THE ROAD AHEAD

THE 2019 AUSTRALIAN IPO REVIEW

Introduction

It gives us great pleasure to present *The Road Ahead: The 2019 Australian IPO Review.*

In this publication we cover:

- some key IPO themes of 2019;
- IPO activity across the Australian market;
- REIT IPOs – the answer for you?;
- Australian regulatory developments;
- key US securities developments; and
- predictions for 2020.

We trust you will find value in it.

Should you have any questions in relation to IPOs in Australia, please contact our ECM partners who are listed on page 23.

The Herbert Smith Freehills ECM Team

2019: Some key themes

2019 in review

Market conditions in 2019 were impacted by events such as the elections in Australia and the UK and an overlay of uncertainty influenced by the ongoing trade war between the US and China, protests in Hong Kong and the commencement of the US presidential election process.

Despite this, outside Australia, in 2019 the theme seemed to be bigger is better, with several tech sector unicorn floats in the US and the largest of them all, the float of Saudi oil company Aramco on the Tadawul stock exchange.

2019 was a more subdued year for Australian IPOs. Nonetheless there were some standout listings with Prospa successfully listing after postponing its float in the prior year, large IT sector listings of foreign based Life360 and Fineos, the listing of eftpos solutions provider Tyro Payments and real estate sector listings of Home Consortium and Primewest.

Consumer focus

The regulatory focus on consumer protection continues, with ASIC having released guidance on how it proposes to exercise its new product intervention powers as well as the product design and distribution regime, which will be relevant to some IPOs where a Product Disclosure Statement is required (among other limited situations) and also to IPO companies in the financial sector whose businesses may be affected.

Road rules

A number of regulatory and governance updates were released in 2019 that sought to address the modern discourse around culture and climate change.

In particular, ASX released the updated Corporate Governance Principles and Recommendations (the Fourth Edition) which will take effect for a listed entity's first full financial year commencing on or after 1 January 2020. The key change reflected in the Fourth Edition is a shift towards recognising the importance of monitoring and taking responsibility for culture, conduct and behaviour within the corporate group and for focussed management of, and disclosure in relation to, non-financial risks, including ESG risks, in addition to the traditional focus on financial risks and performance. These new recommendations are directed to setting "the tone from the top" and ensuring that the entity's board is provided with the information it needs to monitor the culture of the organisation.

ASIC has also been active, having updated its guidance on prospectus disclosure to include climate change as a type of risk which may need disclosure. ASIC's guidance suggests that such disclosure may be required both in relation to physical risks resulting from climate change and the extensive policy, legal, technology and market changes that transitioning to a lower-carbon economy may entail. ASIC has advised that in the coming year, it will conduct surveillance of climate change related disclosure practices by selected listed companies.

The ASX also released the final version of its listing rules reforms, which came into effect on 1 December 2019. These make important changes, including to related party rules affecting capital raisings and other corporate transactions. See page 11 for further details of the regulatory developments affecting IPOs in 2019.

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The IT factor

With its opportunities for scalability and to create new industries, the IT sector remains firmly in focus for growth investors. Consumer focussed unicorns Uber, Lyft, Peloton and Pinterest listed in the US in 2019.

In Australia, IT sector listings focussed on business-to-business solutions with Software as a service (SaaS) and payment systems and platforms making up the bulk of the IT listings on the ASX. See further detail on the IT listings on the ASX in 2019 on page 8.

Whereas in the US there seems to be a trend towards delaying the listing of IT companies until they reach stratospheric valuations, the ASX has consolidated its reputation as a home for early stage IT sector listings by launching the new S&P/ASX All Technology Index.

Whether in Australia, the US or elsewhere, we are also seeing investors being (rightly) discerning about companies that seek to style themselves as tech companies, but whose revenues are actually generated from models which are comparatively less scalable with lower margins. Market commentators criticised the office space rental company WeWork as an example of this.

Navigating the IPO process

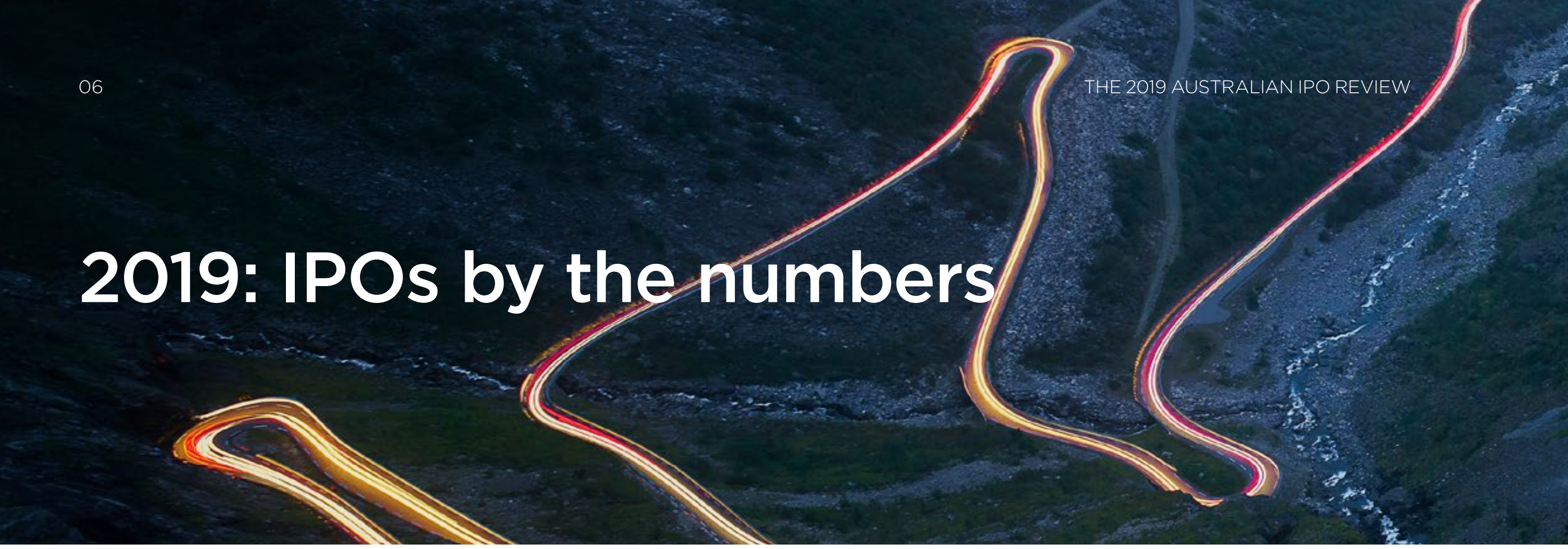
We saw greater scrutiny and media interest in bookbuild messages in 2019 following the release of ASIC's report on allocations in equity raising transactions in December 2018, culminating in rolling media articles on the bookbuild messages of the Latitude Financial float, which was ultimately withdrawn. This scrutiny, combined with the adjustment to often not including formal valuation ranges in pre-deal research, has contributed to a heightened focus on agility during the marketing and bookbuild phases.

The search for yield

REIT raisings were a bright spot in an otherwise subdued market last year (see page 8) and this is expected to continue given their yield characteristics and consequent attraction in the current low interest rate environment. Other yield based raisings, such as the Virgin Australia retail notes offer (upsized from A$150 million to A$325 million), were successful for similar reasons and this trend may continue, with no change in the interest rate environment in sight.

The road ahead

2020 is off to a promising start, with significant IPOs proposed in a range of sectors, including real estate, retail, resources, infrastructure and financial services. Whilst many of the themes discussed above that shaped 2019 are ongoing, we are seeing that clients have strategic objectives and compelling reasons to IPO in 2020. Others are seeing an IPO as one of a range of options including trade sales or other M&A activity. The inevitable twists and turns ahead require issuers and lead managers to be responsive and ready to take advantage of opportunities for launch when they arise. See page 20 for our predictions for the remainder of 2020.



2019: IPOs by the numbers

The long and winding road

There were close to 40 fewer listings in 2019 as compared with 2018, and that figure is higher still if compared with 2017. Capital raised by IPOs in 2019 was also almost A$3 billion lower than in 2018. Beyond the listings, a number of proposed high profile floats were withdrawn, such as Latitude, Property Guru, Retail Zoo and Onsite Rental.

There was no one reason for this outcome, but a combination of factors clearly made listing on the ASX in 2019 a challenging task. The macro factors included elections in Australia and the UK and intensifying US-China trade tensions and the impression left by proposed international mega-IPOs like WeWork (whose valuations were significantly reduced once tested as part of the listing process).

There were also challenges with navigating the IPO process around ASIC's restrictions on including formal valuations in sell-side research and ensuring allocation practises were able to be demonstrated to be consistent with ASIC's recommendations provided in December 2018.

Whilst much has been made of the volume of capital requiring deployment by superannuation, pension and other types of funds, the overarching story of the last few years is that such investors have a strong yield focus and are disciplined when choosing whether to invest in a business at IPO. The success of REIT IPOs is consistent with this theme - we discuss some of the key features of REIT IPOs on page 9.

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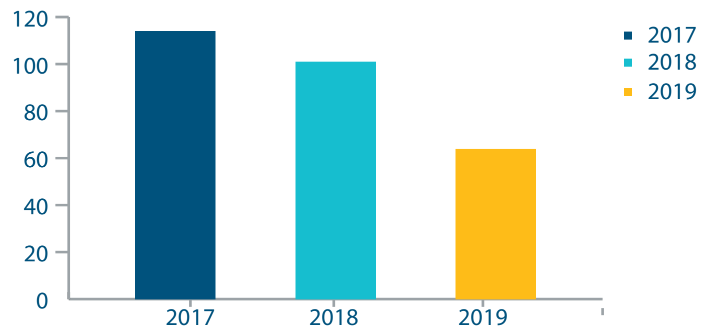
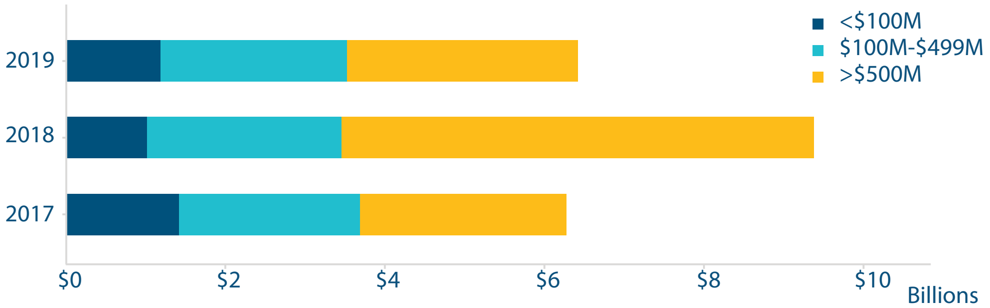
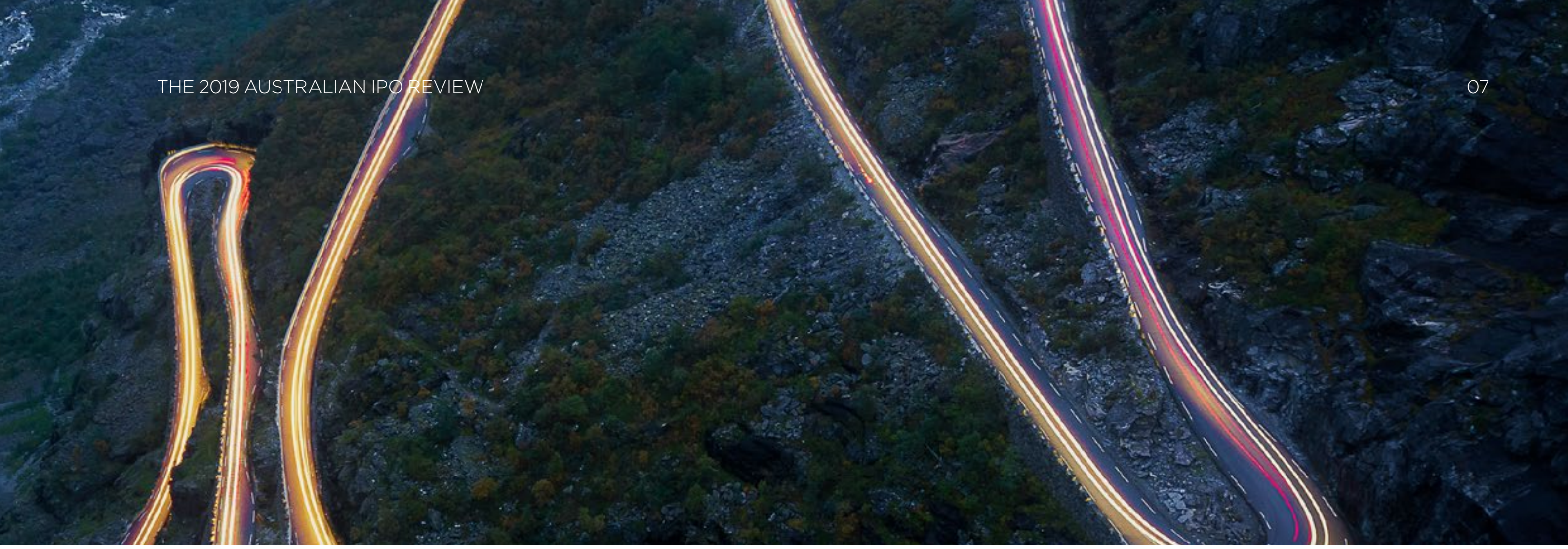
Number of IPOs from 2017 – 2019



Amount of capital raised on listing 2017 – 2019 by market capitalisation of IPO

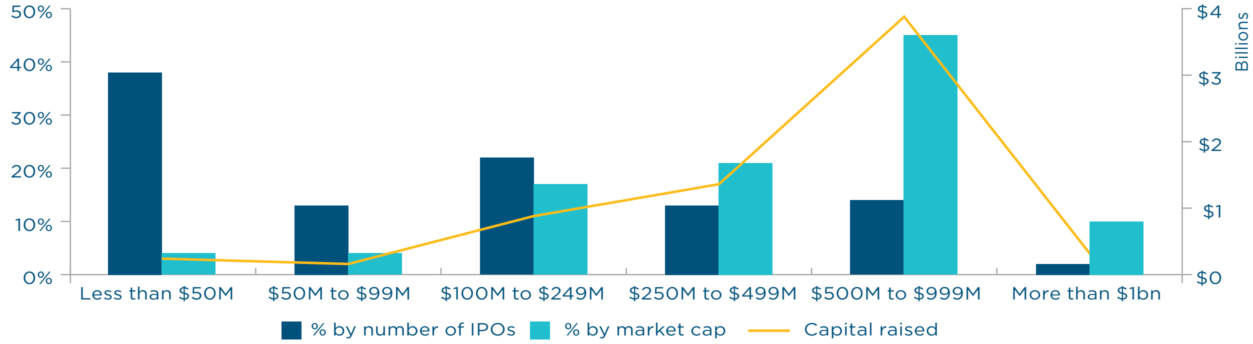




The journey ahead

Despite the numeric data, there were a number of new and exciting companies that listed on the ASX in 2019. A common theme amongst some of the more prominent listings was an investment story that showed capital being raised to fund growth opportunities. ASX also consolidated its position as a home for IT IPOs of all sizes, particularly FinTech, with its record for these listings continuing to attract global attention.

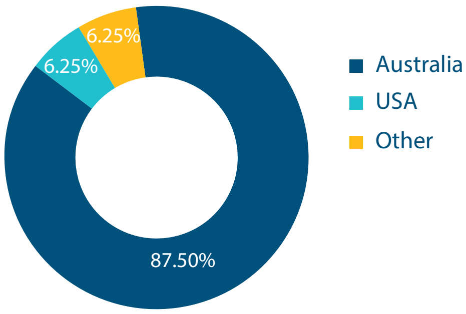
Market capitalisation and capital raised on listing (2019)



Geographic spread

There were a number of prominent listings of large foreign entities in the IT and financial services sector in 2019 including Fineos, Life360, Sezzle and Limeade. Consistent with ASX's push for ASX to be recognised as a desirable destination for tech listings, the CEO of Sezzle, a payment solution platform offering interest free instalment payments, particularly in online checkouts, noted that ASX-investor familiarity with Afterpay was the reason for the choice of listing on the ASX when its operations were focussed on North America.

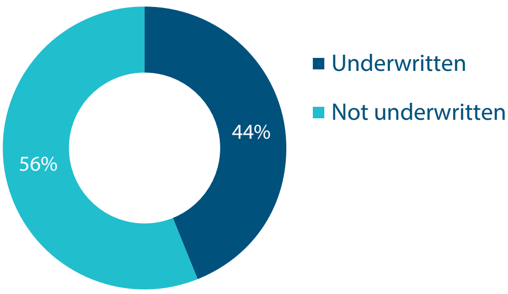
Jurisdiction of issuer incorporation 2019



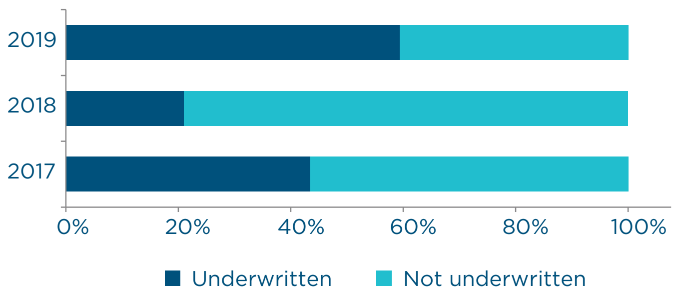
Underwriting

There was a higher proportion of underwritten IPOs in 2019 than previous years, although we are not drawing any particular conclusion from this and note the lower number of IPOs and capital raised generally in 2019 may have had an influence on this result.

Number of all IPOs underwritten vs not underwritten in 2019



Number of IPOs underwritten vs not underwritten with a market capitalisation of over $100 million on listing (2017 – 2019)



2019: IPOs by the numbers

Sector spotlights

The financial sector dominated with a range of listed investment entities. Outside of investment entities, new listings included Prospa (online lending to small business), Powerwrap (platform provider for wealth advice groups), Teaminvest Private Group (a specialist private equity firm), VGI Partners (fund manager), Quickfee (payment platform and SME lender to accounting and law firms), Sezzle (payment solution platform offering interest-free instalment payments), Moneyme (digital consumer credit) and Openpay (a payments platform).

Other than financial sector listings, there were more listings in the information technology sector than any other, with those listings also representing the highest aggregate market capitalisation of any sector outside of the financial sector.

Almost all of the IT sector listings were for IT companies that provide services to businesses. These included Splitit (credit card solutions for businesses), Readytech (SaaS to the education and employment sector), Whispir (SaaS automating interactions between businesses and consumers), Fineos (provider of software systems to the global life, accident and health insurance industry), Tyro (eftpos payment solutions), AppsVillage (SaaS to allow small to medium businesses to build their own branded apps), Nitro Software (Document productivity software), OpenLearning (cloud online learning platform) and Amaero (laser based additive manufacturing processes) and Icetana (video analytics to automatically identify anomalous actions in surveillance networks).

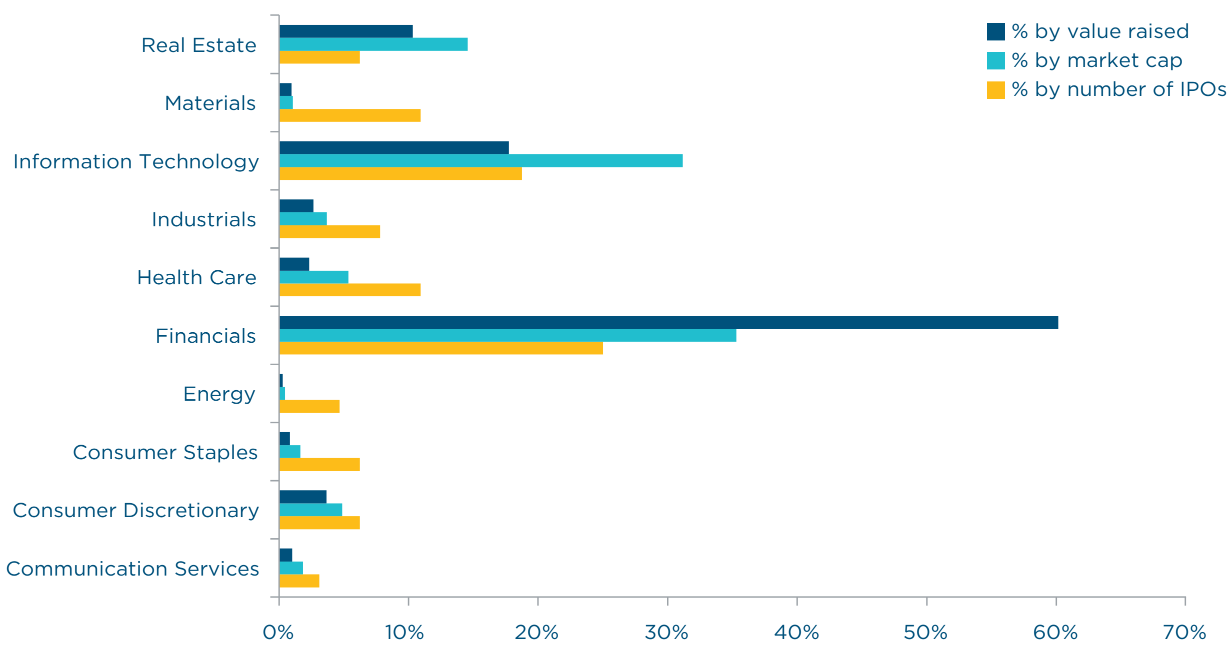
The notable exception to the business-to-business theme was Life360, which provides a location based services application for consumers (mostly families) to track contacts (such as family members).

The IT sector listings ranged from the small to some of the largest listings in 2019. ASX has recognised its attractiveness for IT company listings and has launched an index called the S&P/ASX All Technology Index in February 2020.

The sector raising the third most capital was real estate. Listings in this area included Investec Australia Property Fund (investing in Australian and New Zealand office, industrial and retail real estate), Victory Offices (providing serviced offices and virtual office facilities and flexible working spaces), Home Consortium (with a $925 million property portfolio targeting operating and retail service centres) and Primewest (real estate funds management). We discuss some of the key features of REIT IPOs on page 9.

Note on Methodology: All data in this '2019: IPOs by the numbers' section excludes ASX Foreign Exempt Listings, AQUA and debt IPOs unless otherwise stated. Market capitalisation is based on the issue price of securities multiplied by the number of quoted securities.

Top industry sectors for IPOs in 2019



REIT IPOs – The answer for you?

Australian real estate continues to attract substantial investment, both from domestic and offshore players, with the predominant structure for commercial property ownership being real estate investment trusts (both listed and unlisted). Recent experience demonstrates that REIT IPOs continue to be popular, with opportunities expanding outside of the more traditional real estate classes including - in a number of cases - as a means to realise the value inherent in corporate real estate portfolios. We are seeing a number of clients exploring these opportunities.

REIT overview

Real Estate Investment Trusts (**REITs**) have been a feature of the Australian property landscape since the early 1970s. Listed REITs, commonly referred to as A-REITs represent a substantial sector of the Australian market (with more than 50 listed REITs representing a total market capitalisation of more than A$181.17 billion). There is also a substantial unlisted REIT sector in Australia.

Typically REITs are structured as unit trusts comprising a separate trustee and trust estate. The majority of the larger REITs now also adopt stapled structures where two or more securities (typically units in a trust and shares in a company) are jointly quoted on the ASX under a single code and trade together, with each investor owning a corresponding proportion of each entity.

This can allow for flow through tax structuring for passive real estate assets in the trust, together with access to returns of an operating business in the company. Stapled structures have also facilitated so called "internalisation" of REIT management – whereby the management platform is owned within the listed structure.

The optimal approach in any particular case will depend on the nature and drivers for the REIT offer.

Expanding the field of opportunities

More recently, we have seen an increasing number of REIT IPOs focussing on opportunities in areas outside of more traditional real estate classes.

These have included retirement living (Gateway), large format retail (Aventus), flexible workspaces (Victory), real estate management platforms (Primewest) and spin-out of corporate real estate (Viva, Convenience Retail and the recently announced proposed IPO of Caltex service stations).

In the corporate spin-out space, where we have been involved with a number of proposals, both listed and wholesale, the sale and leaseback structure can be an effective way of seeking to unlock value in a real estate portfolio and optimising balance sheet, while offering investors looking for yield an attractive return profile underpinned by a blue chip tenant.

Key considerations

Some of the key considerations to keep in mind when exploring a potential REIT IPO are:

Strategic objectives

Strategic objectives and value story should be clarified upfront as this will greatly influence the broader offer approach and features.

Drivers here will differ significantly depending on the nature of the issuer and proposed product. For example, professional real estate managers may be more focussed on accessing capital and liquidity for members and the features of the management structure and fee streams, whereas corporates seeking to realise the inherent value in their property portfolio (for example, through sale and leaseback) may be more focussed on the potential for capital release, balanced with continued operational access to assets and ongoing rental commitments.

REIT IPO and alternative routes

An area for early assessment will be whether an IPO is the preferred route as compared to possible alternatives – recognising that each will have its benefits and drawbacks.

Potential alternatives to a REIT IPO might include an unlisted fund, club or joint venture or a direct real estate sale.

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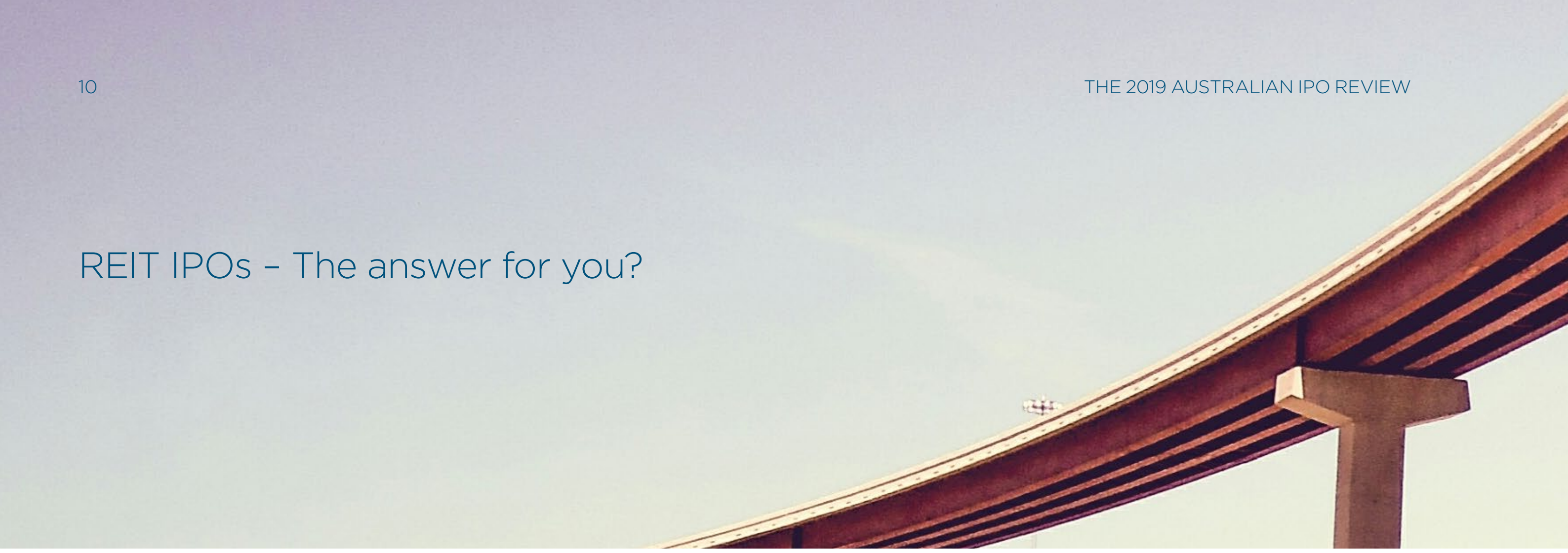

REIT IPOs – The answer for you?

A REIT IPO can allow benefits such as access to broader capital pools and potential investor liquidity, but typically involve more detailed regulatory obligations and the offer process will be played out in the public arena.

It can be possible to pursue alternatives in parallel.

Managing the structure and licensing

A Listed REIT will need to be registered with ASIC as a managed investment scheme (attracting regulation under Chapter 5C of the Corporations Act), with the trustee holding an appropriate Australian Financial Services Licence to act as responsible entity. Various operational functions are typically delegated to experienced fund and property managers.

For professional managers, required licenses and capability may already be held within the business. Newer players or corporates looking to pursue a REIT IPO will need to consider the optimal approach to satisfying these requirements, which may include seeking to develop the requisite capacity and obtain licenses in-house (although this can be costly and time consuming) or potentially engaging a professional services provider or linking up with a professional manager.

Retaining a strategic stake

The issuer will need to consider whether it wishes to retain a stake in the structure – this can, for example, help to demonstrate alignment with investors and may also offer a degree of defensive protection from potential future corporate action. Retaining interests through the structure may also impact the tax, stamp duty and accounting treatment for the issuer.

As part of this assessment, issuers should be mindful of potential listing rule impacts for particular deal features. For example, Listing Rule 10.1 requires securityholder approval for acquisitions and disposals of substantial assets to specified related entities (including a substantial holder (10%+) in the entity). This could be relevant to the workability of certain proposed rights – such as proposed future pre-emptive rights.

Where proposed deal features may be impacted by these issues, upfront consideration and early engagement with ASX will be important.

Tax and stamp duty

Stamp duty and taxation implications for the structure should be confirmed early on, with any leakage factored into transaction modelling. This is often particularly relevant in the pre-structuring stage of compiling the real estate portfolio into the proposed listing structure. In addition, for an IPO of a REIT that has landholdings in Victoria, stamp duty may be payable in respect of the IPO itself.

Other commercial features

Depending on the nature of the offer, there may be a range of other commercial features to be considered. Examples might include potential pipeline / priority rights to be offered to the REIT on future opportunities or, in a sale and leaseback proposal, the applicable commercial lease terms (which are often "triple net").

Summary

Broadly, a REIT IPO offers investors exposure to underlying real estate assets through a listed securitised structure (typically a unit trust and often with a stapled company). REIT IPOs continue to be popular in the Australian market.

Recent experience has seen REIT IPOs expanding into a broader range of areas beyond more traditional real estate classes. For corporates holding a large real estate portfolio as part of their operating activities, REIT IPOs can offer an attractive route for seeking to unlock the inherent value in that portfolio and optimising their balance sheet.

There are a range of considerations to be taken into account in determining whether an IPO may be the preferred transaction structure and it may be possible to pursue alternatives in parallel.

Regulatory developments

In 2019, ASIC and ASX have had a continued focus on enhancing the integrity and corporate governance practices of entities seeking to conduct IPOs, with ASX's amendments to the Listing Rules and the Corporate Governance Principles and Recommendations coming into effect and ASIC issuing various reports and amended guidance calling for strengthened conflict management and disclosure practices. Australian regulators are also focussed on heightening protection for retail clients, which has implications for the marketing of and distribution of securities for IPOs.

ASIC

ASIC acquires new product intervention powers

On 6 April 2019, ASIC acquired broad new product intervention powers which ASIC can use in relation to initial and secondary capital raisings where ASIC identifies actual or likely 'significant detriment' to retail clients or consumers.

These new powers have been a long time coming. They were recommended by the Financial System Inquiry in 2014 and have now been inserted into the *Corporations Act 2001* (Cth) and the *National Consumer Credit Protection Act 2009* by the *Treasury Laws Amendment (Design and Distribution Obligations and Product Intervention Powers) Act 2019* (Cth).

These product intervention powers apply to a broad range of financial products (including shares and interests in managed investment schemes) and credit products that are, or are likely to be, available to retail clients or consumers.

The intervention orders can be made in relation to a specific product or a class of products, where ASIC is satisfied the product or class of products has or is likely to result in significant detriment to retail clients or consumers. Significant detriment may arise through a product's design/features or its distribution. It may arise when there is no breach of disclosure laws or other financial services regulatory requirements.

A range of intervention orders are available, that can affect to whom the product can be sold and in what manner, and can extend to a total ban on a product or class of products. Orders may be made for an initial period of up to 18 months, which can be extended or made permanent with the consent of the Minister. Before making an intervention order, ASIC must consult with persons who are reasonably likely to be affected by the order, but consultation may take the form of publishing a notice on the ASIC website, and a failure by ASIC to consult does not invalidate an order.

In *ASIC Consultation Paper 313*: *Product intervention power* and its attached draft Regulatory Guide, ASIC gives guidance on factors it proposes to take into account in applying the significant detriment test and provides case studies involving term deposit rollover and flex commission in the car finance market. Whilst this consultation has closed, we are awaiting the issue of the final Regulatory Guide.

In the meantime, in August 2019, ASIC commenced consultation on proposed product intervention orders in relation to over-the-counter binary options and contracts for difference. In September 2019, ASIC made its first product intervention order to limit aggregate credit and collateral fees on certain short term credit facilities.

New design and distribution obligations are finalised

The Treasury Laws Amendment (Design and Distribution Obligations and Product Intervention Powers) Act 2019 (Cth) also introduced a new design and distribution regime into the *Corporations Act 2001* (Cth). Unlike the product intervention powers which took effect immediately under this legislation, the design and distribution regime has a two year transition period and does not take effect until 5 April 2021.

Broadly, the new design and distribution regime will in some circumstances require the issuer (and in some cases the seller) of financial products to make and publish an appropriate target market determination (**TMD**) for the products offered.

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Regulatory developments

This TMD must (among other things) describe the 'target market' for the financial product, identify TMD review triggers and specify any distribution conditions.

When a TMD is required, the issuer (or seller) and all distributors to retail clients or consumers must take reasonable steps to distribute the financial product to retail clients in accordance with that TMD.

The design and distribution regime applies to some IPOs, where:

- a product disclosure statement is required for the offer (which would be the case if the offer is of interests in a managed investment scheme alone or stapled to other financial products); or
- a prospectus is required for the offer and the offer is not an offer of fully paid ordinary shares in an Australian or foreign company or an employee share scheme offer. Two exceptions to this rule apply. For anti-avoidance reasons, the design and distribution regime does apply to offers of:
    - shares in a company that carries on a business of investment in financial products, interests in land or other investments using funds subscribed under a public offer (ie, an investment company); and
    - ordinary shares intended to be converted to preference shares within 12 months of issue.

In *ASIC Consultation Paper 325: Product design and distribution obligations* (**CP325**) and its attached draft Regulatory Guide, ASIC has provided only broad guidance as to the content of a TMD. Although the TMD is not required to specify a 'negative target market' (unlike the position in Europe), the draft Regulatory Guide notes that it will be useful for the issuer to consider those for whom the financial product is clearly unsuitable. ASIC identifies factors it expects will be relevant in determining if the issuer or a distributor has taken reasonable steps to distribute the product in accordance with the target market determination. Comments on CP325 close on 11 March 2020.

Consultation on stamping fee exemption

On 27 January 2020, the Government announced that the Treasury would undertake a four week targeted public consultation on the merits of the current stamping fee exemption for capital raisings by listed investment companies and listed investment trusts, including real estate investment trusts.

The stamping fee exemption is an exception to the Future of Financial Advice rules on conflicted remuneration for financial services licensees. Since it was introduced in 2014, this exemption has been regularly utilised to facilitate the payment of fees and commissions by listed (or to be listed) issuers on IPOs and other capital raisings out of the proceeds of the offering to underwriters and other brokers in the selling syndicate.

The consultation comes in response to the Financial Services Royal Commission recommendation that all exemptions for conflicted remuneration be reviewed by 2022. Submissions for the public consultation closed on 20 February 2020.

ASIC Report 641 on small-cap mining IPOs

On 5 December 2019, ASIC released its report, *ASIC Report 641: An inside look at mining and exploration initial public offerings* (**REP641**), which set out the findings from ASIC's review of the processes undertaken in selected mining IPOs raising less than A$20 million conducted between October 2016 and September 2018.

In summary, ASIC was concerned with the heavy involvement of lead managers and other promoters throughout the IPO process, potentially resulting in conflicts of interest and substandard compliance controls.

Although ASIC focussed on small-cap IPOs in the mining sector, ASIC has publicly stated that the concerns raised in REP641 and the recommended "better practices" needed to address them are relevant to most, if not all, companies, directors and lead managers in Australia.

The following are some of the key "better practice" recommendations set out by ASIC in REP641:

- **Directors should be aware of their duties and be actively involved in the IPO process**: Given the influence of lead managers and other professional advisers in the IPO origination process, directors should ensure that they are acting in the best interests of the company when making decisions, including in relation to proposals put forward by the transaction originators, and maintain robust conflict management processes.
- **Directors need to take more control of the pre-IPO funding process**: If a company is seeking to undertake pre-IPO fundraising, directors should exercise more control over and understand the rationale behind the pricing, quantum and allocation strategy for the seed capital.
- **The role of lead managers should be clear**: Lead manager and corporate advisory mandates should clearly identify the obligations and responsibilities of the lead managers and disclose any conflicts of interest and how these conflicts will be managed. Prospectus disclosures should also clearly and prominently set out the total aggregate benefits payable to lead managers, including contingent liabilities.
- **Promotional activities must be subject to compliance controls**: Promotional materials for IPOs should provide a balanced view of the proposed investment and not be used to make statements that could not be made in a prospectus.

- **IPO allocations**: ASIC recommends for lead managers and companies to review and implement the better practices set out in ASIC's *Report 605: Allocations in equity raising transactions* (**REP605**), which sets out ASIC's recent guidance on allocations in equity raising transactions and managing conflicts of interest.

Allocations of securities

In our 2018 Australian IPO Review, we discussed REP605 which was released in December 2018. In that report, one ASIC suggestion was that the messaging of bookbuild updates to investors be consistent across all investors, accurate, and updated if previous communications become inaccurate. In 2019, we saw an increase in the extent of bookbuild messaging, which was more commonly done by way of Bloomberg or other written forms than previously. In our experience, bookbuild messages also became more conservative in relation to the progress of the bookbuild. During the year, we also saw more media reporting of bookbuild updates.

ASX

ASX has made a range of amendments to the ASX Listing Rules, its appendices and Guidance Notes that, with limited exceptions, came into effect on 1 December 2019. The key changes to the Listing Rules and Guidance Notes that are relevant for companies seeking to undertake an IPO relate to eligibility for listing, deferred trading and escrow requirements.

Eligibility

The key changes to the Listing Rules and Guidance Notes that relate to eligibility for listing include the following:

- companies seeking to list under the assets test can no longer include budgeted revenue and budgeted administration costs for the first full financial year following listing in their working capital calculations;
- companies seeking to list under the assets test must also set out the objectives they are seeking to achieve from admission and any capital raising undertaken in connection with admission in the disclosure document;
- CEOs and CFOs will need to satisfy the good fame and character requirements that directors are currently required to satisfy as a condition for admission;
- persons appointed by a company to communicate with ASX on Listing Rule issues must complete and pass an approved Listing Rule compliance course. To allow more time to complete the development of ASX's online education course and examination, the transition date for this particular rule change is 1 July 2020.

Additional warranties to ASX have also been added to the relevant ASX listing applications which state that the securities to be quoted by ASX have been validly issued and all of the relevant documents and information given to ASX are, or will be, accurate, complete and not misleading.

Deferred settlement trading

Deferred settlement trading for IPOs will generally be limited to conditional markets where trading is initially on a conditional and deferred settlement basis. In other cases:

- IPO offers that do not include a "general public offer" can start trading on a T+2 basis as soon as securities are issued;
- IPO offers that include a "general public offer" have to wait 3 business days after holding statements are dispatched to start trading on a T+2 basis.

Mandatory escrow

ASX has also introduced changes to the mandatory escrow regime designed to reduce the administrative burden for applicants seeking to list on ASX.

Broadly, mandatory escrow restrictions are imposed in relation to IPOs of early stage and other start-up or speculative businesses admitted under the assets test that do not have a track record of revenue or profitability acceptable to ASX.

Under the amended rules, the form of mandatory escrow documentation will vary based on the relationships between the securityholder and the issuer. ASX will require certain securityholders that are closely related to the issuer (for example, related parties, promoters, substantial holders, professional advisers and their associates) to execute formal escrow deeds. For other holders, ASX will permit entities to rely on a provision under their constitution containing the appropriate escrow restrictions and to simply give notice to the holder of the restricted securities advising them of those restrictions.

Environmental, Social and Governance

There has been an increased focus on environmental, social and governance (**ESG**) in Australian regulation. In the fourth edition of the ASX Corporate Governance Principles and Recommendations (**ASX Principles and Recommendations**) released in February 2019, the key change was a shift towards recognising the importance of monitoring and taking responsibility "from the top" for culture, conduct and behaviour within the corporate group and for focussed management of and disclosure in relation to non-financial risks, including ESG risks, in addition to the traditional focus on financial risks and performance.

Regulatory developments

ASIC has also released revised guidance on climate change-related disclosures in *ASIC Regulatory Guide 228*: *Prospectuses: Effective disclosure for retail investors* (**RG228**) and *ASIC Regulatory Guide 247: Effective disclosure in an operating and financial review* (**RG247**), which make clear that companies seeking to conduct an IPO should consider disclosing climate change risk in its prospectus.

Specifically, RG228 includes the types of climate change risk developed by the G20 Financial Stability Board's Taskforce on Climate Related Financial Disclosures into the list of examples of common risks that may need to be disclosed in a prospectus. This sentiment is also echoed in RG247, which describes climate change as a 'systemic risk that could have a material impact on the future financial position, performance or prospects of entities'.

In a media release in August 2019, ASIC has also stated that in the coming year, it will 'conduct surveillances of climate change related disclosure practices by selected listed companies'. Taken together, it is clear that a key focus of the Australian regulators in the coming year will be on the adequacy of the climate change-related risk disclosures.

Key US securities developments

US regulators balance principle based disclosure with a greater focus on key disclosure topics

The US capital markets continue to provide a valuable source of funding for Australian companies. Larger Australian IPOs and capital raisings continue to be structured to access US investors and our securities practice has enabled us to act for issuer and underwriter on both the Australian and US law aspects of equity and debt offerings in 2019.

Developments in US federal securities law and regulation and, more generally, the policy direction of US lawmakers and the US Securities and Exchange Commission (the **SEC**) have significant implications for securities offering execution practices around the world, both in the context of IPOs and other offerings registered with the SEC, as well as offerings exempt from SEC registration undertaken pursuant to Rule 144A and as traditional private placements. All of these offering structures are used by Australian issuers.

The past year has seen the SEC continue its efforts to adopt a more principles based disclosure regime with a focus on certain key disclosure topics:

- maintained emphasis on cybersecurity risks, including setting expectations that internal accounting and other controls should take such risks into account, plus new guidance on how to identify cybersecurity and related risks;
- ongoing modernisation of the disclosure regime under the primary disclosure regulations, Regulation S-K and Regulation S-X;
- proposals to simplify bank issuers' industry information by rethinking the current Industry Guide 3 information; and
- generally maintaining a principles based approach for ESG disclosure, albeit against a backdrop of increasing pressure for more prescriptive disclosure from investors and a reminder that material ESG issues must be disclosed.

The year has also seen a number of significant developments to promote capital formation, including:

- opening "test the waters" communications to all issuers, allowing companies considering a US offering to gauge sophisticated US investor appetite prior to a formal launch of the offering;
- proposals to consider changes to the definitions of Accredited Investors and Qualified Institutional Buyers, potentially widening the pool of investors available under the most common offering exemptions.

In 2020, we expect the SEC to continue its disclosure modernisation efforts and move further towards a principles based disclosure regime. However, the SEC's focus on cybersecurity, intellectual property and ESG disclosure indicates that it will place even greater emphasis on how issuers apply these principles to determine materiality.

Cybersecurity and Intellectual Property Risks: Emphasis on Disclosure and Internal Controls

According to SEC Chairman Jay Clayton in October 2019, cybersecurity issues remain a priority for the SEC as public companies continue to experience damaging attacks to their computer systems and the theft of large amounts of personal information about their customers. In 2019, the SEC concentrated particularly on cyber resiliency, with the release of a report in January 2020 reflecting its latest observations on cybersecurity and resiliency practices. Amongst its key observations, the SEC highlighted the importance of frequent routine testing and monitoring of cybersecurity policies and procedures as well as the need to promptly adapt and update internal procedures to address any gaps or weaknesses in these policies. According to Chairman Clayton, "people need to understand you [referring to companies] are not only trying to protect what you have, but also be in a position that if something happens, you can rebuild it and get back to a functioning mode."

Some corporate governance professionals and investors have been advocating for a requirement that one member of corporate boards be a cybersecurity expert. A subcommittee of the SEC's Investor Advisory Committee discussed about two years ago whether the SEC should require public companies to include information about whether any member of the board has experience, education, or expertise in cybersecurity and if it does not, explain why it

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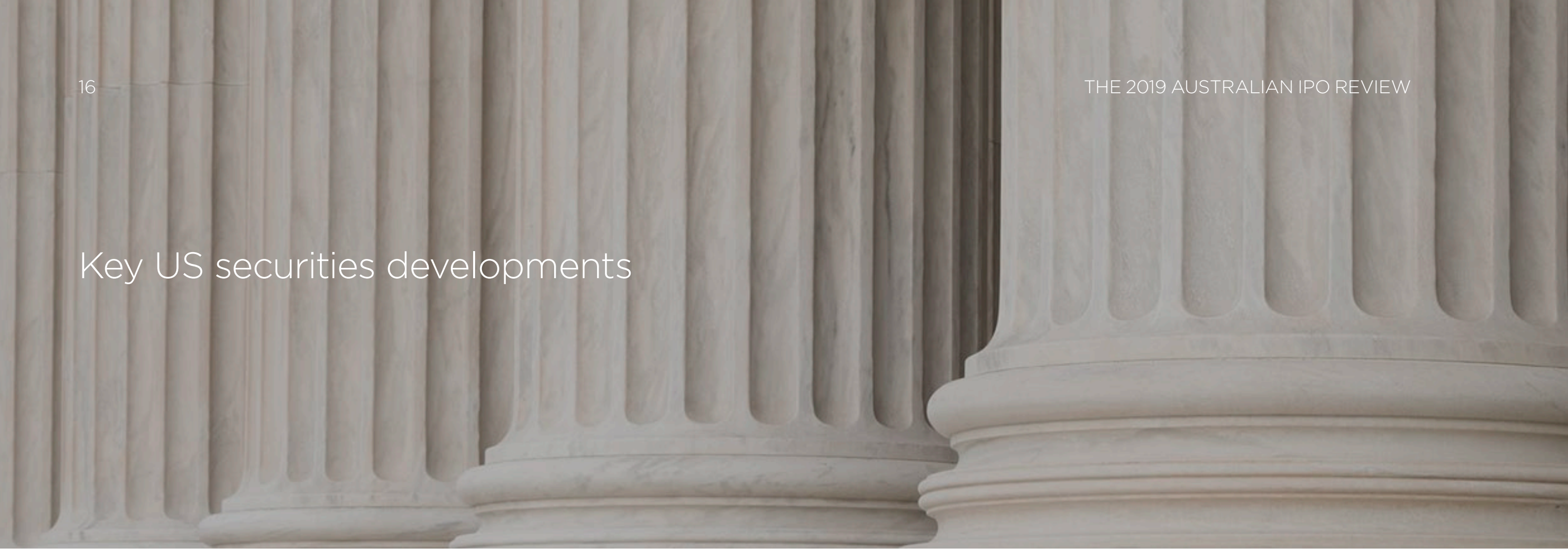


Key US securities developments

believes it is not necessary for the company to adequately manage cybersecurity risks. Given Chairman Clayton's comments, the SEC seems poised to continue reviewing cybersecurity risks.

The SEC also focussed on disclosure obligations that companies should consider relating to intellectual property and technology risks associated with international business operations, particularly in jurisdictions that do not have levels of protection comparable to US protections for corporate proprietary information and assets. In December 2019, the SEC division of corporate finance issued guidance (the **IPT Guidance**) identifying sources of international intellectual property and technology risk, such as direct intrusions by private parties and foreign actors, including those affiliated with or controlled by state actors, through both cyber intrusions and physical theft. In addition, the IPT Guidance discussed sources of indirect risks—such as reverse engineering by joint venture partners or other parties, as well as requirements to compromise protections or yield rights to technology, data or intellectual property—that companies may face in order to conduct business or access markets in foreign jurisdictions.

Our take

The disclosure of cybersecurity risks and an issuer's maintenance of internal controls to protect against cyberattacks will continue to be a major focus for the SEC. In October 2019, SEC Chairman Clayton indicated that the SEC's Division of Corporation Finance is closely monitoring cyber-related disclosures to make sure issuers are accurately describing the risks related to cybersecurity, which includes an indication of whether or not an issuer has experienced a data breach due to a cyberattack. These risks also include, according to Chairman Clayton, the potential lack of protection of intellectual property. The SEC has also recently cautioned public companies to be mindful of cyber threats when designing and maintaining internal accounting controls.

The modernisation of the SEC's disclosure regime continues

Over the last several years, through concept releases and other legislative mandates, the SEC has sought to modernise its business and financial disclosure requirements. These modernisation efforts have mainly been focussed on making the SEC's disclosure requirements be more principles-based and generally less prescriptive.

2019 saw significant progress in this ongoing modernization effort. In May 2019, changes came into effect limiting discussion of financial results in the Management's Discussion and Analysis of Financial Condition and Results of Operations (**MD&A**) disclosure to two years rather than three (provided that the earliest omitted year is discussed in a previous SEC filing, and its omission would not be misleading). Also in May, the SEC proposed changes to Rule 3-05 of Regulation S-X, which currently requires that a registrant that acquires a significant business provide separate financial statements for the target. The number of years of financial statements to be provided depends on one of three tests: the investment test, the asset test, or the income test. The proposed amendments would adjust and simplify the calculations for these tests to help reduce complexity and financial statement preparation costs without sacrificing material information that investors may need to evaluate these transactions.

On 8 August 2019, the SEC issued proposed amendments to Item 101 (Business Description), Item 103 (Legal Proceedings) and Item 105 (Risk Factors) of Reglation S-K. The proposed amendments to Items 101(a) (description of the general development of the business), 101(c) (narrative description of the business), and 105 (risk factors) emphasize a more principles-based approach because, according to the SEC, the current disclosure requirements may not reflect what is material to every business, and, as past developments have demonstrated, disclosure requirements, and in particular prescriptive disclosure requirements, can become outdated in these areas. In contrast, the proposed changes to Item 103 (Legal Proceedings) call for a more prescriptive approach because that requirement depends less on the specific characteristics of individual registrants.

On 30 January, 2020 the SEC further proposed amendments to certain financial disclosure requirements in Regulation S-K, including amendments to Item 303 (the MD&A). The key proposed changes to Item 303 include the following:

- eliminating the specific requirement to discuss the impact of inflation and price changes, though a discussion of such matters would still be required if the trend shows they have had or are reasonably expected to have a material impact on net sales, revenue or income from continuing operations;
- replacing the requirement that a registrant discuss off-balance sheet arrangements with a requirement to integrate disclosure of off-balance sheet arrangements within the broader context of MD&A;
- eliminating the requirement to provide a contractual obligations table;
- permitting registrants to compare the most recently completed quarter to either the corresponding quarter of the prior year, as currently mandated, or to the immediately preceding quarter; and
- requiring disclosure of critical accounting estimates.

Our take

We would expect the SEC's proposals to Regulation S-K and Regulation S-X to be substantially adopted in the form proposed. Ideally, the amendments will lead to a greater degree of consistency between SEC and international disclosure standards, and give issuers greater flexibility to disclose material information in the manner they see fit. For foreign private issuers that are subject to SEC's reporting requirements, the proposed changes to the financial statement requirements for acquired entities (under Rule 3-05 of Regulation S-X) should be particularly helpful as they are likely to reduce the circumstances in which additional target financial statements would be required to be provided, and to simplify the application of rules that have become increasingly complex.

"Testing the waters" becomes available for all companies

In September 2019, the SEC adopted Rule 163B, which permits any issuer, or those working on an issuer's behalf, such as an underwriter, to "test the waters" among certain investors to gauge appetite for a potential registered offering in the United States before filing a registration statement.

Prior to the adoption of this rule, issuers had limited ability to communicate with investors prior to filing a registration statement and launching a public offering. Some issuers with less than US$1.07 billion in annual revenue—Emerging Growth Companies (**EGCs**) —could "test the waters" with Qualified Institutional Buyers (**QIBs**) and Institutional Accredited Investors (**IAIs**) before launching an offering without running afoul of the US securities laws. All other issuers were barred from any written or oral communications with investors prior to filing a registration statement.

Now, with the adoption of Rule 163B, all issuers have the ability to approach investors they reasonably believe to be QIBs and IAIs in order to conduct market soundings prior to undertaking a registration statement filing with the SEC. The communications made with these investors will not need to be filed with the SEC or have specific legends on them.

However, issuers using Rule 163B should be aware of several important features of their communications with QIBs and AIs. First, "test the waters" communications are considered "offers" under Section 5 of the US Securities Act of 1933 (the **Securities Act**) and are subject to liability for materially deficient disclosure, such as the Section 12(a)(2) of the Securities Act and the antifraud regime under Rule 10b-5 of the US Exchange Act of 1934. As a result, "test the waters" information should be reviewed carefully for any misleading or incorrect information or omissions, and material consistency with a later registration statement or prospectus. For US domestic reporting issuers, the information would also be subject to Regulation FD's requirement to disclose material non-public information that has been selectively disclosed to certain market participants (although Regulation FD does not apply to most non-US issuers, in practice many choose to comply as a result of home jurisdiction requirements).

Our take

The SEC's liberalization of the "test the waters" regime is a welcome development that levels the playing field between EGC and non-EGC issuers and should facilitate capital formation. Early investor meetings can provide an opportunity for issuers to gauge investor demand for the purposes of determining offer size and other terms, which can result in a more efficient offering process and a higher likelihood of success. Early investor feedback can also have potential financial and reputational cost savings (in the event the issuer decides, after the investor feedback, to not file the registration statement).

However, we would expect that, as has been the case in capital markets outside the US, the content of communications and the selection of relationship QIBs/IAIs that receive them will be tightly controlled. For example, it is likely that the working group will limit information included in any "test the waters" communications to that which can be later included in the registration statement/prospectus. This would in our view be a sound practice.

Disclosure of bank issuers' industry information may become less onerous

In September 2019, the SEC proposed changes to its Industry Guide 3, which requires bank holding companies to provide detailed statistical disclosures in prospectuses for SEC-registered offerings and ongoing reporting, and which serves as the starting point for similar disclosure in private offerings, such as Rule 144A private placements.

Changes to the Industry Guide 3 are arguably long overdue, with the last major update over 30 years ago. One of the main focusses of discontent among issuers following Guide 3 disclosure standards has been the burden for non-US bank issuers in preparing their disclosure when using non-US GAAP financial standards. Notwithstanding modest increases in overlap between US GAAP and IFRS since the introduction of Guide 3, it was written with US GAAP in mind with relatively little flexibility for issuers whose financial information is prepared in local GAAP or IFRS.

Key US securities developments

The SEC has accordingly proposed to revise its requirements for Guide 3 disclosure by, among other things:

- confirming that the guidance applies to foreign bank issuers, which the SEC believes under the proposed rules will have sufficient flexibility to comply notwithstanding certain differences between US GAAP and IFRS;
- reducing Guide 3 annual reporting periods to match the reporting periods for the financial statements included in a prospectus;
- requiring disclosure of specific credit ratios in relation to allowances for loan losses;
- eliminating many (but not all) of the investment securities and loan portfolio disclosures currently required under Guide 3 (given the overlap with US GAAP / IFRS requirements);
- requiring new disclosure of the level of uninsured deposits at the end of each reporting period, as well as separate data for repurchase (repo) transactions; and
- codifying the revised Industry Guide 3 as part of Regulation S-K.

Our take

The SEC's proposals, if enacted, would not in our view represent a sea change, but they do create a more focussed approach on the metrics which drive net income generation, credit risk and funding risk. With respect to foreign private issuers in particular, the proposed rules address some of the challenges foreign banks have faced in providing the disclosures, by introducing more flexibility, linking disclosures to IFRS financial statements and exempting foreign private issuers from certain requirements that are not applicable under IFRS. In this sense they are very welcome developments for foreign private issuers.

What is an "AI" or "QIB"? The answer may change

The terms "AI" and "QIB" are staples in the US private offering landscape: Accredited Investors (**AIs**) are generally individual investors with high net worth or income or entities that meet the minimum requirements for some Regulation D private placements. QIBs are the largest institutional investors handling millions of dollars in investments, and are the target investors for a Rule 144A private placement. Together, AIs and QIBs are the target investors for the most commonly used US private offering exemptions.

In December 2019, the SEC proposed amendments to the definitions of AI and QIB to provide clarification and to expand the scope of eligible investors. Under the existing rules, individuals may be AIs if they have, individually or with a spouse, net worth of more than US$1 million or income over US$200,000 (US$300,000 jointly with a spouse). Under the proposals, individuals could qualify for AI status based on their financial expertise, certain professional certifications or designations, or their status as a private fund's "knowledgeable employee" (irrespective of net worth or income). The proposal would also permit entities meeting an investments test to qualify as AIs, as well as family offices with at least US$5 million in assets under management and their family clients.

Under existing rules, QIBs are certain entities that own and invest at least US$100 million in unaffiliated investments (other, lower thresholds are available for some types of entities). The SEC's recent proposal adds, among other things, additional categories of entities that can meet the US$100 million threshold, including limited liability companies and any other entity type not already listed in the definition, clarifying that all entities—not only those listed in the definition—that meet the US$100 million threshold may be QIBs, a point that had previously been left to doubt.

The proposals are open for comment until 16 March, 2020 with the SEC to consider any final rules after that time.

Our take

The proposals to amend the definitions of AI and QIB are part of a larger effort by the SEC to review the current private offering framework, as stated in a June 2019 SEC concept release, to open more opportunities to investors while balancing concerns about investor protection. Although the proposed changes to the definition of QIB serve mainly to clarify the existing scope rather than reinvent the wheel, and would not cause a major shift in Rule 144A practice, the proposed changes to the AI definition would make it easier for more individuals to qualify, which could potentially widen the availability of the Rule 506(b) and 506(c) private offering exemptions under Regulation D. Issuers should expect further, similar changes in the coming years to the US private offering exemptions.

Increasing focus on ESG is likely here to stay

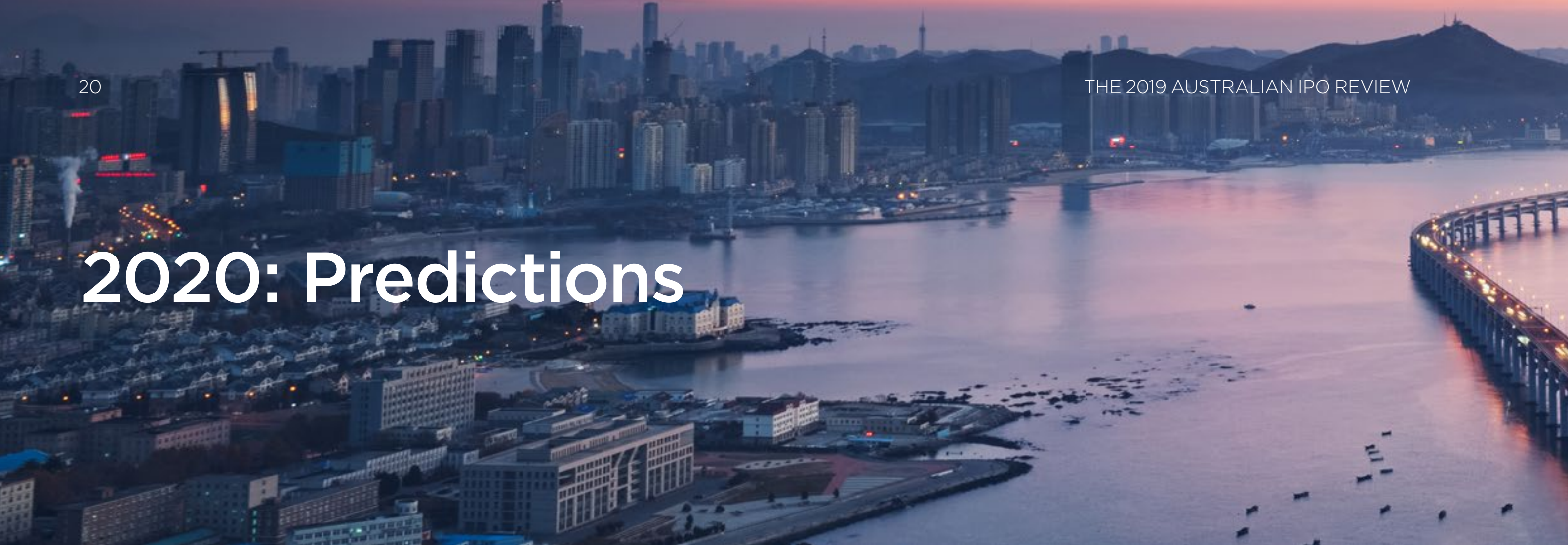
2019 saw a noticeable increase in attention given to ESG matters. More than ever, the public and investors alike are voicing questions in particular on how companies are responding to their environmental impacts and the push for diversity and inclusion within those companies. Investors' demand for information as well as scientific and social realities are increasingly suggesting that issuers should devote serious consideration to whether and how to disclose ESG matters.

The SEC and industry bodies have also taken note of the increased focus in recent years, with ESG featuring in a number of statements from certain SEC commissioners. In response to recent SEC proposals to amend the primary disclosure regulation, Regulation S-K, SEC Commissioners Robert Jackson and Allison Herren Lee stated that investors view climate risk as an important factor in making investment decisions notwithstanding the current lack of specific climate risk disclosures in corporate reporting. They also do not believe that climate risk cannot be accurately quantified and noted that "Whatever one thinks about disclosure of climate risk, research shows that we are long past the point of being unable to meaningfully measure a company's sustainability profile." There have also been legislative proposals in the US House of Representatives and US Senate which, though unlikely to be passed into law in the near term, would specifically require US public companies to identify and evaluate the potential financial impact of climate change.

The SEC's overall approach, however, has been consistently "wait and see": rather than considering any prescriptive requirements for ESG disclosures, the agency has instead relied on its longstanding principles-based approach, ie, that "material" matters, including ESG matters, warrant disclosure. The SEC has justified this stance—which clashes somewhat with investor demands and emerging regulations outside the United States—out of hesitation to prescribe rules that may not work for every issuer, particularly since key metrics and third-party evaluation frameworks for ESG topics are not fixed from issuer to issuer or industry to industry, and investors are still learning how to analyse any available metrics in the wider context of an investment decision.

Our take

In 2019 ESG was, more than in any prior year, a topic of discussion among issuers, investors, and regulators alike. While we don't anticipate a firm rulemaking from the SEC in 2020 on ESG disclosures and reporting, the year will also pose an increasing opportunity for industry groups and investors to demand more information from issuers—so we anticipate more issuers providing disclosure on ESG topics than ever before.



2020: Predictions

Early optimism and momentum, but will there be a back half bias?

We have seen calendar year 2020 start with a burst of energy from potential issuers and financial advisers for IPOs with proposed listing dates in the first half of 2020. This includes a continuation of foreign entities interested in listing on ASX, in particular from the United States and New Zealand. This momentum has continued and is a welcome start given that the IPO window tends to benefit from broad market confidence to open and remain open. It will be interesting to see the impact of what may continue to be a complex macro environment as a result of Brexit, the COVID-19 virus, bushfires and floods, and whether this will cause some deals to pause as parties draw breath. Given the breadth of industries for potential IPO candidates, we are cautiously optimistic that the bias to the latter part of the calendar year that has been evident over the last few years will not continue.

It takes time

We expect that IPO candidates will need to spend more time in 2020 than in previous years on pre-IPO and non-deal processes with an increased regulatory emphasis on education about their business and management, and readying their business before they are best positioned to begin the formal IPO process. Throughout the second half of 2019 we have seen that IPO candidates that have given brokers and institutions an opportunity to become familiar with them, their management and to see their operations and growth record (rather than just be told about it in a prospectus), and possibly setbacks and responses to challenges have supported a successful IPO process. We are constantly told that institutions and fund managers like the long term access that they have to information and management in listed entities instead of IPO entities that can seemingly appear from the blue, and that this is one of the reasons that institutions can be wary about IPOs. Longer term engagement well before an IPO may allow some entities the opportunity to demonstrate the appropriate track record and instil confidence ahead of an IPO process. We expect that this trend will continue in 2020 and leading into 2021.

It will pay to be ready

Timing the market is hard, however, as we have said before it pays to be ready so that if the opportunity arises, the issuer and its advisers are able to launch the IPO process. This state of readiness is consistent with the point made directly above - an entity that is behaving and engaging like a listed company, at least in relation to corporate governance, stakeholder information and financial reporting will have an opportunity to build the underlying relationships with brokers and institutions and give them confidence in the entity pre-IPO. If the IPO opportunity arises, these entities will be ready to take advantage of the opportunity.

Pre-IPO rounds will continue to be popular and maybe an alternative

With the ever present potential for market volatility, IPO entities wanting to demonstrate sufficient maturity of their business to maximise value and demand, and IPO investors seeking a longer period of engagement before deciding whether to invest in an IPO, we expect that pre-IPO capital raisings (relatively closer to an IPO than was traditionally the case) and whether of shares or convertible notes, will continue to be popular and will provide issuers with a further period to establish their business and prove to external investors that their business is ready to IPO. IPO readiness and behaving like a listed entity will support these processes and the transition into an IPO. It will be interesting to see whether crowd funding will become a standard step in pre-IPO funding for smaller entities.

2020 will remain a regulator's market

ASIC and ASX both foreshadowed a tougher regulatory stance in 2019 and we consider that they generally delivered, through the revision of the Listing Rules and interaction with IPO candidates and review of prospectuses. We expect this regulatory trend to continue in 2020. The lessons learned from the Financial Services Royal Commission, subsequent regulatory enforcement actions and an increased regulatory focus on compliance and willingness to take a

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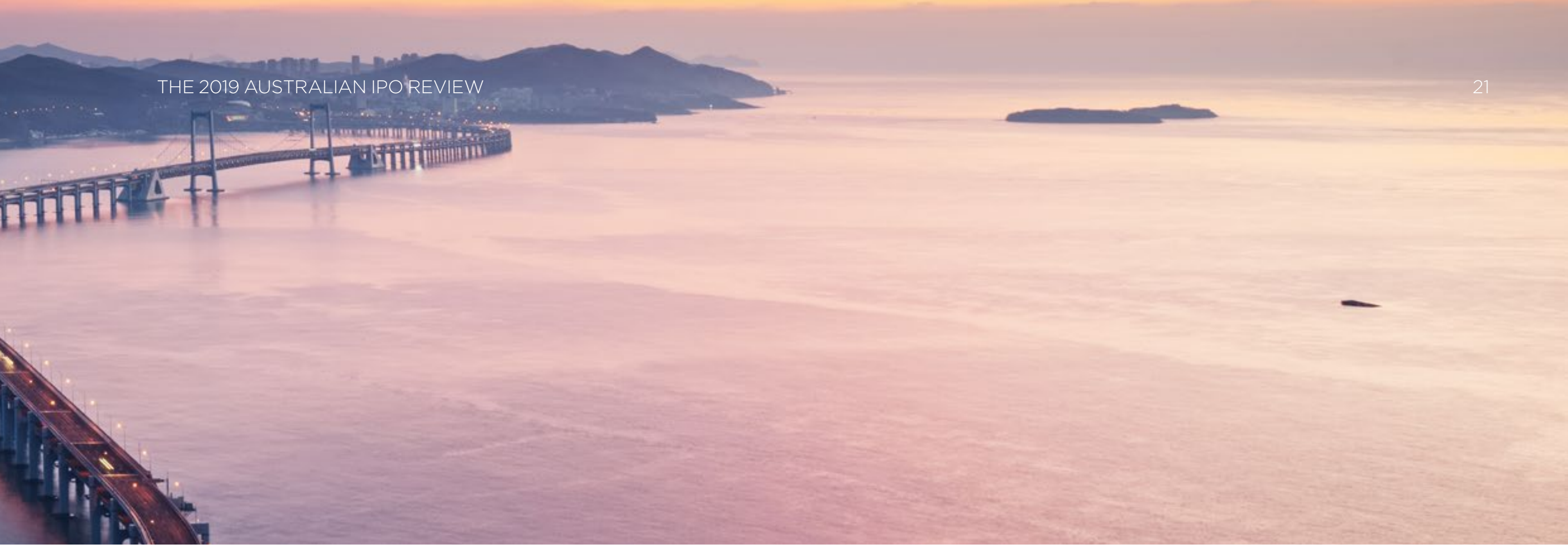


tough stance in interactions with regulated entities will increase potential IPO investors' focus on the regulatory status, corporate governance and risk processes of IPO candidates. We are generally supportive of tough regulation in the IPO market, provided that the regulators seek purposeful engagement with IPO entities to ensure better disclosure for investors. As was the case in 2019, we expect that earlier and more detailed interactions will be needed with ASIC and ASX, and IPO candidates should expect more information requests and scrutiny from regulators.

Continuation of the tech wave

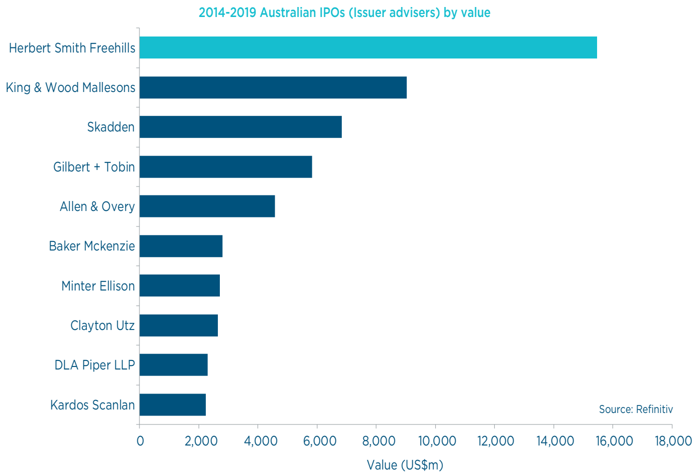
We expect that the IPO market will continue to be dominated by technology companies – albeit with a greater level of discernment about whether the issuer really is a technology entity that deserves an appropriate technology multiple and valuation rather than a more traditional business that has been repositioned. We expect the market to more quickly make this distinction and to be disciplined in not applying technology entity valuations to entities that are not truly technology entities. Amongst this technology wave, we expect that well run traditional businesses will continue to attract interest, for example, property entities and value adding manufacturers.

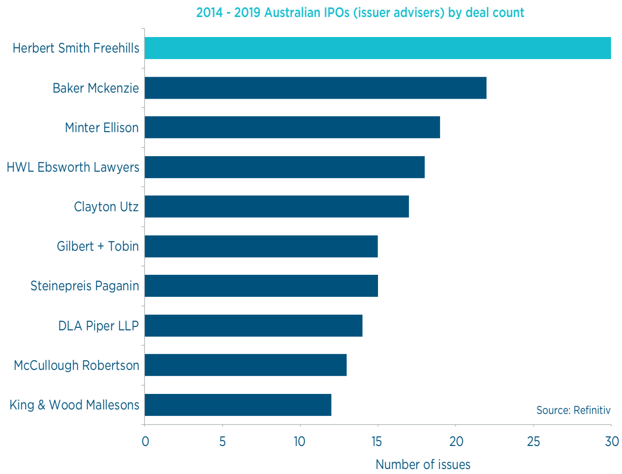
Placements and SPPs will outshine rights issues

While not strictly an IPO prediction, we expect that Australia's capital markets will continue to trend towards placements and share purchase plans (**SPPs**) over rights issues. Placements have always been fast and simple to execute, often with tighter pricing and lower market risk. Now with the higher $30,000 cap on SPPs introduced in August 2019, this structure can be almost pro-rata across existing institutions participating in the placement, while still having some potential for new institutional investors to participate, and pro-rata or more for many retail investors through the SPP. A Board's previous considerations about fairness to their retail shareholders may be resolved through the use of the SPP rather than a rights issue.

About Herbert Smith Freehills

Herbert Smith Freehills is recognised as Australia's leading law firm for IPOs by value, and we have acted on more IPOs by number since 1998 than any other top tier law firm (Refinitiv). In 2019, we were ranked the number one legal adviser by value for IPO issuers in Australia (Refinitiv). Described as "the best by a very long distance" and as having "top-quality assistance available across any area that a transaction may require" (Chambers Asia Pacific), Herbert Smith Freehills has been awarded the highest possible ranking in the area of Equity Capital Markets by Chambers Global, Asia Pacific Legal 500 and IFLR 1000 every year from 2004.





Some of the Herbert Smith Freehills team's recent IPOs include advising:

- Prospa Group Limited on its $109.6 million IPO and listing with a market capitalisation of $610 million
- Carbon Revolution Limited on its $90.1 million IPO and listing with a market capitalisation of $331.1 million
- Nuchev Limited on its $48.7 million IPO and listing with a market capitalisation of $117 million
- Coronado Global Resources on its $773 million IPO and listing with a market capitalisation of $3.87 billion
- Macquarie Capital (Australia) Limited and Canaccord Genuity (Australia) Limited as joint lead managers of Marley Spoon AG's $70 million IPO and listing with a market capitalisation of $199.5 million
- New Energy Solar Fund on its $205 million IPO and listing with a market capitalisation of $489.5 million
- Netwealth Group Limited on its $264 million IPO and listing with a market capitalisation of $879 million
- Moelis Australia Limited on its $59 million IPO and listing with a market capitalisation of $294 million
- Inghams Group Limited on its $596 million IPO and listing with a market capitalisation of $1.2 billion
- Autosports Group Limited on its $159 million IPO and listing with a market capitalisation of $482 million
- Reliance Worldwide Corporation Limited on its $919 million IPO and listing with a market capitalisation of $1.3 billion
- Propertylink Group on its $503.5 million IPO of triple-stapled securities and listing with a market capitalisation of $536 million
- Frontier Digital Ventures Limited on its $30 million IPO and listing with a market capitalisation of $108 million
- Adairs Limited on its $220 million IPO and listing with a market capitalisation of $400 million
- Mitula Group Limited its $27 million IPO and listing with a market capitalisation of $154 million
- Murray Goulburn on the establishment and listing on ASX of the MG Unit Trust and its $500 million capital raising
- Integral Diagnostics on its $133.7 million IPO and listing with a market capitalisation of $275 million
- Shriro Holdings Limited on its $50 million IPO and listing with a market capitalisation of $95 million
- Aventus Retail Property Fund on its $303 million IPO and listing with a market capitalisation of $687 million
- Gateway Lifestyle Group in relation to its pre-IPO restructure and consolidation, and aspects of its $500 million IPO
- Pepper Group Limited on its $145 million IPO and listing with a market capitalisation of $471 million
- Australian Finance Group Ltd in connection with the $122 million IPO and listing with a market capitalisation of $258 million
- IVE Group Limited on its $76 million IPO and listing with a market capitalisation of $178 million
- the Australian Government on Medibank Private's $5.9 billion IPO

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