



A guide to initial public offerings in Australia

2026

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Introduction

This guide provides an overview of the process for conducting an initial public offering (**IPO**) in Australia and sets out, at a high level, some of the key legal and structuring issues relevant to a company seeking to conduct an IPO and list on the Australian Securities Exchange (**ASX**). There are a variety of reasons why a company may consider an IPO, including to raise capital and provide additional financial flexibility and access to capital markets to pursue growth opportunities.

This guide provides a general introduction to the process and issues for companies considering an IPO. G+T's market leading Equity Capital Markets (**ECM**) team can advise on these matters if you are exploring an IPO.

G+T has extensive experience advising on the full spectrum of IPO transactions, from small cap listing on ASX to foreign issuers on Australian law issues. Our experience includes advising SpaceX on the extension of its \$75 billion IPO to Australian retail investors – the largest IPO of all time, Virgin Australia and Guzman y Gomez on their respective IPO and ASX listings and Sigma Healthcare on its reverse takeover and ASX listing of Chemist Warehouse. G+T has assisted many

more Australian and foreign issuers to list on ASX and has also worked on numerous dual listings of ASX-companies on major overseas exchanges and also has deep experience advising lead managers on IPOs including on the IPOs of Gemlife, Ventia and the DigiCo Infrastructure REIT.

This guide is current as of September 2026. Please note that this guide reflects the 4th edition of ASX Corporate Governance Principles and Recommendations which took effect 1 January 2020 (but has regard to the proposed changes which are reflected in the 5th edition of ASX Corporate Governance Principles and Recommendations, which is anticipated to take effect in 2027).



“G+T were a key partner in getting us listed... [they were like] a quasi-business adviser who could help the team identify the real risks and direct us where to focus.”

Client quote



Dictionary

In this guide:

ASIC means the Australian Securities and Investments Commission

ASIC Act means the Australian Securities and Investments Commission Act 2001 (Cth)

ASX means the Australian Securities Exchange

ASX Recommendations means ASX Corporate Governance Principles and Recommendations published by ASX (formerly by the ASX Corporate Governance Council)

CDI means CHESS Depositary Interests

CHESS means the Clearing House Electronic Subregister System

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

DDC means due diligence committee

IPO means initial public offering

Listing Rules means the ASX Listing Rules

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The role of advisers

Gilbert + Tobin

We provide independent, commercially focused legal advice to companies and their shareholders considering an IPO or alternative exit pathway. We help them assess the implications, navigate the listing process and prepare for life as a listed company.

We advise on:

- All Australian legal aspects of preparing for listing (including the establishment of a due diligence process, assisting with the preparation of the prospectus, supervising verification of the prospectus and pre-listing corporate restructuring matters).
- The entity's board composition and corporate governance.
- Participating as a member of the due diligence committee (**DDC**) and providing a legal sign-off to the DDC that, among other things, the prospectus is not misleading or deceptive and that an appropriate due diligence process has been carried out.
- Carrying out legal due diligence, including reviewing any material contracts and preparing a report for the DDC.
- Assisting the entity with drafting and negotiating the offer management agreement/underwriting agreement with the lead manager/underwriter and its counsel.
- Co-ordinating the listing application with ASX, lodging the prospectus with ASIC and seeking any other necessary regulatory approvals.
- Providing tax advice on structuring the offer (including any sell down by existing shareholders, including employees), undertaking tax due diligence and assisting with the preparation of tax disclosures in the prospectus.

Underwriters and lead managers

Advise on:

- The structuring of the offer.
- The entity's capital structure, dividend policy and board composition.
- Evaluating and keeping the entity informed of current market conditions and assessing the likely level of demand for the entity's securities.
- Marketing to investors (including accompanying the entity's management on roadshow presentations).
- The best method of marketing, the size of the issue, the timing and price.
- Either underwriting the offer (by agreeing to acquire shares not taken up) or simply managing the offer (which usually involves the provision of "settlement support" in respect of investors who default on their settlement obligations).
- Participating as a member of the DDC.

Accountants

Advise on:

- Assisting the company with preparing accounts and financial disclosure in the prospectus.
- Conducting a review of the financial information contained in the prospectus (including a review of the forecasts and underlying assumptions).
- Preparing an investigating accountant's report for inclusion in the prospectus.
- Participating as a member of the DDC and providing a sign-off to the DDC on the financial information.
- Generally on accounting issues.



Other experts

Independent financial advisers

Companies sometimes also appoint an independent financial adviser to assist them with the IPO process, including managing the appointment of underwriters and lead managers and providing an independent perspective on their advice.

Share registry

Companies need to engage a registry to handle the receipt and processing of applications and the establishment and management of the share register.

Public relations consultants

Companies may wish to engage a public relations consultant to assist with publicising and marketing the offer within the bounds of the law.

Foreign legal counsel

Companies will need to engage US legal counsel if an offer is to be made into the United States and New Zealand legal counsel if shares will be offered to retail investors in New Zealand.

Specialist experts

Companies operating in speciality industries such as mining and property may need to commission specialist experts to advise on and prepare specialist reports.

Others

Companies will also need to engage a printer, designer and typesetter to assist with the prospectus. They will often also engage an insurance broker to assist with reviewing and refreshing directors and officers insurance arrangements and potentially to explore prospectus insurance.



Listing on ASX

ASX is Australia's main securities exchange for listings. Companies listed on ASX are bound by the Listing Rules.

2.1 Listing Rules

ASX is Australia's main securities exchange for listings. Companies listed on ASX are bound by the Listing Rules.

A company must comply with the Listing Rules to obtain and maintain an ASX listing. These obligations are in addition to the company's obligations under the Corporations Act.

As a condition to ASX permitting a company to list, a company's structure and operations must be appropriate for a listed entity. A company can initiate discussions with ASX prior to the lodgement of any listing application to ensure a company has an appropriate structure and operations for quotation on ASX.

Of central importance is the continuous disclosure regime established under the Listing Rules. Once listed, a company is obliged to notify ASX (the market) immediately of any information that a reasonable person would expect to have a material effect on the price or value of the company's securities.

2.2 ASX pre-requisites for listing

A company seeking general admission must satisfy certain criteria before it can be granted official listing on ASX. The main criteria are set out below and on the following page.



Prerequisite

Explanation

Profit test or assets test	The company must satisfy either the profit test or the assets test (see Section 2.3 Profit test or assets test for more details).
Main class of securities and 'dual-class voting share' structures	The company must apply for, and be granted, permission for quotation of all securities in the main class of the company's securities (generally ordinary shares) however, different classes of securities, such as shares with preferential rights to dividends, are permitted. ASX Listing Rule 6.1 currently prohibits dual-class share structures for primary listings on ASX. ASX has previously indicated that it is supportive of further consideration and debate on permitting dual-class shares for primary listings, noting that other major markets including the US, UK, Hong Kong, Singapore and China have all introduced or updated rules to permit such structures. No formal consultation has been announced and the current prohibition remains in effect (other than for foreign exempt listings and certain other rare exceptions).
Constitution	The company must have a constitution that is consistent with the Listing Rules, as well as the law governing corporations resident in the jurisdiction of the company's incorporation or registration.

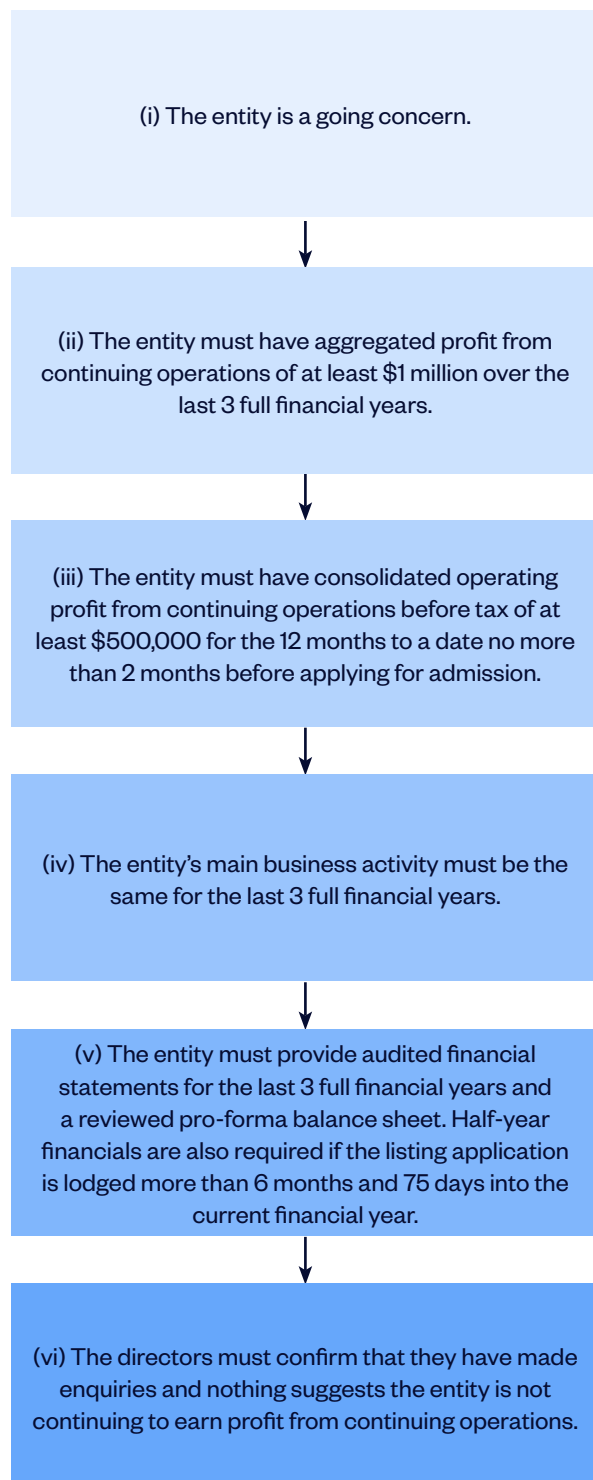
Prerequisite

Explanation

Appropriate structure and operations	In determining whether the company's structure and operations are appropriate for a listed entity, ASX may have regard to whether the principles on which the Listing Rules are based have been and will be complied with. Prior lodgement of an In-principle Suitability Application can provide a company with a level of certainty that it may have an appropriate structure and operations to warrant listing on ASX (but this is not needed for foreign exempt listings or for companies with a track record of profitability which do not require non-standard waivers from the ASX listing rules).
Compliance	ASX must be satisfied that the company will comply with the Listing Rules.
Good fame and character	ASX must be satisfied that each director or proposed director, CEO or proposed CEO, and CFO or proposed CFO (together, relevant officers) of the company as at the date of listing is of good fame and character. This is to be satisfied by obtaining national criminal history and personal insolvency searches for each jurisdiction that each relevant officer (under their current name and any other name or alias) has resided in over the past 10 years, accompanied by statutory declarations. ASX may also have regard to any other information in its possession about a relevant officer from any source (including its prior dealings (if any) with the relevant officer in any capacity). ASX may also require 'good fame and character' checks from people who are not currently, or proposed to be, relevant officers of the company but who are likely to be involved in its management.
Prospectus	The company must issue a prospectus (or, if the company does not need to raise capital in the short-term and is undertaking a compliance listing, with ASX's agreement, an information memorandum which has distinct information requirements), lodge the prospectus with ASIC and give it to ASX.
Issue price	The issue price per share must be at least \$0.20.
Free float	The company must have a 20% minimum "free float" (being the percentage of the company's shares that are not subject to mandatory or voluntary escrow, and are held by "non-affiliated security holders"). In practice, issuers often seek to commence trading with a higher free float (typically around 30%) to support eligibility for inclusion in key indices such as the S&P/ASX 200 or S&P/ASX 300.
Minimum shareholding spread	There must be at least 300 "non-affiliated security holders", each holding a parcel of shares having a value of at least \$2,000, excluding securities that are subject to mandatory or voluntary escrow. This condition is not met if the spread is obtained artificially.
Corporate governance	Companies are recommended to comply with the ASX Recommendations, including recommendations those about the size and composition of boards and board committees, amongst other matters. If the company does not comply, the prospectus will need to disclose why not. Some recommendations are mandatory for particular companies. See Section 2.5 Corporate governance and board structure for more details.
ASX liaison officer	The company must have a person who is responsible for communication with ASX on listing rule matters and who is contactable during market hours. Any person appointed to this role must have completed an approved listing rule compliance course and attained a satisfactory pass mark.

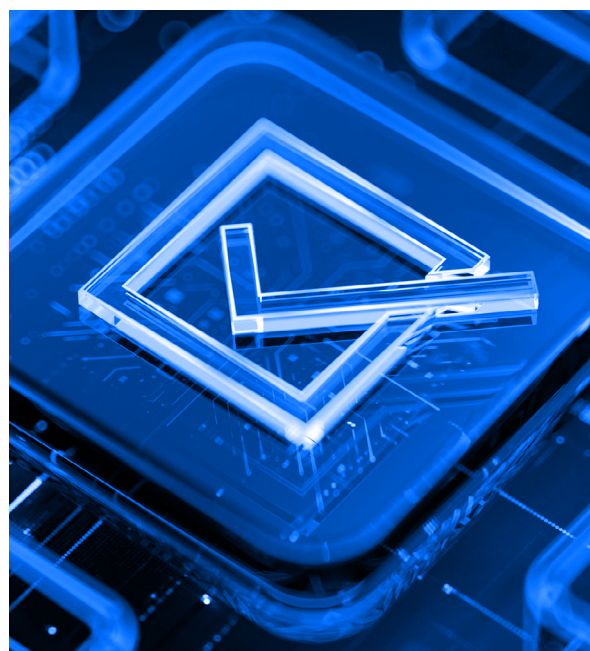
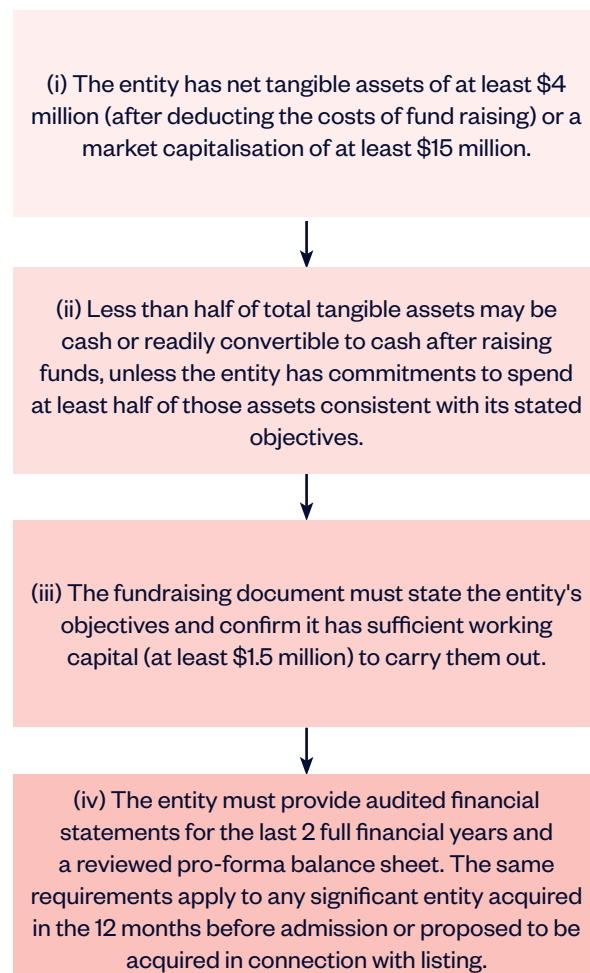
2.3 Profit test or assets test

(a) To meet the profit test, the company must satisfy each of the following:



An entity that has not conducted the same main business activity for 3 years or cannot provide conforming audited accounts (including for any acquisitions made in the past 3 years) must apply under the assets test, even if it meets the profit thresholds.

(b) To meet the assets test, the company must satisfy each of the following:



2.4 Escrow restrictions

ASX imposes mandatory escrow restrictions on securities held by certain persons in entities admitted under the assets test. These restrictions ensure insiders maintain economic exposure for a set period after listing.

Mandatory escrow typically applies to securities held by promoters, seed capitalists, and vendors who received securities for non-cash consideration or below the IPO price. Escrow periods are generally 24 months for related parties/promoters and 12 months for other escrowed securities. ASX tends to take a very broad view of its mandatory escrow provisions.

Mandatory escrow restrictions are applied by ASX where the entity is admitted under the assets test (however, ASX retains a discretion not to impose escrow where the entity has a track record of profitability or revenue acceptable to ASX, or in ASX's opinion, the company has a substantial proportion of its assets as tangible assets or assets with a readily ascertainable value). Unless the company has operated the same main business activity for at least 3 full financial years, has generated aggregated revenue of less than \$20 million in each of those years, has an IPO greater than \$20 million and will have a market capitalisation of at least \$100 million, this discretion will not be exercised in their favour. Where mandatory escrow restrictions apply, ASX will determine the length of the escrow restrictions based on its categorisation of existing shareholders against ASX's published guidance.

Even where mandatory escrow is not required entities typically agree to voluntary escrow arrangements with existing shareholders, commonly in line with recommendations from the lead manager to the IPO. Voluntary escrows are usually implemented to meet market expectations for major shareholders and founders.

2.5 Corporate governance and board structure

The company will need to review its board size and composition and its corporate governance arrangements in connection with the IPO to ensure they are appropriate for an ASX-listed company of the size and nature of the company.

Companies listing on ASX may have a majority or other significant shareholder. In those cases, board composition and independence requirements should be considered carefully in light of the shareholding structure. Where there is a controlling or significant shareholder, it may not be practical to have a majority of independent directors, and this is just a matter of including prospectus disclosure to explain the rationale for the board structure.

The ASX Corporate Governance Council has published the ASX Recommendations for Australian listed entities to promote investor confidence and to assist companies in meeting stakeholder expectations. The ASX Recommendations are not mandatory, but provide a set of guidelines. Under the Listing Rules, however, the company must disclose the extent to which it has followed the ASX Recommendations (that is "if not, why not" disclosure). If it does not comply, it must identify the relevant recommendation, explain why it has not followed it and specify what (if any) alternative governance practices it intends to adopt.

For ASX 300 companies, some of the "recommendations" are, in fact, mandatory. These are set out on the next page, together with other factors that might impact decisions on board structure.

The information in this publication reflects the current 4th edition of the ASX Recommendations. The 5th edition is expected to take effect for financial years commencing on or after 1 July 2027 and introduces new recommendations on risk management frameworks, internal controls over financial reporting, remuneration clawback policies, and verification of periodic corporate reports including sustainability disclosures. Companies should consider these proposed changes when establishing governance frameworks in preparation for listing.





Background checks

A listed entity should undertake background checks on directors or senior executives before appointing them, or putting someone forward for election as a director. Some checks can take time; where a listed entity wishes to make a provisional appointment or put a resolution to members electing a director, subject to receipt of satisfactory outstanding checks, the entity should require the appointee to give an unequivocal undertaking to resign in case of receipt of an unsatisfactory check.



Board independence

One of the ASX Recommendations is that the board comprise a majority of independent directors and have a chair who is an independent director. It can take time to identify suitable board nominees where additions are required to meet this recommendation. The board should rule a director not to be independent if falling within certain examples unless the interest, position, affiliation or relationship is not material and will not interfere with independent judgment.



Board committees – some ASX Recommendations are binding

An entity that will be included in the S&P All Ordinaries Index on admission must have an audit committee. If it will be in the S&P/ASX300 it must also: comply with the ASX Recommendations in relation to the composition, operation and responsibility of the audit committee (at least three members, all non-executive directors and a majority who are independent directors); have a remuneration committee comprising solely of non-executive directors. In addition, ASX recommends that each board have a nomination committee.



Securities trading policy is mandatory

All ASX listed companies must have in place a securities trading policy which discloses the "closed periods" for trading in the company's securities and related matters. These may be drafted as "blackout periods" in which no trading can take place (least restrictive) or as "open windows" which are limited times at which trading can take place and outside of which no trading is permitted (most restrictive).



Other recommended corporate governance policies

It can also take time to develop other corporate governance policies that are recommended by ASX. A listed entity must have and disclose: board charter (setting out roles and responsibilities of board and management and matters reserved to board and those delegated to management); code of conduct for directors, senior executives and employees; statement of values; diversity policy (including measurable gender diversity objectives); whistleblower policy; anti-bribery and corruption policy; continuous disclosure policy (including developing the company's internal arrangements to enable it to meet its continuous disclosure obligations).

2.6 Other matters relevant to boards

Other considerations relevant to boards:

- Prior lodgement of an In-principle Suitability Application can provide a company with a level of certainty that it may have an appropriate structure and operations to warrant listing on ASX.
- Put in place deeds of access, insurance and indemnity for the board that are appropriate for a listed entity.
- Put in place an upgraded Directors' and Officers' Insurance Policy and consider whether standalone prospectus insurance is worthwhile.
- Ensure that all remuneration and incentive arrangements for directors (or proposed to be put in place for executive and non-executive directors) are appropriate and consistent with the Listing Rules and the Corporations Act.
- All directors need to have a Director Identification Number before they can be appointed to the Board. A DIN ensures the Director can be easily identified across several organisations.

2.7 Foreign companies – standard ASX listing

Unless they can apply as a “foreign exempt listing” (see below), a foreign company seeking an ASX Listing must satisfy the same admission requirements as an Australian company, even where the foreign company is listed on an overseas stock exchange. This includes satisfying either the profit test or the assets test, as described earlier in Section 2.3. Additional requirements for foreign entities include:

- it must be registered as a foreign company carrying on business in Australia under the Corporations Act
- if the foreign company is established in a jurisdiction whose laws have the effect that its securities cannot be registered or transferred under the operating rules of an approved clearing and settlement facility, the issuer must be approved as a foreign issuer of CDIs under those operating rules.

Financial statements given to ASX must be prepared in accordance with Australian Accounting Standards or other standards agreed by ASX. ASIC policy is that unless the company is legally required in its place of incorporation to prepare financial accounts in accordance with its local accounting standards, then the company must prepare accounts in accordance with Australian Accounting Standards. Consideration then needs to be given to how to disclose differences in the financial information from under the Australian Accounting Standards (which are IFRS).

The foreign company will need to appoint local counsel in its place of incorporation for conducting due diligence in that jurisdiction (assuming that is where it conducts its business).

2.8 Foreign companies – foreign exempt listing

Where a foreign company seeking admission to ASX is already listed on an approved foreign exchange, it can seek a listing on ASX without the need to comply with all the admission requirements. In addition, it can seek exemptions from some of the ASX Listing Rules. This is called a “foreign exempt listing” and is only available to companies listed on a select list of approved foreign exchanges (such as NZX, NYSE, NASDAQ, HKEx, SGX and LSE).

Qualifying NZ entities may satisfy the standard profit test or assets test set out earlier in Section 2.3. For other foreign exempt listing applicants (non-NZ entities), the thresholds are significantly higher: (a) the profit test (Listing Rule 1.12) currently requires operating profit before income tax of at least \$200 million for each of the last 3 full financial years; or (b) the assets test (Listing Rule 1.13) currently requires net tangible assets or market capitalisation of at least \$2,000 million. In April 2025, ASX made a submission to ASIC advocating for a reduction in the foreign exempt listing thresholds to A\$500 million market capitalisation (and removal of the profit and NTA thresholds). As at the date of this publication, however, no formal consultation has been announced and the existing thresholds remain in effect.



IPO vehicle and offer structure

3.1 Overview

Determine early which entity will be listed, for example, whether it will be an existing company within the corporate group or a new IPO vehicle. This will depend on a number of factors, including:

- whether the offer is a primary issue or sell-down (including tax ramifications)
- the number of shareholders and ease of execution
- a desire to contain prospectus liability.

For Australian companies, a proprietary company cannot issue or offer to sell shares to the public or retail shareholders. In this respect, it will be necessary for a proprietary company to convert to a public company before an IPO. Alternatively, a new public company could be established to be the IPO vehicle and to own the shares in the proprietary company (this is called a 'top hat' structure).

Advice should be obtained from legal and tax advisers on the IPO structure.

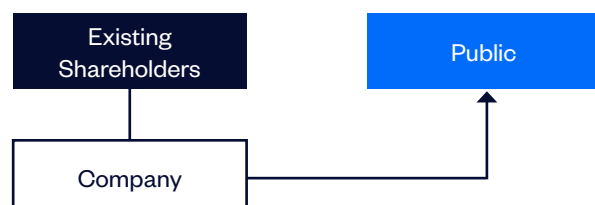
An IPO to include both a primary and secondary sell-down component, even where there is no initial intention to conduct a primary raise. This may arise where the company identifies a need for additional working capital or growth funding during the IPO process.

3.2 IPO structures

It is common for an IPO will comprise of a primary issue by the company which may be coupled together with a sell-down by existing shareholders (referred to as a "secondary sale"). A primary issue is required, even if nominal, so that the company is an "offeror" and has deemed liability for the prospectus (which is an ASIC requirement).

Primary issue

Where there is no secondary sale, the IPO structure may be as simple as the existing company issuing new shares to the public and listing on the ASX, with no restructuring needed (subject to any public company conversion as mentioned above).



Secondary sales

Existing shareholders do not ordinarily sell their shares directly to the public. This is because of liability and logistical considerations. Instead, this is often facilitated through a "SaleCo" structure, where a new unlisted public company is established to act as an intermediary for selling shareholders.

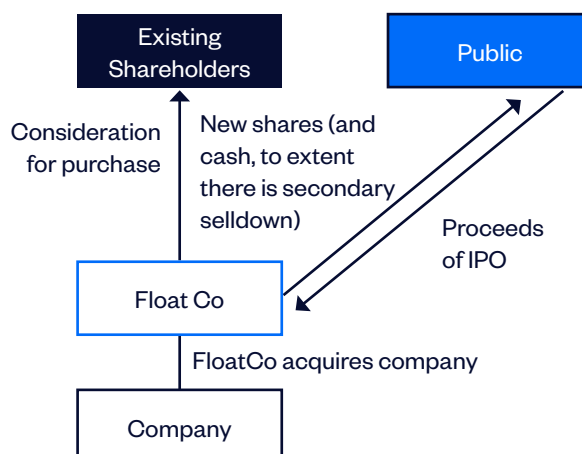
The existing shareholders sell some or all their shares to SaleCo. SaleCo then sells those shares to the public under the IPO prospectus.



Top-hat restructure (FloatCo)

In certain situations, a new special purpose vehicle, FloatCo, may be "top-hatted" onto the existing corporate group. FloatCo is the entity that undertakes the IPO by offering new shares to the public and it is the entity that is listed.

FloatCo enters into an agreement with existing shareholders to acquire the business and, in consideration, the existing shareholders receive new shares in FloatCo. The consideration paid to existing shareholders may also include cash using the proceeds of a new share issue to the public by FloatCo (this is how a secondary sale can be facilitated through the FloatCo structure).



Section 4.0

Tax

4.1 Key tax considerations relevant to IPOs

The choice of IPO structure can have significant tax implications for the company, its existing shareholders and incoming shareholders.

Key tax workstreams in connection with a proposed IPO typically include:

01

Tax due diligence to identify any historical tax risks.

02

Consideration of any pre-IPO restructuring including disposals of assets or subsidiaries and any associated income tax, GST or stamp duty consequences.

03

Establishment of an appropriate employee or management incentive plan post-IPO.

04

Tax treatment of transaction costs.

05

Tax consequences for shareholders under SaleCo or FloatCo structures.

06

Drafting of tax disclosures in any prospectus.

07

Development of, or updates to, a tax governance plan which is appropriate for a listed group.



Julian Cheng
Partner



Matthew Charman
Partner

Section 5.0

Executive remuneration



It is important at an early stage to consider the impact of the IPO on any equity-based remuneration that is already in place. This also leads to consideration of the structure of any go-forward equity based remuneration. It is typical for ASX listed companies to offer equity-based remuneration to senior executives to create alignment with shareholders. Their arrangements must be disclosed in the prospectus for all 'key management personnel' (which is often at least the CEO and CFO).

Prospectus

6.1 Requirement for a prospectus

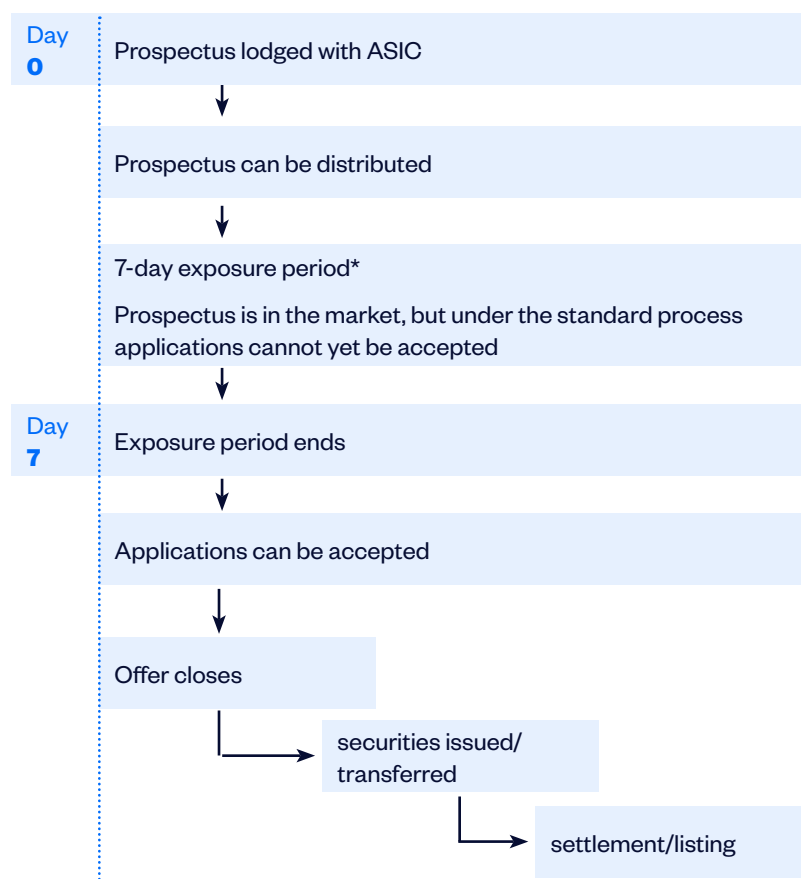
In general, a company must issue a prospectus before it can be listed on ASX.

When an offer of new securities is made to Australian retail investors, a prospectus (which has been lodged with ASIC) must be issued to investors.

A prospectus (or other disclosure document) is also required for secondary sales of previously issued securities in certain circumstances. The "on-sale" provisions contained in the Corporations Act (which impose this disclosure requirement) are intended to prevent companies or sellers from avoiding the prospectus requirements by issuing or selling their shares to sophisticated and professional investors only (who do not ordinarily require a disclosure document) only for those purchasers to "on-sell" those shares to retail investors.

Prospectuses do not need to be registered by ASIC but must be lodged with ASIC. The company may distribute a prospectus immediately after lodgement, but must not accept an application for, or issue or transfer securities offered under the disclosure document until seven days after lodgement (or for up to 14 days, if extended by ASIC). This is known as the exposure period. As outlined below, ASIC is currently trialling a process which allows larger issuers to accept applications during the exposure period.

Standard process



* ASIC may extend the exposure period to a maximum of 14 days.



6.2 Liability and defences

The Corporations Act imposes civil and potentially criminal liability on people involved in preparing and issuing a prospectus if:

- the prospectus contains a misleading or deceptive statement
- there is an omission from the prospectus of any material required by the Corporations Act to be included in the prospectus
- a new circumstance has arisen since lodgement of the prospectus which would have been required to be disclosed in the prospectus had it arisen prior to lodgement, and it was not included in a supplementary or replacement prospectus.

Prospectus liability extends to the issuers (typically the company and any person making a sale offer), their directors and proposed directors, underwriters, people named with their consent as making statements in the prospectus, and others involved in its preparation. These people may face personal criminal and civil liability even if they were not personally at fault.

Two defences may be available: the due diligence defence and the reasonable reliance defence.

Whether a person can rely on either defence depends on the due diligence system, the reliability and suitability of those involved, and that person's participation in the process.

6.3 Content requirements

The prospectus is prepared alongside the due diligence process, which is managed and co-ordinated by a DDC. The content of the prospectus will reflect the findings of the due diligence process. The Corporations Act has both general and specific disclosure requirements.

The general requirement is that a prospectus must contain all the information in relation to the company that investors and their professional advisers would reasonably require to make an informed assessment of (broadly):

- the rights and liabilities attaching to the securities offered
- the assets and liabilities, financial position and performance, profits and losses and prospects of the company, to the extent to which it is reasonable for investors and their professional advisers to expect to find that information in the prospectus. Disclosure will only need to be made if the company, its directors and proposed directors (if any), underwriters or advisers (including people named in the prospectus) actually know the information or (in the circumstances) ought reasonably to have obtained the information by making enquiries.

Disclosure will only need to be made if the company, its directors and proposed directors (if any), underwriters or advisers (including people named in the prospectus) know the information or (in the circumstances) ought reasonably to have obtained the information by making enquiries.

The prospectus must be clear, concise and effective. ASIC Regulatory Guide 228 explains how issuers can meet this requirement.

ASIC is not required to pre-vet prospectuses, unlike other jurisdictions such as the United States and Hong Kong. However, where certain issues arise, ASIC may pre-vet specific sections of the prospectus relevant to those issues and has recently introduced a process for pre-vetting for larger issuers outlined below.



6.4 Disclosure of historical financial information

Although historical financial disclosure requirements will vary from company to company (including whether the company is applying under the “profit test” or the “assets test”), in general, a prospectus must contain the following audited financial information for at least the 3 most recent financial years (or 2 years of audited information and a half-year of reviewed information, depending on the prospectus date):

- consolidated income statement (showing major revenue and expense items and profit or loss, including EBIT and NPAT)
- consolidated cash flow statement (at a minimum showing operating and investing cash flows)
- other material information from financials, notes and any other documents attached to the financial reports
- any modified opinion by the auditor
- all events that have had a material effect on the applicant since the date of the most recent financial statements
- a warning that past performance is not a guide to future performance.

You should also expect to provide a consolidated audited statement of financial position for the most recent financial year (or reviewed statement if most recently you have completed a half-year) showing major asset, liability and equity groups and a corresponding pro-forma statement of financial position showing the effect of the offer and any acquisitions.

It is also customary for pro forma income statements and cash flow statements to be prepared for inclusion in the prospectus.

Depending on the timing for lodgement of the prospectus, the most recent financial statements for the company might be a half-year accounts. In that case, because ASIC’s regulatory policy requires that prior period comparatives are also included in the prospectus, it may be necessary for a company to arrange a review of its half-year accounts for that prior period (if it hasn’t already). Practically, this means that the requirement for financial information disclosure in the prospectus is 3 years or 2 years plus 2 half-years.

There are very limited circumstances in which ASIC and ASX will soften these requirements, so we recommend early engagement with ASX, ASIC and the company’s auditor to ensure that the timetable allows for the preparation of audited or reviewed accounts.



6.5 Forecasts

There is no specific requirement to include forecasts, but the Corporations Act requires disclosure of the issuer’s prospects, and ASIC Regulatory Guide 170 provides guidance. Market practice is for companies with an operating profit track record to include at least a one-year earnings forecast and this is shown in a forecast income statement and a forecast cashflow statement.

A point-estimate forecast is generally preferred over a range, as it provides greater certainty to investors and facilitates valuation analysis. A sensitivity analysis is customarily included alongside the financial forecast.

If forecasts are included, there must be reasonable grounds, and it is customary for the forecast to be covered by an investigating accountant’s report. The length of the forecast will depend on the nature of the business and the timing of the IPO.

In addition, issuers need to be careful when disclosing “recurring revenue”. Presenting revenue on an annualised basis by extrapolating quarterly or monthly revenue without disclosing actual revenue with equal prominence could give a misleading impression as to future earnings potential.

6.6 Supplementary and replacement prospectuses

If a prospectus is found to be deficient, or if new information emerges during the period before the shares are issued (or transferred) under the offer, there may be a need to issue and lodge a supplementary or a replacement prospectus. It is an offence to proceed with the offer in the absence of a supplementary prospectus where the deficiency is materially adverse from the point of view of an investor.

6.7 Fast track review processes

ASX fast track review

ASX operates a fast track listing process that is available to eligible companies. Under the standard listing process, review of the listing application begins after the final prospectus is lodged with ASIC.

The fast-track process reduces the standard review period (up to 6 weeks) to approximately 2 weeks post-prospectus lodgement through use of a pathfinder prospectus which must be lodged with ASX 4 weeks before the formal ASIC lodgement date. The process requires a minimum expected market capitalisation of \$100 million at listing and entities subject to ASX mandatory escrow are ineligible.

The fast-track process is designed to abridge the timeframe between the formal prospectus lodgement date and commencement of trading, helping to reduce exposure to market volatility and shortening the period during which institutional investors are at risk between the completion of the bookbuild (where it is a "front end bookbuild") (see Section 7.1 Front-end (fixed price offering) for more details) and the start of trading.

ASIC two-year trial to review draft prospectuses

In June 2025, ASIC launched a two-year pilot program to streamline the IPO process for companies eligible to participate in ASX's fast-track pathway and, for the first time, permits retail applications under a prospectus issued by those companies to be accepted during the statutory exposure period (i.e. immediately after lodgement of the prospectus with ASIC).

Eligible companies can submit a draft prospectus to ASIC for confidential review at least 14 days before lodgement. If the final prospectus does not differ "in any material respect" from the pathfinder (other than pricing, offer size or items expressly agreed with ASIC), retail applications can be accepted by eligible companies during the statutory exposure period without having to wait until the exposure period has ended, reducing the overall IPO timetable by about a week.

ASIC retains its stop-order powers and may revert to a full review if there are material changes to the prospectus or if the agreed timetable is not met. The trial runs until June 2027 but may be modified or withdrawn at any time.

6.8 ESG and climate disclosures

ASIC has consistently noted that climate change (both physical and transition risks) may be a potential prospectus risk (RG 228).

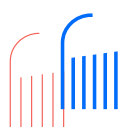
Australia has now mandated the inclusion of climate-related financial disclosures in annual sustainability reports which must be prepared in accordance with AASB S2. These requirements took effect from 1 January 2025 on a phased in basis for reporting entities.

An issuer must disclose sustainability-related financial information in a s 710 prospectus where investors and their professional advisers would reasonably require it for an informed assessment. ASIC's Regulatory Guide 280 encourages issuers to apply the principles for disclosing useful sustainability-related financial information contained in AASB S1 and AASB S2 and to include the disclosures in the body of the prospectus (RG 280.135). A company's financial reporting must also include a discussion of climate risk when it could affect its achievement of financial performance or disclosed outcomes.

Companies must balance this disclosure with the risk of greenwashing, which is making unsubstantiated climate change or environmental sustainability related claims.



Ilona
Millar
Partner



Gilbert + Tobin's capital markets team is known for a pace-setting practice, especially well respected for its strength in handling high-value IPOs."

Chambers Global





Section 7.0

Due diligence process

7.1 Overview and purpose

The prospectus due diligence process is designed to:

- ensure the prospectus is not misleading or deceptive and does not omit material required by the Corporations Act
- establish reasonable grounds for forecasts and other statements about future matters
- support the availability of relevant due diligence defences.

To achieve these objectives, the company must establish and adequately supervise a proper due diligence system.

A DDC is generally established to supervise the process, with records kept of the due diligence procedures, investigations and verification undertaken.

7.2 DDC

Established Australian practice is to form a DDC comprising parties involved in preparing the prospectus, generally including the company, its Australian lawyers, the underwriter/lead manager, investigating accountant and other relevant experts.

The DDC oversees the due diligence investigations and receives reports and formal “sign-offs” or opinions from advisers in their respective areas. These sign-offs do not replace the need for each member to independently assess due diligence reports and the prospectus.

The DDC reports to the board at the end of the process with a final report before the prospectus is lodged.

7.3 Due diligence defences

To rely on the due diligence defences, a person must generally be able to demonstrate that they made the enquiries reasonably expected of them and had reasonable grounds to believe the prospectus, or the parts for which they were responsible, was materially complete and accurate.

Each person seeking to rely on a defence must turn their mind to the adequacy of the due diligence process and the draft prospectus. Directors may reasonably delegate aspects of the enquiries to the DDC and external experts, but the board must remain satisfied that the overall process is adequate and should receive and consider progress reports.

Robust internal verification is particularly important because ASIC does not generally pre-vet prospectuses for compliance and may issue a stop order if deficiencies are identified. Appropriate verification of material statements also forms an important part of the due diligence process. The Corporations Act also requires a person relying on the due diligence defence to establish that they made all reasonable enquiries and believed on reasonable grounds that the prospectus was not misleading or deceptive and contained no material omissions.

Management is generally expected to provide sign-offs to the DDC on matters referred to it and on the prospectus as a whole.

Marketing

Marketing to retail (i.e. unsophisticated) investors is not permitted before the prospectus is lodged with ASIC, and the Corporations Act restricts pre-prospectus advertising.

Some marketing to institutional and other sophisticated investors is permitted before lodgement.

Audience	Pre-lodgement	Prospectus lodged / exposure period	Offer period
Institutional / sophisticated	Research, investor education, pre-marketing	Roadshow period / marketing continues	Bookbuild / allocations
Retail / general public	Generally restricted	Publicity can commence	Retail offer
Shareholders / employees	Limited factual communications under relief	Prospectus-based communications	Participate in offer where applicable

This marketing may include:

8.1 Research reports

Affiliates of the lead manager or underwriter or other members of the underwriting syndicate may publish research reports about the company. These reports may be circulated to institutional investors on a stringently monitored basis before the offering. They are intended to provide information about the company and its business, and do not refer to the IPO.

In 2018, ASIC released Regulatory Guide 264, which contains detailed guidance from ASIC on how it believes that research reports should be prepared in order for risks of conflicts of interest and inside information to be managed. This guidance has led to changes in the manner in which pre-IPO research reports are prepared - for example, it is no longer the case that the analyst's valuation is shared with the issuer or the lead manager bankers before it is widely disseminated to potential investors.

In July 2026, ASIC released Consultation Paper CS 59 with a draft updated RG 264 on sell-side research. The proposed guidance takes a principles-based approach to managing inside information and conflicts of interest and includes requirements for investor education reports.

8.2 Pre-marketing

The lead manager's or underwriter's sales team may contact selected institutional investors to:

- familiarise themselves with the "equity story"
- generate investor interest
- identify concerns to be addressed on the management roadshow.

This commonly takes the form of a "non-deal roadshow" which involves management meeting potential investors to introduce the company and its business with the help of a presentation deck.

8.3 Roadshows

The lead manager or underwriter will organise a series of meetings with institutional investors to ascertain the level of investor demand for the IPO.

8.4 General public

The publicity campaign to investors can begin once the prospectus is lodged. Generally speaking, media advertising is rare, other than in larger IPOs which include an offer to the general public.

More frequently, retail investors are solicited by brokers from their retail distribution networks.

8.5 Shareholders and employees

ASIC provides relief to companies for certain pre-IPO communication with shareholders, employees and former employees before a prospectus is lodged, provided the communications are factual and do not promote the advantages, benefits or merits of the planned offer. ASIC has also proposed reforms to the pre-prospectus advertising regime that would broaden the scope to make statements about an offer, provided those statements refer to the fact the offer will be made under a prospectus and where it can be found.

Pricing of securities

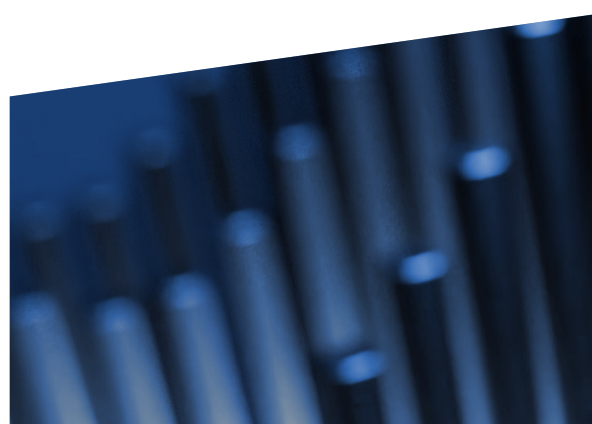
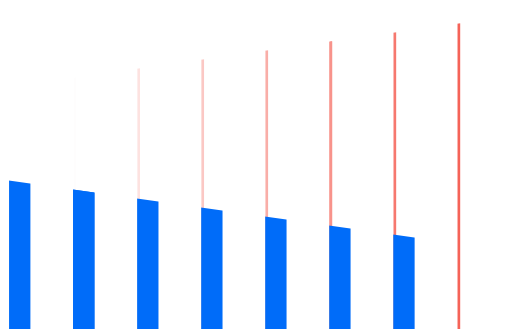
Marketing the IPO and setting the issue price are critical stages. The final price is usually set through a bookbuild led by an investment bank acting as bookrunner and lead manager or underwriter. The bookbuild may take place at the back end of the offer period or at the front end, before the prospectus is lodged.

9.1 Front-end (fixed price offering)

In a front-end bookbuild, the price is set before the prospectus is lodged with ASIC. The company can then include a fixed price in the prospectus. This structure is often used to reduce pricing risk in a difficult market and is typically underwritten when the bookbuild closes.

A front-end bookbuild will typically have the following structure:

Pre-offer	Preparation of independent analyst research reports and investor education by the analysts
Marketing	Institutional roadshow by management using a pathfinder prospectus (ie a draft prospectus)
Price	Price range determined by the lead managers (based on feedback from investor education and roadshows)
Bookbuild	- IPO price is determined by assessing demand from institutional investors - Allocation of securities between institutions and participating brokers - Underwriting Agreement signed
Prospectus	Prospectus is lodged with ASIC
Retail offer	- ASIC exposure period - Retail offer period opens and closes
Settlement and trading	Trading can commence either before settlement ("conditional trading") or after allotment of the IPO shares ("normal trading")



9.2 Back-end

A back-end bookbuild is often used to set the final price. The lead manager generally provides settlement support for investors who commit to invest but fail to settle.

A back-end bookbuild will typically follow the following structure:

Pre-marketing	▪ Preparation of independent analyst research reports and investor education by the analysts
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Price	▪ Back-end bookbuilds typically lead out with a price range determined by the lead managers based on analyst pre-marketing feedback (but may utilise a fixed price) and is disclosed in the prospectus lodged with ASIC; Offer Management Agreement signed
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Prospectus	▪ Prospectus is lodged with ASIC (exposure period)
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Marketing	▪ Roadshow and meetings with company management
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Retail offer	▪ ASIC exposure period ▪ Retail offer period opens and closes
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Bookbuild	▪ Bids are submitted to the bookrunner by Australian and offshore institutional investors indicating the number of securities they wish to subscribe for and the price they are prepared to pay ▪ Final bids constitute irrevocable offers to subscribe for the number of securities bid ▪ After the close of the offer, the bookrunner in consultation with the company will determine the final price on the basis of the bids received in the offer
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Allocation	▪ The company and the lead managers will allocate the securities among retail applicants and the successful bidders of the institutional offer based on the final price determined through the institutional bookbuild
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Settlement and trading	▪ Trading can commence either before settlement ("conditional trading") or after allotment of the IPO shares ("normal trading")
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Timetable

A reasonably simple IPO can generally be completed in as little as three months. The ability to IPO in a short timeframe depends on a number of factors such as the extent to which the issuer already has board and management in place and audited financial statements for the relevant period.

The table below sets out a simplified indicative timetable for a front-end bookbuild, assuming a 4 month timetable.

Week	Action
1	▪ appoint IPO advisory team and establish DDC ▪ consider corporate restructuring steps and settle sell-down structure (if any) ▪ commence discussions to determine capital structure, commence steps to convert to public company (if a proprietary company) ▪ initial pricing discussions
2	▪ commence due diligence process (including first DDC meeting) ▪ apply to ASIC/ASX for modifications of the Corporations Act or waivers of the Listing Rules (as required) ▪ prepare prospectus financials (especially forecasts) ▪ commence drafting prospectus
3-8	▪ appoint independent directors ▪ determine employee incentive scheme/dividend reinvestment plan/set dividend policy ▪ present to research analysts and preparation of research reports ▪ continuation of due diligence process ▪ finalise prospectus ▪ verify prospectus/due diligence sign-offs ▪ lodge draft listing application with ASX and pathfinder prospectus¹
9-11	▪ further pricing discussions ▪ board to approve pathfinder prospectus and underwriting agreement ▪ institutional roadshow to commence
12-16	▪ institutional bookbuild ▪ underwriting agreement to be signed ▪ prospectus to be lodged with ASIC ▪ listing application to ASX ▪ retail offer period commences after ASIC exposure period
17	▪ funds available to company and issue shares ▪ company is listed and shares commence trading on ASX.

¹ See Section 6.7 Fast track review processes for details on the use of a pathfinder prospectus under the fast-track listing process.

Changes you can expect as an ASX listed company

Once listed, a company will face greater media attention, manage investor relations and comply with the Listing Rules.

11.1 Compliance with Listing Rules and continuous disclosure

The Listing Rules form a contract between ASX and the listed company and are legally enforceable. They impose additional requirements, including rules for transactions with significant shareholders and related parties, shareholder meetings and periodic financial reporting.

The most significant new obligation for a listed company is the continuous disclosure obligation. The Corporations Act and the Listing Rules require continuous disclosure so investors can make informed decisions. The board has ultimate responsibility for compliance, and a breach may also breach directors' statutory and general law duty of care.

Unless a relevant exception applies, Listing Rule 3.1 requires that "once an entity is or becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities, the entity must immediately tell ASX that information."

There is no "one size fits all" approach to meeting continuous disclosure obligations. ASX-listed entities are susceptible to varying types of disclosure issues depending on their business and industry, their size and complexity and the types of investors that they have. The financial and human resources a company can devote to managing its continuous disclosure obligations will also vary. Effective continuous disclosure depends on an entity implementing a process that is both sufficient under the law and realistically attainable by the entity. All effective processes will have in common several key features which include:

- identification and escalation of information that is potentially material
- clarity around decision making and the allocation of administrative responsibility for managing the continuous disclosure obligations (in particular, formation of a disclosure committee with oversight)
- documentation of the policy and procedures in a written continuous disclosure policy.

It is important to have a system of escalation in place, since a listed company will be deemed to be aware of a matter if its officers have the relevant knowledge. Likewise, officers have legal duties to take reasonable care to ensure the company complies with its disclosure obligations, which also requires that they put in place adequate arrangements to ensure information gets to them in the first place.

11.2 Periodic reporting obligations

Every ASX-listed company has periodic financial reporting obligations, which include:

- a half-year financial statement, directors report and Appendix 4D, which must be lodged with ASX within 2 months of the end of the half-year (within 75 days for mining exploration and oil and gas exploration entities)
- a preliminary final report (an Appendix 4E), which must be lodged with ASX within 2 months of the end of the financial year
- an annual report (which includes an annual financial statement and directors report), which must be lodged with ASX within 3 months at the end of a company's financial year.

There are other periodic reporting obligations that may apply to specific types of companies (such as quarterly cash flow reporting).

11.3 Insider trading

Insider trading laws apply to all investors, but they are particularly relevant to the board of directors and management of a listed company and those who are close to them, who are more likely to have non-public material information, or "inside information".

Highlighted experience

Gilbert + Tobin is the leading Australian law firm for IPOs and ECM transactions.

Recent Issuer IPO roles

SpaceX

on the Australian aspects of its landmark USD75 billion IPO, the world's largest IPO, including a first-of-its-kind Australian retail offer wrapper structure, Australian securities law and financial services regulatory requirements, ASIC engagement and all other Australian aspects of the transaction.

Virgin Australia and Bain Capital

on Virgin Australia's \$685 million IPO and ASX listing, with a market capitalisation of approximately \$2.3 billion at the offer price.

Sigma Healthcare

on its reverse takeover and ASX listing of Chemist Warehouse, creating a combined group with an estimated market capitalisation of approximately \$35 billion around completion.

Guzman y Gomez (GYG)

on its \$335.1 million IPO and ASX listing, with a market capitalisation of approximately \$2.23 billion at the offer price.

SkinKandy

on its \$160 million IPO and ASX listing, with a market capitalisation of approximately \$245 million at the offer price.

The Koala Company

on its \$68.1 million IPO and ASX listing.

Cuscal

on its \$336.8 million IPO and ASX listing, with a market capitalisation of approximately \$479 million at the offer price.

Metals Acquisition Limited

on its oversubscribed and upsized \$325 million IPO of CDIs and dual listing on the ASX.

APM Human Services International

on its \$972 million IPO and listing on the ASX, valuing the business at \$3 billion.

Pepper Money (backed by KKR)

on its \$500 million IPO and listing on the ASX, valuing the business at \$1.3 billion.

Viva Energy Australia

on its \$2.65 billion IPO and ASX listing, the largest non-government IPO in Australian corporate history.

SiteMinder

on its \$627 million IPO and ASX listing, with a market capitalisation of approximately \$1.36 billion at the offer price.

Recent joint lead manager and underwriter IPO roles

J.P. Morgan and Morgan Stanley

as joint lead managers on the \$1.58 billion IPO and ASX listing of **GemLife Communities Group**.

Goldman Sachs, J.P. Morgan, Macquarie, Morgans and UBS

as underwriters and joint lead managers on the \$1.996 billion IPO and ASX listing of HMC's **DigiCo Infrastructure REIT**.

Barrenjoey

as sole lead manager and underwriter of **Chrysos Corporation's** \$640 million IPO and ASX listing.

Macquarie Capital, J.P. Morgan and Barrenjoey

as joint lead managers on the \$2.4 billion IPO and ASX listing of **Ventia Services Group**.

Macquarie Capital and Morgan Stanley

as joint lead managers to the \$650 million IPO and ASX listing of **HealthCo Healthcare and Wellness REIT**, a spin-off of Home Consortium.

Credit Suisse, Macquarie Capital, UBS, Citigroup, Goldman Sachs and Morgan Stanley

as joint lead managers on the \$1.5 billion initial public offering and ASX listing of **Ingham's Group Limited**.

Credit Suisse (now UBS), Evans & Partners and M

on the proposed IPO and ASX listing of **Newmark REIT**.

Macquarie and Morgan Stanley

as joint lead managers and underwriters of **Nuix's** \$1.8 billion IPO and ASX listing.

“The firm has an excellent understanding of commercial issues and dynamics on live deals, as informed by their strong and up-to-date experience.”

Client testimonial – Capital Markets,
Chambers Asia-Pacific

Section 13.0

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