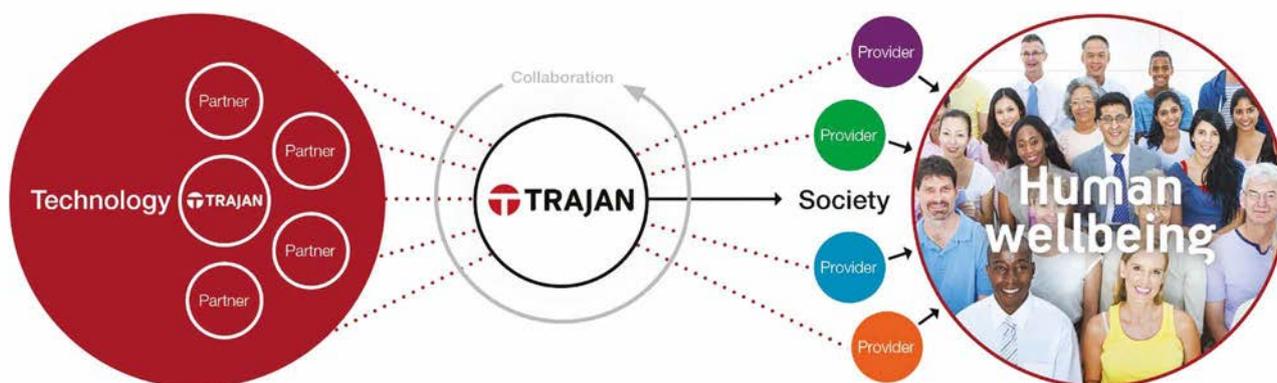
3.7.4 – Government grant funding

Government grant funding has enabled Trajan to invest heavily in upgrading and developing capabilities which enable the development of products and solutions within the scientific and medical device sectors.

From July 2015 to June 2020, Trajan received approximately \$1.35 million of government funding to develop and modernise its fabrication infrastructure for scientific tubing.

The \$90 million Next Generation Manufacturing Investment Programme is designed to assist businesses invest in capital projects to establish or expand high value manufacturing operations in Victoria and South Australia and is part of the Australian Government's \$155m Growth Fund. The fund was established in 2014 to support employees, businesses and regions affected by the closure of Australia's car manufacturing industry.

Figure 35: Trajan's collaborative approach to new technology



3.8 – Intellectual property

Trajan's intellectual property consists of both underlying know-how, and registered patents and trademarks.

3.8.1 – Current products and solutions

The intellectual property associated with Trajan's current products and solutions is predominantly know-how, expertise and knowledge. The registered patents and trademarks Trajan holds, or has licensed, for current products and solutions sold to customers are listed in Table 6.

3.8.2 – Emerging products and solutions

As noted in Section 3.3.3, the core internal R&D focus of Trajan has been on the design, development, supply and integration of devices that interact with the sample with a level of precision and control that allows critical scientific measurements to be made with significantly enhanced accuracy. Trajan's development program has been driven by complementary themes focussing on technologies that:

- collect and process the sample;
- interface with and introduce the sample to the analytical instrument platform;
- are fundamental components of the analytical instrument itself;
- miniaturise and integrate different processes to enable portability; or
- combine and automate processes for productive workflows.

The intellectual property associated with Trajan's emerging products is protected by formal patents and trademark applications and filings.

Listed below is a summary of Trajan's key patents and trademark applications:

Table 6: Trajan's schedule of patents

Trajan reference	Official number	Title	Status summary	Case status	Ownership status	Country
Fingertight Siltite	8128131	Ferrule for making fingertight column connections in gas chromatography	Registered	Granted	Trajan Scientific Australia Pty Ltd	United States of America
MEPS Side hole	9182327	Improved sample preparation by solid phase extraction	Registered	Granted	Trajan Scientific Australia Pty Ltd	United States of America
Plasma Separator (Divisional – method)	9606032	Preparation of samples for analysis and sampling device	Registered	Granted	Trajan Scientific Australia Pty Ltd	United States of America
HemaPEN	15/751664	Liquid collection device	Pending	Under examination	Trajan has been granted by UTAS an exclusive worldwide royalty bearing licence to exploit the IP	United States of America
HemaPEN	3032311	Liquid collection device	Pending	Application filed	Trajan has been granted by UTAS an exclusive worldwide royalty bearing licence to exploit the IP	Canada
HemaPEN	3334342	Liquid collection device	Registered	Validated in designated states	Trajan has been granted by UTAS an exclusive worldwide royalty bearing licence to exploit the IP	European Patent Convention
HemaPEN	2016306713	Liquid collection device	Pending	Instructions received, response to be filed	Trajan has been granted by UTAS an exclusive worldwide royalty bearing licence to exploit the IP	Australia
HemaPEN	739739	Liquid collection device	Pending	Application filed	Trajan has been granted by UTAS an exclusive worldwide royalty bearing licence to exploit the IP	New Zealand
HemaPEN	201680056092.2	Liquid collection device	Pending	Under examination	Trajan has been granted by UTAS an exclusive worldwide royalty bearing licence to exploit the IP	China
HemaPEN	2018-526975	Liquid collection device	Pending	Under examination	Trajan has been granted by UTAS an exclusive worldwide royalty bearing licence to exploit the IP	Japan

3. Company overview (continued)

Trajan reference	Official number	Title	Status summary	Case status	Ownership status	Country
HemaPEN	PI2018700495	Liquid collection device	Pending	Application filed	Trajan has been granted by UTAS an exclusive worldwide royalty bearing licence to exploit the IP	Malaysia
HemaPEN div	20201778.6	Liquid collection device	Pending	Application filed	Trajan has been granted by UTAS an exclusive worldwide royalty bearing licence to exploit the IP	European Patent Convention
HemaPEN	BE3334342	Liquid collection device	Registered	Granted	Trajan has been granted by UTAS an exclusive worldwide royalty bearing licence to exploit the IP	Belgium
HemaPEN	CHL3334342	Liquid collection device	Registered	Granted	Trajan has been granted by UTAS an exclusive worldwide royalty bearing licence to exploit the IP	Switzerland & Liechtenstein
HemaPEN	DE3334342	Liquid collection device	Registered	Granted	Trajan has been granted by UTAS an exclusive worldwide royalty bearing licence to exploit the IP	Germany
HemaPEN	DK3334342	Liquid collection device	Registered	Granted	Trajan has been granted by UTAS an exclusive worldwide royalty bearing licence to exploit the IP	Denmark
HemaPEN	ES3334342	Liquid collection device	Registered	Granted	Trajan has been granted by UTAS an exclusive worldwide royalty bearing licence to exploit the IP	Spain
HemaPEN	FI3334342	Liquid collection device	Registered	Granted	Trajan has been granted by UTAS an exclusive worldwide royalty bearing licence to exploit the IP	Finland
HemaPEN	FR3334342	Liquid collection device	Registered	Granted	Trajan has been granted by UTAS an exclusive worldwide royalty bearing licence to exploit the IP	France
HemaPEN	GB3334342	Liquid collection device	Registered	Granted	Trajan has been granted by UTAS an exclusive worldwide royalty bearing licence to exploit the IP	United Kingdom
HemaPEN	IE3334342	Liquid collection device	Registered	Granted	Trajan has been granted by UTAS an exclusive worldwide royalty bearing licence to exploit the IP	Ireland
HemaPEN	IT3334342	Liquid collection device	Registered	Granted	Trajan has been granted by UTAS an exclusive worldwide royalty bearing licence to exploit the IP	Italy
HemaPEN	LU3334342	Liquid collection device	Registered	Granted	Trajan has been granted by UTAS an exclusive worldwide royalty bearing licence to exploit the IP	Luxembourg
HemaPEN	MC3334342	Liquid collection device	Registered	Granted	Trajan has been granted by UTAS an exclusive worldwide royalty bearing licence to exploit the IP	Monaco
HemaPEN	NL3334342	Liquid collection device	Registered	Granted	Trajan has been granted by UTAS an exclusive worldwide royalty bearing licence to exploit the IP	Netherlands
HemaPEN	NO3334342	Liquid collection device	Registered	Granted	Trajan has been granted by UTAS an exclusive worldwide royalty bearing licence to exploit the IP	Norway
HemaPEN	SE3334342	Liquid collection device	Registered	Granted	Trajan has been granted by UTAS an exclusive worldwide royalty bearing licence to exploit the IP	Sweden

Trajan reference	Official number	Title	Status summary	Case status	Ownership status	Country
Porous poly monoliths	15/779241	Novel porous polymer monoliths adapted for sample preparation	Pending	Under examination	Trajan Scientific Australia Pty Ltd	United States of America
Porous poly monoliths	16867464.6	Novel porous polymer monoliths adapted for sample preparation	Pending	Under examination	Trajan Scientific Australia Pty Ltd	European Patent Convention
Porous poly monoliths	2016358315	Novel porous polymer monoliths adapted for sample preparation	Pending	Awaiting client instructions to respond to report	Trajan Scientific Australia Pty Ltd	Australia
Liquid junction	15/614874	Liquid junction assembly	Pending	Under examination	Trajan Scientific Australia Pty Ltd	United States of America
Liquid-liquid mixing	2018293923	Liquid-liquid mixing device suitable for sample preparation by liquid-liquid extraction	Pending	Filing of application completed	Trajan is in advanced negotiations with UTAS to be granted an exclusive worldwide royalty bearing licence to exploit the IP	Australia
Liquid-liquid mixing	18825268.8	Liquid-liquid mixing device suitable for sample preparation by liquid-liquid extraction	Pending	Under examination	Trajan is in advanced negotiations with UTAS to be granted an exclusive worldwide royalty bearing licence to exploit the IP	European Patent Convention
Liquid-liquid mixing	16/626212	Liquid-liquid mixing device suitable for sample preparation by liquid-liquid extraction	Pending	Application filed	Trajan is in advanced negotiations with UTAS to be granted an exclusive worldwide royalty bearing licence to exploit the IP	United States of America
Liquid-liquid mixing	3104738	Liquid-liquid mixing device suitable for sample preparation by liquid-liquid extraction	Pending	Application filed	Trajan is in advanced negotiations with UTAS to be granted an exclusive worldwide royalty bearing licence to exploit the IP	Canada
Chem etch	16/433610	Chemical etching of emitter tips	Pending	Under examination	Trajan Scientific Australia Pty Ltd	United States of America
Chem etch	3045548	Chemical etching of emitter tips	Pending	Application filed	Trajan Scientific Australia Pty Ltd	Canada
Emitter patent	PCT/IB2019/051684	Integrated electrospray emitter and methods	PCT Application	Patent application published 14 January 2021 Under examination	Patent application that Trajan has made jointly with DH Technologies Development Pte Ltd (a subsidiary of Danaher Corporation)	USA
Emitter patent	CN201980016417.8A	Integrated electrospray emitter and methods	National phase – China Filing date: 1 March 2019	Under examination	Patent application that Trajan has made jointly with DH Technologies Development Pte Ltd (a subsidiary of Danaher Corporation)	China
Emitter patent	EP19761086.8A	Integrated electrospray emitter and methods	National phase – Europe Filing date: 1 March 2019	Pending	Patent application that Trajan has made jointly with DH Technologies Development Pte Ltd (a subsidiary of Danaher Corporation)	Europe
Emitter patent	US16/977,210	Integrated electrospray emitter and methods	National phase – USA Filing date: 1 March 2019	Pending	Patent application that Trajan has made jointly with DH Technologies Development Pte Ltd (a subsidiary of Danaher Corporation)	USA

3. Company overview (continued)

3.9 – Strategic growth opportunities

3.9.1 – Underlying industry growth

As identified in Section 2.2.1, the various analytical techniques and end-use industry segments in which Trajan competes are expected to achieve a CAGR of at least 5.0% through to 2025. Trajan believes that due to the investment it has already made in building out a global platform, organic market growth will provide a strong underlying baseline of growth for the Company.

3.9.2 – Market share growth

Across each of Trajan's product categories, Trajan expects to achieve market share growth in various product categories within its existing product base as well as market share growth through the introduction of new and extension products.

Product category	Market share growth opportunities
Separation science	<ul style="list-style-type: none">Trajan undertook a large scale, multiyear development program to improve the performance and consistency of the legacy GC column portfolio that was acquired from SGE Analytical Science. Process enhancements of the technology combined with the scalable facility in Melbourne with new polymer chemistry synthesis capabilities, has greatly improved the reproducibility and accuracy of the GC column portfolio. Trajan believes this reconstructed product family has strong momentum and robust growth potential, especially given the existing single digit market share base.Trajan will also continue to invest in its inlet liner portfolio. The Company intends to consolidate several manufacturing processes to further improve product consistency and gross margin. New structures and chemistries to improve analytical sensitivity are expected to be launched in FY2022.
Analytical syringes	<ul style="list-style-type: none">Trajan's analytical syringe product category also includes the "lab-in-a-syringe". This program leverages the knowledge that the analytical and dispensing syringes are the most common devices for sample introduction and sample movement into and between analytical instruments. The first beta system is scheduled to go into a US environmental lab in the fourth quarter of FY2021. Trajan is expecting a modest commercial start to uLLE systems within FY2022.Another "lab-in-a-syringe" development is "electro separation" in a syringe. This technology is at proof-of-concept stage and has proven very effective in performing a final cleaning step for biological samples prior to instrument injection. Further development will progress in FY2022 with commercial sales not expected until FY2023.
Precision Fluidic Systems	<ul style="list-style-type: none">Emitter tips for MS, made possible by Trajan's new precision drawing capabilities for microscale FST tubing, grew significantly (from a low base) in FY2020. Strong growth is expected to continue. Management believes there will be accelerated adoption of this technology in the coming years.Trajan's next generation of emitter tip is a multi-lumen device that management expects to start delivering to beta test sites in FY2022. Multi-lumen has the promise to optimise the sensitivity while not compromising productivity in the field of proteomics. No commercial revenue has been forecast for FY2022 for multi-lumen.

Product category	Market share growth opportunities
Polymer science	<ul style="list-style-type: none"> Trajan management expects market share growth from the existing septa product in FY2022. Trajan acquired Soltec, Inc. (Soltec) in December 2018 after the business had experienced a steady loss of revenue from OEM customers in the preceding years. This was linked to the passing of the business's founder, and a lack of succession planning. One of the OEM customers, a customer of Trajan's across other product categories, actively encouraged Trajan to pursue the acquisition, recognising Trajan's expertise in specialist consumables. After two years of review, refinement and stabilisation, Trajan management believes the Soltec business is now optimally positioned for growth and a return of key OEM customers. Within the Polymer Science portfolio, Trajan has developed a suite of sample preparation materials such as the "porous polymer monolith" that are yet to be commercialised. Progress towards commercialisation of the range is targeted for FY2023.
Dispensing syringes	<ul style="list-style-type: none"> The increased use of laboratory automation has underpinned demand for Trajan's dispensing syringe products. A key performance factor in this category is predictability of product lifetime. Trajan has advanced plans to develop enhanced predictability in this family of products in the medium term.
Pathology	<ul style="list-style-type: none"> Market share growth across the pathology portfolio is expected to continue after Trajan recently partnered with a US manufacturer of precision blades to bring a new Trajan-branded product to market. Trajan management believes this area has strong growth potential.
Automation	<ul style="list-style-type: none"> Trajan believes its automation solutions are differentiated due to their deep and intricate understanding of the entire analytical workflow and customer requirements. Trajan is forecasting continued market share growth due to continued strong engagement and adoption of its automation solutions in the pharmaceutical sector, especially in HDX-MS, micro-fraction collection, automated powder dispensing, micro dispensing and nuclear magnetic resonance (NMR) solutions.

3. Company overview (continued)

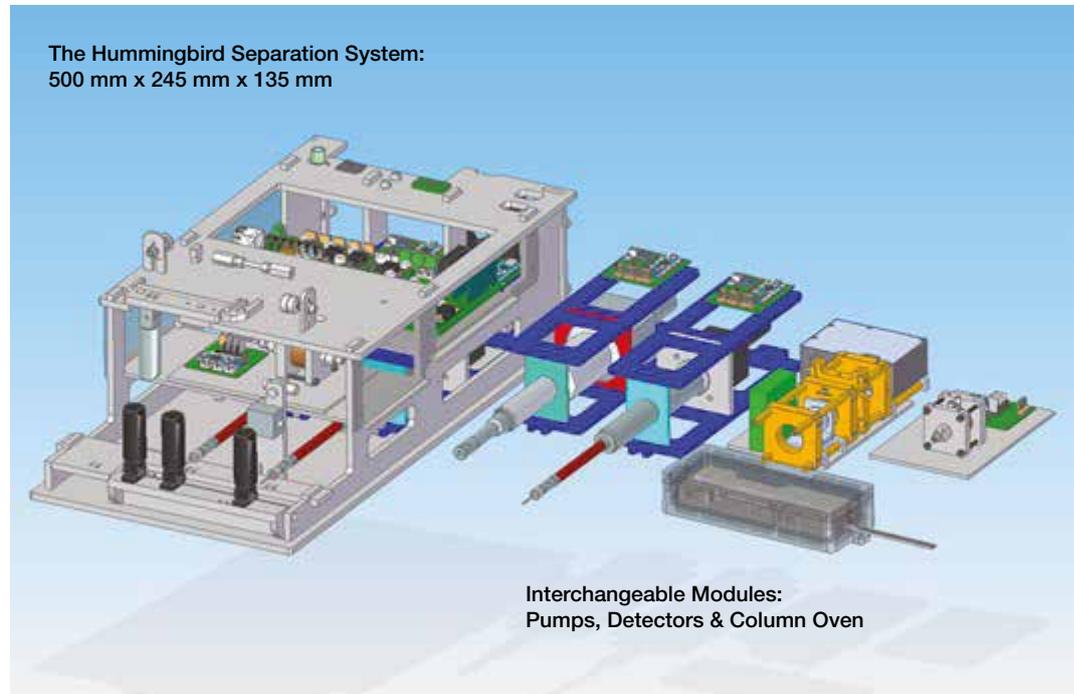
Product category	Market share growth opportunities
<p>Microsampling</p>	<ul style="list-style-type: none"> As an emerging market segment, it is difficult to project the rate of segment growth and Trajan's product growth. Trajan, like many businesses in this emerging segment, has confidence in the expanding adaption of microsampling techniques. Trajan believes that COVID-19, and the need to ensure the vulnerable within our community maintain their clinical monitoring, has accelerated the acceptance of remote monitoring. Trajan has been approached by a number of Australian hospitals to test and validate remote monitoring of organ donor recipients in the home, and a trial with patients using hemaPEN® for self-monitoring is currently underway. The scale of investment in this sector is rising. Drivers of this include the pharmaceutical industry, driven by a desire to improve compliance to regular testing in the clinical trial setting. Another motivating factor for the pharmaceutical industry is the removal of the need to put in place cold-chain logistics to handle liquid blood samples. Trajan commenced commercial sales of the hemaPEN® recent years with many devices supplied FOC for research and validation. The Company has taken a conservative stance in the Forecast Financial Information, forecasting revenue of just \$0.25 million in FY2022. Trajan's next two microsampling products, micro biopsy device and Bio-SPME are not expected to have commercial sales in the forecast period. <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div data-bbox="411 987 662 1220" style="width: 45%;"> <p>User friendly</p> <ul style="list-style-type: none"> Intuitive pen-like design. Collects blood from any source. Rapid sample collection (<20 seconds). Remote sampling. </div> <div data-bbox="411 1279 710 1870" style="width: 45%;"> <p>Volumetric accuracy and precision</p> <ul style="list-style-type: none"> Capillary-based technology enables autonomous accurate collection. Four replicates from a single source. Eliminates analytically relevant hematocrit bias. Enables quantitative analysis. Collects and stores volumetrically accurate and precise blood samples independent of blood hematocrit, user or batch. Volumetric accuracy: <ul style="list-style-type: none"> - 2.74 µL ±5%. Inter-device precision: <ul style="list-style-type: none"> - <2.5%. </div> <div data-bbox="1066 987 1252 1176" style="width: 20%; text-align: center;">  </div> <div data-bbox="1066 1189 1444 1467" style="width: 45%;"> <p>Sample integrity</p> <ul style="list-style-type: none"> Single use and tamper-resistant. Contained sample to minimise contamination and prevent human contact. Integrated desiccant enables consistent sample drying profile. Dried format for simplified storage and logistics (no cold-chain). </div> <div data-bbox="1066 1496 1444 1724" style="width: 45%;"> <p>Simplified sample processing</p> <ul style="list-style-type: none"> Pre-punched discs. DBS cartridge compatible with standard 96-well plate. Entire collected sample goes directly into analytical workflow. 2D barcode supports chain of custody. </div> </div> <div style="text-align: center; margin-top: 20px;">  </div>

Product category

Market share growth opportunities

Miniaturisation

- One of Trajan's customers performed a "side-by-side" test of Trajan's Hummingbird with currently commercially available laboratory HPLC systems and reported a favourable comparison for several specific analytical tasks. That same customer has now placed orders for the next two beta test systems to be installed on site.
- Trajan's micro modular separation system "Hummingbird" achieved first commercial sales of prototype units in FY2021. Adoption, refinement and further customer shipments are expected in FY2022 with revenues of \$0.5 million forecast in this period.
- In Trajan's view, the pharmaceutical industry is the first target area for commercialisation of the Hummingbird technology, but there is potential in other areas, for example food production and environmental consulting.



3.9.3 – Strategic M&A

Trajan management is acutely attuned to the strategic priorities of its customers and is constantly looking to position Trajan to capitalise on future industry trends.

Trajan has a track record of executing successful acquisitions. It is constantly identifying, assessing and evaluating strategic targets with specialist capabilities that could contribute significant value to the Trajan business and across the customer portfolio.

Due to management's deep global experience and relationships, many acquisition opportunities are presented to Trajan directly by vendor founders, who are typically attracted to the culture, reputation and respect Trajan has across the industry.

Trajan has developed a 'founder-friendly' acquisition model and has developed an internal M&A roadmap for the acquisition process and effective post-merger integration of acquisitions. Trajan currently has a suite of potential acquisitions identified. These are at various stages of progression ranging from identification only, through to preliminary due diligence. Trajan's pipeline of identified potential acquisitions includes companies that will complement Trajan's current synergistic product categories.

3. Company overview (continued)

All of Trajan's historic acquisitions to date have been based on the key principles of acquiring specialist expertise that is synergistic to the Trajan business, via a 'founder-friendly' approach. An example of this approach was the 2016 acquisition of LEAP Technologies.

In April 2021 Trajan acquired the operating business of Canberra based MyHealthTest Pty Ltd (**MyHealthTest**). MyHealthTest provides analytical measurement services directly to the public, allowing people to proactively work towards managing their own wellbeing. By combining MyHealthTest with Trajan Nutrition, an operator of nutrition tests for pathology laboratories, research and clinical trials and personalised nutrition, Trajan is building the first elements of a global analytical service business. The laboratory operations of MyHealthTest will be relocated to Trajan's Ringwood facility over the course of 2021.

As at the Prospectus Date, Trajan is in advanced discussions with counterparties with regards to a number of small acquisitions of complementary capabilities and plant and equipment. None of these potential acquisitions are considered by management to be material for the purpose of the forecast earnings included in the Forecast Financial Information. The cost of these potential acquisitions are to be funded out of Trajan's existing resources and not through funds raised under the Offer. Please refer to Section 4.5.1 for additional information.

3.9.3.1 – Case study: Acquisition of LEAP Technologies

In 2016 Trajan acquired LEAP Technologies (**LEAP**). Based in Raleigh, North Carolina, LEAP Technologies held the capability to develop custom automated workflows, most often LC-MS based for pharmaceutical and CRO customers, leveraging the smart scheduling capability of CHRONOS software. CHRONOS, owned by Axel Semrau, a company with whom Trajan has collaborated, organises parallel workflow tasks to enable efficient automation.

Identification and execution

The acquisition opportunity was identified through Trajan's active involvement in US-based industry associations. Trajan approached the founder through mutually respected industry contacts, ensuring the process was collaborative. Trajan worked closely with the LEAP founder to understand his exit preference and expectations while also communicating openly and transparently with the business's staff to assist their understanding of Trajan and what to expect post-acquisition.

Trajan assembled a cross-functional team to drive a post-merger integration (**PMI**) and immersion plan encompassing HR, operations and financial integration, as well as the rollout of IT infrastructure.

Integration

Post-acquisition, the Trajan team reviewed the business model of LEAP, its operating practices and facilities and established a plan to adjust and refine them in line with Trajan's strategy.

Trajan examined the past successes of the business and its core competencies before creating a higher margin and scalable approach to market positioning going forward. The Company examined components of the LEAP systems that could benefit from advancements from the existing Trajan portfolio. Trajan also relocated the business to a custom facility to enable better teamwork and streamlined operations.

Value to customers

Trajan management was cognisant at all times of minimising disruption to staff and customers, allowing continued connectivity to the LEAP brand. Progressively over time, Trajan redeployed the LEAP brand to specific product ranges while raising the Trajan brand as the overall company identifier. Trajan management also spent considerable time visiting the customers of the business to understand the fundamental market expectations and to determine future drivers of growth.

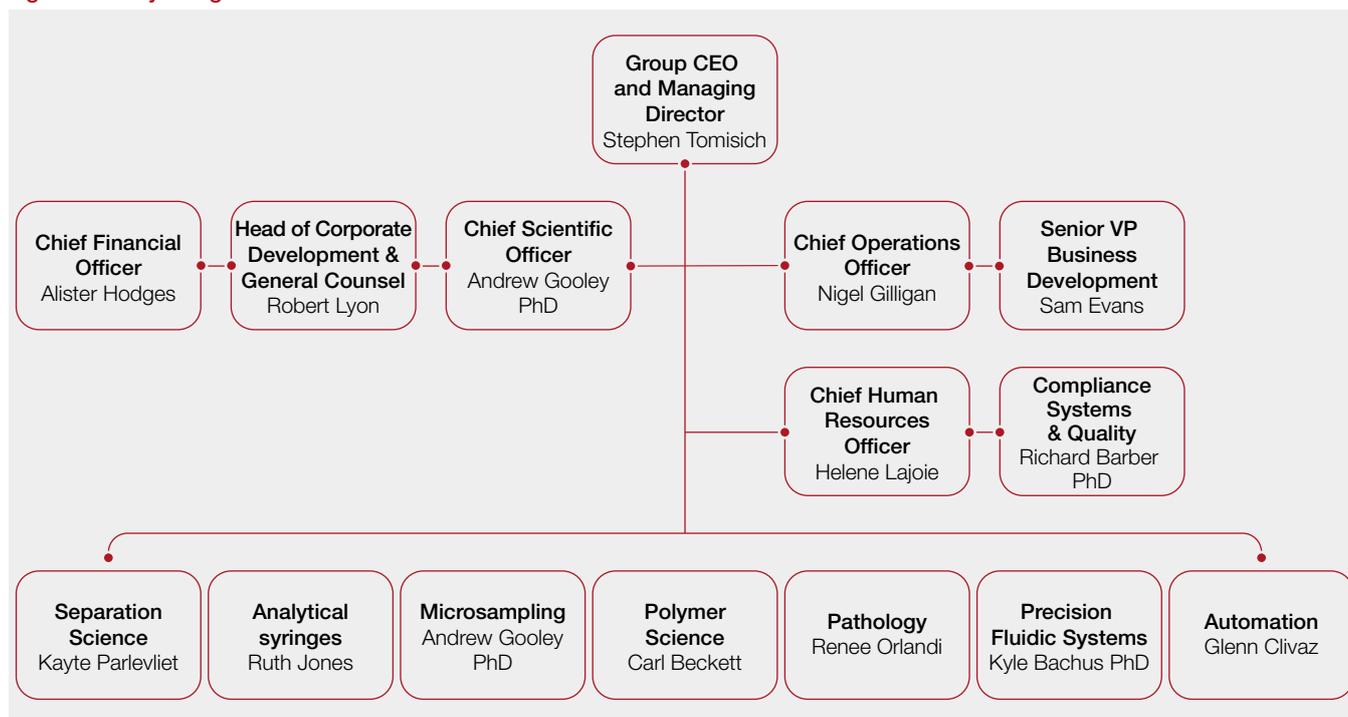
Central to this business is a deep understanding of the customer analytical workflows that firstly allows optimisation of analytical technique, and then utilises a suite of available automation technologies that are adapted and/or applied to increase analytical throughput and accuracy.

The strategy has allowed Trajan to access more customers and accelerate sales. Trajan automation has become the world leader in the automation of a technique called "HDX-MS".

3.10 – Our team, culture and recognition

3.10.1 – Organisational structure

Figure 36: Trajan organisational chart



Trajan's management team reflects the business's global footprint, with senior executives located across US, Europe and Asia-Pacific. This team has significant corporate experience in global health, science, technology and research businesses. Trajan has invested heavily, via both external recruitment and internal development, to form an experienced team of General Managers who have oversight and responsibilities for each respective product category. Trajan believes the calibre of the assembled leadership team is in excess of what is currently required, but this team has been established to lead future growth and scale of the business.

The business has a collaborative, innovative and customer-centric culture. Collaboration and innovation are underlined by Trajan's pipeline of developing technologies and deep relationships with corporate partners and global academic institutions enabling market opportunities to be identified and addressed quickly.

3.10.2 – The Trajan culture

Trajan is a purpose led business seeking to enrich human wellbeing through scientific measurement. It was built by Stephen and Angela Tomisich with a driving passion to see science benefit people. That purpose underpins the strategic plans in each product category. Relevantly, reporting on "impact delivery" is a regular item in Trajan's monthly review process. Decisions around portfolio extension and development are first assessed by the degree to which the proposal will deliver meaningful impact. Only after satisfying this initial test does the concept begin to undergo commercial assessment.

The Trajan culture also places strong importance on the values of transparency, integrity and respect. These are the cornerstone elements of how the Company works with its staff, customers and suppliers.

The CEO holds regular "Town Hall" sessions. These were previously held live on site but, as of March 2020 are held remotely via video conference. Town Hall sessions provide every team member worldwide a transparent update on the Company's performance, impact delivery and prospects going forward. It also creates a forum where every staff member is encouraged to ask the management any question or make any comment, in an open and safe setting.

Trajan also manages its own secure global social networking application in Workplace from Facebook. Groups within Trajan Workplace actively share news, information, project updates and social interests on this one platform. The utilisation of Trajan Workplace breaks down communication barriers across a global organisation.

3. Company overview (continued)

3.10.3 – Awards and recognition

In 2015 and 2020, Trajan was the recipient of separate Next Generation Manufacturing Investment Programme grants which are funded by both the Australian Government and the Victorian State Government. The initial grant supported Trajan's development of new production infrastructure for speciality scientific tubing, while the subsequent grant supported the production of two new types of high precision glass tubing.

Trajan was the winner of the Westpac "Businesses of Tomorrow" award in 2017. Westpac's Businesses of Tomorrow program is conducted independently by Deloitte from a review of 2,000 companies across Australia.

Trajan's hand-held eVol syringe device was a winner of the R&D 100 Award.

3.11 – Regulatory overview

As analytical techniques move closer towards medical applications, regulators such as the FDA, TGA, MHRA and EU Competent Authorities become increasingly relevant to Trajan. Given this direction, Trajan holds an establishment registration with the US FDA.

Medical devices are classified by these regulators based on their intended purpose. The classifications take into account the degree of invasiveness, the duration and location of use, and whether the device relies on a source of energy other than the body or gravity. Blood collection point-of-care devices are generally classified as Class 1 or Class 2 medical devices, depending on their invasiveness.

Trajan's products such as hemaPEN® and the majority of its pathology range, fall into the lower risk Class 1 category while some future products are likely to be classified as Class 2. Trajan acts as both the legal manufacturer and/or the 'sponsor' for products listed with national regulators such as the TGA. The terms 'legal manufacturer' and 'sponsor' carry specific definitions under the regulation that explicitly define the levels of responsibility and certifications required for the products on the market in each case, subject to classification.

Trajan is the legal manufacturer of the hemaPEN® and some Trajan-branded pathology products. Trajan is expanding its pathology portfolio to include additional Class 2 products as a Sponsor on the TGA. Trajan has appointed Advena Medical as its legal representative in the EU and UK for the purpose of representing Trajan, including the listing of medical devices in those territories.

Trajan is also in the process of establishing a Laboratory Testing Service to support measurements of dry blood spot samples for non-therapeutic wellness applications. Trajan is currently scoping the requirements and gap assessment for a 17025 and National Association of Testing Authorities (NATA) certification targeted for late-2021.

3.11.1 – Regulatory framework for existing products

The majority of Trajan's existing commercial products are not defined as medical devices or in vitro diagnostics (IVD) devices. For those products, International Organisation for Standardisation (ISO) certifications are the most relevant accreditation.

Trajan operates a tri-standard Quality Management System compliant to ISO 9001:2015, ISO 13485:2016 and 21 Code of Federal Regulations (CFR) 820. Trajan holds certification to ISO 9001:2015 at its Melbourne and Penang facilities and is in the process of certifying its USA operations through 2021 and 2022.

ISO9001 is the standard certification found in non-regulated industries such as analytical science businesses, whereas medical device manufacturers are required to operate in regulated markets where certification to ISO13485 applies. These standards apply to similar processes, however, ISO13485 has a greater focus on regulatory compliance, product traceability and risk mitigation suitable throughout the product life cycle for regulated markets.

Table 6: Trajan products that are defined as medical devices or in vitro devices

	Legal Manufacturer	Sponsor	Australia – ARTG	USA – FDA	Europe – MMA	UK – MHRA	Product category
hemaPEN	Yes	Yes	Class I IVD	Class I IVD	General IVD-CE	General IVD-CE	Microsampling
Pathology slides	Yes	Yes	Class I IVD	Class I IVD	General IVD-CE	General IVD-CE	Pathology
Histology wax	Yes	Yes	Class I IVD	Class I IVD	General IVD-CE	General IVD-CE	Pathology
Microtome blades	Yes	Yes	Class I IVD			General IVD-CE	Pathology
Biopsy pads	Yes	Yes	Class I IVD	Class I IVD	General IVD-CE	General IVD-CE	Pathology
Dyes	No	Yes	Class I IVD		On-seller only	On-seller only	Pathology
Embedding cassettes	No	Yes	Class I IVD				Pathology
Specimen Container	No	Yes	Class I IVD				Pathology
24-hour urine collection	Yes	Yes	Class I IVD				Pathology
Laboratory reagents	No	Yes	Class II IVD				Pathology

3.11.2 – Regulatory framework for emerging products

Listed below are the regulatory registrations and approvals Trajan requires in order to commercialise the key emerging products.

Table 7: Summary of regulatory registrations and approvals required for Trajan’s product pipeline

Product	Regulatory registrations and approvals required
uLLE	<ul style="list-style-type: none"> None for the syringe. The product is for analytical and research use and not for diagnostic purposes. Regarding the system, the Trajan Automation CTC-PAL version of the uLLE meets all CE Mark, UL and Electromagnetic Compatibility (EMC) standards. No further requirements necessary as there are no additional electronic components.
EKE	<ul style="list-style-type: none"> None for the syringe. The product is for analytical testing and research use and not for diagnostic purposes. The system (including syringe) has custom electronics and will need to meet Electrical Safety, CE Mark, UL and EMC standards for registration in target markets prior to commercialisation.
Multi-lumen emitter tips	<ul style="list-style-type: none"> No additional approvals.
Porous polymer monoliths	<ul style="list-style-type: none"> No additional approvals.

3. Company overview (continued)

Product	Regulatory registrations and approvals required
hemaPEN	<ul style="list-style-type: none">Supplied for therapeutic or IVD use in Australia, New Zealand, UK, EU and USA only: ARTG number: 280007; CE Mark, general IVD; US FDA number: D410490. Outside of the territories listed above, the hemaPEN is supplied for research purposes only and not for therapeutic or diagnostic use.
Microbiopsy	<ul style="list-style-type: none">Prototype is currently available for research use only and not for diagnostic purposes for use where investigations of the device are associated with product development.Trajan's intention is to perform clinical trials within the next 36 months. Should those trials provide supporting evidence for the device claims Trajan would seek to register it as a medical device in the target markets.
Bio-SPME	<ul style="list-style-type: none">None. The device is for analytical and research use and not for diagnostics purposes.
Hummingbird	<ul style="list-style-type: none">The product is not intended as a medical device, with its application for research and development purposes.The system has custom electronics and will need to meet Electrical Safety, CE Mark, UL and EMC standards for registration in target markets prior to commercialisation.

3.11.3 – Global compliance directives

Trajan also has obligations to meet compliance requirements for several global directives, including:

- Restriction of Hazardous Substances (**RoHS**), the Directive on the restriction of the use of certain hazardous substances adopted in February 2003 by the European Union.
 - For example, Trajan is currently working through the removal of heavy metals in inks used in its glass syringe and liners products as required by RoHS. This is a significant change which must be carefully managed through production and customer engagement.
- Registration, Evaluation, Authorisation and Restriction of Chemicals (**REACH**), legislation controlling the risks associated with chemical substances which updates approximately twice per year.
- Conflict Minerals, to avoid procuring minerals extracted from natural resources in conflict zones where the funds are used to perpetuate the fighting.
- Proposition 65 relating to toxic drinking water in the State of California.
- European Union (**EU**) Waste Frame Directive, designed to assist waste recyclers with effective information for end-of-life recycling processes.
- Registration with the Electrical Equipment Safety System (**EESS**) in Australia, as a responsible supplier for powered products.

Trajan utilises Assent Compliance to manage the database required to maintain the evidence to support Trajan's compliance with these directives. This involves a full understanding of the materials used in Trajan products, including those of suppliers, and processes. Assent are experts in this field and widely used in the analytical industry.

3.12 – Impact of COVID-19 on Trajan

Throughout 2020, Trajan carefully monitored and acted on the changing impact of the COVID-19 pandemic on its business operations. Through its membership of industry associations based in the US and Europe, and through close connection with its major customers and industry peer companies, Trajan established multiple information sources to regularly ascertain the threat to its business. The key impacts on Trajan of COVID-19 were:

- Trajan experienced a moderate decline in demand associated with China (supply chain impact and end-customers) in February 2020.
- In March 2020, Trajan recorded an uplift in demand driven by laboratories stockpiling product due to concerns about continuity of supply of consumable products essential to support their daily operations.
- Also in March, Trajan established a COVID-19 response team of senior executives. The team began to monitor weekly and act upon:
 - health and safety precautions for Trajan employees;
 - potential threats to revenue, with contingency plans developed should the Company experience certain levels of decline;
 - risks to the supply chain; and
 - threats to continuity of Trajan's production operations in Australia, the USA and Malaysia.
- In May 2020, Trajan experienced softening of customer demand and management immediately implemented cost reduction measures.
- From July 2020 onwards, customer demand continued to rebuild, returning to a pre-COVID-19 growth trajectory. Trajan found that laboratories quickly adapted to the COVID-19 conditions, establishing protocols to allow continuity of operations. In many cases, these laboratories perform essential services and the general feedback from customers was that while their operations reduced, a backlog of samples built up, which still had to be analysed.
- The Automation business, largely based in the USA, faced significant logistical difficulties. Most systems require installation and commissioning at the customer site. Travel arrangements and site access have been adversely impacted by the COVID-19 restrictions, although remote installations have been possible.

Trajan believes the resilient performance of its business through the COVID-19 period has been supported by Trajan's focus on 'essential' core markets which have performed strongly during this period, namely, environmental, food and biological.

4

Financial information



4. Financial information

4.1 – Financial Information

The financial information for Trajan contained in this Section 4 includes historical financial information for Trajan for the financial years ended 30 June 2019 (**FY2019**) and 30 June 2020 (**FY2020**) and for the six months ended 31 December 2020 (**HY2021**) and the comparative period six months ended 31 December 2019 (**HY2020**). The financial information also includes forecast financial information for Trajan for the financial years ending 30 June 2021 (**FY2021F**) and 30 June 2022 (**FY2022F**).

This Section 4 contains a summary of:

- statutory historical financial information, comprising:
 - Trajan’s statutory historical consolidated income statements for FY2019, FY2020, HY2020 and HY2021 (**Statutory Historical Income Statements**);
 - Trajan’s statutory historical consolidated cash flow statements for FY2019, FY2020, HY2020 and HY2021 (**Statutory Historical Cash Flows**); and
 - Trajan’s statutory historical consolidated statement of financial position as at 31 December 2020 (**Statutory Historical Statement of Financial Position**),
(together, the **Statutory Historical Financial Information**);
- pro forma historical financial information, comprising:
 - Trajan’s pro forma historical consolidated income statements for FY2019, FY2020, HY2020 and HY2021 (**Pro Forma Historical Income Statements**);
 - Trajan’s pro forma historical consolidated cash flow statements for FY2019, FY2020, HY2020 and HY2021 (**Pro Forma Historical Cash Flows**); and
 - Trajan’s pro forma historical consolidated statement of financial position as at 31 December 2020 (**Pro Forma Historical Statement of Financial Position**),
(together, the **Pro Forma Historical Financial Information**);
- statutory forecast financial information comprising:
 - Trajan’s statutory forecast consolidated income statements for FY2021F and FY2022F (**Statutory Forecast Income Statements**); and
 - Trajan’s statutory forecast consolidated cash flow statements for FY2021F and FY2022F (**Statutory Forecast Cash Flow Statements**),
(together, the **Statutory Forecast Financial Information**);
- The pro forma forecast financial information comprising:
 - Trajan’s pro forma forecast consolidated income statements for FY2021F and FY2022F (**Pro Forma Forecast Income Statements**); and
 - Trajan’s pro forma forecast consolidated cash flow statements for FY2021F and FY2022F (**Pro Forma Forecast Cash Flow Statements**),
(together, the **Pro Forma Forecast Financial Information**);

The Statutory Historical Financial Information and the Pro Forma Historical Financial Information are referred to as the “**Historical Financial Information**”.

The Statutory Forecast Financial Information and the Pro Forma Forecast Financial Information are referred to as the “**Forecast Financial Information**”.

The Historical Financial Information, and the Forecast Financial Information are together referred to as the “**Financial Information**”.

Trajan has a 30 June financial year end.

4. Financial information (continued)

In addition, Section 4 summarises:

- the basis of preparation and presentation of the Financial Information (see Section 4.2);
- information regarding certain non-IFRS financial measures (see Section 4.2.4);
- the key pro forma operating and financial metrics (see Section 4.3.1);
- the pro forma adjustments to the Statutory Historical Financial Information (see Sections 4.3 and 4.5);
- information regarding liquidity and capital resources (see Section 4.5.2);
- information regarding Trajan's contractual obligations, commitments and contingent liabilities (see Section 4.5.3);
- the Directors' best estimate general and specific assumptions underlying the Forecast Financial Information (Section 4.6) and key sensitivities in respect of the Forecast Financial Information (Section 4.8);
- management's discussion and analysis of the Pro Forma Historical Financial Information and Pro Forma Forecast Financial Information (see Section 4.7);
- Trajan's dividend policy (see Section 4.9); and
- a description of Trajan's critical accounting policies (see Appendix A);

The information in Section 4 should also be read in conjunction with the risk factors set out in Section 5 and other information contained in this Prospectus.

All amounts disclosed in Section 4 and the Appendices are presented in Australian dollars and, unless otherwise noted, are rounded to the nearest thousand dollar. Some numerical figures included in this Prospectus have been subject to rounding adjustments. Any differences between totals and sums of components in figures or tables contained in this Prospectus are due to rounding.

4.2 – Basis of preparation and presentation of the Financial Information

4.2.1 – Overview

The Directors are responsible for the preparation and presentation of the Financial Information.

The Historical Financial Information included in this Prospectus is intended to present potential investors with information to assist them in understanding the underlying historical financial performance, cash flow and financial position of Trajan.

The Statutory Historical Financial Information has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards (AAS) adopted by the Australian Accounting Standards Board (AASB), which are consistent with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and Trajan's accounting policies. Trajan's significant accounting policies are described in Appendix A.

The Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement principles of AAS other than it includes certain adjustments which have been prepared in a manner consistent with AAS, that reflect (a) the exclusion of certain transactions that occurred in the relevant periods and (b) the impact of certain transactions as if they had occurred on or before 31 December 2020.

The Pro Forma Historical Financial Information does not reflect the actual financial results and cash flows of Trajan for the periods indicated. The Directors of Trajan believe that it provides useful information as it permits investors to examine what it considers to be the underlying financial performance and cash flows of the business presented on a consistent basis.

The Prospectus includes Forecast Financial Information based on the best estimate assumptions of the Directors. The Forecast Financial Information presented in this Prospectus is unaudited. The basis of preparation and presentation of the Forecast Financial Information, to the extent possible, is consistent with the basis of preparation and presentation for the Historical Financial Information unless noted.

The Financial Information is presented in an abbreviated form and it does not include all of the presentation and disclosures, statements or comparative information required by AAS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

In addition to the Financial Information, Section 4.2.4 describes certain non-IFRS financial measures that Trajan uses to manage and report on the business that are not defined under or recognised by AAS or IFRS.

Independent Limited Assurance Report

The Financial Information has been reviewed by RSM Corporate Australia Pty Limited in accordance with the Australian Standard on Assurance Engagements ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information as stated in its Independent Limited Assurance Report set out in Section 8. Investors should note the scope and limitations of the Independent Limited Assurance Report.

4.2.2 – Preparation of the Historical Financial Information

The Historical Financial Information has been presented on both a statutory and a pro forma basis.

The Statutory Historical Financial Information for FY2019 and FY2020 for Trajan has been derived from the FY2019 and FY2020 audited general purpose financial statements of Trajan.

The Statutory Historical Financial Information for HY2020 and HY2021 for Trajan has been derived from the HY2020 and HY2021 reviewed general purpose interim financial statements of Trajan.

The financial statements of Trajan for FY2019 and FY2020 were audited by RSM Australia Partners (RSM Australia) in accordance with Australian Auditing Standards. RSM Australia has issued unqualified audit opinions on these financial statements.

The financial statements of Trajan for HY2020 and HY2021 were reviewed by RSM Australia in accordance with Australian Auditing Standards. RSM Australia has issued unqualified review conclusions on these financial statements.

The Pro Forma Historical Financial Information has been prepared for the purpose of inclusion in this Prospectus. The Pro Forma Historical Financial Information has been derived from the Statutory Historical Financial Information of Trajan and adjusted for the effects of certain pro forma adjustments.

Section 4.3 Table 4.4 sets out the pro forma adjustments made to the Statutory Historical Income Statements and a reconciliation of the Statutory Historical Income Statements to the Pro Forma Historical Income Statements.

Section 4.4. Table 4.7 sets out the pro forma adjustments to the Statutory Historical Cash Flows and a reconciliation of the Statutory Historical Cash Flows to the Pro Forma Historical Cash Flows. Pro forma adjustments were made to the Statutory Historical Cash Flows to reflect the cash impact of the pro forma adjustments to the Statutory Historical Cash Flows.

Section 4.5 Table 4.9 sets out the pro forma adjustments to the Statutory Historical Statement of Financial Position, and a reconciliation of the Statutory Historical Statement of Financial Position to the Pro Forma Historical Statement of Financial Position. Pro forma adjustments were made to the Statutory Historical Statement of Financial Position to reflect the impact of the proposed offers to be made under Trajan's Long Term Incentive Plan (LTIP) and Trajan's Employee Gift Offer in connection with the Offer and Company's Listing, acquisitions and the Offer as if they had occurred as at 31 December 2020.

In preparing the Financial Information, Trajan's accounting policies have been consistently applied throughout the periods presented.

Investors should note that past results are not a guarantee of future performance.

Going Concern

The Financial Information for HY2021 has been prepared on a going concern basis, which contemplates continuity of normal business activities and realisation of assets and discharge of liabilities in the normal course of business.

The Directors believe that there are reasonable grounds that Trajan will be able to continue as a going concern.

4.2.3 – Preparation of the Forecast Financial Information

The Forecast Financial Information has been prepared and presented on both a pro forma and statutory basis for FY2021F and FY2022F, as follows:

- The Statutory Forecast Financial Information for FY2021F and FY2022F reflects the Directors' best estimate forecasts for FY2021F and FY2022F; and
- The Pro Forma Forecast Financial Information has been derived from the Statutory Forecast Financial Information after adjusting for the pro forma adjustments.

4. Financial information (continued)

A reconciliation of the Statutory Forecast Financial Information to the Pro Forma Forecast Financial Information is provided in Section 4.3 Table 4.4 and Section 4.4 Table 4.7.

This Prospectus includes Forecast Financial Information based on the best estimate assumptions of the Directors. The basis of preparation and presentation of the Forecast Financial Information, to the extent applicable, is consistent with the basis of preparation and presentation of the Historical Financial Information, unless otherwise noted.

The Forecast Financial Information has been prepared by the Directors based on an assessment of current economic and operating conditions and best estimate assumptions regarding future events and actions as set out in Section 4.6. The Forecast Financial Information is subject to the risks set out in Section 5. The inclusion of these assumptions and these risks is intended to assist investors in assessing the reasonableness and likelihood of the assumptions occurring and is not intended to be a representation that the assumptions will occur.

Investors should be aware that the timing of actual events and the magnitude of their impact might differ from that assumed in preparing the Forecast Financial Information, and that this may have a material positive or negative effect on Trajan's actual financial performance or financial position. In addition, the assumptions upon which the Forecast Financial Information is based are by their very nature subject to significant uncertainties and contingencies, many of which will be outside the control of Trajan, the Directors and management, and are not reliably predictable. Accordingly, neither Trajan, the Directors, nor any other person can give investors any assurance that the outcomes discussed in the Forecast Financial Information will arise.

The Forecast Financial Information should be read in conjunction with the specific assumptions as set out in Section 4.6.2, the general assumptions as set out in Section 4.6.1, the sensitivities as set out in Section 4.8, the risk factors as set out in Section 5 and other information within this Prospectus.

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

4.2.4 – Explanation of certain non-IFRS financial measures

To assist in the evaluation of the performance of Trajan, certain measures are used to report on the Company that are not recognised under AAS or IFRS. These measures are collectively referred in Section 4 and under Regulatory Guide 230 Disclosing Non-IFRS Financial Information published by ASIC as “non-IFRS financial measures”. The principal non-IFRS financial measures that are referred to in this Prospectus are as follows:

- **EBITDA** represents earnings before interest on corporate and other debt, interest on the lease liability recognised under AASB 16, income tax expense, depreciation including depreciation on the right of use asset recognised under AASB 16 and amortisation;
- **EBITDA margin** is a profitability measure and is calculated by EBITDA divided by net revenue, expressed as a percentage;
- **EBIT** represents earnings before interest on corporate and other debt, interest on the lease liability recognised under AASB 16 and income tax expense;
- **Operating cash flow** is EBITDA after the removal of non-cash items in EBITDA (e.g. share-based payment expenses and movements in provisions) and changes in working capital. Trajan uses operating cash flow to indicate the level of operating cash flow generated from EBITDA;
- **Free cash flow** is operating cash flows less capital expenditure cash flows;
- **Working capital** includes trade and other receivables, inventory and other current assets less trade and other payables, other liabilities and provisions;
- **Other income** represents deferred contribution on an acquisition, which is included in the statutory financial information, but is excluded in the pro forma financial information and reconciled as restructuring costs in Section 4.3.2, and the impact of currency movements in booked forward exchange hedging contracts and debt denominated in foreign currencies, which is included in both the statutory financial information and in the pro forma financial information;
- **EBITDAR&D** represents earnings before interest on corporate and other debt, interest on the lease liability recognised under AASB 16, income tax expense, depreciation including depreciation on the right of use asset recognised under AASB 16, amortisation and research and development (**R&D**) expenses; and
- **R&D expenses** include research and development costs charged to R&D cost centres which span across multiple income statement categories. Detail of these expenses are shown in Section 4.3 Table 4.2.

Although the Directors believe that these measures provide useful information about the financial performance of Trajan, they should be considered as supplements to the income statement or cash flow statement measures that have been presented in accordance with AAS and IFRS and not as a replacement for them. As these non-IFRS financial measures are not based on AAS or IFRS, they do not have standard definitions, and the way Trajan calculated these measures may differ from similarly titled measures used by other companies. Investors and readers of this Prospectus should therefore not place undue reliance on these non-IFRS financial measures.

4.3 – Summary pro forma historical, pro forma forecast and statutory forecast income statements

Table 4.1 sets out a summary of the Pro Forma Historical Income Statements of Trajan for FY2019, FY2020, HY2020 and HY2021 and the Pro Forma Forecast Income Statement of Trajan for FY2021F and FY2022F. The Pro Forma Historical Income Statements are reconciled to the respective historical income statements in Section 4.3.2.

Table 4.1: Summary of Pro Forma Historical Income Statements and Pro Forma Forecast Income Statements

Pro Forma Historical and Pro Forma Forecast							
\$ thousands	Notes	FY2019	FY2020	HY2020	HY2021	FY2021F	FY2022F
Revenue		67,766	71,852	36,142	37,411	74,648	82,562
Cost of sales		(40,767)	(45,280)	(23,118)	(22,683)	(44,665)	(47,940)
Gross Profit		26,999	26,572	13,024	14,728	29,983	34,622
Other income	1	456	1,327	344	1,291	1,271	9
Employee expenses G&AM R&D		(16,412)	(17,065)	(8,114)	(9,017)	(17,913)	(18,719)
Occupancy expenses		(485)	(532)	(260)	(295)	(564)	(552)
General Admin and Marketing	2	(3,778)	(3,701)	(2,051)	(965)	(1,985)	(2,899)
LTIP	3	–	–	–	–	–	(443)
Ongoing listed costs	4	(1,335)	(1,335)	(668)	(668)	(1,335)	(1,335)
Total operating expenses		(21,554)	(21,306)	(10,749)	(9,654)	(20,526)	(23,939)
EBITDA		5,445	5,266	2,275	5,074	9,457	10,683
Depreciation and amortisation		(1,745)	(1,794)	(875)	(854)	(1,698)	(1,676)
Depreciation on Right of Use assets	5	(1,387)	(1,388)	(653)	(686)	(1,361)	(1,361)
EBIT		2,313	2,084	747	3,534	6,398	7,646
Finance costs		(210)	(143)	(54)	(31)	(107)	(53)
Interest on Lease Liabilities	5	(298)	(298)	(148)	(126)	(247)	(247)
Profit before income tax		1,805	1,643	545	3,377	6,044	7,346
Income tax expense		(491)	21	159	(544)	(1,045)	(1,513)
NPAT		1,314	1,664	704	2,833	4,999	5,833

Notes:

1. Other income includes Forward Exchange Contracts mark to market adjustments in FY2020, HY2021 and FY2021F.
2. General Admin and Marketing expenses reduce in HY2021 and FY2021F due to COVID-19 cost containment.
3. LTIP shows the income statement impact of the LTIP after Listing.
4. Ongoing listed costs represent estimated incremental costs of being a listed public company and have been adjusted into the pro forma income statement for the period prior to the IPO.
5. FY2019 has been restated to include AASB 16 lease adjustments not applicable under the relevant accounting standards at the time.

4. Financial information (continued)

Table 4.2 sets out a summary of the R&D expenses included within the Pro Forma Historical Income Statements of Trajan for FY2019, FY2020, HY2020 and HY2021 and the Pro Forma Forecast Income Statement of Trajan for FY2021F and FY2022F.

Table 4.2: Summary of R&D Expenses within Pro Forma Historical Income Statements and Pro Forma Forecast Income Statements

Pro Forma Historical and Pro Forma Forecast							
\$ thousands	Notes	FY2019	FY2020	HY2020	HY2021	FY2021F	FY2022F
Employee expenses R&D	1	(3,222)	(4,092)	(1,814)	(1,843)	(3,715)	(3,833)
Occupancy expenses R&D		(2)	(10)	(2)	(8)	(23)	(24)
General Admin and Marketing R&D	2	(914)	(891)	(458)	(292)	(544)	(561)
Total operating expenses R&D		(4,138)	(4,993)	(2,275)	(2,143)	(4,282)	(4,418)

Notes:

1. Employee expenses is the proportion of employee cost allocated to R&D activities.
2. General Admin and Marketing includes travel, professional fees, patent costs and product development associated with R&D activities.

4.3.1 – Key operating and financial metrics

Table 4.3 sets out Trajan's key pro forma historical operating and financial metrics for FY2019, FY2020, HY2020 and HY2021 and forecast key operating and financial metrics for FY2021F and FY2022F.

Table 4.3: Pro forma historical and pro forma forecast key operating and financial metrics

Pro Forma Historical and Pro Forma Forecast							
\$ thousands	Notes	FY2019	FY2020	HY2020	HY2021	FY2021F	FY2022F
Sales – Analytical Products		49,926	52,148	25,653	25,717	51,293	55,941
Sales – Life Science Solutions		17,840	19,704	10,489	11,695	23,355	26,621
Sales – Total		67,766	71,852	36,142	37,412	74,648	82,562
Sales Growth % – Analytical Products		19.6%	4.5%	10.5%	0.2%	(1.6%)	9.1%
Sales Growth % – Life Science Solutions		16.8%	10.5%	14.6%	11.5%	18.5%	14.0%
Sales Growth % – Total		18.8%	6.0%	11.6%	3.5%	3.9%	10.6%
Gross profit – Analytical Products		21,372	20,286	9,224	10,819	21,772	25,204
Gross profit – Life Science Solutions		5,627	6,286	3,800	3,909	8,211	9,418
Gross profit – Total		26,999	26,572	13,024	14,728	29,983	34,622
Gross profit margin % – Analytical Products		42.8%	38.9%	36.0%	42.1%	42.4%	45.1%
Gross profit margin % – Life Science Solutions		31.5%	31.9%	36.2%	33.4%	35.2%	35.4%
Gross profit margin % – Total		39.8%	37.0%	36.0%	39.4%	40.2%	41.9%
EBITDA		5,445	5,266	2,275	5,074	9,457	10,683
R&D Expenses		4,138	4,993	2,275	2,143	4,282	4,418
EBITDAR&D	1	9,583	10,259	4,550	7,217	13,739	15,101
EBITDA margin		8.0%	7.3%	6.3%	13.6%	12.7%	12.9%
EBITDAR&D margin	1	14.1%	14.3%	12.6%	19.3%	18.4%	18.3%
Employee expenses G&AM R&D (% revenue)		24.2%	23.8%	22.5%	24.1%	24.0%	22.7%
R&D expenses (% revenue)		6.1%	6.9%	6.3%	5.7%	5.7%	5.4%
Total operating expenses (% revenue)		31.8%	29.7%	29.7%	25.8%	27.5%	29.0%

Notes:

1. Refer to Section 4.2.4 for the definition of EBITDAR&D.

4. Financial information (continued)

4.3.2 – Pro forma adjustments to the Statutory Historical Income Statements and the Statutory Forecast Income Statements

Table 4.4 sets out the pro forma adjustments that have been made to the Statutory Historical Income Statements and Statutory Forecast Income Statements.

Table 4.4: Pro forma adjustments to the Statutory Historical Income Statements and Statutory Forecast Income Statements

\$ thousands	Notes	FY2019	FY2020	HY2020	HY2021	FY2021F	FY2022F
Statutory Cost of sales		(41,862)	(45,280)	(23,118)	(22,683)	(44,665)	(47,940)
AASB 16 Lease adjustment	1	1,095	–	–	–	–	–
Pro Forma Cost of sales		(40,767)	(45,280)	(23,118)	(22,683)	(44,665)	(47,940)
Statutory Other income		456	1,999	344	1,673	1,653	9
Restructuring costs	3	–	(672)	–	(382)	(382)	–
Pro Forma Other income		456	1,327	344	1,291	1,271	9
Statutory Employee expenses G&AM R&D		(16,436)	(17,322)	(8,114)	(9,289)	(18,293)	(18,876)
AASB 16 Lease adjustment	1	24	–	–	–	–	–
Restructuring costs	3	–	257	–	272	380	157
Pro Forma Employee expenses G&AM R&D		(16,412)	(17,065)	(8,114)	(9,017)	(17,913)	(18,719)
Statutory Occupancy expenses		(940)	(532)	(260)	(295)	(564)	(552)
AASB 16 Lease adjustment	1	455	–	–	–	–	–
Pro Forma Occupancy expenses		(485)	(532)	(260)	(295)	(564)	(552)
Statutory General Admin and Marketing		(4,052)	(4,102)	(2,080)	(1,166)	(2,186)	(2,899)
AASB 16 Lease adjustment	1	33	–	–	–	–	–
Restructuring costs	3	241	401	29	201	201	–
Pro Forma General Admin and Marketing		(3,778)	(3,701)	(2,051)	(965)	(1,985)	(2,899)
Statutory LTIP and Employee Gift Offer expense		–	–	–	–	(2,175)	(443)
Listing adjustment	5	–	–	–	–	2,175	–
Pro Forma LTIP expense		–	–	–	–	–	(443)
Statutory Ongoing listed costs		–	–	–	–	(111)	(1,335)
Prior to Listing adjustment	2	(1,335)	(1,335)	(668)	(668)	(1,224)	–
Pro Forma Ongoing listed costs		(1,335)	(1,335)	(668)	(668)	(1,335)	(1,335)
Statutory One-off IPO expenses		–	–	–	–	(3,715)	–
Prior to IPO adjustment	4	–	–	–	–	3,715	–
Pro Forma One-off IPO expenses		–	–	–	–	–	–

\$ thousands	Notes	FY2019	FY2020	HY2020	HY2021	FY2021F	FY2022F
Statutory Depreciation on Right of Use assets		–	(1,388)	(653)	(686)	(1,361)	(1,361)
AASB 16 Lease adjustment	1	(1,387)	–	–	–	–	–
Pro Forma Depreciation on Right of Use assets		(1,387)	(1,388)	(653)	(686)	(1,361)	(1,361)
Statutory Interest on Lease liabilities		–	(298)	(148)	(126)	(247)	(247)
AASB 16 Lease adjustment	1	(298)	–	–	–	–	–
Pro Forma Interest on Lease liabilities		(298)	(298)	(148)	(126)	(247)	(247)
Statutory NPAT		2,142	2,608	1,151	3,237	520	5,723
AASB 16 Lease adjustment	1	(78)	–	–	–	–	–
Ongoing listed costs	2	(1,335)	(1,335)	(668)	(668)	(1,224)	–
Restructuring costs	3	241	(14)	29	90	198	157
Offer costs	4	–	–	–	–	3,715	–
LTIP and Employee Gift Offer Listing adjustment	5	–	–	–	–	2,175	–
Tax impact of Pro Forma adjustments		344	405	192	174	(385)	(47)
Pro Forma NPAT		1,314	1,664	704	2,833	4,999	5,833

Notes:

1. FY2019 has been restated to include AASB 16 lease adjustments not applicable under the relevant accounting standards at the time.
2. Ongoing listed costs represent estimated incremental costs of being a listed public company and have been adjusted into the Pro Forma income statement for the period prior to the IPO.
3. Restructuring costs relate to: impairment of deferred contribution on an acquisition; employee redundancy costs; and professional fees incurred in relation to the capital raise process. These costs have been adjusted for on the basis that they do not represent ongoing operational income or costs of Trajan.
4. Offer costs are not included in the Pro Forma Income Statement on the basis that they do not represent an ongoing operational cost of Trajan and have been added back from the Statutory income statement.
5. LTIP and Employee Gift Offer listing adjustment represents the add-back of the fair value of LTIP and Employee Gift Offer being offered upon the successful Listing of Trajan on the ASX which do not represent an ongoing LTIP, Employee Gift Offer or share based payment cost to Trajan. As a result, only the ongoing income statement impact of the LTIP scheme after Listing is included in the Pro Forma Forecast Income Statements.

4. Financial information (continued)

4.3.3 – Summary of Statutory Historical Income Statements and Statutory Forecast Income Statements

Table 4.5 sets out Trajan's Statutory Historical Income Statements for FY2019, FY2020, HY2020 and HY2021 and Trajan's Statutory Forecast Income Statement for FY2021F and FY2022F.

Table 4.5: Summary of Statutory Historical Income Statements and Statutory Forecast Income Statements

Statutory Historical and Statutory Forecast							
\$ thousands	Notes	FY2019	FY2020	HY2020	HY2021	FY2021F	FY2022F
Revenue		67,766	71,852	36,142	37,411	74,648	82,562
Cost of sales		(41,862)	(45,280)	(23,118)	(22,683)	(44,665)	(47,940)
Gross Profit		25,904	26,572	13,024	14,728	29,983	34,622
Other income	1	456	1,999	344	1,673	1,653	9
Employee expenses G&AM R&D		(16,436)	(17,322)	(8,114)	(9,289)	(18,293)	(18,876)
Occupancy expenses		(940)	(532)	(260)	(295)	(564)	(552)
General Admin and Marketing	2	(4,052)	(4,102)	(2,080)	(1,166)	(2,186)	(2,899)
LTIP and Employee Gift Offer	3	–	–	–	–	(2,175)	(443)
One-off IPO expenses	4	–	–	–	–	(3,715)	–
Ongoing listed costs	5	–	–	–	–	(111)	(1,335)
Total operating expenses		(20,972)	(19,957)	(10,110)	(9,077)	(25,391)	(24,096)
EBITDA		4,932	6,615	2,914	5,651	4,592	10,526
Depreciation and amortisation		(1,745)	(1,794)	(875)	(854)	(1,698)	(1,676)
Depreciation on Right of Use assets	6	–	(1,388)	(653)	(686)	(1,361)	(1,361)
EBIT		3,187	3,433	1,386	4,111	1,533	7,489
Finance costs		(210)	(143)	(54)	(31)	(107)	(53)
Interest on Lease liabilities	6	–	(298)	(148)	(126)	(247)	(247)
Profit before income tax		2,977	2,992	1,184	3,954	1,179	7,189
Income tax expense	7	(835)	(384)	(33)	(717)	(659)	(1,466)
NPAT		2,142	2,608	1,151	3,237	520	5,723

Notes:

- Other income includes Foreign Exchange Contracts mark to market adjustments in FY2020, HY2021 and FY2021F and impairments of a deferred contribution on acquisition liability in FY2020, HY2021 and FY2021F.
- General Admin and Marketing expenses reduce in HY2021 and FY2021F due to COVID-19 cost containment.
- LTIP and Employee Gift Offer shows the income statement impact of the LTIP scheme upon Listing and after Listing and Employee Gift Offer upon Listing and after Listing.
- One-off IPO expenses are the costs expensed to the income statement in relation to the IPO.
- Ongoing listed costs represent estimated incremental costs of being a listed public company and are recognised in FY2021F and FY2022F for the periods after the estimated date of listing.
- AASB 16 lease adjustments were implemented in the Statutory financial statements from FY2020 onwards.
- FY2021F income tax expense has been impacted by non-deductible IPO expenses of \$1.4m (tax impact of \$0.4m).

4.4 – Pro Forma Historical Cash Flows and Pro Forma Forecast Cash Flows

Table 4.6 sets out Trajan's Pro Forma Historical Cash Flows for FY2019, FY2020, HY2020 and HY2021 and Trajan's Pro Forma Forecast Cash Flows for FY2021F and FY2022F. The Pro Forma cash flow information has been constructed using the indirect method (i.e. reconciling EBITDA to operating cash flows).

Table 4.6: Summary of Pro Forma Historical Cash Flows and Pro Forma Forecast Cash Flows

Pro Forma Historical and Pro Forma Forecast							
\$ thousands	Notes	FY2019	FY2020	HY2020	HY2021	FY2021F	FY2022F
EBITDA		5,445	5,266	2,275	5,074	9,457	10,683
Offer costs in EBITDA		–	–	–	–	–	–
Changes in working capital	1	(1,789)	(2,831)	(1,395)	(615)	(1,763)	1,019
Finance costs	2	(210)	(143)	(54)	(31)	(107)	(53)
Non-Cash item – LTIP	3	–	–	–	–	–	443
Operating cash flow		3,446	2,292	826	4,428	7,587	12,092
Capital expenditure	4	(3,056)	(797)	(540)	–	(792)	(1,679)
Receipts from investments		–	–	–	2,623	2,610	–
Free cash flow		390	1,495	286	7,051	9,405	10,413
Repayment of borrowings		(1,046)	(1,295)	(654)	(960)	(1,711)	(900)
Proceeds from borrowings		1,442	2,666	1,045	–	–	–
Payment for lease liabilities	5	(1,607)	(1,607)	(751)	(801)	(1,594)	(1,594)
Income tax payments		250	(1,475)	(1,092)	266	266	(882)
FX impact on cash		257	76	(371)	352	(66)	9
Net cash flow		(314)	(140)	(1,537)	5,908	6,300	7,046

Notes:

1. FY2022F includes a positive inflow of changes in working capital attributable to the following which are not considered recurring items (1) an increase in tax accruals of \$0.6 million, (2) the delivery of foreign exchange contracts and release of accrued mark to market benefits of \$0.8 million, and (3) an increase in customer deposits of \$0.6 million in relation to forecast automation business revenue growth. The aforementioned factors contribute \$2.0 million in non-recurring inflows in working capital.
2. Finance costs are a cash income statement item that are excluded from EBITDA and therefore added back to Operating cash flow.
3. The impact of the LTIP is a non-cash item that is included within EBITDA and needs to be added back to Operating cash flow.
4. FY2019 Capital Expenditure includes \$1.592 million relating to the acquisition of Soltec.
5. FY2019 has been restated to include AASB 16 lease adjustments not applicable under the relevant accounting standards at the time.

4. Financial information (continued)

4.4.1 – Pro forma adjustments to the Statutory Historical Cash Flows and Statutory Forecast Cash Flows

Table 4.7 sets out the pro forma adjustments that have been made to the Statutory Historical Cash Flows and Statutory Forecast Cash Flows to reflect the post-tax cash impact of the pro forma earnings adjustments. These adjustments are summarised and explained in the table below.

Table 4.7: Pro forma adjustments to the Statutory Historical Cash Flows and Statutory Forecast Cash Flows

\$ thousands	Notes	FY2019	FY2020	HY2020	HY2021	FY2021F	FY2022F
Statutory net cash flow		436	804	(1,090)	6,312	48,349	6,936
Ongoing listed costs	1	(1,335)	(1,335)	(668)	(668)	(1,224)	–
Restructuring costs	2	241	(14)	29	90	198	157
Pre-IPO Dividend	3	–	–	–	–	3,350	–
Offer costs	4	–	–	–	–	6,012	–
Capital raise		–	–	–	–	(50,000)	–
Tax impact of Pro Forma adjustments		344	405	192	174	(385)	(47)
Pro Forma net cash flow		(314)	(140)	(1,537)	5,908	6,300	7,046

Notes:

- Ongoing listed costs represent estimated incremental costs of being a listed public company and have been adjusted into the Pro Forma income statement for the period prior to the IPO.
- Restructuring costs relate to; impairment of deferred contribution on an acquisition; employee redundancy costs; and professional fees incurred in relation to the capital raise process. These costs have been adjusted for on the basis that they do not represent ongoing operating income or costs of Trajan.
- Pre-IPO Dividend represents the payment of the Pre-IPO Dividend to the Existing Shareholder.
- Offer costs are not included in the Pro Forma cash flows on the basis that they do not represent an ongoing operational cost of Trajan and have been added back from the Statutory cash flows.

4.4.2 – Summary of Statutory Historical Cash Flows and Statutory Forecast Cash Flows

Table 4.8 sets out Statutory Historical Cash Flows for FY2019, FY2020, HY2020 and HY2021 and Statutory Forecast Cash Flows for FY2021F and FY2022F.

Table 4.8: Summary of Statutory Historical Cash Flows and Statutory Forecast Cash Flows

Statutory Historical and Statutory Forecast							
\$ thousands	Notes	FY2019	FY2020	HY2020	HY2021	FY2021F	FY2022F
EBITDA		4,932	6,615	2,914	5,651	4,592	10,526
Offer costs in EBITDA	1	–	–	–	–	3,715	–
Changes in working capital	2	(1,789)	(2,831)	(1,395)	(615)	(1,204)	1,019
Finance costs	3	(210)	(143)	(54)	(31)	(107)	(53)
Non-Cash item – LTIP and Employee Gift Offer	4	–	–	–	–	2,175	443
Operating cash flow		2,933	3,641	1,465	5,005	9,171	11,935
Capital expenditure	5	(3,056)	(797)	(540)	–	(792)	(1,679)
Receipts from investments		–	–	–	2,623	2,610	–
Free cash flow		(123)	2,844	925	7,628	10,989	10,256
Repayment of borrowings		(1,046)	(1,295)	(654)	(960)	(1,711)	(900)
Proceeds from borrowings		1,442	2,666	1,045	–	–	–
Payment for lease liabilities	6	–	(1,607)	(751)	(801)	(1,594)	(1,594)
Income tax payments		(94)	(1,880)	(1,284)	93	93	(835)
Pre-IPO Dividend	7	–	–	–	–	(3,350)	–
Proceeds from Offer						50,000	
Offer costs	1	–	–	–	–	(6,012)	–
FX impact on cash		257	76	(371)	352	(66)	9
Net cash flow		436	804	(1,090)	6,312	48,349	6,936

Notes:

- Transaction costs include both the Offer costs in EBITDA and the Offer costs allocated to equity.
- FY2022F includes a positive inflow of changes in working capital attributable to the following which are not considered recurring items (1) an increase in tax accruals of \$0.6 million, (2) the delivery of foreign exchange contracts and release of accrued mark to market benefits of \$0.8 million, and (3) an increase in customer deposits of \$0.6 million in relation to forecast automation business revenue growth. The aforementioned factors contribute \$2.0 million in non-recurring inflows in working capital.
- Finance costs are a cash income statement item that are excluded from EBITDA and therefore added back to Operating cash flow.
- The impact of the LTIP and Employee Gift Offer is a non-cash item that is included within EBITDA and needs to be added back to Operating cash flow.
- FY2019 Capital Expenditure includes \$1.592 million relating to the acquisition of Soltec.
- AASB 16 lease adjustments were implemented in the Statutory financial statements from FY2020 onwards.
- Pre-IPO Dividend represents the payment of the Pre-IPO Dividend to the Existing Shareholder. The Pre-IPO Dividend, if paid, will be paid out of pre-IPO retained earnings.

4. Financial information (continued)

4.5 – Statutory Historical Statements of Financial Position and Pro Forma Historical Statement of Financial Position

Table 4.9 sets out the Statutory Historical Statement of Financial Position of Trajan and the pro forma adjustments that have been made to prepare the Pro Forma Historical Statement of Financial Position for Trajan. These adjustments take into account the effect of the LTIP offers, Employee Gift Offer acquisitions and the proceeds of the Offer and related transaction costs and pro forma adjustments as if they had occurred as at 31 December 2020.

The Pro Forma Historical Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of Trajan's view of its financial position upon Completion of the Offer or at a future date. Further information on the sources and uses of funds of the Offer is contained in Section 7.4.

Table 4.9: Statutory Historical Statement of Financial Position and Pro Forma Historical Statement of Financial Position as at 31 December 2020

\$ thousands	Notes	Trajan Statutory Historical Financial Position 31-Dec-20	Impact of the Offer	Pre-IPO Dividend (refer to note 4)	Acquisitions (refer to Section 4.5.1)	Trajan Proforma Historical Financial Position 31-Dec-20
Current assets						
Cash and cash equivalents	1	11,098	43,988	(3,350)	(1,050)	50,686
Trade and other receivables		7,955	–	–	–	7,955
Inventories		12,336	–	–	–	12,336
Contract assets		688	–	–	–	688
Other current assets		3,700	–	–	–	3,700
Total current assets		35,777	43,988	(3,350)	(1,050)	75,365
Non-current assets						
Financial assets		209	–	–	–	209
Plant and equipment		4,061	–	–	1,050	5,111
Right of Use assets		3,430	–	–	–	3,430
Goodwill and intangibles		765	–	–	–	765
Deferred tax assets		1,979	–	–	–	1,979
Total non-current assets		10,444	–	–	1,050	11,494
Total assets		46,221	43,988	(3,350)	–	86,859
Current liabilities						
Trade and other payables		5,460	–	–	–	5,460
Contract liabilities		1,252	–	–	–	1,252
Lease liabilities		1,300	–	–	–	1,300
Provisions		5,503	–	–	–	5,503
Income tax		387	–	–	–	387
Interest Bearing Loans and Borrowings		5,569	–	–	–	5,569
Total current liabilities		19,471	–	–	–	19,471

\$ thousands	Notes	Trajan Statutory Historical Financial Position 31-Dec-20	Impact of the Offer	Pre-IPO Dividend (refer to note 4)	Acquisitions (refer to Section 4.5.1)	Trajan Proforma Historical Financial Position 31-Dec-20
Non-current liabilities						
Lease liabilities		2,570	–	–	–	2,570
Provisions		693	–	–	–	693
Interest Bearing Loans and Borrowings		3,315	–	–	–	3,315
Total non-current liabilities		6,578	–	–	–	6,578
Total liabilities		26,049	–	–	–	26,049
Net assets		20,172	43,988	(3,350)	–	60,810
Equity						
Issued capital	1,2,3	3	47,966	–	–	47,969
Foreign Currency Translation Reserve		(161)	–	–	–	(161)
Reserves	3	–	1,912	–	–	1,912
Retained earnings	2,3	20,330	(5,890)	(3,350)	–	11,090
Total equity		20,172	43,988	(3,350)	–	60,810

Notes:

- Cash and cash equivalents are expected to increase by \$44 million as a result of proceeds from the Offer assuming the issuance of 29.4m New Shares at the Offer Price, offset by the Offer Costs (\$6 million). Based on the equity raise currently assumed, one-off listing costs of \$6 million will be incurred in FY2021.
- Costs that are directly related to raising new equity of \$2.3 million have been capitalised against issued capital. Costs not directly related to the raising of new equity (i.e. the Listing on the ASX of existing equity) of \$3.7 million have been recognised as an expense.
- LTIP instruments (options) and Employee Gift Offer with fair values calculated in accordance with AASB 2 – Share Based Payment, of \$1.9 million and \$0.3 million, respectively, are being offered subject to the successful Listing of Trajan on the ASX and result in the recognition of an LTIP reserve in equity of \$1.9 million, an increase in issued capital of \$0.3 million and a decrease in retained earnings of \$2.2 million.
- Pre-IPO Dividend represents the payment of the Pre-IPO Dividend to the Existing Shareholder.

4.5.1 – Acquisitions

On 31 March 2021, Trajan entered into an asset sale and purchase agreement to purchase certain assets from MyHealthTest Pty Ltd for cash consideration of \$1.05 million. Accordingly, cash and cash equivalents have been reduced by \$1.05m and property, plant and equipment increased by \$1.05m to reflect this transaction.

As at the Prospectus Date, Trajan is in advanced discussions with counterparties with regard to a number of other small acquisitions of complementary capabilities and plant and equipment. None of these potential acquisitions are considered by management to be material for the purpose of the forecast earnings included in the Forecast Financial Information or the Pro Forma Historical Statement of Financial Position as at 31 December 2020. Please refer to Table 4.9 for additional information.

4.5.2 – Liquidity and capital resources

Liquidity, Capital Resources and Indebtedness

Following completion of the IPO process Trajan's principal sources of funds are expected to be cash and cash equivalents and borrowings accessed through its debt facility with HSBC Bank Australia Ltd (HSBC). Trajan proposes to fund its immediate and near-term business plans as follows:

- operating cash flow generated from existing business operations which will be used to support continuing investment in R&D and, subject to the ongoing working capital requirements of Trajan's existing business operations from time to time, the partial funding of acquisition of businesses identified by the Company to provide inorganic earnings accretion; and

4. Financial information (continued)

- funds raised under the Offer which will be used in the manner described in Section 7.4, including for strategic acquisitions of businesses identified by the Company to provide inorganic earnings accretion.

HSBC Facilities

Trajan has entered into an agreement with HSBC Bank Australian Limited which provides the Group with access to the following facilities:

- Working Capital facility of A\$5.8 million (drawn to \$4.7m as at 31 December 2020). Interest is calculated as BBSY for AUD denominated loans or LIBOR for foreign currency loans plus a margin;
- Single Fully Drawn Advances, on Demand, of \$2.8 million. Interest is calculated as BBSY or LIBOR plus a margin;
- Foreign Exchange Facility, uncommitted and unadvised; and
- HSBC Corporate Credit Cards facility of A\$0.2 million.

The above facilities are provided subject to the provision of customary financial covenants from Trajan and are otherwise provided on terms and conditions that the Company considers to be customary for financing arrangements of a similar nature.

Funding provided under the facilities may be used to fund working capital expenses of the Trajan Group, including strategic acquisitions.

The HSBC Facilities are secured by unlimited guarantees and general security agreements from Trajan Group entities. The Company expects that it will have sufficient cash to meet its short and medium-term operational requirements and other business needs.

4.5.3 – Contractual obligations, commitments and contingent liabilities

Trajan has no material contractual commitments or contingent liabilities as at the Prospectus Date.

A contingent asset exists as at 31 December 2020 in relation to a Pay-check Protection Program loan (**PPP**) loan of USD 0.96 million, guaranteed by the USA Small Business Administration (**SBA**). The full liability has been recognised in the financial statements as Non-current Interest-Bearing Loans and Borrowings. Trajan is awaiting guidance on the treatment of this balance which may include forgiveness, under the Coronavirus Aid, Relief and Economic Security Act (the **CARES Act**), of part or all of the balance.

4.6 – Forecast Financial Information

The Forecast Financial Information has been prepared based on the significant accounting policies adopted by Trajan which are in accordance with AAS and are disclosed in Appendix A. It is assumed that there will be no changes to Accounting Standards, the Corporations Act 2001 or other financial reporting requirements that may have a material effect on Trajan accounting policies during the forecast period.

The Forecast Financial Information is based upon various best estimate assumptions concerning future events, including those set out below. In preparing the Forecast Financial Information, Trajan has considered long-term historical customer order volumes, key customer insights, existing customer collaborations, economic conditions and end-user markets. Trajan believes that it has prepared the Forecast Financial Information with due care and attention and considers all assumptions, when taken as a whole, to be reasonable at the time of preparing this Prospectus, including each of the general assumptions set out in Section 4.6.1.

The Forecast Financial Information reflects actual results up to and including 28 February 2021 and a forecast for the remainder of FY2021F and FY2022F. However, actual results are likely to vary from forecast and any variation may be materially positive or negative. The assumptions upon which the Forecast Financial Information are based are by their nature subject to significant uncertainties and contingencies, many of which are outside the control of Trajan and its Directors and are not reliably predictable.

The Forecast Financial Information in respect of FY2021F and FY2022F assumes no contribution to earnings from the 'uses of funds' identified in Section 7.4, refer to 4.6.2.9 for additional details.

None of Trajan, its Directors, or any other person can give any assurance that the Forecast Financial Information or any prospective statement contained in this Prospectus will be achieved. Events and outcomes might differ in amount and timing from the assumptions, with a material consequential impact on the Forecast Financial Information.

The assumptions set out below should be read in conjunction with the sensitivity analysis set out in Section 4.8, the risk factors set out in Section 5 and the Investigating Accountant's Report on the Forecast Financial Information set out in Section 8.

4.6.1 – General assumptions

In preparing the Forecast Financial Information, the following general best estimate assumptions have been adopted:

- no material changes in the competitive and operating environments in which Trajan operates;
- no significant deviation from current market expectations under Australian and international economic conditions that Trajan and its current and potential customers operate;
- no material changes in government legislation, tax legislation, regulatory requirements or government policy that will have a material impact on the financial performance or cash flows, financial position, accounting policies, financial reporting or disclosures of Trajan;
- no changes in applicable AAS, IFRS, other mandatory professional reporting requirements or the Corporations Act which would have a material effect on the Company's reported financial performance or cash flows, financial position, accounting policies, financial reporting or disclosures;
- no material changes in foreign currency exchange rates, particularly as they relate to the USD. The following foreign exchange rate has been used in FY2021F and FY2022F – A\$: USD = 0.75;
- no material changes in key personnel, including key management personnel; it is also assumed that Trajan maintains its ability to recruit and retain the personnel required to support future growth;
- no material industrial strikes, employee relations disputes or other disturbances, environmental costs, contingent liabilities or legal claims arise or are settled to the detriment of Trajan;
- no material adverse impact in relation to litigation (existing or otherwise);
- no material acquisitions, disposals, restructurings or investments other than is contemplated;
- no material changes to Trajan's corporate or funding structure other than as set out in, or contemplated by, this Prospectus;
- no significant disruptions to the continuity of operations of Trajan or other material changes in its business;
- no material changes in the analytical science industry that would have a material impact on the demand for or prices of Trajan's services;
- no material amendment to any material contract, agreement or arrangement relating to the Company's business;
- none of the risks listed in Section 5 has a material adverse impact on the operations of Trajan;
- the Offer proceeds to Completion in accordance with the timetable set out in the Key Offer Information Section of this Prospectus; and
- no significant further impact on operations as a result of COVID-19 (refer to Section 3.12, Section 4.6.2.1 and Section 5.1.18).

4.6.2 – Specific assumptions

The details of the specific assumptions that have been used in the preparation of the Forecast Financial Information in respect of FY2021F and FY2022F are set out below.

4.6.2.1 – Impact of COVID-19

COVID-19 was declared a pandemic by the World Health Organisation on 11 March 2020. The outbreak and the response of international governments in dealing with the pandemic is impacting economies and communities in different ways. The scale and duration of these impacts continue to remain uncertain as at the Prospectus Date.

During the early global COVID-19 outbreak, Trajan experienced resilient sales demand of consumable items from February to April 2020, driven by customers looking to build inventory levels in the event of supply interruptions. This was followed by a decline in sales revenue in May and June 2020, at which point Trajan management implemented cost reduction measures.

Customer demand recovered from July 2020 onwards, returning Trajan onto its pre-COVID-19 growth trajectory.

Trajan's Automation business began to experience restricted access to customer sites (required for installation) from February 2020 which impacted Trajan's ability to recognise revenue. This impact continues at the Prospectus Date due to global movement restrictions although Trajan continues to generate revenue through remote installations and access to sites not restricted by lockdowns.

4. Financial information (continued)

There is significant uncertainty as to the future response of international governments to the COVID-19 pandemic and the potential for any future economic downturn caused directly or indirectly by the COVID-19 pandemic. The performance of Trajan's results in 2HY2020 and HY2021 illustrates a degree of resilience to the negative impacts. Trajan's financial forecasts for FY2021F and FY2022F have been prepared on the basis that we see a similar operating environment to that experienced in HY2021.

After the initial impact of COVID-19 in February 2020 and the uncertainty surrounding the potential impact, Trajan underwent a cost containment exercise where general administration and marketing costs were reduced. The key costs within this category are travel, professional costs and marketing costs. HY2021 shows the impact of these cost containment measures. The Trajan forecast assumes that there will be a gradual return of these costs in FY2022F. While it is assumed that travel will restart in FY2022F, it is not expected that Trajan's travel costs will return to pre-COVID levels.

In FY2020, Trajan received PPP support funding from the US government CARES Act, which has been recognised in the financial statements as Non-current liabilities, Interest Bearing Loans and Borrowings. Trajan is awaiting guidance on the treatment of this balance which may include forgiveness of part or all of the balance.

No further government support is assumed in the Forecast Financial Information for FY2021F or FY2022F.

4.6.2.2 – Revenue assumptions

In preparing the revenue forecast, management reviewed historical industry and Company growth rates up to February 2021 and extrapolated into the forecast period for FY2021F and FY2022F. Trajan has a long tenure with customers which helps gauge the repeatability of Trajan's ongoing revenue base.

In addition to industry growth rates, there is also incremental revenue growth incorporated into the forecast period with respect to specific customer and product category growth, where Trajan considers that there are reasonable grounds to do so. Refer to management discussion and analysis in Section 4.7 for detailed historical revenue analysis and forecast details.

4.6.2.3 – Gross profit assumptions

The Gross Profit forecast is built based on three key assumptions:

- organic sales growth has been forecast based on demonstrated underlying historical gross profit margins;
- a key factor in Trajan's margin enhancement strategy is the transfer of certain production activities to a production facility in Malaysia. Within HY2021 Trajan has already demonstrated margin enhancement due to the Malaysian transfer activities and for FY2021F and FY2022F there is a continuation of these transfer plans and further expected margin enhancement as Trajan's direct headcount within Australia is reduced and replaced with direct labour at the Malaysian production facility. It should be noted that the transfer plans in relation to the Malaysian production facility continue beyond the forecast period; and
- another key factor for margin enhancement is the ability for Trajan to achieve scale benefits. Trajan possesses excess capacity at all production facilities and further sales and production growth can be achieved without further expansion of these facilities. This will lead to scale benefits within the forecast period and beyond.

4.6.2.4 – Operating expenses

- Other income: Key items in other income are foreign exchange gains or losses and other trading income. These have been assumed to be zero over the forecast period as FX is assumed to remain constant. Only interest income has been forecast into FY2022F based on forecast cash on hand and current interest rates.
- Employee expenses G&AM R&D: Historical costs have been used to assume the forecast and then additional costs for anticipated headcount and forecast salary increases have been allowed for in the forecast period.
- Occupancy expenses: Historical costs have been used to inform the forecast and remain largely flat over the forecast period.
- General Admin and Marketing: The key costs within this category are travel, professional costs and marketing. In HY2021, due to the uncertainty of COVID-19, cost containment was applied to these cost categories which resulted in a lower spend than in previous years. The forecast assumes that there will be a gradual return of these costs in FY2022F. While it is assumed that travel will restart in FY2022F, it is not expected that Trajan's travel costs will return to pre-COVID levels.
- LTIP: The Long Term Incentive Plan has been estimated based on the expected share options to be granted upon Listing.
- Employee Gift Offer: Based on the expected shares to be issued under the Employee Gift offer and the number of eligible employees.
- Ongoing listed costs: These costs represent estimated incremental costs of being a listed public company and are recognised in FY2021F and FY2022F.

4.6.2.5 – Depreciation and amortisation

Depreciation has been forecast based on the current depreciation profile and an assumed level of capital expenditure spend over the forecast period.

4.6.2.6 – Depreciation on right of use assets

Consists of the depreciation of the right of use asset in accordance with AASB 16 and assumes that there is no substantial change in right of use assets over the forecast period.

4.6.2.7 – Finance costs

Finance costs include both interest expense and interest income. The forecast has been prepared assuming a constant extrapolation from the historical period which demonstrates a consistent profile of borrowings.

4.6.2.8 – Interest on lease liabilities

Consists of the interest on lease liabilities in accordance with AASB 16 and assumes that there is no substantial change in the lease liability profile over the forecast period.

4.6.2.9 – Other assumption

The Forecast Financial Information for FY2021F and FY2022F is not dependent or reliant on any of the ‘uses of funds’ identified in Section 7.4, including accelerated investment in manufacturing infrastructure, accelerated commercialisation of new products, or strategic acquisitions. The Forecast Financial Information assumes there is no contribution from these initiatives due to the difficulty in accurately forecasting such contributions.

Trajan believes that the accelerated investments in manufacturing infrastructure will deliver production efficiency gains that contribute to gross profit enhancement. However, given the quantum and timing of these enhancements is uncertain, they have not been included in the Forecast Financial Information for FY2021F and FY2022F.

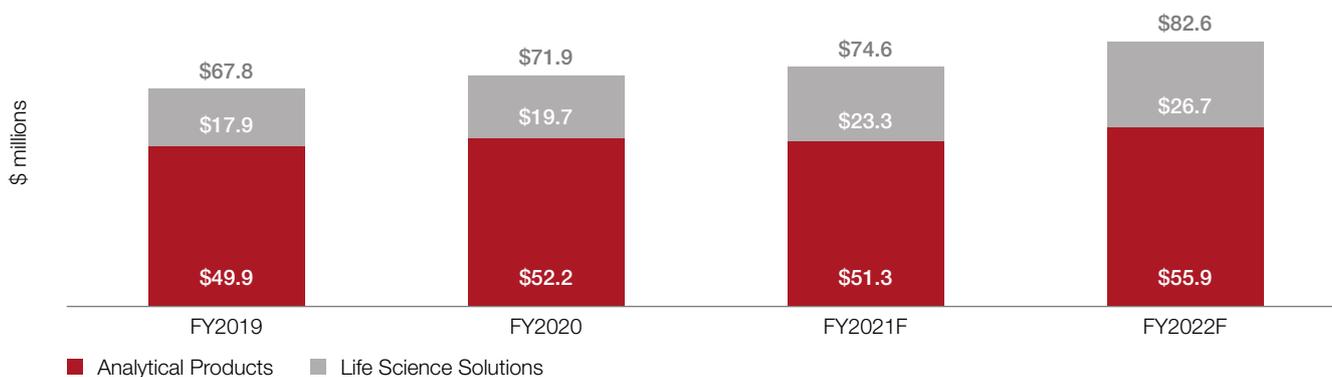
4.7 – Management discussion and analysis of the Pro Forma Historical Financial Information and Pro Forma Forecast Financial Information

4.7.1 – Revenue

Trajan derives its revenue from the sale of products, devices and solutions to a customer portfolio that includes large multi-national OEMs, pharmaceutical, food and CRO laboratories and scientific distribution companies. Trajan separates the business into two business segments: Analytical Products and Life Science Solutions.

Gross revenue represents amounts earned from the sale of goods or services to customers gross of any royalties or rebates. Net revenue represents proceeds received by Trajan from sales net of any royalties or rebates. Net revenue is monitored by the business to understand top-line business growth and performance.

Figure 37: Net revenue contribution by business segment FY2019 to FY2022F



4. Financial information (continued)

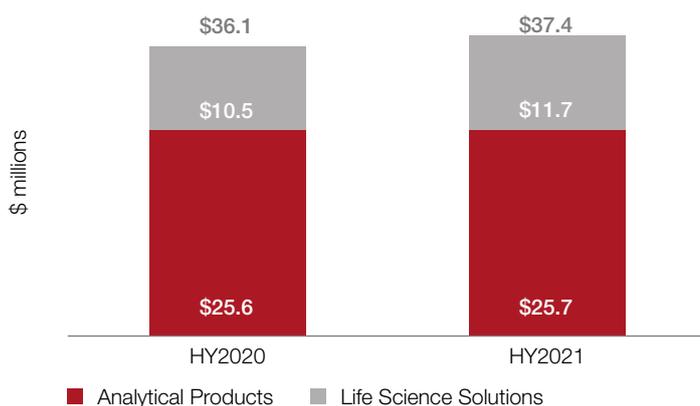
4.7.1.1 – Key revenue drivers

Since inception in 2011, Trajan has experienced significant growth, achieving net revenue of \$71.9m in FY2020. Revenue growth across both segments has historically been driven by winning market share in existing products and utilising its strong customer relationships as a platform for extension and emerging product and service offerings.

Although Trajan has a track record of successful complementary acquisitions, revenue contribution from acquisitions in FY2019, FY2020 and FY2021F is very low and the majority of revenue growth is organic. Trajan's most recent acquisition, Soltec, was completed in December 2018 and contributed \$1.9m revenue in FY2019. The revenue growth in the Soltec business from FY2019 to FY2020 of \$1.8m is due to 12 months of sales being incorporated into the Trajan financials. All other sales growth in this period is organic growth. Furthermore, while Trajan has a deep acquisition pipeline of identified targets, FY2021F and FY2022F includes no acquired revenue on the basis that there is not a reasonable basis on which to forecast the impact of any future acquisitions.

From FY2019 to FY2020, revenue increased by \$4.1m, comprised of an increase of \$2.2m in the Analytical Products segment and \$1.9m in the Life Science Solutions segment. The FY2019 to FY2020 growth in Analytical Products was driven by an increase in the Polymer Science and Separation Science product categories. The Polymer Science growth represents FY2020 incorporating 12 months of Soltec, revenue. The Separation Science increase was driven predominantly by continued market share gains in Trajan's GC inlet liner and microfluidic device product families to leading OEM customers. The FY2019 to FY2020 growth in the Life Science Solutions segment was predominantly driven by Trajan's Automation product category, with growth attributable to Trajan's strategic optimisation of the acquired LEAP business.

Figure 38: Net revenue contribution by business segment HY2020 to HY2021



Trajan revenue increased by \$1.3m from HY2020 to HY2021, primarily due to the Life Science Solutions segment. This was driven by increased sales in Trajan's Automation product category, as a result of customer wins and timing differences associated with COVID-19. Installation backlogs formed in April 2020 through to June 2020, due to COVID-19 lockdowns restricting the ability to access customer sites. Installations recommenced on a larger scale in the HY2021 period.

Revenue is forecast to increase from FY2020 to FY2021F due to the Life Science Solutions segment increasing by \$3.6m. This forecast growth is driven by the Automation and Pathology product categories. The Automation growth is consistent with the growth rates observed in recent years. Pathology growth is underpinned by sales growth in Australia and the UK, of existing products in addition to the growth rates observed in recent years.

From FY2021F to FY2022F, revenue is forecast to increase in the Analytical Products segment by \$4.6m and in the Life Science Solutions segment by \$3.4m. The forecast increase in Analytical Products revenue is based on growth in:

- the Separation Science product category driven by growth rates consistent with past periods across a range of its product families and additionally, momentum in the GC columns product family expected to culminate in key OEM customer wins;
- the Polymer Science product category, driven by wins with key OEM customers in line with Trajan management's strategic review of the Soltec business. Refer to Section 3.9.2 for additional information on Trajan's strategic review of Soltec; and
- key wins in the Analytical Syringe product category.

The forecast revenue increase in the Life Science Solutions segment relates to Automation product category growth. This is consistent with the growth rates observed in recent years, driven by continued strong engagement and adoption of Trajan's automation solutions in the pharmaceutical sector, especially in HDX-MS, microfraction collection, automated powder dispensing, micro dispensing and NMR solutions.

Sections 4.6.2.1 and 3.12 outline that Trajan experienced revenue volatility from March 2020 to June 2020 and then a recovery of customer demand to pre-COVID-19 levels from July 2020. In the trading period prior to the outbreak of COVID-19, Trajan achieved sales growth of 11.6% (HY2020). This highlights Trajan's ability to achieve double digit growth rates. Refer to Section 4.3.1 for further detail on sales growth rates.

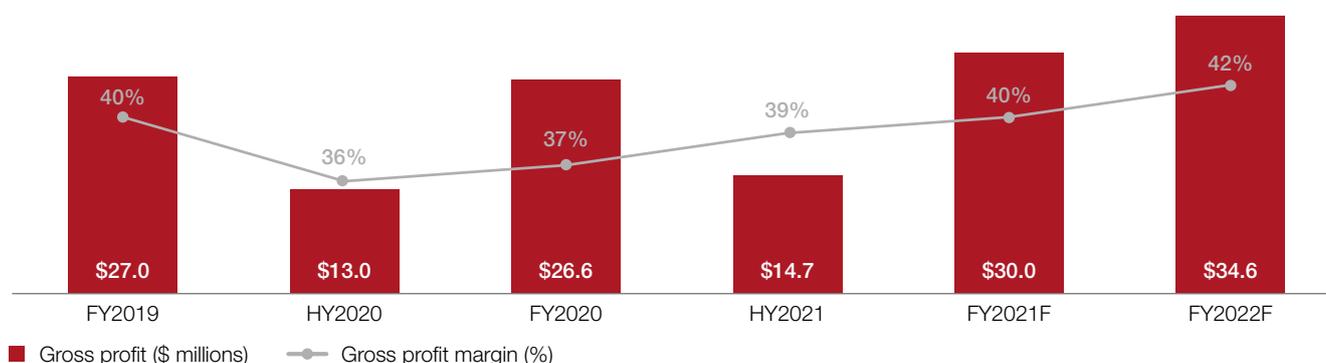
Trajan believes its suite of new products represent significant commercialisation upside. However, Trajan has forecast only modest revenue contribution from new technologies in FY2022F of \$0.25m related to hemaPEN and \$0.5m related to Hummingbird.

4.7.2 – Other income

Other income comprises foreign exchange gains and losses and grant income. The movement in other income is driven by foreign exchange fluctuations in foreign exchange contracts held in USD. Refer to Appendix A for further details on foreign currency translation.

4.7.3 – Cost of goods sold and gross margin

Figure 39: Cost of goods sold and gross margin FY2019 to FY2022F



Cost of goods sold comprises directly allocated labour costs (including employee on-costs), product costs (predominately materials), production overheads, scrap and freight expenses.

Trajan holds strong relationships with its suppliers, some of which have been supplying Trajan since its inception. Management believes these strong relationships ensure quality materials, competitive pricing and a diversified supplier base that minimise supply chain risk.

In 2017, Trajan began a multi-year, multi-phased process of transitioning the manufacturing process of numerous product families to a new facility based in Penang, Malaysia, refer to Section 3.6.1 for details on the Penang site. The Penang facility has enabled Trajan to access a lower cost manufacturing region. Trajan's multi-phased strategy was to ensure customer relationships were not impacted. Via site inspections and formal product transition approvals by key OEM customers, Trajan was able to negate any perceived quality and supply risks relating to the move.

The multi-phased process ensured quality and supply of product, however resulted in a prolonged period of cost duplication. Direct and indirect labour duplications occurred as the recruitment and training in Malaysia occurred in advance of any headcount reduction in the existing higher cost regions. This duplication of costs is a key driver of the decrease in gross margin percentage to 37% in FY2020, however the margin benefits of this transition can begin to be seen in HY2021, with the gross margin increasing to 39% once manufacturing transition approvals were obtained from key OEM customers and duplication of headcount was reduced. Management expects this trend to continue with a higher volume of products forecast to be manufactured out of the Penang facility, a key driver of the forecast gross margin improvements in FY2021F (40%) and FY2022F (42%).

Management does not foresee the benefits of this transition being limited to the forecast period, with additional product families being identified for transition to the Penang facility, representing a margin expansion opportunity beyond FY2022F.

The acquisition of Soltec was another key driver of the decrease in gross margin in FY2020 as Trajan absorbed the comparatively lower margin business into its structure while also investing in it for future growth. Refer to Section 3.9.2 for details on the Soltec acquisition strategic rationale and growth opportunities.

4. Financial information (continued)

Trajan has the ability to scale up manufacturing to meet customer demand, with multiple global sites that complement and expand legacy manufacturing facilities. This scalability represents both quality and supply assurances for customers in addition to presenting margin enhancement opportunities with higher volumes. Trajan's manufacturing facilities have excess capacity and include single operator, automated machinery. With higher sales forecast in FY2021F and FY2022 management believes incremental margin improvements via scale will be achieved.

4.7.4 – Occupancy expenses

Occupancy expenses represent maintenance and other facility costs related to manufacturing and operational sites.

Occupancy expenses increased from \$485k in FY2019 to \$532k in FY2020, driven by the costs of continued site integration associated with the Soltec acquisition.

4.7.5 – Employee expenses

Employee expenses include personnel salaries, wages and employment on-costs which are not associated to cost of goods sold.

Employee expenses increased from \$8.1m in HY2020 to \$9.0m in HY2021, driven by expenses related to the employee short term incentive plan and additional salary costs of newly hired individuals into operational and leadership roles. In line with the forecast growth in the business, Trajan has allowed for an increase from the FY2020 employee costs of \$17.1m, to \$17.9m in FY2021F and \$18.7m in FY2022F.

4.7.6 – General administration and marketing costs

General administration and marketing costs include travel, professional fees and marketing costs. General administration and marketing expense decreased from \$2.1m in HY2020 to \$1.0m in HY2021. The reduction in general administration and marketing costs is driven by the reduction in global travel and event costs due to COVID-19. Management forecasts this trend to continue for FY2021F, with continued cost controlling initiatives. Management forecasts business travel and event spend to increase in FY2022F, with international travel expected to recommence in calendar year 2022. Travel costs are expected to be at 50% of pre-COVID-19 levels for the second half of FY2022F. Trajan does not expect that travel expenses will return to pre-COVID levels within the forecast period.

4.7.7 – IPO expenses

Ongoing listed costs represent estimated incremental costs of being a listed public company and have been restated against historical results and forecast.

The estimated costs include Director remuneration, increased audit and legal costs, and increased insurance and administration costs.

4.7.8 – Capital expenditure

Table 4.10 below sets out Pro Forma Historical and Forecast capital expenditure.

Table 4.10: Summary of capital expenditure

Pro forma Historical and Pro Forma Forecast						
\$ thousands	FY2019	FY2020	HY2020	HY2021	FY2021F	FY2022F
Capital expenditure	1,592	797	540	–	792	1,679
Capital expenditure from acquisitions	1,464	–	–	–	–	–
Total capital expenditure	3,056	797	540	–	792	1,679

Capital expenditure from acquisitions in FY2019 relates to the acquisition of Soltec.

Capital expenditure was put on hold in HY2021 due to the uncertainty surrounding COVID-19. Capital expenditure recommenced in the second half of FY2021F. Capital expenditure from future acquisitions has not been included in the forecast.

As highlighted, earlier the small complementary acquisitions referenced in Table 4.9 and Section 4.5.1 have not been included in the FY2021F or FY2022F forecast capital expenditure.

4.7.9 – Operating cash flows

Net cash flow measures the free cash available to Trajan after all inflows and outflows. For the detail of pro forma net cash flows refer to Table 4.6 in Section 4.4.

In the forecast period, the expected net cash flow is \$6.1m in FY2021F and \$7.2m in FY2022F. This equates to a percentage return on EBITDA of 65% in FY2021F and 67% in FY2022F.

The periods FY2019, FY2020 and FY2021F include ongoing listed costs of \$1.3m per annum that were not applicable at the time. Including this item has turned net cash flow negative.

HY2021 includes receipts from investments of \$2.6m which increased net cash flow.

Table 4.11: Summary of net cash flow

Pro forma Historical and Pro Forma Forecast						
\$ thousands	FY2019	FY2020	HY2020	HY2021	FY2021F	FY2022F
EBITDA	5,445	5,266	2,275	5,074	9,457	10,683
Net cash flow	(314)	(140)	(1,537)	5,908	6,142	7,204

4.8 – Sensitivity analysis

The Forecast Financial Information included in this Section 4.8 is based upon a number of estimates and assumptions as described in Sections 4.6.1 and 4.6.2. These estimates and assumptions are subject to business, economic and competitive uncertainties and contingencies, many of which are beyond the control of Trajan, the Directors and management. These estimates are also based on assumptions with respect to future business decisions, which are subject to change.

Set out below is a summary of the key sensitivities of the Pro Forma Forecast EBITDA and NPAT for FY2021F and FY2022F to changes in a number of key assumptions. The changes in the key assumptions (noting that the sensitivities only apply from February 2020 onwards) set out in the sensitivity analysis are intended to provide a guide only and are not intended to be indicative of the complete range of variations that may be experienced. Variations in actual performance could exceed the ranges shown. For the purpose of this analysis, each sensitivity is presented in terms of the impact of each on FY2021F and FY2022F Pro Forma Forecast EBITDA and NPAT and as set out below.

It should be noted that Trajan uses Foreign Exchange Contracts to protect against the fluctuation of the USD against the AUD. Trajan's hedging strategy is to hold contracts 3-18 months out, depending on economic circumstances. Trajan currently holds contracts to exchange USD which settle evenly between February 2022 and December 2022. As the USD/AUD exchange rate fluctuates, a gain or loss is booked to the income statement. This sensitivity analysis assumes that there is a 2.5% fluctuation, of AUD against all other currencies at the beginning of the forecast period and that the gain or loss on the foreign exchange contract is brought to account (in line with AAS) against the income statement impact in FY2021F only. It also assumes that FY2022F contains no revaluation of foreign exchange contracts and assumes that Trajan does not take out further contracts in the forecast period.

As highlighted earlier, Trajan has contracts out to December 2022; therefore, in practice, this gain or loss will actually be recorded over a combined FY2021F and FY2022F period, as the foreign contracts are realised, as opposed to marked-to-market in FY2021F, as reflected in this analysis.

Care should be taken when interpreting the sensitivities below. The impact on changes to the variables presented has been considered in isolation from changes in other variables. In practice, a change to one variable is likely to have a flow on impact to other variables and may also impact the decision making of management. Management has operational options it can exercise to adapt to changes in currency rates. These include shifting greater production volumes to different geographies.

4. Financial information (continued)

Table 4.12: Summary of key sensitivities

\$ thousands	Notes	Increase/ Decrease	FY2021F Pro Forma EBITDA impact	FY2021F Pro Forma NPAT impact	FY2022F Pro Forma EBITDA impact	FY2022F Pro Forma NPAT impact
AUD foreign exchange movement	1	+/- 2.5%	+/- \$200	+/- \$155	+/- \$1,523	+/- \$1,407
Gross Profit margin %	2	+/- 1.0%pts	+/- \$300	+/- \$237	+/- \$826	+/- \$653

Notes:

1. Trajan has a foreign currency mix in both revenue and costs. This sensitivity models the impact of a +/- 2.5% movement of AUD against all other currencies. Trajan holds foreign exchange contracts to protect against the movement of AUD against USD. The revaluation of these contracts has been netted off against the FY2021F movements. The impact in this analysis assumes that management takes no further action in mitigating FX risk, whereas management has alternative strategies to consider in the event of an appreciating AUD.
2. Calculated assuming a +/- 1.0%pts movement in Gross Profit margin % from February 2021 onwards.

4.9 – Dividend policy

The payment of a dividend by Trajan is at the discretion of the Board and will be dependent upon a number of factors, many of which may be outside the control of Trajan management and its Directors and are not reliably predictable. These include the general business environment, operating results, cash flows and Trajan's future funding requirements, capital management initiatives, taxation considerations, any contractual, legal or regulatory restrictions on the payment of dividends by Trajan, and any other factors the Directors may consider relevant.

While it is the aim of Trajan that, in the longer term, Trajan's financial performance and position will enable the payment of dividends, at the Prospectus Date, Trajan does not intend, nor expect to declare nor pay any dividends in the immediately foreseeable future as Trajan's focus will be to reinvest available funds in order to maximise its growth.

4.10 – Directors' statement

Each Director confirms that they have made enquiries and nothing has come to their attention to suggest that the Company is not continuing to earn profit from continuing operations up to the date of this Prospectus.

5

Key risks



5. Key risks

Introduction

This Section 5 describes some of the potential risks associated with Trajan's business and an investment in Shares. It does not list every risk that may be associated with Trajan and the occurrence or consequences of some of the risks described in this Section 5 are partially or completely outside the control of Trajan and its Directors and management.

The selection of risks has been based on an assessment of a combination of the probability of the risk occurring and the impact of the risk if it did occur. The assessment is based on the knowledge of the Directors and management as at the Prospectus Date. The risks may change or other risks may emerge after that date.

Before applying for Shares, you should read this Prospectus carefully and in its entirety and you should be satisfied that you have a sufficient understanding of the risks involved in making an investment in Trajan and whether it is a suitable investment, having regard to your investment objectives, financial circumstances and taxation position. It is recommended that you seek professional guidance from your stockbroker, solicitor, accountant or other independent and qualified professional adviser before deciding whether to invest.

Prospective investors should be aware that the risks outlined in this Section 5 should be considered in conjunction with the other information disclosed in this Prospectus. There can be no guarantee that Trajan will achieve its stated objectives or that any forward-looking statements contained in this Prospectus will be realised or otherwise eventuate.

5.1 – Risks specific to an investment in Trajan

5.1.1 – New and existing competitors could adversely affect prices and demand for products and impact Trajan's market share

Trajan operates in an industry in which precision products and equipment are required and customers constantly seek enhancement and refinement of these products. As such, Trajan's position in the relevant market segments in which it operates may be adversely impacted where new or existing competitors strengthen their market presence through increased funding of product development or industry consolidation, increased brand awareness or attractiveness to customers, or through financial or operational advantages which allow them to compete more aggressively on product quality and/or pricing. A loss by Trajan of its competitive position in the market may adversely impact the financial performance of the Company. In addition, the Company may need to quickly and effectively adapt pricing and margins in response to changes in the competitive landscape or increase competitive pressure. This may have an adverse effect on Trajan's financial and/or operational performance.

5.1.2 – Manufacturing and production risks

Trajan manufactures a majority of its products at five sites: Melbourne (Australia), Penang (Malaysia), Austin (US), Bethel (US) and Raleigh (US). The Melbourne site is the largest of the five sites and produces the largest amount of goods (by volume and by value). All sites are exposed to the risk of natural disasters and operational or human error which may result in manufacturing delays or disruptions. Examples of risks to manufacturing and production include major equipment failure, damage or operational issues with product manufacturing infrastructure, fire, flood and any other event which may cause long-term loss of access to utilities. Any manufacturing delay or disruption has the potential to adversely impact supply of products to customers, which could affect contractual obligations. While Trajan maintains what it considers to be an appropriate level of stock to meet any minor manufacturing delays, a major manufacturing delay is likely to impact on the Company's revenue and overall financial performance.

5.1.3 – Loss of key customers or a reduction in sales to key customers

As noted in Section 3.5, Trajan has a broad and global customer base which means that it is not overly reliant on any individual customer. However, Trajan's 10 largest customers currently comprise a substantial portion of its revenue and a material breach of contract or a failure to maintain positive relations with those customers may result in an adverse outcome for Trajan's financial performance.

While Trajan has entered into long-term supply contracts with some of its key customers, those supply contracts generally provide the customer with rights to terminate for convenience and otherwise do not oblige customers to purchase any minimum or maximum quantity of products from Trajan. While these contractual arrangements are customary for the industries in which Trajan operates, they present a risk that key customers may elect to reduce their product purchases from Trajan in the future or unilaterally terminate their supply contracts for convenience.

In addition, Trajan does not hold formal written contracts with some of its key customers. While Trajan has a long track record of undertaking business with these parties on consistent terms and conditions, the absence of a formal written contract exposes Trajan to the same risks identified for contracted customers – relevantly, that uncontracted customers may elect to reduce their dealings with Trajan in the future or unilaterally decide to cease all dealings with Trajan.

The loss of any existing customer will adversely affect Trajan's revenue and profitability.

5.1.4 – Customer funding risk impact sales

A portion of Trajan's customers rely on ongoing financial support from governments, charitable foundations and other institutions. There is an inherent risk that any one or more of these customers are unable to secure the ongoing funding required to undertake research or other activities for which Trajan's products are required and, therefore, cease to purchase Trajan's products. Similarly, there is a risk that Trajan's customers which rely on private funding are unable to secure the required funding which precedes those clients purchasing products from Trajan. If any of these risks materialise, Trajan could experience a loss of revenue in respect of the sale of products to the relevant customers.

5.1.5 – Ongoing commerciality of existing products

There is a risk that Trajan's existing products could lose all or part of their commerciality. This could occur because of any one of several factors, including redundancy as a result of alternate products entering the market from a competitor or otherwise. While Trajan is confident in its market position and market share, there can be no guarantee that its existing products will continue to be commercially viable. Any loss of commerciality of its products may adversely affect Trajan's financial performance.

5.1.6 – Commerciality of new product pipeline

There are many risks associated with the development of new technology, particularly in the health sector where regulatory and safety standards are paramount. Developing new products and commercialising them is time consuming and expensive and Trajan competitors include well-resourced market participants. On top of the regulatory requirements, the commercial success of Trajan's new technology products is reliant on the acceptance and take-up of them by customers. While Trajan has had success in the past in introducing evolved, enhanced and customised products to customers, the level of market acceptance and adoption of Trajan's new products is not assured and will depend on several factors including:

- completing the development and production of products in a cost effective and timely manner;
- successfully obtaining the requisite regulatory approvals by being able to demonstrate, where required, the safety and efficacy of the products;
- the advantage(s) of Trajan's products over competitor products;
- Trajan's ability to successfully market the products, demonstrating the safety, efficacy and cost effectiveness;
- Trajan's ability to scale up production to levels required by customers;
- the individual preferences of customers; and
- Trajan's products performing to expected standards.

In addition, the acceptance of Trajan's new products may be slower than expected or may not gain enough acceptance to reach sufficient critical mass for ongoing commercial production. Trajan cannot guarantee that any products under development will result in the launch of a commercially viable or successful product.

5.1.7 – Future acquisitions risks

As discussed in Section 3.9.3, Trajan intends to continue to actively assess acquisition opportunities of complementary and synergistic businesses and assets. Although Trajan will attempt to undertake all reasonable and appropriate due diligence investigations in respect of any acquisition opportunity, there is a risk that those investigations may be incomplete or inaccurate and will not ultimately identify an adverse issue which could result in the performance of the acquired business or asset being less than expected, unexpected liabilities accruing to Trajan or unexpected revenue and customer losses occurring from the acquired business or asset. Although the Company will seek to ensure it has appropriate acquisition structures in place and obtains suitable warranties and indemnities in respect of an acquisition, there is a risk that adverse issues are subsequently discovered and that these risks cannot be fully mitigated by any contractual protection. If an unforeseen liability arises in respect of which Trajan is not able to rely on any contractual protection, this may adversely affect Trajan's financial and operating performance.

Trajan may also be unable to execute on its acquisition strategy due to a number of factors including being unable to reach appropriate acquisition terms with identified targets or identified targets failing to satisfy Trajan's due diligence requirements. In addition, there is a risk that any future acquisitions may fail to meet intended strategic and/or financial objectives, generate expected synergies and benefits, or provide an adequate return on the purchase price and resources invested in them. This may occur due to a variety of factors, including poor market conditions, poor integration of personnel, personnel losses, client losses, technology impacts or other integration barriers. Any of the above factors, either individually or in combination, may have an adverse effect on the Company's financial and operational performance.

5. Key risks (continued)

Finally, there is a risk that, should an acquisition opportunity arise, Trajan will not be able to meet consideration requirements for such an acquisition if, in the case of any acquisition under which any or all consideration is to comprise cash, the Company does not have adequate cash reserves or the Company is not able to secure appropriate financing, or, in the case of any acquisition under which any or all consideration is to comprise equity or convertible securities (as those terms are defined in the ASX Listing Rules), the Company is not permitted to issue such securities whether under the ASX Listing Rules, the Corporations Act or any other relevant legislative or regulatory provision.

5.1.8 – Market expansion risk

Trajan's future expansion into new markets (whether into new products or product categories or in new locations) may expose the Company to unforeseeable risks. These risks include regulatory requirements, complications or inefficiencies related to staff, managerial and operational performance, enforcement of contractual obligations and intellectual property rights, differing consumer sentiments and preferences, competition from existing established competitors, exchange rate fluctuations, political or economic instabilities, and taxation.

Trajan will make informed decisions on the attractiveness and effectiveness of any future expansions into new markets, based on information available at that time. If available information is ultimately inaccurate, or circumstances arise outside of Trajan's control while entering a new market, there may be a material adverse effect on the financial and/or operational performance of the Company.

5.1.9 – Ability to retain and attract key personnel

Trajan relies heavily on its existing key management personnel, particularly Group CEO and Managing Director, co-founder Stephen Tomisich. These individuals have intimate knowledge of Trajan's business, its operations, products and customers. There can be no assurance that Trajan will be able to retain all key management personnel and the departure of such personnel may adversely affect the Company's financial and operational performance. The loss of key personnel may be mitigated by the depth and diversity of the remaining management talent at Trajan as well as the recruitment of suitability qualified replacements. However, there is no guarantee that recruitment can be undertaken in a timely manner or as to the performance of the replacement personnel.

While Trajan undertakes succession planning in the ordinary course of business, Trajan's business may be disrupted and its financial and/or operational performance could be materially adversely affected if Trajan cannot attract and/or retain employees or senior management personnel to implement Trajan's growth strategy.

5.1.10 – Foreign exchange fluctuations

Trajan's management accounts and financial statements are maintained and presented in AUD. While Trajan incurs labour, input and other production costs in various currencies due to its global operations, a significant proportion of costs are incurred in AUD. However, the majority of Trajan's revenue is received in USD. Accordingly, Trajan is exposed to foreign exchange movements generally and, in particular, movements in the USD:AUD exchange rate. Although Trajan attempts to mitigate this risk via a hedging strategy (please refer to Section 4.8) and is seeking to diversify its production costs by increasing production in other locations, long-term material adverse movements in the USD:AUD exchange rate would be detrimental to the Company's financial performance.

5.1.11 – Intellectual property ownership and use

The value of many Trajan products is dependent on granted patents, trademarks and other intellectual property rights such as licenses to exploit intellectual property rights which Trajan may have been granted by third parties, as well as unregistered intellectual property such as know-how and trade secrets. Unauthorised parties may obtain or copy some or all of Trajan's intellectual property which may ultimately result in competitors adopting and commercialising such intellectual property. Competitors may also develop alternative intellectual property that closely mirrors or circumvents Trajan's intellectual property.

In addition, there is a risk that Trajan may inadvertently fail to protect its intellectual property sufficiently or infringe the intellectual property rights of third parties. Any such breaches could result in an inability to use the intellectual property in question and erode Trajan's competitive position.

The Company may also need to take legal action to remedy a breach of its intellectual rights which may involve significant expense and have an adverse effect on Trajan's financial and/or operational performance in the future.

The patent and other intellectual property rights in some new products being developed by Trajan is owned by third parties. Consequently Trajan must enter into licences with these third party owners to use the intellectual property in commercialising these products. There is an inherent risk that Trajan cannot secure or maintain some or all of the intellectual property rights required to commercialise each product. If Trajan cannot secure or maintain these intellectual property rights, Trajan may not be able to commercialise and generate revenue from some of these products.

In relation to hemaPEN[®], as set out in Table 5 in section 3.8.2, the University of Tasmania has granted Trajan an exclusive worldwide royalty bearing licence to exploit the intellectual property in certain patents associated with hemaPEN[®]. Trajan and the University of Tasmania are currently negotiating an additional exclusive worldwide royalty bearing licence relating to another patent relating to hemaPEN[®]. Similarly, Trajan is in advanced negotiations with the third party who owns the intellectual property associated with the micro biopsy device Trajan is developing.

5.1.12 – Regulatory approvals

Trajan's business is governed by various regulations in the jurisdictions in which it operates. The production and sale of its products is dependent on obtaining and maintaining regulatory approvals and other required government agency approvals. Approvals may be required in relation to Trajan's products and include approvals from the TGA, CE Mark and FDA. Where Trajan sells its products on an OEM basis to analytical instrument producers, those customers are sometimes responsible for obtaining and maintaining regulatory approvals. The regulatory approvals currently held by Trajan for its products are listed in Section 3.11.

There is no assurance that every product Trajan is currently developing will obtain the required regulatory approvals and therefore be available for commercial sale. Trajan's success in obtaining earlier approvals of Trajan products is no guarantee as to the success of regulatory approval of future products.

If Trajan or its OEM customers were to fail to obtain or maintain the requisite regulatory approvals for its products, Trajan's revenue and profitability may be adversely affected.

5.1.13 – The achievement of margin enhancement from Malaysian operations

Trajan opened a production facility in Penang, Malaysia in 2017 and the Company is gradually transitioning the assembly of certain products to that facility. Trajan anticipates the transition to result in lower operational costs associated with those products. However, there is a risk that the cost savings are less than expected, or are realised more slowly than expected or are not realised at all.

5.1.14 – Reliance on key suppliers

Trajan relies on suppliers for some key material inputs for the fabrication of its products including glass, metal and polymer as well as components for its automation platforms. Certain suppliers may not be readily replaceable due to their customised supply or due to a Trajan customer's requirement for validation of the replacement product supplied (for instance, to an OEM customer). Trajan does not hold formal written contracts with some of its key suppliers. While Trajan has a long track record of undertaking business with these suppliers on consistent terms and conditions, the absence of a formal written contract exposes Trajan to the same risks identified for uncontracted customers – relevantly, that uncontracted suppliers may elect to reduce their dealings with Trajan in the future or unilaterally decide to cease all dealings with Trajan. If such suppliers were to cease trading or otherwise cease supplying Trajan for any reason, including where there is a deterioration of Trajan's relationship with these suppliers or a relevant supply agreement is terminated or unable to be renewed on terms acceptable to Trajan, the Company's operational and financial performance may be adversely affected.

Third-party suppliers may also have a "stock out" with insufficient quantities of products available for supply to Trajan in a timely manner or encounter financial or material difficulties. In addition, Trajan's suppliers may incur unforeseen costs and seek changes in credit terms as a result. These factors may adversely affect Trajan's customers or customer orders, which in turn may have a material adverse effect on Trajan's operational and financial performance.

5.1.15 – Cost of key inputs

Trajan is exposed to changes to the costs of key material inputs for the fabrication of its products. Any increase in these costs will increase the cost of production for Trajan and may result in a reduction in profitability where these costs cannot be passed onto customers, or be mitigated by savings in other aspects of the production process. The ability to pass such cost increases onto customers may be limited due to existing supply arrangements, agreements and contracts.

Separate from key material inputs, labour costs represent a material proportion of Trajan's overall cost base and any increase in labour costs will impact the profitability of Trajan. In addition, any changes to industrial awards could also negatively impact labour costs and if Trajan employees were to take industrial action, Trajan could be exposed to loss to the extent that such action impedes the Company's ability to meet customer production requirements.

5. Key risks (continued)

5.1.16 – Workplace incidents or accidents

The manufacture of Trajan's products involves certain processes that involve the use of machinery and equipment and the storage, use and disposal of hazardous chemicals. Trajan is subject to laws and regulations governing the use, storage, handling and disposal of these materials and, while Trajan ensures that its safety protocols comply with these laws and regulations, there is a risk that accidental injury, exposure or contamination may occur. If such a risk were realised, Trajan may incur reputational damage, compensation claim/s and/or other legal damages claims. There is also a risk of significant costs associated with civil penalties and criminal fines (if relevant), and the risk of temporary site closure which would delay the Company's ability to meet customer production requirements, which in turn, could impact Trajan's revenue and financial performance.

5.1.17 – IT failure or security breach

Trajan relies on the capability and dependability of third-party software and IT service providers to assist in managing its business operations. Trajan is in possession of sensitive employee and customer information and data. There is a risk that any system failure of software or services provided by third parties could compromise Trajan's data security and integrity. Similarly, a deliberate, malicious or otherwise unauthorised access or hacking of these systems or networks would similarly compromise Trajan's data security and integrity. This could expose Trajan to privacy and data protection law breaches, claims from customers, disruption to operating activities, electronic theft, loss of intellectual property or trade secrets, as well as reputational damage within the industry and the broader public. Each of these risks could adversely affect Trajan's financial performance.

5.1.18 – COVID-19 related risks

Events related to the ongoing COVID-19 pandemic have resulted in significant global uncertainty and market volatility. The future response of customers, governments and authorities globally to address and manage the pandemic via lockdowns, shutdowns and travel restrictions are fluid and difficult to forecast, as are the ongoing effects of the COVID-19 pandemic on the economies of the jurisdictions in which Trajan operates. Accordingly, the scope of the impact or potential impact of the ongoing COVID-19 pandemic on Trajan's operations cannot be determined with any meaningful degree of accuracy and, therefore, there is a risk that events related to the pandemic may have a material adverse effect on Trajan's financial and/or operating performance.

Despite vaccination programs underway globally, there is a risk that Trajan's manufacturing operations or supply chain could be adversely affected by COVID-19. This could arise from an infection or cluster of cases at a Trajan site or amongst staff, if the ability to transport products between countries is disrupted, key suppliers are negatively affected, or Trajan is otherwise unable to efficiently distribute its products to customers. A disruption to Trajan's manufacturing operations or supply chain may have a material adverse effect on Trajan's financial and/or operating performance.

Restrictions on freedom of movement of populations could result in lower activity by Trajan customers which could result in lower demand for consumable products. This may be offset by an increased emphasis on health and wellbeing analysis. However, the net impact is uncertain, and thus presents an adverse risk for Trajan.

5.1.19 – GDPR compliance

The legislative and regulatory landscape for privacy and data security continues to evolve. There has been increased focus on privacy and data security issues that could potentially affect Trajan's business, including the impact of the EU General Data Protection Regulation (**GDPR**), which came into effect on 25 May 2018 and imposes penalties up to 4% of annual global turnover. Trajan is in the process of reviewing its GDPR compliance. This could be a rigorous and time-intensive process that may increase Trajan's cost of doing business or require a change to business practices, and despite those efforts, there is a risk that Trajan may be subject to fines and penalties, litigation, and reputational harm in connection with any European activities. As part of the GDPR compliance review, any additional risks associated with the processing of health related information from individuals in the European Economic Area will be considered.

5.1.20 – Funding of future capital needs

Trajan may be required in the future to raise capital through public or private financing or other arrangements. Such financing may not be available on acceptable terms, or at all, and a failure to raise capital when needed could harm Trajan's business. If Trajan cannot raise funds on acceptable terms, Trajan may not be able to grow its business or respond to competitive pressures.

5.1.21 – Counterparty risk

The delay or failure of customers or other counterparties to pay their debts or other obligations to Trajan when due may have a material adverse impact on the Company's future financial performance, cash flows and financial position. The Company maintains provisions for bad and doubtful debts, the adequacy of which is regularly reviewed. If these provisions are inadequate, there may be an adverse impact on the Company's future financial performance and position.

5.1.22 – Risk of litigation, claims, disputes and regulatory investigations

Trajan may be subject to litigation, claims, disputes and regulatory investigations relating to employment disputes, contractual disputes, indemnity claims, occupational health and safety claims, actions brought by other third parties, or criminal or civil proceedings. Trajan could face civil penalty proceedings, other legal or regulatory sanctions or reputational damage as a result of any failure to comply with applicable laws, regulations or codes of conduct. This may have a material adverse effect on the Company's financial and/or operational performance.

5.1.23 – Insurance

Trajan maintains insurance coverage in relation to different aspects of its business and operations. However, no assurance can be given that such insurance will be available in the future on a commercially reasonable basis or that Trajan will have adequate insurance to cover against all claims made. If Trajan incurs uninsured losses or liabilities, its assets, profits and prospects may be materially adversely affected. There is a risk that Trajan may be subject to claims in respect of both historical and future incidents. If such claims arise, there is a risk that Trajan's insurance cover may not adequately protect it against those claims, which may have a material adverse effect on Trajan. Further, Trajan may not be able to recover under its insurance if the company or companies providing the insurance (or any reinsurance) are under financial distress or fail. Additionally, various factors may influence insurance premiums, which may have a detrimental impact on Trajan's financial performance.

5.2 – General risks of an investment in Trajan

5.2.1 – Existing Shareholder retains a significant stake in the Company post-Listing

Following Completion, the Existing Shareholder will hold 59.1% of the issued capital of the Company, comprising 76,470,588 Shares.

These Shares will be subject to the Escrow Restrictions described in Section 7.21. There will be no restrictions on the sale of any Escrowed Shares on and from the date on which those Escrow Restrictions are released in accordance with the terms of the voluntary escrow deed described in Section 7.21, or sooner, in the event an exception to the restriction is available.

Following the end of the escrow period, a significant sale of Shares by the Existing Shareholder, or the perception that such sales might occur, may adversely affect the price of Shares. Alternatively, the absence of any sale of Shares by the Existing Shareholder may cause or contribute to a diminution in the liquidity of the market for the Shares.

5.2.2 – Trading in Shares may not be liquid

Once the Shares are quoted on the ASX, there can be no guarantee that an active trading market for the Shares will develop or that the price of the Shares will increase. There may be relatively few potential buyers or sellers of the Shares on the ASX at any time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less than the price that Shareholders paid.

5.2.3 – Activity levels in industry sector may change

Trajan's customer base predominately operates in the analytical science industry. Any adverse developments which impact the analytical science sector have the potential to impact the demand for Trajan's products and services, which could adversely impact the future financial performance of the Company.

5. Key risks (continued)

5.2.4 – Shareholders may suffer dilution

In the future, the Company may elect to issue Shares or engage in fundraisings including to fund acquisitions that Trajan may decide to undertake. While the Company will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital that it is able to issue within a 12-month period (other than where exceptions apply), Shareholders may be diluted as a result of such issues and fundraisings.

5.2.5 – Changes to laws and regulations

Trajan is subject to, and must comply with, a variety of laws and regulations in Australia, the United States, the United Kingdom, Malaysia, Japan, and other foreign jurisdictions in which Trajan distributes its products in the ordinary course of its business. These laws and regulations include those that relate to fair trading and consumer protection, product safety, employment, taxation (including GST and stamp duty in Australia) and customs and tariffs.

Changes to laws and regulations in these areas may adversely affect Trajan, including by increasing Trajan's costs either directly (such as an increase in the amount of tax it is required to pay), or indirectly (including by increasing the cost to Trajan's business of complying with legal requirements). Any such adverse effect may impact Trajan's future operating and/or financial performance.

5.2.6 – Adverse taxation changes may occur

There is the potential for changes to tax laws. Any change to the current rates of taxes imposed on Trajan (including in foreign jurisdictions in which Trajan operates) is likely to affect returns to Shareholders.

An interpretation of taxation laws by the relevant tax authority that is contrary to Trajan's view of those laws may increase the amount of tax to be paid or cause changes in the carrying value of tax assets in Trajan's financial statements. In addition, any change in tax rules and tax arrangements could have an adverse effect on the level of dividend franking and Shareholder returns.

With operations in Australia, the United States, the United Kingdom, Malaysia, Oceania, EMEA and Japan, Trajan is potentially exposed to changes in taxation law legislation or interpretation in each of those jurisdictions.

5.2.7 – Australian Accounting Standards may change

Australian Accounting Standards are set by the AASB and are outside the control of either the Company or its Directors. New or refined Australian Accounting Standards may affect future measurement and recognition of key income statement and balance sheet items, including revenue and receivables.

There is also a risk that interpretation of existing Australian Accounting Standards, including those relating to the measurement and recognition of key income statement and balance sheet items, including revenue and receivables, may differ. Changes to Australian Accounting Standards issued by the AASB or changes to the commonly held views on the application of those standards could materially adversely affect the financial performance and position reported in the Company's financial statements.

5.2.8 – Force majeure events may occur

Events may occur within or outside Australia, the United States, the United Kingdom, Malaysia and Japan that could impact upon the Australian, the United States, the United Kingdom, Malaysian and Japanese economies and the economies of the countries in which Trajan distributes its products, Trajan's operations and the price of the Shares. The events include but are not limited to acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other natural or man-made events or occurrences that can have an adverse effect on the demand for Trajan's services and its ability to conduct business. Trajan has only a limited ability to insure against some of these risks.

5.2.9 – Epidemics and pandemics

In addition to force majeure events mentioned in Section 5.2.8 above, a rapid spread of infectious disease to a large number of people within a short period of time may occur within or outside the countries in which Trajan operates. In particular, a pandemic similar in nature to the COVID-19 pandemic outbreak may adversely affect general economic sentiment, the global economy, stock markets and other financial markets. COVID-19 is currently of significant concern to the worldwide community and has clouded the near- and medium-term outlook for the global economy. Financial markets have also been volatile as market participants and governments worldwide assess the risks associated with the coronavirus and global supply chains are being severely impacted across major industries. Measures introduced to limit transmission of the virus are likely to have a negative impact on the global economy and economic growth. As a result of the global outbreak, monetary policy has been eased to provide additional support to employment and economic activity. Given the evolving situation, it is difficult to predict the nature and extent of the risk and the impact on Trajan. The impact of the virus on consumer sentiment, demand and confidence generally could materially adversely affect Trajan's operations and/or financial performance.

5.2.10 – Climate change

Climate change and the corresponding increase in the likelihood of events such as floods, droughts, fires, heatwaves and cyclones could impact Trajan by causing increased costs, closures, disruption to operations, lack of access, damage to the warehouse or stock, impacts on supply and transportation of product, among other things. Such events may lead to an increase in operational costs or business interruption and may have a detrimental impact on Trajan's financial and/or operational performance.

5.2.11 – General investment risks

The price at which Shares are quoted on the ASX may increase or decrease due to a number of factors. These factors may cause the Shares to trade at prices below the price at which the Shares are being offered under this Prospectus. There is no assurance that the price of the Shares will increase following the quotation on the ASX, even if Trajan's earnings increase. Some of the factors which may affect the price of the Shares include:

- fluctuations in the domestic and international market for listed stocks;
- general economic conditions, including interest rates, inflation rates, exchange rates, commodity and oil prices or changes to government fiscal, monetary or regulatory policies, legislation or regulation;
- inclusion in or removal from market indices;
- the nature of the markets in which Trajan operates; and
- general operational and business risks.

Other factors which may negatively affect investor sentiment and influence the price of Shares specifically or the capital markets more generally, include acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other man-made or natural events.

6

Key individuals, interests and benefits



6. Key individuals, interests and benefits

6.1 – Board of Directors

The Directors bring to the Board relevant experience and skills, including industry and business knowledge, financial management and corporate governance experience.

Director	Experience
 <p>John Eales AM <i>Non-Executive Chair</i></p>	<p>John graduated from the University of Queensland in 1991 before embarking on a 10-year international sporting career with the Australian rugby team from 1991, captaining the Wallabies from 1996 until 2001.</p> <p>John has served as an executive, adviser, director and investor in a number of listed and unlisted private organisations. John co-founded the Mettle Group in 2003 – a corporate consultancy which was acquired by Chandler Macleod in 2007.</p> <p>John currently sits on the ASX boards of Magellan Financial Group and Flight Centre Travel Group. He also sits on the board of FUJIFILM Data Management Solutions Pty Ltd and Executive Health Solutions. He recently stepped down from his role as a Director of The Palladium Group and continues to serve as a consultant to major Australian companies, including Westpac.</p> <p>John has been a regular columnist in both the Australian Financial Review and The Australian over the last 20 years and is the author of two books, Learning from Legends Sport and Learning from Legends Business. He is the Chair of the World Rugby Hall of Fame Selection Panel and on the Rugby Australia Bid Advisory Committee for the Rugby World Cup 2027.</p> <p>He was made a Member of the Order of Australia in 1999 for services to the community and rugby and is a Patron of the Melanoma Foundation, Hearts in Union and the Champagnat Trust.</p> <p>John holds a Bachelor of Arts from the University of Queensland and is a graduate of the Australian Institute of Company Directors.</p>
 <p>Stephen Tomisich <i>Group Chief Executive Officer and Managing Director</i></p>	<p>Stephen co-founded Trajan in 2011.</p> <p>Stephen leads Trajan's senior management team and the Company's global operations.</p> <p>Since entering the analytical science industry in 1984, Stephen has held several senior leadership roles in the industry, both in Australia and internationally. Immediately prior to co-founding Trajan, Stephen was the Chief Executive Officer of SGE Analytical Science, a role he retained until Trajan acquired part of that business in 2013.</p> <p>Other significant industry roles include Managing Director of PerkinElmer Australia and Africa, Director of Marketing at Vision Systems (since acquired by Danaher), Managing Director of Selby-Biolab and other senior roles at Varian Instruments (now Agilent Technologies) in both Australia and the US.</p> <p>Stephen is responsible for the design and implementation of Trajan's strategic business plan and has led the negotiations of key customer and distribution agreements, the completion of Trajan's acquisitions and the establishment of Trajan's technological pipeline.</p> <p>Stephen holds a Bachelor of Applied Science from RMIT University.</p>
 <p>Robert Lyon <i>Executive Director</i></p>	<p>Robert is Head of Corporate Development and General Counsel at Trajan.</p> <p>Robert has global responsibility for the strategic growth of Trajan's business through mergers and acquisitions, licensing arrangements, and commercial relationships with Trajan's industry, academic, government and research partners in the scientific and medical sectors globally.</p> <p>As Trajan's General Counsel he also has responsibility for the negotiation and execution of Trajan's investments and transactions, as well as for its broader legal requirements.</p> <p>Prior to joining Trajan, Robert had a 15-year career in law including as a partner at Page Seager Lawyers before spending six years with KPMG Corporate Finance.</p> <p>Robert holds a Bachelor of Arts and Bachelor of Laws, as well as an MBA from the University of Tasmania. Robert is a graduate of the Australian Institute of Company Directors.</p>

6. Key individuals, interests and benefits (continued)

Director	Experience
 <p>Tiffany Lewin Non-Executive Director</p>	<p>Tiffany brings operational, risk and strategy expertise gained over a 30-year career in the consumer goods, manufacturing, professional services and the finance sectors.</p> <p>Tiffany is currently a senior leader at Westpac Group where she has served since 2015. She is the Director of Root Cause, and previously held roles as General Manager Premium Bank Victoria and Head of Customer Advocate Office.</p> <p>Prior to Westpac, Tiffany held senior leadership, operational and strategy roles across Australia and Asia for global organisations including Nestle Australia, Nestle Japan, SCA Hygiene, Mondelez International and Procter & Gamble, where she successfully delivered organisational transformation, performance turnaround and market growth across business and consumer sectors.</p> <p>Tiffany has a deep understanding of the Trajan businesses, having previously acted as a board adviser to Trajan.</p> <p>Tiffany holds a Bachelor of Arts from Sydney University and is a graduate of the Australian Institute of Company Directors.</p>
 <p>Rohit Khanna PhD Non-Executive Director</p>	<p>Rohit has nearly 40 years of experience in analytical science, business leadership and laboratory application software.</p> <p>In 1981, Rohit co-founded Dynamic Solutions, a software-engineering firm dedicated to providing computing solutions to the scientific and engineering community. The company's data management software became a leader in transitioning the analytical instrument industry to automated system control and data analysis, before being acquired by Waters Corporation in 1986.</p> <p>Rohit went on to hold various senior management roles at Waters Corporation, including Vice-President and General Manager of the Data Products Group. In 2002, Rohit was appointed Vice-President, Worldwide Marketing, and most recently Rohit was Senior Vice President of several key Waters Corporation businesses including Informatics, Service, and Chemistry – along with being a member of the Corporate Executive Committee.</p> <p>Rohit retired from Waters Corporation at the end of 2017 but remains closely connected to the industry, participating on several Boards and providing strategic advisory services.</p> <p>Rohit holds a Bachelor of Science (Chemical Engineering) from Purdue University and a doctorate in chemical engineering from California Institute of Technology where he was a National Science Foundation Fellow.</p>
 <p>Sara Watts Non-Executive Director</p>	<p>Sara is an experienced Non-Executive Director with financial and operational experience of more than 20 years in a range of industries including technology, education, NFP and resources.</p> <p>Sara's previous executive positions include Chief Financial Officer of IBM Australia/New Zealand, Head of Internal Audit for IBM Asia Pacific and Vice-Principal (Operations) at the University of Sydney.</p> <p>Sara is a Non-Executive Director of Syrah Resources where she is Chair of the Audit and Risk Committee.</p> <p>Other current appointments include Trustee of the Australian Museum where she is Chair of the Audit and Risk Committee, Non-Executive Director of Intrepica (trading as LiteracyPlanet) and Chair of the Audit and Risk Committee of the Independent Broad-Based Anti-Corruption Commission, Victoria (IBAC).</p> <p>Sara is a Certified Practising Accountant.</p> <p>Sara holds a Bachelor of Science from the University of Sydney and an MBA from Macquarie Graduate School of Management. Sara is a Fellow of CPA Australia and a Fellow of the Australian Institute of Company Directors.</p>

6.2 – Management

Profiles of Trajan’s senior management team are set out below. Further information on the terms of employment of certain members of the senior management team, including the CEO and CFO, are set out in Section 6.3.8.

Management	Experience
 <p>Stephen Tomisich <i>Group Chief Executive Officer and Managing Director</i></p>	See section 6.1.
 <p>Robert Lyon <i>Executive Director, Head of Corporate Development and General Counsel</i></p>	See Section 6.1.
 <p>Alister Hodges <i>Chief Financial Officer</i></p>	<p>Alister became Chief Financial Officer of Trajan in 2011. Alister has experience in senior financial and operational leadership roles with ASX listed life science companies.</p> <p>Prior to joining SGE Analytical Science as CFO in 2010, Alister was the CFO of Avecho Biotechnology Ltd. This followed almost nine years as a Divisional Controller at Vision Systems Ltd. Vision Systems Ltd was acquired by Danaher Corporation, completed in 2007.</p> <p>Alister is a Certified Practising Accountant.</p> <p>Alister holds a Bachelor of Business from Victoria University and Graduate Diploma in Accounting from Monash University.</p>

6. Key individuals, interests and benefits (continued)

Management	Experience
 <p>Andrew Gooley PhD <i>Chief Scientific Officer</i></p>	<p>Andrew has 40 years of experience in R&D and leads a multidisciplinary team of scientists and engineers on a diverse range of projects from medical device development, separation science instrumentation prototyping, through to consumables for the global analytical science community.</p> <p>Andrew has been responsible for the execution of a range of collaborative programs with the Australian academic and medical research community focused on the translation of research outcomes into new product development.</p> <p>Prior to his time at Trajan and SGE Analytical Science, Andrew was the Chief Science Officer at Proteome Systems.</p> <p>Before Andrew's business leadership roles, he had a distinguished career in academia. Andrew is currently Enterprise Professor at the University of Melbourne's School of Chemistry. He has an ongoing role in mentoring undergraduate and postgraduate scientists and engineers.</p> <p>Andrew holds a Bachelor of Science (Honours) and a PhD in Biotechnology from Macquarie University.</p>
 <p>Nigel Gilligan <i>Chief Operations Officer</i></p>	<p>Nigel provides operational leadership and guidance across Trajan's business.</p> <p>Nigel has 20 years of leadership experience in pharmaceuticals, medical devices and scientific instruments.</p> <p>Prior to his time at Trajan, Nigel was General Manager and Director of Europe, Middle East & Africa (EMEA) Operations at Hospira Inc. (owned by Pfizer Inc.) and Head of APAC Supply Chain at Mayne Pharma.</p> <p>Nigel holds a Bachelor of Science – Chemistry (Honours) from Monash University and a Diploma in Education from Melbourne University.</p>
 <p>Sam Evans <i>Senior Vice President Business Development</i></p>	<p>Sam is the head of the Trajan's global commercial team and is also a key member of the Company's business development team. Sam is responsible for the customer-facing commercial organisation, providing customer and market insights and identifying and executing project based opportunities.</p> <p>Sam has 20 years of leadership experience in technical and commercial roles in analytical, life sciences and engineering companies. Prior to joining Trajan, Sam was CEO at Bigham Ag and Global VP – Corporate Development at IMI Norgren.</p> <p>Sam holds a Bachelor of Engineering (Honours) in Automotive Engineering Design, from Coventry University.</p>

6.3 – Benefits and interests

This Section 6.3 outlines the nature and extent of the interests and fees of certain persons involved in the Offer. Other than as set out below or elsewhere in this Prospectus, no:

- Director or proposed Director of the Company;
- person named in this Prospectus who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- promoter of the Company; or
- underwriter to the Offer or a financial services licensee named in the Prospectus as a financial services licensee involved in the Offer,

holds at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or in connection with the Offer; or
- the Offer,

and no other amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to any such persons for services in connection with the formation or promotion of the Company or the Offer or to any Director or proposed Director to induce them to become, or qualify as, a Director of the Company.

6.3.1 – Non-executive Director remuneration

Under the Constitution, the Company in general meeting may determine the maximum aggregate remuneration to be provided to or for the benefit of the Non-Executive Directors as remuneration for their services as a Director. Further, under the ASX Listing Rules, the total amount of fees paid to the Non-Executive Directors (subject to certain exceptions) must not exceed in aggregate in any financial year the amount fixed by the Company's members in general meeting.

Initially, and until a different amount is determined, the maximum aggregate amount or value of non-executive Directors' remuneration for the purposes of the ASX Listing Rules and the Constitution is \$450,000 per annum of which \$434,775¹⁸ is currently utilised. This amount excludes, among other things, amounts payable to any executive Director under any executive services agreement with the Group or any special remuneration which the Board may grant to the Directors for special exertions or additional services performed by a Director for or at the request of the Company.

The following annual base fees are payable to Non-Executive Directors (with effect from Completion):

Role	Amount	Relevant Directors
Chair	\$60,000	John Eales AM
Non-Executive Director	\$40,000	Tiffany Lewin Rohit Khanna Sara Watts

The following annual committee fees are payable to the Chair of the Audit and Risk Committee and the Remuneration and Nomination Committee (with effect from Completion).

Role	Amount	Relevant Directors
Chair of Audit and Risk Committee	\$20,000	Sara Watts
Chair of Remuneration and Nomination Committee	\$10,000	John Eales AM

Directors will not receive any additional fees for being a member of a Board committee.

All Directors' fees include superannuation payments required to be made by law.

18. This amount includes the value of Options to be issued to John Eales AM, Tiffany Lewin, Rohit Khanna and Sara Watts which are to vest on 1 July 2022, 1 July 2023 and 1 July 2024. Please refer to section 6.3.2 for further details on these Options.

6. Key individuals, interests and benefits (continued)

6.3.2 – Director Option Offers

The Company intends to grant, in aggregate, 895,133 Options to the Non-executive Directors and the Executive Directors (excluding Stephen Tomisich) on or around Completion of the IPO, pursuant to offers made under the long term incentive plan (LTIP) (each a **Director Option Offer**).

The Director Option Offers will be made under the Company's LTIP, the material terms of which are summarised in Section 6.3.9.1, and otherwise on the terms set out in the table below.

Term	Description
Eligibility	The Director Option Offers are being made to John Eales AM, Robert Lyon, Tiffany Lewin, Rohit Khanna and Sara Watts only.
Grant date	On or around Completion.
Specific details of offer to John Eales AM	<p>191,178 Options with a nil exercise price and which vest in the following tranches:</p> <ol style="list-style-type: none"> 58,824 Options which vest on the Listing Date; 44,074 Options which vest on 1 July 2022; 44,074 Options which vest on 1 July 2023; and 44,206 Options which vest on 1 July 2024. <p>The Options being offered to John have a fair value of \$325,003.</p>
Specific details of offer to Robert Lyon	<p>439,250 Options which vest in the following tranches:</p> <ol style="list-style-type: none"> 294,118 Options with a nil exercise price and which vest on the Listing Date; 60,471 Options with an exercise price of \$1.24 for each option and which vest on the Listing Date; 30,236 Options with an exercise price of \$1.68 for each option and which vest on the Listing Date; 30,236 Options with an exercise price of \$1.59 for each option and which vest on the Listing Date; 15,965 Options with an exercise price of \$1.70 for each option and which vest on the Listing Date; and 8,224 Options with an exercise price of \$1.70 for each option and which vest on 1 July 2022. <p>The Options being offered to Robert have a fair value of \$746,725.</p>
Specific details of offers to Tiffany Lewin, Rohit Khanna and Sara Watts	<p>Each of Tiffany Lewin, Rohit Khanna and Sara Watts is being offered 88,235 Options with a nil exercise price which vest in the following tranches:</p> <ol style="list-style-type: none"> 29,382 Options which vest on 1 July 2022; 29,382 Options which vest on 1 July 2023; and 29,471 Options which vest on 1 July 2024. <p>The Options being offered to each of Tiffany, Rohit and Sara have a fair value of \$150,000.</p>
Acquisition price	Options to be granted under the Director Option Offers will be issued at no cost.
Exercise	Options granted under the Director Option Offers may be exercised from the date on which they vest until the Expiry Date, being the date which is five years after the date on which such Options are granted.

Term	Description
Restrictions on dealing	<p>Each Option granted under the Director Option Offers and which vests on the Listing Date will be subject to a condition that any Share issued on exercise of that Option will be subject to a disposal restriction preventing the holder from disposing of the Share on or before the date falling six months after the Listing Date.</p> <p>Participants will otherwise be free to deal with the Shares issued to them on the exercise of vested Options that are the subject of the Director Option Offers, subject to the requirements of the Company's Securities Trading Policy.</p>
Quotation	Options granted under the Director Option Offers will not be quoted.
Cessation of engagement as a director	<p>Where a Non-Executive Director's engagement with the Company ceases:</p> <ul style="list-style-type: none"> • all Options which have not vested at the date their engagement ceases will lapse. The Director will not be entitled to any pro-rata vesting; and • all vested Options must be exercised on or before the date falling 90 days from the date the Director's engagement ceases. Any vested Options not exercised within this period will lapse. <p>Where Robert Lyon ceases to be engaged as a Director and his employment with Trajan OpCo ceases:</p> <ul style="list-style-type: none"> • all Options which have not vested at the date his employment ceases will lapse; and • all vested Options must be exercised on or before the date falling 90 days from the date his employment ceases. Any vested Options not exercised within this period will lapse.

The fair value of the Options referred to in the table above have been determined using usual and market standard option valuation methodology.

6.3.3 – Deeds of access, indemnity and insurance

The Company has entered into a deed of access, insurance and indemnity with each Director. Each deed contains the Director's right of access to certain books and records of the Trajan Group entities for the period from the date of the deed until seven years after the Director ceases to hold office of the Company or other Trajan Group entity. This seven-year period can be extended where certain proceedings or investigations commence before the seven year period expires.

Pursuant to the Constitution, the Company may indemnify all Directors, executive officers and other officers, past and present, against all liabilities incurred as an officer of the Company or other Trajan Group entity to the extent permitted by law. Under the deed of access, insurance and indemnity, the Company indemnifies each Director against any liability that may arise from their position as an officer of the Company or other Trajan Group entity, to the extent permitted by law. The deed provides that the Company must meet the full amount of any such liabilities, including legal costs that are reasonably incurred, charges and expenses.

Pursuant to the Constitution, the Company may arrange and maintain directors' and officers' insurance for its Directors to the extent permitted by law. Under the deed of access, insurance and indemnity, the Company must maintain such insurance for the period from the date of the deed until seven years after the Director ceases to hold office of the Company or other Trajan Group entity. This seven-year period can be extended where certain proceedings or investigations commence before the seven-year period expires.

6.3.4 – Non-Executive Director appointment letters

Prior to the Prospectus Date, each Non-Executive Director entered into an appointment letter with the Company confirming the terms of their appointment, their roles and responsibilities and the Company's expectations of them as Non-Executive Directors.

6. Key individuals, interests and benefits (continued)

6.3.5 – Other agreements with Directors

The Company's policy in respect of related party arrangements is:

- a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

6.3.6 – Other information about Director interests and benefits

Directors may also be reimbursed for travel and other expenses incurred in attending to the Company's affairs. This includes attending and returning from Board or committee meetings and general meetings. Any Director who devotes special attention to Trajan's business or who performs services which, in the opinion of the Board, are outside the scope of ordinary duties of a Director, may be remunerated for the services (as determined by the Board) out of the Company's funds.

There are no retirement benefit schemes for Directors other than statutory superannuation contributions.

6.3.7 – Directors' interests in Shares and other securities

Directors are not required under the Constitution to hold any Shares in the Company. However, the Directors (and their associates) are entitled to apply for Shares in the Offer.

The number of Shares and other securities in the Company held by the Directors as at the Prospectus Date and on Completion of the Offer (excluding any Shares the Directors and their associated entities may elect to acquire under the Offer) are set out in the table below:

Director ¹	Interests held at the Prospectus Date		Interests held at Completion	
	Shares	Options	Shares	Options ²
John Eales AM	–	–	–	191,178
Stephen Tomisich	100,000,000	–	76,470,588	–
Robert Lyon	–	–	–	439,250
Tiffany Lewin	–	–	–	88,235
Rohit Khanna	–	–	–	88,235
Sara Watts	–	–	–	88,235

Notes:

1. Directors may hold their interests in Shares and Options directly, or through entities associated with them (e.g. through holdings by companies or trusts).
2. Assuming each of the Director Option Offers are taken up in full by each Director.

On or about Listing, the Tomisich Family Trust, as the sole Existing Shareholder, will receive a Pre-IPO Dividend of up to \$3,350,000. The payment of the Pre-IPO Dividend is conditional on Completion of the Offer.

The Directors (and their associated entities) are entitled to apply for Shares under the Offer. The above table does not take into account any Shares the Directors (and their associated entities) may acquire under the Offer.

Shares acquired by the Directors (and their associated entities) under the Offer will not be subject to voluntary escrow arrangements. The Shares recorded in the above table as held by Stephen Tomisich on Completion will be subject to voluntary escrow arrangements as outlined in Section 7.21.

Final shareholdings held directly or indirectly by the Directors (and their associated entities) will be notified to ASX following Listing.

6.3.8 – Executive remuneration

The key management personnel of the Company are Stephen Tomisich (Group Chief Executive Officer and Managing Director), Robert Lyon (Executive Director, Head of Corporate Development and General Counsel), Alister Hodges (Chief Financial Officer and Company Secretary), Andrew Gooley (Chief Scientific Officer), Nigel Gilligan (Chief Operations Officer) and Sam Evans (Senior Vice President Business Development). A summary of their respective employment arrangements is set out below.

6.3.8.1 – Stephen Tomisich

Term	Description
Employer	Trajan OpCo
Role	Group Chief Executive Officer
Fixed annual remuneration (FAR)	Stephen is entitled to receive fixed annual remuneration of \$400,000 (exclusive of superannuation)
Short term incentive	<p>Stephen is eligible to receive a cash bonus for a given financial year in two components. The amounts payable (if any) under each component are determined in accordance with the following formulas for a given financial year:</p> <p>Global sales growth component</p> $(A - B) / (C - B) \times (D \times 15\%) = \text{the amount payable under the global sales growth component}$ <p>where:</p> <p>A = actual sales achieved by Trajan in the relevant financial year</p> <p>B = actual sales achieved by Trajan in the previous financial year</p> <p>C = Trajan's sales target as set by the Board for the relevant financial year</p> <p>D = Stephen's FAR</p> <p>For avoidance of doubt, no cash bonus will be payable under this component if there is no growth in global sales between the relevant financial year and the previous financial year.</p> <p>Global profitability component</p> $((A / D) \times 15\%) \times E = \text{the amount payable under the global profitability component}$ <p>where:</p> <p>A = B / C</p> <p>B = profit achieved by Trajan in the relevant financial year</p> <p>C = actual sales achieved by Trajan in the previous financial year</p> <p>D = Trajan's profit target as set by the Board for the relevant financial year</p> <p>E = Stephen's FAR</p> <p>For avoidance of doubt, no cash bonus will be payable under this component if the profit target as set by the Board for the relevant financial year is not achieved.</p>
Long term incentive	Stephen is eligible to participate in the LTIP but there is no current intention of the Board to offer Stephen any Awards.
Notice period, termination and termination payments	<p>Either Stephen or Trajan OpCo may terminate Stephen's employment with a notice period of 12 months. Trajan OpCo may summarily terminate Stephen's employment in certain circumstances, including where Stephen engages in any act or omission constituting serious misconduct.</p> <p>All payments on termination will be subject to the termination benefits cap under the Corporations Act.</p>

6. Key individuals, interests and benefits (continued)

Term	Description
Non-solicitation/ restrictions of future activities	<p>Stephen's employment contract contains restraints that apply during his employment and for 12 months post-employment, including:</p> <ul style="list-style-type: none"> • non-competition restraints; • restrictions against interfering with the relationship between Trajan and any of its customers, contractors, suppliers, directors, managers, employees or consultants; and • restrictions against soliciting, employing or engaging any director, manager, employee or consultant of Trajan. <p>The restrictions above purport to operate in Australia and the enforceability of these restraints is subject to all usual legal requirements.</p>

6.3.8.2 – Robert Lyon

Term	Description
Employer	Trajan OpCo
Role	Head of Corporate Development and General Counsel
Fixed annual remuneration (FAR)	Robert is entitled to receive fixed annual remuneration of \$306,240 (exclusive of superannuation)
Long term incentive	Robert is eligible to participate in the LTIP and the Company intends to grant 439,250 Options to Robert on or around completion of the IPO – see Section 6.3.2 for further details.
Notice period, termination and termination payments	<p>Either Robert or Trajan OpCo may terminate Robert's employment with a notice period of three months. Trajan OpCo may summarily terminate Robert's employment in certain circumstances, including where he engages in any act or omission constituting serious misconduct.</p> <p>All payments on termination will be subject to the termination benefits cap under the Corporations Act.</p>
Non-solicitation/ restrictions of future activities	<p>Robert's employment contract contains restraints that apply during his employment and for 12 months post-employment, including:</p> <ul style="list-style-type: none"> • non-competition restraints; • restrictions against interfering with the relationship between Trajan and any of its customers, contractors, suppliers, directors, managers, employees or consultants; and • restrictions against soliciting, employing or engaging any director, manager, employee or consultant of Trajan. <p>The restrictions above purport to operate in Australia and the enforceability of these restraints is subject to all usual legal requirements.</p>

6.3.8.3 – Alister Hodges

Term	Description
Employer	Trajan OpCo
Role	Chief Financial Officer and Company Secretary
Fixed annual remuneration (FAR)	Alister is entitled to receive fixed annual remuneration of \$236,385 (exclusive of superannuation)
Short term incentive	<p>Alister is eligible to receive a cash bonus for a given financial year in two components. The amounts payable (if any) under each component are determined in accordance with the following formulas for a given financial year:</p> <p>Global sales growth component</p> $(A - B) / (C - B) \times (D \times 7.5\%) = \text{the amount payable under the global sales growth component}$ <p>where:</p> <p>A = actual sales achieved by Trajan in the relevant financial year B = actual sales achieved by Trajan in the previous financial year C = Trajan's sales target as set by the Board for the relevant financial year D = Alister's FAR</p> <p>For avoidance of doubt, no cash bonus will be payable under this component if there is no growth in global sales between the relevant financial year and the previous financial year.</p> <p>Global profitability component</p> $((A / D) \times 7.5\%) \times E = \text{the amount payable under the global profitability component}$ <p>where:</p> <p>A = B / C B = profit achieved by Trajan in the relevant financial year C = actual sales achieved by Trajan in the previous financial year D = Trajan's profit target as set by the Board for the relevant financial year E = Alister's FAR</p> <p>For avoidance of doubt, no cash bonus will be payable under this component if the profit target as set by the Board for the relevant financial year is not achieved.</p>
Long term incentive	Alister is eligible to participate in the LTIP and the Company intends to grant 255,085 Options to Alister on or around completion of the IPO – see Section 6.3.9.2 for further details.
Notice period, termination and termination payments	<p>Either Alister or Trajan OpCo may terminate Alister's employment with a notice period of three months. Trajan OpCo may summarily terminate Alister's employment in certain circumstances, including where he engages in any act or omission constituting serious misconduct.</p> <p>All payments on termination will be subject to the termination benefits cap under the Corporations Act.</p>

6. Key individuals, interests and benefits (continued)

Term	Description
Non-solicitation/ restrictions of future activities	<p>Alister's employment contract contains restraints that apply during his employment and for 12 months post-employment, including:</p> <ul style="list-style-type: none"> • non-competition restraints; • restrictions against interfering with the relationship between Trajan and any of its customers, contractors, suppliers, directors, managers, employees or consultants; and • restrictions against soliciting, employing or engaging any director, manager, employee or consultant of Trajan. <p>The restrictions above purport to operate in Australia and the enforceability of these restraints is subject to all usual legal requirements.</p>

6.3.8.4 – Andrew Gooley

Term	Description
Employer	Trajan OpCo
Role	Chief Scientific Officer
Fixed annual remuneration (FAR)	Andrew is entitled to receive fixed annual remuneration of \$264,219 (exclusive of superannuation)
Short term incentive	<p>Andrew is eligible to receive a cash bonus for a given financial year in two components. The amounts payable (if any) under each component are determined in accordance with the following formulas for a given financial year:</p> <p>Global sales growth component</p> $(A - B) / (C - B) \times (D \times 10\%) = \text{the amount payable under the global sales growth component}$ <p>where:</p> <p>A = actual sales achieved by Trajan in the relevant financial year</p> <p>B = actual sales achieved by Trajan in the previous financial year</p> <p>C = Trajan's sales target as set by the Board for the relevant financial year</p> <p>D = Andrew's FAR</p> <p>For avoidance of doubt, no cash bonus will be payable under this component if there is no growth in global sales between the relevant financial year and the previous financial year.</p> <p>Global profitability component</p> $((A / D) \times 10\%) \times E = \text{the amount payable under the global profitability component}$ <p>where:</p> <p>A = B / C</p> <p>B = profit achieved by Trajan in the relevant financial year</p> <p>C = actual sales achieved by Trajan in the previous financial year</p> <p>D = Trajan's profit target as set by the Board for the relevant financial year</p> <p>E = Andrew's FAR</p> <p>For avoidance of doubt, no cash bonus will be payable under this component if the profit target as set by the Board for the relevant financial year is not achieved.</p>
Long term incentive	Andrew is eligible to participate in the LTIP and the Company intends to grant 210,002 Options to Andrew on or around completion of the IPO – see Section 6.3.9.2 for further details.

Term	Description
Notice period, termination and termination payments	<p>Either Andrew or Trajan OpCo may terminate Andrew's employment with a notice period of three months. Trajan OpCo may summarily terminate Andrew's employment in certain circumstances, including where he engages in any act or omission constituting serious misconduct.</p> <p>All payments on termination will be subject to the termination benefits cap under the Corporations Act.</p>
Non-solicitation/restrictions of future activities	<p>Andrew's employment contract contains restraints that apply during his employment and for 12 months post-employment, including:</p> <ul style="list-style-type: none"> • non-competition restraints; • restrictions against interfering with the relationship between Trajan and any of its customers, contractors, suppliers, directors, managers, employees or consultants; and • restrictions against soliciting, employing or engaging any director, manager, employee or consultant of Trajan. <p>The restrictions above purport to operate in Australia and the enforceability of these restraints is subject to all usual legal requirements.</p>

6.3.8.5 – Nigel Gilligan

Term	Description
Employer	Trajan OpCo
Role	Chief Operations Officer
Fixed annual remuneration (FAR)	Nigel is entitled to receive fixed annual remuneration of \$318,240 (exclusive of superannuation)
Short term incentive	<p>Nigel is eligible to receive a cash bonus for a given financial year in two components. The amounts payable (if any) under each component are determined in accordance with the following formulas for a given financial year:</p> <p>Global sales growth component</p> $(A - B) / (C - B) \times (D \times 7.5\%) = \text{the amount payable under the global sales growth component}$ <p>where:</p> <p>A = actual sales achieved by Trajan in the relevant financial year</p> <p>B = actual sales achieved by Trajan in the previous financial year</p> <p>C = Trajan's sales target as set by the Board for the relevant financial year</p> <p>D = Nigel's FAR</p> <p>For avoidance of doubt, no cash bonus will be payable under this component if there is no growth in global sales between the relevant financial year and the previous financial year.</p>

6. Key individuals, interests and benefits (continued)

Term	Description
Short term incentive (continued)	<p>Global profitability component</p> <p>$((A / D) \times 7.5\%) \times E$ = the amount payable under the global profitability component</p> <p>where:</p> <p>A = B / C</p> <p>B = profit achieved by Trajan in the relevant financial year</p> <p>C = actual sales achieved by Trajan in the previous financial year</p> <p>D = Trajan's profit target as set by the Board for the relevant financial year</p> <p>E = Nigel's FAR</p> <p>For avoidance of doubt, no cash bonus will be payable under this component if the profit target as set by the Board for the relevant financial year is not achieved.</p>
Long term incentive	<p>Nigel is eligible to participate in the LTIP and the Company intends to grant 77,296 Options to Nigel on or around completion of the IPO – see Section 6.3.9.2 for further details.</p>
Notice period, termination and termination payments	<p>Either Nigel or Trajan OpCo may terminate Nigel's employment with a notice period of three months. Trajan OpCo may summarily terminate Nigel's employment in certain circumstances, including where he engages in any act or omission constituting serious misconduct.</p> <p>All payments on termination will be subject to the termination benefits cap under the Corporations Act.</p>
Non-solicitation/ restrictions of future activities	<p>Nigel's employment contract contains restraints that apply during his employment and for 12 months post-employment, including:</p> <ul style="list-style-type: none"> • non-competition restraints; • restrictions against interfering with the relationship between Trajan and any of its customers, contractors, suppliers, directors, managers, employees or consultants; and • restrictions against soliciting, employing or engaging any director, manager, employee or consultant of Trajan. <p>The restrictions above purport to operate in Australia and the enforceability of these restraints is subject to all usual legal requirements.</p>

6.3.8.6 – Sam Evans

Term	Description
Employer	Trajan OpCo
Role	Senior Vice President Business Development
Fixed annual remuneration (FAR)	Sam is entitled to receive fixed annual remuneration of USD 232,943 (exclusive of superannuation)
Short term incentive	<p>Sam is eligible to receive a cash bonus for a given financial year in two components. The amounts payable (if any) under each component are determined in accordance with the following formulas for a given financial year:</p> <p>Global sales growth component</p> $(A - B) / (C - B) \times (D \times 7.5\%) = \text{the amount payable under the global sales growth component}$ <p>where:</p> <p>A = actual sales achieved by Trajan in the relevant financial year B = actual sales achieved by Trajan in the previous financial year C = Trajan's sales target as set by the Board for the relevant financial year D = Sam's FAR</p> <p>For avoidance of doubt, no cash bonus will be payable under this component if there is no growth in global sales between the relevant financial year and the previous financial year.</p> <p>Global profitability component</p> $((A / D) \times 7.5\%) \times E = \text{the amount payable under the global profitability component}$ <p>where:</p> <p>A = B / C B = profit achieved by Trajan in the relevant financial year C = actual sales achieved by Trajan in the previous financial year D = Trajan's profit target as set by the Board for the relevant financial year E = Sam's FAR</p> <p>For avoidance of doubt, no cash bonus will be payable under this component if the profit target as set by the Board for the relevant financial year is not achieved.</p>
Long term incentive	Sam is eligible to participate in the LTIP and the Company intends to grant 47,060 Options to Sam on or around completion of the IPO – see Section 6.3.9.2 for further details.
Notice period, termination and termination payments	<p>Either Sam or Trajan OpCo may terminate Sam's employment with a notice period of three months. Trajan OpCo may summarily terminate Sam's employment in certain circumstances, including where he engages in any act or omission constituting serious misconduct.</p> <p>All payments on termination will be subject to the termination benefits cap under the Corporations Act.</p>

6. Key individuals, interests and benefits (continued)

Term	Description
Non-solicitation/ restrictions of future activities	<p>Sam's employment contract contains restraints that apply during his employment and for 12 months post-employment, including:</p> <ul style="list-style-type: none"> • non-competition restraints; • restrictions against interfering with the relationship between Trajan and any of its customers, contractors, suppliers, directors, managers, employees or consultants; and • restrictions against soliciting, employing or engaging any director, manager, employee or consultant of Trajan. <p>The restrictions above purport to operate in Australia and the enforceability of these restraints is subject to all usual legal requirements.</p>

6.3.9 – Long term incentives

6.3.9.1 – Long-term incentive plan

The Company has established a long term incentive plan (**LTIP**) to assist in the motivation, retention and reward of eligible employees. The LTIP is designed to align the interests of employees with the interests of Shareholders by providing an opportunity for employees to receive an equity interest in the Company.

The LTIP provides flexibility for the Company to grant options to acquire Shares and/or rights to acquire Shares as incentives (**Awards**), subject to the terms of individual offers.

The Company intends to grant 2,274,053 Options in total to the Directors, certain management personnel and certain employees of Trajan, on or around Completion of the IPO and pursuant to the LTIP Offers made under the LTIP. Please refer to Sections 6.3.2, 6.3.9.2 and 6.3.10 for further details on the LTIP Offers.

A summary of the key terms of the LTIP is set out in the table below.

Term	Description
Eligibility	<p>The Board has the discretion to determine which employees are eligible to participate in the LTIP, and the number and type of Awards that they will be offered (LTIP Eligible Employee).</p> <p>The definition of employee under the LTIP rules includes any full-time or part-time employee, casual employee, director, contractor or prospective employee of the Trajan Group.</p>
Awards	<p>The Board has the discretion to set the terms and conditions on which it will offer Awards under the LTIP.</p> <p>The Board may determine that the Awards will be subject to performance, service, or other conditions which must be satisfied or waived before the Award vests (Vesting Conditions) and, if so, will specify those Vesting Conditions in the invitation to each LTIP Eligible Employee.</p> <p>In addition, the Board may determine that Awards will be subject to further conditions which must be satisfied or waived before vested options or rights may be exercised (Exercise Conditions).</p> <p>The Board may, at its discretion, vary, reduce or waive any Vesting Conditions and/or Exercise Conditions attaching to Awards at any time, subject to applicable law.</p>
Acquisition price	<p>The grant of Awards under the LTIP may be subject to the payment of an acquisition price by the participant as determined by the Board, or otherwise Awards may be granted at no cost to the participant.</p>
Exercise price	<p>The exercise of Awards in the form of options or rights may be subject to payment of an exercise price by the participant as determined by the Board.</p>

Term	Description
Shares as an Award or on vesting of an Award	<p>Shares issued or transferred on the exercise of Awards will rank equally in all respects, and carry the same rights and entitlements, as other issued Shares, including dividend and voting rights.</p> <p>Depending on the terms of an Award, Shares may be subject to disposal restrictions, which means that they may not be disposed of or dealt with for a period of time.</p>
Vesting and exercise of Awards	<p>Awards which have not lapsed under the LTIP will vest if and when any applicable Vesting Conditions have been satisfied or waived by the Board. However, vested options or rights will not become exercisable until any applicable Exercise Conditions have been satisfied or waived by the Board.</p> <p>Following the valid exercise of an Award, the Company will issue or arrange the transfer of such number of Shares to the participant that relate to the option or right being exercised.</p> <p>Alternatively, the Board may determine to make a cash payment in lieu of the issue or transfer of Shares.</p>
Expiry of options and rights	Options or rights which have not been exercised by the date 15 years from the date of grant of the options or rights, or such other date determined by the Board and specified in the offer (Expiry Date), will lapse unless the Board determines otherwise.
Forfeiture/lapse of Awards	<p>Unless otherwise determined by the Board, an Award will lapse in certain circumstances including:</p> <ul style="list-style-type: none"> • where the Board determines that any Vesting Condition or Exercise Condition applicable to the Award cannot be satisfied; • the applicable Expiry Date; • in certain circumstances if the participant's employment is terminated (see 'Cessation of employment' below); • if the Board determines that the Award is liable to clawback (see 'Clawback' below); • if the Board determines that the Award will be forfeited or lapse in the event of a change of control in respect of the Company; and • where the participant has dealt with an Award in breach of any rule of the LTIP.
Dividend and voting entitlements	Awards do not entitle their holders to dividend or voting rights.
Participation rights of Awards	<p>Awards do not confer the right to participate in new issues of Shares or other securities in the Company.</p> <p>However, subject to the ASX Listing Rules, the LTIP provides for adjustments to be made to the number of Shares to which a participant would be entitled on the exercise of an Award or the exercise price (if any) of the Award in the event of a bonus issue or pro-rata issue to existing holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) or a reorganisation of capital.</p>
Restrictions	<p>Awards may not be sold, transferred, mortgaged, pledged, charged, granted as security or otherwise disposed of, without the prior approval of the Board, or unless required by law.</p> <p>Participants must not enter into any arrangement for the purpose of hedging, or otherwise affecting their economic exposure to any unvested Awards.</p>
Quotation	Awards will not be quoted on the ASX. The Company will apply for official quotation of any Shares issued under the LTIP, in accordance with the ASX Listing Rules.
Cessation of employment	The Board has discretion to determine, subject to compliance with applicable law, the treatment of an Award if a participant ceases to be employed by a Group Company prior to the vesting or exercise of an Award, or an Award ceasing to be subject to any disposal restrictions as a term of the invitation or at the time of cessation.

6. Key individuals, interests and benefits (continued)

Term	Description
Clawback	The LTIP provides the Board with broad clawback powers. If, for example, the Board becomes aware that a participant has committed an act of fraud, negligence or gross misconduct or failed to comply in a material respect with any restrictive covenant or that some other event has occurred which, as a result, means that a participant's Award should be reduced or extinguished, or should not vest, then the Board may clawback or adjust any such Award at its discretion to ensure no unfair benefit is derived by the participant.
Change of control	If a change of control event occurs with respect to the Company, the Board may determine, in its discretion, the manner in which all unvested Awards will be dealt with.

6.3.9.2 – Grant of Options to key management personnel under LTIP

The Company intends to grant, in aggregate, 589,443 Options to Alister Hodges, Andrew Gooley, Nigel Gilligan and Sam Evans on or around Completion of the IPO, pursuant to offers made under the LTIP (each a **KMP Option Offer**).

The KMP Option Offers will be made under the Company's long term incentive plan (**LTIP**), the material terms of which are summarised in Section 6.3.9.1, and otherwise on the terms set out in the table below.

Term	Description
Eligibility	The KMP Option Offers are being made to Alister Hodges, Andrew Gooley, Nigel Gilligan and Sam Evans only.
Grant date	On or around Completion
Specific details of offer to Alister Hodges	255,085 Options which vest in the following tranches: <ol style="list-style-type: none"> 176,471 Options with an exercise price of nil for each Option and which vest on the Listing Date; 36,283 Options with an exercise price of \$1.24 for each option and which vest on the Listing Date; 18,142 Options with an exercise price of \$1.68 for each option and which vest on the Listing Date; 15,965 Options with an exercise price of \$1.70 for each option and which vest on the Listing Date; and 8,224 Options with an exercise price of \$1.70 for each option and which vest on 1 July 2022.
Specific details of offer to Andrew Gooley	210,002 Options which vest in the following tranches: <ol style="list-style-type: none"> 58,824 Options with an exercise price of nil for each Option and which vest on the Listing Date; 120,942 Options with an exercise price of \$1.24 for each option and which vest on the Listing Date; and 30,236 Options with an exercise price of \$1.67 for each option and which vest on the Listing Date.
Specific details of offer to Nigel Gilligan	77,296 Options with an exercise price of \$1.70 for each Option which vest in the following tranches: <ol style="list-style-type: none"> 19,956 Options which vest on the Listing Date; 25,998 Options which vest on 1 July 2022; 15,671 Options which vest on 1 July 2023; and 15,671 Options which vest on 1 July 2024.
Specific details of offer to Sam Evans	47,060 Options with an exercise price of \$1.70 for each Option which vest in the following tranches: <ol style="list-style-type: none"> 15,718 Options which vest on 1 July 2022; 15,671 Options which vest on 1 July 2023; and 15,671 Options which vest on 1 July 2024.
Acquisition price	Options to be granted under the KMP Option Offers will be issued at no cost.

Term	Description
Exercise	Options granted under the KMP Option Offers may be exercised from the date on which they vest until the Expiry Date (being the date which is five years after the date on which such Options are granted).
Restrictions on dealing	<p>Each Option granted under the KMP Option Offers and which vests on the Listing Date will be subject to a condition that any Share issued on exercise of that Option will be subject to a disposal restriction preventing the holder from disposing of the Share on or before the date falling six months after the Listing Date.</p> <p>Participants will otherwise be free to deal with the Shares issued to them on the exercise of vested Options the subject of the KMP Option Offers, subject to the requirements of the Company's Securities Trading Policy.</p>
Quotation	Options granted under the KMP Option Offers will not be quoted.
Cessation of employment	<p>Where a key management personnel's employment with the Company ceases:</p> <ul style="list-style-type: none"> • all Options which have not vested at the date their employment ceases will lapse; and • all vested Options must be exercised on or before the date falling 90 days from the date the key management personnel's employment ceases. Any vested Options not exercised within this period will lapse.

6.3.10 – Employee Option Offer

The Company intends to grant, in aggregate, 789,477 Options to certain employees of Trajan on or around Completion of the IPO, pursuant to offers made under the LTIP (each an **Employee Option Offer**).

The Employee Option Offers will be made under the Company's long term incentive plan (**LTIP**), the material terms of which are summarised in Section 6.3.9.1, and otherwise on the terms set out in the table below.

Term	Description
Eligibility	The Employee Option Offer is being made to certain employees of Trajan. These persons will receive a separate offer and acceptance letter in relation to their personal offers of Options under this Prospectus.
Grant date	On or around Completion
Quantum of Options	<p>789,477 Options which vest in the following tranches:</p> <ol style="list-style-type: none"> 1. 117,647 Options with a nil exercise price and which vest on the Listing Date; 2. 266,076 Options with an exercise price of \$1.24 for each Option and which vest on the Listing Date; 3. 96,762 Options with an exercise price of \$1.68 for each Option and which vest on the Listing Date; 4. 12,096 Options with an exercise price of \$1.59 for each Option and which vest on the Listing Date; 5. 117,929 Options with an exercise price of \$1.67 for each Option and which vest on the Listing Date; 6. 59,879 Options with an exercise price of \$1.70 for each Option and which vest on the Listing Date; 7. 60,316 Options with an exercise price of \$1.70 for each Option and which vest on 1 July 2022; 8. 29,386 Options with an exercise price of \$1.70 for each Option and which vest on 1 July 2023; and 9. 29,386 Options with an exercise price of \$1.70 for each Option and which vest on 1 July 2024.
Acquisition price	Options to be granted under the Employee Option Offer will be issued at no cost.
Exercise	Options granted under the Employee Option Offer may be exercised from the date on which they vest until the Expiry Date (being the date which is five years after the date on which such Options are granted).

6. Key individuals, interests and benefits (continued)

Term	Description
Restrictions on dealing	<p>Each Option granted under the Employee Option Offer and which vests on the Listing Date will be subject to a condition that any Share issued on exercise of that Option will be subject to a disposal restriction preventing the holder from disposing of the Share on or before the date falling six months after the Listing Date.</p> <p>Participants will otherwise be free to deal with the Shares issued to them on the exercise of vested Options the subject of the Employee Option Offer, subject to the requirements of the Company's Securities Trading Policy.</p>
Quotation	Options granted under the Employee Option Offer will not be quoted.
Cessation of employment	<p>Where an employee's employment with the Company ceases:</p> <ul style="list-style-type: none"> all Options which have not vested at the date their employment ceases will lapse; and all vested Options must be exercised on or before the date falling 90 days from the date the employee's employment ceases. Any vested Options not exercised within this period will lapse.

6.3.11 Other benefits

Stephen Tomisich, the Group Chief Executive Officer and Managing Director of the Company, has agreed with each of Robert Lyon, Alister Hodges, Andrew Gooley, John Eales, Tiffany Lewin and Rohit Khana to match (on a dollar-for-dollar basis) the amount which Robert Lyon, Alister Hodges, Andrew Gooley, John Eales, Tiffany Lewin and Rohit Khana respectively invest in the Company under the Offer. Funds provided by Stephen to each of Robert Lyon, Alister Hodges, Andrew Gooley, John Eales, Tiffany Lewin and Rohit Khana under these commitments are required to be invested by each recipient in the Company under the Offer but are not otherwise subject to repayment or any other conditions. Stephen intends to fund these commitments through the Tomisich Family Trust.

6.3.12 – Interests of advisers

The Company has engaged the following service providers in relation to the Offer and paid, or agreed to pay, approximately the amounts shown below:

Service provider	Role	Fees
Canaccord Genuity (Australia) Limited	Joint Lead Manager	Described in Section 9.6.1
Ord Minnett Limited	Joint Lead Manager	Described in Section 9.6.1
DLA Piper Australia	Legal Adviser	\$400,000
Ernst & Young Strategy and Transactions Limited	Financial Adviser	\$1,514,680
RSM Corporate Australia Pty Ltd	Investigating Accountant	\$106,000
RSM Australia Pty Ltd	Tax Adviser	\$33,000

Unless stated otherwise, all amounts exclude disbursements and GST and all payments have been paid or are payable in cash. The amounts payable to DLA Piper Australia excludes fees payable for work not directly connected with the Offer, such as acquisitions advice, taxation, financing and security arrangements and employee incentive plans.

Further amounts may be paid to the Company's service providers in accordance with their normal time-based charges.

These amounts, and other expenses of the Offer, will be paid by the Company out of funds raised under the Offer or available cash. The total costs of the Offer (excluding GST) are estimated to be approximately \$6.0 million (assuming full subscription). Further information on the use of proceeds and payment of expenses of the Offer is set out in Section 7.4.

6.4 – Corporate governance

This Section 6.4 explains the main corporate governance policies and practices adopted by the Company. Details of the Company's key policies and practices and the charters for the Board and each of its committees are available at <https://trajangroupipo.thereachagency.com>.

The Board plays a key role in overseeing the policies, performance and strategies of Trajan. It is accountable to the Company's members as a whole and must act in the best interests of the Company. The Board monitors the operational and financial position and performance of Trajan and oversees its business strategy, including approving the strategic objectives, plans and budgets of Trajan. The Board is committed to maximising performance, generating appropriate levels of Shareholder value and financial return, and sustaining the growth and success of Trajan. In conducting the Company's business with these objectives, the Board seeks to ensure that Trajan is properly managed to protect and enhance Shareholder interests and that the Company, its Directors, officers and personnel operate in an appropriate environment of corporate governance.

The Board has created a framework for managing Trajan, including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for Trajan's business and which are designed to promote the responsible management and conduct of Trajan. The Board sets the cultural and ethical tone for Trajan.

The main policies and practices adopted by the Company are summarised below.

Each of the charters and policies referred to in this Section 6.4 will be made available on the Company's website at <https://investor.trajanscimed.com/corporate-governance>.

6.4.1 – ASX Corporate Governance Principles and Recommendations

The ASX Corporate Governance Council has developed and released its Corporate Governance Principles and Recommendations 4th Edition (**ASX Recommendations**) for ASX listed entities in order to promote investor confidence and to assist listed entities in meeting stakeholder expectations. The ASX Recommendations are not prescriptions, but guidelines, designed to produce an outcome that is effective and of high quality and integrity. However, under the ASX Listing Rules, the Company will be required to provide a statement in its annual report, or the URL of the page on its website where the statement is located, disclosing the extent to which it has followed the ASX Recommendations during each reporting period. Where the Company does not follow an ASX Recommendation, it must identify the recommendation that has not been followed and give reasons for not following it.

The Board does not anticipate that it will depart from the ASX Recommendations, however it may do so in the future if it considers such a departure would be reasonable.

6.4.2 – The Board's view on independence

The Board comprises four non-executive Directors and two executive Directors. The name and biographical details of the current members of the Board are contained in Section 6.1.

The Board considers a Director to be independent where he or she is not a member of management and is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement. The Board will consider the materiality of any given relationship on a case-by-case basis and has adopted materiality guidelines to assist in this regard. The Board reviews the independence of each Director in light of interests disclosed to the Board.

As noted in Section 6.3.11, Stephen Tomisich, the Group Chief Executive Officer and Managing Director of the Company, has agreed with (among others) each of John Eales, Tiffany Lewin and Rohit Khana each of whom are Non-Executive Directors of the Company, to match (on a dollar-for-dollar basis) the amount which John Eales, Tiffany Lewin and Rohit Khana respectively invest in the Company under the Offer. Funds provided by Stephen to each of John Eales, Tiffany Lewin and Rohit Khana under these commitments are required to be invested by each recipient in the Company under the Offer but are not otherwise subject to repayment or any other conditions. Stephen intends to fund these commitments through the Tomisich Family Trust. The Board considers that these commitments do not materially interfere with, or could reasonably be perceived to interfere with, the exercise by John Eales, Tiffany Lewin and Rohit Khana's unfettered and independent judgement or otherwise compromise their ability to fulfil their roles as independent Directors for the purposes of the ASX Recommendations.

The Board otherwise considers that each of John Eales AM, Tiffany Lewin, Rohit Khanna and Sara Watts is free from any business or any other relationship that could materially interfere with, or reasonably be perceived to interfere with, the exercise of the Director's unfettered and independent judgement and is able to fulfil the role of independent Director for the purposes of the ASX Recommendations.

Stephen Tomisich and Robert Lyon are currently considered by the Board not to be independent. Stephen Tomisich is currently the Group Chief Executive Officer and Managing Director of the Company and Robert Lyon is a member of management.

6. Key individuals, interests and benefits (continued)

6.4.3 – Board Charter

The Board Charter adopted by the Board sets out the responsibilities of the Board in greater detail. It provides that the Board should comprise Directors with the appropriate mix of skills, experience, expertise and diversity which are relevant to the Company's businesses and the Board's responsibilities. The Board Charter allows the Board to delegate powers and responsibilities to committees established by the Board. The Board retains ultimate accountability to Shareholders in discharging its duties.

6.4.4 – Board committees

The Board may from time to time establish committees to assist in the discharge of its responsibilities. The Board has established an Audit and Risk Committee and a Remuneration and Nomination Committee.

Other committees may be established by the Board as and when required. Membership of a Board committee will be based on the needs of the Company, relevant legislative and other requirements, and the skills and experience of individual Directors.

6.4.4.1 – Audit and Risk Committee

The Audit and Risk Committee will assist the Board in fulfilling its accounting, auditing, financial reporting and risk management responsibilities, including to:

- oversee the Company's relationship with the external auditor and the external audit function generally;
- oversee the Company's internal audit plans;
- oversee the preparation of the financial statements and reports;
- oversee the Company's financial controls and systems; and
- manage the process of identification and management of financial risk.

The Committee's charter provides for the Committee to oversee the internal programs to evaluate risk management and internal control processes for managing risk and to review whether the appointment of an internal auditor is recommended.

The Company will comply with the recommendations set by the ASX Corporate Governance Council in relation to the composition and operation of the Audit and Risk Committee.

From Listing, the Audit and Risk Committee will comprise Sara Watts, John Eales AM, Tiffany Lewin and Rohit Khanna. The Audit and Risk Committee will be chaired by Sara Watts.

6.4.4.2 – Remuneration and Nomination Committee

The Remuneration and Nomination Committee will assist the Board with fulfilling its responsibilities to Shareholders and other stakeholders to ensure that the Company:

- has coherent and appropriate remuneration policies and practices which enable Trajan to attract and retain Directors and executives who will create value for Shareholders;
- fairly and responsibly remunerates Directors and executives having regard to the Company's performance, the performance of the executives and the general market environment;
- has policies to evaluate the performance and composition of the Board, individual Directors and executives on (at least) an annual basis with a view to ensuring that the Company has a Board of effective composition, size and diversity, expertise and commitment to adequately discharge its responsibilities and duties;
- has adequate succession plans in place (including for the recruitment or appointment of Directors and management); and
- has policies and procedures that are effective to attract, motivate and retain appropriately skilled and diverse people that meet the Company's needs and that are consistent with the Company's strategic goals and human resource objectives.

The Company will comply with the recommendations set by the ASX Corporate Governance Council in relation to the composition and operation of the Remuneration and Nomination Committee.

From Listing, the Remuneration and Nomination Committee will comprise John Eales AM, Tiffany Lewin, Rohit Khanna and Sara Watts. The Remuneration and Nomination Committee will be chaired by John Eales AM.

6.4.5 – Corporate governance policies

The Board has adopted the following corporate governance policies, each having been prepared having regard to the ASX Recommendations.

6.4.5.1 – Securities Trading Policy

The Company has adopted a policy for trading in securities which is intended to explain the types of dealings in securities that are prohibited under the Corporations Act and establish a best practice procedure for the buying and selling of securities that protects the Company and its Directors and employees against the misuse of unpublished information which could materially affect the value of securities. The policy applies to all Directors, management, officers, senior executives and employees of the Company and its related bodies corporate and their connected persons (**Relevant Persons**).

The policy provides that Relevant Persons must not deal in the Company's securities:

- when they are in possession of price-sensitive or 'inside' information or the Company is in possession of price-sensitive or 'inside' information and has notified them, they must not deal in the Company's securities;
- on a short-term trading basis (which excludes exercising rights under an equity plan and electing to immediately sell those shares issued on exercise of the rights); or
- during trading "blackout periods" (except in exceptional circumstances).

6.4.5.2 – Continuous Disclosure Policy

The Company places a high priority on communication with Shareholders and is aware of the obligations it will have, once listed, under the Corporations Act and the ASX Listing Rules, to keep the market fully informed of any information the Company becomes aware of concerning itself that a reasonable person would expect to have a material effect on the price or value of securities.

The Company has adopted a Continuous Disclosure Policy which establishes procedures to ensure that Directors and employees are aware of and fulfil their obligations in relation to the timely disclosure of material price-sensitive information.

6.4.5.3 – Code of Conduct

The Company is committed to a high level of integrity and ethical standards in all business practices. The Board has adopted a formal Code of Conduct which outlines how the Company expects its representatives to behave and conduct business in the workplace and includes legal compliance and guidelines on appropriate ethical standards. All the Company's employees (including temporary employees, contractors and Directors) must comply with the Code of Business Ethics.

The Code is designed to:

- provide a benchmark for professional behaviour throughout Trajan;
- support the Company's business reputation and corporate image within the community; and
- make Directors and employees aware of the consequences of not complying with Trajan's standards of behaviour.

6.4.5.4 – Risk Management Policy

The identification and proper management of the Company's risks are an important priority of the Board. The Board has adopted a risk management policy appropriate for its business. This policy highlights the risks relevant to the Company's operations and the Company's commitment to designing and implementing systems and methods appropriate to minimise and control its risks.

The Board is responsible for overseeing and approving risk management strategy and policies, monitoring risk management, and establishing procedures which seek to provide assurance that major business risks are identified, consistently assessed and appropriately addressed. The Board may delegate these functions to the Audit and Risk Committee or a separate risk committee in the future.

The Board will regularly undertake reviews of its risk management procedures to ensure that it complies with its legal obligations.

The Board has in place a system whereby management is required to report as to its adherence to policies and guidelines approved by the Board for the management of risks.

6.4.5.5 – Shareholder Communication Policy

The Company's aim is to ensure that Shareholders are kept informed of all major developments affecting Trajan. In addition to the Company's continuous disclosure obligations, the Company recognises that potential investors and other interested stakeholders

6. Key individuals, interests and benefits (continued)

may wish to obtain information about Trajan from time to time and the Company will communicate this information regularly to Shareholders and other stakeholders through a range of forums and publications.

All ASX announcements made to the market, including annual and half year financial results, will be posted on the Company's website at <https://www.trajanscimed.com/> as soon they have been released by the ASX. The full text of all notices of meetings and explanatory material, the Company's annual report and copies of all media releases made by the Company and copies of all investor presentations made to analysts and media briefings will be posted on the Company's website. The website will also contain a facility for the Shareholders to direct queries to the Company, and to elect to receive communications from the Company via email.

6.4.5.6 – Diversity Policy

The Board has formally approved a Diversity Policy in order to address the representation of women in management and on the Board, and to actively facilitate a more diverse and representative management and leadership structure.

The Board will include in the annual report each year a summary of the Company's progress towards achieving the measurable objectives set under the Diversity Policy for the year to which the annual report relates and details of the measurable objectives set under the Diversity Policy for the subsequent financial year.

6.4.5.7 – Whistleblower Policy

The Board has adopted a Whistleblower Policy to encourage Trajan's employees, suppliers, contractors, customers, tenderers and other persons who have business dealings with Trajan to raise any concerns and report instances of unethical, illegal, socially irresponsible or fraudulent conduct, where there are reasonable grounds to suspect such conduct, without fear of intimidation, disadvantage or reprisal. The Whistleblower Policy outlines the mechanisms for reporting matters, sets out Trajan's commitment to investigating all matters reported in an objective and fair manner as soon as possible after the matter has been reported and outlines the measures in place to protect the identity of persons making disclosures. The Board will be informed of any material concerns raised under the Whistleblower Policy that call into question the culture of Trajan, provided that the identity of the person making a disclosure will be protected.

6.4.5.8 – Anti-Bribery and Corruption Policy

Trajan is committed to operating in a manner consistent with the laws and regulations of the jurisdictions in which its businesses operate, including those relating to bribery and corruption. Accordingly, the Board has adopted an Anti-Bribery and Corruption Policy which sets out the responsibilities of Trajan and its employees or other personnel or representatives in observing and upholding the prohibition on bribery and related improper conduct and provides information and guidance on how to recognise and deal with instances of bribery and corruption. The Board will be informed of any material breaches of the Anti-Bribery and Corruption Policy.

6.5 – Related party interests

As noted in Section 3, Trajan's head office and Australian manufacturing facilities are located at 7 Argent Place in Ringwood, Victoria (**Ringwood Facility**). The Ringwood Facility is owned by Trajan Property Pty Ltd (**Trajan Property P/L**) and is occupied by the Trajan Group on the terms of the Ringwood property lease summarised in Section 9.6.2 (**Ringwood Facility Property Lease**).

Trajan Property P/L is not owned (whether directly or indirectly) by the Company and, consequentially, is not a member of the Trajan Group. Trajan Property P/L is ultimately held by a trust of which Stephen and Angela Tomisich are the beneficiaries. Stephen and Angela Tomisich are the co-founders of Trajan and Stephen Tomisich is the Group Chief Executive Officer and Managing Director of Trajan. Stephen is also a director of Trajan Property P/L, as is Robert Lyon – an Executive Director of Trajan. Alister Hodges is a company secretary of Trajan Property P/L.

The Ringwood Facility Property Lease was negotiated on arm's length terms and in the opinion of the Directors (other than Stephen Tomisich who has a material personal interest in the Ringwood Property Lease) comprises an agreement which contains provisions which are customary for commercial leases of the nature of the Ringwood Facility Property Lease.

Other than as disclosed in this Prospectus, Trajan is not party to any other material related party arrangements.

7

Details of the Offer

7. Details of the Offer

7.1 – The Offer

This Prospectus relates to an initial public offering of New Shares by the Company and the sale of Existing Shares by SaleCo at an Offer Price of \$1.70 per Share. A total of 52.9 million Shares will be available under the Offer, comprising 29.4 million New Shares to be issued by the Company and approximately 23.5 million Existing Shares to be transferred by the Existing Shareholder through SaleCo.

The Shares offered under this Prospectus will represent approximately 40.9% of the Shares on issue on Completion of the Offer. The Offer (excluding the Employee Gift Offer, under which no proceeds will be raised) is expected to raise approximately \$50.0 million from the issue of New Shares by the Company and for the Company's benefit and approximately \$40.0 million from the sale of Existing Shares by SaleCo.

The total number of Shares on issue at Completion will be 129.4 million and all Shares will, once issued, rank equally with each other.

Key terms of the Offer are otherwise set out in the Key Offer Information section on page 4 and in Section 7.9. These terms are operative and are not necessarily repeated in this Section 7.

The Offer opens and is expected to close as set out in the Key Offer Information section on page 4. Without notice, the Company and the Joint Lead Managers may close the Offer or any part of it early, extend the Offer or any part of it, or accept late Applications either generally or in particular cases. Applicants are therefore encouraged to submit their Applications as early as possible.

The Offer is made on the terms, and is subject to the conditions, set out in this Prospectus.

7.2 – Structure of the Offer

The Offer comprises the following components:

- the **Broker Firm Offer** – open only to Australian resident retail investors and sophisticated investors who have received an invitation from their Broker to participate (see Section 7.10);
- the **Priority Offer** – open to selected investors in Australia nominated by the Company (see Section 7.11);
- the **Employee Gift Offer** – open to Eligible Gift Employees who have received an offer from the Company to acquire, at no cost, \$1,000 worth of Shares (rounded down to the nearest whole Share based on the Offer Price) (see Section 7.12); and
- the **Institutional Offer** – an invitation to bid for Shares made to Institutional Investors in the Permitted Jurisdictions (see Section 7.15).

The Broker Firm Offer, the Priority Offer and the Employee Gift Offer are collectively referred to as the “**Retail Offer**”.

No general public offer of Shares will be made under the Offer. Members of the public wishing to apply for Shares under the Offer may only do so through a Broker. The allocation of Shares between the Retail Offer and the Institutional Offer will be determined by agreement between the Company, SaleCo and the Joint Lead Managers, having regard to the allocation policies outlined in Sections 7.10.4, 7.11.4 and 7.12.4 and 7.15.2.

The Offer (other than the Employee Gift Offer) has been fully underwritten pursuant to an Underwriting Agreement. A summary of the Underwriting Agreement, including the events which would entitle the Joint Lead Managers to terminate the Underwriting Agreement, is set out in Section 9.6.1.

7.3 – Purpose of the Offer

The purpose of the Offer is to:

- provide funding and financial flexibility to accelerate investment in manufacturing infrastructure;
- provide funding to support the Company's growth strategy and future growth opportunities which may arise through strategic acquisitions;
- provide funding to invest in the continued development and acceleration of the commercialisation of the Company's new technology products;
- broaden Trajan's shareholder base and provide a liquid market for Shares;
- provide Trajan with the benefits of an increased profile that arises from being a publicly listed entity; and
- pay transaction costs.

The Offer also provides the Existing Shareholder with an opportunity to realise part of their investment in the Company through the sale of Existing Shares through SaleCo.

This Prospectus is also issued for the purpose of Section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of securities to be issued by the Company pursuant to the Offer or otherwise issued by the Company prior to the Closing Time.

7.4 – Sources and uses of funds

The proceeds of the Offer received by the Company will be applied in the manner described in the table below. The Offer is expected to raise gross proceeds of approximately \$90.0 million. The proceeds of the Offer received by SaleCo in respect of the sale of Existing Shares will be paid to SaleCo and then paid by SaleCo to the Existing Shareholder.

Sources of funds	\$ million	Uses of funds ¹⁹	\$ million	% after costs
Trajan				
Offer proceeds from the issue of New Shares	\$50.0	Accelerate investment in manufacturing infrastructure	\$6.6	15%
		Support Trajan's growth strategy including strategic acquisitions	\$30.8	70%
		Accelerate commercialisation of new products	\$6.6	15%
		Transaction costs ²⁰	\$6.0	
Trajan SaleCo				
Offer proceeds from the sale of Existing Shares	\$40.0	Payment to Existing Shareholder	\$40.0	
Total sources	\$90.0	Total uses	\$90.0	

The Board retains the right to vary these uses of funds, acting in the best interests of Shareholders and as circumstances require.

7.5 – Pro Forma Historical Statement of Financial Position

The Company's Pro Form Historical Statement of Financial Position following Completion, including details of the pro forma adjustments, is set out in Section 4.5.

19. The financial forecast outlined in Section 4 is not dependent or reliant on any of the 'Use of funds' identified in this table including accelerated investment in new manufacturing infrastructure or any other initiatives outlined in Section 7.4.

20. Transaction costs includes the fees payable to advisers referred to in Section 6.3.12 and 9.6.1, as well as other costs such as registry fees, ASX listing fees and other adviser fees.

7. Details of the Offer (continued)

7.6 – Capital structure of Trajan

The Company's ownership structure as at the Prospectus Date and on Completion of the Offer is set out below:

Holder ^{1,2}	Prospectus Date		Completion	
	Securities	%	Securities	%
Shares				
Tomisich Family Trust	100,000,000	100	76,470,588	59.1%
New Shares to be issued under the Offer or at Completion	–	–	29,411,765	22.7%
Existing Shares to be sold under the Offer	–	–	23,529,412	18.2%
Total	100,000,000	100%	129,411,765³	100.0%
Options				
Options to be granted under the Director Option Offers	–	–	895,133	39.4%
Options to be granted under the KMP Option Offers	–	–	589,443	25.9%
Options to be granted under the Employee Option Offers	–	–	789,477	34.7%
Total	–	–	2,274,053⁴	100%
Total number of Shares on a fully diluted basis^{3,4}			131,685,818^{3,4}	

Notes:

1. Holders of securities in the Company may hold their interests in those securities directly, or through entities associated with them (e.g. through holdings by companies or trusts).
2. Refer also to Section 6.3 for further information on interests and benefits (including Directors' interests in Shares).
3. This number excludes any Shares which may be issued under the Employee Gift Offer. The total number of Shares which may be issued under the Employee Gift Offer is 152,880.
4. Assuming all Options are taken up under the LTIP Offers.

The Share numbers presented in the table above exclude any Shares that may be acquired by Directors, key management or other employees (including through their associated entities) under the Offer.

All the Shares held by the Tomisich Family Trust at Completion, which will represent 59.1% of the Shares on issue (on an undiluted basis), will be subject to a voluntary escrow arrangement. Please refer to Section 7.21 for more information.

In the opinion of the Company, the free float of Shares at the time of Listing on the Official List will be no less than 20% of the Shares on issue at that time.

7.7 – Control implications of the Offer

The Tomisich Family Trust is the only controlling Shareholder (based on the definition of "control" in Section 50AA of the Corporations Act) as at the Prospectus Date and is expected to be the only controlling Shareholder on Completion.

7.8 – Potential effect of the fundraising on the future of Trajan

The Directors believe that, on Completion of the Offer, the Company will have sufficient funds available from the cash proceeds of the Offer to fulfil the purposes of the Offer and enough working capital to carry out Trajan's stated business objectives in this Prospectus.

7.9 – Terms and conditions of the Offer

What is the type of security being offered?	Shares (being fully paid ordinary shares in the issued capital of the Company).
What are the rights and liabilities attached to the security being offered?	A description of the Shares, including the rights and liabilities attaching to them, is set out in Section 9.7.
What is the consideration payable for the Shares?	Successful applicants under the Offer (other than the Employee Gift Offer) will pay the Offer Price, being \$1.70 per Share.
What is the Offer period?	<p>The Broker Firm Offer, Priority Offer and Employee Gift Offer will open at 9.00am (Melbourne time) on 17 May 2021 and will close at 5.00pm (Melbourne time) on 25 May 2021.</p> <p>The key dates, including details of the Offer Period, are set out on page 4 of this Prospectus. The timetable is indicative only and may change. Unless otherwise indicated, all times are stated in Australian Eastern Standard time. The Company and SaleCo, in consultation with the Joint Lead Managers, reserve the right to vary both of the above times and dates without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Offer Period relating to any component of the Offer, or to accept late Applications or bids, either generally or in particular cases, or to cancel or withdraw the Offer before Settlement, in each case without notifying any recipient of this Prospectus or any Applicants). If the Offer is cancelled or withdrawn before the allocation of Shares, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act.</p> <p>No Shares will be issued on the basis of this Prospectus later than the Expiry Date of 13 months after the Prospectus Date.</p>
What are the cash proceeds to be raised under the Offer?	Approximately \$90.0 million will be raised if the Offer proceeds (comprising \$50.0 million from the issue of New Shares by Trajan for Trajan's benefit and \$40.0 million from the sale of Existing Shares held by the Existing Shareholder).
Is the Offer underwritten?	The Joint Lead Managers have fully underwritten the Offer (other than the Employee Gift Offer) pursuant to the Underwriting Agreement. Details are provided in Section 9.6.1.
Who are the Joint Lead Managers for the Offer?	The Joint Lead Managers are Canaccord Genuity (Australia) Limited and Ord Minnett Limited.
What is the minimum and maximum application size under the Retail Offer?	<p>The minimum application size for investors in the Broker Firm Offer and the Priority Offer is \$2,000 worth of Shares and in multiples of \$500 worth of Shares thereafter. There is no maximum value of Shares that may be applied for under the Broker Firm Offer or the Priority Offer.</p> <p>Under the Employee Gift Offer, Eligible Gift Employees who submit a valid Application will receive a guaranteed allocation of \$1,000 worth of Shares (rounded down to the nearest whole Share based on the Offer Price).</p> <p>Trajan and SaleCo, along with the Joint Lead Managers, reserve the right to treat any Applications in the Broker Firm Offer that are from persons who they believe may be Institutional Investors, as bids in the Institutional Offer or to reject or scale back Applications. Trajan and SaleCo, along with the Joint Lead Managers, also reserve the right to aggregate any Applications believed to be multiple applications from the same person.</p>

7. Details of the Offer (continued)

What is the allocation policy?	<p>The allocation of Shares between the Institutional Offer and Retail Offer (including the Broker Firm Offer, the Priority Offer and the Employee Gift Offer) was determined by agreement between the Company and the Joint Lead Managers, having regard to the allocation policy outlined in Sections 7.10.4, 7.11.4, 7.12.4 and 7.15.2 of this Prospectus.</p> <p>With respect to the Broker Firm Offer, it is a matter for Brokers as to how they allocate Shares among their retail clients.</p> <p>The allocation of Shares under the Priority Offer and the Employee Gift Offer is at the absolute discretion of the Company, provided that the allocations do not exceed 5,294,118 Shares and 152,880 Shares, respectively.</p> <p>Except for Shares to be issued under the Employee Gift Offer in respect of valid Applications from Eligible Gift Employees, Trajan, along with the Joint Lead Managers, have absolute discretion regarding the allocation of Shares to Applicants under the Offer and may reject an Application, or allocate fewer Shares than the number or equivalent dollar amount applied for, in our absolute discretion. Trajan and SaleCo, in conjunction with the Joint Lead Managers, also reserve the right to aggregate any Applications that they believe may be multiple Applications from the same person.</p> <p>All Eligible Gift Employees who apply correctly for Shares under the Employee Gift Offer are guaranteed the allocation of those Shares.</p>
When will I receive confirmation that my Application has been successful?	<p>It is expected that initial holding statements will be dispatched by standard post on or about 1 June 2021.</p> <p>Refunds (without interest) to Applicants who make an Application and are scaled back (or otherwise receive Shares having a lesser value than the amount of Application Monies they have paid) will be made as soon as possible after Completion of the Offer.</p>
Will the Shares be quoted?	<p>Trajan will apply within seven days of the Prospectus Date to the ASX for admission to the Official List and quotation of Shares on ASX (which is expected to be under the code "TRJ").</p> <p>Completion is conditional on the ASX approving this application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.</p> <p>Trajan will be required to comply with the ASX Listing Rules, subject to any waivers obtained by us from time to time.</p> <p>The ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that Trajan may be admitted to the Official List is not to be taken as an indication of the merits of Trajan or the Shares offered for sale.</p>
When are the Shares expected to commence trading?	<p>It is expected that trading of the Shares on the ASX will commence on or around 7 June 2021 on a deferred settlement basis.</p> <p>Shares are expected to commence trading on the ASX on a normal settlement basis on or around 7 June 2021.</p> <p>It is the responsibility of each Applicant to confirm their holding before trading Shares. Applicants who sell Shares before they receive an initial holding statement do so at their own risk. Trajan, SaleCo, their respective directors and officers along with the Registry and the Joint Lead Managers disclaim all liability, whether in negligence or otherwise, to persons who sell Shares before receiving their holding statement, whether on the basis of a confirmation of allocation provided by any of them or a Broker or from the Trajan Offer Information Line.</p>
Are there any escrow arrangements?	<p>Yes. Details are provided in Section 7.21.</p>
Has any ASIC relief or ASX waiver been sought or obtained?	<p>Yes. Details are provided in Section 9.10.</p>

Are there any taxation considerations for Australian investors?	Yes. Refer to Section 9.11.
Are there any brokerage, commission or stamp duty considerations?	No brokerage, commission or stamp duty is payable by Applicants on acquisition of Shares under the Offer. See Section 9.6.1 for details of various fees payable by Trajan to the Joint Lead Managers.
What should I do with any enquiries?	All enquiries in relation to this Prospectus should be directed to the Trajan Offer Information Line on 1300 850 505 (within Australia) or +61 3 9415 5000 (outside Australia) from 8.30am until 5.30pm (Melbourne time) Monday to Friday (excluding public holidays). All enquiries in relation to the Broker Firm Offer should be directed to your Broker. If you are unclear in relation to any matter or are uncertain as to whether Shares are a suitable investment for you, you should seek professional guidance from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest.

7.10 – Broker Firm Offer

7.10.1 – Who can apply?

The Broker Firm Offer is open to persons who have received an invitation to participate from a Broker and who have a registered address in Australia and are not located in the United States. You should contact your Broker to determine whether you can receive an invitation from them under the Broker Firm Offer.

7.10.2 – How to apply?

If you have received an invitation to participate from your Broker and wish to apply for Shares under the Broker Firm Offer, you should contact your Broker for information about how to submit your Broker Firm Offer Application Form and for payment instructions. Applicants under the Broker Firm Offer must not send their Application Forms or payment to the Registry.

Applicants under the Broker Firm Offer should contact their Broker or the Trajan Offer Information Line on 1300 850 505 (within Australia) or +61 3 9415 5000 (outside Australia) between 8.30am and 5.30pm Melbourne, Australia time, Monday to Friday (business days only) to request a Prospectus and Application Form, or download a copy at <https://trajangroupipo.thereachagency.com>.

Your Broker will act as your agent and it is your Broker's responsibility to ensure that your Application Form and Application Monies are received before 5.00pm (Melbourne time) on the Closing Time or any earlier closing date as determined by your Broker.

If you are an investor applying under the Broker Firm Offer, you should complete and lodge your Broker Firm Offer Application Form with your Broker. Broker Firm Offer Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the reverse of the Application Form.

By making an Application, you declare that you were given access to this Prospectus (or any supplementary or replacement Prospectus), together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

The minimum Application under the Broker Firm Offer is \$2,000 worth of Shares and in multiples of \$500 worth of Shares thereafter. There is no maximum value of Shares that may be applied for under the Broker Firm Offer. However, the Company and the Joint Lead Managers reserve the right to aggregate any applications which they believe may be multiple applications from the same person or reject or scale back any applications in the Broker Firm Offer. The Company may determine whether a person is eligible to participate in the Broker Firm Offer, and may amend or waive the Broker Firm Offer application procedures or requirements, in its discretion, in compliance with applicable laws.

The Company, SaleCo, the Joint Lead Managers and the Registry take no responsibility for any acts or omissions committed by your Broker in connection with your Application.

7. Details of the Offer (continued)

The Broker Firm Offer opens at 9.00am (Melbourne time) on 17 May 2021 and is expected to close at 5.00pm (Melbourne time) on 25 May 2021. The Company, SaleCo and the Joint Lead Managers may elect to close the Offer or any part of it early, extend the Offer or any part of it, or accept late Applications either generally or in particular cases.

The Offer or any part of it may be closed at any earlier time and date, without further notice. Applicants are therefore encouraged to submit their Applications as early as possible. Contact your Broker or the Trajan Offer Information Line 1300 850 505 (within Australia) or +61 3 9415 5000 (outside Australia) between 8.30am and 5.30pm (Melbourne time) Monday to Friday (excluding public holidays) for instructions.

7.10.3 – How to pay?

Applicants under the Broker Firm Offer must pay their Application Monies in accordance with instructions provided by their Broker.

7.10.4 – Allocation policy under the Broker Firm Offer

The allocation of Shares to the Broker Firm Offer, and the identity and level of participation of Brokers participating in the Broker Firm Offer, have been determined by agreement between the Joint Lead Managers, the Company and SaleCo. Shares that have been allocated to Brokers for allocation to their Australian resident clients will be issued or transferred to the Applicants nominated by those Brokers (subject to the right of the Company, SaleCo and the Joint Lead Managers to reject, aggregate or scale back Applications).

It will be a matter for Brokers as to how they allocate firm Shares among their Australian resident clients, and they (and not the Company) will be responsible for ensuring that retail clients who have received a firm allocation from them receive the relevant Shares.

Applicants under the Broker Firm Offer should confirm their allocation through the Broker from whom they received their allocation. However, if you sell Shares before receiving a holding statement, you do so at your own risk, even if you obtained details of your holding from the Trajan Offer Information Line or confirmed your allocation through a Broker.

The Company, SaleCo, their respective directors and officers, the Joint Lead Managers and the Registry disclaim all liability, whether in negligence or otherwise, if you sell Shares before receiving your holding statement, even if you obtained details of your holding from the Trajan Offer Information Line or confirmed your firm allocation of Shares through a Joint Lead Manager.

7.10.5 – Acceptance of applications

An Application in the Broker Firm Offer is an offer by you to the Company to apply for the number of Shares specified in the Application Form at the Offer Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement document) and the Application Form. To the extent permitted by law, an Application by an Applicant is irrevocable.

An Application may be accepted in respect of the full amount, or any amount lower than that specified in the Application Form, without further notice to the Applicant. Acceptance of an Application will give rise to a binding contract on allocation of Shares to Successful Applicants conditional on Settlement and the quotation of Shares on the ASX.

The Joint Lead Managers, in agreement with the Company and SaleCo, reserve the right to reject any Application which is not correctly completed or which is submitted by a person who they believe is ineligible to participate in the Broker Firm Offer, or to waive or correct any errors made by the Applicant in completing their Application.

The final allocation of Shares to Applicants in the Broker Firm Offer will be at the Company's absolute discretion and the Company may reject an Application, or allocate fewer Shares than the number or equivalent dollar amount applied for.

7.11 – Priority Offer

7.11.1 – Who can apply?

The Priority Offer is open to selected investors who have a registered address in Australia and are not located in the United States and who have received an invitation to participate from the Company (Priority Offer Applicant). If you are a Priority Offer Applicant, you should have received a personalised invitation to apply for Shares in the Priority Offer.

7.11.2 – How to apply?

If you have received a personalised invitation to apply for Shares under the Priority Offer and you wish to apply for all or some of those Shares, you should follow the instructions on your personalised invitation to apply.

You may apply for an amount up to and including the amount indicated on your personalised invitation. Applications under the Priority Offer must be for a minimum of \$2,000 worth of Shares and in multiples of \$500 worth of Shares thereafter. There is no maximum number or value of Shares that may be applied for under the Priority Offer.

By making an Application, you declare that you were given access to this Prospectus (or any supplementary or replacement Prospectus), together with an Application Form. ***The Corporations Act prohibits any person from passing an Application Form to another person unless it is included in, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.***

An Application in the Priority Offer is an offer by an Applicant to the Company to apply for Shares in the amount specified in the Application Form at the Offer Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement Prospectus) and the Application Form. To the extent permitted by law, an Application by an Applicant under the Offer is irrevocable.

An Application may be accepted by the Company and the Joint Lead Managers in respect of the full number of Shares specified in the Application Form, or any of them, without further notice to the Applicant. The Company reserves the right to decline any Application in whole or in part, without giving any reason. Applicants under the Priority Offer who are allocated a lesser number of Shares than the amount applied for will receive a refund of all or part of their Application Monies, as applicable. Interest will not be paid on any monies refunded.

Applicants whose Applications are accepted in full will receive the whole number of Shares calculated by dividing the Application Monies provided by the Offer Price.

If the amount of your Application Monies that you pay is less than the amount specified on your Application Form, you may be taken to have applied for such lower Australian dollar amount of Shares as for which your cleared Application Monies will pay (and to have specified that amount on your online Application Form) or your Application may be rejected.

Acceptance of an Application will give rise to a binding contract.

Applications must be received by the Registry on or before the closing date for the Priority Offer (5.00pm (Melbourne time) on 25 May 2021).

7.11.3 – How to pay?

If you are a Priority Offer Applicant, you must pay for Shares applied for following the instructions on your personalised invitation.

7.11.4 – Allocation policy under the Priority Offer

Allocations under the Priority Offer will be at the absolute discretion of the Company, provided that those allocations (in aggregate) do not exceed \$9.0 million.

Priority Offer Applicants will receive a guaranteed allocation up to and including the amount indicated on their personalised invitation.

7.12 – Employee Gift Offer

7.12.1 – Who can apply?

The Employee Gift Offer is open to Eligible Gift Employees, being persons who have been continuously employed by Trajan on a permanent or permanent part-time basis since 25 May 2020, and who have a registered address in Australia, the United States, the United Kingdom, Germany or Japan and receive a personalised invitation to apply for Shares under the Employee Gift Offer. Directors of the Company and participants in the LTIP Offers are not eligible to participate in the Employee Gift Offer.

Personalised invitations to apply for Shares under the Employee Gift Offer will be dispatched to Eligible Gift Employees on the Prospectus Date. Eligible Gift Employees should read their invitation and this Prospectus carefully and in their entirety before deciding whether to apply for Shares under the Employee Gift Offer. If you are unclear in relation to any matter or are uncertain as to whether Shares are a suitable investment for you, you should seek professional guidance from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest.

7. Details of the Offer (continued)

7.12.2 – How to apply?

Eligible Gift Employees who wish to apply for Shares under the Employee Gift Offer must apply for Shares by submitting the Employee Gift Offer Application Form in accordance with the instructions on your personalised invitation. Eligible Gift Employees must comply with the instructions on their personalised invitation and the Application Form.

By making an Application, you declare that you were given access to this Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

Applications under the Employee Gift Offer must be received on or before the closing date of the Priority Offer (5.00pm (Melbourne time) on 25 May 2021).

The Employee Gift Offer may only be accepted in full.

7.12.3 – How to pay?

No payment for Shares is required under the Employee Gift Offer.

7.12.4 – Allocation policy under the Employee Gift Offer

Eligible Gift Employees who submit a valid Application will receive a guaranteed allocation of \$1,000 worth of Shares (rounded down to the nearest whole Share based on the Offer Price).

7.12.5 – Restrictions on disposing of Shares

Eligible Gift Employees may not sell, transfer or otherwise dispose of any Shares acquired under the Employee Gift Offer for a minimum period of three years, unless the Eligible Gift Employee ceases to be employed by Trajan or the dealing is required by law (in which case the Shares will be released).

Trajan will implement necessary arrangements to give effect to this restriction. By applying for Shares under the Employee Gift Offer, Eligible Gift Employees will be agreeing to the imposition of any restriction, including a holding lock, on a sale, transfer or disposal of those Shares.

Once the restriction period ends or Shares are released, Eligible Gift Employees will, subject to the requirements of the Company's Securities Trading Policy, be free to deal with the Shares acquired under the Employee Gift Offer. Employee Gift Offer Shares are not subject to forfeiture.

7.13 – Acceptance of Applications under the Retail Offer

An Application under the Retail Offer (which incorporates the Broker Firm Offer, the Priority Offer and the Employee Gift Offer) is an offer by you to the Company and SaleCo to apply for Shares in the dollar amount specified on the Application Form at the Offer Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement document) and the Application Form. To the extent permitted by law, an Application by an Applicant may not be varied and is irrevocable.

By making an Application, you declare that you were given access to this Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a paper copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

An Application may be accepted by the Company or SaleCo in respect of the full amount specified on the Application Form, or any amount lower than that, without further notice to the Applicant. The Company and SaleCo reserve the right to decline any Application (in whole or in part) if they believe any provisions or procedures in this Prospectus, the Application Form or other laws or regulations may not be complied with in relation to the Application, or for any other reason.

The Company, SaleCo and the Joint Lead Managers reserve the right to reject any Application which is not correctly completed or which is submitted by a person whom they believe is ineligible to participate in the Retail Offer, or to waive or correct any errors made by an Applicant in completing their Application. In addition, the Company, SaleCo and the Joint Lead Managers reserve the right to aggregate any Applications which they believe may be multiple Applications from the same person or reject or scale back any Applications (or aggregation of Applications) which they believe may be from an Institutional Investor, or are for more than \$250,000 worth of Shares.

Successful Applicants in the Retail Offer will be issued Shares at the Offer Price. Acceptance of an Application will give rise to a binding contract, conditional on Settlement and quotation of Shares on the ASX.

7.14 – Application monies received under the Retail Offer

Application Monies received under the Retail Offer will be held in a special purpose account until Shares are issued to Successful Applicants. Applicants under the Retail Offer whose Applications are not accepted, or who are allocated a lesser dollar amount of Shares than the amount applied for, will receive a refund (without interest) of all or part of their Application Monies, as applicable. No refunds pursuant solely to rounding will be provided. Interest will not be paid on any monies refunded and any interest earned on Application Monies pending the allocation or refund will be retained by the Company. You should ensure that sufficient funds are held in the relevant account(s) to cover the amount of your BPAY® payment or electronic funds transfer. If the amount of your BPAY® payment or electronic funds transfer is less than the amount specified on the Application Form, you may be taken to have applied for such lower dollar amount of Shares.

7.15 – Institutional Offer

7.15.1 – Invitations to bid

The Institutional Offer consisted of an invitation to certain Institutional Investors in the Permitted Jurisdictions and, for Institutional Investors in the United States, under the US Offering Circular, which includes this Prospectus. The Joint Lead Managers separately advised Institutional Investors of the application procedures for the Institutional Offer.

7.15.2 – Allocation policy under the Institutional Offer

The allocation of Shares among Applicants in the Institutional Offer was determined by the Joint Lead Managers in consultation with the Company. The Joint Lead Managers and the Company had absolute discretion regarding the basis of allocation of Shares among Institutional Investors.

Participants in the Institutional Offer have been advised of their allocation of Shares, if any, by the Joint Lead Managers.

The allocation policy was influenced, but not constrained, by the following factors:

- number of Shares bid for by particular Applicants;
- the timeliness of the bid by particular Applicants;
- the Company's desire for an informed and active trading market following Listing;
- the Company's desire to establish a wide spread of institutional Shareholders;
- overall level of demand under the Broker Firm Offer and the Institutional Offer;
- the size and type of funds under management of particular Applicants;
- the likelihood that particular Applicants will be long-term Shareholders; and
- any other factors that the Company and the Joint Lead Managers considered appropriate.

7.16 – Nature of Applications and Applicant acknowledgements

Applications must comply with this Prospectus and the instructions on the Application Form. An Application is an offer by the Applicant to the Company or SaleCo to apply for all or any of the number of Shares specified in the Application Form, at the Offer Price on the terms set out in this Prospectus. To the extent permitted by law, an Application is irrevocable. Acceptance of an Application will give rise to a binding contract on allocation of Shares to Successful Applicants.

Each Applicant under the Offer will be deemed to have:

- agreed to become a member of the Company and to be bound by the terms of the Constitution and the terms and conditions of the Offer;
- acknowledged having personally received a printed or electronic copy of this Prospectus (and any supplementary or replacement Prospectus) included in or accompanying the Application Form and having read them all in full;
- declared that all details and statements in their Application Form are complete and accurate;
- declared that the Applicant(s), if a natural person, is/are over 18 years of age;
- acknowledged that, once the Company or a Broker receives an Application Form, it may not be withdrawn;
- applied for the number of Shares at the Australian dollar amount shown on the front of the Application Form;

7. Details of the Offer (continued)

- agreed to be allocated the number of Shares applied for (or a lower number allocated in a way described in this Prospectus), or no Shares at all;
- authorised the Company and the Joint Lead Managers and their respective officers or agents, to do anything on behalf of the Applicant(s) necessary for Shares to be allocated to the Applicant(s), including to act on instructions received by the Registry upon using the contact details in the Application Form;
- acknowledged that, in some circumstances, the Company may not pay dividends, or that any dividends paid may not be franked;
- acknowledged that the information contained in this Prospectus (or any supplementary or replacement Prospectus) is not financial product advice or a recommendation that Shares are suitable for the Applicant(s), given the investment objectives, financial situation or particular needs of the Applicant(s);
- declared that the Applicant(s) is/are a resident of Australia (except as applicable to the Institutional Offer);
- acknowledged and agreed that the Offer may be withdrawn by the Company or may otherwise not proceed in the circumstances described in this Prospectus;
- acknowledged and agreed that if Listing does not occur for any reason, the Offer will not proceed;
- the applicant is resident or domiciled in Australia or, if outside Australia, is an Institutional Investor;
- acknowledged that the Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States, except in transactions exempt from, or not subject to the registration requirements of the US Securities Act and any applicable US state securities laws; and
- declared that the Applicant has not and will not send this Prospectus or any other material relating to the Offer to any person in the United States or elsewhere outside Australia.

Each Applicant in the Retail Offer, and each person in Australia to whom the Institutional Offer is made under this Prospectus, will be taken to have represented, warranted and agreed that the Applicant:

- understands that the Shares have not been, and will not be, registered under the U.S Securities Act or the securities laws of any state of the United States and may not be offered, or sold in the United States, except in transactions exempt from, or not subject to the registration requirements of the US Securities Act and any applicable US state securities laws;
- is located in Australia and not in the United States;
- is not acting for the account or benefit of any person in the United States or any other foreign person; and
- has not and will not send this Prospectus or any other material relating to the Offer to any person in the United States or elsewhere outside Australia.

Each Applicant under the Institutional Offer will be required to make certain representations, warranties and covenants set out in the confirmation of allocation letter distributed to it.

7.17 – Discretion of the Company and SaleCo in relation to the Offer

There is no assurance that any Applicant will be allocated any Shares, or the number of Shares for which the Applicant has applied.

The Company and SaleCo may in their absolute discretion, without notice to any Applicant and without giving any reason:

- withdraw the Offer at any time before the issue or transfer of Shares to Successful Applicants;
- decline an Application;
- accept an Application for its full amount or any lower amount;
- determine a person to be eligible or ineligible to participate in any part of the Offer;
- waive or correct any errors made by an Applicant in completing their Application Form;
- amend or waive the Offer application procedures or requirements in compliance with applicable laws; or
- aggregate any Applications that they believe may be multiple Applications from the same person.

7.18 – Restrictions on distribution

This Prospectus does not constitute an offer in any place outside Australia where, or to any person to whom, it would not be lawful to make such offer. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offer of the Shares, in any jurisdiction outside Australia.

The distribution of this Prospectus outside Australia may be restricted by law and persons who come into possession of this Prospectus should observe any such restrictions, including those in the following section. Any failure to comply with such restrictions could constitute a violation of applicable securities laws. In particular, this Prospectus may only be distributed in the United States by the Company to its employees under the Employee Gift Offer and to Institutional Investors by a registered US broker-dealer of Canaccord and only if this Prospectus is accompanied by the US Offering Circular.

Germany

This Prospectus has not been, and will not be, registered with or approved by any securities regulator in Germany or elsewhere in the European Union. Accordingly, this Prospectus may not be made available, nor may the Shares be offered for sale, in Germany except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the **Prospectus Regulation**).

In accordance with Article 1(4) of the Prospectus Regulation, an offer of Shares in Germany is limited:

- to existing employees of the Company or any of its subsidiaries; or
- in any other circumstance falling within Article 1(4) of the Prospectus Regulation.

Hong Kong

WARNING: This Prospectus has not been, and will not be, registered as a Prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). No action has been taken in Hong Kong to authorise or register this Prospectus or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Shares have not been and will not be offered or sold in Hong Kong other than to “professional investors” (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Japan

The Shares have not been, and will not be, registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the **FIEL**) pursuant to an exemption from the registration requirements applicable to a private placement of securities to a small number of investors. This Prospectus may only be distributed to employees of the Company and is confidential to the person to whom it is addressed. This Prospectus may not be distributed, reproduced or disclosed (in whole or in part) to any other person in Japan.

New Zealand

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013* (the **FMC Act**). The Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;

7. Details of the Offer (continued)

- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Singapore

This Prospectus and any other materials relating to the Shares have not been, and will not be, lodged or registered as a Prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may the 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) 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 Prospectus has been given to you on the basis that you are (i) an “institutional investor” (as defined in the SFA) or (ii) an “accredited investor” (as defined in the SFA). If you are not an investor falling within one of these categories, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

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

United Kingdom

Neither this Prospectus nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no Prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the Shares.

The Shares may not be offered or sold in the United Kingdom by means of this Prospectus or any other document, except in circumstances that do not require the publication of a Prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to “qualified investors” within the meaning of Article 2(e) of the UK Prospectus Regulation and to employees of the Company under the Employee Gift Offer. This Prospectus may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this Prospectus is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the *Financial Services and Markets Act 2000* (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together **relevant persons**). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

United States

The Shares have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

The Shares will only be offered and sold in the United States to:

- institutional accredited investors (as defined in Rule 501(a)(1), (2), (3) and (7) under the US Securities Act); and
- dealers or other professional fiduciaries organised or incorporated in the United States that are acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not US persons and for which they exercise investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S under the US Securities Act.

In addition, Shares may be issued to employees of the Company under the Employee Gift Offer.

7.19 – ASX Listing, registers and holding statements

7.19.1 – Application to the ASX for Listing of Trajan and quotation of Shares

The Company will apply for admission to the Official List and quotation of the Shares on the ASX within seven days of the Prospectus Date. The Company's ASX code is expected to be TRJ.

The ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that the ASX may admit the Company to the Official List is not to be taken as an indication of the merits of the Company or the Shares offered for subscription.

If the Shares are not admitted to quotation on the ASX within three months after the Prospectus Date (or any later date permitted by law), the Offer will be withdrawn and all Application Monies received by the Company will be refunded (without interest) in accordance with the requirements of the Corporations Act.

Subject to certain conditions (including any waivers obtained by the Company from time to time), the Company will be required to comply with the ASX Listing Rules.

7.19.2 – CHESS and issuer-sponsored holdings

The Company will apply to participate in the Clearing House Electronic Subregister System (**CHESS**) and will comply with the ASX Listing Rules and the ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on the ASX under which transfers are effected in electronic form.

When the Shares become approved financial products (defined in the ASX Settlement Operating Rules), holdings will be registered in one of two sub-registers, an electronic CHESS sub-register or an issuer-sponsored sub-register. For all Successful Applicants, the Shares of a Shareholder who is a participant in CHESS or a Shareholder sponsored by a participant in CHESS will be registered on the CHESS sub-register. All other Shares will be registered on the issuer-sponsored sub-register.

Following Completion, Shareholders will be sent a holding statement that sets out the number of Shares that have been allocated to them. This statement will also provide details of a Securityholder's Holder Identification Number (**HIN**) for CHESS holders or, where applicable, the Securityholder Reference Number (**SRN**) of issuer-sponsored holders. Shareholders will subsequently receive statements showing any changes to their Shareholding. Certificates will not be issued.

Shareholders will receive subsequent statements at the end of each month or if there has been a change to their shareholding on the register and as otherwise required under the ASX Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Securityholder's sponsoring Broker (in the case of a holding on the CHESS sub-register) or through the Registry (in the case of a holding on the issuer-sponsored sub-register). The Registry may charge a fee for these additional statements.

7.19.3 – Selling Shares before receiving a holding statement

It is expected that the Shares will commence trading on the ASX on 7 June 2021 on a normal settlement basis (that is, trading on a T+2 settlement basis).

It is the responsibility of each person who trades in Shares to confirm their holding before trading in Shares. If you sell Shares before receiving a holding statement, you do so at your own risk. The Company, SaleCo, the Registry and the Joint Lead Managers disclaim all liability, whether in negligence or otherwise if you sell Shares before receiving a holding statement, even if you obtained details of your holding through the Joint Lead Managers or your Broker.

7.20 – Summary of rights and liabilities attaching to Shares and other material provisions of the Constitution

A summary of the significant rights, liabilities and obligations attaching to Shares and a description of other material provisions of the Constitution is set out in Section 9.7.

7. Details of the Offer (continued)

7.21 – Voluntary escrow arrangements

Upon Completion of the Offer, a voluntary escrow arrangement pursuant to a voluntary escrow deed between the Tomisich Family Trust, the Company and Stephen and Angela Tomisich (being the effective controllers of the Tomisich Family Trust) will come into effect which will prevent the Tomisich Family Trust and Stephen and Angela Tomisich (together, the **Escrowed Parties**) from disposing of their interests in the Shares held by the Tomisich Family Trust (**Escrowed Shares**).

At Completion of the Offer the Escrowed Shares will represent approximately 59.1% of the Shares on issue on an undiluted basis.

The restriction on disposing is broadly defined in the voluntary escrow deed. It restricts the Escrowed Parties from, among other things, selling, assigning, transferring or otherwise disposing of any legal, beneficial or economic interest in the Escrowed Shares, creating or agreeing to create a security interest over the Escrowed Shares, doing, or omitting to do, any act if the act or omission would have the effect of transferring effective ownership or control of any of the Escrowed Shares or agreeing to do any of those things (**Escrow Restriction**).

Twenty-five percent (25%) of the Escrowed Shares will be subject to the Escrow Restriction until the release of the Company's financial results for FY2022 and the remaining 75% will remain subject to the Escrow Restriction until the release of the Company's financial results for FY2023.

Despite the Escrow Restriction, the Escrowed Parties may dispose of any Escrowed Shares to the extent the disposal is:

- to accept a bona fide takeover bid in respect of all or a proportion of the Shares, provided the holders of at least half of the Shares that are not Escrowed Shares, and to which the offers under the bid relate, have accepted an offer under the takeover bid; and
- the transfer or cancellation of the Escrowed Shares as part of a scheme of arrangement under Part 5.1 of the Corporations Act, provided that the scheme of arrangement has received all necessary approvals, including such necessary court and Shareholder approvals,

provided, in each case, that if for any reason any or all Escrowed Shares are not transferred or cancelled in accordance with such a takeover bid or scheme of arrangement (including because the takeover bid does not become unconditional), then the Escrowed Parties agree that the restrictions applying to the Escrowed Shares under the voluntary escrow deed will continue to apply.

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Independent Limited Assurance Report



8. Independent Limited Assurance Report



7 May 2021

Board of Directors
Trajan Group Holdings Limited
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Dear Directors

INVESTIGATING ACCOUNTANT'S REPORT

Independent Limited Assurance Report on Trajan Group Holdings Limited's Financial Information

We have been engaged by Trajan Group Holdings Limited ("Trajan" or "the Company") to report on certain historical, pro forma historical and forecast financial information for inclusion in a Prospectus dated on or about 7 May 2021 ("Prospectus").

The Prospectus relates to the Company's proposed Initial Public Offering ("IPO") and listing on the Australian Securities Exchange ("ASX").

Expressions and terms defined in the Prospectus have the same meaning in this report, unless the context requires otherwise.

The nature of this report is such that it can only be issued by an entity which holds an Australian Financial Services Licence ("AFSL") under the *Corporations Act 2001*. RSM Corporate Australia Pty Ltd ("RSM") holds the appropriate AFSL under the *Corporations Act 2001*.

Scope

Statutory Historical Financial Information

You have requested RSM to review the statutory historical financial information of Trajan included in Section 4 of the Prospectus, comprising:

- the audited statutory historical consolidated income statements of the Company for each of the financial years ended 30 June 2019 and 30 June 2020;
- the audited statutory historical consolidated cash flow statements of the Company for each of the financial years ended 30 June 2019 and 30 June 2020;
- the reviewed statutory historical consolidated income statements of the Company for each of the six months ended 31 December 2019 and 31 December 2020;
- the reviewed statutory historical consolidated cash flow statements of the Company for each of the six months ended 31 December 2019 and 31 December 2020; and
- the reviewed statutory historical consolidated balance sheet of the Company as at 31 December 2020.

collectively "the Statutory Historical Financial Information".

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Corporate Australia Pty Ltd is beneficially owned by the Directors of RSM Australia Pty Ltd. RSM Australia Pty Ltd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 Australian Financial Services Licence No 255847



The Statutory Historical Financial Information of Trajan has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and Trajan's adopted accounting policies.

The Statutory Historical Financial Information relating to each of the financial years ended 30 June 2019 and 30 June 2020 has been extracted from the general purpose consolidated financial reports of Trajan, which were audited by RSM Australia Partners ("RSM Australia") and on which an unqualified audit opinion was issued for each financial year.

The Statutory Historical Financial Information relating to each of the six months ended 31 December 2019 and 31 December 2020 has been extracted from the general purpose consolidated interim financial reports of Trajan, which were reviewed by RSM Australia and on which unqualified review conclusions were issued for each financial period.

The Statutory Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Pro Forma Historical Financial Information

You have requested RSM to review the pro forma historical financial information of Trajan included in the Prospectus.

The pro forma historical financial information consists of Trajan's:

- pro forma historical consolidated income statements for each of the financial years ended 30 June 2019 and 30 June 2020;
- pro forma historical consolidated income statements for each of the six months ended 31 December 2019 and 31 December 2020;
- pro forma historical consolidated cash flow statements for each of the financial years ended 30 June 2019 and 30 June 2020;
- pro forma historical consolidated cash flow statements for each of the the six months ended 31 December 2019 and 31 December 2020; and
- pro forma historical consolidated balance sheet as at 31 December 2020,

collectively referred to as "the Pro Forma Historical Financial Information".

The Pro Forma Historical Financial Information has been derived from the Statutory Historical Financial Information of Trajan, adjusted for the transactions/adjustments summarised in Section 4.3 of the Prospectus. The stated basis of preparation is the recognition and measurement requirements of Australian Accounting Standards and Trajan's adopted accounting policies applied to the Statutory Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in Section 4.3 of the Prospectus, as if those events or transactions had occurred as at the date of the Statutory Historical Financial Information. Due to its nature, the Pro Forma Historical Financial Information does not represent Trajan's actual or prospective financial position or financial performance.

8. Independent Limited Assurance Report (continued)



Forecast Financial Information and directors' best-estimate assumptions

You have asked RSM to review the forecast financial information, as set out in Section 4 of the Prospectus, comprising:

- the statutory forecast consolidated income statement of the Company for each of the financial years ending 30 June 2021 and 30 June 2022;
- the statutory forecast consolidated cash flow statement of the Company for each of the financial years ending 30 June 2021 and 30 June 2022;
- the pro forma forecast consolidated income statement of the Company for each of the financial years ending 30 June 2021 and 30 June 2022; and
- the pro forma forecast consolidated cash flow statement of the Company for each of the financial years ending 30 June 2021 and 30 June 2022.

collectively "the Forecast Financial Information"

The Forecast Financial Information has been derived from the statutory consolidated income statement and statutory consolidated cash flow statement for the six months ended 31 December 2020, extracted from the reviewed general purpose consolidated interim financial statements of Trajan, the actual unaudited trading results for the two months ended 28 February 2021, extracted from the Company's unaudited management accounts, together with the directors' best estimate forecasts for the financial performance of Trajan for the four months ending 30 June 2021 and the twelve months ending 30 June 2022. The directors' best-estimate assumptions underlying the Forecast Financial Information are described in Section 4.6 of the Prospectus.

The stated basis of preparation used in the preparation of the statutory forecast financial information is the recognition and measurement principles contained in Australian Accounting Standards and Trajan's adopted accounting policies applied to the statutory forecast financial information.

The pro forma forecast financial information has been derived from the statutory forecast financial information of Trajan, adjusted for the transactions/adjustments summarised in Section 4.3 of the Prospectus. The stated basis of preparation is the recognition and measurement requirements of Australian Accounting Standards and Trajan's adopted accounting policies applied to the statutory forecast financial information and the events or transactions to which the pro forma adjustments relate, as described in Section 4.3 of the Prospectus, as if those events or transactions had occurred as at the date of the statutory forecast financial information. Due to its nature, the Pro Forma Forecast Financial Information does not represent Trajan's actual or prospective financial performance.

The Forecast Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all the presentation and disclosures required by Australian Accounting Standards applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Directors' responsibility

The directors of Trajan are responsible for:

- the preparation and presentation of the Statutory Historical Financial Information;
- the preparation and presentation of the Pro Forma Historical Financial Information including the selection and determination of pro forma adjustments made to the Statutory Historical Financial Information and included in the Pro Forma Historical Financial Information;

- the preparation of the Forecast Financial Information, including:
 - the best estimate assumptions underlying the forecast; and
 - selection and determination of pro forma adjustments made to the statutory forecast financial information and included in the pro forma forecast financial information; and
- responsibility for such internal controls as the directors determine are necessary to enable the preparation of Statutory Historical Financial Information, Pro Forma Financial Information and Forecast Financial Information that are free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the Statutory Historical Financial Information, Pro Forma Historical Financial Information and Forecast Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

We made such enquiries, primarily of persons responsible for financial and accounting matters, and performed such procedures as we, in our professional judgment, considered reasonable in the circumstances including:

- a consistency check of the application of the stated basis of preparation, to the Statutory Historical Financial Information, Pro Forma Historical Financial Information and Forecast Financial Information;
- a review of Trajan's work papers, accounting records and other supporting documents;
- enquiry of directors, management personnel and advisors; and
- the performance of analytical procedures applied to the Statutory Historical Financial Information, Pro Forma Historical Financial Information and Forecast Financial Information.

For the purposes of preparing this report we have performed limited assurance procedures in relation to the Statutory Historical Financial Information and Pro Forma Historical Financial Information in order to state whether, on the basis of the procedures described, anything comes to our attention that would cause us to believe that the Statutory Historical Financial Information and Pro Forma Historical Financial Information is not prepared or presented fairly, in all material respects, by the directors in accordance with the stated basis of preparation as set out in Section 4 of the Prospectus.

We have performed limited assurance procedures in relation to the Forecast Financial Information, set out in Section 4 of the Prospectus, and the directors' best-estimate assumptions underlying it in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that:

- the directors' best-estimate assumptions do not provide reasonable grounds for the Forecast Financial Information;
- in all material respects the Forecast Financial Information is not:
 - prepared on the basis of the directors' best-estimate assumptions as described in the Prospectus; and

8. Independent Limited Assurance Report (continued)



- presented fairly in accordance with the recognition and measurement principles contained in Australian Accounting Standards and Trajan's accounting policies;
- the Forecast Financial Information itself is unreasonable.

A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Conclusions

Statutory Historical Financial Information and Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Statutory Historical and Pro Forma Historical Financial Information of Trajan, as described in Section 4 of the Prospectus, and comprising:

- the audited statutory historical consolidated income statements of the Company for each of the financial years ended 30 June 2019 and 30 June 2020;
- the audited statutory historical consolidated cash flow statements of the Company for each of the financial years ended 30 June 2019 and 30 June 2020;
- the reviewed statutory historical consolidated income statements of the Company for each of the six months ended 31 December 2019 and 31 December 2020;
- the reviewed statutory historical consolidated cash flow statements of the Company for each of the six months ended 31 December 2019 and 31 December 2020;
- the reviewed statutory historical consolidated balance sheet of the Company as at 31 December 2020;
- pro forma historical consolidated income statements for each of the financial years ended 30 June 2019 and 30 June 2020;
- pro forma historical consolidated income statements for each of the six months ended 31 December 2019 and six months ended 31 December 2020;
- pro forma historical consolidated cash flow statements for each of the financial years ended 30 June 2019 and 30 June 2020;
- pro forma historical consolidated cash flow statements for each of the six months ended 31 December 2019 and 31 December 2020; and
- pro forma historical consolidated balance sheet as at 31 December 2020,

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 4 of the Prospectus.

Forecast Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that:

- the directors' best-estimate assumptions used in the preparation of the Forecast Financial Information do not provide reasonable grounds for the Forecast Financial Information; and

- in all material aspects, the Forecast Financial Information comprising:
 - the statutory forecast consolidated income statement of the Company for each of the financial years ending 30 June 2021 and 30 June 2022;
 - the statutory forecast consolidated cash flow statement of the Company for each of the financial years ending 30 June 2021 and 30 June 2022;
 - the pro forma forecast consolidated income statement of the Company for each of the financial years ending 30 June 2021 and 30 June 2022; and
 - the pro forma forecast consolidated cash flow statement of the Company for each of the financial years ending 30 June 2021 and 30 June 2022,

as set out in Section 4 of the Prospectus:

- are not prepared on the basis of the directors' best-estimate assumptions, as described in Sections 4.6 of the Prospectus; and
 - are not presented fairly in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and Trajan's adopted accounting policies, applied to the Forecast Financial Information; and
- the Forecast Financial Information is unreasonable.

Important Information in relation to the Forecast Financial Information

The Forecast Financial Information has been prepared by management and adopted by the directors in order to provide prospective investors in Trajan with a guide to the potential financial performance of Trajan following the proposed IPO.

There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to events and transactions that have not yet occurred and may not occur. Actual results are likely to be different from the Forecast Financial Information since anticipated events or transactions frequently do not occur as expected and the variation may be material.

The directors' best-estimate assumptions, on which the Forecast Financial Information is based, relate to future events and/or transactions that management expect to occur and actions that management expect to take and are also subject to uncertainties and contingencies, which are often outside the control of Trajan.

Evidence may be available to support the directors' best-estimate assumptions on which the Forecast Financial Information is based, however, such evidence is generally future-orientated and therefore speculative in nature. We are, therefore, not in a position to express a reasonable assurance conclusion on those best-estimate assumptions, and accordingly, provide a lesser level of assurance on the reasonableness of the directors' best-estimate assumptions. However, as stated above, based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the directors' best-estimate assumptions used in the preparation of the Forecast Financial Information do not provide reasonable grounds for the Forecast Financial Information. The limited assurance conclusion expressed in this report has been formed on the above basis.

Prospective investors in Trajan should be aware of the material risks and uncertainties in relation to an investment in Trajan, which are detailed at Section 5 of the Prospectus, and the inherent uncertainty relating to the forecast. Accordingly, prospective investors should have regard to the investment risks as described in Section 5 of the Prospectus.

8. Independent Limited Assurance Report (continued)



We express no opinion as to whether the Forecast Financial Information will be achieved.

We disclaim any assumption of responsibility for any reliance on this report, or on the Forecast Financial Information to which it relates, for any purpose other than that for which it was prepared. We have assumed and relied on representations from certain members of management of Trajan, that all material information concerning the prospects and proposed operations of Trajan has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

Notice to investors outside Australia

Under the terms of our engagement this report has been prepared solely to comply with Australian Auditing Standards applicable to review engagements.

This report does not constitute an offer to sell, or a solicitation of an offer to buy, any securities. We do not hold any financial services licence or other licence outside Australia. We are not recommending or making any representation as to suitability of any investment to any person.

Restriction on Use

Without modifying our conclusions, we draw attention to Section 4, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

Consent

RSM Corporate Australia Pty Ltd has consented to the inclusion of this assurance report in the public document in the form and context in which it is included.

Declaration of Interest

RSM Corporate Australia Pty Ltd does not have any interest in the outcome of this transaction other than the preparation of this report for which normal professional fees will be received.

Financial Services Guide (FSG)

We have attached our FSG at Appendix A to this IAR. The FSG is designed to assist retail clients in their use of any general financial product advice in our IAR.

Yours faithfully

A handwritten signature in blue ink that reads 'A. Clifford'.

RSM CORPORATE AUSTRALIA PTY LTD
Andrew Clifford
Director

APPENDIX A – FINANCIAL SERVICES GUIDE

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 (“RSM Corporate Australia Pty Ltd” or “we” or “us” or “ours” as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide (“FSG”). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- who we are and how we can be contacted;
- the financial services that we will be providing you under our Australian Financial Services Licence, Licence No 255847;
- remuneration that we and/or our staff and any associates receive in connection with the financial services that we will be providing to you;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

Financial services we will provide

For the purposes of our report and this FSG, the financial service we will be providing to you is the provision of general financial product advice in relation to securities.

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

General Financial Product Advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

Benefits that we may receive

We charge various fees for providing different financial services. However, in respect of the financial service being provided to you by us, fees will be agreed, and paid by, the person who engages us to provide the report

8. Independent Limited Assurance Report (continued)



and such fees will be agreed on either a fixed fee or time cost basis. You will not pay to us any fees for our services; the Company will pay our fees. These fees are disclosed in the Report.

Except for the fees referred to above, neither RSM Corporate Australia Pty Ltd, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

Remuneration or other benefits received by our employees

All our employees receive a salary.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Associations and relationships

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia, a large national firm of chartered accountants and business advisers. Our directors are partners of RSM Australia Partners.

From time to time, RSM Corporate Australia Pty Ltd, RSM Australia Partners, RSM Australia and / or RSM Australia related entities may provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of its business.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints should be directed to The Complaints Officer, RSM Corporate Australia Pty Ltd, P O Box R1253, Perth, WA, 6844.

When we receive a written complaint, we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ("AFCA"). AFCA is an external dispute resolution scheme for the financial services industry. Further details about AFCA are available at the AFCA website www.afca.org.au.

If you are not satisfied with our handling of your complaint, you may, therefore, lodge a complaint with AFCA at the following:

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001

Toll Free: 1800 931 678
Email: info@afca.org.au

Contact details

You may contact us using the details set out at the top of our letterhead on page 1 of this report.

9

Additional information



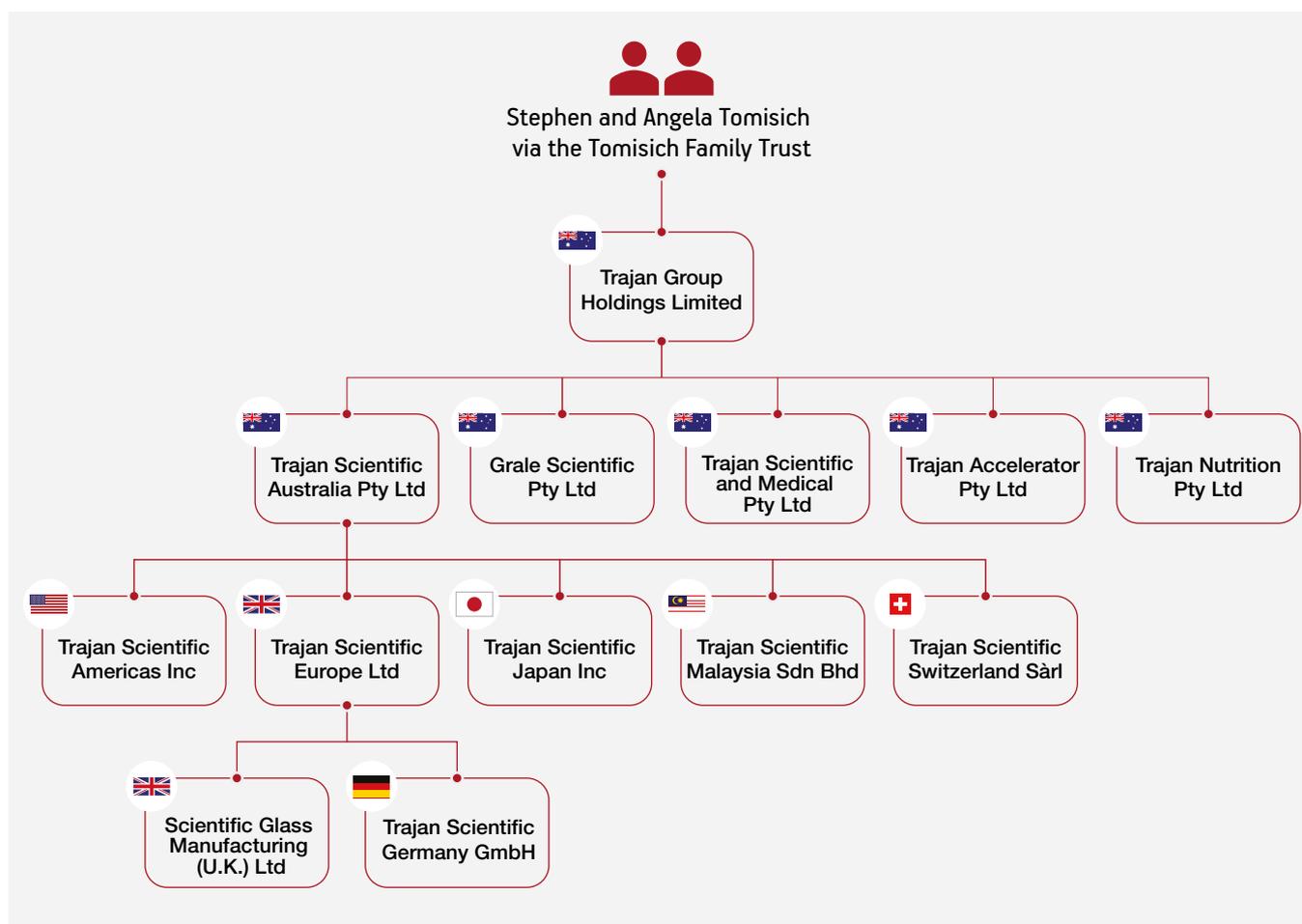
9. Additional information

9.1 – Registration

The Company was incorporated in Victoria on 11 August 2011 as a private company limited by shares and was converted to a public company limited by shares on 23 March 2021. The Company changed its name to Trajan Group Holdings Limited on 23 March 2021.

9.2 – Corporate structure

The corporate structure of the Company and its subsidiaries is set out below.



9.3 – The Company's tax status and financial year

The Company and its wholly-owned Australian subsidiaries have formed a tax consolidated group for Australian tax purposes. The Company, as head company of the tax consolidated group, will be subject to tax at the Australian corporate tax rate.

Other subsidiaries of the Company will be subject to tax in their country of tax residence at the prevailing corporate tax rate.

The Company's financial year for taxation purposes ends on 30 June.

9.4 – Sale of Existing Shares by SaleCo

SaleCo, a special purpose vehicle, has been established to facilitate the sale of Existing Shares by the Existing Shareholder.

The Company, SaleCo and the Existing Shareholder have entered into a Sale Deed under which the Existing Shareholder has agreed to sell to SaleCo a specified portion of its Existing Shares, which will be sold by SaleCo into the Offer, free from encumbrances and third-party rights and conditional on (among other things) the Underwriting Agreement not having being terminated as at the date of Settlement of the Offer. The Existing Shareholder has committed to sell in aggregate 23.5 million Shares into the Offer via SaleCo under the Sale Deed.

The Existing Shares which SaleCo acquires from the Existing Shareholder will be transferred to Successful Applicants at the Offer Price. The price payable by SaleCo for these Existing Shares is the Offer Price. The Company will also issue New Shares to Successful Applicants under the Offer.

SaleCo has no material assets, liabilities or operations other than its interests in and obligations under the Underwriting Agreement and the Sale Deed. The directors of SaleCo are Stephen Tomisich, Robert Lyon and John Eales AM. Stephen Tomisich is the sole shareholder of SaleCo.

The Company has agreed under the Sale Deed to provide such resources and support as are necessary to enable SaleCo to discharge its functions in relation to the Offer and has indemnified SaleCo in respect of the costs of the Offer. The Company has also indemnified SaleCo and the shareholders and officers of SaleCo for any loss which they may incur as a consequence of the Offer.

9.5 – Pre-IPO Dividend

On or about Listing, the Tomisich Family Trust, as the sole Existing Shareholder, will receive a Pre-IPO Dividend of up to \$3,350,000. The payment of the Pre-IPO Dividend is conditional on Completion of the Offer.

Shares acquired under the Offer will not receive the Pre-IPO Dividend.

9.6 – Material contracts

9.6.1 – Underwriting Agreement

The Offer (excluding the Employee Gift Offer) is fully underwritten by the Joint Lead Managers pursuant to an underwriting agreement dated on or about the Prospectus Date between the Joint Lead Managers, the Company and SaleCo (**Underwriting Agreement**). Under the Underwriting Agreement, the Joint Lead Managers have agreed to arrange, manage and underwrite the Offer.

9.6.1.1 – Fees and expenses

The Company and SaleCo must pay to the Joint Lead Managers in accordance with the Underwriting Agreement an underwriting fee of 2.5% of the Offer proceeds and a management and selling fee equal to 1% of the Offer proceeds. The fees are payable to each Joint Lead Manager in its respective proportion being 50% for Canaccord and 50% for Ord Minnett. In addition, the Company and SaleCo may, in their absolute discretion, pay the Joint Lead Managers, in their respective proportions an incentive fee of 0.5% of the Offer proceeds.

In addition to the fees described above, the Company and SaleCo have agreed to reimburse the Joint Lead Managers for certain agreed costs and expenses incurred by the Joint Lead Managers in relation to the Offer.

The Joint Lead Managers may, at their own cost and with the prior consent of the Company and SaleCo, appoint co-lead managers, co-managers and Brokers. Any fees payable to co-lead managers, co-managers or Brokers are to be borne by the Joint Lead Managers.

9.6.1.2 – Termination events not subject to materiality

A Joint Lead Manager may, at any time after the date of the Underwriting Agreement until 10:00 am on the Settlement Date, terminate the Underwriting Agreement without cost or liability by notice to the Company and SaleCo and the other Joint Lead Manager if any of the following events occur:

- in the reasonable opinion of the terminating Joint Lead Manager, a statement contained in the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive (including by omission) or a matter required to be included is omitted from the Prospectus;

9. Additional information (continued)

- the Company or SaleCo:
 - issue or, in the reasonable opinion of the Joint Lead Managers, are required under sections 719(1) of the Corporations Act, to lodge a supplementary prospectus with ASIC; or
 - lodges a supplementary prospectus with ASIC in a form and substance that has not been approved by the Joint Lead Managers in accordance with the Underwriting Agreement;
- the S&P/ASX 300 Index falls to a level that is 90% or less of the level as at the close of trading on the date of the Underwriting Agreement and stays at or below that level at the close of trading:
 - for at least three consecutive Business Days during any time after the date of the Underwriting Agreement; or
 - on the Business Day immediately prior to the Settlement Date;
- the Sale Deed is withdrawn, varied, terminated, rescinded, altered or amended, breached or failed to be complied with, or otherwise ceases to have effect;
- the Voluntary Escrow Agreement described in Section 7.17 is withdrawn, varied, terminated, rescinded, altered or amended, breached or failed to be complied with, or otherwise ceases to have effect;
- there are not, or there ceases to be, in the reasonable opinion of the terminating Joint Lead Manager, reasonable grounds for any statement or estimate in an offer document, including the Prospectus, relating to a future matter or that statement or estimate is unlikely to be met in the projected time;
- the Company, SaleCo or any of their respective directors or officers (as those terms are defined in the Corporations Act) engage in any fraudulent conduct or activity since the date of the Underwriting Agreement whether or not in connection with the Offer;
- the Company's application for admission to the Official List of the ASX or the quotation of all the Shares is refused or not granted, or is subject to conditions (other than customary conditions) or ASX withdraws, qualifies (other than by customary conditions) or withholds such approval;
- any of the following notifications are made in respect of the Offer:
 - ASIC applies for an order under section 1324B or 1325 of the Corporations Act in relation to the Offer or an Offer document;
 - ASIC issues an order (including an interim order) under section 739 of the Corporations Act
 - ASIC holds a hearing under section 739(2) of the Corporations Act; or
 - an application is made by ASIC for an order under Part 9.5 of the Corporations Act in relation to the Offer, or ASIC commences any investigation or hearing under Part 3 of the Australian Securities and Investments Commission Act 2001 (Cth) in relation to the Offer or an Offer document,

unless any such order, inquiry or hearing is not made public and is withdrawn within three Business Days of issue or commencement or if it is made within three Business Days of the Settlement Date it has not been withdrawn by the day before the Settlement Date;

- any person (other than a Joint Lead Manager) who has previously consented to the inclusion of its name in the Prospectus withdraws that consent, or any person (other than a Joint Lead Manager) gives a notice under section 730 of the Corporations Act in relation to this Prospectus;
- the Company or SaleCo does not provide a closing certificate as and when required by the Underwriting Agreement;
- the Company or SaleCo withdraws the Prospectus, any supplementary prospectus or the Offer, or indicates that it does not intend to proceed with the Offer or any part of the Offer;
- an event specified in the timetable up to and including the Settlement Date is delayed by more than 2 Business Days (other than a delay agreed to between the parties, or required as a result of ASIC extending the period under section 727(3) of the Corporations Act);
- the Company is prevented from issuing the Shares under the Offer, or SaleCo is prevented from transferring the Sale Shares, by applicable laws, or an order of a court of competent jurisdiction or a government agency within the time required by the timetable, the Offer documents, the Listing Rules, the Corporations Act or any other applicable law;

- any circumstance arises after the Prospectus Date which results in the Company either repaying the money received from Applicants or offering Applicants an opportunity to withdraw their Applications and be repaid their Application Monies;
- there is an event or occurrence, including any statute, order, rule, regulation, directive or request of any government agency which makes it illegal for a Joint Lead Manager to satisfy an obligation under the Underwriting Agreement, or to market, promote or settle the Offer;
- the Company, without the prior written consent of the Joint Lead Managers:
 - alters the issued capital of the Company or a Trajan Group entity; or
 - disposes or attempts to dispose of a substantial part of the business or property of Trajan;
- the Company, any other Trajan Group entity or SaleCo becomes insolvent, or there is an act or omission which is likely to result in the Company, any other Trajan Group entity or SaleCo becoming insolvent;
- a regulatory body withdraws, revokes or amends any regulatory approvals required for the Company or SaleCo to perform its obligations under the Underwriting Agreement, such that the Company or SaleCo is rendered unable to perform its obligations under the Underwriting Agreement;
- a change in the managing director or chief financial officer of the Company is announced or occurs, or there is a change in the Board of Directors without the prior consent of the Joint Lead Managers;
- the managing director or chief financial officer of the Company or a Director vacates his or her office or announces an intention to do so;
- a Director of the Company or SaleCo is charged with an indictable offence or is disqualified from managing a corporation.

9.6.1.3 – Termination events subject to materiality

A Joint Lead Manager may, at any time after the date of the Underwriting Agreement until on or before 10:00 am on the Settlement Date, terminate the Underwriting Agreement without any cost or liability by notice to the Company, SaleCo and the other Joint Lead Manager if any of the below events occur and the Joint Lead Manager has reasonable grounds to believe the event:

- has or is likely to have a materially adverse effect on:
 - the assets, liabilities, financial position or performance, profits, losses or prospects of the Trajan Group;
 - the success, Settlement, outcome or marketing of the Offer;
 - the ability of the Joint Lead Manager to market, promote or settle the Offer; or
 - the willingness of investors to subscribe for Shares under the Offer; or
- will, or is likely to, give rise to a liability of a Joint Lead Manager under, or a contravention by a Joint Lead Manager or its affiliates or a Joint Lead Manager or its affiliate being involved in a contravention of, any applicable law (including the Corporations Act).

The termination events referred to above include:

- the Company varies any material term of its Constitution (other than as contemplated by the Prospectus) without the prior written consent of the Joint Lead Managers or the Company does not comply with its Constitution in a material respect;
- a regulatory body withdraws, revokes or amends any regulatory approvals required for the Company or SaleCo to perform its obligations under the Underwriting Agreement, such that the Company or SaleCo is rendered unable to perform its obligations under the Underwriting Agreement;
- any documents being issued in connection with the Offer or any aspect of the Offer not complying with the Corporations Act, the Listing Rules, or any other applicable law or regulation;
- a new circumstance that arises after the Prospectus is lodged with ASIC, that would have been required to be included in the Prospectus if it had arisen before lodgement;
- a public or media statement made by, or on behalf of and with the prior knowledge and consent of the Company or SaleCo, becomes misleading or deceptive or is likely to mislead or deceive, or a matter required to be included is omitted other than statements made in respect of any documents being issued or published in connection with the Offer, including the Prospectus;
- the due diligence report provided by the due diligence committee formed by the Company and SaleCo in connection with the Offer is, or becomes, misleading or deceptive (including by omission);

9. Additional information (continued)

- any of the material obligations of the relevant parties under any of the contracts that are material to the business of the Trajan Group are not capable of being performed in accordance with their terms (in the opinion of the Joint Lead Managers) or any material contract is:
 - terminated, withdrawn, rescinded, avoided, repudiated or breached;
 - altered, amended or varied without the consent of the Joint Lead Managers;
 - ceases to have effect, otherwise than in accordance with its terms; or
 - or becomes void, voidable, illegal, invalid or unenforceable (other than by reason only of a party waiving any of its rights) or capable of being terminated, withdrawn, rescinded, avoided or withdrawn or of limited force and effect, or its performance is or becomes illegal.
- the commencement of legal proceedings against the Company, SaleCo, any other Trajan Group entity or against any director of the Company, SaleCo or any other Trajan Group entity in that capacity;
- any regulatory body commences any inquiry or public action against a Trajan Group entity and such inquiry or public action is not discontinued or withdrawn by the Settlement Date;
- an event occurs which is, or is likely to give rise to an adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of the Trajan Group (taken as a whole) from those disclosed in this Prospectus;
- a statement in any closing certificate provided by the Company or SaleCo to the Joint Lead Managers is false, misleading, inaccurate or untrue or incorrect;
- there is a contravention by the Company or SaleCo or any entity in the Trajan Group of the Corporations Act, its constitution, the Listing Rules or any other applicable law;
- a representation, warranty or undertaking or obligation contained in the Underwriting Agreement on the part of either or both of the Company or SaleCo is breached, becomes not true or correct or is not performed and such statement is not otherwise rectified in accordance with the Underwriting Agreement;
- either or both of the Company or SaleCo defaults on any of its obligations under the Underwriting Agreement;
- other than as disclosed in the Prospectus, the Company or SaleCo creates or agrees to create an encumbrance over the whole or a substantial part of its business or property;
- a product warning or recall is issued in any market significant to the Trajan Group in relation to any of Trajan's products;
- there is introduced, or proposed to be introduced, into the Parliament of Australia or any state or territory of Australia, a new law, or the Reserve Bank of Australia, or any Commonwealth or state authority, including ASIC, adopts or announces a proposal to adopt a new policy, other than a law or policy that was announced before the date of the Underwriting Agreement;
- hostilities not presently existing commence, an escalation in existing hostilities occurs (whether war has been declared or not), a national emergency is declared or a major terrorist attack is perpetrated involving any one or more of Australia, New Zealand, the United States, Japan, Germany, the United Kingdom, Malaysia, the People's Republic of China, including the Hong Kong Special Administrative Region) and Singapore; or
- any of the following occurs: (i) a general moratorium on commercial banking activities in Australia, New Zealand, the United States, Japan, Germany, the United Kingdom, Malaysia, the People's Republic of China (including the Hong Kong Special Administrative Region) or Singapore, is declared by the relevant central banking authority in any of those countries, or there is a disruption in commercial banking or security settlement or clearance services in any of those countries; (ii) any adverse effect on the financial markets in Australia, the United States, the United Kingdom, the People's Republic of China (including the Hong Kong Special Administrative Region) or Singapore, or in the foreign exchange rates or any development involving the political, financial or economic conditions in any of those countries; or (iii) trading in all securities quoted or listed on ASX, the London Stock Exchange, the New York Stock Exchange or the Hong Kong Stock Exchange is suspended for at least 1 day on which that exchange is open for trading.

9.6.1.4 – Representations, warranties undertakings and other terms

The Underwriting Agreement contains certain standard representations, warranties and undertakings by the Company and SaleCo to the Joint Lead Managers.

The representations and warranties given by the Company and SaleCo relate to matters such as conduct of the Company and SaleCo, power and authorisations, information provided by the Company and SaleCo, financial information, information in this Prospectus, the conduct of the Offer, compliance with laws, the ASX Listing Rules and other legally binding requirements.

The Company also provides additional representations and warranties in connection with matters including, but not limited to, its assets, litigation, non-disposal of Escrowed Shares, entitlements of third parties, tax, insurance, authorisations and eligibility for Listing.

The Company's undertakings include, among other things, that it will not, during the period following the date of the Underwriting Agreement until 150 days after Shares have been issued under the Offer, issue (or agree to issue) any Shares or securities without the prior written consent of the Joint Lead Managers, subject to certain exceptions.

9.6.1.5 – Indemnity

Subject to certain customary exclusions (including fraud, wilful misconduct, recklessness or gross negligence), the Company and SaleCo agree to keep the Joint Lead Managers and certain affiliated parties indemnified from losses directly or indirectly suffered or incurred in connection with the Offer.

9.6.2 – Property lease – Ringwood Manufacturing Premises

Trajan OpCo, as Tenant, has entered the Ringwood Facility Property Lease with Trajan Property P/L, as Lessor, in respect of the Ringwood Facility.

The Ringwood Facility is used by the Trajan Group for its head office, Australian manufacturing operations and as a research laboratory for the development of products and services.

Trajan Property P/L is not owned (whether directly or indirectly) by the Company and, consequentially, is not a member of the Trajan Group. Trajan Property P/L is ultimately held by a trust of which Stephen and Angela Tomisich are the beneficiaries. Stephen and Angela Tomisich are the co-founders of Trajan and Stephen Tomisich is the Group Chief Executive Officer and Managing Director of Trajan. Stephen is also a director of Trajan Property P/L, as is Robert Lyon – an Executive Director of the Company. Alister Hodges is a company secretary of Trajan Property P/L.

The material terms of the Ringwood Facility Property Lease are summarised in the table below.

Term	Description
Lessor	Trajan Property Pty Ltd The lessor is not a subsidiary of the Company. It is controlled by Stephen and Angela Tomisich for the purposes of the definition of “control” in Section 50AA of the Corporations Act
Tenant	Trajan OpCo
Premises	7 Argent Place, Ringwood VIC 3134
Use of premises	The Company uses the premises as its head office and as its main base of manufacturing operations and as a research laboratory.
Term	Three years commencing on 1 January 2021 The term may be extended by three further terms of three years each at the option of Trajan OpCo (provided that there are no subsisting breaches of the lease by Trajan OpCo and the option is exercised in accordance with the process prescribed by the lease)
Rent amount	\$659,943 per annum (exclusive of GST) The rent amount shall increase by 3% on each anniversary of the commencement date. The rent amount will also be subject to a market review upon the exercise of an option to extend the lease for a further three years

9.6.3 – Financing arrangements

Trajan has entered into a facility agreement with HSBC Bank Australia Limited. See Section 4.5.2 for a summary of the agreement.

9.6.4 – Voluntary escrow deed

Please see Section 7.21 for a summary of the voluntary escrow arrangement.

9. Additional information (continued)

9.7 – Summary of rights and liabilities of Shares and other material provisions of the Constitution

9.7.1 – Introduction

The rights, liabilities and obligations attached to Shares are:

- set out in the Constitution which may be inspected during normal business hours at the registered office of the Company; and
- in certain circumstances, regulated by the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules and other applicable laws and regulations.

A summary of the significant rights, liabilities and obligations attaching to Shares and of the other material provisions of the Constitution is set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Shareholders. The summary assumes that the Company is admitted to the Official List.

9.7.2 – Voting

At a general meeting, every Shareholder present in person or by proxy, attorney or representative has one vote on a show of hands (unless a Shareholder has appointed more than one proxy) and one vote on a poll for each Share held (with adjusted voting rights for partly paid shares). The chairperson does not have a casting vote.

9.7.3 – General meetings and notices of meetings

Each Shareholder is entitled to receive notice of, attend and vote, at general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, Corporations Act and ASX Listing Rules. The Company must give at least 28 days' written notice of a general meeting.

9.7.4 – Dividends

Subject to the Corporations Act, the Constitution and any special terms and conditions of issue, the Directors may, from time to time, pay, resolve to pay, rescind or amend a decision to pay a dividend or declare any interim, special or final dividend as, in their judgement, the financial position of the Company justifies.

The Directors may fix the amount, time and method of payment of the dividends. The payment, resolution to pay, or declaration of a dividend does not require any confirmation by a general meeting.

The Constitution contains a provision allowing Directors, on the terms and conditions they think fit, to implement, amend, suspend or terminate a dividend reinvestment plan (under which any Shareholder or any class of shareholders may elect that the dividends payable by the Company be reinvested by a subscription for Shares in the Company).

See Section 4.9 for the Company's dividend policy.

9.7.5 – Issue of further securities

Subject to the Constitution, the ASX Listing Rules, the ASX Settlement Operating Rules and the Corporations Act and any special rights conferred on the holders of any shares or class of shares, the Board may issue or grant options for, or otherwise dispose of, Shares on such terms as the Board decides. The shares may be issued with preferred, deferred or special rights, or special restrictions about dividends, voting, return of capital, participation in the property of the Company on a winding up or otherwise as the Directors see fit.

9.7.6 – Preference shares

The Company may issue preference shares including preference shares which are, or at the option of the Company or holders are, liable to be redeemed or convertible to ordinary shares. The rights attaching to preference shares are those set out in the Constitution unless other rights have been approved by special resolution of the Company.

9.7.7 – Variation of class rights

The procedure set out in the Constitution must be followed for any variation of rights attached to any class of shares. The rights attached to a class of shares may be varied or cancelled by:

- the holders of at least 75% of the shares in that class consenting in writing; or
- a special resolution passed at a meeting of the holders of the shares in that class.

9.7.8 – Transfer of Shares

Subject to the Constitution and to any restrictions attached to a Share, Shares may be transferred by proper ASTC transfer (effected in accordance with the ASX Settlement Operating Rules, any other ASX requirements and the Corporations Act) or via a written transfer in any usual form or in any other form approved by the Board and permitted by relevant laws and ASX requirements. The Board may refuse to register a transfer of Shares or apply a holding lock to prevent a transfer in accordance with the Corporations Act, ASX Listing Rules or ASX Settlement Operating Rules. If the Board declines to register a transfer or requests the application of a holding lock, the Company must give the party lodging the transfer written notice of the refusal in accordance with the ASX Listing Rules.

9.7.9 – Winding up

Subject to the Constitution, the Corporations Act and any preferential rights attaching to any class or classes of Shares, Shareholders will be entitled on a winding up to a Share in any surplus assets of the Company in proportion to the Shares held by them. If the Company is wound up, the liquidator may, with the sanction of a special resolution, divide the whole or part of the Company's property among Shareholders and decide how the division is to be carried out as between Shareholders or different classes of Shareholders.

9.7.10 – Unmarketable parcels

In accordance with the Corporations Act, ASX Listing Rules and the ASX Settlement Operating Rules, the Board may sell Shares which constitute less than a marketable parcel by following the procedures set out in the Constitution. A marketable parcel of Shares is defined in the ASX Listing Rules and is generally a holding of Shares with a market value of at least A\$500.

9.7.11 – Proportional takeover provisions

The Constitution requires Shareholder approval in relation to any proportional takeover bid. These provisions will cease to apply unless they are renewed by Shareholders passing a special resolution by the third anniversary of either the date that those rules were adopted or the date those rules were last renewed.

9.7.12 – Directors – appointment and removal

Under the Constitution, the Board is comprised of a minimum of three Directors and a maximum of ten, unless the Shareholders pass a resolution varying that number at a general meeting. Directors are elected or re-elected at general meetings of the Company and the minimum number of Directors must never be less than three.

No Director (excluding any managing director) may hold office without re-election beyond the third annual general meeting following the meeting at which the Director was last elected or re-elected. The Board may also appoint a Director in addition to the existing Directors or to fill a casual vacancy on the Board, and that Director (apart from the managing director) will then hold office until the conclusion of the next annual general meeting of the Company.

9.7.13 – Directors – voting

Questions arising at a meeting of the Board must be decided by a majority of votes cast by the Directors present at the meeting and entitled to vote on the matter. If the votes are equal on a proposed resolution, the chairperson of the meeting does not have a casting vote in addition to his or her deliberative vote.

9.7.14 – Directors – remuneration

Under the Constitution, Directors are entitled to receive directors' fees for their services. However, the total amount provided to all Directors (other than any managing director or executive director) for their services as Directors must not exceed \$450,000 in aggregate in any financial year, or any other amount fixed by the Company in general meeting. The remuneration of a Director (who is not a managing director or an executive director) must not include a commission on, or a percentage of, profits or operating revenue.

Directors may be paid for travel and other expenses incurred in attending to Trajan's affairs, including attending and returning from meetings of Directors or committees or general meetings. Any Director who devotes special attention to the business of Trajan or who performs services which, in the opinion of the Board, are outside the scope of ordinary duties of a Director, may be remunerated for the services (as determined by the Board) out of Trajan's funds.

Details of the remuneration of the Directors is set out in Section 6.

9. Additional information (continued)

9.7.15 – Powers and duties of Directors

The business and affairs of the Company are to be managed by or under the direction of the Board, which (in addition to the powers and authorities conferred on it by the Constitution) may exercise all powers and do all things that are within the Company's power and the powers that are not required by law or by the Constitution to be exercised by the Company in general meeting.

9.7.16 – Amendment

The Constitution may be amended only by a special resolution passed by Shareholders.

9.8 – Ownership restrictions

The sale and purchase of shares is regulated by Australian laws that restrict the level of ownership or control by any one person (either alone or in combination with others). This section contains a general description of these laws.

9.8.1 – Corporations Act

The takeover provisions in Chapter 6 of the Corporations Act restrict acquisitions of shares in listed companies, and unlisted companies with more than 50 members, if the acquirer's (or another party's) voting power would increase to above 20%, or would increase from a starting point that is above 20% and below 90%, unless certain exceptions apply.

The Corporations Act also imposes notification requirements on persons having voting power of 5% or more in the Company.

9.8.2 – Foreign Acquisitions and Takeovers Act

Generally, the *Foreign Acquisitions and Takeovers Act 1975* (Cth) (**FATA**) applies to acquisitions of shares and voting power in a company of 20% or more by a single foreign person and its associates (**Substantial Interest**), or 40% or more by two or more unassociated foreign persons and their associates (**Aggregate Substantial Interest**). Where an acquisition of a Substantial Interest meets certain criteria, the acquisition may not occur unless notice of it has been given to the Federal Treasurer and the Federal Treasurer has either stated that there is no objection to the proposed acquisition in terms of the Australian Federal Government's Foreign Investment Policy or a statutory period has expired without the Federal Treasurer objecting.

An acquisition of a Substantial Interest or an Aggregate Substantial Interest meeting certain criteria may also lead to divestment orders unless a process of notification, and either a statement of non-objection or expiry of a statutory period without objection, has occurred.

9.9 – Litigation and claims

The Company may, from time to time, be party to litigation and other claims and disputes incidental to the conduct of its business, including employment disputes, contractual disputes, indemnity claims and occupational and personal claims. Such litigation, claims and disputes, including the costs of settling claims and operational impacts, could materially adversely affect the Company's business, operating and financial performance.

As far as the Directors are aware, however, there is no current or threatened civil litigation, arbitration proceeding or administrative appeal, or criminal or governmental prosecution of a material nature in which the Company is directly or indirectly concerned which is likely to have a material adverse impact on the business or financial position of the Company.

9.10 – ASIC relief and modifications and ASX waivers

9.10.1 – ASIC exemption and relief

ASIC has granted the following exemptions from and modifications to, the Corporations Act:

- relief to extend the benefit of ASIC Class Order 14/1000 to the grant of options under the LTIP Offers; and
- relief to extend the benefit of ASIC Class Order 13/520 to the voluntary escrow arrangement.

9.10.2 – ASX waivers and confirmations

ASX has, prior to the Prospectus Date, provided in principle advice of its intention to grant the following waivers and confirmations in relation to the Company and the Option Offer:

- a waiver from Condition 12 of ASX Listing Rule 1.1 to the extent necessary to have certain Options on issue with an exercise price of less than \$0.20 per Option;
- a waiver from ASX Listing Rule 10.14 to the extent necessary to permit the Company to grant Options to Directors under the Director Offer;
- a confirmation that the terms of the Options to be issued under the LTIP Offers are appropriate and equitable for the purposes of ASX Listing Rule 6.1; and
- confirmations in respect of the applicability of ASX Listing Rules 10.11 and 7.2 to the Options to be granted under the LTIP Option Offer.

9.11 – Taxation considerations

9.11.1 – Australian tax overview

The information in this Section 9.11 provides a general overview of the Australian tax implications for Australian tax resident Shareholders who acquire Shares under this Prospectus and that hold Shares in the Company on capital account for Australian income tax purposes.

This summary does not constitute financial product advice as defined in the Corporations Act. This summary is confined to Australian taxation implications and is only one of the matters which need to be considered by Shareholders before deciding about an investment in the Shares.

Investors should note that tax laws are subject to ongoing change, and this section does not consider any changes in administrative practice or interpretation by the relevant tax authorities, or any changes in law by judicial decision or legislation following the Prospectus Date. To the extent that there are any changes in law after the Prospectus Date, including those having retrospective effect, Shareholders should consider the tax consequences, taking into account their own individual circumstances, and should consider taking advice from a professional adviser before making a decision about an investment to acquire Shares under this Prospectus.

There will be tax implications for the acquisition and disposal of Shares which will affect individual Shareholders differently depending on an individual's circumstances, and it is recommended that Shareholders consult their own independent advisers regarding taxation consequences, including stamp duty, income tax and Australian goods and services tax consequences of the acquisition, ownership and disposal of Shares. This summary is general in nature and does not cover all income tax consequences that could apply in all circumstances of any Shareholder.

The categories of Shareholders considered in this Section 9.11 are limited to individuals, companies (other than life insurance companies), trusts, partnerships and complying superannuation funds that hold their Shares on capital account, and it does not consider Shareholders that hold Shares on revenue account, carry on a business of trading in Shares, are exempt from Australian tax, foreign residents, insurance companies, banks or Shareholders who are subject to the Taxation of Financial Arrangements rules contained in Division 230 of the *Income Tax Assessment Act 1997* (Cth).

This Section 9.11 also assumes that each Shareholder (together with its associates) holds at all relevant times less than 10% of the Shares in the Company.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

9.11.2 – Australian tax resident individuals and complying superannuation entities

Where dividends on a Share are paid by the Company, those dividends should constitute assessable income of an Australian tax resident Shareholder.

Individuals or complying superannuation entities who are Australian tax resident Shareholders should include the dividend (together with any franking credits attached to that dividend) in their assessable income in the year the dividend is paid. Investors should note that the tax rate payable by each individual Australian resident Shareholder will depend on the circumstances of the Shareholder and their prevailing marginal rate of income tax.

Shareholders who are individuals or complying superannuation entities should be entitled to a 'tax offset' equal to the franking credits attached to the dividend, subject to being a 'qualified person', and the tax offset may be applied to reduce the tax payable on the Shareholder's taxable income. If a dividend paid by the Company is unfranked, the Shareholder will generally be taxed at the Shareholder's marginal rate on the dividend received, with no tax offset.

9. Additional information (continued)

9.11.3 – Australian tax resident corporate Shareholders

Corporate Shareholders are required to include the dividend and associated franking credits in their assessable income, and a tax offset will then be allowed up to the amount of the franking credits. To the extent of the franking credits attached to the dividend, the Australian resident corporate Shareholder should be entitled to a credit in its franking account, and can pass on the benefit of the franked credits to their own shareholders on the payment of franked dividends. While excess franking credits cannot give rise to a refund, they may (in certain circumstances) be converted into carry forward tax losses.

9.11.4 – Australian tax resident trusts and partnerships

Australian tax resident Shareholders who are partnerships or trustees (other than trustees of 'complying superannuation entities') or partnerships should include dividends and franking credits in determining the net income of the partnership or trust. A beneficiary of a trust, a trustee or a partner may be entitled to a tax offset equal to their share of the net income of the trust or partnership (as relevant).

9.11.5 – Holding period and related payment rules

To be eligible for tax offsets and franking credits and tax offset, a Shareholder must satisfy the 'holding period' and 'related payment' rules, requiring that the Shareholder hold the Shares 'at risk' for a continuous period of more than 45 days, excluding the dates of acquisition and disposal). Where these rules are not satisfied, the Shareholder will not include an amount for the franking credits in their assessable income and should not be entitled to a tax offset.

The Shares are not held 'at risk' if the Shareholder has a materially diminished risk of loss or opportunity for gain in relation to the Shares. For example, if the Shareholder has entered into an agreement to dispose of the Shares, or granted options over Shares, the Shareholder will not hold the Shares 'at risk'.

9.11.6 – Australian capital gains tax implications on a disposal of Shares

The disposal of a Share by an Australian resident Shareholder will constitute a CGT event. A capital gain will arise where the cost base of the Share (being the amount paid to acquire the Share, plus any costs in relation to the acquisition or disposal) is exceeded by the capital proceeds on disposal (in the case of an on-market sale, the cash proceeds received on disposal).

However, a CGT discount may be applied against the net capital gain where the Shareholder is an individual, complying superannuation entity or trustee, and the Shares have been held for at least 12 months prior to the CGT event.

If the CGT discount applies, a capital gain arising to individuals and entities acting as trustees (other than a trust that is a complying superannuation entity) may be reduced by one-half after offsetting current year or prior year capital losses, and for a complying superannuation entity, any capital gain may be reduced by one-third, after offsetting current year or prior year capital losses.

If the Shareholder is the trustee of a trust that has held the Shares for at least 12 months before disposal, the CGT discount may flow through to the beneficiaries of the trust if those beneficiaries are not companies. The Company recommends that Shareholders that are trustees should seek specific advice regarding the tax consequences of distributions to beneficiaries who may qualify for discounted capital gains.

A capital loss should be realised where the reduced cost base of the Share exceeds the capital proceeds from disposal, and capital losses may only be offset against capital gains realised by the Shareholder in the same income year or future income years, subject to certain recoupment tests being satisfied. However, capital losses cannot be offset against other forms of assessable income.

9.11.7 – Australian GST

No GST should be payable by Shareholders on acquisition or disposal of Shares in the Company, and no GST should be payable by Shareholders on receiving dividends distributed by the Company.

However, Shareholders may not be entitled to claim full input tax credits in relation to any GST included in any costs incurred in connection with the acquisition of the Shares, and Shareholders should obtain their own independent tax advice in this regard.

9.11.8 – Australian stamp duties

Shareholders should not be liable for stamp duties in relation to the acquisition of Shares, unless they acquire (either individually or with an associate or related party) an interest of 90% or more in the Company.

9.12 – Consents to be named and disclaimers of responsibility

Each of the parties listed below in this Section 9.12, each a consenting party, to the maximum extent permitted by law, expressly disclaims all liabilities in respect of, makes no representations regarding and takes no responsibility, for any statements in or omissions from this Prospectus, other than the reference to its name in the form and context in which it is named and a statement or report included in this Prospectus with its consent as specified below.

Each of the parties listed below has given and has not, at the time of lodgement of this Prospectus with ASIC, withdrawn its written consent to the inclusion of statements in this Prospectus that are specified below in the form and context in which the statements appear:

- each of Canaccord Genuity (Australia) Limited and Ord Minnett Limited has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as a Joint Lead Manager and underwriter to the Offer in the form and context in which it is named;
- Ernst & Young Strategy and Transactions Limited has given, and has not withdrawn prior to the date of the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Financial Adviser to the Company in the form and context in which it is named;
- DLA Piper Australia has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Australian legal adviser (other than in relation to taxation matters) to the Company and SaleCo in relation to the Offer in the form and context in which it is named;
- RSM Corporate Australia Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Investigating Accountant to the Company in relation to the Financial Information in the form and context in which it is named and to the inclusion of its Investigating Accountant's Report on the Financial Information set out in Section 8 in the form and context in which it appears in this Prospectus;
- RSM Australia Partners has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Auditor to the Company in relation to the Financial Information in the form and context in which it is named; and
- Computershare Investor Services Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Registry of the Company in the form and context in which it is named. Computershare Investor Services Pty Ltd has had no involvement in the preparation of any part of this Prospectus other than being named as Registry to the Company. Computershare Investor Services Pty Ltd has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

9.13 – Governing law

This Prospectus and the contracts that arise from the acceptance of the Applications under this Prospectus are governed by the law applicable in Victoria and each Applicant under this Prospectus submits to the exclusive jurisdiction of the courts of Victoria and of the Commonwealth.

9.14 – Authorisation of this Prospectus

Each Director and each director of SaleCo has authorised the issue of this Prospectus and has consented to its lodgement with ASIC.

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Glossary



10. Glossary

Term	Meaning
µL	Microliter
1H	First half financials, from 1 July to 31 December
2H	Second half financials, from 1 January to 30 June
A\$, AUD, Dollar or \$	Australian dollars, unless otherwise stated
AAS and AASB	Australian Accounting Standards and Australian Accounting Standards Board
AASB 16	Australian Accounting Standard AASB 16 Leases
ABN	Australian business number
Accounting Standards	Accounting standards, principles and practices applying by law or otherwise generally accepted and consistently applied in Australia
ACN	Australian company number
Aggregate Substantial Interest	Has the meaning given in Section 9.8.2
AI	Augmented intelligence
ALDA	Analytical, Life Sciences & Diagnostics Association
ALS	Australian Laboratory Services
AM	Member of the Order of Australia
Applicant	A person who submits an Application
Application	An application made to subscribe for Shares under the Offer
Application Form	The relevant application form attached to or accompanying this Prospectus pursuant to which Applicants apply for Shares (including an electronic form provided by an online application facility)
Application Monies	The amount for subscription for securities under the Offer accompanying an Application Form submitted by an Applicant
ASAE	Australian Standard on Assurance Engagements
ASAE 3450	Australian Standard on Assurance Engagements ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information
ASIC	Australian Securities and Investments Commission
ASTC	ASX Settlement and Transfer Corporation
ASTech	ARC Training Centre for Portable Analytical Separation Technology
ASX	ASX Limited ABN 98 008 624 691 or, as the context requires, the financial market operated by it
ASX Listing Rules	The listing rules of the ASX, as may be amended or supplemented from time to time
ASX Recommendations	The 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations

10. Glossary (continued)

Term	Meaning
ASX Settlement Operating Rules	The operating rules of the ASX, as amended, varied or waived from time to time
ATCI	ARC Training centre for Chemical Industries, Bio21 Institute, Australian Laboratory for Emerging Contaminants
ATO	Australian Taxation Office
Australian Accounting Standards	Australian Accounting Standards and other authoritative pronouncements issued by the AASB and Urgent Issues Group Interpretations
Award	Has the meaning given in Section 6.3.9.1
b	Billion
BBSY	Bank Bill Swap Bid Rate
Biopharma	Biopharmaceutical company
Bio-SPME	Biocompatible Solid Phase Microextraction
Board or Board of Directors	The board of Directors of the Company
Broker	Any ASX participating organisation selected by the Joint Lead Managers and the Company to act as a broker for the Offer
Broker Firm Offer	The part of the Offer described in Section 7.10
Broker Firm Offer Applicant	A person who submits an Application under the Broker Firm Offer
Broker Firm Offer Application Form	An application form attached to or accompanying this Prospectus in respect of the Broker Firm Offer
Business Day	Any day which is a 'Trading Day' for the purposes of the ASX Listing Rules
c.	Circa
CAGR	Compound annual growth rate
Canaccord	Canaccord Genuity (Australia) Limited
CARES Act	Coronavirus Aid, Relief and Economic Security Act
CE	Capillary electrophoresis
CE Mark	Conformité Européenne Mark
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CFR	Code of Federal Regulations

Term	Meaning
CGT	Capital gains tax
Chair	The Chair of the Board
CHESS	The ASX's Clearing House Electronic Subregister System
Closing Time	The dates on which the Offer is expected to close, being 25 May 2021 in respect of both the Priority Offer, the Broker Firm Offer and the Employee Gift Offer. These dates may be varied without prior notice
Company	Trajan Group Holdings Limited ACN 152 617 706
Completion	Completion in respect of the issue of New Shares and the transfer of Existing Shares pursuant to the Offer and the Underwriting Agreement
Constitution	The constitution of the Company as at the Prospectus Date
Corporations Act	<i>Corporations Act 2001 (Cth)</i>
COVID-19	The 2020 coronavirus pandemic
CPTT	ARC Training Centre for Personalised Therapeutics Technologies
CRO	Contract research organization
CT	Connecticut
DBS	Dried blood spot
Director	A director of the Company
Director Option Offer	Has the meaning given in Section 6.3.2
EBIT	Represents earnings before interest on corporate and other debt, interest on the lease liability recognised under AASB 16 and income tax expense as described in Section 4.2.4
EBITDA	Represents earnings before interest on corporate and other debt, interest on the lease liability recognised under AASB 16, income tax expense, depreciation including depreciation on the right of use asset recognised under AASB 16 and amortisation as described in Section 4.2.4
EBITDA Margin	Profitability measure and is calculated by EBITDA divided by net revenue, expressed as a percentage as described in Section 4.2.4
EBITDARG&D	Represents earnings before interest on corporate and other debt, interest on the lease liability recognised under AASB 16, income tax expense, depreciation including depreciation on the right of use asset recognised under AASB 16, amortisation and R&D expenses as described in Section 4.2.4
EESS	Electrical Equipment Safety System
EFT	Electronic funds transfer
EKE	Electro separation

10. Glossary (continued)

Term	Meaning
Eligible Gift Employees	Being persons who have been continuously employed by Trajan on a permanent or permanent part-time basis since 25 May 2020, and who have a registered address in Australia, the United States, the United Kingdom, Germany or Japan and receive a personalised invitation to apply for Shares under the Employee Gift Offer
Eligible US Fund Manager	means a dealer or other professional fiduciary organised or incorporated in the United States that are acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not US persons for which they have and are exercising investment discretion within the meaning of Rule 902(k)(2)(i) of Regulation S under the US Securities Act
EMEA	Europe, Middle East & Africa
Employee expenses G&AM R&D	Employee expenses include personnel salaries, wages and employment on-costs which are associated with general & administration, marketing and research & development
Employee Gift Offer	The offer made under this Prospectus under which Eligible Gift Employees who have received a personalised invitation from the Company may acquire, at no cost, \$1,000 worth of Shares (rounded down to the nearest whole Share based on the Offer Price) as described in Section 7.8
Employee Gift Offer Application Form	An application form attached to or accompanying this Prospectus in respect of the Employee Gift Offer
Employee Option Offer	Has the meaning given in Section 6.3.10
EPA	Environmental protection agency
Escrow Restriction	The restrictions as described in Section 7.21
Escrowed Shareholders	The parties the subject of the voluntary escrow deeds referred to in Section 7.17
Escrowed Shares	Has the meaning given in Section 7.17
ESI-MS	Electrospray ionisation mass spectrometry
EU	European Union
eVol	Digitally controlled positive displacement dispensing system
Exercise Conditions	Has the meaning given in Section 6.3.9.1
Existing Shareholder	Tomisich Family Pty Ltd (ACN 165 534 896) as trustee of the Tomisich Family Trust (ABN 38 358 008 332)
Existing Shares	Shares on issue at the Prospectus Date
Expiry Date	The date that is 13 months after the Prospectus Date
Exposure Period	The seven-day period after the Prospectus Date, during which no Applications may be accepted by the Company. This period may be extended by ASIC by up to a further seven days
FAR	Fixed annual remuneration
FATA	<i>Foreign Acquisitions and Takeovers Act 1975</i> (Cth)

Term	Meaning
FDA	Food and Drug Administration
Financial Information	Together the Historical Financial Information and the Forecast Financial Information, described in Section 4.2
FOC	Free of charge
Forecast Financial Information	Has the meaning given in Section 4.1
Free Cash Flow	Operating cash flows less capital expenditure cash flows as described in Section 4.2.4
FST	Fused silica tubing
ft ²	Square feet
FY2019, FY2020, FY2021F and FY2022F	Financial year ended or ending 30 June 2019, 30 June 2020, 30 June 2021 and 30 June 2022, respectively
GC	Gas chromatography
GDPR	General Data Protection Regulation
Genomics	The study of an individual's genes (the genome), including interactions of those genes with each other and with the person's environment
Gross Profit	Revenue less cost of sales
GST	Goods and Services Tax as defined in <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth)
HDX-MS	Hydrogen deuterium exchange mass spectrometry
HIN	Holder Identification Number for Chess
Historical Financial Information	Has the meaning given in Section 4.1
HPLC	High performance liquid chromatography
HSBC Facilities	Has the meaning given in Section 9.6.3
HY2020 and HY2021	The six-month periods ended or ending 31 December 2019 and 31 December 2020, respectively
IASB	International Accounting Standards Board
ID	Internal diameter
IFRS	International Financial Reporting Standards
IHC	Immunohistochemistry

10. Glossary (continued)

Term	Meaning
Institutional Investor	<p>An investor:</p> <p>(a) in Australia who is either a ‘professional investor’ or ‘sophisticated investor’ under sections 708(11) and 708(8) of the Corporations Act; or</p> <p>(b) in other Permitted jurisdictions, who is an institutional or professional investor to whom offers or invitations in respect of securities can be made without the need for lodged or registered prospectus or other form of disclosure document or filing with, or approval by, any governmental agency (except one with which the Company is willing in its discretion to comply), and, in particular,</p> <ol style="list-style-type: none"> i. if in Hong Kong, it (and any person for whom it is acting) is a ‘professional investor’ as defined under the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong; ii. if in New Zealand, it (and any person for whom it is acting) is a person who (i) is an investment business within the meaning of clause 37 of Schedule 1 of the Financial Markets Conduct Act 2013 (New Zealand) (the FMC Act), (ii) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act, (iii) is large within the meaning of clause 39 of Schedule 1 of the FMC Act, (iv) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act or (v) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act (and, if an eligible investor, has provided the necessary certification); iii. if in Singapore, it (and any person for whom it is acting) is an ‘institutional investor’ or an ‘accredited investor’ (as such terms are defined in the Securities and Futures Act of Singapore); iv. if in the United Kingdom, it (and any person for whom it is acting) is (i) a ‘qualified investor’ within the meaning of Article 2(e) of the UK Prospectus Regulation; and (ii) within the categories of persons referred to in Article 19(5) (investment professionals) or Article 49(2) (a) to (d) (high net worth companies, unincorporated associations, etc.) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended; and v. if in the United States, it (and any person for whom it is acting) is (i) an institutional ‘accredited investor’, as defined in Rule 501(a)(1), (2), (3) or (7) under the US Securities Act or (ii) an Eligible US Fund Manager.
Institutional Offer	The part of the Offer described in Section 7.15
Investigating Accountant	RSM Corporate Australia Pty Ltd
Investigating Accountant’s Report	The report prepared by Investigating Accountant set out in Section 8
IP	Intellectual property
ISO	International Organisation for Standardization
ITAA 1997	<i>Income Tax Assessment Act 1997</i> (Cth)
IVD	In vitro diagnostics
Joint Lead Managers	Canaccord and Ord Minnett
KMP Option Offer	Has the meaning given in Section 6.3.4.2
KOLs	Key opinion leaders

Term	Meaning
LC	Liquid chromatography
LEAP	LEAP Technologies, Inc.
LED	Light-emitting diode
LIBOR	London Inter-bank Offered Rate
Lipidomics	The study of lipids created in a cell or organism as well as their interactions with other lipids, proteins and metabolites
Listing	The admission of the Company to the Official List
Listing Date	The date on which the Listing occurs
LLE	Liquid:liquid extraction
LTIP	Has the meaning given in Section 6.3.9.1
LTIP Eligible Employee	Has the meaning given in Section 6.3.9.1
LTIP Offers	The Director Option Offers, the KMP Option Offers and the Employee Option Offers
m	Million
M&A	Mergers and acquisitions
Management	The executives of the Company identified in Section 6.2
Metabolomics	The study of small molecules, often referred to as metabolites, within cells, biofluids, tissues or organisms
MHRA	Medicines and Healthcare products Regulatory Agency
MS	Mass spectrometry
MyHealthTest	MyHealthTest Pty Ltd
NATA	National Association of Testing Authorities, Australia
NC	North Carolina
New Shares	Shares issued on Completion
NMR	Nuclear magnetic resonance
NPAT	Net Profit After Tax
NSW Health	The New South Wales Ministry of Health
OEM	Original equipment manufacturer
Offer	The offer of Shares under this Prospectus
Offer Period	The period during which investors may apply for securities under the Offer, opening on the date stated in the Key Offer Information table on page 4 and ending on the Closing Time
Offer Price	\$1.70 per Share
Official List	The official list of ASX

10. Glossary (continued)

Term	Meaning
Official Quotation	Quotation on the official list of ASX
Operating Cash Flow	EBITDA after the removal of non-cash items in EBITDA (e.g. share-based payment expenses and movements in provisions) and changes in working capital. Trajan uses operating cash flow to indicate the level of operating cash flow generated from EBITDA as described in Section 4.2.4
Option	An option to subscribe for a Share
Ord Minnett	Ord Minnett Limited
PEEKSil	Polymer-sheathed fused silica tubing
Permitted Jurisdictions	Australia, Hong Kong, New Zealand, Singapore, the United Kingdom and the United States
PFS	Precision fluidic systems
PG	Penang (Malaysia)
PMI	Post-merger integration
PPP	Pay-check Protection Program loan
Pre-IPO Dividend	A dividend of up to \$3,350,000 to be paid to the Existing Shareholder conditional upon Listing
Priority Offer	The part of the Offer described in Section 7.7
Priority Offer Applicant	Priority Offer applicant has the meaning given in section 7.7.1
Priority Offer Application Form	A personalised application form attached to or accompanying this Prospectus and distributed to selected investors to accept their Priority Offer
Pro Forma Forecast Cash Flow Statement	Pro forma forecast consolidated cash flow statement for FY2021F and FY2022F
Pro Forma Forecast Income Statement	Pro forma forecast consolidated income statement for FY2021F and FY2022F
Pro Forma Historical Cash Flows	Pro forma historical consolidated cash flow statements for FY2019, FY2020, HY2020 and HY2021
Pro Forma Historical Income Statements	Pro forma historical consolidated income statements for FY2019, FY2020, HY2020 and HY2021
Pro Forma Historical Statement of Financial Position	Pro forma historical consolidated statement of financial position as at 31 December 2020
Prospectus	This document (including the electronic form of this Prospectus) and any replacement or supplementary prospectus in relation to this document
Prospectus Date	The date on which this Prospectus was lodged with ASIC, being 7 May 2021
Proteomics	The study of the entire set of proteins of a given cell produced or modified by an organism or system
PTFE	Polytetrafluoroethylene – synthetic resin
R&D	Research and development

Term	Meaning
REACH	Registration, Evaluation, Authorisation and Restriction of Chemicals
Recommendations	Principles and Recommendations
Registry	Computershare Investor Services Pty Ltd (ACN 078 279 277)
Relevant Persons	All Directors, management, officers, senior executives and employees of the Company and its related bodies corporate and their connected persons
Retail Offer	The Broker Firm Offer, the Priority Offer and the Employee Gift Offer
Ringwood Facility	Has the meaning given in Section 6.5
Ringwood Facility Property Lease	Has the meaning given in Section 6.5
RoHS	Restriction of Hazardous Substances
SaleCo	Trajan SaleCo ACN 649 243 274
Sale Deed	The Sale Deed executed by the Existing Shareholder, the Company, SaleCo and Stephen Tomisich in respect of some or all of the Existing Shareholder's Existing Shares to SaleCo
SBA	USA Small Business Administration
Selling Shareholders	Existing Shareholders who have agreed to sell Existing Shares to SaleCo
SEPTA	Sample vial sealing material
Settlement	Settlement in respect of the Shares the subject of the Offer occurring in accordance with the Underwriting Agreement
Settlement Date	The date on which Settlement occurs or is scheduled to occur (as the context requires)
SGE	SGE Analytical Science
Share	A fully paid ordinary share in Trajan
Shareholder	A registered holder of a Share
SiFT	Silica coated Fibre Technology
SKUs	Stock-keeping units
Soltec	Soltec, Inc.
SRN	Securityholder Reference Number
Statutory Forecast Cash Flow Statement	Statutory forecast consolidated cash flow statement for FY2021F and FY2022F
Statutory Forecast Income Statement	Statutory forecast consolidated income statement for FY2021F and FY2022F
Statutory Historical Cash Flows	Statutory historical consolidated cash flow statements for FY2019, FY2020, HY2020 and HY2021
Statutory Historical Income Statements	Statutory historical consolidated income statements for FY2019, FY2020, HY2020 and HY2021

10. Glossary (continued)

Term	Meaning
Statutory Historical Statement of Financial Position	Statutory historical consolidated statement of financial position as at 31 December 2020
STI	Short term incentive
Substantial Interest	Has the meaning given in Section 9.8.2
Successful Applicant	An Applicant who is issued or transferred Shares under the Offer
t	Trillion
TAM	Total addressable market
Tax Adviser	RSM Australia Pty Ltd
TFN	Tax File Number as defined in the <i>Income Tax Assessment Act 1936</i> (Cth)
TGA	Therapeutic Goods Administration
Trajan OpCo	Trajan Scientific Australia Pty Ltd ACN 161 314 969
Trajan or Trajan Group	The Company, including its subsidiaries, or, where the context requires, the business described in this Prospectus
TX	Texas
UK	United Kingdom
Underwriting Agreement	The Underwriting Agreement, dated on or about the Prospectus Date, between the Company, SaleCo and the Joint Lead Managers
US Offering Circular	The offering circular that must accompany any distribution of the Prospectus in the United States to Institutional Investors
US, USA or United States	United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
US Person	Has the meaning given to it in Regulation S of the US Securities Act
US Securities Act	The United States Securities Act 1933, as amended
USD or US\$	United States dollar
UTAS	University of Tasmania
Vesting Conditions	Has the meaning given in Section 6.3.9.1
Voluntary Escrow Arrangement	The voluntary escrow arrangement described in Section 7.21
Working Capital	The sum of trade and other receivables, inventory and other current assets less trade and other payables, other liabilities and provisions as described in Section 4.2.4

Appendix A: Significant Accounting Policies

Appendix A: Significant Accounting Policies

Principles of consolidation

The consolidated financial information incorporates the assets and liabilities of all subsidiaries of Trajan Group Holdings Limited ('Company' or 'parent entity') and the results of all subsidiaries for the relevant period. Trajan Group Holdings Limited and its subsidiaries together are referred to in the accounting policies below as the 'Company'.

Subsidiaries are all those entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases.

InterCompany transactions, balances and unrealised gains on transactions between entities in the Company are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Company. Losses incurred by the Company are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Company loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Company recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Interests in subsidiaries are accounted for at cost, less any impairment, in the parent entity. Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification. An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current. Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant rate of change in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

Provisions and employee benefits

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects the current market assessments of the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

Warranty provisions

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

Restructuring provisions

Restructuring provisions are recognised only when the recognition criteria for provisions are fulfilled. The Company has a constructive obligation when a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, and an appropriate timeline. Furthermore, the employees affected have been notified of the plan's main features.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Employee leave benefits

Short-term employee benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits (other than termination benefits) are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within twelve months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as a part of employee benefits expense.

Obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Company does not have an unconditional right to defer settlement for at least twelve months after the end of the reporting period, in which case the obligations are presented as current provisions.

Income tax and other taxes

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses. Current and deferred income tax expense (income) is charged or credited directly to equity instead of profit or loss when the tax relates to terms that are credited or charged directly to equity.

Appendix A: Significant Accounting Policies (continued)

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss. Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement of simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where:

- (a) a legally enforceable right of set-off exists; and
- (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except where:

- the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Goodwill and intangibles

Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over Trajan's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the cash-generating unit(s) that is expected to benefit from the synergies of the combination. Trajan is viewed as a single cash-generation unit.

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Trajan performs its impairment testing as at 30 June each year using a value in use, discounted cash flow methodology.

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. When the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised. Impairment losses recognised for goodwill are not subsequently reversed.

Intangible assets acquired both separately and from a business combination

Intangible assets acquired separately or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in profit or loss in the year in which the expenditure was incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

Research and development

Trajan invests in research and development activities directly and partners with industry experts to help accelerate new product development. Partnering is an important priority for Trajan as it significantly increases the quantum, breadth of experience and scale of resources focussed on research and development of new technologies and products for target markets globally, driving future revenue growth.

Research costs are expensed in the period in which they are incurred. Development costs are only capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Company is able to use or sell the asset; the Company has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit.

Trajan has not capitalised any development costs in FY2019, FY2020 or FY2021F.

Patents and trademarks

Costs associated with patents and trademarks are expensed in the period in which they are incurred.

Impairment of non-financial assets other than goodwill

The Company conducts an annual review of asset values, which is used as a source of information to assess for any indicators of impairment. External factors, such as changes in expected future processes, technology and economic conditions, are also monitored to assess for indicators of impairment. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating unit). Non-financial assets other than goodwill that have previously been impaired are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

Trade and other payables

Trade payables and other payables are carried at amortised costs and are not discounted due to their short-term nature. They represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are not secured and are usually paid within 30 days of recognition.

Appendix A: Significant Accounting Policies (continued)

Contract liabilities

Contract liabilities represent the Company's obligation to transfer goods or services to a customer but where the Company is yet to establish an unconditional right to consideration.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Cash flow hedges

Cash flow hedges are used to cover the Company's exposure to variability in cash flows that is attributable to particular risks associated with a recognised asset or liability or a firm commitment which could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income through the cash flow hedges reserve in equity, whilst the ineffective portion is recognised in profit or loss. Amounts taken to equity are transferred out of equity and included in the measurement of the hedged transaction when the forecast transaction occurs.

Cash flow hedges are tested for effectiveness on a regular basis both retrospectively and prospectively to ensure that each hedge is highly effective and continues to be designated as a cash flow hedge. If the forecast transaction is no longer expected to occur, the amounts recognised in equity are transferred to profit or loss.

If the hedging instrument is sold, terminated, expires, exercised without replacement or rollover, or if the hedge becomes ineffective and is no longer a designated hedge, the amounts previously recognised in equity remain in equity until the forecast transaction occurs.

Inventories

Inventories including raw materials, work in progress and finished goods are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials

Purchase cost on a first-in, first-out basis. The cost of purchase comprises the purchase price including, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), transport, handling and other costs directly attributable to the acquisition of raw materials. Volume discounts and rebates are included in determining the cost of purchase.

Finished goods and work in progress

Cost comprises of direct materials, labour and a proportion of variable and fixed manufacturing overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Trade and other receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Investments and other financial assets

Investments and other financial assets, other than interests in subsidiaries or associates, are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Appendix A: Significant Accounting Policies (continued)

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

Property, plant and equipment

Freehold land and buildings, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on a straight-line basis over useful life commencing from the time the asset is held ready for use as follows:

Leasehold improvements – 5 to 30 years. Plant and equipment – 3 to 15 years.

Motor vehicles – 4 to 6 years. Furniture and fittings – 5 to 20 years.

Computer software – 2 to 5 years. Computer equipment – 2 to 10 years.

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each reporting period. When no future economic benefits are expected to arise from the continued use of an item of property, plant and equipment, it is derecognised. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of comprehensive income in the year the item is derecognised.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised immediately in profit or loss. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Contract assets

Contract assets are recognised when the consolidated entity has transferred goods or services to the customer but where the Company is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. All revenue is stated net of the amount of goods and services tax.

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

The following specific recognition criteria must also be met before revenue is recognised:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative standalone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Sale of goods

Revenue from the sale of goods is recognised when the Company has transferred to the buyer the significant risks and rewards of ownership of the goods and the costs in respect of the transaction can be reliably measured. Risks and rewards are considered passed to the buyer at the time of delivery of the goods to the customer.

Provision of services

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Dividends

Revenue is recognised when Trajan's right to receive the payment is established.

Interest income

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset) to the net carrying amount of the financial asset.

Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Foreign currency translation

Functional and presentation currency

Both the functional and presentation currency of Trajan is Australian dollars (\$).

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Appendix A: Significant Accounting Policies (continued)

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into dollars at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

Financial assets

Investments in subsidiaries held by Trajan are accounted for at cost in the separate financial statements of Trajan less any impairment charges.

Dividends received from subsidiaries are recorded as a component of other income in the income statement and do not impact the recorded cost of the investment.

Upon receipt of dividend payments from related parties, Trajan will assess whether any indicators of impairment of the carrying value of the investment in the subsidiary exist. Where such indicators exist, to the extent that the carrying value of the investment exceeds its recoverable amount, an impairment loss is recognised.

Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed are recognised (subject to certain limited exceptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination other than those associated with the issue of a financial instrument are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of Goodwill or a Net Purchase Consideration.

Comparative figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by Accounting Standards or as a result of changes in accounting policy.

Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

New Accounting Standards for application in future periods

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2020. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

Conceptual Framework for Financial Reporting (Conceptual Framework)

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 July 2021 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the consolidated entity has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the consolidated entity may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the consolidated entity's financial statements.

AASB 2020-2 Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities and AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

These standards are applicable to annual reporting periods beginning on or after 1 July 2021. AASB 2020-2 will prohibit certain for-profit entities from preparing special purpose financial statements and AASB 1060 provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. Given that the consolidated entity will be moving to general purpose financial statements in the future, there is likely to be increased disclosure for areas such as key management personnel, related parties, tax and financial instruments; and some disclosures will be removed. If the consolidated entity adopts the standards prior to the mandatory application date it will be able to take advantage of certain special transitional disclosure relief relating to comparative information in the first year of adoption.

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Corporate directory

Company's registered office

7 Argent Place
Ringwood VIC 3134

Joint Lead Managers

Canaccord Genuity (Australia) Limited

Level 15, 333 Collins Street
Melbourne VIC 3000

Ord Minnett Limited

Level 8, 255 George Street
Sydney NSW 2000

Investigating Accountant

RSM Corporate Australia Pty Ltd

F21/55 Collins Street
Melbourne VIC 3000

Auditor

RSM Australia Partners

F21/55 Collins Street
Melbourne VIC 3000

Offer Information Line

1300 850 505 (within Australia) or +61 3 9415 5000
(outside Australia) between 8.30am and 5.30pm
(Melbourne time) Monday to Friday (excluding public holidays)

Financial Adviser

Ernst & Young Strategy and Transactions Limited

8 Exhibition Street
Melbourne VIC 3000

Legal Adviser

DLA Piper Australia

Level 12, 80 Collins Street
Melbourne VIC 3000

Share Registry

Computershare Investor Services Pty Limited

Yarra Falls
452 Johnston Street
Abbotsford VIC 3067

Websites

Offer website

<https://trajangroupipo.thereachagency.com>

Company website

<https://www.trajanscimed.com/>

