

1.

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Facsimile number: 08 8205 3300



## The Australian Wealth Advisors Group Limited

ACN 653 634 292

### **Prospectus**

For an offer of 20,000,000 New Shares at an issue price of \$0.25 per New Share  
to raise \$5 million



**Corporate Advisor**



**PiperAlderman**

**Legal Advisor**

You should consult your professional advisor if you have any questions regarding the contents of this Prospectus.

This Prospectus has been lodged with ASIC under section 718 of the Corporations Act.

## IMPORTANT NOTICES AND INFORMATION

### YOU MUST READ THE FOLLOWING BEFORE CONTINUING

*You should read the following terms and conditions carefully before reading or making any use of this Prospectus or any information contained in it. In receiving and reading this Prospectus, you are agreeing to be bound by the following terms and conditions, including any modifications to them. If you do not agree to this, you should immediately return this Prospectus to The Australian Wealth Advisors Group Limited (ACN 653 634 292) (“AWAG” or “Company”).*

This Prospectus is dated 20 November 2023 and has been lodged with ASIC on that date. ASIC and ASX take no responsibility for the contents of the Prospectus nor the merits of the investment to which this Prospectus relates.

The Offer contained in this Prospectus closes at 5:00pm AEST on the Closing Date. The Company reserves the right to change the Closing Date without notice. No New Shares will be issued on the basis of the Prospectus later than the date that is 13 months after the date of the Prospectus.

No person is authorised to give any information or make any representation in connection with the Offer that is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

#### Capitalised terms

Certain terms and abbreviations used in the Prospectus have defined meanings as set out in section 15 “Glossary”.

#### Electronic prospectus

This Prospectus and the Application Form may be viewed online at [www.awag.au](http://www.awag.au). Paper copies of this Prospectus and Application Form can be printed from the website or will be made available on request of the Company (see section 1 “Corporate Directory”) free of charge. The Offer to which the electronic Prospectus relates is only available to persons to whom it would be lawful to make the Offer.

#### Selling restrictions

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on, and observe the requirements of, those laws. Non-observance by such persons may violate securities law. Any recipient of this Prospectus outside Australia should consult their professional advisors on requisite formalities and laws outside Australia. This

Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify this Prospectus or to otherwise permit a public offering of New Shares outside Australia.

#### Application form

The Corporations Act prohibits any person passing on to another person the Application Form unless it is attached to a printed copy of this Prospectus or included in or accompanied by the complete and unaltered copy of this Prospectus. The New Shares to which the electronic Prospectus relates will only be issued on receipt of a printed copy of the electronic Application Form together with a printed copy of the Prospectus. The Application Form may be generated by software accessible by the same means as the Prospectus. You should read this Prospectus in its entirety before completing the Application Form.

#### Exposure period

This Prospectus will be made generally available during the Exposure Period by being posted on the Company’s website. In addition, copies of this Prospectus will be made available by way of paper copy or by email on request to members of the public in Australia by calling the Company during the Exposure Period.

The purpose of the Exposure Period is to enable the Prospectus to be examined by market participants before raising funds. Potential investors should be aware that such examination may result in the identification of deficiencies in the Prospectus. In those circumstances, any Application that is received during the Exposure Period may need to be dealt with in accordance with the Corporations Act. Applications made during the Exposure Period will not be accepted or processed until the Exposure Period has expired, with no preference given to persons who lodge their Application Forms during the Exposure Period.

#### Admission and quotation

The Company will apply to ASX for admission to the Official List and for quotation of the New Shares

within seven days after the date of this Prospectus. The fact that ASX may quote the New Shares is not to be taken as an indication of the merits of the Company or the New Shares being issued.

If the application for quotation of the New Shares is refused, no New Shares will be issued, and all Application Money paid will be refunded to Applicants as soon as practicable without interest.

#### **Risks**

There are risks associated with an investment in the Company. The New Shares to which this Prospectus relates carry no guarantee whatsoever with respect to return on capital invested, payment of dividends or future value of the New Shares. Once issued, the prices of the New Shares can rise and fall. Investors should consider the entire contents of this Prospectus carefully and refer to section 12 "Risk Factors" for information about risks.

Before deciding to participate in this Offer, you should carefully read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position, performance, potential profits and losses, and prospects of the Company and the risks and the rights attaching to the New Shares offered in this Prospectus.

Nothing in this Prospectus constitutes financial advice. You should carefully consider the appropriateness of the Offer in light of your own personal circumstances, having regard to the speculative nature of the investment, your objectives, personal financial and taxation situation and needs. The Company recommends that you seek professional investment advice from an accountant, lawyer, stockbroker or other financial advisor regarding investment in these New Shares before making an Application.

#### **Privacy Act**

The Application Form accompanying this Prospectus requires you to provide information that may be personal information for the purposes of the Privacy Act. The Company (and the share registry on its behalf) may collect, hold and use that personal information in order to assess your Application, service your needs as a Shareholder, provide facilities and services that you request or that are connected with your interest in the New Shares and carry out appropriate administration. If some or all personal information as required in the Application Form is not provided, then your Application may be refused or rejected, you may not be granted any New Shares, or the Company (or the share registry) may not be able to adequately service your needs as a Shareholder or provide facilities and services that you request or that are connected with your interest in the New Shares or carry out appropriate administration.

The Company's privacy policy contains information about how you may access your personal information that is held by the Company (or the share registry) and seek correction of such information, and how you may complain about a breach of the Australian Privacy Principles, or a registered code that binds the Company, and how the Company will deal with such a complaint.

The Company will not disclose your personal information to overseas recipients except where required to do so by applicable law, and only to the countries whose laws investors may be subject to.

Under the Privacy Act, you may request access to your personal information held by the Company or the share registry by contacting the company secretary by post to the Company's registered office or by email – addresses for these are shown in the Corporate Directory (see section 1 "Corporate Directory").

#### **Forecasts and forward-looking statements**

Section 8 "Financial Information" sets out in detail the financial information referred to in this Prospectus. The basis of preparation of that information is set out in section 8.

All financial amounts contained in this Prospectus are expressed in Australian dollars and rounded to the nearest thousand unless otherwise stated. Any discrepancies between totals and sums of components in tables contained in this Prospectus are due to rounding.

This Prospectus contains forward-looking statements, including statements of intentions, statements of opinion and predictions as to possible future events which are identified by words such as "may", "could", "believes", "estimates", "expects", "intends" and other similar words that involve risks and uncertainties.

Any forecasts or forward-looking statements are predictions only and are subject to various inherent risk factors and uncertainties that could cause the Company's actual results to differ materially from the results expressed or anticipated in these forecasts or statements. Such forecasts or 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, its Directors and management. Forecasts and forward-looking statements should therefore be read in conjunction with, and are qualified by reference to, the discussion of the Pro forma financial statements in section 8, risk factors as set out in section 12, and other information in this Prospectus.

The Company, its Directors, officers, employees, agents, advisors, representatives, and any person named in, or involved in the preparation of, this

Prospectus cannot and do not give any warranty, assurance or representation that the results, performance or achievements expressed or implied by the forecasts and forward-looking statements contained in the Prospectus will actually occur and investors are cautioned not to place undue reliance on these forecasts and forward-looking statements. Forecasts and forward-looking statements reflect views held only as at the date of this Prospectus. The Company has no intention of updating or revising forecasts or forward-looking statements, or publishing 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.

**Images**

Any images used in this Prospectus that do not have any descriptions are for illustration only and should not be interpreted to mean that any person in them endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. The images included in this Prospectus are illustrative only and may not be drawn to scale. All data contained in images within this Prospectus is based on information available as at the date of this Prospectus unless otherwise stated.

**Important dates**

<b>Event</b>	<b>Date</b>
Lodgement of Prospectus with ASIC	20 November 2023
Opening Date for Applications	27 November 2023
Closing Date for Applications	11 December 2023
Settlement date of Offer	15 December 2023
Issue of New Shares	18 December 2023
Expected dispatch of holding statements	20 December 2023
Expected date of quotation of New Shares on ASX	22 December 2023

The dates shown in the table above are indicative only and may be varied. The Company, in consultation with its advisors, reserves the right to vary the Closing Date without prior notice, which will have a consequential effect on other dates, or any of the other dates and times without prior notice.

**Key Offer statistics**

Current Shares on issue	53,740,000
New Shares being offered under this Prospectus	20,000,000
New Shares to be issued to advisors	625,000
Issue price per New Share	\$0.25
Shares on issue following the Offer	74,365,000
Market capitalisation following the Offer (based on the issue price), rounded	\$18.6 million

## Table of Contents

<b>IMPORTANT NOTICES AND INFORMATION</b>	<b>2</b>
<b>1. Corporate Directory</b>	<b>9</b>
<b>2. Chairman’s Letter</b>	<b>10</b>
<b>3. Investment Overview</b>	<b>12</b>
3.1 Highlights of AWAG	12
3.2 Details of the Offer and use of funds	15
3.3 Financial overview	16
3.4 Directors and senior staff	17
3.5 Material Agreements and Related Party Transactions	18
3.6 Risks	19
<b>4. Important Dates and Key Statistics</b>	<b>23</b>
4.1 Important dates	23
4.2 Key statistics	23
<b>5. Industry Overview</b>	<b>24</b>
5.1 AWAG in the Industry	24
5.2 Financial advice industry	25
5.2.1 Financial advice overview	25
5.2.2 Regulatory overview	25
5.2.3 Estimated market size and competitive landscape	26
5.2.4 Need for financial advice	27
5.2.5 Key competitive factors	28
5.2.6 Consolidation in the financial planning industry	30
5.3 Funds Management industry	30
5.3.1 Funds management overview	30
5.3.2 Regulatory overview	30
5.3.3 Market size and key trends	31
5.3.5 Competitive landscape	34
<b>6. Company Overview</b>	<b>35</b>
6.1 Background and status	35
6.2 The Businesses	36
6.3 Key strengths	42
6.4 Intellectual property	43
6.5 Growth strategy	44
<b>7. Details of the Offer</b>	<b>45</b>
7.1 The Offer	45
7.2 Offer structure	45
7.3 Purpose of the Offer	45
7.4 Use of funds	46
7.5 CHPW and ARMY payments	46
7.6 Offer period	47
7.7 Shareholder structure	47
7.8 Voluntary escrow arrangements	49
7.9 Application Amounts	50
7.10 Brokerage, commission and stamp duty	51
7.11 ASX listing	51

7.12	Overseas distribution	51
7.13	Share registry	52
7.14	CHESS and issuer sponsorship	52
7.15	Underwriting	53
7.16	Taxation implications	53
<b>8.</b>	<b>Financial Information</b>	<b>54</b>
8.1	Introduction	54
8.2	Basis of Preparation and Presentation of Financial Information	56
8.3	Preparation of the Statutory Historical Financial Information	56
8.4	Preparation of the Pro Forma Historical Financial Information	57
8.5	Pro Forma Historical Financial Information	58
8.5.1	Aggregated Pro Forma Historical Income Statement	58
8.5.2	Pro Forma Historical Statement of Financial Position	58
8.5.3	Notes on the Pro Forma Historical Statement of Financial Position	59
8.5.4	Pro forma cash and cash equivalents reconciliation	60
8.6	Historical Financial Information	61
8.6.1	Historical Income Statement of AWAG	61
8.6.2	Historical Income Statement of CHPW	61
8.6.3	Historical Income Statement of ARMY	62
8.6.4	Historical Cash Flows of AWAG	62
8.6.5	Historical Cash Flows of CHPW	63
8.6.6	Historical Cash Flows of ARMY	64
8.7	Liquidity and capital resources	64
8.8	Commitments and contingencies	65
8.9	Summary of significant accounting policies	65
8.9.1	Revenue recognition	65
8.9.2	Cash and cash equivalents	65
8.9.3	Trade and other receivables	65
8.9.4	Financial accounts at cost	66
8.9.5	Provisions	66
8.9.6	Income tax	66
8.9.7	Goods and services tax	66
8.10	AWAG dividend policy	67
<b>9.</b>	<b>Investigating Accountant's Report</b>	<b>68</b>
<b>10.</b>	<b>Directors, Management and Corporate Governance</b>	<b>75</b>
10.1	The Board	75
10.2	Other key personnel	77
10.3	Reports to Shareholders	78
10.4	Independence	78
10.5	Remuneration	78
10.6	Directors' interests	79
10.7	Corporate governance	80
10.8	Continuous disclosure	87
<b>11.</b>	<b>Material Agreements</b>	<b>88</b>
11.1	Introduction	88
11.2	Vostro Outsourcing Agreement	88
11.3	Vostro Private Wealth	89
11.4	Corporate Advisor mandate	89
11.5	ARMY Acquisition Agreement	90
<b>12.</b>	<b>Risk Factors</b>	<b>92</b>
12.1	Introduction	92

12.2	Risks relating to AWAG	92
12.3	General risks	95
<b>13</b>	<b>Additional Information</b>	<b>98</b>
13.2	Constitution and rights and liabilities attaching to Shares	98
13.3	Dividend policy	99
13.4	Balance date	100
13.5	Deeds of access, indemnity & insurance	100
13.6	Related party transactions	100
13.7	Expenses of the Offer	101
13.8	Litigation	102
13.9	Consents	102
13.10	Disclosure of interests and fees of directors and other persons	103
13.11	Regulatory costs	105
13.12	Enquiries	105
13.13	Documentation	105
<b>14</b>	<b>Directors' Statement</b>	<b>106</b>
<b>15</b>	<b>Glossary</b>	<b>107</b>



## 1. Corporate Directory

### Directors

Lee laFrate – Executive Chairman  
Paul Young – Non-executive  
Director  
Mark Stephen – Non-executive  
Director  
Michael Fitzpatrick AO –  
Non-executive Director

### Company Secretary

Computershare Investor Services  
Pty Limited  
452 Johnston Street  
Abbotsford VIC 3067

### Registered office

5/30 Collins Street  
Melbourne VIC 3000

### Website:

[www.awag.au](http://www.awag.au)

### Telephone:

03 9674 0600

### Email:

[info@awag.au](mailto:info@awag.au)

Proposed

ASX code: WAG

### Legal Advisor

Piper Alderman  
16/70 Franklin Street  
Adelaide SA 5000

### Corporate Advisor

Palomar Group Pty Ltd  
5/30 Collins Street  
Melbourne VIC 3000

### Investor Relations

Domain Road Investments Pty Ltd  
509/99 Palmerston Crescent  
South Melbourne VIC 3205

### Investigating Accountant

HLB Mann Judd Corporate (NSW)  
Pty Ltd  
5/10 Shelley Street  
Sydney NSW 2000

### Auditor

Charterhouse & Co Auditors Pty  
Ltd  
'L1 7B' 480 Collins Street  
Melbourne VIC 3000

### Share Registry

Registry Direct Pty Limited  
6/2 Russell Street  
Melbourne VIC 3000

## 2. Chairman's Letter

Dear Investor

On behalf of the Board, it is my pleasure to invite you to invest in The Australian Wealth Advisors Group Limited (ACN 653 634 292) ("AWAG" or the "Company").

AWAG was founded in Melbourne in September 2021 by a group of experienced financial market professionals as a holding company. Our mission is to acquire and build upon sound, profitable and complementary Australian financial services businesses.

In May 2022, the Company's first acquisition was CHPW Financial Pty Ltd (ACN 110 598 368) ("CHPW") – an Australian Financial Services Licence holder with 27 authorised representatives from 14 financial planning practices offering a wide range of services. In August 2023, the Company acquired Armytage Private Pty Ltd (ACN 079 960 419) ("ARMY"), a boutique investment and funds management business. ARMY operates three funds as well as individually managed accounts and separately managed accounts, and manages over \$300 million on behalf of retail and wholesale clients.

An investment in the Company offers a strategic opportunity for investors to gain exposure to profitable businesses in the financial services and funds management sector.

Owning and operating two profitable businesses, AWAG has created a sound platform for further complementary acquisitions. The financial planning and funds management industries are highly fragmented with numerous, independent businesses that provide opportunities for future acquisitions.

The Company is seeking to raise \$5 million under the Offer. The proceeds of the Offer will be allocated to fund the cash component of the acquisitions of each of ARMY and CHPW, generate organic growth of each of those businesses, and to provide balance sheet strength for potential acquisitions that meet the Company's investment strategy.

Admission to the official list of the Australian Securities Exchange ("ASX") would provide the Company with the flexibility to issue shares as consideration to vendors of strategic and opportunistic acquisition targets, subject to the requirements of the ASX Listing Rules.

Upon listing on ASX, AWAG is expected to have an estimated pro forma cash position of \$5,393,061 which would provide funding for AWAG to execute on its growth strategy over the next two years. On a pro forma basis, AWAG would have had profit before tax and interest of \$801,568 for the year ended 30 June 2023. Detailed historical financial information on AWAG is set out in Section 8 "Financial Information".

The Board and management team of AWAG have extensive experience in the growth and management of financial services businesses. Their profiles and interests are set out in Section 10 "Directors, Management and Corporate Governance".

This Prospectus contains detailed information about the Company, the industry it operates in, together with the historical financial and operating performance, the Company's investment

strategy, the shares being offered and key risks associated with an investment in the Company.

It is particularly important for potential investors to review the risks associated with an investment in AWAG, including industry risks, general risks and risks specific to the Company. It should be noted that several of these risks are outside the Company's control. These risks are described in detail in Section 12 "Risk Factors".

I encourage you to read this document in its entirety and carefully consider the information contained and seek professional advice to determine if this investment is appropriate for you before making your investment decision.

On behalf of the Board of Directors, I thank you for considering an investment in AWAG and I look forward to welcoming you as a fellow Shareholder of the Company.

Lee laFrate  
Chairman  
The Australian Wealth Advisors Group Limited

### 3. Investment Overview

#### 3.1 Highlights of AWAG

Topic	Summary	Further details
Who is AWAG?	<p>AWAG was founded in Melbourne in 2021 by a group of experienced financial market professionals as a holding company with the primary goal of acquiring and growing profitable, complementary Australian financial services businesses.</p> <p>To date, AWAG has made two acquisitions, CHPW Financial Pty Ltd (ACN 110 598 368) (“CHPW”) and Armytage Private Pty Ltd (ACN 079 960 419) (“ARMY”).</p>	Section 6 “Company Overview”
What services do the subsidiaries offer?	<p>CHPW holds an Australian Financial Services Licence (“AFSL”) and has 27 authorised representatives, offering a wide range of financial planning services to clients.</p> <p>ARMY is an investment and funds management business and manages over \$300 million on behalf of retail and wholesale clients. ARMY operates managed funds and provides Individually Managed Accounts (“IMAs”) and Separately Managed Accounts (“SMAs”) to retail and wholesale clients.</p>	Section 6 “Company Overview”
How does AWAG generate revenue, and from whom?	<p>AWAG generates revenue through the businesses operated by CHPW and ARMY.</p> <p>CHPW primarily generates revenue from fees charged to its authorised representatives for operating under its AFSL, as well as access its technology and operating systems, compliance and governance, and training and education.</p> <p>ARMY primarily generates revenue through management and performance fees from funds under its management.</p>	Section 6 “Company Overview”
What is AWAG’s investment strategy?	<p>AWAG’s investment strategy is to acquire and build a portfolio of profitable businesses in the financial services sector that are broadly aligned with its existing businesses.</p> <p>AWAG intends to grow CHPW organically, and acquire further small-to-medium AFSL holder groups of up to 100 authorised representatives, to build size and scale in its financial planning business.</p> <p>AWAG intends to grow ARMY organically as well as seek to acquire financial organisations offering new technology and systems-based enhancements for the funds management sector, but also broadly applicable for the financial planning segment.</p>	Section 6 “Company Overview”

<p>What are AWAG's key strengths?</p>	<p>The Company considers that AWAG and its subsidiaries have a number of key strengths including:</p> <ul style="list-style-type: none"> <li>• <b>Strong financial fundamentals:</b> The Company's revenue and profit in both FY22 and FY23 and the pro forma balance sheet at 30 June 2023 underline the Company's strong financial performance and position;</li> <li>• <b>Experienced management team and Board:</b> The Board and management team of AWAG and each of CHPW and ARMY have extensive experience with strong networks in the Australian financial services and funds management sectors enabling them to operate the business efficiently, as well as execute on available growth opportunities;</li> <li>• <b>Focus on financial services with a simple management philosophy:</b> AWAG is committed to generating high returns on capital from its financial planning and funds management businesses. The Company also seeks to optimise overhead cost efficiency;</li> <li>• <b>Flexibility in negotiating acquisition terms:</b> AWAG's corporate structure, especially as a listed entity, grants the Company the flexibility to effectively negotiate the terms of potential acquisitions (including by providing Shares to vendors of its acquisitions as consideration);</li> <li>• <b>Succession pathway for business owners:</b> Recognising the imminent generational shift in ownership in the financial services and funds management industries, AWAG offers a potential succession pathway to business owners;</li> <li>• <b>Client-centric culture and performance:</b> The organisational culture of AWAG and its subsidiaries is firmly rooted in client service excellence and high-performance standards; and</li> <li>• <b>Scalability through strategic portfolio building:</b> AWAG's scalability is driven by its proactive approach to building a core portfolio of businesses with robust growth prospects. Its initial two acquisitions aligned to the Company's selection criteria are positioned for continued organic growth and long-term success.</li> </ul>	<p>Section 6 "Company Overview"</p>
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<p>Who are the Directors or AWAG and key management?</p>	<p>AWAG has a highly experienced Board of Directors and management team with excellent track records and financial industry connections.</p> <p><b>Directors</b>  Lee laFrate (Executive Chairman)  Paul Young (Non-executive Director)  Mark Stephen (Non-executive Director)  Michael Fitzpatrick AO (Non-executive Director)</p> <p><b>Key management</b>  Bradley King Executive Director of ARMY  Austin Ngo Executive Director of ARMY  Sam Adigrati Executive Chairman of CHPW</p> <p>The Company considers that the knowledge and experience of its Directors, management team and employees will enable it to readily undertake its proposed activities.</p>	<p>Section 10  “Directors, Management and Corporate Governance”</p>												
<p>Who are the major shareholders?</p>	<p>At the date of this Prospectus, the major shareholders of the Company are:</p> <table border="1" data-bbox="544 1003 1155 1339"> <thead> <tr> <th>Shareholder</th> <th>% owned</th> </tr> </thead> <tbody> <tr> <td>Interests associated with Lee laFrate (Director)<sup>1</sup></td> <td>34.1%</td> </tr> <tr> <td>National Nominees Limited<sup>2</sup></td> <td>17.4%</td> </tr> <tr> <td>Interests associated with Peter Hollick<sup>3</sup></td> <td>10.1%</td> </tr> <tr> <td>Interests associated with Paul Young (Director)<sup>4</sup></td> <td>6.2%</td> </tr> <tr> <td>Interests associated with Chris Ryan<sup>5</sup></td> <td>6.2%</td> </tr> </tbody> </table> <ol style="list-style-type: none"> <li>1. Lee lafrate is the chairman of AWAG. Mr laFrate has a beneficial interest in less than 2% of the units of Micro Cap Activist Fund (“MCAF”), AWAG’s second largest shareholder</li> <li>2. National Nominees Limited holds shares on behalf of individuals, companies and trusts. MCAF is one of a multitude of clients within National Nominees. MCAF’s beneficial shareholding in AWAG is approximately 7.6%.</li> <li>3. Mr Hollick has a beneficial interest in less than 2% of the units of MCAF.</li> <li>4. Mr Young has a beneficial interest in less than 2% of the units of MCAF,</li> <li>5. Mr Ryan has a beneficial interest in less than 2% of the units of MCAF and is a member of the MCAF governing committee</li> </ol>	Shareholder	% owned	Interests associated with Lee laFrate (Director) <sup>1</sup>	34.1%	National Nominees Limited <sup>2</sup>	17.4%	Interests associated with Peter Hollick <sup>3</sup>	10.1%	Interests associated with Paul Young (Director) <sup>4</sup>	6.2%	Interests associated with Chris Ryan <sup>5</sup>	6.2%	<p>Section 7.7  “Shareholder structure”</p>
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Interests associated with Lee laFrate (Director) <sup>1</sup>	34.1%													
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Interests associated with Chris Ryan <sup>5</sup>	6.2%													

### 3.2 Details of the Offer and use of funds

Topic	Summary	Further details																
What is the Offer?	The Company is seeking to raise \$5 million by issuing 20 million New Shares at an issue price of \$0.25 per New Share. The Offer is not underwritten.	Section 7 “Details of the Offer”																
Why is the Offer being conducted?	<p>The objectives of the Offer and AWAG applying for admission to ASX are to:</p> <ul style="list-style-type: none"> <li>• provide working capital and financial flexibility to enable the Company to pursue growth initiatives and to meet the costs of the offer;</li> <li>• provide funds to satisfy the cash component in the recent acquisition of ARMY and to fund the CHPW hurdle payment;</li> <li>• provide a liquid market for AWAG’s Shares, and to have the ability to issue listed Shares as consideration to the vendors of businesses that may be acquired by AWAG in the future; and</li> <li>• raise the profile of AWAG as a potential consolidator of financial services businesses and provide AWAG with the benefits of increased public awareness that arises as a listed entity.</li> </ul>	Section 7.4 “Use of funds”																
Opening and Closing Dates	The Opening Date is 27 November 2023 and the Closing Date is 11 December 2023. The Directors reserve the right to change either or both of these dates in their absolute discretion without prior notice. You are therefore encouraged to lodge your Application as soon as possible after the end of the Exposure Period.	Section 4.1 “Important dates”																
Proposed use of funds	<p>AWAG intends to use funds raised through the Offer as follows:</p> <table border="1" data-bbox="501 1346 1206 1771"> <tbody> <tr> <td>Consideration to ARMY vendors</td> <td>\$1,750,000</td> </tr> <tr> <td>Final hurdle payment for CHPW</td> <td>\$240,000</td> </tr> <tr> <td>Costs of the Offer</td> <td>\$601,000</td> </tr> <tr> <td>Working capital/Operating costs – ARMY</td> <td>\$500,000</td> </tr> <tr> <td>Working capital/Operating costs – CHPW</td> <td>\$250,000</td> </tr> <tr> <td>Working capital/Operating costs – AWAG</td> <td>\$500,000</td> </tr> <tr> <td>Growth/Acquisition Capital</td> <td>\$1,159,000</td> </tr> <tr> <td><b>Total</b></td> <td><b>5,000,000</b></td> </tr> </tbody> </table>	Consideration to ARMY vendors	\$1,750,000	Final hurdle payment for CHPW	\$240,000	Costs of the Offer	\$601,000	Working capital/Operating costs – ARMY	\$500,000	Working capital/Operating costs – CHPW	\$250,000	Working capital/Operating costs – AWAG	\$500,000	Growth/Acquisition Capital	\$1,159,000	<b>Total</b>	<b>5,000,000</b>	Section 7.4 “Use of funds” and to section 8 “Financial Information”
Consideration to ARMY vendors	\$1,750,000																	
Final hurdle payment for CHPW	\$240,000																	
Costs of the Offer	\$601,000																	
Working capital/Operating costs – ARMY	\$500,000																	
Working capital/Operating costs – CHPW	\$250,000																	
Working capital/Operating costs – AWAG	\$500,000																	
Growth/Acquisition Capital	\$1,159,000																	
<b>Total</b>	<b>5,000,000</b>																	

What will be the capital structure on completion of the Offer?	AWAG's shareholder structure after completion of the Offer is shown below:					Section 7.7 "Shareholder structure"
	<b>Shares</b>					
	<b>Shareholder</b>	<b>Number pre-Offer</b>	<b>%</b>	<b>Number post-Offer</b>	<b>%</b>	
	Existing AWAG Shareholders	53,740,000	100%	53,740,000	72.3	
	Offer Shareholders	-	-	20,000,000	26.9	
	Advisors to the Offer	-	-	625,000	0.8	
	<b>Total</b>	<b>53,740,000</b>	<b>100%</b>	<b>74,365,000</b>	<b>100%</b>	
There will be no other securities on issue at the completion of the Offer.						

### 3.3 Financial overview

Topic	Summary	Further details		
What is the Company's financial performance?	A summary of the Company's pro forma aggregate financial performance is set out below:		Section 8 "Financial Information"	
		FY 2023 \$'000		FY 2022 \$'000
	Revenue	10,119		9,324
	EBITDA	802		1,019
	NPAT	606		793
	Total Equity / Net Assets	5,603		N/A
The pro forma aggregate financial information of the Company is presented on the assumed basis that the acquisitions of subsidiaries had occurred prior to the relevant periods disclosed. Refer to Section 8.5 for further detail.				



<p>What is the Company's financial position?</p>	<p>A summary of the pro forma consolidated balance sheet of AWAG as at 30 June 2023, assuming the Offer and Acquisitions had completed at that date is set out below:</p> <table border="1" data-bbox="549 304 1137 898"> <thead> <tr> <th data-bbox="549 304 842 371"><b>Assets</b></th> <th data-bbox="842 304 1137 371"><b>\$'000</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="549 371 842 439">Current Assets</td> <td data-bbox="842 371 1137 439">5,695</td> </tr> <tr> <td data-bbox="549 439 842 506">Non-Current Assets</td> <td data-bbox="842 439 1137 506">1,335</td> </tr> <tr> <td data-bbox="549 506 842 573"><b>Total Assets</b></td> <td data-bbox="842 506 1137 573"><b>7,030</b></td> </tr> <tr> <th data-bbox="549 573 842 640"><b>Liabilities</b></th> <th data-bbox="842 573 1137 640"></th> </tr> <tr> <td data-bbox="549 640 842 707">Current Liabilities</td> <td data-bbox="842 640 1137 707">1,286</td> </tr> <tr> <td data-bbox="549 707 842 775">Non-Current Liabilities</td> <td data-bbox="842 707 1137 775">142</td> </tr> <tr> <td data-bbox="549 775 842 842"><b>Total Liabilities</b></td> <td data-bbox="842 775 1137 842"><b>1,427</b></td> </tr> <tr> <td data-bbox="549 842 842 898"><b>Net Assets</b></td> <td data-bbox="842 842 1137 898"><b>5,603</b></td> </tr> </tbody> </table>	<b>Assets</b>	<b>\$'000</b>	Current Assets	5,695	Non-Current Assets	1,335	<b>Total Assets</b>	<b>7,030</b>	<b>Liabilities</b>		Current Liabilities	1,286	Non-Current Liabilities	142	<b>Total Liabilities</b>	<b>1,427</b>	<b>Net Assets</b>	<b>5,603</b>	<p>Section 8 "Financial Information"</p>
<b>Assets</b>	<b>\$'000</b>																			
Current Assets	5,695																			
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Non-Current Liabilities	142																			
<b>Total Liabilities</b>	<b>1,427</b>																			
<b>Net Assets</b>	<b>5,603</b>																			
<p>What debt facilities does the Company have?</p>	<p>AWAG has no debt facilities.</p>	<p>Section 8 "Financial Information"</p>																		
<p>What is the Company's dividend policy?</p>	<p>As the Company is profitable, AWAG may pay dividends in the following 2-year period, subject to capital requirements for acquisitions and working capital.</p> <p>The dividend policy is subject to change and is at the discretion of the Board. No assurances can be given by the Directors about the payment of any dividend.</p> <p>AWAG will review its dividend policy on an annual basis and provide updates to the market in accordance with its disclosure obligations if it changes its dividend policy.</p>	<p>Section 13.3 "Dividend policy"</p>																		

### 3.4 Directors and senior staff

<p>Board and management</p>	<p>The Board and management team of AWAG have extensive experience in the growth and management of financial services businesses with strong networks in the Australian financial services and funds management sectors enabling them to operate the business efficiently, as well as execute on available growth opportunities</p>	<p>Section 10 "Directors, Management and Corporate Governance"</p>
<p>Knowledge and expertise</p>	<p>AWAG considers that the knowledge and experience of its Directors and employees, supported by its</p>	<p>Section 10 "Directors, Management"</p>

	experienced advisors, will enable it to readily undertake its proposed activities.	and Corporate Governance”
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### 3.5 Material Agreements and Related Party Transactions

Topic	Summary	Further details
ARMY Acquisition Agreement	AWAG entered into an acquisition agreement with ARMY under which ARMY agreed to sell, and AWAG agreed to purchase, all of the shares in the capital of ARMY.	Section 11.5 “ARMY Acquisition Agreement”
Vostro Outsourcing Agreement	AWAG entered into a Vostro Outsourcing Agreement with Vostro Philippines on 11 September 2023 under which Vostro Philippines provides data processing and wealth management services in connection with the preparation of financial statements for selected self-managed superannuation fund clients of CHPW.	Section 11.2 “Vostro Outsourcing Agreement”
Vostro Private Wealth	AWAG has engaged Vostro Private Wealth to provide staff on an hourly basis to consult to CHPW, including in respect of financial planning services and administration and other support services.	Section 11.2 “Vostro Outsourcing Agreement”
Corporate Advisor Mandate	AWAG has entered into a mandate with the Corporate Advisor to provide corporate advisory and investor relations services to AWAG in relation the Offer.	Section 11.4 “Corporate Advisor mandate”
Deeds of Access, Indemnity & Insurance	The Company has entered into deeds with each of the Directors under which the Directors are granted rights of access to company records and are indemnified by the Company to the extent permitted by law and under which the Company agrees to take out insurance in favour of the Directors.	Section 13.5 “Deeds of access, indemnity & insurance”
Director fees	The Directors will receive no fees (other than fees earned for executive duties) for the 12 months following the Company’s admission to the Official List at which stage their remuneration will be reviewed. The aggregate remuneration for non-executive Directors has not yet been fixed, however the Directors propose to set a remuneration cap at the first AGM of the Company next year	Section 10.5 “Remuneration” and Section 13.10 “Disclosure of interests and fees of directors and other persons”

### 3.6 Risks

An investment in the New Shares offered under this Prospectus has similar general risks to those associated with any share market investment, as well as a number of business risks specific to an investment in the Company. These are set out in detail in section 12 “Risk Factors”. Before deciding to invest in the New Shares, Applicants should read this Prospectus in its entirety and consider the risk factors as set out in section 12 “Risk Factors”.

Topic	Summary	Further details
Operating performance	AWAG’s financial and operating performance may be negatively impacted by many specific factors in the holding company as well as its subsidiaries. This includes, but is not limited to, increased costs, attrition of its advisor base for CHPW, loss of clients for ARMY, as well as the termination of material contracts. ARMY, in particular, generates revenues from management and performance related fees based on its FUM. The ability of ARMY to maintain its FUM and earn management and performance fees is contingent on numerous factors, some of which cannot be controlled by the Company.	Section 12 “Risk Factors”, particularly section 12.2 “Risks relating to AWAG”
Ability to execute and fund its growth strategy	AWAG intends to grow organically and by way of future acquisitions. Such plans will be accompanied by the risks commonly encountered in growth and acquisitions and may be negatively impacted due to many factors such as an inability to generate organic growth, the recruitment of personnel, market volatility, the cost of capital, failing to identify acquisition targets and opportunities, a failure in integrating acquired businesses, and acquired businesses not meeting expectations. Pursuing a growth strategy may depend on the Company’s ability to raise debt and/or equity capital. Debt funding may not be available on acceptable terms, and equity funding may be dilutive to AWAG shareholders. An inability to execute its growth strategy and the inability to raise capital may have a material negative impact of AWAG’s operating and financial performance.	Section 12 “Risk Factors”, particularly section 12.2 “Risks relating to AWAG”
Transaction integration	The financial performance of AWAG is largely tied to the financial performance of CHPW and ARMY. The operating and financial performance of ARMY and CHPW rely predominantly on continued regulatory compliance and retention of staff and advisors.	Section 12 “Risk Factors”, particularly section 12.2 “Risks relating to AWAG”
Key personnel	To operate optimally, the Company, including its operating subsidiaries, will rely on recruiting and retaining appropriately qualified executives who play important roles in operations, strategy and financing. There is no guarantee that AWAG will be able to attract and retain suitable qualified personnel, and the loss of or inability to attract and	Section 12 “Risk Factors”, particularly section 12.2 “Risks relating to AWAG”

	retain suitable key personnel may have a material negative impact of the Company's performance.	
Litigation and disputes	From time-to-time litigation and disputes may arise which may result in financial and/or other claims being brought against AWAG, reputational damage and loss of future work which may impact the operational and financial performance and asset values of the Company.	Section 12 "Risk Factors", particularly section 12.2 "Risks relating to AWAG"
Regulatory and compliance	The Company conducts its business in a highly regulated industry and must comply with the requirements of its Australian Financial Services Licences, the Corporations Act, and ASIC and other regulators. As holders of Australian Financial Services Licences, CHPW and ARMY are required to maintain continuous compliance with strict regulatory and licensing obligations. Failure to do so may result in material negative consequences for the Company's operating and financial performance and reputation. AWAG and the subsidiaries are unable to predict the effect of additional laws and regulations which may be implemented in the future, including whether any such laws or regulations would materially increase AWAG's cost of doing business or affect its operations in any area.	Section 12 "Risk Factors", particularly section 12.2 "Risks relating to AWAG"
Information systems	A major disruption to the Company's information systems may adversely impact its operations and financial position.	Section 12 "Risk Factors", particularly section 12.2 "Risks relating to AWAG"
Financial management, reporting and controls	The Company is obligated, as a public company and will be obligated as a listed entity, and each of CHPW and ARMY is obligated as an AFSL holder, to lodge regular, timely and accurate reports regarding its finances and operations. Reporting risks which could arise include misstatements, fraud, system malfunctions and human error, any of which could result in material negative financial outcomes.	Section 12 "Risk Factors", particularly section 12.2 "Risks relating to AWAG"
Competitive environment	Both the financial advice and funds management industries are highly fragmented and competitive. A significant number of existing businesses and new entrants will compete directly with CHPW and ARMY. The performance of current or future competitors may result in loss of FUM, fee reductions, reduced margins or lower market share, and may have a material adverse effect on AWAG's financial performance and growth and acquisition prospects.	Section 12 "Risk Factors", particularly section 12.2 "Risks relating to AWAG"
CHPW outsourcing arrangements	CHPW engages Vostro Philippines as a service provider. Vostro Philippines is registered under the laws of, is based in, and operates from, the Philippines. CHPW has not subjected itself to an audit or legal review so there is a risk regarding compliance with Australian laws concerning the services provided by Vostro Philippines to CHPW.	Section 12 "Risk Factors", particularly section 12.2 "Risks relating to AWAG"

	<p>There is also a risk that employees and/or contractors engaged by Vostro Philippines to provide the services hold the appropriate training and qualifications and/or are engaged on appropriate terms. Key aspects of the engagement between CHPW and Vostro Philippines have not been formally documented such as services and service levels, fees, intellectual property, dispute resolution, privacy and confidentiality, restraints of trade or term and termination rights or any protections for CHPW including warranties and an indemnity in favour of CHPW.</p>	
CHPW and ARMY AFSL key person	<p>Each of CHPW's and ARMY's AFSLs contains a key person condition, the key persons being Sam Adigrati and Lee laFrate respectively. ASIC imposes a key person licence condition on an AFSL where it believes that a licensee is heavily dependent on the capacity, knowledge and skills of certain responsible managers. If either Sam Adigrati or Lee laFrate ceases to be a responsible manager of CHPW or ARMY respectively, the relevant entity would need to vary its AFSL to remove the key person requirement or substitute another key person. ASIC may determine that the entity no longer has the organisational competence to provide the financial services it is authorised to provide. If ASIC made this determination, it would have the power to remove certain authorisations on the AFSL for which the entity cannot demonstrate organisational competence or cancel the licence.</p>	<p>Section 12 "Risk Factors", particularly section 12.2 "Risks relating to AWAG"</p>
CHPW business risks	<p>CHPW utilises an outsourcing arrangement with Vostro Philippines and a services arrangement with Vostro Private Wealth, both of which are either partly or wholly owned and operated by Sam Adigrati. In the event that Sam Adigrati leaves CHPW, the Vostro Philippines outsourcing services are terminated or the document templates shared with Vostro Private Wealth are otherwise denied to CHPW, CHPW would need to seek alternative arrangements to provide those services.</p> <p>Vostro Private Wealth provides staff to consult on CHPW, including in respect of administration services and other support services. These staff have a relationship with CHPW and its clients. In the event that Sam Adigrati leaves CHPW or the Vostro Private Wealth outsourcing services are terminated, CHPW would need to seek alternative arrangements to provide those services.</p> <p>This could cause delays with the services provided by CHPW and the loss of clients and revenue.</p>	<p>Section 12 "Risk Factors", particularly section 12.2 "Risks relating to AWAG"</p>
Documentation risk	<p>As an AFSL holder, each of CHPW and ARMY is required to document the arrangements that it has in place, including in respect of its authorised</p>	<p>Section 12 "Risk Factors", particularly section</p>

	representatives and service providers. CHPW and ARMY have not yet properly reduced to writing some of the arrangements that they have in place, including the engagement of Vostro Private Wealth by CHPW, and as such there are risks associated with the uncertainties of those arrangements.	12.2 "Risks relating to AWAG"
Other risks relating to the Company	Other risks that are specific to the Company and are therefore relevant to an investment in the Company, include risks in relation to insurance, demand for services, contractors, potential acquisitions, growth, counterparties, intellectual property, technical failure, operational failure, disputes, litigation, non-payment, currency exchange rates, debt and interest rates, financial performance, legal compliance and project management.	Section 12 "Risk Factors", particularly section 12.2 "Risks relating to AWAG"
Overview of general risks	Risk factors which may affect the Company and its business in general and are therefore relevant to an investment in the Company, include risks in relation to general investments, equity, general economic climate, market volatility, government policy and regulatory risk, general economic and political risks, accounting policies, war and terrorist attacks, cyber security, pandemics, catastrophic loss and natural hazards.	Section 12 "Risk Factors", particularly section 12.3 "General risks"

## 4. Important Dates and Key Statistics

### 4.1 Important dates

Event	Date
Lodgement of Prospectus with ASIC	20 November 2023
Opening Date for Applications	27 November 2023
Closing Date for Applications	11 December 2023
Settlement date of the Offer	15 December 2023
Issue of New Shares	18 December 2023
Expected dispatch of holding statements	20 December 2023
Expected date of quotation of New Shares on ASX	22 December 2023

The dates shown in the table above are indicative only and may be varied. The Company, in consultation with its advisors, reserves the right to vary the Closing Date without prior notice, which will have a consequential effect on other dates, or any of the other dates and times without prior notice.

### 4.2 Key statistics

The Offer	
Current Shares on issue	53,740,000
New Shares being offered under this Prospectus	20,000,000
New Shares to be issued to advisors	625,000
Issue price per New Share	\$0.25
Shares on issue following the Offer	74,365,000
Market capitalisation following the Offer (based on issue price), rounded	\$18.6 million

## 5. Industry Overview

### 5.1 AWAG in the Industry

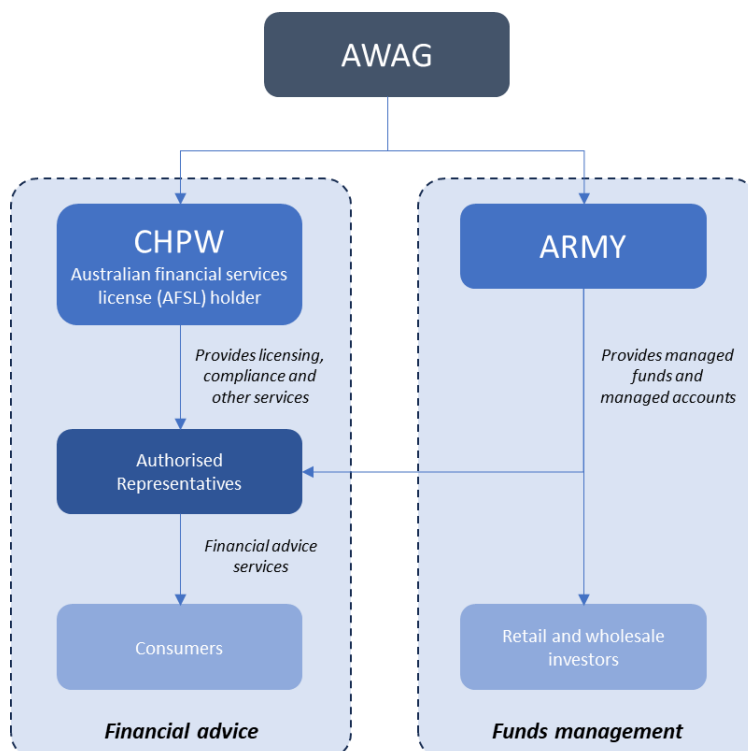
AWAG is a holding company primarily targeting the acquisition and development of financial services businesses. AWAG currently has two subsidiaries, CHPW that operates in the financial advice sector and ARMY that operates in the funds management sector.

Financial services, including financial advice, is a highly regulated industry. CHPW holds an Australian Financial Services Licence (“AFSL”) (AFSL number 280201) which authorises it to provide certain forms of advice and financial services to retail and wholesale clients.

CHPW also has 27 authorised representatives that operate under its AFSL and provide financial planning services to retail and wholesale clients. CHPW generates revenue from fees charged to its authorised representatives for operating under its AFSL, as well as to access its technology and operating systems, compliance and governance, and training and education. The authorised representatives also generate revenue for CHPW by offering financial planning advice and other services such as investment advice, retirement planning and superannuation, insurance broking and estate planning to clients of CHPW.

Funds management is also a highly regulated industry. ARMY holds an AFSL (AFSL number 238519) that enables it to operate managed funds as well as to offer IMAs and SMAs. ARMY manages over \$300 million on behalf of retail and wholesale clients. Funds are offered direct to investors, through AWAG’s authorised representatives and other authorised representatives of other financial planning groups not affiliated to AWAG.

**Figure 1: AWAG in the industry**





## **5.2 Financial advice industry**

### **5.2.1 Financial advice overview**

The financial advice industry plays a role in guiding clients in two key aspects:

- helping them set their financial objectives; and
- managing, growing and protecting their wealth.

To achieve this, financial advisors, a term which incorporates financial planners and wealth advisors, offer a range of financial services to help clients achieve their financial objectives in the areas of investment portfolio management, superannuation, retirement planning, estate planning, asset and risk management, insurance and taxation.

Financial advice can help consumers recognise their financial situation today and receive guidance and advice to implement their financial plan for the future.

Financial advice and related services are generally provided by the following two main groups (among others) determined by their independence:

- Independent / Non-aligned: Boutique financial advisory groups as well as sole proprietor financial advisors; and
- Aligned: Aligned to banks, wealth managers, fund managers and insurers who also deal their own products.

CHPW is an independent financial advisory group with a strong focus on providing personalised advice, transparency, and conflict-free recommendations for clients seeking unbiased and tailored financial solutions.

### **5.2.2 Regulatory overview**

The financial advice sector in Australia is highly regulated. The key regulatory body in respect of the financial services sector is the Australian Securities and Investments Commission ("ASIC") which serves as Australia's principal corporate, markets, financial services and consumer credit regulator. ASIC oversees the licensing, conduct, and compliance requirements for financial advisors.

Financial services providers must hold an AFSL or be an authorised representative of a person or entity that holds an AFSL in order to provide financial services to consumers in Australia. The regulatory requirement to hold an AFSL is to ensure that the financial services are provided by a licensee who is competent to carry on the financial services it is authorised to provide, the licensee has sufficient resources to carry on the financial services business and that it can meet the obligations of a licensee.

Licensees are subject to strict ongoing supervision and reporting requirements to ensure their continued compliance with the financial services laws. Licensees are required to disclose relevant information, meet financial obligations, manage conflicts of interest and maintain sufficient resources and proper risk management systems in support of this ongoing requirement. This framework aims to safeguard the interests of consumers and maintain the integrity of the financial system.

As obtaining and maintaining an AFSL can be difficult, expensive, time consuming and carry legal risks, individuals and entities who intend to provide financial services, including financial advisors, may become an authorised representative. An authorised representative is a person or entity that has been authorised by an AFSL holder to provide financial services on behalf of the licensee. Authorised representatives typically pay a fee to the AFSL holder for licensing and other services which are provided. Many sole proprietor financial advisors

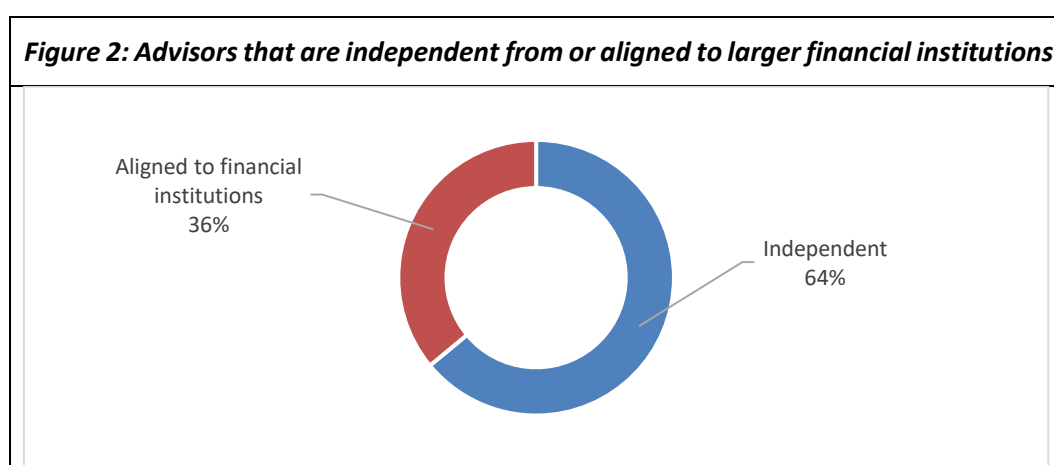
choose to operate their financial service businesses as authorised representatives under a third-party's AFSL. A group of financial service providers that operates as authorised representatives under a single AFSL holder is known as a dealer group.

In addition to the regulatory structure outlined above, there have been significant regulatory reforms in recent years aimed at improving consumer protection, transparency, and accountability in the financial services industry. Following the Financial Services Royal Commission in the Banking, Superannuation and Financial Services Industry in 2019, the sector has evolved with a focus on increased regulatory compliance and governance.

These reforms include the *Financial Planners and Advisers Code of Ethics 2019*, a set of standards and core values in the areas of ethical behaviour, client care, quality process and professional commitment designed to promote higher levels of professionalism and ethical conduct for financial advisors. In addition to a standard requiring financial advisors to act in the best interests of clients and avoid conflicts of interest, these reforms include compulsory education and continued professional development requirements.

### 5.2.3 Estimated market size and competitive landscape

In Australia, as at 1 October 2023, there were approximately 6,310 AFS licensees who offered financial advice<sup>1</sup>. As at 12 October 2023, there were approximately 16,040 financial advisors registered with ASIC<sup>2</sup>. Approximately 64% of financial advisors are classified as non-aligned, being independent from larger financial institutions, and 36% of advisors are classified as aligned to larger financial institutions.



Source: ASIC, May 2023 (from Rainmaker)<sup>3</sup>

This concentration of aligned financial advisors has reduced as domestic and international banks were, until recently, major participants in the financial services sector, but most have either substantially or completely exited due to reputational issues around compliance and regulatory interference.

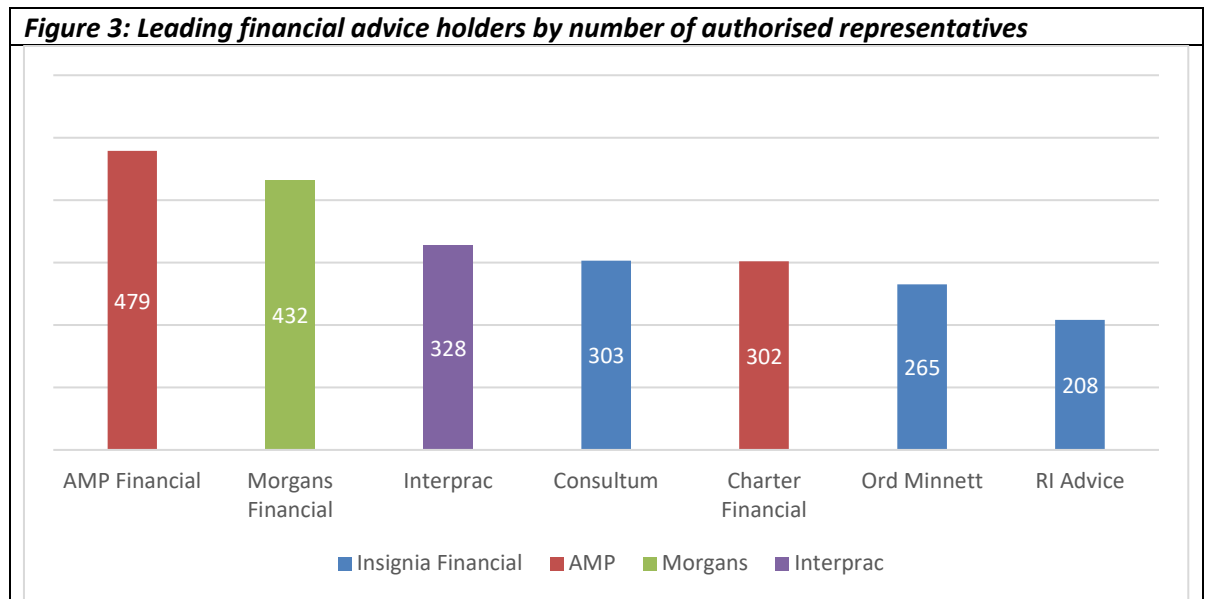
The largest financial advice provider is Insignia Financial (formerly known as IOOF) which controls 1,219 financial advisors through a number of licensees including Consultum, Ord

<sup>1</sup> ASIC - Australian Financial Services Licensee Dataset - Dataset - data.gov.au

<sup>2</sup> ASIC – Financial Advisers Dataset - Dataset - data.gov.au

<sup>3</sup> Financial adviser numbers show signs of recovery - Rainmaker Information

Minnett and RI Advice. AMP is largest individual AFSL holder with 479 authorised representatives. The leading financial advice license holders by number of authorised representatives, are highlighted below:



Source: ASIC, 12 October 2023<sup>4</sup>

However, the majority of financial planning firms are small, with about 78% of advice licensees operating a firm with fewer than 10 financial advisors and approximately 90% with less than 50 financial advisors<sup>5</sup>.

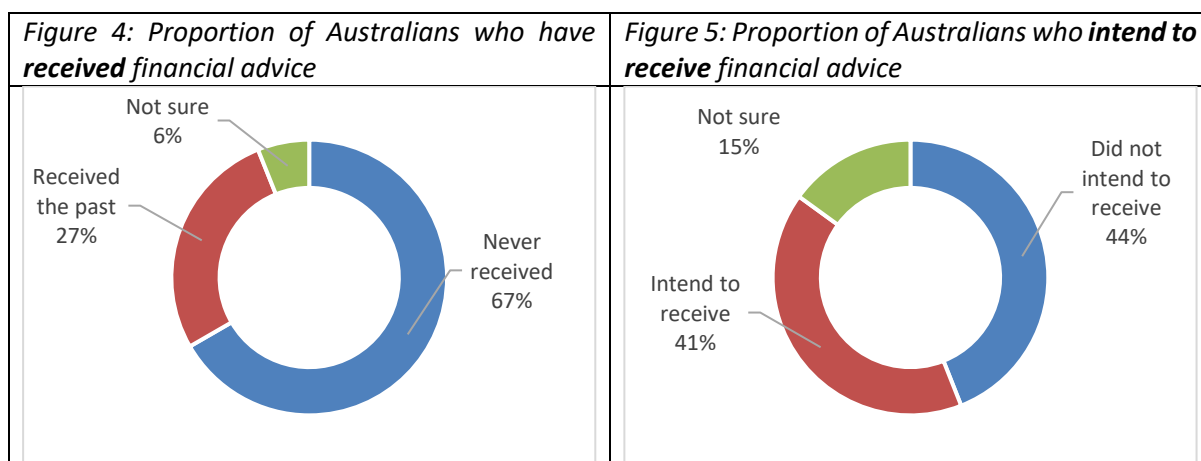
#### 5.2.4 Need for financial advice

For consumers to have their financial needs met, they need access to affordable and high-quality financial advice to enable them to make informed decisions. High quality financial advice is increasingly important given growing household wealth, the high level of complexity of some financial products, mandated superannuation, and the increasing numbers of consumers that are entering retirement with substantial retirement savings.

The need for financial advice is driven by factors such as an ageing population, intergenerational wealth transfer, increasing wealth accumulation, tax optimisation, a growing awareness of the importance of financial planning with the aim of securing an individual's or family's financial future, retirement planning, and optimisation of wealth management strategies. Many Australians have unmet financial advice needs and a greater proportion of Australians intend to receive financial advice in the future than have received it. AWAG considers this provides a sound opportunity for execution of its investment philosophy with the intention of delivering long term compound growth to shareholders.

<sup>4</sup> ASIC – Financial Advisers Dataset - Dataset - data.gov.au

<sup>5</sup> Financial Advice Association of Australia - Productivity Commission review of Financial Planning sector



Source: ASIC, Report 627 Financial advice, 2019<sup>6</sup>

### 5.2.5 Key competitive factors

For CHPW to compete effectively in the industry, there are a number of factors that it must address that, once addressed, have the potential to place it in a favourable market position:

**Table 1: CHPW's key competitive factors**

Factor	Description	CHPW positioning
<p><b>Pricing of services</b></p>	<p>Historically, customers have paid fees to financial advisors by way of a percentage fee deducted from funds under advice, or commission paid by product issuers for investments made.</p> <p>Today, customers typically pay under a fee-for-service model for an initial Statement of Advice together with ongoing service fees. ASIC reported an average cost for personal advice to be between \$2,600 and \$2,900 per year<sup>7</sup>. Price competitiveness for financial advice is a key buying consideration for consumers.</p>	<p>CHPW, and its authorised representatives, generate revenue through fees for advice or fees for services rather than relying on product sales and commissions. This shift reflects a commitment to providing more transparent, client-centric, and unbiased financial guidance, aligning the industry with changing client expectations and regulatory requirements.</p>

<sup>6</sup> ASIC, Report 627

<sup>7</sup> ASIC, Consultation Paper 332

Factor	Description	CHPW positioning
<b>Range of products and services</b>	<p>The quality of service also provides an important point of difference for industry operators.</p> <p>A wide range of advisory services, broad-based “Approved Product List” and product choice together offer greater flexibility and choice, thereby providing advisors with greater capacity in structuring the ideal solution for clients.</p>	<p>CHPW, and its authorised representatives offer a wide range of services to help individuals achieve their financial goals. This includes investment advice, retirement planning, tax strategies, wealth management, risk management, estate planning, and more.</p>
<b>Technology driven disruption</b>	<p>Technology and digital platforms have introduced new competition in the financial advice space. Robo-advisors and online financial planning platforms leverage automation and algorithms to provide cost-effective and streamlined advice to a broader segment of the population. This technological disruption has brought innovation and increased accessibility to financial planning services.</p>	<p>CHPW uses technology to underpin much of its operations in order to have efficient systems that enable the easy, compliant operation of its business between authorised representatives.</p>
<b>Education</b>	<p>The Financial Advisor Standards and Ethics Authority (FASEA) has implemented educational requirements, including higher qualification standards and ongoing professional development obligations for financial advisors.</p>	<p>CHPW and its authorised representatives meet all education and continuing professional development standards as outlined in the industry Code of Ethics.</p>
<b>Complexity of financial advice</b>	<p>Individuals in Australia's top tax bracket have complicated wealth structures, trusts and other complexities that require specialist advice and service.</p> <p>Some of these investors are classified as ‘wholesale’ and/or ‘sophisticated’ investors and have different needs to retail investors. These investors therefore seek advice from financial planners and investment advisors on a different level.</p>	<p>CHPW and its authorised representatives are equipped to provide financial advice from retail customers with simple advice requirements to high-net-worth customers with complex requirements. CHPW is authorised under its AFSL to provide financial services to both wholesale and retail clients.</p>

## **5.2.6 Consolidation in the financial planning industry**

The Australian financial planning landscape has evolved in recent years, marked by the exit of major banks and other major institutions from the advice sector which has brought about opportunities for independent businesses such as CHPW.

Independent non-aligned financial advisors operate outside the traditional corporate framework and prioritise client interests over sales targets. With a strong focus on personalised advice, transparent, and conflict-free recommendations, independent advisors are gaining traction among clients seeking unbiased and tailored financial solutions. Smaller licensees often face difficulties in achieving economies of scale, maintaining profitability, and adapting to changing client demands. In response, many licensees have explored consolidation options to achieve better operational efficiency, diversify their service offerings, and access a broader client base. These boutique and non-institutionally owned AFSs are an ideal target market for acquisition by AWAG as evidenced by the successful acquisition of CHPW in 2022.

For AWAG, the above provides a highly attractive environment to execute its acquisition strategy.

## **5.3 Funds Management industry**

### **5.3.1 Funds management overview**

ARMY operates in the funds management industry. Fund managers create, market and sell managed funds. Fund managers offer a variety of products and service levels depending on a client's size and investment preferences.

The managed funds industry connects investors with a range of investment opportunities. Managed funds are a collective investment vehicle, offering investors a return on investment as well as greater access to diversified assets and the benefits of scale. Both retail investors and wholesale investors may invest in these funds, depending on the type of fund and the authorisations held by the provider of the financial services. These investors either invest in funds directly or through intermediaries such as financial advisors or platform providers.

A managed fund typically includes funds sourced from multiple institutions and individuals with a common investment objective. However, some large institutional investors, such as superannuation funds, may elect to operate a segregated mandate where the investments are managed separately from other investors.

### **5.3.2 Regulatory overview**

Like other financial services, funds management is a highly regulated industry. These regulations seek to improve outcomes for investors and support financial stability, without significantly affecting competition or innovation.

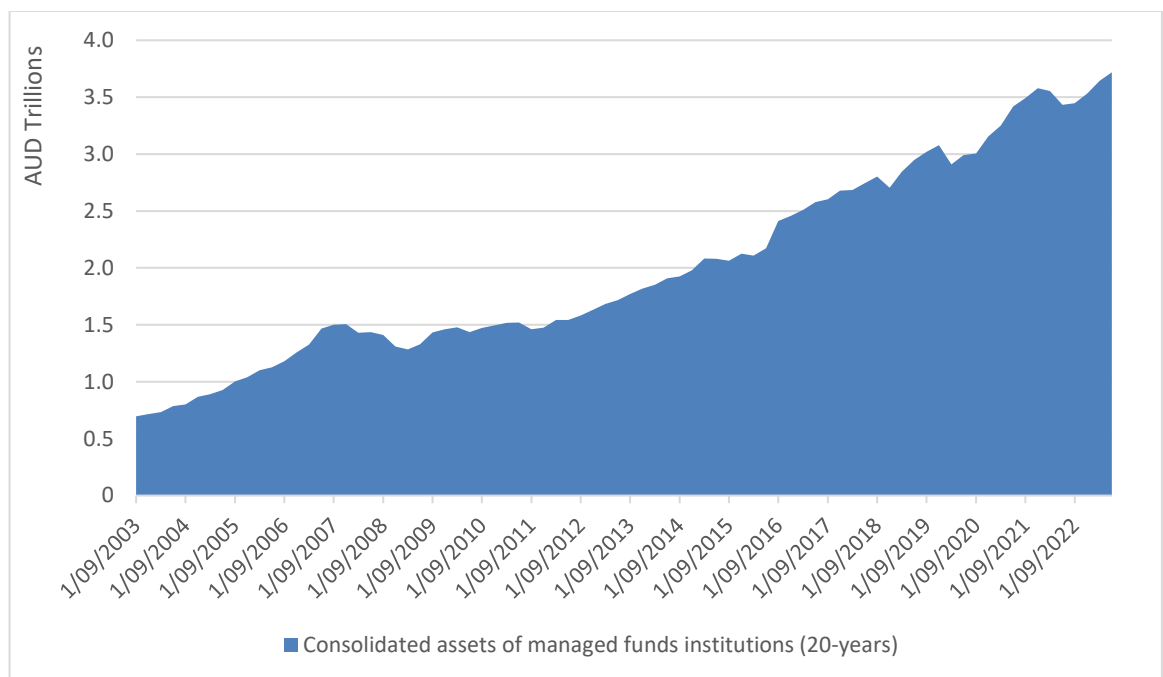
ASIC is the primary regulator of the securities markets in which fund managers operate. ASIC oversees and administers the Corporations Act and the AFSL regime that govern fund managers and other participants in the funds management industry.

### 5.3.3 Market size and key trends

The amount of money managed by fund managers is commonly referred to as funds under management (“FUM”). The funds management industry now manages over \$3.7 trillion in FUM from both retail and wholesale investors. ARMY is focused on managing funds raised from both retail and wholesale investors in its unlisted funds.

Demand for funds management services has been growing steadily. Total FUM in Australia has grown at a compound annual growth rate of 8.7% over the past 20 years from \$695 billion at 1 September 2003 to \$3.7 trillion at 1 September 2023.

**Figure 6: Growth in total managed funds in Australia**



Source ABS, 7 September 2023<sup>8</sup>

Key trends supporting this growth include:

<p><b>Growth in superannuation</b></p>	<p>Broadly, Australia’s funds management sector is underpinned by its superannuation system, a mandated retirement savings system that has resulted in Australia’s total superannuation system reaching \$3.5 trillion of FUM as at end of June 2023<sup>9</sup>.</p>
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<sup>8</sup> Managed Funds, Australia, June 2023 | Australian Bureau of Statistics (abs.gov.au)

<sup>9</sup> Super Statistics - ASFA (superannuation.asn.au)

	Managed funds are well-suited to meet superannuation investors' needs, due to their ability to match the life-cycle stage and risk appetite of the investor whilst also providing investors access to different investment strategies and asset types.
<b>Ageing population</b>	The number of Australians aged 65 and over is forecast to double in the next 40 years, and retirees will become a higher proportion of the total population. As the population ages, households require more savings to provide income in retirement. Investments in managed funds can be a source of retirement income.
<b>Technology improving access</b>	Technological advances, particularly in respect of platforms and online trading portals, have made managed funds (and other investment products) more accessible to individual retail investors. As such, the use of technology in funds management is increasingly becoming a point of differentiation between managed fund providers, with product offering and usability being the key sources of competition.
<b>Emergence of managed accounts</b>	Managed accounts allow the provider to manage money on behalf of investors without regular statements of advice. Managed accounts represent a relatively new form of product and service innovation and have been growing rapidly since they were introduced in 2004. Managed accounts provide managed account providers with the freedom to make more timely investment decisions by removing the need for separate authorisation each time an investment.
<b>Higher number of high-net-worth individuals</b>	People with more than \$1 million excluding their primary place of residence are classified as "high net worth". Australia saw an increase to 635,000 high net worth individuals in 2021, up 31% on the previous year. <sup>10</sup>

### 5.3.4 Investment Products

Investment products which asset managers use to consolidate and execute their investment strategies and subsequent asset allocation comprise predominantly:

**(a) Managed funds**

Managed funds are generally a pooled investment vehicle that is widely available to institutional, wholesale and retail investors with collective beneficial ownership of the underlying assets through interests in a fund managed by a trustee.

The vast majority of managed funds in Australia are unlisted trust structures whereby investors directly purchase units in the unlisted trust. The unit price of the trust generally closely reflects the underlying value of the assets of the trust on a per unit basis.

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<sup>10</sup> AdviserVoice, Education for Financial Advisors, November 2021



A client's investment is aggregated together with all other investor funds and is invested as one portfolio. This allows individual clients to benefit from scale economies achieved by combining their investment with the investments of others.

Unlisted managed funds cannot be purchased on an exchange and are typically acquired through an advisor, platform or the fund manager. Certain unlisted funds ("mFunds") use the ASX settlement system to conduct transfers between investors and the managed fund provider but are not listed on the exchange.

ARMY offers three pooled Funds, namely Armytage Australian Equity Income Fund; Armytage Strategic Opportunities Fund and Armytage Micro Cap Activist Fund.

**(b) Separately managed accounts ("SMAs")**

SMAs are a portfolio run exclusively for an individual client with the underlying assets generally managed under a customised investment management agreement, including a set of specific investment guidelines. The assets under SMAs are often managed using an investment platform.

SMAs are registered like a managed fund and managed by a professional investment manager. Financial advisors can offer their clients 'off-the-shelf' products where investors are not typically able to select individual investments but rather select an overall investment strategy.

SMAs allow the provider to manage money on behalf of investors without the need for regular statements of advice or authorisations for investments, provided that the investments selected by the investment manager meet the investment strategy approved by the investor.

ARMY offers SMAs through Armytage Australian Opportunities Portfolio which utilises a platform owned and managed by HUB24 Limited in providing its services.

**(c) Individually managed accounts ("IMAs")**

IMAs are a portfolio run exclusively for an individual client with the underlying assets managed using model portfolios that can be tailored to each individual's needs and circumstances.

The investor authorises an IMA provider to manage a portfolio on their behalf and without regular approval, in accordance with a mutual and pre-determined investment mandate.

IMAs give the fund manager the freedom to make more timely investment decisions by removing the need for separate authorisation for each transaction. This significantly reduces the administration burden for the fund manager and advisor.

ARMY has around 70 IMAs which are managed through a platform administered by Apex Fund Services Pty Ltd.

### 5.3.5 Competitive landscape

According to ASIC data, there were 450 registered responsible entities in Australia as of June 2021, of which 327 were active.

Fund managers vary from small boutique outfits to large multinational organisations to vertically integrated businesses that are part of the wider portfolio of large financial institutions.

The basis of competition for fund managers is typically:

- Performance: The rate of investment return for the investment;
- Fees charged: Fund managers can charge management fees, performance fees, transaction costs and entry and exit fees;
- Asset class: The type of investments made;
- Product differentiation: How different the product is to others in the industry;
- Non-financial considerations: Factors such as ethical investing, ESG or sustainability considerations;
- Flexibility and liquidity: Ability to exit a fund in a timely manner;
- Distribution: How investors can access the fund, via a platform or directly;
- Research coverage: Provide a source of credibility for investors and investment committees; and
- FUM: The size of the fund.

## 6. Company Overview

### 6.1 Background and status

AWAG was founded in Melbourne in September 2021 by a group of experienced financial market professionals as a holding company with the primary goal of acquiring and growing profitable, complementary Australian financial services businesses. To date, AWAG has focused on the financial planning and funds management segments of financial services.

The founding group raised \$2 million, part of which was used for its first acquisition of CHPW which was completed in May 2022. CHPW holds an AFSL and has 27 authorised representatives, offering a wide range of financing planning services to customers. CHPW primarily generates revenues from fees charged to its authorised representatives for operating under its AFSL, as well as to access its technology and operating systems, compliance and governance, and training and education. Key metrics from the business are highlighted below:

**Table 2: CHPW Key Metrics**

CHPW			
Authorised Representatives	Financial Planning Practices	Customer Accounts	Funds under Advice
27	13	13,936	\$1.57 billion

AWAG intends to grow CHPW organically and acquire further small-to-medium AFSL holder groups of up to 100 authorised representatives to build size and scale in its financial planning business.

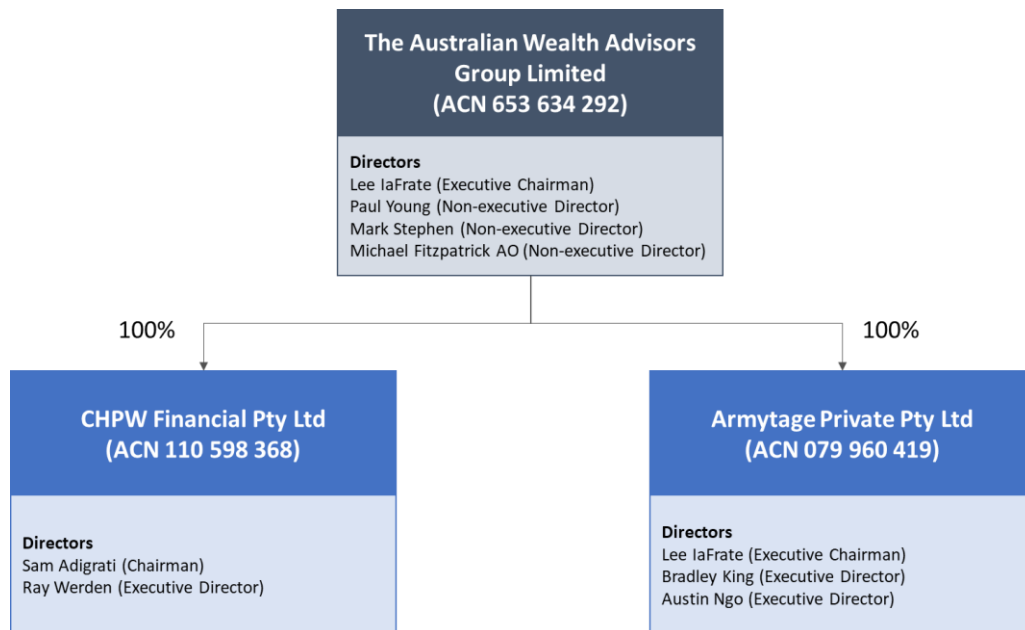
In August 2023, AWAG acquired ARMY, an investment and funds management business. ARMY operates managed funds and provides IMAs and SMAs. ARMY acts as the investment manager for its funds and primarily generates revenue through management and performance fees. Key metrics from the business are highlighted below:

**Table 3: ARMY Key Metrics**

ARMY		
Managed Funds	Funds under Management	Managed Accounts
3	\$300 million	70

AWAG intends to grow ARMY organically as well as seek to acquire undervalued financial organisations with catalysts for value realisation that are offering new technology and systems-based enhancements for the funds management sector.

Both CHPW and ARMY are 100% owned by AWAG. Additional acquisitions are intended to be added as wholly-owned subsidiaries of AWAG.

**Figure 7: Group Structure**

## 6.2 The Businesses

### (a) CHPW

#### **Overview**

CHPW was established in 2004 and is an AFSL holder (AFSL number 280201). The founders and current directors of CHPW are Sam Adigrati (current Chairman) and Ray Werden. Its head office is in Albert Park, Victoria.

CHPW primarily operates through two segments:

- **Licensee Services and Practice Solutions:** Licensing, technology and fintech solutions, operating systems, compliance and governance, training and education, and technical advice to financial advisors who are self-licensed, or who are looking to join an existing AFSL holder.
- **Management Consulting for Financial Advisory Businesses:** Business advisory assistance to aid in the development, growth and improvement in professional advice and services being delivered to end clients, for self-licensed advisors and licensees.

Under its AFSL, CHPW licenses a range of services to its growing community of 14 financial planning businesses and 27 authorised representatives.

### ***Services***

CHPW offers AFSL authorisations to financial planning practices and individual advisors, as well as support, mentorship, and a cost-effective means for advisors to start realising their own financial planning practice. From its 19 years in operation, CHPW has developed industry know-how and systems that it provides to its authorised representatives. The full-service offering includes:

- **PARAPLANNING:** Access to paraplanning team at wholesale prices.
- **PRACTICE SUPPORT:** Professional development, webinars, and training, including monthly authorised representative discussions on compliance, investments, insurances, and legislative changes.
- **COMPLIANCE:** Professional compliance guidance to ensure financial services are provided efficiently, honestly, ethically, and fairly.
- **MARKETING SUPPORT:** Assisting advice firms with marketing updates including but not limited to website review, social media, client publications and event management.
- **SOFTWARE:** CHPW utilises software to maximize the client and business owner's experience. The role that CHPW takes is to pre-vet the number of different options of software being presented to the financial planning market.
- **TECHNICAL LIBRARY:** Provision of compliant templates as required. Ensuring the advice firm has access to all relevant technical information.

### ***Business Model***

CHPW charges authorised representatives for licensing and associated services.

CHPW's objective is to help and support its authorised representatives in taking care of their clients. AWAG believes that when clients are well-served, the authorised representatives business grows, which in turn provides revenue to, and strengthens CHPW.

CHPW outsources the administrative functions of licensee services to Vostro Philippines, a company registered under the laws of the Philippines ("Vostro Philippines"). Vostro Philippines is a related entity managed by Sam Adigrati, and is not owned by AWAG. More details of the engagement of Vostro Philippines can be found in section 11.2 "Vostro Outsourcing Agreement".

### ***Culture***

The culture of CHPW is embodied in its name, an acronym for Commitment, Honesty, Patience and Wisdom:

- **COMMITMENT:** We have always known, the best way to find new authorised representatives is to look after the ones you have. Since our foundation most of our new authorised representative business continues to come from personal referrals.

- **HONESTY:** We offer honest advice, and we are a fee for service AFSL. We do not take any commission override and have no affiliation with any major investment funds or institutions.
- **PATIENCE:** We are good listeners. We take time to understand your unique circumstance and draw on our vast expertise to navigate you through the options and outcomes to help you attain the best practice that you can achieve.
- **WISDOM:** The freedom of running your own business for the best interest of your client in a practical and compliant manner.

### ***Growth Strategy***

CHPW management recognises the evolving financial advice landscape and anticipates continued changes. The two main shifts are the declining influence of major banks and large institutions in financial advice and the increasing in demand for advice among working Australians, both of which are expected to support CHPW's growth strategy. The decline in trust creates an opportunity for independent financial advisors such as CHPW to fill the market gap, from three pillars:

- **Independence:** Independence from banks and large dealer groups allows for conflict-free advice and recommendations. CHPW operates under the ethos of "by advisors, for advisors," creating an attractive proposition for boutique and independent authorised representatives seeking alternative AFSL holders like CHPW.
- **Personalised advice:** Clients are increasingly seeking advice that aligns with their unique needs and long-term objectives. Independent advisors provides clients with an alternative avenue for holistic and unbiased financial guidance. CHPW is well-positioned to cater to advisors who opt for authorisation and support under this client-centric approach.
- **Broadening market reach:** Historically, CHPW has primarily targeted Victorian-based advisory practices. With increased scale, CHPW now intends to expand its market reach to advisory practices nationwide.

This structured growth strategy positions CHPW to navigate industry shifts, capitalise on increasing demand for independent advice, and extend its market presence under AWAG's banner.

## **(b) ARMY**

### ***Overview***

ARMY is a boutique investment and funds management business that was founded in 1997 by Lee laFrata, the Chairman and largest shareholder of AWAG. The firm's founding business was a discretionary portfolio management service for wholesale clients.

In 2005, ARMY launched its first fund, Armytage Strategic Opportunities Fund, followed by Armytage Australian Equity Income Fund in 2007. In 2019, ARMY founded Armytage Micro Cap Activist Fund.

Specialising in Australian equities, ARMY manages approximately \$300 million of funds on behalf of retail and wholesale clients, with funds available through a number of leading administration/wrap platforms.

The majority of funds under management are through IMAs and SMAs operated by ARMY. ARMY manages strategies based on the preference and investment goals of a wide range of investors including charitable trusts, corporations, superannuation funds, family trusts and individuals.

### **Funds**

ARMY is the investment manager for three funds. Each is actively managed in line with ARMY's fundamental value-oriented style of investing. Key information about each of the funds is outlined below:

**Table 4: Key information regarding ARMY's funds**

	<b>Armytage Australian Equity Income Fund</b>	<b>Armytage Strategic Opportunities Fund</b>	<b>Armytage Micro Cap Activist Fund</b>
<b>FUM (as at 30-Jun-23)</b>	\$41.5 million	\$16.2 million	\$17.8 million
<b>Launch date</b>	13 July 2007	20 June 2005	16 April 2019
<b>Asset allocation</b>	<ul style="list-style-type: none"> <li>• Australian Equities: 70-100%</li> <li>• Cash and equivalents: 0-30%</li> </ul>	<ul style="list-style-type: none"> <li>• Australian Equities: 70% (30 – 100%)</li> <li>• Hybrid securities: 10% (0 – 25%)</li> <li>• Cash and equivalents: 20% (0 – 50%)</li> </ul>	<ul style="list-style-type: none"> <li>• Australian Equities: 50 – 100% (Maximum 7 investments at a time)</li> <li>• Cash and equivalents: 0 – 50%</li> </ul>
<b>Style</b>	Actively managed		
<b>Responsible Entity</b>	Equity Trustees Limited (ACN 004 031 298)	Equity Trustees Limited (ACN 004 031 298)	Melbourne Securities Corporation Limited (ACN 160 326 545)
<b>Fund administration</b>	Apex Fund Services Pty Ltd (ACN 118 902 891)		
<b>Rating/research</b>	<ul style="list-style-type: none"> <li>• Lonsec Research Pty Ltd (ACN 151 658 561)</li> <li>• Morningstar Australasia Pty Ltd (ACN 090 665 544)</li> </ul>	<ul style="list-style-type: none"> <li>• Lonsec Research Pty Ltd (ACN 151 658 561)</li> <li>• Morningstar Australasia Pty Ltd (ACN 090 665 544)</li> </ul>	<ul style="list-style-type: none"> <li>• n/a</li> </ul>
<b>Distribution platforms</b>	<ul style="list-style-type: none"> <li>• BT</li> <li>• AMP</li> <li>• Asgard</li> <li>• NetWealth</li> <li>• Hub24</li> </ul>	<ul style="list-style-type: none"> <li>• BT</li> <li>• NetWealth</li> <li>• Navigator</li> <li>• Hub24</li> <li>• mFund</li> </ul>	<ul style="list-style-type: none"> <li>• Praemium</li> <li>• NetWealth</li> </ul>

	• mFund		
<b>Annual Return since inception (as at 31-Aug-23)</b>	8.22%	9.59%	16.87%

### **Armytage Australian Equity Income Fund**

Armytage Australian Equity Income Fund focuses on generating an above market yield with a lower than market volatility. The target yield as at 30 June 2023 is 7.5% per annum. The fund is managed with a view to offering investors long-term capital growth potential and a regular quarterly income stream, from a portfolio of investments drawn from the S&P ASX100 Accumulation Index.

### **Armytage Strategic Opportunities Fund**

Armytage Strategic Opportunities Fund is managed with a view to offering investors long-term capital growth potential and a regular semi-annual income stream. The target yield as at 30 June 2023 is 7.5% per annum. Similar to Armytage Australian Equity Income Fund which focuses on ASX100 only, the Strategic Opportunities Fund comprises a portfolio of investments drawn from the All Ordinaries Accumulation Index.

ARMY may use exchange-traded options and other derivatives to gain exposure to certain securities or to enhance both returns and income on the underlying physical investments. ARMY does not use derivatives for the purpose of gearing any of its funds.

In addition to the above, the fund has the ability to invest in the mid cap and small cap sectors of the Australian market when the manager sees significant value in doing so.

### **Armytage Micro Cap Activist Fund**

Armytage Micro Cap Activist Fund invests primarily in a portfolio of newly established businesses as well as strategic turnaround situations that have the potential to provide significant growth opportunities and the ability to produce sustainable profits in the long-term.

The fund attempts to provide low correlation with traditional asset classes and aims to provide investors access to investment opportunities that are traditionally difficult to assess, purchase and manage.

This includes publicly listed companies on ASX undertaking a capital raising, capital placements, takeover targets and emerging and undervalued businesses. Each investment will have a specific, strategic, designated, identified outcome. The fund aims to achieve net returns that exceed 10% p.a. over a rolling 3-year period.

### **Managed Accounts**

ARMY's business was founded on the management of 'individual' Australian equity portfolios for high-net-worth families, charities and small institutions. ARMY has been looking after individuals' needs in these accounts since 1997.



The service differentiates itself through offering a customised portfolio management service designed to exactly match the wholesale investors' needs. ARMY offers the strength of its in-house funds management team and process, with the security of an external, regulated administrative reporting system. ARMY currently has 70 IMAs and SMAs under mandate.

## **Business model**

### **Investment style and approach**

ARMY is a value manager with a fundamental investment approach designed to identify quality businesses trading at a considerable discount to valuation. This value-based investment style incorporates a bottom-up valuation investment approach supplemented by top-down thematic. This approach allows ARMY to construct a portfolio of stocks providing relative-value over the investment time horizon.

Consistent with ARMY's business valuation approach, ARMY seeks to invest in businesses that have a clear and comprehensible business model, a history of generating profits and paying dividends and a sound forecast of future profits and cash flows. In this regard, ARMY tends to avoid investing in higher risk early-stage companies that are research and development or exploration based.

It is ARMY's philosophy to outsource all non-core administration to ensure its staff are focused on delivering the highest quality investment research and client services. ARMY provides a transparent model where clients have direct access to the individual managers.

### **Investment committee**

ARMY has an investment committee which comprises experienced investment and financial services professionals. The role of the investment committee is to make asset allocation and investment decisions in accordance with investment mandates, review research material and monitor each fund's investment portfolio and performance.

The investment team has eight core members with over 200 years' combined experience in the industry. The investment team meets regularly to discuss the economic and thematic matters impacting the stocks in the portfolio.

### **Risk controls**

All portfolios are monitored live in ARMY's portfolio management system. Tracking of all risk measures including portfolio volatility, attribution analysis, seasonality, news events, statistical and fundamental analysis helps ARMY to monitor the desired outcome for the portfolio of each of the funds, IMAs and SMAs.

ARMY has an independent compliance department that helps oversee mandate instruction as a cross-check to ensure the portfolios are being monitored in an appropriate manner. ARMY is also audited on a semi-annual basis to ensure quality and accuracy amongst its funds management team.

### Revenue streams

ARMY primarily generates its revenue from:

- **Management fees:** The management fees include amounts payable for investing the assets of the Fund, expenses and reimbursements in relation to the Fund and indirect costs if applicable. Management fees are paid monthly and are equal to a percentage of the FUM of each fund (calculated on the last business day of each month and paid following the end of each month in arrears). Management fees accrue regardless of the performance of the Funds;
- **Buy and sell spread:** An amount deducted from an investor representing costs incurred are entry and exit fees when buying or selling units in Fund. For each fund, there is 0.25% entry fee and a 0.25% exit fee. This is incorporated into the unit price and arise when investing application monies and funding withdrawals from the Fund and are not separately charged to the investor; and
- **Performance fees:** For the Armytage Micro Cap Activist Fund only, ARMY charges a performance fee of 10% of the capital gain once a hurdle of 10% growth in the fund has been achieved.

### **Growth Strategy**

ARMY recognises that its future growth prospects are determined in part by its ability to develop and launch new funds. ARMY has the following objectives:

- **Grow the FUM of its funds:** With a track record of strong performance, ARMY is able to access additional funds from its existing investor base who wish to continue to invest in ARMY's funds, as well as source new investors who want to access ARMY's funds; and
- **Grow its Managed Account base:** Continue to target wholesale investors who wish to have an actively managed portfolio.

### **6.3 Key strengths**

AWAG, and its subsidiaries, have a number of key strengths that ensure it can continue to grow as outlined in this Prospectus:

- **Strong financial fundamentals:** Consolidated pro forma revenue and profit in FY23 indicates the Company's strong financial performance and position with \$10.2 million revenue and \$0.6 million NPAT for FY23 with pro forma net assets of \$5.6 million at 30 June 2023;
- **Experienced management team and Board:** The Board and management team at AWAG has extensive experience with strong networks in the Australian financial services sector. Their capabilities enable AWAG to navigate the complex regulatory

landscape, operate the business efficiently, as well as execute on available growth opportunities;

- **Focus on financial services with a simple management philosophy:** AWAG is committed to generating high returns on capital from its financial planning and funds management businesses. The Company also seeks to optimise overhead cost efficiency. This combination allows the Company to maintain profitable revenue growth while remaining agile in its decision making;
- **Flexibility in negotiating acquisition terms:** AWAG's corporate structure, especially as a listed entity, grants the Company the flexibility to negotiate the terms of potential acquisitions to allow securities in the entity to be issued to vendors as consideration for acquisitions within the requirements of the ASX Listing Rules. This adaptability enhances the potential for AWAG to seize opportunities that align with its strategic objectives and financial criteria, contributing to its overall success;
- **Succession pathway for business owners:** Recognising the imminent generational shift in ownership in the financial planning industry, AWAG offers a potential succession pathway to business owners. Leveraging its industry expertise, AWAG offers a transition plan and continuity to acquired businesses;
- **Client-centric culture and performance:** The organisational culture of AWAG and its subsidiaries is firmly rooted in client service excellence and high-performance standards. This approach fosters client loyalty and trust, leading to strong customer satisfaction and retention long-term; and
- **Scalability through strategic portfolio building:** AWAG's scalability is driven by its proactive approach to building a core portfolio of businesses with robust growth prospects. Its initial two acquisitions aligned to the Company's selection criteria and are now well positioned for continued organic growth and long-term success.

AWAG's strengths come from its seasoned leadership and pragmatic management philosophy that establishes the Company as a significant and agile player in the Australian financial services sector.

#### 6.4 Intellectual property

AWAG and its subsidiaries do not own specific registered intellectual property.

As a financial services company, AWAG owns directly or indirectly through its subsidiaries intangible assets in the form of client lists and its contracts and agreements with its authorised representatives.

In addition, AWAG and its subsidiaries rely upon trade secrets, processes and know-how to develop and maintain their competitive position. AWAG and its subsidiaries seek to protect their rights through a variety of methods, including agreements with suppliers, employees, consultants and others who may have access to proprietary information.

## 6.5 Growth strategy

AWAG's growth strategy is designed to leverage on the Company's assets, operational infrastructure and market position for sustainable growth. The key focus is on continued expansion over the next 24 months, through two main pillars:

- Organic growth and expansion of existing and acquired entities
- Strategic acquisition of complementary financial services businesses

This dual approach combining organic growth and strategic acquisitions positions AWAG for sustained expansion.

### **Organic growth and expansion of existing and acquired entities**

AWAG recognises the importance of organic growth within its acquired entities. A portion of the proceeds from the Offer will be allocated to provide expansion working capital to support the organic growth of CHPW and ARMY. In line with this strategy, future capital raised will also be used to support the organic growth of other entities acquired by AWAG.

AWAG will actively manage and invest in its businesses to ensure they capitalise on growth opportunities within their respective sectors.

### **Strategic acquisition of complementary financial services businesses**

AWAG's growth plan centres on the strategic acquisition of complementary businesses within the financial services sector in Australia.

Building on its successful acquisitions of CHPW and ARMY, AWAG intends to continue to identify and acquire sound, profitable entities primarily in the areas of financial planning, dealer groups, wealth management, and funds management. Any investments made by AWAG will be carefully selected in line with AWAG's investment philosophy which is designed to preserve capital and deliver long term compound growth.

The Company's primary goal is to maintain a 100% ownership stake in these businesses, although partial acquisitions and joint ventures may be considered under specific circumstances.

A portion of the proceeds from the Offer will be allocated to acquisitions. To supplement cash considerations, AWAG will seek to leverage its expertise to negotiate deferred consideration and earn-out structures, facilitating the financing of acquisitions from future cash flows. The issuance of equity to vendors, especially those actively involved in the acquired businesses, will also be explored when appropriate.

As at the date of the Prospectus, AWAG has identified suitable candidates that meet the target selection criteria, however no active discussions are currently taking place. The Company acknowledges the uncertainty associated with completing suitable acquisitions on acceptable terms. Nonetheless, AWAG remains committed to executing its growth strategy prudently and diligently as opportunities arise in the evolving financial services landscape.

## **7. Details of the Offer**

### **7.1 The Offer**

The Prospectus relates to an initial public offering of Shares by the Company at an issue price of \$0.25 per Share. The Offer is an invitation to apply for 20 million New Shares to raise gross proceeds of \$5 million.

New Shares issued will rank equally in all respects with other Shares.

The rights and liabilities attaching to Shares are summarised in section 13.2 “Constitution and rights and liabilities attaching to Shares” of this Prospectus.

### **7.2 Offer structure**

The Offer is being made in Australia and other jurisdictions where the Offer can be made.

The minimum and maximum share subscription under the Offer is \$5 million. If the minimum level of Offer subscriptions is not met, subscriptions received under the Offer will be refunded in full.

The Company reserves the right to close the Offer early, to accept late Applications or to extend the Offer without notifying any recipient of this Prospectus or any Applicant. The Offer is made on the terms, and is subject to the conditions, set out in this Prospectus and is not underwritten.

### **7.3 Purpose of the Offer**

The primary objectives of the Offer and AWAG applying for admission to ASX are to:

- provide working capital and financial flexibility to enable the Company to pursue growth initiatives and to meet the costs of the Offer;
- provide funds to satisfy the deferred cash obligations in the acquisitions of ARMY and CHPW;
- provide a liquid market for AWAG’s Shares, and to have the ability to issue quoted shares as consideration to vendors of businesses that may be acquired by AWAG in the future; and
- raise the profile of AWAG as a consolidator of financial services businesses and provide AWAG with the benefits of increased public awareness that arises as a listed entity.

The Company intends to use the proceeds of the Offer in the manner set out in section 7.4 “Use of funds”.

## 7.4 Use of funds

The purpose of the Offer is to provide the Company with sufficient funds to meet the stated objectives over a two-year period:

**Table 5: AWAG's proposed use of funds**

Use of funds	Total spending amount	Percentage of total spend
Consideration to ARMY vendors	\$1,750,000	35%
Final hurdle payment for CHPW	\$240,000	4.8%
Costs of Offer	\$601,000	12.6%
Working capital/operating costs – ARMY	\$500,000	10%
Working capital/operating costs – CHPW	\$250,000	5%
Working capital/operating costs – AWAG	\$500,000	10%
Growth/acquisition capital	\$1,159,000	23.2%
<b>Total use of funds</b>	<b>\$5,000,000</b>	<b>100.0%</b>

The Directors consider that the amount sought to be raised by this Offer, in conjunction with cash flow from existing operations and current cash reserves, will provide sufficient working capital to achieve the objectives of AWAG for the two years following its listing on ASX as set out in this Prospectus. Other than the payments made to the vendors of the acquisitions of each of CHPW and ARMY (see section 7.5 “CHPW and ARMY payments”), advisory, prospectus and ASX listing costs, which will be paid shortly after completion of the Offer, the Company expects that the funds will be used over a two-year period.

This section has been prepared based on AWAG's current intentions for the use of the funds raised from the Offer. AWAG's actual allocation and use of funds may change based on changes in the circumstances of AWAG's business, changes in its strategy and/or for other reasons.

The Board will consider further equity or debt funding if appropriate to further accelerate growth or to fund a specific project, transaction, or opportunity.

## 7.5 CHPW and ARMY payments

For the purchase of CHPW, AWAG agreed to pay to the vendors an initial amount of \$500,000 and further amounts totalling \$240,000, subject to the satisfaction of certain hurdles, as well as issue a total of 4,800,000 Shares in AWAG to the vendors. The Shares have been issued to the vendors of CHPW's acquisition, however the \$240,000 has not yet been paid. Out of the funds sought to be raised by this Offer, the \$240,000 will be paid to the vendors of CHPW's acquisition now that the hurdles under the acquisition agreement have been met.

AWAG and ARMY entered into an acquisition agreement under which AWAG acquired all of the shares in the capital of ARMY (“ARMY Acquisition Agreement”) (see section 11.5 “ARMY Acquisition Agreement”). In accordance with the terms of the ARMY Acquisition Agreement,

AWAG agreed to pay to the vendors an initial amount of \$875,000 and a deferred amount of \$875,000, as well as issue a total of 17,500,000 Shares in AWAG to the vendors. The Shares have been issued to the vendors of ARMY, however the payments of \$1,750,000 have not yet been made. Out of the funds sought to be raised by this Offer, \$1,750,000 will be paid to the vendors of ARMY.

## 7.6 Offer period

The proposed opening date for acceptance of the Offer will be 27 November 2023 or such later date as may be prescribed by ASIC.

The Offer is expected to remain open until 5.00pm AEST on 11 December 2023. However, the Company, in consultation with its advisors, reserves the right to vary the Closing Date without prior notice.

Please refer to section 4.1 “Important dates” for a summary of the key dates for the Offer.

## 7.7 Shareholder structure

### Capital structure before and after the Offer

**Table 6: AWAG’s capital structure before the Offer**

Class of Security	Number
Ordinary Shares	53,740,000
Other classes of Securities	nil

**Table 7: AWAG’s capital structure after completion of the Offer**

Class of Security	Number of securities
Ordinary Shares	74,365,000
Other classes of Securities	nil

## Shareholder structure post the Offer

**Table 8: AWAG's shareholder structure after completion of the Offer:**

Shares				
Shareholder	Number pre-Offer	%	Number post-Offer	%
Existing AWAG Shareholders	53,740,000	100%	53,740,000	72.3
Offer Shareholders	-		20,000,000	26.9
Advisors to the Offer	-		625,000	0.8
<b>Total</b>	<b>53,740,000</b>	<b>100%</b>	<b>74,365,000</b>	<b>100%</b>

## Shareholder Groupings

The table below summarises the interests of various shareholder groups as at the date of this Prospectus and immediately following completion of the Offer.

**Table 9: Shareholdings in AWAG before and after completion of the Offer**

	Shares held at date of Prospectus		Shares held at Close of Offer	
	Number	%	Number	%
Directors	23,852,132	44.4%	23,852,132 <sup>1</sup>	32.1%
Other Existing Shareholders <sup>2</sup>	29,887,868	55.6%	29,887,868	40.2%
New Shareholders	-	-	20,000,000	26.9%
Advisors to the Offer	-	-	625,000	0.8
<b>TOTAL</b>	<b>53,740,000</b>	<b>100.0%</b>	<b>74,365,000</b>	<b>100.0%</b>

<sup>1</sup> Excludes any New Shares that Directors may subscribe for.

<sup>2</sup> All other Existing Shareholders that are not affiliated with Directors.

Some Existing Shareholders hold their interests in Shares directly or indirectly through holdings by companies or trusts.



## Substantial shareholders

The table below sets out the substantial shareholders of AWAG as at the date of this Prospectus and what their interest in AWAG will be immediately following completion of the Offer.

**Table 10: AWAG's substantial shareholders before and after completion of the Offer**

Name of substantial holder	Associated Director or employee	Shares held at the date of the Prospectus		Shares held at Quotation Date	
		Number	%	Number	%
Top Pocket Pty Ltd	Lee laFrate	15,828,778	29.8%	15,828,778	21.47%
National Nominees Limited	N/A	9,333,335	17.4%	9,333,334	12.66%
Peter Geoffrey Hollick and Helen Therese Pattison <atf super fund>.	N/A	5,411,312	10.07%	5,411,312	7.34%
Appellation Investments Pty Ltd <atf family trust>	N/A	4,092,763	7.62%	4,092,763	5.55%
Clapsy Pty Ltd <atf super fund>	Paul Young	3,333,333	6.20%	3,333,333	4.52%
Kensington Trust Singapore Limited <atf super fund>	N/A	3,333,333	6.20%	3,333,333	4.52%
Top Pocket Pty Ltd <atf super fund>	Lee laFrate	2,500,000	4.65%	2,500,000	3.39%
<b>TOTAL<sup>1</sup></b> Excludes any New Shares that Directors may subscribe for.		43,832,854	74.3%	43,832,854	54.2%

<sup>1</sup>. Excludes any New Shares that Directors may subscribe for.

### Details of Options

There are no options on issue at the date of the Prospectus and no options will be issued under the Offer.

In future, options may be issued to executives, managers and staff subsequent to listing, with shareholder approval where required.

## 7.8 Voluntary escrow arrangements

As AWAG intends to apply for admission to the Official List under the profits test, ASX does not impose any mandatory restrictions on dealings in respect of Existing Shares.

However, each of the directors of AWAG and the Seed Investors have agreed to a voluntary escrow on the Existing Shares they hold as set out in the table below.

**Table 11: AWAG shareholders subject to voluntary escrow**

Existing Shareholder	Existing Shares held and subject to voluntary escrow	Period of escrow (from the date of Official Quotation of the New Shares)
Interests associated with Lee laFrate <sup>1</sup>	18,328,778	12 months
Interests associated with Paul Young	3,333,333	6 months
Interests associated with Mark Stephen	1,000,000	6 months
Interests associated with Mike Fitzpatrick	1,000,000	6 months
Seed Investors	29,331,222	6 months
<b>Total</b>	<b>52,993,333</b>	

<sup>1</sup> This includes shareholdings held by Top Pocket Pty Ltd and Top Pocket Pty Ltd as trustee for Top Pocket Superannuation Fund.

Each holder of Shares that is subject to a voluntary escrow has entered into an escrow agreement with AWAG on the substantially similar terms as the restriction deed prescribed by ASX for the purposes of the ASX Listing Rules (but with appropriate amendments as ASX is not a party to the escrow agreements). The escrow agreements provide that, for the duration of the escrow period, a holder of escrowed Shares will not be able to dispose of their escrowed Shares, sell their escrowed Shares, create a security interest over their escrowed Shares, do (or omit to do) any act that would have the effect of transferring effective ownership or control of their escrowed Shares or participate in a return of capital, without the agreement of AWAG. AWAG does not intend to agree to any of the above actions unless it considers such action to be in the best interests of AWAG and its shareholders as a whole.

## 7.9 Application Amounts

Application Amounts received under the Offer will be held on trust in a special purpose bank account until New Shares are issued to successful Applicants. Applicants whose Applications are not accepted, or who are allocated a lesser number of Shares than the amount applied, will be mailed a refund (without interest) for all or part of their Application Amounts, as applicable. No refunds solely due to rounding will be provided. Interest will not be paid on any monies refunded and any interest earned on Application Amounts pending the allocation or refund will be retained by the Company.

To participate in the Offer, the Application Form must be completed and received, together with the Application Amounts, in accordance with the instructions on the Application Form.

### **7.10 Brokerage, commission and stamp duty**

Applicants do not have to pay brokerage, commission or stamp duty on New Shares acquired under the Offer. Fees are payable by the Company to advisors in relation to the Offer, details of which are set out in section 13.10 "Disclosure of interests and fees of directors and other persons".

### **7.11 ASX listing**

The Company intends to apply for admission to the Official List of ASX and quotation of the Shares on ASX.

No New Shares will be issued unless and until ASX grants approval on conditions acceptable to the Directors for AWAG to be admitted to the Official List. The fact that ASX may admit AWAG to the Official List is not to be taken in any way as an indication by ASX of the merits of the Company or the New Shares offered by this Prospectus. ASX takes no responsibility for the contents of, including any independent report in, this Prospectus.

Application will be made to ASX within seven days of the date of this Prospectus for quotation of the New Shares. If an application for quotation is not made within seven days after the date of this Prospectus, or approval is not granted for the Company to be admitted to the Official List, or permission for quotation is not granted by ASX within three months after the date of this Prospectus or such longer period as is permitted by the Corporations Act, no New Shares offered under the Prospectus will be issued. If no issue is made or the full amount is not raised under the Offer, all Application Amounts will be refunded to Applicants as soon as practicable and without interest.

### **7.12 Overseas distribution**

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. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions.

Any failure to comply with such restrictions may constitute a violation of applicable securities laws. Investors outside Australia should consult their professional advisors as to whether governmental or other consents are required, or other formalities need to be observed, before taking up Shares pursuant to this Prospectus. It is the responsibility of investors outside Australia to obtain all necessary approvals for applying for New Shares pursuant to this Prospectus. The return of a completed Application Form constitutes a representation and warranty by the Applicant that all approvals necessary in the jurisdiction in which the Applicant resides have been obtained.

No action has been taken to register or qualify the New Shares or the Offer, or otherwise to permit a public offering of the New Shares, in any jurisdiction outside Australia.

The Offer pursuant to an electronic Prospectus is only available to persons receiving an electronic version of this Prospectus within Australia.

This Prospectus may not be released or distributed in the United States. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New 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, or to, or for the account or benefit of a US Person, except in a transaction exempt from the registration requirements of the US Securities Act and applicable United States state securities laws.

Nominees applying for New Shares on behalf of overseas residents are responsible for ensuring that such an Application does not breach any regulation applicable to any such overseas resident. If you are a nominee, or a person proposing to act as a nominee, you should seek independent advice as to how you should proceed.

### **7.13 Share registry**

The Company's share register will be maintained by Registry Direct Pty Limited. Its contact details are as follows:

PO Box 572, Sandringham, VIC 3191  
Email: [registry@registrydirect.com.au](mailto:registry@registrydirect.com.au)  
Telephone: +61 3 9909 9909

### **7.14 CHESS and issuer sponsorship**

The Company will apply to participate in the CHESS system for the clearing and settlement of transactions in the Company's Shares and the transfer of AWAG Shares. CHESS is an automated transfer and settlement system for securities quoted on ASX under which transfers are effected in an electronic form.

When the Shares become CHESS-approved securities, a security holder's Shares will be registered in one of two sub-registers, an electronic issuer sponsored sub-register or an electronic CHESS sub-register. The two sub-registers together will make up the Company's register of Shares. Applicants will have the choice of holding their New Shares on an issuer sponsored sub-register or on the CHESS sub-register.

The Company will not be issuing certificates for the New Shares. Instead, Applicants electing to use the issuer sponsored sub-register will be issued with holding statements setting out the number of New Shares they hold. Participants in the issuer sponsored sub-register system will receive a Shareholder Reference Number (SRN) and will be registered on the issuer sponsored sub-register.

Applicants electing to use the CHESSE sub-register will receive a letter from the Company confirming the number of New Shares issued to them and at the end of the month following issue of the New Shares will receive CHESSE holding statements confirming the number of New Shares that have been issued. Participants in the CHESSE sub-register will receive a Holding Identification Number (HIN) and will have their Shares registered on the CHESSE sub-register.

Following distribution of these initial holding statements, a holding statement will only routinely be provided to a security holder at the end of any subsequent month during which the balance of the security holder's holding of securities changes.

The Existing Shares that are the subject of a restriction agreement will be subject to a holding lock under the CHESSE System preventing them being dealt with during the period of restriction.

#### **7.15 Underwriting**

The Offer is not underwritten.

#### **7.16 Taxation implications**

AWAG is taxed as a public company in Australia.

The taxation obligations and the effects of participating in the Offer can vary depending on the circumstances of each individual investor, the particular circumstances relating to his or her holdings of securities and the taxation laws applicable to investors as residents of different jurisdictions.

Investors who are in doubt as to their taxation position should seek professional advice. It is solely the responsibility of individual applicants to inform themselves of their taxation position resulting from participation in the Offer.

## 8. Financial Information

### 8.1 Introduction

Financial information for AWAG and its subsidiaries, CHPW and ARMY, is set out in this section for the historical financial years ended 30 June 2021, 30 June 2022 and 30 June 2023 (to the extent the entities were incorporated in those periods).

The AWAG Group consists of the following entities:

- AWAG incorporated on 13 September 2021;
  - CHPW acquired by AWAG on 19 May 2022; and
  - ARMY acquired by AWAG on 31 August 2023,
- (together, “AWAG Group”).

This section includes statutory historical financial information which comprises of statutory historical income statements, statutory historical cash flows and statutory historical statement of financial position, and pro forma financial information which comprises of aggregated pro forma historical income statements and pro forma historical statement of financial position as described below:

- statutory historical financial information which comprises the;
  - statutory historical income statements, being:
    - AWAG’s audited statutory historical consolidated income statement for FY22 and FY23;
    - ARMY’s audited statutory historical income statement for FY21, FY22 and FY23; and
    - CHPW’s audited statutory historical income statement for FY21, FY22 and FY23,

(together, “Statutory Historical Income Statements”); and
  - statutory historical cash flows, comprising;
    - AWAG’s audited statutory historical consolidated statement of cash flows for FY22 and FY23;
    - ARMY’s audited statutory historical statement of cash flows for FY21, FY22 and FY23; and
    - CHPW’s audited statutory historical statement of cash flows for FY21, FY22 and FY23,

(together, “Statutory Historical Cash Flows”);
  - statutory historical statement of financial position, comprising:
    - AWAG’s audited statutory historical consolidated statement of financial position as at 30 June 2022 and 30 June 2023;
    - ARMY’s audited statutory historical statement of financial position as at 30 June 2021, 30 June 2022 and 30 June 2023; and

- CHPW’s audited statutory historical statement of financial position as at 30 June 2021, 30 June 2022 and 30 June 2023, (together, “Statutory Historical Statement of Financial Position”), (together, “AWAG Historical Financial Information”); and
- Pro Forma Historical Financial Information comprising the
  - aggregated pro forma historical income statement being the AWAG Group unaudited aggregated pro forma historical income statement for FY22 and FY23.
  - pro forma statement of financial position being the AWAG Group unaudited Pro Forma historical consolidated statement of financial position as at 30 June 2023, (together, “Pro Forma Historical Financial Information”).

The Statutory Historical Financial Information and the Pro Forma Historical Financial Information are together referred to as the Financial Information.

All amounts disclosed in this Section 8 are presented in Australian dollars which is AWAG Group’s functional and presentation currency, unless otherwise noted, are some amounts are rounded to the nearest thousand dollar. Rounding of values within the Prospectus may result in some discrepancies between the sums of components, that totals within tables and other figures contained in this Prospectus.

Also summarised in this section are:

- the basis of preparation and presentation of the Financial Information;
- a summary of the AWAG Group’s critical accounting policies; and
- AWAG’s dividend policy.

The Directors are responsible for the preparation and presentation of the Financial Information in the prospectus which has been reviewed by HLB Mann Judd Corporate (NSW) Pty Ltd (“HLB”) in accordance with the Australian Standard on Assurance *ASAE 3450: Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

HLB has prepared a Independent Limited Assurance Report in respect of the Financial Information (“Investigating Accountants Report”). A copy of this report, which includes an explanation of the scope and limitations of the Independent Limited Assurance Report is set out in Section 9.

The Financial Information should also be read in conjunction with other information contained in the prospectus, including:

- the risk factors described in section 12;
- the proposed use of funds in section 7.4;
- the indicative capital structure described in section 7.7; and
- the Independent Limited Assurance Report, set out in section 9.

The Directors do not consider it appropriate to include forecast financial information in the Prospectus given the significant uncertainties associated with forecasting future revenues and expenses of the Group and the level of earnings is heavily dependent on investment performance which itself depends on market conditions which are currently volatile.

The Financial Information is intended to assist potential investors and users with information to assist them in understanding the financial performance, cash flows and financial position of the AWAG Group.

Please note that past performance is not an indication of future performance.

## **8.2 Basis of Preparation and Presentation of Financial Information**

The Historical Financial Information has been prepared and presented in accordance with the recognition and measurement principles of the Australian Accounting Standards ("AAS") adopted by the Australian Accounting Standards Board ("AASB"), and the Corporations Act, to the extent applicable to the AWAG Group in the relevant periods.

The Directors are responsible for the preparation and presentation of the Financial Information in the prospectus which includes the AWAG Group entities for the relevant periods.

The Financial Information has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business. The Directors believe that there are reasonable grounds that the AWAG Group will be able to continue as a going concern.

The Financial Information is presented in abbreviated form insofar as it does not include all the disclosures, statements or comparative information as required by the Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act.

The significant accounting policies adopted in the preparation of the Financial Information are set out in section 8.9 and have been consistently applied throughout the financial periods presented in this Prospectus.

## **8.3 Preparation of the Statutory Historical Financial Information**

The Statutory Historical Financial Information has been prepared and presented in accordance with the recognition and measurement principles of the AAS adopted by the AASB, which are consistent with the International Financial Reporting Standards ("IFRS") and interpretations issued by the International Accounting Standards Board.

The AWAG Historical Financial Information has been extracted from the audited statutory financial statements of the Company for the financial period ended 30 June 2022 (FY22) and year ended 30 June 2023 (FY23). The FY2023 statutory financial statements were audited by Charterhouse & Co Auditors Pty Ltd.

Charterhouse & Co Auditors Pty Ltd issued an unmodified opinion on the Company's FY23 financial statements.



The CHPW Historical Financial Information has been extracted from the audited statutory financial statements of CHPW for the financial year ended 30 June 2021 (FY21), 30 June 2022 (FY22) and 30 June 2023 (FY23). The FY21 and FY22 statutory financial statements were audited by Julius Sommers Pty Ltd. The FY23 statutory financial statements were audited by Charterhouse & Co Auditors Pty Ltd.

Julius Sommers Pty Ltd issued an unmodified opinion on CHPW's FY221 and FY22 financial statements.

Charterhouse & Co Auditors Pty Ltd issued an unmodified opinion on CHPW's FY23 financial statements.

The ARMY Historical Financial Information has been extracted from the audited statutory financial statements of Army for the financial year ended 30 June 2021 (FY21), 30 June 2022 (FY22) and 30 June 2023 (FY23). The FY21, FY22 and FY23 statutory financial statements were audited by J.L Beaumont & Others (ABN 27 975 255 196) (trading as Pitcher Partners) ("Pitcher Partners"). Pitcher Partners, Victoria issued an unmodified opinion on Army's FY21, FY22 and FY23 financial statements.

#### **8.4 Preparation of the Pro Forma Historical Financial Information**

The Pro Forma Historical Financial Information has been prepared for the purposes of inclusion in this Prospectus. The Pro Forma Historical Financial Information is based on the audited statutory financial statements of the Group entities for the years ended 30 June 2022 and 30 June 2023 after adjusting for the impacts of the Offer and certain other pro forma transactions and adjustments.

The Aggregate Pro Forma Historical Income Statement has been derived from the consolidated Historical Income Statements of AWAG and ARMY for the year ended 30 June 2023 and the Historical Income Statements of ARMY and CHPW for the year ended 30 June 2022. This pro forma financial information is presented on an aggregated basis to represent the operating earnings of the Group entities on the assumption that they had been a combined group for each of the relevant financial periods.

The Pro Forma Historical Statement of Financial Position has been derived from the Historical Statement of Financial Positions of the Group entities as at 30 June 2023 and includes proforma adjustments. The pro forma adjustments assume the acquisitions and listing had occurred as at 30 June 2023.

The Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement principles of AAS and IFRS other than it includes certain adjustments which have been prepared in a manner consistent with AAS and IFRS.

The Pro Forma Historical Financial Information does not reflect the actual financial results and of the AWAG Group for the periods indicated. The Directors believe that it provides useful information as it allows the consideration of the underlying financial performance of the business presented on a consistent bases. The Pro Forma Historical Financial Information may therefore not reflect the full costs and benefits of the Company's business model.

## 8.5 Pro Forma Historical Financial Information

### 8.5.1 Aggregated Pro Forma Historical Income Statement

The table below sets out the summary Aggregated Pro Forma Income Statement of the AWAG Group for the years ended 30 June 2022 and 30 June 2023 which sets out the combined operating revenues and expenses of the Group entities for each of the relevant periods as aggregated from the Historical Income Statements.

**Table 12: Aggregated Pro Forma Historical Income Statement**

	Pro Forma Aggregate 30 Jun 2022 (\$)	Pro Forma Aggregate 30 June 2023 (\$)
Income		
Revenue	9,324,042	10,118,631
Other Revenue	76,474	89,003
<b>Total Income</b>	<b>9,400,516</b>	<b>10,207,634</b>
Expenses		
Other overhead and administration expenses	(8,306,194)	(9,324,553)
Depreciation and amortisation expenses	(75,774)	(81,513)
<b>Total Expenses</b>	<b>(8,381,968)</b>	<b>(9,406,066)</b>
Earnings Before Interest and Tax	1,018,548	801,568
Finance Costs	(4,145)	(12,565)
Income tax expense	(221,748)	(183,402)
<b>Net Profit After Tax</b>	<b>792,655</b>	<b>605,601</b>
Revenue - Unrealised gain/loss	-	21,315
<b>Total income for the year</b>	<b>792,655</b>	<b>626,916</b>

### 8.5.2 Historical and Pro Forma Historical Statement of Financial Position

The table below sets out the Historical and Pro Forma Historical Statement of Financial Position of AWAG as at 30 June 2023. The table includes the pro forma adjustments to the Statutory Historical Statement of Financial Position of AWAG and ARMY as if these transactions had occurred, together with the offer as at 30 June 2023.

Further information on the sources and uses of funds of the Offer is contained in section 7.4.

**Table 13: Pro Forma Historical Statement of Financial Position**

	AWAG Consolidated 30 Jun 2023 (Audited) (\$)	ARMY 30 Jun 2023 (Audited) (\$)	Aggregate 30 Jun 2023	Pro Forma 30 June 2023 Adjustments (\$)	Balance (\$)
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash	1,827,037	1,157,024	2,984,061	2,409,000	5,393,061
Trade receivables	813	289,451	290,264		290,264
Other assets	-	11,406	11,406		11,406
<b>Total Current Assets</b>	<b>1,827,850</b>	<b>1,457,881</b>	<b>3,285,731</b>	<b>2,409,000</b>	<b>5,694,731</b>
<b>NON CURRENT ASSETS</b>					
Investments	130,086	-	130,086		130,086
Property, plant and equipment	-	644	644		644
Intangible assets	941,905	525	942,430		942,430
Deferred tax assets	-	52,428	52,428		52,428
Other assets	-	209,853	209,853		209,853
<b>Total Non Current Assets</b>	<b>1,071,991</b>	<b>263,450</b>	<b>1,335,441</b>	<b>-</b>	<b>1,335,441</b>
<b>Total Assets</b>	<b>2,899,841</b>	<b>1,721,331</b>	<b>4,621,172</b>	<b>2,409,000</b>	<b>7,030,172</b>
<b>CURRENT LIABILITIES</b>					
Trade and other payables	240,849	1,063,537	1,304,386	(240,000)	1,064,386
Provisions and accruals	50,601	170,818	221,419		221,419
<b>Total Current Liabilities</b>	<b>291,450</b>	<b>1,234,355</b>	<b>1,525,805</b>	<b>(240,000)</b>	<b>1,285,805</b>
<b>Non Current Liabilities</b>					
Provisions	-	141,586	141,586		141,586
<b>Total Non Current Liabilities</b>	<b>-</b>	<b>141,586</b>	<b>141,586</b>	<b>-</b>	<b>141,586</b>
<b>Total Liabilities</b>	<b>291,450</b>	<b>1,375,941</b>	<b>1,667,391</b>	<b>(240,000)</b>	<b>1,427,391</b>
<b>Net Assets/Equity</b>	<b>2,608,391</b>	<b>345,390</b>	<b>2,953,781</b>	<b>2,649,000</b>	<b>5,602,781</b>

### 8.5.3 Notes on the Pro Forma Historical Statement of Financial Position

The Pro Forma Historical statement of financial position as at 30 June 2023 is based on the audited statutory historical statement of financial position of AWAG and ARMY as at 30 June 2023 after allowing for the following pro forma adjustments:

- a minimum subscription of \$5 million (20 million shares at \$0.25 under the Offer);
- allowance for the expenses of the Offers totaling \$0.61 million (for further information see section 13.7). An additional \$0.16 million of costs related to the offer will be incurred in relation to 625,000 shares issued to advisors;
- settlement of the CHPW acquisition deferred consideration of \$0.24 million. (for further details of AWAG's acquisition of CHPW, see section 6.2(a));
- settlement of the ARMY acquisition consideration of \$1.75 million. (for further details of AWAG's acquisition of ARMY, see section 6.2(b)). Note that no intangible assets have been recognised within the Pro Forma Statement of Financial Position in relation to the acquisition of ARMY. An assessment and application of the AASs will be undertaken in the first reporting period following the completion of the acquisition of ARMY and may result in the recognition of additional assets/or liabilities, or alternative presentation of the transaction with the AWAG Group consolidated financial statements.

#### 8.5.4 Pro forma cash and cash equivalents reconciliation

The table below details the reconciliation of the pro forma cash balance of AWAG Group as at 30 June 2023, reflecting the actual cash at bank at the date and reflecting the impact of the pro forma adjustments as set out in section 8.5.3.

**Table 14: Pro forma cash and cash equivalents reconciliation**

<b>Pro forma cash reconciliation</b>	<b>(\$)</b>
Aggregate statutory cash 30 June 2023	2,984,061
Proceeds from the Offer	5,000,000
Less: Costs of the Offer	(601,000)
Less: CHPW deferred acquisition payment	(240,000)
Less: ARMY completion payment	(1,750,000)
<b>Pro Forma group cash balance</b>	<b>5,393,061</b>

## 8.6 Historical Financial Information

### 8.6.1 Historical Income Statement of AWAG

The below table sets out the audited consolidated Statutory Historical Income Statement of AWAG for FY22 and FY23.

**Table 15: AWAG's Historical Income Statement**

	30 Jun 2022 (Audited) (\$)	30 Jun 2023 (Audited) (\$)
<b>Income</b>		
Revenue from contracts with customers	777,988	8,070,131
Other Revenue	4,076	1,877
<b>Total Income</b>	<b>782,064</b>	<b>8,072,008</b>
<b>Expenses</b>		
Other overhead and administration expenses	(672,416)	(7,832,632)
<b>Total Expenses</b>	<b>(672,416)</b>	<b>(7,832,632)</b>
<b>Earnings Before Interest and Tax</b>	<b>109,648</b>	<b>239,376</b>
Income tax expense	-	(45,995)
<b>Net Profit After Tax</b>	<b>109,648</b>	<b>193,381</b>
Revenue - Unrealised gain/loss	(18,657)	21,315
<b>Total income for the year</b>	<b>90,991</b>	<b>214,696</b>

### 8.6.2 Historical Income Statement of CHPW

The below table sets out the audited Statutory Historical Income Statement of CHPW for FY21, FY22 and FY23.

**Table 16: CHPW's Historical Income Statement**

	30 Jun 2021 (Audited) (\$)	30 Jun 2022 (Audited) (\$)	30 Jun 2023 (Audited) (\$)
<b>Income</b>			
Revenue from contracts with customers	5,162,353	6,747,851	8,046,591
Interest income	-	26	4,537
<b>Total Income</b>	<b>5,162,353</b>	<b>6,747,877</b>	<b>8,051,128</b>
<b>Expenses</b>			

Other overhead and administration expenses	(5,411,042)	(6,613,883)	(7,736,211)
<b>Total Expenses</b>	<b>(5,411,042)</b>	<b>(6,613,883)</b>	<b>(7,736,211)</b>
<b>Earnings Before Interest and Tax</b>	<b>(248,689)</b>	<b>133,994</b>	<b>314,917</b>
Income tax expense	-	-	(45,995)
<b>Net Profit After Tax</b>	<b>(248,689)</b>	<b>133,994</b>	<b>268,922</b>

### 8.6.3 Historical Income Statement of ARMY

The below table sets out the audited Statutory Historical Income Statement of ARMY for FY21, FY22 and FY23.

**Table 17: ARMY's Historical Income Statement**

	30 Jun 2021 (Audited) (\$)	30 Jun 2022 (Audited) (\$)	30 Jun 2023 (Audited) (\$)
<b>Income</b>			
Revenue from contracts with customers	3,128,828	2,576,191	2,048,500
Interest income	121	71	12,637
Other Revenue	217,828	76,377	74,489
<b>Total Income</b>	<b>3,346,777</b>	<b>2,652,639</b>	<b>2,135,626</b>
<b>Expenses</b>			
Other overhead and administration expenses	(1,748,157)	(1,692,311)	(1,491,921)
Depreciation and amortisation expenses	(76,908)	(75,774)	(81,513)
<b>Total Expenses</b>	<b>(1,825,065)</b>	<b>(1,768,085)</b>	<b>(1,573,434)</b>
<b>Earnings Before Interest and Tax</b>	<b>1,521,712</b>	<b>884,554</b>	<b>562,192</b>
Finance Costs	(7,761)	(4,145)	(12,565)
Income tax expense	(236,144)	(221,748)	(137,407)
<b>Net Profit After Tax</b>	<b>1,277,807</b>	<b>658,661</b>	<b>412,220</b>

### 8.6.4 Historical Cash Flows of AWAG

The below table sets out the audited consolidated Statutory Historical Cash Flows for AWAG for FY22 and FY23. The statutory cash flow information has been constructed using the indirect method (i.e., reconciling EBITDA to operating cash flows).

**Table 18: AWAG's Historical Cash Flows**

	30 Jun 2022 (Audited) (\$)	30 Jun 2023 (Audited) (\$)
<b>Operating Activities</b>		
Receipts from Customers & others	780,081	8,071,301
Payments to suppliers & employees	(416,971)	(7,792,623)
Net Interest paid /received	-	1,877
<b>Cash movement from operating activities</b>	363,110	280,555
<b>Investing activities</b>		
Other	(87,890)	(70,881)
<b>Cash movement from investing activities</b>	(87,890)	(70,881)
<b>Financing activities</b>		
Net movement in borrowings	262,900	(262,900)
Proceeds from Share issue	1,009,243	332,900
<b>Cash movement from financing activities</b>	1,272,143	70,000
Cash at the beginning of the financial year	-	1,547,363
Net change in cash balances	1,547,363	279,674
<b>Closing cash balances</b>	1,547,363	1,827,037

#### 8.6.5 Historical Cash Flows of CHPW

The below table sets out the audited Statutory Historical Cash Flows for CHPW for FY21, FY22 and FY23. The statutory cash flow information has been constructed using the indirect method (i.e., reconciling EBITDA to operating cash flows).

**Table 19: CHPW's Historical Cash Flows**

	30 Jun 2021 (Audited) (\$)	30 Jun 2022 (Audited) (\$)	30 Jun 2023 (Audited) (\$)
<b>Operating Activities</b>			
Receipts from Customers & others	395,530	659,592	171,203
Payments to suppliers & employees	(657,950)	(510,342)	157,678
Net Interest paid /received	-	26	4,537
Taxes paid	2,610	351	-
<b>Cash movement from operating activities</b>	(259,810)	149,627	333,418
<b>Financing activities</b>			
Net movement in borrowings	221,000	6,050	(279,111)

Other financing	-	-	251,122
<b>Cash movement from financing activities</b>	<b>221,000</b>	<b>6,050</b>	<b>(27,989)</b>
Cash at the beginning of the financial year	46,633	7,823	163,500
Net change in cash balances	(38,810)	155,677	305,429
<b>Closing cash balances</b>	<b>7,823</b>	<b>163,500</b>	<b>468,929</b>

### 8.6.6 Historical Cash Flows of ARMY

The below table sets out the audited Statutory Historical Cash Flows for Army for FY21, FY22 and FY23. The statutory cash flow information has been constructed using the indirect method (i.e., reconciling EBITDA to operating cash flows).

**Table 20: ARMY's Historical Cash Flows**

	30 Jun 2021 (Audited) (\$)	30 Jun 2022 (Audited) (\$)	30 Jun 2023 (Audited) (\$)
<b>Operating Activities</b>			
Receipts from Customers & others	2,667,426	3,912,944	2,258,935
Payments to suppliers & employees	(1,898,073)	(2,026,660)	(1,621,792)
Net Interest paid /received	(6,957)	(3,775)	72
Taxes paid	(108,869)	(169,190)	(391,426)
<b>Cash movement from operating activities</b>	<b>653,527</b>	<b>1,713,319</b>	<b>245,789</b>
<b>Financing activities</b>			
Net movement in borrowings	(386,968)	(90,000)	-
Principal portion of lease payments	(72,698)	(78,918)	(74,097)
Dividends paid	-	(1,149,978)	(399,992)
<b>Cash movement from financing activities</b>	<b>(459,666)</b>	<b>(1,318,896)</b>	<b>(474,089)</b>
Cash at the beginning of the financial year	797,040	990,901	1,385,324
Net change in cash balances	193,861	394,423	(228,300)
<b>Closing cash balances</b>	<b>990,901</b>	<b>1,385,324</b>	<b>1,157,024</b>

### 8.7 Liquidity and capital resources

Following completion of the Offer, the Company will have on a pro forma basis, net cash of \$5,393,061 (after paying out the estimated costs of the Offer) as at 30 June 2023 arising from the Offer. The Company expects that it will have sufficient cash to meet its short and medium term operational requirements and other business needs.



## **8.8 Commitments and contingencies**

There are no contractual obligations, commitments and contingent liabilities other than those disclosed in this prospectus.

## **8.9 Summary of significant accounting policies**

The historical financial statements of the AWAG Group have been prepared in accordance with the requirements of the Australian Accounting Standards. It is noted that some entities within the Group have not historically had a requirement to prepare general purpose financial statements for all periods.

### **Critical Accounting Estimates and Judgments**

In the process of applying the AWAG Group's accounting policies, management is required to make judgments, estimates and assumptions about the carrying value of assets and liabilities that are not readily available from direct sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable in the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about areas of estimation uncertainty that have a significant risk of resulting in a material adjustment in the next year and critical adjustments in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Statements are described in the following accounting policies.

#### **8.9.1 Revenue recognition**

Revenue from the rendering of services is recognised upon the delivery of the service to customers and when cash is received. Revenue from commissions is recognised upon the delivery of the service to customers and when cash is received. Revenue from interest is recognised using the effective interest rate method and when interest is received. Revenue from dividends is recognised when the entity has a right to receive the dividend.

All revenue is stated net of the amount of goods and services tax (GST).

#### **8.9.2 Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held on call with banks, other short-term highly liquid investments with original maturity of three months or less, and bank overdrafts.

#### **8.9.3 Trade and other receivables**

Trade receivables and other receivables, including distributions receivable, are recognised at the nominal transaction value without taking into account the time value of money. If required, a provision for doubtful debts has been created.

#### **8.9.4 Financial accounts at cost**

Investments held are originally recognised at cost, which includes transaction costs. As at 30 June 2023 none of the assets of the company are impaired.

#### **8.9.5 Provisions**

Provisions are recognised when the entity has a legal or constructive obligation resulting from past events, for which it is probable that there will be an outflow of economic benefits and that outflow can be reliably measured. Provisions are measured using the best estimate available of the amounts required to settle the obligation at the end of the reporting period.

#### **8.9.6 Income tax**

The income tax expense recognised for the year includes both the current year provision and the income tax effects of timing differences, being deferred income tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current year provision is the expected tax payable on the taxable profit for the year based on tax rates enacted at balance date. Current tax for the year and prior years is recognised as a liability or asset in the statement of financial position to the extent that it is not yet paid or refunded.

Deferred tax is provided, using the liability method, for temporary difference arising between the tax bases of liabilities and their carrying amounts in the Financial Statements. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither accounting nor taxable profit. Deferred income tax is provided for using tax rates expected to apply in the period of settlement, based on tax rates enacted or substantively enacted at balance date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

#### **8.9.7 Goods and services tax**

Transactions are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

### **8.9.8 Business combinations**

The acquisition method of accounting is used to account for business combinations. The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill.

### **8.9.9 Intangible Assets**

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

### **8.10 AWAG dividend policy**

The payment of dividends by the Company is at the discretion of the Directors. Given the stage of development of the Company, the Directors have no current intention to declare and pay a dividend. In determining whether to declare future dividends, the Directors will have regard to the Company's earnings, overall financial condition, capital requirements and the level of imputation credits available. There is no certainty that the Company will ever declare and pay a dividend.

## **9. Investigating Accountant's Report**

20 November 2023

Board of Directors  
The Australian Wealth Advisors Group Limited  
Level 5 / 30 Collins Street  
MELBOURNE VIC 3000

Dear Directors

**INDEPENDENT LIMITED ASSURANCE REPORT ON THE AUSTRALIAN WEALTH ADVISORS GROUP LIMITED'S HISTORICAL AND PRO FORMA HISTORICAL FINANCIAL INFORMATION**

**Introduction**

HLB Mann Judd Corporate (NSW) Pty Ltd (“we”, “us” or “our”) has been engaged by The Australian Wealth Advisors Group Limited & Consolidated Entities (“AWAG” or “the Company”) to prepare this report (“Report”) for inclusion in the proposed prospectus (“Prospectus”) to be issued by AWAG on or around 20 November 2023 in relation to the initial public offering of its shares on the Australian Securities Exchange (“IPO” or the “Offer”).

The AWAG consolidated Group includes subsidiaries CHPW Financial Pty Ltd (“CHPW”) and Armytage Private Pty Ltd (“ARMY”). AWAG, CHPW and ARMY are collectively referred to as the AWAG Group.

Expressions defined in the Prospectus have the same meaning in this Report.

HLB Mann Judd Corporate (NSW) Pty Ltd holds the appropriate Australian Financial Services licence (AFSL: 253134) under the Corporations Act 2001 for the issue of this Report.

**Scope**

You have requested us to perform a limited assurance engagement in relation to the financial information described below and disclosed in the Prospectus.

The historical and pro forma historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of 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.

***Historical Financial Information***

You have requested us to review the following historical financial information of AWAG and the Group entities included in the Prospectus:

- Audited consolidated Historical Income Statement of AWAG for the years ended 30 June 2022 and 2023;
- Audited Historical Income Statements of CHPW and ARMY for the years ended 30 June 2021, 2022 and 2023;
- Audited consolidated Historical Statement of Cash Flows of AWAG for the years ended 30 June 2022 and 2023;
- Audited Historical Statements of Cash Flows of CHPW and ARMY for the years ended 30 June 2021, 2022 and 2023; and
- Audited Historical Statement of Financial Position of AWAG and ARMY as at 30 June 2023,

(collectively the “Historical Financial Information”).

As described in Section 8 of the Prospectus, the Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies.

The AWAG Historical Financial Information has been extracted from the audited statutory financial statements of the Company for the financial period ended 30 June 2023 (FY23). The FY2023 statutory financial statements were audited by Charterhouse & Co Auditors Pty Ltd.

Charterhouse & Co Auditors Pty Ltd issued an unmodified opinion on the Company's FY23 financial statements.

The CHPW Historical Financial Information has been extracted from the audited statutory financial statements of CHPW for the financial year ended 30 June 2021 (FY21), 30 June 2022 (FY22) and 30 June 2023 (FY23). The FY21 and FY22 statutory financial statements were audited by Julius Sommers Pty Ltd. The FY23 statutory financial statements were audited by Charterhouse & Co Auditors Pty Ltd. Julius Sommers Pty Ltd issued an unmodified opinion on CHPW's FY21 and FY22 financial statements. Charterhouse & Co Auditors Pty Ltd issued an unmodified opinion on CHPW's FY23 financial statements.

The ARMY Historical Financial Information has been extracted from the audited statutory financial statements of ARMY for the financial year ended 30 June 2021 (FY21), 30 June 2022 (FY22) and 30 June 2023 (FY23). The FY21, FY22 and FY23 statutory financial statements were audited by Pitcher Partners, Victoria. Pitcher Partners, Victoria issued an unmodified opinion on Army's FY21, FY22 and FY23 financial statements.

#### ***Pro Forma Historical Financial Information***

You have requested us to perform limited assurance procedures in relation to the following pro forma historical financial information included in the Prospectus.

- The aggregated pro forma Historical Income Statement of the AWAG Group for the years ended 30 June 2022 and 2023; and
- The pro forma historical Statement of Financial Position of the AWAG Group as at 30 June 2023 (referred to as the "Pro forma Historical Financial Information")

The pro forma historical financial information has been derived from the Historical Financial Information of the Group entities after adjusting for the effects of the Offer and other significant transactions and events ("Pro Forma Adjustments"), and related notes as set out in sections 8 of the Prospectus.

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the event or transaction to which the pro forma adjustments relate, as described in section 8 of the Prospectus, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position or financial performance.

#### **Directors' Responsibilities**

The directors of AWAG are responsible for:

- the preparation of the Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of the pro forma transactions and/or adjustments made to the Historical Financial Information and included in the Pro Forma Historical Information; and

- the information contained in the Prospectus.

The directors' responsibility includes establishing and maintaining such internal controls as the directors determine are necessary to enable the preparation of the Historical Financial Information and the Pro Forma Historical Financial Information that is free from material misstatement, whether due to fraud or error.

### **Our Responsibility**

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information and the Pro Forma Historical 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*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. 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**

#### ***Historical Financial Information***

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in section 8 of the Prospectus, and comprising:

- Audited consolidated Historical Income Statement of AWAG for the years ended 30 June 2022 and 2023;
- Audited Historical Income Statement of CHPW and ARMY for the years ended 30 June 2021, 2022 and 2023;
- Audited consolidated Historical Statement of Cash Flows of AWAG for the years ended 30 June 2022 and 2023;
- Audited Historical Statements of Cash Flows of CHPW and ARMY for the years ended 30 June 2021, 2022 and 2023; and
- Audited Historical Statement of Financial Position of AWAG and ARMY as at 30 June 2022 and 2023,

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in section 8 of the Prospectus.

#### ***Pro Forma Historical Financial Information***

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information as adjusted for the pro forma impact of the Offer and other significant transactions and events, is not presented fairly in all material respects, in accordance with the stated basis of preparation and presentation as described in section 8 of the Prospectus.

**Independence**

We do not have any interest in the outcome of the proposed IPO, other than in connection with the preparation of this Report and participation in due diligence procedures for which normal professional fees will be received.

**General Advice Warning**

This report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on the information contained in this report. Before acting or relying on any information, an investor should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.

**Restriction on Use**

Without modifying our conclusions, we draw attention to the Prospectus, 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. We disclaim any assumption of responsibility for any reliance on this report, or on the financial information to which it relates, for any purpose other than that for which it was prepared.

**Liability**

The Liability of HLB Mann Judd Corporate (NSW) Pty Ltd is limited to the inclusion of this report in the Prospectus. HLB Mann Judd Corporate (NSW) Pty Ltd makes no representation regarding, and has no liability, for any other statements or other material in, or omissions from the Prospectus.

**Consent**

We have consented to the inclusion of this Independent Limited Assurance Report in the Prospectus in the form and context in which it is so included, but has not authorised the issue of the Prospectus. Accordingly, we make no representation regarding, and takes no responsibility for, any other statements, or material in, or omissions from, the Prospectus.

Yours faithfully

**Nicholas Guest**

Director and Authorised Representative  
HLB Mann Judd Corporate (NSW) Pty Limited



## Financial Services Guide

Dated 17 November 2023

### 1. HLB Mann Judd Corporate (NSW) Pty Ltd

HLB Mann Judd Corporate (NSW) Pty Ltd ABN 94 003 918 125 (“HMJC” or “we” or “us” or “our” as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

### 2. Financial Services Guide

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 a financial services licensee.

This FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide under our Australian Financial Services Licence, No. 253134;
- remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

### 3. Financial services we are licensed to provide

We hold an Australian Financial Services Licence which authorises us to provide reports for the purposes of acting for and on behalf of clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate restructures or share issues, securities valuations or reports and to provide general financial product advice for the following classes of financial products:

- debentures, stocks or bonds issued or proposed to be issued by a government;
- interests in managed investment schemes excluding investor directed portfolio services;
- securities; and
- superannuation;

to retail and wholesale clients.

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.

### 4. General financial product advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared for the shareholder group as a whole, 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 and there is no statutory exemption relating to the matter, 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.

### 5. Benefits that we may receive

We charge fees for providing reports. These fees will be agreed with, and paid by, the person who engages us to provide the report. Fees will be agreed on either a fixed fee or time cost basis.

Except for the fees referred to above, neither HMJC, 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.

### 6. Remuneration or other benefits received by us

HMJC has no employees. All personnel who complete reports for HMJC are either partners of, or personnel employed by, HLB Mann Judd’s New South Wales Partnership. None of those partners or personnel is eligible for bonuses directly in connection with any engagement for the provision of a report.

### 7. 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.

### 8. Associations and relationships

HMJC is wholly owned by HLB Mann Judd (NSW) Pty Limited. Also, all directors of HMJC are partners in HLB Mann Judd’s New South Wales Partnership. Ultimately the partners of HLB Mann Judd’s New South Wales Partnership own and control HMJC.

From time to time HMJC, HLB Mann Judd (NSW) Pty Ltd or HLB Mann Judd's New South Wales Partnership may provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of their business.

## 9. Complaints resolution

### 9.1. *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. Complaints must be in writing, addressed to The Complaints Officer, HLB Mann Judd Corporate (NSW) Pty Ltd, Level 19, 207 Kent Street NSW 2000.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 7 (seven) days and investigate the issues raised. As soon as practical, and not more than one month after receiving the written complaint, we will advise the complainant in writing of the determination.

### 9.2. *Referral to external disputes 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 independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about AFCA are available at the AFCA website [www.afca.org.au](http://www.afca.org.au) or by contacting them directly via the details set out below.

Australian Financial Complaints Authority  
GPO Box 3, Melbourne VIC 3001  
Toll free: 1300 78 08 08  
Facsimile: (03) 9613 6399

## 10. Contact details

You may contact us using the details included in the footer of page 1 of this FSG.

## 10. Directors, Management and Corporate Governance

### 10.1 The Board

Director	Summarised biography
<p><b>Lee Iafrate</b> <b>Executive Chairman</b></p>	<p><i>Experience:</i> Lee has over 37 years' experience in the finance industry, with broad experience in stock-broking and funds management. Lee was the founder and former chairman of Treasury Group Limited (now known as Pacific Current Group Limited), founder and former director of Prime Financial Group Ltd, and founder and former chairman of Easton Investments Limited (now known as Diverger Limited). Lee founded ARMY in 1995 and is the Chairman.</p> <p><i>Qualifications:</i> Bachelor of Business, Fellow Certified Practising Accountant and Graduate Diploma in Applied Finance and Investment.</p>
<p><b>Paul Young</b> <b>Non-executive Director</b></p>	<p><i>Experience:</i> Paul has over 35 years' experience providing independent corporate advice to Australian and overseas public and private clients.</p> <p>Paul is a non-executive director of ASX listed Byron Energy Limited (ASX:BYE), HKEX listed Left Field Printing Group Limited (HKEX:1540), Ambition Group Limited and Australian College of the Arts Pty Ltd, the non-executive chairman of Jura Australia Espresso Pty Ltd and Box of Books Holdings Pty. Limited, co-founder and director of Baron Partners Limited and is a senior advisor of Henslow Pty Ltd. Paul was a former non-executive director of ASX-listed Ovato Limited (in liquidation), Gradability Pty Ltd, Opus Group Limited, Australian Rural Capital Limited and Thomas &amp; Coffey Limited and the former chairman and non-executive director of Peter Lehmann Wines Limited.</p> <p>Paul was a director of Ovato from 4 April 2022 to 17 June 2022. He was appointed as a nominee of a foreign listed company that intended to partake in a recapitalization of Ovato. Following due diligence, appropriate terms of a recapitalization could not be agreed and he resigned on 17 June 2022. Ovato subsequently appointed a Voluntary Administrator on 20 July 2022. For the period of his directorship (and for several months prior), Ovato was relying on a safe harbour regime for the benefit of its directors.</p>

	<p><i>Qualifications:</i> Master of Arts from Cambridge University; Fellow of the Institute of Chartered Accountants in England and Wales and Diploma in Corporate Finance.</p>
<p><b>Mark Stephen</b> <b>Non-executive</b> <b>Director</b></p>	<p><i>Experience:</i> Mark has over 30 years' experience in the financial services industry growing successful integrated advice businesses across the wealth management, financial planning and accounting professions, that is highlighted by leading high performing advice teams and communities which focus on strategic growth and strong business development and improvement.</p> <p>Mark is currently the Managing Director of Civitas Services Australia Pty Ltd and former CEO of Lonsdale Financial Group Limited. Mark has held executive directorships and board positions of several companies, acted as chairman of several businesses and Investment Committees and is also a Justice of the Peace (JP) in Victoria.</p> <p><i>Qualifications:</i> Bachelor of Education, Advanced Diploma in Business Management, Advanced Diploma in Financial Planning, Certified Financial Planner and is a Graduate of the Australian Institute of Company Directors (GAICD).</p>
<p><b>Mike Fitzpatrick AO</b> <b>Non-executive</b> <b>Director</b></p>	<p><i>Experience:</i> Mike has over 40 years' experience in the financial services sector, with a commitment to sustainability. Michael is a current non-executive director of Carnegie Clean Energy Limited (ASX:CCE) and LATAM Autos Limited, the chairman of Continuity Capital, and an alternate director of Foresight Australia Funds Management Limited.</p> <p>Mike was the founder of Hastings Funds Management Ltd, the pioneering infrastructure asset management company and held a controlling interest in Infrastructure Capital Group (now Foresight Australia Funds Management), a leading Australian based mid-market infrastructure fund manager.</p> <p>Mike was formerly the chairman of Pacific Current Group Limited, Victorian Funds Management Corporation, Australian Football League and the Australian Sports Commission, and a former Director of Rio Tinto Limited and Rio Tinto plc.</p> <p><i>Qualifications:</i> Bachelor of Engineering with Honours from the University of Western Australia, Master of Arts from Oxford University, 1975 Rhodes Scholar from Western Australia.</p>

## 10.2 Other key personnel

Name	Executive role
<p><b>Bradley King</b> <i>Director of ARMY</i></p>	<p><i>Experience:</i> Bradley has over 21 years' experience in the financial services industry, working in a variety of roles in funds and portfolio management, company analysis, stock broking, wealth services and administration.</p> <p>In 2003, Bradley joined ARMY to oversee client portfolio construction, client management and trade execution. Bradley is currently responsible for company research and analysis across multiple sectors, managing the business' high net worth discretionary managed accounts, derivatives strategy and overseeing securities trading.</p> <p>Bradley commenced his career in 2001 with stockbroking firm Tolhurst Noall in settlements and administration services. Upon merging with D&amp;D Tolhurst Ltd, Bradley gained valuable experience in research sales and equity market dealing operations.</p> <p><i>Qualifications:</i> Economic and Finance degree from RMIT and has studied Business Globalisation at Maryland University in Washington DC (USA) and European Finance and Trade at Cologne University (Germany).</p>
<p><b>Austin Ngo</b> <i>Director of ARMY</i></p>	<p><i>Experience:</i> Austin currently manages a wide range of IMAs as well as one of ARMY's pooled funds, the Armytage Micro Cap Activist Fund. Austin is also a member of the investment and research team and focuses on quantitative and qualitative analysis.</p> <p>Austin previously worked in Public Practice firms with specialisation in Tax Consulting and Financial Accounting.</p> <p><i>Qualifications:</i> Accounting and Corporate Finance degree from The University of Western Australia. Certified Practising Accountant (CPA).</p>
<p><b>Sam Adigrati</b> <i>Executive Chairman of CHPW</i></p>	<p><i>Experience:</i> Sam has over 26 years' experience in financial services, including financial markets roles within the Treasury Department of NAB and ANZ, and financial planning roles at Deutsche Bank, Godfrey Pembroke Financial Consultancy and Prime Financial Group before becoming a self-employed financial planning practitioner and business owner and a director of CHPW in 2012.</p>

	<p>Through his extensive knowledge and experience and together with the network of market participants, Sam delivers a resource for all authorised representatives to assist them to build and develop their financial planning businesses</p> <p><i>Qualifications:</i> Bachelor of Business in Accounting via RMIT, a Post Graduate Diploma in financial planning via FINSIA, a certified financial planner and a fellow of the SMSF Association of Australia.</p>
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### 10.3 Reports to Shareholders

As required by the ASX Listing Rules, half yearly reports will be available to all Shareholders. The reports will contain an update on operations, cash position and a summary of any significant corporate changes.

### 10.4 Independence

Each of Mark Stephen and Mike Fitzpatrick is an independent, non-executive Director of AWAG. Lee laFrate as an executive director, substantial shareholder and promoter of AWAG and founder of ARMY is not independent. Paul Young, as a non-executive director, substantial shareholder and promoter of AWAG is not independent.

### 10.5 Remuneration

AWAG's constitution provides that AWAG may remunerate each director as the Directors decide, but the total amount of the remuneration of non-executive directors may not exceed the amount fixed by the Company in general meeting for that purpose. The aggregate remuneration for non-executive Directors has not yet been fixed, however the Directors propose to set a remuneration cap at the first AGM of the Company next year.

Upon admission to the Official List, the non-executive Directors will be paid annual directors' fees as follows:

Name	Role	Directors' fees
Lee lafrate	Executive Chairman	Nil
Paul Young	Non-executive Director	Nil
Mark Stephen	Non-executive Director	Nil

Mike Fitzpatrick AO	Non-executive Director	Nil
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## 10.6 Directors' interests

Board members are directors of the following listed ASX companies:

Name	ASX companies
Lee lafrate	Nil
Paul Young	Byron Energy Limited (ASX:BYE)
Mark Stephen	Nil
Mike Fitzpatrick AO	Carnegie Clean Energy Limited (ASX:CCE)

All Board members hold directorships in various proprietary and unlisted companies, trusts, foundations and other entities.

The interests in AWAG held by Directors are set out in the table below:

Director	Shares held at date of Prospectus		Shares held after the Offer	
	Number	%	Number	%
Lee lafrate	18,328,778	34.10%	18,328,778	24.65%
Paul Young	3,333,333	6.20%	3,333,333	4.48%
Mark Stephen	1,000,000	1.86%	1,000,000	1.35%
Mike Fitzpatrick AO	1,000,000	1.86%	1,000,000	1.35%
<b>TOTAL</b>	<b>23,852,132</b>	<b>28.6%</b>	<b>23,852,132</b>	<b>31.83%</b>

Excludes any New Shares that Directors may subscribe for.

Some Directors have their interests in Shares directly or indirectly through holdings by companies or trusts.

## 10.7 Corporate governance

Having regard to the size and nature of AWAG and its operations, the Company has adopted most of the Corporate Governance Principles and Recommendations (4<sup>th</sup> edition) issued by the ASX Corporate Governance Council. Below is a table setting out the departures and anticipated departures by the Company from those principles and recommendations and an explanation as to why the Directors believe such departures to be reasonable.

ASX Corporate governance principle or recommendation	Nature of the departure	Explanation of the departure
<p><b>Recommendation 1.5</b></p> <p>A listed entity should:</p> <ul style="list-style-type: none"> <li>• have and disclose a diversity policy;</li> <li>• through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</li> <li>• disclose in relation to each reporting period:               <ul style="list-style-type: none"> <li>• the measurable objectives set for that period to achieve gender diversity;</li> <li>• the entity's progress towards achieving those objectives; and</li> <li>• either:                   <ul style="list-style-type: none"> <li>• the respective proportions of men and women on the board, in senior</li> </ul> </li> </ul> </li> </ul>	Full	The Board considers that a diversity policy is not appropriate at this stage given the size and nature of the business of the Company.



<p>executive positions and across the whole workforce (including how the entity has defined “senior executive” for these purposes); or</p> <ul style="list-style-type: none"> <li>• if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in and published under that Act.</li> </ul> <p>If the entity was in the S&amp;P/ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>		
<p><b>Recommendation 1.6</b></p> <p>A listed entity should:</p> <ul style="list-style-type: none"> <li>• have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</li> <li>• disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</li> </ul>	Full	The Board did not undertake a performance evaluation during the financial years ended 30 June 2022 and 30 June 2023 given the size and nature of the business of the Company.
<p><b>Recommendation 1.7</b></p>	Full	The Board considers that this recommendation is not appropriate at this stage given

<p>A listed entity should:</p> <ul style="list-style-type: none"> <li>• have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</li> <li>• disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</li> </ul>		<p>the size and nature of the business of the Company.</p>
<p><b>Recommendation 2.1</b></p> <p>The board of a listed entity should:</p> <ul style="list-style-type: none"> <li>• have a nomination committee which: <ul style="list-style-type: none"> <li>• has at least three members, a majority of whom are independent directors; and</li> <li>• is chaired by an independent director,</li> </ul> </li> </ul> <p>and disclose:</p> <ul style="list-style-type: none"> <li>• the charter of the committee;</li> <li>• the members of the committee; and</li> <li>• as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> <li>• if it does not have a nomination committee,</li> </ul>	<p>Partial</p>	<p>The Board has formed the view that a nominations committee is not appropriate at this stage. Board succession and Board balance is the responsibility of the Board.</p>

<p>disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>		
<p><b>Recommendation 2.2</b></p> <p>A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	<p>Full</p>	<p>The Board considers that this recommendation is not appropriate at this stage given the size and nature of the business of the Company.</p>
<p><b>Recommendation 2.4</b></p> <p>A majority of the board of a listed entity should be independent directors.</p>	<p>Full</p>	<p>The Board has formed the view that, given the size and nature of the business of the Company, the current Board structure is appropriate for the Company at its current stage.</p>
<p><b>Recommendation 2.5</b></p> <p>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	<p>Partial</p>	<p>The Board has formed the view that Lee laFrate, as the executive Chairman of the Company, is appropriate for the Company at its current stage.</p>
<p><b>Recommendation 2.6</b></p> <p>A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.</p>	<p>Partial</p>	<p>The Board has formed the view that the current Board structure is appropriate for the Company at its current stage and, given the size and nature of the business of the Company, this recommendation is not otherwise applicable at this stage.</p>

<p><b>Recommendation 3.1</b></p> <p>A listed entity should articulate and disclose its values.</p>	Full	The Board considers that this recommendation is not appropriate at this stage given the size and nature of the business of the Company.
<p><b>Recommendation 3.2</b></p> <p>A listed entity should:</p> <ul style="list-style-type: none"> <li>• have and disclose a code of conduct for its directors, senior executives and employees; and</li> <li>• ensure that the board or a committee of the board is informed of any material breaches of that code.</li> </ul>	Full	The Board considers that this recommendation is not appropriate at this stage given the size and nature of the business of the Company.
<p><b>Recommendation 3.3</b></p> <p>A listed entity should:</p> <ul style="list-style-type: none"> <li>• have and disclose a whistleblower policy; and</li> <li>• ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</li> </ul>	Full	The Board considers that this recommendation is not appropriate at this stage given the size and nature of the business of the Company.
<p><b>Recommendation 3.4</b></p> <p>A listed entity should:</p> <ul style="list-style-type: none"> <li>• have and disclose an anti-bribery and corruption policy; and</li> <li>• ensure that the board or a committee of the board is informed of any material breaches of that policy</li> </ul>	Full	The Board considers that this recommendation is not appropriate at this stage given the size and nature of the business of the Company.

<p><b>Recommendation 6.2</b></p> <p>A listed entity should have an investor relations program that facilitates effective two-way communication with investors.</p>	Full	The Board considers that this recommendation is not appropriate at this stage given the size and nature of the business of the Company.
<p><b>Recommendation 7.3</b></p> <p>A listed entity should disclose:</p> <ul style="list-style-type: none"> <li>• if it has an internal audit function, how the function is structured and what role it performs; or</li> <li>• if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</li> </ul>	Partial	The Board considers that this recommendation is not appropriate at this stage given the size and nature of the business of the Company.
<p><b>Recommendation 8.1</b></p> <p>The board of a listed entity should:</p> <ul style="list-style-type: none"> <li>• have a remuneration committee which: <ul style="list-style-type: none"> <li>• has at least three members, a majority of whom are independent directors; and</li> <li>• is chaired by an independent director,</li> </ul> </li> </ul> <p>and disclose:</p> <ul style="list-style-type: none"> <li>• the charter of the committee;</li> <li>• the members of the committee; and</li> </ul>	Partial	The Board has determined that a remuneration committee is not appropriate at this stage given the size and nature of the business of the Company. Until such time that a remuneration committee is established, the Board will ensure that it performs the functions recommended in the ASX Corporate Governance Principles to be performed by a remunerations committee (to the extent that these functions are relevant to the Company's business).

<ul style="list-style-type: none"> <li>• as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> <li>• if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</li> </ul>		
<p><b>Recommendation 8.3</b></p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <ul style="list-style-type: none"> <li>• have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</li> <li>• disclose that policy or a summary of it.</li> </ul>	Full	This recommendation is not applicable to the Company.

Details of the Company's policies regarding corporate governance, trading and associated matters are available on the Company's website and will also be disclosed in its annual report. These policies will be updated and/or amended, as appropriate, to suit the business of AWAG.

**10.8 Continuous disclosure**

AWAG is currently an unlisted public company and has certain reporting and disclosure requirements under the Corporations Act. If the Company is admitted to the Official List, it will also need to comply with continuous disclosure requirements under the ASX Listing Rules in addition to its obligations under the Corporations Act. The Company intends to make continuous disclosure announcements available on its website and for investors who request to be alerted to those announcements by email.

## 11. Material Agreements

### 11.1 Introduction

The Directors consider that certain agreements are significant or material to AWAG or are of such a nature that an investor may wish to have particulars of them when making an assessment of whether to apply for New Shares pursuant to this Offer.

The main provisions of the Material Agreements are summarised below.

### 11.2 Vostro Outsourcing Agreement

CHPW entered into an outsourcing agreement with Vostro Philippines, on 11 September 2023 under which Vostro Philippines provides services to CHPW (“Vostro Philippines Agreement”).

The key terms of the Vostro Philippines Agreement are as follows:

- **Services** – Vostro Philippines is required to provide (among other things) data processing and wealth management services in connection with the preparation of financial statements for selected self-managed superannuation fund clients of CHPW, including preparing statements of advice and records of advice, processing transactions on XPLAN, client folder maintenance and any other services requested by CHPW from time to time;
- **Communications** – All correspondence from Vostro Philippines must be directed to CHPW. No direct communication of any kind is to take place between Vostro Philippines and CHPW’s clients; and
- **Non-compete** – Vostro Philippines agrees to not offer services of any kind in competition with the services offered by CHPW to its clients in the ordinary course of business.

Vostro Philippines was founded and is part owned and operated by Sam Adigrati, the founder and a current director of CHPW.

The Vostro Philippines Agreement does not include any express terms as to term and , termination. Accordingly, there is a risk that the Vostro Philippines Agreement could terminate on short notice.



### 11.3 Vostro Private Wealth

CHPW has engaged Vostro Private Wealth Pty. Ltd. (“Vostro Private Wealth”), a financial planning practice owned and operated by Sam Adigrati, the founder and a current director of CHPW, to provide staff on an hourly basis to consult on CHPW, including in respect of financial planning services and administration services and support services. For this work, Vostro Private Wealth bills CHPW on an hourly basis.

CHPW also shares document templates (including statements of advice) with Vostro Private Wealth.

The engagement of Vostro Private Wealth by CHPW in respect of these services has not yet been reduced to writing.

### 11.4 Corporate Advisor mandate

AWAG entered into a mandate with the Corporate Advisor on 19 June 2023, which provides for the Corporate Advisor to provide corporate advisory and investor relations services to AWAG in relation to the capitalisation requirements of AWAG and the Offer (“Corporate Advisor Mandate”).

The key terms of the Corporate Advisor Mandate are as follows:

- **Services** – The Corporate Advisor will provide corporate advisory services, including without limitation assisting the Company in the management of the Offer, providing advice in respect of the appropriate timing, pricing and structuring of the Offer, in conjunction with the Company’s professional advisors, assisting with dealings with ASIC and ASX in relation to the Offer, assisting the Company with its due diligence process in respect of the Offer, providing input into the allocation policy in connection with the Offer and coordinating the allocation process, assisting in preparation of marketing materials for the Offer, assisting in the Offer application process and other administrative aspects, providing strategic market advice and identifying suitable potential investors to participate in the Offer and assisting the Company with coordinating settlement processes between the Company, its share registry and subscribers to the Offer;
- **Fees** – The Corporate Advisor is entitled to a management fee of \$100,000 (excluding GST) (50% payable upon lodgement of the Prospectus and 50% upon successful completion of the Offer) and 400,000 Shares issued under the Offer (“Management Fee”). The Corporate Advisor is also entitled to a fee of 1.5% of the gross proceeds of the Offer, regardless of which investors those funds are received from, and a selling fee of 3.5% of the gross proceeds of the Offer from investors introduced/arranged outside the Company. The Corporate Advisor will determine the amount of, and be responsible for, paying (at its own cost), any fees to other participating brokers;

- **Exclusivity** – The Corporate Advisor will act as the exclusive corporate advisor to the Offer;
- **Term** – The Corporate Advisor Mandate remains in effect for 12 months from 19 June 2023;
- **First right of refusal** – The Company grants the Corporate Advisor a first right of refusal for it to provide corporate advisory services and/or to act as corporate advisor of any subsequent transaction for a period of 12 months following the Term of the Corporate Mandate;
- **Indemnity** – The Company indemnifies the Corporate Advisor, its directors, officers, employees and agents (“Indemnified Party”) and must keep the Indemnified Party indemnified against all claims and liabilities arising out of or in connection with (among other things) the Corporate Mandate, the Prospectus, the Offer and any material non-compliance by the Company or any of its officers or employees with any applicable law; and
- **Termination** – Either the Company or the Corporate Advisor may terminate the Corporate Advisor Mandate by written notice at any time with or without cause by giving 7 days’ written notice to the other party.

## 11.5 ARMY Acquisition Agreement

AWAG entered into the ARMY Acquisition Agreement with ARMY’s shareholders. Under the ARMY Acquisition Agreement AWAG acquired all of the shares in the capital of ARMY.

The key terms of the ARMY Acquisition Agreement are as follows:

- **Sale and Purchase** – the vendors being each of:
  - Top Pocket Pty Ltd (ACN 082 848 020) (“Top Pocket”);
  - Appellation Investments Pty Ltd (ACN 161 132 065) (“Appellation Investments”);
  - Peter Geoffrey Hollick and Helen Terise Patterson as trustees for the MACDY No 5 Superannuation Fund (“MACDY”); and
  - Thai Duong (Austin) Ngo (“Ngo”),

(together, “ARMY Vendors”), agreed to sell to AWAG and AWAG agreed to buy from ARMY, all of the shares in the capital of ARMY (“ARMY Shares”);
- **Purchase Price** – the consideration paid for the purchase of the ARMY Shares to each vendor was as follows:

ARMY Vendor	ARMY Shares (ORD)	Cash Consideration (\$)	Share Consideration in AWAG	Deferred Cash Consideration (\$)
Top Pocket	258,464	250,000	13,518,798	250,000
Appellation Investments	122,404	500,000	3,349,430	500,000
MACDY	27,169	125,000	631,292	125,000
Ngo	8	N/A	480	N/A
<b>Total</b>	<b>408,045</b>	<b>\$875,000</b>	<b>17,500,000</b>	<b>\$875,000</b>

- Forfeiture of deferred consideration** – If, at any time prior to 31 August 2024, Lee laFrate and/or Bradley King cease to be employed by ARMY or AWAG for any reason or has given notice of their resignation other than due to redundancy, termination without cause by AWAG or ARMY, death or incapacity, then the entitlement of both Top Pocket and Appellation Investments to the deferred cash consideration set out above will be forfeited, and neither of them shall have any entitlement to any portion of the deferred cash consideration;
- Set off:** If AWAG gives notice to the vendors of ARMY of a potential claim under the ARMY Acquisition Agreement at any time before 31 August 2024, AWAG may withhold the deferred cash consideration set out above and if the claim is determined or resolved in favour of AWAG, AWAG may set off the amount so determined or resolved against the deferred cash consideration set out above;
- Warranties** – The vendors of ARMY provide a number of representations and warranties to AWAG in respect of, among other things, the conduct of ARMY, its business affairs, commitments, employees, computer systems and software, insolvency, litigation and compliance with legally binding instruments;
- Liability** – The maximum aggregate liability of the ARMY Vendors for all claims made for breach of warranty under the ARMY Acquisition Agreement other than breaches of any tax warranties or tax indemnities has been agreed to not exceed \$6,125,000.
- Indemnity** – The ARMY Vendors jointly and severally indemnify AWAG and ARMY in relation to any and all claims or liabilities incurred by ARMY whatsoever to the extent that such claims or liabilities relate to the conduct of ARMY's affairs at any time prior to completion on 31 August 2023; and
- Restraint of trade** – The ARMY Vendors, Lee laFrate and Brad King must not, for a period of 36 months following completion on 31 August 2023, without the prior written consent of ARMY, directly or indirectly solicit or attempt to solicit, customers or prospective clients of ARMY, participate in the management, operation or marketing of products or services of, a business similar in nature to the business of ARMY or any competitor of ARMY, encourage any person to leave their engagement with ARMY, divulge to any person any trade secrets or any information concerning ARMY's finances, property, dealings, transactions or affairs.

Summaries of material agreements set out in this Prospectus do not purport to be complete and are qualified by the text of the contracts themselves.

## 12. Risk Factors

### 12.1 Introduction

Applicants should consider the risk factors described in this section, together with the information contained elsewhere in this Prospectus, before deciding whether to apply for New Shares.

Applicants should consider whether the New Shares offered by this Prospectus are a suitable investment having regard to their own individual investment objectives, financial circumstances, financial resources available to them, and the risk factors set out below. This Prospectus carries no guarantee with respect to the payment of dividends, return of capital or price at which the Shares will trade. Prospective investors should be aware that the market price of the Shares following admission to the Official List may be influenced by many unpredictable factors and that subscribing for Shares involves various risks.

This list is divided between risks relating to AWAG specifically and general risks, and is not an exhaustive statement of all potential risk factors applicable to the Company. If in any doubt, Applicants should consult their professional advisors before deciding whether to apply for New Shares pursuant to this Prospectus.

### 12.2 Risks relating to AWAG

There are a number of specific risks associated with AWAG and its subsidiaries which may adversely affect the Company's financial position, prospects and price of its Shares. The specific risk factors include:

12.2.1 **Operating performance:** AWAG's financial and operating performance may be negatively impacted by many specific factors in the holding company as well as its subsidiaries. This includes but is not limited to, increased costs, attrition of its advisor base for CHPW, loss of clients for ARMY, as well as the termination of material contracts. ARMY, in particular, generates revenues based on its FUM as well as some performance related fees. The ability of ARMY to maintain its FUM and earn performance fees is contingent on numerous factors, some of which cannot be controlled by the Company. The Board and management of AWAG are adequately skilled to make well reasoned decisions in respect of its operating performance, including to mitigate risks that arise in respect of the business of AWAG and its subsidiaries.

12.2.2 **Ability to execute and fund its growth strategy:** AWAG intends to grow organically and by way of future acquisitions. Such plans will be accompanied by the risks commonly encountered in growth and acquisitions and may be negatively impacted due to many factors such as an inability to generate organic growth, the recruitment of personnel, market volatility, the cost of capital, failing to identify

acquisition targets and opportunities, a failure in integrating acquired businesses, and acquired businesses not meeting expectations. Pursuing a growth strategy may depend on the Company's ability to raise debt and/or equity capital. Debt funding may not be available on acceptable terms, and equity funding may be dilutive to AWAG shareholders. An inability to execute its growth strategy and the inability to raise capital may have a material negative impact of AWAG's operating and financial performance. The Board and management of AWAG are adequately skilled to make well reasoned decisions regarding the acquisition of businesses. Prior to making any such acquisition, AWAG will undertake extensive due diligence in respect of the acquisition, with the support of external professional advice where necessary, and will appropriately document any acquisition to further assist in risk management and effective integration.

- 12.2.3 **Transaction integration:** As set out in this Prospectus, AWAG has recently acquired its subsidiaries CHPW and ARMY. The financial performance of AWAG is dependent on the financial performance of CHPW and ARMY. The operating and financial performance of ARMY and CHPW rely predominantly on continued regulatory compliance and retention of clients, staff and advisors. The Board and management of AWAG are adequately skilled to make well reasoned decisions regarding the integration of the businesses of each of ARMY and CHPW with AWAG.
- 12.2.4 **Key personnel:** To operate optimally, the Company, including its operating subsidiaries, will rely on recruiting and retaining appropriately qualified executives who play important roles in operations, strategy and financing. There is no guarantee that AWAG will be able to attract and retain suitable qualified personnel, and the loss of or inability to attract and retain suitable key personnel may have a material negative impact of the Company's performance. AWAG continually endeavours to recruit and retain employees with the desired competence and skills to ensure that AWAG is recognised by its employees as a great place to work. AWAG focusses on developing a positive culture and management systems which will help to mitigate the risks relating to recruitment and retention of staff.
- 12.2.5 **Litigation and disputes:** From time-to-time litigation and disputes may arise which may result in financial and/or other claims being brought against AWAG, reputational damage and loss of future work which may impact the operational and financial performance and asset values of the Company. AWAG works through disputes carefully and tried to find common ground or agreement as quickly as possible. As at the date of this Prospectus, AWAG is not aware that it is party to any legal dispute.
- 12.2.6 **Regulatory and compliance:** The Company conducts its business in a highly regulated industry and must comply with the requirements of its Australian Financial Services Licences, the Corporations Act, and ASIC and other regulators. As holders of Australian Financial Services Licences, CHPW and ARMY are required to maintain continuous compliance with strict regulatory and licensing obligations. Failure to do so may result in material negative consequences for the Company's operating and financial performance and reputation. As at the date of this Prospectus, AWAG is not aware that it is party to any regulatory enquiries. Each of

CHPW and ARMY will use its best endeavours to comply, in all material respects, with all applicable laws and regulations. However, AWAG and the subsidiaries are unable to predict the effect of additional laws and regulations which may be implemented in the future, including whether any such laws or regulations would materially increase AWAG's cost of doing business or affect its operations in any area.

- 12.2.7 **Information systems:** A major disruption to the Company's information systems may adversely impact its operations and financial position. AWAG has implemented appropriate safeguards in order to protect its information systems and mitigate the risk of a breach.
- 12.2.8 **Financial management, reporting and controls:** The Company is obligated, as a public company and will be obligated as a listed entity, and each of CHPW and ARMY is obligated as an AFSL holder, to lodge regular, timely and accurate reports regarding its finances and operations. Reporting risks which could arise include mis-statements, fraud, system malfunctions and human error, any of which could result in material negative financial outcomes. AWAG obtains external professional advice in respect of its disclosures regarding its financial and operating performance in order to ensure that its disclosures are true and accurate.
- 12.2.9 **Competitive environment:** Both the financial advice and funds management industries are highly fragmented and competitive. A significant number of existing businesses and new entrants will compete directly with CHPW and ARMY. The performance of current or future competitors may result in loss of FUM, fee reductions, reduced margins or lower market share, and may have a material adverse effect on AWAG's financial performance and growth and acquisition prospects. The Board and Management of AWAG are adequately skilled to make well reasoned decisions in respect of its operating performance, including to mitigate risks that arise in respect of the business of AWAG and its subsidiaries.
- 12.2.10 **CHPW outsourcing arrangements:** CHPW engages Vostro Philippines as a service provider. Vostro Philippines is registered under the laws of, is based in, and operates from, the Philippines. CHPW has not subjected itself to an audit or legal review so there is a risk regarding compliance to Australian laws concerning the services provided by Vostro Philippines to CHPW. There is also a risk that employees and/or contractors engaged by Vostro Philippines to provide the services hold the appropriate training and qualifications and/or are engaged on appropriate terms. Key aspects of the engagement between CHPW and Vostro Philippines have not been formally documented, such as service and service levels, fees, intellectual property, dispute resolution, privacy and confidentiality, restraints of trade or term and termination rights or any protections for CHPW including warranties and an indemnity in favour of CHPW. There is a risk that the Vostro Philippines Agreement is terminated on short notice.
- 12.2.11 **CHPW and ARMY AFSL key person:** Each of CHPW's and ARMY's AFSLs contains a key person condition, the key persons being Sam Adigrati and Lee laFrate respectively. ASIC imposes a key person licence condition on an AFSL where it believes that a licensee is heavily dependent on the capacity, knowledge and skills of certain responsible managers. If either Sam Adigrati or Lee laFrate cease to be a

responsible manager of CHPW or ARMY respectively, the relevant entity would need to vary its AFSL to remove the key person requirement or substitute another key person. ASIC may determine that the entity no longer has the organisational competence to provide the financial services it is authorised to provide. If ASIC made this determination, it would have the power to remove certain authorisations on the AFSL for which the entity cannot demonstrate organisational competence or cancel the licence..

- 12.2.12 **CHPW business risks:** CHPW utilises an outsourcing arrangement with Vostro Philippines and a services arrangement with Vostro Private Wealth, both of which are either partly or wholly owned and operated by Sam Adigrati. In the event that Sam Adigrati leaves CHPW, the Vostro Philippines outsourcing services are terminated or the document templates shared with Vostro Private Wealth are otherwise denied to CHPW, CHPW would need to seek alternative arrangements to provide those services. This risk is increased given the risks outlined above in respect of the key person condition on CHPW's AFSL.

As noted in section 11.3 "Vostro Private Wealth", Vostro Private Wealth provides staff on an hourly basis to consult on CHPW, including in respect of administration services and other support services. These staff have a relationship with CHPW and its clients. Due to these arrangements, in addition to the risk noted above regarding CHPW needing to seek alternative arrangements to provide services, there is a risk of a loss of key clients of CHPW. In the event that Sam Adigrati leaves CHPW or the Vostro Private Wealth outsourcing services are terminated (and possibly on short notice), CHPW would need to seek alternative arrangements to provide those services.

- 12.2.13 **Documentation risk:** As an AFSL holder, each of CHPW and ARMY is required to document the arrangements that it has in place. CHPW and ARMY have not yet properly reduced to writing some of the arrangements that they have in place, including in respect of its authorised representatives, the engagement of Vostro Philippines by CHPW, the engagement of Vostro Private Wealth by CHPW, and as such there are risks associated with the uncertainties of those arrangements.

### 12.3 General risks

Risk factors which may affect the Company and its business in general include:

- 12.3.1 **General investment risks:** there are general risks associated with any investment and with the securities market. The price of securities may rise or fall depending on a range of factors beyond the Company's control and which are unrelated to the Company's financial performance. Movements on international stock markets, interest rates and exchange rates, together with domestic and international economic conditions, inflation rates, commodity supply and demand, government

taxation, interest rates and royalties, legislation and other policy changes may affect the stock market generally and the market for the Shares.

- 12.3.2 **Equity risk:** There is a risk that shares will fall in value over short or extended periods of time. Share markets tend to move in cycles and individual share prices may fluctuate and underperform other asset classes over extended periods of time. Shareholders in AWAG are exposed to this risk through their holding in Shares of AWAG.
- 12.3.3 **General economic climate:** The Company's future revenues and operating costs can be affected by such factors as supply and demand for goods and services, industrial disruption, interest rates, currency fluctuation, inflation and global economic conditions. Accordingly, the future profitability of AWAG and prices for the Shares may be affected by these factors. These factors are beyond the control of the Company.
- 12.3.4 **Market volatility:** The market price of shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and financial services companies in particular. A fall in global or Australian equity markets, global or Australian bond markets or a rapid change in the value of the Australian dollar against other major currencies may discourage investors from moving money into or out of equity markets. Noting the current economic climate these risks are particularly acute and may have a negative effect on share prices.

New Shares issued under this Prospectus carry no guarantee in respect of profitability, dividends, return on capital or the price at which they may trade on ASX. The market price of Shares may be subject to general movements in local and international stock exchanges, economic conditions, currency fluctuations and interest rates. The Shares may trade at a price above or below the price at which they were acquired depending on a range of factors including the performance of the securities market generally, interest rates, exchange rates, inflation, consumer spending, employment, national and international economic performance, market perceptions of AWAG, the degree of success of AWAG's business, and the financial performance of AWAG.

- 12.3.5 **Political and regulatory risk:** Changes in government, monetary policies, taxation and other laws and actions can have a significant influence on the outlook for companies and returns to investors. The value of AWAG's assets may be affected by regulatory and legislative regimes and/or changes to those regulatory and legislative regimes that apply to the industry in which the Company operates. Relevant industry regulation may have specific requirements that the Company is unable to meet. Governments may also intervene in markets, industries and companies and may act to prevent or limit the repatriation of foreign capital which may impact the Company's operations.
- 12.3.6 **General economic and political risks:** Changes in the general economic and political climate in Australia and on a global basis may impact on economic growth, interest rates, the rate of inflation, taxation and tariff laws, domestic security which may affect the value and viability of any financial services activities that may be conducted by the Company.



- 12.3.7 **Accounting policies:** Accounting standards and policies may change in the future especially in relation to the application of the International Financial Reporting Standards. Application of and changes to accounting standards and policies may have an adverse impact on the Company's future reported financial results.
- 12.3.8 **Government policy and legislation:** changes in government, monetary policies, taxation and other laws and actions can have a significant influence on the outlook for companies and returns to investors. These changes may also impact the Company's clients and their business plans and objectives, therefore causing potential cancellation, postponement or downsizing of projects.
- 12.3.9 **War, terrorist attacks and health pandemics:** The outbreak or material escalation of war or occurrence of terrorist attacks or arrival of a health pandemic anywhere in the world could result in a decline in economic conditions and/or the commercial environment worldwide or in a particular region. There could also be a resultant effect on the Company's operations, future revenues and operating costs, financial performance, share price and the ability of the Company to raise any needed additional equity or debt funding.
- 12.3.10 **Cyber security:** the Company's IT systems, or the IT systems of the Company's subsidiaries, suppliers, customers or contractors may be subjected to malicious attack, damage, or unauthorised access. Such IT systems may include the storage of information concerning an investor's identity, financial interests or other personal details provided to the Company in connection with the Offer or otherwise. Such an event could result in data loss, data theft, loss of assets or other types of frauds and losses.
- 12.3.11 **Catastrophic loss:** a serious fire or other catastrophic event in the major offices and operating facilities of the Company or its subsidiaries would cause serious but temporary disruption to its operations, especially in the project sphere directly affected by the catastrophic loss.
- 12.3.12 **Natural hazards:** natural disaster risks may occur within or outside of Australia that could impact the Company and the value of its shares. These events within Australia predominantly include cyclones, floods and earthquakes, which could adversely affect the Company and its ability to conduct business.

## 13 Additional Information

### 13.2 Constitution and rights and liabilities attaching to Shares

AWAG has adopted a constitution of a kind usually adopted by an ASX listed public company. The following is a summary of the key provisions in the constitution, as supplemented by provisions in the Corporations Act, in relation to rights attaching to Shares. The summary is not exhaustive and it does not constitute a definitive statement of the rights attaching to the Shares. The rights attaching to Shares are derived through a combination of statute, the constitution, common law and other applicable legislation.

Full details of the rights attaching to Shares are set out in the constitution of the Company, a copy of which can be obtained through ASIC. The New Shares to be issued pursuant to this Prospectus will rank equally with all of the Existing Shares.

**Voting rights:** At a general meeting, each Shareholder present in person or by proxy, company representative or attorney is entitled to one vote. Any resolution that is required by ASX or the ASX Listing Rules to be decided on a poll, is properly requested in accordance with the Corporations Act or the Chairperson in their sole discretion determines should be decided on a poll, must be decided on a poll. On a poll, every Shareholder present in person or by proxy, company representative or attorney is entitled to one vote for each Share that the Shareholder holds, except in respect of each partly paid Share held by the Shareholder, where the Shareholder has a fraction of a vote for each partly paid Share he, she or it holds. This is subject to any rights or restrictions attached to any Shares. AWAG may disregard any vote on a resolution by a shareholder who is not entitled to vote on that resolution, whether under the Corporations Act, Listing Rules, or otherwise. This may be the case, for example, where the Listing Rules require AWAG to disregard the Shareholder's vote, or there is a breach of the Listing Rules or of a restriction agreement. The Shareholder is not entitled to any votes in respect of the Shares while that breach continues.

**General meetings:** Each Shareholder is entitled to receive notice of and to be present, to vote and speak at a general meeting of the Company. Further, each Shareholder is entitled to receive all notice, accounts and other documents required to be furnished to Shareholders under the constitution of AWAG or the Corporations Act.

**Dividend rights:** Subject to any special rights or restrictions attached to a Share, the Directors may pay dividends as they decide and fix the amount, timing, and method of, payment. If dividends are payable, each Shareholder is entitled to the full dividend on the Shares and the holder of a partly paid Share is entitled to a proportion of the dividend that corresponds to the proportion paid up on the Share. The Directors may pay a dividend on one class of Shares to the exclusion of another class. The Directors may retain a dividend payable to or for a Shareholder on which the Company has a lien, to satisfy the liabilities in respect of which the lien exists. If Shares are classified as restricted securities in relation to which there is a breach of the Listing Rules or of a restriction agreement, the Shareholder will not be entitled to receive any dividends in respect of the restricted securities while that breach continues.

**Capitalising profits and conversion of Shares:** Subject to the Listing Rules, the Directors may capitalise any profits and distribute that capital to the Shareholders, in the same proportions as the Shareholders are entitled in a distribution by Dividend. AWAG in a general meeting may convert its Shares into a larger or smaller number of Shares by resolution.

**Rights on winding up:** Subject to any special rights or restrictions attached to Shares, on a winding up the surplus assets of the Company remaining after payment of its debts are divisible among the Shareholders in proportion to the number of fully paid Shares held by them (and for this purpose a partly paid Share is treated as a fraction of a Share equal to the proportion which the amount paid bears to the total issue price of the Share). Subject to any special rights or restrictions attached to Shares, on a winding up the liquidator may, with the sanction of a special resolution of Shareholders, distribute among Shareholders the whole or any part of the property of AWAG or decide how to distribute the property as between the Shareholder or different classes of Shareholders.

**Issue of Shares:** Subject to the Corporations Act and the Listing Rules, AWAG may issue Shares and grant options over or otherwise dispose of unissued Shares to any person, on any terms, with any rights and at the times that the Directors decide.

**Transfer of Shares:** Subject to the constitution of AWAG, the Corporations Act and the Listing Rules, Shares in AWAG are freely transferable. Subject to the CHES Rules, the transferor is deemed to remain the holder of the Shares until the name of the transferee is entered into LAN's register of members.

**Future increases, alterations and reductions of capital:** The issue of Shares is under the control of the Directors. Subject to restrictions on the issue of Shares to Directors or their associates, the Listing Rules, the constitution of AWAG and the Corporations Act, the Directors may issue or otherwise dispose of Shares on such terms and conditions as they decide. AWAG may reduce its Share capital and buy-back Shares in itself.

**Variation of rights:** AWAG may only modify or vary the rights attaching to any class of Shares by special resolution of AWAG, and with the consent in writing of the holders of at least 75% of the issued Shares of the class or the sanction of a special resolution passed at a meeting of the holders of the issued Shares of that class.

**Directors:** The minimum number of Directors is three and the maximum is ten unless AWAG in a general meeting determines otherwise. At the end of each annual general meeting, any Director appointed by the Directors since the last annual general meeting, and any Director for whom this would be the third annual general meeting since their last appointment, automatically retire, but are entitled to seek re-election.

**Indemnity:** To the extent permitted by the Corporations Act, AWAG must indemnify each person who is or has been an officer against any liability incurred as an officer, and may pay a premium for a contract insuring an officer against that liability.

### 13.3 Dividend policy

As the Company is profitable, AWAG may pay dividends in the 2-year period following its admission to ASX, subject to capital requirements for acquisitions and working capital.

The dividend policy is subject to change and is at the discretion of the Board. No assurances can be given by the Directors about the payment of any dividend.

AWAG will review its dividend policy on an annual basis and provide updates to the market in accordance with its disclosure obligations if it changes its dividend policy.

#### **13.4 Balance date**

The balance date of the Company is 30 June.

#### **13.5 Deeds of access, indemnity & insurance**

The Company has entered into deeds with each of the Directors under which the Directors are granted rights of access to company records, the Directors are indemnified by the Company to the extent permitted by law against all liabilities incurred as an officer of AWAG and the Company agrees to take out insurance in favour of the Directors to provide for their indemnification.

#### **13.6 Related party transactions**

The Company is not aware of any related party transactions requiring disclosure in the Prospectus other than that:

- 13.6.1 In August 2023, AWAG acquired all of the share capital of ARMY, a company whose shareholders included interests associated with Mr Lee laFrate, AWAG's current executive Chairman and a substantial shareholder of AWAG and Mr Peter Hollick, a substantial shareholder of AWAG;
- 13.6.2 AWAG has entered into deeds with each of the Directors under which the Directors are granted rights of access, indemnification and insurance as set out in section 13.5 "Deeds of access, indemnity & insurance". As AWAG was a public company when it entered into these deeds, the financial benefit and material personal interest voting exclusion restrictions applied to AWAG's entry into those deeds. However, on the basis that the deeds are on terms that would be reasonable in the circumstances if AWAG and the officer were dealing at arm's length, member approval was not required for the entry into these deeds;
- 13.6.3 AWAG has engaged Vostro Philippines to provide (among other things) data processing and wealth management services in connection with the preparation of financial statements for selected self-managed superannuation fund clients of CHPW, further details of which are set out in section 11.2 "Vostro Outsourcing Agreement". Vostro Philippines is partly owned and operated by Sam Adigrati, a director of CHPW and shareholder of AWAG;

- 13.6.4 AWAG has engaged Vostro Private Wealth to provide administration services and other support services to CHPW, further details of which are set out in section 11.3 “Vostro Private Wealth”. Vostro Private Wealth is wholly owned and operated by Sam Adigrati, a director of CHPW and shareholder of AWAG; and
- 13.6.5 A subsidiary of AWAG, CHPW, operates from premises which are owned by, and pays rent to, Adigrati Investment Pty Ltd as trustee for The SMA Family Trust, an entity that is owned and operated by Sam Adigrati, a director of CHPW and shareholder of AWAG. The agreement was entered into before AWAG had acquired CHPW and the directors of AWAG consider that the financial benefit given and other terms agreed under that agreement are reasonable in the circumstances if AWAG and Adigrati Investment Pty Ltd as trustee for The SMA Family Trust were dealing at arms’ length.

Except as set out in this Prospectus, including this section and section 10.5 “Remuneration”, no amount has been paid or agreed to be paid, and no benefit has been given or agreed to be given, to a Director to induce him to become a Director or for services provided in connection with the formation or promotion of the Company or the Offer.

Except as set out above or elsewhere in the Prospectus, no Director has, or in the last two years has had, an interest in the formation or promotion of the Company, in property to be acquired by the Company in connection with its formation or promotion, or in the Offer.

Where a related party arrangement is being considered by the Company, the Company’s policy is to seek appropriate legal and financial advice as part of the decision-making process. The Directors and senior management are responsible for monitoring this policy.

### 13.7 Expenses of the Offer

The expenses of the Offer, if completed, are estimated as follows:

Expense	Costs
Legal, Advisory, Share Registry and Accounting Fees	\$639,511
Printing, Graphic Design and Marketing/Mailing	\$10,000
ASX Listing Fees (Initial and pro rata annual)	\$104,533
ASIC Fees	\$3,206
<b>TOTAL</b>	<b>\$757,250</b>

The above estimates exclude GST.

### **13.8 Litigation**

The Company is not involved in any legal or arbitration proceedings nor, so far as the Directors are aware, are any such proceedings pending or threatened against the Company.

### **13.9 Consents**

Palomar Group has given its written consent to be named in the Prospectus as corporate advisor in regard to the Offer, in the form and context in which it is named, for the inclusion of statements, or statements based on statements, made by it in this Prospectus in the form and context in which they appear.

Domain Road Investments Pty Ltd has given its written consent to be named in the Prospectus as Investor Relations advisor in regard to the Offer, in the form and context in which it is named, for the inclusion of statements, or statements based on statements, made by it in this Prospectus in the form and context in which they appear.

Piper Alderman has given its written consent to be named in the Prospectus as legal advisor in regard to the Offer, in the form and context in which it is named, for the inclusion of statements, or statements based on statements, made by it in this Prospectus in the form and context in which they appear.

HLB Mann Judd has given its written consent to being named in this Prospectus as the Investigating Accountant in the form and context in which it is named, for the inclusion of its Investigating Accountant's Report in the form and context in which it is included, and for the inclusion of statements, or statements based on statements, made by it in this Prospectus in the form and context in which they appear.

Charterhouse & Co Auditors Pty Ltd has given its written consent to being named in this Prospectus as the auditor of the Company in the form and context in which it is named and for the inclusion of statements, or statements based on statements, made by it in this Prospectus in the form and context in which they appear.

Julius Sommers Pty Ltd has given its written consent to being named in this Prospectus as the auditor of CHPW in the form and context in which it is named and for the inclusion of statements, or statements based on statements, made by it in this Prospectus in the form and context in which they appear.

Pitcher Partners has given its written consent to being named in this Prospectus as the auditor of ARMY in the form and context in which it is named and for the inclusion of statements, or statements based on statements, made by it in this Prospectus in the form and context in which they appear.

Registry Direct Pty Limited has given its written consent to being named in the Prospectus as share registry for the Company in the form and context in which it is named, and for the inclusion of statements, or statements based on statements, made by it in this Prospectus

in the form and context in which they appear. Registry Direct Pty Limited has had no involvement in the preparation of any part of the Prospectus other than being named as the share registry to the Company. Registry Direct Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

Each of the parties named above as consenting parties:

- has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named;
- has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to the inclusion of its respective statements and reports (where applicable) noted next to its name above, and the references to those statements and reports in the form and context in which they are included in this Prospectus;
- does not make, or purport to make, any statement in this Prospectus other than those statements referred to above in respect of that person's name (and as consented to by that person);
- has not caused or authorised the issue of this Prospectus; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in, or omissions from, this Prospectus.

Any third parties named in this Prospectus, and not specifically referred to above as having given their consent, have not consented to the inclusion of their names in this Prospectus, or to any statement attributed to them, or statement upon which a statement has been based.

### **13.10 Disclosure of interests and fees of directors and other persons**

Other than as identified below and as set out in the Prospectus, no Director or proposed Director, person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, nor any firm in which such person is a partner or employed, or promoter of the Company, holds or has held at any time during the last two years, any interest in the Offer, in the formation or promotion of the Company, or in any property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offer:

- 13.10.1 Lee laFrate is the chairman of ARMY which was acquired by AWAG in August 2023, and prior to that acquisition held a controlling interest in the largest shareholder of ARMY. As such, Lee was a vendor in AWAG's acquisition of ARMY and received 13,518,798 shares in AWAG and is owed by AWAG an amount of \$250,000, further details of which are set out in section 7.5 "CHPW and ARMY payments" and section 11.5 "ARMY Acquisition Agreement". Lee is the chairman of AWAG and controls interests which, as a block, constitute the current largest shareholding in AWAG;

- 13.10.2 Sam Adigrati is the chairman of CHPW which was acquired by AWAG in May 2022, and prior to that acquisition held a controlling interest in the largest shareholder of CHPW. As such, Sam was a vendor in AWAG's acquisition of CHPW and received 3,800,000 shares in AWAG and \$100,000, all of which is owed by AWAG, further details of which are set out in section 7.5 "CHPW and ARMY payments";
- 13.10.3 AWAG has engaged the Corporate Advisor to provide corporate advisory and investor relations services pursuant to the Corporate Advisor Mandate, further details of which are set out in section 11.4 "Corporate Advisor mandate"; and
- 13.10.4 AWAG engaged Suilven Pty Ltd (ACN 098 146 402) ("Suilven") to provide assistance with preparing this Prospectus and the disclosures contained therein.

Set out below are the amounts that anyone has paid or agreed to pay, and the nature and value of any benefit anyone has given or agreed to give, to any person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, or any promoter of the Company. There are no amounts or benefits that anyone has paid, given, or agreed to pay or give to a Director or a proposed Director to induce them to become, or to qualify as, a Director.

The Corporate Advisor has acted as the corporate advisor for the Offer and has performed work in connection with Offer. In exchange for those services, the Company has agreed to pay Palomar Group \$100,000 and issue 400,000 Shares to Palomar Group.

Suilven has provided assistance to the Company in preparing this Prospectus and the disclosures contained therein. In exchange for those services, the Company has agreed to pay Suilven \$10,000 and issue 100,000 Shares to Suilven.

Domain Road Investments Pty Ltd has advised on investor relations and has performed work in connection with the Offer. In exchange for those services, the Company has agreed to issue 125,000 Shares to Domain Road Investments Pty Ltd.

Piper Alderman has acted as legal advisor in regard to the Offer and has performed work in relation to preparing the due diligence program and assisting AWAG with due diligence inquiries on legal matters, drafting this Prospectus and preparing the Listing Application. The Company estimates that it will pay \$225,000 up to the date of lodgement of this Prospectus to Piper Alderman for work in connection with the Offer and work leading up to the Offer.

HLB Mann Judd has acted as the Investigating Accountant, pursuant to which it has performed financial due diligence services and provided the Investigating Accountant's Report in section 9 in relation to Financial Information. The Company has paid, or has agreed to pay, approximately \$95,000 (excluding GST) to HLB Mann Judd in respect of these services.

The payments above exclude disbursements and GST.



**13.11 Regulatory costs**

The federal and state governments of Australia may impose additional costs on the Company by way of new or amending legislation that may not have been taken into account in the preparation of this Prospectus.

**13.12 Enquiries**

Enquiries regarding this Prospectus should be directed to the Company Secretary at [Anshu.Raghuvanshi1@computershare.com.au](mailto:Anshu.Raghuvanshi1@computershare.com.au).

**13.13 Documentation**

Copies of the Company's constitution, the Material Agreements and consents are available for inspection during normal business hours, free of charge, at the registered office of the Company for 12 months after the date of this Prospectus.

## 14 Directors' Statement

The Directors report that, in their opinion, since the date of the financial information set out in section 8 "Financial Information" of this Prospectus, there have not been any circumstances that have materially affected or will materially affect the value of the assets and liabilities of the Company except as disclosed in the Prospectus.

The Directors state that they have made all inquiries that were reasonable in the circumstances and after doing so have reasonable grounds to believe that statements made by the Directors in this Prospectus are not misleading or deceptive 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. In relation to any statement made in this Prospectus by persons other than the Directors, the Directors have made inquiries that were reasonable in the circumstances and after doing so have reasonable grounds to believe that the persons making the statement or statements are reliable and competent in relation to the statements concerned.

This Prospectus is issued by the Company. The issue of this Prospectus has been authorised by the Directors and this Prospectus has been signed by Lee laFrate on behalf of the Directors. In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Signed for and on behalf of The Australian Wealth Advisors Group Limited.

**Lee laFrate**  
Chairman

## 15 Glossary

Term	Meaning
\$	dollars of the currency of Australia. All amounts in this Prospectus are in Australian dollars unless otherwise stated.
AEST	Australian Eastern Standard Time.
Applicant	an applicant for New Shares who submits an Application Form under this Prospectus and pays the applicable Application Money.
Application	an application for New Shares under the Offer on an Application Form.
Application Amount	the amount of money payable for New Shares pursuant to the Offer, being \$0.25 multiplied by the number of Shares for which an Applicant has applied.
Application Form	any application form accompanying this Prospectus.
ARMY	Armytage Private Pty Ltd (ACN 079 960 419), a wholly-owned subsidiary of AWAG.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited ACN 008 624 691, or Australian Securities Exchange, as the context requires.
ASX Listing Rules or Listing Rules	the official listing rules of ASX and any other rules of ASX which apply while the Company is an ASX listed company, each as amended or replaced from time to time except to the extent of any express written waiver by ASX.
Australian Accounting Standards	the accounting standards as set by the Australian Accounting Standards Board from time to time.
AWAG	The Australian Wealth Advisors Group Limited (ACN 653 634 292).
Board	the board of Directors as constituted from time to time.
Business Day	Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, and any other day that ASX declares is not a business day.

<b>Term</b>	<b>Meaning</b>
CHESS	ASX's Clearing House Electronic Subregister System.
CHPW	CHPW Financial Pty Ltd (ACN 110 598 368).
Closing Date	the last date for receipt of Applications which is on 11 December 2023 or such other date and time as the Directors in their absolute discretion, determine.
Company	The Australian Wealth Advisors Group Limited (ACN 653 634 292).
Corporate Advisor	Palomar Group Pty Ltd (ACN 663 428 091).
Corporations Act	<i>Corporations Act 2001</i> (Cth) as amended from time to time.
Directors	the directors of the Company
Existing Shareholder	the holder of Existing Shares.
Existing Shares	the Shares on issue at the date of this Prospectus.
Exposure Period	the period of 7 days (or such longer period, being no longer than 14 days, as ASIC may direct) from the date of the lodgement of this Prospectus with ASIC.
Financial Information	has the meaning given by section 8.
FUM	funds under management
Investigating Accountant	HLB Mann Judd.
Material Agreements	those agreements listed in section 11 "Material Agreements" of this Prospectus.
New Share	a Share which will be issued to a successful Applicant under the Offer.
Offer	the offer of 20,000,000 New Shares under this Prospectus.
Official List	the official list of the ASX.
Official Quotation	has the same meaning given to the term 'quotation' in the ASX Listing Rules.
Opening Date	the date this Prospectus is lodged with ASIC and the first date for receipt of Applications or such other date and

Term	Meaning
	time as the Directors in their absolute discretion, determine.
Privacy Act	<i>Privacy Act 1988</i> (Cth).
Prospectus	this prospectus.
Seed Investor	Early stage investors in AWAG who are not directors or management personnel of AWAG.
Share	a fully paid ordinary share in the capital of AWAG.
Shareholder	the holder of a Share.
US Person	has the meaning given to that term by Regulation S under the U.S. Securities Act of 1933.