



ASX Announcement 2 November 2023

SCHEME BOOKLET REGISTERED BY ASIC

ASX Code: ASW

Capital Structure:

Shares: 193.4m

Options: nil

Share price: \$0.16

Market capitalisation: \$30.94m

Board of Directors:

Simon Cato – *Chairman*

Kim Chong – *Managing Director*

Michael Pixley – *Non-executive Director*

Alvin Tan – *Non-executive Director*

Stuart Third – *Non-executive Director/
Company Secretary*

About ASW:

Advanced Share Registry Limited provides registry services to listed and unlisted clients on a national basis. The business has built its registry operations through its reputation and delivery as an efficient, cost-effective service provider.

Advanced Share Registry Limited (ASX: ASW) (ASW or the Company) refers to its announcement dated 1 November 2023 regarding:

- the proposed acquisition of ASW by Automic Enterprise Pty Ltd (Automic) by way of a scheme of arrangement (Scheme); and
- the orders made by the Federal Court of Australia (Court) that ASW convene a meeting of ASW shareholders to consider and vote on the Scheme (Scheme Meeting) and approving the dispatch of an explanatory statement providing information about the Scheme, together with the notice of Scheme Meeting (together, the Scheme Booklet) to ASW shareholders.

SCHEME BOOKLET

ASW confirms that the Australian Securities and Investments Commission (ASIC) has registered the Scheme Booklet. A copy of the Scheme Booklet is attached to this announcement and will also be made available for viewing and downloading on ASW's website at <https://www.advancedshare.com.au/> and on ASW's platform on the ASX website at: <https://www2.asx.com.au/>.

The Scheme Booklet will be dispatched to ASW shareholders on Friday, 3 November 2023 (either electronically or in hard copy). For details of how you will receive your Scheme Booklet, please refer to the Company's announcement dated 1 November 2023.

INDEPENDENT EXPERT'S REPORT AND DIRECTORS' RECOMMENDATION

The Scheme Booklet includes a copy of the independent expert's report prepared by RSM Corporate Australia Pty Ltd (Independent Expert), which concludes that the Scheme is fair and reasonable and in the best interests of ASW shareholders, in the absence of a Superior Proposal (as defined in the Scheme Booklet). The Independent Expert's conclusion should be read in context with the full Independent Expert's report (which is included as Annexure A to the Scheme Booklet) and the Scheme Booklet.

Member of Securities Registrars Association of Australia Inc.

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ASW's directors continue to unanimously recommend that ASW shareholders vote in favour of the Scheme at the Scheme Meeting, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of ASW Shareholders. Subject to those same qualifications, each ASW director intends to vote, or cause to be voted, all ASW shares in which they have a relevant interest in favour of the Scheme at the Scheme Meeting.

SCHEME MEETING

The Scheme Meeting for ASW shareholders to consider and vote on the proposed Scheme will be held in person at 110 Stirling Highway, Nedlands WA at 10:00am (AWST) on Tuesday, 5 December 2023.

Details of how to participate in the Scheme Meeting are provided in the notice of meeting included in the Scheme Booklet.

All registered ASW shareholders as at 10:00 am (AWST) on Sunday, 3 December 2023 will be eligible to vote at the Scheme Meeting.

All ASW shareholders are encouraged to vote on the resolution to approve the Scheme either by attending and voting at the Scheme Meeting in person or by lodging a proxy to attend and vote at the Scheme Meeting. The Scheme Booklet and the notice of Scheme Meeting provide information on how to lodge your proxy form.

FURTHER INFORMATION

ASW shareholders should carefully read the Scheme Booklet in its entirety, including the materials accompanying it, before deciding whether to vote in favour of the Scheme. If after reading the Scheme Booklet you have any questions about the Scheme or the Scheme Booklet, please contact the Company on 1300 113 258 (within Australia) or +61 8 9389 8033 Monday to Friday between 8:30am and 5:00pm (AWST).

This announcement was authorised for release by the Board of Directors of Advanced Share Registry Limited.



ADVANCED SHARE REGISTRY LIMITED

SCHEME BOOKLET

for a scheme of arrangement between Advanced Share Registry Limited (ACN 127 175 946) and its shareholders in relation to the proposed acquisition by Automic Pty Ltd (ACN 152 260 814), a wholly owned subsidiary of Automic Enterprise Pty Ltd (ACN 658 427 671)

Your Directors unanimously recommend that you

VOTE IN FAVOUR

of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of ASW Shareholders

This is an important document and requires your immediate attention.

You should read this document in its entirety before deciding whether or not to vote in favour of the Scheme. If you are in any doubt as to how to deal with this document, you should consult your financial, legal or other professional adviser immediately.

If you require further information or have questions in relation to the Scheme, please contact the Company on 1300 113 258 (within Australia) or +61 8 9389 8033 (outside Australia) Monday to Friday between 8:30am and 5:00pm (AWST).

Thomson Geer
Lawyers

Legal Adviser to Advanced Share Registry Limited

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Letter from the Chair of Advanced Share Registry Limited

31 October 2023

Dear ASW Shareholders

On behalf of the ASW Board, I am pleased to provide you with this Scheme Booklet containing important information for your consideration regarding the proposed acquisition of Advanced Share Registry Limited (**ASW**) by Automic Pty Ltd (**Automic Sub**), a wholly owned subsidiary of Automic Enterprise Pty Ltd (**Automic**), by way of a scheme of arrangement (**Scheme**).

The Scheme Booklet sets out details of the proposed Scheme and important matters relevant to your vote, including the reasons why the ASW Board unanimously recommends that ASW Shareholders **vote in favour** of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of ASW Shareholders. The Scheme Booklet also sets out some of the reasons why you may wish to vote against the Scheme.

Background to the Scheme

On 8 September 2023, ASW announced that it had entered into a Scheme Implementation Deed under which Automic agreed to acquire 100% of the fully paid ordinary shares in ASW by way of the Scheme, subject to the satisfaction or waiver of various conditions.

Details of the Scheme Consideration

If the Scheme is approved and becomes Effective, ASW Shareholders will be entitled to receive \$0.165 cash for each ASW Share held at the Scheme Record Date less the cash amount of any special dividend which may be declared and paid by ASW prior to the implementation of the Scheme (**Scheme Consideration**).

The ASW Board may determine to pay a fully franked dividend of up to \$0.0025 per ASW Share (**Special Dividend**) prior to the implementation of the Scheme, subject to:

- the Scheme becoming Effective following approval by the ASW Shareholders and the Court;
- availability of franking credits and provided that it will not result in the franking account of ASW being in deficit after the Special Dividend is paid; and
- ASW having sufficient profits, retained earnings or distributable reserves (or a combination of all or some of them) to fund the payment of the Special Dividend.

If the ASW Board does determine to pay a Special Dividend, to receive \$0.165 cash per ASW Share (and franking credits attached to the Special Dividend), you will need to hold your ASW Shares on the Special Dividend Record Date and Scheme Record Date.

If a Special Dividend is not paid, the \$0.165 cash per ASW Share will be paid entirely by Automic or Automic Sub. In such circumstances, you will need to hold your ASW Shares on the Scheme Record Date to receive the \$0.165 cash per ASW Share.

ASW Directors' Recommendation

Your Directors unanimously recommend that ASW Shareholders **vote in favour** of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of ASW Shareholders.

Subject to the same conditions, each ASW Director intends to vote all shares held or controlled by them in favour of the Scheme.

Your Directors, having regard to multiple factors, believe that the Scheme is in the best interests of ASW Shareholders for the following reasons:

- The Scheme Consideration of \$0.165 cash per ASW Share represents a material premium to the recent trading prices of ASW Shares. In particular, the Scheme Consideration represents:
 - a 32% premium to the last closing price of ASW Shares on Thursday, 7 September 2023 of \$0.125 (being the last day on which ASW Shares traded before the Scheme was announced);
 - a 26.2% premium to the 30-day VWAP of ASW Shares to Thursday, 7 September 2023 of \$0.131; and

- a 26.9% premium to the 90-day VWAP of ASW Shares to Thursday, 7 September 2023 of \$0.130.
- The Scheme Consideration values ASW at approximately \$31.9 million.
- The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of ASW Shareholders, in the absence of a Superior Proposal.
- The Scheme provides a compelling opportunity for ASW Shareholders to realise immediate and certain cash value for their investment in ASW.
- Implementation of the Scheme would mean that ASW Shareholders would no longer be exposed to ongoing and future risks and uncertainties with ASW's business.
- No Superior Proposal has emerged as at the date of this Scheme Booklet.
- ASW's share price may fall, perhaps materially, if the Scheme does not proceed.
- If the Special Dividend is paid, those shareholders who can realise the benefit of the franking credits attached to the Special Dividend (provided a favourable class ruling is obtained from the ATO) may receive additional benefit from the value of those franking credits.¹
- You will not incur any brokerage charges on the transfer of your ASW Shares if the Scheme proceeds.

For details on the recommendation given by the ASW Board, please refer to Section 2 of this Scheme Booklet.

Although, the Board's unanimous recommendation to ASW Shareholders is to vote in favour of the Scheme, you may disagree that the Scheme is in your best interests and instead prefer to retain your ASW Shares. Some of the reasons you may wish to vote against the Scheme include that:

- you wish to continue to participate in the future financial performance of ASW and maintain your existing investment profile;
- you may believe it is in your best interests to maintain your current investment and risk profile; or
- you may believe that there is potential for a Superior Proposal to be made in relation to ASW.

Major Shareholder Voting and Director Holdings

Mr Kim Chong, the Managing Director and CEO of ASW, (who has a Relevant Interest in approximately 56.15% of the ASW Shares outstanding at the date of this Scheme Booklet) has undertaken to vote all of the ASW Shares held or controlled by him in favour of the Scheme, subject to no Superior Proposal emerging and the Independent Expert continuing to conclude that the Scheme is in the best interests of ASW Shareholders.

ASW Shareholders are advised that, if the Scheme is implemented, based on each ASW Director's Relevant Interest in ASW Shares as at the Last Practicable Date, each ASW Director (and/or their Associates) will receive the following Scheme Consideration: (i) Mr Simon Cato - \$408,375.00; (ii) Mr Kim Chong - \$17,919,382.47; (iii) Mr Alvin Tan - \$439,025.40; (iv) Mr Stuart Third - \$7,425.00; and (v) Mr Michael Pixley – nil.

Independent Expert's Report

The ASW Board has appointed RSM Corporate Australia Pty Ltd as the Independent Expert to assess the merits of the Scheme. The Independent Expert has:

- concluded that the Scheme is fair and reasonable and in the best interests of ASW Shareholders in the absence of a Superior Proposal; and
- assessed the fair value of an ASW Share prior to the Scheme to be between \$0.133 and \$0.141 per ASW Share. The Scheme Consideration is greater than the fair value of an ASW Share prior to the Scheme.

A complete copy of the Independent Expert's Report is included as Annexure A. You are encouraged to read the Independent Expert's Report in its entirety.

¹ It remains at the discretion of the ASW Board whether the Special Dividend is ultimately declared and paid. Whether ASW Shareholders will be able to realise the full benefit of the franking credits will depend on individual tax circumstances. You should consult your own taxation adviser to determine the tax consequences relevant to your specific circumstances.

What should you do?

The Scheme can only be implemented if approved by the Requisite Majorities of ASW Shareholders at the Scheme Meeting which is scheduled for 10:00 am on Tuesday, 5 December 2023 at 110 Stirling Highway, Nedlands WA 6009.

Your vote is important and I encourage you to vote by attending the Scheme Meeting or alternatively by completing and returning the proxy form accompanying this Scheme Booklet.

If you wish the Scheme to proceed, it is important that you vote in favour of the Scheme so that it is approved.

Further Information

You should carefully read this Scheme Booklet before making any decisions in relation to the Scheme.

If you have any questions regarding the Scheme or this Scheme Booklet you should contact the Company on 1300 113 258 (within Australia) or +61 8 9389 8033 (outside Australia) on Monday to Friday (excluding public holidays) between 8:30am and 5:00pm (AWST). If you are in any doubt as to what you should do, please consult your financial, legal or other professional advisor, without delay.

On behalf of the ASW Board, I thank you for your ongoing support and I look forward to your participation at the Scheme Meeting.

Yours sincerely

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

Simon Cato
Chairman
Advanced Share Registry Limited

Important Notices

Date of this Scheme Booklet

This Scheme Booklet is dated 31 October 2023.

Defined terms and interpretation

Capitalised terms used in this Scheme Booklet (other than in the Independent Expert's Report contained in Annexure A) and the Proxy Form accompanying this Scheme Booklet are either defined in brackets when first used or are defined in the Glossary in Section 12. The Independent Expert's Report contain their own defined terms which are sometimes different from those detailed in the Glossary in Section 12.

References to Scheme Booklet, Sections and Annexures

References to Sections and Annexures are to the named Sections and Annexures in this Scheme Booklet.

Purpose of this Scheme Booklet

This Scheme Booklet includes the Explanatory Statement for the Scheme required by section 412(1) of the Corporations Act. The purpose of this Scheme Booklet is to explain the terms of the Scheme and the manner in which it will be implemented (if approved). This Scheme Booklet provides all information required to be given to ASW Shareholders or that is otherwise material to the making of a decision in relation to the Scheme, being information that is within the knowledge of any ASW Director which has not previously been disclosed to ASW Shareholders.

General

This Scheme Booklet is important and requires your attention. You should read this Scheme Booklet carefully before making a decision about how to vote on the Scheme Resolution to be considered at the Scheme Meeting.

No investment advice

This Scheme Booklet does not constitute financial product advice and has been prepared without reference to individual investment objectives, financial situation, taxation position or particular needs of any ASW Shareholder or any other person. It is important that you read this Scheme Booklet before making any decision, including a decision on whether or not to vote in favour of the Scheme. In particular, it is important that you consider the potential risks if the Scheme does not proceed, as detailed in Section 8.4, and the views of the Independent Expert, detailed in the Independent Expert's Report contained in Annexure A.

This Scheme Booklet should not be relied upon as the sole basis for any investment decision in relation to ASW Shares or any other securities. If you are in doubt as to what you should do, you should consult your financial, legal, taxation or other professional adviser.

ASW Shareholders should consult their taxation adviser as to the applicable tax consequences of the Scheme. A summary of the Australian taxation considerations is detailed in Section 9.

Responsibility statement

The ASW Information has been prepared by ASW and is the responsibility of ASW. To the maximum extent permitted by law, neither Automic nor any of its Subsidiaries, directors, officers or advisors is responsible for the accuracy or completeness of the information contained in this Scheme Booklet other than the Automic Information and disclaim any liability in this regard.

The Automic Information has been prepared by Automic and is the responsibility of Automic. To the maximum extent permitted by law, neither ASW nor any of its Subsidiaries, directors, officers or advisors is responsible for the accuracy or completeness of any Automic Information contained in the Scheme Booklet and disclaim any liability in this regard.

RSM Corporate Australia Pty Ltd has prepared, and is responsible for, the Independent Expert's Report contained in Annexure A of this Scheme Booklet. To the maximum extent permitted by law, none of ASW, Automic, their respective Related Body Corporates or the directors, officers, employees or advisers of any of those entities assumes any responsibility for the accuracy or completeness of the Independent Expert's Report and disclaim any liability in this regard.

BDO Corporate Tax (WA) Pty Ltd has prepared, and is responsible for, the information contained in Section 9. To the maximum extent permitted by law, none of ASW, Automic, their respective Related Body Corporates or the directors, officers, employees or advisers of any of those entities assumes any responsibility for the accuracy or completeness of the information in Section 9 and disclaim any liability in this regard.

Role of ASIC

A copy of this Scheme Booklet has been lodged with, and registered by, ASIC for the purposes of section 412(6) of the Corporations Act. ASIC has been given the opportunity to comment on this Scheme Booklet in accordance with section 411(2)(b) of the Corporations Act. Neither ASIC nor any of its officers takes any responsibility for the contents of this Scheme Booklet.

ASIC has been requested to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that it has no objection to the Scheme. If ASIC provides that statement, it will be produced to the Court on the Second Court Date.

Role of ASX

A copy of this Scheme Booklet has been lodged with ASX. Neither ASX nor any of its officers takes any responsibility for the contents of this Scheme Booklet.

Court order under subsection 411(1) of the Corporations Act

Important notice associated with the Court order under section 411(1) of the Corporations Act

The fact that, under section 411(1) of the Corporations Act, the Court has ordered that a meeting be convened and has approved the Explanatory Statement required to accompany the Notice of Scheme Meeting does not mean that the Court:

- (i) has formed any view as to the merits of the proposed Scheme or as to how you should vote (on this matter, you must reach your own decision);
- (ii) has prepared, or is responsible for the content of, the Explanatory Statement; or
- (iii) has approved or will approve the terms of the Scheme.

Notice regarding Second Court Date and ASW Shareholders' Rights to Oppose the Scheme

At the Second Court Date, the Court will consider whether to approve the Scheme following the vote at the Scheme Meeting.

Any ASW Shareholder may appear at the Second Court Date expected to be held on 7 December 2023 at the Federal Court of Australia, 1 Victoria Ave, Perth WA 6000.

Any ASW Shareholder who wishes to oppose approval of the Scheme at the Second Court Date may do so by filing with the Court and serving on ASW a notice of appearance in the prescribed form together with any affidavit that the ASW Shareholder proposes to rely on. The notice of appearance and affidavit must be served on ASW at least one day before the Second Court Date.

Foreign jurisdictions

The release, publication or distribution of this Scheme Booklet in jurisdictions other than Australia may be

restricted by law or regulation in such other jurisdictions and persons outside of Australia who come into possession of this Scheme Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations.

This Scheme Booklet has been prepared in accordance with the laws of Australia as the information contained in this Scheme Booklet may not be the same as that which would have been disclosed if this Scheme Booklet had been prepared in accordance with the laws and regulations of a jurisdiction outside of Australia.

ASW Shareholders who are nominees, trustees or custodians are encouraged to seek independent advice as to how they should proceed.

Forward looking statements

Certain statements in this Scheme Booklet relate to the future, including forward looking statements and information ("forward looking statements"). Forward looking statements and statements of intent in relation to future events in this Scheme Booklet should not be taken to be forecasts or predictions that those events will occur. These statements may generally be identified by the use of forward-looking verbs such as "aim", "anticipate", "believe", "estimate", "expect", "foresee", "intend" or "plan", qualifiers such as "if", "could", "may", "should", "likely" or "potential", or similar words.

Forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual results, performances or achievements to be materially different from future results, performances or achievements expressed or implied by such statements. Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which ASW or Automic will operate in the future. Certain important factors that could cause actual results, performances or achievements to differ materially from those in the forward-looking statements include, among others, loss of key clients, information and cyber security risks, system interruptions and economic risks. Refer to Section 8 for a (non-exhaustive) discussion of potential risk factors underlying, and other information relevant to, the forward-looking statements and information. Forward looking statements should, therefore, be construed in light of such risk factors and undue reliance should not be placed on them. All forward looking statements should be read in light of such risks and uncertainties.

You should note that the historical performance of ASW is no assurance of their future financial performance. None of ASW, Automic and their respective directors, or any other person, gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements and information in this Scheme Booklet will actually occur.

The forward-looking statements in this Scheme Booklet reflect views and expectations held only at the Last Practicable Date. ASW believes that all forward looking statements included in the ASW Information have been made on a reasonable basis and Automic believes that all forward looking statements included in the Automic Information have been made on a reasonable basis. However, none of ASW, Automic and their respective directors nor any other person gives any representation, assurance or guarantee that any outcome, performance or results expressed or implied by any forward-looking statements in this Scheme Booklet will actually occur. ASW Shareholders should, therefore, treat all forward looking statements with caution and not place undue reliance on them.

Subject to any continuing obligations under law or the Listing Rules, ASW, Automic and their respective directors disclaim any obligation to revise or update, after the Last Practicable Date, any forward-looking statements to reflect any change in views, expectations or assumptions on which those statements are based.

Diagrams, charts, maps, graphs and tables

Any diagrams, charts, maps, graphs and tables appearing in this Scheme Booklet are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in diagrams, charts, graphs and tables are based on information available as at the Last Practicable Date.

Timetable and Dates

All times and dates referred to in this Scheme Booklet are references to Australian Western Standard Time (AWST), unless otherwise stated. All times and dates relating to the Implementation of the Scheme referred to in this Scheme Booklet may change.

Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Scheme Booklet, including but not limited to those in respect of the Scheme Consideration, are subject to the effect of rounding (unless otherwise stated). Accordingly, the actual calculation of these figures may differ from the figures contained in this Scheme Booklet, and any discrepancies in any table between totals and sums of amounts listed in that table or to previously published figures are due to rounding.

No website is part of this Scheme Booklet

ASW and Automic each maintain websites at <https://www.advancedshare.com.au/> and <https://www.automicgroup.com.au/> respectively. Any references in this Scheme Booklet to those or other internet sites are for information purposes only and do not form part of this Scheme Booklet.

Currency

References in this Scheme Booklet to "\$", "\$", "AUD", and "Australian dollar" are to Australian currency.

Privacy and personal information

ASW will need to collect personal information to implement the Scheme. The personal information may include the names, contact details and details of shareholdings of ASW Shareholders together with contact details of individuals appointed by ASW Shareholders as proxies, corporate representatives or attorneys at the Scheme Meeting. The collection of some of this information is required or authorised by the Corporations Act.

ASW Shareholders who are individuals, and other individuals in respect of whom personal information is collected, have certain rights to access the personal information collected about them and may contact ASW if they wish to exercise those rights.

The information may be disclosed to print and mail service providers, and to ASW and its respective advisers and agents to the extent necessary to effect the Scheme. If the information outlined above is not collected, ASW may be hindered in, or prevented from, conducting the Scheme Meeting or implementing the Scheme effectively, or at all.

ASW Shareholders who appoint an individual as their proxy, corporate representative or attorney to vote at the Scheme Meeting should inform that individual of the matters outlined above.

Persons are entitled, under section 173 of the Corporations Act, to inspect and copy the ASW Share Register. The ASW Share Register contains personal information about ASW Shareholders.

Notice of Scheme Meeting

The Notice of Scheme Meeting is contained in Annexure E.

Important Dates and Times for the Scheme

Event	Time and date
First Court Date	10:15 am (AWST) on 1 November 2023
Latest time and date for lodgement of completed Proxy Forms for the Scheme Meeting	10:00am (AWST) on 3 December 2023
Time and date for determining eligibility of ASW Shareholders to vote at the Scheme Meeting	10:00am (AWST) on 3 December 2023
Scheme Meeting	10:00 am (AWST) on 5 December 2023

If the Scheme is approved by the ASW Shareholders	
Court hearing to approve the Scheme (Second Court Date)	2:15 pm (AWST) on 7 December 2023
Effective Date	8 December 2023
Last date of trading of ASW Shares on ASX	8 December 2023
Special Dividend Record Date (if ASW Board decides to pay a Special Dividend)	5:00pm (AWST) on 12 December 2023
Special Dividend Payment Date (if ASW Board decides to pay a Special Dividend)	13 December 2023
Scheme Record Date (for determining entitlements to the Scheme Consideration)	5:00pm (AWST) on 13 December 2023
Implementation Date and payment of the Scheme Consideration	20 December 2023

All stated dates and times are indicative only. The actual timetable will depend on many factors outside the control of ASW, including the Court approval process and the satisfaction or waiver (where applicable) of the conditions of the Scheme. Any changes to the above timetable will be announced to ASX and will be available under ASW's profile on ASX at www.asx.com.au.

1. Summary of the Scheme

1.1 Introduction

This Section identifies key features of the Scheme but should be read in conjunction with the additional detailed information for ASW Shareholders contained in this Scheme Booklet. You are urged to read this Scheme Booklet in its entirety.

On 7 September 2023, ASW and Automic entered into the Scheme Implementation Deed pursuant to which the parties agreed to implement the Scheme between ASW and ASW Shareholders. A full copy of the Scheme Implementation Deed was attached to the ASW announcement to the ASX relating to the Scheme on 8 September 2023 which can be obtained from the ASX website (www.asx.com.au).

If the Scheme is approved by the Requisite Majorities of ASW Shareholders and by the Court, and if all other conditions to the Scheme are satisfied or waived (where applicable), all ASW Shares will be transferred to the Automic with effect from the Implementation Date and without the need for any further act by ASW Shareholders (other than acts required to be performed by ASW, the ASW Directors or officers, as attorney or agent for ASW Shareholders). From the Implementation Date, ASW will become a wholly-owned subsidiary of Automic. ASW is expected to be removed from the official list of ASX shortly after the Implementation Date, subject to satisfaction of any conditions under the Listing Rules (as modified or waived).

1.2 Overview of the Scheme Consideration

If the Scheme is implemented, each Scheme Shareholder will be entitled to receive \$0.165 cash per ASW Share held by them on the Scheme Record Date and the Special Dividend Record Date (if applicable), comprising:

- (a) **(if a Special Dividend is paid):**
 - (i) the Scheme Consideration (payable by Automic or Automic Sub) of \$0.165 in cash per ASW Share held by them on the Scheme Record Date less the cash amount of the Special Dividend; and
 - (ii) the amount of the Special Dividend in cash per ASW Share held by them on the Special Dividend Record Date (payable by ASW); or
- (b) **(if a Special Dividend is not paid)** the Scheme Consideration (payable by Automic or Automic Sub) of \$0.165 in cash per ASW Share held by them on the Scheme Record Date.

ASW Shareholders should refer to Section 9 for important information in relation to certain Australian taxation matters.

1.3 Special Dividend

(a) Overview

The ASW Board may determine to pay a fully franked Special Dividend of up to \$0.0025 per ASW Share (subject to the availability of franking credits) on or prior to the Implementation Date, if the Scheme is approved by ASW Shareholders and the Court.

The final decision on whether or not to pay a Special Dividend, and the amount of any Special Dividend, will be made by the ASW Directors and will depend on a number of factors, including relevant requirements of the Scheme Implementation Deed which include:

- (i) the Scheme becoming Effective following approval by ASW Shareholders and the Court;
- (ii) availability of franking credits and provided it will not result in the franking account of ASW being in deficit after the Special Dividend is paid;
- (iii) ASW having sufficient profits, retained earnings or distributable reserves (or a combination of all or some of them) to fund the payment of the Special Dividend; and
- (iv) compliance with relevant legislative requirements (under the Corporations Act, the ITAA36 and the ITAA97).

(b) **Announcement regarding any Special Dividend**

The final decision of the ASW Directors regarding the payment of the Special Dividend will be communicated to ASW Shareholders by way of an ASX announcement before the Second Court Date.

(c) **Impact of any Special Dividend**

If the ASW Directors decide to pay a Special Dividend and the Scheme is approved by ASW Shareholders and the Court, the Scheme Consideration payable by Automic or Automic Sub will be \$0.165 less the cash amount of the Special Dividend.

By way of example, if the ASW Directors decide to pay a Special Dividend of \$0.0025 per ASW Share, ASW Shareholders who are recorded on the ASW Share Register as at both the Scheme Record Date and the Special Dividend Record Date will receive \$0.165 per ASW Share comprising:

- (i) the Scheme Consideration of \$0.1625 in cash per ASW Share held by them on the Scheme Record Date (payable by Automic or Automic Sub); and
- (ii) a fully franked Special Dividend of \$0.0025 in cash per ASW Share held by them on the Special Dividend Record Date (payable by ASW).

For ASW Shareholders who are able to realise the full benefit of the franking credits, there is a potential value in the franking credits associated with the Special Dividend of up to \$0.00083 per ASW Share, depending on the personal tax circumstances of the ASW Shareholder.

If the ASW Directors decide not to pay any Special Dividend, ASW Shareholders who are recorded in the ASW Share Register as at the Scheme Record Date will be paid a cash payment of \$0.165 for each ASW Share held on the Scheme Record Date (payable by Automic).

1.4 Provision of the Scheme Consideration and any Special Dividend

The Scheme Consideration (being \$0.165 cash per ASW Share less any Special Dividend) will be sent to Scheme Shareholders on the Implementation Date (currently expected to be 20 December 2023). Scheme Shareholders who have validly registered their bank account details with the ASW Share Register before the Scheme Record Date may have their Scheme Consideration sent directly to their bank account. Otherwise, Scheme Shareholders will have their Scheme Consideration sent by cheque to their address shown on the ASW Share Register.

For ASW Shares held in joint names, any cheque required to be sent will be made payable to the joint holders and sent to the holder whose name appears first in the ASW Share Register as at the Scheme Record Date. It is important to note that you will only receive the Scheme Consideration if you are a Scheme Shareholder. You will be a Scheme Shareholder if you hold ASW Shares at the Scheme Record Date (currently expected to be 13 December 2023). If you are an ASW Shareholder, you should ensure your personal contact and banking details are up to date in the records held by the ASW Share Registry or in your trading account.

If the ASW Directors decide to pay the Special Dividend, ASW Shareholders on the ASW Share Register as at the Special Dividend Record Date will be paid the Special Dividend on the Special Dividend Payment Date (currently expected to be 13 December 2023).

You should be aware that if the Scheme Meeting is adjourned or the Effective Date is otherwise delayed, the cash payments detailed above may also be delayed.

1.5 Conditions to the Scheme

Implementation of the Scheme is subject to the following conditions:

- (a) **(Independent Expert)** the Independent Expert issues the Independent Expert's Report which concludes that the Scheme is in the best interests of the ASW Shareholders and the Independent Expert does not publicly withdraw, qualify or change their conclusion at any time prior 8:00am on the Second Court Date;
- (b) **(No change of ASW Board recommendation)** on, and prior to the date of, the Scheme Meeting, none of the ASW Directors change, qualify or withdraw their voting intention or their recommendation in respect to the Scheme;

- (c) **(Scheme Shareholder approval)** the Scheme is approved by Scheme Shareholders at the Scheme Meeting by the Requisite Majorities;
- (d) **(Court approval)** the Scheme is approved by the Court in accordance with section 411(4)(b) of the Corporations Act;
- (e) **(no restraints)** as at 8.00am on the Second Court Date, there is:
 - (i) no temporary or final order, decision or decree issued, or other preliminary or final decision by any court of competent jurisdiction or Government Agency, nor is there in effect any other legal restraint or prohibition; and
 - (ii) no action or investigation announced or commenced by any Government Agency,
 which restrains, prohibits, or otherwise materially adversely impacts upon (or could be reasonably expected to restrain, prohibit or otherwise materially adversely impact upon) the completion of the Scheme;
- (f) **(No Target Prescribed Occurrence)** no Target Prescribed Occurrence occurring between the Execution Date and 8.00am on the Second Court Date;
- (g) **(No Target Regulated Event)** no Target Regulated Event occurring between (and including) the Execution Date and 8.00am on the Second Court Date;
- (h) **(No Material Adverse Change)** no Material Adverse Change occurring between the Execution Date and 8.00am on the Second Court Date; and
- (i) **(Target Warranties)** the Target Warranties being true and correct in all material respects on Execution Date and 8.00am on the Second Court Date.

The Scheme will not proceed unless all of the conditions to the Scheme are satisfied or waived (as applicable) in accordance with the Scheme Implementation Deed.

As at the date of this Scheme Booklet, none of the ASW Directors are aware of any circumstances which would cause any condition precedent not to be satisfied.

1.6 Independent Expert

ASW has commissioned RSM Corporate Australia Pty Ltd as the Independent Expert to prepare a report to ascertain whether the Scheme is in the best interests of ASW Shareholders.

The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of ASW Shareholders, in the absence of a Superior Proposal. The Independent Expert's Report is contained in Annexure A.

1.7 Directors' Recommendations

The ASW Directors (who, directly or indirectly, collectively hold approximately 58.83% of all ASW Shares on issue as at the date of this Scheme Booklet) unanimously recommend that ASW Shareholders vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of ASW Shareholders. Each of the ASW Directors will (in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of ASW Shareholders) vote, or procure the voting of, any ASW Shares controlled or held by, or on behalf of, them at the time of the Scheme Meeting, in favour of the Scheme at the Scheme Meeting. The reasons to vote in favour of, or against, the Scheme as considered by the ASW Directors are detailed in Section 2.

ASW Shareholders are advised that, if the Scheme is implemented, based on each ASW Director's Relevant Interest in ASW Shares as at the Last Practicable Date, each ASW Director (and/or their Associates) will receive the following Scheme Consideration:

- (a) Mr Simon Cato - \$408,375.00;
- (b) Mr Kim Chong - \$17,919,382.47;
- (c) Mr Alvin Tan - \$439,025.40;
- (d) Mr Stuart Third - \$7,425.00; and
- (e) Mr Michael Pixley – nil.

1.8 Implications if the Scheme does not become Effective

If the Scheme is not implemented:

- (a) unless ASW Shareholders choose to sell their ASW Shares, for example on the ASX, ASW Shareholders will continue to hold their ASW Shares and will be exposed to general investment risks as well as risks specific to ASW, including those detailed in Section 8, as well as potential future benefits in retaining exposure to ASW's business and assets;
- (b) ASW Shareholders will not receive the Scheme Consideration;
- (c) a reimbursement fee of \$319,123 may be payable by ASW to Automic under certain circumstances, which does not include failure by ASW Shareholders to approve the Scheme at the Scheme Meeting (refer to Section 10.13 for further details);
- (d) ASW will continue as an ASX-listed entity with management continuing to implement the business plan and financial and operating strategies it had prior to 8 September 2023, being the date that the Scheme was announced; and
- (e) the price of an ASW Share will continue to be subject of market volatility and may fall, perhaps materially, in the absence of a Superior Proposal.

1.9 Implementation, Timetable and Procedures

If the Scheme is approved by ASW Shareholders and the Court, and all other conditions to the Scheme are satisfied or (where applicable) waived, it is expected that the Scheme will be implemented on or around 20 December 2023. The key dates and times in relation to the Scheme are detailed at the beginning of this Scheme Booklet. These key dates are indicative only and are subject to change. The key steps in the Scheme are as follows:

(a) **Scheme Meeting and Scheme approval requirements**

The Court has ordered ASW to convene the Scheme Meeting at which ASW Shareholders will be asked to approve the Scheme.

The Scheme Meeting, to approve the Scheme, is scheduled to be held at 10:00 am (AWST), 5 December 2023. Voting eligibility for the Scheme Meeting will be determined as at 10.00am (AWST) on 3 December 2023. Further details of the Scheme Meeting, including how to vote, are contained in Section 4. The Notice of Scheme Meeting is contained in Annexure E.

The Scheme will only become Effective and be implemented if:

- (i) it is approved by the Requisite Majorities of ASW Shareholders at the Scheme Meeting to be held on 5 December 2023;
- (ii) it is approved at by the Court at the Second Court Date; and
- (iii) the conditions to the Scheme detailed in Section 1.5 are satisfied or waived.

The Requisite Majorities of ASW Shareholders to approve the Scheme are:

- (i) unless the Court orders otherwise, a majority in number (more than 50%) of ASW Shareholders present and voting at the Scheme Meeting, either in person or by proxy, attorney or in the case of a corporation its duly appointed corporate representative; and
- (ii) at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting by ASW Shareholders present and voting at the Scheme Meeting, either in person or by proxy, attorney or in the case of a corporation its duly appointed corporate representative.

Voting is not compulsory.

You should be aware that even if you do not vote, or vote against the Scheme, the Scheme may still be implemented if it is approved by the Requisite Majorities of ASW Shareholders and the Court. If this occurs, your ASW Shares will be transferred to Automic Sub and you will receive the Scheme Consideration even though you did not vote on, or voted against, the Scheme.

The results of the Scheme Meeting will be available as soon as possible after the conclusion of the Scheme Meeting and will be announced to the ASX once available.

Note that the Scheme Meeting may be postponed or adjourned, including if satisfaction of a condition precedent is delayed. Any such postponement or adjournment will be announced by ASW to the ASX.

(b) **Court approval of the Scheme**

In the event that:

- (i) the Scheme is approved by the Requisite Majorities of ASW Shareholders at the Scheme Meeting; and
- (ii) all other conditions to the Scheme (except Court approval of the Scheme) have been satisfied or waived,

then ASW will apply to the Court for orders approving the Scheme, in accordance with section 411(4)(b) of the Corporations Act.

Each ASW Shareholder has the right to appear at the Second Court Date. The Second Court Date is expected to be on or around 7 December 2023.

(c) **Effective Date**

If the Court approves the Scheme, the Scheme will become Effective on the Effective Date, being the date an office copy of the Court order from the Second Court Date approving the Scheme is lodged with ASIC. ASW will, on the Scheme becoming Effective, give notice of that event to the ASX.

ASW intends to apply to the ASX for ASW Shares to be suspended from trading on the ASX from close of trading on the Effective Date.

(d) **Special Dividend Record Date, entitlement to any Special Dividend and Special Dividend Payment Date**

If the ASW Board decides to pay a Special Dividend, those ASW Shareholders who are recorded on the ASW Share Register on the Special Dividend Record Date (currently expected to be 5.00pm (AWST) on 12 December 2023) will be entitled to receive the Special Dividend in respect of the ASW Shares they hold at that time and will be paid the Special Dividend on the Special Dividend Payment Date (currently expected to be 13 December 2023).

(e) **Scheme Record Date and entitlement to Scheme Consideration**

Those ASW Shareholders who are recorded on the ASW Share Register on the Scheme Record Date (currently expected to be 5.00pm (AWST) on 13 December 2023) will be entitled to receive the Scheme Consideration in respect of the ASW Shares they hold at that time.

(i) **Dealings on or prior to the Scheme Record Date**

For the purposes of determining which ASW Shareholders are eligible to participate in the Scheme, dealings in ASW Shares will be recognised only if:

- (A) in the case of dealings of the type to be effected using CHES, the transferee is registered on the ASW Share Register as the holder of the relevant ASW Shares before the Scheme Record Date; and
- (B) in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received by the ASW Share Registry before the Scheme Record Date (and the transferee remains registered as at the Scheme Record Date).

For the purposes of determining entitlements under the Scheme, ASW will not accept for registration or recognise any transfer or transmission applications in respect of ASW Shares received after the Scheme Record Date.

(ii) **Dealings after the Scheme Record Date**

For the purpose of determining entitlements to the Scheme Consideration, ASW must maintain the ASW Share Register in its form as at the Scheme

Record Date until the Scheme Consideration has been paid to the Scheme Shareholders. The ASW Share Register in this form will solely determine entitlements to the Scheme Consideration.

After the Scheme Record Date:

- (A) all statements of holding for ASW Shares (other than statements of holding in favour of Automic) will cease to have effect as documents relating to title in respect of such ASW Shares; and
- (B) each entry on the ASW Share Register (other than entries on the ASW Share Register in respect of Automic) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the ASW Shares relating to that entry.

(f) **Implementation Date**

By no later than 12:00 pm on the Business Day before the Implementation Date (currently expected to be 20 December 2023), Automic or Automic Sub will deposit (or will procure the deposit) into the Trust Account, an amount equal to the aggregate Scheme Consideration to be provided to Scheme Shareholders payable by Automic.

On the Implementation Date, Scheme Shareholders will be sent or issued (as relevant) the Scheme Consideration and all ASW Shares will be transferred to Automic Sub.

(g) **Deed Poll**

As at the date of this Scheme Booklet, a Deed Poll has been entered into by Automic and Automic Sub in favour of the Scheme Shareholders to:

- (i) provide the aggregate amount of the Scheme Consideration (excluding any Special Dividend paid by ASW) payable to all Scheme Shareholders under the Scheme, subject to the Scheme becoming Effective; and
- (ii) undertake all the actions attributed to Automic and Automic Sub under the Scheme.

A copy of the Deed Poll is contained in Annexure D.

1.10 Tax Implications

The transfer of your ASW Shares in accordance with the Scheme may have tax implications for you. You should seek your own professional advice regarding your individual tax consequences. A summary of relevant Australian tax implications for Scheme Shareholders is detailed in Section 9. The information in Section 9 is general in nature and should not be relied upon by Scheme Shareholders as taxation advice.

1.11 Delisting of ASW

If the Scheme becomes Effective, ASW will apply for the termination of the official quotation of ASW Shares on the ASX and for ASW to be removed from the official list of the ASX, each to occur on a date after the Implementation Date.

1.12 What to do next

(a) **Read the remainder of this Scheme Booklet**

Read the remainder of this Scheme Booklet in full before making any decision on the Scheme.

Anyone entitled to attend the Scheme Meeting may obtain a copy of this Scheme Booklet from ASW's website (<https://www.advancedshare.com.au/>) or a free paper copy upon request to the Company on 1300 113 258 (within Australia) or +61 8 9389 8033 258 (outside Australia) Monday to Friday between 8:30am and 5:00pm (AWST).

(b) **Consider your options**

ASW Shareholders should refer to Section 2 for further guidance on the reasons to vote in favour of or against the Scheme and Section 8 for guidance on the risk factors associated with the Scheme.

If you have any questions in relation to the Scheme or the Scheme Meeting, please contact the Company on 1300 113 258 (within Australia) or +61 8 9389 8033 (outside

Australia) Monday to Friday between 8:30am and 5:00pm (AWST), visit <https://www.advancedshare.com.au/> or consult your legal, investment, financial, taxation or other professional adviser.

(c) **Vote at the Scheme Meeting**

The ASW Directors urge you to vote on the Scheme at the Scheme Meeting. The Scheme affects your shareholding and your vote at the Scheme Meeting is important in determining whether the Scheme will be implemented.

2. Reasons to vote in favour of or against the Scheme

The Scheme has a number of advantages and disadvantages that may affect ASW Shareholders in different ways depending on their individual circumstances. ASW Shareholders should seek professional advice on their particular circumstances, as appropriate.

Section 2.2 provides a summary of some of the reasons why the ASW Directors unanimously recommend ASW Shareholders vote in favour of the Scheme Resolution. Section 2.2 should be read in conjunction with Section 2.3, which sets out reasons why ASW Shareholders may wish to vote against the Scheme Resolution.

You should read this Scheme Booklet in full, including the Independent Expert's Report, before deciding how to vote at the Scheme Meeting. While the ASW Directors acknowledge the reasons to vote against the Scheme Resolution, they believe the advantages of the Scheme significantly outweigh the disadvantages.

2.1 Summary of reasons why you might vote for and against the Scheme Resolution

(a) Reasons to vote in favour of the Scheme

-
- ✓ The ASW Directors unanimously recommend you vote in favour of the Scheme Resolution in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of ASW Shareholders

 - ✓ The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of ASW Shareholders in the absence of a Superior Proposal

 - ✓ The value of the Scheme Consideration represents a material premium to recent ASW Share prices

 - ✓ Certainty of value for your investment in ASW and you will not be exposed to ongoing and future risks associated with ASW's business

 - ✓ If a Special Dividend is paid, you may be entitled to franking credits attached to the Special Dividend

 - ✓ ASW's Share price may fall in the near-term if the Scheme is not implemented and in the absence of a Superior Proposal

 - ✓ No Superior Proposal has emerged since the announcement of the Scheme

 - ✓ No brokerage will be payable by you for the transfer of your ASW Shares under the Scheme
-

(b) Potential reasons to vote against the Scheme

-
- ✗ You may disagree with the ASW Directors' unanimous recommendation and the conclusion in the Independent Expert's Report, and believe that the Scheme is not in your best interests

 - ✗ You will no longer be able to participate in the future financial performance and possible growth of ASW's business

 - ✗ You may prefer to maintain your current investment and risk profile

 - ✗ You may have acquired your ASW Shares at a price that is higher than the Scheme Consideration

 - ✗ You may consider that there is the potential for a Superior Proposal to emerge in the foreseeable future

 - ✗ The tax implications of the Scheme may not be suitable to your financial circumstances or position
-

2.2 Reasons to vote in favour of the Scheme

- (a) **The ASW Directors unanimously recommend that you vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent**

Expert continuing to conclude that the Scheme is in the best interests of ASW Shareholders

The ASW Directors unanimously believe the Scheme to be in the best interests of ASW Shareholders and unanimously recommend that ASW Shareholders vote in favour of the Scheme Resolution at the Scheme Meeting, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of ASW Shareholders.

Subject to those same qualifications, each ASW Director intends to vote, or procure the voting of, all ASW Shares, in which he has a Relevant Interest, in favour of the Scheme Resolution. This represents in total 113,783,088 ASW Shares or 58.83% of the total number of issued ASW Shares, as detailed in Section 6.4(a).

Whilst the ASW Directors acknowledge that there may be reasons to vote against the Scheme, they believe that the advantages of the Scheme significantly outweigh the potential disadvantages, as detailed in Section 2.3.

(b) The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of ASW Shareholders in the absence of a Superior Proposal

RSM Corporate Australia Pty Ltd has been appointed as Independent Expert to prepare an Independent Expert's Report. The Independent Expert has concluded that the Scheme is fair and reasonable and, therefore, is in the best interests of ASW Shareholders, in the absence of a Superior Proposal.

The Independent Expert has valued ASW Shares on a control basis in the range of \$0.133 to \$0.141 per ASW Share. The Scheme Consideration \$0.165 cash per ASW Share is above the Independent Expert's value range.

The reason why the Independent Expert reached these conclusions is detailed in the Independent Expert's Report, which is included in Annexure A of this Scheme Booklet. The ASW Directors encourage you to read the Independent Expert's Report in its entirety.

(c) The value of the Scheme Consideration represents a material premium to recent ASW Share prices²

The Scheme Consideration of \$0.165 under the Scheme represents a:

- (i) 32.0% premium to the closing price of ASW Shares of \$0.125 on 7 September 2023;³
- (ii) 26.2% premium to the 30-day VWAP of ASW Shares up to and including 7 September 2023 of \$0.131; and
- (iii) 26.9% premium to the 90-day VWAP up to and including 7 September 2023 of \$0.130.

Figure 1: Scheme Consideration & Premiums v Recent ASW Share Prices



² Being ASW's closing share price on 7 September 2023 (the last day on which the ASW Shares traded before the Scheme Announcement Date).

³ Being the last day on which ASW Shares traded before the Scheme Announcement Date.

Further, the value of the Scheme Consideration provides as material premium to the trading range of ASW Shares over the 6 month period prior to the Scheme Announcement Date, as depicted in the chart below.

Figure 2: Scheme Consideration v 6 Month ASW Share Prices



(d) **Certainty of value for your investment in ASW and you will not be exposed to ongoing and future risks associated with ASW's business**

The consideration payable by Automic or Automic Sub is 100% cash consideration. The 100% cash consideration provides ASW Shareholders with certainty of value and the opportunity to realise their investment in full for the Scheme Consideration.

Furthermore, the Scheme Consideration provides certainty against the risks associated with continuing to hold an investment in the ASW.

If the Scheme does not proceed, the amount which ASW Shareholders will be able to realise for their ASW Shares will be uncertain and ASW Shareholders will continue to be exposed to the risks associated with ASW's business.

A more comprehensive explanation of the key risks of remaining an ASW Shareholder can be found in Section 8.

(e) **If a Special Dividend is paid, you may be entitled to the franking credits attached to the Special Dividend**

The ASW Board may determine to pay a fully franked Special Dividend of up to \$0.0025 per ASW Share, subject to:

- (i) the Scheme becoming Effective following approval by ASW Shareholders and the Court;
- (ii) availability of franking credits and provided it will not result in the franking account of ASW being in deficit after the Special Dividend is paid;
- (iii) ASW having sufficient profits, retained earnings or distributable reserves (or a combination of all or some of them) to fund the payment of the Special Dividend; and
- (iv) compliance with relevant legislative requirements (under the Corporations Act, ITAA36 and the ITAA97).

The final decision on whether or not to pay a Special Dividend, and the amount of any Special Dividend, will be made by the ASW Directors. The final decision will be communicated to ASW Shareholders by way of an ASX announcement.

If ASW pays a Special Dividend of \$0.0025 per ASW Share, then, in addition to the Scheme Consideration payable to ASW Shareholders, it is expected that eligible ASW Shareholders will benefit from franking credits attached to the Special Dividend of \$0.00083 per ASW Share.

In assessing the value to them of any Special Dividend, ASW Shareholders should seek independent professional taxation advice as to whether or not the receipt of any Special Dividend and any entitlement to franking credits attached thereto is beneficial to them based on their own particular circumstances. In particular, ASW Shareholders should note that, depending on the timing of and price at which they acquired their ASW Shares, there may be differences in the tax consequences for them. Please refer to the general outline of those tax consequences in Section 9 and the comments within regarding the status of the class ruling application to be lodged by ASW on behalf of the ASW Shareholders.

(f) **ASW's Share price may fall in the near-term if the Scheme is not implemented and in the absence of a Superior Proposal**

If the Scheme does not proceed, and no comparable proposal or Superior Proposal is received by the ASW Board, then the ASW Share price may fall, perhaps materially.

Since the Scheme Announcement Date, ASW's Share price has increased by 28% to \$0.16 per ASW Share on 30 October 2023.

The ASW Directors are unable to predict the price at which ASW Shares will trade in the future if the Scheme is not implemented and no Superior Proposal emerges, however, they consider that the ASW Share price is likely to return to the trading prices observed prior to the Scheme Announcement Date.

(g) **No Superior Proposal has emerged since the announcement of the Scheme**

Since the Scheme Announcement Date and up to the Last Practicable Date, no Superior Proposal has emerged and the ASW Directors are not aware of, and have not received, any proposal or any approach from any person which they expect is likely to lead to a Superior Proposal.

If a Competing Proposal is received prior to the Scheme Meeting, the ASW Board will carefully consider the proposal to determine whether it is a Superior Proposal, subject to the terms of the Scheme Implementation Deed.

The ASW Directors will keep you informed if a Superior Proposal emerges before the Scheme Meeting and will make an announcement on ASX in accordance with its continuous disclosure obligations.

(h) **No brokerage will be payable by you for the transfer of your ASW Shares under the Scheme**

You will not incur any brokerage on the transfer of your ASW Shares to Automatic Sub under the Scheme. It is possible that brokerage may be incurred if you transfer your ASW Shares other than under the Scheme.

2.3 Potential reasons to vote against the Scheme Resolution

(a) **You may disagree with the ASW Directors' unanimous recommendation and the conclusion in the Independent Expert's Report, and believe that the Scheme is not in your best interests**

Despite the unanimous recommendation of the ASW Directors and the conclusion of the Independent Expert that the Scheme is fair and reasonable and in the best interests of ASW Shareholders in the absence of a Superior Proposal, you may believe that the Scheme is not in the best interests of ASW Shareholders or not in your best interests.

There is no obligation to follow the recommendation of the ASW Directors or to agree with the opinion of the Independent Expert.

(b) **You will no longer be able to participate exclusively in the future financial performance and possible growth of ASW's business**

If the Scheme is implemented, you will receive the Scheme Consideration for each ASW Share that you hold on the Scheme Record Date and you will cease to be an ASW Shareholder.

This means that you will not participate in the future performance of ASW or retain any exposure to ASW's assets or business or participate in the future financial performance and potential growth of ASW and you will not retain any exposure to the value that may be created by ASW in the future.

(c) **You may prefer to maintain your current investment and risk profile**

You may prefer to keep your ASW Shares to maintain your investment in a public company with the specific characteristics of ASW.

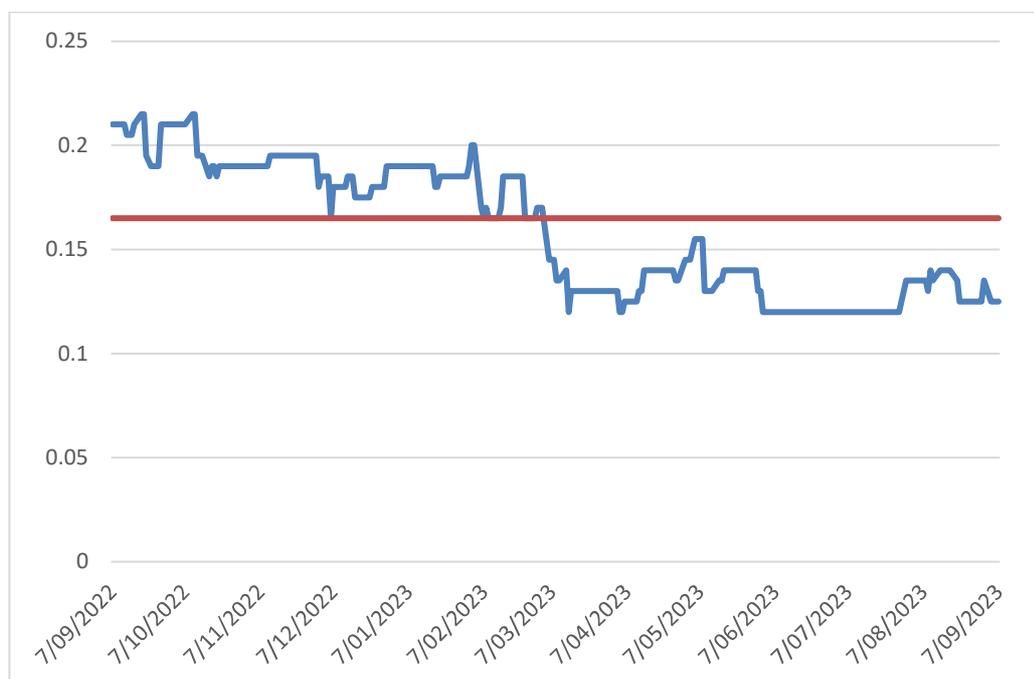
Implementation of the Scheme may result in disadvantages to ASW Shareholders who wish to maintain their current investment profile. ASW Shareholders who wish to maintain their investment profile may find it difficult to identify an investment with a similar profile to that of ASW and they may incur transaction costs in undertaking any new investment.

In addition, despite the risk factors relevant to ASW as a stand-alone entity (including those detailed in Section 8), and the recommendations of the ASW Directors and the Independent Expert, you may believe that you will achieve a greater return on your investment by remaining as a ASW Shareholder.

(d) **You may have acquired your ASW Shares at a price that is higher than the Scheme Consideration**

You may prefer to keep your ASW Shares if you acquired your ASW Shares at price that is higher than the Scheme Consideration noting that in the period commencing 12 months prior to the Scheme Announcement Date and ending 6 months prior to the Scheme Announcement Date, ASW Shares traded at prices above the value of the Scheme Consideration.

Figure 3: Scheme Consideration v 12 Month ASW Share Prices



(e) **You may consider that there is the potential for a Superior Proposal to emerge in the foreseeable future**

You may believe that there is potential for a Superior Proposal to be made in the foreseeable future. This may include a takeover offer or alternative transaction proposal which would deliver consideration to ASW Shareholders in excess of the Scheme Consideration. However, as at the Last Practicable Date, no Superior Proposal has emerged, and the ASW Directors are not aware of any Superior Proposal that is likely to emerge.

(f) **The tax implications of the Scheme or the Special Dividend, if paid, may not be suitable to your financial circumstances or position**

The tax implications of the Scheme will depend on your personal situation. You may consider that the tax implications of transferring your ASW Shares to Automic Sub pursuant to the Scheme or a Special Dividend, if paid, are not attractive to you.

ASW Shareholders should read the tax implications of the Scheme outlined in Section 9. However, Section 9 is general in nature, and ASW Shareholders should consult with their own independent taxation advisers regarding the tax implications of the Scheme.

2.4 Other relevant considerations

(a) **The Scheme may be implemented even if you do not vote, or vote against the Scheme**

Even if you do not vote, or if you vote against the Scheme, the Scheme may still be implemented if it is approved by the Requisite Majorities of ASW Shareholders and by the Court. If this occurs and you are an ASW Shareholder, your ASW Shares will be transferred to Automic Sub and you will receive the Scheme Consideration even though you did not vote on, or voted against, the Scheme.

(b) **Costs of the Scheme**

ASW has already incurred, and will incur, significant costs in respect of the proposal to implement the Scheme. These costs include negotiation with Automic, retention of advisers, provision of information to Automic, facilitating Automic's access to due diligence, engagement of the Independent Expert and the preparation of this Scheme Booklet. If the Scheme is not implemented in circumstances where no Superior Proposal emerges and is completed, ASW will not receive any material value for the significant costs it has incurred in connection with the Scheme.

Under the Scheme Implementation Deed, a Reimbursement Fee of \$319,123 may become payable by ASW to Automic, in certain circumstances. Failure by ASW Shareholders to approve the Scheme at the Scheme Meeting will not trigger an obligation to pay the Reimbursement Fee. Further details of the circumstances in which the Reimbursement Fee may become payable to Automic are detailed in Section 10.13.

3. Frequently Asked Questions

The following table provides brief answers to questions you may have in relation to the Scheme, but should be read in conjunction with the more detailed information included in this Scheme Booklet. You are urged to read this Scheme Booklet in its entirety.

Overview of the Scheme	
Why have I received this Scheme Booklet?	<p>This Scheme Booklet has been sent to you because you are an ASW Shareholder and ASW Shareholders are being asked to vote on the Scheme at the Scheme Meeting. This Scheme Booklet is intended to help you consider and decide how to vote on the Scheme Resolution.</p> <p>Please disregard this Scheme Booklet if you have transferred or disposed of all of your ASW Shares as you will not be entitled to vote at the Scheme Meeting.</p>
What is the Scheme?	<p>The Scheme is a scheme of arrangement under Part 5.1 of the Corporations Act between ASW and ASW Shareholders.</p> <p>A 'scheme of arrangement' is a statutory procedure in the Corporations Act that is commonly used in transactions in Australia that may result in a change of ownership or control of a company.</p> <p>The Scheme requires the approval of both the Requisite Majorities of ASW Shareholders at the Scheme Meeting and the Court.</p> <p>If the Scheme becomes Effective, all of the ASW Shares held by Scheme Shareholders will be transferred to the Automic Sub as consideration for the Scheme Consideration.</p> <p>The terms of the Scheme are detailed in full in Annexure C.</p>
What is the Scheme Consideration?	<p>If the Scheme is implemented, you will receive \$0.165 in cash per ASW Share comprising:</p> <ul style="list-style-type: none"> • (if a Special Dividend is paid): (i) the Scheme Consideration (payable by Automic or Automic Sub) of \$0.165 in cash per ASW Share held by you on the Scheme Record Date less the amount of the Special Dividend; and (ii) the amount of the Special Dividend in cash per ASW Share held by you on the Special Dividend Record Date (payable by ASW); or • (if a Special Dividend is not paid): the Scheme Consideration (payable by Automic or Automic Sub) of \$0.165 in cash per ASW Share held by you on the Scheme Record Date.
What will be the effect of the Scheme?	<p>If the Scheme is approved by the Requisite Majorities of ASW Shareholders and the Court:</p> <ul style="list-style-type: none"> • all your ASW Shares will be transferred to Automic Sub; • in exchange, you will receive the Scheme Consideration for each ASW Share you hold; and • ASW will become a wholly-owned subsidiary of Automic Sub and will be removed from the official list of ASX.
Who is Automic?	<p>Automic is an Australian provider of registry, employee share plan, board management, ESG and investor relations solutions. Automic's team of approximately 230+ employees operate from offices in Sydney, Melbourne and Perth to service over 1,000 listed and unlisted entities. Refer to Section 7 for further information on Automic.</p>

Overview of the Scheme	
Are there conditions that need to be satisfied before the Scheme can proceed?	Yes. The conditions to the Scheme are summarised in Section 1.5 and outlined in the Scheme Implementation Deed, contained in Annexure B. As at the date of this Scheme Booklet, neither ASW or Automic is aware of any reason why these conditions should not be satisfied or waived (as applicable).
What is the ASW Directors' recommendation in respect to the Scheme?	<p>The ASW Directors have carefully considered the advantages and disadvantages of the Scheme and unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of ASW Shareholders.</p> <p>In relation to the recommendations of the ASW Directors, ASW Shareholders should have regard to the fact that the ASW Directors hold ASW Shares as detailed in Section 6.4(a).</p>
What are the reasons to vote in favour of the Scheme?	<p>The ASW Directors have detailed in Section 2.2 the reasons why ASW Shareholders should vote in favour of the Scheme. In summary, these reasons include:</p> <ul style="list-style-type: none"> • the ASW Directors unanimously recommend you vote in favour of the Scheme Resolution in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of ASW Shareholders; • the Independent Expert has concluded that the Scheme is fair and reasonable and is in the best interests of ASW Shareholders in the absence of a Superior Proposal; • the value of the Scheme Consideration represents a material premium to recent ASW Share prices; • certainty of value for your investment in ASW and you will not be exposed to the ongoing and future risks associated with ASW's business; • if a Special Dividend is paid, you may be entitled to franking credits attached to the Special Dividend; • ASW's Share price may fall in the near-term if the Scheme is not implemented and in the absence of a Superior Proposal; • no Superior Proposal has emerged since the announcement of the Scheme; and • no brokerage will be payable by you for the transfer of your ASW Shares under the Scheme. <p>The ASW Directors consider that the reasons to vote in favour of the Scheme (including those summarised in Section 2.2) outweigh the potential reasons to vote against the Scheme (including those summarised in Section 2.3).</p>
What are the reasons to vote against the Scheme?	<p>The ASW Directors have detailed in Section 2.3 the reasons why you may decide to vote against the Scheme. In summary, these reasons include:</p> <ul style="list-style-type: none"> • you may disagree with the ASW Directors' unanimous recommendation and the conclusion in the Independent Expert's Report, and believe that the Scheme is not in your best interests; • you will no longer be able to participate in the future financial performance and possible growth of ASW's business;

Overview of the Scheme	
	<ul style="list-style-type: none"> you may prefer to maintain your current investment and risk profile; you may have acquired your ASW Shares at a price that is higher than the Scheme Consideration; you may consider that there is the potential for a Superior Proposal to emerge in the foreseeable future; and the tax implications of the Scheme may not be suitable to your financial circumstances or position.
What is the Independent Expert's conclusion?	<p>The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of ASW Shareholders. The Independent Expert's Report is contained in Annexure A.</p> <p>Your ASW Directors encourage you to read the Independent Expert's Report in full before deciding how to vote on the Scheme.</p>
If I wish to support the Scheme, what should I do?	<p>If you are registered as an ASW Shareholder at 10.00am (AWST) on 3 December 2023, you will be entitled to vote on the Scheme Resolution to be proposed at the Scheme Meeting. If you are unable to attend the Scheme Meeting, you can vote by appointing a proxy (including by lodging your Proxy Form) or attorney to attend and vote on your behalf. Alternatively, you may also vote by corporate representative, in the case of a corporate shareholder.</p>
What happens if I do not vote or vote against the Scheme?	<p>If you do not vote, or vote against the Scheme, and the Scheme becomes Effective and is implemented, any Scheme Shares held by you on the Scheme Record Date (currently expected to be 5.00pm (AWST) on 13 December 2023) will be transferred to Automic Sub and you will receive the Scheme Consideration, despite not having voted or having voted against the Scheme.</p>
How will the Scheme be implemented?	<p>If the Scheme becomes Effective, no further action is required on the part of the Scheme Shareholders in order to implement the Scheme. Under the Scheme, ASW is given authority to effect a valid transfer of all ASW Shares to Automic Sub and to enter the name of Automic Sub in the ASW Share Register as holder of all ASW Shares.</p>
What happens if the Scheme is not approved?	<p>If the Scheme is not approved by the Requisite Majorities of ASW Shareholders or the Court, the Scheme will not be implemented.</p> <p>Further, if any of the conditions to the Scheme are not satisfied or waived (where applicable), including if the Scheme is not approved by the Requisite Majorities of ASW Shareholders and by the Court, the Scheme Implementation Deed may be terminated and the Scheme will not be implemented.</p> <p>The consequences of the Scheme not being implemented include:</p> <ul style="list-style-type: none"> you will retain your ASW Shares, you will not be provided with the Scheme Consideration, and you will continue to be exposed to the risks associated with your investment in ASW Shares (refer to Section 8); the ASW Board and management will continue to operate ASW's business; the ASW Share price may fall to the extent that the market reflects an assumption that the Scheme will be completed;

Overview of the Scheme	
	<ul style="list-style-type: none"> • ASW will have incurred significant costs and management time and resources for no outcome; and • ASW may be liable to pay the Reimbursement Fee (\$319,123) to Automic.
Is ASW liable to pay a reimbursement fee?	<p>ASW may become liable to pay Automic the Reimbursement Fee (\$319,123) in certain circumstances, including where:</p> <ul style="list-style-type: none"> • during the Exclusivity Period, any ASW Director changes, qualifies or withdraws their recommendation that ASW Shareholders vote in favour of the Scheme (other than if the Independent Expert changes their conclusion that the Scheme is in the best interest of ASW Shareholders and other qualifications under the Scheme Implementation Deed); • a Competing Proposal is announced prior to the date of the Scheme Meeting and within 12 months thereafter the Competing Proposal is completed or acquires a Relevant Interest in more than 50% of the ASW Shares under a transaction that is or has become wholly unconditional or otherwise comes to Control ASW or acquires substantially all of the assets of ASW; or • Automic terminates the Scheme Implementation Deed because there is a material breach by ASW, ASW is in breach of a representation or warranty, a Target Regulated Event or a Target Prescribed Occurrence occurs, or an ASW Director changes their recommendation of the Scheme. <p>Refer to Section 10.13 for further details.</p>
Has ASW entered into exclusivity arrangements?	<p>The Scheme Implementation Deed contains certain exclusivity arrangements which are customary for an agreement of this type. During the Exclusivity Period, ASW and its representations are restricted from:</p> <ul style="list-style-type: none"> • soliciting, inviting, encouraging or initiating any Competing Proposal or communicating any intention to do any of these things, in relation to, or which may reasonably be expected to encourage or invite enquiries, discussions, negotiations or proposals in relation to, or which may reasonably be expected to lead to, a Competing Proposal; • negotiating, accepting or entering into, or offering or agreeing to negotiate, accept or enter into, any agreement, arrangement or understanding regarding an actual, proposed or potential Competing Proposal; or • soliciting, initiating, facilitating, encouraging or inviting any person (other than Automic, its affiliates or its representatives) to undertake due diligence investigations in respect of the ASW or any member of the ASW Group, or any of their respective businesses and operations, in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal. <p>During the Exclusivity Period, ASW must also:</p> <ul style="list-style-type: none"> • disclose certain information to Automic in the event a Competing Proposal emerges, including all material terms such as price, conditions, timetable, source and status of funding, break fee and the identity of the third party making the approach; and

Overview of the Scheme	
	<ul style="list-style-type: none"> give Automic the right, but not the obligation to provide a proposal that is no less favourable to ASW Shareholders or is superior to the Competing Proposal (that must be accepted if it would provide an equivalent or superior outcome for ASW Shareholders). <p>Refer to Section 10.11 for further details in relation to the exclusivity arrangements entered into by ASW.</p>
What happens if a Competing Proposal is received?	<p>If a Competing Proposal is received, the ASW Directors will carefully consider it.</p> <p>ASW must notify Automic of the Competing Proposal in accordance with the Scheme Implementation Deed.</p> <p>ASW Shareholders should note that the Scheme Implementation Deed contains certain exclusivity arrangements. Refer to Sections 5.2 and 10.11 for further details.</p>
What are the tax implications of the Scheme?	<p>Section 9 provides a description of the general Australian tax consequences of the Scheme, along with supporting information regarding the draft class ruling application. It is recommended you seek professional tax advice regarding your potential personal tax consequences in connection with the Scheme.</p>
How do the Directors intend to vote in respect of their own ASW Shares?	<p>Each ASW Director intends to vote, or procure the voting, in favour of the Scheme with respect to any ASW Shares controlled or held by, or on behalf of, them, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of ASW Shareholders. The ASW Directors collectively control the voting rights attaching to approximately 58.83% of the total number of ASW Shares on issue. Refer Section 6.4(a) for further details of the ASW Shares held by the ASW Directors.</p>
When will ASW be delisted from ASX?	<p>After the Scheme has been implemented, ASW will request ASX to remove ASW from the official list of ASX with effect on and from the close of the trading day immediately following or shortly after the Implementation Date.</p>

Questions about your entitlements	
Who is entitled to participate in the Scheme?	<p>Each person who is an ASW Shareholder as at 10.00am (AWST) on the Scheme Record Date (expected to be 3 December 2023) will be entitled to participate in the Scheme.</p>
What warranties do I give?	<p>Under the Scheme, each Scheme Shareholder is taken to have warranted to Automic Sub, and appointed and authorised ASW as its attorney and agent to Automic Sub, that:</p> <ul style="list-style-type: none"> all their ASW Shares (including any rights and entitlements attaching to their ASW Shares) which are transferred under this Scheme will, at the time of transfer of them to Automic Sub, be fully paid and free from all: <ul style="list-style-type: none"> mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the <i>Personal Properties Securities Act 2009</i> (Cth)) and interests of third parties of any kind, whether legal or otherwise; and restrictions on transfer of any kind; and they have full power and capacity to transfer their ASW Shares to Automic Sub together with any rights attaching to those ASW Shares; and

Questions about your entitlements

	<ul style="list-style-type: none"> except as otherwise provided for or contemplated in the Scheme Implementation Deed, they have no existing right to be issued any ASW Shares, or any other ASW securities. <p>ASW has undertaken that it will provide these warranties to Automic Sub as agent and attorney for each Scheme Shareholder.</p>
When will I receive the Scheme Consideration?	<p>In consideration for the transfer to Automic Sub of the ASW Shares, Automic or Automic Sub will provide the Scheme Consideration by depositing (or procuring the deposit) in cleared funds an amount equal to the aggregate amount of the Scheme Consideration for all ASW Shares into the Trust Account before 12:00 pm on the Business Day before the Implementation Date.</p> <p>ASW must, on the Implementation Date and from the Trust Account, pay to each Scheme Shareholder the Scheme Consideration attributable to that Scheme Shareholder based on the number of ASW Shares held by that Scheme Shareholder as at the Scheme Record Date. Refer to Section 1.4 for further information on how the Scheme Consideration will be provided.</p>
Will I have to pay brokerage fees on the disposal of my ASW Shares?	<p>You will not have to pay brokerage on the transfer of your ASW Shares to Automic Sub under the Scheme. If you dispose of your ASW Shares before the Scheme Record Date, brokerage fees may be payable.</p>

Special Dividend

What is the Special Dividend?	<p>The ASW Board may determine to pay a fully franked Special Dividend of up to \$0.0025 per ASW Share prior to implementation of the Scheme.</p> <p>The final determination on whether or not to pay a Special Dividend, and the amount of any Special Dividend, will be made by the ASW Directors and will depend upon a number of factors. Refer to Section 1.3 of this Scheme Booklet for further information.</p> <p>The final decision of the ASW Directors will be communicated to ASW Shareholders by way of an ASX announcement before the Second Court Hearing.</p>
Am I eligible to be paid the Special Dividend?	<p>Yes, provided that:</p> <ul style="list-style-type: none"> the ASW Board declares the Special Dividend. The ASW Directors intend for this to occur prior to the Second Court Date; the Scheme becomes Effective; and you are registered as an ASW Shareholder on the Special Dividend Record Date. <p>If the Scheme does not become Effective, you will not be paid the Special Dividend.</p>
Will any Special Dividend be franked?	<p>The ASW Directors currently intend that, if any Special Dividend is paid, it will be fully franked.</p> <p>Any Special Dividend, if paid, is expected to enable eligible shareholders to benefit from franking credits of up to \$0.00083</p>

Special Dividend	
	<p>per ASW Share attached to any such Dividend (subject to confirmation from the ATO).</p> <p>In assessing the value to you of any Special Dividend or franking credits, you should seek independent professional taxation advice as to whether or not the receipt of any Special Dividend and any entitlement to franking credits attached thereto is beneficial to you based on your own particular circumstances. In particular, you should note that, depending on the timing of and price at which you acquired your ASW Shares, there may be differences in the tax consequences for you.</p>
When will I be paid the Special Dividend?	If the Scheme becomes Effective, the Special Dividend will be paid to ASW Shareholders on the Special Dividend Payment Date (currently expected to be 13 December 2023) in the same way and in the same currency that you have elected to receive distributions from ASW.
What is the status of the class ruling?	<p>ASW is in the process of applying to the ATO requesting a class ruling to confirm to ASW the key taxation implications of the Scheme and that the impact of the Special Dividend on ASW Shareholders is in accordance with description in Section 9.</p> <p>The class ruling has not been finalised as at the date of this Scheme Booklet. The expected taxation implications for ASW Shareholders are summarised in Section 9.</p>

Questions about the Scheme Meeting and voting	
Who can vote?	If you are registered as an ASW Shareholder at 10:00 am (AWST) on 3 December 2023 you will be entitled to vote on the Scheme Resolution to be proposed at the Scheme Meeting. For further details in respect to how to vote at the Scheme Meeting refer to Section 4.
When and where will the Scheme Meeting be held?	The Scheme Meeting to approve the Scheme is scheduled to be held on 5 December 2023 commencing at 10:00 am (AWST) at 110 Stirling Highway, Nedlands WA. The Notice of Scheme Meeting is detailed in Annexure E.
What vote is required to approve the Scheme?	<p>The Scheme needs to be approved by the Requisite Majorities of ASW Shareholders, which is:</p> <ul style="list-style-type: none"> • unless the Court orders otherwise, a majority in number (more than 50%) of ASW Shareholders present and voting at the Scheme Meeting, either in person or by proxy, attorney or in the case of a corporation its duly appointed corporate representative; and • at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting by ASW Shareholders present and voting at the Scheme Meeting, either in person or by proxy, attorney or in the case of a corporation its duly appointed corporate representative.
Is voting compulsory?	No, voting is not compulsory. However, your vote is important. If you cannot attend the Scheme Meeting scheduled to be held on 5 December 2023 commencing at 10:00 am (AWST) you should complete and return the Proxy Form enclosed with this Scheme Booklet. For further details regarding voting and submitting your Proxy Form for the Scheme Meeting, refer to Section 4.

Questions about the Scheme Meeting and voting

Why should I vote?	Your vote will be important in determining whether the Scheme will proceed.
Can I attend the Court and oppose the Court approval of the Scheme?	If you wish to oppose approval by the Court of the Scheme at the Court hearing to be held on the Second Court Date, you may do so by filing with the Court, and serving on ASW, a notice of appearance in the prescribed form together with any affidavit on which you wish to rely at the hearing. The notice of appearance and affidavit must be served on ASW at least one Business Day before the Second Court Date.
What are my options?	<p>You may:</p> <ul style="list-style-type: none">• vote in favour of the Scheme at the Scheme Meeting;• vote against the Scheme at the Scheme Meeting;• sell your ASW Shares off-market or on market at any time before the close of trading on ASX on the Scheme Record Date; or• do nothing. <p>Refer to Section 5.5 for further information.</p>
What if I cannot, or do not wish to, attend the Scheme Meeting?	If you are unable to, or do not wish to, attend the Scheme Meeting, you can vote by appointing a proxy (including by lodging your Proxy Form) or attorney to attend and vote on your behalf. Alternatively, you may also vote by corporate representative in the case of a corporate shareholder.

General questions

What other information is available?	You should read the detailed information in relation to the Scheme provided in this Scheme Booklet. Further information in relation to ASW can be obtained from ASX on its website www.asx.com.au . Further information in relation to Automic can be obtained from its website https://www.automicgroup.com.au/ .
Who can help answer my questions about the Scheme?	If you have questions in relation to the Scheme or the Scheme Meeting, please contact the Company on 1300 113 258 (within Australia) or +61 8 9389 8033 (outside Australia) Monday to Friday between 8:30am and 5:00pm (AWST), visit https://www.advancedshare.com.au/ or consult your financial, legal or other professional adviser.

4. Scheme Meeting and voting information

This Section 4 contains information relating to voting entitlements and information on how to vote at the Scheme Meeting for ASW Shareholders.

4.1 Scheme Meeting

(a) Time and location

The Scheme Meeting to approve the Scheme is scheduled to be held at 110 Stirling Highway, Nedlands WA on 5 December 2023 at 10:00 am (AWST).

Please note that the Scheme Meeting may be postponed or adjourned if satisfaction or waiver of a condition of the Scheme Implementation Deed (where permitted) is delayed. Any postponement or adjournment of the Scheme Meeting will be announced to ASX.

(b) Requisite Majorities

At the Scheme Meeting, the Scheme Resolution will be proposed to the Scheme Meeting which must be approved by:

- (i) unless the Court orders otherwise, a majority in number (more than 50%) of ASW Shareholders present and voting at the Scheme Meeting, either in person or by proxy, attorney or in the case of a corporation its duly appointed corporate representative; and
- (ii) at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting by ASW Shareholders present and voting at the Scheme Meeting, either in person or by proxy, attorney or in the case of a corporation its duly appointed corporate representative,

(the **Requisite Majorities**), for the Scheme to become Effective.

(c) Notice of Scheme Meeting

The Scheme Resolution is detailed in the Notice of Scheme Meeting in Annexure E.

4.2 Entitlement and ability to vote at the Scheme Meeting

If you are registered as an ASW Shareholder as at 10:00 am (AWST) on 3 December 2023, you will be entitled to vote on the Scheme Resolution at the Scheme Meeting. Voting on the Scheme Resolution will be by poll.

(a) Voting in person

If you wish to vote in person, you may attend the Scheme Meeting.

ASW Shareholders, their attorneys, or in the case of ASW Shareholders or proxies which are corporations, corporate representatives, wishing to attend the Scheme Meeting physically are asked to meet at 110 Stirling Highway, Nedlands WA 30 minutes prior to the time designated for the commencement of the Scheme Meeting, if possible, to register.

(b) Voting by proxy

Your personalised Proxy Form for the Scheme Meeting accompanies this Scheme Booklet.

You can appoint a proxy by completing and returning to ASW the enclosed Proxy Form for the Scheme Meeting. The Proxy Form must be received by ASW by no later than 10:00 am (AWST) on 3 December 2023.

You must return the Proxy Form to ASW by either posting it in the reply-paid envelope provided (only for use in Australia) or by sending, delivering, faxing or lodging it online as follows:

- (i) Online at:

www.advancedshare.com.au/investor-login and follow the instructions provided. You will need your SRN or HIN, and the Postcode as shown on your Proxy Form.

You will be taken to have signed the Proxy Form if you lodge your proxy in

accordance with the instructions on the website. Please read the instructions for online proxy submission carefully before you lodge your proxy.

- (ii) Mail to:
Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or
PO Box 1156, Nedlands WA 6909
- (iii) Fax to:
In Australia: 08 6370 4203
From outside of Australia: +61 8 6370 4203
- (iv) Email to:
admin@advancedshare.com.au

If a proxy appointment is signed by or validly authenticated by an ASW Shareholder but does not name the proxy or proxies in whose favour it is given, the chairman of the Scheme Meeting may act as proxy.

If:

- (i) an ASW Shareholder nominates the chairman of the Scheme Meeting as the ASW Shareholder's proxy; or
- (ii) a proxy appointment is signed by an ASW Shareholder but does not name the proxies in whose favour it is given or otherwise under a default appointment according to the terms of the Proxy Form,

the person acting as chairman in respect of an item of business at the Scheme Meeting must act as proxy under the appointment in respect of that item of business.

Proxy appointments in favour of the chairman of the Scheme Meeting which do not contain a direction will be voted in support of the Scheme Resolution at the Scheme Meeting.

Any ASW Shareholder who wishes to submit a proxy has the right to appoint a proxy (who need not be an ASW Shareholder) to represent them at the Scheme Meeting, other than the chairman of the Scheme Meeting, has the right to do so by inserting the name of their chosen proxy in the space provided for that purpose on the Proxy Form.

An ASW Shareholder entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half the votes. The ASW Shares represented by proxy will be voted for or against or withheld from voting in accordance with the instructions of the ASW Shareholder on any ballot that may be called for, and if the ASW Shareholder specifies a choice with respect to any matter to be acted upon, the ASW Shares will be voted accordingly.

An ASW Shareholder who has deposited a Proxy Form may revoke it prior to its use, by instrument in writing executed by the ASW Shareholder or by his, her or its attorney duly authorised in writing or, if the ASW Shareholder is a company, executed by a duly authorised officer or attorney in compliance with applicable law and deposited at the Share Registry by 10:00 am (AWST) on 3 December 2023 or with the chairman of the Scheme Meeting on the day of, and prior to the start of, the Scheme Meeting. An ASW Shareholder may also revoke a proxy in any other manner permitted by law.

If an attorney signs a Proxy Form on your behalf, a certified copy of the power of attorney under which the Proxy Form was signed must be received by the Share Registry at the same time as the Proxy Form (unless you have already provided a certified copy of the power of attorney to ASW).

(c) **Undirected proxies**

An ASW Shareholder who has submitted a proxy has the right to appoint the chairman of the Scheme Meeting, or another person (who need not be an ASW Shareholder) to represent them at the Scheme Meeting and vote on the Scheme Resolution, by inserting the name of their desired representative in the space provided for that purpose on the Proxy Form.

The chairman of the Scheme Meeting intends to vote all undirected proxies in favour of the Scheme Resolution.

(d) **Voting by corporate representative**

To vote in person at the Scheme Meeting, an ASW Shareholder or proxy, which is a body corporate, may appoint an individual to act as its representative.

Unless otherwise specified in the appointment, a representative acting in accordance with his or her authority, until it is revoked by the body corporate ASW Shareholder, is entitled to exercise the same powers on behalf of that body corporate as that body corporate could exercise at a meeting or in voting on a resolution.

A certificate with or without the seal of the body corporate ASW Shareholder, signed by two directors of that body corporate or signed by one director and one secretary, or any other document as the chairman of the Scheme Meeting in his sole discretion considers sufficient, will be evidence of the appointment, or of the revocation of the appointment, as the case may be, of a representative.

(e) **Voting by attorney**

An ASW Shareholder may appoint a person (whether an ASW Shareholder or not) as its attorney to attend and vote at the Scheme Meeting.

An instrument appointing an attorney must be in writing executed under the hand of the appointer or the appointer's attorney duly authorised in writing, or if the appointer is a corporation, under its common seal (if any) or the hand of its duly authorised attorney or executed in a manner permitted by the Corporations Act. The instrument may contain directions as to the manner in which the attorney is to vote on a particular resolution(s) and subject to the Corporations Act, may otherwise be in any form as the ASW Directors may prescribe or accept. A fax of a written power of attorney is valid provided it has been provided to ASW on the fax number in Section 4.2(b)(iii) by no later than 10:00 am (AWST) on 3 December 2023. Such fax will be deemed to have been served on ASW upon the receipt of a transmission report confirming successful transmission of that fax.

4.3 How to ask questions

ASW Shareholders who would like to ask questions at the Scheme Meeting are encouraged to do so in writing before the Scheme Meeting by emailing their questions to admin@advancedshare.com.au prior to 5.00 pm (AWST) on 1 December 2023.

Alternatively, ASW Shareholders can submit questions when attending the Scheme Meeting either in person or, if attending online, via the online platform. More information regarding how to participate in the Scheme Meeting online (including how to ask questions online during the meeting) is available in the Notice of Meeting is detailed in Annexure E.

5. Key considerations

The purpose of this Section 5 is to identify significant issues for you to consider in relation to the Scheme. Before deciding how to vote at the Scheme Meeting, you should carefully consider the factors discussed below and the risk factors outlined in Section 8, as well as the other information contained in this Scheme Booklet.

5.1 Background

If the Scheme is implemented, Automic Sub will acquire all of the ASW Shares held by Scheme Shareholders by way of a scheme of arrangement.

The Scheme is subject to, among other things, approval by the Requisite Majorities of ASW Shareholders at the Scheme Meeting and approval by the Court pursuant to section 411(4)(b) of the Corporations Act on the Second Court Date. For further details of the conditions refer to Section 1.5 and the Scheme Implementation Deed.

If the Scheme becomes Effective, ASW will become a wholly-owned subsidiary of Automic Sub and will request that ASX remove ASW from the official list of ASX from the close of trading on or shortly after the Implementation Date.

ASW Shareholders will receive:

- (a) **(if a Special Dividend is paid)**
 - (i) the Scheme Consideration (payable by Automic or Automic Sub) of \$0.165 in cash per ASW Share held by them on the Scheme Record Date less the cash amount of the Special Dividend; and
 - (ii) the amount of the Special Dividend in cash per ASW Share held by them on the Special Dividend Record Date (payable by ASW); or
- (b) **(if a Special Dividend is not paid)** the Scheme Consideration (payable by Automic or Automic Sub) of \$0.165 in cash per ASW Share held by them on the Scheme Record Date.

Automic and Automic Sub have executed the Deed Poll pursuant to which Automic Sub has undertaken, subject to the Scheme becoming Effective, to acquire the ASW Shares held by Scheme Shareholders for the Scheme Consideration.

If the Scheme becomes Effective, Automic or Automic Sub will deposit, or procure the deposit of, the Scheme Consideration in aggregate into the Trust Account, and, on the Implementation Date, ASW shall pay the Scheme Consideration to the Scheme Shareholders.

Details on certain Australian tax considerations in relation to the Scheme Consideration are detailed in Section 9.

5.2 Competing Proposal

During the Exclusivity Period the Scheme Implementation Deed prohibits ASW Group and its representatives from soliciting, initiating, encouraging or inviting enquiries, discussions, negotiations or proposals in relation to, or which may reasonably be expected to lead to, a Competing Proposal or communicate any intention to do any of these things.

There are also certain restrictions in the Scheme Implementation Deed in relation to discussions with third parties in relation to a Competing Proposal, providing due diligence access and making available any non-public information (with certain exceptions relevant to the fiduciary and statutory duties of ASW Directors).

During the Exclusivity Period, ASW must notify Automic in writing as soon as practicable, but in any event within 48 hours:

- (a) if ASW Group or any of ASW's representatives are approached by any person in relation to an actual or potential Competing Proposal, such notice must set out reasonable details of the approach; or
- (b) of any request made by a third party for any information in relation to ASW Group or any of their businesses or operations, that the ASW Board has reasonable grounds to suspect may be in connection with such third party formulating, developing or finalising, or assisting in the formulation of a Competing Proposal.

Where a Competing Proposal is received, Automic has the right, but not the obligation, at any time during the period of three Business Days following the receipt of a notice from ASW of a Competing Proposal, to provide a proposal that is no less favourable to ASW Shareholders or is superior to the Competing Proposal (**Counterproposal**). The ASW Board must consider the Counterproposal and if it determines, acting in good faith, that the Counterproposal would provide an outcome that is no less favourable to or more favourable to ASW Shareholders as a whole than the relevant Competing Proposal, then ASW and Automic must use their best endeavours to agree any amendments to the Scheme Implementation Deed and the contents of the Scheme Booklet which are reasonably necessary to reflect the Counterproposal and the parties must enter into an appropriate amending deed to give effect to those amendments as soon as reasonably practicable.

As at the Last Practicable Date, ASW has not received any Competing Proposals. The ASW Directors will carefully consider any Competing Proposals received from a third party (provided it does not breach the terms of the Scheme Implementation Deed) and inform you of any material developments. For further details in relation to the exclusivity arrangements entered into by ASW, refer to Section 10.11.

5.3 Directors' recommendation

The ASW Directors believe that the Scheme is in the best interests of ASW Shareholders, and they unanimously recommend that ASW Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of ASW Shareholders.

The ASW Directors have formed their conclusion and made their recommendation on the Scheme based on the reasons outlined in Section 2.

In relation to the recommendation of the ASW Directors, ASW Shareholders should have regard to their holdings of ASW Shares (refer to Section 6.4 for further details). Despite the ASW Directors' personal interests in the outcome of the Scheme, the ASW Directors consider that, given the importance of the Scheme and their obligations as directors, it is important and appropriate for them to provide a recommendation to ASW Shareholders in relation to the Scheme.

Each of the Directors will vote or procure the voting of, any ASW Shares controlled or held by, or on behalf of, such Director at the time of the Scheme Meeting, in favour of the Scheme at the Scheme Meeting, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of ASW Shareholders.

The reasons ASW Shareholders might elect to vote against the Scheme are detailed in Section 2.3.

5.4 Independent Expert's Report

The Independent Expert has reviewed the terms of the Scheme and concluded that the Scheme is fair and reasonable and in the best interests of ASW Shareholders.

The Independent Expert's Report is contained in Annexure A and should be read in its entirety, including the assumptions on which the conclusions are based.

5.5 What are your options and what should you do?

You have the following four options in relation to your ASW Shares. ASW encourages you to consider your personal risk profile, tax position and financial circumstances and seek professional advice before making any decision in relation to your ASW Shares.

(a) Vote in favour of the Scheme at the Scheme Meeting

The ASW Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of ASW Shareholders. The reasons for the ASW Directors' unanimous recommendation are detailed in Section 2.1.

If you wish to support the Scheme, you can do so by voting in favour of the Scheme Resolution at the Scheme Meeting. For directions on how to vote at the Scheme Meeting, and important voting information generally, please refer to Section 4.

(b) **Vote against the Scheme at the Scheme Meeting**

If, despite the ASW Directors' unanimous recommendation and the conclusion of the Independent Expert, you do not support the Scheme, you may vote against the Scheme Resolution at the Scheme Meeting.

You should note that if all of the conditions to the Scheme are satisfied or waived (where applicable), the Scheme will bind all ASW Shareholders, including those who vote against the Scheme Resolution at the Scheme Meeting.

(c) **Sell your ASW Shares**

The Scheme does not preclude you from selling your ASW Shares off market or on market for cash, if you wish to do so. If you are considering selling your ASW Shares on ASX you should have regard to the prevailing trading prices of ASW Shares at that time.

If you sell your ASW Shares before the Scheme Record Date, you:

- (i) will not be entitled to receive the Scheme Consideration;
- (ii) may incur a brokerage charge;
- (iii) may be subject to income tax consequences; and
- (iv) will not be able to participate in a Superior Proposal, if one emerges, noting that, at the Last Practicable Date, your ASW Directors have not received notice from any third party of an intention to make any Competing Proposal or a Superior Proposal.

(d) **Do nothing**

If you decide to do nothing, you should note that if all of the conditions to the Scheme are satisfied or waived (where applicable), the Scheme will bind all ASW Shareholders, including those who do not vote at all.

6. Information about ASW

6.1 Introduction

ASW is a public company, incorporated in Western Australia, which listed on the ASX in June 2008 under the trading symbol "ASW". ASW owns and operates a share registry business, with its corporate office located in Perth, Western Australia, as well as an office located in Sydney, New South Wales.

Since being listed in 2008, ASW has been focused on providing share registry services including registry maintenance, capital raisings, corporate actions, company meetings, employee share plans, shareholder communications and in-house printing offerings. ASW also owns and manages an investment property on Clarence Street in Sydney, deriving a rental income.

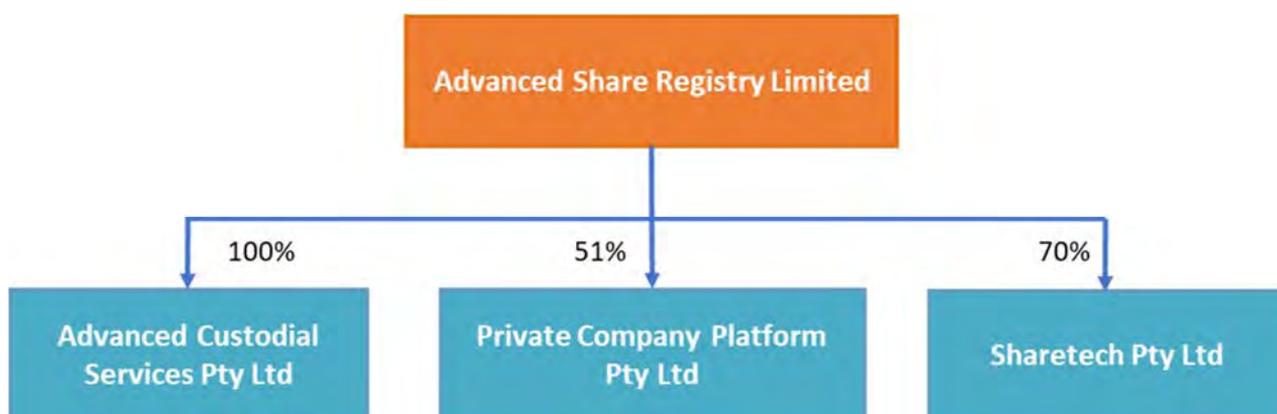
ASW's objective is to continue to maximise profits and shareholder returns while providing a rewarding environment for its staff and clients utilising its services. Since being listed in 2008, under the leadership of Mr Kim Chong, ASW has year on year operated on a profitable basis (without the need to raise capital) and has paid a franked dividend every six months.

As at the Scheme Announcement Date, ASW had a market capitalisation of approximately \$24.2 million (based on a closing price of \$0.125 per ASW Share).

For the financial year ended 30 June 2023, ASW reported total revenue of \$5,729,932, underlying EBIT of \$2,160,676 and underlying EBITDA of \$2,463,523.

6.2 Corporate Structure

Figure 4: ASW Group Structure



6.3 Business Overview

(a) Overview

ASW's key services are as follows:

- (i) **Registry Management** – ASW provides registry management packages that allow issuers and shareholders to log-in, view and download reports and documents, and update their details via their website;
- (ii) **Meeting Management** – ASW prepares and despatches shareholder meeting documents such as proxy forms, notices of meeting, and annual reports, and can assist with coordinating shareholders meetings, including with the shareholder registration process and poll administration;
- (iii) **Beneficial Ownership Analysis** – through ASW's corporate partner, clients can access a suite of marketing intelligence tools including register analysis reports and a comprehensive customer relationship management platform designed to streamline management of all investor communications;
- (iv) **Corporate Actions and Capital Raisings** – ASW provides services in connection with a range of corporate actions and capital raisings, including initial public offerings, share buy-backs, rights issues and share purchase plans. ASW also provides printing and document formatting services;

- (v) **Employee Plan Solutions** – ASW can implement an employee plan for a company, enabling employees to log-in and view their holdings via their website, and maintain contribution records;
- (vi) **Online Portal** – ASW provides an online platform for investors to view and update all shareholder details relating to their investments;
- (vii) **Shareholder Communications** – ASW offers in-house printing and mailing services; and
- (viii) **Daily Reports** – automated system-generated customised reports are available via ASW's online portal.

ASW provides the services detailed above to a number of listed and unlisted companies in Australia. As at the Last Practicable Date, ASW:

- (i) had approximately 190 clients;
- (ii) employed approximately 20 staff; and
- (iii) operates through three divisions as detailed below.

(b) **Advanced Share Registry**

ASW, as the parent entity of the ASW Group, conducts the main business operations and provides the funding for the subsidiaries' development pursuits.

All income of the ASW Group is generated from within the parent entity from its registry services, investment property and cash reserves. Operationally, ASW comprises two segments, being its registry services and investment property.

Registry services generated revenue of \$5,494,404, with other income totalling \$136,040, for the year ended 30 June 2023. The net operating profit of the registry services segment was \$2,118,854.

The investment property generated \$99,488 in income for the year ended 30 June 2023, which resulted in a net operating profit before tax of \$28,666 for the segment. Overall, the ASW parent entity generated a net operating profit before tax of \$2,146,893.

(c) **Private Company Platform**

Private Company Platform Pty Ltd (**PCP**) is a 51% subsidiary of ASW. PCP was initially set up to develop a platform for trading unlisted shares, however it is currently dormant. Subject to the consent of the other shareholders of PCP, it is the intention of the ASW Board to deregister PCP. PCP did not generate any income for the year ended 30 June 2023, and realised an overall loss after income taxes of \$14,362.

(d) **Sharetech**

Sharetech Pty Ltd (**Sharetech**) is a 70% subsidiary of ASW and intends to provide share facilitation services for unlisted company clients of ASW. Sharetech did not generate any income for the year ended 30 June 2023, and realised an overall loss after income taxes of \$10,723.

6.4 Directors and Executive Officers

(a) **Directors of ASW and their interest in ASW Shares**

As at the Last Practicable Date, the ASW Directors, and their respective Relevant Interests in ASW Shares, are as follows:

ASW Director	Position	Relevant Interest in ASW Shares	Relevant Interest in ASW Shares (as at the Last Practicable Date)
Simon Cato	Non-Executive Chairman	2,475,000 ¹	1.28%
Kim Chong	Managing Director and Chief Executive Officer	108,602,318 ²	56.15%

ASW Director	Position	Relevant Interest in ASW Shares	Relevant Interest in ASW Shares (as at the Last Practicable Date)
Michael Pixley	Non-Executive Director	-	-
Alvin Tan	Non-Executive Director	2,660,760 ³	1.38%
Stuart Third	Non-Executive Director and Company Secretary	45,000 ⁴	0.02%

Notes:

- 1,822,500 ASW Shares are held directly by Mr Simon Cato, 562,500 ASW Shares are held by Rosemont Asset Pty Ltd, which is an entity owned and controlled by Mr Cato, and 90,000 ASW Shares are held by SK Cato Superannuation Fund, which Mr Cato is a member of.
- 5,000 ASW Shares are held directly by Mr Kim Chong and 108,597,318 ASW Shares are held by KMC Automation Pty Ltd, which is an entity related to Mr Chong.
- 609,750 ASW Shares are held by Apezo Pty Ltd, which is an entity related to Mr Tan, 202,500 ASW Shares are held by Tan Hin Chiang Holdings Sdn Bhd, which is an entity related to Mr Tan, 588,510 ASW Shares are held by Tan Swi Chay & Co Berhad, which is an entity related to Mr Tan, and 1,260,000 ASW Shares are held by Ostle Investments Pty Ltd, which is an entity related to Mr Tan.
- 45,000 ASW Shares are held by Milamber Nominees Pty Ltd, which is an entity associated with Mr Third.

(b) **Directors' Profiles**

Simon Cato – Non-Executive Chairman

Mr Simon Cato has had over 40 years of capital markets experience in broking, regulatory roles and as director of listed companies. He initially was employed by the ASX in Sydney and then in Perth. From 1991 until 2006, he was an executive director and/or responsible executive of three stockbroking firms and in those roles he has been involved in many aspects of broking including management issues such as credit control and reporting to regulatory bodies in the securities industry. As a broker, he was also involved in the underwriting of a number of IPO's and has been through the process of IPO listing in the dual role of broker and director. Currently, he holds a number of non-executive roles with listed companies in Australia. Mr Cato is a director of Bentley Capital Ltd.

Kim Phin Chong – Managing Director and Chief Executive Officer

Mr Kim Chong has been actively involved in the share registry business for over 42 years. From 1981 until 1996 he was employed with major firms in registry operations as a systems analyst, client manager and share registry division manager.

Kim commenced operations as Advanced Share Registry Services in 1996 with six clients and with his experience in information technology and management skills, has guided the business to the success it is today.

Michael Pixley – Non-Executive Director

Mr Michael Pixley is a highly experienced Merchant Banker with over 30 years of experience in Asia. Beginning in Singapore and later moving to Australia. Michael has developed deep contacts with Asian businesses, individuals and governments throughout his career. As CEO and Director in both public and private businesses he has gained extensive experience in deal origination, structuring and execution across various industry sectors including manufacturing, real estate, biotech and energy.

Michael has a proven track record of building successful businesses and has lead numerous transactions including M&As, IPOs, and debt/ equity financings. He has a strong reputation for developing and maintaining key relationships with clients, stakeholders, and partners.

Alvin Tan – Non-Executive Director

Mr Alvin Tan is a seasoned financial consultant and entrepreneur with over 25 years of corporate experience in various industries. He has an Honours degree in Commerce from the University of Western Australia and started his career at KPMG (Malaysia) before moving to Perth in 1995. Alvin has successfully led and executed numerous

mergers, acquisitions, capital raising and new listings on the ASX, AIM, LSE, KLSE and FRA exchanges. He has also been a director of several Australian companies, including ASX-listed companies Pacific Rim Investment Corporation Ltd, Orchid Capital Ltd, Coral Sea Petroleum Ltd. He currently serves on the board and chairs the audit committee of NSX and LSE listed PYX Resources, a leading producer of premium zircon.

Stuart Third – Non-Executive Director and Company Secretary

Mr Stuart Third has been involved in professional accounting in public practice for over 25 years, providing business and taxation advice to clients in various industries. Stuart has experience in corporate governance, company secretarial, management and restructuring matters. He currently is on the Board of, and company secretary of, ASX listed United Overseas Australia Ltd and has previously served as company secretary of other ASX listed companies. He also works within the accounting profession as a facilitator for the Chartered Accountants Program.

Mr Third holds a Bachelor of Business, Master of Taxation and a Graduate Diploma in Applied Corporate Governance. He is a Fellow of Chartered Accountants Australian and New Zealand, a Chartered Tax Advisor with the Tax Institute, an Associate of the Governance Institute of Australia and an Associate of The Chartered Governance Institute.

6.5 Historical financial information

(a) Basis of preparation

The selected historical financial information in this Section 6.5 has been extracted from ASW's audited consolidated financial statements for the financial years ended 30 June 2021, 30 June 2022 and 30 June 2023.

On request prior to the Effective Date, ASW will provide, within three Business Days of the request, a copy of ASW's audited consolidated financial statements for the financial years ended 30 June 2021, 30 June 2022 and 30 June 2023 free of charge to any ASW Shareholder.

The information in this Section 6.5 is a summary only and has been prepared solely for inclusion in this Scheme Booklet. ASW's full financial accounts are available on its website, <https://www.advancedshare.com.au/> or by requesting a copy on 1300 113 258 or admin@advancedshare.com.au.

(b) Consolidated Statements of Profit or Loss and Other Comprehensive Income

Detailed below is a summary of ASW's audited Consolidated Statements of Profit or Loss and Other Comprehensive Income for the years ended 30 June 2021, 30 June 2022 and 30 June 2023:

	2023 \$	2022 \$	2021 \$
Revenue from contracts with customers	5,494,404	5,671,278	6,625,659
Other income	235,528	118,487	487,199
Occupancy expenses	(138,404)	(121,327)	(272,766)
Administrative expenses	(2,094,198)	(1,973,610)	(1,882,127)
Other operating expenses	(983,807)	(1,025,419)	(1,430,648)
Finance costs	(13,156)	(18,962)	-
Depreciation and amortisation expenses	(302,847)	(290,740)	(90,646)
Fair value adjustment on investment property	(50,000)	-	-
Profit before income tax	2,147,520	2,359,707	3,436,671
Income tax expense	(565,051)	(606,177)	(874,886)
Profit after income tax	1,582,469	1,753,530	2,561,785

Other comprehensive income, net of tax

Items that will not be reclassified to profit or loss:

Revaluation of owner-occupied property, net of tax	(38,478)	-	(79,828)
Reduction in deferred income tax expense on change in tax rate associated with revaluation of owner-occupied property	-	-	14,385
	(38,478)	-	(65,443)
Total comprehensive income for the year	1,543,991	1,753,530	2,496,342
Profit attributable to:			
Owners of the parent	1,592,723	1,758,597	2,567,041
Non-controlling interests	(10,254)	(5,067)	(5,256)
	1,582,469	1,753,530	2,561,785
Comprehensive income attributable to:			
Owners of the parent	1,554,245	1,758,597	2,501,598
Non-controlling interests	(10,254)	(5,067)	(5,256)
	1,543,991	1,753,530	2,496,342

(c) **Consolidated Statement of Financial Position**

Below is a summary of ASW's audited Consolidated Statements of Financial Position as at 30 June 2021, 30 June 2022 and 30 June 2023:

	2023	2022	2021
	\$	\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	3,725,941	4,186,700	5,161,865
Trade and other receivables	896,989	653,216	731,301
Other current assets	58,303	78,884	45,135
Total Current Assets	4,681,233	4,918,800	5,938,301
Non-current Assets			
Property, plant and equipment	1,004,075	1,027,565	942,263
Investment property	2,100,000	2,150,000	2,150,000
Intangible assets	1,056,486	1,072,003	1,085,758
Leased assets	191,637	382,749	-
Deferred tax assets	240,639	313,262	232,120
Total Non-current Assets	4,592,837	4,945,579	4,410,141
TOTAL ASSETS	9,274,070	9,864,379	10,348,442
LIABILITIES			
Current Liabilities			
Trade and other payables	295,392	229,992	339,946
Current tax liabilities	89,375	151,183	515,519
Lease liabilities	203,692	190,205	-
Provisions	588,836	515,090	500,188
Total Current Liabilities	1,177,295	1,086,470	1,355,653
Non-current Liabilities			
Provisions	2,838	15,043	22,744
Lease liabilities	-	203,692	-
Deferred tax liabilities	410,507	485,029	393,007
Total Non-current Liabilities	413,345	703,764	415,751
TOTAL LIABILITIES	1,590,640	1,790,234	1,771,404
NET ASSETS	7,683,430	8,074,145	8,577,038
EQUITY			
Issued capital	6,201,464	6,201,464	6,201,464
Retained earnings	1,007,873	1,349,741	1,847,567
Reserves	487,942	526,420	526,420
Total parent entity interest in equity	7,697,279	8,077,625	8,575,451
Total non-controlling interest	(13,849)	(3,480)	1,587
TOTAL EQUITY	7,683,430	8,074,145	8,577,038

(d) Consolidated cash flow statement

Detailed below is a summary of ASW's audited consolidated statement of cash flows for the years ended 30 June 2021, 30 June 2022 and 30 June 2023:

	2023	2022	2021
	\$	\$	\$
Cash flows from operating activities			
Receipts from customers	5,927,150	6,465,034	7,419,145
Government assistance received			337,500
Payments to suppliers and employees	(3,603,899)	(3,878,556)	(3,998,600)
Interest received	80,928	18,254	30,978
Finance costs – lease liabilities	(13,156)	(18,962)	-
Income tax paid	(615,932)	(959,632)	(684,010)
Net cash flows provided by operating activities	1,775,091	1,626,138	3,105,013
Cash flows from investing activities			3,105,013
Purchase of property, plant and equipment	(124,033)	(171,698)	(69,662)
Payments for acquiring interest in subsidiaries	(583)	-	-
Deposit paid on investment	-	(5,000)	-
Net cash flows used in investing activities	(124,616)	(176,698)	(69,662)
Cash flows from financing activities			
Dividends paid	(1,921,029)	(2,245,164)	(1,931,473)
Principal portion of lease payments	(190,205)	(179,441)	-
Net cash flows used in financing activities	(2,111,234)	(2,424,605)	(1,931,473)
Net decrease in cash and cash equivalents	(460,759)	(975,165)	1,103,878
Cash and cash equivalents at the beginning of the year	4,186,700	5,161,865	4,057,987
Cash and cash equivalents at the end of the year	3,725,941	4,186,700	5,161,865

6.6 Material changes in ASW's financial position and financial performance

To the knowledge of the ASW Directors, the financial position and financial performance of ASW has not materially changed since 30 June 2023.

6.7 ASW Directors' intentions for ASW's business

The Corporations Act requires a statement by the ASW Directors of their intentions regarding ASW's business to be included in this Scheme Booklet. If the Scheme is implemented, Automic

presently intends to reconstitute the ASW Board such that some or all of the ASW Directors may be replaced (see Section 7.7). Accordingly, it is not possible for the ASW Directors to provide a statement of their intentions regarding:

- (a) the continuation of the business of ASW or how ASW's existing business will be conducted;
- (b) any major changes, if any, to be made to the business of ASW; or
- (c) any future employment of the present employees of ASW, in respect of the period after implementation of the Scheme.

If the Scheme is implemented, Automic Sub will own and control all of the ASW Shares. The intentions of Automic with respect to the matters listed above if the Scheme is implemented are detailed in Section 7.7.

If the Scheme is not implemented:

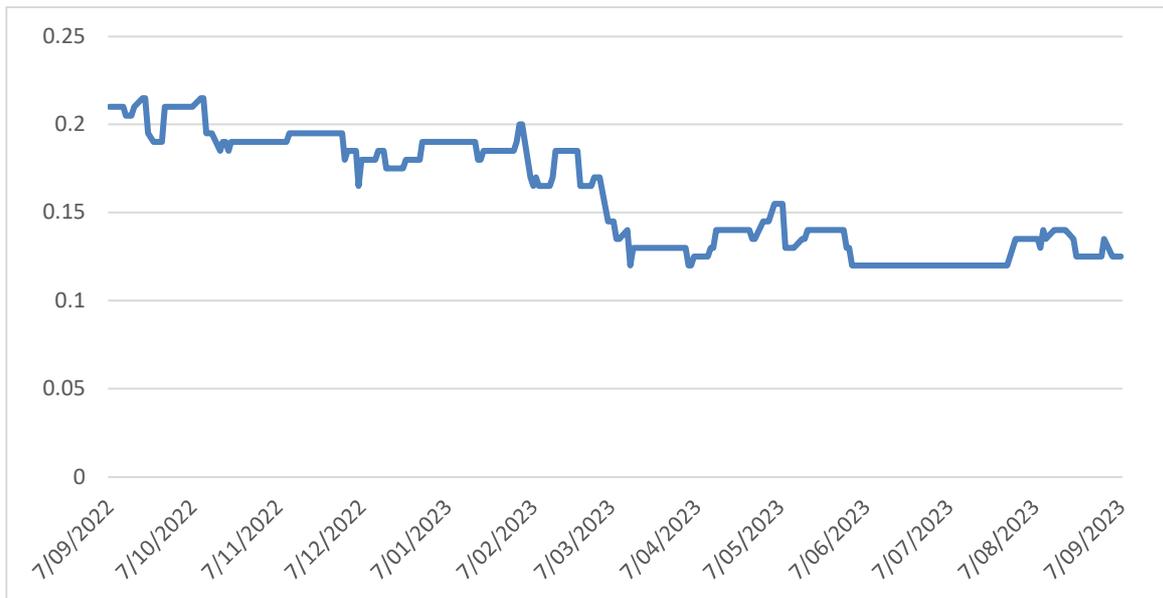
- (a) the ASW Directors intend that ASW will continue its current business plans and operations detailed in Section 6.3 above).
- (b) ASW will continue to operate on a standalone basis and remain listed on the ASX.

6.8 Recent ASW Share price history

The closing price of ASW Shares on ASX on 7 September 2023 (the last trading day prior to the Scheme Announcement Date) was \$0.125. The closing price for ASW Shares on ASX on the Last Practicable Date was \$0.16.

The chart below illustrates ASW's Share price performance over the 12 month period up to and including the last trading day prior to Scheme Announcement.

Figure 5: ASW 12 Month Share Price Performance



As at 7 September 2023, being the last trading day prior to the Scheme Announcement Date:

- (a) the highest recorded closing price of ASW Shares in the previous 12 months was \$0.215 per ASW Share on 10 October 2022; and
- (b) the lowest recorded closing price of ASW Shares in the previous 12 months was \$0.12 per ASW Share on 21 July 2023.

The current price of ASW Shares on ASX can be obtained from the ASX website (www.asx.com.au).

6.9 ASW issued securities

- (a) **Capital Structure**

As at the Last Practicable Date:

- (i) there were 193,407,776 ASW Shares on issue; and
- (ii) no other class of securities (i.e. options, performance shares etc) on issue.

(b) **ASW Substantial Shareholders**

As at the Last Practicable Date, the following persons were substantial holders of ASW Shares:

Name	Number of ASW Shares	% of ASW Ordinary Shares Outstanding
KMC Automation Pty Ltd¹	108,597,318	56.15%
Washington H. Soul Pattinson and Company Limited	17,500,000	9.05%
Pacific Custodians Pty Ltd	15,788,597	8.16%

Note:

1. KMC Automation Pty Ltd, an entity owned and controlled by Mr Chong, holds 108,597,318 ASW Shares. Mr Kim Chong separately holds 5,000 ASW Shares directly.

6.10 Litigation

As at the Last Practicable Date, the ASW Group is not currently subject to any litigation proceedings.

6.11 Publicly available information

As an ASX listed company and a 'disclosing entity' for the purposes of section 111AC(1) of the Corporations Act, ASW is subject to regular reporting and disclosure obligations. Broadly, these require ASW to announce price sensitive information to ASX as soon as it becomes aware of the information, subject to exceptions for certain confidential information.

ASW's most recent announcements are available on the ASW website at: <https://www.advancedshare.com.au/>.

ASX maintains files containing publicly available information about entities listed on their exchange. ASW's files are available for inspection at ASW's registered office during normal business hours and are available on the ASX website at www.asx.com.au.

Additionally, copies of documents lodged with ASIC in relation to ASW may be obtained from or inspected at an ASIC service centre. Please note, ASIC may charge a fee in respect of such services.

The following documents are available for inspection free of charge prior to the Scheme Meeting during normal business hours at the registered office of ASW:

- (a) ASW's constitution;
- (b) ASW's annual report for the year ended 30 June 2023; and
- (c) ASW's public announcements.

The annual report and public announcements are also available at ASW's website at <https://www.advancedshare.com.au/>.

7. Information about Automic

7.1 Overview of Automic

Founded in 2015, Automic is an Australian provider of registry, employee share plan, board management, ESG and investor relations solutions. Automic's team of approximately 230+ employees operate from offices in Sydney, Melbourne and Perth to service over 1,000 listed and unlisted entities.

Automic's primary offerings are its share and unit registry technology and services for listed and unlisted companies and funds, its integrated employee share plan solutions and its suite of professional services including company secretarial, investor and media relations, accounting and finance services and ESG services.

In 2021, Five V Capital, a growth focused Australian private equity investment fund manager established in 2016, through certain affiliated entities, acquired a significant minority position in Automic.

Since 2021, Automic has expanded its service offering through the acquisition of various professional services firms, which include; Market Eye, Ventnor Capital, Endeavour Corporate and ESG Capital, to continue providing listed and unlisted clients with a full-suite of services.

Automic has assisted many Australian companies and funds manage their registry, investor and board requirements.

7.2 Automic Board

As at the Last Practicable Date, the Automic Board is comprised of the following members:

Name	Position
Paul Williams	Executive Chair
Ronn Bechler	Executive Director
Justin England	Non-Executive Director
Nicholas Larkin	Non-Executive Director
Adrian Mackenzie	Non-Executive Director
James McMurdo	Non-Executive Director
Ainslie Van Onselen	Non-Executive Director

Refer to the Independent Expert's Report for further details in respect to the Automic Board.

7.3 Rationale for proposed acquisition of ASW

The acquisition of ASW is consistent with Automic's own strategic objectives, with a view to use its expertise as a registry provider to maximise the growth potential of the ASW business and client base. Automic intends to undertake a fulsome strategic review post-acquisition, with a view to enhance competitiveness and unlock operational efficiencies.

7.4 Overview of Automic Sub

Automic Pty Ltd (**Automic Sub**) is an Australian proprietary company incorporated on 22 July 2011 and registered in the state of Western Australia. Automic Sub is a wholly-owned subsidiary of Automic. Under the terms of the Scheme Implementation Deed, Automic may nominate any wholly-owned subsidiary of Automic to acquire the Scheme Shares. Automic has nominated the Automic Sub to acquire the Scheme Shares. Despite this nomination, Automic continues to be bound by all of the obligations of Automic under the Scheme Implementation Deed and Deed Poll.

7.5 Automic Sub Board

As at the Last Practicable Date, the Automic Sub Board is comprised of the following members:

Name	Position
Paul Williams	Executive Chair
Andrew Wilson	Chief Executive Officer
Peter Sherar	Chief Financial Officer

Refer to the Independent Expert's Report for further details in respect to the Automic Sub Board.

7.6 Financing arrangements for the Scheme Consideration

(a) Scheme Consideration

The Scheme Consideration will be wholly paid in cash. Pursuant to the terms of the Scheme Implementation Deed, if the Scheme is implemented Automic will acquire all of the ASW Shares in consideration for \$0.165 (less the amount of the Special Dividend) in cash for each ASW Share held.

As at the Last Practicable Date, the issued and outstanding ASW Shares and rights to be issued in respect of ASW Shares comprised 193,407,776 ASW Shares.

In accordance with clause 5.2(a) of the Scheme of Arrangement contained in Annexure C, Automic must, before 12:00 pm on the Business Day before the Implementation Date, deposit, or procure the deposit of, in cleared funds an amount equal to the aggregate amount of the Scheme Consideration payable to all Scheme Shareholders into the Trust Account.

Automic intends to fund payment of the Scheme Consideration using the proceeds of a debt facility as detailed in Section 7.6(b) below. The total amount available to Automic under this arrangement exceeds the maximum aggregate amount of cash payable on implementation of the Scheme.

(b) Funding from Automic

The Automic Sub has entered into a syndicated facility agreement dated 27 July 2022 (as amended and restated on 7 September 2023) under which Macquarie Bank Limited (**Financier**) has agreed to provide debt funding to the Automic Sub (**Facility**).

The Automic Sub is permitted pursuant to the terms of the Facility to use the funds provided under the Facility to fund the Scheme Consideration and fund fees and expenses incurred in connection with the Facility or the Scheme (among other things). Funds provided under the Facility will be used in addition to Automic's existing cash reserves by the Automic Sub to fund the Scheme Consideration and fund fees and expenses incurred in connection with the Facility and the Scheme.

The amount available to be drawn under the Facility and the amount of Automic's existing cash reserves is in excess of the maximum aggregate Scheme Consideration, and, in addition, these amounts will be sufficient to fund the fees and expenses incurred in connection with the Facility and the Scheme as and when those amounts become due and payable.

The Facility has been provided on the basis that its availability is subject to mechanical requirements to drawing and the correctness of certain standard representations and the non-occurrence of certain standard events of default. As at the date of this Scheme Booklet, the Automic Sub is not aware of the occurrence of any such misrepresentations or events of default or any other circumstance that would cause the Financier to withhold its funding.

As at the Last Practicable Date, the Automic Sub is not aware of any reason why the conditions to the Facility will not be satisfied to enable the Facility to be drawn for the purpose of funding the Scheme Consideration.

(c) **Provision of Scheme Consideration**

On the basis of the funding arrangements detailed in Section 7.6(b) above, Automic is of the opinion that it has a reasonable basis for holding the view, and holds the view, that it will be able to satisfy the funding requirements detailed above.

7.7 Intentions if the Scheme is implemented

If the Scheme is implemented, Automic intends to undertake a detailed review of ASW's operations covering strategic, financial and commercial operating matters to determine the preferred manner of integrating, operating and managing the combined business.

Of utmost importance is ensuring that the clients of ASW continue to receive quality service and Automic will integrate the operations seeking to ensure this level of service is maintained and improved.

Final decisions about any material changes to the future commercial operating plan and management structure for ASW will be made by Automic following the completion of the post-acquisition review detailed above and will be based on material facts and circumstances which have become apparent to Automic management at the relevant time.

Accordingly, the statements detailed in this Section 7.7 are statements of current intention only and may change as new information becomes available or circumstances change.

The intentions of the Automic Sub are the same as the intentions of Automic in respect of ASW and are referred to collectively in this Section as the intentions of Automic.

(a) **Removal from ASX**

Upon the Scheme becoming Effective, it is intended that quotation of ASW Shares on the ASX will be suspended and ASW will be removed from the official list of the ASX following implementation of the Scheme.

(b) **Board of directors**

If the Scheme is implemented, Automic will replace the board members of ASW and its subsidiaries with nominees of Automic (who are yet to be identified).

(c) **Corporate structure**

If the Scheme is implemented, Automic will become the holder of all ASW Shares. As part of business as usual planning following implementation of the Scheme, there may be changes in ASW Group's corporate and operating structure as part of integrating the ASW Group into Automic's corporate and operating structure.

(d) **Management and employees**

Following implementation of the Scheme, Automic will review ASW's business operations and organisational structure to ensure ASW has the appropriate mix and level of employees and skills to enhance the business going forward and to enable the business to pursue growth opportunities while continuing to service ASW's customer base. Accordingly, final decisions on these matters will, if necessary, only be made by Automic following the completion of the post-acquisition review process detailed above and will be based on all material facts and circumstances at the relevant time.

(e) **Business, operations and assets**

It is Automic's current intention to continue to provide registry services to the ASW client base and actively pursue growth opportunities available to the combined business.

7.8 Automic's interests in ASW Shares

(a) **Interests in ASW Shares**

As at the Last Practicable Date, none of Automic, the Automic Sub or any of their Associates had any Relevant Interest or voting power in any ASW Shares.

(b) **No dealings in ASW Shares in previous four months**

None of Automic, the Automic Sub or any of their Associates has provided, or agreed to provide, consideration for ASW Shares under any purchase or agreement during the four months before the date of this Scheme Booklet, except for the Scheme

Consideration which Automic has agreed to provide under the Scheme Implementation Deed, the Scheme and the Deed Poll.

(c) **No inducing benefits given during previous four months**

During the period of four months before the date of this Scheme Booklet, none of Automic, the Automic Sub or any of their Associates gave or offered to give, or agreed to give a benefit to another person which was likely to induce the other person or an associate of the other person to:

- (i) vote in favour of the Scheme; or
- (ii) dispose of ASW Shares,

where the benefit was not offered to all ASW Shareholders.

(d) **No benefits to current Automic officers**

Other than as disclosed in this Scheme Booklet, none of Automic, the Automic Sub or any of their Associates will be making any payment or giving any benefit to any current director or company secretary of ASW or any of its related bodies corporate as compensation for or consideration for, or otherwise in connection with, their resignation from their respective offices if the Scheme is implemented.

7.9 Benefits to current ASW officers

Automic, the Automic Sub or any of their Associates will not be making any payment or giving any benefit to any current officers of the ASW Group as compensation or consideration for, or otherwise in connection with, their resignation from their respective offices dependent on the Scheme being implemented.

7.10 No other material information

Except as otherwise disclosed in this Scheme Booklet, the Automic Board is not aware of any information, as at the Last Practicable Date, that is material to the making of a decision in relation to the Scheme which has not been previously disclosed to ASW Shareholders.

8. Risk factors

8.1 Introduction

In considering the Scheme, ASW Shareholders should be aware that there are a number of risk factors, both general and specifically relating to ASW, which may affect the future operating and financial performance of ASW and the price or value of ASW Shares.

If the Scheme proceeds, ASW Shareholders will receive the Scheme Consideration, will cease to hold ASW Shares and will also no longer be exposed to the risks detailed in this Section 8 (and any other risks to which ASW may be exposed).

If the Scheme does not proceed, ASW Shareholders will continue to hold ASW Shares and continue to be exposed to ongoing and future risks associated with an investment in ASW.

The risk factors presented in this Section are not an exhaustive list of all risks related to ASW or the Scheme. Additional risks and uncertainties not currently known to ASW may also have an adverse impact on ASW's business.

This Section does not take into account the investment objectives, financial situation, position or particular needs of ASW Shareholders. Each ASW Shareholder should consult their legal, financial, taxation or other professional adviser if they have any queries.

8.2 Risks relating to the business and operations of ASW

(a) **ASX Capital Market Conditions**

General ASX capital market conditions, including the number of initial public offerings and secondary raisings undertaken on the ASX and the impact of broader economic factors (such as rising interest rates and unemployment rates), will have an impact to ASW's business and operating performance. Since 2022, the general ASX capital market conditions in Australia have slowed and remained subdued and this is reflected in the decline in ASW's consolidated profit after tax for the financial years ending 30 June 2022 and 30 June 2023 as opposed to ASW's consolidated profit after tax for the financial year ending 30 June 2021 (refer to the Independent Expert's Report for further details). There can be no assurance that ASX capital market conditions will improve in the future and a further decline in ASX capital market conditions may have an adverse impact to ASW's business and financial performance.

(b) **Reliance on Key Personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of ASW depends substantially on its key personnel and employees, each of whom has knowledge and experience of the ASW's products and services that cannot be replicated by others in the short term. The ASW's management may, subject to the relevant periods of notice specified in their employment agreements with ASW, terminate their employment relationship with ASW at any time and the loss of any member of the senior management team could harm ASW's business.

There can be no assurance that there will be no detrimental impact on the performance of ASW or its growth potential if one or more of these employees cease their employment and suitable replacements are not identified and engaged in a timely manner.

ASW will need to hire new personnel as the business grows. Competition for such personnel is intense and any shortage of availability of the required skills could impair the development of ASW's business and the rate of such development. Such shortage could also cause wage inflation, which may impact on the ASW's financial position and financial performance.

(c) **Information and cyber security risk**

ASW collects a wide range of confidential information. Cyber-attacks may compromise or breach the technology ASW uses to protect confidential information.

Despite its efforts, there is a risk that ASW's security measures may not be sufficient to detect or prevent unauthorised access to, or disclosure of, confidential information held by ASW. Data security breaches could result in the loss of information integrity or breaches of ASW's obligations under applicable laws and agreements. This could lead to increased security costs and a slower take up of ASW's products and services by

customers, and may adversely impact ASW's reputation, value and financial performance.

(d) **Loss of Key Clients**

The success of ASW's business is largely dependent on its ability to establish and maintain important client relationships. Although ASW is expected to establish these relationships through development of ASW's business, the loss of one or more key clients is likely to adversely affect the operating results of ASW.

(e) **Systems interruptions**

ASW operates in an environment that requires around the clock system availability. Interruptions to its systems by way of power failure, a cut in supply or unstable connections to ASX systems could cause losses to both ASW and its clients. Whilst ASW has back up plans in place for loss of data, loss of connectivity to the market and power failures, there can be no guarantee that such back up plans will avert any or all losses from known risks or any unforeseen circumstances.

(f) **Intellectual property**

ASW regards its software, know-how and similar intellectual property as critical to its success. There can be no guarantee that ASW's competitors may not develop more efficient or advanced intellectual property, which ASW may not have access to, and hence give them a competitive edge in the market place.

Whilst ASW will use all reasonable endeavours to protect these rights, the steps that ASW will rely on to register and protect its intellectual property rights may not be adequate. There is no guarantee that any applications to register the intellectual property rights will be granted on terms acceptable to ASW or at all.

8.3 Risks related to the Scheme

(a) **Completion of the Scheme is subject to various conditions that must be satisfied or waived**

Completion of the Scheme is subject to a number of conditions. There can be no certainty, nor can ASW provide any assurance, that these conditions will be satisfied or waived (where applicable), or if satisfied or waived (where applicable), when that will occur. In addition, there are a number of conditions to the Scheme which are outside the control of ASW and Automic, including, but not limited to, approval of the Scheme by the Requisite Majorities of ASW Shareholders, approval by the Court of the Scheme at the Court hearing to be held on the Second Court Date (see the summary of the conditions in Section 1.5 and detailed in full in the Scheme Implementation Deed in Annexure B).

If for any reason the conditions to the Scheme are not satisfied or waived (where applicable) and the Scheme is not completed, the market price of ASW Shares may be adversely affected.

(b) **The Scheme Implementation Deed may be terminated by ASW or Automic in certain circumstances, in which case ASW may not be able to solicit an alternative transaction**

Each of ASW and Automic has the right to terminate the Scheme Implementation Deed in certain circumstances. Accordingly, there is no certainty that the Scheme Implementation Deed will not be terminated by either ASW or Automic before the implementation of the Scheme.

If the Scheme Implementation Deed is terminated, there is no assurance that the ASW Board will be able to find a party willing to pay an equivalent or greater price for ASW Shares than the price to be paid pursuant to the terms of the Scheme Implementation Deed.

(c) **Scheme costs**

If the Scheme is implemented, the cost of the transaction to be payable by ASW is expected to be approximately \$400,000 (excluding GST). This includes legal, accounting, Independent Expert, tax and administrative fees and other expenses.

ASW estimates that it will have incurred or committed transaction costs of approximately \$240,000 (excluding GST) prior to the Scheme Meeting. These costs will be payable regardless of whether or not the Scheme is implemented.

(d) **Tax consequences for Scheme Shareholders**

If the Scheme is successfully implemented, there may be tax consequences for Scheme Shareholders. The tax consequences for Scheme Shareholders will vary depending on a number of factors, including their jurisdiction of residence for tax purposes and their individual tax circumstances.

A summary of the general Australian income tax, stamp duty and GST consequences for ASW Shareholders participating in the Scheme is detailed in Section 9. ASW Shareholders are encouraged to seek independent professional advice regarding the individual tax consequences applicable to them.

8.4 Risks related to the Special Dividend

(a) **Payment of Special Dividend is not assured**

There is no assurance that any Special Dividend will be paid, or that if a Special Dividend is paid, it will be in the amount of up to \$0.0025 per ASW Share.

The final decision on whether or not to pay a Special Dividend, and the amount of any Special Dividend, will be made by the ASW Directors and will depend upon a number of factors, including:

- (i) the Scheme becoming Effective following approval by ASW Shareholders and the Court;
- (ii) availability of franking credits and provided it will not result in the franking account of ASW being in deficit after the Special Dividend is paid;
- (iii) ASW having sufficient profits, retained earnings or distributable reserves (or a combination of all or some of them) to fund the payment of the Special Dividend; and
- (iv) compliance with relevant legislative requirements (under the Corporations Act, ITAA36 and the ITAA97).

If these requirements for payment of a Special Dividend cannot be fulfilled, including if the Scheme does not become Effective, ASW Shareholders will not receive the Special Dividend nor any franking credits attached to such dividend.

(b) **Ability to receive the benefit of the franking credits attached to the Special Dividend**

If a Special Dividend of \$0.0025 were paid, ASW Shareholders who are able to realise the full benefit of the franking credits attached to the Special Dividend would be entitled to a franking credit of \$0.00083 per ASW Share (noting that if a Special Dividend of less than \$0.0025 is paid, the franking credits attached to that Special Dividend will be less than \$0.00083).

Whether you will be able to receive the full benefit of the franking credits attached to any Special Dividend will depend on your personal circumstances and whether a favourable class ruling is obtained from the ATO.

There is a risk that the ATO may use certain powers under Australian taxation law to deny an ASW Shareholder the benefit of the franking credits attaching to any Special Dividend. ASW is in the process of applying for a class ruling on behalf of ASW Shareholders in relation to, among other things, whether the ATO will exercise their discretion to deny access to the franking credits. However, the final class ruling has not been issued as at the date of this Scheme Booklet and is unlikely to be issued prior to the Special Dividend Payment Date. You should consult your own taxation adviser to determine the tax consequences relevant to your specific circumstances. Refer to Section 9.3 for further information regarding tax implications in respect of the Special Dividend.

8.5 Risks related to ASW if the Scheme does not proceed

(a) **ASW Shareholders will not receive the Scheme Consideration or the Special Dividend**

If the Scheme is not implemented, ASW Shareholders will retain their ASW Shares and will not receive the Scheme Consideration or the Special Dividend. If the Scheme is not implemented, ASW would remain listed on ASX and would continue to operate its business. In those circumstances, ASW Shareholders will continue to be exposed to the risks and benefits of owning ASW Shares.

(b) **The Directors believe that if the Scheme does not proceed, the price of an ASW Share may fall below its recent trading price, in the absence of a Superior Proposal**

The market price of a company's publicly traded securities is affected by many variables, some of which are not directly related to the company. Price fluctuations in ASW's Share price could result from national and global economic and financial conditions, the market's response to the Scheme, market perceptions of ASW, regulatory changes affecting the ASW's operations, variations in ASW's operating results and liquidity of financial markets. In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies has experienced wide fluctuations, which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuations will not affect the price of ASW Shares in the future if the Scheme does not proceed.

The trading price of an ASW Share rose by 32% following the announcement of the Scheme on the Scheme Announcement Date (based on the closing price of ASW Shares on ASX on the date prior to the Scheme Announcement Date and the Scheme Announcement Date).

The ASW Directors consider that if the Scheme is not approved and no Superior Proposal emerges the ASW Share price is likely to return to the trading prices observed prior to the Scheme Announcement Date.

(c) **Transaction costs will be incurred**

If the Scheme is not implemented, ASW's transactions costs will be borne by ASW alone. ASW may also be required to pay the Reimbursement Fee to Automic, depending on the circumstances in which the Scheme does not proceed.

(d) **Other risks**

If the event the Scheme is not implemented, an investment in ASW Shares will continue to be exposed to various further risk factors, including those which currently apply to a shareholding in ASW as detailed in Sections 8.2 and 8.6.

8.6 General Risks relating to ASW

(a) **Economic conditions**

Changes in the general economic climate in which ASW operates may adversely affect the financial performance of ASW. Factors that may contribute to that general economic climate include the level of direct and indirect competition against ASW, including but not limited to:

- (i) general economic conditions;
- (ii) changes in Government policies, taxation and other laws;
- (iii) the strength of the equity and share markets in Australia and throughout the world;
- (iv) industrial disputes in Australia and overseas;
- (v) changes in investor sentiment toward particular market sectors;
- (vi) financial failure or default by an entity with which ASW may become involved in a contractual relationship; and
- (vii) natural disasters, social upheaval or war.

(b) **Trading Price of ASW Shares**

The price at which ASW Shares are quoted on ASX may increase or decrease due to a number of factors outside of ASW's control and which are not explained by the fundamental operations and activities of ASW. The price of ASW Shares may be subject to varied and often unpredictable influences on the market for equities, including, but not limited to, general economic conditions including the performance of the Australian dollar on world markets, inflation rates, foreign exchange rates and interest rates, variations in the general market for listed stocks in general, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks and hedging or arbitrage trading activity that may develop involving the ASW Shares. These factors may cause the ASW Shares to trade at prices above or below the price at which the ASW Shares were initially acquired.

In particular, the share prices for many companies have been and may in the future be highly volatile, which in many cases may reflect a diverse range of non-company specific influences such as global hostilities and tensions relating to certain unstable regions of the world, acts of terrorism and the general state of the global economy. No assurances can be made that ASW's market performance will not be adversely affected by any such market fluctuations or factors.

(c) **Force majeure events**

Events may occur within or outside the jurisdictions in which ASW operates that could impact the global economy, the economy of the jurisdictions in which ASW operates, ASW's operations and the price of the ASW's shares. These events include, but are not limited to, acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease (including pandemics) or other natural or man-made events or occurrences that can have an adverse effect on the demand for the ASW's products and its ability to operate its assets or may otherwise adversely impact the ASW's operations, financial performance and financial position. ASW only has a limited ability to insure against some of these risks.

(d) **Litigation**

As with any operating business, ASW is subject to litigation risks. All industries are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit.

Due to the inherent uncertainty of litigation processes, the resolution of any particular legal proceeding to which ASW is or may become subject could have a material effect on its financial position, results of operations or the ASW's activities.

(e) **Other**

Additional risks and uncertainties not currently known to ASW may also have a material adverse effect on ASW's business and operations and the information detailed above does not purport to be, nor should it be construed as representing, an exhaustive list of the risks to ASW.

9. Australian taxation considerations

9.1 General income tax implications of the Scheme

This is a general outline of the Australian income tax, GST and stamp duty considerations for ASW Shareholders on implementation of the Scheme and payment of the Special Dividend. These comments assume that the Scheme will be implemented in accordance with the terms described in the Scheme Implementation Deed.

The types of ASW Shareholders considered in this outline are limited to individuals, companies (other than life insurance companies), trusts and complying superannuation funds that hold their ASW Shares on capital account for Australian tax purposes. These comments are not applicable to all ASW Shareholders and are not intended to cover ASW Shareholders who:

- (a) hold their ASW Shares on revenue account (such as share trading entities) or as trading stock;
- (b) are under a legal disability;
- (c) are temporary residents of Australia for Australian taxation purposes;
- (d) have been a dual resident for tax purposes during the period they owned the shares;
- (e) may be subject to special tax rules such as partnerships, banks, insurance companies or tax-exempt organisations;
- (f) acquired their ASW Shares under or in connection with an employee share plan of ASW; or
- (g) are subject to the taxation of financial arrangements (TOFA) rules in Division 230 of the ITAA 1997 in relation to gains and losses that may arise on disposal of their ASW Shares (noting that the TOFA rule does not generally apply to individuals unless they elect for it to apply).

This general outline is based on the Australian taxation law, and the understanding of the practice of the tax authorities, at the time of issue of this outline. The laws are complex and are subject to change periodically as is their interpretation by the Courts and the tax authorities.

This outline is general in nature only, and is not intended to be an authoritative or complete statement of the tax laws applicable to the particular circumstances of ASW Shareholders. Therefore, it is recommended that ASW Shareholders obtain their own professional taxation advice relevant to their circumstances. Further, the comments below do not address any taxation implications which may arise in countries other than Australia, and as such ASW Shareholders who may be subject to tax consequences outside of Australia are strongly advised to consider the taxation implications which may arise in those jurisdictions.

9.2 Dealings in ASW Shares

(a) Class Ruling Application

ASW is in the process of applying for a class ruling with the ATO on behalf of ASW Shareholders on certain matters discussed in this Section, including (but not limited to):

- (i) whether any Special Dividend will be assessable to Australian tax resident ASW Shareholders;
- (ii) whether any Special Dividend will constitute a frankable distribution;
- (iii) whether, and the circumstances in which, ASW Shareholders can claim a franking credit tax offset in respect of any Special Dividend; and
- (iv) how any capital gain or loss arising from the disposal of their ASW Shares should be calculated, including the timing of the CGT event and whether the Special Dividend forms part of 'capital proceeds' for CGT purposes.

The Scheme is not conditional on receipt of the class ruling.

As at the date of this Scheme Booklet, the class ruling has not been finalised. The class ruling is not expected to be issued until after implementation of the Scheme. ASW Shareholders should refer to the class ruling once it is published. The class ruling will be available on the ATO's public ruling database.

It is anticipated that the ATO's views to be expressed in the class ruling will be generally consistent with the income tax information in this summary. However, it is possible that the ATO may reach different conclusions in the final class ruling. Accordingly, it is important that this summary be read on the understanding that it is possible the ATO will issue the final ruling after the Implementation Date for the Scheme, and this may express differing views.

(b) **Certain income tax consequences of the Scheme for ASW Shareholders**

If the Scheme becomes effective, ASW Shareholders will dispose of their ASW Shares to Automic Sub in exchange for the Scheme Consideration under the Scheme.

If the Scheme becomes Effective, ASW Shareholders may, if the ASW Board determines to pay a Special Dividend, also receive that fully franked Special Dividend in respect of each ASW Share that they hold at the Special Dividend Record Date.

(c) **Capital Gains Tax (CGT) Event**

Under the proposed Scheme, ASW Shareholders will transfer their ASW Shares to Automic Sub. The transfer of the ASW Shares to Automic Sub will cause a disposal of the ASW Shares and should trigger the occurrence of CGT event A1 for Australian income tax purposes. CGT rollover relief should not be available to ASW Shareholders, given the Scheme involves a disposal of ASW Shares for cash consideration.

The CGT event should occur on the date on which the transfer of ASW Shares occurs, that is, the Implementation Date. The disposal of ASW Shares could result in either of the following outcomes for the ASW Shareholders:

- (i) capital gain – a capital gain should arise to the extent that the capital proceeds received on the disposal of the ASW Shares exceeds their cost base; or
- (ii) capital loss – a capital loss should arise to the extent that the capital proceeds received on the disposal of the ASW Shares are less than their reduced cost base.

(d) **Capital proceeds**

The capital proceeds from a CGT event are the total of the monies and the market value of any other property a taxpayer received, or is entitled to receive, in respect of the event happening.

The capital proceeds received by the ASW Shareholders for the disposal of their ASW Shares to Automic Sub under the Scheme should be the Scheme Consideration, being \$0.165 per ASW Share (which for the avoidance of doubt, will be reduced by the amount of any Special Dividend in respect of each ASW Share).

If paid, the Special Dividend of \$0.0025 should not be required to be included in the capital proceeds as it will not directly be paid in respect of the disposal of the ASW Shares under the Scheme. Confirmation of this position is being sought from the ATO in the class ruling.

In the event that the ATO determines that the Special Dividend forms part of the capital proceeds for the disposal of ASW Shares, ASW Shareholders will need to take this into account in calculating any capital gain or loss made.

(e) **Cost base and reduced cost base**

The cost base of ASW Shares will generally include the amount of money paid, or the value of any property given, in order to acquire the ASW Shares, plus certain incidental costs in relation to the acquisition or disposal of the ASW Shares (such as brokerage). The reduced cost base of the ASW Shares is determined in a similar manner, but requires certain adjustments to be made.

The cost base and reduced cost base of an ASW Shareholder's shares will depend on their own specific circumstances. ASW Shareholders should consult their own independent tax advisors.

(f) **CGT discount**

If an ASW Shareholder is an individual, complying superannuation fund or trust and acquired their ASW Shares at least 12 months before the Implementation Date (not

counting the day of acquisition or the day of disposal), the amount of the capital gain (after being reduced for current year capital losses and prior year capital losses, if any) should generally be eligible for reduction by the applicable CGT discount.

The applicable CGT discount percentage for individuals and trusts is 50% and for complying superannuation entities is one-third.

There is no CGT discount available for ASW Shareholders that are taxed as companies or ASW Shareholders who have held their ASW Shares for less than 12 months.

Where a trust has utilised the CGT discount, the availability of the discount ultimately depends on the tax profile of the entity to whom the income of the trust estate is distributed.

The rules relating to the CGT discount are complex and the outcomes can vary depending on the circumstances of the individual. As such, ASW Shareholders should ensure they obtain their own independent tax advice.

(g) CGT implications for Australian ASW Shareholders

Australian resident ASW Shareholders who make a capital gain on disposal of their ASW Shares will be required to aggregate the capital gain with any other capital gains that the ASW Shareholders may have in that income year. Any resulting net capital gain (after offsetting any available capital losses from the current income year or brought forward from previous income years) should be reduced by any applicable CGT discount and any remaining discounted net capital gain for the income year should be included in the ASW Shareholder's assessable income and should be subject to tax at the ASW Shareholder's applicable rate of tax.

Where a net capital loss arises in the income tax year of disposal and is not offset against other net capital gains in the same income year, the net capital loss may be carried forward to offset capital gains made by ASW Shareholders in future income years, subject to satisfaction of the loss recoupment tests. ASW Shareholders should obtain their own tax advice in relation to the operation of these rules.

(h) CGT implications for non-resident ASW Shareholders

Generally, for Australian income tax purposes, non-Australian tax resident ASW Shareholders who have not used their ASW Shares at any time in carrying on a business through a permanent establishment in Australia should only be subject to Australian CGT (if broadly):

- (i) the ASW Shareholder (together with their associates) holds an interest of at least 10% of the shares in ASW at the time of the disposal, or for a 12 month period in the 24 months preceding the disposal (referred to as the 'non-portfolio interest test'); and
- (ii) more than 50% of the market value of the ASW Group's assets is comprised of Australian 'real property' interests i.e. land. Broadly, real property includes direct and indirect interests in Australian land, including leases (referred to as the 'principal asset test').

On the understanding that the second condition above should not be satisfied, the ASW Shares should not be considered to be "taxable Australian property". As such, it is understood that Automic Sub would not withhold any tax from the payment of the Scheme Consideration on account of the foreign resident capital gains tax withholding regime.

Non-Australian tax resident ASW Shareholders should seek independent tax advice as to the taxation implications of the Scheme being implemented in their own country of residence and in Australia.

9.3 Special Dividend

(a) Overview

As noted above, the ASW Board may determine to pay a fully franked Special Dividend of \$0.0025 per ASW Share, conditional on the Scheme becoming Effective. The Special Dividend will only be paid to ASW Shareholders who are listed on the ASW Share

Register on the Special Dividend Record Date and will be paid from profits, retained earnings or existing distributable profits.

The Special Dividend may be franked to the maximum extent possible by ASW, subject to the franking account of ASW not being in deficit after the Special Dividend Payment Date. Based on the current franking account balance, ASW has determined to fully frank the Special Dividend.

Eligible ASW Shareholders may be able to realise the full benefit of the franking credits attached to any Special Dividend (discussed in further detail in Section 9.3(b) below) and be entitled to a franking credit of up to \$0.00083 per ASW Share. Whether an ASW Shareholder will be able to receive the full benefit of the franking credits attached to the Special Dividend will depend on their personal circumstances.

(b) **Implications for Australian resident individuals, companies and complying superannuation entities**

The Special Dividend, if paid by ASW, should be included in the assessable income of an Australian resident ASW Shareholder that is an individual, a company (including a trust that is a corporate tax entity) or a complying superannuation entity. Australian ASW Shareholders should include the Special Dividend in their assessable income in the year that the Special Dividend is paid.

Subject to certain conditions which are outlined below, for eligible ASW Shareholders the franking credits attached to the Special Dividend should also be included in the assessable income of the ASW Shareholder and a corresponding tax offset equal to the amount of those franking credits which may be applied to reduce any income tax liability ('gross up and offset').

Australian resident ASW Shareholders that are individuals or complying superannuation entities may be entitled to a refund of excess franking credits where the tax offset exceeds their tax liability for the income year. ASW Shareholders that are companies may be able to convert any excess franking credits into tax losses.

In order for the 'gross up and offset' approach to apply, an ASW Shareholder must satisfy the 'qualified person' provisions. To be considered a qualified person, they must hold their ASW Shares 'at risk' for a continuous 45 day period within the qualification period (excluding the dates of acquisition and disposal of their ASW Shares). The qualification period starts the day after the ASW Shares were acquired and ends the day before the Scheme Record Date, as that will generally be regarded as the date from which the ASW Shareholder ceases to hold their ASW Shares 'at risk'.

As a practical matter, and applying the indicative timetable detailed in this Scheme Booklet, an ASW Shareholder who receives the Special Dividend and holds their ASW Shares at risk for a continuous period of at least 45 days during the period from one day after the shares were acquired by the ASW Shareholder to 13 December 2023 (inclusive) should satisfy the 'holding period rules' and be eligible for the franking credit and corresponding tax offset.

However, an ASW Shareholder will not be considered to have held their ASW Shares 'at risk' where the ASW Shareholder has materially diminished risk of loss or opportunities for gain in respect of the ASW Shares. An ASW Shareholder will be taken to have materially diminished risk if their net position in relation to the ASW Shares has less than 30% of the risks of loss and opportunities for gain (for example due to hedging transactions). Accordingly, in respect of the Special Dividend, ASW Shareholders should be qualified persons for the purposes of paragraph 207-145(1)(a) of the ITAA 1997 provided that they hold their ASW Shares 'at risk' for a continuous period of 45 clear days before the Scheme Record Date.

These issues are expected to be addressed in the class ruling requested by ASW. ASW Shareholders should refer to the class ruling once published as well as have regard to their own circumstances in seeking independent tax advice.

(c) **Implications for Australian resident trusts**

Subject to the above franking credit rules, ASW Shareholders who are trustees of a trust (other than a trust that is a corporate tax entity or a trustee of a complying superannuation entity) should include the amount of any Special Dividend, together with

any franking credits received on the Special Dividend, in determining the net income of the trust for the income year in which the Special Dividend is paid.

The applicable laws relating to the treatment of dividends, and in particular franked dividends, for trusts are complex but, provided that certain conditions are satisfied, both the liability to pay tax on the Special Dividend and the tax offset provided by any franking credits should be able to flow through to eligible beneficiaries of the trust.

(d) **Application of dividend franking integrity measures**

The ATO may apply certain integrity measures to prevent an ASW Shareholder from being entitled to a tax offset for the franking credits attached to any Special Dividend. These rules are complex, and the class ruling application seeks the ATO's confirmation that it will not apply any of those integrity measures in relation to any Special Dividend.

In the event that the ATO seeks to apply these integrity measures, the ATO may issue a determination that no franking credits are available to an ASW Shareholder in respect of the Special Dividend; however, the franking credits would also not be included in an ASW Shareholder's assessable income. As noted above, ASW Shareholders should seek individual tax advice regarding the impact of these rules to their particular circumstances.

(e) **Implications for non-resident ASW Shareholders**

Non-resident ASW Shareholders should not be subject to Australian income tax on any Special Dividend that is fully franked, unless the ATO applies the integrity measures referred to above. To the extent the Special Dividend is not fully franked, non-resident ASW Shareholders should be subject to dividend withholding tax on the portion that is unfranked. The rate of withholding tax would be 30% unless a Double Taxation Agreement could be accessed by the non-resident ASW Shareholders. Non-resident ASW Shareholders should seek independent advice as to the taxation implications of the Scheme's implementation in both their country of tax residence and Australia.

9.4 Stamp duty

No stamp duty should be payable in any Australian jurisdiction by ASW Shareholders on the disposal of their ASW Shares under the Scheme.

9.5 GST

ASW Shareholders should not be liable for GST in respect of the disposal of the ASW Shares.

GST may be imposed on taxable supplies (if any) obtained by ASW Shareholders from third party suppliers (such as advisor costs) in connection with the Scheme. The entitlement to ASW Shareholders of input tax credits in relation to these acquisitions (if any) may be restricted. ASW Shareholders who are GST registered should seek their own professional tax advice in relation to this matter.

10. Information about the Scheme

10.1 Scheme Implementation Deed

ASW and Automic have entered into the Scheme Implementation Deed in connection with the proposed Scheme. The Scheme Implementation Deed details the obligations of ASW and Automic in relation to the Scheme. The Scheme Implementation Deed is contained in Annexure B.

10.2 Scheme Meeting

The Court has ordered that a meeting of ASW Shareholders be held on 5 December 2023 at 10.00 am (AWST) to consider the Scheme.

The fact that under section 411(1) of the Corporations Act the Court has ordered that the Scheme Meeting be convened and has approved this Scheme Booklet does not mean that the Court:

- (a) has formed any view as to the merits of the proposed Scheme or as to how ASW Shareholders should vote (on this matter ASW Shareholders must reach their own decision); or
- (b) has prepared, or is responsible for, the content of this Scheme Booklet.

The order of the Court that the Scheme Meeting be convened is not, and should not be treated as an endorsement by the Court of, or any other expression of opinion by the Court on, the Scheme.

The Scheme is conditional, among other things, on approval of the Scheme Resolution by the Requisite Majorities of ASW Shareholders, being:

- (a) unless the Court orders otherwise, a majority in number (more than 50%) of ASW Shareholders present and voting at the Scheme Meeting, either in person or by proxy, attorney or, in the case of a corporation, its duly appointed corporate representative; and
- (b) at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting by ASW Shareholders present and voting at the Scheme Meeting, either in person or by proxy, attorney or in the case of a corporation its duly appointed corporate representative.

Further details of the consequences of the Scheme not being implemented are detailed in Section 3 under the heading titled "What happens if the Scheme is not approved?".

10.3 Court approval of the Scheme

ASW will apply to the Court for orders approving the Scheme if:

- (a) the Scheme Resolution is approved by the Requisite Majorities of ASW Shareholders at the Scheme Meeting; and
- (b) all other conditions to the Scheme which are required (under the Scheme Implementation Deed) to be satisfied by the Second Court Date are satisfied or waived (where applicable).

The date on which the Court hears ASW's application is the Second Court Date.

The Court may refuse to grant the orders referred to above even if the Scheme Resolution is approved by the Requisite Majorities of ASW Shareholders.

ASIC has been requested to issue a written statement that it has no objection to the Scheme. ASIC would not be expected to issue such a statement until shortly before the Second Court Date. If ASIC does not produce a written statement that it has no objection to the Scheme, the Court may still approve the Scheme provided it is satisfied that section 411(17)(a) of the Corporations Act is satisfied.

ASW Shareholders have the right to seek leave to appear at the Court on the Second Court Date to oppose the approval of the Scheme by the Court or make representations to the Court in relation to the Scheme. If you wish to oppose approval of the Scheme by the Court at the Court hearing you may do so by filing with the Court, and serving on ASW, a notice of appearance in the prescribed form together with any affidavit on which you wish to rely at the

hearing. The notice of appearance and affidavit must be served on ASW at least one Business Day (in Perth, Western Australia) before the Second Court Date. The Second Court Date currently scheduled to occur on or around 7 December 2023. Any change to this date will be announced through ASX and will be available on ASX's website, www.asx.com.au. Alternatively, if you wish to make representations to the Court in relation to the Scheme, the Court may grant you leave to be heard at the hearing without becoming a party to the proceeding.

10.4 Actions by ASW and Automic

If Court orders approving the Scheme are obtained, the ASW Board, the Automic Sub Board and the Automic Board will take or procure the taking of the steps required for the Scheme to be implemented. These will include the following:

- (a) ASW will lodge with ASIC an office copy of the Court order approving the Scheme for the purposes of section 411(10) of the Corporations Act, and the Scheme will become Effective;
- (b) with effect from the close of trading on the Effective Date, ASW Shares will be suspended from trading on ASX;
- (c) on the Implementation Date, all of the ASW Shares held by Scheme Shareholders at 5:00 pm (AWST) on the Scheme Record Date will be transferred to Automic Sub and, in exchange, each Scheme Shareholder will receive the Scheme Consideration;
- (d) on the Implementation Date, ASW will enter the name of Automic Sub in the ASW Share Register as the holder of all of the ASW Shares; and
- (e) with effect on and from the close of trading on the trading day immediately following, or shortly after, the Implementation Date, ASW will request that ASX remove ASW from the official list of ASX.

10.5 Effective Date

The Scheme will become Effective on the date upon which the office copy of the order of the Court under section 411(10) of the Corporations Act approving the Scheme is lodged with ASIC or such earlier date as the Court determines or specifies in the order.

If the Scheme becomes Effective, ASW will immediately give notice of the event to ASX. ASW Shares will be suspended from trading on ASX on the close of trade on the Effective Date.

Once the Scheme becomes Effective, ASW, Automic Sub and Automic will become bound to implement the Scheme in accordance with its terms.

10.6 Scheme

If the Scheme becomes Effective (i.e. after it is approved by ASW Shareholders and the Court), all ASW Shares on issue at 5:00 pm (AWST) on the Scheme Record Date will be transferred on the Implementation Date to Automic Sub, and in return Automic or Automic Sub will provide, or procure the provision of, the Scheme Consideration to the Scheme Shareholders. Refer to Annexure C for a copy of the Scheme and Section 1.3 for more information regarding how Scheme Shareholders will be provided the Scheme Consideration.

10.7 Deed Poll

Automic and Automic Sub have executed a Deed Poll in favour of Scheme Shareholders, by which it undertakes, in favour of each Scheme Shareholder, to pay the Scheme Consideration for each Scheme Share, subject to the Scheme becoming Effective. Refer to Annexure D for a copy of the Deed Poll.

10.8 Scheme Record Date

The Scheme Record Date is 5.00 pm (AWST) on the date which is three Business Days after the Effective Date (or on such other date (after the Effective Date) as ASW and Automic may agree in writing). Only ASW Shareholders who appear on the ASW Share Register at 5:00pm (AWST) on the Scheme Record Date will be entitled to receive the Scheme Consideration.

10.9 Implementation Date

The Implementation Date for the Scheme is the date which is five Business Days after the Scheme Record Date (or on such other date agreed to in writing by ASW and Automic).

On the Implementation Date, the Scheme Shareholders will be paid the Scheme Consideration.

In the case of ASW Shares held in joint names, the Scheme Consideration will be issued to, and registered in the names of, the joint holders, and any other document or cheque required to be sent under the Scheme will be sent to the Registered Address of the holder whose name appears first in the ASW Share Register at 5:00pm (AWST) on the Scheme Record Date.

All ASW Shares at 5:00pm (AWST) on the Scheme Record Date will be transferred on the Implementation Date to Automic Sub without any need for further actions by ASW Shareholders.

10.10 Delisting of ASW

With effect on and from the close of trading on the trading day immediately following, or shortly after, the Implementation Date, ASW will apply to ASX for termination of the quotation of ASW Shares and to remove ASW from the official list of ASX.

10.11 Exclusivity arrangements

The Scheme Implementation Deed contains exclusivity arrangements which, during the Exclusivity Period, prevent ASW Group, and its representatives from:

- (a) **(no shop):**
 - (i) directly or indirectly soliciting, initiating, encouraging or inviting any Competing Proposal;
 - (ii) soliciting, initiating, encouraging or inviting enquiries, discussions, negotiations or proposals in relation to, or which may reasonably be expected to lead to, a Competing Proposal; and
 - (iii) communicating to any person any intention to do any of the things referred to in Sections 10.11(a)(i) or 10.11(a)(ii) above;
- (b) **(no talk):** (subject to certain exceptions relevant to the fiduciary duties of ASW Directors):
 - (i) participating in or continuing any negotiations or discussions with respect to any inquiry, expression of interest, offer, proposal or discussion by any person to make, or which would reasonably be expected to encourage or lead to the making of, an actual, proposed or potential Competing Proposal or participate in or continue any negotiations or discussions with respect to any actual, proposed or potential Competing Proposal;
 - (ii) negotiating, accepting or entering into, or offering or agreeing to negotiate, accepting or entering into, any agreement, arrangement or understanding regarding an actual, proposed or potential Competing Proposal;
 - (iii) disclosing or otherwise providing any Non-public Information about the business or affairs of the ASW Group to a third party (other than a Government Agency) with a view to obtaining, or which would reasonably be expected to encourage or lead to receipt of, an actual, proposed or potential Competing Proposal (including, without limitation, providing such information for the purposes of the conduct of due diligence investigations in respect of the ASW Group); or
 - (iv) communicating to any person an intention to do anything referred to in Sections 10.11(b)(i), 10.11(b)(ii) and 10.11(b)(iii) above;

but nothing prevents ASW from making normal presentations to brokers, portfolio investors and analysts in the ordinary course of business or promoting the merits of the Scheme;

- (c) **(no due diligence restriction):**
 - (i) (subject to certain exceptions relevant to the fiduciary duties of ASW Directors) soliciting, initiating, facilitating, encouraging or inviting any person (other than Automic, its affiliates or its representatives) to undertake due diligence investigations in respect of the ASW or any member of the ASW Group, or any of their respective businesses and operations, in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal; or

- (ii) making available to any person (other than Automic, its affiliates or its representatives) or permitting any such person to receive, other than in the ordinary course of business or as required by law or the rules of any prescribed financial market, any Non-public Information relating to ASW or any member of the ASW Group, or any of their respective businesses and operations with a view to obtaining or which may reasonably be expected to lead to a Competing Proposal.

The restrictions referred to in Sections 10.11(b) and 10.11(c)(i) above do not apply to the extent that they restrict ASW or any ASW Director from taking or refusing to take any action with respect to a Competing Proposal (in relation to which there has been no contravention of clause 11 of the Scheme Implementation Deed) provided that:

- (i) the Competing Proposal, approach, inquiry or proposal or request for information (as the case may be) is bona fide and is made by or on behalf of a person that the ASW Board considers is of sufficient commercial standing; and
- (ii) the ASW Board has determined in good faith after:
 - (A) consultation with ASW's financial adviser (if any are engaged) and legal advisers, that the Competing Proposal, approach, inquiry or proposal or request for information (as the case may be) is or may be reasonably expected to lead to a Superior Proposal; or
 - (B) receiving advice from ASW's external legal advisers practising in the area of corporate law, that failing to take the action or refusing to take the action (as the case may be) with respect to the Competing Proposal would be reasonably likely to constitute, a breach of any of the fiduciary or statutory duties of the directors of ASW.

Furthermore, ASW must as soon as possible (and in any event within 48 hours) notify Automic in writing:

- (i) if ASW Group or any of ASW's representatives are approached by any person in relation to an actual or potential Competing Proposal, such notice must set out reasonable details of the approach; or
- (ii) of any request made by a third party for any information in relation to ASW Group or any of their businesses or operations, that the ASW Board has reasonable grounds to suspect may be in connection with such third party formulating, developing or finalising, or assisting in the formulation of a Competing Proposal.

Where a Competing Proposal is received, Automic has the right, but not the obligation, at any time during the period of three Business Days following the receipt of a notice from ASW of a Competing Proposal, to provide a Counterproposal that is no less favourable to ASW Shareholders or is superior to the Competing Proposal. The ASW Board must consider the Counterproposal and if it determines, acting in good faith, that the Counterproposal would provide an outcome that is no less favourable to or more favourable to ASW Shareholders as a whole than the relevant Competing Proposal, then ASW and Automic must use their best endeavours to agree any amendments to the Scheme Implementation Deed and the contents of the Scheme Booklet which are reasonably necessary to reflect the Counterproposal and the parties must enter into an appropriate amending deed to give effect to those amendments as soon as reasonably practicable.

At the date of this Scheme Booklet, ASW has not received any Competing Proposal.

For further information refer to clause 11 of the Scheme Implementation Deed in Annexure B.

10.12 Termination of the Scheme Implementation Deed

The Scheme Implementation Deed may be terminated by notice in writing to the other party in certain circumstances, including:

- (a) **(Conditions not capable of being satisfied):** a condition precedent has not been satisfied or waived (as applicable) or the Scheme has not become Effective by the End

Date, then either ASW or Automic may give the other written notice within five Business Days after the relevant event and within ten Business Days ASW and Automic are unable to agree on an alternative course of action;

- (b) **(Material Breach)**: ASW or Automic, at any time before 8.00 am (AWST) on the Second Court Date, if the other has materially breached the Scheme Implementation Deed (other than in respect of a Buyer Warranty or a Target Warranty) and the party in breach has failed to remedy the breach;
- (c) **(Breach of Representations or Warranties)**: ASW or Automic, at any time before 8.00 am (AWST) on the Second Court Date, may terminate if the other is in breach of any of its representations and warranties under the Scheme Implementation Deed and the breach is not remedied within five Business Days (or any of receipt of a breach notice from the other party);
- (d) **(Target Regulated Event or Target Prescribed Occurrence)**: Automic, at any time before 8.00 am (AWST) on the Second Court Date, may terminate if a Target Regulated Event or Target Prescribed Occurrence occurs;
- (e) **(ASW Director fails to recommend the Scheme)**: Automic may terminate the Scheme Implementation Deed at any time prior to 8.00am on the Second Court Date if an ASW Director withdraws or adversely revises their Recommendation or Voting Intention, makes any public statement that is inconsistent with the Recommendation or Voting Intention, or recommends, endorses or supports any Competing Proposal, other than as permitted under clause 6 of the Scheme Implementation Deed;
- (f) **(ASW Board recommends a Superior Proposal)**: Automic may terminate the Scheme Implementation Deed at any time prior to 8.00am on the Second Court Date if a Competing Proposal in respect of ASW is announced or made and is publicly recommended, supported or endorsed by a majority of the ASW Board; or
- (g) **(ASW Directors change, withdraw or modify their recommendation)**: ASW may terminate the Scheme Implementation Deed at any time prior to 8.00am on the Second Court Date if a majority of the ASW Directors change, withdraw or modify their recommendation after: (i) making a determination contemplated by clause 11.6 of the Scheme Implementation Deed in respect to a Superior Proposal (subject to Automic's matching right under clause 11.7 of the Scheme Implementation Deed); or (ii) the Independent Expert has concluded in the Independent Expert's Report that the Scheme is not in the best interests of ASW Shareholders (and the parties have exhausted their rights under clause 3.7 of the Scheme Implementation Deed).

10.13 Reimbursement Fee

ASW may become liable to pay to Automic the Reimbursement Fee (\$319,123) if any of the following events occur:

- (a) during the Exclusivity Period, any ASW Director changes, qualifies or withdraws their Recommendation:
 - (i) except to the extent permitted under clause 6 of the Scheme Implementation Deed;
 - (ii) unless the Independent Expert concludes in the Independent Expert's Report (or any update of, revision or amendment or addendum to, that report) that the Scheme is not in the best interests of ASW Shareholders (except where that conclusion is due (in whole or in part) to the existence, announcement or publication of a Competing Proposal); or
 - (iii) unless ASW is entitled to terminate the Scheme Implementation Deed pursuant to clause 13.1(a) and 13.2(b) and has given the appropriate termination notice to Automic;
- (b) a Competing Proposal is announced prior to the date of the Scheme Meeting (whether or not such proposal is stated to be subject to any pre-conditions) and, within 12 months of the date of such announcement, the third party making the Competing Proposal:
 - (i) completes the Competing Proposal; or

- (ii) acquires a Relevant Interest in more than 50% of the ASW Shares under a transaction that is or has become wholly unconditional or otherwise comes to Control ASW or acquires substantially all of the assets of ASW; or
- (c) Automic has terminated the Scheme Implementation Deed under clauses 13.1(a) or 13.3 (other than, in respect of termination under clause 13.3, in circumstances where the Independent Expert does not conclude that the Scheme is in the best interests of ASW Shareholders, except where that conclusion is due (in whole or in part) to the existence, announcement or publication of a Competing Proposal), and the Scheme does not complete.

11. Additional information

11.1 Agreements or arrangements with Directors and executive officers

(a) **Executive Services Agreement**

Mr Kim Chong and ASW are parties to an executive services agreement (**ESA**) in respect to Mr Chong's position as chief executive officer of ASW. The key terms of the ESA are as follows:

- (i) Mr Chong's employment as CEO under the ESA will end on 31 March 2024 (unless extended by mutual agreement between the parties);
- (ii) Mr Chong's remuneration for his position as Chief Executive Officer of ASW is \$200,000 per annum (exclusive of superannuation);
- (iii) Mr Chong has prescribed duties which are considered standard in the context of duties performed by a Chief Executive Officer; and
- (iv) either party may terminate the ESA with 3 months notice and ASW may make a payment in lieu of part or all of the notice period.

(b) **Tenancy Agreement – Cherry Field Pty Ltd**

ASW has entered into a tenancy agreement with Cherry Field Pty Ltd, an entity associated with Mr Kim Chong, for the premises which ASW utilises for their main office. The tenancy agreement has a term of three years and is due to expire on 30 June 2024. Pursuant to the tenancy agreement, the annual rent for the premises is \$160,776.36 and the tenancy agreement is otherwise based on commercial market rates and standard leasing terms. ASW has incurred \$197,272 including GST of rental expenses for the year ended 30 June 2023 with \$737 outstanding at 30 June 2023.

(c) **Tenancy Agreement – Jacoville Pty Ltd**

ASW has entered into a tenancy agreement with Jacoville Pty Ltd, an entity associated with Mr Kim Chong, for the premises which ASW utilises for their mailing room. The tenancy agreement has a term of three years and is due to expire on 30 June 2024. Pursuant to the tenancy agreement, the annual rent for the premises is \$37,625.00 and the tenancy agreement is otherwise based on commercial market rates and standard leasing terms. ASW has incurred \$57,311 including GST of rental expenses for the year ended 30 June 2023 with \$172 outstanding at 30 June 2023.

(d) **Deeds of indemnity, access and insurance**

ASW has entered into deeds of indemnity, insurance and access with its Directors and various executive officers, on customary terms.

ASW pays premiums in respect of a directors and officers insurance policy for the benefit of the Directors and executive officers. ASW will, prior to the Implementation Date, enter into arrangements to secure directors and officers run-off insurance for any and all directors and executive officers of each member of the ASW Group for up to a seven year period from the Implementation Date. Clause 14.3 of the Scheme Implementation Deed provides various Automatic undertakings in support of that insurance.

(e) **Other termination benefits**

Except as detailed in this Section 11.1 or elsewhere in this Scheme Booklet, there are no payments or other benefits that are proposed to:

- (i) be made or given to any ASW Director as compensation for loss of, or as consideration for or in connection with his or her retirement from, office in ASW or in a Related Body Corporate of ASW; or
- (ii) be made or given to any director of any Related Body Corporate of ASW as compensation for the loss of, or as consideration for or in connection with his or her retirement from, office in that body corporate or in ASW.

(f) **Payments and other benefits**

Except as detailed in this Section 11.1 or elsewhere in this Scheme Booklet, there is no agreement or arrangement made between any ASW Director and any other person, in connection with or conditional upon the outcome of the Scheme.

11.2 Intentions of ASW Directors

As at the Last Practicable Date, all ASW Directors have confirmed their intention to vote in favour of the Scheme subject to a Superior Proposal and the Independent Expert not changing their opinion that the Scheme is in the best interest of ASW Shareholders.

11.3 Intentions of Automic after the Implementation Date

If the Scheme is implemented, it will be a matter for Automic and the Automic Sub to determine its intentions in relation to:

- (a) the continuation of the business of ASW;
- (b) any major changes to be made to the business of ASW; and
- (c) the future employment of the present employees of ASW.

The current intentions of Automic and the Automic Sub in relation to the ASW are detailed in this Scheme Booklet, particularly in Section 7.7.

11.4 Marketable securities in Automic held by, or on behalf of, ASW Directors

As at the date of this Scheme Booklet, no marketable securities in Automic are held by, or on behalf of, any ASW Directors.

11.5 Interests of ASW Directors in contracts of Automic

As at the date of this Scheme Booklet, no ASW Director has an interest in any contract entered into by Automic, other than the Scheme Implementation Deed.

11.6 ASX Announcements

ASW has lodged the following announcements with ASX since the lodgement of its annual report for the financial year ended 30 June 2023:

Date	Description of Announcement
20 October 2023	Notice of Annual General Meeting / Proxy Form / Access Letter
9 October 2023	AGM Notification – Listing Rule 3.13.1
29 September 2023	Appendix 4G and Corporate Governance Statement

11.7 Lodgement of Scheme Booklet

This Scheme Booklet was lodged with ASIC on 16 October 2023 in accordance with section 411(2)(b) of the Corporations Act.

11.8 No unacceptable circumstances

The Directors believe that the Scheme does not involve any circumstances in relation to the affairs of any ASW Shareholder that could reasonably be characterised as constituting “unacceptable circumstances” for the purposes of section 657A of the Corporations Act.

11.9 Creditors of ASW

The Scheme, if implemented, is not expected to materially prejudice ASW’s ability to pay its creditors, as the Scheme involves the acquisition of ASW Shares for consideration provided by a third party, rather than the acquisition of ASW’s underlying assets. No material new liability (other than transaction costs) is expected to be incurred by ASW as a consequence of the Scheme (refer also to Section 10.13 for information relating to the Reimbursement Fee). ASW has paid and is paying all of its creditors within normal terms of trade and is solvent and trading in an ordinary commercial manner.

11.10 Consents

(a) **Role of advisers and experts**

The persons named in this Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the Scheme or the preparation or distribution of this Scheme Booklet are:

- (i) RSM Corporate Australia Pty Ltd as the author of the Independent Expert's Report;
- (ii) Thomson Geer Lawyers as legal advisers in relation to Australian law to ASW; and
- (iii) BDO Corporate Tax (WA) Pty Ltd as tax advisers to ASW.

(b) **Automatic consent**

Automatic has given and has not withdrawn its consent to be named in this Scheme Booklet and in relation to the Automatic Information in this Scheme Booklet, in the form and context in which that information is included.

(c) **Consents**

Each person named in Sections 11.10(a) and 11.10(b) has given, and before the time of registration of this Scheme Booklet with ASIC, has not withdrawn, their consent to being named in this Scheme Booklet (and in respect of Section 11.10(a) only, in the capacity indicated next to their name).

(d) **Disclaimer**

Each person named in Section 11.10(a):

- (i) has not authorised or caused the issue of this Scheme Booklet;
- (ii) does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based other than as specified in Section 11.10; and
- (iii) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for any part of this Scheme Booklet other than a reference to its name and any statement or report which has been included in this Scheme Booklet with the consent of that person.

(e) **Fees**

Each of the persons named in Section 11.10(a) as performing a function in a professional, advisory or other capacity in connection with the Scheme and the preparation of this Scheme Booklet, will be entitled to receive professional fees charged in accordance with their normal basis of charging. If the Scheme is implemented, costs of approximately \$400,000 (excluding GST) are expected to be paid by ASW. This includes fees for ASW's legal, accounting and tax advisers, the Independent Expert's fees, general administrative fees, and other expenses.

If the Scheme is not implemented, costs of approximately \$240,000 (excluding GST) are expected to be paid by ASW. These amounts do not include the transaction costs that may be incurred by Automatic in relation to the Scheme.

(f) **Supplementary information**

If, between the date of lodgement of this Scheme Booklet for registration by ASIC and the Effective Date, ASW becomes aware of any of the following:

- (i) a material statement in this Scheme Booklet is false or misleading or deceptive;
- (ii) a material omission from this Scheme Booklet;
- (iii) a significant change affecting a matter included in this Scheme Booklet; or
- (iv) a significant new matter that has arisen and that would have been required to be included in this Scheme Booklet if it had arisen before the date of lodgement of this Scheme Booklet for registration by ASIC,

ASW will make available supplementary material to ASW Shareholders. ASW intends to make available any supplementary material by releasing that material to ASX (www.asx.com.au) and posting the supplementary document to ASW's website (<https://www.advancedshare.com.au/>). Depending on the nature and timing of the changed circumstances and subject to obtaining any relevant approvals, ASW may also send such supplementary materials to ASW Shareholders.

11.11 Other material information

Except as detailed in this Scheme Booklet, so far as the ASW Directors are aware, there is no other information that is:

- (a) material to the making of a decision by ASW Shareholders whether or not to vote in favour of the Scheme Resolution at the Scheme Meeting; and
- (b) known to an ASW Director as at the date of this Scheme Booklet, which has not previously been disclosed to ASW Shareholders.

THE ISSUE OF THIS SCHEME BOOKLET IS AUTHORISED BY THE DIRECTORS OF ADVANCED SHARE REGISTRY LIMITED AND THIS SCHEME BOOKLET HAS BEEN SIGNED BY OR ON BEHALF OF THE DIRECTORS OF ADVANCED SHARE REGISTRY LIMITED ON 31 OCTOBER 2023.

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

Simon Cato
Non-Executive Chairman

12. Glossary

In this Scheme Booklet, unless the context requires otherwise:

\$ means the lawful currency of Australia.

Annexure means an annexure to this Scheme Booklet.

ASIC means the Australian Securities & Investments Commission.

Associate has the meaning given to that term in section 9 of the Corporations Act.

ASW or **Company** means Advanced Share Registry Limited ACN 127 175 946.

ASW Board means the board of directors of ASW from time to time.

ASW Director or **Director** means a director of ASW.

ASW Group means ASW and its Subsidiaries.

ASW Information means all information included in the Scheme Booklet other than the Automic Information and the Independent Expert's Report.

ASW Share means a fully paid ordinary share issued in the capital of ASW.

ASW Share Register means the register of ASW Shareholders maintained by or on behalf of ASW in accordance with the Corporations Act.

ASW Shareholder means a person who is registered in the ASW Share Register as the holder of one or more ASW Shares, from time to time.

ASX means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as the context requires.

ATO means the Australian Taxation Office.

AWST means Australian Western Standard Time.

Automic means Automic Enterprise Pty Ltd ACN 658 427 671.

Automic Board means the board of directors of Automic from time to time.

Automic Directors means each of the directors comprising the Automic Board.

Automic Information means information regarding the Automic provided by or on behalf of Automic to ASW or its representatives in writing for inclusion in the Scheme Booklet, being the information in the sections or parts of those sections detailed below:

- (a) Important Notices – the following paragraphs in the Important Notices:
 - (i) Forward looking statements; and
 - (ii) No website is part of the Scheme Booklet;
- (b) Section 3 – the following question 'Who is Automic?' contained in the Frequently Asked Questions;
- (c) Section 7 – Information about Automic;
- (d) Section 11.3 – Intentions of Automic after the Implementation Date;
- (e) Section 12 – the following definitions contained in the Glossary:
 - (i) Automic;
 - (ii) Automic Board;
 - (iii) Automic Directors;
 - (iv) Automic Information;
 - (v) Automic Sub; and
 - (vi) Automic Sub Board,

except in each case to the extent that information is based on information provided or prepared by or on behalf of ASW.

Automic Sub means Automic Pty Ltd (ACN 152 260 814).

Automic Sub Board means the board of directors of the Automic Sub from time to time.

Business Day means a day that is not a Saturday, Sunday, bank holiday or statutory or public holiday in Perth, Western Australia or Sydney, New South Wales.

Buyer Warranties has the meaning given in the Scheme Implementation Deed.

CGT means capital gains tax.

CHESS means ASX Clearing House Electronic Subregistry System.

Competing Proposal has the meaning given in the Scheme Implementation Deed.

Control has the meaning given to that term in section 50AA of the Corporations Act and **Controlling** and **Controlled** has the corresponding meaning.

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

Counterproposal has the meaning given in Section 5.2.

Court means the Federal Court of Australia.

Deed Poll means the deed poll executed by Automic and Automic Sub and contained in Annexure D of this Scheme Booklet.

Effect means, when used in relation to the Scheme, the coming into effect pursuant to section 411(10) of the Corporations Act of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme and **Effective** has a corresponding meaning.

Effective Date means the date the Scheme becomes Effective.

End Date means the later of:

- (a) 31 January 2024; or
- (b) such other date and time agreed to in writing between the parties.

ESG means environmental, social and corporate governance.

Exclusivity Period means the period commencing on the Execution Date and ending on the earlier of:

- (a) the date the Scheme Implementation Deed is terminated in accordance with its terms;
- (b) the Implementation Date; or
- (c) the End Date.

Execution Date mean the date of the Scheme Implementation Deed, being 7 September 2023.

Explanatory Statement means the statement pursuant to section 412 of the Corporations Act, which will be registered by ASIC in relation to the Scheme, copies of which will be included in the Scheme Booklet.

Facility has the meaning given to that term in Section 7.6(b).

Financier has the meaning given to that term in Section 7.6(b).

Government Agency means any government or representative of a government or any governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity and includes any minister, ASIC, ASX and any regulatory organisation established under statute or otherwise discharging substantially public or regulatory functions (including ASIC and the Takeovers Panel).

GST has the meaning given to it in the GST Law.

GST Law has the meaning given to it in the A New Tax System (Goods and Services Tax) Act 1999 (Cth).

Implementation Date means the date that is five Business Days after the Scheme Record Date, or such other date (after the Record Date) as ASW and Automic agree in writing.

Independent Expert means RSM Corporate Australia Pty Ltd ACN 050 508 024.

Independent Expert's Report means the report in Annexure A.

ITAA36 means *Income Tax Assessment Act 1936 (Cth)*.

ITAA97 means the *Income Tax Assessment Act 1997 (Cth)*.

Last Practicable Date means 5.00pm (AWST) on 30 October 2023.

Listing Rules means the official listing rules of ASX.

Non-public Information has the meaning given in the Scheme Implementation Deed.

Notice of Scheme Meeting means the notice convening the Scheme Meeting together with the Proxy Forms for that meeting as contained in Annexure E.

Material Adverse Change has the meaning given in the Scheme Implementation Deed.

Proxy Form means the proxy form that accompanies this Scheme Booklet or is available from the Share Registry.

Registered Address means, in relation to a Scheme Shareholder, the address of the Scheme Shareholder shown in the ASW Share Register.

Reimbursement Fee means \$319,123.

Related Body Corporate has the meaning given to that term in section 50 of the Corporations Act.

Relevant Interest has the meaning given to that term in section 9 of the Corporations Act.

Requisite Majorities has the meaning given to that term in Section 4.1(b).

Scheme means the scheme of arrangement pursuant to Part 5.1 of the Corporations Act proposed between ASW and Scheme Shareholders, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved in writing by Automic and ASW.

Scheme Announcement Date means the date the proposed Scheme was announced on ASX, being 8 September 2023.

Scheme Booklet means this scheme booklet to be despatched to all ASW Shareholders and approved by the Court in connection with the Scheme, which will contain (among other things) the explanatory statement in respect of the Scheme, Independent Expert's Report, a notice of meeting in respect of the Scheme Meeting and a proxy form.

Scheme Consideration means the consideration to be provided by or on behalf of Automic to each Scheme Shareholder for the transfer of each Scheme Share under the Scheme, being, \$0.165 less the amount of any Special Dividend.

Scheme Implementation Deed means the Scheme Implementation Deed dated 7 September 2023 between ASW and Automic being Annexure B.

Scheme Meeting means the meeting of ASW Shareholders ordered by the Court for the purposes of considering the Scheme pursuant to section 411(1) of the Corporations Act and includes any adjournment of that meeting.

Scheme Record Date means 5:00pm (AWST) on the date that is 3 Business Days after the Effective Date, or such other date (after the Effective Date) as ASW and Automic agree in writing.

Scheme Resolution means the resolution to be proposed to the ASW Shareholders at the Scheme Meeting to approve the Scheme, detailed in the Notice of Scheme Meeting.

Scheme Share means an ASW Share held by a Scheme Shareholder as at the Record Date.

Scheme Shareholder means each person who is an ASW Shareholder on the Record Date.

Second Court Date means the first day on which the application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is adjourned for any reason, the first day on which the adjourned application is heard.

Second Court Hearing means the hearing at which the application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approve the Scheme is heard or, if the application is adjourned for any reason adjourned hearing.

Section means a section of this Scheme Booklet.

Share Registry means AWS.

Special Dividend means one or more dividends in an amount not exceeding \$0.0025 per ASW Share in aggregate paid before the Implementation Date (excluding any dividends announced or declared prior to the Execution Date).

Special Dividend Payment Date means 13 December 2023.

Special Dividend Record Date means 12 December 2023.

Subsidiary has the meaning given to that term in section 46 of the Corporations Act.

Superior Proposal has the meaning given in the Scheme Implementation Deed.

Target Prescribed Occurrence has the meaning given in the Scheme Implementation Deed.

Target Regulated Event has the meaning given in the Scheme Implementation Deed.

Target Warranties has the meaning given in the Scheme Implementation Deed.

Trust Account means an Australian dollar denominated trust account which attracts interest at a commercial rate and is operated by ASW as trustee for the Scheme Shareholders.

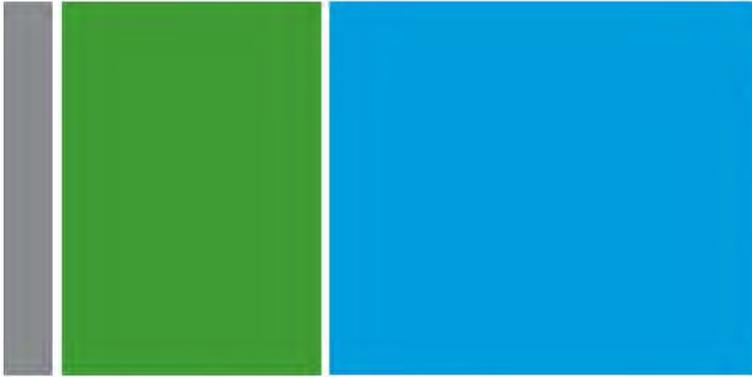
Voting Power has the meaning given to it in the Corporations Act.

VWAP means the volume weighted average price.

In this Scheme Booklet (other than in Annexure A to Annexure E):

- (a) words and phrases not otherwise defined in this Scheme Booklet have the same meaning (if any) as is given to them by the Corporations Act;
- (b) the singular includes the plural and vice versa. A reference to a person includes a reference to a corporation;
- (c) headings are for ease of reference only and do not affect the interpretation of this Scheme Booklet; and
- (d) a reference to a Section is to a Section in this Scheme Booklet unless stated otherwise.

Annexure A
Independent Expert's Report



ADVANCED SHARE REGISTRY LIMITED

Financial Services Guide and Independent Expert's Report

31 October 2023

We have concluded that the Scheme is in the best interests of the Scheme Shareholders

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FINANCIAL SERVICES GUIDE

Overview

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 ("RSM Corporate Australia Pty Ltd" or "we" or "us" or "ours" as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ("FSG"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- who we are and how we can be contacted;
- the financial services that we will be providing you under our Australian Financial Services Licence, Licence No 255847;
- remuneration that we and/or our staff and any associates receive in connection with the financial services that we will be providing to you;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

Financial services we will provide.

For the purposes of our report and this FSG, the financial service we will be providing to you is the provision of general financial product advice in relation to securities.

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

General Financial Product Advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

Benefits that we may receive.

We charge various fees for providing different financial services. However, in respect of the financial service being provided to you by us, fees will be agreed, and paid by, the person who engages us to provide the report and such fees will be agreed on either a fixed fee or time cost basis. You will not pay to us any fees for our services; the Company will pay our fees. These fees are disclosed in the Report.

Except for the fees referred to above, neither RSM Corporate Australia Pty Ltd, nor any of its directors, employees, or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

Remuneration or other benefits received by our employees.

All our employees receive a salary.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Associations and relationships

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia, a large national firm of chartered accountants and business advisers. Our directors are partners of RSM Australia Partners.

From time to time, RSM Corporate Australia Pty Ltd, RSM Australia Partners, RSM Australia and / or RSM Australia related entities may provide professional services, including audit, tax, and financial advisory services, to financial product issuers in the ordinary course of its business.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints should be directed to The Complaints Officer, RSM Corporate Australia Pty Ltd, P O Box R1253, Perth, WA, 6844.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination. If a complaint is received in advance of a shareholder meeting or other key date where shareholders or investors may be making decisions which are influenced by our report, we will make all reasonable efforts to respond to complaints prior to that date.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ("AFCA"). AFCA is an independent dispute resolution scheme 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. You may contact AFCA directly by email, telephone or in writing at the address set out below.

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
Toll Free: 1800 931 678
Email: info@afca.org.au

Time limits may apply to make a complaint to AFCA, so you should act promptly or consult the AFCA website to determine if or when the time limit relevant to your circumstances expires.

Contact details.

You may contact us using the details set out at the top of our letterhead on page 4 of this report.

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31 October 2023

The Shareholders
Advanced Share Registry Limited
110 Stirling Highway
Nedlands WA 6009

Dear Shareholders

INDEPENDENT EXPERT'S REPORT ("REPORT")

1. Introduction

- 1.1 On 8 September 2023, Advanced Share Registry Limited ("ASW" or "the Company") announced that it had entered into a Scheme Implementation Deed ("SID") with Automic Enterprise Pty Ltd ("Automic"), an entity associated with the Automic Group whereby Automic, or any wholly owned subsidiary of Automic, is to acquire 100% of the fully paid ordinary shares in the Company ("ASW Shares") by way of a scheme of arrangement under Part 5.1 of the *Corporations Act 2001* (Cth) ("The Act") ("the Scheme").
- 1.2 Under the terms of the Scheme, ASW shareholders ("Shareholders") will receive a cash payment of \$0.165 per ASW share held on the Scheme Record Date ("Scheme Consideration"). ASW will have the discretion to declare and pay shareholders a fully franked dividend up to a maximum of \$0.0025 per share ("Special Dividend"), depending on the availability of franking credits and subject to the Scheme becoming effective. To the extent the Special Dividend is declared and paid, the cash consideration of \$0.165 per share will be reduced by the cash amount of the Special Dividend.
- 1.3 The Scheme is subject to the Court convening a meeting of Shareholders where they will consider a resolution seeking approval of the Scheme ("Scheme Meeting"). The Scheme Meeting is to be held on or about 5 December 2023 and, under the Act, it will be approved by the Shareholders if the resolution is passed by a majority of the Shareholders present (in person or by proxy) and voting at the Scheme Meeting, and by at least 75% of the votes cast on the resolution. If this occurs, a second Court hearing will be held to approve the Scheme which, if approved, will become binding on all Shareholders who hold ASW Shares as at the Scheme Record Date ("Scheme Shareholders"), irrespective of whether or not they voted for the Scheme, and Automic will acquire 100% of ASW Shares held by Shareholders.
- 1.4 The Directors of ASW have requested RSM Corporate Australia Pty Ltd ("RSM"), being independent and qualified for the purpose, to express an opinion as to whether the Scheme is in the best interests of Scheme Shareholders.

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RSM Corporate Australia Pty Ltd is beneficially owned by the Directors of RSM Australia Pty Ltd. RSM Australia Pty Ltd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 Australian Financial Services Licence No. 255847

-
- 1.5 Accordingly, we have prepared this Report for the purpose of stating, in our opinion, whether or not the Scheme, and as such the offer under the Scheme, is in the best interests of Scheme Shareholders and to set out the reasons for that opinion. Our Report is to be included in the Scheme Booklet and Notice of Meeting to be sent to Shareholders in respect of the Scheme Meeting.
 - 1.6 This Report represents general financial product advice only and has been prepared without taking into consideration the individual circumstances of Shareholders. The ultimate decision whether to approve the Scheme should be based on each of the Shareholders' assessment of their circumstances, including their risk profile, liquidity preference, tax position and expectations as to value and future market conditions. Shareholders should read and have regard to the contents of the Scheme Booklet and Notice of Meeting which has been prepared by the Directors and Management of ASW. Shareholders who are in doubt as to the action they should take with regard to the Scheme and the matters dealt with in this Report, should seek independent professional advice

2. Summary and Conclusion

Opinion

- 2.1 In the absence of any other relevant information and/or a superior proposal, RSM considers the Scheme to be **fair and reasonable** to Scheme Shareholders, and as such, that the Scheme is **in the best interests of Scheme Shareholders**. A summary of our reasons and the approach we have taken in assessing our opinion is set out in this section of our Report.

Approach

- 2.2 In assessing whether the Scheme is “in the best interests” of Scheme Shareholders, we have considered Australian Securities and Investments Commission (“ASIC”) Regulatory Guide 111 – Content of Expert Reports (“RG 111”), which provides specific guidance as to how an expert is to appraise a Scheme of Arrangement.
- 2.3 Schemes of Arrangement can be used as an alternative to a takeover bid under Chapter 6 of the Act to achieve substantially the same outcome. In these circumstances, RG 111 suggests that the form of analysis to be undertaken by the expert should be substantially the same as for a takeover bid.
- 2.4 Under the terms of the Scheme, ASW Shareholders will receive \$0.165 per ASW share held on the Scheme Record Date. ASW will have the discretion to declare and pay shareholders a fully franked dividend up to a maximum of \$0.0025 per share, depending on the availability of franking credits and subject to the Scheme becoming effective. To the extent the Special Dividend is declared and paid, the cash consideration of \$0.165 per share will be reduced by the cash amount of the Special Dividend.
- 2.5 Therefore, consistent with the guidance set out in RG 111, in assessing whether or not we consider the Scheme to be “in the best interests” of the Scheme Shareholders, we have considered whether the Scheme is “fair” to Scheme Shareholders by assessing and comparing:
- the Fair Value of a share in ASW on a controlling basis prior to the Scheme; with
 - the Fair Value of the Scheme Consideration being offered under the Scheme; and
 - considered whether the Scheme is “reasonable” to Scheme Shareholders by undertaking an analysis of the other factors relating to the Scheme which are likely to be relevant to the Scheme Shareholders, in their decision of whether or not, to approve the Scheme.
- 2.6 Further information of the approach we have employed in assessing whether the Scheme is in “the best interests” of Scheme Shareholders is set out at Sections 9 and 10 of this Report.

Is the Scheme Fair to Shareholders?

- 2.7 In assessing whether we consider the Scheme to be fair to Scheme Shareholders, we have valued a share in ASW prior to the implementation of the Scheme, and compared it to the value of the Scheme Consideration being offered per ASW Share under the Scheme, to determine whether a Scheme Shareholder would be better or worse off should the Scheme be approved.
- 2.8 We note that the Scheme Consideration comprises a cash component of \$0.165 less any Special Dividend declared and paid by ASW of up to \$0.0025 per share. Should the Special Dividend be declared and paid, the Scheme Consideration will be reduced by the amount paid per Share, similarly the assessed Fair Value of an ASW Share would also be reduced by the same amount. For the purpose of our assessment of fairness, we have therefore not considered the payment of any Special Dividend and compared the cash consideration component of \$0.165 with the Fair Value of an ASW Share prior to any Special Dividend declaration or payment.

2.9 Our assessment is set out in the table below.

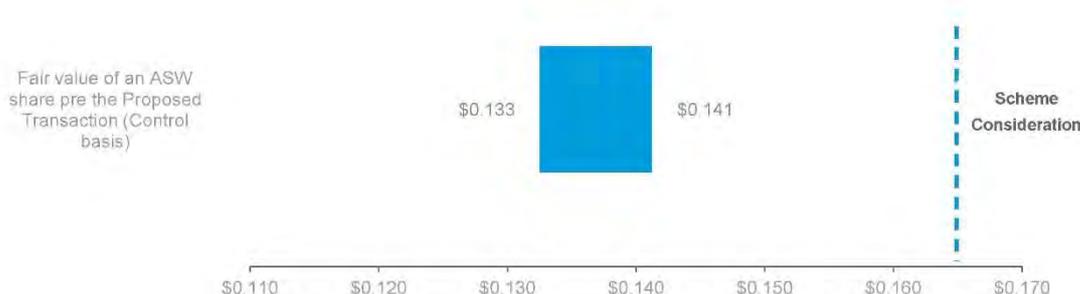
Table 1 Assessment of fairness

Assessment of fairness	Value per Share	
	Low	High
Fair value of an ASW Share pre the Proposed Transaction (Control basis)	\$ 0.133	\$0.141
Scheme Consideration	\$ 0.165	\$0.165

Source: RSM analysis

2.10 The above comparison is depicted graphically below.

Figure 1 Graphical representation of fairness



Source: RSM analysis

2.11 As the Scheme Consideration offered per ASW Share is greater than the Fair Value of an ASW Share prior to the Scheme, and in the absence of any other relevant information, in our opinion, the Scheme is **fair** to Scheme Shareholders.

2.12 We note that the concept of Fair Value does not incorporate any 'special value' that a potential acquirer may be prepared to pay for the business in excess of the Fair Value, however this special value may be reflected in the value of the Scheme Consideration. Special value represents the value to a particular acquirer of potential economies of scale, reduced competition, other synergies and/or cost savings arising from an acquisition, which are not available to other likely purchasers in general.

Is the Scheme Reasonable for Shareholders?

2.13 RG 111 establishes that an offer is reasonable if it is fair. It might also be reasonable if, despite not being fair, there are sufficient reasons for security holders to accept the offer in the absence of a higher bid. Section 10 of this Report sets out our consideration of other factors relating to the implementation of the Scheme which are likely to be relevant to the decision of Shareholders as to whether or not to approve the Scheme. We set out a summary of these factors below.

Future Prospects if the Scheme is not approved or alternatives to the Scheme

2.14 If the Scheme is not approved by the requisite majorities, and therefore not implemented, Scheme Shareholders will retain their shares in ASW and the Group will continue to operate as previously.

- 2.15 The alternative to the Scheme is for the Shareholders to vote against the Scheme in the hope that they can realise greater value from their investment in ASW either through maintaining ASW as an independent company or through the emergence of a superior proposal. Whilst there is no evidence to suggest that the Shareholders would be better off under this alternative, it is possible that an alternative offer may emerge prior to the Scheme Meeting.
- 2.16 ASW has advised us that no formal alternative offers or approaches by potential acquirers have been received since the announcement of the Scheme on 8 September 2023.

Advantages of approving the Scheme

- 2.17 ASW Directors have unanimously recommended that the Shareholders vote in favour of the Scheme in the absence of a Superior Proposal (as defined in the Scheme Booklet).
- 2.18 The key advantages of the Scheme are as follows:

Table 2 Advantages of approving the Scheme

Advantage	Details
The Scheme is fair	The Scheme is fair to Scheme Shareholders.
Premium to ASW share price	The Scheme Consideration represents a 32% premium to the ASW closing share price on 7 September 2023, being the last day of trading in ASW shares immediately before the Scheme was announced, and a 27% premium to the 90-trading day VWAP.
Liquidity event	The Scheme Consideration provides Scheme Shareholders with a liquidity event for what has been a highly illiquid stock with only 2.38% of the shares on issue traded in the 180 days prior to the announcement of the Scheme. A liquid market is generally considered to have approximately 1% of securities traded on a weekly basis. This may be of a particular advantage to shareholders with larger parcels of shares given the low liquidity of trading in ASW Shares.
Fully funded offer	The offer from Automic is a cash offer funded from cash reserves and a debt facility.
Certainty of exit proceeds	If the Scheme is implemented, Scheme Shareholders will receive cash consideration (with no brokerage costs) at a premium to the recent trading in ASW shares. Scheme Shareholders will no longer be exposed to the variability of trading share prices, providing certainty of their proceeds, and no ongoing exposure to risks in the ASW business.

Disadvantages of approving the Scheme

- 2.19 The key disadvantages of the Scheme are:

Table 3 Disadvantages of approving the Scheme

Disadvantage	Details
Inability to participate in future of ASW	If the Scheme is implemented, Scheme Shareholders will no longer hold an interest in ASW and therefore will not participate in any potential upside of the business or future dividend payments.
Change in investment profile	The implementation of the Scheme may result in disadvantages to those who wish to maintain their current investment profile. Scheme Shareholders who wish to maintain their investment profile may find it difficult to identify an investment with a similar profile to that of ASW and may incur transaction costs in undertaking any new investment.
Loss of potential superior proposal	It is possible that a superior proposal which is more attractive for Scheme Shareholders than the Scheme, may be made in the future. The Directors are not aware of any superior proposal and no alternative proposals have been made since the Scheme was announced on 8 September 2023.

Potential tax consequences

The tax implications of the Scheme may not be suitable to the financial circumstances or position of Scheme Shareholders. The tax treatment may vary between shareholders depending on their individual nature and characteristics and the period for which they have held ASW Shares and therefore individual taxation advice should be obtained.

The extent to which a control premium is being paid

- 2.20 The Scheme Consideration offered per ASW Share is a cash payment of \$0.165 which represents a 32% premium on the closing price of ASW shares of \$0.125 on 7 September 2023 (being the last day shares were available for trading immediately prior to the announcement of the Scheme).
- 2.21 The offer also represents a 27% premium to the 90-day VWAP of ASW Shares prior to 8 September. The RSM 2021 Control Premium Study, a study of 605 takeovers and schemes of arrangements involving companies listed on the Australian Stock Exchange over the 15.5 years to 31 December 2020, showed that control premiums of 34.7%, 29.2% and 27.1% were paid on the 20 day pre-bid, 5 day pre-bid and 2 day pre-bid share prices on transactions in Australia. The implied premium of the Scheme Consideration therefore falls within the control premium range observed in the study and sits above the average 2-day pre-bid premium of 27.1%.

Liquidity

- 2.22 Historically, the liquidity of ASW Shares has been extremely low with only 0.59% of the total free float of ASW's shares traded in the 30-trading day period prior to the announcement of the proposed Scheme and only 2.38% in the 180 trading days prior. A liquid market is generally considered to have approximately 1% of securities traded on a weekly basis. The top 20 shareholders of ASW held 85% of the shares on issue as of 18 September 2023, with 76% held by the five most significant shareholders.
- 2.23 The Scheme provides Scheme Shareholders with an ability to convert their investment in ASW to cash, from an illiquid stock.

Conclusion

- 2.24 In the absence of any other relevant information and/or a superior proposal, RSM considers the Scheme to be **fair and reasonable** to Shareholders and as such, that the Scheme is **in the best interests** of Scheme Shareholders.
- 2.25 An individual shareholder's opinion in relation to the Scheme may be influenced by his or her individual circumstances. If in doubt, shareholders should consult an independent advisor.

3. Scope of the Report

Purpose of this Report

- 3.1 The Directors of ASW have requested RSM, being independent and qualified for the purpose, to express an opinion as to whether the Scheme is in the best interests of Scheme Shareholders.

Regulatory guidance

- 3.2 It is relevant to note that the expression "in the best interests" is not defined within either the Act or the Regulations. Therefore, in determining whether the Scheme is in the best interests of Scheme Shareholders, we have had regard to the views expressed by the Australian Securities & Investments Commission ("ASIC") in RG 111. This regulatory guide provides guidance as to what matters an independent expert should consider assisting security holders to make informed decisions about transactions.
- 3.3 RG 111 prescribes that a key matter that an expert needs to consider when determining the appropriate form of analysis is whether or not the effect of the transactions is comparable to a takeover bid and is therefore representative of a change of control transaction. Where a Scheme would achieve substantially the same outcome as a takeover bid, RG 111 aligns "in the best interests" with the "fair and reasonable" test. While RG 111 does not define "fair and reasonable" it does provide some guidance as to how the terms should be interpreted in a range of circumstances. With respect to a takeover bid RG 111 applies the "fair and reasonable" test as two distinct criteria, stating:
- a takeover offer is considered "fair" if the value of the offer price or consideration is equal to or greater than the value of the securities that are the subject of the offer; and
 - a takeover offer is considered "reasonable" if it is fair or, where the offer is "not fair," it may still be "reasonable" if the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the close of the offer.
- 3.4 RG 111 contends that if an expert was to conclude that a Scheme is "fair and reasonable" if it was in the form of a takeover bid, it will also be able to conclude that the scheme is in the best interests of the members of the company.

Adopted basis of evaluation

- 3.5 The Scheme is an all-cash offer by Automic for 100% of the shares in ASW held by Scheme Shareholders on the Scheme Record Date ("Scheme Shares"). Therefore, consistent with the guidance set out in RG 111 for takeover offers as summarised above, in assessing whether or not we consider the Scheme to be in "the best interests" of the Scheme Shareholders we have considered whether the Scheme is "fair" by assessing and comparing:
- the Fair Value of a share in ASW on a controlling basis prior to the Scheme; with
 - the Fair Value of the consideration being offered per Scheme Share under the Scheme.
- 3.6 On this basis, if the Fair Value of the consideration offered per Scheme Share is equal to or greater than the Fair Value of an ASW share prior to the Scheme, in our opinion, the Scheme would be "fair" and, as such, in the best interests of the Shareholders.
- 3.7 Our assessment of the Fair Value of a share in ASW has been prepared on a basis which is consistent with the following definition of Fair Value:
- "The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction."

-
- 3.8 In assessing whether the Scheme is in the “best interests” of the Scheme Shareholders, in addition to considering whether or not the Scheme is “fair” to the Scheme Shareholders, we have also considered whether the Scheme is “reasonable” by undertaking an analysis of the following factors:
- the potential advantages and disadvantages of the Scheme;
 - the extent to which a control premium is being paid;
 - the likelihood of an alternative takeover offer emerging;
 - the future prospects of ASW if the Scheme is not implemented; and
 - the liquidity the Scheme provides for Shareholders.
- 3.9 Our assessment of the proposed Scheme is based on economic, market and other conditions prevailing at the date of this Report.

4. Summary of the Scheme

Overview

- 4.1 On 8 September 2023, ASW announced that it had entered into a Scheme Implementation Deed ("SID") pursuant to which Automic will, subject to the satisfaction of various conditions, acquire all of the fully paid ordinary shares in ASW by way of a scheme of arrangement.
- 4.2 Under the Scheme, Scheme Shareholders will be entitled to receive a cash payment of \$0.165 per ASW Share less any Special Dividend of up to \$0.0025.
- 4.3 The ASW Board may elect to pay a fully franked dividend of up to \$0.0025 per ASW Share prior to the implementation of the Scheme, subject to:
- The Scheme becoming Effective following approval by Shareholders and the Court;
 - The availability of franking credits and provided that it will not result in the franking account of ASW being in deficit after the Special Dividend is paid; and
 - ASW having sufficient profits, retained earnings or distributable reserves (or a combination of all or some of them) to fund the payment of the Special Dividend.

Key conditions of the Scheme

- 4.4 The implementation of the Scheme is subject to a number of Conditions Precedent. The Conditions Precedent which must be satisfied or waived are:
- (a) **No restraints:** as at 8.00am on the Second Court Date, there is:
- i. no temporary or final order, decision or decree issued, or other preliminary or final decision by any court of competent jurisdiction or Government Agency, nor is there in effect any other legal restraint or prohibition; and
 - ii. no action or investigation announced or commenced by any Government Agency, which restrains, prohibits, or otherwise materially adversely impacts upon (or could be reasonably expected to restrain, prohibit or otherwise materially adversely impact upon) the completion of the Scheme.
- (b) **Target Shareholder approval:** Shareholders approve the Scheme at the Scheme Meeting by the requisite majorities under section 411(4)(a)(ii) of the Corporations Act.
- (c) **Independent Expert:** the Independent Expert issues an Independent Expert's Report which concludes that the Scheme is in the best interests of Shareholders before the time when the Scheme Booklet is registered with ASIC and the Independent Expert does not publicly withdraw, qualify or change that opinion at any time prior to 8.00am on the Second Court Date.
- (d) **Court approval:** the Scheme is approved by the Court in accordance with section 411(4)(b) of the Corporations Act.
- (e) **No Target Prescribed Occurrence:** no Target Prescribed Occurrence (as defined in the SID) occurs between (and including) the date of the SID and 8.00am on the Second Court Date.
- (f) **No Target Regulated Event:** no Target Regulated Event (as defined in the SID) occurs between (and including) the date of the SID and 8.00am on the Second Court Date.
- (g) **No Material Adverse Change:** no Material Adverse Change (as defined in the SID) occurs between the date of the SID and 8.00am on the Second Court Date.

(h) **Target Warranties:** the Target Warranties (as defined in the SID) being true and correct in all material respects on the date of the SID and 8.00am on the Second Court Date.

(i) **No change of Target Board Recommendation:** between and including the date of the SID and the date of the Scheme Meeting, none of the ASW directors change, qualify or withdraw their Voting Intention or their Recommendation as provided by clause 6 of the SID.

Other Relevant Considerations

4.5 The SID contains exclusivity arrangements of no-shop, no-talk until 31 January 2024 (or such other date agreed by both parties) as set out in Section 10.11 of the Scheme Booklet. If a competing proposal is received by ASW, notification must be provided to Automic within 48 hours, Automic has the right but not obligation to provide a counterproposal that is no less favourable to ASW Shareholders or is superior to the competing proposal.

4.6 Under the terms of the SID, a reimbursement fee of \$319,123 may become payable by ASW to Automic under certain circumstances as set out in Section 10.13 of the Scheme Booklet.

5. Profile of Advanced Share Registry Limited

Overview

- 5.1 Advanced Share Registry Limited is an Australian company listed on the Australian Securities Exchange (“ASX”) offering share registry services, including registry maintenance, support for capital raisings, corporate actions, company meetings, employee share plans, shareholder communications and in-house printing services.
- 5.2 ASW also owns and manages an investment property on Clarence Street in Sydney, deriving a rental income.
- 5.3 The Company’s key services are summarised in the table below:

Table 4 Advanced Share Registry Service Lines

Service Line	Description
Registry Management	ASW provides Registry Management packages that allow issuers and shareholders to log-in, view and download reports and documents, and update their details via their website.
Meeting Management	ASW prepares and despatches shareholder meeting documents such as Proxy Forms, Notices of Meeting, and Annual Reports, and can assist with coordinating shareholders meetings, including with the shareholder registration process and poll administration.
Beneficial Ownership Analysis	Through ASW’s corporate partner, clients can access a suite of marketing intelligence tools including register analysis reports and a comprehensive CRM platform designed to streamline management of all investor communications.
Corporate Actions and Capital Raisings	ASW provides services in connection with a range of Corporate Actions and Capital Raisings, including Initial Public Offerings (IPOs), Share Buy-Backs, Rights Issues and Share Purchase Plans. ASW also provides printing and document formatting services.
Employee Plan Solutions	ASW can implement an Employee Plan for a company, enabling employees to log-in and view their holdings via their website, and maintain contribution records.
Online Portal	ASW provides an online platform for investors to view and update all shareholder details relating to their investments.
Shareholder Communications	ASW offers in-house printing and mailing services.
Daily Reports	Automated system-generated customised reports are available via ASW’s online portal.

Source: Advanced Share Registry Website

- 5.4 As at 7 September 2023, being the day before the Scheme was announced, ASW had a market capitalisation of approximately \$24.2 million (based on a closing price of \$0.125 per ASW Share).

Legal structure

5.5 The corporate structure of the ASW Group is outlined in the figure below:

Figure 2 ASW corporate structure



Source: Advanced Share Registry Annual Report

- 5.6 Advanced Custodial Services Pty Ltd is not a trading entity, the core Group operations sit within Advanced Share Registry Limited.
- 5.7 Private Company Platform Pty Ltd ("PCP") was initially set up to develop a platform for trading unlisted shares, however it is currently dormant with ASW focusing on the development of Sharetech. The ASW Board is seeking to deregister PCP pending consent from other shareholders.
- 5.8 Sharetech Pty Ltd ("Sharetech") is developing an online share facilitation system designed to match buyer and sellers of shares in an unlisted company. We understand that the platform is ready for pilot but Sharetech is yet to implement a Corporate Authorised Representative agreement for an AFSL in order to begin providing associated services and did not generate any income for the year ended 30 June 2023.

Directors

5.9 The directors of ASW are summarised in the table below.

Table 5 ASW Directors

Name	Title	Experience
Mr Simon Cato	Non-Executive Chairman	Mr Simon Cato has had over 40 years capital markets experience in broking, regulatory roles and as director of listed companies. He initially was employed by the ASX in Sydney and then in Perth. From 1991 until 2006, he was an executive director and/or responsible executive of three stockbroking firms and in those roles he has been involved in many aspects of broking including management issues such as credit control and reporting to regulatory bodies in the securities industry. As a broker, he was also involved in the underwriting of a number of IPOs and has been through the process of IPO listing in the dual role of broker and director. Currently, he holds a number of non-executive roles with listed companies in Australia. Mr Cato is a director of Bentley Capital Ltd.
Mr Kim Chong	Managing Director & Chief Executive Officer	Mr Kim Chong has been actively involved in the share registry business for over 42 years. From 1981 until 1996 he was employed with major firms in registry operations as a systems analyst, client manager and share registry division manager. Kim commenced operations at Advanced Share Registry Services in 1996 with six clients and has experience in information technology and management skills.
Mr Stuart Third	Non-Executive Director & Company Secretary	Mr Stuart Third has been involved in professional accounting in public practice for over 25 years providing business and taxation advice to clients in various industries. Mr Third has experience in corporate governance, company secretarial, management and restructuring matters. He is currently on the board of, and company secretary of, ASX listed United Overseas Australia Ltd and has previously served as company secretary of other ASX listed companies. He also works within the accounting profession as a facilitator for the Chartered Accountants Program. Mr Third holds a Bachelor of Business, Master of Taxation, and a Graduate Diploma in Applied Corporate Governance. He is a fellow of Chartered Accountants Australia and New Zealand ("CAANZ"), a Chartered Tax Advisor with the Tax Institute, An Associate of the Governance Institute of Australia and an Associate of The Chartered Governance Institute.
Mr Michael Pixley	Non-Executive Director	Mr Michael Pixley is a Merchant Banker with over 30 years' experience in Asia. Beginning in Singapore and later moving to Australia. As CEO and Director in both public and private businesses he has gained extensive experience in deal origination, structuring and execution across various industry sectors including manufacturing, real estate, biotech, and energy. Mr Pixley has led numerous transactions including mergers and acquisitions, IPOs, and debt/equity financings.
Mr Alvin Tan	Non-Executive Director	Mr Alvin Tan is a financial consultant and entrepreneur with over 25 years of corporate experience in various industries. He has an Honours degree in Commerce from the University of Western Australia and started his career at KPMG (Malaysia) before moving to Perth in 1995. He has successfully led and executed numerous mergers, acquisitions, capital raisings and new listings on the ASX, AIM, LSE, KLSE and FRA exchanges. He has also been a director of several Australian companies, including ASX-listed companies including Pacific Rim Investment Corporation Ltd, Orchid Capital Ltd and Coral Sea Petroleum Ltd. He currently serves on the board and chairs the audit committee of NSX and LSE listed PYX Resources Limited, a leading producer of premium zircon.

Source: Advanced Share Registry Limited website

Financial Performance

5.10 The following table sets out a summary of the financial performance of the ASW Group for the years ended 30 June 2020, 2021, 2022 and 2023 extracted from the audited consolidated financial statements.

Table 6 ASW financial performance

\$'000	Ref	FY20	FY21	FY22	FY23
Sales – Registry fees	a)	3,950	5,041	4,409	4,414
Sales – Client disbursements recovered	a)	1,490	1,584	1,262	1,080
Other income – Interest received	b)	48	27	23	95
Other income – Rental income, government grants and other income	b)	276	460	96	141
Total Income		5,765	7,113	5,790	5,730
Occupancy expenses	c)	(261)	(273)	(121)	(138)
Administration expenses	d)	(1,923)	(1,882)	(1,973)	(2,094)
Other operating expenses	e)	(1,346)	(1,431)	(1,025)	(984)
Finance costs	c)	-	-	(19)	(13)
Depreciation and amortisation	c)	(92)	(91)	(291)	(303)
Loss on fair value adjustment to investment property	f)	-	-	-	(50)
Profit before income tax		2,143	3,437	2,360	2,148
Income tax		(627)	(875)	(606)	(565)
Profit after income tax	g)	1,516	2,562	1,754	1,582
Revaluation of owner-occupied property to equity, net of tax	f)	-	(80)	-	(38)
Reduction in deferred income tax expense on change in tax rate	h)	-	14	-	-
Total comprehensive income		1,516	2,496	1,754	1,544
Comprehensive income attributable to:					
Owner of the parent		1,523	2,502	1,759	1,554
Non-controlling interests	i)	(7)	(5)	(5)	(10)
		1,516	2,496	1,754	1,544

Source: ASW Annual Reports

5.11 We note the following in relation to ASW's financial performance from FY20 to FY23:

- a) Sales consist of registry fees and client disbursements recovered, with registry fees making up approximately 80% of total sales in FY23. Sales remained steady over the period of review with the exception of FY21, during which ASW benefited from a resurgence in corporate actions by the Group's clients and increased activity in share trading following the initial onset of COVID-19. More detailed analysis on the split of revenue by service is not available.

In May 2023, ASW received an invitation from the ASX to partake in the CHES Replacement Partnership Program. The primary objective of this Partnership Program was to formalise an arrangement where ASX offers financial support to facilitate future participation in the CHES replacement program to entities developing a technology application to connect to the CHES replacement solution. ASW received an initial financial support payment of \$500k in FY23, which is recorded under the "Registry Fees" category in the Financial Statements. The agreement between ASX and ASW terminates once all agreed payments have been made, with no further payments beyond August 2023 committed in the initial program although additional

financial support could be available to eligible participants following completion of the CHES replacement solution redesign.

- b) Other income consists of rental income, interest received, government grants and other income. Rental income relates to the investment property and totals \$99k in FY23. Government grants comprised \$170k and \$338k of other income in FY20 and FY21 respectively, relating to one-off COVID-19 stimulus income (JobKeeper and Cash Flow Boost) provided during those years.
 - c) Occupancy expenses decreased in FY22 upon ASW entering a new lease for head office premises in Western Australia. In accordance with AASB 16 Leases the Company recognised a right-of-use asset and corresponding lease liability at the inception of this new lease, and finance expenses and depreciation charges increased correspondingly with the recognition of the lease expense under AASB 16. Prior to FY22 the Company rented premises under a short-term lease, with the rental expense being recognised within occupancy expenses in the profit and loss account, as permitted by AASB 16.
 - d) Administration expenses, comprising mainly salaries & wages and superannuation, was the largest expense category for the Company over the period of review. The Group employed 21 people as at 30 June 2023.
 - e) Other operating expenses primarily relate to postage, printing and stationery costs which have declined with the introduction of virtual shareholder meetings following the COVID-19 pandemic. Movements in the provision for expected credit losses on trade receivables are also recorded in this expense category. In FY23 \$204k of trade receivable balances were written off.
 - f) A revaluation loss of \$50k was recorded in FY23 on the investment property held by the Group, and a \$38k fair value decrease, net of tax, was also recorded on the Group's owner-occupied property.
 - g) ASW disclosed a consolidated profit after income tax of \$1.52 million in FY20. This was followed by an exceptional year in FY21 with a profit after tax of \$2.56 million, due to the heightened market activity following the initial COVID-19 impacted period. ASW profits returned closer to pre-FY21 levels with a \$1.75 million profit after tax recorded in FY22 and \$1.58 million recorded in FY23. This aligns with general capital market conditions in Australia which slowed in FY22 and have remained subdued since. Refer to Appendix D for our analysis on IPO activity in Australia over the past three years.
 - h) Reduction in deferred income tax expense of \$14k on change in tax rate associated with revaluation of owner occupied property.
 - i) Non-controlling interests comprise the share of losses attributable to the minority shareholders of PCP and Sharetech, totalling \$10k in FY23.
 - j) The Group paid a total dividend of \$0.01 per ASW Share in FY23, amounting to \$1.9 million.
- 5.12 The products being developed by ASW's controlled entities PCP and Sharetech are not commercialised and therefore the companies are yet to produce profits. The net losses incurred by the controlled entities in FY21, FY22 and FY23 are summarised below.

Table 7 Controlled Entities' Net Losses

\$'000	FY21	FY22	FY23
Private Company Platform Pty Ltd (51% owned)	(10)	(9)	(14)
Sharetech Pty Ltd (70% owned, previously 51% owned until 18 October 2022)	(1)	(1)	(11)
Total	(11)	(10)	(25)

Source: Consolidated management accounts and RSM analysis

- 5.13 Owing to the nature of ASW's services no individual customer accounts for a significant proportion of sales. The top six customers, each of which exceeds 3% of Group income, in total accounted for 22% of the Group's income in FY23.

Financial Position

5.14 The table below sets out a summary of the financial position of ASW as of 30 June 2021, 2022, and 2023.

Table 8 ASW financial position

\$'000	Ref	30-Jun-21	30-Jun-22	30-Jun-23
Assets				
Current Assets				
Cash and cash equivalents		5,162	4,187	3,726
Trade and other receivables		731	653	897
Other current assets		45	79	58
Total Current Assets		5,938	4,919	4,681
Non-Current Assets				
Property, plant, and equipment	a)	942	1,028	1,004
Investment property	b)	2,150	2,150	2,100
Intangible assets	c)	1,086	1,072	1,056
Leased assets	d)	-	383	192
Deferred tax assets		232	313	241
Total Non-Current Assets		4,410	4,946	4,593
Total Assets		10,348	9,864	9,274
Liabilities				
Current liabilities				
Trade and other payables		340	230	295
Current tax liabilities		516	151	89
Provisions	e)	500	515	589
Lease liabilities	d)	-	190	204
Total Current Liabilities		1,356	1,086	1,177
Non-Current liabilities				
Long term provisions	e)	23	15	3
Lease liabilities	d)	-	204	-
Deferred tax liabilities		393	485	411
Total Non-Current Liabilities		416	704	413
Total Liabilities		1,771	1,790	1,591
Net Assets	f)	8,577	8,074	7,683
Equity				
Issued capital		6,201	6,201	6,201
Reserves		1,848	1,350	1,008
Retained earnings		526	526	488
Total parent entity interest in equity		8,575	8,078	7,697
Total non-controlling interest	g)	2	(3)	(14)
Total Equity		8,577	8,074	7,683

Source: ASW Annual Reports

5.15 We note the following in relation to ASW's financial position:

- a) Property, plant, and equipment comprises the fair value of property owned and occupied by ASW at Lot 8, 325 Pitt Street in Sydney, as well as office equipment and furniture, leasehold improvements, computers, and motor vehicles at cost less accumulated depreciation. As of 30 June 2023, the Pitt Street property was carried at its fair value of \$560,000 based on an independent valuation undertaken by Herron Todd White.
- b) ASW also owns an investment property at Suite 603 (Lot 35), 225-233 Clarence Street in Sydney from which it derives rental income. As at 30 June 2023, it was carried in the balance sheet at its fair value of \$2.1 million based on an independent valuation undertaken by Herron Todd White.
- c) Intangible assets predominantly relate to goodwill on previous acquisitions.
- d) Leased assets and lease liabilities relate to the lease of premises occupied by ASW's head office at Stirling Highway in Nedlands (Perth), as well as premises adjacent to the head office used for additional space for operational purposes, both under 3-year lease terms.
- e) Provisions predominantly comprise annual leave and long service leave provisions. As at 30 June 2023, ASW had a \$346k annual leave provision, \$55k provision for dividends, \$189k current provision for long service leave and \$3k non-current provision for long-service leave.
- f) ASW's net asset position decreased from \$8.6 million as at 30 June 2021 to \$7.7 million as at 30 June 2023.
- g) As at 30 June 2023, non-controlling interests held by minority shareholders in PCP and Sharetech amounted to \$14k.

Capital Structure

5.16 At the date of this Report, ASW has 193,407,776 ordinary shares on issue. The top 20 shareholders of ASW as at 18 September 2023 are set out below.

Table 9 ASW top 20 shareholders

Rank	Name	Shares	%
1	KMC AUTOMATION PTY LTD	108,597,318	56.15
2	WASHINGTON H SOUL PATTINSON	17,500,000	9.05
3	PACIFIC CUSTODIANS	15,788,597	8.16
4	THE AUSTRALIAN SUPERANNUATION GROUP (WA) PTY LTD	2,902,725	1.50
5	MRS JOAN MARGARET MOLYNEUX & MRS WENDY ANNE HUTCHISON & MR JOHN EDWARD HUTCHISON	2,897,041	1.50
6	MRS ELIZABETH MARGARET ISLES	2,250,000	1.16
7	NATIONAL NOMINEES LIMITED	2,145,058	1.11
8	COMPLII FINTECH SOLUTIONS LTD	1,709,525	0.88
9	BOND STREET CUSTODIANS LIMITED	1,387,899	0.72
10	MR SIMON KENNETH CATO	1,372,500	0.71
11	OSTLE INVESTMENTS PTY LTD	1,260,000	0.65
12	BNP PARIBAS NOMINEES PTY LTD	1,221,272	0.63
13	WJK INVESTMENTS PTY LTD	977,319	0.51
14	GELLEKA PTY LTD	967,335	0.50
15	SYNCHRONISED SOFTWARE PTY LIMITED	798,750	0.41
16	RUSTICI PTY LTD	793,783	0.41
17	MRS MERELYN ANN ROBINS	739,995	0.38
18	MR BRUCE HAROLD FRYER & MRS PETA CONSTANCE FRYER	706,500	0.37
19	HIGLETT PTY LTD	693,716	0.36
20	MERCANTILE GENERAL PTY LTD	632,500	0.33
	Other	28,065,943	14.51
Total		193,407,776	100%

Source: ASW Management

5.17 KMC Automation Pty Ltd has a controlling interest of 56.15% in ASW. KMC Automation Pty Ltd is an entity related to the founder and Director of ASW, Mr Kim Chong. Mr Chong also directly holds an additional 5,000 shares in ASW.

Share price performance

5.18 The figure below sets out a summary of ASW's closing share price and trading volumes over the 12-month period to 7 September 2023 being the last trading day before the Scheme announcement, and the subsequent period to 15 September 2023.

Figure 3 ASW recent share trading history



Source: S&P Capital IQ

5.19 Over the 12 months prior to announcement of the Scheme, the ASW traded share price fell from a high of \$0.215 in October 2022 to a low of \$0.120 in March 2023, and has remained broadly at this level until the announcement.

5.20 Post the announcement of the Scheme, the ASW share price increased from \$0.125 on 7 September 2023 to close at \$0.165 on 8 September 2023.

5.21 Key announcements made by the Company over the 12-month period to 8 September 2023 are summarised below:

Table 10 ASW Announcements

Ref	Date	Commentary
1	30/09/2022	Annual Report to Shareholders
2	18/11/2022	Results of Annual General Meeting – All resolutions passed in relation to adoption of Remuneration Report and re-election of Stuart Third and Jeffrey Broun as Directors
3	23/01/2023	Profit Guidance – Pre-tax operating profit for half-year ending 31 December 2022 estimated to be approximately \$1,220,000 (down from \$1,518,941 in the half-year ended 31 December 2021)
4	27/01/2023	Dividend Distribution - \$0.005 fully franked dividend
5	23/02/2023	Half Yearly Report and Accounts
6	21/07/2023	Profit Guidance - Pre-tax operating profit for the year ending 30 June 2023 estimated to be \$2,200,000 (down from \$2,359,707 in the year ended 30 June 2022)
7	9/08/2023	Dividend Distribution - \$0.005 fully franked dividend
8	31/08/2023	Preliminary Final Report
9	8/09/2023	ASW enters Scheme Implementation Deed with Automic

Source: S&P Capital

6. Profile of Automic Enterprise Pty Ltd

Overview

- 6.1 Automic offers a suite of professional services encompassing share registry, company secretarial, investor relations and CFO advisory services.
- 6.2 Automic's key services are summarised in the table below.

Table 11 Automic service offerings

Service offerings	Description
Share Registry	Share registry services with improved data accuracy, real-time reports, and automation.
Fund Registry	Streamlined digital registry for managing listed and unlisted funds.
Employee Share Plans	Integrated registry and employee share plan technology to engage and retain employees while making administration easier with automated workflows.
Initial Public Offerings	Support through the Initial Public Offering (IPO) listing process.
Company Secretarial	Outsourced company secretarial solutions and specialist support in ASX listed company support.
Investor & Media Relations	Integrated investor relations and media advice.
Finance	Outsourced accounting services and finance functions.
Environmental, Social & Governance	Corporate ESG consulting, sustainability reporting and climate services.

Source: Automic Website

Directors

- 6.3 The directors and sub directors of Automic are summarised in the table below.

Table 12.1 Automic Directors

Name	Title	Experience
Mr Paul Williams	Managing Director	Paul is a business leader with twenty years' experience spanning general management, senior leadership and board roles across companies in the registry, pharmaceutical and health sectors. He is experienced in managing teams, driving corporate growth and executing successful sale and exit strategies, as well as overseeing change management and company integrations. He has extensive knowledge of data and technology platforms, and an in depth understanding of commercial value that proprietary software systems hold for businesses. In Paul's current role as Executive Chair of the Automic Group, he is focussed upon supporting the development of a technology-driven professional services offering.

Name	Title	Experience
Mr Ronn Bechler	Executive Director	Ronn founded Market Eye in 2007, growing the business into a prominent investor relations advisory firm, and shareholder analytics business. He was Executive Chairman of Market Eye prior to its purchase by Automic Group and has spent over 25 years working in capital markets. Ronn was previously Group Manager, Investor Relations at AXA Asia Pacific Holdings – an ASX20 company, representing the global AXA Group's life insurance and wealth management interests in the Asia-Pacific region. Ronn started his career at PwC, before commencing at UBS in 1998 and progressing to become an Associate Director in M&A and capital markets advisory. In 2019, together with his wife, Ronn founded a charitable foundation and is its current President. Ronn is a Chartered Accountant, Legal Practitioner of the Supreme Court of NSW, Fellow of FINSIA, and completed a Master of Laws (USyd) and Bachelor of Commerce/Laws (UNSW).
Mr Adrian MacKenzie	Non-Executive Director	Adrian is the co-founder and a Partner at Five V Capital. Adrian is an experienced investor with over 25 years of global investing experience. Adrian is currently a Non-Executive Director of Automic Group, Openway Food Co and Mantel Group. Before founding Five V Capital, Adrian was a Managing Partner at global private equity firm CVC Capital Partners where he helped establish CVC Asia Pacific in Hong Kong and led the Australian office. Adrian holds a Bachelor of Technology and Business Studies.
Ms Ainslie van Onselen	Non-Executive Director	Ainslie is Chief Executive Officer of Chartered Accountants Australia and New Zealand (CAANZ). For more than 20 years Ainslie enjoyed a parallel career as a law partner and non-executive director, before progressing into senior executive roles at Westpac, including Managing Director of RAMS Home Loans and General Manager of Westpac's retail deposits and personal finance portfolio. Ainslie also currently serves as a Commissioner of Legal Aid New South Wales, Chair of Kambala Girls School, Chair (elect) of Chartered Accountants Worldwide and Director of Global Accounting Alliance. An Australian Financial Review Women of Influence winner and a former 40 under 40 WA Business News and University of Western Australia Award winner, Ainslie represented CAANZ and the accounting and auditing professions at the Australian Government's 2022 Jobs and Skills Summit. She holds a Bachelor of Laws from the University of Western Australia and a Masters of Applied Finance. She is a Graduate member of the Australian Institute of Company Directors and a member of Chief Executive Women.
Mr James McMurdo	Non-Executive Director	James McMurdo has over 30 years business experience operating across multiple regions. He is one of the Founding Partners of Privatus Capital Partners, an advisory and merchant banking business in Australia. Before establishing Privatus, he held senior operating management roles and worked extensively in the Asia Pacific region for Deutsche Bank as Global Co-Head of Corporate Finance and Head of Corporate and Investment Bank for Asia Pacific. He was previously a Partner at Goldman Sachs holding senior positions in Europe and ANZ. He is a non-executive director of Ramsay Health Care. James holds a Bachelor in Economics and is a qualified Chartered Accountant.
Mr Justin England	Non-Executive Director	Justin is a Managing Director in the investment team at Five V Capital. With over 12 years of investment and corporate finance experience, Justin started his career at KPMG in Australia and later relocated to Southeast Asia. He has acted as a board member to private companies for over 7 years, and is currently a Non-Executive Director of Orikan, Penten and Automic. Justin holds a Bachelor of Business, is a Chartered Accountant and Chartered Alternative Investment Analyst.
Mr Nick Larkin	Non-Executive Director	Nick is an Investment Director in the investment team at Five V Capital. Nick has 8 years of investing experience and has been part of the Five V team since 2018. Alongside Automic, Nick is currently a Non-Executive Director of Openway Food Co and Orikan. Prior to Five V Nick worked within the principal investment team at Macquarie Group, investing across the capital structure (debt and equity) in a variety of industries (education, software and infrastructure). Nick holds a Bachelor of Applied Finance and Bachelor of Laws.

Source: Automic Website

Table 12.2 Automic Sub Directors

Name	Title	Experience
Mr Paul Williams	Executive Chair	Paul is a business leader with twenty years' experience spanning general management, senior leadership, and board roles across companies in the registry, pharmaceutical and health sectors. He is experienced in managing teams, driving corporate growth, and executing successful sale and exit strategies, as well as overseeing change management and company integrations. He has extensive knowledge of data and technology platforms, and an in depth understanding of commercial value that proprietary software systems hold for businesses. In Paul's current role as Executive Chair of the Automic Group, he is focussed upon supporting the development of a technology-driven professional services offering.
Mr Andrew Wilson	Chief Executive Officer	Andrew has a strong track record of transforming teams and growing organisations, where he is passionate about driving success in service and technology companies by simultaneously improving product, operations, and client service. Prior to Automic, Andrew was the Chief Executive Officer at Ascender HCM, General Manager – Strategy, Planning and Innovation at Coca-Cola Amatil, and has spent several years as a consultant with Bain & Company, advising across a broad range of ASX100 companies. Andrew is also active in the not-for-profit world. Andrew was a member of the Board of ReachOut Australia, Australia's leading online mental health organisation for young people and their parents, from 2014 until 2023 including as Chair from 2021.
Mr Peter Sherar	Chief Financial Officer	Peter is responsible for managing Automic's Finance function and has significant experience leading finance teams to enable and support organic and M&A growth in technology and services businesses. Prior to joining Automic Group, Peter was Chief Financial Officer at Ampion and previously CFO for ASX-listed SMS Management & Technology. Peter spent several years at Deloitte advising private clients and family offices with a wide range of industry interests.

Source: Management

7. Valuation Approach

Basis of evaluation

- 7.1 The valuation of ASW has been prepared on the basis of Fair Value which may be defined as the value that should be agreed in a hypothetical transaction between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller, acting at arm's length.
- 7.2 Fair Value is context specific, such that under normal circumstances when a shareholder is in a controlling position or owns 100% of the shares, their shares attract a control premium. Conversely, when the shareholder is in a non-controlling position, a minority discount is typically applied.
- 7.3 In addition, we have not considered special value in forming our opinion. Special value is the amount that a potential acquirer may be prepared to pay for a business in excess of the Fair Value. This premium represents the value to a particular acquirer of potential economies of scale, reduced competition, other synergies and/or cost savings arising from the acquisition under consideration not available to other likely purchasers in general. Special value is not normally considered in the assessment of Fair Value as it relates to the individual circumstances of specific purchasers.

Valuation methodologies

- 7.4 In assessing the Fair Value of an ASW ordinary share on a control basis, we have considered a range of valuation methodologies. RG 111 proposes that it is generally appropriate for an expert to consider using the following methodologies:
- the discounted cash flow ("DCF") method and the estimated realisable value of any surplus assets;
 - the application of earnings multiples to the estimated future maintainable earnings or cash flows added to the estimated realisable value of any surplus assets;
 - the amount which would be available for distribution on an orderly realisation of assets;
 - the quoted price for listed securities; and
 - any recent genuine offers received.
- 7.5 We consider that the valuation methodologies proposed by RG 111 can be split into three valuation methodology categories, as follows.

Market Based Methods

- 7.6 Market based methods estimate Fair Value by considering the market value of a company's securities or the market value of comparable companies. Market based methods include:
- the quoted price for listed securities; and
 - industry specific methods.
- 7.7 The recent quoted price for listed securities method provides evidence of the Fair Value of a company's securities where they are publicly traded in an informed and liquid market.
- 7.8 Industry specific methods usually involve the use of industry rules of thumb to estimate the Fair Value of a company and its securities. Generally, rules of thumb provide less persuasive evidence of the Fair Value of a company than other market-based valuation methods because they may not account for company specific risks and factors.

Income Based Methods

- 7.9 Income based methods estimate value by calculating the present value of a company's estimated future stream of earnings or cash flows. Income based methods include:
- discounted cash flow methods; and
 - capitalisation of future maintainable earnings ("CFME").
- 7.10 The DCF technique has a strong theoretical basis, valuing a business on the net present value of its future cash flows. It requires an analysis of future cash flows, the capital structure and costs of capital and an assessment of the residual value or the terminal value of the company's cash flows at the end of the forecast period. This method of valuation is appropriate when valuing companies where future cash flow projections can be made with a reasonable degree of confidence.
- 7.11 The capitalisation of future maintainable earnings methodology estimates the Fair Value of a business as being the product of a company's Future Maintainable Earnings ("FME") multiplied by an appropriate earnings multiple. The methodology is commonly applied where earnings are stable and a FME stream can be established with a degree of confidence. Capitalisation multiples can be applied to either estimates of future maintainable operating cash flows, EBITDA, EBIT, or net profit after tax. The earnings from any non-trading surplus assets are excluded from the estimate of FME and the value of such assets is separately added to the value of the business in order to derive the total value of the company. The appropriate multiple to be applied is usually derived from an analysis of stock market trading multiples of comparable companies (which do not include a control premium) and the implied multiples paid in comparable transactions (which include a control premium where the transaction involves the acquisition of a controlling interest).

Asset based methods

- 7.12 Asset based methodologies estimate the Fair Value of a company's securities based on the realisable value of its identifiable net assets. Asset based methods include:
- orderly realisation of assets method;
 - liquidation of assets method; and
 - net assets on a going concern basis.
- 7.13 The value achievable in an orderly realisation of assets is estimated by determining the net realisable value of the assets of a company which would be distributed to security holders after payment of all liabilities, including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner. This technique is particularly appropriate for businesses with relatively high asset values compared to earnings and cash flows.
- 7.14 The liquidation of assets method is similar to the orderly realisation of assets method except the liquidation method assumes that the assets are sold in a shorter time frame, reflecting a distressed liquidation value. The liquidation of assets method will result in a value that is lower than the orderly realisation of assets method and is appropriate for companies in financial distress or when a company is not valued on a going concern basis.
- 7.15 The net assets on a going concern method estimates the market values of the net assets of a company but unlike the orderly realisation of assets method it does not take into account realisation costs.
- 7.16 Asset based methods are generally appropriate when companies are not profitable, a significant proportion of the company's assets are liquid, or for asset holding companies.

Selection of Valuation Methodologies

7.17 The valuation methodologies we have adopted for assessing the Fair Value of an ASW Share prior to the Scheme have been selected having regard to the following considerations:

- There is an adequate number of publicly listed companies with operations sufficiently similar to ASW, however there are a limited number of transactions involving targets which are comparable to ASW to provide meaningful comparable transaction analysis. The CFME methodology allows the use of trading multiples of these listed entities based on various income streams;
- ASW is a stable profit-generating business with low capital expenditure requirements, therefore we consider it reasonable to utilise an EBITDA level of earnings in the CFME valuation;
- EV/Revenue multiples are commonly utilised to value businesses with a high level of recurring revenue from long-term customers, we will therefore also consider this level of earnings as a cross-check;
- RG 111 states that an expert should not include prospective financial information (including forecasts and projections) or any other statements or assumptions about future matters (together, 'forward-looking information') in its report unless there are reasonable grounds for the forward-looking information. In our opinion, forward-looking information is inherently uncertain, and is only applied both where the use of current FME and multiples do not accurately reflect the value of a business and there are reasonable grounds to rely on the forward-looking information. In this instance, ASW's recent historical financial performance and the observed trading multiples are considered adequate in estimating the fair value of the Company, and accordingly budgets or forecasts prepared by ASW's Management have not been relied on.
- Long term cash flow projections are not available, which is a requirement for utilising the DCF methodology;
- ASW's securities are listed on the ASX, which provides an indication of the market value where an observable market for the securities exists;
- Due to the nature of its operations ASW is not an asset intensive business. Accordingly, an asset-based approach will not capture the future earnings potential of the business and will likely understate its value.

7.18 Having regard to the above, we consider it reasonable to utilise the capitalisation of FME methodology as our primary valuation methodology, using an EV/EBITDA level analysis, and to cross-check our primary valuation with the 'multiple of revenue' methodology. We have then utilised the quoted market price as our secondary valuation methodology, given the listed status of ASW.

Capitalisation of Maintainable Earnings

7.19 In valuing an ASW Share prior to the Scheme, we have utilised the CFME methodology and relied upon ASW's audited profit and loss statements, having regard to the following:

- The Company's normalised EBITDA for FY20, FY21, FY22 and FY23; and
- The Trailing EV/EBITDA multiples of similar publicly listed companies.

7.20 We have also considered the Group's FY23 revenue and trailing EV/Revenue multiples of comparable companies.

Quoted Price of Listed Securities

7.21 Prices at which a company's shares have been traded on the ASX can, in the absence of low liquidity or unusual circumstances, provide an objective measure of the value of the company, excluding a premium for control. As a secondary methodology, we have considered the quoted market price by considering the historical VWAP of an ASW Share and the volatility of the share price prior to the announcement of the Scheme.

7.22 In accordance with RG 111, we have assessed the value of ASW on the basis of a 100% controlling interest.

8. Valuation of Advanced Share Registry

8.1 As stated in Section 7 of this Report, we have assessed the Fair Value of ASW prior to the implementation of the Scheme based on the following approaches:

- Capitalisation of future maintainable earnings – EBITDA level;
- Multiple of revenue;
- Recent quoted price of listed securities.

Capitalisation of future maintainable earnings methodology – EBITDA level

8.2 The table below sets out our assessment of the Fair Value of ASW on a 100% control basis using the CFME methodology.

Table 13 Valuation Summary – Capitalisation of Future Maintainable Earnings

Ref	Assessed Value		
	Low	High	Midpoint
Assessed FME (EBITDA)	2,400	2,400	2,400
Assessed EBITDA multiple (x)	8.1x	8.8x	8.4x
Enterprise value (100% interest)	19,440	21,120	20,160
Plus: Cash	3,775	3,775	3,775
Plus: Surplus assets	2,660	2,660	2,660
Less: Debt and debt like items	(226)	(226)	(226)
Less: Non-controlling interests	(14)	(14)	(14)
Equity Value	25,635	27,315	26,355
Diluted ordinary shares on issue	193,408	193,408	193,408
Value Per Share	\$0.1325	\$0.1412	\$0.1363

Source: RSM Analysis

8.3 We have assessed the Equity Value of ASW to be in the range of \$25.6m to \$27.3m, with a midpoint of \$26.4m.

8.4 On a controlling basis this equates to a value per ASW Share in the range of \$0.133 to \$0.141 with a midpoint of \$0.136.

8.5 We have considered and determined the following variables when assessing the Fair Value of ASW:

- Future maintainable earnings;
- Appropriate capitalisation multiple;
- Current level of net cash/debt;
- Surplus assets and excess liabilities; and
- Non-controlling interests held in the ASW Group.

Future Maintainable Earnings

8.6 We have adopted EBITDA as an appropriate measure of FME because multiples based on EBITDA are less sensitive to different financing structures, depreciation and amortisation accounting policies and effective tax rates than multiples based on other earnings measures such as EBIT or NPAT. In our opinion, this approach allows a better comparison with earnings multiples of other companies.

8.7 In assessing ASW's FME, we have considered the following:

- ASW's audited financial performance for FY20, FY21, FY22 and FY23;
- Our review of ASW's historical financial performance;
- Our review of abnormal or non-recurring income statement items and other normalisation adjustments;
- The market conditions and outlook of the industry ASW operates in; and
- Our discussions with Management.

8.8 Our assessment of the historical EBITDA of ASW is set out in the table below.

Table 14 Historical EBITDA

	FY20	FY21	FY22	FY23
\$'000	Audited	Audited	Audited	Audited
Sales	5,441	6,626	5,671	5,494
Other income	276	460	96	141
Total income	5,717	7,086	5,767	5,635
Overhead Expenses				
Occupancy expenses	261	273	121	138
Administration expenses	1,923	1,882	1,974	2,094
Other operating expenses	1,346	1,431	1,025	984
Loss on fair value adjustment to investment property	-	-	-	50
Total overhead expenses	3,530	3,586	3,120	3,266
EBITDA	2,187	3,500	2,646	2,369

Source: Audited consolidated financial statements and RSM analysis

8.9 In determining the historical EBITDA of ASW we have made the following adjustments to the reported profit before income tax:

- Excluded net interest from other income;
- Added back finance costs; and
- Added back depreciation and amortisation.

8.10 We have then normalised the annual EBITDA to determine an appropriate level of future maintainable earnings.

Table 15 Future Maintainable Earnings

\$'000		FY20	FY21	FY22	FY23
Future Maintainable Earnings	Ref	Audited	Audited	Audited	Audited
Reported EBITDA		2,187	3,500	2,646	2,369
<i>Add/(Deduct):</i>					
Loss on fair value adjustment to investment property	a)	-	-	-	50
Government grants	b)	(170)	(338)	-	-
Subsidiary expenditures	c)	-	11	11	25
AASB:16 Rental Expense Adjustment	d)	161	164	-	-
Bad debt: Amounts written off	e)	-	-	-	204
Rental Income	f)	(99)	(99)	(62)	(99)
CHESS Replacement Partnership Program	g)	-	-	-	(500)
Normalised EBITDA		2,079	3,238	2,595	2,049

Source: RSM estimates

8.11 We have applied the following normalisation adjustments to historic EBITDA:

- a) Added back the fair value adjustment to the investment property as this is a non-cash item;
- b) Deducted government grants, comprising one-off COVID-19 stimulus payments such as JobKeeper and the Cash Flow Boost, since they do not form part of ongoing income;
- c) Added back operating losses relating to the controlled entities of PCP and Sharetech, which had been developing new service offerings now on hold;
- d) No rental expenses are recognised in the income statement in FY22 and FY23, as lease costs were recognised as a depreciation expense and finance cost in accordance with AASB 16. However in FY20 and FY21 the Company occupied premises under a short term lease, with the rental expense being recognised as an operating cost within occupancy expenses. Our analysis has been prepared on a post-AASB 16 basis and therefore for consistency we have added back the rental expense in FY20 and FY21;
- e) Added back bad debt write-offs recorded in FY23 which appear to be one-off in nature;
- f) Deducted rental income received from the investment property, as the investment property has been included as a surplus asset in our valuation; and
- g) Deducted the financial support payment received from the ASX for ASW's engagement in the CHESS Replacement Partnership Program.

8.12 Having regard to the unusually high earnings in FY21, the more consistent level of earnings across FY20, FY22 and FY23, and the current level of capital market activity in Australia, we have assessed the future maintainable earnings of ASW to be approximately \$2.40 million per annum.

Capitalisation multiple

- 8.13 In selecting an appropriate capitalisation multiple to value ASW we have considered the trading multiples of equities of companies which are listed in Australia whose operations are broadly comparable to ASW.
- 8.14 The table below summarises the historical and forecast EBITDA multiples of the comparable publicly listed companies. A brief description of each of the companies is set out in Appendix E.

Table 16 Comparable Companies EBITDA multiples

Company Name	Market Capitalisation \$m	Enterprise Value \$m	EBITDA LTM \$m	EBITDA NTM \$m	EBITDA Multiple (Trailing)	EBITDA Multiple (Forward)
Advanced Share Registry Limited	24.2	20.6	2.6	-	8.0x	-
Computershare Limited	15,364.9	18,148.9	1,517.3	2,024.6	12.0x	9.0x
ASX Limited	10,623.7	8,756.8	776.9	663.8	11.3x	13.2x
Perpetual Limited	2,304.1	2,866.2	212.1	419.4	13.5x	6.8x
Link Administration Holdings Limited	659.5	1,675.3	216.9	269.4	7.7x	6.2x
Iress Limited	1,196.1	1,639.8	111.0	125.2	14.8x	13.1x
EQT Holdings Limited	732.1	676.9	37.4	63.1	18.1x	10.7x
Complii FinTech Solutions Ltd	22.0	16.9	(5.1)	-	NM	-
Min	22.0	16.9	(5.1)	63.1	7.7x	6.2x
Max	15,364.9	18,148.9	1,517.3	2,024.6	18.1x	13.2x
Mean	4,414.6	4,825.8	409.5	594.2	12.9x	9.8x
Median	1,196.1	1,675.3	212.1	344.4	12.7x	9.8x

Source: S&P Capital IQ and RSM analysis

8.15 In relation to the trading multiples above, we note that share prices of listed companies represent the market value of a non-controlling interest in those companies. As such, any earnings multiple derived from those share prices is consequently a non-controlling multiple and does not include a premium for control.

8.16 We provide additional commentary on the comparable companies below:

- Computershare is the largest of the comparable companies and most similar in the nature of its operations to ASW, being one of the dominant share registry providers globally. Its operations cover multiple jurisdictions including Europe, Canada and the US, Africa and Australia.
- ASX is the primary exchange in Australia and therefore its operations are not directly comparable to ASW but it is a fundamental part of the Australian capital markets system.
- Perpetual primarily provides funds management services but also offers corporate trustee and transaction support services, we consider that Perpetual is exposed to similar market trends as ASW and therefore have included in the comparable dataset.
- Link Group is another significant share registry provider in Australia and globally, although its largest division by revenue is the provision of retirement and superannuation solutions.
- Iress focuses on providing software to the financial services sector including for trading and market data, and investment management. Its operations are therefore not directly comparable to ASW's core business.
- EQT provides corporate trustee services in Australia and the UK.
- Complii FinTech operates an integrated corporate and adviser management platform for the financial services sector, which facilitates, among other things, cost-effective capital raising, compliance and organisation-wide risk mitigation. We note that Complii FinTech is currently loss-making.
- The mean market capitalisation of the comparable companies is \$4.4 billion and the median is \$1.2 billion.
- All of the comparable companies have an average growth rate in revenue over the last five years exceeding 5% per annum, with the exception of Link Group which had a negative 7.4% growth rate.

8.17 Based on our analysis, having regard to the average and median trailing EBITDA multiples of 12.9 and 12.7 times respectively, we consider the appropriate non-controlling, comparable EBITDA multiple to be in the range of 12.0 to 13.0 times.

Control premium

8.18 Obtaining control of an entity usually provides the acquirer with a number of advantages including the following:

- Access to potential synergies;
- Control over decision making and strategic direction;
- Access to underlying cash flows; and
- Control over dividend policies.

8.19 In the case of publicly traded securities, given the advantages control of an entity provides an acquirer, they are usually expected to pay a premium to the quoted market price to achieve control, which is often referred to as a control premium. Earnings multiples for listed companies do not reflect the market value of a controlling interest in the company as they are derived from market prices which usually represent the buying and selling of non-controlling portfolio holdings (small parcels of shares).

8.20 RSM has conducted a study on 605 takeovers and schemes of arrangement involving companies listed on ASX over the 15.5 years ended 31 December 2020 ("RSM Control Premium Study 2021"). In determining the control premium, RSM compared the offer price to the closing trading price of the target company 20, 5 and 2 trading days pre the date of the announcement of the offer. Where the consideration included shares in the acquiring company, RSM used the closing share price of the acquiring company on the day prior to the date of the offer. Our study concluded that, on average, control premiums were paid in the range of 27.1% to 34.7% in Australia. These premiums are applied at the Equity Level.

8.21 We note that ASW has a majority shareholder with a current shareholding interest of 56.15%. The share price of a publicly listed company with a controlling shareholder can often be depressed compared to a similar company with a widely diversified shareholder base, which implicitly reflects a higher minority interest discount. In a takeover offer, this may translate to a higher control premium being paid by a bidder than would otherwise be the case. In addition, it may be necessary to pay a higher control premium to secure the support of the controlling shareholder.

8.22 Considering the above and ASW's capital structure, we have adopted a control premium of 35% for ASW at the Enterprise Value level.

Discount for size and business specific risk

8.23 In calculating the appropriate EBITDA multiple for ASW, we considered the following:

- ASW is significantly smaller than the publicly listed comparable companies with respect to market capitalisation, revenue and EBITDA;
- Smaller businesses like ASW inherently carry greater risk as they have less diversified revenue streams, less geographic diversification, lower potential for economies of scale and heavier reliance on key personnel; and
- Capital markets activity in Australia has been depressed in FY22 and FY23. All other things being equal, a return to more normal levels of activity is likely to have a positive impact on earnings for ASW.

8.24 In considering the appropriate discount for size and business specific risk applicable to ASW, we note the relative size of ASW in comparison to the comparable companies, with the market capitalisation of ASW representing 0.55% against the mean of the selected comparable peer companies, and 2% against the median. We also note the average historic compound annual growth rate (CAGR) at a revenue level of the comparable companies over the last five years was 11.9%, compared to ASW's CAGR of 1.1%.

- 8.25 These factors would indicate that a significant discount is appropriate to recognise the size differential and other business specific factors impacting ASW when compared to the selected companies.
- 8.26 We have assessed the appropriate discount to be 50% by deriving the required adjustment to the implied Weighted Average Cost of Capital for ASW in comparison to the selected comparable peer companies. This approach takes into consideration expected revenue growth rates, capital structures and applicable tax rates of ASW and the selected comparable peer companies, and an appropriate size premium based on the market capitalisation of the subject company. The specific components of our assessed discount are summarised in the table below:

Table 17 Discount for size and business specific risk

Factor	Ref	Discount %
Discount for size	8.27	30.0%
Discount for business specific risks	8.28	20.0%
Total discount for size and business specific risks		50.0%

Source: RSM analysis

- 8.27 The discount for size represents the discount an investor will demand for investing in a small business relative to market peers. A number of studies have been undertaken attempting to establish the existence of and measure the size discount or size premium (applied in the calculation of the cost of capital), in particular in the US. The most notable US study is the Valuation Handbook published by Kroll (formerly known as Duff & Phelps), which contains calculations of the size premium for each decile of market capitalisation of US companies. Several Australian studies have also been undertaken demonstrating the existence of the size premium, including the most recent study by Macquarie University as set out in their Business Valuation paper entitled The Size Premium: Australian Evidence, which found evidence supporting the existence of a size premium. The application of size premiums in Australia is however somewhat subjective and largely based on professional judgement. We have applied a size discount of 30% based on ASW's size relative to the comparable public companies observed in estimating an appropriate valuation multiple.
- 8.28 The discount for business specific risks of 20% primarily reflects a lower expectation of revenue growth for ASW when compared to the peer group, based on the following factors:
- **Limited revenue streams:** ASW's revenue streams are less diverse relative to the revenue streams of the comparable peer companies, which results in ASW being more exposed to fluctuations in capital market activity without the dilution of other divisions such as retirement solutions (Link) or funds management (Perpetual).
 - **Limited geographic exposure:** ASW's operations are limited to Australia, whereas a number of the comparable peer companies operate globally including Computershare and Link.
 - **Historically low revenue growth:** As stated at paragraph 8.24, the CAGR of the comparable peer companies was 11.7% over the last five years compared to ASW's CAGR of 1.1%.
- 8.29 Accordingly, we consider it appropriate to apply a discount for size and other risk factors of 50% to the comparable company multiple on a controlling basis.

8.30 On the above basis, we have assessed a multiple range for ASW as set out in the table below.

Table 18 EBITDA multiple

	% Range		Multiple		
	Low	High	Low	High	Midpoint
EBITDA multiple for comparable listed companies			12.00	13.00	12.50
Control premium	35%	35%	4.20	4.55	4.38
Size and business specific discount	50%	50%	16.20	17.55	16.88
			(8.10)	(8.78)	(8.44)
Assessed EBITDA multiple			8.10	8.78	8.44
Rounded			8.1	8.8	8.4

Source: RSM analysis

8.31 The table below sets out our assessed value of ASW at an enterprise level using the normalised EBITDA of \$2.40 million to be in the range of \$19.4 million to \$21.1 million.

Table 19 Future Maintainable Earnings - Enterprise Value

	Ref	Assessed Value		
		Low	High	Midpoint
Assessed FME (EBITDA)	Table 13	2,400	2,400	2,400
Assessed EBITDA multiple (x)	Table 17	8.1x	8.8x	8.4x
Enterprise value (100% interest)		19,440	21,120	20,160

Source: RSM analysis

Net Cash / Surplus Assets / Non-Controlling Interests

8.32 The assessed Equity Value of ASW after adjusting for net cash, surplus assets and non-controlling interests is between \$25.6 million to \$27.3 million with a midpoint of \$26.4 million as shown in the table below.

Table 20 Future Maintainable Earnings - Equity Value

	Ref	Assessed Value		
		Low	High	Midpoint
Assessed FME (EBITDA)		2,400	2,400	2,400
Assessed EBITDA multiple (x)		8.1x	8.8x	8.4x
Enterprise value (100% interest)		19,440	21,120	20,160
Plus: Cash	a)	3,775	3,775	3,775
Plus: Net surplus assets	b)	2,660	2,660	2,660
Less: Debt and debt like items	c)	(226)	(226)	(226)
Less: Non-controlling interests	d)	(14)	(14)	(14)
Equity Value		25,635	27,315	26,355

Source: RSM analysis

8.33 We have applied the following adjustments to derive the Equity Value of ASW:

- Added cash and cash equivalents of \$3.775 million as at 31 July 2023;
- Added the Group's owned property valued at \$560k and investment property valued at \$2.1 million;
- Deducted long service leave outstanding of \$191k, provision for dividends of \$23k and credit card liabilities of \$12k as at 31 July 2023; and
- Deducted non-controlling interests in PCP and Sharetech as at 30 June 2023. We have assumed the non-controlling interests have no value in excess of their net asset value given PCP is currently dormant and expected to be wound up, and Sharetech is yet to commercialise its product offering with minimal expenditure incurred to date on development.

8.34 Our assessed Equity Value of ASW results in a Fair Value per ASW share on a controlling basis in the range of \$0.133 to \$0.141 with a midpoint of \$0.136 as shown below.

Table 21 Future Maintainable Earnings - Share Value

	Assessed Value		
	Low	High	Midpoint
Equity Value	25,635	27,315	26,355
Diluted ordinary shares on issue	193,408	193,408	193,408
Value Per Share	0.1325	0.1412	0.1363

Source: RSM Analysis

Cross check - Multiple of revenue methodology

8.35 As a cross-check to our valuation based on the CFME methodology at an EBITDA level, we have derived the implied EV/Revenue multiple from our assessed Enterprise Value of ASW and compared it to comparable company trading and transaction multiples.

8.36 The table below sets out the implied EV/Revenue multiple of ASW based on our assessed Enterprise Value, in a range of 3.9 to 4.2 times.

Table 22 Implied EV/Revenue Multiples

	Assessed Value		
	Low	High	Midpoint
Enterprise Value – CFME	19,440	21,120	20,160
Future maintainable revenue	5,000	5,000	5,000
Implied EV/Revenue multiple	3.9	4.2	4.0

Source: RSM Analysis

Future Maintainable Revenue

8.37 We have adopted the Group's FY23 revenue of \$5.5 million less the one-off payment for ASW's participation in the CHESS replacement program of \$0.5 million for the purposes of our cross-check methodology.

Capitalisation multiple

8.38 The table below sets out the traded EV/Revenue multiples of the comparable listed companies utilised in our CFME valuation:

Table 23 Comparable Company Revenue Multiples

Company Name	Market Capitalisation	Enterprise Value	Revenue LTM	Revenue NTM	Revenue Multiple	Revenue Multiple
	\$'m	\$'m	\$'m	\$'m	(Trailing)	(Forward)
Advanced Share Registry Limited	24.2	20.6	5.7	-	3.60x	-
Computershare Limited	15,364.9	18,148.9	4,809.3	5,137.4	3.77x	3.53x
ASX Limited	10,623.7	8,756.8	1,404.3	1,048.9	6.24x	8.35x
Perpetual Limited	2,304.1	2,866.2	1,034.1	1,330.8	2.77x	2.15x
Link Administration Holdings Limited	659.5	1,675.3	955.6	1,096.9	1.75x	1.53x
Iress Limited	1,196.1	1,639.8	625.1	630.8	2.62x	2.60x
EQT Holdings Limited	732.1	676.9	141.4	166.1	4.79x	4.08x
Complii FinTech Solutions Ltd	22.0	16.9	10.5	6.9	1.61x	2.45x
Min	22.0	16.9	10.5	6.9	1.6x	1.5x
Max	15,364.9	18,148.9	4,809.3	5,137.4	6.2x	8.3x
Mean	4,414.6	4,825.8	1,282.9	1,345.4	3.4x	3.5x
Median	1,196.1	1,675.3	955.6	1,048.9	2.8x	2.6x

Source: S&P Capital IQ

8.39 We make the following comments:

- the Last-Twelve-Months ("LTM") revenue multiples of comparable listed companies ranged between 1.6 times and 6.2 times with mean and median LTM revenue multiples being 3.4 times and 2.8 times, respectively;
- the Next-Twelve-Months ("NTM") revenue multiples of comparable listed companies ranged between 1.5 times and 8.3 times with mean and median NTM revenue multiples being 3.5 times and 2.6 times, respectively; and
- these multiples reflect portfolio trading in the comparable companies and therefore exclude a premium for control.

8.40 Our assessment of the future maintainable revenue of ASW is based on the LTM revenue of ASW less the CHES Program payment and, therefore, we have considered the comparable LTM revenue multiples of the comparable listed companies which, after incorporating a premium for control of 35%, show a range of 3.8 times to 4.6 times based on the mean and median multiples.

8.41 We have also analysed the implied revenue multiples observed in comparable transactions involving the acquisition of companies operating within the sector. Only one comparable transaction was identified as set out in Appendix F, being the acquisition of Registry Direct Limited for \$5.6 million in August 2022 which had an implied LTM revenue multiple of 5.4 times. Registry Direct was acquired by Complii FinTech Solutions Ltd in a friendly takeover and is a share registry software provider which has developed a software-as-a-service ("SaaS") registry management platform. We understand that the business was at an early stage with only \$1.0 million revenues at the time of acquisition. We therefore consider that the transaction revenue multiple would reflect significant future growth potential and SaaS metrics for the developed IP platform.

8.42 The implied EV/Revenue multiple range from our assessed Enterprise Value of 3.9x to 4.2x is broadly consistent with the average traded revenue multiple of the comparable companies after incorporating a premium for control. Accordingly, we consider this supports our valuation using the CFME approach.

Quoted market price methodology

8.43 In order to provide a cross-check to the valuation of an ASW Share under the capitalisation of future maintainable earnings approach, we have also assessed the Fair Value based on the quoted market price.

8.44 The assessment only reflects trading prior to the announcement of the Scheme in order to avoid the influence of any movement in price that occurred as a result of the announcement.

Analysis of recent trading in ASW shares

8.45 The figure below sets out a summary of ASW's closing share price and traded volumes in the year to 7 September 2023, being the last day ASW Shares traded prior to the announcement of the Scheme.

Figure 4 ASW recent share trading history pre-Scheme



Source: S&P Capital IQ

8.46 RG 111.69 indicates that in order for the quoted market share price methodology to represent a reliable indicator of market value, there needs to be an active and liquid market for the securities. The following characteristics may be considered to be representative of a liquid and active market:

- Regular trading in the company's securities;
- Approximately 1% of a company's securities traded on a weekly basis;
- The bid/ask spread of a company's shares must not be so great that a single majority trade can significantly affect the market capitalisation of the company; and
- There are no significant but unexplained movements in the share price.

8.47 To provide further analysis of the quoted market prices for ASW Shares, we have considered the Volume Weighted Average Price ("VWAP") for the 5, 10, 30, 60, 90, 120 and 180 days prior to 7 September 2023, as summarised in the table below.

Table 24 VWAP of ASW Shares

# of Days	5 Day	10 Day	30 Day	60 Day	90 Day	120 Day	180 Day
VWAP	0.1250	0.1254	0.1308	0.1292	0.1301	0.1292	0.1385
Total Volume (000's)	201	244	693	827	1,147	1,539	2,799
Total Volume as a % of Total Shares (free float)	0.17%	0.21%	0.59%	0.70%	0.97%	1.31%	2.38%
Low Price	0.1250	0.1250	0.1250	0.1200	0.1200	0.1200	0.1100
High Price	0.1350	0.1350	0.1400	0.1400	0.1550	0.1550	0.2000

Source: RSM Analysis

- 8.48 As set out in the table above, the VWAP of ASW Shares fluctuated between \$0.1250 and \$0.1308 over the 180 trading days to 7 September 2023 and in the 30-day trading period before the announcement of the Scheme.
- 8.49 During the 180-day period to 7 September 2023 approximately 2.38% of ASW shares were traded and in the 60-day period to 7 September 2023 approximately 0.70% of ASW shares were traded, indicating a highly illiquid stock. We therefore do not consider the quoted market price of ASW Shares to be a reliable indicator of Fair Value. For comparison purposes, we have set out below a valuation of an ASW Share based on quoted market price, but have not adopted this valuation in forming our opinion as to whether the Scheme is fair to the Scheme Shareholders.

Key assumptions

Value of an ASW Share on a minority basis

- 8.50 In our opinion, the weighted average share price of ASW over the last 60 days is an indicator of the underlying minority value of an ASW Share. As such, we consider a range of values of between \$0.125 and \$0.130 (broad range of 1-60 Day VWAP) reflects the quoted market price valuation of an ASW Share on a minority basis prior to the implementation of the Scheme.

Premium for control

- 8.51 Based on our approach and analysis in the CFME valuation section, we consider that a premium for control of 35% is appropriate in assessing the value of a controlling interest in ASW.
- 8.52 Our valuation of an ASW Share on the basis of the recent quoted market price including a premium for control is therefore between \$0.169 and \$0.176 as summarised in the table below.

Table 25 Assessed value of an ASW Share – quoted market price

	Low	High
Quoted market price (non-controlling basis)	\$0.125	\$0.130
Control premium	35%	35%
Assessed Value per share (controlling basis)	\$0.169	\$0.176

Source: RSM Analysis

Valuation summary and conclusion

8.53 A summary of our assessed values of an ASW share on a controlling basis prior to implementation of the Scheme, derived under the two methodologies, is set out in the table below.

Table 26 Assessed value of an ASW share

	Ref	Value per Share		
		Low	Midpoint	High
		\$	\$	\$
Capitalisation of FME	Table 20	0.133	0.136	0.141
Quoted market price	Table 24	0.169	0.172	0.176

Source: RSM Analysis

8.54 Our valuation based on the quoted market price is higher than our CFME valuation range. However, based on our analysis of the recent volume of trading in ASW Shares, we do not consider the market for ASW Shares to be sufficiently liquid to provide a reliable assessment of value.

8.55 Therefore, we have adopted the Fair Value for an ASW Share prior to implementation of the Scheme to be in the range of \$0.133 to \$0.141, based on the CFME approach.

9. Is the Scheme Fair to the Shareholders

- 9.1 ASIC RG 111 defines a takeover offer as being fair if the value of the consideration offered under the takeover offer or in this case, the Scheme, is equal to or greater than the value of the securities being the subject of the offer.
- 9.2 In assessing whether we consider the Scheme to be fair to the Shareholders, we have valued an ASW Share prior the implementation of the Scheme, and have compared it to the value of the consideration offered per ASW Share in the Scheme, to determine whether a Shareholder would be better or worse off should the Scheme be approved.
- 9.3 Our assessed values of an ASW Share prior to the Scheme and the Scheme Consideration are summarised below.

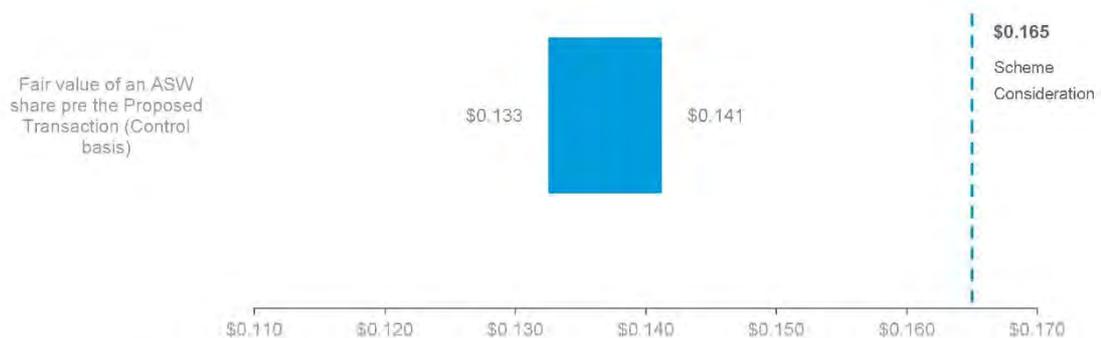
Table 27 Assessment of fairness

Assessment of fairness	Value per Share	
	Low \$	High \$
Fair value of an ASW Share pre the Proposed Transaction (Control basis)	\$ 0.133	\$ 0.141
Scheme Consideration	\$ 0.165	\$ 0.165

Source: RSM Analysis

- 9.4 This is depicted graphically below.

Figure 5 Graphical representation of fairness



Source: RSM analysis

- 9.5 The Scheme Consideration is above the range of assessed Fair Value of an ASW Share on a controlling basis prior to the scheme.
- 9.6 We note that the Scheme Consideration above is based on the cash component of \$0.165 without any deduction for a Special Dividend of up to \$0.0025 per share. Should the Special Dividend be declared and paid, the Scheme Consideration will be reduced by the amount paid per Share, similarly the assessed Fair Value of an ASW Share would also be reduced by the same amount since the cash balance included in the Equity Value of ASW would

reduce by the total amount of the Special Dividend paid. For the purpose of our assessment of fairness, we have therefore not considered the payment of any Special Dividend.

- 9.7 In accordance with the guidance set out in ASIC RG 111, and in the absence of any other relevant information, we consider the Proposed Transaction to be fair to ASW Scheme shareholders.

10. Consideration of other factors relating to the Scheme

10.1 RG 111 establishes that an offer is reasonable if it is fair. It might also be reasonable if, despite not being fair, there are sufficient reasons for security holders to accept the offer in the absence of a higher bid. We set out below an analysis of other factors which are likely to be relevant to the Shareholders in their assessment of the Scheme.

Advantages of approving the Scheme

10.2 The key advantages of the Scheme are:

Table 28 Advantages of approving the Scheme

Advantage	Details
The Scheme is fair	The Scheme is fair to Scheme Shareholders as set out in Section 9.
Premium to ASW share price	The Scheme Consideration represents a 32% premium to the ASW closing share price on 7 September 2023, being the last day of trading in ASW shares immediately before the Scheme was announced, and a 27% premium to the 90-trading day VWAP.
Liquidity event	The Scheme Consideration provides Scheme Shareholders with a liquidity event for what has been a highly illiquid stock with only 2.38% of the shares on issue traded in the 180 days prior to the announcement of the Scheme. A liquid market is generally considered to have approximately 1% of securities traded on a weekly basis. This may be of a particular advantage to shareholders with larger parcels of shares given the low liquidity of trading in ASW Shares.
Fully funded offer	The offer from Automic is a cash offer funded from cash reserves and an existing debt facility.
Certainty of exit proceeds	If the Scheme is implemented, Scheme Shareholders will receive cash consideration (with no brokerage costs) at a premium to the recent trading in ASW shares. Scheme Shareholders will no longer be exposed to the variability of trading share prices, providing certainty of their proceeds, and no ongoing exposure to risks in the ASW business.

Disadvantages of approving the Scheme

10.3 The key disadvantages of the Scheme are as follows:

Table 29 Disadvantages of approving the Scheme.

Disadvantage	Details
Inability to participate in future of ASW	If the Scheme is implemented, Scheme Shareholders will no longer hold an interest in ASW and therefore will not participate in any potential upside of the business or future dividend payments.
Change in investment profile	The implementation of the Scheme may result in disadvantages to those who wish to maintain their current investment profile. Scheme Shareholders who wish to maintain their investment profile may find it difficult to identify an investment with a similar profile to that of ASW and may incur transaction costs in undertaking any new investment.
Loss of potential superior proposal	It is possible that a superior proposal which is more attractive for Scheme Shareholders than the Scheme, may be made in the future. The Directors are not aware of any superior proposal and no alternative proposals have been made since the Scheme was announced on 8 September 2023.
Potential tax consequences	The tax implications of the Scheme may not be suitable to the financial circumstances or position of Scheme Shareholders. The tax treatment may vary between shareholders depending on their individual nature and characteristics and the period for which they have held ASW Shares and therefore individual taxation advice should be obtained.

The extent to which a control premium is being paid

- 10.4 The Scheme Consideration offered per ASW Share is a cash payment of \$0.165 which represents a 32% premium on the closing price of ASW Shares of \$0.125 on 7 September 2023 (being immediately prior to the announcement of the Scheme).
- 10.5 Based on RSM 2021 Control Premium Study, a study of 605 takeovers and schemes of arrangements involving companies listed on the Australian Stock Exchange over the 15.5 years to 31 December 2020, control premiums of 34.7%, 29.2% and 27.1% were paid on the 20 day pre-bid, 5 day pre-bid and 2 day pre-bid share prices on transactions in Australia. In determining the control premium, the offer price was compared to the closing trading price of the target company 20, 5 and 2 days pre the date of the announcement of the offer.
- 10.6 The 32% premium of the Scheme Consideration above the ASW closing share price of \$0.125 on 7 September 2023 falls within the control premium range observed in the study, and sits above the average 2-day pre-bid premium of 27.1%.
- 10.7 An analysis of the implied premium of the offer over the VWAP of ASW Shares in the 180 trading days prior to the announcement is set out in the table below:

Table 30 Assessment of implied control premium in offer

Period up to and including 7 September 2023	ASW VWAP \$	Cash Consideration \$	Premium %
5 Trading Days	0.125	0.165	32.0%
10 Trading Days	0.125	0.165	31.6%
30 Trading Days	0.131	0.165	26.2%
60 Trading Days	0.129	0.165	27.7%
90 Trading Days	0.130	0.165	26.9%
180 Trading Days	0.138	0.165	19.1%

Source: RSM Analysis

- 10.8 The implied control premium of the offer over the VWAP of ASW Shares ranges from 19.1% to 32.0% over the last six months, which reflects the declining share price of ASW over that period. The premium on more recent trading broadly correlates to the market premiums paid as set out in the RSM 2021 Control Premium Study.

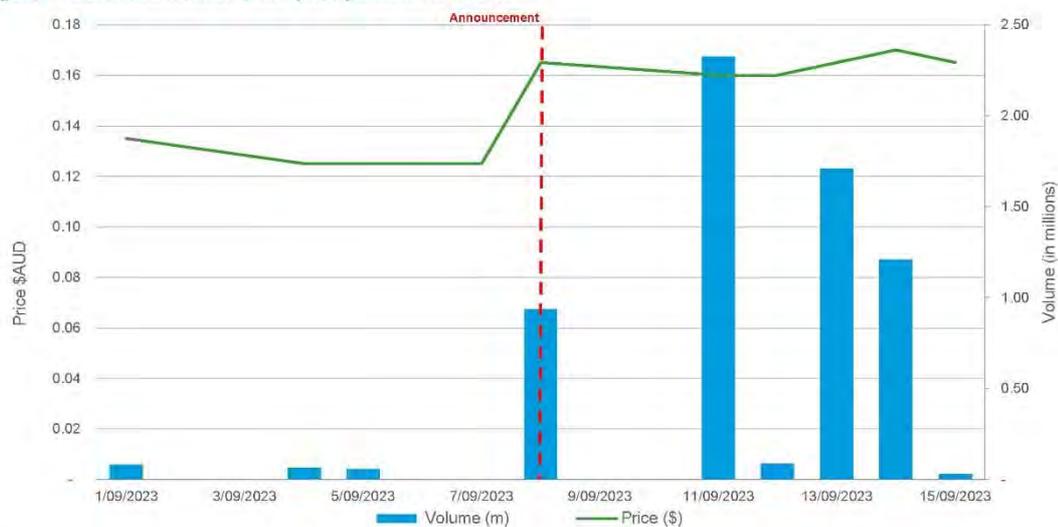
Future Prospects of ASW if the Scheme is not approved

- 10.9 If the Scheme is not approved by the requisite majorities, and therefore not implemented, Scheme Shareholders will retain their shares in ASW and the Group will continue to operate as previously.
- 10.10 The ASW share price may fall to the extent that the market currently reflects an assumption that the Scheme will be completed (see next section). ASW will have incurred significant costs and management time in dealing with the Scheme, and will be liable to pay the reimbursement fee of \$319,123 to Automic under certain circumstances including changes in the directors' recommendations with regards to the Scheme and the announcement of a competing proposal.

The price of ASW Shares after the announcement of the Scheme

- 10.11 The Scheme was announced to the ASX on 8 September 2023, which saw the closing share price increase by 32% to \$0.165 over the previous closing price of \$0.125 on 7 September 2023. Shown below is a summary of the trading activity of ASW Shares in the subsequent period to 15 September 2023.

Figure 6 Post announcement share price performance ASW



Source: S&P Capital IQ

10.12 Since the announcement of the transaction on the ASX on 8 September 2023, ASW's closing share price has traded at a high of \$0.170 and a low of \$0.160, being a premium and discount of 3% and 3% respectively on the Scheme Consideration of \$0.165 per share. The ASW share price has remained relatively consistent since the announcement, indicating market expectations that the Scheme will be successfully implemented, or an alternative superior proposal will emerge.

Alternative proposals and likelihood of an alternative takeover offer

10.13 ASW has advised us that no formal alternative offers or approaches by potential acquirers have been received since the announcement of the Scheme on 7 September 2023.

10.14 The alternative to the Scheme is for the Scheme Shareholders to vote against the Scheme in the hope that they can realise greater value from their investment in ASW either through maintaining ASW as an independent company or through the emergence of a superior proposal to the Scheme. Whilst there is no evidence to suggest that Shareholders would be better off under this alternative, it is possible that an alternative offer may emerge prior to the Scheme Meeting. However, since the announcement of the Scheme on 8 September 2023, we understand that no superior offers have been put forward as the date of this Report.

Liquidity

10.15 Historically, the liquidity of ASW Shares has been extremely low with only 0.59% of the total free float of ASW Shares traded in the 30-trading day period prior to the announcement of the proposed Scheme and only 2.38% in the 180 trading days prior. A liquid market is generally considered to have approximately 1% of securities traded on a weekly basis.

10.16 The top 20 shareholders of ASW held 85% of the shares on issue as of 18 September 2023, with 76% held by the five most significant shareholders, some of which hold management or Director positions in the Company.

10.17 The Scheme provides Scheme Shareholders with an opportunity to convert their investment in ASW to cash, from an illiquid stock.

Conclusion on reasonableness

10.18 In the absence of any other relevant information and/or a superior proposal, RSM considers the Scheme to be **reasonable** to the Scheme Shareholders.

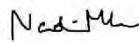
11. Conclusion

Overall opinion

- 11.1 In the absence of any other relevant information and a superior proposal, RSM considers the Scheme to be **fair and reasonable** to ASW Scheme Shareholders and as such, **in the best interests** of ASW Scheme Shareholders.
- 11.2 An individual Scheme Shareholder's opinion in relation to the Scheme may be influenced by their individual circumstances. If in doubt, Scheme Shareholders should consult an independent advisor.

Yours faithfully

RSM CORPORATE AUSTRALIA PTY LTD



Nadine Marke
Director



Justin Audcent
Director



APPENDICES

APPENDIX A – DECLARATIONS AND DISCLOSURES

Declarations and Disclosures

RSM Corporate Australia Pty Ltd holds Australian Financial Services Licence 255847 issued by ASIC pursuant to which they are licensed to prepare reports for the purpose of advising clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate reconstructions or share issues.

Qualifications

Our Report has been prepared in accordance with professional standard APES 225 "Valuation Services" issued by the Accounting Professional & Ethical Standards Board.

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia Pty Ltd (RSM Australia) a large national firm of chartered accountants and business advisors.

Nadine Marke and Justin Audcent are directors of RSM Corporate Australia Pty Ltd. Both Nadine Marke and Justin Audcent are Chartered Accountants with extensive experience in the field of corporate valuations and the provision of independent expert's reports for transactions involving publicly listed and unlisted companies in Australia.

Reliance on this Report

This Report has been prepared solely for the purpose of assisting the Shareholders in considering the Scheme. We do not assume any responsibility or liability to any party as a result of reliance on this Report for any other purpose.

Reliance on Information

Statements and opinions contained in this Report are given in good faith. In the preparation of this Report, we have relied upon information provided by the Directors and management of ASW, and we have no reason to believe that this information was inaccurate, misleading, or incomplete. However, we have not endeavoured to seek any independent confirmation in relation to its accuracy, reliability, or completeness. RSM Corporate Australia Pty Ltd does not imply, nor should it be construed that it has carried out any form of audit or verification on the information and records supplied to us.

The opinion of RSM Corporate Australia Pty Ltd is based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.

In addition, we have considered publicly available information which we believe to be reliable. We have not, however, sought to independently verify any of the publicly available information which we have utilised for the purposes of this report.

We assume no responsibility or liability for any loss suffered by any party as a result of our reliance on information supplied to us.

Disclosure of Interest

At the date of this Report, none of RSM Corporate Australia Pty Ltd, RSM, Nadine Marke, Justin Audcent, nor any other member, director, partner or employee of RSM Corporate Australia Pty Ltd and RSM Australia has any interest in the outcome of the Scheme, except that RSM Corporate Australia Pty Ltd is expected to receive a fee of approximately \$40,000 plus GST based on time occupied at normal professional rates for the preparation of this Report. The fees are payable regardless of whether ASW receives shareholder approval for the Scheme.

Consents

RSM Corporate Australia Pty Ltd consents to the inclusion of this Report in the form and context in which it is included with the Notice of Scheme Meeting and Scheme Booklet to be issued to Shareholders. Other than this Report, none of RSM Corporate Australia Pty Ltd, RSM Australia and RSM Australia Partners has been involved in the preparation of the Notice of Scheme Meeting or Scheme Booklet. Accordingly, we take no responsibility for the content of the Notice of Scheme Meeting or the Scheme Booklet.

APPENDIX B – SOURCES OF INFORMATION

In preparing this Report we have relied upon the following principal sources of information:

- The Scheme Booklet
- Advanced Share Registry audited financial statements for the years ended 30 June 2020, 30 June 2021, 30 June 2022 and 30 June 2023
- ASW consolidated management accounts for the years ended 30 June 2021, 30 June 2022 and 30 June 2023
- Herron Todd White Valuation Report for Clarence Street premises as at 29 June 2023
- Herron Todd White Valuation Report for Pitt Street premises as at 29 June 2023
- ASW Top 20 Shareholders
- S&P Capital IQ database
- Mergermarket database
- ASX announcements
- Advanced Share Registry and Automic websites
- Comparable company websites
- Other information provided to us during correspondence with Directors and management of ASW.

APPENDIX C – GLOSSARY OF TERMS AND ABBREVIATIONS

Term	Definition
%	Percentage
Act	Corporations Act 2001 (Cth)
AFCA	Australian Financial Complaints Authority
AIM	Alternative Investment Market, a sub-market of the London Stock Exchange
APES	Accounting Professional & Ethical Standards Board
ASIC	Australian Securities and Investments Commission
ASW	Advance Share Registry Limited
ASW Shares	Fully paid ordinary shares in ASW
ASX	Australian Securities Exchange
AUD or \$	Australian dollar
Automic	Automic Enterprise Pty Ltd
CAANZ	Chartered Accountants Australia and New Zealand
CFO	Chief Financial Officer
COGS	Cost of Goods Sold
Company	Advance Share Registry Limited
Control	The power to direct the management and policies of an entity or business enterprise
Control basis or controlling basis	As assessment of the fair value on an equity interest, which assumes the holder or holders have control of the entity in which the equity is held
Control premium	An amount or a percentage by which the pro rata value of a controlling interest exceeds the pro rata value of a non-controlling interest in an entity or business enterprise, to reflect the power of control
Discounted Cash Flow Method (DCF)	A method within the income approach whereby the present value of future expected net cash flows is calculated using a discount rate
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, taxes, depreciation, and amortisation
Equity	The owner's interest in property after deduction of all liabilities
Enterprise Value	The total value of the equity in a business plus the value of its debt or debt-related liabilities, minus any cash or cash equivalents available to meet those liabilities
Fair Value, Fair Market Value or Value	The amount at which an asset could be exchanged between a knowledgeable and willing but not anxious seller and a knowledgeable and willing but not anxious buyer, both acting at arm's length
FME	Future maintainable earnings
Five V Capital	Five V Capital Pty Ltd
FRA	Frankfurt Stock Exchange

Term	Definition
FSG	Financial Services Guide
IER or Report	This Independent Expert's Report
K	Thousand
KLSE	Bursa Malaysia, previously known as Kuala Lumpur Stock Exchange
LSE	London Stock Exchange
LTM	Last Twelve Months
NTM	Next Twelve Months
NSX	National Stock Exchange of Australia
PCP	Private Company Platform Pty Ltd
Regulations	Corporations Regulations 2001 (Cth)
Report	This Independent Expert's Report prepared by RSM
RG 111	Regulatory Guide 111 – Content of Expert Reports
RSM	RSM Corporate Australia Pty Ltd
RSM Corporate Australia Pty Ltd, we, us, or ours	RSM Corporate Australia Pty Ltd
SaaS	Software-as-a-Service
Scheme	Proposed acquisition of Advanced Share Registry Limited (ASW) by Automic Enterprise Pty Ltd (Automic) by way of a scheme of arrangement
Scheme Booklet	Booklet prepared for the Scheme to which this Report is attached
Scheme Consideration	ASW Shareholders will receive \$0.165 cash per ASW Share less any Special Dividend of up to \$0.0025
Scheme Meeting	Meeting of ASW shareholders where they will consider a resolution seeking approval of the Scheme
Scheme Record Date	5:00pm (AWST on the date that is 3 Business Days after the Scheme becomes effective, or such other date as ASW and Automic agree in writing)
Scheme Shareholders	Shareholders who hold ASW Shares as at the Scheme Record Date
Scheme Shares	ASW Share held at the Scheme Record Date
Second Court Hearing Date	The day on which the application is made to the Court for an order pursuant to section 411(4)(b) of the Act approving the Scheme
Shareholders	ASW Shareholders
Sharetech	Sharetech Pty Ltd
SID	Scheme Implementation Deed
Special Dividend	A fully franked dividend of up to \$0.0025 per ASW Share that the ASW Board may elect to pay
WWAP	Volume Weighted Average Price
YTD	Year-to-date

APPENDIX D – INDUSTRY OVERVIEW

Share Registry Services

The IBIS World report K6419C "Custody, Trustee and Stock Exchange Services in Australia" released in June 2023 provides an overview of companies that offer stock exchange and share registry services, credit card administration services and non-banking money changing services.

The effects of COVID-19 on the economy have dampened consumer and business confidence, limiting enterprise performance. However, technology in the industry has improved, which has made providers in the industry more efficient.

The number of new listings, capital raisings, and the volume and value of trades on the exchange influences the industry's performance. The share market has been volatile after the pandemic, however climbing volumes of stock market trades have mitigated decreases in overall industry revenue.

Higher competition in the industry has changed market trends. The Chi-X's entry has prompted the ASX to decrease its trading fees and innovate. New technologies have enabled high frequency trading and has initiated a change in customer preferences towards trading in dark pools. Bypassing traditional firms through dark pools and other technological advancements has negatively impacted industry revenue.

Industry revenue has decreased 4.5% from 2022, but it is expected to recover with a 5% increase in 2024.

Key External Drivers

IBISWorld has identified the key external drivers that impact the 'Custody, Trustee and Stock Exchange Services' industry as follows:

- Number of stock market trades;
- All ordinaries index performance;
- Value of managed funds; and
- Ratio of credit card debt to discretionary income.

Outlook

The industry's revenue is forecast to grow at a compound annual growth rate of 3.8% over the period from 2024-28, reaching \$15.3 billion.

Figure 7 Custody, Trustee and Stock Exchange Services Industry Revenue Overview (Source: IBISWorld)

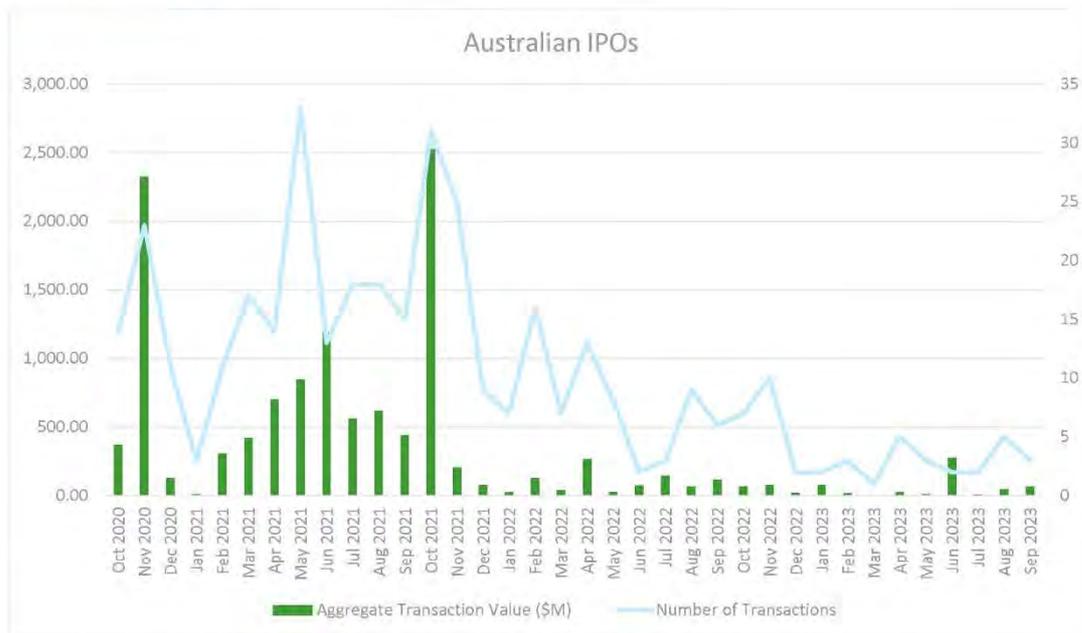


IBISWorld anticipates the industry will recover from poor economic conditions resulting from COVID-19 with the All Ordinaries index and value of funds under management expected to rise in the coming years. Funds under management are expected to climb as discretionary income recovers and demand from superannuation funds increases, contributing to sustained demand for financial services such as exchange trading, share registry services, and custody and administration services.

We note that share registry companies form a very small proportion of the Custody, Trustee and Stock Exchange Services Industry, contributing only 6.5% of industry revenue in the five years to June 2023. Accordingly, we consider it is also relevant to consider the level of IPO activity in Australia when analysing the revenue performance of share registry companies.

We set out below the number and aggregate transaction values of IPOs in Australia in the three years to September 2023, showing strong levels of activity in late 2021 but a very subdued period through 2022 and 2023.

Figure 8 Australian IPOs



Source: RSM Analysis

APPENDIX E – COMPARABLE COMPANIES

Ticker	Company	Business Description
ASX: ASW	Advanced Share Registry Limited	Advanced Share Registry Limited provides share registry and related services in Australia. It operates in two segments, Share Registry Services and Property Investment. The company offers a suite of registry services, including registry maintenance, capital raisings, corporate actions, company meetings, employee share plans, shareholder communications, and in-house printing services. The company was founded in 1996 and is based in Nedlands, Australia. Advanced Share Registry Limited is a subsidiary of KMC Automation Pty Ltd.
ASX: CPU	Computershare Limited	Computershare Limited provides issuer, employee share plans and voucher, business, communication and utilities, technology, and mortgage and property rental services. The company offers issuer services that include register maintenance, corporate actions, stakeholder relationship management, corporate governance, and related services; mortgage services and property rental, including tenancy bond protection services; and employee share plans and voucher services comprising administration and related services for employee share and option plans, and childcare voucher administration services. It also provides business services, including the provision of bankruptcy, class action, and corporate trust administration services; communication services and utilities operations consisting of document composition and printing, intelligent mailing, inbound process automation, scanning, and electronic delivery; and technology services, such as software solutions in share registry and financial services, as well as agency services in connection with the administration of debt securities. It operates in Australia, New Zealand, Asia, Canada, Continental Europe, the United Kingdom, the Channel Islands, Ireland, Africa, and the United States. The company was incorporated in 1978 and is based in Abbotsford, Australia.
ASX: IRE	Iress Limited	Iress Limited engages in the designing and developing software and services for the financial services industry in Australia, New Zealand, Asia, the United Kingdom, Europe, South Africa, and North America. It offers client management, business automation, portfolio data, research, financial planning tools, scaled advice journeys, digital client solutions, data-driven compliance and analytics, and regulatory obligations management solutions; and market data, trading interfaces, order and execution management, smart order routing, FIX services, portfolio management, securities lending, analytical tools, algorithmic trading, market making, CFD clearing, post trade solutions, and trading and market data APIs. The company also provides connectivity, client relationship management, wealth management, funds registry, digital advice, digital member portal, fund administration services, automated workflow, application processing, connectivity, mortgage comparison and advice, lender connectivity, quoting, comparison, and application processing solutions. It offers its solutions to institutional and independent advisory clients; institutional sell-side, retail, and online brokers; investment, fund, private client, and wealth managers; custodians; retail and investment platforms; superannuation funds; and mortgage lenders and intermediaries. The company was formerly known as IRESS Market Technology Limited and changed its name to IRESS Limited in May 2012. Iress Limited was incorporated in 1993 and is headquartered in Melbourne, Australia.
ASX:PPT	Perpetual Limited	Perpetual Limited is a publicly owned investment manager. The firm offers a range of financial products and services in Australia. The company provides funds management, portfolio management, financial planning, trustee, responsible entity and compliance services, executor services, investment administration and custody services, and mortgage processing services. It offers investment capabilities across a range of asset classes, including Australian and global equities, mortgages, cash and fixed interest, and Australian listed property. The company also provides specialist direct-to-client financial services for high-net-worth individuals that include fiduciary services, such as trust advice and services, custodial solutions, estate planning, estate administration, and executorial services; independent financial advice services with specialist and 'do-it-yourself' superannuation offerings; and philanthropic services. In addition, it offers corporate trustee and transaction support services, including trustee services for mortgage

		backed and other securitisation programs for major banks and non-bank financial institutions; mortgage services, including mortgage preparations, variations and discharges; post settlement servicing; regulatory compliance services for fund managers; custody, unit registry, and accounting services for property and mortgage funds; and trusteeships for corporate debt issues and infrastructure projects. The company is based in Sydney, Australia.
ASX:LNK	Link Administration Holdings Limited	Link Administration Holdings Limited provides technology-enabled administration solutions for companies, large asset owners, and trustees worldwide. The company operates through Retirement & Superannuation Solutions (RSS); Corporate Markets (CM); Banking & Credit Management (BCM); and Fund Solutions (FS) segments. The RSS segment offers comprehensive financial data solution to its superannuation clients, and other value-added services. The CM segment provides shareholder management and analytics, stakeholder engagement, share and unit registry, employee share plans, and company secretarial support services, as well as insolvency solutions. The BCM segment offers loan origination and servicing, debt work-out, compliance, and regulatory oversight services to various clients, including retail banks, investment banks, private equity funds, and other investors. The FS segment provides fund management, third-party administration, and transfer agency services to asset managers and a variety of investment funds. The company was founded in 2005 and is headquartered in Sydney, Australia.
ASX:ASX	ASX Limited	ASX Limited operates as a multi-asset class and integrated exchange company in Australia and internationally. The company provides education programs, research and insights, investor access and peer group networking; distribution facility for quoted exchange traded funds (ETFs) and debt securities. It is also involved in the trading of futures and options on interest rate, equity index, agriculture and energy products, and options over individual securities; cash market trading of equities, warrants, exchange-traded funds, and debt securities; and clearing of exchange-traded derivatives and over-the-counter interest rate and equity derivatives. In addition, it offers information services, including pricing and trading data; technical services, such as s market access, connectivity, hosting, and co-location services; central counterparty clearing and settlement services for equities; settlement, depository, and registry services for debt securities; and payment platform for property transactions, high value payments and electricity providers. The company was incorporated in 1987 and is based in Sydney, Australia.
ASX:CF1	Complii FinTech Solutions Ltd	Complii FinTech Solutions Ltd, together with its subsidiaries, operates integrated corporate and adviser management platform for financial services sector in Australia and internationally. It operates Account Fast that enables new adviser client establishment for online service management; Boom, a back office online management for online client account administration and paraplanning; Adviser Bid, which enables automated distribution and acceptance of corporate deals; Complaints that manages resolution, notify, and alert for mandatory obligation deadlines; Compliance that fulfills all transactionally related AFSL requirements; Corporate Highway Access for corporate deal flow and liquidity within the Complii Community; Financial Crimes that enables alert to suspicious trading and screen clients/investors; Online portfolio is the portal for Adviser's clients to access information and download forms; Risk Management to identify, manage, and control risks across an organization; and Staff Trading to manage, check, and reconcile pre-order staff trading requests. The company also operates Caddie that provides mandatory training to enable AFSL client firms and their registered users, as well as their registered clients and individuals to satisfy and maintain their individual required professional accreditations; registry direct that provides an online shareholder registry and communications service for issuers and investors for listed and unlisted corporations and funds, as well as corporate employee share schemes management services; and PRIMARYMARKETS.com, a capital raising and online trading platform for securities in unlisted companies and funds. Complii FinTech Solutions Ltd is headquartered in Sydney, Australia.

ASX: EQT EQT Holdings Limited

EQT Holdings Limited, together with its subsidiaries, provides philanthropic, trust executor, and investment services in Australia, the United Kingdom, and Ireland. It operates through three segments: Trustee and Wealth Services, Superannuation Trustee Services, and Corporate Trustee Services. The company offers estate planning and management, charitable, compensation, community, and personal trust services; and asset and wealth management, and advisory services. It also provides trustee, custody, and investment management services for superannuation funds; and legal and financial services. In addition, the company offers a range of global fiduciary services, and fund governance and trustee services for managed investment schemes on behalf of local and international fund managers and sponsors, as well as trustee services for debt, securitizations, custody, and real estate arrangements for corporates. EQT Holdings Limited was founded in 1888 and is headquartered in Melbourne, Australia.

Source: S&P Capital IQ

APPENDIX F – COMPARABLE TRANSACTION

Target Company	Transaction Value \$m	% Sought	Implied Enterprise Value \$m	Revenue LTM \$M	Implied Revenue Multiple (trailing)
Registry Direct Limited	5.6	100%	5.6	1.0	5.4x

Ticker	Company	Business Description
IQTR1785963311	Registry Direct Limited	Registry Direct Limited provides share and unit registry software and services to listed and unlisted companies and trusts in Australia. The company was incorporated in 2012 and is based in Brighton, Australia. Registry Direct Limited is a subsidiary of Complii FinTech Solutions Ltd.

Source: S&P Capital IQ

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