PROSPECTUS

For the offer of 26 million New Shares at an Offer Price of $0.25 each to raise $6.5 million with up to $0.5 million of oversubscriptions and the admission to the Official List of Australian Securities Exchange.

Important notice
This is an important document, which should be read in its entirety before making any investment decision. You should obtain independent advice if you have any questions about any of the matters contained in this Prospectus.
CONTENTS

Important Information 3
Chairman’s Letter 6
1 Investment overview 8
2 Details of the Offer 26
3 Industry Overview 30
4 Company Overview 42
5 Key Individuals, Interests & Benefits 59
6 Financial Information 73
7 Investigating Accountant’s Report 82
8 Risk Factors 87
9 Additional Information 95
Glossary 107
Corporate Directory 109
IMPORTANT INFORMATION

Offer
The Offer contained in this Prospectus is an invitation to acquire Shares in AXS Group Limited (A.C.N. 619 705 207) ("Company" or "AXS").

Lodgement and listing
This Prospectus is dated 18 September 2018. A copy of this Prospectus was lodged with the Australian Securities Investment Commission ("ASIC") on 18 September 2018.

The Company will apply to the Australian Securities Exchange ("ASX") for admission to the Official List of the ASX and for quotation of the Shares issued under this Prospectus on the ASX within seven days after the date of this Prospectus.

Neither ASIC nor the ASX or their officers take any responsibility for the contents of this Prospectus or for the merits of the investment to which this Prospectus relates.

Expiry date
No Shares will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Note to Applicants
The information in this Prospectus is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. This Prospectus should not be construed as financial, taxation, legal or other advice.

This Prospectus is important and should, along with each of the documents incorporated by reference, be read in its entirety prior to deciding whether to invest in the Company’s Shares. There are risks associated with an investment in the Shares and the Shares offered under this Prospectus must be regarded as a speculative investment. Some of the risks that should be considered are set out in Section 8 (Risk Factors) of this Prospectus. You should carefully consider these risks in light of your personal circumstances (including financial and tax issues).

There may also be risks in addition to those that should be considered in light of your personal circumstances. If you do not fully understand this Prospectus or are in doubt as to how to deal with it, you should seek professional guidance from your stockbroker, lawyer, accountant or other professional adviser before deciding whether to invest in the Shares.

No person named in this Prospectus guarantees the Company’s performance or any return on investment made pursuant to this Prospectus.

No offering where offering would be illegal
This Prospectus does not constitute an Offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of Shares, in any jurisdiction outside Australia. The taxation treatment of Australian securities may not be the same as those for securities in foreign jurisdictions. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The distribution of this Prospectus outside Australia may be restricted by law and therefore any person who resides outside Australia and who receives this Prospectus should seek advice on and observe any such restrictions. Any person who has a registered address in any other country who receives this Prospectus may only apply for Shares where that person is able to reasonably demonstrate to the satisfaction of the Company that the person may participate in the Offer relying on a relevant exception from, or are not otherwise subject to, the lodgement, filing, registration or other requirements of any applicable securities laws in the jurisdiction in which they have a registered address.

The Company will not offer to sell, nor solicit an offer to purchase, any securities in any jurisdiction where such offer, sale or solicitation may not lawfully be made. Any failure to comply with these restrictions may constitute violation of applicable laws.

Notice to United States residents
The securities being offered pursuant to this Prospectus have not been registered under the US Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from registration under the US Securities Act and applicable State securities laws. This Prospectus does not constitute an offer or invitation to sell, or the solicitation of an offer to buy, nor shall there be any sale of these securities in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful. Any hedging transactions involving these securities may not be conducted unless in compliance with the US Securities Act and applicable State securities laws.

Financial Information and amounts
The “Financial Information” detailed in Section 6 is the Financial Information referred to in the Prospectus. The basis of preparation of the Financial Information is set out in the “Financial Information” in Section 6. All references to, FY2015, FY2016, FY2017 and 1H2018 appearing in this Prospectus are to the financial years ended 30 June 2015, 30 June 2016 and 30 June 2017, and the six months period ended 31 December 2017 respectively, unless otherwise indicated (“Historical Financial Information”). The Historical Financial Information has been prepared in accordance with the recognition and measurement principles prescribed by International Financial Reporting Standards ("IFRS").

The Historical Financial Information in this Prospectus should be read in conjunction with the information contained in Section 6. The functional currency of the operating entities in the Group is Australian dollars. The financial amounts referred to in this Prospectus are expressed in Australian dollars ("AUD" or "$") unless stated otherwise.

Disclaimer
Investors should not rely on any information which is not contained in this Prospectus in making a decision as to whether to acquire Shares in the Company under the Offer. No person is authorised by the Company or a Broker and Adviser to give any information or make
any representation in connection with the Offer that is not contained in the Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company, its Directors or any other person in connection with the Offer. The Company's business, financial condition, results of operations and prospects may have changed since the date of this Prospectus.

This Prospectus contains forward-looking statements concerning the Company's business, operations, financial performance and condition as well as the Company's plans, objectives and expectations for its business, operations and financial performance and condition. Any statements contained in this Prospectus that are not of historical facts may be deemed to be forward-looking statements. You can identify these statements by words such as "aim", "anticipate", "assumo", "believe", "could", "due", "estimate", "expect", "goal", "intend", "may", "objective", "plan", "predict", "potential", "positioned", "should", "target", "will", "would" and other similar expressions that are predictions of or indicate future events and future trends.

These forward-looking statements are based on current expectations, estimates and projections about the Company's business and the industry in which the Company operates and management's beliefs and assumptions. These forward-looking statements are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors that are in some cases beyond the Company's control. As a result, any or all of the Company's forward-looking statements in this Prospectus may turn out to be inaccurate. Factors that may cause such differences include, but are not limited to, the risks described under the heading "Risk factors" in Section 8.

Potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on the forward-looking statements. These forward-looking statements speak only as at the date of this Prospectus. Unless required by law, the Company does not intend to publicly update or revise any forward-looking statements to reflect new information or future events or otherwise. You should, however, review the factors and risks the Company describes in the reports to be filed from time to time with the ASX after the date of this Prospectus.

This Prospectus contains market data and industry forecasts that were obtained from industry publications, third-party market research and publicly available information. These publications generally state that the information contained in them has been obtained from sources believed to be reliable, but the Company has not independently verified the accuracy and completeness of such information.

Some numerical figures included in this Prospectus have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that preceded them.

This Prospectus also includes trademarks, trade names and service marks that are the property of other organisations.

Exposure Period
The Corporations Act prohibits the Company from processing Applications under the Offer in the seven day period after the lodgement of this Prospectus with ASIC ("Exposure Period"). The Exposure Period may be extended by ASIC by up to a further seven days. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. This Prospectus will be made generally available without the Application Form during the Exposure Period by being posted on the Company's website at www.axiosgroup.com.au. Applications received during the Exposure Period will not be processed until after the expiry of that period. No preference will be conferred on Applications received during the Exposure Period.

Electronic Prospectus
This Prospectus will also be made available in electronic form on the Company's website: www.axiosgroup.com.au. Any references to documents included on the Company's website are for convenience only, and none of the documents or other information available on the website is incorporated by reference in this Prospectus. The Offer constituted by this Prospectus in electronic form is available only to persons receiving this Prospectus in electronic form within Australia. Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus. If unsure about the completeness of the Prospectus received electronically or a print out of it, you should contact the Company. A paper copy of the Prospectus will be available free of charge by contacting:

Corporate Enquiries
For queries in relation to the Company please contact the Company Secretary on:
Tel: 02 9251 7177 (within Australia)
Tel: +61 2 9251 7177 (outside Australia)

Offer Enquiries
For enquiries relating to the Offer and completion of application documents please contact the Computershare Investor Services Pty Limited ("Registry") on:
Tel: 1300 850 505 (within Australia)
Tel: +61 3 9415 4000 (outside Australia)

Applications for Shares under this Prospectus may only be made on a printed copy of the Application Form attached to or accompanying this Prospectus. The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to a hard copy of the Prospectus or the complete and unaltered electronic version of the Prospectus. If this Prospectus is found to be deficient, any Applications may need to be dealt with in accordance with section 724 of the Corporations Act.

Privacy
By completing an Application Form, you are providing personal information to the Company and the Registry, which is contracted by the Company to manage Applications, and consent to the collection and use of that personal information in accordance with these terms. That personal information will be collected held and used both in and outside of Australia by the Company, and the Registry
on its behalf, to process your Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration of your investment. If you do not wish to provide this information, the Company may not be able to process your Application.

Once you become a Shareholder, the Corporations Act requires information about you (including your name, address and details of the Shares you hold) to be included in the Company’s public share register. This information must continue to be included in the Company’s public share register even if you cease to be a Shareholder. The Company and the Registry on its behalf, may disclose your personal information for purposes related to your investment to their agents and service providers (which may be located outside of Australia) including those listed below or as otherwise authorised under the Privacy Act 1988 (Cth):

» the Registry for ongoing administration of the Company’s public share register;
» the Australian Tax Office (“ATO”) and other government bodies as required by law;
» printers and other companies for the purpose of preparation and distribution of statements and for handling mails;
» market research companies for the purpose of analysing the Shareholder base and for product development and planning;
» legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising on, the Shares and for associated actions.

Under the Privacy Act 1988 (Cth), you may request access to your personal information that is held by, or on behalf of, the Company. You can request access to your personal information or obtain further information about the Company’s privacy practices by contacting the Company or the Registry, details of which are set out elsewhere in this Prospectus. The Company aims to ensure that the personal information it retains about you is accurate, complete and up-to-date. To assist with this, please contact the Company or the Registry if any of the details you have provided change. In accordance with the requirements of the Corporations Act, information on the Shareholder register will be accessible by members of the public.

Defined words and abbreviations
Defined terms and abbreviations used in this Prospectus are defined in the “Glossary” Section.

Time
All references to time in this Prospectus refer to the time in Sydney, Australia unless stated otherwise.

Photographs and diagrams
Photographs and diagrams used in this Prospectus that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Unless otherwise stated, all data contained in graphs and tables is based on information available as at the date of this Prospectus.
18 September 2018

Dear Investors,

On behalf of the Board of Directors, I am pleased to invite you to become a Shareholder of AXS Group Limited (A.C.N. 619 705 207) ("Company" or "AXS"). The Company is an Australian public company incorporated on 13 June 2017 for the purposes of purchasing and growing Acccess Consulting Group Pty Limited (A.C.N. 109 358 689) ("Acccess Consulting"). The Company has entered into Share Purchase Agreements ("SPAs") with the shareholders of Acccess Consulting. On Completion of the Offer, AXS will complete the acquisition of all the equity interests in Acccess Consulting under the SPAs and will become the ultimate holding company of Acccess Consulting.

Acccess Consulting is an integrated software solution provider to the finance, insurance and funds sectors and provides disruptive technology software for its clients globally to help them gain their own digital workforce. Acccess Consulting provides its clients with a digital transformation through its internally developed software platform, ARIMnet. The ARIMnet software platform uses cognitive processes, including robotic process automation and blockchain techniques to give real time output, reducing time and cutting costs. In bringing AXS and Acccess Consulting together ("Group"), we see a greater correlation of skills and opportunities in finance, property, superannuation and insurance sectors that remain untapped for disruption in automation.

Globally, total Information Technology ("IT") expenditure is projected to total US$3.7 trillion in 2018, an increase of 4.5% from 2017. Corporate business software use continues to exhibit strong growth, with worldwide software spending projected to grow 9.5% in 2018, and it will grow another 8.4% in 2019 to total US$421 billion.1 Organisations are expected to increase spending on software in 2018, with more of the budget shifting to software as a service ("SaaS"). The growing availability of SaaS-based solutions is encouraging new adoption and spending across many subcategories, such as financial management systems ("FMS"), human capital management ("HCM") and analytic applications.2

Technological advances continue to develop in the back office which now offers the financial services industry the ability to do things more efficiently and more cost effectively. The Company is to be a key driver in this market and operates two main business lines from its ARIMnet technology platform:

- **Platform Product Solutions**: provides straight through processing solutions for the initiation, management and exit of any asset class utilising automated features that reduce manual handling and delays; and

- **Service Solutions**: provides disruptive IT solutions to combine and integrate a client’s existing incompatible or inharmonious software solutions to produce one output system.

The Group offers the ability to generate predictable revenue streams based on ongoing contracts with clients for the supply of its product and service solutions. Acccess Consulting has a strong competitive position and track record of providing outsourcing services and has significant interest from prospective global clients requiring back office technology solutions, with more major clients looking to come on board.

Beyond its Australian operations, Acccess Consulting competes against major systems, applications and product providers to grow clients offshore, further diversifying Acccess Consulting’s revenue sources. Acccess Consulting has seen strong growth since its inception in both its domestic and global client bases.

---

1. US dollars are quoted with $3.7 trillion and $421 billion being as at $4.98 trillion and $666 billion respectively in AUD dollars, assuming an exchange rate of 0.74 US dollars to one Australian dollar.

2. Gartner says Global IT Spending to Reach $3.7 Trillion in 2018 Analysts to Discuss Latest IT Spending Outlook 16 January, 2018. Gartner, Inc. (NYSE: IT), is the world’s leading research and advisory company and a member of the S&P 500. Gartner defines HCM to mean practices that assist with people resource management including workforce optimization processes like technology.
The Group intends to continue to grow organically as well as consider potential further acquisitions. The proceeds raised in connection with this Offer will be used to complete a payment to the Vendors (as outlined in Section 9.4.1) and to hold sufficient working capital and cover all costs for the Listing.

The Offer will raise up to $7.0 million upon Completion of the Offer. A number of Shareholders holding 63,264,315 Shares on Completion of the Offer will be under escrow arrangements for up to 24 months from the Listing Date. These persons include Related Parties, Promoters and other persons that the ASX requires to be restricted from selling their Shares. The Access Consulting Shareholders will also be under escrow for 100% of their consideration Shares for 24 months from the Listing Date. The total escrowed shares represent 63.14% of the Company’s issued capital at the Listing (if the Maximum Subscription is reached). Please refer to Section 9.6 for further details.

The public listing of AXS will be a significant milestone in the Group’s development. The Listing also provides the Company a unique opportunity to sincerely welcome those investors who share our vision by becoming the first group of public Shareholders of this promising company.

This Prospectus contains detailed information about the Offer, the industry in which the Group operates and its financial and operating performance. The Company is subject to a range of risks which are fully detailed in Section 8, including but not limited to failure to meet agreed service levels or retain key clients, risks related to operating a business reliant on operational processes and technology in a highly regulated environment. I encourage you to read this document carefully and in its entirety before making your investment decision.

On behalf of the Directors, I invite you to subscribe for Shares in the Company and I look forward to welcoming you as a Shareholder.

Yours sincerely

[Signature]

Nick Brookes
Chairman
1 Investment Overview

The information set out in this Section is intended to be a summary only and should be read in conjunction with the more detailed information appearing elsewhere in this Prospectus. In deciding whether to apply for New Shares, you should read this Prospectus carefully and in its entirety. If you are in doubt as to the course you should follow, please consult your professional advisers.

1.1 Summary of the Offer

This Prospectus provides investors with the opportunity to participate in the initial public offering of New Shares in AXS Group Limited, a company incorporated in Victoria.

<table>
<thead>
<tr>
<th>Key Offer Statistics</th>
<th>Minimum Subscription</th>
<th>Maximum Subscription</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offer Price</td>
<td>$0.25</td>
<td>$0.25</td>
</tr>
<tr>
<td>Minimum investment amount</td>
<td>$2,000</td>
<td>$2,000</td>
</tr>
<tr>
<td>Total cash proceeds to the Company from the Offer</td>
<td>$6,500,000</td>
<td>$7,000,000</td>
</tr>
<tr>
<td>Number of New Shares to be issued under the Offer</td>
<td>26,000,000</td>
<td>28,000,000</td>
</tr>
<tr>
<td>Number of Shares held by Existing Shareholders</td>
<td>28,197,647</td>
<td>28,197,647</td>
</tr>
<tr>
<td>Number of Options on issue as at the date of the Prospectus</td>
<td>3,478,651</td>
<td>3,478,651</td>
</tr>
<tr>
<td>Number of Performance Options on issue as at the date of the Prospectus</td>
<td>7,700,000</td>
<td>7,700,000</td>
</tr>
<tr>
<td>Number of Shares to be issued under and at the Completion of the SPAs</td>
<td>44,000,000</td>
<td>44,000,000</td>
</tr>
<tr>
<td>Total number of Shares on issue at the Completion of the Offer and the SPAs</td>
<td>98,197,647</td>
<td>100,197,647</td>
</tr>
<tr>
<td>Indicative market capitalisation at the Completion of the Offer and the SPAs</td>
<td>$24,549,412</td>
<td>$25,049,412</td>
</tr>
</tbody>
</table>

1. Please refer to Section 9.3 for the terms of the Options. This does not include the Performance Options issued to the Directors.
2. Please refer to Section 5.4 for the terms of the Performance Options.
3. All these Shares will be subject to an escrow arrangement. See Section 9.6 for further details of these escrow arrangements.
4. 32,204,315 Shares held by the Shareholders upon Completion of the Offer and the SPAs will be subject to an escrow arrangement up to 24 months from the Listing Date. See Section 9.6 for further details of these escrow arrangements.
5. Calculated as the total number of Shares on issue on Completion of the Offer and the SPAs multiplied by the Offer Price.

Important Dates

<table>
<thead>
<tr>
<th>Event</th>
<th>Date and Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lodgement of Prospectus with ASIC</td>
<td>18 September 2018</td>
</tr>
<tr>
<td>Opening Date</td>
<td>26 September 2018</td>
</tr>
<tr>
<td>Closing Date</td>
<td>9 November 2018</td>
</tr>
<tr>
<td>Issue of New Shares</td>
<td>14 November 2018</td>
</tr>
<tr>
<td>Expected dispatch of Holding Statements</td>
<td>21 November 2018</td>
</tr>
<tr>
<td>Shares expected to begin trading on ASX</td>
<td>28 November 2018</td>
</tr>
</tbody>
</table>

These dates are indicative only and may change. The Company reserves the right to vary the dates and times set out above subject to Corporations Act and other applicable laws. The Company reserves the right to vary the times and dates of the Offer including to close the Offer early, extend the Offer or to accept late Applications, either generally or in particular cases, without notification. Applications received under the Offer are irrevocable and may not be varied or withdrawn except as required by law. Investors are therefore encouraged to submit their Application Forms as early as possible after the Offer opens.

How to invest

Applications for New Shares can only be made by completing and lodging the Application Form attached to or accompanying this Prospectus. Instructions on how to apply for New Shares are set out in Section 2.2 of this Prospectus and on the back of the Application Form.

Admission to the Official List of the ASX

The Prospectus is also issued for the purpose of qualifying the Company for admission to the Official List of the ASX. The Company will apply to the ASX for listing and quotation of its Shares, including the New Shares, within seven days after the date of the Prospectus.

If the ASX does not grant permission for Official Quotation of the Shares within three months after the date of this Prospectus, or such longer period permitted by the Corporations Act, none of the Shares offered for subscription under this Prospectus will be allotted or issued and Application Monies will be refunded. No interest will be paid on any Application Monies refunded as a result of the withdrawal of the Offer.
## 1.2 Business Overview

<table>
<thead>
<tr>
<th>Topic</th>
<th>Summary</th>
<th>Further Information</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Who are Axcess Consulting, AXS and the Group?</strong></td>
<td>Axcess Consulting is a global software provider of hosted, SaaS and cloud based solutions to clients in the financial services sector. On Listing, AXS will acquire Axcess Consulting, the operating entity, and will become the new holding company of the Group. Axcess Consulting has operated for over 13 years and has grown organically and focused on the establishment of a strong alignment with the industry it services. In particular, Axcess Consulting has a track record of successfully tendering and integrating businesses into its ARMnet software with approximately over 75 third party systems integrations performed for clients with varying customised solutions found.</td>
<td>Section 4.1</td>
</tr>
<tr>
<td><strong>What is ARMnet?</strong></td>
<td>The ARMnet platform is a customer relationship management (“CRM”) financial product management solution that is built on an industry standard Microsoft dot.net framework. The platform is cloud based, which means that it is accessible via smart phones, tablets or email from anywhere at any time. The ARMnet platform combines software applications, data and media channels in an open architecture platform that provides an integrated solution for each phase of a financial services business from marketing, sales, user interaction, asset processing and financial reporting throughout to back office management. The design of the ARMnet platform provides flexible product modules and simple configuration. This provides clients with the option to use the ARMnet platform as an “out of the box” software product or as a fully configurable and customisable software product to suit specific business and product needs.</td>
<td>Section 4.3</td>
</tr>
</tbody>
</table>
| **What are the ARMnet product and service modules?** | **Product Modules** Axcess Consulting currently provides to clients’ software services for varying business sectors in the non-bank software lending market. This ranges from commercial and residential lending, contributory mortgages, debt structures, managed funds, securitisation, leasing, rewards programs and time share funding programs, P2P lending, residential mortgages and commercial mortgages, personal lending including P2P lending, and contributory schemes. Axcess Consulting is currently in the process of re-branding its products and plans to launch the following seven product modules on a subscription basis and three user services modules on the ARMnet platform for different business sectors:  
  » **Mi-Lend**: A solution for various types lending.  
  » **Mi-Invest**: A solution for managing investments in listed investment assets.  
  » **Mi-Structure**: A solution dealing with the management of client structures.  
  » **Mi-Loyalty**: A solution for the operation and management of loyalty products or reward programs.  
  » **Mi-Wealthcheck**: A solution for the origination, administration and reporting on a combination of financial assets and non-financial assets.  
  » **Mi-Finpro**: A solution for the capture, administration and reporting of financial data or information processing applications.  
  » **Mi-Archive**: A solution for the storage and retrieval of data and information in a format designated by the client.  

**Service Modules** Axcess Consulting provides certain IT services that are related to the software modules:  
  » **Mi-Optimyz**: Services including customisation and optimisation of data, reporting and communications. | Sections 4.4 and 4.5 |
<table>
<thead>
<tr>
<th>Topic</th>
<th>Summary</th>
<th>Further Information</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>What is Axcess Consulting’s business model?</strong></td>
<td>Axcess Consulting has developed to become a dominant digitalized software player in the non-bank software lending market. Axcess Consulting presently acts for a significant number of non-bank market participants in Australia that use differing parts of ARMnet to grow their businesses. Axcess Consulting’s revenues are generated by way of subscription and licensing, maintenance, personalisation and servicing fees, typically charged in accordance with agreed rates set out in service agreements with each respective client.</td>
<td>Section 4.6</td>
</tr>
<tr>
<td><strong>What is Axcess Consulting’s client base?</strong></td>
<td>Axcess Consulting’s clients are from across a wide range of sectors and industries, as well as being geographically spread across North America, Europe, and Asia-Pacific region. The business is characterised by strong recurring revenue and high levels of client retention, being approximately 90% since inception.</td>
<td>Section 4.8</td>
</tr>
</tbody>
</table>
| **Why is ARMnet unique?**    | ARMnet’s design and architecture is unique and offers a digital platform solution from single database system with a series of interconnecting workflows and functions. Clients have the ability to install an information processing infrastructure that allows their business to respond very quickly to new and emerging challenges. ARMnet's unique features to the software platform market include:  
  » Asset Agnostic;  
  » Scalability and Reduced Programming;  
  » Repeatability, Quality, Accuracy;  
  » Easy Data Extraction;  
  » Default Functionality;  
  » Convergence of Separate IT Systems;  
  » Front to Back Office Application; and  
  » Integration Functionality. | Section 4.10         |
| **Why do clients choose ARMnet?** | For the customers of Axcess Consulting, one of key benefits of using ARMnet platform is to save time and costs. This is because the ARMnet eliminates manual processes and human touch points by using cognitive techniques to automate processes and intelligence. Please refer to the case study below of a mortgage processing client in Section 4.11.1. | Section 4.11         |
| **What are the growth opportunities for AXS?** | The Company’s growth strategies are based upon the following:  
  » strong organic growth in existing product segments;  
  » cross-selling opportunities between product lines and clients that require more than one service;  
  » reliance on the ongoing growth in funds under administration;  
  » reliance on the ongoing growth in superannuation in Australia;  
  » expansion of operational footprint through synergistic acquisitions; and  
  » expansion of Group business across the broader Asia Pacific, Canada and United States regions. | Section 4.12         |
## 1.3 Key Investment Features

<table>
<thead>
<tr>
<th>Feature</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attractive business model</td>
<td>» Proprietary owned software with open architecture capabilities.</td>
</tr>
<tr>
<td></td>
<td>» Software developers are highly experienced and are Shareholders in the business.</td>
</tr>
<tr>
<td></td>
<td>» Highly scalable delivery of core products through cloud-based SaaS. Strong recurring annuity revenue streams contributing approximately over 50% of total revenues.</td>
</tr>
<tr>
<td></td>
<td>» Becoming ready for digital transformation in an accelerated market by using our software platform.</td>
</tr>
<tr>
<td></td>
<td>» Exposure to larger market opportunities with growing international client list joining us.</td>
</tr>
<tr>
<td></td>
<td>» Experienced Board and management with skills that span across technology and financial services for its clientele.</td>
</tr>
<tr>
<td>Attractive industry dynamics</td>
<td>Globally, total IT expenditure in the financial services industry is projected to total US$3.7 trillion in 2018, an increase of 4.5% from 2017.</td>
</tr>
<tr>
<td>including a large and fast</td>
<td>Corporate business software use continues to exhibit strong growth, with worldwide software spending projected to grow 9.5% in 2018, and it will grow another 8.4% in 2019 to total US$421 billion.3</td>
</tr>
<tr>
<td>growing market</td>
<td>Organizations are expected to increase spending on software in 2018, with more of the budget shifting to SaaS. The growing availability of SaaS-based solutions is encouraging new adoption and spending across many sub-categories, such as FMS, HCM and analytic applications.2</td>
</tr>
<tr>
<td>Unique specialist technology</td>
<td>The APInet platform is an integrated and scalable technology platform that builds on digital market changes with disruptive technology capabilities in robotic automation, blockchain techniques and cognitive artificial intelligence to reduce time and costs in client back offices. Implementing robotic process automation (“RPA”) in the APInet platform enables clients to reduce the back office operating and processing costs as well as reducing processing time. Future development of the technology will centre on artificial intelligence.</td>
</tr>
<tr>
<td>offering</td>
<td>Technology architecture and reporting of any asset that is agnostic in functionality and accessible worldwide empowering the virtual workforce and mobile customer.</td>
</tr>
<tr>
<td></td>
<td>In-house systems developers and designers for some customization in features.</td>
</tr>
<tr>
<td></td>
<td>Platform solutions provide immediate satisfaction of business needs domestically and globally.</td>
</tr>
</tbody>
</table>

1. US dollars are quoted with $3.7 trillion and $421 billion being as at $4.98 trillion and $566 billion respectively in AUD dollars, assuming an exchange rate of 0.74 US dollars to one Australia dollar.

2. Gartner Says Global IT Spending to Reach $3.7 Trillion in 2018: Analysts to Discuss Latest IT Spending Outlook 16 January, 2018. Gartner, Inc. (NYSE: IT), is the world’s leading research and advisory company and a member of the S&P 500. Gartner defines HCM to mean practices that assist with people resource management including workforce optimization processes like technology.
## 1.4 Key Risk Factors

Investing in Shares involves substantial risks. The key risks specific to the Company as summarised in the table below are not exhaustive and an investment in the Company should be considered speculative. Before making an investment decision, potential investors should read the entire Prospectus. In particular, investors should give full consideration to the detailed discussion on the risks that are associated with, and which could affect the financial performance of, an investment in the Company, as set out in “Risk Factors” in Section 8.

<table>
<thead>
<tr>
<th>Risk factors</th>
<th>Summary</th>
<th>Further Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reliance on key personnel</td>
<td>Access Consulting’s business is reliant upon the provision of high quality services by its senior personnel, skilled training staff and technical personnel for the successful and ongoing provision of its products and services and business activities. Any change in the quality or quantity of these services could affect Access Consulting’s business activities and financial performance. If the labour market becomes more competitive than it may become more difficult to retain appropriately skilled employees at existing salary levels. That could in turn increase costs and have adverse implications on Access Consulting’s pricing and profitability. The Company attempts to mitigate this risk, where possible, through its intern recruitment program and developing management and overlap activities. Access Consulting’s original founders also retain substantial operational roles with the Access Consulting. Without these founders acting in conjunction with other management personnel, the Group may not be able to continue its business activities successfully or deliver its long-term strategic objectives.</td>
<td>Section 8.2.1</td>
</tr>
<tr>
<td>Risk of significant control by Existing Shareholders</td>
<td>Immediately after the Offer, the Existing Shareholders and the Vendors will own or beneficially own approximately 73.52% of the Company’s issued capital assuming 26,000,000 New Shares are issued under the Offer (at the Minimum Subscription) and the acquisition of Access Consulting occurs at the same time. As a result, these Existing Shareholders and Vendors, if they act together, may be able to exert a significant degree of influence over the Company’s management affairs and over matters requiring Shareholder approval. Further, following completion of the Offer, the Directors and management team will retain a significant holding in the Company and will therefore have a significant influence over the Company, including in relation to resolutions requiring the approval of Shareholders. This collective interest may also have an impact on the liquidity (particularly having regard to escrow arrangements referred to below), as well as acting as a potential deterrent to corporate transactions.</td>
<td>Section 8.2.2</td>
</tr>
<tr>
<td>Replicability, substitutability and changes of business model</td>
<td>Competitors may be able to adopt certain aspects of Access Consulting’s business or succeed in developing alternate products. This may place pricing pressure on Access Consulting’s product offering and may impact Access Consulting’s ability to retain existing clients, as well as Access Consulting’s ability to attract new clients. Significant changes to the wealth management sector or changes to Access Consulting’s position in the industry could result in a need for Access Consulting to revisit its strategy and organisational structure. If such a strategic or operational realignment is needed, it could result in a wide range of potential issues for Access Consulting, which could result in a loss of revenue, confidence or increases in costs.</td>
<td>Section 8.2.3</td>
</tr>
<tr>
<td>Failure to retain existing clients and attract new clients</td>
<td>The growth of Access Consulting depends in part on the number of its clients, especially key clients. There is a risk that one or more clients may terminate their contracts early or that, upon expiration of their existing contracts, they may choose not to renew arrangements with Access Consulting or that the subsequent terms may be less favourable to Access Consulting. There is also a risk of losing key clients to other software providers. Failure to maintain customer relationships or renew agreements could result in Access Consulting’s revenues declining and operating results being materially and adversely affected.</td>
<td>Section 8.2.4</td>
</tr>
<tr>
<td>Risk factors</td>
<td>Summary</td>
<td>Further Information</td>
</tr>
<tr>
<td>--------------</td>
<td>---------</td>
<td>---------------------</td>
</tr>
<tr>
<td><strong>Increased competition</strong></td>
<td>The technology industry is highly competitive, and subject to rapid and significant change. If Access Consulting is significantly slower than its competitors to adapt to technological change, it could lead to a reduction in the use of the APMnet platform. An increase in competitive pressure could result in decreased revenues and profit margins and increased expenses, including salary increases in an effort to retain staff. These factors could result in Access Consulting failing to meet its revenue or profit forecasts. Access Consulting looks to identify quality people for employment and offer competitive remuneration terms and based on performance and tenure there will be an offer made for Performance Options in the ESOP program.</td>
<td>Section 8.2.5</td>
</tr>
<tr>
<td><strong>Technological developments</strong></td>
<td>The ability to improve Access Consulting’s existing products and develop new products is subject to risks inherent in the development process. Access Consulting’s products may be shown to be ineffective, not capable for adaptation to its customer’s business, or unable to compete with superior or cheaper products or services marketed by third parties. There is no assurance that Access Consulting will be successful in maintaining its market share or that it will be able to develop and introduce competitive technological advances in a timely and cost effective way.</td>
<td>Section 8.2.6</td>
</tr>
<tr>
<td><strong>Software, technology and system related risks</strong></td>
<td>Access Consulting and its clients rely on the performance and availability of third-party data centres and software. The ongoing performance of this software is key to the Company’s service delivery to clients and therefore its ability to generate revenue. A cyber attack or failure of either the software or the technology that underpins Access Consulting could result in it being unable to meet contractual and service level obligations, unauthorised system use, data integrity issues or data loss, integration issues with other systems and third parties and increased costs. Access Consulting seeks to mitigate the potential impact of technology failures or interruptions to its availability by having established business continuity and disaster recovery planning in place. However, there remains a risk that a system failure may result in a loss of an existing client and/or the ability to attract new clients.</td>
<td>Section 8.2.7</td>
</tr>
<tr>
<td><strong>Security breach and data privacy</strong></td>
<td>Access Consulting may be adversely affected by malicious third party applications that interfere with, or exploit, security flaws in the Company’s software and infrastructure. If Access Consulting’s efforts to combat these malicious applications are unsuccessful, or if it’s software or infrastructure has actual or perceived vulnerabilities, Access Consulting’s business reputation and brand name may be harmed, which may result in a material adverse effect on Access Consulting’s operations and financial position. Although Access Consulting employs strategies and protections to try to minimise security breaches and to protect data, these strategies and protections might not be entirely successful. In that event, disruption to Access Consulting’s services or clients could adversely impact Access Consulting’s revenue and profitability. The loss of client data could have severe impacts to client service, reputation and the ability for clients to use the products of Access Consulting.</td>
<td>Section 8.2.8</td>
</tr>
<tr>
<td>Risk factors</td>
<td>Summary</td>
<td>Further Information</td>
</tr>
<tr>
<td>-------------</td>
<td>---------</td>
<td>---------------------</td>
</tr>
<tr>
<td>Protection of intellectual property and know-how</td>
<td>Access Consulting is reliant on various intellectual property and know-how to maintain its competitive position in the market, particularly in relation to the application of information technology to process multiple types of transactions in a highly compliant manner. It may be possible for a third party to copy or otherwise obtain and to use Access Consulting’s software and products without authorization or develop similar software independently. A failure to protect this intellectual property and maintain this know-how, and/or third parties claiming the Company is infringing their intellectual property rights could result in an erosion of the quality of Access Consulting’s competitive position, margins and profitability. Access Consulting undertakes a range of legal and physical protection measures for its proprietary technology in relation to its clients, consultants and employees. However, there can be no assurance that any such protective measures taken by Access Consulting have been, or will be, adequate to protect Access Consulting’s proprietary technology.</td>
<td>Section 8.2.9</td>
</tr>
<tr>
<td>Expansion of Access Consulting’s international footprint may not achieve intended goals</td>
<td>Access Consulting has achieved revenue in various jurisdictions including Australia, North America, South East Asia and Europe. However there is no guarantee that Access Consulting will be able to retain or continue to grow its revenues in those jurisdictions. When Access Consulting introduces new product features, or expands into existing or new jurisdictions, there are risks that these initiatives may result in unforeseen costs, failure to achieve expected revenue or to achieve the intended outcomes. Furthermore, Access Consulting’s ability to operate profitably in the future will depend in part on whether it is able to grow its own direct sales force and/or develop an international distribution network. Other factors that may impact on Access Consulting’s operations are its ability to manage its costs, its ability to execute its development and growth strategies, economic conditions in the markets in which it operates, competitive factors and regulatory changes.</td>
<td>Section 8.2.10</td>
</tr>
<tr>
<td>Risk in foreign market</td>
<td>Access Consulting will be opening branches in Canada and other regions within 12 months of listing. Access Consulting may establish, acquire or further expand its business in overseas markets. Businesses that operate across multiple jurisdictions face additional complexities from the unique regulatory requirements and market environment in each jurisdiction, such as risks relating to labour practices, difficulty in enforcing contracts, and changes to or uncertainty in the relevant legal and regulatory regime (including in relation to taxation and foreign investment and practices of government and regulatory authorities). In the event that Access Consulting is unable to manage its offshore operations adequately to accommodate the overseas market environment and be in compliance with the laws and regulations in the foreign jurisdiction, there may be an adverse impact on its revenues and earnings.</td>
<td>Section 8.2.11</td>
</tr>
<tr>
<td>Foreign exchange</td>
<td>Access Consulting operates internationally and in a number of currencies (including CAD, Sterling and the Euro). As Access Consulting reports in AUD, fluctuations in prevailing exchange rates may affect Access Consulting’s profitability and financial position. The mix of currencies in which Access Consulting pays its costs and earns its revenues may change over time. If changes in this mix occur, there may be a greater impact on profitability in AUD terms. Access Consulting’s financial statements are prepared and presented in AUD, and any appreciation in the AUD against other currencies in which Access Consulting transacts may adversely impact its financial performance and position.</td>
<td>Section 8.2.12</td>
</tr>
<tr>
<td>Risk factors</td>
<td>Summary</td>
<td>Further Information</td>
</tr>
<tr>
<td>------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>----------------------</td>
</tr>
</tbody>
</table>
| **Forecast growth not realised**  | Access Consulting has projected growth across all of its major business units. To meet this, Access Consulting needs to successfully retain existing business and capture new business. Access Consulting intends to grow and expand its services within Australia through its existing technology footprint over the next 5 years and consolidate on existing relationships in the United States, Canada, Ireland and the South East Asian Region. The important part of Access Consulting’s strategy is to open new markets and clients to existing businesses in Australia and then overseas.  
  
  However, there is no guarantee that Access Consulting will achieve its projected growth in any of its business units. Further, there is no guarantee that Access Consulting will be able to obtain and/or retain the appropriate licences in order to expand its business. Additionally, if Access Consulting fails to complete the addition of new functionality to its systems and to operate those services at a standard that will retain clients and attract new clients, then there is a risk that the forecast revenue will not be achieved.  
  
  Revenue growth may be impacted if expansion in Funds under Administration is slower than forecast or if commencement services under new clients’ contracts are delayed. These risks are inherent in Access Consulting’s business model.  
  
  Access Consulting is targeting to grow revenue at a greater rate than expenses. There is a risk that expenses cannot be contained to this level and will exceed the forecast.  
  
  To mitigate these risks, Access Consulting has a board and management team that is highly focussed for lead and deal generation with considerable experience in building businesses. |

| **Failure to meet agreed service levels** | Access Consulting has service level agreements in place with its clients with relevant entities. If a company fails to deliver the agreed services in accordance with these requirements, then compensation may need to be paid to the impacted parties.  
  
  Access Consulting has operating procedures and policies in place which are structured to address this risk. In addition, there is in place professional indemnity insurance in the event a claim is made. | Section 8.2.16 |

| **Financial reporting processes** | Access Consulting was a private business with limited financial reporting processes. As part of the preparation for the Listing, work has been undertaken to improve the financial reporting to ensure continuous disclosure and ongoing financial reporting requirements are met. Until Completion of the Offer, the ability of AXS to fully implement the processes it considers appropriate for a listed entity may be limited.  
  
  The Group’s Directors have a framework in place to improve the financial reporting within Access Consulting. If however, the planned improvements are not able to be fully implemented, it may impact of the Group’s ability to report financial information in a timely manner. | Section 8.2.18 |

| **Third party and outsourcing risk** | The operations of Access Consulting require the involvement of a number of third party contractors, including data suppliers, software providers, custodians, contractors and clients.  
  
  Financial failure, management failure, data inaccuracy, default or contractual non-compliance on the part of such third parties may have a material impact on the operations and performance of the Group. It is not possible for the Company to predict or protect the Group against all such risks in the contractors or any other service providers used by Access Consulting in any of its activities. | Section 8.2.20 |
1.5 Key Financial Information

The following table presents a summary of the Group’s financial data which has been derived from the Financial Information set out in Section 6.

This Financial Information has been prepared in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards adopted by the Australian Accounting Standards Board ("AASB") which are consistent with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board, and the accounting policies of the Company.

The summarised financial data should be read together with the management discussion and analysis of the Financial Information in Section 6.

<table>
<thead>
<tr>
<th>Summary Pro-Forma Balance Sheet on Completion of Offer</th>
<th>$ Minimum</th>
<th>$ Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td>3,377,853</td>
<td>3,841,384</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>343,440</td>
<td>343,440</td>
</tr>
<tr>
<td>Total assets</td>
<td>3,721,293</td>
<td>4,184,824</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>1,441,622</td>
<td>1,441,622</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>1,441,622</td>
<td>1,441,622</td>
</tr>
<tr>
<td>Net assets</td>
<td>2,279,670</td>
<td>2,743,201</td>
</tr>
</tbody>
</table>
1.6 Directors and Key Management

The Group has assembled a well-credentialed and balanced Board, and a management team with extensive experience in both the financial services and the information technology and software development industries. The following table provides information regarding the Directors and the management team of the Group.

<table>
<thead>
<tr>
<th>Name and position</th>
<th>Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nick Brookes</td>
<td>Nick has significant experience in successfully managing growth businesses in trusteeship in managed funds and superannuation and high net worth financial services at both Board and at Chief Executive levels. Nick was a founder of CCSL Limited and until recently was the Chairman of Linear Asset Management Limited (“Linear”) which oversees Linear’s Platform and Administration solutions to the Financial Services industry. He is an expert in trusteeship, both as Chief Executive and Independent Board Director, with extensive hands-on practical experience. He founded, and was the Chief Executive, of the Corporate Super Association. Nick holds a Master’s Degree from the Melbourne Business School and a Graduate Diploma in Applied Finance &amp; Investments. He is also a graduate of the Australian Institute of Company Directors and a Fellow of FINSIA.</td>
</tr>
<tr>
<td>David Grey</td>
<td>David has over 30 years management, corporate and financial services experience and worked on various cross border transactions in Germany, the United States, Britain and Singapore and has been directly involved in the development, restructure and merger and/or acquisition of various companies. David was originally employed as a management accountant for nearly 10 years including with AWA Limited and Texas Instruments and later as a solicitor has worked in private practice and for various organisations in financial services including National Benefits Consulting, AM Corporation Limited, Millinium Capital Group, AMP Superannuation Limited, CUSCAL, Perpetual Trustees Australia Limited and Australian Wealth Management Limited (which includes Questor Financial Services Limited, Bridges Financial Services Pty Limited (“Bridges”) and Australian Executor Trustees Limited (“AWM”)). He was the responsible executive on the stock broking floor for Bridges and oversaw all AWM’s platform administration reporting requirements with ASIC and APRA. David was formerly General Counsel and Company Secretary and senior executive for a number of AWM subsidiaries over a number of years and undertook the key role of AWM’s listing on the ASX in 2005. AWM later merged with IOOF Holdings Limited (“IOOF”) in 2008. Mr Grey also sat on compliance, investment and due diligence committees and has been involved in various business transactions and external industry committees and dealings with ASIC, APRA, ASX and Financial Services Council (formerly IFSA). David was previously in charge of the takeover, management and restructure of the ASX listed fund, Millinium’s Alternative Fund (ASX Code: MAX). Mr Grey holds qualifications in accounting, law, a post graduate in law (Dean’s Prize Winner) and is RG 146 compliant. Mr Grey has been part of the strategy and design of many brand name products used by former clients that remain in the market today and has completed various technology program integrations and developments in superannuation and managed funds. David is also a member of the Australian Institute of Company Directors (“MAICD”).</td>
</tr>
<tr>
<td>Ivan Colak</td>
<td>Ivan is a co-founder and director of Access Consulting and an accomplished executive with more than 30 years of domestic and global experience in technology services. He is an expert in developing innovative technology services and strategies that have successfully delivered tailored business solutions to an increasingly demanding marketplace. Prior to setting up Access Consulting, Ivan worked as a senior developer and consultant in some of Australia’s leading banks (including ANZ and NAB) and was CIO of Farrow Corporation. Ivan was also a member of the teams delivering systems used to support the early securitisation programs. Ivan is the chief architect and developer of the ARMnet platform and software system which has seen the company become a leader in financial software solutions for small to medium enterprises in over forty sites in Australia and internationally including Canada, Ireland and the UK. He plays a key role in the continued development of strategic sales and supplier relationships, including client operations and support.</td>
</tr>
<tr>
<td>Name and position</td>
<td>Experience</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Ivan Colak</td>
<td>His accumulated knowledge sees him recognised as one of the world leaders in financial technology and has been instrumental in building a global business across both developed and emerging markets. Ivan holds a Bachelor Degree in Computer Science and Mathematics from Deakin University.</td>
</tr>
<tr>
<td>Alan Beasley</td>
<td>Alan has worked in the Investment Banking and Investment Management industries for over 30 years, with Bankers Trust Australia, Goldman Sachs Asset Management, Massachusetts Financial Advisors and BNP Paribas Asset Management Ltd - the last three positions as Managing Director and Australian Country Head. Alan is a director and former director of several listed and unlisted public and private companies including two public charities, The Rock Eisteddfod Challenge Foundation Ltd and The Abbotsleigh Foundation Limited. He is currently Managing Director of Hudson Investment Group Ltd (ASX:HGL), Founding Chairman of The Hydroponics Company Limited (ASX:THC); and Non-Executive Chairman of Esperance Minerals Limited (ASX:ESM). He is a former Non-Executive Chairman of Admiralty Resources NL (ASX:ADR) and Non Executive Director of Asia Pacific Capital Securities Pty Ltd. Alan has a passion for and experience in assisting to bring innovative and new technology companies to market. Alan graduated with a Bachelor of Economics and completed an Advanced Management Program in International Investment Management, from the Graduate Business School, Stanford University, Palo Alto California, USA. Alan is a Certified Practising Accountant (&quot;CPA&quot;), Fellow of the Governance Institute of Australia (&quot;FGIA&quot;), and Fellow of the Australian Institute of Company Directors (&quot;FAICD&quot;).</td>
</tr>
<tr>
<td>Brendan Dickson</td>
<td>Brendan has over 20 years of experience in financial markets encompassing roles in Direct Equities and Equity Derivatives, Funds Management, and Foreign Exchange. Brendan's career began in foreign exchange from 1995 to 2000 with firms such as Deutsche Bank Sydney, Macquarie Bank Sydney and finished with Deutsche Bank London. Brendan decided to become an investment adviser in 2000 working for firms such as Ord Minnett Limited and Challenger First Pacific, which was the former private client division of Credit Suisse. Brendan holds a Bachelor of Commerce (majoring in accounting and finance) and is an ASX Accredited Derivatives Adviser Level 1 and Level 2 and is RG 146 compliant. Since December 2012 Brendan has been appointed as the responsible manager for all ASX compliance matters for an AFSL holder including dealing and arranging activities in listed investments, derivatives, corporate finance and interests in managed investment schemes. Brendan's front office asset management experience began in 2008 as a portfolio manager and analyst. During his tenure as portfolio manager and member of varied investment committees, Brendan has specialised in providing varied strategies with a focus on producing outperformance on client portfolios. Brendan was a member and later Chairman of the Compliance Committee for the ASX listed fund, Millinium’s Alternative Fund (ASX Code: MAX) for 3 years until mid 2015.</td>
</tr>
<tr>
<td>Henry Kinstlinger</td>
<td>Henry has in the past thirty years been actively involved in the financial and corporate management of numerous public companies and non-governmental organisations across a wide range of sectors. He is a professional company secretary and corporate advisor with broad experience in investor and community relations, corporate and statutory compliance and capital raisings. He is also a Member of the Australian Institute of Company Directors.</td>
</tr>
</tbody>
</table>
## INVESTMENT OVERVIEW

<table>
<thead>
<tr>
<th>Name and position</th>
<th>Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kelvin Poole</td>
<td>Kelvin has over 40 years of executive leadership experience in lending and banking and is a founder and an executive director of Axxess Consulting. Prior to establishing Axxess Consulting, Kelvin held numerous senior management positions within large Victorian lending institutions such as the State Bank of Victoria and the Farrow Corporation including being appointed National Lending Manager. Kelvin’s vast lending experience played a significant role in the initial development of the Affininet software platform and its success in the Australian and International markets. He has a track record of bringing clarity and direction to strategic business decisions, and developing partner alliances that accelerate business expansion. He currently plays a senior role in Axxess Consulting focusing on the day to day business operations including sales and marketing and bid management.</td>
</tr>
<tr>
<td>Laurie Atkinson</td>
<td>Laurie is a senior IT executive with over 30 years of experience working in the financial services and technology sector. Laurie is currently an Executive Director of Axxess Consulting. Prior to joining Axxess Consulting, Laurie worked both in Australia and the UK consulting and lecturing as a network and communications specialist. Since joining Axxess Consulting, Laurie has been responsible for the delivery and management of the Axxess Consulting financial servicing platform in over forty sites in Australia and internationally including Canada, Ireland and the UK. This includes a diverse range of clients delivering services in areas such as mortgage origination and servicing, securitisation, investments and syndicated commercial lending. As head of the IT delivery team, Laurie’s key role is analysing the business requirements and processes of the customer and liaising with the development team to design a technical solution. His role as an executive director of Axxess Consulting has also seen him contribute extensively to the architecture, design and development of the Axxess Consulting system and his unique combination of technical and business experience now sees him recognised as one of Australia’s leading experts on financial servicing technology.</td>
</tr>
<tr>
<td>Andrew Duncan</td>
<td>Andrew is a Chartered Accountant with over 20 years of experience specialising in forensic accounting and transaction services. Andrew holds a Bachelor of Business degree majoring in Accountancy and Finance and holds a Masters’ of Applied Finance and Investment. Andrew was accepted by the Institute of Chartered Accountants as a Business Valuation Specialist. Andrew formerly worked in private practice for HLB Mann Judd Chartered Accountants (in Sydney) and two other speciality forensic transaction specialty firms (in Sydney) for 20 years. Andrew’s specialist skills include business valuation, financial investigations and transaction facilitation, financial modelling, business turn-around management and systems review and implementation. His general experience includes, general accounting and compliance, finance, tax, IT implementation and corporate advice for a broad base of entities. Andrew is familiar with various corporate structures of both private and public companies including associated entities and has been involved in over 100 business valuations and investigative assignments. Andrew has provided expert evidence for court matters in relation to valuation and other associated accounting matters.</td>
</tr>
</tbody>
</table>
1.7 Use of Funds

The Company expects to receive proceeds of $6.5 million at Minimum Subscription and of $7.0 million at Maximum Subscription from the issue of New Shares at the Offer Price of $0.25 per Share. The table below sets out the proposed use of funds based on the Minimum Subscription and Maximum Subscription ("Total Funds").

<table>
<thead>
<tr>
<th>Use of funds</th>
<th>Minimum Subscriptions</th>
<th>Maximum Subscriptions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount ($)</td>
<td>% of Total Funds</td>
</tr>
<tr>
<td>Existing cash reserves (31 July 2018)</td>
<td>119,654</td>
<td>1.7%</td>
</tr>
<tr>
<td>Pre Listing - funds raise</td>
<td>322,000</td>
<td>4.6%</td>
</tr>
<tr>
<td>Funds raised from the Offer</td>
<td>6,500,000</td>
<td>93.6%</td>
</tr>
<tr>
<td>Total</td>
<td>6,941,654</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Allocation of Funds

<table>
<thead>
<tr>
<th>Use of funds</th>
<th>Amount ($)</th>
<th>% of Total Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payment to Vendors under SPAs</td>
<td>3,500,000</td>
<td>50.4%</td>
</tr>
<tr>
<td>Expenses of the Offer (excl paid to date)</td>
<td>1,096,958</td>
<td>15.8%</td>
</tr>
<tr>
<td>Expansion of the Group’s executive, sales and marketing teams</td>
<td>330,000</td>
<td>4.8%</td>
</tr>
<tr>
<td>Settlement accrued costs</td>
<td>492,403</td>
<td>7.1%</td>
</tr>
<tr>
<td>Working capital</td>
<td>1,522,292</td>
<td>21.9%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6,941,654</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

1 Please see section 9.10 for a summary of the costs of the offer

The proposed use of proceeds described above represents the Company’s current intentions based upon the present plans and business conditions. The amounts and timing of the actual expenditures may vary significantly and will depend upon numerous factors, including the timing and success of the Company’s development efforts.

1.8 Capital Structure

1.8.1 Capital structure following the Offer

The following table provides information regarding the top 20 Existing Shareholders (including whose shares are subject to escrow arrangements) and the ownership structure of the Company when the Offer has been completed (percentages are rounded to the nearest 0.01%):

<table>
<thead>
<tr>
<th>Top 20</th>
<th>Holders</th>
<th>Minimum Subscriptions</th>
<th>Maximum Subscriptions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Number of Shares</td>
<td>%</td>
</tr>
<tr>
<td>1</td>
<td>AON 137 837 613 &lt;The Patrice A/C&gt;</td>
<td>3,315,294</td>
<td>3.38%</td>
</tr>
<tr>
<td>2</td>
<td>David Nigel Grey</td>
<td>3,000,000</td>
<td>3.06%</td>
</tr>
<tr>
<td>3</td>
<td>Brendan Ferrier Dickson</td>
<td>2,400,000</td>
<td>2.44%</td>
</tr>
<tr>
<td>4</td>
<td>Mulqueeney Rogers Investments Pty Ltd</td>
<td>2,068,235</td>
<td>2.11%</td>
</tr>
<tr>
<td>5</td>
<td>MMR Corporate Services Pty Ltd</td>
<td>1,200,000</td>
<td>1.22%</td>
</tr>
<tr>
<td>6</td>
<td>Delira Terese McMaster</td>
<td>1,200,000</td>
<td>1.22%</td>
</tr>
<tr>
<td>7</td>
<td>Ruchnius Pty Ltd</td>
<td>1,033,333</td>
<td>1.05%</td>
</tr>
<tr>
<td>8</td>
<td>DGDM Pty Limited &lt;Dgdm Service A/C&gt;</td>
<td>700,000</td>
<td>0.71%</td>
</tr>
<tr>
<td>9</td>
<td>Michtalam Pty Ltd</td>
<td>700,000</td>
<td>0.71%</td>
</tr>
<tr>
<td>10</td>
<td>Harry Hatch</td>
<td>666,667</td>
<td>0.68%</td>
</tr>
<tr>
<td>11</td>
<td>Beirne Trading Pty Ltd</td>
<td>666,666</td>
<td>0.68%</td>
</tr>
<tr>
<td>12</td>
<td>Cunxiang Wang</td>
<td>433,333</td>
<td>0.44%</td>
</tr>
<tr>
<td>13</td>
<td>Donohoe Holdings &lt;Measured A/C&gt;</td>
<td>400,000</td>
<td>0.41%</td>
</tr>
</tbody>
</table>
### Top 20 Holders

<table>
<thead>
<tr>
<th>Rank</th>
<th>Holders</th>
<th>Minimum Subscriptions</th>
<th>Maximum Subscriptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>14</td>
<td>Benannder Pty Ltd &lt;Benannder Family A/C&gt;</td>
<td>367,000</td>
<td>367,000</td>
</tr>
<tr>
<td>15</td>
<td>Sonia Ruth Deane</td>
<td>357,647</td>
<td>357,647</td>
</tr>
<tr>
<td>16</td>
<td>Melissa Charlotte Donohoe</td>
<td>333,333</td>
<td>333,333</td>
</tr>
<tr>
<td>17</td>
<td>Keo Projects Pty Ltd &lt;Keo Projects S/F A/C&gt;</td>
<td>333,333</td>
<td>333,333</td>
</tr>
<tr>
<td>18</td>
<td>Sassey Pty Ltd</td>
<td>333,333</td>
<td>333,333</td>
</tr>
<tr>
<td>19</td>
<td>Liang Tie</td>
<td>333,333</td>
<td>333,333</td>
</tr>
<tr>
<td>20</td>
<td>Benjamin George Wentworth Bucknell</td>
<td>283,327</td>
<td>283,327</td>
</tr>
<tr>
<td></td>
<td>Other Existing Shareholders</td>
<td>8,072,812</td>
<td>8,072,812</td>
</tr>
<tr>
<td></td>
<td>Shares on issue at date of Prospectus</td>
<td>28,197,647</td>
<td>28,197,647</td>
</tr>
<tr>
<td></td>
<td>Shares offered under this Prospectus</td>
<td>28,197,647</td>
<td>28,197,647</td>
</tr>
<tr>
<td></td>
<td>Shares issued to the Vendors under the SPAs</td>
<td>44,000,000</td>
<td>44,000,000</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>98,197,647</td>
<td>98,197,647</td>
</tr>
</tbody>
</table>

1. These Shares will be issued to Vendors summarised in the Material Contracts section described in Section 9.4.1. All these Shares will be subject to a 24 month escrow arrangement. See Section 9.6 for further details of these escrow arrangements.

2. 03,264,315 Shares held by the Shareholders upon completion of the Offer and SPAs will be subject to an escrow arrangement. See Section 9.6 for further details of these escrow arrangements. Rights attaching to the Shares are outlined in the Company’s constitution and summarised in Section 9.2.

#### 1.8.2 Top 20 Option Holders

The following table provides information regarding the top 20 Option holders of the Company as at the date of this Prospectus (percentages are rounded to the nearest 0.01%). The Options are exercisable at $0.25 per option expiring 31 December 2019. For a full description of the rights attached to the Options please refer to Section 9.3.

<table>
<thead>
<tr>
<th>Rank</th>
<th>Holders</th>
<th>Number of Options</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Ruchnius Pty Ltd</td>
<td>486,667</td>
<td>13.99%</td>
</tr>
<tr>
<td>2</td>
<td>Mishtalern Pty Ltd</td>
<td>380,000</td>
<td>10.92%</td>
</tr>
<tr>
<td>3</td>
<td>ACN 137 837 613 &lt;The Patrice A/C&gt;</td>
<td>378,667</td>
<td>10.89%</td>
</tr>
<tr>
<td>4</td>
<td>Muliqueeney Rogers Investments Pty Ltd</td>
<td>266,667</td>
<td>7.67%</td>
</tr>
<tr>
<td>5</td>
<td>Baimo Trading Pty Ltd</td>
<td>133,333</td>
<td>3.83%</td>
</tr>
<tr>
<td>6</td>
<td>Harry Hatch</td>
<td>133,333</td>
<td>3.83%</td>
</tr>
<tr>
<td>7</td>
<td>Donohoe Holdings &lt;Measured A/C&gt;</td>
<td>80,000</td>
<td>2.30%</td>
</tr>
<tr>
<td>8</td>
<td>Andrew Duncan</td>
<td>80,000</td>
<td>2.30%</td>
</tr>
<tr>
<td>9</td>
<td>Melissa Charlotte Donohoe</td>
<td>66,666</td>
<td>1.92%</td>
</tr>
<tr>
<td>10</td>
<td>Keo Projects Pty Ltd &lt;Keo Projects S/F A/C&gt;</td>
<td>66,666</td>
<td>1.92%</td>
</tr>
<tr>
<td>11</td>
<td>Sassey Pty Ltd</td>
<td>66,666</td>
<td>1.92%</td>
</tr>
<tr>
<td>12</td>
<td>Benjamin George Wentworth Bucknell</td>
<td>56,665</td>
<td>1.63%</td>
</tr>
<tr>
<td>13</td>
<td>Sonia Ruth Deane</td>
<td>53,333</td>
<td>1.53%</td>
</tr>
<tr>
<td>14</td>
<td>Moshe Tuvya Amzalak</td>
<td>50,000</td>
<td>1.44%</td>
</tr>
<tr>
<td>15</td>
<td>Rachel Amzalak</td>
<td>50,000</td>
<td>1.44%</td>
</tr>
<tr>
<td>16</td>
<td>Defender Equities Pty Ltd &lt;Aust Opportunities Fund A/C&gt;</td>
<td>50,000</td>
<td>1.44%</td>
</tr>
<tr>
<td>17</td>
<td>Sreenidhi Didugu</td>
<td>50,000</td>
<td>1.44%</td>
</tr>
<tr>
<td>18</td>
<td>Nicholas Hughes Jones</td>
<td>50,000</td>
<td>1.44%</td>
</tr>
<tr>
<td>19</td>
<td>Michael Lovey</td>
<td>50,000</td>
<td>1.44%</td>
</tr>
<tr>
<td>20</td>
<td>Mr Scott Geoffrey Plowman</td>
<td>46,666</td>
<td>1.34%</td>
</tr>
<tr>
<td></td>
<td>Other remaining Option holders</td>
<td>883,332</td>
<td>25.39%</td>
</tr>
<tr>
<td></td>
<td>Options on issue at date of Prospectus</td>
<td>3,478,851</td>
<td>100.00%</td>
</tr>
</tbody>
</table>
### 1.9 Answers to Key Questions

<table>
<thead>
<tr>
<th>Topic</th>
<th>Summary</th>
<th>Further Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Who is the issuer of this Prospectus?</td>
<td>AXS Group Limited, a company incorporated in Victoria, Australia.</td>
<td>Section 1.1</td>
</tr>
<tr>
<td>What is being offered?</td>
<td>Pursuant to the Offer, the Company invites Applications for 26 million New Shares with the right to accept oversubscriptions up to 2 million additional New Shares at an Offer Price of $0.25 each to raise up to $7.0 million.</td>
<td>Section 2.1</td>
</tr>
<tr>
<td>What is the Offer Price?</td>
<td>The Offer Price is $0.25 per Share.</td>
<td>Section 2.1</td>
</tr>
<tr>
<td>What is the minimum investment amount?</td>
<td>The minimum investment amount is $2,000 (8,000 shares at the Offer Price of $0.25).</td>
<td>Section 2.1</td>
</tr>
<tr>
<td>Is the Offer underwritten?</td>
<td>The Offer is not underwritten.</td>
<td></td>
</tr>
<tr>
<td>What are the key dates of the Offer?</td>
<td>The Offer closes on 9 November 2018 unless extended. The Shares are expected to be allotted on 14 November 2018. The Holding Statements are expected to be dispatched on 21 November 2018. The Shares are expected to commence trading on ASX on 26 November 2018.</td>
<td>Section 1.1</td>
</tr>
<tr>
<td>What is the amount to be raised under the Offer?</td>
<td>The Company is offering 26 million New Shares to raise $6.5 million with the ability to accept oversubscriptions of up to 2 million New Shares to raise up to $7.0 million before the costs of the Offer.</td>
<td>Section 1.1</td>
</tr>
<tr>
<td>What is the Maximum Subscription available under the Offer?</td>
<td>The Company is offering a Maximum Subscription of up to 28 million New Shares to raise up to $7.0 million.</td>
<td>Section 1.1</td>
</tr>
<tr>
<td>What is the Minimum Subscription available under the Offer?</td>
<td>The Company is offering a Minimum Subscription of 26 million New Shares to raise $6.5 million. If the Minimum Subscription amount is not raised, then the Company will not proceed with the Offer and will repay Application Monies received (without interest).</td>
<td>Section 1.1</td>
</tr>
<tr>
<td>What will the market capitalisation of the Company be upon Listing on ASX?</td>
<td>Based on the Offer Price of $0.25 per Share, the market capitalisation is expected to be $24,549,412 if the Minimum Subscription of 26 million Shares is reached, and $25,049,412 if the Maximum Subscription of 28 million Shares is reached.</td>
<td>Section 1.1</td>
</tr>
<tr>
<td>What escrow arrangements are in place at Completion?</td>
<td>As a condition of listing pursuant to the Listing Rules, the ASX will classify certain securities as Restricted Securities. Holders of Restricted Securities will be required to enter into restriction agreements, which will be in a form consistent with the ASX Listing Rules and will restrict the applicable holder of the Restricted Securities from disposing, creating any security interest over, or transferring effective ownership or control of, the restricted securities, subject to customary exclusions in respect of control transactions involving the Company. The Company anticipates that 63,264,315 Shares held by 53 Shareholders (representing 64.43% of the total Shares on issue under the Minimum Subscription and 63.14% of the total Shares on issue under the Maximum Subscription) upon Completion of the Offer and the SPAs will be subject to up to 24 month escrow arrangements from Official Quotation of the Company’s Shares on ASX. In addition, 2,085,307 Options held by 21 Option holders and 7,700,000 Performance Options held by 5 Performance Option holders will be subject to 24 month escrow arrangements from Official Quotation of the Company’s Shares on ASX.</td>
<td>Section 9.6</td>
</tr>
<tr>
<td>Has an ASIC relief or ASX waiver been obtained or been relied on?</td>
<td>AXS has obtained relief from ASIC so that AXS does not have a relevant interest in the Shares which are subject to the voluntary escrow arrangements described in Section 9.6.</td>
<td>Section 9.6.4</td>
</tr>
<tr>
<td>Topic</td>
<td>Summary</td>
<td>Further Information</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>---------------------</td>
</tr>
<tr>
<td>What are the significant tax implications of investing in the Company?</td>
<td>The tax consequences of any investment in the Shares will depend upon an investor’s particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to invest.</td>
<td>Section 9.14</td>
</tr>
<tr>
<td>What are the costs of the Offer payable by the Company?</td>
<td>The Company’s costs of the Offer are estimated to total approximately $1,443,806 based on the Maximum Subscription amount.</td>
<td>Section 9.10</td>
</tr>
<tr>
<td>How do I apply for Shares?</td>
<td>You can apply for Shares by submitting a valid Application Form contained within or accompanying this Prospectus (including the electronic version of the Prospectus) in accordance with the instructions contained within.</td>
<td>Section 2.2</td>
</tr>
<tr>
<td>What is the allocation policy?</td>
<td>The Company will determine the basis for the allocation of New Shares.</td>
<td>Section 2.3</td>
</tr>
<tr>
<td>When will I receive confirmation that my Application has been successful?</td>
<td>Holding Statements confirming Applicants’ allocations under the Offer are expected to be dispatched to Shareholders on 21 November 2018.</td>
<td>Section 1.1</td>
</tr>
</tbody>
</table>
| Why is the admission of the Company to the Official List of ASX being sought? | The purpose of the Offer is to:  
  » complete the acquisition of AXXS Consulting and engage sales personnel in the United Kingdom, Canada and United States;  
  » raise funds to allow the Company to expand its geographic client base for future revenue opportunities;  
  » provide working capital upon Listing on the ASX and provide a liquid market for its Shares;  
  » obtain access to capital markets, which it expects will give it added financial flexibility and capacity to pursue its growth and acquisition strategy;  
  » provide the broader business with the benefits of an increased profile, transparency and credibility of being a listed entity;  
  » pay for the transaction costs associated with the Listing on ASX; and  
  » assist the Company in attracting and retaining quality staff.  
Following Completion of the Offer, the Directors believe the Company will have sufficient working capital to carry out its stated objectives. Specific allocations for these funds can be found in Section 1.7. Although the proceeds of the Offer are primarily to be used as summarised above, the actual allocation of funds may change depending on changes to working capital requirements. |
1.10 Questions or Further Information

If you have queries in relation to this Prospectus, including how to complete the Application Form or how to obtain additional copies, then you can:

» contact the Offer Information Line on 1300 850 505 (for Australian investors) or +61 3 9415 4000 (for international investors) open from 8.30am until 5.00pm (AEST) Monday to Friday until Completion of the Offer; or

» visit www.axsgroup.com.au to download and print an electronic copy of the Prospectus. You may only download an electronic copy of the Prospectus if you are a resident of Australia and access the website from within Australia.

If you are unclear in relation to any matter or are uncertain as to whether Shares in the Company is a suitable investment for you, then you should seek professional advice from your stockbroker, accountant, financial adviser, lawyer or other professional adviser.
details of the offer
2.1 The Offer
The Company is seeking to raise $6.5 million with an oversubscription amount of $0.5 million through the issue of up to 28 million New Shares under the Offer. The Offer is a general public offer. The minimum investment amount is $2,000 (8,000 shares at the Offer Price of $0.25). The allocation of New Shares between the Applicants is determined by the Company at its absolute discretion.

The Offer is not underwritten.

A Minimum Subscription amount of $6.5 million, representing 26 million Shares at the Offer Price of $0.25 per Share, is required under the Offer. The Offer will not proceed, and all Applications and associated Application Monies will be returned to Applicants (without interest), unless the Minimum Subscription amount of $6.5 million is raised under the Offer. The Company reserves the right not to proceed with the Offer or any part of it at any time before allotment of New Shares to Applicants under the Offer.

New Shares will be issued as fully paid Shares and when issued will rank equally with the existing Shares on issue.

2.2 How to apply for Shares under the Offer
2.2.1 Completing the Application Form
Except as set out below, to participate in the Offer, you must complete the Application Form attached to, or accompanying this Prospectus. The Application Form contains detailed instructions on how to complete the form.

2.2.2 Payment and submitting the Application Form
Payment by BPAY®
You may apply for Shares online and pay your Application Monies by BPAY®. Applicants wishing to pay by BPAY® should complete the online Application Form accompanying the electronic version of this Prospectus which is available at www.axsgroup.com.au and follow the instructions on the online Application Form (which includes the Biller Code and your unique Customer Reference Number (“CRN”)).

You should be aware that you will only be able to make a payment via BPAY® if you are the holder of an account with an Australian financial institution which supports BPAY® transactions.

When completing your BPAY® payment, please make sure you use the specific Biller Code and your unique CRN provided on the online Application Form. If you do not use the correct CRN your Application will not be recognised as valid. It is your responsibility to ensure that payments are received by 5.00pm (Sydney time) on the Closing Date. Your bank, credit union or building society may impose a limit on the amount which you can transact on BPAY®, and policies with respect to processing BPAY® transactions may vary between banks, credit unions or building societies. The Company accepts no responsibility for any failure to receive Application Monies or payments by BPAY® before the Closing Date arising as a result of, among other things, processing of payments by financial institutions.

If paying by cheque(s) or bank draft(s):
Once your Application Form is completed, please send your Application Form and cheque or bank draft for the Application Monies to the Registry at the address set out below:

Mailing Address
AXS Group Limited Offer
C/- Computershare Investor Services Pty Limited
GPO Box 52
Melbourne VIC 3001
Australia
Cheque(s) or bank draft(s) must be:
» in Australian currency;
» drawn at an Australian branch of a financial institution;
» crossed "Not Negotiable"; and
» made payable to "AXS Group Limited – Offer A/C".

If paying by cheque(s), Applicants should ensure that sufficient funds are held in the relevant account(s) to cover your cheque(s). If the amount of your cheque(s) for Application Monies (or the amount for which those cheques clear in time for the allocation) is insufficient to pay for the amount you have applied for in your Application Form, you may be taken to have applied for such lower amount as your cleared Application Monies will pay for (and to have specified that amount in your Application Form) or your Application may be rejected.
2.2.3 Acceptance of Applications
Regardless of the method of lodgment, the Registry must receive the relevant Application by no later than the close of the Offer (unless the Company varies the dates and times).

A completed Application Form constitutes an irrevocable offer to the Company to subscribe for New Shares on the terms and conditions set out in this Prospectus (including any supplementary or replacement prospectus), and as set out in the Application Form.

The Company reserves the right to:
- reject any Application, including Applications that have not been correctly completed or are accompanied by payments that are dishonoured;
- accept late Applications received after the close of the Offer;
- allocate to any Applicant a lesser number of Shares than that for which any Applicant applied; and
- waive or correct any errors made by an Applicant in their Application.

2.2.4 Withdrawal or early close of the Offer
The Company reserves the right to withdraw the Offer at any time before the issue of New Shares to Successful Applicants. If the Offer is withdrawn, then Application Monies will be refunded. No interest will be paid on any Application Monies refunded as a result of the withdrawal of the Offer or otherwise. The Company will retain any interest, which accrues on Application Monies.

The Company reserves the right to close the Offer early.

2.2.5 Brokerage, commission and stamp duty
You do not have to pay brokerage, commission or stamp duty if you acquire New Shares under the Offer. Fees are payable, in relation to the Offer, to advisers and other referral parties to the Offer. Details are set out in "Interests of advisers" in Section 5.5. These fees will be paid out of the proceeds of the Offer.

2.3 Allocation of Shares
The acceptance of Applications and the allocation of Shares are at the discretion of the Company. In consideration for the Directors agreeing to consider an Applicant’s Application, the Applicant agrees its Application is an irrevocable offer, which cannot be withdrawn. The Company reserves the right to reject any Application and to allot to an Applicant a lesser number of Shares than the number for which the Applicant applies. No Applicant under the Offer has any assurance of being allocated all or any Shares applied for.

2.4 Application Monies
All Application Monies will be held in a special purpose trust account until Shares are issued to Successful Applicants.

Application Monies will be refunded (in full or in part) if:
- an Application is rejected;
- an Application is subject to scale-back to a minimum allotment depending upon applications received;
- the Offer is withdrawn or cancelled;
- the Minimum Subscription is not met; or
- permission for Official Quotation of the Shares is not granted within three (3) months after the date of this Prospectus or such longer time as permitted by the Corporations Act.

No interest will be paid on any Application Monies that are refunded. After the Listing, or if Listing does not occur, the Company will retain any interest earned on Application Monies. Refund cheques will be sent after the close of the Offer or as otherwise applicable under the circumstances outlined above.

2.5 ASX Listing
The Company will, within seven days after the date of this Prospectus, apply for admission to the Official List of the ASX and for Official Quotation on the ASX of the Shares offered under this Prospectus. Trading of Shares on the ASX is expected to commence on 28 November 2018.

The Company will apply to participate in the Clearing House Electronic Sub-register System ("CHESS"), operated by ASX Settlement Pty Ltd (a wholly owned subsidiary of the ASX), in accordance with the Listing Rules and ASX Settlement Operating Rules. On admission to CHESS, the Company will operate an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together will make up the principal register of securities. Under CHESS, the Company will not issue share certificates to Successful Applicants following
allotment, the Company will provide each Shareholder whose address is in Australia with a Holding Statement (similar to a bank account statement) which sets out the number of Shares allotted to the Shareholder under this Prospectus. If applicable, the Holding Statement will also advise Shareholders of their Holder Identification Number or Sponsoring Issuer Number. If a shareholding changes during a month, the Shareholder will receive a statement at the end of that month. Shareholders may also request statements at any other time (although the Company may charge an administration fee). It is the responsibility of Applicants to determine their allocation prior to the trading of the Shares. Applicants who sell Shares before they receive notice of their allocation do so at their own risk.

It is expected that the initial Holding Statements will be despatched by standard post on 21 November 2018 and that trading of Shares on a normal settlement basis will commence on 28 November 2018. If you apply, then it is your responsibility to determine your allocation before you trade in Shares. If you trade in Shares before you receive your initial Holding Statement, then you do so at your own risk.

The fact that the ASX may agree to grant Official Quotation to any Shares is not to be taken in any way as an indication of the merits of the Company or the Shares offered. The ASX takes no responsibility for the contents of this Prospectus.

If permission for quotation of the Shares is not granted within 3 months after the date of this Prospectus, Application Monies will be refunded without interest as soon as practicable.

2.6 Tax implications of investing in the Company
The tax consequences of any investment in the Shares will depend upon an investor’s particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to invest. A general summary of the tax implications of investing in the Company is contained in Section 9.14.

2.7 Foreign investors
This Prospectus and the Offer do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of Shares, in any jurisdiction outside Australia.

2.7.1 United States residents
This document may not be released or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.
3
industry overview
INDUSTRY OVERVIEW

INDEPENDENT MARKET REPORT

The Directors
AXS Group Limited
Level 11
52 Phillip Street
SYDNEY NSW 2000
20 August 2018

Dear Directors

The Fintech and Financial Services Software Market Report

This Independent Market Report (report) describes the market for fintechs and financial services software, with a focus on the wealth management industry. This report has been commissioned from Frost & Sullivan by AXS Group Limited (AXS Group, AXS or the Company) for inclusion in a prospectus to be lodged with the Australian Securities Exchange Limited (ASX) on or about 18 September 2018.

All currency quoted in this report refers to Australian dollars (A$) unless specified otherwise.

1. Introduction and Background

The term “fintech” describes a business that uses software and modern technology to provide financial services to consumers and/or organisations. These services may be offered in collaboration with, or in competition to, traditional providers of financial services, such as retail banks or insurance companies.

Fintechs exploit a range of new and emerging technologies, such as cloud computing, blockchain and big data analytics, to offer new and innovative services. AXS Group may be defined as a fintech, as it utilises software-based technology to enable its clients in the financial services sector to increase their agility, improve customer experience, innovate business processes and leverage increasing amounts of data.

AXS Group focuses on the wealth management industry, an industry in which Australia is one of the leading participants globally, with one of the largest wealth management markets in the world, and with a broad range of globally-competitive wealth management organisations.

Fintechs can be broadly categorised as competitive or collaborative. Competitive fintechs compete directly with traditional financial services companies, whilst collaborative fintechs offer services that enhance the position of existing market participants1. As it works with clients in the wealth management sector to support them in improving business processes and enhancing their customers’ experience, AXS Group can be viewed as a collaborative fintech. Collaborative fintechs are becoming the main focus of investor interest. 2

This report covers the market opportunity addressed by AXS Group, including the opportunity in the wealth management sector, and the main industry trends and developments that are driving the market opportunity for the Company.

2. Market Definition and AXS Positioning

The AXS Group provides an integrated cloud-based software platform solution that operates an end-to-end process architecture assisting clients to integrate discrete back-office systems, and provides the ability for clients to offer a single, integrated view on their customers’ asset holdings, as well as supporting clients to automate back office processes for any financial asset. AXS also utilises within its software robotic process automation (RPA), the automation of complex processes that replaces human functions to transform back office processes. Many businesses are realising that implementation of RPA is the next significant digital transformation that will enable employees to stop working on repetitive tasks. 3

RPA allows employees to concentrate on more value-adding initiatives, which can be imperative for the bottom line of a company. AXS Group’s software facilitates time savings and cost reductions for its clients, and improves the governance of risk controls. The use of RPA can also increase revenue for a client through quicker validation of data and processes. AXS’s software platform further offers the ability to customise some features, and deliver specialist analytics, reporting and communications to any smart device and automated file and archiving systems.

1 Accenture, Fintech and the evolving landscape: landing points for the industry (2016).
2 Accenture, Fintech and the evolving landscape: landing points for the industry (2016).
INDUSTRY OVERVIEW

The AXS Group currently focuses on providing its software platform solution to the wealth management sector in Australia, including business processing centres, mortgage providers, trustees, asset managers, investment managers, family offices, private investor groups, public offer funds, and self-managed superannuation funds (SMSFs). However, we understand that the Company is also pursuing opportunities outside Australia, and has clients in Europe, North America and Asia.

Financial services functions can be logically split into three parts: the front office that interfaces directly with clients, and includes sales, marketing and customer service personnel; the middle office, that manages risk; and the back office that provides administrative and support services. Back office functions in wealth management can include setting up and administering customer accounts, allocating payments and generating statements, valuations and regulatory reports. Back office processes have traditionally been labour intensive and often expensive and inefficient, and offer significant scope for cost-reduction and efficiency improvement through technology-driven automation. AXS focuses on the integration and automation of back office systems.

AXS can be viewed as a provider of disruptive technology in the financial services sector, in which large global companies, such as Fiserv and FIS Global, have traditionally dominated. Globally, the financial services industry spends about US$25 billion (A$30.8 billion) annually on software, and almost $300 billion in total on IT, including internal IT costs, software, systems integration, professional services and outsourcing.1 This market opportunity, however, is being targeted by a new wave of businesses using innovative technology to disrupt the financial services industry (“fintechs”).

By focusing on Australia’s wealth management industry, AXS is also addressing a large and significant market opportunity, as Australia, mainly driven by its superannuation system, is one of the world’s largest wealth management markets, with pension and superannuation assets under management estimated as the fourth largest in the world,3 and growing well ahead of the global average. Technology requirements for wealth management companies are evolving, including an enhanced need for digital and mobile technology, tools that allow real-time reporting of client’s asset holdings and wealth across devices, and growing use of the cloud and “as-a-service” delivery models.

3. Australia’s Wealth Management Industry

Industry Overview

The wealth management industry (also known as funds or asset management) involves businesses that provide investment services and financial advice, with the objective of supporting clients to grow their individual wealth. The industry includes a range of organisational types, including fund and asset managers, trustees, SMSFs and financial advisers.

The wealth management industry provides a range of products, including investment products (unit trusts, savings accounts, etc.); superannuation and pension products (superannuation plans, etc.); and life insurance products (death insurance, trauma insurance, annuities, etc.).

As of June 2016, there were approximately 8,200 active businesses in Australia involved in financial asset investing, and approximately 4,000 superannuation funds (excluding SMSFs).3 Additionally, there are almost 600,000 SMSFs, 1,500 charitable trusts that manage investments and over 25,000 active financial advisers.4

Table 1: Wealth Management Industry Snapshot, Australia

<table>
<thead>
<tr>
<th>Financial Asset Investing Businesses</th>
<th>Superannuation Funds</th>
<th>Charitable Trusts</th>
<th>SMSFs</th>
<th>Financial Advisers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>8,233</td>
<td>3,935</td>
<td>1,500</td>
<td>583,924</td>
</tr>
</tbody>
</table>


Australia is one of the world’s largest wealth management markets, estimated at the sixth largest market globally for investment funds and the fourth largest for pension funds under management.3 This is mainly a result of Australia’s superannuation system, which has created one of the largest pools of pension assets under management in the world.

Current superannuation assets in Australia are approximately A$2,100 billion, and are expected to double to A$4 trillion in the next 10 years and reach A$9.5 trillion by 2035.5 The superannuation industry includes Retail, Corporate, Public Sector and Industry funds, as well as SMSFs. Retail funds are the largest superannuation provider with A$558.6 billion of assets under management, and 139 different fund providers across 13.8 million accounts. 6

1 FIS, 2016 Investor Conference.
3 ABS 8165.0 - Counts of Australian Businesses, including Entries and Exits, Jun 2012 to Jun 2016. Only includes businesses with at least 1 employee.
7 Ibid.
Figure 1: Pension Assets by Country (end-2017)


Over the past decade, total funds under management in Australia have increased at a CAGR of 6.7% to reach A$3,413 billion by March 2018 (see Figure 2).

Figure 2: Total Funds under Management, Australia, 2008 to 2018

Source: ABS, 5655.0 - Managed Funds, Australia, Mar 2018. Data is at end-March each year.

The size of the Australian wealth management sector has stimulated the emergence and growth of Australian wealth management companies to strong global positions. There are 19 Australian asset management companies ranked amongst the global top 500,1 with the top 10 Australian companies cumulatively managing assets of almost US$900 billion (A$1,215 billion) (see Table 2).

---

INDUSTRY OVERVIEW

Table 2: Top Ten Asset Managers

<table>
<thead>
<tr>
<th>Asset Manager</th>
<th>Funds under Management (US$ billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Macquarie Group</td>
<td>355</td>
</tr>
<tr>
<td>Colonial First State</td>
<td>142</td>
</tr>
<tr>
<td>AMP Capital</td>
<td>116</td>
</tr>
<tr>
<td>NAB Asset Management</td>
<td>97</td>
</tr>
<tr>
<td>QIC</td>
<td>57</td>
</tr>
<tr>
<td>BT Asset Management</td>
<td>55</td>
</tr>
<tr>
<td>IFM Investors</td>
<td>49</td>
</tr>
<tr>
<td>Challenger</td>
<td>42</td>
</tr>
<tr>
<td>Westpac Banking</td>
<td>34</td>
</tr>
<tr>
<td>Magellan Asset Management</td>
<td>29</td>
</tr>
</tbody>
</table>


Trends and Issues in Wealth Management

A number of trends and issues are impacting on wealth management companies, as described below.

Increased pressure on margins driving need for efficiencies: Wealth management companies are facing increasing pressure on margins, as fees charged for asset management services become more transparent. With Australian consumers having a choice of superannuation fund, management fees are an important aspect of the choice. Retail fund providers in Australia face significant competition from Industry superannuation funds, which are run on a not-for-profit basis and which base their marketing efforts on the lower fees they charge than retail funds.

These cost pressures are stimulating wealth management companies to look for process efficiencies, including through increased automation of back-office processes which typically have been labour-intensive. This reflects the transaction-based requirement of fund members across a range of business processes, that include various customer interface channels (web chat, call centres, mail rooms, etc.), sales & marketing, and back-office processes (new member processing, benefit payments, contribution allocation and recording, compliance and audit reporting). Enhanced use of automation and technologies, such as big data analytics, are increasingly being deployed to support wealth management companies in gaining process efficiencies.

Enhanced customer expectations: Customers of wealth management companies have increasing expectations on accessibility of information and ability to transact in real time and through multiple channels. Whilst half-yearly or annual posted statements and posted transaction instructions may have been acceptable to customers in the past, consumers are increasingly demanding the ability to access, administer, monitor and transact on their account through channels such as the internet or smartphones. This requirement for “self-direction” by consumers is requiring wealth management companies to invest in software platforms that offer an integrated view of accounts to customers, and the ability for customers to self-direct. This technology also offers the ability for wealth management companies to reduce internal administrative costs as customers increasingly use self-direction. There will be a challenge for many wealth management providers to develop software platforms that are integrated in architecture and applications so clients do not indirectly bear the cost of multiple IT systems.

Evolving regulatory environment: The regulatory environment for wealth management is constantly evolving, which can increase the operating complexity for industry participants. This evolution in the regulatory environment typically requires enhanced reporting complexity and disclosure requirements for companies. Laws and regulations governing the wealth management industry in Australia include the Superannuation Industry Supervision Act and the Future of Financial Advice (FOFA) regulations. The regulatory environment is driving wealth management companies to enhance technology and business processes to ensure timely and accurate reporting and regulatory compliance.

Ongoing need for product innovation: With customers taking an increasingly sophisticated approach to management of their own wealth, and with increased competition in the wealth management sector, the ability to quickly and effectively launch new products is important for wealth management companies. The ability to launch new products requires effective and efficient back-office processes, including the workflow involved in selling, entering customer details, and linking to existing accounts. Being able to automate these processes is critically important for companies in effectively launching new products, given that speed to market and ongoing product communications with a client are vital.

Need for a single customer view: The requirement to have a single view of a customer (i.e. the ability to see an integrated view of all interactions and products that a customer has) is becoming a requirement for wealth management companies, and this can be challenging in an environment when customers can have multiple products with a single provider (e.g. multiple superannuation accounts). With companies often using different systems for different products, this is increasingly driving the need for platforms that integrate and draw data from multiple
product systems, enabling the single customer view to be operationalised.

From a customer perspective, product systems also need to be able to interface with the platforms that are used by financial advisers, and sometimes customers directly, to provide an integrated view of a customer's wealth across multiple wealth management companies. Finally, in interacting with the customer, the wealth management representative needs to access holistic data about the customer's relationship with the organisation.

These trends and issues in the wealth management sector are driving a greater focus on the use of software and technology, which can assist industry participants in addressing issues such as increasing efficiencies and meeting enhanced customer expectations. The increased use of software in the wealth management sector is described in more detail below.

4. Financial Services Software Market

Overview

Software is a critical aspect of operations of wealth management companies, and is an area where technology provides a potential source of competitive advantage. Wealth management companies offer a variety of products, each of which requires a combination of back office staff and complex computer systems to set up and maintain. Many wealth management providers operate with multiple IT systems to provide a platform solution. These systems, staff and processes are referred to as "product engines", and have often been developed internally by the wealth management companies to suit the individual needs of the product. These systems are known as legacy systems, and generally lack the flexibility required for efficient business operations. Some existing systems also operate between spreadsheets and a number of software and manual inputs to provide an end-to-end solution, however, with the increased use of cloud based platform solutions developed by companies like AXS, some of these existing systems will become obsolete over time and prohibitive in cost to operate, as well as being inefficient for clients, given their cost, lack of flexibility or scalability.

Product engines are linked to customer databases, which are also often discrete for each product, and to customer interaction channels (such as contact centres). Often, these product systems are discrete and not integrated, given that companies in the past have sought to use multiple linear systems that in many cases do not communicate between themselves. This makes it difficult for a company to achieve a single view of the customer, identify cross-sell opportunities, etc., as well as making it difficult to achieve process efficiencies, without an overlaying integration between the discrete systems.

Therefore, for many traditional financial institutions, a change in this linear approach will require a fundamental shift in identity and purpose. The new norm will involve turning away from a linear product push approach to a customer-centric model to enable their clients to satisfy their needs and interact through multiple channels.1

An overview of this legacy architecture is shown below.

Figure 3: Wealth Management Legacy Systems Architecture

![Wealth Management Legacy Systems Architecture](image)

Source: Frost & Sullivan

---

1 PwC, Stressed line: how FinTech is shaping financial services, 2016.
With the requirement to provide an integrated and seamless customer experience, as well as for regulatory and compliance reporting, there is an increasing need for an overlaying platform that integrates the back-office systems within wealth management companies, such as the platform offered by AXS Group. The architecture of AXS allows for multiple asset classes to operate on the platform for various clients. This platform’s integrated model further offers flexibility, scalability and speed to market for new products.

Figure 4: AXS Platform Architecture

<table>
<thead>
<tr>
<th>Mortgage Products</th>
<th>Insurance Products</th>
<th>Securities Products</th>
<th>Managed Fund Product</th>
<th>Collections and Receivables</th>
<th>Other Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Rules and Automated Work Engines</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CRM and Sales Communications</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Analytics and Customised Product Features</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: AXS Group

Technology Trends
In addition to the increasing need for back office system integration, other factors are impacting on the use of software within the wealth management sector, as summarised below.

Need for scalable technology: Most businesses in the wealth management sector are experiencing growth, in customer numbers and accounts, as well as in the range of products that they offer. This drives a need for solutions that can manage a larger number of customers and transactions, and support the delivery of more products to customers. Software solutions used in the wealth management sector therefore need to be easily scalable.

Outsourcing of technology: Traditionally, many wealth management companies, and financial services companies more generally, have developed and maintained their own back office systems, including developing and maintaining proprietary software. In the current environment, this approach is becoming much less common and companies are increasingly looking to external vendors to supply “off the shelf” technology solutions which require no or minimal customisation. The maintenance costs of in-house developed software are increasingly high, although many organisations are still using in-house, legacy systems. The use of externally-sourced software has a number of advantages, including:

- Reduced costs: as external software is typically used by multiple customers, hence the costs of development and ongoing maintenance are shared across a wider customer base. Conversely, all the costs of in-house software development and maintenance need to be born in-house.
- Regulatory compliance: as software used by wealth management companies needs to be compliant with the latest regulatory situation, vendors focused on the wealth management sector ensure that their software is compliant with the latest regulatory environment, and can apply and changes needed to all clients simultaneously. Conversely, in-house software needs to be modified on a one-off basis to meet any changes in the regulatory environment.

Migration to the cloud: Increasingly, software used in the wealth management sector is delivered “through the cloud”, that is the applications are hosted remotely, but delivered to clients over the public internet through a web browser interface. This allows access to the applications wherever users can access the internet. Software-as-a-Service (“SaaS”) based solutions are generally significantly more cost-effective than their on-premises counterparts, with usage-based fees replacing software license and maintenance costs based on the number of users, irrespective of the degree or frequency of use. SaaS-based pricing models typically allow for payment on as “as used” or utility model, giving both more flexibility in price and overall cost-effectiveness. Additionally, SaaS-based solutions delivered over the public cloud minimise the capital investment required by customers. These solutions are typically accessed through a web browser, and do not require organisations to invest in the software licences, hardware and ongoing technical support and maintenance that are typical of on-premises solutions.

In addition to these trends, technology solutions that allow automation of back-office business processes are another significant trend, and this is covered in more detail below.

Automation of Back-office Business Processes
With wealth management companies looking to improve operating efficiencies as well as enhance customer service and regulatory reporting, the use of technology to automate back office processes is a growing trend, with some companies utilising such technology faster than others.
Processes that are highly repetitive and undertaken in large volumes are obvious candidates for automation. In wealth management, this can include processes such as data entry, anti-money laundering and counter-terrorism financing (AML/CTF) analysis, report generation, compliance reporting, etc.

Process automation helps to reduce labour costs in back office processes, especially repetitive processes, reduces errors and improves customer experience. A recent survey of 150 companies across a range of business sectors, including financial services, indicated that back office process automation is seen as delivering a range of benefits, including cost reduction, improved regulatory compliance and enhanced quality of work.\(^1\)

**Figure 5: Main Benefits of Back Office Process Automation**

![Bar chart showing percentages of respondents for different benefits of back office process automation.]


Introduction of process automation is also relatively straightforward, in comparison to replacement of existing systems or re-design of IT architecture. Process automation or RPA can be delivered within some existing IT architectures with no major investment depending upon the technology’s software. Platform solutions such as that offered by AXS Group can support the automation and integration of systems and processes in the back office, and make it easier to achieve regulatory compliance. Using a third-party platform is more efficient than an in-house system, as external vendors are constantly updating their solutions as market and regulatory requirements change. Hence, wealth management companies are likely to increasingly adopt platform solutions from external vendors that integrate discrete back-office systems, and enable automation of back-office processes.

Some case studies of cost savings are detailed below.\(^2\)

- A business processing provider (BPO) automated 14 core processes with RPA, achieving a typical 30% cost saving per process and improving service quality and accuracy.\(^3\)
- A medical insurer used software robots to process claim adjustments, with a 44% cost saving compared to manual administration.\(^4\)

**Market Size and Growth**

Globally, the financial services industry spends about US$300 billion (AU$370 billion) annually on IT (including internal IT costs, external software, systems integration, professional services, and outsourcing of IT services, but excluding hardware). This is growing at around 4-6% CAGR, depending on the region. North America and Europe are the largest regions for IT expenditure, followed by Asia Pacific.\(^5\)

---

2. Deloitte, Automate this: The business leader’s guide to robotic and intelligent automation.
3. Ibid.
4. Ibid.
5. Gartner, Technology spending through 2020, quoted in FIS, 2016 investor conference.
INDUSTRY OVERVIEW

Figure 6: Financial Services IT Expenditure by Region, 2016

![Bar Chart: Financial Services IT Expenditure by Region, 2016]

Source: Ovum Technology spending through 2020, quoted in FIS, 2016 Investor conference

Within this broader IT expenditure, external software expenditure in the financial services sector is estimated at almost US$24 billion (A$32 billion). The rate of growth in expenditure on external software is somewhat lower than on IT overall, reflecting the general move towards cloud-based software which is lower cost than traditional on-premise solutions.

Figure 7: Financial Services Software Expenditure, 2015 to 2020

![Bar Chart: Financial Services Software Expenditure, 2015 to 2020]

Source: Apps run the World, Top 10 Banking and Financial Services Software Vendors and Market Forecast 2015-2020

More specifically within the wealth management industry, global IT expenditure is estimated at US$5.7 billion (A$7.7 billion) in 2016 and is forecast to reach US$7.5 billion (A$10.1 billion) by 2020, a CAGR of 7.1%. Expenditure on external software accounts for about 30% of this expenditure, and expenditure on external software is forecast to grow at around 10% CAGR.

2. Celent, Wealth Management IT Spending 2016: A Global Perspective
This growth is the result of a number of factors, including:

» The modernisation and integration of legacy IT systems;
» Ongoing changes to the regulatory environment;
» The introduction of new digital platforms; and
» The increased automation of processes, especially in the back office.

Competitive Environment
The market for software in the wealth management sector is addressed by a range of vendors, including those serving the broader financial services sector, and vendors focused on the wealth management sector. The largest global software vendors include Fiserv and FIS Global, but there are also smaller industry participants, including some Australian-based companies. In addition to AXS Group, these include Bravura Solutions and GBST. Summary information on these companies is given below.

Table 3: Market Participants in Wealth Management Software

<table>
<thead>
<tr>
<th>Company</th>
<th>Location</th>
<th>Revenue</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>FIS Global</td>
<td>USA</td>
<td>US$9.1 billion (A$12.3 billion)</td>
<td>Provides software, services and outsourcing for the retail and institutional banking, payments, asset and wealth management, risk and compliance, trade enablement, transaction processing and record-keeping segments.</td>
</tr>
<tr>
<td>Fiserv</td>
<td>USA</td>
<td>US$5.7 billion (A$7.7 billion)</td>
<td>Provides software for the investment management community, including solutions for back office needs, including fee billing, trade processing and high-volume performance calculations.</td>
</tr>
<tr>
<td>Bravura Solutions</td>
<td>Australia</td>
<td>A$192 million</td>
<td>Provider of software solutions and services for the administration of superannuation, pensions, life insurance, investment, wrap, private wealth and funds administration.</td>
</tr>
<tr>
<td>GBST</td>
<td>Australia</td>
<td>A$88 million</td>
<td>Provides software for wealth management administration, including end-to-end administration and compliance management.</td>
</tr>
<tr>
<td>Aroq</td>
<td>Switzerland</td>
<td>N/A</td>
<td>Provides solutions and services for the wealth management industry, including administration and compliance management.</td>
</tr>
</tbody>
</table>

Sources: company websites and annual reports. Revenue is for latest reported financial year.

5. Disruption from Fintechs
Within the financial services industry, the wealth management sector is one of the industry segments most likely to be disrupted by fintechs. A recent survey of 544 executives from global financial services companies identified that investment & wealth management is anticipated to be the third most impacted segment by fintechs over the next five years.¹

Figure 8: Segments of Financial Services most likely to be disrupted by Fintechs over next five years

Source: PwC, Blurred lines: how FinTech is shaping financial services, 2016.

¹ PwC, Blurred lines: how FinTech is shaping financial services, 2016.
Some of the ways that fintechs are disrupting the wealth management segment include:

- More widespread use of data analytics at all stages of the customer relationship, to enhance client satisfaction and reduce client churn;
- Automation of business processes, e.g. in financial advice and in client administration;
- Aggregating wealth management company information and providing online comparison and access functionality to clients.

As stated earlier in this report, fintechs are broadly categorised as those that are competitive and those that are collaborative. Competitive fintechs look to replace the services of traditional financial institutions, whilst collaborative fintechs seek to enhance the position of these institutions. As it works with clients in the wealth management sector to support them in improving operational performance, AXS Group can be seen as a collaborative fintech.¹

Over recent years, there has been a significant acceleration in financing of fintechs, with almost US$23 billion (A$31.0 billion) invested in 2015 in 1,108 individual deals. Whilst the USA is the largest market for fintech financing, APAC is growing rapidly, with fintech financing quadrupling to US$4.3 billion (A$5.8 billion) in 2015.²

Figure 9: Global Fintech Financing Activity, 2010-2015

The strongest growth has been in investments in collaborative fintechs. Whilst competitive fintechs still account for a majority of investment, collaborative fintechs are growing rapidly, accounting for 44% of global fintech investment in 2015, a 138% increase over 2014.³

As a collaborative fintech targeting the wealth management segment, AXS Group is therefore exposed to one of the financial services segments most likely to be disrupted by fintechs, as well as providing the most rapidly growing form of business model amongst fintechs.

6. Conclusion

AXS Group provides a SaaS cloud-based software platform that supports clients in integrating and automating back office processes, and enables its clients to offer an enhanced service to their customers. AXS Group’s target market is the wealth management sector, including business processing centres, investment managers, family offices, private investor groups, public offer funds, and SMSFs. Australia has a leading global position in the wealth management industry, largely as a result of the superannuation system, and is estimated to be the sixth largest market globally for investment funds and the fourth largest for pension funds under management.⁴ The wealth management industry in Australia includes a large and broad range of industry participants, including many companies operating globally. With continued growth anticipated in wealth management in Australia, AXS Group is exposed to a large and growing market opportunity.

¹ Accenture, Fintech and the evolving landscape: landing points for the industry, 2016.
² Ibid.
³ Ibid.
At the same time there are a number of trends occurring in the wealth management sector which are creating issues and challenges for the industry. These include:

» The increased pressure on margins which is driving a need for process and operational efficiencies;
» Enhanced customer expectations, for example the requirement to view data about their account(s) in real time from any device, including mobile devices;
» An evolving regulatory environment, which is driving wealth management companies to improve regulatory and compliance policies and processes;
» The ongoing need for product innovation, as companies need to be able to develop and launch new products quickly and effectively to meet market needs; and
» The requirement for both wealth management companies and their customers to be able to access a single view – giving holistic, accurate and up-to-date data about a customer’s account, asset holdings, etc.

These issues are creating a need for wealth management companies to improve operating efficiencies and enhance customer service. A focus area has been the automation of back office processes, to reduce cost and improve efficiency, and the integration of disparate back office systems.

Wealth management companies are increasingly moving away from in-house developed software and solutions, which are generally inflexible and inefficient to maintain, towards third-party solutions, typically delivered over the cloud. As a third-party provider of cloud-based software, AXS Group is also likely to benefit from this trend. AXS has already served clients both domestically and offshore using its software platform, and this trend will inevitably grow given competitive advantages for fintechs and greater convergence between technology and financial services markets.

Finally, AXS Group’s target market segment and collaborative business model are in line with major trends in fintechs. The wealth management segment is likely to be one of the parts of the financial services industry most impacted by the emergence of fintechs over the next five years, in areas such as the more widespread use of data analytics and the automation of business processes. Collaborative fintechs, such as AXS Group, are a major focus of investor attention, now accounting for 44% of global fintech investment in 2015, a 138% increase over 2014.1 Again, this trend looks to only grow with the evolving development of fintech sector and uses for cloud based applications to suit a client’s needs.

7. Disclosure

This is an independent report prepared by Frost & Sullivan. Save for the preparation of this report and services rendered in connection with this report for which normal professional fees will be received, Frost & Sullivan has no interest in AXS Group and no interest in the outcome of the Listing. Payment of these fees to Frost & Sullivan is not contingent on the outcome of the Listing. Frost & Sullivan has not and will not receive any other benefits (including any commissions) and there are no factors which may reasonably be assumed to have influenced the contents of this report nor which may be assumed to have provided bias or influence. Frost & Sullivan consents to the inclusion of this report in the Prospectus in the form and context in which it is included. As at the date of this report, this consent has not been withdrawn. Frost & Sullivan does not hold a dealer’s license or Financial Services License. This report does not constitute advice in respect of the Listing.

Yours Sincerely

Mark Dougan

Managing Director

Frost & Sullivan Australia Pty Ltd

---

1. Accenture, Fintech and the evolving landscape landing points for the industry, 2016.
company overview
4.1 Introduction

AXS has been incorporated for the purposes of acquiring Axxess Consulting and acting as the new holding company of the Group in its transition to becoming a publicly listed business.

Axxess Consulting is a global SaaS and cloud-based platform for the financial services industry and particularly for the non-bank software lending market. It provides CRM software solutions that address each phase of the service lifecycle of financial services businesses.

Axxess Consulting has operated for nearly 13 years. It has grown organically and focused on the establishment of a strong alignment with the financial services industry. In particular, Axxess Consulting has a track record of successfully tendering and integrating businesses into its ARMnet software with over 75 integrations from third party systems for clients with varying customised solutions found.

The Group is headquartered in Sydney and has offices in Geelong, with new offices opening in the United Kingdom, Canada and United States within the first 12 months after listing on the ASX. Axxess Consulting currently has 20 personnel including directors and staff.

The ARMnet software platform was originally developed in 2004 and has since been adapted to serve over 40 clients in Australia and overseas in Asia, Europe and North America.

Figure 4.1: Provides the countries and clients using ARMnet represented by the dedicated server for each client’s data.
4.2 History
A timeline of some of the significant events and milestones for the Group is set out below.

<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>The original Axcess Consulting business was founded to fill in the gap in the market by offering financial services providers a single software package to manage complex investment relationships, including loan and investment portfolios.</td>
</tr>
<tr>
<td>1995</td>
<td>The original version of the ARMnet (called “ARM Classic”) was built and launched in the market.</td>
</tr>
<tr>
<td>2001</td>
<td>Baycorp Holdings Limited (“BayCorp”) in New Zealand acquired the predecessor to the present Axcess Consulting business (which was then known as Carisbad Pty Ltd t/a Axcess Consulting) that held the proprietary ownership to the ARM Classic.</td>
</tr>
<tr>
<td>2004</td>
<td>Baycorp sold its lending services business to another major finance company. In June 2004, Baycorp approved a management buy-out by the founders of Axcess Consulting to acquire the software rights and customers to ARM Classic. Axcess Consulting was founded and re-launched a new version of the ARM Classic. Since its inception, Axcess Consulting has devoted to developing expertise in ARMnet and providing optimum CRM software solutions to clients by completing various system integration for clients.</td>
</tr>
<tr>
<td>2008</td>
<td>ARMnet was developed in-house.</td>
</tr>
<tr>
<td>2015</td>
<td>Began to develop cloud-based applications.</td>
</tr>
<tr>
<td>2016</td>
<td>Developed smartphone mortgage broker applications.</td>
</tr>
<tr>
<td>2017</td>
<td>AXS Group Limited was incorporated for the purpose of acquiring Axcess Consulting and listing on the ASX.</td>
</tr>
</tbody>
</table>

4.3 Product Overview
Axcess Consulting’s software operates through the ARMnet platform, which provides financial services organisations a centralised approach to improve their client engagement and communications and to streamline business processes. The ARMnet platform enables clients to improve business efficiency, productivity and accountability, while lowering the costs and risks in delivering different kinds of financial services.

The ARMnet platform is a CRM financial product management solution that is built on an industry standard Microsoft dot.net framework. The platform is cloud based, which means that it is accessible via smart phones, tablets or email from anywhere at any time.

The ARMnet platform combines software applications, data and media channels in an open architecture platform that provides an integrated solution for each phase of a financial services business from marketing, sales, user interaction, asset processing and financial reporting throughout to back office management.

The design of the ARMnet platform provides flexible product modules and simple configuration. This provides clients with the option to use the ARMnet platform as an “out of the box” software product or as a fully configurable and customisable software product to suit specific business and product needs.

Figure 4.2: Sets out the various components surrounding the ARMnet CRM system engine and outputs.

The ARMnet platform manages the entire lifecycle of a client through:
- Online Web Form Application Ingestion;
- Decision Engine Automated Business Rules;
» Origination - Underwriting, including document generation and storage;
» Centralised notes and automated audit trail;
» Collections and Arrears Management;
» Financial Product Servicing Including automated pad’s on active financial products; and
» Full reporting and export capabilities

The Group services the following key segments through its ARMnet platform:
» lenders, mortgage originators and securitisation providers;
» fund managers, trustees, asset managers and superannuation trustees;
» rewards program providers; and
» other asset managers and their needs.

4.4 Product Modules

Axcess Consulting currently provides to clients’ software services for varying business sectors in the non-bank software lending market. This ranges from commercial and residential lending, contributory mortgages, debt structures, managed funds, securitisation, leasing, rewards programs and time share funding programs, P2P lending, residential mortgages and commercial mortgages, personal lending including P2P lending, and contributory schemes.

Axcess Consulting is currently in the process of re-branding its products and plans to launch the following seven product modules on a subscription basis and three user services modules on the ARMnet platform for different business sectors. More modules will be introduced upon identification of further market opportunities with each based on pricing.

### Product Modules

A cloud-based SaaS, hosted software or onsite server product that provides a client their chosen solution.

<table>
<thead>
<tr>
<th>Mi-Lend</th>
<th>Mi-Invest*</th>
<th>Mi-Structure</th>
</tr>
</thead>
<tbody>
<tr>
<td>A solution for various types of lending.</td>
<td>A solution for managing investments including listed investment assets.</td>
<td>A solution dealing with the management of client structures.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Mi-Loyalty</th>
<th>Mi-Wealthchek*</th>
<th>Mi-Finpro</th>
</tr>
</thead>
<tbody>
<tr>
<td>A solution for the operation and management of loyalty products or reward programs.</td>
<td>A solution for the origination, administration and reporting on a combination of financial assets and non-financial assets.</td>
<td>A solution for the capture, administration and reporting of financial data or information processing applications.</td>
</tr>
</tbody>
</table>

| Mi-Archive | | |
|------------| | |
| A solution for the storage and retrieval of data and information in a format designated by the client. | | |

### Service Module

We provide certain IT services that are related to the software modules we offer.

<table>
<thead>
<tr>
<th>Mi-Optimyz</th>
<th>Mi-Deploy</th>
<th>Mi-Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services including customisation and optimisation of data, reporting and communications.</td>
<td>Services including consultancy, communication and/or integration of software and systems for development phase, processing and reporting output solutions for clients.</td>
<td>Services including ongoing consultancy related to training and service time from our internal personnel to clients.</td>
</tr>
</tbody>
</table>

* These product modules are not available in Australia due to AFSL licensing requirements, with the exception of non-financial assets in a Mi-Wealthchek portfolio.
### 4.4.1 Mi-Lend

<table>
<thead>
<tr>
<th>Product</th>
<th>Mi-lend</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description</strong></td>
<td>Mi-Lend is an out of box solution that offers business processing rules and workflow solutions with some ability to tailor individual business requirements for clients in the lending market in any country. It provides a complete lending solution for the entire lending process from loan origination, loan underwriting or the back-end loan servicing function. It is a single platform process engine that automates, generates and reports on lending activities.</td>
</tr>
<tr>
<td><strong>Clients</strong></td>
<td>Clients include pay day lenders, mortgage originators or brokers, financial institutions like banks and credit unions to commercial lending, leasing and superannuation companies.</td>
</tr>
</tbody>
</table>
| **Functionality** | » 24/7 access with digital workflow and workforce;  
» Broker origination portal;  
» Multiple user accounts;  
» Interface general ledger;  
» Asset registers;  
» Balance reconciliations and account movements;  
» Monitoring reports for rating agencies requirements;  
» Discharges, securities and insurance (including insurance notifications);  
» Configurable discharge system to apply to company policy/ products;  
» Full securities register and security packet tracking;  
» Multiple insurance policy and strata title support integrated with work flow;  
» Client communications and client account reporting;  
» Integration into other 3rd party systems and software; and  
» Electronic funds transfers. |
| **Features** | » Communication via a smart mobile phone, tablet or by email anytime, from the client's server and in real time to set levels of users.  
» Tracking of transactions under one portal point.  
» Ability to set security controls, such as reporting levels, exception reports and offer customised analytics designed for specific measurement tools.  
» Availability of the online loan software and web features subject to client's assigned profile settings for their personnel. |

### 4.4.2 Mi-Invest

<table>
<thead>
<tr>
<th>Product</th>
<th>Mi-Invest</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description</strong></td>
<td>Mi-Invest provides a single software platform and process engine that automates, generates and reports reporting for different types of investments.</td>
</tr>
<tr>
<td><strong>Clients</strong></td>
<td>Clients include financial institutions such banks, credit unions, commercial lending, leasing and superannuation companies and others.</td>
</tr>
</tbody>
</table>
| **Functionality** | » Multiple user accounts;  
» Interface to general ledger;  
» Asset registers;  
» Balance reconciliations and account movements;  
» Monitoring reports for rating agencies requirements;  
» Discharges, securities and insurance (including insurance notifications); Configurable system to apply to company products;  
» Registry and asset tracking; |
## COMPANY OVERVIEW

<table>
<thead>
<tr>
<th>Product</th>
<th>Mi-Invest</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Multiple insurance policy integrated with workflow;</td>
</tr>
<tr>
<td></td>
<td>Client communications and client account reporting;</td>
</tr>
<tr>
<td></td>
<td>Integration into other 3rd party financial products including Xero and MYOB; and</td>
</tr>
<tr>
<td></td>
<td>Electronic funds transfers.</td>
</tr>
</tbody>
</table>

**Features**
- Communication via a smart mobile phone, tablet or by email anytime, from the client’s server and in real time to set levels of users.
- Review assets under one portal point to users to monitor and update.
- Ability to set up, manage and report on any based on varying legal and tax structures.
- Assistance to identify of the most efficient way to increase client processing and reporting needs.
- Ability to set level controls, segregate assets and classes of assets, generate exception reports and offer customised analytics designed for specific measurement tools.

### 4.4.3 Mi-Structure

<table>
<thead>
<tr>
<th>Product</th>
<th>Mi-Structure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description</td>
<td>Mi-Structure provides a single software platform that allows reporting and communications for all assets based on structure types and specialist assets (including non-financial assets) held indirectly or directly.</td>
</tr>
<tr>
<td>Clients</td>
<td>Clients include mortgage originators or brokers, financial institutions such as banks, credit unions, commercial lending, leasing and superannuation companies.</td>
</tr>
<tr>
<td>Functionality</td>
<td>Interfaced general ledger;</td>
</tr>
<tr>
<td></td>
<td>Balance account movements;</td>
</tr>
<tr>
<td></td>
<td>Asset registers;</td>
</tr>
<tr>
<td></td>
<td>Client communications and client account reporting;</td>
</tr>
<tr>
<td></td>
<td>Workflow information, asset segregation and exception tracking reporting;</td>
</tr>
<tr>
<td></td>
<td>Integration to other 3rd party financials products including Xero and MYOB; and</td>
</tr>
<tr>
<td></td>
<td>Securitisation module to create and view SPVs and tranches.</td>
</tr>
<tr>
<td>Features</td>
<td>Communication via a smart mobile phone, tablet or by email anytime, from the client’s server and in real time to set levels of users.</td>
</tr>
<tr>
<td></td>
<td>Review assets under one portal point to users to monitor and update.</td>
</tr>
<tr>
<td></td>
<td>Ability to set up, manage and report on any based on varying legal and tax structures.</td>
</tr>
<tr>
<td></td>
<td>Assistance to identify of the most efficient way to increase client processing and reporting needs.</td>
</tr>
<tr>
<td></td>
<td>Ability to set level controls, segregate assets and classes of assets, generate exception reports and offer customised analytics designed for specific measurement tools.</td>
</tr>
</tbody>
</table>

### 4.4.4 Mi-Loyalty

<table>
<thead>
<tr>
<th>Product</th>
<th>Mi-Loyalty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description</td>
<td>Mi-Loyalty provides a single system for all rewards cards and incentive programs.</td>
</tr>
<tr>
<td>Clients</td>
<td>Clients include various types of financial institutions such as banks and credit unions, charities and other instrumentailities.</td>
</tr>
<tr>
<td>Functionality</td>
<td>Client account reporting;</td>
</tr>
<tr>
<td></td>
<td>Balance account movements;</td>
</tr>
<tr>
<td></td>
<td>Asset registers;</td>
</tr>
<tr>
<td></td>
<td>Client communications;</td>
</tr>
<tr>
<td></td>
<td>Document generation;</td>
</tr>
<tr>
<td></td>
<td>Workflow management; and</td>
</tr>
<tr>
<td></td>
<td>Interest and penalty interest calculations.</td>
</tr>
</tbody>
</table>
## COMPANY OVERVIEW

<table>
<thead>
<tr>
<th>Product</th>
<th>Mi-Loyalty</th>
</tr>
</thead>
</table>
| Features | » Communication via a smart mobile phone, tablet or by email anytime, from the client’s server and in real time to set levels of users.  
» Review assets under one portal point to users to monitor and update.  
» Assistance to identify of the most efficient way to increase client processing and reporting needs.  
» Ability to set level controls, segregate assets and classes of assets, generate exception reports and offer customised analytics designed for specific measurement tools. |

### 4.4.5 Mi-Wealthchek

<table>
<thead>
<tr>
<th>Product</th>
<th>Mi-Wealthchek</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description</td>
<td>Mi-Wealthchek provides cloud and on site based software solutions for investments in all asset types, such as deposit products, listed investments, managed investment funds, derivatives, pooled products, loans, real property, unlisted assets, derivatives, insurance products, credit products and other specialist assets.</td>
</tr>
<tr>
<td>Clients</td>
<td>Clients include various types of financial institutions such as banks and credit unions, charities and other instrumentalities.</td>
</tr>
</tbody>
</table>
| Functionality | » Interface to general ledgers;  
» Balance account movements;  
» Asset registers;  
» Client communications and client accounts reporting; and  
» Include integration to other 3rd party financial products including Xero and MYOB. |
| Features | » Communication via a smart mobile phone, tablet or by email anytime, from the client’s server and in real time to set levels of users.  
» Review assets under one portal point to users to monitor and update.  
» Assistance to identify of the most efficient way to increase client processing and reporting needs; and  
» Ability to set level controls, segregate assets and classes of assets, generate exception reports and offer customised analytics designed for specific measurement tools. |

### 4.4.6 Mi-Finpro

<table>
<thead>
<tr>
<th>Product</th>
<th>Mi-Finpro</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description</td>
<td>Mi-Finpro provides cloud and on site based software solutions for investments in all asset types, such as deposit products, listed investments, managed investment funds, derivatives, pooled products, loans, real property, unlisted assets, derivatives, insurance products, credit products and other specialist assets.</td>
</tr>
<tr>
<td>Clients</td>
<td>Clients include financial institutions and asset managers.</td>
</tr>
</tbody>
</table>
| Functionality | » Interface to general ledgers;  
» Balance account movements;  
» Asset registers;  
» Client communications and client accounts reporting; and  
» Include integration to other 3rd party financial products including Xero and MYOB. |
| Features | » Communication via a smart mobile phone, tablet or by email anytime, from the client’s server and in real time to set levels of users.  
» Review assets under one portal point to users to monitor and update.  
» Assistance to identify of the most efficient way to increase client processing and reporting needs.  
» Ability to set level controls, segregate assets and classes of assets, generate exception reports and offer customised analytics designed for specific measurement tools. |
### 4.4.7 Mi-Archive

<table>
<thead>
<tr>
<th>Product</th>
<th>Mi-Archive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description</td>
<td>Mi-Archive provides solutions for the storage and retrieval of data and information (including collections, receivables and/or payables) in a format designated by the client.</td>
</tr>
<tr>
<td>Clients</td>
<td>Clients include clients of other product modules including asset custodian, leasing companies, mining companies, insolvency groups and collections companies.</td>
</tr>
</tbody>
</table>
| Functionality | » Recording ledger system;  
» Automatic storage from action;  
» Asset registers;  
» Client communications and client accounts reporting; and  
» Level set protocols for use and access. |
| Features | » Communication via a smart mobile phone, tablet or by email anytime, from the client’s server and in real time to set levels of users.  
» Review financial data and outputs under one portal 24/7.  
» Assistance to identify the most efficient way to increase client processing and reporting needs.  
» Ability to set level controls, segregate assets and classes of assets, generate exception reports and offer customised analytics designed for specific measurement tools. |

### 4.5 Service Modules

#### 4.5.1 Mi-Deploy

The Mi-Deploy modules includes consultancy and development services providing processing and reporting output solutions for clients. This is a labour-based service, meaning that fees will be charged at an hourly rate, unless costing are bundled as part of a larger project.

This service assists with development, communication and/or integration of software and/or systems with ARMnet. This is routinely used in the development phase with processing and reporting output solutions. This solution assists clients that may want some primary systems of their own to remain in place and use only some of the components of the Product Modules.

Features of this service module includes:

» Consultancy timing and costs.
» Mapping of manual outputs to reduce manual workload.
» Scheduled delivery timings.

#### 4.5.2 Mi-Optimyz

The Mi-Optimyz module provides certain customisation and optimisation of data, reporting and communications solutions for clients. This allows clients to compile and review sales, asset movements, and operational patterns and compile statistics, along with external data feeds. This is a labour-based service, meaning that fees will be charged at an hourly rate, unless costing are bundled as part of a larger project.

Features of this service module includes:

» Customization/optimization of data, reporting and communications solutions.
» Service based on client needs.
» Automated timing of ingestion of information and data.
» Competitive time costed output.

#### 4.5.3 Mi-Service

The Mi-Service module includes ongoing consultancy related to training and service time from our internal personnel to clients. This is a labour-based service, meaning that fees will be charged at an hourly rate, unless costing are bundled part of a larger project.

Features of this service module includes:

» Consultancy timing and costs.
» Scheduled service works and timings.
4.6 Business Model

Axcess Consulting has developed to become a dominant digitalized software player in the non-bank software lending market. ARMnet offers a fully automated and digitized software lending solution that provides end-to-end solutions for clients. This means clients can use the software from the origination stage, the servicing stage and finally for the asset’s exit or sale.

Axcess Consulting presently services a significant number of non-bank market participants in Australia that use differing parts of ARMnet to grow their businesses. Axcess Consulting has slowly developed into other asset classes based on a clients’ use of the ARMnet system.

Axcess Consulting’s revenues are generated by way of subscription and licensing, maintenance, personalisation and servicing fees, typically charged in accordance with agreed rates set out in service agreements with each respective client. Table 4.3 below provides an overview of the types of fees charged by Axcess Consulting.

Table 4.3: Provides historical revenue types, billing timings and revenue percentage ranges.

<table>
<thead>
<tr>
<th>Revenue Type+</th>
<th>Revenue Description</th>
<th>Billing Timing</th>
<th>Percentage Range on Revenue Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subscription and licensing</td>
<td>Ongoing software licence fee from client.</td>
<td>Monthly, Quarterly and Annually.</td>
<td>51%</td>
</tr>
<tr>
<td>Development &amp; Personalisation</td>
<td>One off as requested by client each occasion including for new and existing product implementation, upgrade or change.</td>
<td>Upfront initial payment and balance on completed stages.</td>
<td>44%</td>
</tr>
<tr>
<td>Services</td>
<td>This is a new revenue line covering end of day monitoring for cloud-based clients.</td>
<td>Monthly.</td>
<td>2%</td>
</tr>
<tr>
<td>Reimbursements</td>
<td>Client reimbursements from revenue activity.</td>
<td>Monthly, Quarterly and Annually.</td>
<td>3%</td>
</tr>
</tbody>
</table>

1. Estimated percentages extracted from the Axcess Partnership’s management accounts for the 12 months ended 30 June 2018.
Table 4.4: Provides a breakdown of key revenue by region.\(^1\)

<table>
<thead>
<tr>
<th>Revenue Region</th>
<th>Approx. Revenue % of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia / NZ</td>
<td>42%</td>
</tr>
<tr>
<td>UK / Ireland</td>
<td>31%</td>
</tr>
<tr>
<td>North America</td>
<td>24%</td>
</tr>
<tr>
<td>Asia</td>
<td>3%</td>
</tr>
</tbody>
</table>

Before the start of the contract term, a review of the service agreement is undertaken to assess service commitments and charge out rates, maintenance fees or licensing fees. The service or management fees earned by Access Consulting are normally levied around one or more of products and services outlined in sections 4.4 and 4.5.

4.7 Sales Approach

The existing sales approach of Access Consulting has been to consolidate its position as a dominant player in the lending software market. Access Consulting presently acts for a large number of non-bank lenders and lending administrators in Australia. Access Consulting has further consolidated its position in the lending market by taking on clients in United States of America, Ireland, North America and Asia.

In addition, Access Consulting has begun to expand into other business sectors both domestically in Australia and overseas in pensions, life products and collection activities based upon client needs. The following sectors are part of the strategy moving forward for targeting.

More detail on AXS’s overall strategy and target markets is set out in section 4.12.
COMPANY OVERVIEW

4.8 Axcess Consulting Global Client List
Axcess Consulting’s clients are from across a wide range of sectors and industries, as well as being geographically spread across North America, Europe, and Asia-Pacific region. Axcess Consulting’s business is characterised by strong recurring revenue and high levels of client retention, being approximately 90% since inception.

The ARMnet platform is currently used to manage over $100B of assets and transactions for clients worldwide. The following represent some of Axcess Consulting’s key clients:

Paradigm Quest BPO - ARMnet is managing $23 Billion in Residential Mortgages for a group of 12 Insurers and Financial Services Companies in Canada.

Bluestone Asset Management - ARMnet is managing a Multi-Billion in Mortgages and Loan portfolio for multiple financial institutions in the UK, Ireland, Australia and New Zealand.

Pepper Ireland - ARMnet is managing a €15 Billion portfolio of mortgage and loan portfolio’s for multiple financial institutions.

4.9 Intellectual Property
The ARMnet technology was developed by the founders of Axcess Consulting. Under the SPAs, the Vendors in their personal capacity are required to assign all ARMnet technology to AXS on the SPAs completion date. For further details of the SPAs, please refer to Section 9.4.1.

4.10 Why is ARMnet Unique?
ARMnet’s design and architecture is unique and offers a digital platform solution from single database system with a series of interconnecting workflows and functions. Clients have the ability to install an information processing infrastructure that allows their business to respond very quickly to new and emerging challenges.

ARMnet’s unique features to the software platform market include:

<table>
<thead>
<tr>
<th>Features</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset Agnostic</td>
<td>The system caters for any asset (whether the asset is a financial product or non-financial product) with clients varying in asset size, country and timings for use.</td>
</tr>
<tr>
<td>Scalability and Reduced Programming</td>
<td>The systems workflow tools allow mapping and/or adjusting of business processes without any programmer intervention. This saves cost and increases workflow and reduces costs in technology development costs for the client.</td>
</tr>
<tr>
<td>Repeatability, Quality, Accuracy</td>
<td>The system allows clients to map all processes, policies and rules for a complete life cycle of an asset we set up for that client. Clients can be assured that their procedures are followed in a quality and repeatable manner. As there is no need for separate databases and bespoke solutions for other products, the client minimises data entry, reduces errors and provides all the necessary information for its staff via one single interface.</td>
</tr>
<tr>
<td>Easy data extraction</td>
<td>The CRM and work engines enables the client to maintain a complete dossier of the contacts and the companies they are dealing with such as customers, prospective clients, third parties to any loan or investment, suppliers and service providers or the client’s own employees.</td>
</tr>
</tbody>
</table>
An overview of the ARIMnet system and its features include:

360 degree Customer view
- Customer centric design with a single unique record for all clients, companies, trusts and other entities related to an asset reported on the software.
- Screen edit tool allows clients to access a library of over 1200 screens as well as create the client's own.

Customisable software to suit client's business and product needs
- Clients have the ability to fully customise and configure the ARIMnet platform to suit their specific business and product needs, meaning that ARIMnet is capable of managing any administration needs for an asset of a client.
- Clients do not need to rely on the availability of often costly resources of a software developer, given that the ARIMnet platform allows flexibility and customisation for a client's branding.

Digital data transfers services
- Ability to quickly build data feeds and interfaces into and out of the system for 3rd party service providers and software.
- Hosting an endpoint as a web service provider and also transparently interfacing to external web services as a consumer.

High Level Security Architecture
- High level of security and encryption for security authentication and password encryption for access and security.
- User privileges with access to pages, features and objects configurable through backend management tools.
- Unlimited number of user profiles and combinations of views and functionality.

Distribution and Notification Tools
- Messaging application to allow communication with agents, account managers and business partners.
- Interfaces to SMTP email servers and SMS services.
- Setup automated triggers and events to send notifications on account status change or key milestones.
- Communication documents or account statement as attachments.
4.11 Time and Cost Savings

For the customers of Access Consulting, one of key benefits of using ARMnet platform is to save time and costs. This is because the ARMnet eliminates manual processes and human touch points by using cognitive techniques to automate processes and intelligence. Please refer to Section 4.11.1 below for case study of a mortgage processing client.

Market research has predicted that the global back office system integration market for the financial services sector will grow steadily at a CAGR of about 7.46% by 2020.¹ This research identifies the need for automation in back office operations as one of the primary growth factors for this market. In industry sectors such as the financial services sector where back office operations are complex, implementing digital back office solutions can offer an enhanced user experience to customers. System integration in the back-end not only simplifies back-end processes but streamlines front-end processes as well. Moreover, the automation of contact centres in outsourcing services enables contact centres to deliver high-quality services by integrating front-end operations with back-end processes.

4.11.1 Case study 1: Loan Management Change for Client

Figure 4.3: This diagram provides an example of a client that collapsed multiple IT systems to reduce month end from 4-5 days to 4 minutes.

The client, which is a business processing centre, chose ARMnet from other global providers to reduce its manual processes. The client obtained the following benefits from introduction:

» 40-60% reduction of manual activity of operations teams.
» Reduced processing time from 4-5 days to 4 minutes.
» 60% reduction of staff (from 10 team members to 4 members) with $500,000 in savings per process team per annum.
» Substantial volume increases in process turnaround times and volume increases in sales revenue.
» Became one of the largest processing businesses in its home country within 5 years.

In a global report commissioned in 2016², it was found that various companies of all sizes in some way already use or intend to implement robotics within the next 3-5 years. Regardless of the individual implementation approach, RPA is a major digital transformation for companies and it is picking up momentum with about 39% of companies that took part in the survey already using RPA. A wide range of software has been used by participants in order to benefit from RPA, of which ARMnet is one of the products and services that encompasses this technology. Figure 4.4 below shows the varying outcomes and benefits of RPA.

Further reductions in transaction speed can be achieved by implementing a person-to-machine ratio of one human supervising over automated outputs. Please see the effect of this below in Figure 4.5. RPA essentially frees employees from tedious tasks, enabling employees to instead focus on value-adding initiatives that involve creativity and decision-making, which unlike the creation of an invoice, only humans can complete.

Another noteworthy benefit is that the robotic software saves and stores all information regarding the work that they are doing, which helps increase transparency and ensure that RPA follows regulatory requirements. This is particularly pertinent for companies operating in highly regulated environments such as the wealth management sector.

4.12 Growth Opportunities for the Group

AXS believes that its business lines are well positioned to leverage a number of trends in the wealth management sector. Again, the Group’s skill set encompassing both funds expertise and technology also provides a competitive edge in its software sector.

The Group’s growth strategies are set out as below.

4.12.1 Organic expansion

The scalability of the ARMnet platform enables the Group’s clients to increase their use of the ARMnet platform and its modules as their business grows. The Group intends to grow the use of the ARMnet platform and its product and service lines through increased marketing and promotion and the education of existing or new customers by its sales managers. Once clients are on the ARMnet platform they often employ more ARMnet product modules as they require enhanced business operations and customer knowledge than originally thought. There are many potential clients with old existing systems that exhibit a lack of communication between existing applications and software programs and outdated usability that would prompt the demands of multiple applications supplied from the ARMnet platform.

The sales and marketing strategy of the Group focuses on the sale of high margin SaaS cloud solutions like Mi-Lend, Mi-Invest and Mi-Wealthcheck upon meeting any country regulatory requirements we operate in. This strategy also allows the Group to use its analytical and data services through Mi-Optimy to build a larger ecosystem of third-party systems from clients which integrate with AXS systems. This increases the number of customers using the ARMnet platform and the Mi-Optimy solution. Disruptive technologies will have an increasingly
greater role in helping businesses consume, store, and analyse data. IDC estimates that by 2022 the amount of data managed by an enterprise will grow by a factor of 50 times. More data means an opportunity to mine more information that can empower an organisation that is making use of meaningful analytics.

Central to the value proposition of the ARMinet platform is the Mi-Optimyz service solution. Clients of the Group desire to know not only their customers but also how their customers behave. The ability for the Mi-Optimyz solution to collect data from multiple systems allows clients to achieve this. As part of the Group’s sales and marketing strategy, it will better educate its clients about the value of its products and services including how the Group can assist their business.

4.12.2 Cross Selling of Products and Services

Access Consulting's ability to acquire companies with leading software capabilities provides us with an opportunity to cross sell software products across our expanded customer base. For example Access Consulting has been able to take its existing leading ARMinet Optimyz solution in Australia to the customer base of its European clients. Similarly the software capabilities from its European clients for back office investment and cash management solutions can be sold to our existing Australia and New Zealand client base. Ultimately with the implementation of the direct sales and marketing strategy, Access Consulting is able to offer the Group’s client base an expanded suite of software solutions through the ARMinet platform.

Outside of Australia, Asian financial markets, particularly Singapore has had experienced strong growth in the funds management sector, particularly in the level of assets under management sitting within hedge funds, private funds and high net worth clients grew by 17% (which is generally in line with global trends). In Singapore, total assets managed by Singapore-based asset managers (as at 26 September 2017) grew 7% to S$2.7 trillion. In the last 5 years, the industry recorded an average assets under management growth rate of 15% per annum, reflecting strong growth in funds sourced from the region, as well as sustained interest amongst regional and global investors to invest in Asia’s growth. Similarly in Hong Kong assets under management grew by 29.4% and totalled at HK$1.66 trillion to the end of September 2017. Hong Kong’s pension assets registered “the highest estimated single-year growth rate of 21% in local currency terms in 2017”, boosting their total AUM to $164 billion as at December 31, 2017, according to the report released on February 5. The city’s pension fund assets recorded an average growth of 10% per annum over the past five years. Whilst traditional asset managers continue to contribute substantively grow assets under management assets managed by hedge fund and private equity managers grew 14% and 16% respectively during 2016.

4.12.3 Ongoing growth in funds management

Key drivers of growth in the domestic managed funds sector include the superannuation system and a growing high-net-worth and retail investor sector. Access Consulting’s revenues can in some cases be linked to the size and volume of its clients’ underlying funds. As funds under administration increases, software needs and administration work increases along with the data for processing and the time expended on it. In the event that Access Consulting extends the nature of funds administration services beyond that currently offered, it will consider acquiring an AFSL to enable a further widening of the product administration offering from the ARMinet platform, increasing revenue in a significant way through a broader client base. This may result in additional AFSL compliance and statutory funding obligations becoming applicable.

4.12.4 Ongoing growth in superannuation in Australia

Australia’s superannuation system is the second largest part of the domestic financial sector and, according to some forecasts, could have assets that exceed those of Australia’s banking system within the next 20 years. Superannuation assets are expected to continue to grow to $9.5 trillion by 2035. Australia’s A$1.6 trillion pension (superannuation) system is the fourth largest in the world and a major driver behind the country’s rapidly expanding, globally significant managed funds industry. Information media and telecommunications and financial and insurance services have seen solid annual growth rates of above 4%, reflecting the country’s skills base in technology and knowledge intensive sectors.

Australian superannuation funds are major investors in the domestic and global investment markets. Growth in the sector is underpinned by the Commonwealth Government of Australia’s mandated retirement scheme (superannuation). Under the system, employers are required to make minimum payments to a complying superannuation fund to help employees save for retirement. This rate is currently 9.5% of an employee’s salary.

1. SINGAPRE - Singapore’s assets under management expanded last year (2016) on the back of a global recovery in the industry dated 26 September 2017; 2016 Global Asset Management Survey, Monetary Authority Singapore at page 4.
3. Hong Kong pension funds’ AUM grew 21% in 2017 7 February 2018. Category: News, Asia, Global, Hong Kong, Japan, USA, Europe, United Kingdom By Asia Asset Management.
The superannuation administration market is increasingly concentrated, with market share dominated by a handful of administrators. The Group believes it can leverage its ARMnet software expertise for super administration (and as the technology platform for support) which can offer a differentiated when compared to its competitors, particularly given its end to end use of automation features, flexible workflow engines and use of data analytics. ARMnet’s products further offer a saving of time and cost and create business efficiencies for clients and reduce governance risks for their underlying funds which makes it is well placed to benefit from proposed market changes and technology needs of potential new clients. ARMnet can also report on each of the superannuation structures below giving it a competitive edge by offering specialised analytics.

**Figure 4.6: Types of superannuation funds in Australia**

<table>
<thead>
<tr>
<th>Type of fund</th>
<th>Description</th>
<th>% of total superannuation assets</th>
<th># of funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry funds</td>
<td>Offering of services to members of a specific industry, such as retail workers, hospitality workers and builders, and are run on a not-for-profit basis.</td>
<td>22.9%</td>
<td>40</td>
</tr>
<tr>
<td>Retail funds</td>
<td>Run by financial institutions that are open to the general public for investing.</td>
<td>27.4%</td>
<td>123</td>
</tr>
<tr>
<td>Corporate funds</td>
<td>Generally only open to people working for a particular corporation.</td>
<td>2%</td>
<td>24</td>
</tr>
<tr>
<td>Public sector funds</td>
<td>Provide superannuation for employees in the public sector with similar benefits to industry funds.</td>
<td>22%</td>
<td>37</td>
</tr>
<tr>
<td>Self-managed funds</td>
<td>Also known as ‘do-it-yourself’ or ‘DIY’ super funds. Generally established by an individual or a family from their own superannuation savings.</td>
<td>27%</td>
<td>597,937</td>
</tr>
</tbody>
</table>

Today, outsourcing is well established with various funds listed in Figure 4.6 using a third party provider for their back office needs. However, the motivation to outsource is made up of various reasons but cost continues to play a leading role in outsourcing with 59% globally surveyed rating this as a factor. Nevertheless, other capabilities around capacity, service quality, robotic and cognitive process automation, cloud, and innovation are growing in importance. Figure 4.7 below sets out various trending the factors from a global survey that motivate these outsourcing needs.

**Figure 4.7: Motivation to Outsource**

- Cost cutting tool: 59%
- Enables focus on core business functions: 57%
- Solves capability issues: 47%
- Enhances service quality: 31%
- Critical to the businesses needs: 28%
- Access to intellectual capital: 28%
- Manages business environments: 17%
- Drives broader transformational change: 17%

A global survey of customers shows that customers are selecting innovative services from their managed service providers. This trend is facilitated by advancements in technology and corresponding process shifts given savings made in labour saving strategies. Value, rather than cost, has become the new watchword, and will likely be measured by how service providers help empower business growth through innovation. Although many service providers may offer little innovation without technology underpinning their service. Therefore, industry participants are slowly engaging in new technologies which places Axcess Consulting in a key service position as this trend grows (please see in detailed in Figure 4.8 survey key trends on automation). More than one-third (35%) of clients surveyed measure value by what their outsource providers provide through innovation but only 21% of service providers made innovation in technology a key part of their contracts, which demonstrates a “disconnect” in the initial establishment of the vendor relationship. Again, of the 70% of clients surveyed in the 20% statistic below, currently, 70% are implementing or are discussing the use of robotic and cognitive process automation to improve outsourcing results. This statistic seems to highlight the potential market opportunities for Axcess Consulting globally.

---

1. Australian Prudential Regulation Authority (APRA) statistics on number of accounts per March Quarter 2018.
4.12.5 Expansion of operational footprint through acquisition

The Group’s personnel collectively have a track record of in both successful software integrations and targeted acquisitions. Use of proceeds from the Offer are, in part, to strengthen the Company’s balance sheet in preparation for further acquisitions. To accelerate the execution of our strategy and growth of the Group we may make strategic acquisitions of specific software providers or other synergistic businesses.

AXS could potentially use synergistic acquisitions to enter new markets and new geographies, acquire new software capabilities and knowledge, acquire new customer bases and ultimately develop cross sell opportunities between acquisitions and existing sales segments. The Company believes the use of acquisition of complementary companies to be a potentially efficient and relatively low cost growth strategy to build our presence and expand our customer base. However, any acquisition would be reviewed on value, price and integration. AXS has a model to grow both organically and via strategic partnerships and acquisitions. AXS’s base criteria for assessing acquisitions are:

» grow the marketplace of clients;
» transitional fit into the broader strategic objectives of the Group;
» fill a gap in relation to technology or staff capabilities;
» positively improve EBITDA; and
» complement the international growth profile of Aaccess Consulting.

The Listing will provide the Company with the ability to use its Shares as currency to fund the purchase of any acquisition or access to capital markets to fund such acquisitions. Traditionally, listed companies attract a premium in value and this will allow the Company to potentially benefit from the difference in its market rating to effectively reduce the purchase price payable. The use of the Company’s Shares in this manner could result in the dilution of the ownership interests of Shareholders and change in market capitalisation. The Company will look over the next 12 months so as to identify any suitable targets for potential acquisition.

4.12.6 Group business across the broader Asia Pacific, Canada and United States regions

To remain competitive, AXS will continue to broaden its service offering software solutions into third party administration and business processing centres. This shall include expansion, both domestically and offshore into Europe, Asia and North America, and seeking new revenue opportunities by expanding our product lines and services servicing those product lines, deepening client relationships in the process and embedding personnel into countries that readily take up our software.

The Group will also seek to access participants in the Hong Kong and Singapore markets in order to maximise revenue and earnings.

The business model and pricing of services and products offered by each office will reflect the demands of local investment funds in each market. In the Singapore market the Group will target hedge fund administration, and middle office services in Hong Kong. Furthermore, Hong Kong provides access to fund administration opportunities for fund managers investing in mainland China. The tax and regulatory regime in both markets is favourable and their location provides ready access to emerging markets in the region. It is also interesting to note is both in Singapore and Hong Kong asset managers are also increasingly leveraging on technology and innovation across the value chain. This ranges from using artificial intelligence and data analytics to identify investment opportunities, including digital distribution channels to increase fund penetration and automate back-end processes. In June 2017, Monetary Authority Singapore consulted on proposed refinements to the licensing and business conduct requirements to facilitate the provision of digital advisory services in Singapore.¹

In relation to Europe, Canada and the United States, the Group sees significant market potential given we have engaged two senior sales personnel for the United Kingdom and Canada and have existing clients with referrals being produced for consideration particularly in mortgage processing, investment and pension markets and collections services. The Group further sees the United Kingdom and Canada having similarities to Australian markets with our technology making broker origination, middle office and back office processing being made more seamless and timely with automation.

¹ 2016 Global Asset Management Survey, Monetary Authority Singapore at page 3.
key individuals, interests & benefits
The Company is very cognisant of investor expectations with respect to governance and communications. In that regard, half of the Company Board is constituted of independent non-executive Directors (including the independent Chairman) who have extensive skills and experience in both business operations and governance. The Board and senior management have a broad base of experiences covering operational, technical, corporate and commercial backgrounds spanning a number of decades across a range of different industries. The Board is well positioned to implement, oversee and monitor the Company’s strategic objectives.

5.1 Board of Directors and Management Team

At Listing, the Board of the Company will comprise four members, consisting of two Executive Director and two independent non-Executive Directors. The following table provides information regarding the Directors and the management team of the Group, including their positions and expertise.

Nick Brookes
Non-Executive Chairman of AXS

Nick has significant experience in successfully managing business growth in trusteeship, in managed funds and superannuation, and high net worth financial services at both Board and at Chief Executive levels. Nick was a founder of CSL Limited and until recently was the Chairman of Linear Asset Management Limited ("Linear") which oversees Linear’s Platform and Administration solutions to the Financial Services industry. He is an expert in trusteeship, both as Chief Executive and Independent Board Director, with extensive hands-on practical experience. He founded, and was the Chief Executive, of the Corporate Super Association.

Expertise / Qualifications
- Fellow of the Financial Services Institute of Australasia ("FINSIA")
- Master’s Degree from the Melbourne Business School
- Graduate Diploma in Applied Finance & Investments
- Graduate of the Australian Institute of Company Directors ("GAICD")

Location
Melbourne, Australia

Independence or affiliations
Independent

Legal or disciplinary action
Nil

Insolvent companies
Nil

David Grey
Managing Director and CEO of AXS

David has over 30 years management, corporate and financial services experience and worked on various cross border transactions in Germany, the United States, Britain and Singapore and has been directly involved in the development, restructure and merger and/or acquisition of various companies. David was originally employed as a management accountant for nearly 10 years including with AWA Limited and Texas Instruments and later as a solicitor has worked in private practice and for various organisations in financial services including National Benefits Consulting, AM Corporation Limited, Millinium Capital Group, AMP Superannuation Limited, CUSCAL, Perpetual Trustees Australia Limited and Australian Wealth Management Limited (which includes Questor Financial Services Limited, Bridges Financial Services Pty Limited ("Bridges") and Australian Executor Trustees Limited ("AWM")). He was the responsible executive on the broking floor for Bridges and oversaw all platform administration reporting requirements with the ASIC and APRA.

David was formerly General Counsel and Company Secretary and senior executive for a number of AWM subsidiaries over a number of years and undertook the key role of AWM’s listing on the ASX in 2005. AWM later merged with IOF Holdings Limited ("IOF") in 2006. Mr Grey also sat on compliance, investment and due diligence committees and has been involved in various business transactions and external industry committees and dealings with the ASIC, APRA, ASX and FSC (formerly IFSA).
Mr Grey holds qualifications in accounting, law, a post graduate in law (Dean’s Prize Winner) and is RG 146 compliant. Mr Grey has been part of the strategy and design of many brand name products used by former clients that remain in the market today and has completed various technology program integrations and developments in superannuation and managed funds.

**Expertise / Qualifications**
- Accounting Certificate
- Bachelor of Laws, Bond University
- Master of Laws, University of New South Wales
- MA(CD)
- RG 146 compliant in Securities, Managed Funds and Superannuation

**Location**
Sydney, Australia

**Independence or affiliations**
Not independent

**Legal or disciplinary action**
Nil

**Insolvent companies**
Nil

---

Ivan Colak
**Executive Director of AXS**
**Director of Axcess Consulting**

Ivan is a co-founder and director of Axcess Consulting and an accomplished executive with more than 30 years of domestic and global experience in technology services. He is an expert in developing innovative technology services and strategies that have successfully delivered tailored business solutions to an increasingly demanding marketplace. Prior to setting up Axcess Consulting, Ivan had worked as a senior developer and consultant in some of Australia’s leading banks (including ANZ and NAB) and was CIO of Farrow Corporation. Ivan was also a member of the teams delivering systems used to support the early securitisation programs.

Ivan is the chief architect and developer of the ARMnet platform and software system which has seen the company become a leader in financial software solutions for small to medium enterprises in over forty sites in Australia and internationally including Canada, Ireland and the UK. He plays a key role in the continued development of strategic sales and supplier relationships, including client operations and support. His accumulated knowledge sees him recognised as one of the world leaders in financial technology and has been instrumental in building a global business across both developed and emerging markets. Ivan holds a Bachelor Degree in Computer Science and Mathematics from Deakin University.

**Expertise / Qualifications**
- Bachelor of Computer Science and Mathematics, Deakin University

**Location**
Geelong, Australia

**Independence or affiliations**
Not independent

**Legal or disciplinary action**
Nil

**Insolvent companies**
Nil
KEY INDIVIDUALS, INTERESTS & BENEFITS

Alan Beasley
Non-Executive Director of AXS

Alan has worked in the Investment Banking and Investment Management industries for over 30 years, with Bankers Trust Australia, Goldman Sachs Asset Management, Massachusetts Financial Advisors and BNP Paribas Asset Management Ltd – the last three positions as Managing Director and Australian Country Head. Alan is a director and former director of several listed and unlisted public and private companies including two public charities, The Rock Eisteddfod Challenge Foundation Ltd and The Abbotsleigh Foundation Limited. He is currently Managing Director of Hudson Investment Group Ltd (ASX: HGL), Founding Chairman of The Hydroponics Company Limited (ASX: THC), and Non-Executive Chairman of Esperance Minerals Limited (ASX: ESM). He is a former Non-Executive Chairman of Admiralty Resources NL (ASX: ADY) and Non-Executive Director of Asia Pacific Capital Securities Pty Ltd.

Alan has a passion for and experience in assisting to bring innovative and new technology companies to market. Alan graduated with a Bachelor of Economics, (UNE) and completed an Advanced Management Program in International Investment Management, from the Graduate Business School, Stanford University, Palo Alto California, USA. Alan is a Certified Practising Accountant (CPA), Fellow of the Governance Institute of Australia (FGIA), and Fellow of the Australian Institute of Company Directors (FAICD).

Expertise / Qualifications

» Bachelor of Economics, (UNE)
» Advanced Management Program in International Investment Management (Stanford University, USA)
» Certified Practising Accountant (CPA)
» Fellow of the Governance Institute of Australia (FGIA)
» Fellow of the Australian Institute of Company Directors (FAICD)

Location
Sydney, Australia

Independence or affiliations
Independent

Legal or disciplinary action
Nil

Insolvent companies
Nil

Brendan Dickson
Non-Executive Director of AXS

Brendan has over 20 years of experience in financial markets encompassing roles in Direct Equities and Equity Derivatives, Funds Management, and Foreign Exchange. Brendan’s career began in foreign exchange from 1995 to 2000 with firms such as Deutsche Bank Sydney, Macquarie Bank Sydney and finished with Deutsche Bank London. Brendan decided to become an investment adviser in 2000 working for firms such as Ord Minnett Limited and Challenger First Pacific, which was the former private client division of Credit Suisse.

Brendan’s front office asset management experience began in 2008 as a portfolio manager and analyst. During his tenure as portfolio manager and member of varied investment committees, Brendan has specialised in providing varied strategies with a focus on producing positive returns on client portfolios. Brendan holds a Bachelor of Commerce (majoring in accounting and finance) and Australian Securities Exchange Accredited Derivatives Adviser Level 1 and 2 and is RG146 compliant.

Expertise / Qualifications

» Bachelor of Commerce, University of Canberra
» ASX Accredited Derivatives Adviser Level 1 and 2
» RG146 Compliant (FINSA)

Location
Sydney, Australia

Independence or affiliations
Independent

Legal or disciplinary action
Nil

Insolvent companies
Nil
Henry Kinstlinger  
Company Secretary of AXS

Henry has in the past thirty years been actively involved in the financial and corporate management of many public companies across several sectors as well as non-governmental organisations. He is a professional company secretary and corporate consultant with broad experience in investor relations, corporate and statutory compliance and capital raising.

<table>
<thead>
<tr>
<th>Expertise / Qualifications</th>
<th>MAICD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>Sydney, Australia</td>
</tr>
<tr>
<td>Independence or affiliations</td>
<td>Independent</td>
</tr>
<tr>
<td>Legal or disciplinary action</td>
<td>Nil</td>
</tr>
<tr>
<td>Insolvent companies</td>
<td>Nil</td>
</tr>
</tbody>
</table>

Andrew Duncan  
Chief Financial Officer of AXS

Andrew is a Chartered Accountant with over 20 years’ experience specialising in forensic accounting and transaction services. Andrew holds a Bachelor of Business degree majoring in Accountancy and Finance and holds a Masters’ of Applied Finance and Investment. Andrew was accepted by the Institute of Chartered Accountants as a Business Valuation Specialist.

Andrew formerly worked in private practice for HLB Mann Judd Chartered Accountants (in Sydney) and two other speciality forensic transaction specialty firms (in Sydney) for 20 years. Andrew’s specialist skills include business valuation, financial investigations and transaction facilitation, financial modelling, business turn-around management and systems review and implementation. His general experience includes, general accounting and compliance, finance, tax, IT implementation and corporate advice for a broad base of entities.

Andrew is familiar with various corporate structures of both private and public companies including associated entities and has been involved in over 100 business valuations and investigative assignments. He has also provided expert evidence for court matters in relation to valuation and other associated accounting matters.

<table>
<thead>
<tr>
<th>Expertise / Qualifications</th>
<th>Bachelor of Business (majoring in Accounting and Finance)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Graduate Diploma in Finance and Investment</td>
</tr>
<tr>
<td></td>
<td>Master’s in Applied Finance and Investment</td>
</tr>
<tr>
<td></td>
<td>Chartered Accountant (CAANZ)</td>
</tr>
<tr>
<td></td>
<td>Business Valuation Specialist (CAANZ)</td>
</tr>
<tr>
<td>Location</td>
<td>Australia</td>
</tr>
<tr>
<td>Legal or disciplinary action</td>
<td>Nil</td>
</tr>
<tr>
<td>Insolvent companies</td>
<td>Nil</td>
</tr>
</tbody>
</table>
Kelvin Poole
Executive Director of Axcess Consulting

Kelvin has over 40 years of executive leadership experience in lending and banking and is a founder and an executive director of Axcess Consulting. Prior to establishing Axcess Consulting, Kelvin held numerous senior management positions within large Victorian lending institutions such as the State Bank of Victoria and the Farrow Corporation including being appointed National Lending Manager.

Kelvin’s vast lending experience played a significant role in the initial development of the ARMnet software platform and its success in the Australian and International markets. He has a track record of bringing clarity and direction to strategic business decisions, and developing partner alliances that accelerate business expansion. He currently plays a senior role in Axcess Consulting focusing on the day to day business operations including sales and marketing and bid management.

Expertise / Qualifications: Nil
Location: Geelong, Australia
Legal or disciplinary action: Nil
Insolvent companies: Nil

Laurie Atkinson
Executive Director of Axcess Consulting

Laurie is a senior IT executive with over 30 years’ experience working in the financial services and technology sector. Laurie is currently an Executive Director of Axcess Consulting. Prior to joining Axcess Consulting, Laurie worked both in Australia and the UK consulting and lecturing as a network and communications specialist. Since joining Axcess Consulting, Laurie has been responsible for the delivery and management of the Axcess Consulting financial servicing platform in over forty sites in Australia and internationally including Canada, Ireland and the UK. This includes a diverse range of clients delivering services in areas such as mortgage origination and servicing, securitisation, investments and syndicated commercial lending.

As head of the IT delivery team, Laurie’s key role is analysing the business requirements and processes of the customer and liaising with the development team to design a technical solution.

His role as an executive director of Axcess Consulting has also seen him contribute extensively to the architecture, design and development of the Axcess Consulting system and his unique combination of technical and business experience now sees him recognised as one of Australia’s leading experts on financial servicing technology.

Expertise / Qualifications: Bachelor of Applied Science, Royal Melbourne Institute of Technology
Location: Geelong, Australia
Legal or disciplinary action: Nil
Insolvent companies: Nil

5.2 Interests and Benefits

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

» Director or proposed Director of the Company;
» person named in this Prospectus and who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
» financial services licensee involved in the Offer; or
» promoter of the Company,
holds, at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

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

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

5.3 Directors’ and Managements’ Interests and Remuneration
The Directors decide the total amount paid to each Director as remuneration for their services. Under ASX Listing Rules the total amount paid to all Non-Executive Directors must not exceed in total in any financial year the amount fixed in a general meeting of the company. This amount is currently $300,000 per annum. Annual fees agreed to be paid to the Directors and managements are described below.

5.3.1 Executive Director and CEO remuneration – David Grey
David Grey is the Managing Director and CEO of the Company. The employment contract between AXS and David Grey was entered into on 12 July 2017. The term of employment is a 4 year fixed term contract that commences from the later of 12 July 2017 or when AXS receives conditional approval for admission to the official list on the ASX. The parties may extend the term of employment if they both agree in writing.

David Grey will receive an annual fixed remuneration of $289,000, which includes superannuation and fringe benefits. On top of the remuneration, David Grey is also entitled to $4,000 per annum car allowance and reimbursement for reasonable travel expenses. In addition, David Grey is entitled to:

» a sign-on fee of $110,000.00 payable on Official Quotation;
» a potential bonus of up to 70% of the Salary if AXS meets its sales target for the financial year; and
» a potential bonus of up to 70% of the Salary if AXS meets its EBITDA target for the financial year.

The maximum total yearly remuneration package for David Grey (excluding travel and the sign-on bonus) if he meets all bonus targets will be $869,600.00.

Pursuant to David Grey’s employment contract, David Grey is under a fixed term. AXS may terminate the contract in the 4th year of the contract by making a payment in lieu of notice. In addition, in the event of serious misconduct or other specific circumstances warranting summary dismissal, David Grey’s employment contract may be terminated immediately by notice in writing and without payment in lieu of notice. Upon the termination of David Grey’s labour contract (whether by resignation or termination), David Grey will be subject to a restraint of trade period of up to 8 months. The restraint of trade period may be reduced or eliminated in its entirety at the discretion of the Company.

5.3.2 Executive Director remuneration – Ivan Colak
Ivan Colak is an Executive Director of the Company. From one Business Day after the Approval Date, Ivan Colak will receive an annual fixed remuneration of $219,000, which includes superannuation. Ivan Colak will also be entitled to participate in an annual bonus scheme of up to 120% of the remuneration (exclusive of superannuation). The bonus will be calculated on scaled EBITDA and sales targets. Ivan Colak will also be entitled to participate in an ESOP.

Pursuant to Ivan Colak’s employment contract, Ivan Colak may resign from his position by giving 3 months’ notice in writing. Ivan Colak’s employment may be terminated by his employer (a member of the Group) by giving 3 months’ notice in writing or by making a payment in lieu of notice. In the event of serious misconduct or other specific circumstances warranting summary dismissal, Ivan Colak’s employment contract may be terminated immediately by notice in writing and without payment in lieu of notice. Upon the termination of Ivan Colak’s labour contract (whether by resignation or termination), Ivan Colak will be subject to a restraint of trade period of up to 36 months. The restraint of trade period may be reduced or eliminated in its entirety at the discretion of the Company.

5.3.3 Non-Executive Chairman remuneration – Nick Brookes
Nick Brookes is the Non-Executive Chairman of the Company commencing from 17 August 2018. Pursuant to the letter of engagement dated 17 August 2018, Nick Brookes will receive a fixed remuneration of $90,000 plus GST as the first year’s remuneration as a non-executive director and $5,000 per each committee role. Nick is also entitled to remuneration for the duties or services carried out in addition to the ordinary duties of his office. Nick Brookes’ term of engagement may be terminated immediately if:

» he becomes disqualified from managing a corporation under the Corporations Act;
» he is removed as a director in accordance with section 203D of the Corporations Act; and
5.3.4 Non-Executive Director remuneration – Brendan Dickson
Brendan Dickson is the Non-Executive Director of the Company commencing from 4 September 2018. Pursuant to the letter of engagement dated 4 September 2018, Brendan Dickson will receive an fixed remuneration of $55,000 plus GST as a non-executive director and $5,000 per each committee role. Payment of his fees is to commence from Official Quotation of the Company on the ASX. Brendan is also entitled to remuneration for the duties or services carried out in addition to the ordinary duties of his office. Brendan Dickson’s employment may be terminated immediately if:
- he becomes disqualified from managing a corporation under the Corporations Act;
- he is removed as a director in accordance with section 203D of the Corporations Act; and
- pursuant to the terms of the Constitution and the Listing Rules, he is not re-elected to the Board after mandatory retirement.

5.3.5 Non-Executive Director remuneration – Alan Beasley
Alan Beasley is the Non-Executive Director of the Company commencing from 1 September 2018. Pursuant to the letter of engagement dated 13 September 2018, Alan Beasley will receive a fixed remuneration of $60,000 plus GST as a non-executive director and $5,000 per each committee role. Alan is also entitled to remuneration for the duties or services carried out in addition to the ordinary duties of his office. Alan Beasley’s engagement may be terminated immediately if:
- he becomes disqualified from managing a corporation under the Corporations Act;
- he is removed as a director in accordance with section 203D of the Corporations Act; and
- pursuant to the terms of the Constitution and the Listing Rules, he is not re-elected to the Board after mandatory retirement.

5.3.6 Company Secretary remuneration – Henry Kinstlinger
Henry Kinstlinger is Company Secretary of the Group. Pursuant to the consultancy contract dated 14 June 2017, Henry Kinstlinger will receive an annual fixed remuneration of $60,000 inclusive of superannuation and an additional amount equal to any GST if applicable. In addition, Henry may be reimbursed for the amount spent for all travelling and other expenses properly and reasonably incurred in the course of the engagement. Pursuant to Henry Kinstlinger’s consultancy contract, Henry Kinstlinger may resign from his position by giving 6 months’ notice in writing. Henry Kinstlinger’s employment may be terminated by his employer (a member of the Group) by giving 6 months’ notice in writing or by making a payment in lieu of notice. In the event of serious misconduct or other specific circumstances warranting summary dismissal, Henry Kinstlinger’s employment contract may be terminated immediately by notice in writing and without payment in lieu of notice. Without prejudice to Henry’s obligations under the consultancy contract, he is not subject to restriction on provision of services to others. However, Henry has an obligation under the consultancy contract to first seek approval from the Company to act for another entity providing services similar to that of the Company.

5.3.7 Chief Financial Officer remuneration – Andrew Duncan
Andrew Duncan is the CFO of the Group. From the Listing Date, Andrew Duncan will receive an annual fixed remuneration of $175,000 (exclusive of GST). Andrew Duncan’s consultancy agreement may be terminate by either the Company or himself by giving 2 months’ notice in writing. In the event of serious breach or other specific circumstances warranting termination, Andrew Duncan’s consultancy agreement may be terminated immediately by notice in writing. Andrew Duncan may also terminate the agreement if David Grey is no longer the Managing Director of the Company or if the Company does not provide proper access to materials, resources and information to fulfill his duties and obligations with 14 days’ notice or such reasonable period for rectification pursuant to his agreement. Andrew Duncan has agreed to receive 176,471 Shares at 17 cents per Share and 80,000 Options before the Listing in lieu of $30,000 fees owed to him. The Shares and the Options will be restricted for 24 months in accordance with the terms of the ASX rules and are detailed in section 9.6.

5.3.8 Executive Director (Access Consulting) remuneration – Laurie Atkinson
Laurie Atkinson is an Executive Director of Access Consulting. From one Business Day after the Approval Date, Laurie Atkinson will receive an annual fixed remuneration of $219,000, which includes superannuation. Laurie Atkinson will also be entitled to participate in an annual bonus scheme of up to 120% of the remuneration (exclusive of superannuation). The bonus will be calculated on scaled EBITDA and sales targets. Laurie Atkinson will also be entitled to participate in an ESOP.

Pursuant to Laurie Atkinson’s employment contract, Laurie Atkinson may resign from his position by giving 3 months’ notice in writing. Laurie Atkinson’s employment may be terminated by his employer (a member of the Group) by giving 3 months’ notice in writing or by making a payment in lieu of notice. In the event of serious misconduct or other specific circumstances warranting summary dismissal, Laurie Atkinson’s employment contract may be terminated immediately by notice in writing and without payment in lieu of notice. Upon the termination of Laurie Atkinson’s labour contract (whether by resignation or termination), Laurie Atkinson will be subject to a restraint of trade period of up to 36 months. The restraint of trade period may be reduced or eliminated in its entirety at the discretion of the Company.
5.3.9 Executive Director (Axcess Consulting) remuneration – Kelvin Poole
Kelvin Poole is an Executive Director of Axcess Consulting. From one Business Day after the Approval Date, Kelvin Poole will receive an annual fixed remuneration of $219,000, which includes superannuation. Kelvin Poole will also be entitled to participate in an annual bonus scheme of up to 120% of the remuneration (exclusive of superannuation). The bonus will be calculated on scaled EBITDA and sales targets. Kelvin Poole will also be entitled to participate in an ESOP.

Pursuant to Kelvin Poole’s employment contract, Kelvin Poole may resign from his position by giving 3 months’ notice in writing. Kelvin Poole’s employment may be terminated by his employer (a member of the Group) by giving 3 months’ notice in writing or by making a payment in lieu of notice. In the event of serious misconduct or other specific circumstances warranting summary dismissal, Kelvin Poole’s employment contract may be terminated immediately by notice in writing and without payment in lieu of notice. Upon the termination of Kelvin Poole’s labour contract (whether by resignation or termination), Kelvin Poole will be subject to a restraint of trade period of up to 36 months. The restraint of trade period may be reduced or eliminated in its entirety at the discretion of the Company.

5.3.10 Directors’ and managements’ interests in Shares and Options
Directors and the Company Secretary’s interests in Shares at the date of this Prospectus are as follows.

<table>
<thead>
<tr>
<th>Name</th>
<th>Role</th>
<th>Shares</th>
<th>Options (ex $0.25 Exp 31/12/19)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nick Brookes</td>
<td>Chairman and Non-Executive Director of AXS</td>
<td>367,000</td>
<td>33,400</td>
</tr>
<tr>
<td>David Grey</td>
<td>Managing Director and CEO of AXS</td>
<td>5,100,000</td>
<td>Nil</td>
</tr>
<tr>
<td>Brendan Dickson</td>
<td>Non-Executive Director of AXS</td>
<td>2,400,000</td>
<td>Nil</td>
</tr>
<tr>
<td>Alan Beasley</td>
<td>Non-Executive Director of AXS</td>
<td>229,671</td>
<td>5,934</td>
</tr>
<tr>
<td>Ivan Colak</td>
<td>Executive Director of AXS and Executive Director of Axcess Consulting</td>
<td>22,000,000</td>
<td>Nil</td>
</tr>
<tr>
<td>Henry Kinstlinger</td>
<td>Company Secretary of AXS</td>
<td>2,233,333</td>
<td>486,667</td>
</tr>
</tbody>
</table>

1. Nick Brookes’ Shares are held by Banannder Pty Ltd which is 100% owned by Nick Brookes.
2. 700,000 Shares are held by DSDM Pty Limited a company controlled by David Grey. 200,000 Shares are held by DTMS Corporate Pty Limited as the trustee for DTMS Personal Super Fund of which David Grey is a shareholder/beneficiary. 1,200,000 Shares are held by Deidra McMaster, spouse of David Grey.
3. 29,671 shares and 5,934 options are held by Colleen Beasley, spouse of Alan Beasley.
4. Ivan Colak’s Shares are held by L and L Computer Services Pty. Ltd as the trustee for the Colak Family Trust, in which Ivan Colak is a beneficiary.
5. 1,200,000 Shares are held by MMR Corporate Services Pty Ltd a company controlled by Henry Kinstlinger. 1,033,333 Shares and 486,667 Options are held by Ruchhils Pty Ltd a company controlled by Henry Kinstlinger.

Senior management interests in Shares at the date of this Prospectus are as follows.

<table>
<thead>
<tr>
<th>Name</th>
<th>Role</th>
<th>Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andrew Duncan</td>
<td>Chief Financial Officer of AXS</td>
<td>416,471</td>
</tr>
<tr>
<td>Laurie Atkinson</td>
<td>Executive Director of Axcess Consulting</td>
<td>11,000,000</td>
</tr>
<tr>
<td>Kelvin Poole</td>
<td>Executive Director of Axcess Consulting</td>
<td>11,000,000</td>
</tr>
</tbody>
</table>

1. 240,000 Shares held by Jackie Super Pty Ltd as the trustee for Jackie Superannuation Fund of which Andrew Duncan is a shareholder/beneficiary.
2. Laurie Atkinson’s Shares are held by the LRA Consulting Pty Ltd as trustee for the Atkinson Consulting Trust, of which Laurie Atkinson is a beneficiary.
5.4 Employee Incentive Arrangements

5.4.1 Employee Share Option Plan ("ESOP")
AXS has established an ESOP, which is an employee equity plan developed to meet contemporary equity design standards and to provide the greatest possible flexibility in the design and offer choices available to the Company.


<table>
<thead>
<tr>
<th>Terms</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invitations</td>
<td>The Board may in its absolute discretion, without being bound to do so, at intervals determined by the Board, issue written invitations to apply for Options to Eligible Persons selected by the Board (Participants).</td>
</tr>
<tr>
<td>Eligible Persons</td>
<td>Eligible Person means any person considered by the Board to be an employee, contractor or director or an associate of an employee, contractor or director (including past or prospective employees, contractors or directors) of the Company or a subsidiary of the Company.</td>
</tr>
<tr>
<td>Exercise Price</td>
<td>The exercise price of each Option is to be such price as determined by the Board in its discretion when granting the Option.</td>
</tr>
<tr>
<td>Restrictions on making an Offer</td>
<td>No Offer will be made to the extent that any such offer would contravene the Company’s Constitution, the Listing Rules, the Corporations Act or any other applicable law.</td>
</tr>
<tr>
<td>Vesting Conditions</td>
<td>The Options may be subject to Vesting Conditions as determined by the Board.</td>
</tr>
<tr>
<td>Exercise of Options</td>
<td>If an Option is subject to Vesting Conditions, it may only be exercised if it has vested and before it expires.</td>
</tr>
<tr>
<td></td>
<td>While the Company is not listed, the Board may in its absolute discretion accelerate the vesting of Options of any participants.</td>
</tr>
<tr>
<td>Restrictions on exercise</td>
<td>If a Participant does not exercise all Options held by the Participant, the Participant must exercise Options in multiples of 1,000 or other multiple permitted by the Board.</td>
</tr>
<tr>
<td>Loan to exercise Options</td>
<td>The Directors may offer a loan to a participant who holds an Option for the amount of the Exercise Price of the Option to enable the employee to pay the purchase price for the Share on the exercise of the Option that has been issued pursuant to the ESOP. The Company shall have a lien over the Shares until all the amounts outstanding under or in connection with such loan has been repaid.</td>
</tr>
<tr>
<td>Entitlement</td>
<td>When exercised, each Option held by a participant entitles the participant to subscribe for and to be issued one Share. The subscription price for the Share is equal to and satisfied by the payment of the Exercise Price of the Option.</td>
</tr>
<tr>
<td>Quotation</td>
<td>If the Company is listed the ASX, the Company will make applications to the ASX for listing or quotation of the Shares issued on exercise of the Option. Any such application will be made in accordance with the requirements of the applicable Listing Rules.</td>
</tr>
<tr>
<td>Change of control</td>
<td>If, pursuant to a takeover bid or otherwise, any person together with their associates acquire Shares, which when aggregated with Shares already acquired by such person and their associates, comprise more than 30% of the issued Shares of the Company, the Board may give written notice to each participant permitting the participant to exercise any or all the participant’s Options as determined by the Board within 30 days or such reasonable longer period as approved by the Board from the last date when any of the Shares referred to were so acquired.</td>
</tr>
<tr>
<td>Plan Administration</td>
<td>The Plan will be administered by the Board and has absolute and unfettered discretion to exercise or refrain from exercising any power or discretion in respect of the ESOP. The Board may impose any terms and conditions on any approval, consent, authority or determination made under the ESOP.</td>
</tr>
<tr>
<td>Termination or Suspension of the Plan</td>
<td>The Board may from time to time terminate or suspend the operation of the ESOP and may, at any time, cancel the ESOP. The suspension or termination of the ESOP will not prejudice the rights of the participants who were granted the Options prior to such termination or suspension.</td>
</tr>
</tbody>
</table>
5.4.2 Performance Options issued to KMPs
At the date of this Prospectus, the Company has offered to issue Performance Options to the Group’s Key Management Personnel ("KMP") selected by the Board under the ESOP. The issue of Performance Options under those offers are conditional upon the Company being accepted for admission to the Official List.

Key terms and conditions of the Performance Options offered is set out as below:

<table>
<thead>
<tr>
<th>Terms</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issue Date</td>
<td>The Company approved the issue of Performance Options on 20 July 2017 for the directors and on 17 September 2018 for the Chief Financial Officer and will be issued from Official Quotation.</td>
</tr>
<tr>
<td>Type of Options</td>
<td>Class A Performance Option and Class B Performance Option.</td>
</tr>
<tr>
<td>Participants</td>
<td>Nick Brookes, David Grey, Brendan Dickson, Alan Beasley and Andrew Duncan.</td>
</tr>
<tr>
<td>Number of Performance Options to be issued</td>
<td></td>
</tr>
<tr>
<td>Participant</td>
<td>Class A Performance Option</td>
</tr>
<tr>
<td>Nick Brookes</td>
<td>500,000</td>
</tr>
<tr>
<td>David Grey</td>
<td>2,250,000</td>
</tr>
<tr>
<td>Brendan Dickson</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Alan Beasley</td>
<td>300,000</td>
</tr>
<tr>
<td>Andrew Duncan</td>
<td>300,000</td>
</tr>
<tr>
<td>Issue price per Option</td>
<td>No amount is payable on issue of the Options</td>
</tr>
<tr>
<td>Exercise Price</td>
<td></td>
</tr>
<tr>
<td>Class</td>
<td>Exercise Price</td>
</tr>
<tr>
<td>A</td>
<td>$0.25 per Option</td>
</tr>
<tr>
<td>B</td>
<td>$0.35 per Option</td>
</tr>
<tr>
<td>Vesting Conditions</td>
<td>The Options will be vested and become capable of exercise provided that the Participants remain employees of the Company as at the relevant Vesting Date as below:</td>
</tr>
<tr>
<td>Class</td>
<td>Vesting Date</td>
</tr>
<tr>
<td>A</td>
<td>Upon the Company achieving an EBITDA in excess of $2.9 million in either FY2019 or FY2020.</td>
</tr>
<tr>
<td>B</td>
<td>Upon the Company achieving an EBITDA of $3.7 million in either FY2019, FY2020 or FY2021.</td>
</tr>
<tr>
<td>Expiry Date</td>
<td></td>
</tr>
<tr>
<td>Class</td>
<td>Expiry Date</td>
</tr>
<tr>
<td>A</td>
<td>&gt; If the vesting condition is not met upon the determination of the EBITDA of the Company as at FY2020, the Class A Performance Options will lapse.</td>
</tr>
<tr>
<td></td>
<td>&gt; Any vested Options that have not been exercised by 31 December 2023 will lapse.</td>
</tr>
<tr>
<td>B</td>
<td>&gt; If the vesting condition is not met upon the determination of the EBITDA of the Company as at FY2021, the Class B Performance Options will lapse.</td>
</tr>
<tr>
<td></td>
<td>&gt; Any vested Options that have not been exercised by 31 December 2023 will lapse.</td>
</tr>
<tr>
<td>Restrictions</td>
<td>If the Company becomes listed, the Participant must sign any restriction (escrow) agreement required by the ASX in respect of the Options or any Shares issued on exercise of the Options.</td>
</tr>
<tr>
<td>Amendment Required by ASX</td>
<td>The Directors of the Company reserves the right to amend the terms of the Options as necessary to comply with the ASX Listing Rules or any direction of the ASX regarding these terms. In any event these terms are amended, the Company will notify Participants.</td>
</tr>
</tbody>
</table>
5.5 Interests of Advisers

The following entities have been engaged as professional advisers to various members of the Group for the purposes of the Offer. The details of work provided and the fees payable are summarised below.

<table>
<thead>
<tr>
<th>Adviser</th>
<th>Role</th>
<th>Fee (inclusive of taxes)1</th>
</tr>
</thead>
<tbody>
<tr>
<td>MMR Corporate Services Pty Ltd</td>
<td>Corporate Adviser to the Company</td>
<td>Please see section 9.7.</td>
</tr>
<tr>
<td>Baker &amp; McKenzie</td>
<td>Australian legal adviser to the Company</td>
<td>$120,000</td>
</tr>
<tr>
<td>Piper Alderman</td>
<td>Australian legal adviser to the Company</td>
<td>$83,000</td>
</tr>
<tr>
<td>PriceWaterhouseCoopers</td>
<td>Accountant providing Tax Due Diligence to the Company</td>
<td>$16,500</td>
</tr>
<tr>
<td>Nexia Sydney Corporate Advisory Pty Ltd</td>
<td>Accountant providing Financial Due Diligence to the Company</td>
<td>$101,957</td>
</tr>
<tr>
<td>Frost &amp; Sullivan</td>
<td>Independent expert to the Group and has prepared the Independent Market Report in Section 3</td>
<td>$20,500</td>
</tr>
</tbody>
</table>

1. These amounts and other expenses of the Offer will be paid by the Company (or one of its subsidiaries) out of funds raised under the Offer. Further information on the use of proceeds from the Offer and costs of the Offer are set out in Sections 1.7 and 9.10 respectively.

5.6 Corporate Governance

The Board is cognisant of the need for a well-articulated and robust corporate governance framework and believes that good corporate governance is essential to the preservation and enhancement of Shareholder value. The Board believes that the success of the business is strengthened by implementing clearly articulated policies to enhance accountability, efficiency and the reliable measurement of performance.

The Board has adopted a Board Charter ("Charter"), which sets out the key corporate governance principles and procedures of the Company. The Charter and other corporate governance documents are available on the Company’s website at www.axsGROUP.com.au. These key documents will be kept under review by the Board and amended from time to time.

The Charter and other governance measures adopted reflect the Board’s endorsement of the recommendations contained in the ASX Corporate Governance Council’s Principles and Recommendations, 3rd edition, 2014 ("Principles"). Those Principles marked with ☒ have not been fully implemented or are to be addressed during the FY2019 reporting year. The commentary addresses the reasons for the departure from the requirements.

**Principle 1 - Lay solid foundations for management and oversight**

1.1 The Board has outlined in its Charter, its roles and responsibilities and has established a clear distinction between its functions and those delegated to management. ☒

1.2 Appropriate checks including criminal record checks have been carried out on all Board members prior to their appointment. The Company will provide Shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director at future general meetings. ☐

1.3 All Directors and senior executives have a written agreement with the Company or a member of the Group setting out the terms of their appointment. ☒

1.4 The Company Secretary is accountable directly to the Board, through the Chairman on all matters to do with the proper functioning of the Board. ☒

1.5 The Board has adopted a Diversity Policy (a copy of which is on the Company’s website). The Diversity Policy requires the Board to set measurable objectives for obtaining gender diversity. The Board has not yet set measurable objectives but intends to review the diversity statistics within the Company and use those measures to formulate measurable objectives. ☒

1.6 At least once per year the Board will, with the advice and assistance of the Nomination and Remuneration Committee ("NRC"), review and evaluate the performance of the Board, each Board committee and each individual Director against the relevant charters, corporate governance policies, and agreed goals and objectives. ☒

1.7 Performance reviews for Executive Directors and Senior Management will take place at least annually. The NRC has accountability in its Charter to oversee these reviews and report to the Board on their outcomes. The Company intends to ensure the appropriate disclosures in the remuneration report are made in relation to each reporting period as to the performance evaluations that were undertaken and the process that was followed. ☒
### Principle 2 - Structure the Board to add value

2.1 The Board has formed a Nomination and Remuneration Committee. The charter for the Nomination and Remuneration Committee is available on the Company’s website. Membership of the Nomination and Remuneration Committee is: Nick Brookes (Non-Executive Director) (Chairman), Brendan Dickson (Non-Executive Director), Alan Beasley (Non-Executive Director) and David Grey (Executive Director).

2.2 In establishing the Board, regard was had to the skills and expertise required of the Directors relevant to the Group’s business and the Company’s Listing in Australia. Directors with the desired skills and expertise were carefully selected for appointment to the Board.

2.3 The Board Charter sets out the criteria adopted by the Board for considering if a Director is independent. The Board is comprised of four members, two of whom are independent. Nick Brookes and Brendan Dickson are considered independent as none of them has a material shareholding of over 5% in the Company or is an adviser or supplier or associated with an adviser or supplier to the Company or has any other material contractual relationship with the Company other than their position as a Director. The Company has considered the recommendation of having a majority of the Board as independent Directors. However, the Board considers the Company’s immediate requirements as it transitions to an ASX-listed company and is satisfied that the composition of the Board reflects an appropriate range of independence and skill and experience in the period immediately after Listing on the ASX. Together, the Directors have a broad range of experience, expertise, skills, qualifications and contacts relevant to the business of the Company.

2.5 The Board recognises the recommendation that the chairman should be an independent Non-Executive Director and has accordingly appointed Nick Brookes, an independent, non-executive director as Chairman.

2.6 All Non-Executive Directors have had an extensive induction into the business of the Company prior to accepting their appointment and have received continuing information on the Company and its operations since being appointed. The induction process has included presentations by management. Directors are also given access to continuing education in relation to the Company extending to its business, the industry in which it operates, and other information required by them to discharge the responsibilities of their office.

### Principle 3 - Act ethically and responsibly

3.1 The Board has adopted a code of conduct applicable to all Directors, senior executives and employees, a copy of which is disclosed on the Company’s website.

### Principle 4 - Safeguard integrity in financial reporting

4.1 The Board has established an audit and risk committee ("ARC"). The audit and risk committee is comprised of a majority of Non-Executive Directors. Its composition being Brendan Dickson (Non-Executive Director) (Chairman), Nick Brookes (Non-Executive Director), Alan Beasley (Non-Executive Director) and David Grey (Executive Director). The qualifications of the members of the audit and risk committee are set out in the Prospectus in Section 5.1. A copy of the audit and risk committee’s charter is on the Company’s website.

4.2 The Board has not yet had to approve the entity’s financial statements for a financial period and accordingly has not been required to receive relevant declarations from the CEO and CFO in respect of the financial records of the Group. It is the intention of the Board that these declarations will be required for both the half-year and full-year results and this fact has been communicated to both the CEO and CFO.

4.3 The Company has not yet held an Annual General Meeting ("AGM") but it is the intention of the Board to ensure that its external auditor attends the AGM and is available to answer questions from security holders relevant to the audit.

### Principle 5 - Make timely and balanced disclosure

5.1 The Board has established a written continuous disclosure policy to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability for compliance. Each Board meeting considers whether any continuous disclosure issues arose during the course of the meeting. The continuous disclosure policy is on the Company’s website.
### Principle 6 - Respect the rights of Shareholders

| 6.1 | The Company has established a website which provides information about the Group, Directors and executives, key governance policies and other information relevant to its investors. The website will be a key communication tool between the Company and the Shareholders. | ✓ |
| 6.2 | The Company has not yet designed and implemented an investor relations program to facilitate effective two-way communication with investors, however, the Board recognises its importance and will put in place a tailored program following the Completion. | ✓ |
| 6.3 | The Board has adopted a Shareholder Communication Policy and will provide Shareholders with opportunities to have questions addressed at Shareholder meetings, irrespective of whether the Shareholder is able to attend. A copy of the Shareholder Communication Policy is on the Company’s website. | ✓ |
| 6.4 | All Shareholders will be able to communicate with the Company and its share registry electronically, which is an encouraged method of communication. | ✓ |

### Principle 7 - Recognise and manage risk

| 7.1 | The Board has established a combined audit and risk committee. The audit and risk committee are comprised majority of Non-Executive Directors. Its composition being Brendan Dickson (Non-Executive Director) (Chairman), Nick Brookes (Non-Executive Director), Alan Beasley (Non-Executive Director) and David Grey (Executive Director). The qualifications of the members of the audit and risk committee are set out in the Prospectus in Section 5.1. A copy of the audit and risk committee’s charter is on the Company’s website. | ✓ |
| 7.2 | The risk management framework for the Group has not yet been formally reviewed by the Board. The Board has appointed the ARC to assist it with discharging its oversight function in respect of material business risks and to determine if the system of risk management is sound. Outcomes of those reviews will be reported in future corporate governance statement annually. | ✓ |
| 7.3 | The Group has various quality assurance functions throughout the business but not a dedicated internal audit function. It is the Board’s intention that the ARC reviews the need for an internal audit function, the scope of any function should one be required and whether it will be insourced or outsourced. The outcome of the review will be reported in future annual reports. | ✓ |
| 7.4 | As mentioned under Principle 7.2, the Board expects a report on the risk management framework in 27 August 2018 and has requested that management address economic, environmental and sustainability risks. The outcome of that review will be reported in future annual reports. | ✓ |

### Principle 8 - Remunerate fairly and responsibly

| 8.1 | The Board has formed a combined Nomination and Remuneration Committee. Membership of the Nomination and Remuneration Committee is: Nick Brookes (Non-Executive Chairman) (Chairman), Brendan Dickson (Non-Executive Director), Alan Beasley (Non-Executive Director) and David Grey (Executive Director). A copy of the charter for the NRC is provided on the company’s website. The qualifications of the members of the nomination and remuneration committee are set out in the Prospectus in Section 5.1. A copy of the charter for the NRC is provided on the Company’s website. | ✓ |
| 8.2 | The Board has adopted a remuneration policy for Non-Executive Directors. A remuneration policy for Executive Directors and other senior executives will be developed post Completion. A copy of the Non-Executive Director remuneration policy is provided on the Company’s website. | ✓ |
| 8.3 | The Company’s Securities Trading Policy prohibits participants of any equity-based remuneration scheme entering into transactions which limits the economic risk of a participant. | ✓ |
financial information
6.1 Introduction
This Section contains a summary of the Pro Forma Historical Financial Information prepared by the Directors of AXS.

The Pro Forma Historical Financial Information comprises the:

- pro forma consolidated income statements for FY2015, FY2016, FY2017 and 1HY2018 ("Pro Forma Historical Income Statements");
- pro forma consolidated statement of financial position as at 31 December 2017 (Pro Forma Historical Balance Sheet); and
- pro forma consolidated cash flow statements for FY2015, FY2016, FY2017 and 1HY2018 (Pro Forma Historical Cash Flow Statements).

(Collectively referred to as "Pro Forma Historical Information").

AXS has a 30 June financial year end. As such, any references in this section to “FY” refer to a 30 June year end and references to “HY” refer to six months ended 31 December of the respective financial year.

The Pro Forma Historical Financial Information has been reviewed in accordance with the Australian Standard on Assurance Engagements ASAE 3450 Assurance Engagements involving Fundraising and/or Prospective Financial Information, by Nexia Sydney Corporate Advisory Pty Ltd, whose Investigating Accountant’s Report on the Financial Information is contained in Section 7.

Also summarised in this Section 6 is:

- the basis of preparation and presentation of the Financial Information (Section 6.2);
- a description of the pro forma adjustments to the Statutory Historical Financial Information and reconciliations between the Statutory Historical Financial Information and the Pro Forma Financial Information (Section 6.3.1 and Section 6.5.1);
- historical financial information for Axcess Partnership (Section 6.6);
- commentary on AXS liquidity, capital resources and indebtedness (Section 6.7);
- AXS’s proposed dividend policy (Section 6.8); and
- Significant accounting policies (Section 6.9).

All amounts disclosed in this Section are presented in Australian dollars.

Some tables may not add due to rounding.

The information in this Section 6 should also be read in conjunction with the Key Risks set out in Section 8 and other information contained in this Prospectus including the significant accounting policies set out in Section 6.9.

6.2 Basis of preparation and presentation of the Financial Information

6.2.1 Overview
The Directors of AXS are responsible for the preparation of the Pro Forma Historical Financial Information.

The Company was incorporated on 13 June 2017 and has had limited activity since incorporation with expenditure largely relating to the proposed listing and other transaction costs.

AXS’s significant accounting policies have been consistently applied throughout the periods and are set out in Section 6.9.

AXS operates and reports under one operating segment in accordance with AASB 8 Operating Segments.

On completion of the Offer, Axcess Partnership will transfer certain assets and liabilities to Axcess Consulting in accordance with the terms of the SPAs. This will effectively result in the transfer of the business operations of the Axcess Partnership to Axcess Consulting on that date. As consideration for the transfer of assets and liabilities from the Axcess Partnership to Axcess Consulting, the Vendors are to be issued with a significant proportion of the issued shares in AXS. The Vendor’s shareholding (collectively) is considered significant enough to exert influence over the direction of the operations of AXS (after Completion) that, in accordance with the Australian Accounting Standards, for accounting purposes, the acquisition of Axcess Consulting will be considered to be a reverse acquisition. As such the financial reporting and consolidation of the Group will be done on the basis that Axcess Consulting is the acquirer.

The 1HY2018 financial statements of the Company were reviewed by Nexia Sydney Audit Pty Ltd. Nexia Sydney Audit Pty Ltd issued an unqualified opinion which included an emphasis of matter for material uncertainty in relation to going concern.

The FY2015, FY2016 and FY2017 financial statements of Axcess Partnership have been audited by Nexia Sydney Audit Pty Ltd. The 1HY2018 financial statements of Axcess Partnership were reviewed by Nexia Sydney Audit Pty Ltd. Nexia Sydney Audit Pty Ltd has issued unqualified opinions in respect of each period.
6.2.2 Preparation of Pro Forma Historical Financial Information

There are no historical consolidated financial statements for AXS, which will be the legal parent company of Axxess Consulting upon Completion of the Offer.

The Pro Forma Historical Financial Information includes adjustments reflecting the audited and reviewed Historical Financial Statements of the Axxess Partnership as if the acquisition had occurred on 1 July 2014 and after adjusting for the operating and capital structure following Completion of the Offer.

The Pro Forma Historical Income Statement is derived from the historical income statement and adjusted to include additional costs to reflect the costs that would have been incurred had Axxess Partnership operated as a listed entity including: cost of the board, principal salaries to reflect salary amounts post listing, and other costs associated with being a listed entity. Costs associated with the acquisition and listing have been removed.

The Pro Forma Historical Balance Sheet is derived from the Historical Balance Sheet and adjusted to reflect the pre-Listing fundraising, transfer of the business and certain assets and liabilities of Axxess Partnership into Axxess Consulting, and the subsequent acquisition of Axxess Consulting by AXS, and the Completion of the Offer.

The Pro Forma Historical Cash Flow Statement is derived from the Historical Cash Flow Statement and adjusted to include additional costs to reflect the costs that would have been incurred had Axxess Partnership operated as a listed entity including: cost of the board, principal salaries to reflect salary amounts post listing, and other costs associated with being a listed entity. Costs associated with the acquisition and listing have been removed.

The Pro Forma Historical Financial Information has been prepared and presented in accordance with the recognition and measurement principles of the Australian Accounting Standards, issued by the Australian Accounting Standards Board, which are consistent with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board (as modified for inclusion in the Prospectus).

The Pro Forma Historical Financial Information is presented in an abbreviated form insofar as it does not include all the disclosure statements or comparative information as required by the Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

Investors should note that past results are not a guarantee of future performance and the Pro Forma Historical Financial Information is not reflective of actual historical performance.

6.2.3 Explanation of certain non-International Financial Reporting Standards (IFRS) measures

AXS uses certain measures to manage and report on its business that are not recognised under Australian Accounting Standards. These are known as “non-IFRS financial measures” and the principal ones used in this Prospectus are as follows:

» EBITDA is earnings before interest, taxation, depreciation and amortisation;
» NFBT is net profit before tax;
» NPAT is net profit after tax; and
» Working capital is third party receivables, prepayments, payables and employee entitlements.

Although the Directors believe that these measures provide useful information about the financial performance of AXS, they should be considered as supplements to the income statement measures that have been presented in accordance with the Australian Accounting Standards and not as a replacement for them. Because these non-IFRS financial measures are not based on Australian Accounting Standards, they do not have standard definitions, and the way AXS calculated these measures may differ from similarly titled measures used by other companies. Readers should therefore not place undue reliance on these non-IFRS financial measures.
### 6.3 Pro Forma Historical Income Statements

The table below sets out the Pro Forma Historical Income Statements.

<table>
<thead>
<tr>
<th></th>
<th>Note</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>1HY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>1</td>
<td>2,543,211</td>
<td>3,023,250</td>
<td>2,249,195</td>
<td>1,526,287</td>
</tr>
<tr>
<td><strong>Employee benefit expense</strong></td>
<td>2</td>
<td>(1,123,576)</td>
<td>(1,580,290)</td>
<td>(1,726,243)</td>
<td>(924,050)</td>
</tr>
<tr>
<td><strong>Selling administration and travel expenses</strong></td>
<td>3</td>
<td>(1,259,593)</td>
<td>(1,506,111)</td>
<td>(1,416,507)</td>
<td>(785,539)</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td></td>
<td>160,043</td>
<td>(63,151)</td>
<td>(893,555)</td>
<td>(183,302)</td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td>4</td>
<td>11,892</td>
<td>(14,320)</td>
<td>(12,536)</td>
<td>(6,000)</td>
</tr>
<tr>
<td><strong>Impairment of customer list</strong></td>
<td>4</td>
<td>-</td>
<td>(21,985)</td>
<td>-</td>
<td>(4,563)</td>
</tr>
<tr>
<td><strong>Amortisation of software development</strong></td>
<td>5</td>
<td>(67,630)</td>
<td>(172,545)</td>
<td>(236,304)</td>
<td>(131,386)</td>
</tr>
<tr>
<td><strong>Finance costs</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(2,749)</td>
</tr>
<tr>
<td><strong>NPBT</strong></td>
<td>6</td>
<td>80,521</td>
<td>(250,017)</td>
<td>(1,164,380)</td>
<td>(328,000)</td>
</tr>
<tr>
<td><strong>Tax</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>NPAT</strong></td>
<td>-</td>
<td>80,521</td>
<td>(250,017)</td>
<td>(1,164,380)</td>
<td>(328,000)</td>
</tr>
</tbody>
</table>

**Notes:**

1. **Revenue** - primarily includes revenue derived from the client’s use of the ARMinet technology platform (subscription and licensing revenue), development and modification of client databases (development and personalisation revenue) and support services.
2. **Employee benefit expense** - relates to costs in respect of wages and salaries (including non-monetary benefits), annual leave, sick leave and other employee benefits.
3. **Selling, administration and travel expenses** - primarily relates to all direct and indirect selling expenses (including travel) and all general and administrative expenses.
4. **Impairment of customer list** - relates to impairment of contracts purchased in July 2010 as part of a business combination.
5. **Amortisation of software development** - development and enhancements to ARMinet platform not reimbursable by clients are capitalised and amortised over a period of 3 years.
6. **Tax** - the Access Partnership operated as a partnership and is taxed at the partner level.

### 6.3.1 Pro Forma adjustments to the Historical Income Statements

The table below sets out the pro forma adjustments to statutory historical NPBT from FY2015 to 1HY2018.

<table>
<thead>
<tr>
<th></th>
<th>Note</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>1HY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AXS Statutory NPBT before acquisition</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(578,936)</td>
</tr>
<tr>
<td><strong>Access Partnership NPBT before acquisition</strong></td>
<td>1</td>
<td>1,124,510</td>
<td>793,972</td>
<td>(120,391)</td>
<td>304,705</td>
</tr>
<tr>
<td><strong>Cost of Board</strong></td>
<td>2</td>
<td>(405,000)</td>
<td>(405,000)</td>
<td>(405,000)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Adjustment for partner salaries</strong></td>
<td>3</td>
<td>(402,750)</td>
<td>(402,750)</td>
<td>(402,750)</td>
<td>(246,375)</td>
</tr>
<tr>
<td><strong>Other listed company costs</strong></td>
<td>4</td>
<td>(146,239)</td>
<td>(146,239)</td>
<td>(146,239)</td>
<td>(27,119)</td>
</tr>
<tr>
<td><strong>Acquisition and Offer costs</strong></td>
<td>5</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>219,725</td>
</tr>
<tr>
<td><strong>Pro forma NPBT</strong></td>
<td>-</td>
<td>80,521</td>
<td>(250,017)</td>
<td>(1,164,380)</td>
<td>(328,000)</td>
</tr>
</tbody>
</table>

**Notes:**

1. **Access NPBT prior to acquisition** - On Completion of the Offer, Access Partnership will transfer certain assets, liabilities and its business operations to Access Consulting, which will be simultaneously acquired by AXS. An adjustment has been made to reflect what the Group's NPBT would have been had the acquisition occurred on 1 July 2014.
2. **Cost of the Board** - If the Group was listed from 1 July 2014, the cost of the Board would have been incurred. The board fees payable as set out in Section 5.3 have been included as if the board had been in place from this date.
3. **Adjustment for partner salaries** - the Access Consulting business was historically operated under a partnership structure. The salaries that will be paid as set out in Section 5.3 (adjusted for amounts historically paid as a salary) have been adjusted as if the salary structure was in place from 1 July 2014 with an adjustment for related superannuation.
4. **Other listed company costs** - Other costs that will be incurred by the Group as a listed entity include additional audit and review requirements, ASX fees and company secretarial costs.
5. **Acquisition and Offer costs** - The costs associated with the acquisition of Access Consulting and the Offer that have been expensed in the historical income statements and do not reflect the ongoing operations of the Group.
6.3.2  Key operating metrics

Set out below is a summary of key historical operating metrics for FY2015 to 1HY2018 derived from the Pro Forma Historical Income Statements.

<table>
<thead>
<tr>
<th></th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>1HY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue growth</td>
<td>na</td>
<td>19%</td>
<td>-26%</td>
<td>n/a</td>
</tr>
<tr>
<td>Employee expense %</td>
<td>44%</td>
<td>52%</td>
<td>77%</td>
<td>61%</td>
</tr>
<tr>
<td>EBITDA % revenue</td>
<td>6%</td>
<td>-2%</td>
<td>-40%</td>
<td>-12%</td>
</tr>
<tr>
<td>NPBT % revenue</td>
<td>3%</td>
<td>-8%</td>
<td>-52%</td>
<td>-21%</td>
</tr>
</tbody>
</table>

6.4  Pro Forma Historical Balance Sheet

The Pro Forma Historical Balance Sheet is based on the Historical Balance Sheet, adjusted for certain pro forma adjustments as if Offer occurred on 31 December 2017. Adjustments relate to:

» the pre-Listing fundraising;
» the acquisition of Access Consulting; and
» Completion of the Offer.

<table>
<thead>
<tr>
<th></th>
<th>1HY2018</th>
<th>Pre-Offer</th>
<th>Acquisition</th>
<th>Completion</th>
<th>Pro-Forma</th>
<th>Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Note 1)</td>
<td>Fundraising</td>
<td>Of Access</td>
<td>of Offer</td>
<td>Minimum</td>
<td>of Offer</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Consulting</td>
<td>(Minimum)</td>
<td>(Note 5)</td>
<td>(Maximum)</td>
</tr>
<tr>
<td>Cash and cash</td>
<td>251,071</td>
<td>322,000</td>
<td>(3,315,164)</td>
<td>5,392,616</td>
<td>2,650,523</td>
<td>5,866,147</td>
</tr>
<tr>
<td>equivalents</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3,114,054</td>
<td></td>
</tr>
<tr>
<td>Trade and other</td>
<td>123,573</td>
<td></td>
<td>589,498</td>
<td>-</td>
<td>713,071</td>
<td>-</td>
</tr>
<tr>
<td>receivables</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>713,071</td>
<td></td>
</tr>
<tr>
<td>Other current assets</td>
<td>80,784</td>
<td></td>
<td>13,702</td>
<td>(80,228)</td>
<td>14,258</td>
<td>(80,228)</td>
</tr>
<tr>
<td>Total current assets</td>
<td>455,428</td>
<td>322,000</td>
<td>(2,711,964)</td>
<td>5,312,388</td>
<td>3,377,853</td>
<td>5,775,919</td>
</tr>
<tr>
<td>Property, plant and</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4,841,383</td>
<td></td>
</tr>
<tr>
<td>equipment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intangibles</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>323,204</td>
<td>-</td>
</tr>
<tr>
<td>Total non-current</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>334,440</td>
<td>-</td>
</tr>
<tr>
<td>assets</td>
<td>-</td>
<td>-</td>
<td>343,440</td>
<td>-</td>
<td>343,440</td>
<td>-</td>
</tr>
<tr>
<td>Total assets</td>
<td>455,428</td>
<td>322,000</td>
<td>(2,368,524)</td>
<td>5,312,388</td>
<td>3,721,292</td>
<td>5,775,919</td>
</tr>
<tr>
<td>Trade and other</td>
<td>137,133</td>
<td></td>
<td>59,813</td>
<td>-</td>
<td>196,946</td>
<td>-</td>
</tr>
<tr>
<td>payables</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>196,946</td>
<td></td>
</tr>
<tr>
<td>Other financial</td>
<td>16,454</td>
<td></td>
<td>50,000</td>
<td>-</td>
<td>46,454</td>
<td>-</td>
</tr>
<tr>
<td>liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>46,454</td>
<td></td>
</tr>
<tr>
<td>Employee benefits</td>
<td></td>
<td></td>
<td></td>
<td>203,645</td>
<td>-</td>
<td>203,645</td>
</tr>
<tr>
<td>Deferred income</td>
<td></td>
<td></td>
<td></td>
<td>28,377</td>
<td>-</td>
<td>28,377</td>
</tr>
<tr>
<td>Deferred consideration</td>
<td></td>
<td></td>
<td></td>
<td>966,200</td>
<td>-</td>
<td>966,200</td>
</tr>
<tr>
<td>Total current</td>
<td>153,587</td>
<td>-</td>
<td>1,288,035</td>
<td>-</td>
<td>1,441,622</td>
<td>-</td>
</tr>
<tr>
<td>liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,441,622</td>
<td></td>
</tr>
<tr>
<td>Total liabilities</td>
<td>153,587</td>
<td>-</td>
<td>1,288,035</td>
<td>-</td>
<td>1,441,622</td>
<td>-</td>
</tr>
<tr>
<td>Net assets</td>
<td>301,841</td>
<td>322,000</td>
<td>(3,656,559)</td>
<td>5,312,388</td>
<td>2,279,670</td>
<td>5,775,919</td>
</tr>
<tr>
<td>Share capital</td>
<td>748,610</td>
<td>270,671</td>
<td>2,656,660</td>
<td>5,820,536</td>
<td>9,496,477</td>
<td>6,272,850</td>
</tr>
<tr>
<td>Share option reserve</td>
<td>132,167</td>
<td>51,329</td>
<td>(183,496)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>(578,936)</td>
<td>(6,129,723)</td>
<td>(508,148)</td>
<td>(7,216,807)</td>
<td>(496,931)</td>
<td>(7,205,590)</td>
</tr>
<tr>
<td>Total equity</td>
<td>301,841</td>
<td>322,000</td>
<td>(3,656,559)</td>
<td>5,312,388</td>
<td>2,279,670</td>
<td>5,775,919</td>
</tr>
</tbody>
</table>

Notes:
1. 1HY2018 - represents the reviewed balance sheet of AXS as at 31 December 2017.
2. Pre-Offer fundraising - AXS issued 1,867,647 shares raising gross proceeds of $322,000. There were 778,067 options attaching to the pre-offer shares. The Directors valued the options pursuant to the Black and Scholes option pricing model at a total of fair value $51,329, which has been recognised as a share option reserve. There was no costs incurred in respect to the pre-offer fundraising.
3. **Acquisition of Acess Partnership and Acess Consulting** - On Completion of the Offer, Acess Partnership will transfer certain assets, liabilities and its business operations to Acess Consulting. Acess Consulting will be simultaneously acquired by AXS. Accordingly, adjustments have been made to bring the assets and liabilities transferred by Acess Partnership into account in the Group’s balance sheet. Refer to Section 9.4.1 for further detail of the transaction. As noted in Section 6.2.1, in accordance with the Australian Accounting Standards, the acquisition of Acess Consulting by AXS is considered to be reverse acquisition of the assets of AXS and therefore for financial reporting and consolidation purposes, Acess Consulting is treated as the acquirer. Accordingly, upon consolidation, the investment in Acess Consulting and retained earnings of the AXS are eliminated. Inter entity loans in the amount of $123,573 are also eliminated on consolidation. The cash consideration is recognised as a return of capital and the difference between the fair value of the implied consideration and AXS’ net assets is recognised as transaction cost.

4. **Minimum Offer** - The Company will issue a minimum of 26,000,000 shares at $0.25 a share to raise gross proceeds of $6,500,000. Transaction costs of $1,407,337 will be incurred of which $727,873 will be expensed and $679,464 capitalised against share capital. Of total transaction costs $299,953 had been incurred in 1HY2018, Costs of the offer are detailed in Section 9.10.

5. **Maximum Offer** - The Company will issue a minimum of 28,000,000 shares at $0.25 a share to raise gross proceeds of $7,000,000. Transaction costs of $1,443,806 will be incurred of which $716,656 will be expensed and $727,150 capitalised against share capital. Of total transaction costs $299,953 had been incurred in 1HY2018, Costs of the offer are detailed in Section 9.10.

### 6.5 Historical Balance Sheet

The table below sets out the Pro Forma Historical Cash Flow Statements.

<table>
<thead>
<tr>
<th>Note</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>1HY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBITDA</strong></td>
<td>1</td>
<td>160,043</td>
<td>(63,151)</td>
<td>(893,555)</td>
</tr>
<tr>
<td>Changes in working capital</td>
<td>2</td>
<td>(177,381)</td>
<td>(414,379)</td>
<td>469,031</td>
</tr>
<tr>
<td><strong>Net cash flows from operations before capex</strong></td>
<td></td>
<td>(17,338)</td>
<td>(477,530)</td>
<td>(425,524)</td>
</tr>
<tr>
<td>Purchase of plant and equipment</td>
<td>3</td>
<td>(31,189)</td>
<td>(17,789)</td>
<td>-</td>
</tr>
<tr>
<td>Capitalisation of software development costs</td>
<td>4</td>
<td>(405,779)</td>
<td>(223,721)</td>
<td>(158,822)</td>
</tr>
<tr>
<td><strong>Net cash flows from operations after capex and development costs</strong></td>
<td></td>
<td>(454,306)</td>
<td>(719,040)</td>
<td>(584,346)</td>
</tr>
</tbody>
</table>

**Notes:**

1. **EBITDA** - reflects the pro forma EBITDA as set out in Section 6.3.

2. **Changes in working capital** - primarily relate to movements in trade debtors, accrued income, trade payables, employee entitlements and deferred revenue.

3. **Purchase of property, plant and equipment** - relates to the purchase of plant and equipment.

4. **Capitalisation of software development costs** - relates to development and enhancements to the ARMinet platform which is not reimbursable by customers.

#### 6.5.1 Pro Forma adjustments to the Statutory Historical Cash Flow Statements

The table below sets out the pro forma adjustments made to the Historical Cash Flow Statements from FY2015 to 1HY2018.

<table>
<thead>
<tr>
<th>Note</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>1HY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Statutory net cash flows from operations after capex and development costs</strong></td>
<td></td>
<td></td>
<td></td>
<td>(506,133)</td>
</tr>
<tr>
<td>Acess Partnership net cash flows from operations after capex and operating costs</td>
<td>1</td>
<td>589,683</td>
<td>324,949</td>
<td>459,643</td>
</tr>
<tr>
<td>Cost of Board</td>
<td>2</td>
<td>(405,000)</td>
<td>(405,000)</td>
<td>(405,000)</td>
</tr>
<tr>
<td>Adjustment for partner salaries</td>
<td>3</td>
<td>(492,750)</td>
<td>(492,750)</td>
<td>(492,750)</td>
</tr>
<tr>
<td>Other listed company costs</td>
<td>4</td>
<td>(146,239)</td>
<td>(146,239)</td>
<td>(146,239)</td>
</tr>
<tr>
<td>Acquisition and Offer costs</td>
<td>5</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Pro forma net cash flows from operations after capex and development costs</strong></td>
<td></td>
<td>(454,306)</td>
<td>(719,040)</td>
<td>(584,346)</td>
</tr>
</tbody>
</table>

**Notes:**

1. **Acess Partnership net cash flows from operations after capex and operating costs** - The business of Acess Partnership will be transferred to Acess Consulting and subsequently acquired by AXS on Completion of the Offer. The trading results of Acess Consulting will be included in the Group’s financial statements from the date of acquisition. An adjustment has been made to reflect the acquisition as if it had occurred on 1 July 2014.
2. **Cost of the Board** - If the Group was listed from 1 July 2014, the cost of the Board would have been incurred. The board fees payable as set out in Section 5.3 have been included as if the board had been in place from this date.

3. **Adjustment for partner salaries** - the Amaxx Consulting business was historically operated under a partnership structure. The salaries that will be paid as set out in Section 5.3 (adjusted for amounts historically paid as a salary) have been adjusted as if the salary structure was in place from 1 July 2014 with an adjustment for related superannuation.

4. **Other listed company costs** - Other costs that will be incurred by the Group as a listed entity include additional audit and review requirements, ASX fees and company secretarial costs.

5. **Acquisition and Offer costs** - The costs associated with the acquisition of Amaxx Consulting and the Offer that have been expensed in the historical income statements and do not reflect the ongoing operations of the Group.

### 6.6 Historical Financial Information of Amaxx Partnership

#### 6.6.1 Overview

The following historical information reflects the trading of Amaxx Partnership on an un-adjusted basis, that is, no adjustment has been made to reflect:

- additional costs associated with being a listed entity;
- salaries of the principals being at a commercial rate; and
- taxation and other impacts given the operations are undertaken within a partnership structure.

#### 6.6.2 Historical income statements of Amaxx Partnership

The table below sets out the historical income Statements:

<table>
<thead>
<tr>
<th></th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>1HY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>2,543,211</td>
<td>3,023,250</td>
<td>2,249,195</td>
<td>1,525,092</td>
</tr>
<tr>
<td>Employee benefit expense</td>
<td>(630,825)</td>
<td>(1,087,540)</td>
<td>(1,233,493)</td>
<td>(540,416)</td>
</tr>
<tr>
<td>Selling administration and travel expenses</td>
<td>(708,354)</td>
<td>(954,872)</td>
<td>(865,268)</td>
<td>(535,495)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>1,204,032</td>
<td>980,838</td>
<td>150,434</td>
<td>449,181</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(11,892)</td>
<td>(14,320)</td>
<td>(12,538)</td>
<td>(8,000)</td>
</tr>
<tr>
<td>Impairment of customer list</td>
<td>-</td>
<td>-</td>
<td>21,985</td>
<td>(4,563)</td>
</tr>
<tr>
<td>Amortisation of software development</td>
<td>(67,630)</td>
<td>(172,546)</td>
<td>(236,304)</td>
<td>(131,386)</td>
</tr>
<tr>
<td>Finance costs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(2,527)</td>
</tr>
<tr>
<td>NPBT</td>
<td>1,124,510</td>
<td>793,972</td>
<td>(120,391)</td>
<td>304,705</td>
</tr>
<tr>
<td>Tax</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>NPAT</td>
<td>1,124,510</td>
<td>793,972</td>
<td>(120,391)</td>
<td>304,705</td>
</tr>
</tbody>
</table>

#### 6.6.3 Key operating metrics of Amaxx Partnership

Set out below is a summary of Amaxx Partnership's key historical operating metrics for FY2015 to 1HY2018 derived from the audited and reviewed statutory historical financial statements:

<table>
<thead>
<tr>
<th></th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>1HY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue growth</td>
<td>n/a</td>
<td>19%</td>
<td>-26%</td>
<td>n/a</td>
</tr>
<tr>
<td>Employee expense % revenue</td>
<td>25%</td>
<td>36%</td>
<td>55%</td>
<td>35%</td>
</tr>
<tr>
<td>EBITDA % revenue</td>
<td>47%</td>
<td>32%</td>
<td>7%</td>
<td>20%</td>
</tr>
<tr>
<td>NPBT % revenue</td>
<td>44%</td>
<td>26%</td>
<td>-5%</td>
<td>20%</td>
</tr>
</tbody>
</table>
### 6.6.4 Historical cash flows Statements of Axcess Partnership

The table below sets out the historical cash flow statements:

<table>
<thead>
<tr>
<th></th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>1HY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>1,204,032</td>
<td>980,838</td>
<td>150,434</td>
<td>449,181</td>
</tr>
<tr>
<td>Changes in working capital</td>
<td>(177,381)</td>
<td>(414,379)</td>
<td>468,031</td>
<td>(258,663)</td>
</tr>
<tr>
<td>Net cash flows from operations before capex</td>
<td><strong>1,026,651</strong></td>
<td><strong>566,459</strong></td>
<td><strong>618,465</strong></td>
<td><strong>190,518</strong></td>
</tr>
<tr>
<td>Purchase of plant and equipment</td>
<td>(31,189)</td>
<td>(17,789)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capitalisation of software development costs</td>
<td>(405,779)</td>
<td>(223,721)</td>
<td>(158,822)</td>
<td>(113,683)</td>
</tr>
<tr>
<td>Net cash flows from operations after capex and development costs</td>
<td>589,683</td>
<td>324,949</td>
<td>459,643</td>
<td>76,835</td>
</tr>
</tbody>
</table>

### 6.7 Liquidity, capital resources and indebtedness

Following the completion of the Offer, AXS’s Pro Forma cash and cash equivalents for the minimum and maximum subscriptions are set out in the Pro Forma Historical Balance Sheet.

The Group’s principal source of funds is cash at bank and cash flows from operations. A significant proportion of the Group’s revenue is subscription based and invoiced monthly. AXS operations do not require significant capital expenditure or have large working capital requirements. Accordingly, the Directors consider that the Group will have sufficient cash flow from operations to carry out the entity’s stated objectives.

The net cash position of the Group upon completion of the Offer is set out in the below table:

<table>
<thead>
<tr>
<th></th>
<th>1HY2018</th>
<th>Pro Forma Minimum</th>
<th>Pro Forma Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>251,071</td>
<td>2,650,523</td>
<td>3,114,054</td>
</tr>
<tr>
<td>Current Financial Liabilities</td>
<td>(16,454)</td>
<td>(46,454)</td>
<td>(46,454)</td>
</tr>
<tr>
<td>Deferred consideration¹</td>
<td>(966,200)</td>
<td></td>
<td>(966,200)</td>
</tr>
<tr>
<td><strong>Net cash / debt position</strong></td>
<td><strong>234,617</strong></td>
<td><strong>1,637,869</strong></td>
<td><strong>2,101,400</strong></td>
</tr>
</tbody>
</table>

1. $500,000 of the deferred consideration is due on the 365th day following completion pursuant to the SPAs (Refer section 9.4.1.).

### 6.8 Dividend policy

The payment of dividends by the Group is at the discretion of the Directors and will be a function of a number of factors including the general business environment, the operating results and financial condition of Group, future funding requirements, capital management initiatives, taxation considerations (including the level of franking credits available), any contractual, legal or regulatory restrictions on the payment of dividends by the Group, and any other factors that the Directors of the Group may consider relevant.

No assurances can be given by any person, including the Directors of the Group, about the payment of any dividend and the level of franking on any such dividend.

The Group does not currently have in place any dividend reinvestment plan.

### 6.9 Significant accounting policies

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of the Financial Information.

**Revenue recognition:**
Revenue is recognised when it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

**Rendering of services:**
Revenue from the delivery of services is recognised upon delivery of the service to the customer. All revenue is stated net of the amount of GST.

**Trade and other receivables:**
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the
carrying amount directly. A provision of impairment of trade receivables is raised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

Other receivables are recognised at amortised cost, less any provision for impairment.

**Property, plant and equipment:**
Plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

**Software Development:**
Software Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being three (3) periods.

**Trade and other payables:**
Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial period and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within thirty days of recognition.

**Employee benefits:**
**Short-term employee benefits:** Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries, non-monetary benefits and accumulating interest on leave. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

**Other long-term employee benefits:** The Group’s liabilities for long service leave are included in other long-term benefits as they are not expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the timing of the estimated future cash outflows.

Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The Group presents employee benefit obligations as current liabilities in the statement of financial position if the Group does not have an unconditional right to defer settlement for at least twelve (12) months after the reporting period, irrespective of when the actual settlement is expected to take place.

**Goods and Services Tax (GST):**
Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the ATO. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.
investigating accountant’s report
18 September 2018

The Directors
AXS Group Limited
Level 11, 52 Phillip Street
Sydney NSW 2000

Dear Sirs,

Investigating Accountant’s Report and Financial Services Guide

We have been engaged by AXS Group Limited (the “Company”) to prepare this report for inclusion in the prospectus to be issued by the Company (the “Prospectus”) in respect of the initial public offering of ordinary shares (the “Offer”) and listing of the Company on the Australian Securities Exchange.

Expressions and terms defined in the document have the same meaning in this report.

Nexia Sydney Corporate Advisory Pty Ltd holds the appropriate Australian Financial Services License under the Corporations Act 2001 for the issue of this report.

Scope

Pro Forma Historical Financial Information

Nexia Sydney Corporate Advisory Pty Ltd has been engaged to review the:

- pro forma consolidated income statements for the years ended 30 June 2015, 2016 and 2017 and the six months ended 31 December 2017;
- pro forma consolidated cash flow statements for the years ended 30 June 2015, 2016 and 2017 and the six months ended 31 December 2017; and
- pro forma consolidated balance sheet as at 31 December 2017. (together the “Pro Forma Historical Financial Information”)

The statutory financial information for the Company for the period ended 31 December 2017 was reviewed by Nexia Sydney Audit Pty Ltd. The review opinion was unmodified but contained and emphasis of matter in relation to a material uncertainty related to going concern.

The pro forma adjustments include adjustments for the historical statutory financial information of the Access Consulting Group Partnership (the “Partnership”) for the years ended 30 June 2015, 2016 and 2017, which was audited by Nexia Sydney Audit Pty Ltd in accordance with the Australian Auditing Standards. Nexia Sydney Audit Pty Ltd issued an unmodified audit opinion on the financial report.

The Pro Forma Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company’s adopted accounting policies.

The Pro Forma Historical Financial Information is presented in the public document in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in section 6.2.2 of the Prospectus, as if those events or transactions had occurred as 1 July 2014. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company’s actual or prospective financial position, financial performance, and/or cash flows.

Prospective investors should be aware of the material risks and uncertainties in relation to an investment in the Company, which are detailed in the Prospectus. Accordingly, prospective investors should have regard to the investment risks as described in section 8 of the Prospectus.
INVESTIGATING ACCOUNTANT'S REPORT

We have assumed, and relied on representations from certain members of management of the Company, that all material information concerning the prospects and proposed operations of the Company has been disclosed to use and that the information provided to use for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

Directors' responsibility

The directors of the Company are responsible for the preparation of the Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the statutory historical financial information and included in the Pro Forma Historical Financial Information.

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

Our responsibility

Our responsibility is to express a limited assurance conclusion, based on our review, on the Pro Forma Historical Financial Information.

We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 Assurance Engagements involving Corporate Fundraising and/or Prospective Financial Information.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Conclusions

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in section 6 of the Prospectus.

Restriction on Use

Without modifying our conclusions, we draw attention to section 6 of the Prospectus, which describes the purpose of the Financial Information, being for inclusion in the Prospectus. As a result, the Investigating Accountant's Report may not be suitable for use for another purpose.

Nexia Sydney Corporate Advisory Pty Ltd has consented to the inclusion of this limited assurance report in the Prospectus in the form and context in which it is included.

Declaration of Interest

Nexia Sydney Corporate Advisory does not have any interest in the outcome of this Offer other than the preparation of this report for which normal professional fees will be received.

Nexia Sydney Audit Pty Ltd a related entity to Nexia Sydney Corporate Advisory is the current auditor for the Company. This report has been prepared independently to any work carried out as auditor by Nexia Sydney Audit Pty Ltd.

Yours faithfully,

Nexia Sydney Corporate Advisory Pty Ltd

[Signature]

Brent Goldman
Director
(Authorised representative of Nexia Sydney Financial Solutions Pty Ltd, AFSL 247300)
Dated: 18 September 2018

What is a Financial Services Guide ("FSG")?

This FSG is designed to help you decide whether to use any of the general financial product advice provided by Nexia Sydney Corporate Advisory Pty Ltd ABN 68 114 696 945 ("NSCA"), a corporate authorised representative of Nexia Sydney Financial Solutions Pty Ltd ("NSFS"), Australian Financial Services Licence Number 247300 ("AFSL").

This FSG includes information about:

- NSCA and how they can be contacted
- the services NSCA is authorised to provide
- how NSCA are paid
- any relevant associations or relationships of NSCA
- how complaints are dealt with as well as information about internal and external dispute resolution systems, and how you can access them; and
- the compensation arrangements that NSCA has in place.

Where you have engaged NSCA we act on your behalf when providing financial services. Where you have not engaged NSCA, NSCA acts on behalf of our client when providing these financial services and are required to provide you with a FSG because you receive a report or other financial services from NSCA.

Financial Services that NSCA is authorised to provide

NSCA is a corporate authorised representative of NSFS, which holds an AFSL authorising it to provide, amongst other services, financial product advice for securities and interests in managed investment schemes, including investor directed portfolio services, to retail clients.

We provide financial product advice when engaged to prepare a report in relation to a transaction relating to one of these types of financial products.

NSCA’s responsibility to you

NSCA has been engaged by the independent directors of AXS Group Limited ("AXS" or the "Client") to provide general financial product advice in the form of an investigating accountant’s report to be included in the Prospectus.

You have not engaged NSCA directly but have received a copy of the report because you have been provided with a copy of the Prospectus. NSCA or the employees of NSCA are not acting for any person other than the Client.

NSCA is responsible and accountable to you for ensuring that there is a reasonable basis for the conclusions in the report.

General Advice

As NSCA has been engaged by the Client, the report only contains general advice as it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of the general advice in the report having regard to your circumstances before you act on the general advice contained in the report.

You should also consider the other parts of the Prospectus before making any decision in relation to the Offer.

Fees NSCA may receive

NSCA charges fees for preparing reports. These fees will usually be agreed with, and paid by the Client. Fees are agreed on either a fixed fee or a time cost basis. In this instance, the Client has agreed to pay NSCA $92,688 (excluding GST and out of pocket expenses) for preparing the report. NSCA and its officers, representatives, related entities and associates will not receive any other fee or benefit in connection with the provision of this report.
INVESTIGATING ACCOUNTANT’S REPORT

Referrals
NSCA does not pay commissions or provide any other benefits to any person for referring customers to them in connection with a Report.

Associations and Relationships
Through a variety of corporate and trust structures NSCA is controlled by and operates as part of the Nexia Sydney Partnership. NSCA’s directors and authorised representative may be partners in the Nexia Sydney Partnership. Mr Brent Goldman, authorised representative of NSFS and partner in the Nexia Sydney Partnership, has prepared this Report. The financial product advice in the Report is provided by NSCA and not by the Nexia Sydney Partnership.

From time to time NSCA, the Nexia Sydney Partnership and related entities (“Nexia entities”) may provide professional services, including audit, tax and financial advisory services, to companies and issuers of financial products in the ordinary course of their businesses.

Over the past two years $91,838 (excluding GST) in professional fees has been received from the Client in order to complete the audits for the Axxess Consulting Partnership and the financial years ended 30 June 2015, 2016 and 2017 and reviews of Axxess Consulting Partnership and AXS for the six months ended 31 December 2017 and other accounting assistance.

No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of, the Client or has other material financial interests in the Proposed Transaction.

Complaints Resolution
If you have a complaint, please let NSFS know. Formal complaints should be sent in writing to:

Nexia Sydney Financial Solutions Pty Ltd
Head of Compliance
PO Box H195
Australia Square NSW 1215

If you have difficulty in putting your complaint in writing, please telephone the Complaints Officer, Craig Wilford, on +61 2 9251 4600 and he will assist you in documenting your complaint.

Written complaints are recorded, acknowledged within 5 days and investigated. As soon as practical, and not more than 45 days after receiving the written complaint, the response to your complaint will be advised in writing.

External Complaints Resolution Process
If NSFS cannot resolve your complaint to your satisfaction within 45 days, you can refer the matter to the Financial Ombudsman Service (“FOS”). FOS is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly at:

Financial Ombudsman Service Limited
GPO Box 3, Melbourne Victoria 3001

Telephone: 1300 56 55 62
Facsimile: (03) 9613 6399
Email: info@fos.org.au

The Australian Securities and Investments Commission also has a free call infoline on 1300 300 630 which you may use to obtain information about your rights.

Compensation Arrangements
NSCA has professional indemnity insurance cover as required by the Corporations Act 2001(oth). Contact Details

You may contact NSCA at:

Nexia Sydney Corporate Advisory Pty Ltd
PO Box H195
Australia Square NSW 1215
risk factors
RISK FACTORS

8 Risk Factors

8.1 Introduction

The Group is subject to various risks, some of these are specific to its business activities, while others could affect the whole industry or are more general in nature. Individually or in combination, these risks may affect the future operating and financial performance of the Company and the value of its Shares. There can be no guarantee that the Group will achieve or realise its stated business strategy or any of its forward-looking statements contained in this Prospectus. Investors should note that past performance is not a reliable indicator of future performance.

This Section describes potential risks associated with the Group’s business and risks associated with an investment in the Shares. It does not purport to list every risk that may be associated with Access Consulting’s business or with an investment in the Shares now or in the future. The occurrence or consequences of some of the risks described in this Section are partially or completely outside the control of Access Consulting and its Directors and its senior management.

The risks described in this Section have been grouped into the following:

» Risks that relate specifically to the Group and the way it operates its businesses

» General risks that relate to investing in the Shares

Before applying for Shares, investors should satisfy themselves that they have sufficient understanding of the risks of investing in the Company, of investing in the industry and of investing in shares in general, with regard to their own investment objectives, financial circumstances and taxation position. Investors should read this Prospectus in its entirety and should consider consulting their professional advisers before deciding on whether or not to apply for the Shares.

8.2 Risks specific to the Company

8.2.1 Reliance on key personnel

Access Consulting’s business is reliant upon the provision of high quality operational services by its senior personnel. It is also dependent on its skilled training staff and technical personnel for the successful and ongoing provision of its products and services and business activities. Any change in the quality or quantity of these services, or an inability to attract qualified and motivated personnel to provide these services, could affect Access Consulting’s business activities and financial performance. If the labour market becomes more competitive then it may become more difficult to retain appropriately skilled employees at existing salary levels. That could in turn increase costs and have adverse implications on Access Consulting’s pricing and profitability. The Company attempts to mitigate this risk, where possible, through its internal recruitment program which provides a ‘pool’ of early career professionals to progress through the organisation. In relation to Access Consulting, the Board looks to develop management and overlap activities where possible to reduce key personnel risk.

Access Consulting’s original founders also retain substantial operations roles with the Company and have substantial influence over the day to day affairs and strategic direction of the company. Without these founders acting in conjunction with other management personnel, the Group may not be able to continue its business activities successfully or deliver its long-term strategic objectives.

8.2.2 Risk of significant control by Existing Shareholders and Vendors

Immediately after the Offer, the Existing Shareholders and the Vendors will own or beneficially own approximately 73.52% of the Company’s issued capital assuming 26,000,000 New Shares are issued under the Offer and the acquisition of Access Consulting occurs at the same time. As a result, these Existing Shareholders and Vendors, if they act together, may be able to exert a significant degree of influence over the Company’s management affairs and over matters requiring Shareholder approval. Accordingly, the Company also needs to give special consideration in relation to the Existing Shareholders’ and the Vendors’ interests in its accounting procedures.

Further, following completion of the Offer, the Directors and management team will retain a significant holding in the Company and will therefore have a significant influence over the Company, including in relation to resolutions requiring the approval of Shareholders. This collective interest may also have an impact on the liquidity (particularly having regard to escrow arrangements referred to below), as well as acting as a potential deterrent to corporate transactions.

8.2.3 Replicability, substitutability and changes of business model

Competitors may be able to adopt certain aspects of Access Consulting’s business, reducing Access Consulting’s ability to differentiate its services. They may also succeed in developing alternate products which are more innovative, easier to use or more cost effective than those that have been or may be developed by Access Consulting. This may place pricing pressure on Access Consulting’s product offering and may impact Access Consulting’s ability to retain existing clients, as well as Access Consulting’s ability to attract new clients. If Access Consulting cannot compete successfully, Access Consulting’s business, operating results and financial position could be adversely impacted.

Significant changes to the wealth management sector or changes to Access Consulting’s position in the industry could result in a need for Access Consulting to revisit its strategy and organisational structure. If such a strategic or operational realignment is needed, it could result in a
wide range of potential issues for Axcess Consulting. The issues that could arise may include new business lines and functionalities being more costly or difficult to implement than expected, the new strategy or structure not performing as expected or customer losses or dissatisfaction by clients and/or Shareholders by the change in direction. This could result in a loss of revenue, confidence or increases in costs, which could decrease profitability.

8.2.4 Failure to retain existing clients and attract new clients
The growth of Axcess Consulting depends in part on the number of its clients, especially key clients. Axcess Consulting’s ability to maintain or increase the number of existing clients, in applicable business sectors and geographical areas is likely to be subject to limitations.

There is a risk that one or more clients may terminate their contracts early or that, upon expiration of their existing contracts, they may choose not to renew arrangements with Axcess Consulting or that the subsequent terms may be less favourable to Axcess Consulting. There is also a risk of losing key clients to other software providers, through insourcing of services, or from closure of the relevant client’s account. Failure to maintain customer relationships or renew agreements could result in Axcess Consulting’s revenues declining and operating results being materially and adversely affected. The loss of key clients to other software providers, through insourcing of services, or from closure of the relevant client’s account, could adversely affect the business and its operating results.

Axcess Consulting looks continually to develop relationships to capture development, consulting and product software roles both in Australia and offshore. Axcess Consulting has dedicated sales personnel, and a corporate adviser and strategic plan for continued development.

8.2.5 Increased competition
The technology industry is highly competitive, and subject to rapid and significant change. If Axcess Consulting is significantly slower than its competitors to adapt to technological change, it could lead to a reduction in the use of the ARIEMet platform. Axcess Consulting competes against both Australian and global software companies, boutique software providers and administrators, amongst others. This may include companies which may have greater capital resources and closer customer relationships than the Group. Competition may also arise from companies which possess developed processes, systems and technology, or clients who seek to develop their own equivalent platform. These competitors are continuously investing in new services and features to supplement their existing offerings which compete with the Company. An increase in competitive pressure could result in decreased revenues and profit margins and increased expenses, including salary increases in an effort to retain staff. These factors could result in Axcess Consulting failing to meet its revenue or profit forecasts.

Axcess Consulting looks to identify quality people for employment and offer competitive remuneration terms and based on performance and tenure there will be an offer made for Performance Options in the ESOP program.

8.2.6 Technological developments
If Axcess Consulting fails to adapt to technological changes, this could have an adverse effect on Axcess Consulting’s business, operating results and financial position. The ability to improve Axcess Consulting’s existing products and develop new products is subject to risks inherent in the development process. Axcess Consulting’s products may be shown to be ineffective, not capable for adaptation to its customer’s business, or unable to compete with superior or cheaper products or services marketed by third parties.

There is no assurance that Axcess Consulting will be successful in maintaining its market share or that it will be able to develop and introduce competitive technological advances in a timely and cost effective way.

8.2.7 Software, technology and system related risks
Axcess Consulting and its clients rely on the performance and availability of third party data centres and software. The ongoing performance of this software is key to the Company’s service delivery to clients and therefore its ability to generate revenue. A cyberattack or failure of either the software or the technology that underpins Axcess Consulting could result in it being unable to meet contractual and service level obligations, unauthorised system use, data integrity issues or data loss, integration issues with other systems and third parties and increased costs.

Axcess Consulting seeks to mitigate the potential impact of technology failures or interruptions to its availability by having established business continuity and disaster recovery planning in place. Axcess Consulting operates a disaster recovery program and uses reputable agents for warehousing of data. In relation to software, it is proprietary and subject to regular internal upgrades and scheduled works. In addition, Axcess Consulting will operate a risk group management program to identify risks and tolerance levels for potential mitigation strategies. However, there remains a risk that a system failure may result in a loss of an existing client and/or the ability to attract new clients.

8.2.8 Security breach and data privacy
Axcess Consulting may be adversely affected by malicious third-party applications that interfere with, or exploit, security flaws in the Company’s software and infrastructure. Viruses, worms and other malicious software programs could, among other things, jeopadise the security of information stored in a customer’s or Axcess Consulting’s computer systems. If Axcess Consulting’s efforts to combat these malicious applications are unsuccessful, or if it’s software or infrastructure has actual or perceived vulnerabilities, Axcess Consulting’s business reputation and brand name may be harmed, which may result in a material adverse effect on Axcess Consulting’s operations and financial position.
RISK FACTORS

Axcess Consulting provides its services through cloud-based and other online platforms. Hacking or exploitation of any vulnerability on those platforms could lead to loss, theft or corruption of data. This could render Axcess Consulting’s services unavailable for a period of time while data is restored. It could also lead to unauthorised disclosure of users’ data with associated reputational damage, claims by users, regulatory scrutiny and fines to Axcess Consulting.

Although Axcess Consulting employs strategies and protections to try to minimise security breaches and to protect data, these strategies and protections might not be entirely successful. In that event, disruption to Axcess Consulting’s services or clients could adversely impact on Axcess Consulting’s revenue and profitability. The loss of client data could have severe impacts to client service, reputation and the ability for clients to use the products of Axcess Consulting.

8.2.9 Protection of intellectual property and know-how
Axcess Consulting is reliant on various intellectual property and know-how to maintain its competitive position in the market, particularly in relation to the application of information technology to process multiple types of transactions in a highly compliant manner. It may be possible for a third party to copy or otherwise obtain and to use Axcess Consulting’s software and products without authorisation, or develop similar software independently. A failure to protect this intellectual property and maintain this know-how, and/or third parties claiming the Company is infringing their intellectual property rights could result in an erosion of the quality of Axcess Consulting’s competitive position, margins and profitability.

Axcess Consulting undertakes a range of legal and physical protection measures for its proprietary technology in relation to its clients, consultants and employees. However, there can be no assurance that any such protective measures taken by Axcess Consulting have been, or will be, adequate to protect Axcess Consulting’s proprietary technology.

8.2.10 Expansion of Axcess Consulting’s international footprint may not achieve intended goals
Axcess Consulting has achieved revenue in various jurisdictions including Australia, North America, South East Asia and in Europe. However, there is no guarantee that Axcess Consulting will be able to retain or continue to grow its revenues in those jurisdictions. When Axcess Consulting introduces new product features, or expands into existing or new jurisdictions, there are risks that these initiatives may result in unforeseen costs, failure to achieve expected revenue or to achieve the intended outcomes.

Furthermore, Axcess Consulting’s ability to operate profitably in the future will depend in part on whether it is able to grow its own direct sales force and/or develop an international distribution network. Other factors that may impact on Axcess Consulting’s operations are its ability to manage its costs, its ability to execute its development and growth strategies, economic conditions in the markets in which it operates, competitive factors and regulatory changes.

8.2.11 Risk in foreign market
Axcess Consulting currently has no subsidiaries offshore. Axcess Consulting may establish, acquire or further expand its business in overseas markets. Businesses that operate across multiple jurisdictions face additional complexities from the unique regulatory requirements and market environment in each jurisdiction, such as risks relating to labour practices, difficulty in enforcing contracts, and changes to or uncertainty in the relevant legal and regulatory regime (including in relation to taxation and foreign investment and practices of government and regulatory authorities).

In the event that Axcess Consulting is unable to manage its offshore operations adequately to accommodate the overseas market environment and be in compliance with the laws and regulations in the foreign jurisdiction, there may be an adverse impact on its revenues and earnings.

8.2.12 Foreign exchange
Axcess Consulting operates internationally and in a number of currencies (including CAD, Sterling and Euro). As Axcess Consulting reports in AUD, fluctuations in prevailing exchange rates may affect Axcess Consulting’s profitability and financial position.

For example, Axcess Consulting receives a number of payments in Sterling. If the AUD falls relative to the Sterling, those costs increase in AUD terms, potentially reducing Axcess Consulting’s profitability. Currently, most of the Company’s revenues are in AUD.

The mix of currencies in which Axcess Consulting pays its costs and earns its revenues may change over time. If changes in this mix occur, there may be a greater impact on profitability in AUD terms.

Axcess Consulting’s financial statements are prepared and presented in AUD, and any appreciation in the AUD against other currencies in which Axcess Consulting transacts may adversely impact its financial performance and position.

8.2.13 Australian regulatory risk
Axcess Consulting will be subject to local laws and regulations in each jurisdiction in which it provides its services. The wealth management sector is heavily regulated. As a service provider to this sector, Axcess Consulting is exposed to changes in laws and regulation by relevant parties including the Australian Securities and Investments Commission, Australian Prudential Regulation Authority, Australian Transaction Reports and Analysis Centre and the ATO within Australia. Changes in the regulatory environment give rise to risks such as:

> increased regulatory capital requirements;
RISK FACTORS

- Loss or denial of required licences such as AFSLs;
- Increasing cost of compliance with relevant regulations (both directly and indirectly through changing business practices);
- Breaches of law;
- Criminal and/or civil lawsuits;
- Increased client verification requirements; and
- Increased cost of maintaining systems and the need for possible system upgrades in order to meet emerging requirements.

Should AXS Consulting seek to acquire or use an AFSL to further develop certain of its product lines, the later potential loss of this licence or the imposition of new conditions or enforceable undertakings could limit or restrict the Company's ability to conduct certain divisions of its software business in the financial services sector. Additionally, tax rules relating to superannuation are subject to change and could potentially manifest as a change in the level or basis of taxation. Future laws or regulations may be introduced concerning various aspects of the Access Consulting's business, all of which may impact its operations.

Any unfavourable changes in or extensions of laws and regulations affecting Access Consulting's business could restrict or complicate Access Consulting's business and significantly increase its compliance costs.

To minimise any such adverse effects, the Company continues to monitor these changes and to ensure ongoing compliance with the requirements for governance. The Group will engage external advisers and compliance personnel to undertake an ongoing review for governance, compliance and risk activities in addition to internal resources it has for operation.

8.2.14 Risk in future acquisitions

The Company has entered into SPAs with the shareholders of Access Consulting. On completion of the Offer, the Company will complete the acquisition of all the equity interests in Access Consulting under the SPAs. As a result of this acquisition, any existing or potential contractual or tax liabilities in Access Consulting may have adverse effect on the Group's financial profile as a whole. The SPAs have contractual warranties provided by both the Vendors and Access Consulting along with guarantees of the Vendors. In addition, according to Schedule 2, item 5.1 of the SPAs, there is a Seller Warranty that Access Consulting meets all relevant requirements for tax purposes and has paid full taxes as required by law, and according to clause 7.7 the Seller will indemnify AXS against any loss incurred by AXS or Access Consulting to the extent that it arises from the Seller Warranty being untrue, inaccurate or misleading. Therefore, the Company has formed the view that the risk of tax liabilities in the acquisition of Access Consulting has been effectively mitigated.

The Group may undertake other business or corporate acquisition in the future and will likely be seeking growth from one or more acquisitions. Any acquisition can create integration risk, pricing risk, reputational risk and a variety of other issues including disaffected clients, directors and employees of the acquired business. These issues can potentially have adverse consequences from a strategic, financial and/or operational perspective. The Company's due diligence processes may not be successful enough to identify these potential issues and a merger or acquisition may not perform to the level expected. The Group will draw on its experienced management and past experience to mitigate the risks within the control of the Group such as seeking to retain acquired staff within the combined business and to align business objectives.

8.2.15 Forecast growth not realised

Access Consulting has projected growth across all of its major business units. To meet this, Access Consulting needs to successfully retain existing business and capture new business.

Access Consulting has international clients and can take on more business upon raising more capital to pay for resources to complete more client projects and license more clients. The Group will have a dedicated corporate adviser, dedicated marketing and PR, head of sales and IT sales centres in strategic locations for growth.

Access Consulting intends to grow and expand its services within Australia through its existing technology footprint over the next 5 years and consolidate on existing relationships in the United States, Canada, Ireland and the South East Asian Region. The important part of Access Consulting's strategy is to open new markets and clients to existing businesses in Australia and then overseas.

However, there is no guarantee that Access Consulting will achieve its projected growth in any of its business units as the Company may lose sales pitches and existing client contracts and may not adequately execute its business strategy. Additionally, there is no guarantee that Access Consulting will be able to obtain and/or retain the appropriate licences in order to expand its business. For example, Access Consulting may have to acquire an AFSL in the future so that it can service financial services market participants for their financial products. Failure in obtaining an AFSL may adversely impact Access Consulting's ability to adapt its business to financial services market participants. Further, many clients' systems will need more changes to cope with advances in product development, digital commerce and distribution strategies which Access Consulting's technology can assist with. If Access Consulting fails to complete the addition of new functionality to its systems and to operate those services at a standard that will retain clients and attract new clients, then there is a risk that the forecast revenue will not be achieved.
RISK FACTORS

Revenue growth may be impacted if expansion in Funds under Administration is slower than forecast or if commencement services under new clients’ contracts are delayed. These risks are inherent in Axxess Consulting’s business model.

Axxess Consulting is targeting to grow revenue at a greater rate than expenses. There is a risk that expenses cannot be contained to this level and will exceed the forecast.

To mitigate these risks, Axxess Consulting has a board and management team that is highly focussed for lead and deal generation with considerable experience in building businesses.

8.2.16 Failure to meet agreed service levels
Axxess Consulting has service level agreements in place with its clients. If Axxess Consulting fails to deliver the agreed services in a timely manner, makes errors, or breaches security of personal information held for its clients, then compensation may need to be paid to the impacted parties.

In mitigation of this risk, Axxess Consulting has in place directors and officer’s liability and employment practices cover and crime insurance. Accordingly, any claim against Axxess Consulting is limited to the amount of no greater than $1 million dollars under an event that either falls within the scope of the cover or is an exclusion or exceeds the limit on the policy. There are different deductible limits for employment practices cover and crime insurance with an exception of directors and officer’s liability that has no deductible limit.

8.2.17 Operational risk
The operations of the Company may be affected by various factors including failures in internal controls and financial fraud. To the extent that such matters may be in the control of the Company, the Company aims to mitigate these risks through separation of duties, quality checks and supervision. However, there is no guarantee these will always be successful. While the Company currently maintains insurance within ranges of coverage consistent with industry practice, no guarantee can be given that the Company will be able to continue to obtain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.

8.2.18 Financial reporting processes
Axxess Consulting was a private business with limited financial reporting processes. As part of the preparation for the Listing, work has been undertaken to improve the financial reporting to ensure continuous disclosure and ongoing financial reporting requirements are met. Until completion of the Offer, the ability of Axxess to fully implement the processes it considers appropriate for a listed entity may be limited. The Group’s Directors have a framework in place to improve the financial reporting within Axxess Consulting. If however, the planned improvements are not able to be fully implemented, it may impact of the Group’s ability to report financial information in a timely manner.

8.2.19 Contractual risks
There is a risk that the business could be disrupted where there is a disagreement or dispute in relation to a term of a key contract. Should such a disagreement or dispute occur, this may have an adverse impact on the Company’s operations and performance generally. It is not possible for the Company to predict or protect itself against all such risks.

The Company and/or its subsidiaries have entered into contracts with companies which are governed by the laws of different jurisdictions. Should a contractual dispute result in court action or should the Company be in a position to require the enforcement of the security interests it holds, the procedure in courts in overseas jurisdictions may be different than in Australia.

Most of Axxess Consulting’s material contracts contain termination for convenience clauses and there is also a risk that existing clients choose not to renew current contractual arrangements at the expiry of the current contract.

Any termination of contracts or failure to renew may materially impact the Company’s financial performance. The Company currently mitigates some of these risks by:

- negotiating prepayment or a transition fee on material contracts and requiring at least 90 days’ written notice of termination;
- scheduling exit timings for exit and removal of data and system links; and
- determining dispute remedies to deal with unanticipated events from a departure.

8.2.20 Third party and outsourcing risk
The operations of Axxess Consulting require the involvement of a number of third-party contractors, including data suppliers, software providers, custodians, contractors and clients.

Financial failure, management failure, data inaccuracy, default or contractual non-compliance on the part of such third parties may have a material impact on the operations and performance of the Group. It is not possible for the Company to predict or protect the Group against all such risks in the contractors or any other service providers used by Axxess Consulting in any of its activities.
8.2.21 Reputational risk
Axcess Consulting relies heavily on its reputation and the quality of its services to grow and retain its clients. Any adverse customer experience, inappropriate behaviours of employees, management, Board members, or a number of other people matters, could negatively affect the Company's reputation and therefore a client's preparedness to use its services.

Any negative publicity or announcement relating to any of our substantial shareholders, key personnel, the Company or the Group as a whole may adversely affect the brand and reputation of the Company and the Share price performance of the Company, whether or not this is justifiable. Examples of this negative publicity or announcement may include involvement in legal or insolvency proceedings, failed attempts in takeovers, joint ventures or other business transactions or other affairs or scandals.

8.2.22 Potential future funding issues
The Company's ability to effectively implement its business strategy over time may depend in part on its ability to raise additional funds. There can be no guarantee that any such equity or debt funding will be available to the Company on favourable terms or at all. If adequate funds are not available on acceptable terms, the Company may not be able to take advantage of opportunities or otherwise respond to competitive pressures.

8.2.23 Financial assurances
The Company, in the ordinary course of its operations and developments, is required to issue financial assurances, particularly insurances and bond/bank guarantee instruments to secure statutory performance undertakings and commercial arrangements. The Company's ability to provide such assurances is subject to external financial and credit market assessment and its own financial position.

8.2.24 Financial instability and balance sheet strength
As a consequence of both working capital requirements and customer requirements, Axcess Consulting is reliant on the strength of its balance sheet. A failure to maintain balance sheet strength could result in either a loss of existing customers, a failure to attract new customers or a loss of operational flexibility. At worst, the Company could fail to meet its financial regulatory obligations.

This could result in Axcess Consulting experiencing reductions in profitability and having a reduced ability to meet its revenue or profit projections.

8.3 General investment risks
8.3.1 Potential fluctuations in prices of Shares
The price at which Shares are quoted on the ASX may increase or decrease due to a number of factors. These factors may cause the Shares to trade below the Offer Price. There is no assurance that the price for the Shares will increase following quotation on the ASX, even if the Group's earnings increase.

The market price and demand for shares quoted on ASX could be volatile or fluctuate due to numerous factors including (i) fluctuations in the domestic and international market for listed stocks; (ii) general economic conditions, including interest rates, inflation rates, exchange rates, commodity prices and oil prices; (iii) changes to government fiscal, monetary or regulatory policies; legislation or regulation; inclusion or removal from market indices; (iv) the nature of the markets in which the Company operates and general operational and business risks.

8.3.2 Liquidity of Shares
There is currently no public market through which the Shares of the Company may be sold. On Completion of the Offer, there can be no guarantee that an active market will develop or that the price of the Shares will increase. There may be relatively few or many potential buyers or sellers of the Shares on the ASX at any time. This may increase the volatility of the market price of the Shares and may prevent investors from acquiring more Shares or disposing of Shares they acquire under the Offer. It may also affect the prevailing market price at which the Shareholders can sell their Shares. This may result in Shareholders who acquire Shares under the Offer receiving a market price for their Shares that is less or more than the Offer Price.

On Completion of the Offer, all Existing Shareholders and the Vendors will hold approximately 73.52% to 76.64% of the Shares (subject to their subscription amount). Around 63.77% to 64.69% of the Shares held directly and indirectly by the Shareholders may be classified by ASX as restricted securities or subject to voluntary escrow arrangement and may be required to be held in escrow for up to 24 months from the date of quotation (please refer to Section 9.6). The absence of any sale of Shares by the Existing Shareholders during the escrow period may cause, or at least contribute to, limited liquidity in the market for the Shares. This could affect the prevailing market price at which Shareholders are able to sell their Shares.

8.3.3 Exposure to general economic conditions
The operating and financial performance of Axcess Consulting is influenced by a variety of general domestic and global economic and business conditions that are outside the control of the Company. Prolonged deterioration in general economic conditions may affect the demand for
the Group’s services and may have a material adverse impact on the financial performance, financial position, cash flows, dividends, growth prospects and share price of the Group.

8.3.4 Risk of Shareholder dilution
In the future, the Company may elect to issue shares to raise funds for the Group’s business operations or additional acquisitions that the Group may decide to make. While the Group will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital that it can issue within a 12-month period (other than where exceptions apply), Shareholders may be diluted as a result of such issuance of shares and fundraisings.

8.3.5 Accounting standards
Any changes in accounting standards or how they are applied and interpreted may have an adverse impact on Access Consulting’s financial performance and position.

8.3.6 Fraud or theft
There is a risk of fraud and theft if the Company fails to implement sound internal controls over accounting procedures. This risk is mitigated by fully developed sets of controls that are monitored regularly and audited annually by registered external auditors. Nevertheless, fraud and theft could have an adverse impact on Access Consulting’s operations if it led to loss of money for investors, potential regulatory sanction and/or loss of key clients. The Company further looks to engage independent directors to sit on its audit and risk committee for oversight and engage external agents for ongoing training, investigations and input to the governance and risk programs across the Group.

8.3.7 Insurance risk
The Company may, where economically practicable and available, endeavour to mitigate some business risks by procuring relevant insurance cover. While the Group will undertake reasonable due diligence in assessing its insurance requirements there remains the risk that the policy provisions and exclusions may render a particular claim by the Group outside the scope of the insurance cover, leading to unforeseen costs. The Group seeks to contract with reputable insurers but does not independently verify their creditworthiness. Accordingly, the risk of default on a claim remains if an insurer fails.

8.3.8 Related party transactions
There is a risk that the interests of a related party may influence the decision-making of Directors to the detriment of the interests of members of the entity as a whole when an entity is considering whether to enter into a transaction with a related party.

All related party transactions (if any) are on arm’s length terms no less favourable than what would be available to the Company externally.

8.3.9 Requirements of a public company
The requirements of being a public company will subject the Company to increased costs and could strain resources. As a subsidiary of a public company, the Company will be subject to increased reporting requirements. Compliance with these rules and regulations will increase legal, accounting and financial compliance costs, make some activities more difficult, time-consuming or costly and increase demand on systems and resources.

The Company has invested resources to comply with laws and regulations, and this investment may result in increased general and administrative expenses and a diversion of management’s time and attention from revenue-generating activities to compliance activities.

8.3.10 Taxation reform
Any changes to relevant tax laws, the way they are interpreted and applied or to the current rate of taxes could have an adverse effect on Access Consulting’s financial performance or results. In addition, any change in tax rules and tax arrangements could also have an adverse effect on the level of dividend imputation or franking and Shareholder returns.

8.3.11 Litigation and regulatory inquiries
The Company may be subject to litigation, complaints and other claims or disputes, regulatory inquiries or investigations and other enforcement action initiated by customers, employees, regulators or other third parties in the course of its business. Such matters may have a materially adverse effect on the Company’s financial performance and position. Even if such matters are successfully defended or settled without financial consequences, they may have a material adverse effect on the Company’s reputation.

8.3.12 Force majeure events
Force majeure events, or events beyond the control of the Company, may occur within or outside Australia that could affect the world economy, the operations of the Company and the price of the Shares. These events include war, acts of terrorism, civil disturbance, political intervention and natural events such as earthquakes, floods, fires and severe weather conditions.
additional information
9 Additional Information

9.1 Corporate Structure on Completion

The Company was incorporated in Victoria as a public company limited by shares on 13 June 2017.

The Company has entered into SPAs with the Axcess Consulting Shareholders. On Completion of the Offer, the Company will complete the acquisition of all the equity interests in Axcess Consulting under the SPAs and will become the holding company of Axcess Consulting.

On Completion of the Offer, the Company will have:

- 98,197,647 Shares on issue including 26 million Shares issued under this Prospectus in case of the Minimum Subscription; or
- 100,197,647 Shares on issue including 28 million Shares issued under this Prospectus in case of the Maximum Subscription.

The Company (on a standalone basis) is and will be subject to tax at the Australian corporate tax rate. Its subsidiaries will be subject to tax in the jurisdictions in which they operate. The Company may be required to pay Australian tax on any companies located in foreign jurisdictions, under the controlled foreign company rules.

The details of the Group’s corporate structure following Completion of the purchase of Axcess Consulting is set out in the diagram below:

![Diagram of corporate structure]

^The following companies are dormant and do not have an operating history. The Company will review the group structure following the Listing on the ASX and may change the group structure.

9.2 Summary of rights and liabilities attaching to shares and other material provisions of the Company’s constitution

9.2.1 General

The rights and liabilities attaching to ownership of the Shares are:

- detailed in the Constitution of the Company which may be inspected during normal business hours at the registered office of the Company;
- and
- in certain circumstances, regulated by the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules and the general law.

A summary of the significant rights, liabilities and obligations attaching to the Shares and a description of other material provisions of the Constitution are set out below. This summary is not intended to be exhaustive and is qualified by the fuller terms of the Constitution. This summary does not constitute a definitive statement of the rights and liabilities of Shareholders. This summary assumes the Company is admitted to the official list of ASX.

9.2.2 Voting

At a general meeting, every member present in person or by proxy, attorney or representative has one vote on a show of hands and on a poll, one vote for each fully paid Share held. On a poll, partly paid Shares confer a fraction of a vote pro-rata to the amount paid up on the Share.
9.2.3 Dividends
Subject to any special terms and conditions of issue, the amount which the Directors from time to time determine to distribute by way of dividend are divisible among the members in proportion to the amounts paid up on the Shares held by them.

9.2.4 Issue of shares
Subject to the Constitution, the Listing Rules and the ASX Settlement Operating Rules, the Directors have the right to issue shares or grant options over unissued shares to any person and they may do so at such times as they think fit and on the conditions and the issue price they think fit. Such shares may have preferred, deferred or other special rights or special restrictions about dividends, voting, return of capital or otherwise, as the Directors think fit.

9.2.5 Variation of class rights
Subject to the Corporations Act and the Listing Rules, the rights attached to any class of shares may, unless their terms of issue state otherwise, be varied:
» with the written consent of the holders of 75% of the shares of the class; or
» by a special resolution passed at a separate meeting of the holders of shares of the class.

9.2.6 Transfer of Shares
Subject to the Constitution, the Corporations Act, the Listing Rules and to the rights or restrictions attached to any shares or class of shares, holders of Shares may transfer them by a proper transfer effected in accordance with the ASX Settlement Operating Rules or an instrument in writing in any usual form or in any other form that the Directors approve.

The Directors may decline to register a transfer of Shares for reasons including where the transfer is not in registrable form or where the refusal to register the transfer is permitted under the Listing Rules or the ASX Settlement Operating Rules. If the Directors decline to register a transfer, the Company must give the party lodging the transfer written notice of the refusal and the reason for refusal.

9.2.7 Small holdings
The Directors may sell the Shares of a Shareholder if that Shareholder holds less than a marketable parcel of Shares, provided that the procedures set out in the Constitution are followed. A non-marketable parcel of Shares is defined in the Listing Rules and is, generally, a holding of shares with a market value of less than $500.

9.2.8 General meetings and notices
Subject to the Constitution and to the rights or restrictions attached to any shares or class of shares, each member is entitled to receive notice of and, except in certain circumstances, to attend and vote at general meetings of the Company and receive all financial statements, notices and other documents required to be sent to members under the Constitution or the Corporations Act.

9.2.9 Winding up
Subject to any special or preferential rights attaching to any class or classes of shares, the Constitution, the Corporations Act and the Listing Rules, members will be entitled in a winding up to share in any surplus assets of the Company in proportion to the shares held by them, less any amounts which remain unpaid on these shares at the time of distribution.

9.2.10 Directors – appointment and removal
The minimum number of Directors is three and the maximum is to be fixed by the Directors but may not be more than 10 unless the Company passes a resolution varying that number. Directors are elected at annual general meetings of the Company. Retirement will occur on a rotational basis so that any Director who has held office for three or more years or three or more annual general meetings (excluding any managing Director) retires at each annual general meeting of the Company. The Directors may also appoint a Director to fill a casual vacancy on the Board in addition to the Directors who will then hold office until the next annual general meeting of the Company.

9.2.11 Directors – voting
Questions arising at a meeting of Directors will be decided by a majority of votes of the Directors present at the meeting and entitled to vote on the matter. In the case of a tied vote, the Chairman has a second or casting vote, unless there are only two Directors present or qualified to vote, in which case the proposed resolution is taken as having been lost.

9.2.12 Directors’ remuneration
The Directors, other than the Executive Directors, are entitled to be paid by such Directors’ fees for their services as the Directors decide, provided that the total fees do not exceed the maximum aggregate sum as may be approved from time to time by Shareholders in general meeting. The Constitution also makes provision for the Company to pay all expenses of Directors in attending meetings and carrying out their duties and for the payment of additional fees for extra services or special exertions. Any change to that maximum aggregate sum needs to be approved by Shareholders.
9.2.13 Alteration of share capital
Subject to the Listing Rules, the Constitution and the Corporations Act, the Company may alter its share capital.

9.2.14 Preference shares
The Company may issue preference shares including preference shares which are liable to be redeemed or convertible to ordinary shares. The rights attaching to preference shares are those set out in the Constitution.

9.2.15 Variation of the Constitution
The Constitution can only be amended by a special resolution passed by at least three quarters of members present and voting at a general meeting of the Company. The Company must give at least 28 days’ written notice of its intention to propose a resolution as a special resolution.

9.2.16 Share buy-backs
The Company may buy back shares in accordance with the provisions of the Corporations Act.

9.2.17 Dividend plan
The Constitution contains a provision allowing Directors to implement a dividend reinvestment plan.

9.3 Terms and Conditions of the Options
The Company has issued 3,478,651 Options. Please see below a description of the terms and conditions of the Options.

<table>
<thead>
<tr>
<th>Key Terms</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exercise Price</td>
<td>$0.25 per Option</td>
</tr>
<tr>
<td>Exercise Period</td>
<td>Between the date on which the Shares of the Company have been admitted to quotation on the ASX and 31 December 2019</td>
</tr>
<tr>
<td>Specific Restrictions on Exercise</td>
<td>The Option holder may not exercise less than 10,000 Options at any one time unless the Option holder has less than 10,000 Options in which event the Option holder must exercise all the Options together.</td>
</tr>
<tr>
<td>Quotation</td>
<td>The Options will not be quoted on the ASX. If the Shares of the Company have been admitted to quotation by the ASX, the Company must apply to the ASX within ten (10) business days after the date of issue of any Shares issued upon exercise of the Options, for such Shares to be admitted to quotation.</td>
</tr>
<tr>
<td>Assignment</td>
<td>The Options are transferable.</td>
</tr>
<tr>
<td>Rights attaching to the Shares</td>
<td>Shares issued pursuant to the exercise of an Option rank pari passu in all respect with all other issued Shares of the Company.</td>
</tr>
</tbody>
</table>

9.4 Material contracts
The Directors consider that there are a number of contracts which are significant or material to the Group or of such nature that an investor may wish to have details of them when making an assessment of whether to apply for Shares. The main provisions of these contracts are summarised below, or elsewhere in this Prospectus. These summaries do not purport to be complete and are qualified by the text of the contracts themselves.

9.4.1 Share Sale and Purchase Agreements
On 19 May 2017, I and L Computer Services Pty Ltd ("Colak Trust"), LRA Consulting Pty Ltd ("Atkinson Trust") and Kelvin Allan Poole ("Poole") (together "Vendors") entered into separate share sale and purchase agreements ("SPAs") with Angeion Group Pty Limited and Angeion Group Holdings Pty Limited ("Angeion") for the sale of all their shares in Axxcess Consulting ("Sale Shares"). Colak Trust, Atkinson Trust and Poole each hold 50%, 25% and 25% of the total shares in Axxcess Consulting respectively.

The SPAs relate to the acquisition of the legal interest in the underlying ARMnet technology business and its IP. The SPAs were subsequently amended by deeds of amendment on 16 August 2018 ("Deeds of Amendment"). The Deeds of Amendment were entered into with each of the Vendors to replace Angeion with AXS as the purchaser of the Sale Shares. In addition, the Deeds of Amendment also clarified and amended the effective date, the purchase price and the payment conditions of the purchase price of the Sales Shares under the SPAs among other commercial and legal refinements to terms and conditions in the SPAs.

According to the SPAs amended by the Deeds of Amendment, the sale of shares in Axxcess Consulting to AXS occurs once the parties meet the conditions in the SPAs, including:

» satisfactory due diligence on Axxcess Consulting by AXS that no Sale Share is subject to any security interest;
» the execution of all three SPAs;
» the execution of employment agreements between Access Consulting and Ivan Colak, Kelvin Poole and Laurie Atkinson on terms that are satisfactory to AXS;
» any residual intellectual property held by the Vendors are assigned to Access Consulting; and
» obtaining any approval, waiver or satisfying any conditions required from ASX or ASIC for the transactions contemplated under the SPAs.

The total consideration for the purchase of the Sale Shares by AXS from the Vendors is $15,000,000. This consideration is made up of the following:
» issue of 44,000,000 shares in AXS at $0.25 per share with a value of $11,000,000 on the Completion of the SPAs;
» $3,500,000 cash payable on the Completion of the SPAs;
» an “Earn Out Incentive Payment” of $500,000 payable at the 365th day following the Completion of the SPAs;
» a settlement adjustment made on Completion in favour of the Vendors, which if Completion had occurred on 31 December 2017 would have been $466,200. This amount owing will be a loan until settlement adjustments are complete with the parties to agree a mutual payment timing that works in conjunction with the Company’s cashflow timings;
» on Completion, all intangible assets (including capitalised in-house developed software and contract lists) and property and equipment accounted for within the Access Partnership will be transferred to Access Consulting. In accordance with the agreed terms with the Vendors, certain other assets and liabilities will be transferred to Access Consulting as part of a working capital loan. This amount owing will be a loan until settlement adjustments are finalised, with the parties to mutually agree on the repayment terms in accordance with the Company’s ongoing cashflow requirements;
» each party indemnifies the other party against all proceedings, actions, claims, demands, losses, liabilities, damages, cost and expenses which may be made, brought against, suffered or incurred by the Company or the other party, and which arise directly or indirectly out of or in connection with untrue, inaccurate or misleading warranties or breach of the SPAs; and
» the SPAs further provides that the Vendors will receive a copy of the software code in the event of the termination, change or replacement of the Managing Director and two key executives within 3 years from execution of the SPAs.

9.4.2 Key customer contracts
Access Consulting has entered into different forms of contractual arrangements with its key clients and the following sets out a summary of the key characteristics of those contractual arrangements.

Access Consulting’s customer contracts comprise:
» software-licence agreements;
» software maintenance agreements; and
» a combination of both licence and maintenance agreements and professional services agreements.

Access Consulting is primarily a party to all the agreements, with the exception of Baycorp (the prior owner of ARMnet) and Carlsbad (the prior trading name of Access Consulting) who remain a party to some of the older software licence agreements which were subsequently novated to Access Consulting.

General terms
The general terms included the customer contacts are as follows:
» Access Consulting supplies ARMnet software licences (Licence), maintenance and professional services to the client.
» The Licence is a worldwide Licence to use and copy ARMnet software.
» The Licence can only be used in connection with the client’s business.
» The client does not have any rights, title and interest in relation to the software, documentation and intellectual property (IP).

Revenue
Access Consulting’s revenue from the customer contracts is generated by charging the customers:
» an initial configuration fee for;
» a monthly or daily subscription fee subject to an annual increase based on CPI; and
» Where Access Consulting provides professional services to the client, this will be based on a “Statement of Work” and “Project Plan” for each service specified served. The service fees include an upfront payment and a daily rate while an Access Consulting employee is on site plus reimbursement for travel and out of pocket expenses.
9.4.3 Deeds of access, insurance and indemnity for Directors

» Access
The Company has entered into deeds of access, insurance and indemnity with each Director which contain rights of access to certain books and records of the Company.

» Indemnification
Under the Constitution, the Company is required to indemnify all Directors and officers, past and present, against all liabilities allowed under law. Under the deed of access, insurance and indemnity, the Company indemnifies parties against all liabilities to another person that may arise from their position as an officer of the Company or its subsidiaries to the extent permitted by law. The deed stipulates that the Company will meet the full amount of any such liabilities, including reasonable legal costs and expenses.

» Insurance
Under the Constitution, the Company may arrange and maintain directors’ and officers’ insurance for its Directors to the extent permitted by law and under the deed of access, insurance and indemnity, the Company must maintain insurance cover for each Director for the duration of the access period.

9.5 Related party contracts
Related party transactions (that is, transactions between a public company and a director, an entity controlled by a director, or a parent company of the public company) are regulated in Australia under the Corporations Act by a requirement for disinterested Shareholder approval, unless the transaction is on "arm’s length terms", represents no more than reasonable remuneration, or complies with other limited exemptions.

9.5.1 Share Purchase Agreement with Colak Trust
As noted in Section 9.4.1, AXS has entered into a SPAs with Colak Trust, of which Ivan Colak, the Executive Director of both AXS and Access Consulting, is the beneficiary. According to the SPAs with Colak Trust, Colak Trust agrees to sell all of its shares in Access Consulting to AXS once the parties meet the conditions in the SPAs as described in the above Section 9.4.1. The consideration that is payable by AXS for the purchase of Sale Shares held by Colak Trust totals at $7,500,000 and is made up of the following:

» issue of 22,000,000 shares in AXS at $0.25 per share with a value of $5,500,000 on the Completion of the SPAs;
» $1,750,000 cash payable on the Completion of the SPAs; and
» an "Earn Out Incentive Payment" of $250,000 payable at the 365th day following the Completion of the SPAs; and
» a proportion of settlement adjustments made on Completion in favour of the Vendors, which if Completion had occurred on 31 December 2017 would have been $466,200. This amount owing will be a loan until settlement adjustments are complete with the parties to agree a mutual payment timing that works in conjunction with the Company’s cashflow timings.

The Board believes that the above SPAs occur in the normal course of business, and the terms and conditions of the SPAs are no more favourable than those available, or which might reasonably be expected to be available, for similar transactions with unrelated entities on an arm’s length basis, according to the assessment by commercial and industrial property sales and leasing specialists, and that the risks faced by the Group from any or all of these arrangements are not materially different from or are more favourable to the Group than those it would face had any or all of these leases had been entered into with a counterparty without the connections to Ivan Colak described in this Section 9.5.1.

9.6 Escrow Arrangements
A number of Shareholders are restricted from dealing in their Shares. These restrictions are either imposed by the ASX or have been agreed to voluntarily.

9.6.1 ASX imposed restrictions
With respect to ASX imposed restrictions, the ASX Listing Rules require that certain persons or entities such as seed capitalists, promoters and related parties enter into restriction agreements under which they are restricted from dealing in a specified number of their Shares for up to 24 months from the date of quotation of these Shares. The restriction agreements will be in the form required by ASX Listing Rules over such number of Shares and for such period of time as determined by the ASX, and restrict the ability of the holder of the Shares from disposing of, creating any security interest in or transferring effective ownership or control of such Shares.

9.6.2 Voluntary restrictions
With respect to voluntary restrictions, a number of persons and entities have also agreed to voluntary restrictions for a specific period of time. The voluntary escrow arrangements do not preclude participation in a takeover where:

a. the takeover bid is for all of the securities;

b. holders of at least half of the securities that are not subject to restriction (including those Shares that are subject to the voluntary escrow arrangements) to which the takeover bid relates have accepted; and
c. if the takeover bid is conditional, the Shareholder agrees in writing that a holding lock will be re-applied to each Share that is subject to the voluntary escrow arrangements that is not unconditionally bought by the bidder under the takeover bid.

Additionally, the holder’s restricted securities may be transferred or cancelled in accordance with a merger if the shareholder agrees in writing that a holding lock will be re-applied if the merger does not take effect.

Furthermore, an escrowed Shareholder will not be precluded from transferring their securities where consent of the Company is sought and provided the transferee agrees to be subject to the escrow restrictions.

### 9.6.3 Summary of the escrow arrangements

The table below sets out the periods during which certain Shareholders are restricted from dealing in their Shares pursuant to ASX restrictions and voluntary restrictions.

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Type of escrow arrangement</th>
<th>Maximum Subscription</th>
<th>Minimum Subscription</th>
<th>Options held on escrow (ex $0.25 Exp 31/12/19)</th>
<th>Performance Options held on escrow</th>
<th>Escrow Period in Months from the Listing Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Directors and their Related Parties</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nick Brookes</td>
<td>ASX¹</td>
<td>266,800</td>
<td>0.27%</td>
<td>266,800</td>
<td>0.27%</td>
<td>13,360</td>
</tr>
<tr>
<td>David Grey</td>
<td>ASX¹</td>
<td>5,100,000</td>
<td>5.19%</td>
<td>5,100,000</td>
<td>6.09%</td>
<td>0</td>
</tr>
<tr>
<td>Alan Beasley</td>
<td>ASX¹</td>
<td>211,868</td>
<td>0.22%</td>
<td>211,868</td>
<td>0.21%</td>
<td>2,374</td>
</tr>
<tr>
<td>Brendan Dickson</td>
<td>ASX¹</td>
<td>2,400,000</td>
<td>2.44%</td>
<td>2,400,000</td>
<td>2.40%</td>
<td>0</td>
</tr>
<tr>
<td><strong>Promoters, Seed capitalists &amp; Other</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Seed capitalists</td>
<td>ASX¹</td>
<td>120,000</td>
<td>0.12%</td>
<td>120,000</td>
<td>0.12%</td>
<td>24,000</td>
</tr>
<tr>
<td>Promoters and Transferees in receipt of Promoter Shares²</td>
<td>ASX¹</td>
<td>6,500,000</td>
<td>6.62%</td>
<td>6,500,000</td>
<td>6.49%</td>
<td>1,300,000</td>
</tr>
<tr>
<td>Other deemed promoters</td>
<td>ASX¹</td>
<td>4,515,529</td>
<td>4.60%</td>
<td>4,515,529</td>
<td>4.51%</td>
<td>617,907</td>
</tr>
<tr>
<td>Other</td>
<td>ASX¹</td>
<td>94,118</td>
<td>0.10%</td>
<td>94,118</td>
<td>0.09%</td>
<td>127,667</td>
</tr>
<tr>
<td><strong>Employees</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Access Consulting employees and contractors</td>
<td>Voluntary</td>
<td>56,000</td>
<td>0.06%</td>
<td>56,000</td>
<td>0.06%</td>
<td>0</td>
</tr>
<tr>
<td><strong>Vendors</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I and L Computer Services Pty Ltd⁵</td>
<td>ASX¹</td>
<td>22,000,000</td>
<td>22.40%</td>
<td>22,000,000</td>
<td>21.96%</td>
<td>0</td>
</tr>
<tr>
<td>Other Vendors</td>
<td>Voluntary</td>
<td>22,000,000</td>
<td>22.40%</td>
<td>22,000,000</td>
<td>21.96%</td>
<td>0</td>
</tr>
</tbody>
</table>

| Total (Escrowed)                        |                            | 63,264,315           | 64.43%               | 63,264,315                                    | 63.14%                            | 2,085,307                                  | 7,700,000                                  | 24                                            |
| Shares / Options not Subject to Escrow |                            | 34,933,332           | 35.57%               | 36,933,332                                    | 36.86%                            | 1,393,344                                  | 0                                          |                                               |
| Total Shares / Options at Completion of the Offer | 98,197,647 | 100% | 100,197,647 | 100% | 3,478,651 | 7,700,000 |

1. The ASX will make the final determination of the mandatory escrow to be applied to Shares and Options, which may be different from that set out in this Prospectus.
2. This category of persons received Shares from MMR Corporate Services Pty Ltd.
3. I and L Computer Services Pty Ltd is acting as the trustee of the Cloak Trust of which Mr Ivan Colak, the Executive Director of both AXS and Access Consulting, is the beneficiary.
9.6.4 **Regulatory Relief**
AXS has received relief from ASIC so that AXS does not have a relevant interest in the Shares which are subject to the voluntary escrow arrangements described in Section 9.6.

9.7 **Corporate Adviser Agreements**

9.7.1 **MMR Corporate Services Pty Ltd**
The Company has appointed, MMR Corporate Services Pty Ltd as its corporate adviser for preparation for the listing application and proposed listing of the Company on the ASX. The scope of the services provided under this agreement includes managing the Listing process and producing the Prospectus. Under this agreement, MMR Corporate Services Pty Ltd fees are set out as follows:

- $20,000 corporate advisory fee for the first month of the engagement and $10,000 for each subsequent month;
- $5,000 a month for media and public relations services;
- $50,000 for managing Listing process which includes the Prospectus and liaison with ASX and ASIC;
- 5% of the gross amount raised under the offer through investors introduced by MMR Corporate Services Pty Ltd (or its related entities or employees);
- 1% of the gross amount raised by a broker or other entities unrelated to MMR Corporate Services Pty Ltd; and
- A fee is payable for a 12-month period after the end of any 24-month period of ASX mandatory restriction on any of the Company’s securities in the event of any acquisition of a relevant interest in at least 50% of the issued voting shares in the Company through a takeover event or upon any such a takeover event proceeding:
  - (a) $25,000 per month to assist the Company respond to any and each takeover offer, payable from the 1st day of the month in which a takeover event offer is made until completion of the takeover event or withdrawal of the offer.
  - (b) a fee of 1.5% of the enterprise value of the Company based on the final offer price per share, where the enterprise value is the value of the share capital of the Company, calculated on a value per share equal to the final offer price per share.

9.8 **Broker Agreement**
The Offer is being managed by varying brokers under the Offer. Redleaf has agreed to be named brokers on the Offer to the Listing and the Company will provide the following consideration terms:

<table>
<thead>
<tr>
<th>Broker Fee (ex GST):</th>
<th>Up to 7.00% of Proceeds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roadshow and Engagement Fee:</td>
<td>$10,000.00 per party agreed to include name on front page.</td>
</tr>
</tbody>
</table>

The Company may agree a split of the Broker Fee between participating brokers and/or adviser groups as stated above. Individuals that also act in referral arrangements approved by AXS may also receive a fee of up to 5% for that referral of a party that makes an investment.

9.9 **Consents to be named and disclaimers of responsibility**
Each of the parties referred to below, to the maximum extent permitted by law, expressly disclaims all liabilities in respect of, makes no representations regarding and takes no responsibility for any statements in or omissions from this Prospectus, other than the reference to its name in the form and context in which it is named and a statement or report included in this Prospectus with its consent as specified below.

Written consents to the issue of this Prospectus have been given and, at the time of lodgement of this Prospectus with ASIC, had not been withdrawn by the following parties:

- Red Leaf Securities Pty Ltd has given and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named on the front cover this Prospectus as a broker to the Company in the form and context it is so named.
- MMR Corporate Services Pty Ltd has given and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the Corporate Adviser to the Company in the form and context it is so named;
- Nexia Sydney Corporate Advisory Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Investigating Accountant to the Company in the form and context it is so named; and to the inclusion of its Investigating Accountant’s Report on the Historical Financial Information in Section 7;
- Nexia Sydney Audit Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the Auditor to the Company in the form and context it is so named;
- Baker & McKenzie has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Australian legal adviser to the Company in relation to the Offer in the form and context in which it is named;
Piper Alderman has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Australian legal adviser to the Company in relation to the Offer in the form and context in which it is named; Computershare Investor Services Pty Limited has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the Registry in the form and context it is so named. Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registrar to the Company. Computershare Investor Services Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus; and Frost & Sullivan has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the independent expert in the form and context it is so named.

No entity or person referred to above in Section 9.9 has made any statement that is included in this Prospectus or any statement on which a statement made in this Prospectus is based, except as stated above. Each of the persons and entities referred to above in this Section 9.9 has not authorised or caused the issue of this Prospectus, does not make any offer of New Shares and expressly disclaims and takes no responsibility for any statements in or omissions from this Prospectus except as stated above in this Section 9.9.

In addition, as permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72 this Prospectus may include or be accompanied by certain statements fairly representing a statement by an official person, or from a public official document or a published book, journal or comparable publication.

### 9.10 Costs of the Offer

If the Offer proceeds, the estimated costs of the Offer (exclusive of taxes), by type of cost, are shown in the table below:

<table>
<thead>
<tr>
<th>Estimated expenses ($) (exclusive of GST, where applicable)</th>
<th>Minimum Subscription ($)</th>
<th>Maximum Subscription ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASIC and ASX fees</td>
<td>119,660</td>
<td>120,254</td>
</tr>
<tr>
<td>Broker commissions</td>
<td>466,375</td>
<td>502,250</td>
</tr>
<tr>
<td>Legal fees</td>
<td>199,148</td>
<td>199,148</td>
</tr>
<tr>
<td>Corporate advisor fees (MMR)</td>
<td>215,250</td>
<td>215,250</td>
</tr>
<tr>
<td>Investigating Accountant’s fees and due diligence reports</td>
<td>118,457</td>
<td>118,457</td>
</tr>
<tr>
<td>Other financial and accounting fees</td>
<td>123,647</td>
<td>123,647</td>
</tr>
<tr>
<td>Independent market report</td>
<td>22,550</td>
<td>22,550</td>
</tr>
<tr>
<td>Marketing, travel, design and printing</td>
<td>70,750</td>
<td>70,750</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>71,500</td>
<td>71,500</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,407,337</strong></td>
<td><strong>1,443,806</strong></td>
</tr>
</tbody>
</table>

1. Final expenses may be higher due to tax impacts.

### 9.11 Working capital statement

The Directors believe that, on completion of the Offer, the Company will have sufficient working capital to carry out its objectives as stated in this Prospectus.

### 9.12 Governing law

This Prospectus and the contracts that arise from the acceptance of the Applications and bids under this Prospectus are governed by the laws applicable in New South Wales and each Applicant under this Prospectus submits to the exclusive jurisdiction of the courts of New South Wales.

### 9.13 Legal proceedings

So far as the Company is aware, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental proceedings of a material in which the Group is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Group.
9.14 Tax considerations

Set out below is a general overview of the Australian taxation implications for investors who acquire the New Shares on capital account. This Section 9.14 is based on legislation applicable at the time of its preparation. Given the complexity of taxation laws, it does not cover all possible implications for particular investors.

As the tax position of each investor may vary depending on their individual circumstances, this Section 9.14 should not be considered advice specific to any particular investor. Before lodging an Application, each investor should seek independent professional advice with respect to the tax consequences applicable to their individual circumstances.

9.14.1 Taxation of dividends

The treatment of the dividends which are paid to investors will vary depending on whether or not the investor is an Australian resident or a non-resident Shareholder. The taxation treatment will also vary depending on the extent to which any dividends are franked.

Dividends received by Australian resident Shareholders

Dividends paid on the New Shares will be included in the assessable income of the Shareholder in the income year in which they are paid (or deemed to be paid) to the Shareholder.

If the dividend is franked (for imputed Australian corporate tax paid by the Company) then the dividend paid (or deemed to be paid) plus the franking credit will be included in the Shareholder’s assessable income and subject to tax at the Shareholder’s marginal tax rate. The Shareholder will be entitled to offset the franking credit against tax payable by the Shareholder if the Shareholder is a qualified person. A qualified person is a Shareholder who satisfies the holding period rule (by holding shares on which the dividend is “at risk” for at least 45 days continuously from the day after the Shareholder acquires the shares to the 45th day after the shares become ex-dividend) and the related payments rule.

Individuals and complying superannuation funds are entitled to a refund of any part of the franking credits that exceed their tax payable.

Australian resident companies can convert excess franking credits to tax losses that can potentially be deductible against income in future years.

Dividends received by non-resident Shareholders

Dividend withholding tax is not imposed on fully franked dividends paid to non-resident Shareholders.

It may be necessary for the Company to withhold tax from unfranked dividends paid to non-resident Shareholders and remit the tax to the ATO.

Where unfranked dividends are paid to non-resident Shareholders, and the unfranked dividend is not declared to be “conduit foreign income”, dividend withholding taxes must be deducted from the gross dividends paid. If the Shareholder is a resident of a country that does not have a Double Tax Agreement (“DTA”) with Australia, then a 30% withholding tax rate will be applied to dividends paid to the non-resident Shareholder. If the Shareholder is a resident of a country that does have a DTA with Australia, then the DTA will determine the maximum amount of withholding tax that can be imposed. DTA dividend withholding tax rates generally range from 0% to 15%.

9.14.2 Disposal of Shares

As noted above, the following overview of Australian tax implications associated with disposal of New Shares is confined to investors who hold their shares on capital account.

Persons who acquire New Shares on revenue account or for a share trading purpose should seek independent professional advice as the issues are complex and the tax implications depend heavily on individual circumstances.

Disposal of Shares by Australian resident Shareholders

Disposal of some or all of the New Shares held on capital account by Australian resident investors will give rise to a CGT event. Investors may become liable to pay tax if they make a capital gain on disposal of their New Shares, or if another CGT event occurs in respect of the New Shares.

To calculate the capital gain that is subject to tax initially requires the cost base of New Shares to be subtracted from the capital proceeds received from their disposal. If the calculation results in a negative number, then the investor may make a capital loss.

In the case of New Shares acquired pursuant to the Prospectus, the cost base for CGT purposes will generally be the amount paid for the New Shares ($0.25 per Share), plus incidental transaction costs (such as brokerage fees) incurred in acquiring the New Shares.

The amount received (money or property) by the investor in respect of the disposal of their New Shares would generally be treated as the capital proceeds in respect of the CGT event. However, the market value of shares at the time of their disposal may be substituted as the capital proceeds in certain circumstances.

If the Shareholder has also made losses in the income year, or has accumulated losses, then those losses may be used to reduce capital gains made by the Shareholder.
Investors who are either individuals or complying superannuation funds (or another similar form of qualifying entity) and dispose of New Shares held for at least 12 months (plus the date of acquisition and disposal), may be entitled to a CGT discount of 50% or 33 1/3% respectively. Companies are not entitled to any CGT discount. Where shares are held by a trust (and the trust is not taxed as a company for Australian tax purposes) then a CGT discount of 50% is generally available. When the capital gain is distributed to the beneficiary by the trustee of the trust, the capital gain needs to be grossed up and the relevant beneficiary(s) will need to determine for themselves whether or not they are able to access the CGT discount provisions.

The net capital gain remaining after permitted offsets and discounts, is included in the investor’s taxable income, and the total amount is then subject to tax at the investor’s marginal tax rate.

If the Shareholder makes a capital loss in respect of the disposal of New Shares, the capital loss cannot be offset against ordinary income but may be either used to reduce other current year capital gains or carried forward and used to reduce future capital gains. However, utilisation of carried forward capital losses is subject to various loss integrity tests. Consideration of these loss provisions is beyond the scope of this Section.

Disposal of Shares by non-Australian resident Shareholders
Non-residents may make a capital gain on the disposal of taxable Australian property. For tax purposes, New Shares will generally only be considered taxable Australian property where the following conditions are satisfied:

- the investor owns an interest of 10% or more in the Company; and
- more than 50% of the value of the Company relates to assets that are taxable Australian real property such as land and buildings or interests in land and buildings. For example, leasehold rights over land situated in Australia are considered to be taxable Australian real property.

Based on information contained in the Prospectus regarding the planned operation of the business, the Company’s shares are unlikely to be taxable Australian property. As such, non-residents that dispose of their shares are unlikely to be subject to tax on any gains made in Australia. However, the circumstances of the Company should be reviewed by investors as at the time they dispose of some or all New Shares.

9.14.3 Tax File Numbers quotation
It is not compulsory for Australian resident Shareholders to provide the Company with details of their Tax File Number (“TFN”) or Australian Business Number (“ABN”). However, a failure to quote a TFN or ABN (or proof of exemption) to the Company will result in the Company being required to withhold and remit tax of 47% from unfranked dividends paid to the relevant Australian resident Shareholder. The amount withheld in these circumstances should be available as a credit against the investor’s tax liability.

9.14.4 GST and transfer duty
No GST is applicable to the issue or transfer of the New Shares given that, under current law, shares in a company are a financial supply for GST purposes. Shareholders may not be entitled to claim full input tax credits in respect of GST paid on costs incurred in connection with the acquisition of shares.

Transfer duty will not be payable on New Shares issued pursuant to the Prospectus.

9.15 Statement of Directors
Each Director has authorised the issue of this Prospectus and has consented to the lodgement of this Prospectus with ASIC in accordance with section 720 of the Corporations Act.

This Prospectus is signed by a Director of AXS Group Limited in accordance with section 351 of the Corporations Act.

Nick Brookes
Chairman
## Glossary

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>AASB</td>
<td>Australian Accounting Standards Board</td>
</tr>
<tr>
<td>AUD or $</td>
<td>Australian dollars, the lawful currency of the Commonwealth of Australia.</td>
</tr>
<tr>
<td>ABN</td>
<td>Australian Business Number.</td>
</tr>
<tr>
<td>ACN</td>
<td>Australian Company Number.</td>
</tr>
<tr>
<td>AEST</td>
<td>Australian Eastern Standard Time.</td>
</tr>
<tr>
<td>AFSL</td>
<td>Australian Financial Services Licence.</td>
</tr>
<tr>
<td>Applicant</td>
<td>A person who has applied to subscribe for Shares under the Offer.</td>
</tr>
<tr>
<td>Application</td>
<td>A valid application for Shares made under this Prospectus.</td>
</tr>
<tr>
<td>Application Form</td>
<td>The form accompanying or attached to this Prospectus by which an Applicant may apply for Shares.</td>
</tr>
<tr>
<td>Application Monies or</td>
<td>Money payable for Shares applied for by an Applicant.</td>
</tr>
<tr>
<td>Application Amount</td>
<td></td>
</tr>
<tr>
<td>Approval Date</td>
<td>The day which the Company receives conditional approval for admission to the official list on the ASX, subject to the parties meeting the conditions set out in clause 4.1 of the SPAs.</td>
</tr>
<tr>
<td>APRA</td>
<td>Australian Prudential Regulation Authority.</td>
</tr>
<tr>
<td>ASIC</td>
<td>Australian Securities and Investment Commission.</td>
</tr>
<tr>
<td>ASX or Australian Securities Exchange</td>
<td>ASX Limited (A.B.N. 98 008 624 691), or the securities market it operates, as the context requires.</td>
</tr>
<tr>
<td>ASX Listing Rules or Listing Rules</td>
<td>The official listing rules of the ASX.</td>
</tr>
<tr>
<td>ASX Settlement</td>
<td>ASX Settlement Pty Limited (A.B.N. 49 008 504 532).</td>
</tr>
<tr>
<td>ASX Settlement Operating Rules</td>
<td>The settlement rules of the settlement facility provided by ASX Settlement.</td>
</tr>
<tr>
<td>Axcess Consulting</td>
<td>Axcess Consulting Group Pty Limited (ACN 109 358 689).</td>
</tr>
<tr>
<td>Axcess Partnership</td>
<td>Axcess Consulting Partnership (A.B.N. 15 715 117 664)</td>
</tr>
<tr>
<td>Axcess Consulting Shareholders</td>
<td>Existing shareholders of Axcess Consulting as at the date of this Prospectus.</td>
</tr>
<tr>
<td>Board</td>
<td>The Board of Directors of the Company.</td>
</tr>
<tr>
<td>Business Day</td>
<td>Any day except a Saturday, a Sunday or any public holiday in Geelong, Victoria.</td>
</tr>
<tr>
<td>BPAY®</td>
<td>BPAY Pty Ltd (A.B.N. 69 079 137 518).</td>
</tr>
<tr>
<td>CAGR</td>
<td>Compound annual growth rate.</td>
</tr>
<tr>
<td>CEO</td>
<td>Chief Executive Officer of the Company.</td>
</tr>
<tr>
<td>CFO</td>
<td>Chief Financial Officer of the Company.</td>
</tr>
<tr>
<td>CHESS</td>
<td>Clearing House Electronic Sub-register System</td>
</tr>
<tr>
<td>CPI</td>
<td>Consumer Price Index published by the Australian Bureau of Statistics.</td>
</tr>
<tr>
<td>CRM</td>
<td>Customer relationship management</td>
</tr>
<tr>
<td>CRN</td>
<td>Customer Reference Number</td>
</tr>
<tr>
<td>Closing Date</td>
<td>5:00pm (AEST) on 9 November 2018 or such other date as the Board may decide, and is the date on which the Offer closes.</td>
</tr>
<tr>
<td>Company or AXS</td>
<td>AXS Group Limited (A.C.N. 619 705 207), the Group’s new holding company (subject to completion of the Listing) incorporated in New South Wales.</td>
</tr>
<tr>
<td>Completion</td>
<td>In relation to the SPAs, it means the completion of the sale and purchase of Shares under the SPAs. In relation to the Offer, it means the issue of the Shares to Successful Applicants.</td>
</tr>
<tr>
<td>Corporate Adviser</td>
<td>MMR Corporate Services Pty Ltd (A.C.N. 161 550 714).</td>
</tr>
<tr>
<td>Corporations Act</td>
<td>Corporations Act 2001 (Cth).</td>
</tr>
<tr>
<td>Directors</td>
<td>The directors of the Company, and Director means any one of them.</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
</tr>
<tr>
<td>---------------------------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>EBIT</td>
<td>Earnings before interest and taxes.</td>
</tr>
<tr>
<td>EBITDA</td>
<td>Earnings before interest, taxes, depreciation and amortisation.</td>
</tr>
<tr>
<td>ESOP</td>
<td>Employee Share Option Plan of the Company.</td>
</tr>
<tr>
<td>Executive Director</td>
<td>A Director appointed director of the Company in an executive capacity.</td>
</tr>
<tr>
<td>Existing Shareholders</td>
<td>Those persons or entities who are holders of Shares of the Company as at the date of this Prospectus.</td>
</tr>
<tr>
<td>Exposure Period</td>
<td>Has the meaning given in &quot;Important Information&quot; Section.</td>
</tr>
<tr>
<td>Financial Information</td>
<td>Has the meaning given in Section 6.</td>
</tr>
<tr>
<td>FTE</td>
<td>Full-time employee</td>
</tr>
<tr>
<td>FY</td>
<td>Financial year, ending on 30 June of any year, and the two digits following FY indicate which year (for example FY2017 means the financial year ending 30 June 2017).</td>
</tr>
<tr>
<td>Group</td>
<td>The business described in this Prospectus, or when the context requires, the consolidated group of companies comprising the Company and its subsidiaries upon Listing as illustrated in Section 9.1 being the proposed corporate structure.</td>
</tr>
<tr>
<td>GST</td>
<td>The meaning given in section 195–1 of the A New Tax System (Goods and Services) Tax Act 1999 (Cth).</td>
</tr>
<tr>
<td>Historical Financial Information</td>
<td>has the meaning given in Section 6.</td>
</tr>
<tr>
<td>Holding Statement</td>
<td>A holding statement of Shares.</td>
</tr>
<tr>
<td>IFRS</td>
<td>International Financial Reporting Standards.</td>
</tr>
<tr>
<td>Investigating Accountant</td>
<td>Nexia Sydney Corporate Advisory Pty Ltd.</td>
</tr>
<tr>
<td>Listing</td>
<td>The admission of the Company to the Official List of ASX.</td>
</tr>
<tr>
<td>Listing Date</td>
<td>The date that the Company is admitted to the Official List of ASX.</td>
</tr>
<tr>
<td>Maximum Subscription</td>
<td>The maximum subscription amount under the Offer, being $7.0 million.</td>
</tr>
<tr>
<td>Minimum Subscription</td>
<td>The minimum subscription amount under the Offer, being $6.5 million.</td>
</tr>
<tr>
<td>New Share(s)</td>
<td>Share(s) to be issued under the Offer.</td>
</tr>
<tr>
<td>Non-Executive Director</td>
<td>A Director appointed as a director of the Company in a non-executive capacity.</td>
</tr>
<tr>
<td>NPAT</td>
<td>Net profit after taxes.</td>
</tr>
<tr>
<td>Offer</td>
<td>The invitation in this Prospectus to subscribe for Shares.</td>
</tr>
<tr>
<td>Offer Information Line</td>
<td>The Offer Information Line being 1300 850 505 within Australia and +61 3 9415 4000 outside Australia.</td>
</tr>
<tr>
<td>Offer Price</td>
<td>$0.25 per Share.</td>
</tr>
<tr>
<td>Official List</td>
<td>The official list of entities that ASX has admitted and not removed.</td>
</tr>
<tr>
<td>Official Quotation</td>
<td>The quotation of the Shares on ASX.</td>
</tr>
<tr>
<td>Opening Date</td>
<td>8:30am (AEST) on 26 September 2018.</td>
</tr>
<tr>
<td>Option</td>
<td>An option to acquire Shares.</td>
</tr>
<tr>
<td>Performance Option</td>
<td>An Option issued under the ESOP, where the vesting conditions are tied to certain performance milestones.</td>
</tr>
<tr>
<td>Promoter(s)</td>
<td>Has the meaning given in ASX Listing Rules 19.12.</td>
</tr>
<tr>
<td>Prospectus</td>
<td>This document and any supplementary or replacement prospectus in relation to this document.</td>
</tr>
<tr>
<td>P2P</td>
<td>Peer-to-peer loans.</td>
</tr>
<tr>
<td>Registry</td>
<td>Computershare Investor Services Pty Limited (A.B.N. 48 078 279 277)</td>
</tr>
<tr>
<td>Related Parties</td>
<td>Has the meaning given in section 228 of the Corporations Act.</td>
</tr>
<tr>
<td>RPA</td>
<td>Robotic process automation.</td>
</tr>
<tr>
<td>Restricted Securities</td>
<td>A Shareholders' shares and options that are escrowed as described in Section 9.6.3.</td>
</tr>
<tr>
<td>Section</td>
<td>A section of this Prospectus.</td>
</tr>
<tr>
<td>SaaS</td>
<td>Software as a Service.</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>SFO</td>
<td>The Securities and Futures Ordinance (Cap. 571) of the laws of Hong Kong, as amended from time to time.</td>
</tr>
<tr>
<td>Share(s)</td>
<td>Fully paid ordinary share(s) in the Company.</td>
</tr>
<tr>
<td>Shareholder</td>
<td>A holder of Share(s).</td>
</tr>
<tr>
<td>SPAs</td>
<td>The Share Purchase Agreements entered into between the Company and the Access Consulting Shareholders dated 19 May 2017 as amended by the subsequent Deed of Amendment.</td>
</tr>
<tr>
<td>Successful Applicant</td>
<td>An Applicant who is issued Shares under the Offer.</td>
</tr>
<tr>
<td>TFN</td>
<td>Tax file number.</td>
</tr>
<tr>
<td>US or United States</td>
<td>United States of America</td>
</tr>
<tr>
<td>USS or USD</td>
<td>US dollars, the lawful currency of the United States of America.</td>
</tr>
<tr>
<td>Vendors</td>
<td>Has the meaning given in Section 9.4.1.</td>
</tr>
</tbody>
</table>
AXS Group Limited
Offer website: www.axsgroup.com.au

Registered Office
Level 11, 52 Phillip Street
Sydney NSW 2000 Australia
e: corporate@axsgroup.com.au

Proposed ASX Code: AXS

Corporate Adviser
MMR Corporate Services Pty Ltd
Level 2, 131 Macquarie Street
Sydney NSW 2000

Australian Legal Adviser
Baker & McKenzie
Tower One - International Towers Sydney
Level 46, 100 Barangaroo Avenue
Sydney NSW 2000

Piper Alderman
Level 23, Governor Macquarie Tower
1 Farrer Place
Sydney NSW 2000
AXS Group Limited

Auditor
Nexia Sydney Audit Pty Ltd
Level 16, 1 Market St
Sydney NSW 2000

AXS Share Offer
Information Line
Tel: 1300 850 505 (within Australia)
Tel: +61 3 9415 4000 (outside Australia)
Open 8:30am to 5:00pm AEST Monday to Friday

Investigating Accountant
Nexia Sydney Corporate Advisory Pty Ltd
1 Market St
Sydney NSW 2000

Registry
Computershare Investor Services Pty Limited
452 Johnston Street
Abbotsford VIC 3067 (Melbourne)

Independent Expert
Frost & Sullivan
Suite 1, Level 9, 189 Kent Street
Sydney NSW 2000
Application Form

This Application Form is important. If you are in doubt as to how to deal with it, please contact your stockbroker, accountant or other professional advisor without delay.

You should read the AXS Group Limited Prospectus dated 18 September 2018 and any relevant Supplementary Prospectus (if applicable), carefully before completing this Application Form. The Corporations Act prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant Supplementary Prospectus (whether in paper or electronic form).

A I/we apply for

[ ] Shares at $0.25 per Share

or such lesser number of Shares which may be allocated to me/us

B I/we lodge full Application Money

$ [ ]

C Individual/Joint applications - refer to naming standards overleaf for correct forms of registrable title(s)

Title or Company Name

[ ]

Given Name(s)

[ ]

Surname

[ ]

Joint Applicant 2 or Account Designation

[ ]

Joint Applicant 3 or Account Designation

[ ]

D Enter the postal address - include State and Postcode

Unit

[ ]

Street Number

[ ]

Street Name or PO Box/Other information

[ ]

City/Suburb/Town

[ ]

State

[ ]

Postcode

[ ]

E Enter your contact details

Contact Name

[ ]

Telephone Number - Business Hours

[ ]

F CHESS Participant

Holder Identification Number (HIN)

[ ]

X

G Cheque Payment details

Drawer

[ ]

Cheque Number

[ ]

BSB Number

[ ]

Account Number

[ ]

Amount of cheque

[ ]

Make your cheque, bank draft or money order payable to ‘AXS Group Limited’ and cross it ‘Not Negotiable’.

By submitting this Application Form

• I/we declare that this Application is complete and lodged according to the Prospectus, and any relevant Supplementary Prospectus, and the declarations/statements on the reverse of this Application Form,

• I/we declare that all details and statements made by me/us (including the declaration on the reverse of this Application Form) are complete and accurate, and

• I/we agree to be bound by the AXS Group Limited.

See overleaf for completion guidelines
How to complete this Application Form

A Number of Shares applied for
Enter the number of Shares you wish to apply for. The Application must be for a minimum of 6,000 Shares ($2,000.00). Applications for greater than 6,000 Shares must be in multiples of 2,000 Shares ($500.00).

B Application Monies
Enter the amount of Application Monies. To calculate the amount, multiply the number of Shares applied for in Step A by the issue price of $0.25.

C Applicant Name(s)
Enter the full name you wish to appear on the statement of shareholding. This must be either your own name or the name of a company. Up to 3 joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applications using the wrong form of names may be rejected. Clearing House Electronic Subregister System (CHESS) participants should complete their name identically to that presently registered in the CHESS system.

D Postal Address
Enter your postal address for all correspondence. All communications to you from the Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

E Contact Details
Enter your contact details. These are not compulsory but will assist us if we need to contact you regarding this Application.

F CHESS
AXS Group Limited will apply to the ASX to participate in CHESS, operated by ASX Settlement Pty Limited, a wholly owned subsidiary of ASX Group Limited. If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold Shares issued to you under this Application on the CHESS Subregister, enter your CHESS HIN. Otherwise, leave this section blank and on issue, you will be sponsored by AXS Group Limited and allocated a Securityholder Reference Number (SRN).

G Payment
Make your cheque, bank draft or money order payable in Australian dollars to ‘AXS Group Limited’ and crossed ‘Not Negotiable’. Cheques must be drawn from an Australian bank. Cash will not be accepted. The total payment amount must agree with the amount shown in Step B. Complete the cheque details in the boxes provided. Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as dishonoured cheques may not be represented and may result in your Application being rejected. Paperclip (do not staple) your cheque to the Application Form. Receipts will not be forwarded. Funds cannot be directly debited from your bank account.

Before completing the Application Form the Applicant(s) should read the Prospectus to which this Application relates. By lodging the Application Form, the Applicant agrees that this Application for Shares in AXS Group Limited is upon and subject to the terms of the Prospectus and the Constitution of AXS Group Limited, agrees to take any number of Shares that may be issued to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Lodgement of Application
Application Forms must be received by Computershare Investor Services Pty Limited (GIS) by no later than 5:00pm AEST on Friday 9 November 2018. You should allow sufficient time for this to occur. Return the Application Form with cheque, bank draft or money order attached to:
Computershare Investor Services Pty Limited, GPO Box 62, MELBOURNE VIC 3001
Neither GIS nor AXS Group Limited accepts any responsibility if you lodge the Application Form at any other address or by any other means.

Privacy Notice
The personal information you provide on this form is collected by GIS, as registrar for the securities issuer (the issuer), for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting GIS using the details provided overleaf or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer’s administration of your security holding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at http://www.computershare.com.au.

Correct forms of registrable title(s)
Note that ONLY legal entities are allowed to hold Shares. Application Forms must be in the name(s) of a natural person(s), companies or other legal entities acceptable to AXS Group Limited. At least one full given name and the surname is required for each natural person. Application Forms cannot be completed by persons less than 16 years of age. Examples of the correct form of registrable title are set out below.

<table>
<thead>
<tr>
<th>Type of Investor</th>
<th>Correct Form of Registration</th>
<th>Incorrect Form of Registration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual: use given names in full, not initials</td>
<td>Mr John Alfred Smith</td>
<td>JA Smith</td>
</tr>
<tr>
<td>Company: use the company’s full title, not abbreviations</td>
<td>ABC Pty Ltd</td>
<td>ABC P/L or ABC Co</td>
</tr>
<tr>
<td>Joint Holdings: use full and complete names</td>
<td>Mr Peter Robert Williams &amp;</td>
<td>Peter Robert &amp;</td>
</tr>
<tr>
<td></td>
<td>Ms Louise Susan Williams</td>
<td>Louise S Williams</td>
</tr>
<tr>
<td>Trusts: use the trustee(s) personal name(s)</td>
<td>Mrs Susan Jane Smith</td>
<td>Sue Smith Family Trust</td>
</tr>
<tr>
<td></td>
<td>&lt;Sue Smith Family A/C&gt;</td>
<td></td>
</tr>
<tr>
<td>Deceased Estates: use the executor(s) personal name(s)</td>
<td>Ms Jane Mary Smith &amp;</td>
<td>Estate of late John Smith</td>
</tr>
<tr>
<td></td>
<td>Mr Frank William Smith</td>
<td>or John Smith Deceased</td>
</tr>
<tr>
<td></td>
<td>&lt;Est John Smith A/C&gt;</td>
<td></td>
</tr>
<tr>
<td>Minor (a person under the age of 18): use the name of a responsible adult with a</td>
<td>Mr John Alfred Smith</td>
<td>Master Peter Smith</td>
</tr>
<tr>
<td>appropriate designation</td>
<td>&lt;Peter Smith A/C&gt;</td>
<td></td>
</tr>
<tr>
<td>Partnerships: use the partners personal names</td>
<td>Mr John Robert Smith &amp;</td>
<td>John Smith and</td>
</tr>
<tr>
<td></td>
<td>Mr Michael John Smith</td>
<td>Son</td>
</tr>
<tr>
<td></td>
<td>&lt;John Smith and Son A/C&gt;</td>
<td></td>
</tr>
<tr>
<td>Long Names</td>
<td>Mr John William Alexander</td>
<td>Mr John W A Robertson-Smith</td>
</tr>
<tr>
<td></td>
<td>Robertson-Smith</td>
<td></td>
</tr>
<tr>
<td>Clubs/Unincorporated Bodies/Business Names: use officer bearer(s) personal</td>
<td>Mr Michael Peter Smith</td>
<td>ABC Tennis Association</td>
</tr>
<tr>
<td>name(s)</td>
<td>&lt;ABC Tennis Association A/C&gt;</td>
<td></td>
</tr>
<tr>
<td>Superannuation Funds: use the name of the trustee of the fund</td>
<td>Jane Smith Pty Ltd</td>
<td>Jane Smith Pty Ltd Superannuation Fund</td>
</tr>
</tbody>
</table>