

A copy of this preliminary prospectus has been filed with the securities regulatory authority in each of the provinces and territories of Canada (other than Quebec) but has not yet become final. Information contained in this preliminary prospectus may not be complete and may have to be amended. No securities are being offered pursuant to this prospectus.

This prospectus does not constitute a public offering of securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

PRELIMINARY PROSPECTUS

Non-Offering Prospectus

May 12, 2023



(expected to be renamed ThinkMarkets Group Holdings Limited in connection with its qualifying acquisition of Think Financial Group Holdings Limited)

No securities are being offered pursuant to this prospectus. This prospectus is being filed by FG Acquisition Corp. (“**FGAC**”) which is a special purpose acquisition corporation incorporated under the laws of the Province of British Columbia. FGAC was organized for the purpose of effecting an acquisition of one or more businesses or assets, by way of a merger, amalgamation, arrangement, share exchange, asset acquisition, share purchase, reorganization, or any other similar business combination involving FGAC that will qualify as FGAC’s “qualifying acquisition” under Part X of the TSX Company Manual (the “**Qualifying Acquisition**”). FGAC received an aggregate of U.S.\$115,000,000 of gross proceeds from its initial public offering which was completed on April 5, 2022 and the closing of the over-allotment option granted in connection with such initial public offering which was completed on April 20, 2022. The gross proceeds of the offering were placed in an escrow account with TSX Trust Company immediately following the initial public offering and closing of the over-allotment option, respectively, and will be released upon consummation of the Qualifying Acquisition in accordance with the terms and conditions of the Escrow Agreement. All capitalized terms not herein defined have the meanings ascribed to them in the “Glossary of Terms”.

On May 12, 2023, FGAC and FGAC’s sponsors, FGAC Investors LLC and CG Investments VII Inc. (collectively, the “**Sponsors**”) entered into a business combination agreement (the “**Business Combination Agreement**”) with Think Financial Group Holdings Limited (“**ThinkMarkets**”), whereby FGAC will acquire, directly or indirectly, all of the equity interest of ThinkMarkets (the “**Business Combination**”). As a result of the Business Combination, ThinkMarkets will become a wholly-owned subsidiary of FGAC. The Business Combination will constitute FGAC’s Qualifying Acquisition. See “The Business Combination”.

Established in 2010, ThinkMarkets is a developer and provider of online financial services across the globe. ThinkMarkets services clients from over 165 countries by providing them the technology and access to over 10,000 tradable instruments via OTC and exchange products. Traders are empowered with opportunities across a wide range of global financial markets on ThinkMarkets’ award-winning trading platform, ThinkTrader.

FGAC’s registered and head office is located at 510 West Georgia Street, Suite 1800, Vancouver, BC V6B 0M3. Following Closing, the Company’s head and registered office will be located at 510 West Georgia Street, Suite 1800, Vancouver, BC V6B 0M3.

This prospectus is being filed in accordance with Part X of the TSX Company Manual in connection with the approval of FGAC’s Qualifying Acquisition. Unless otherwise indicated, this prospectus has been prepared assuming that the Business Combination has been completed. In connection with the Closing, it is FGAC’s intention to rename itself ThinkMarkets Group Holdings Limited.

FGAC’s currently issued and outstanding Class A Restricted Voting Shares are listed and posted for trading on the Toronto Stock Exchange (“**TSX**”) under the symbol “FGAA.U”, and FGAC’s Warrants are listed and posted for trading on the TSX under the symbol “FGAA.WT.U”. The closing price of the Class A Restricted Voting Shares and

Warrants on the TSX on May 11, 2023, the last trading day before the public announcement of the Business Combination was C\$10.15 and C\$1.15, respectively.

FGAC will apply to the TSX to approve the Business Combination and the listing of securities issuable in connection therewith. Closing is subject to and conditional upon the approval of the TSX. The TSX has not approved the Business Combination and has not conditionally approved the listing of such securities. There is no assurance that any such matters will be approved by the TSX. It is a condition of Closing that the Common Shares be listed on the Toronto Stock Exchange. FGAC has reserved the symbols “TFG” and “TFG.WT” for the Common Shares and Warrants, as applicable.

As the Business Combination constitutes FGAC’s Qualifying Acquisition, holders of Class A Restricted Voting Shares can elect to redeem (conditional on Closing) all or a portion of their Class A Restricted Voting Shares for the Class A Qualifying Acquisition Redemption Price provided that they deposit their Class A Restricted Voting Shares for redemption prior to the Redemption Election Deadline, and holders of IPO Warrants (other than the Sponsors) are entitled to require the Sponsors to acquire all or a portion of their IPO Warrants for U.S.\$1.25 per IPO Warrant provided that they deposit their IPO Warrants for transfer prior to the IPO Warrant Deposit Deadline.

Original purchasers of Class A Restricted Voting Shares from the underwriters in FGAC’s initial public offering may have a contractual right of action for rescission or damages against the Company and certain other persons. See “Contractual Right of Action”.

This prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities.

Shareholders and warrant holders should be aware that the acquisition, holding and disposition of the securities described in this prospectus may have tax consequences in Canada and elsewhere depending on each particular shareholder’s specific circumstances. Shareholders and warrant holders should consult their own tax advisors with respect to such tax considerations. See “Certain Canadian Federal Income Tax Considerations” and “Risk Factors”.

Shareholders should be aware that there are various known and unknown risk factors in connection with the Business Combination. Shareholders should carefully consider the risks identified in this prospectus under the heading “Caution Regarding Forward-Looking Statements” and “Risk Factors” before deciding whether or not to exercise their right to redeem their Class A Restricted Voting Shares.

No underwriters have been involved in the preparation of this prospectus or performed any review or independent due diligence of the contents of this prospectus.

Larry G. Swets, Jr., who is a director and officer of FGAC, Hassan R. Baqar, who is a director and officer of FGAC, D. Kyle Cerminara, Dr. Richard E. Govignon, Jr., and Peter Huitsing, who are each directors of FGAC, Nauman Anees and Faizan Anees, who are officers and directors of ThinkMarkets, Mohamed Amin Ahmed Adat, who is an officer of ThinkMarkets, and Ilyas Ahmed, who is a director of ThinkMarkets, each reside outside of Canada, and FGAC Investors LLC, one of FGAC’s Sponsors, was organized under the laws of a foreign jurisdiction. Each of the foregoing has appointed Norton Rose Fulbright Canada LLP, located at 510 West Georgia Street, Suite 1800, Vancouver, BC V6B 0M3, as agent for service of process.

Investors are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

FGAC Investors LLC is controlled by Messrs. Swets, Cerminara and Baqar in their capacity as managers, and CG Investments VII Inc. is controlled by Canaccord Genuity Group Inc.

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GLOSSARY OF TERMS

“**Active Client**” means a client of ThinkMarkets with one or more approved accounts that has traded at least once;

“**Additional Sponsors’ Forfeited Shares**” has the meaning set out under the heading “The Business Combination – The Business Combination Agreement”;

“**Additional Sponsors’ Forfeited Warrants**” has the meaning set out under the heading “The Business Combination – The Business Combination Agreement”;

“**Advance Notice Provisions**” has the meaning set out under the heading “Corporate Governance and Board Committees – Advance Notice Provisions”;

“**Affiliate**” means, when describing a relationship between two persons, that either one of them is under the direct or indirect control of the other, or each of them is directly or indirectly controlled by the same person;

“**allowable capital loss**” has the meaning set out under the heading “Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Disposition of Securities”;

“**APAC**” has the meaning set out under the heading “The Business of ThinkMarkets – Leveraged Trading”;

“**Approved Client**” means a new client of ThinkMarkets who has passed ThinkMarkets’ onboarding process to open a trading account and who deposits money in the approved account;

“**Articles**” means, as applicable, the Notice of Articles and Articles of FGAC prior to completion of the Qualifying Acquisition (as amended, amended and restated or modified from time to time) and the Notice of Articles and Articles of the Company following completion of the Qualifying Acquisition;

“**ARPU**” means average revenue per unique Active Client that has traded within the period presented, as aggregated across all accounts of the Active Client;

“**ASX**” means the Australian Securities Exchange;

“**Audit Committee**” means the Audit Committee of the Board, to be formed on Closing;

“**Australian Corporations Act**” means the Corporations Act 2001 (Cth);

“**Authorizations**” has the meaning set out under the heading “Risk Factors – Risk Factors Relating to New ThinkMarkets’ Business and Industry”;

“**Board**” means New ThinkMarkets’ board of directors, as constituted from time to time;

“**Business**” means the business carried on by ThinkMarkets as described in this prospectus;

“**Business Combination**” has the meaning set out on the cover page;

“**Business Combination Agreement**” means the business combination agreement dated May 12, 2023 among FGAC, the Sponsors and ThinkMarkets relating to the Business Combination, as may be amended, supplemented or otherwise modified from time to time;

“**business day**” means a day, other than a Saturday, Sunday or statutory or civic holiday in Ontario, when banks are generally open for the transaction of business in Toronto, Ontario;

“**CAGR**” means compound annual growth rate;

“**Canaccord Genuity**” means Canaccord Genuity Group Inc. and, where the context requires, its Affiliates;

“**CDS**” means CDS Clearing and Depository Services Inc.;

“**CDS Participant**” has the meaning set out under the heading “The Business Combination – Share Ownership – Redemption Rights”;

“**CFD**” has the meaning set out under the heading “The Business of ThinkMarkets”;

“**Chair**” means the chairperson of the Board;

“**Change of Control**” has the meaning set out under the heading “Capital Structure of New ThinkMarkets – Convertible Debentures”;

“Class A Qualifying Acquisition Redemption Price” means an amount per Class A Restricted Voting Share equal to the *pro rata* portion of: (a) the escrowed funds available in FGAC’s escrow account, including interest and other amounts earned thereon, less (b) an amount equal to the total of (i) applicable taxes payable by FGAC on such interest and other amounts earned in FGAC’s escrow account, and (ii) actual and expected direct expenses related to the redemption, each as reasonably determined by FGAC, as at the effective date of the redemption, which amount is anticipated to be approximately U.S.\$10.25 per Class A Restricted Voting Share; for greater certainty, such amount will not be reduced by the amount of any tax of FGAC under Part VI.1 of the Tax Act or the deferred underwriting commission per Class A Restricted Voting Share held in escrow;

“Class A Restricted Voting Shares” means the Class A restricted voting shares in the capital of FGAC, which are “restricted securities” within the meaning of such term under applicable Canadian securities laws, and each a **“Class A Restricted Voting Share”**;

“Class A Restricted Voting Units” means the Class A restricted voting units distributed to the public by FGAC at an offering price of U.S.\$10.00 per Class A Restricted Voting Unit under a prospectus dated March 28, 2022, each comprised of one Class A Restricted Voting Share and one-half of an IPO Warrant, and each a **“Class A Restricted Voting Unit”**;

“Class B Shares” means the Class B shares in the capital of FGAC, and each a **“Class B Share”**;

“Closing” means the closing of the Qualifying Acquisition;

“Closing Cash Amount” has the meaning set out under the heading “The Business Combination – The Business Combination Agreement”;

“Common Shares” means the common shares in the capital of the Company expected to be issued and outstanding as at the time of the Closing;

“Common Share VWAP” means the volume weighted average price of the Common Shares on the TSX (or such other exchange on which the Common Shares may subsequently be listed) for the 20 trading days immediately prior to (but not including) the date of the conversion;

“Company” or **“New ThinkMarkets”** means FGAC after giving effect to the Business Combination;

“Company IP” has the meaning set out under the heading “The Business of ThinkMarkets – Intellectual Property”;

“Conversion Price” has the meaning set out under the heading “Capital Structure of New ThinkMarkets – Convertible Debentures”;

“Convertible Debentures” has the meaning set out under the heading “The Business Combination – Private Placement”;

“Convertible Debentures Maturity Date” has the meaning set out under the heading “Capital Structure of New ThinkMarkets – Convertible Debentures”;

“Corporations Act” means the *Business Corporations Act* (British Columbia), as it may be amended from time to time;

“COVID-19 Pandemic” means the COVID-19 pandemic declared by the World Health Organization on March 11, 2020;

“CRA” means the Canada Revenue Agency;

“Designee” has the meaning set out under the heading “The Business Combination – The Business Combination Agreement”;

“Dissenting Shareholders” has the meaning set out under the heading “The Business Combination – The Business Combination Agreement”;

“DSUs” has the meaning set out under the heading “Director and Executive Officer Compensation – Long-Term Incentive Plans”;

“Emerging Markets” has the meaning set out under the heading “The Business of ThinkMarkets – Geographic Presence”;

“Escrow Agent” means TSX Trust Company;

“Escrow Agreement” means the escrow agreement dated April 5, 2022 between FGAC, the Escrow Agent, and Canaccord Genuity Corp. and Raymond James Ltd., as the underwriters of the IPO;

“ETFs” has the meaning set out under the heading “The Business of ThinkMarkets”;

“Exchange Agreement and Undertaking” means the transfer restrictions agreement and undertaking dated as of April 5, 2022, entered into by the Founders in favour of the TSX;

“Exchange Preferred Shares” has the meaning set out under the heading “The Business Combination – Overview”;

“Exchange Preferred Shares Maturity Date” has the meaning set out under the heading “Capital Structure of New ThinkMarkets – Exchange Preferred Shares”;

“Exchange Ratio” means an amount equal to the ThinkMarkets Equity Value divided by the number of ThinkMarkets Company Shares (on a fully diluted basis, after taking into account ThinkMarkets Company Shares issued upon conversion or exchange of ThinkMarkets’ redeemable preference shares, options, and any other convertible or exchangeable securities), divided by U.S.\$10.00;

“Extension” has the meaning set out under the heading “The Business Combination – Overview”;

“FAD Rules” has the meaning set out under the heading “Risk Factors – Risk Factors Relating to the Business Combination”;

“FCA” has the meaning set out under the heading “Risk Factors – Risk Factors Relating to New ThinkMarkets’ Business and Industry”;

“FGAC” means FG Acquisition Corp.;

“FGAC Financial Statements” means, together, the unaudited interim financial statements of FGAC as at, and for the period ended March 31, 2023 and 2022, together with the notes thereto, and the audited financial statements of FGAC as at and for the year ended December 31, 2022 and the period October 25, 2021 to December 31, 2021, together with the notes thereto and the independent auditor’s report thereon, attached to this prospectus as Appendix A;

“FGAC MD&As” has the meaning set out under the heading “Management’s Discussion and Analysis of FGAC”;

“FGAC Meeting” means the special meeting of shareholders of FGAC to be held to vote on, among other things, (a) amendments of the Articles of FGAC to: (i) provide that the Class B Shares automatically convert into Common Shares upon Closing rather than Proportionate Voting Shares; (ii) create a class of preferred shares, issuable in series; and (iii) remove the Class A Restricted Voting Shares, Class B Shares and Proportionate Voting Shares, (b) the adoption of the Omnibus Incentive Plan, and (c) the approval of the Extension;

“FHSA” has the meaning set out under the heading “Certain Canadian Federal Income Tax Considerations - Eligibility for Investment”;

“forex” has the meaning set out under the heading “The Business of ThinkMarkets”;

“forward-looking statements” has the meaning set out under the heading “Caution Regarding Forward-Looking Statements”;

“Founders” means the Sponsors, being FGAC Investors LLC and CG Investments VII Inc., as the holders of the Founders’ Shares;

“Founders’ Shares” means the 2,875,000 Class B Shares issued to the Founders in connection with the closing of the IPO;

“GHRC Committee” means the Governance, Human Resources and Compensation Committee of the Board, to be formed on Closing;

“Holder” has the meaning set out under the heading “Certain Canadian Federal Income Tax Considerations”;

“IASB” has the meaning set out under the heading “Risk Factors – Risk Factors Relating to New ThinkMarkets’ Business and Industry”;

“Icara Process” has the meaning set out under the heading “Risk Factors – Risk Factors Relating to New ThinkMarkets’ Business and Industry”;

“IFRS” means International Financial Reporting Standards as adopted by the International Accounting Standards Board;

“Indenture” has the meaning set out under the heading “Capital Structure of New ThinkMarkets – Convertible Debentures”;

“IPO” means FGAC’s initial public offering of 11,500,000 Class A Restricted Voting Units offered to the public under FGAC’s final long form prospectus dated March 28, 2022;

“IPO Warrant Deposit Deadline” means 5:00 p.m. (Toronto time) on ●, 2023, or such other date as announced by FGAC by way of news release;

“IPO Warrants” means the share purchase warrants of FGAC issued under the Warrant Agreement as a portion of the Class A Restricted Voting Units;

“Leveraged Trading” has the meaning set out under the heading “The Business of ThinkMarkets”;

“Licensed Markets” has the meaning set out under the heading “The Business of ThinkMarkets – Geographic Presence”;

“Lockups” has the meaning set out under the heading “Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer”;

“MI 61-101” has the meaning set out under the heading “The Business Combination – Related Party Transactions”;

“MI 61-101 Requirements” has the meaning set out under the heading “The Business Combination – Related Party Transactions”;

“MIFIDPRU” has the meaning set out under the heading “Risk Factors – Risk Factors Relating to New ThinkMarkets’ Business and Industry”;

“Named Executive Officers” or **“NEOs”** has the meaning set out under the heading “Director and Executive Officer Compensation – Introduction”;

“NCA” has the meaning set out under the heading “Risk Factors – Risk Factors Relating to New ThinkMarkets’ Business and Industry”;

“New Code of Ethics” has the meaning set out under the heading “Corporate Governance and Board Committees – Code of Ethics and Business Conduct”;

“New OTM Warrants” has the meaning set out under the heading “The Business Combination – The Business Combination Agreement”;

“NI 52-109” means National Instrument 52-109 – *Certification of Disclosure in Issuers’ Annual and Interim Filings*;

“NI 52-110” means National Instrument 52-110 – *Audit Committees*;

“NI 58-101” means National Instrument 58-101 – *Disclosure of Corporate Governance Practices*;

“Non-Resident Holder” has the meaning set out under the heading “Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada”;

“Non-Resident Parent” has the meaning set out under the heading “Risk Factors – Risk Factors Relating to the Business Combination”;

“Notice Date” has the meaning set out under the heading “Corporate Governance and Board Committees – Advance Notice Provisions”;

“NP 58-201” means National Policy 58-201 – *Corporate Governance Guidelines*;

“Omnibus Incentive Plan” – has the meaning set out under the heading “Director and Executive Officer Compensation – Compensation Discussion and Analysis”;

“Offer” has the meaning set out under the heading “The Business Combination – The Business Combination Agreement”;

“OFSI” has the meaning set out under the heading “Risk Factors – Risk Factors Relating to New ThinkMarkets’ Business and Industry”;

“Online Trading” has the meaning set out under the heading “The Business of ThinkMarkets”;

“OSA” has the meaning set out under the heading “Contractual Right of Action”;

“**OTC**” has the meaning set out under the heading “The Business of ThinkMarkets – ThinkMarkets’ Operations”;

“**OTM Warrants**” means the share purchase warrants of FGAC sold to the Sponsors concurrently with the IPO at an offering price of U.S.\$0.10 per OTM Warrant;

“**Permitted Timeline**” means the allowable time period within which FGAC must consummate its Qualifying Acquisition, being 15 months from the closing of the IPO, as it may be extended as described in FGAC’s final long form prospectus dated March 28, 2022;

“**person**” means any individual, partnership, association, body corporate, trust, trustee, executor, administrator, legal representative, government, regulatory authority or other entity;

“**Plans**” has the meaning set out under the heading “Certain Canadian Federal Income Tax Considerations – Eligibility for Investment”;

“**Pre-Maturity Conversion Rate**” has the meaning set out under the heading “Capital Structure of New ThinkMarkets – Exchange Preferred Shares”;

“**Preferred Shares**” has the meaning set out under the heading “The Business Combination – Overview”;

“**Private Placement**” has the meaning set out under the heading “The Business Combination – Private Placement”;

“**Proportionate Voting Shares**” means the proportionate voting shares in the capital of FGAC, none of which are issued and outstanding;

“**Proposed Amendments**” has the meaning set out under the heading “Certain Canadian Federal Income Tax Considerations”;

“**PSUs**” has the meaning set out under the heading “Director and Executive Officer Compensation – Long-Term Incentive Plans”;

“**Qualifying Acquisition**” means the acquisition, directly or indirectly, of one or more businesses or assets, by way of a merger, amalgamation, arrangement, share exchange, asset acquisition, share purchase, reorganization, or any other similar business combination involving FGAC that will qualify as FGAC’s “qualifying acquisition” under Part X of the TSX Company Manual;

“**RDSP**” has the meaning set out under the heading “Certain Canadian Federal Income Tax Considerations – Eligibility for Investment”;

“**Redemption Election Deadline**” means 5:00 p.m. (Toronto time) on ●, 2023, or such other date as announced by FGAC by way of news release;

“**Redemption Limitation**” has the meaning set out under the heading “The Business Combination – Share Ownership – Redemption Rights”;

“**Redemption Notice**” has the meaning set out under the heading “The Business Combination – Share Ownership – Redemption Rights”;

“**Redemption Right**” has the meaning set out under the heading “The Business Combination – Share Ownership – Redemption Rights”;

“**Related Party Transaction**” has the meaning set out under the heading “The Business Combination – Related Party Transactions”;

“**Remaining FG Founder Shares**” means 875,000 FG Founder Shares, less the FG Founder Shares, if any, that are required to be transferred or forfeited, as applicable, by the Sponsors in connection with the Private Placement or to secure non-redemption agreements with certain holders of Class A Restricted Voting Shares;

“**Remaining Sponsors’ Warrants**” means 2,350,000 Sponsors’ Warrants, less the Sponsors’ Warrants, if any, that are required to be transferred or forfeited, as applicable, by the Sponsors in connection with the Private Placement or to secure non-redemption agreements with certain holders of Class A Restricted Voting Shares;

“**Resident Holder**” has the meaning set out under the heading “Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada”;

“**RESP**” has the meaning set out under the heading “Certain Canadian Federal Income Tax Considerations – Eligibility for Investment”;

“**RRIF**” has the meaning set out under the heading “Certain Canadian Federal Income Tax Considerations – Eligibility for Investment”;

“**RRSP**” has the meaning set out under the heading “Certain Canadian Federal Income Tax Considerations – Eligibility for Investment”;

“**RSUs**” – has the meaning set out under the heading “Director and Executive Officer Compensation – Long-Term Incentive Plans”;

“**Securities**” has the meaning set out under the heading “Certain Canadian Federal Income Tax Considerations”;

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval, accessible at www.sedar.com;

“**signatories**” has the meaning set out under the heading “Contractual Right of Action”;

“**Sponsors**” means, together, FGAC Investors LLC and CG Investments VII Inc., and “**Sponsor**” means either one of them;

“**Sponsors’ Forfeited Shares**” has the meaning set out under the heading “The Business Combination – The Business Combination Agreement”;

“**Sponsors’ Forfeited Warrants**” has the meaning set out under the heading “The Business Combination – The Business Combination Agreement”;

“**Sponsors’ Warrants**” means the share purchase warrants of FGAC issued under the Warrant Agreement to the Sponsors at an offering price of U.S.\$1.00 per Sponsors’ Warrant;

“**Tax Act**” means the *Income Tax Act* (Canada) including the regulations promulgated thereunder, as amended;

“**taxable capital gain**” has the meaning set out under the heading “Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Disposition of Securities”;

“**TFSA**” has the meaning set out under the heading “Certain Canadian Federal Income Tax Considerations – Eligibility for Investment”;

“**ThinkMarkets**” means Think Financial Group Holdings Limited ACN 646 354 912;

“**ThinkMarkets Company Shares**” means all of the issued and outstanding shares of each class and series in the capital of ThinkMarkets outstanding as of Closing (on a fully diluted basis, after taking into account ThinkMarkets Company Shares issued upon conversion or exchange of ThinkMarkets’ redeemable preference shares, options, and any other convertible or exchangeable securities);

“**ThinkMarkets Equity Value**” has the meaning given to the term “Company Equity Value” in the Business Combination Agreement;

“**ThinkMarkets Financial Statements**” means the audited financial statements of ThinkMarkets for the years ended December 31, 2022, 2021 and 2020, together with the notes thereto and the auditors’ report thereon, included in this prospectus as Appendix C;

“**ThinkMarkets MD&A**” has the meaning set out under the heading “Management’s Discussion and Analysis of ThinkMarkets”;

“**ThinkMarkets’ Shareholders**” means the shareholders of ThinkMarkets, prior to the Closing;

“**Transaction Size Exemptions**” has the meaning set out under the heading “The Business Combination – Related Party Transactions”;

“**Transfer Agent**” means TSX Trust Company;

“**TSX**” means the Toronto Stock Exchange;

“**United Kingdom**” or “**U.K.**” means the United Kingdom;

“**United States**” or “**U.S.**” means the United States, as defined in Rule 902(l) under Regulation S of the United States Securities Act of 1933, as amended;

“**U.S. Holder**” has the meaning set out under the heading “Risk Factors – Risk Factors Relating to the Business Combination”;

“Warrant Agent” means TSX Trust Company;

“Warrant Agreement” means the warrant agency agreement between FGAC, TSX Trust Company, as warrant agent, and the Sponsors, dated April 5, 2022, as it may be amended from time to time;

“Warrant Condition” has the meaning set out under the heading “Capital Structure of New ThinkMarkets – Exchange Preferred Shares”;

“Warrant Put Rights” has the meaning set out under the heading “The Business Combination – Warrant Put Rights”;

“Warrant Put Rights Escrow Amount” has the meaning set out under the heading “The Business Combination – Warrant Put Rights”; and

“Warrants” means, collectively, (i) the IPO Warrants, and (ii) the Sponsors’ Warrants (including, where the context requires, any share purchase warrants (having substantially the same terms as the Warrants) issued in connection with the Private Placement or to ThinkMarkets’ Shareholders at Closing in accordance with the Business Combination Agreement), and each a **“Warrant”**.

NOTICE TO READERS

FGAC, which is a special purpose acquisition corporation incorporated under the laws of the Province of British Columbia, was organized for the purpose of effecting an acquisition of one or more businesses or assets, by way of a merger, amalgamation, arrangement, share exchange, asset acquisition, share purchase, reorganization, or any other similar business combination involving FGAC that will qualify as its Qualifying Acquisition. This prospectus is being filed by FGAC in accordance with Part X of the TSX Company Manual in connection with the approval of FGAC's Qualifying Acquisition.

Unless otherwise indicated, (a) the disclosure in this prospectus has been prepared assuming (i) that all matters to be considered at the FGAC Meeting have been approved and the Business Combination has been completed, (ii) the issuance of 14,159,117 Common Shares to ThinkMarkets' shareholders, based on the Exchange Ratio in connection with the Business Combination, (iii) the Private Placement has been completed for gross proceeds of U.S.\$20,000,000, and (iv) there is no forfeiture or transfer of the Founders' Shares or Sponsors' Warrants pursuant to the Business Combination Agreement, (b) all references to "A\$" in this prospectus are to Australian dollars, references to "C\$" are to Canadian dollars and references to "U.S.\$" are to United States dollars, and (c) all financial statements included in this prospectus were prepared in accordance with IFRS.

Unless the context otherwise permits, indicates or requires, (a) all references in this prospectus to "FGAC" are references to FGAC prior to the Closing and all references to the "Company" or "New ThinkMarkets" are references to FGAC and the business to be carried on by it following the Closing, and (b) all references in the "Non-IFRS Measures", "Caution Regarding Forward-Looking Statements", "Prospectus Summary", "The Business of ThinkMarkets", "Selected Annual Financial Information of ThinkMarkets" and "Management's Discussion and Analysis of ThinkMarkets" sections of this prospectus to "management" and "ThinkMarkets" are references to the current officers and directors of ThinkMarkets.

In connection with Closing, it is the intention of FGAC to rename itself ThinkMarkets Group Holdings Limited.

The following table sets forth, for the periods indicated, the high, low, average and period-end rates of exchange for one Australian dollar, expressed in Canadian dollars, based on the daily exchange rate published by the Bank of Canada during the respective periods.

	Three Months Ended March 31,			Year Ended December 31,		
	2021	2022	2023	2020	2021	2022
Rate at end of period.....	0.9572	0.9364	0.9060	0.9835	0.9205	0.9196
Average rate during period.....	0.9782	0.9176	0.9242	0.9247	0.9420	0.9035
High rate for period	0.9978	0.9413	0.9490	0.9835	0.9978	0.9474
Low rate for period.....	0.9560	0.8927	0.9060	0.8374	0.8994	0.8633

On May 11, 2023, the final business day prior to the date hereof, the daily average rate of exchange posted by the Bank of Canada for conversion of Australian dollars into Canadian dollars was A\$1.00 equals C\$0.9035.

The following table sets forth, for the periods indicated, the high, low, average and period-end rates of exchange for one U.S. dollar, expressed in Canadian dollars, based on the daily exchange rate published by the Bank of Canada during the respective periods.

	Three Months Ended March 31,			Year Ended December 31,		
	2021	2022	2023	2020	2021	2022
Rate at end of period.....	1.2575	1.2496	1.3533	1.2732	1.2678	1.3544
Average rate during period.....	1.2660	1.2662	1.3526	1.3415	1.2535	1.3011
High rate for period	1.2828	1.2867	1.3807	1.4496	1.2942	1.3856
Low rate for period.....	1.2455	1.2470	1.3312	1.2718	1.2040	1.2451

On May 11, 2023, the final business day prior to the date hereof, the daily average rate of exchange posted by the Bank of Canada for conversion of U.S. dollars into Canadian dollars was U.S.\$1.00 equals C\$1.3477.

NON-IFRS MEASURES

This prospectus makes reference to certain non-IFRS measures. These measures are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management's perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of ThinkMarkets' financial information reported under IFRS. ThinkMarkets uses non-IFRS measures including Adjusted EBITDA and EBITDA, which may be calculated differently by other companies.

Such non-IFRS measures and metrics are used to provide investors with supplemental measures of our operating performance and thus highlight trends in our business that may not otherwise be apparent when relying solely on IFRS measures. The Company also believes that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of companies in similar industries. Management also uses non-IFRS measures and metrics, in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts and to determine components of executive compensation.

Securities regulations require such measures to be clearly defined and reconciled with their most directly comparable IFRS measure. We believe Adjusted EBITDA is a useful measure to assess the performance of ThinkMarkets as it provides more meaningful operating results by excluding the effects of expenses that are not reflective of underlying business performance and other one-time or non-recurring expenses. See "Cautionary Note Regarding Non-IFRS Measures" in the ThinkMarkets' MD&A attached hereto as Appendix D for the definitions of such non-IFRS measures, and reconciliations to the nearest IFRS measures.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this prospectus are prospective in nature and constitute forward-looking information and/or forward-looking statements or financial outlooks within the meaning of applicable securities laws (collectively, "**forward-looking statements**"). Forward-looking statements include, but are not limited to, statements concerning the completion and proposed terms of, and matters relating to, the Business Combination and the proposed Private Placement and the expected timing related thereto, the level of share redemptions, the listing on the TSX, the expected impact of the Business Combination on the business of ThinkMarkets, the expected operations, financial results and condition of the Company following the Business Combination, the estimated cash flow, capitalization and adequacy thereof for the Company following Closing, expectations regarding market trends, overall market growth rates and the Company's growth rates, expectations regarding the Company's financial results, including projected revenues, Adjusted EBITDA and EBITDA, the Company's future objectives and strategies to achieve those objectives, use of proceeds, the expected benefits of the Business Combination to, and resulting treatment of, shareholders of FGAC and holders of the Warrants, the anticipated effects of the Business Combination and the satisfaction of the conditions to consummate the Business Combination, provisions in the Articles, the number of securities outstanding following the Business Combination, the implementation of corporate governance practices, as well as other statements with respect to management's beliefs, plans, estimates and intentions, and similar statements concerning anticipated future events, results, outlook, circumstances, performance or expectations that are not historical facts.

Forward-looking statements generally, but not always, can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "could", "would", "will", "expect", "intend", "estimate", "forecasts", "project", "seek", "anticipate", "believes", "should", "plans", "strives", or "continue", or similar expressions suggesting future outcomes or events and the negative of any of these terms.

Forward-looking statements reflect management's current beliefs, expectations and assumptions and are based on information currently available to management, which includes assumptions about continued revenues based on historical past performance, management's historical experience, perception of current business conditions, expected future developments and other factors which management considers appropriate. With respect to the forward-looking statements included in this prospectus, FGAC has made certain assumptions with respect to, among other things, the number of Class A Restricted Voting Shares that will be subject to redemption in connection with the Business Combination, the exercise of the Warrant Put Rights, the anticipated receipt of any required regulatory approvals and consents (including the approval of the TSX of the Business Combination and the approval of the TSX to list the Common Shares and the Warrants), approval of various matters at the FGAC Meeting, the expectation that no event, change or other circumstance will occur that could give rise to the termination of the Business Combination Agreement

or the proposed Private Placement, the expenses and timing of Closing, that the Company is capable of meeting and will meet its future objectives and strategies, that the Company's future projects and plans are achievable and will proceed as anticipated, the Company's competitive position in its industry, the evolution of the market for trading in financial products in Australia, Asia and elsewhere, the impact of prevailing conditions in the global financial markets on client trading patterns, the Company's ability to successfully predict and respond to client preferences and demand, changes in consumer preferences and cultural attitudes towards trading in financial products, the Company's ability to protect its intellectual property, availability of favourable regulations and government incentives affecting the industry and markets in which the Company operates, competition, including from established and future competitors, the Company's ability to attract and retain management and other employees who possess specialized knowledge and technical skills, as well as assumptions concerning general economic and market growth rates, currency exchange and interest rates and competitive intensity.

Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the future circumstances, outcomes or results anticipated or implied by such forward-looking statements will occur or that plans, intentions or expectations upon which the forward-looking statements are based will occur. By their nature, forward-looking statements involve known and unknown risks and uncertainties and other factors that could cause actual results to differ materially from those contemplated by such statements. Factors that could cause such differences include, but are not limited to: New ThinkMarkets' results of operations and other operating metrics may fluctuate from quarter to quarter, which makes these metrics difficult to predict; the impact of reduced spreads in securities pricing or reduced levels of trading activity on New ThinkMarkets' profitability; New ThinkMarkets being impacted by fluctuations in foreign currency exchange rates; New ThinkMarkets facing intense competition; New ThinkMarkets being unable to retain existing clients or attract new clients; the introduction of new, or changes to existing, products and services by New ThinkMarkets failing to attract or retain clients or generate growth and revenue for the Company; New ThinkMarkets being unable to keep pace with industry and technological changes; the impact of market risk on New ThinkMarkets; heightened regulatory scrutiny of the market for CFDs (as defined below), and in particular CFDs associated with cryptocurrency; regulatory acceptance of New ThinkMarkets' "appropriateness tests" conducted in various jurisdictions; New ThinkMarkets' failure to maintain the minimum levels of capital required by regulators; New ThinkMarkets being subject to fines and sanctions for operating in jurisdictions without the necessary authorizations or licenses; New ThinkMarkets being unable to comply, or cause its employees and agents to comply, with applicable laws relating to anti-money laundering and anti-bribery; New ThinkMarkets having to comply with regulatory requirements for holding and segregating client money; New ThinkMarkets facing risks associated with market concentration; New ThinkMarkets being unable to maintain relationships with liquidity providers, banks and other financial institutions to ensure access to liquidity; New ThinkMarkets facing the credit risk that client deposits will not be sufficient to cover potential losses; New ThinkMarkets having to comply with extensive, complex and changing laws and regulations across several jurisdictions; New ThinkMarkets becoming subject to challenges by tax authorities; the potential adverse impact of new and evolving tax laws on New ThinkMarkets' growth and/or tax profile; the impact of proposed changes to interest deductibility rules in Canada and Australia on New ThinkMarkets; New ThinkMarkets incurring significant damages or penalties as a result of civil litigation or regulatory enforcement actions; the investment education tools provided by New ThinkMarkets being construed as investment advice; potential errors in New ThinkMarkets' quantitative models; the impact on New ThinkMarkets of potential restrictions on the use of credit and debit cards as a client payment option, or any disruption to the Company's arrangements with payment service providers; New ThinkMarkets facing information technology and cybersecurity risks; New ThinkMarkets being able to rely on third party mobile operating systems and networks, and maintain relationships with third party suppliers and material clients; the business of New ThinkMarkets being disrupted as a result of operational risks or otherwise; New ThinkMarkets being unable to maintain its licensing arrangements with MetaTrader; New ThinkMarkets suffering reputational damage; New ThinkMarkets being unable to obtain new licenses, maintain existing licenses or failing to possess all required licenses to operate its business; New ThinkMarkets failing to expand its operations into new jurisdictions; New ThinkMarkets being unable to protect the Company IP; New ThinkMarkets being accused of infringing on the intellectual property rights of third parties; New ThinkMarkets incurring significant costs as a result of litigation or proceedings to protect its intellectual property; New ThinkMarkets' use of open source software posing risks to Company IP; New ThinkMarkets being unable to attract and retain skilled personnel and qualified management; the impact of changes in business, economic or political conditions; New ThinkMarkets being unable to raise additional funds to meet its capital requirements; New ThinkMarkets not being able to continue as a going concern; New ThinkMarkets failing to obtain or maintain adequate insurance coverage; potential conflicts of interest arising with the Founders in determining whether the Business Combination is appropriate; the Business Combination being subject to conditions precedent and required approvals; the Business Combination being terminated in certain circumstances; the Business Combination being delayed; costs relating to the Business Combination having to be paid even if the Business Combination is not completed; the

representations, warranties and covenants of ThinkMarkets pursuant to the Business Combination Agreement terminating on Closing; subsequent to the completion of the Business Combination, the Company having to take write-downs or write-offs, restructuring or other charges; the TSX not approving the Business Combination and the Company's securities for listing, and the Company's ability to comply with continued listing standards; the Business Combination's benefits not meeting the expectations of investors or securities analysts; an application by a Dissenting Shareholder to amend the terms of, or prevent the consummation of, the compulsory acquisition; the proposed Private Placement not being completed on the expected terms, or at all; the impact of FGAC shareholders redeeming their shares for cash; there being no market for the Company's securities; fluctuations in the market price of the Common Shares; sales of Common Shares by significant shareholders; increases in the number of shares eligible for future resale in the public market and dilution as a result of Warrants, OTM Warrants, New OTM Warrants, or other convertible or exchangeable securities becoming exercisable for Common Shares; the Warrants never being in-the-money; FGAC being unable to continue as a going concern and consummate a qualifying acquisition; the Company incurring significant expenses and devoting significant resources and management time as a result of being a public company; the Company's management having limited experience in managing a public company; the Company being unable to implement and maintain effective internal controls over financial reporting; the difficulties associated with effecting service of process upon the Company or its directors or officers residing outside Canada; securities or industry analysts not publishing research, or publishing inaccurate or unfavourable research about the Company; and the Company's management having broad discretion in the use of FGAC's escrowed funds and the net proceeds from the proposed Private Placement; and the potential adverse impact of the application of Canadian foreign affiliate dumping rules to the Company and its shareholders. For a further description of these and other factors that could cause actual results to differ materially from the forward-looking statements included in this prospectus, see the risk factors discussed under the heading "Risk Factors" in this prospectus and as described from time to time in the reports and disclosure documents filed by FGAC and the Company, as applicable, with applicable Canadian securities regulatory agencies and commissions. This list is not exhaustive of the factors that may impact the forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on the forward-looking statements in this prospectus. As a result of the foregoing and other factors, there can be no assurance that actual results will be consistent with these forward-looking statements.

All forward-looking statements included in and incorporated into this prospectus are qualified by these cautionary statements. Unless otherwise indicated, the forward-looking statements contained herein are made as of the date of this prospectus, and except as required by applicable law, neither FGAC nor ThinkMarkets undertakes any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Readers are cautioned that actual results achieved will vary from the information provided herein and that such variations may be material. Consequently, there are no representations by FGAC and/or ThinkMarkets that actual results achieved will be the same in whole or in part as those set out in the forward-looking statements.

MARKET AND INDUSTRY DATA

Unless otherwise stated, market and industry data presented throughout this prospectus was obtained from third party reports, publications, websites and other publicly available information, as well as market and other data prepared by FGAC and/or ThinkMarkets on the basis of their knowledge of the Australian, New Zealand, United Kingdom, European Union, South African and Japanese and other international markets and economies (including FGAC's and ThinkMarkets' estimates and assumptions relating to the Australian, New Zealand, United Kingdom, European Union, South African and Japanese and international markets and economies based on that knowledge). FGAC believes that this market and economic data is accurate and that the estimates and assumptions used to prepare such information are reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market and economic data used throughout this prospectus are not guaranteed and FGAC makes no representation as to the accuracy of such information. Although FGAC believes it to be reliable, FGAC has not independently verified any of the data from third party sources referred to in this prospectus, or analyzed or verified the underlying studies or surveys relied upon or referred to by such sources, or ascertained the underlying economic and other assumptions relied upon by such sources.

TRADEMARKS AND TRADENAMES

This prospectus and the information incorporated herein by reference include certain registered trademarks and trade names that are protected under applicable intellectual property laws, including "ThinkMarkets", "ThinkTrader", and

“Liquidity.net”. This prospectus also includes certain unregistered trademarks such as “ThinkPortal”, “Traders’ Gym”, “ThinkPartners” and “ThinkCopy”. Solely for convenience, trademarks and tradenames referred to in this prospectus may appear without the ® or ™ symbol, but such references are not intended to indicate, in any way, that rights to these trademarks and tradenames will not be asserted, to the fullest extent under applicable law. All trademarks used in this prospectus are the property of their respective owners, whether they appear with or without a ® or ™ symbol. All other third parties’ trademarks used in this prospectus are the property of their respective owners. The use or display of these third parties’ trademarks is not intended to, and does not imply, a relationship with ThinkMarkets or FGAC, or an endorsement or sponsorship by or of ThinkMarkets or FGAC.

PROSPECTUS SUMMARY

The following is a summary of this prospectus and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus.

FGAC

FGAC is a special purpose acquisition corporation incorporated under the laws of the Province of British Columbia, which was organized for the purpose of effecting an acquisition of one or more businesses or assets, by way of a merger, amalgamation, arrangement, share exchange, asset acquisition, share purchase, reorganization, or any other similar business combination involving FGAC that will qualify as its Qualifying Acquisition. This prospectus is being filed by FGAC in accordance with Part X of the TSX Company Manual in connection with the approval of FGAC's Qualifying Acquisition. FGAC received an aggregate of U.S.\$115,000,000 of gross proceeds from its initial public offering which was completed on April 5, 2022 and the closing of the over-allotment option granted in connection with such initial public offering which was completed on April 20, 2022. The gross proceeds of the offering were placed in an escrow account with TSX Trust Company immediately following the initial public offering and closing of the over-allotment option, respectively, and will be released upon consummation of the Qualifying Acquisition in accordance with the terms and conditions of the Escrow Agreement.

ThinkMarkets

Established in 2010, ThinkMarkets is a developer and provider of online financial services across the globe. ThinkMarkets services clients from over 165 countries by providing them the technology and access to over 10,000 tradable instruments via OTC and exchange products. Traders are empowered with opportunities across a wide range of global financial markets on ThinkMarkets' award-winning trading platform, ThinkTrader.

ThinkMarkets primarily operates in the retail leveraged trading industry, which is broadly comprised of CFDs that allow clients to take leveraged positions on the value of an underlying financial instrument. ThinkMarkets offers over 10,000 CFD products including shares, indices, cryptocurrencies, precious metals, commodities and energies. In addition to offering CFDs, ThinkMarkets also operates in the online trading industry which comprises publicly traded products including shares, options and ETFs.

Leveraged Trading

CFDs were originally developed in the early 1990s in London for use by institutions to cost-effectively hedge their equity exposure via certain risk-reducing and market neutral trading strategies. Through the use of CFDs, institutional traders and hedge funds were able to gain exposure to underlying assets and markets without having to physically settle their transactions.

Benefits of Leveraged Trading

CFDs have a number of attractive features that have contributed to their increasing adoption as investment products by both retail and institutional investors. These include:

- **Leverage:** Leverage enables investors and traders to magnify their returns. As CFDs are traded on margin, clients need to only deposit a fraction of the total value of the exposure sought, while still maintaining full exposure to the price movement in the underlying asset. CFD providers, such as ThinkMarkets, allow clients to manage their risk by implementing stop-loss and take-profit orders;
- **Trading flexibility:** Minimum transaction sizes are often smaller than in underlying futures markets;
- **Cost:** Trading CFDs can be a cost-effective means of accessing a wide range of global financial markets;
- **Convenience:** Clients are able to access a large number of diverse products across many geographies from mobile, desktop or web-based applications; and
- **Hedging:** CFDs can be used to cost-effectively hedge an existing portfolio.

Online Trading

An Online Trading platform is an operating environment in which clients can place orders for financial products with multiple counterparties or directly. Products traded through Online Trading platforms include shares, options and ETFs, among other instruments. Major markets include the United States, Europe, the United Kingdom, Australia and Asia.

Benefits of Online Trading

Online Trading platforms offer an accessible entry point for those who are motivated to begin investing. An online platform typically also provides a variety of tools, indicators and information to help investors perform financial analysis.

Further advantages of Online Trading platforms include:

- **Simplicity:** Clients do not need to physically call a broker to arrange a transaction;
- **Control and flexibility:** Clients have greater control and flexibility over their trading activity by being able to access most trading platforms over a mobile device or laptop;
- **Lower costs:** Compared with traditional brokers, Online Trading can offer lower cost trades;
- **Real-time:** Because of the low-latency nature of Online Trading, clients can log in and obtain real-time trading prices; and
- **Increased global access:** Clients are able to use Online Trading platforms to access equities and other instruments from international markets.

Regulatory Matters and Industry Standards

ThinkMarkets is subject to extensive laws and regulations throughout the process of offering CFDs and other financial products. In addition to the laws and regulations applicable to any business, there are also multiple federal financial authorities regulating the Company and its business. ThinkMarkets also has extensive agreements with clients to protect the Company from potential litigation risks associated with the volatile nature of CFD products.

ThinkMarkets' offerings in the Leveraged Trading and Online Trading industries are available on its proprietary platform ThinkTrader, along with third party MetaQuotes platforms. Such trading platforms cover multiple solutions including iOS and Android smart mobile devices, desktop access for Windows and Mac, and general access from any web browser. Where required, ThinkMarkets holds a license with local financial regulators through one of 10 subsidiaries, including in Europe (through the Cyprus Securities and Exchange Commission), the United Kingdom (through the FCA), Australia (through the Australian Securities and Investments Commission), New Zealand (through the Financial Markets Authority), South Africa (through the Financial Sector Conduct Authority), the United Arab Emirates (through the Dubai Financial Services Authority), Japan (through the Financial Services Agency), Cayman Islands (through the Cayman Islands Monetary Authority), Seychelles (through the Financial Services Authority), and Mauritius (through the Financial Services Commission, Mauritius).

ThinkMarkets' Operations

ThinkMarkets commenced operations in 2010, and has grown markedly over the past 13 years. Since 2018, ThinkMarkets has expanded its geographic footprint to now service clients in 165 countries while diversifying its revenue mix by asset class, in particular into higher margin asset classes such as precious metals, indices, share CFDs and commodities. The addition of further product offerings is expected to drive trading activity and revenue per client higher.

ThinkMarkets operates across three key markets: OTC markets, exchange markets and institutional markets. The table below summarizes key features of these markets as at March 31, 2023.

	OTC Markets	Exchange Markets	Institutional Markets
Description	Leveraged CFD products which are currently ThinkMarkets' core offering	Listed on exchange products for execution-only investing	Liquidity and technology solutions for professional and corporate clients
Date launched	July 2010	July 2020	July 2020
Core products / instruments	Forex Index CFDs Commodity CFDs Precious metal CFDs Share CFDs Cryptocurrency CFDs Other CFDs	Shares Options ETFs Listed Investment Companies (Australia) Listed Investment Trusts (Australia)	Forex Forex Prime Brokerage Equities Precious metals Indices Other CFDs
Markets where active	Global	Australia & South Africa	Global
Percentage of trading revenue (2022)	~94%	~1%	~5%
Number of products	~6,500	~3,500	~10,000

ThinkMarkets' Clients

Client Profile

As at March 31, 2023, ThinkMarkets' clients had the following profile:

- Two-thirds of clients are in the 25 – 44 years age bracket;
- Median income ranged between A\$100,000 – A\$120,000; and
- The average initial client's deposit was approximately A\$3,700 in 2022.

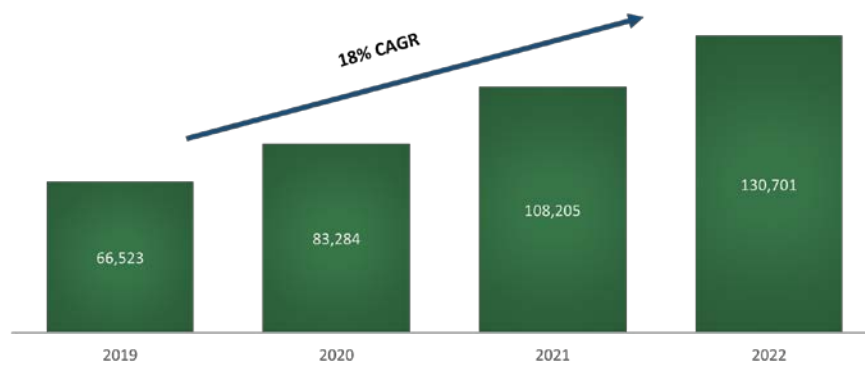
In 2022, approximately 19.7 million trades were completed on the ThinkMarkets platform with a notional trading value of approximately C\$1 trillion, representing a 2.9x increase from approximately 6.8 million trades in 2019.

Large and Growing Client Base

ThinkMarkets has organically expanded its Active Client base since inception, which has consistently grown throughout various economic cycles including during the COVID-19 Pandemic. ThinkMarkets has experienced strong client growth during times of heightened volatility due to increased trading opportunities.

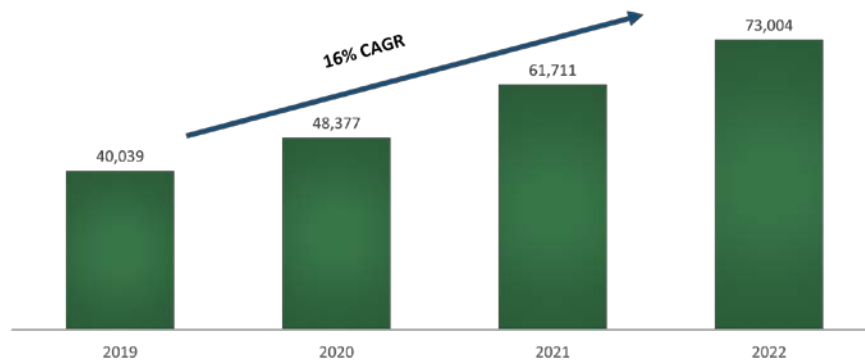
The following chart illustrates the growth in the number of Approved Clients from 66,523 in 2019 to 130,701 in 2022, representing a CAGR of approximately 18%.

Total Approved Clients



The following chart illustrates the growth of ThinkMarkets' Active Clients from 40,039 in 2019 to 73,004 in 2022, representing a CAGR of approximately 16%.

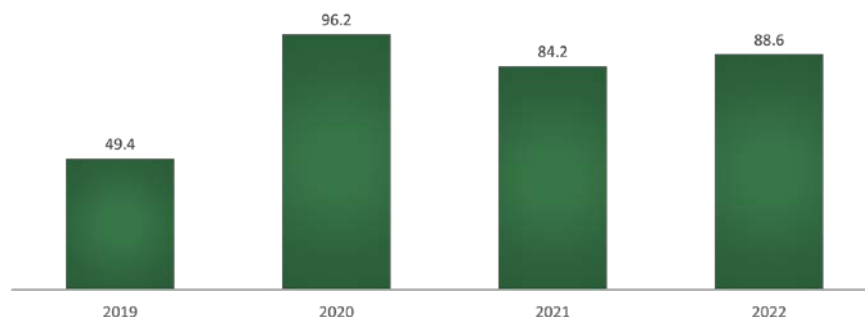
Total Active Clients



ThinkMarkets continually expands its product offering so that its clients can take advantage of trading opportunities across a number of different markets. ThinkMarkets believes that product range and depth are key criteria in the acquisition and retention of clients. An expanded product range is also critical to delivering on ThinkMarkets' client value proposition of enabling clients to trade the world.

The number of products offered by ThinkMarkets grew from approximately 1,090 in 2019 to approximately 10,000 in 2022. As ThinkMarkets has significantly expanded its product offering, its generated revenue has also increased significantly over time. The chart below shows the revenue over the same period from A\$49.4 million in 2019 to A\$88.6 million in 2022.

Revenue (AUD, Million)



Business Model

Principal Sources of Revenue

ThinkMarkets generates its revenue principally from dealing spreads earned on its trading platform. In addition, ThinkMarkets generates revenues from premiums charged on certain positions held by clients overnight, as well as gains (offset by losses) on clients' trading positions. In 2022, ThinkMarkets' ARPU was approximately A\$4,028. ThinkMarkets generates revenue from two primary sources:

- **Trading revenue (~96% of Fiscal 2022 revenue):** Spread on each side of a client's trade. Additional trading income generated from the net exposure associated with ThinkMarkets assuming the opposite side of a client's trade; and
- **Other revenue (~4% Fiscal 2022 revenue):** Includes commissions for trade executions on some trades; swap fees charged on positions held overnight and foreign exchange conversion fees.

Client Value Proposition

ThinkMarkets is a digital disruptor that aims to be a leading global diversified financial services company catering to the needs of engaged, self-directed investors and traders. ThinkMarkets exists to enable clients to trade the world. Clients elect to trade with ThinkMarkets because of its easy-to-use platform and what it believes to be a superior user experience, great service, deep liquidity, high-quality trade execution, transparent low costs, established track record and commitment to strong regulations. In particular, ThinkMarkets offers its clients (i) a mobile trading app for trading anywhere, (ii) an advanced trading platforms; (iii) deep liquidity and high-quality trade execution; (iv) an expanding product range; (v) automated processes; (vi) first class service with around the clock support; (vii) an ease-of-use platform and clean, clear user interfaces and user experience; (viii) transparent pricing; (ix) institutional grade pricing on forex, precious metals, indices, share CFDs and more; (x) innovative solutions, such as negative balance protection, and innovative trading solutions such as fractional trading and simple, real data back testing; and (xi) a trustworthy, responsible and reputable global brand and reputation.

Client Acquisition Strategy

ThinkMarkets employs a number of client acquisition strategies to acquire new clients. ThinkMarkets follows regulatory guidelines when marketing its products and services to ensure marketing materials are appropriately targeted, transparent and do not downplay the risks involved with trading on leverage. In addition, data privacy is paramount to ensure the security of trading accounts, as well as client data protection and compliance with data privacy requirements in each region. The key client acquisition strategies employed by ThinkMarkets include: (i) referrals, including partnerships with introducing brokers, money managers and educational providers to refer clients to ThinkMarkets; (ii) marketing, pursuant to which ThinkMarkets employs a highly targeted, regional and measurable approach to online marketing as well as to its marketing campaigns; and (iii) search engine optimization, as ThinkMarkets appears high in search results for prospects in its local markets and consistently endeavors to rank ahead of its competitors.

Growth

ThinkMarkets considers growth in the markets in which it operates to be driven primarily by the number of Active Clients and trading activity, including the types of products they trade upon. These drivers of growth have differing relative impacts in the various geographies in which ThinkMarkets operates.

In Licensed Markets, ThinkMarkets considers the primary growth driver to be new client acquisition. In these markets, trading activity tends to remain relatively stable due to elevated competition. In Emerging Markets, such as Singapore and Thailand, ThinkMarkets considers trading activity to play a larger role in driving growth.

Other more structural growth drivers include demographic trends, technological access, investor education and sophistication, product and service offering, and market volatility.

Strategy to Accelerate Growth

Organic Growth Opportunities

ThinkMarkets' proprietary platform, ThinkTrader, is able to serve clients all over the world with a growing selection of products to match their increasingly diverse trading needs and expectations. It seeks to differentiate itself from competitors in this space by continually expanding its product offering, entering new regulated markets and building out new distribution channels.

(a) Expansion of Product Offerings

ThinkMarkets believes that an expanded product range helps attract and convert a broader client base while driving higher ARPU and increasing satisfaction and retention of the existing client base. ThinkMarkets has expanded its product offering from 65 products in 2015 to over 10,000 products as of April 2023. These include an expanded CFD offering and entering the cash equities space. ThinkMarkets' agile technology stack allows for the efficient integration of additional product lines from across the globe, both on and off exchange, within a short period of time.

ThinkMarkets sees opportunities for expansion into complementary product lines such as options, futures, money transfers, other digital wealth services and robo-advisory services.

(b) New Services

ThinkMarkets has recently started offering a subscription service in Japan, from monthly to yearly plans. This is a unique concept in the Forex trading space and can be deployed to other markets and product lines in the future. Subscription services provide access to a larger total addressable market and provide a passive revenue stream.

(c) Entry into New Licensed Markets

ThinkMarkets has identified a number of target geographic markets for future growth which have well developed, stable regulatory frameworks in place and require regulatory authorization to commence operations. These markets include Canada, the United States, the Middle East and Singapore. ThinkMarkets sees significant opportunities in these regulated markets to offer OTC and exchange market products, with the ability to add complementary product lines to position ThinkMarkets as a comprehensive digital financial services provider.

(d) Enhanced Distribution Capabilities

ThinkMarkets currently has three distribution channels comprising direct retail, partnerships, and institutional, and has targeted growth strategies for each channel:

- **Retail:** The direct retail channel is ThinkMarkets' core offering, directly marketed to clients under the ThinkMarkets brand. ThinkMarkets intends to grow the retail distribution channel through improving the efficiency of ThinkMarkets' sales funnel, specifically pertaining to the client onboarding and funding process. These efficiency improvements are expected to stem from improvements in digital onboarding and integration with localized and popular funding channels. Furthermore, ThinkMarkets' client relationship management system and processes to allow for more effective client engagement and increased integration between its marketing, sales, and support teams;
- **Partnership:** ThinkMarkets' partnership distribution channel allows ThinkMarkets to penetrate new markets quickly and efficiently. These partnerships, or indirect marketing strategies, are undertaken by affiliates and other third parties such as brokers, agents, or dealer representatives. Given both the retail and partnership channels maintain a business-to-client focus, improvements to the client onboarding process are expected to also benefit the partnership channel; and

- **Institutional:** The institutional channel focuses on large institutional or high net worth counterparties, such as other brokers, banks, hedge funds, family offices, and asset managers, that have different needs and requirements than that of a retail trading account.

Inorganic Opportunities

ThinkMarkets has also targeted specific inorganic opportunities over the years to catalyse its growth, both in terms of opportunities that expand its geographic presence and businesses that facilitate growth by introducing complementary capabilities into ThinkMarkets' business that further enhance its digital offering.

The Business Combination

On May 12, 2023, FGAC and the Sponsors entered into the Business Combination Agreement with ThinkMarkets, pursuant to which FGAC intends to effect a business combination transaction with ThinkMarkets whereby FGAC will acquire, directly or indirectly, all of the equity interest of ThinkMarkets. As a result of the Business Combination, ThinkMarkets will become a wholly-owned subsidiary of FGAC. The Business Combination will constitute FGAC's Qualifying Acquisition. The Business Combination values ThinkMarkets at a pre-money valuation of U.S.\$160 million.

As the Business Combination constitutes FGAC's Qualifying Acquisition, holders of Class A Restricted Voting Shares can elect to redeem (conditional on Closing) all or a portion of their Class A Restricted Voting Shares for the Class A Qualifying Acquisition Redemption Price provided that they deposit their Class A Restricted Voting Shares for redemption prior to the Redemption Election Deadline, and holders of IPO Warrants (other than the Sponsors) are entitled to require the Sponsors to acquire all or a portion of their IPO Warrants for U.S.\$1.25 per IPO Warrant provided that they deposit their IPO Warrants for transfer prior to the IPO Warrant Deposit Deadline.

Upon completion of the Business Combination, (a) the Class A Restricted Voting Shares not required to be redeemed will convert into Common Shares on a one for one basis, (b) 2,000,000 Class B Shares will be or will have been exchanged for Exchange Preferred Shares, (c) the remaining Class B Shares will convert into Common Shares on a one for one basis, and (d) the Common Shares and Warrants will trade separately on the TSX, subject to meeting the TSX listing requirements. Listing of the securities issuable pursuant to the Business Combination is subject to the TSX listing requirements.

The Closing is conditional on mutual conditions of Closing, conditions of Closing in favour of ThinkMarkets and conditions of Closing in favour of FGAC. The Closing is conditional on, among other things, the approval of the Business Combination by the TSX, the approval of the FGAC Shareholders at the FGAC Meeting to file articles of amendment to, among other things, create a class of Preferred Shares and amend the terms of the Class B Shares such that they are convertible into Common Shares, FGAC having a minimum of U.S.\$10,000,000 in cash on hand (including the gross proceeds of the proposed Private Placement, but specifically excluding any proceeds of the proposed Private Placement from the President's List) at the time of Closing, and other usual and customary conditions for transactions of this nature. The obligations of ThinkMarkets at Closing are also conditional on, among other usual and customary conditions for transactions of this nature: the Common Shares having been conditionally approved to be listed and posted for trading on the TSX. The Closing is also conditional on, among other usual and customary conditions for transactions of this nature, the following conditions of Closing in favour of FGAC: there having been no Material Adverse Change (as defined in the Business Combination Agreement), and there having been no events, facts or circumstances which would result or could reasonably be expected to result, individually or in the aggregate, in a Material Adverse Change, since the date of the Business Combination Agreement, in respect to ThinkMarkets and its business; and FGAC having received acceptances under the Offer representing at least 90% of the votes represented by the ThinkMarkets Company Shares. The Offer will be made conditional upon the satisfaction of the conditions to Closing set forth in the Business Combination Agreement.

The expenses relating to the completion of the Business Combination as well as funds required for the ongoing operations of New ThinkMarkets will be funded from a combination of (i) cash available to FGAC from the sale of the Sponsors' Warrants and the OTM Warrants to the Sponsors, its IPO and the closing of the over-allotment option granted in connection with the IPO, plus (ii) accrued interest on invested cash less taxes on interest earned, less (iii) any amounts used to settle redemptions of Class A Restricted Voting Shares, if any (currently held in escrow), plus (iv) cash on hand (including cash received pursuant to the proposed Private Placement).

See "The Business Combination".

Private Placement

In connection with the Business Combination, FGAC also intends to complete a private placement of up to U.S.\$20,000,000 of 8.0% unsecured convertible debentures of FGAC, each of which shall have a principal amount of U.S.\$1,000. The closing of the Private Placement will occur contemporaneously with the Closing.

See “The Business Combination – Private Placement”.

Risk Factors

Readers should be aware that there are various known and unknown risk factors in connection with the Qualifying Acquisition and related transactions. Readers should consider the risks identified in this prospectus under the heading “Caution Regarding Forward-Looking Statements” and “Risk Factors”.

Selected Annual Financial Information of ThinkMarkets

The following sets forth a summary of ThinkMarkets’ selected historical condensed consolidated financial data as at the dates and for the periods indicated below. The information should be read together with the ThinkMarkets Financial Statements included in Appendix C to this prospectus.

The historical financial information for the years ended December 31, 2022, 2021 and 2020 summarized below is derived from the ThinkMarkets Financial Statements which were prepared in accordance with IFRS. Historical financial and operating information may not be indicative of future performance.

	Year ended December 31		
	2022	2021	2020
	A\$	A\$	A\$
Total income.....	89,128,020	84,229,913	96,213,360
Expenses.....	107,950,567	95,741,957	92,899,101
Total comprehensive income (loss)	(19,796,509)	(11,222,644)	1,761,860
Total comprehensive income (loss) per share – basic.....	(0.098) ⁽¹⁾	(0.055) ⁽²⁾	0.527 ⁽³⁾
Total comprehensive income (loss) per share – diluted.....	(0.096) ⁽¹⁾	(0.055) ⁽²⁾	0.080 ⁽³⁾
EBITDA.....	(7,092,240)	237,083	11,572,081
Adjusted EBITDA.....	17,017,230	15,030,211	17,231,313
Total assets.....	70,881,386	71,964,375	81,993,784
Total liabilities.....	66,793,231	48,079,711	63,379,476
Distributions or cash dividends.....	Nil	Nil	(1,697,344)

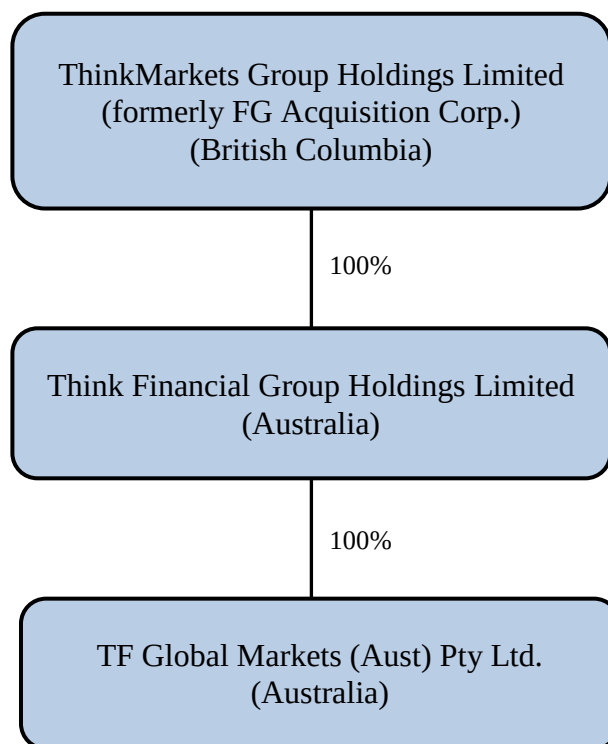
Notes:

- (1) Based on 203,000,011 ordinary shares and 23,200 redeemable preference shares of ThinkMarkets outstanding, and 2,577,665 options, each exercisable for one ordinary share, outstanding.
- (2) Based on 203,000,011 ordinary shares of ThinkMarkets outstanding.
- (3) Based on 100 ordinary shares, 98 class A shares, 3,340,970 preference shares, 13,125,000 convertible preference shares – A and 5,550,000 convertible preference shares – B of ThinkMarkets outstanding.

CORPORATE STRUCTURE

FG Acquisition Corp.’s registered and head office is located at 510 West Georgia Street, Suite 1800, Vancouver, BC V6B 0M3. Following Closing, the Company’s head and registered office will be located at 510 West Georgia Street, Suite 1800, Vancouver, BC V6B 0M3. FGAC was incorporated under the Corporations Act on October 25, 2021.

The organizational chart below illustrates the inter-corporate relationships of the Company and its material subsidiaries, including their jurisdiction of incorporation in parentheses that will exist immediately following Closing.



THE BUSINESS OF FGAC

As of the date of this prospectus, FGAC is a special purpose acquisition corporation incorporated under the laws of the Province of British Columbia for the purpose of effecting an acquisition of one or more businesses or assets, by way of a merger, amalgamation, arrangement, share exchange, asset acquisition, share purchase, reorganization, or any other similar business combination involving FGAC that will qualify as its “qualifying acquisition”. FGAC received U.S.\$115,000,000 of gross proceeds from its IPO which was completed on April 5, 2022 and the closing of the over-allotment option granted in connection with the IPO which was completed on April 20, 2022. The total gross proceeds of U.S.\$115,000,000 were placed in an escrow account with the Escrow Agent immediately following the IPO and will be released upon consummation of the Qualifying Acquisition in accordance with the terms and conditions of the Escrow Agreement.

As of the date of this prospectus, FGAC’s management team is led by its Chief Executive Officer, Larry G. Swets, Jr., and its Chief Financial Officer and Corporate Secretary, Hassan Baqar. FGAC’s directors consist of Larry G. Swets, Jr., Hassan Baqar, D. Kyle Cerminara, Dr. Richard E. Govignon, Jr., Andrew B. McIntyre, and Peter Huitsing.

FGAC’s Sponsors are FGAC Investors LLC, a limited liability company managed by Mr. Swets, Mr. Cerminara and Mr. Baqar, and CG Investments VII Inc., a wholly-owned subsidiary of Canaccord Genuity (which is neither FGAC’s sponsor nor a promoter), through its principal subsidiaries, and is a leading independent, full service financial services firm.

THE BUSINESS OF THINKMARKETS

ThinkMarkets primarily operates in the retail leveraged trading industry, which is broadly comprised of contracts for differences (“**CFDs**”) that allow clients to take leveraged positions on the value of an underlying financial instrument (“**Leveraged Trading**”). ThinkMarkets offers over 10,000 CFD products including shares, indices, cryptocurrencies, precious metals, commodities and energies. In addition to offering CFDs, ThinkMarkets also operates in the online trading (“**Online Trading**”) industry which comprises publicly traded products including shares, options and exchange-traded funds (“**ETFs**”).

The table below provides an overview of the various products offered by ThinkMarkets in the Leveraged Trading and Online Trading markets.

Product	Description
Derivatives / CFDs	A derivative is a form of contract that derives its value from the performance of an underlying asset. Derivatives allow the investor to manage risk or take advantage of the anticipated movement in the market, by allowing holders to manage exposure to gains or declines in the price of underlying assets without having to buy or sell such underlying securities. A CFD is a contract between an investor and a CFD seller to exchange the difference in the value of an asset or index between the time the agreement opens and closes. Major categories of CFDs include indices, commodities, cryptocurrencies, cash equities, foreign exchange and treasuries.
Options	Options provide the right, but not the obligation, to buy or sell a quantity of the underlying asset (for example, a share) at a set price within a certain period of time (prior to the expiration date of the option).
Futures	A futures contract is an agreement to buy or sell a particular asset or security at a predetermined price at a specific time in the future. The buyer of a future is taking on an obligation to buy and receive the underlying asset upon expiry of the futures contract. The seller, in contrast, is taking on the obligation to sell and deliver the underlying asset upon expiry of the futures contract.
Shares & ETFs	A share represents equity ownership in a corporation, while an ETF is a type of investment fund and exchange-traded product. ETFs are a collection of securities (such as shares) that trade on an exchange. ETFs may contain all types of investments such as shares, commodities or bonds.
Foreign exchange	A foreign exchange (“ forex ”) marketplace enables investors to buy and sell currencies from different countries. The Forex market is the largest, most liquid market in the world.

Leveraged Trading

CFDs were originally developed in the early 1990s in London for use by institutions to cost-effectively hedge their equity exposure via certain risk-reducing and market neutral trading strategies. Through the use of CFDs, institutional traders and hedge funds were able to gain exposure to underlying assets and markets without having to physically settle their transactions.

CFDs were introduced to retail clients and gained popularity as a cost-effective way to invest in the market with the benefit of leverage.

In a CFD trade, if the value of the underlying asset increases between the time the contract opens and closes, the seller will pay the buyer the difference. Conversely, if the value of the asset decreases between the time the contract opens and closes, the buyer will pay the seller the difference. A CFD investor never owns or trades in the underlying asset but rather receives proceeds from a contract with respect to the change in the value of that asset.

CFDs provide exposure to a wide variety of underlying assets, ranging from those that replicate the composition of a particular equity index to those that provide investors with exposure to specific assets. Major categories of CFDs include indices, commodities, cryptocurrencies, cash equities, foreign exchange and treasuries.

The global CFD market was valued at U.S.\$5.8 billion by revenue in 2020 and U.S.\$6.4 billion in revenue in 2023, and is anticipated to reach U.S.\$7.6 billion in revenue by 2029.¹ In 2020, North America accounted for the greatest share of the global CFD market due to the large number of institutional CFD investors and growing awareness of CFD trading among retail investors.

The Asia-Pacific (“APAC”) region is one of the most attractive emerging markets to competitors in the CFD market. The derivatives trading market as a whole in APAC is the largest region by far in the world, with 68% of total futures and options contracts for the first quarter of 2023 originating from APAC.² The APAC CFD market is largely driven by highly populated countries like Japan. For example, Japan is estimated to be an approximately U.S.\$1.4 billion market by CFD revenue, with two million active traders in the country.³

Traditionally, trading with leverage on the financial markets was limited to futures or options on derivatives exchanges. With the emergence of CFDs and online trading platforms, institutional and retail clients are now able to trade on margin and gain exposure to a wide range of global markets and instruments.

Benefits of Leveraged Trading

Leveraged Trading provides economic benefits similar to an investment in an underlying asset, but avoids certain costs and complexities of owning the underlying asset.

CFDs have a number of attractive features that have contributed to their increasing adoption as investment products by both retail and institutional investors. These include:

- **Leverage:** Leverage enables investors and traders to magnify their returns. As CFDs are traded on margin, clients need to only deposit a fraction of the total value of the exposure sought, while still maintaining full exposure to the price movement in the underlying asset. CFD providers, such as ThinkMarkets, allow clients to manage their risk by implementing stop-loss and take-profit orders;
- **Trading flexibility:** Minimum transaction sizes are often smaller than in underlying futures markets;
- **Cost:** Trading CFDs can be a cost-effective means of accessing a wide range of global financial markets;
- **Convenience:** Clients are able to access a large number of diverse products across many geographies from mobile, desktop or web-based applications; and
- **Hedging:** CFDs can be used to cost-effectively hedge an existing portfolio.

Competitive Landscape

The Leveraged Trading industry is a fragmented market comprised of a large number of smaller providers and a small number of large-scale firms. Notable large-scale firms include:

- **IG Group Holdings plc**, a U.K.-based company that provides trading in financial derivatives such as CFDs and financial spread betting, online trading in shares, as well as stockbroking to retail traders. The company operates across more than 19,000 products globally and is listed on the London Stock Exchange;
- **CMC Markets plc**, a U.K.-based company that offers online trading in shares, CFDs, spread betting and Forex globally, with a portfolio of over 9,500 products. The company typically focuses on high net worth retail clients. The company is headquartered in London, with hubs in Sydney and Singapore, and is listed on the London Stock Exchange;
- **Plus500 Ltd.**, a British international financial firm, which provides CFD facilities on shares, Forex, commodities, cryptocurrencies, ETFs, options and indices, with a portfolio of over 2,800 products. The company is headquartered in Israel and has subsidiaries in the U.K., Cyprus, Australia, Singapore and Bulgaria, and is listed on the London Stock Exchange; and

¹ Absolute Market Insights, Global Contract for Difference (CFD) Market (2021-2029)

² Futures Industry Association, ETD Volume - March 2023 (April 25, 2023)

³ IG Group Holdings plc, Annual Report 2020 (July 23, 2020)

- **XTB S.A.**, a Polish subsidiary of XXZW Investment Group S.A., provides CFDs on shares, Forex, commodities, cryptocurrencies, ETFs, options and indices, with a portfolio of over 2,100 products. The company targets a sporting audience through ambassadors including Connor McGregor and Joanna Jedrzejczyk. The company is headquartered in Warsaw, Poland and is listed on the Warsaw Stock Exchange.

Online Trading

An Online Trading platform is an operating environment in which clients can place orders for financial products with multiple counterparties or directly. Products traded through Online Trading platforms include shares, options and ETFs, among other instruments. Major markets include the United States, Europe, the United Kingdom, Australia and Asia.

For the year ended December 31, 2022, the global Online Trading industry had revenues of U.S.\$10.2 billion.⁴ The global stock trading app market is expected to grow at a CAGR of 21% between 2022 and 2032, reaching U.S.\$89.8 billion by 2032.⁵

In the U.S. market, more than 58% of American adults reported that they owned stock in 2022.⁶ The United States is estimated to have the largest number of active users in the Online Trading industry. U.S. Online Trading leaders include Charles Schwab & Co. Inc., which serves 34.1 million brokerage accounts as of the end of March 2023.⁷

In the U.K., Online Trading has grown significantly over the past 20 years, with advances in digitization and the shift to app-based trading creating market tailwinds. In a 2023 survey, approximately 42% of United Kingdom residents invested in the stock market, representing an approximate 5% increase from 2021.⁸ Additionally, the average length of time that investors hold onto their shares has dropped by 92% to 0.8 years since 1980, suggesting that individuals are trading more frequently in the U.K.⁹

In Australia, an estimated 9.8 million individuals (or approximately 48% of adults) hold investments outside of their superannuation fund in 2022.

Benefits of Online Trading

Online Trading platforms offer an accessible entry point for those who are motivated to begin investing. An online platform typically also provides a variety of tools, indicators and information to help investors perform financial analysis.

Further advantages of Online Trading platforms include:

- **Simplicity:** Clients do not need to physically call a broker to arrange a transaction;
- **Control and flexibility:** Clients have greater control and flexibility over their trading activity by being able to access most trading platforms over a mobile device or laptop;
- **Lower costs:** Compared with traditional brokers, Online Trading can offer lower cost trades;
- **Real-time:** Because of the low-latency nature of Online Trading, clients can log in and obtain real-time trading prices; and
- **Increased global access:** Clients are able to use Online Trading platforms to access equities and other instruments from international markets.

Competitive Landscape

Competitors within the Online Trading industry can be differentiated by a number of factors, including size, domicile, product offerings and other services offered. ThinkMarkets categorizes industry participants as follows:

⁴ Absolute Market Insights, Global Contract for Difference (CFD) Market (2021-2029)

⁵ Future Market Insights, Stock App Trading Market (2022-2032)

⁶ Gallup, "What Percentage of America Own Stock?" (May 12, 2022)

⁷ Charles Schwab Corporation, News Release, "Schwab Reports Strong First Quarter Results" (April 17, 2023)

⁸ Finder.com, Investment Statistics, "What Percentage of The UK Population Invests in The Stock Market?" (April 24, 2023)

⁹ Finder.com, Investment Statistics, "What Percentage of The UK Population Invests in The Stock Market?" (April 24, 2023)

- **Online trading specialists:** Online Trading specialists include E*Trade Financial Corporation, SelfWealth Limited, Webull Financial LLC, eToro and Stake. These online brokerage platforms have typically targeted mass-market and self-directed retail investors by offering low commission on trades. Many of the aforementioned Online Trading specialists, as well as other competitors in the Online Trading market, have announced that they will introduce zero trading commission models.
- **Diversified financial services firms:** Diversified financial services firms include Charles Schwab & Co, Inc., Merrill Lynch, Fidelity Investments and The Vanguard Group. Firms in this category consist of Online Trading platforms which offer a wider variety of financial products and services in addition to Online Trading, such as banking and capital markets solutions.

Regulatory Matters and Industry Standards

ThinkMarkets is subject to extensive laws and regulations throughout the process of offering CFDs and other financial products. In addition to the laws and regulations applicable to any business, there are also multiple federal financial authorities regulating the Company and its business. ThinkMarkets also has extensive agreements with clients to protect the Company from potential litigation risks associated with the volatile nature of CFD products.

ThinkMarkets' offerings in the Leveraged Trading and Online Trading industries are available on its proprietary platform ThinkTrader, along with third party MetaQuotes platforms. Such trading platforms cover multiple solutions including iOS and Android smart mobile devices, desktop access for Windows and Mac, and general access from any web browser. Where required, ThinkMarkets holds a license with local financial regulators through one of 10 subsidiaries, including in Europe (through the Cyprus Securities and Exchange Commission), the United Kingdom (through the FCA), Australia (through the Australian Securities and Investments Commission), New Zealand (through the Financial Markets Authority), South Africa (through the Financial Sector Conduct Authority), the United Arab Emirates (through the Dubai Financial Services Authority), Japan (through the Financial Services Agency), Cayman Islands (through the Cayman Islands Monetary Authority), Seychelles (through the Financial Services Authority), and Mauritius (through the Financial Services Commission, Mauritius).



ThinkMarkets' Operations

ThinkMarkets commenced operations in 2010, and has grown markedly over the past 13 years. Since 2018, ThinkMarkets has expanded its geographic footprint to now service clients in 165 countries while diversifying its revenue mix by asset class, in particular into higher margin asset classes such as precious metals, indices, share CFDs and commodities. The addition of further product offerings is expected to drive trading activity and revenue per client higher.

ThinkMarkets operates across three key markets: over-the-counter (“**OTC**”) markets, exchange markets and institutional markets. The table below summarizes key features of these markets as at March 31, 2023.

	OTC Markets	Exchange Markets	Institutional Markets
Description	Leveraged CFD products which are currently ThinkMarkets’ core offering	Listed on exchange products for execution-only investing	Liquidity and technology solutions for professional and corporate clients
Date launched	July 2010	July 2020	July 2020
Core products / instruments	Forex Index CFDs Commodity CFDs Precious metal CFDs Share CFDs Cryptocurrency CFDs Other CFDs	Shares Options ETFs Listed Investment Companies (Australia) Listed Investment Trusts (Australia)	Forex Forex Prime Brokerage Equities Precious metals Indices Other CFDs
Markets where active	Global	Australia & South Africa	Global
Percentage of trading revenue (2022)	~94%	~1%	~5%
Number of products	~6,500	~3,500	~10,000

OTC Markets

The OTC market business is ThinkMarkets’ core business. ThinkMarkets was founded on leveraged CFD trading, an OTC product, and it remains a key part of its value proposition. ThinkMarkets offers six main sub-products as part of its OTC markets business. As at March 31, 2023, these included:

- **Forex:** ThinkMarkets offers industry leading foreign exchange spreads over 50 major, minor and exotic currency pairs. Spreads offered include Australian dollars/U.S. dollars and Euros/U.S. dollars. ThinkMarkets’ proud heritage lies in offering a comprehensive Forex offering covering the number of currency pairs offered, trade execution and spreads. These markets trade 24 hours a day, five days a week, and provide significant trading opportunities for active traders globally.
- **Indices:** ThinkMarkets enables its clients to take positions in a wide range of global indices both as cash markets and as futures. Clients can gain exposure to the Financial Times Stock Exchange 100 Index (FTSE100), German Deutsche Börse AG, Nikkei 225, Standard & Poor’s 500, FTSE China A50, Dow Jones Industrial Average, the Chicago Board Options Exchange’s CBOE Volatility Index, the ASX’s AUS200 and many more. ThinkMarkets offers extremely competitive dealing spreads on Index trading, as well as fractional contract trading. The index offering by ThinkMarkets is extremely attractive and accessible for traders who wish to speculate, but also for investors who may use indices to hedge portfolio exposures.
- **Precious Metals:** Precious metals trading enables clients to diversify their trading with gold, silver, platinum and copper. Precious metals, in particular gold, are extremely popular products traded during times of market uncertainty and heightened volatility. Trading precious metals as a CFD is a convenient, safe and cost-efficient way to take advantage of market movements around the clock, and to gain access to leverage.
- **Share CFDs:** ThinkMarkets offers access to thousands of share and ETF CFDs for issuers in Australia, the U.S., U.K., Europe, South Africa and Asia. There is no minimum trade size, which allows for greater flexibility. Clients can use share CFDs to hedge physical holdings they may have by going short on a share CFD. ThinkMarkets only offers highly liquid shares on leverage. Share CFD revenue is expected to continue to grow as more markets are added.

- **Energy:** ThinkMarkets offers CFDs covering U.S. crude oil, Brent crude oil and natural gas. Volatility in the energy market and geopolitical events present trading opportunities in this asset class.
- **Commodities:** ThinkMarkets offers trading on a wide selection of agricultural commodity futures such as coffee, cotton and cocoa. While not as heavily traded as other asset classes offered by ThinkMarkets, commodity futures offer clients the opportunity to diversify and ThinkMarkets the opportunity to acquire new clients looking to trade commodity futures.

Clients use CFDs for a number of reasons, including the ability to access flexible leverage, the ability to go long or short, customized contract sizes, access to global markets, instant settlement, increased trading hours compared to the cash markets, and as a simple, cost effective way to hedge. The more liquid products ThinkMarkets is able to offer, the greater the opportunity to acquire clients, generate revenue and retain clients. OTC markets allow ThinkMarkets the flexibility to innovate by offering fractional trading on many global CFDs. Revenue growth has increased in-line with an increase in OTC product numbers. The number of OTC products offered by ThinkMarkets was approximately 6,500 as at March 31, 2023.

Exchange Markets

ThinkMarkets' exchange markets operation is a relatively new business which commenced in 2020. Exchange markets, such as the ASX, provide a gateway to acquire more clients and an opportunity to retain existing leveraged trading clients with more products available under their existing client profile.

ThinkMarkets currently offers exchange-listed cash equity products in two markets:

- **Australian Stock Exchange:** ThinkMarkets allows Australian clients to directly invest in ASX and Cboe Australia-listed equities, ETFs, listed investment companies, listed investment trusts and options. This is done safely and securely via direct ownership, which is a unique selling point in comparison to many competitors who offer a custodian model; and
- **Johannesburg Stock Exchange:** ThinkMarkets allows South African and Australian clients to invest in all Johannesburg Stock Exchange-listed equities, ETFs and exchange-traded notes.

Institutional Markets

ThinkMarkets' institutional markets offering, operated by Liquidity.net, is a relatively new business which commenced operations in July 2020. It attracts trading volumes to the ThinkMarkets platform from hedge funds, algorithmic traders, banks, non-bank financial institutions, family offices, individual brokers and high value traders. The offering attracts institutional clients through various alternative distribution channels, including:

- **White-labels:** assisting individuals and companies to establish a brokerage, and providing them with liquidity and the execution platform, as well as services including front-end interface design, training and client support;
- **Liquidity provisions:** tapping into direct access to interbank liquidity using ThinkMarkets technology, funding facilities and relationships;
- **Money Manager:** providing a sophisticated platform for experienced and professional traders seeking to manage external funds while benchmarking fund manager performance for prospective investors; and
- **API Trading:** making available Application Programming Interface connectivity to clients requiring access to institutional liquidity, providing high-speed, low-latency execution as well as customisable trading tools and algorithmic strategies.

ThinkMarkets' Clients

Client Profile

As at March 31, 2023, ThinkMarkets' clients had the following profile:

- Two-thirds of clients are in the 25 – 44 years age bracket;
- Median income ranged between A\$100,000 – A\$120,000; and

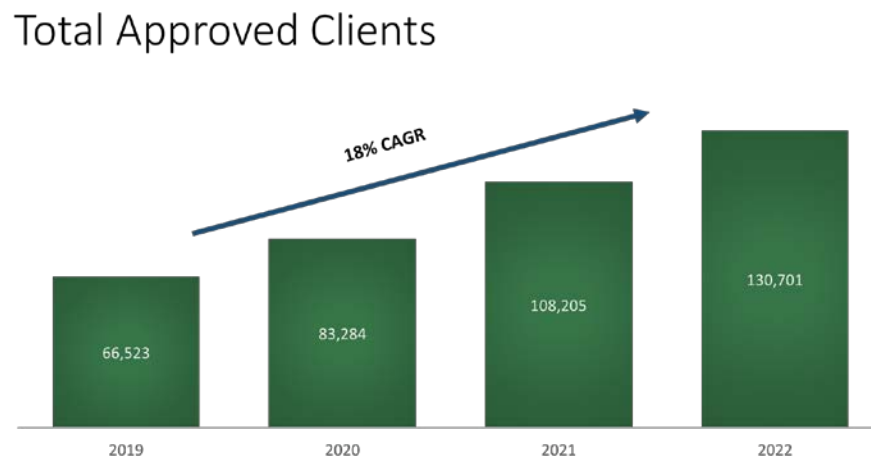
- The average initial client's deposit was approximately A\$3,700 in 2022.

In 2022, approximately 19.7 million trades were completed on the ThinkMarkets platform with a notional trading value of approximately C\$1 trillion, representing a 2.9x increase from approximately 6.8 million trades in 2019.

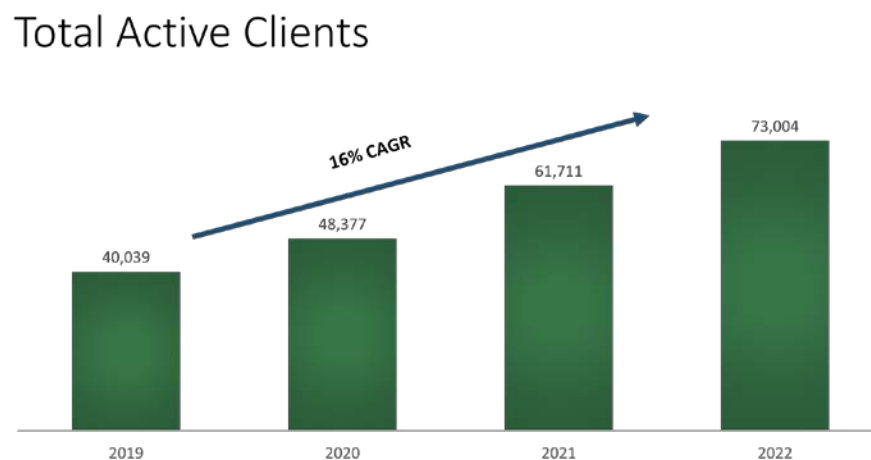
Large and Growing Client Base

ThinkMarkets has organically expanded its Active Client base since inception, which has consistently grown throughout various economic cycles including during the COVID-19 Pandemic. ThinkMarkets has experienced strong client growth during times of heightened volatility due to increased trading opportunities.

The following chart illustrates the growth in the number of Approved Clients from 66,523 in 2019 to 130,701 in 2022, representing a CAGR of approximately 18%.



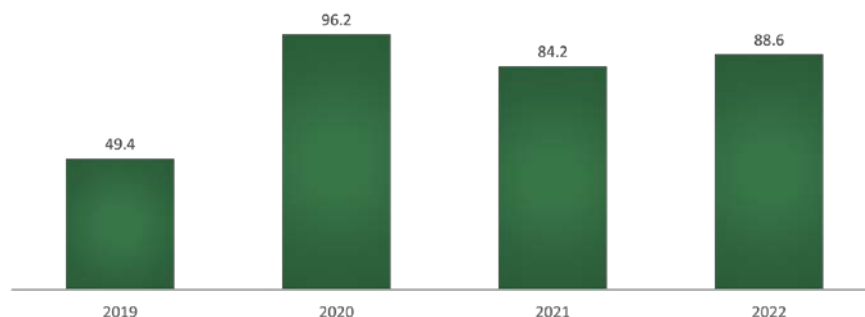
The following chart illustrates the growth of ThinkMarkets' Active Clients from 40,039 in 2019 to 73,004 in 2022, representing a CAGR of approximately 16%.



ThinkMarkets continually expands its product offering so that its clients can take advantage of trading opportunities across a number of different markets. ThinkMarkets believes that product range and depth are key criteria in the acquisition and retention of clients. An expanded product range is also critical to delivering on ThinkMarkets' client value proposition of enabling clients to trade the world.

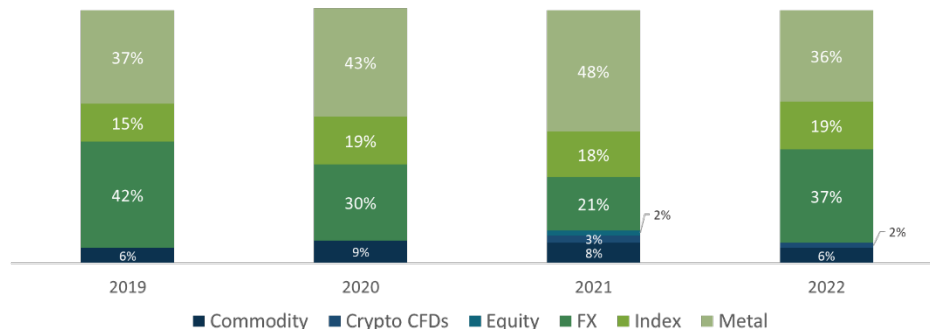
The number of products offered by ThinkMarkets grew from approximately 1,090 in 2019 to approximately 10,000 in 2022. As ThinkMarkets has significantly expanded its product offering, its generated revenue has also increased significantly over time. The chart below shows the revenue over the same period from A\$49.4 million in 2019 to A\$88.6 million in 2022.

Revenue (AUD, Million)



The chart below shows the changes in the asset class mix underlying the revenue generated by ThinkMarkets between 2019 and 2022.

Revenue by Asset Class



In recognition of its continued focus on clients across a number of markets, ThinkMarkets has won or been nominated for a number of awards for its services across a number of geographies. The following chart lists the notable awards for which ThinkMarkets or its executives have been nominated or won since inception.

Year	Award/Nomination
2013	- US Forex Awards – Best Customer Service Winner - World Finance – Best Broker Australia
2014	FX Street – Forex Best Awards
2017	- U.K. Forex Awards – Best Forex Trading Experience - U.K. Forex Awards – Best Forex Trading Innovation - COLWMA – Nominations for Spread Betting, Forex and CFDs provider
2018	COLWMA – Nominations for Spread Betting, Forex and CFDs provider

Year	Award/Nomination
2019	Global Forex Awards – Best Asian Value Broker
2020	- Benzinga Fintech Awards – Co-founder and CEO Nauman Anees nominated - Global Forex Awards – Best Asian Value Broker - Techrader – Review/Recommendation ThinkTrader Platform
2021	- U.K. Forex Awards – Best Forex Trading Experience - U.K. Forex Awards – Best Forex Trading Innovation - ADVFN International Financial Awards – Best Multi-Asset Trading Platform - Online Personal Wealth Awards – Best Forex Broker
2022	- World Finance – Best Trading Platform - World Finance – Best Forex Mobile Trading App - World Business Outlook – Best Trading Platform
2023	- FXDailyInfo – Best Mobile Trading Platform - FXDailyInfo – Most Innovative Broker

Geographic Presence

Leveraged Trading and Online Trading industry characteristics vary by country, driven by the regulatory framework and the maturity of each market.

ThinkMarkets operates in multiple jurisdictions and has clients in 165 countries. ThinkMarkets distinguishes between those markets in which it is currently regulated by the relevant local authority (“**Licensed Markets**”) and those markets in which ThinkMarkets has a presence but where its activities are not currently regulated by the relevant local authority (“**Emerging Markets**”). Licensed Markets are regions where there is an existing regulatory framework requiring a company to be licensed to facilitate Leveraged Trading and Online Trading. In contrast, Emerging Markets are regions where there is no relevant licensing regime for providing a trading platform for CFDs. ThinkMarkets does not directly market its services or products to clients in the Emerging Markets, where it engages with local partners in such markets.

Licensed Markets

While ThinkMarkets operates internationally, the key Licensed Markets include Australia, the United Kingdom, Europe, South Africa, Japan and New Zealand. ThinkMarkets is regulated and authorized to operate in each of these jurisdictions, each having well recognized and respected regulatory frameworks.

- In Australia, ThinkMarkets has permissions to offer OTC and exchange markets products to clients.
- In the U.K. and Europe, ThinkMarkets has been active with its FCA permissions since 2015, servicing both retail and institutional clients in both the U.K. and Europe. As a consequence of Brexit, and to ensure continuity of services to clients domiciled in Europe, ThinkMarkets acquired permissions to service Europe through an EU license under the “Passporting Regime” of the European Union’s Markets in Financial Instruments Directive. U.K. permissions allow ThinkMarkets to provide OTC products, while the EU license allows the business to offer OTC and exchange markets products, and provide portfolio management services.
- In South Africa, ThinkMarkets has permissions to offer OTC and exchange markets products to clients since 2019.
- In Japan, in 2020, ThinkMarkets obtained Japanese regulatory approval to offer Forex trading.
- In New Zealand, in 2023, ThinkMarkets started servicing New Zealand-based clients where its permissions allow OTC trading.

ThinkMarkets is focused on improving the Company's competitive position. The Company has grown its number of products from 65 in 2015 to over 10,000 as of April 2023, and similarly has increased its license holdings from two licenses in 2015 to 10 licenses as of April 2023.

Additionally, ThinkMarkets has identified a number of target markets for future growth which have well-developed, stable regulatory frameworks in place. Such target markets for future growth include the United Arab Emirates, Singapore and Canada, where ThinkMarkets expects to launch OTC Forex and CFD products, and the United States, where ThinkMarkets expects to launch options, futures and cash equities, in the future.

Emerging Markets

ThinkMarkets services clients in a number of Emerging Markets, including the Middle East, China, Vietnam, Thailand, Turkey and countries in Latin America. These Emerging Markets exhibit increasing household wealth, high smartphone penetration, favourable demographics and increasing engagement with digital financial services. This increasing level of engagement is driven in part by traditional financial services being very fragmented, and access to global markets typically not being easily accessible to consumers, in many of these markets.

See "The Business of ThinkMarkets – Regulatory Matters and Industry Standards" for more information on the particular licenses and authorizations that ThinkMarkets holds in each Licensed Market and a description of the regulatory treatment in the Emerging Markets.

Business Model

Principal Sources of Revenue

ThinkMarkets generates its revenue principally from dealing spreads earned on its trading platform. In addition, ThinkMarkets generates revenues from premiums charged on certain positions held by clients overnight, as well as gains (offset by losses) on clients' trading positions. In 2022, ThinkMarkets' ARPU was approximately ARPU was approximately A\$4,028. ThinkMarkets generates revenue from two primary sources:

- **Trading revenue (~96% of Fiscal 2022 revenue):** Spread on each side of a client's trade. Additional trading income generated from the net exposure associated with ThinkMarkets assuming the opposite side of a client's trade; and
- **Other revenue (~4% Fiscal 2022 revenue):** Includes commissions for trade executions on some trades; swap fees charged on positions held overnight and foreign exchange conversion fees.

Client Value Proposition

ThinkMarkets is a digital disruptor that aims to be a leading global diversified financial services company catering to the needs of engaged, self-directed investors and traders. ThinkMarkets exists to enable clients to trade the world. Clients elect to trade with ThinkMarkets because of its easy-to-use platform and what it believes to be a superior user experience, great service, deep liquidity, high-quality trade execution, transparent low costs, established track record and commitment to strong regulations. In particular, ThinkMarkets offers its clients:

- **Mobile trading app for trading anywhere:** The ThinkTrader app is designed and built by ThinkMarkets, specifically to meet the demands of its target audience. The mobile trading experience is becoming a key selection driver with the ThinkTrader app providing a full lifecycle solution from account sign up, funding, research, trading, monitoring, live chat support, reporting and withdrawals. As at May 4, 2023, ThinkTrader had a 4.8/5 rating in the Apple App Store;
- **Advanced trading platforms:** ThinkTrader is a proprietary trading platform that can be used across mobile apps and the web. The web browser version of ThinkTrader includes ThinkMarkets' proprietary Traders' Gym back testing tool and advanced charting;
- **Deep liquidity and high-quality trade execution:** Clients are offered tight spreads and benefit from quality trade execution, including low latency, irrespective of whether they are a retail or institutional client;
- **Expanding product range:** Clients can trade locally and globally on a range of asset classes and products, ranging from over 3,500 direct shares in Australia and South Africa to trading CFDs covering over 6,500 underlying assets, including Forex, indices, precious metals, commodities, shares and more. ThinkMarkets is rapidly growing its product offering to cater to client demand, new geographies, acquire new clients and provide differentiation with its competitors;

- **Automated processes:** Clients in many cases are able to open, fund, trade, settle and withdraw funds instantly. Automation allows for real-time processing of all the key tasks that a client will typically require;
- **First class service with around the clock support:** Experienced and friendly support staff offering global coverage via live chat, email, phone and social media 24 hours a day, seven days a week. Dedicated account managers also support many high value clients. In 2022, ThinkMarkets won the Best Customer Service Provider Global at the World Business Outlook awards;
- **Ease-of-use platform and clean, clear user interfaces and user experience:** ThinkTrader is an intuitive and customizable trading platform for retail clients. ThinkMarkets understands that ease of use is an important driver for client satisfaction. Both the ThinkTrader platforms and the ThinkMarkets website have features and functions designed with the client in mind;
- **Transparent pricing:** ThinkMarkets offers clear and transparent pricing to appeal to all segments of the market from new entrants to professional traders;
- **Value:** ThinkMarkets offers institutional grade pricing on forex, precious metals, indices, share CFDs and more. Clients can trade these products with competitive spreads on multiple platforms;
- **Innovative solutions:** Clients in many of the jurisdictions where ThinkMarkets operates are automatically given negative balance protection, which ensures they do not lose more than they deposited into their accounts. This demonstrates ThinkMarkets' commitment to putting clients at the centre of every decision. A number of countries in which ThinkMarkets operates also have U.S.\$1,000,000 insurance protection for deposits held with ThinkMarkets. In addition, ThinkMarkets provides innovative trading solutions such as fractional trading across all OTC markets and simple, real data back testing; and
- **Brand and reputation:** ThinkMarkets has a history as a trustworthy, responsible and reputable global brand licensed in key jurisdictions, including Australia, the U.K., the European Union, South Africa and Japan. ThinkMarkets also maintains relationships with major banks and financial institutions across the globe.

Client Acquisition Strategy

ThinkMarkets employs a number of client acquisition strategies to acquire new clients. ThinkMarkets follows regulatory guidelines when marketing its products and services to ensure marketing materials are appropriately targeted, transparent and do not downplay the risks involved with trading on leverage. In addition, data privacy is paramount to ensure the security of trading accounts, as well as client data protection and compliance with data privacy requirements in each region. The key client acquisition strategies employed by ThinkMarkets include:

- **Referrals:** ThinkMarkets' has a formal referral program, ThinkPartners, which caters to, and rewards partners such as introducing brokers, money managers and educational providers to refer clients to ThinkMarkets. The ThinkPartners program also allows comparison websites, financial content creators and influencers on social media to gain access to the ThinkMarkets brand, and incentivize them for doing so.
- **Marketing:** ThinkMarkets employs a highly targeted, regional and measurable approach to online marketing as well as to its marketing campaigns. ThinkMarkets' global performance marketing team uses both internal and external data, interpreting prospect and market behaviours to align the right message in a cost effective way via algorithmic bidding solutions.
- **Search engine optimization:** ThinkMarkets appears high in search results for prospects in its local markets and consistently endeavors to rank ahead of its competitors. Localized website content supports ThinkMarkets' regional presence in driving search engine optimization across its local markets. ThinkMarkets uses unique regional content globally to enhance its discoverability as a brand.

Client Retention

ThinkMarkets engages in a number of client retention actions to retain its clients including through: (i) enhanced product and support functions; and (ii) education and resources. ThinkMarkets looks to address key reasons clients

leave the platform, such as product diversification and client support, through ongoing investment in product expansion and improving the client experience.

Set out below is a summary of the core client communication tools used by ThinkMarkets to retain its clients.

Retention tool	Summary
1. Enhanced Product and Support Functions	
Live support	• Clients have access to client support via regional phone numbers and an online chat service 24 hours a day, seven days a week. This includes a live chat bot. • A maintained knowledge base is accessible through ThinkMarkets' website in conjunction with educational materials.
Margin / balance notifications	• Automated notifications when an account's equity falls to 90% and 70% of the required margin. • Automatic closure of all positions when an account is at 50% of its required margin. • Information pertaining to margin, free margin and margin utilization are readily available to clients in-platform.
In-platform news / alerts	• Real-time news streaming in-platform as well as economic calendars. • Ability to create price movement alert notifications on the platform.
2. Education and Resources	
Educational resources	• Free guides, videos, and tutorials are provided for clients at different levels of knowledge via ThinkMarkets' website and YouTube channel. • Materials provided caters to novice, intermediate, and advanced traders.
Trading tools	• Several informational tools available to clients, including industry-leading providers such as Signal Centre and Trading Central. • Assisting clients in making more informed trading decisions based on fundamental and technical analysis.
Social trading	• Allowing clients to follow the strategies and trades of other successful traders with strong track records via the ThinkCopy trading app.
3. Other Retention Tools	
Specialized products and services	• Active trader programs and private client managers are made available to clients in the top 20% of ThinkMarkets' volume and/or revenue production. • Active trader program participants have access to more aggressive pricing. • High net worth clients producing pre-determined levels of revenue have access to a private client manager that assist with trading needs.
Simulation account	• Access to a trial account on ThinkMarkets' platforms. • Clients can gain trading experience with no capital at risk. • Allows clients to test trading strategies and technical analysis.
Traders' Gym	• Proprietary back testing software with strong name recognition. • Clients can see how the strategies they may want to use in the future would have worked in the past using real historical data on global markets. • Allows clients to create up to 50 simulations in Traders' Gym, where they can switch between different timeframes and markets.

Retention tool	Summary
	Allows clients to insert technical indicators and risk management tools as if they were trading in real time.

Client Reviews and Testimonials

ThinkMarkets has focused its business model on ensuring positive client outcomes through enabling clients to trade often and trade easily. ThinkMarkets' commitment to its clients is reflected in its systematic integration of client feedback in order to support enhancements in the client experience. A key marker for ThinkMarkets' success with its client base is its reviews through the Apple App Store (where ThinkTrader had a 4.8/5 rating as at May 4, 2023).

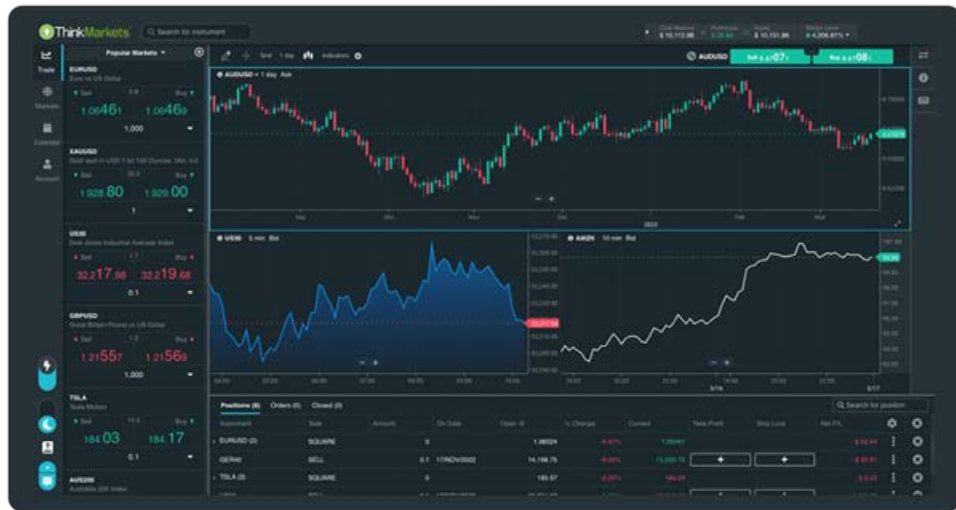
ThinkMarkets Platform and Technology

ThinkMarkets has a highly scalable platform that can be easily used by both retail and institutional clients. ThinkMarkets' investment in its platform has created a modular and easy-to-use technology stack that can continue to grow with limited required incremental investment, and with the ability to handle both increasing demand from clients and the introduction of an increasing suite of products.



ThinkTrader

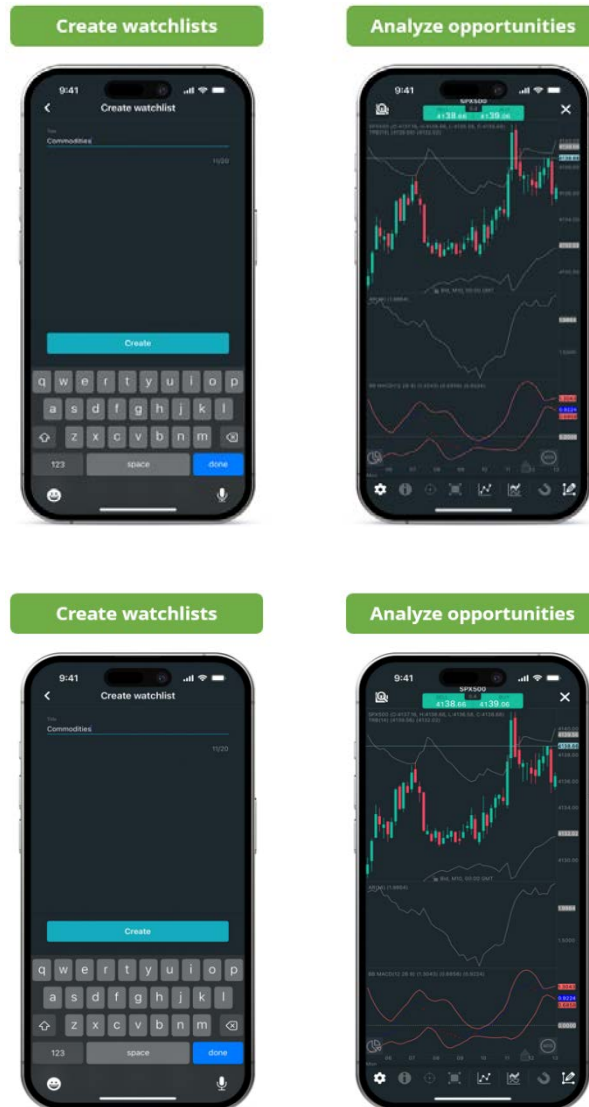
ThinkTrader is a powerful proprietary trading platform that is available to download as an app and as a web version. ThinkTrader is built on ultra-fast Java and C++ combined architecture offering numerous customizations and quick to market enhancements. It is capable of offering thousands of trading products and streaming live prices, including from exchange-based markets. It can be quickly updated to provide new product offerings based on evolving market trends, opportunities and client feedback.



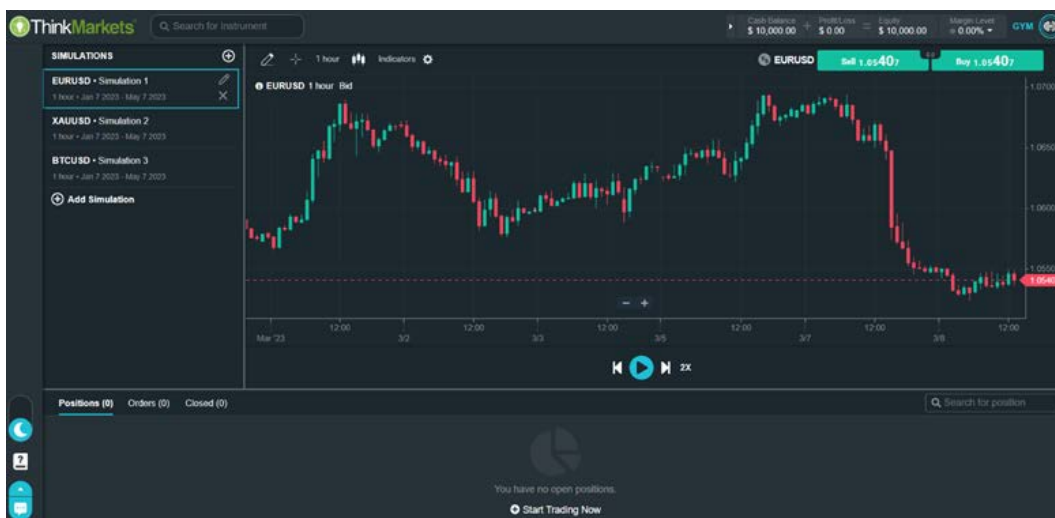
As at March 31, 2023, ThinkTrader offers a charting library of over 120 indicators and 80 drawing tools enabling clients to analyze products and scan for opportunities. The charting package offered on the ThinkTrader platform is comprehensive with comparable options typically only available on desktops and via paid subscriptions. Clients can also get up to 200 different cloud-based alert notifications based on price action from all products offered by ThinkMarkets. The ThinkTrader app offers a complete trading solution from a mobile device. Clients can research, analyze, create alerts, view live streaming news, fund, trade, obtain statements and historical reports and contact support with the in-app live chat feature. ThinkTrader's value proposition includes:

- 10,000+ global products
- OTC and exchange markets from the one platform
- Intuitive user interface
- iOS & Android app
- Web-based version
- Dynamic, pro level charting
- Trade directly from charts
- Fast, one-click trading
- Multi-screen displays
- Proprietary Trader's Gym back testing (as discussed below)

Set out below is a visual example of the various uses of the ThinkTrader platform.



ThinkTrader is also home to ThinkMarkets' proprietary Traders' Gym back testing tool. Traders can use the Traders' Gym tool to test their trading strategies on real life historical data within a simulated market environment on our ThinkTrader platform. It allows traders to test and optimize trading strategies using real market data, improve trading skills and confidence without risking real money, and to analyze performance and identify areas for improvement.



Traders' Gym is easy to use and comes with a wide range of features, including:

- Customizable charting tools and technical indicators;
- Real-time market data from major exchanges;
- Simulated order execution and position management; and
- Detailed performance reports and trade analysis tools.

ThinkPortal

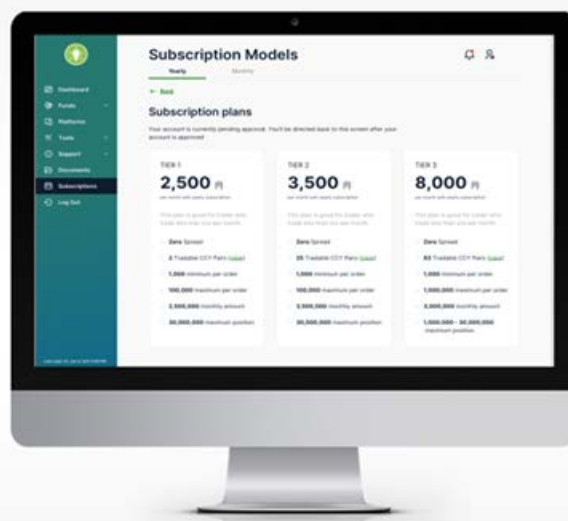
ThinkPortal is a custom web application designed and built by ThinkMarkets to service the administrative needs of its clients. ThinkPortal is a user friendly account management solution for ThinkMarkets' clients, including functions such as reporting, updating personal details, creating a demo account, supporting deposit, transfer, and withdrawal options across a wide range of payment offerings, along with research and analysis. As at March 31, 2023, ThinkPortal is translated into 15 different languages and is easily expandable to meet local language requirements as ThinkMarkets enters new markets. ThinkPortal is highly customizable and capable of quickly adding new payment methods, new product lines, subscriptions and promoting other products and services offered by ThinkMarkets.

For example, ThinkPortal manages clients' subscription services in Japan, as described below.

ThinkMarkets operates a subscription-based revenue model in Japan providing a recurring revenue stream. The front end is managed by ThinkPortal. When launched, it was the first FX trading subscription service offered in Japan.

Annual recurring revenue will be key to open the total addressable market to a broader retail audience that does not need to trade, but simply wants to use the platform and its functions and features. Providing the option of a monthly subscription model allows the user to enjoy the benefits of the platform without the extra cost.

ThinkMarkets has the technology and IP to expand this business model into other regions, markets and products lines quickly.



Back Office

ThinkMarkets' Back Office (Orion) application stack handles important client onboarding functions including client account creation, know-your-customer processing, and funding. This application stack is very versatile and plays an important role in providing a localized experience to ThinkMarkets clients during the onboarding process. This also serves as a single backend service for all of ThinkMarkets' different client-facing platforms and applications, giving ThinkMarkets the ability to have a uniform audit and control over the client workflow and data. It also supports a wide range of regulatory and service requirements that might change or be required when entering new markets.

Data Centres

ThinkMarkets has built a global network between London and New York to offer ultra-low latency connectivity to its matching engines. The network infrastructure is engineered in a redundant configuration by dark and lit fiber using state of the art network equipment. Network security is implemented on layers four and seven of the Open Systems Interconnection model via physical devices and software security services, providing active protection against attacks and malicious requests. ThinkMarkets maintains a network operations team 24 hours a day, seven days a week, which allows ThinkMarkets to avoid expensive cloud services providers and to internalize engineering costs. This, in turn, offers maximum efficiency and tailored service to ThinkMarkets' retail and institutional clients globally.

Employees and Premises

As at March 31, 2023, ThinkMarkets had a global workforce of 174 employees and 60 independent contractors across 10 global offices, including offices in Bulgaria, United Arab Emirates, the United States, Australia and the United Kingdom. 30% of ThinkMarkets' personnel perform Technology functions, 30% perform Operating functions, and the remaining 40% perform Marketing and other functions.

ThinkMarkets anticipates employee growth in future periods to support its expansion strategy in the Emerging Markets. ThinkMarkets' operations require specialized skills and knowledge, such as software engineering and development, computer programming, data science and risk management. ThinkMarkets also has significant head count in the legal, marketing, sales and trading departments which are integral to its operations.

Intellectual Property

ThinkMarkets has internally developed original intellectual property (the "**Company IP**"), including source code, technology and processes. To protect the Company IP, ThinkMarkets has put in place the following:

- **Trademarks:** ThinkMarkets has registered over 130 names and logos as registered trademarks. Legal counsel engages in regular monitoring to identify any third party attempts to register trademarks which are identical or substantially identical to that of ThinkMarkets.
- **Terms of employment:** ThinkMarkets asserts ownership and copyright over work that employees undertake and employees are required to sign non-disclosure agreements.

Access to Liquidity

ThinkMarkets has established relationships with top-tier liquidity partners, venues and exchanges from key regions globally. ThinkMarkets leverages liquidity from banks, non-banks, and other execution venues such as electronic communication networks on prime broker give-up, margin, and bilateral relationships. By trading with counterparties in the interbank and non-bank space, ThinkMarkets is able to offer competitive pricing to clients, execute trades at low cost and provide liquidity during periods of market volatility.

Client Money

ThinkMarkets holds money on behalf of clients in accordance with the client money rules of the local regulatory bodies under which ThinkMarkets operates. Client money is classified as segregated client money and excluded from ThinkMarkets' balance sheet. ThinkMarkets earns interest income on its client money accounts, with all client money held with major banks in accounts segregated from ThinkMarkets' own funds and reconciled daily.

Risk Management

Client Onboarding

ThinkMarkets prioritizes ease of account opening and strives to offer fast, frictionless on-boarding, so that qualified clients can begin trading in the market in minutes. ThinkMarkets leverages technology and third-party models to conduct robust application and on-boarding processes. Application and on-boarding controls include client suitability

assessments, third-party verifications, anti-money laundering and know-your-customer processes and compliance checks.

Market Risk Management

ThinkMarkets conducts due diligence on clients throughout their life-cycle. Key red flags that give rise to review include client deposits representing a substantial percentage of a client's stated net assets and multiple persons using the same account. ThinkMarkets utilizes real-time trade data to create proprietary scoring models to monitor single client risk. This includes active risk monitoring with real-time dashboard and alerts for volume flags, high-frequency trading, as well as latency arbitrage and market abuse. In addition, ThinkMarkets uses a proprietary quantitative scoring model run in real-time to classify traders into risk profiles based on risk and return, as well as analytical tools for account profiling such as trader profit and loss, volume by product, geography and account charting. ThinkMarkets utilizes real-time trade data to create proprietary scoring models to monitor single client risk.

ThinkMarkets undertakes risk exposure management as part of its daily operations. This involves setting risk limits per trader for each asset based on certain criteria including market risk, geopolitical risk and asset liquidity. In addition to systematic account-level controls, a 24-hour team monitors net exposure limits and portfolio value at risk via a set of proprietary tools from a top-down perspective to ensure all risk systems are functioning normally. Dynamic risk models provide an additional risk-off overlay to situationally reduce market risk based on a variety of market and trading-based indicators; and discretionary risk-off hedge trades can be actioned by the risk committee which is responsible for considering the news risk, gap risk, liquidity risk and market risk.

ThinkMarkets' global team of risk and quantitative analysts leverages a suite of proprietary pricing and execution technology to effectively manage market risk.

ThinkMarkets' algorithms split the client population into multiple segments based on hybrid classification models using machine learning techniques. This approach is based both on trading and demographic data points and allows us to internalize client trading for a period of time in order to maintain small principal positions and to allow positions to offset naturally within the book. ThinkMarkets' hedging utilizes algorithmic trading systems to execute trades as efficiently as possible and retain additional margin. Additionally, a series of systematic alerts are tracked to identify any trading that is difficult for ThinkMarkets or its liquidity providers to manage, such as arbitrage, and immediately route that to execution venues where it is better suited.

Growth

ThinkMarkets considers growth in the markets in which it operates to be driven primarily by the number of Active Clients and trading activity, including the types of products they trade upon. These drivers of growth have differing relative impacts in the various geographies in which ThinkMarkets operates.

In Licensed Markets, ThinkMarkets considers the primary growth driver to be new client acquisition. In these markets, trading activity tends to remain relatively stable due to elevated competition. In Emerging Markets, such as Singapore and Thailand, ThinkMarkets considers trading activity to play a larger role in driving growth.

Other more structural growth drivers include:

- **Demographic trends:** Demographics continue to impact the overall pool of potential clients as both the wealth and number of people in the target age bracket continues to grow;
- **Technological access:** Improved internet access and smartphone penetration have made it much easier to trade on internet and app-based platforms;
- **Investor education and sophistication:** Investor sophistication continues to grow as financial education improves, in part facilitated by increased internet access;
- **Product and service offering:** Opportunities for clients to trade across different leveraged asset classes and across different time zones; and
- **Market volatility:** Recent and persistent increased volatility brought about by factors such as the COVID-19 Pandemic, global conflicts, as well as other macroeconomic events, have created trading opportunities across multiple products and markets.

Strategy to Accelerate Growth

Organic Growth Opportunities

ThinkMarkets' proprietary platform, ThinkTrader, is able to serve clients all over the world with a growing selection of products to match their increasingly diverse trading needs and expectations. It seeks to differentiate itself from competitors in this space by continually expanding its product offering, entering new regulated markets and building out new distribution channels.

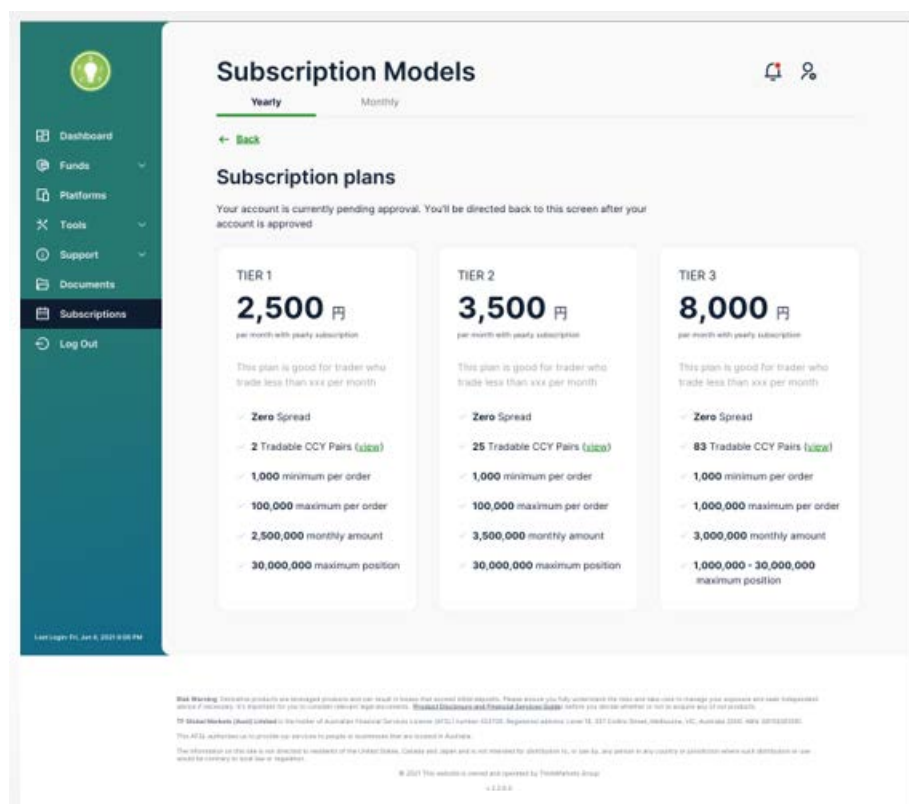
(a) Expansion of Product Offerings

ThinkMarkets believes that an expanded product range helps attract and convert a broader client base while driving higher ARPU and increasing satisfaction and retention of the existing client base. ThinkMarkets has expanded its product offering from 65 products in 2015 to over 10,000 products as of April 2023. These include an expanded CFD offering and entering the cash equities space. ThinkMarkets' agile technology stack allows for the efficient integration of additional product lines from across the globe, both on and off exchange, within a short period of time.

ThinkMarkets sees opportunities for expansion into complementary product lines such as options, futures, money transfers, other digital wealth services and robo-advisory services.

(b) New Services

ThinkMarkets has recently started offering a subscription service in Japan, from monthly to yearly plans. This is a unique concept in the Forex trading space and can be deployed to other markets and product lines in the future. Subscription services provide access to a larger total addressable market and provide a passive revenue stream.



(c) Entry into New Licensed Markets

ThinkMarkets has identified a number of target geographic markets for future growth which have well developed, stable regulatory frameworks in place and require regulatory authorization to commence operations. These markets include Canada, the United States, the Middle East and Singapore. ThinkMarkets sees significant opportunities in these regulated markets to offer OTC and exchange market products, with the ability to add complementary product lines to position ThinkMarkets as a comprehensive digital financial services provider.

(d) Enhanced Distribution Capabilities

ThinkMarkets currently has three distribution channels comprising direct retail, partnerships, and institutional, and has targeted growth strategies for each channel:

- **Retail:** The direct retail channel is ThinkMarkets' core offering, directly marketed to clients under the ThinkMarkets brand. ThinkMarkets intends to grow the retail distribution channel through improving the efficiency of ThinkMarkets' sales funnel, specifically pertaining to the client onboarding and funding process. These efficiency improvements are expected to stem from improvements in digital onboarding and integration with localized and popular funding channels. Furthermore, ThinkMarkets' client relationship management system and processes to allow for more effective client engagement and increased integration between its marketing, sales, and support teams;
- **Partnership:** ThinkMarkets' partnership distribution channel allows ThinkMarkets to penetrate new markets quickly and efficiently. These partnerships, or indirect marketing strategies, are undertaken by affiliates and other third parties such as brokers, agents, or dealer representatives. Given both the retail and partnership channels maintain a business-to-client focus, improvements to the client onboarding process are expected to also benefit the partnership channel; and
- **Institutional:** The institutional channel focuses on large institutional or high net worth counterparties, such as other brokers, banks, hedge funds, family offices, and asset managers, that have different needs and requirements than that of a retail trading account.

Inorganic Opportunities

ThinkMarkets has also targeted specific inorganic opportunities over the years to catalyse its growth, both in terms of opportunities that expand its geographic presence and businesses that facilitate growth by introducing complementary capabilities into ThinkMarkets' business that further enhance its digital offering.

SELECTED ANNUAL FINANCIAL INFORMATION OF THINKMARKETS

The following sets forth a summary of ThinkMarkets' selected historical condensed consolidated financial data as at the dates and for the periods indicated below. The information should be read together with the ThinkMarkets Financial Statements included in Appendix C to this prospectus.

The historical financial information for the years ended December 31, 2022, 2021 and 2020 summarized below is derived from the ThinkMarkets Financial Statements which were prepared in accordance with IFRS. Historical financial and operating information may not be indicative of future performance.

	Year ended December 31		
	2022	2021	2020
	A\$	A\$	A\$
Total income.....	89,128,020	84,229,913	96,213,360
Expenses.....	107,950,567	95,741,957	92,899,101
Total comprehensive income (loss)	(19,796,509)	(11,222,644)	1,761,860
Total comprehensive income (loss) per share – basic.....	(0.098) ⁽¹⁾	(0.055) ⁽²⁾	0.527 ⁽³⁾
Total comprehensive income (loss) per share – diluted.....	(0.096) ⁽¹⁾	(0.055) ⁽²⁾	0.080 ⁽³⁾
EBITDA.....	(7,092,240)	237,083	11,572,081
Adjusted EBITDA.....	17,017,230	15,030,211	17,231,313
Total assets.....	70,881,386	71,964,375	81,993,784
Total liabilities.....	66,793,231	48,079,711	63,379,476
Distributions or cash dividends.....	Nil	Nil	(1,697,344)

Notes:

- (1) Based on 203,000,011 ordinary shares and 23,200 redeemable preference shares of ThinkMarkets outstanding, and 2,577,665 options, each exercisable for one ordinary share, outstanding.
- (2) Based on 203,000,011 ordinary shares of ThinkMarkets outstanding.
- (3) Based on 100 ordinary shares, 98 class A shares, 3,340,970 preference shares, 13,125,000 convertible preference shares – A and 5,550,000

convertible preference shares – B of ThinkMarkets outstanding.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FGAC

FGAC’s management’s discussion and analysis of financial condition and results of operations (the “**FGAC MD&As**”) for the quarter ended March 31, 2023 and the year ended December 31, 2022 are designed to assist readers of the FGAC Financial Statements understand FGAC’s operations and business environment. The FGAC MD&As, included in Appendix B of this prospectus should be read in conjunction with the FGAC Financial Statements included in Appendix A of this prospectus. Additional information relating to FGAC is available at www.sedar.com and such information is not incorporated by reference in this prospectus unless otherwise noted herein.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF THINKMARKETS

ThinkMarkets’ management’s discussion and analysis of financial condition and results of operations (the “**ThinkMarkets MD&A**”) for the years ended December 31, 2022, 2021 and 2020 are designed to assist readers of the ThinkMarkets Financial Statements understand ThinkMarkets’ operations and business environment. The ThinkMarkets MD&As, included in Appendix D of this prospectus should be read in conjunction with the ThinkMarkets Financial Statements included in Appendix C of this prospectus.

FINANCIAL OUTLOOK

The following description of New ThinkMarkets’ financial outlook for 2023 and 2024 is based on management’s current strategies, assumptions and expectations concerning ThinkMarkets’ growth and management’s assessment of the opportunities for the business and the retail Leveraged Trading and Online Trading industries as a whole, and has been calculated using accounting policies that are generally consistent with its current accounting policies and includes certain non-IFRS financial measures (including Adjusted EBITDA and Adjusted EBITDA Margin)¹⁰ that ThinkMarkets believes are important in discussing the anticipated operating performance of the business. See “Non-IFRS Measures”.

ThinkMarkets believes that it has the opportunity to grow its revenue from approximately A\$89,100,000 in Fiscal 2022, to approximately A\$104,000,000 in 2023, and A\$128,000,000 by the end of 2024, and to increase its Adjusted EBITDA from approximately A\$17,000,000 in Fiscal 2022, to approximately A\$26,700,000 in 2023 and approximately A\$36,400,000 million by the end of 2024. In addition, ThinkMarkets expects that it will achieve an Adjusted EBITDA Margin of 33% in 2023. Growth through 2023 and 2024 is expected to be driven by an increase in the number of Active Clients and trading activity. In developing the outlooks set forth above, ThinkMarkets has made the following assumptions and relied on the following factors and considerations:

- management’s best expectations for the future based on historical trends in the business of ThinkMarkets, including those relating to: (i) growth in the number of offered products and licenses held; (ii) the volume of trading on ThinkMarkets’ platforms; (iii) increases in the number of Active Clients and client retention; and (iv) year-to-year revenue growth;
- the Company’s planned expansion into additional Licensed Markets such as North America, Singapore and the United Arab Emirates, and into Emerging Markets, resulting in enhanced opportunities for new client acquisition and integration of complementary product lines;
- the introduction of new product ranges, including options trading (which is scheduled to be launched in the second quarter of 2023);
- the introduction of new services into existing geographies, such as the subscription service launched in Japan in 2022;
- investment in technology to optimize execution and trading costs, including the proposed introduction of new or upgraded apps for ThinkCopy or Traders’ Gym;

¹⁰ “Adjusted EBITDA” and “Adjusted EBITDA and Margin” are non-IFRS measures. See “Non-IFRS Measures”.

- successful implementation of cost-saving programs; and
- the Company's ability to: (i) grow and scale its business in accordance with its proposed strategies and timelines; (ii) execute its business strategy; (iii) manage its growth; (iv) protect its intellectual property; (v) avail of favorable regulations affecting the industry and markets in which the Company operates; (vi) competition, including from established and future competitors; (vii) attract and retain management and other employees who possess specialized knowledge and technical skills; and (viii) the overall economic strength and stability in economic conditions.

ThinkMarkets has also assumed that industry and economic conditions affecting its business will continue substantially in the ordinary course or remain consistent with current conditions, including, without limitation, with respect to general industry conditions, competition, regulatory regimes, taxes, consumer preferences and cultural attitudes, and foreign currency exchange rates and interest rates.

Management currently believes that the achievement of the foregoing financial outlook is possible, can be reasonably estimated and is based on underlying assumptions that management believes are reasonable in the circumstances, given the time period for such outlooks. However, there can be no assurance that these outlook will be met. These outlooks, and the related assumptions, involve known and unknown risks and uncertainties that may cause actual results to differ materially from expected results. Pursuant to applicable securities laws, the Company will be required to disclose events and circumstances that are reasonably likely to cause actual results to differ materially from material forward-looking information as well as the related expected differences.

The purpose of disclosing the Company's outlook for 2023 and 2024 is to provide investors with more information concerning the financial results that management currently believes is achievable based on the growth strategies described above and elsewhere in this prospectus. See "The Business of ThinkMarkets – Growth". The above financial outlook and the description of ThinkMarkets' potential growth opportunities are forward-looking information for purposes of applicable securities laws in Canada and readers are therefore cautioned that actual results may vary from those described above. See "Caution Regarding Forward-Looking Statements" and "Risk Factors" elsewhere in this prospectus for a description of the assumptions underlying the forward-looking information and of the risks and uncertainties that impact ThinkMarkets' business and that could cause actual results to vary.

THE BUSINESS COMBINATION

Overview

On May 12, 2023, FGAC and the Sponsors entered into the Business Combination Agreement with ThinkMarkets, pursuant to which FGAC intends to effect a business combination transaction with ThinkMarkets whereby FGAC will acquire, directly or indirectly, all of the equity interest of ThinkMarkets. As a result of the Business Combination, ThinkMarkets will become a wholly-owned subsidiary of FGAC. The Business Combination will constitute FGAC's Qualifying Acquisition. The Business Combination values ThinkMarkets at a pre-money valuation of U.S.\$160 million.

The expenses relating to the completion of the Business Combination as well as funds required for the ongoing operations of New ThinkMarkets will be funded from a combination of (i) cash available to FGAC from the sale of the Sponsors' Warrants and the OTM Warrants to the Sponsors, its IPO and the closing of the over-allotment option granted in connection with the IPO, plus (ii) accrued interest on invested cash less taxes on interest earned, less (iii) any amounts used to settle redemptions of Class A Restricted Voting Shares, if any (currently held in escrow), plus (iv) cash on hand (including cash received pursuant to the proposed Private Placement).

The currently issued and outstanding Class A Restricted Voting Shares and Warrants are listed and posted for trading on the TSX under the symbol "FGAA.U" and "FGAA.WT.U", respectively. Holders of Class A Restricted Voting Shares can elect to redeem all or a portion of their Class A Restricted Voting Shares, provided that they deposit their Class A Restricted Voting Shares for redemption prior to the Redemption Election Deadline, and holders of IPO Warrants (other than the Sponsors) are entitled to require the Sponsors to acquire all or a portion of their IPO Warrants for U.S.\$1.25 per IPO Warrant provided that they deposit their IPO Warrants for transfer prior to the IPO Warrant Deposit Deadline.

Subject to obtaining certain approvals and the satisfaction of certain conditions, it is anticipated that the Business Combination will be completed in July 2023. The outside date for the Business Combination is July 28, 2023 or, provided that the Ontario Securities Commission has issued a receipt in respect of the final prospectus and the TSX has conditionally approved the transactions contemplated by the Business Combination Agreement by July 28, 2023, August 15, 2023.

In connection with the Business Combination, the FGAC Meeting will be held to vote on, among other things, (a) amendments of the Articles of FGAC to: (i) provide that the Class B Shares automatically convert into Common Shares upon Closing rather than Proportionate Voting Shares; (ii) create a class of preferred shares, issuable in series (the “**Preferred Shares**”); and (iii) remove the Class A Restricted Voting Shares, Class B Shares and Proportionate Voting Shares, (b) the adoption of the Omnibus Incentive Plan, and (c) the approval of an extension of FGAC’s permitted timeline to complete its qualifying acquisition (the “**Extension**”).

Concurrently with or immediately following the Closing, (a) the Class A Restricted Voting Shares not required to be redeemed will convert into Common Shares on a one-for-one basis, (b) 2,000,000 Class B Shares will be or will have been exchanged for a new class of exchange Preferred Shares of FGAC (the “**Exchange Preferred Shares**”), (c) the remaining Class B Shares will convert into Common Shares on a one-for-one basis, and (d) the Common Shares and Warrants will trade separately on the TSX, subject to meeting the TSX listing requirements.

FGAC will apply to the TSX to approve the Business Combination and the listing of securities issuable in connection therewith. Closing is subject to and conditional upon the TSX approving the Business Combination and the listing of securities in connection therewith. The TSX has not approved the Business Combination and the TSX has not conditionally approved the listing of such securities. There is no assurance that any such matters will be approved by the TSX. It is a condition of Closing that the Common Shares be listed on the Toronto Stock Exchange. FGAC has reserved the symbols “TFG” and “TFG.WT” for the Common Shares and Warrants, as applicable.

Private Placement

In connection with the Business Combination, FGAC also intends to complete a private placement of up to U.S.\$20,000,000 of 8.0% unsecured convertible debentures of FGAC (the “**Convertible Debentures**”), each of which shall have a principal amount of U.S.\$1,000 (the “**Private Placement**”). The closing of the Private Placement will occur contemporaneously with the Closing. For details regarding the proposed terms of the Convertible Debentures, see “Capital Structure of New ThinkMarkets – Convertible Debentures”.

Additionally, to the extent necessary, 875,000 Class B Shares owned by the Sponsors and 2,350,000 Sponsors’ Warrants shall be available to secure commitments in connection with the Private Placement or non-redemption agreements with certain existing holders of Class A Restricted Voting Shares. Such securities shall be subject to forfeiture by the Sponsors and reissuance to the investors in the Private Placement or transfer by the Sponsors to certain existing holders of Class A Restricted Voting Shares pursuant to non-redemption agreements, as applicable.

Management intends to use the funds from the Private Placement to fund ThinkMarkets’ growth strategy, for working capital and for general corporate purposes.

Share Ownership

It is anticipated that upon completion of the Business Combination, on a non-diluted basis:

- the shareholders of Class A Restricted Voting Shares (immediately before the Closing), which consist of FGAC’s current public shareholders, will hold an ownership interest of approximately 43.3% in the Company;
- the Sponsors will hold an ownership interest of approximately 3.3% in the Company;
- ThinkMarkets’ Shareholders will hold an ownership interest of approximately 53.4% in the Company;
- there will be U.S.\$20,000,000 aggregate principal amount of Convertible Debentures outstanding (assuming the Private Placement is fully subscribed);
- there will be 2,000,000 Exchange Preferred Shares outstanding, each exchangeable for one or more Common Shares (or a fraction thereof);
- there will be 10,100,000 Warrants to acquire Common Shares outstanding;
- there will be 750,000 OTM Warrants to acquire Common Shares outstanding; and

- there will be 750,000 New OTM Warrants to acquire Common Shares outstanding.

The above percentages are calculated based on a number of assumptions, including no redemption of the Class A Restricted Voting Shares, that the Closing Cash Amount is U.S.\$50,000,000 or greater, and the issuance of 14,159,117 Common Shares and 750,000 New OTM Warrants to ThinkMarkets' Shareholders as consideration pursuant to the Business Combination. If the actual facts are different than these assumptions, the percentage ownerships will be different.

Redemption Rights

Pursuant to the Articles, holders of Class A Restricted Voting Shares have the right (the “**Redemption Right**”) to redeem all or a portion of their Class A Restricted Voting Shares, provided that they deposit their Class A Restricted Voting Shares for redemption prior to the Redemption Election Deadline. **Holders of Class A Restricted Voting Shares whose Class A Restricted Voting Shares are held through an intermediary may have earlier deadlines for depositing their Class A Restricted Voting Shares for redemption. If the deadline for depositing such Class A Restricted Voting Shares held through an intermediary is not met by a holder of Class A Restricted Voting Shares, such holder's Class A Restricted Voting Shares may not be eligible for redemption.**

Subject to applicable law, effective immediately prior to Closing, all Class A Restricted Voting Shares validly deposited for redemption shall be redeemed for the Class A Qualifying Acquisition Redemption Price per Class A Restricted Voting Shares redeemed, payable in cash. Upon payment in cash of the Class A Qualifying Acquisition Redemption Price (which shall occur no later than 30 calendar days following Closing), the holders of the Class A Restricted Voting Shares so redeemed will have no further rights in respect of the Class A Restricted Voting Shares. For illustrative purposes, as of the date hereof, the estimated Class A Qualifying Acquisition Redemption Price is approximately U.S.\$10.25 per Class A Restricted Voting Shares.

Notwithstanding any of the foregoing, no registered or beneficial holder of Class A Restricted Voting Shares (other than CDS), together with any Affiliate thereof or any person acting jointly or in concert therewith, shall be entitled to require FGAC to redeem Class A Restricted Voting Shares in excess of an aggregate of 15% of the Class A Restricted Voting Shares issued and outstanding (the “**Redemption Limitation**”). By its election to redeem, each registered holder of Class A Restricted Voting Shares (other than CDS) and each beneficial holder of Class A Restricted Voting Shares will be required to represent or will be deemed to have represented to FGAC that, together with any Affiliate of such holder and any other person with whom such holder is acting jointly or in concert, such holder is not redeeming Class A Restricted Voting Shares in excess of the Redemption Limitation.

FGAC shall mail a notice of redemption to the holders of record of the Class A Restricted Voting Shares and make the final prospectus publicly available at least 21 days prior to the Redemption Election Deadline, and send by prepaid mail or otherwise deliver the prospectus to the holders of the Class A Restricted Voting Shares no later than midnight (Toronto time) on the second business day prior to the Redemption Election Deadline, which delivery may be effected electronically in compliance with National Policy 11-201 – *Electronic Delivery of Documents*.

Process for Redemption by Non-Registered Holders of Class A Restricted Voting Shares

A non-registered holder of Class A Restricted Voting Shares who desires to exercise its redemption rights in connection with the Business Combination must do so by causing a participant (a “**CDS Participant**”) in the depository, trading, clearing and settlement systems administered by CDS to deliver to CDS (at its office in the City of Toronto) on behalf of the owner, a written notice (the “**Redemption Notice**”) of the owner's intention to redeem Class A Restricted Voting Shares in connection with the Business Combination. A non-registered holder of Class A Restricted Voting Shares who desires to redeem Class A Restricted Voting Shares should ensure that the CDS Participant is provided with notice of his or her intention to exercise his or her redemption privilege sufficiently in advance of the notice date described above so as to permit the CDS Participant to deliver notice to CDS and so as to permit CDS to deliver notice to the Transfer Agent in advance of the required time. The form of Redemption Notice will be available from a CDS Participant or the Transfer Agent.

By causing a CDS Participant to deliver to CDS a notice of the owner's intention to redeem Class A Restricted Voting Shares, an owner shall be deemed to have irrevocably surrendered his, her, or its Class A Restricted Voting Shares for redemption and appointed such CDS Participant to act as his, her, or its exclusive settlement agent with respect to the exercise of the redemption right and the receipt of payment in connection with the settlement of obligations arising from such exercise.

Any Redemption Notice delivered by a CDS Participant regarding an owner's intent to redeem which CDS determines to be incomplete, not in proper form, or not duly executed shall for all purposes be void and of no effect and the

redemption right to which it relates shall be considered for all purposes not to have been exercised. A failure by a CDS Participant to exercise redemption rights or to give effect to the settlement thereof in accordance with the owner's instructions will not give rise to any obligations or liability on the part of FGAC to the CDS Participant or to the owner.

If the deadline for depositing Class A Restricted Voting Shares held through an intermediary is not met by holder of Class A Restricted Voting Shares, such holder's Class A Restricted Voting Shares may not be eligible for redemption. Such deadline may be earlier than the Redemption Election Deadline.

Non-Redemption Agreements

The Sponsors may engage in discussions with certain holders of Class A Restricted Voting Shares with a view to entering into agreements, pursuant to which such holders will agree not to tender their units for redemption prior to Closing.

Warrant Put Rights

Pursuant to the Warrant Agreement, the IPO Warrants contain a right (the "**Warrant Put Rights**") of each holder of IPO Warrants (other than the Sponsors) to require the Sponsors to acquire such IPO Warrants, in connection with a qualifying acquisition, for U.S.\$1.25 per IPO Warrant. Holders of IPO Warrants exercising such Warrant Put Rights are required to deposit all or a portion of their IPO Warrants prior to the IPO Warrant Deposit Deadline. To facilitate the transfer of the IPO Warrants to the Sponsors pursuant to the Warrant Put Rights, concurrently with the closing of the IPO, the Sponsors deposited U.S.\$7,187,500 (the "**Warrant Put Rights Escrow Amount**") with the Escrow Agent in accordance with the terms of the Warrant Agreement.

FGAC shall mail a notice of qualifying acquisition to the holders of record of the IPO Warrants at least 21 days prior to the IPO Warrant Deposit Deadline. Subject to applicable law, within five business days following the IPO Warrant Deposit Deadline, the Warrant Agent shall (i) pay to each of the holders who have validly deposited IPO Warrants in connection with the exercise of the Warrant Put Rights an amount equal to U.S.\$1.25 per IPO Warrant deposited by such holder, and (ii) issue to the Sponsors a Warrant Certificate (as such term is defined in the Warrant Agreement) representing the IPO Warrants purchased by the Sponsors upon the exercise of the Warrant Put Rights, in the following proportions: (a) 14.7052% to CG Investments VII Inc., and (b) 85.2948% to FGAC Investors LLC.

Upon payment to the holders of IPO Warrants in respect of which the Warrant Put Rights were validly exercised, the holders of such IPO Warrants will have no further rights in respect thereof. Any portion of the Warrant Put Rights Escrow Amount that is not paid to the holders of IPO Warrants upon the exercise of Warrant Put Rights shall be returned to the Sponsors in accordance with the Warrant Agreement.

The Business Combination Agreement

The following is a summary of the material attributes and characteristics of the Business Combination Agreement. This summary is qualified in its entirety by reference to the provisions of that agreement, which contains a complete statement of those attributes and characteristics. A copy of the Business Combination Agreement will be filed on SEDAR at www.sedar.com. Shareholders are advised to review the Business Combination Agreement for a complete description of the material attributes and characteristics of the Business Combination Agreement.

On May 12, 2023, FGAC and the Sponsors entered into the Business Combination Agreement with ThinkMarkets, pursuant to which FGAC, or, subject to the consent of Nauman Anees and Faizan Anees, a direct or indirect wholly-owned subsidiary of FGAC (the "**Designee**") will acquire all of the ThinkMarkets Company Shares. FGAC intends to fund the acquisition of ThinkMarkets through the exchange of each ThinkMarkets Company Share outstanding immediately prior to the Closing for such number of Common Shares equal to the Exchange Ratio, 750,000 new OTM Warrants (the "**New OTM Warrants**") issuable by FGAC to the ThinkMarkets' Shareholders upon the forfeiture of the corresponding number of OTM Warrants by the Sponsors, on substantially the same terms as the OTM Warrants, and, if and to the extent applicable, such number of Common Shares and Warrants equal to the amount of Sponsors' Forfeited Shares, Sponsors' Forfeited Warrants, Additional Sponsors' Forfeited Shares and Additional Sponsors' Forfeited Warrants (all as described in further detail below).

Following the execution of the Business Combination Agreement, FGAC or the Designee will make an offer (the "**Offer**") to the ThinkMarkets' Shareholders pursuant to which FGAC or its Designee will acquire the ThinkMarket Company Shares on the terms set forth in the Offer document provided to ThinkMarkets' Shareholders. ThinkMarkets' Shareholders may irrevocably accept the Offer by signing and returning an acceptance form to FGAC. Shareholders representing over 90% of the ThinkMarkets' Company Shares have executed pre-offer acceptance deed polls whereby they, among other things, have irrevocably agreed to accept the Offer.

If the Offer is accepted by ThinkMarkets' Shareholders representing at least 90% of the votes attached to the ThinkMarkets Company Shares, FGAC will be entitled to invoke the compulsory acquisition powers under section 414 of the Australian Corporations Act in order to seek to obtain full ownership of ThinkMarkets, by providing a notice to any ThinkMarkets' Shareholders who have not accepted the Offer or have failed to transfer their shares in accordance with the Offer ("**Dissenting Shareholders**"). Unless otherwise ordered by a court of competent jurisdiction upon application by a Dissenting Shareholder, and subject to obtaining certain approvals and the satisfaction of certain conditions as further described below, FGAC (or its Designee, if applicable) will be entitled and bound to acquire the Dissenting Shareholders' ThinkMarkets Company Shares on the terms of the Offer.

To the extent that the amount of FGAC's cash on hand at Closing, after giving effect to the redemption of Class A Restricted Voting Shares and taking into account the Private Placement (the "**Closing Cash Amount**") is below U.S.\$50,000,000, the Sponsors shall forfeit to FGAC for cancellation (A) a number of the Remaining FG Founder Shares equal to the product of (1) the quotient of (i) the number equal to U.S.\$50,000,000 minus the Closing Cash Amount, divided by (ii) U.S.\$50,000,000, and (2) the number of Remaining FG Founder Shares (the "**Sponsors' Forfeited Shares**"); and (B) a number of the Remaining Sponsors' Warrants equal to the product of (1) the quotient of (i) the number equal to U.S.\$50,000,000 minus the Closing Cash Amount, divided by (ii) U.S.\$50,000,000, and (2) the number of Remaining Sponsors' Warrants (the "**Sponsors' Forfeited Warrants**"). If applicable, an additional number of Common Shares equal to such number of Sponsors' Forfeited Shares and a number of share purchase warrants (having substantially the same terms as the Sponsors' Forfeited Warrants) equal to such Sponsors' Forfeited Warrants will be issued by FGAC to the ThinkMarkets' Shareholders at Closing.

To the extent that the Closing Cash Amount is below U.S.\$20,000,000, the Sponsors shall also forfeit to FGAC for cancellation that number of Class B Shares equal to (1) the quotient obtained by dividing (i) 50% of the number that is equal to U.S.\$20,000,000 minus the Closing Cash Amount, by (ii) U.S.\$10.00 (the "**Additional Sponsors' Forfeited Shares**"); and (2) a number of Sponsors' Warrants that is equal to the number of Additional Sponsors' Forfeited Shares (the "**Additional Sponsors' Forfeited Warrants**"). If applicable, an additional number of Common Shares equal to such number of Additional Sponsors' Forfeited Shares and a number of share purchase warrants (having substantially the same terms as the Additional Sponsors' Forfeited Warrants) equal to such number of Additional Sponsors' Forfeited Warrants will be issued by FGAC to the ThinkMarkets' Shareholders at Closing.

In addition, the Sponsors shall forfeit to FG for cancellation 750,000 OTM Warrants, which will be issued to the ThinkMarkets' Shareholders as New OTM Warrants at Closing.

The Business Combination Agreement includes customary pre-Closing covenants on the part of ThinkMarkets and FGAC, including, in the case of ThinkMarkets, to conduct business in the ordinary course consistent with past practice, as well as customary pre-Closing covenants of the parties, including, among others, those relating to: (a) examinations and investigations, (b) disclosure of personal information, (c) confidentiality, (d) public announcements and third party communications (e) discharge of liens, (f) third-party transaction consents, (g) non-solicitation on the part of ThinkMarkets, (h) notification of certain matters, (i) litigation support, (j) insurance matters, and (k) waiver by ThinkMarkets of access to FGAC's escrow account and the Sponsors' escrow account. The Business Combination Agreement also includes certain transaction-specific covenants of the parties, including those requiring: (a) forfeiture of certain Founders' Shares and Sponsors' Warrants, if applicable, and (b) FGAC to take certain steps in connection with the Business Combination the Offer and the FGAC Meeting, including with respect to this prospectus, the (final) long form prospectus and other documents related to the Private Placement.

The Closing is conditional on mutual conditions of Closing, conditions of Closing in favour of ThinkMarkets and conditions of Closing in favour of FGAC. The Closing is conditional on, among other things, the approval of the Business Combination by the TSX, the approval of the FGAC Shareholders at the FGAC Meeting to file articles of amendment to, among other things, create a class of Preferred Shares and amend the terms of the Class B Shares such that they are convertible into Common Shares, FGAC having a minimum of U.S.\$10,000,000 in cash on hand (including the gross proceeds of the proposed Private Placement, but specifically excluding any proceeds of the proposed Private Placement from the President's List) at the time of Closing, and other usual and customary conditions for transactions of this nature. The obligations of ThinkMarkets at Closing are also conditional on, among other usual and customary conditions for transactions of this nature: the Common Shares having been conditionally approved to be listed and posted for trading on the TSX. The Closing is also conditional on, among other usual and customary conditions for transactions of this nature, the following conditions of Closing in favour of FGAC: there having been no Material Adverse Change (as defined in the Business Combination Agreement), and there having been no events, facts or circumstances which would result or could reasonably be expected to result, individually or in the aggregate, in a Material Adverse Change, since the date of the Business Combination Agreement, in respect to ThinkMarkets and its business; and FGAC having received acceptances under the Offer representing at least 90% of the votes

represented by the ThinkMarkets Company Shares. The Offer will be made conditional upon the satisfaction of the conditions to Closing set forth in the Business Combination Agreement.

The Business Combination Agreement contains representations and warranties. ThinkMarkets provides representations and warranties with respect to, among other things, its existence, authorization to execute and deliver the Business Combination Agreement and various representations and warranties with respect to ThinkMarkets' business, as well as representations and warranties relating to misrepresentations in this prospectus (with ThinkMarkets' representations and warranties being limited to the information relating to ThinkMarkets). Representations and warranties are also made by FGAC with respect to, among other things, its existence, authorization to execute and deliver the Business Combination Agreement, its compliance with applicable securities laws and various representations and warranties with respect to FGAC's business. The representations and warranties made by ThinkMarkets and FGAC will not survive closing of the transactions contemplated in the Business Combination Agreement.

The Business Combination Agreement may be terminated for any of the following reasons at any time prior to Closing: (a) upon mutual consent of ThinkMarkets and FGAC, (b) by either ThinkMarkets or FGAC if Closing has not occurred by July 28, 2023 or, provided that the Ontario Securities Commission has issued a receipt in respect of the final prospectus and the TSX has conditionally approved the transactions contemplated by the Business Combination Agreement by July 28, 2023, August 15, 2023, (c) by either ThinkMarkets or FGAC upon certain breaches or covenants, representations or warranties by the other party, or (d) by any party to the Business Combination Agreement if applicable law makes consummation of the transactions contemplated in the Business Combination Agreement and related transaction documents illegal or otherwise prohibited.

Related Party Transactions

The Sponsors are related parties of FGAC and beneficially own, or exercise control or direction over, an aggregate of 2,875,000 Class B Shares, 2,000,000 of which will be or will have been exchanged for Exchange Preferred Shares of the Company in connection with Closing. The Exchange Preferred Shares will be convertible into Common Shares of the Company having a maximum aggregate value of U.S.\$23,000,000 (based on the Common Share VWAP), all subject to the terms and conditions described under "Capital Structure of New ThinkMarkets – Preferred Shares". As a result of the above relationship, the exchange of 2,000,000 Class B Shares for Exchange Preferred Shares constitutes a "related party transaction" (the "**Related Party Transaction**") under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") and, unless an exemption is available, will be subject to the minority approval and formal valuation requirements set out in MI 61-01 (the "**MI 61-101 Requirements**"). The Related Party Transaction will be exempt from the MI 61-101 Requirements if neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the Related Party Transaction exceeds 25% of FGAC's "market capitalization" (the "**Transaction Size Exemptions**"). Under MI 61-101, an issuer's "market capitalization" is calculated based on the outstanding "equity securities" of the issuer. As the Class A Restricted Voting Shares do not have a residual right to share in the assets of FGAC on a liquidation or winding-up, the Class A Restricted Voting Shares do not constitute "equity securities" for purposes of determining the "market capitalization" of FGAC and therefore, unless exemptive relief is obtained, FGAC's market capitalization as determined under MI 61-101 would be calculated only on the basis of the outstanding Class B Shares and the Related Party Transaction would not qualify for the Transaction Size Exemptions.

FGAC has applied to the Ontario Securities Commission, as principal regulator, pursuant to NP 11-203 – *Process for Exemptive Relief Applications in Multiple Jurisdictions*, to allow FGAC to calculate its market capitalization based on both the issued and outstanding Class A Restricted Voting Shares and the issued and outstanding Class B Shares. If exemptive relief is granted, FGAC will qualify for the Transaction Size Exemptions, as neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the Related Party Transaction would exceed 25% of FGAC's market capitalization calculated on such basis. There is no assurance that exemptive relief will be granted.

CAPITAL STRUCTURE OF NEW THINKMARKETS

Overview

As of the date hereof, the authorized capital of FGAC consists of an unlimited number of Class A Restricted Voting Shares, Class B Shares, Common Shares and Proportionate Voting Shares, each without nominal or par value. As of the date hereof, the following securities are issued and outstanding: 11,500,000 Class A Restricted Voting Shares,

2,875,000 Class B Shares (being the Founders' Shares), 10,100,000 Warrants, 750,000 OTM Warrants and 750,000 New OTM Warrants.

In connection with the Business Combination, each of the holders of Class A Restricted Voting Shares will be entitled, provided that they deposit their Class A Restricted Voting Shares for redemption prior to the Redemption Election Deadline, to have their Class A Restricted Voting Shares redeemed. Subject to applicable law, effective immediately prior to Closing, all Class A Restricted Voting Shares validly deposited for redemption shall be redeemed for the Class A Qualifying Acquisition Redemption Price per Class A Restricted Voting Share redeemed, payable in cash. Upon payment in cash of the Class A Qualifying Acquisition Redemption Price (which shall occur no later than 30 calendar days following Closing), the holders of the Class A Restricted Voting Shares so redeemed will have no further rights in respect of the Class A Restricted Voting Shares. Upon completion of the Business Combination, (a) the Class A Restricted Voting Shares not required to be redeemed will convert into Common Shares on a one for one basis, (b) 2,000,000 Class B Shares will be or will have been exchanged for Exchange Preferred Shares, (c) the remaining Class B Shares will convert into Common Shares on a one for one basis, and (d) the Common Shares and Warrants will trade separately on the TSX, subject to meeting the TSX listing requirements. Listing of the securities issuable pursuant to the Business Combination is subject to the TSX listing requirements.

Notwithstanding any of the foregoing, no registered or beneficial holder of Class A Restricted Voting Shares (other than CDS), together with any Affiliate thereof or any person acting jointly or in concert therewith, shall be entitled to require FGAC to redeem Class A Restricted Voting Shares in excess of the Redemption Limitation. See "The Business Combination – Share Ownership – Redemption Rights".

As described under "The Business Combination", prior to or in connection with Closing and subject to obtaining approval of the FGAC Shareholders at the FGAC Meeting, FGAC intends to file articles of amendment to create a class of Preferred Shares, amend the terms of the Class B Shares such that they are convertible into Common Shares and remove the Class A Restricted Voting Shares, Class B Shares and Proportionate Voting Shares. Assuming these changes are completed, following Closing, the authorized capital of the Company will consist of an unlimited number of Common Shares and Preferred Shares, each without nominal or par value. After giving effect to the Business Combination, including the conversion of Class A Restricted Voting Shares into Common Shares, 2,000,000 Class B Shares into Exchange Preferred Shares, and the remaining Class B Shares into Common Shares, and assuming no redemption of the Class A Restricted Voting Shares, the following securities are expected to be issued and outstanding: 26,534,117 Common Shares, 10,100,000 Warrants, 2,000,000 Exchange Preferred Shares, 750,000 OTM Warrants 750,000 New OTM Warrants and U.S.\$20,000,000 aggregate principal amount of Convertible Debentures (assuming the Private Placement is fully subscribed), respectively.

A summary of the rights, privileges, restrictions and conditions attaching to Class A Restricted Voting Shares, Class B Shares, Common Shares and Proportionate Voting Shares is contained in FGAC's final long form prospectus dated March 28, 2022, which has been filed on SEDAR at www.sedar.com. For a complete description of the authorized securities of FGAC as of the date hereof, please refer to FGAC's Articles which have also been filed on SEDAR at www.sedar.com.

The following is a summary of certain of the rights, privileges, restrictions and conditions attaching to the Common Shares, Exchange Preferred Shares, Warrants, OTM Warrants, New OTM Warrants and Convertible Debentures of the Company after giving effect to the Business Combination.

Common Shares

Holders of Common Shares are entitled to receive notice of, and to attend and vote at all meetings of, shareholders of the Company (except where solely the holders of one or more other specified classes of shares (other than the Common Shares) shall be entitled to vote at a meeting, in which case, only such holders shall be entitled to receive notice of, and attend and vote at, such meeting). Each Common Share shall confer the right to one vote.

Dividend Rights

Holders of Common Share are entitled to receive dividends out of the assets available for the payment or distribution of dividends at such times and in such amount and form as the Board may from time to time determine.

Liquidation Rights

Subject to the prior rights of the holders of any outstanding Preferred Shares and applicable law, in the event of the liquidation, dissolution or winding-up of the Company or any other distribution of its assets among its shareholders for the purpose of winding-up its affairs, whether voluntarily or involuntarily, the holders of Common Shares will be

entitled to receive all of the Company's assets remaining after payment of all debts and other liabilities on a *pro rata* basis and otherwise without preference or distinction among or between the Common Shares.

Pre-emptive and Redemption Rights

Holders of Common Shares will not have any pre-emptive or redemption rights.

Preferred Shares

Upon receipt of the certificate of amendment confirming the amendments to the Company's share capital, the Company will be authorized to issue an unlimited number of Preferred Shares in one or more series.

The holders of Preferred Shares will neither be entitled to attend any general meeting of the Company's shareholders nor vote at any such meeting. The holders of Preferred Shares will be entitled to receive dividends as and when declared by the Board in such amounts and in such form as the Board may determine from time to time.

In the event of liquidation, dissolution or winding-up of the Company, each holder of Preferred Shares will be entitled to be paid, in preference to and in priority over any distribution of assets or payment to holders of Common Shares, such amount as set forth in the share terms applicable to such series of Preferred Shares.

Following Closing, the Company expects that it will have outstanding a class of Exchange Preferred Shares. The specific terms applicable to such class of Exchange Preferred Shares are summarized below.

Exchange Preferred Shares

The Exchange Preferred Shares mature on the first business day immediately following the fifth anniversary of the Closing (the "**Exchange Preferred Shares Maturity Date**"). No dividends shall be declared or payable on the Exchange Preferred Shares.

Prior to the business day immediately preceding the Exchange Preferred Shares Maturity Date, and subject to satisfying the Warrant Condition (as described below), each Exchange Preferred Share will, for no additional consideration, be convertible into such number of Common Shares having a value at that time equal to US\$11.50 (based on the Common Share VWAP at such time); provided, that if the value of a Common Share at that time is less than U.S.\$11.50 (based on the Common Share VWAP at such time), then the Exchange Preferred Share will be convertible into one Common Share (the applicable rate, the "**Pre-Maturity Conversion Rate**"). Each Exchange Preferred Share shall be so convertible only if the holder either (i) exercises on a "cashless basis" one Sponsors' Warrant based on the Common Share VWAP, or (ii) surrenders to the Company for no consideration one Sponsors' Warrant, in each case, at the time of the conversion (the "**Warrant Condition**").

Unless previously converted, each Exchange Preferred Share will come due and be automatically converted on the Exchange Preferred Shares Maturity Date into such number of Common Shares having a value at that time equal to U.S.\$11.50 per share (based on the Common Share VWAP). The Warrant Condition shall not apply on the conversion of the Exchange Preferred Shares on the Exchange Preferred Shares Maturity Date.

Warrants, OTM Warrants and New OTM Warrants

The Warrants, OTM Warrants and New OTM Warrants will become exercisable commencing 65 days after the Closing. Each Warrant will be exercisable for one Common Share at an exercise price of U.S.\$11.50 and each OTM Warrant and New OTM Warrant will be exercisable for one Common Share at an exercise price of U.S.\$15.00. The Warrants will expire at 5:00 p.m. (Toronto time) on the day that is five years after the date of Closing or may expire earlier if the expiry date is accelerated. The OTM Warrants and New OTM Warrants will expire at 5:00 p.m. (Toronto time) on the day that is 10 years after the date of Closing. On or after the expiry date or acceleration thereof, a holder of a Warrant will have no further rights with respect to the Warrants and a holder of an OTM Warrant or New OTM Warrant will have no further rights with respect to the OTM Warrants or New OTM Warrants, as applicable.

The Warrant Agreement provides that the exercise price and number of Common Shares issuable on exercise of the Warrants may be adjusted in certain circumstances, including in the event of a stock dividend, Extraordinary Dividend (as defined in the Warrant Agreement) or a recapitalization, reorganization, merger or consolidation. The Warrants will not, however, be adjusted for issuances of Common Shares at a price below their exercise price. Once the Warrants become exercisable, the Company may accelerate the expiry date of the outstanding Warrants by providing 30 days' notice if, and only if, the closing price of the Common Shares equals or exceeds U.S.\$18.00 per Common Share (as adjusted for stock splits or combinations, stock dividends, Extraordinary Dividends, reorganizations and recapitalizations) for any 20 trading days within a 30-trading day period, in which case the expiry date shall be the date which is 30 days following the date on which such notice is provided. For so long as the Sponsors' Warrants are

held by the Sponsors (or the Sponsors' permitted transferees and affiliates), the Sponsors' Warrants shall not be accelerated. If the Sponsors' Warrants are transferred to a third party other than a permitted transferee or affiliate of the Sponsors, the Company may accelerate the expiry date of such Sponsors' Warrants on the same terms as the Warrants. The expiry date of the OTM Warrants and New OTM Warrants may not be accelerated.

If expiry is accelerated as described above, the board of directors will have the option to require all holders that wish to exercise accelerated Warrants to do so, in whole or in part, on a cashless basis. In determining whether to require all holders to exercise their accelerated Warrants, in whole or in part, on a cashless basis, our board of directors will consider, among other factors, our cash position, and the number of Warrants that are outstanding and the dilutive effect on our shareholders of issuing the maximum number of Common Shares issuable upon the exercise of the accelerated Warrants. For so long as the Sponsors' Warrants and the OTM Warrants are held by the Sponsors (or the Sponsors' permitted transferees and affiliates), the Sponsors' Warrants and the OTM Warrants shall be exercisable on a cashless basis.

A cashless exercise means the holder, in lieu of making a cash payment on exercise, will instead surrender its Warrants or OTM Warrants, as applicable, and receive the number of Common Shares that is equal to the quotient obtained by multiplying (i) the number of Common Shares for which the warrant is being exercised by (ii) the difference, if positive, between the volume weighted average price of the Common Shares on the Exchange for the 20 trading days immediately prior to (but not including) the date of exercise of the warrant and the exercise price in effect on the date immediately prior to (but not including) the date of exercise of the warrant, and dividing such product by the volume weighted average price of the Common Shares on the Exchange for the 20 trading days immediately prior to (but not including) the date of exercise.

The Warrant holders do not have the rights or privileges of holders of Common Shares nor any voting rights until they exercise their Warrants and receive corresponding Common Shares. After the issuance of corresponding Common Shares upon exercise of the Warrants, each holder will be entitled to one vote for each share held of record on all matters to be voted on by shareholders.

Warrants may be exercised only for a whole number of Common Shares. No fractional Common Shares will be issued upon exercise of the Warrants. If, upon exercise of the Warrants, a holder would be entitled to receive a fractional interest in a Common Share, the Company will, upon exercise, round down to the nearest whole number of Common Shares to be issued to the Warrant holder.

Convertible Debentures

Assuming the Private Placement is fully subscribed, the Company expects to have U.S.\$20,000,000 aggregate principal amount of Convertible Debentures outstanding following Closing.

The Convertible Debentures will have a maturity date of four years following Closing (the “**Convertible Debentures Maturity Date**”), and will carry a coupon of 8.0% per annum, payable semi-annually in arrears on September 1 and March, commencing September 1, 2023 (assuming the Closing occurs in July 2023). The first interest payment will represent accrued and unpaid interest for the period from the closing date of the Private Placement to but excluding the date of such interest payment. The Convertible Debentures will not be listed on any exchange or marketplace.

Each U.S.\$1,000 principal amount of Convertible Debentures will be convertible at the option of the holder into Common Shares at 83.3333 per Common Share, implying a conversion price of U.S.\$12.00 per Common Share (the “**Conversion Price**”), at any time prior to the close of business on the earlier of (i) the business day immediately preceding the Convertible Debentures Maturity Date, or (ii) if called for repurchase pursuant to a Change of Control (as defined below), on the business day immediately preceding the payment date. In addition, the Convertible Debentures shall be convertible into Common Shares at the option of the Company if the average closing price of the Common Shares is U.S.\$18.00 or higher for any 20 consecutive trading days within a 30-trading day period. Upon the conversion of the Convertible Debentures, in addition to the applicable number of Common Shares, each holder thereof shall be entitled to receive accrued and unpaid interest thereon for the period from the date of the latest interest payment date to, but excluding, the date of conversion, payable in cash.

The Convertible Debentures will not be redeemable before the second anniversary of the closing date of the Private Placement. On and after the second anniversary of the closing date of the Private Placement, the Convertible Debentures will be redeemable at the Company's option, in whole or in part, at 100% of the principal amount thereof plus accrued and unpaid interest up to the date of redemption.

Upon the occurrence of a Change of Control, the Company will be required to make an offer to purchase, within 30 days following the consummation of the Change of Control, all of the Convertible Debentures at a price equal to 100% of the principal amount thereof plus accrued and unpaid interest thereon. If 90% or more of the aggregate principal amount of the Convertible Debentures outstanding on the date of the provision of notice of the Change of Control have been tendered to the Company pursuant to such offer to the holders of Convertible Debentures, the Company will have the right to redeem all the remaining Convertible Debentures at the same price per Convertible Debenture. A “**Change of Control**” shall mean (i) any event as a result of or following which any person, or group of persons “acting jointly or in concert” within the meaning of applicable Canadian securities laws, beneficially owns or exercises control or direction over an aggregate of more than 50% of the then outstanding Common Shares; (ii) the Company’s amalgamation, consolidation or merger with or into any other person, any merger of another person into the Company, unless the holders of voting securities of the Company immediately prior to such amalgamation, consolidation or merger hold securities representing 50% or more of the voting control or direction in the Company or the successor entity upon completion of such amalgamation, consolidation or merger; or (iii) the sale or other transfer of all or substantially all of the consolidated assets of the Company.

The Convertible Debentures will be direct, subordinated unsecured obligations of the Company and will rank equally with one another and with all other existing and future subordinated unsecured indebtedness of the Company. The Conversion Price will be subject to standard anti-dilution adjustments. The Convertible Debentures will be governed by a trust indenture entered into between the Company and TSX Trust Company, as trustee, in connection with the closing of the Private Placement (the “**Indenture**”).

DIVIDENDS

FGAC has not paid any cash dividends or distributions on its securities to date. Class A Restricted Voting Shares and Class B Shares would be entitled to dividends on an equal per share basis if, as and when declared by the board of directors of FGAC. However, FGAC does not intend to declare or pay any cash dividends prior to the completion of its Qualifying Acquisition. The payment of cash dividends following the completion of the Business Combination will be dependent upon the Company’s revenues and earnings, if any, capital requirements and general financial condition and will be at the discretion of the Board at that time.

CAPITALIZATION AND USE OF PROCEEDS

The following table sets forth ThinkMarkets’ capitalization as at March 31, 2023, and as adjusted to give effect to the Qualifying Acquisition and the Private Placement, assuming Private Placement gross proceeds of U.S.\$20,000,000 and assuming redemptions of Class A Restricted Voting Shares of 0%, 50% and 100%:

	As at March 31, 2023 prior to giving effect to the Qualifying Acquisition and Private Placement (U.S.\$) ⁽¹⁾	As at March 31, 2023 after giving effect to the Qualifying Acquisition and Private Placement, and assuming 0% redemptions (U.S.\$) ⁽¹⁾	As at March 31, 2023 after giving effect to the Qualifying Acquisition and Private Placement, and assuming 50% redemptions (U.S.\$) ⁽¹⁾	As at March 31, 2023 after giving effect to the Qualifying Acquisition and Private Placement, and assuming 100% redemptions (U.S.\$) ⁽¹⁾
Cash ⁽²⁾	8,100,692	137,476,014	80,785,192	21,840,369
Other current and non-current assets.....	34,920,476	34,920,476	34,920,476	34,920,476
Total Assets	43,021,168	172,396,491	115,705,668	56,760,846
Total Debt ⁽³⁾	39,885,069	72,122,569	72,122,569	72,122,569
Equity				
Total Equity.....	3,136,099	100,273,922	43,583,099	(15,361,723)
Total Capitalization	43,021,168	172,396,491	115,705,668	56,760,846

	As at March 31, 2023 prior to giving effect to the Qualifying Acquisition and Private Placement (U.S.\$) ⁽¹⁾	As at March 31, 2023 after giving effect to the Qualifying Acquisition and Private Placement, and assuming 0% redemptions (U.S.\$) ⁽¹⁾	As at March 31, 2023 after giving effect to the Qualifying Acquisition and Private Placement, and assuming 50% redemptions (U.S.\$) ⁽¹⁾	As at March 31, 2023 after giving effect to the Qualifying Acquisition and Private Placement, and assuming 100% redemptions (U.S.\$) ⁽¹⁾
Diluted Shares Outstanding	203,000,011	39,800,783	34,119,320	28,526,183

Notes:

- (1) All figures are in U.S. dollars. All figures in Australian dollars were converted to U.S. dollars using an exchange rate of A\$1.00 to U.S.\$0.6766.
- (2) Cash balances after giving effect to the Qualifying Acquisition include: (a) cash held in FGAC's escrow account, (b) proceeds from the Private Placement net of all fees and expenses (assuming gross proceeds of U.S.\$20,000,000), and (c) the existing cash balance of U.S.\$8,100,692 prior to giving effect to the Qualifying Acquisition, net of any redemptions, and estimated cash required for acquisitions, legal expenses and underwriters' commission.
- (3) Total Debt after giving effect to the Qualifying Acquisition includes: (a) proceeds from the Private Placement, (b) warrant liabilities, and (c) the existing debt balance of ThinkMarkets prior to giving effect to the Qualifying Acquisition.

The Company is not raising any funds in conjunction with this prospectus. Accordingly, there are no proceeds. The Company anticipates having access to the following sources of funding in connection with the Qualifying Acquisition:

	Assuming 0% Redemptions (U.S.\$)	Assuming 50% Redemptions (U.S.\$)	Assuming 100% Redemptions (U.S.\$)
Proceeds from IPO held in escrow.....	117,889,645	58,944,823	-
Proceeds from Private Placement.....	20,000,000	20,000,000	20,000,000
Cash on hand.....	8,100,692	8,100,692	8,100,692
Total Sources	145,990,337	87,045,514	28,100,692

The Company expects that the total available sources of funds for the Company shall be used as follows:

	Assuming 0% Redemptions (U.S.\$)	Assuming 50% Redemptions (U.S.\$)	Assuming 100% Redemptions (U.S.\$)
Purchase price paid in cash.....	-	-	-
Estimated closing costs.....	8,514,322	6,260,322	6,260,322
Remaining working capital.....	137,476,014	80,785,192	21,840,369
Total Uses	145,990,337	87,045,514	28,100,692

PRIOR SALES

FGAC has not issued any shares or securities convertible into shares during the 12-month period before the date of this prospectus. On April 5, 2022, the Class A Restricted Voting Units commenced trading on the TSX under the symbol "FGAA.V". On May 16, 2022, the Class A Restricted Voting Shares and the Warrants began trading separately on the TSX, under the trading symbols "FGAA.U" and "FGAA.WT.U", respectively.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

Except as set out below, to the knowledge of FGAC, as of the date of this prospectus, no securities of any class of securities of FGAC are held in escrow or subject to contractual restrictions on transfer.

Designation of Class	Number of Securities that are Subject to a Contractual Restriction on Transfer ⁽¹⁾	Percentage of Class
Class B Shares	2,875,000	100%
Sponsors' Warrants	4,350,000	100%
OTM Warrants	1,500,000	100%

Notes:

- (1) Each of the Founders has agreed pursuant to the Exchange Agreement and Undertaking, not to transfer any of their Founders' Shares, Sponsors' Warrants or OTM Warrants until after the closing of a Qualifying Acquisition, without the prior consent of the TSX. In each case, transfers required due to the structuring of the Qualifying Acquisition would be exempt, in which case such restriction would apply to the securities received in connection with the Qualifying Acquisition.

Following Closing, it is expected that at least 90% of the Common Shares and securities convertible into Common Shares issued to the ThinkMarkets' Shareholders will be subject to a nine month contractual lockup, and all of the Common Shares, Exchange Preferred Shares (and underlying Common Shares) and Sponsors' Warrants and OTM Warrants (and underlying Common Shares), and 50% of the IPO Warrants (and underlying Common Shares) acquired pursuant to the exercise of the Warrant Put Rights held by the Sponsors will also be subject to a nine month contractual lockup (together, the "**Lockups**").

PRINCIPAL SHAREHOLDERS

As of the date hereof, the only persons who, to the knowledge of FGAC, its board of directors or executive officers, beneficially own, or control or direct, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of the voting securities of FGAC are as follows:

Name	Number of Class A Restricted Voting Shares	Percentage of Class A Restricted Voting Shares (%)	Number of Class B Shares	Percentage of Class B Shares (%)	Type of Ownership
FGAC Investors LLC	—	—	2,555,925	88.9%	Registered
CG Investments VII Inc.	—	—	319,075	11.1%	Registered

To the knowledge of FGAC, following Closing, the following persons are expected to beneficially own, or control or direct, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of the voting securities of the Company, assuming no redemption of the Class A Restricted Voting Shares, the issuance of 14,159,117 Common Shares in connection with the Business Combination and a Closing Cash Amount of at least U.S.\$50,000,000:

Name	Number of Common Shares	Percentage of Common Shares (%)	Type of Ownership
Nauman Anees	4,583,922	17.3%	Registered
Faizan Anees	4,389,089	16.5%	Registered

DIRECTORS AND EXECUTIVE OFFICERS

At Closing, it is anticipated that the Board will consist of seven directors. Directors will be elected annually at each annual meeting of the Company's shareholders and, following Closing, no person will retain contractual nomination rights with respect to the Company's directors. Unless the directors are re-elected, they will retire from office at the end of the next annual meeting of shareholders.

The following table sets out, for each of the persons who are expected to serve as directors and executive officers of New ThinkMarkets, the person's name, province or state and country of residence, age, position with New ThinkMarkets and principal occupation. Each of the proposed members of the Board is expected to be formally appointed to the Board at Closing, and each of the current directors of FGAC other than Larry G. Swets, Jr., Andrew B. McIntyre and Peter Huitsing will resign at Closing.

Directors and Executive Officers

Name and Province or State and Country of Residence	Age	Position(s) / Title	Principal Occupation
Nauman Anees <i>Illinois, United States</i>	40	Chief Executive Officer and Co-Founder, and Director	Co-Founder and Co-Chief Executive Officer of ThinkMarkets and ACG Management Solutions, LLC, a subsidiary of ThinkMarkets
Mohamed Amin Adat (Ameen Adat) <i>Greater London, United Kingdom</i>	36	Chief Financial Officer	Chief Financial Officer of ThinkMarkets and TF Global Markets (UK) Limited Previously Finance Director of ThinkMarkets from 2017-2022
Faizan Anees <i>Dubai, United Arab Emirates</i>	36	President and Co-Founder, and Director	Co-Founder and Co-Chief Executive Officer of ThinkMarkets
Harley Salt <i>Greater London, United Kingdom</i>	45	Chief Operating Officer	Chief Operating Officer of ThinkMarkets and TF Global Markets (UK) Limited Previously General Manager of ThinkMarkets from 2016-2021
William Vernon <i>Illinois, USA</i>	56	Chief of Staff	Chief of Staff of ThinkMarkets and ACG Management Solutions LLC, a subsidiary of ThinkMarkets
Julian Babarczy <i>New South Wales, Australia</i>	46	Director	Chief Investment Officer of Jigsaw Investments, an investment company, since 2020 Previously Portfolio Manager at Regal Funds Management from 2006-2020
Larry G. Swets, Jr. <i>Florida, United States</i>	48	Director	Chief Executive Officer of FGAC Chief Executive Officer of FG Financial Group, Inc. Managing Member, Itasca Financial LLC

Name and Province or State and Country of Residence	Age	Position(s) / Title	Principal Occupation
Andrew B. McIntyre <i>Ontario, Canada</i> ⁽¹⁾ ⁽²⁾ ⁽³⁾	61	Director	Senior Advisor at Deloitte LLP since July 2022 Previously Senior Vice President, Finance of Sofina Foods Inc. from September 2019 – June 2022 and Vice President, Corporate Development of Samuel, Son & Co. Limited from October 2016 – August 2019
Peter Huitsing <i>California, United States</i> ⁽¹⁾ ⁽²⁾ ⁽³⁾	39	Director	Security Partner and Staff Security Engineer, Meta Platform, Inc. Technical Advisor at Fundamental Global
Symon Brewis-Weston <i>Queensland, Australia</i> ⁽¹⁾ ⁽²⁾ ⁽³⁾	53	Director	Executive Chairman of Timelio Pty Ltd, an Australia-based fintech platform, since August 2022 Non-Executive Director of Solvar Ltd. since November 2018 Managing Director of FlexiGroup Ltd, a provider of vendor and retail point-of-sale finance and telecommunication services, from February 2016 – September 2018

Notes:

- (1) Independent director for the purposes of NI 58-101.
- (2) Member of the Audit Committee.
- (3) Member of the GHRC Committee.

Based on shareholdings as at the date hereof and assuming no redemption of the Class A Restricted Voting Shares and that the Closing Cash Amount is U.S.\$50,000,000 or greater, at Closing the proposed directors and executive officers of New ThinkMarkets as a group as listed in the table above, are expected to beneficially own, or control or direct, directly or indirectly, approximately 9,911,229 Common Shares, representing approximately 37.4% of the number of outstanding Common Shares of the Company following Closing. The above includes the 777,890 Common Shares to be held by FGAC Investors LLC, as Sponsor, over which Larry G. Swets, Jr., exercises voting and dispositive control as a manager of FGAC Investors LLC. The above further assumes the issuance of 14,159,117 Common Shares to the ThinkMarkets' Shareholders in connection with the Business Combination.

Larry G. Swets, Jr., D. Kyle Cerminara, Hassan R. Baqar, Dr. Richard E. Govignon, Jr., Andrew B. McIntyre and Peter Huitsing, as the current directors of FGAC (and its expected directors at the Redemption Election Deadline), and, in the case of Larry G. Swets, Jr. and Hassan R. Baqar, as the Chief Executive Officer and Chief Financial Officer of FGAC, respectively, who are signing the prospectus in such capacities, are the only directors and officers of FGAC who will be subject to liability for any misrepresentation in this prospectus. Any directors that are appointed to the Board as of or following Closing, and who are not otherwise signing this prospectus, will not be subject to (a) liability for any misrepresentation in this prospectus in their capacity as a director, as they are not currently directors of FGAC, although they may be liable in another capacity, or (b) the contractual right of action described under "Contractual Right of Action" in this prospectus.

Biographies

The following are brief profiles of the executive officers and directors of the Company following Closing, including a description of each individual's principal occupation within the past five years.

Non-Executive Directors

Julian Babarczy, Director

Julian Babarczy is the Chief Investment Officer of Jigsaw Investments and director of Jigsaw Consult. Mr. Babarczy has over 20 years of experience as a finance industry professional working in Australia's corporate and funds management sectors. Mr. Babarczy has served, in a part-time capacity, as non-executive chairman of IXUP Ltd. (ASX:IXU), a technology company focused on security software, since November 2020, and as executive chairman of Perpetual Resources Ltd. (ASX:PEC), a natural resources company focused on the global glass and foundry sand industries, since June 2018. Mr. Babarczy was a non-executive director of Ioneer Ltd. (ASX: INR), an Australian-based lithium-boron producer, from June 2020 to July 2022, and a portfolio manager at Sydney-based Regal Funds Management, from June 2006 to March 2020. Mr. Babarczy earned a Bachelor of Business Degree from Monash University in 1998.

Larry G. Swets, Jr., Director

Larry G. Swets, Jr. serves as Chief Executive Officer and director of FGAC and a manager of FGAC Investors LLC. Mr. Swets has over 25 years of experience within financial services encompassing both non-executive and executive roles. Mr. Swets founded Itasca Financial LLC, an advisory and investment firm, in 2005 and has served as its managing member since inception. Mr. Swets also founded and is the President of Itasca Golf Managers, Inc. Mr. Swets has served as Chief Executive Officer of FG Financial Group, Inc. (Nasdaq: FGF) since November 2020, after having served as Interim CEO from June 2020 to November 2020. Mr. Swets is a member of the Board of Directors of FG Financial Group, Inc. (Nasdaq: FGF) since November 2013; GreenFirst Forest Products Inc. (TSX: GFP), since June 2016; Harbor Custom Development, Inc. (Nasdaq: HCDI) since February 2020; FG Group Holdings Inc. (NYSE American: FGH) since October 2021; Ascension Illinois Foundation since March 2018; and Unbounded Media Corporation since June 2019. Mr. Swets also serves as chairman of the Board of Directors of FG Merger Corp. (Nasdaq: FGMCU) since February 2022, a United States special purpose acquisition company focused on merging with one or more companies in the financial services sector. Mr. Swets earned a Master's Degree in Finance from DePaul University in 1999 and a Bachelor's Degree from Valparaiso University in 1997. He is a member of the Young Presidents' Organization and holds the Chartered Financial Analyst (CFA) designation.

Andrew B. McIntyre, Director

Andrew B. McIntyre serves as a director of FGAC. Mr. McIntyre served as Director of GreenFirst Forest Products Inc. (TSXV: GFP) (formerly Itasca Capital Ltd.), a public company focused on investments in the forest products industry from June 2016 to December 2021. During his tenure as a director of GreenFirst Forest Products, Inc., Mr. McIntyre also served as a member of its audit committee. In July 2022, Mr. McIntyre joined Deloitte LLP as a Senior Advisor. Mr. McIntyre previously served as Senior Vice President, Finance of Sofina Foods Inc. from September 2019 to June 2022. From October 2016 to August 2019, Mr. McIntyre served Samuel, Son & Co. Limited in the role of Vice President, Corporate Development. Previously, Mr. McIntyre was Managing Director of Segwin Consulting Ltd., a consultancy specializing in M&A advisory and strategy development for B2B clients in North America and Asia. Prior to his role with Segwin Consulting Ltd., Mr. McIntyre was Vice President, Corporate Development at Vicwest Inc. Previously, Mr. McIntyre served on the Boards of Directors of Burloak Technologies Inc., Pre-Insulated Metal Technologies Inc., BBi Enterprises Inc., MDS Capital Company and the Orthopaedic & Arthritic Institute. Mr. McIntyre's formal designations include ICD.D., Chartered Financial Analyst, Master of Business Administration from the Schulich School of Business and P. Eng.

Peter Huitsing, Director

Peter Huitsing serves as a director of FGAC. Mr. Huitsing has over 15 years of experience in technology, cyber security, and leadership roles encompassing public, private and government sectors. Mr. Huitsing has served as a Security Partner and Staff Security Engineer at Meta Platforms, Inc. (NASDAQ: META) since 2017. He has served as a Technical Advisor to Fundamental Global, a private partnership focused on long-term strategic holdings, since May 2022. Mr. Huitsing served as the VP of Engineering for ZeeMee, Inc., a venture capital-backed education technology company, from 2014 to 2017, and as the Chief Technology Officer of Petra Partners, a hedge fund focusing on alternative lending platforms, from 2013-2016. Mr. Huitsing was a senior engineer at Endgame, a cybersecurity product company acquired by Elastic NV (NYSE: ESTC) in 2019, from 2012-2014. He also served as a cybersecurity

analyst at the United States National Security Agency from 2005 until 2010. In addition, Mr. Huitsing has held various operational, engineering, and consulting roles in the public and private sectors, primarily focused on information security and technology programs and products. Mr. Huitsing holds a Master of Science in Computer Science from the Johns Hopkins University, and a Bachelor of Science in Computer Science from the University of Tulsa.

Symon Brewis-Weston, Director

Symon Brewis-Weston is the Executive Chairman of Timelio Pty Ltd, an Australia-based fintech platform offering invoice financing and working capital for businesses. Mr. Brewis-Weston also serves as non-executive director of BSP Financial Group Limited (ASX: BFL), a personal and commercial banking and financial company, and Solvar Ltd (ASX: SVR) (formerly Money3 Corporation Limited), an Australia-based consumer and commercial finance company. Mr. Brewis-Weston previously served as managing director of FlexiGroup Limited (ASX:FXL), a provider of vendor and retail point-of-sale finance and telecommunication services, from February 2016 to September 2018. Mr. Brewis-Weston has extensive international financial services experience and a deep understanding of consumer and business markets in Asia-Pacific. Mr. Brewis-Weston received the United Nations Women's Empowerment Principles CEO Leadership Award in 2015 for his commitment to workplace diversity and community engagement. Mr. Brewis-Weston earned a Masters in Applied Finance from Macquarie University in 1999, and a Bachelor of Economics (Hons) degree from Murdoch University in 1995.

Executives who serve as Directors

Nauman Anees, Chief Executive Officer and Co-Founder, and Director

Nauman Anees is currently a Co-Chief Executive Officer and Co-Founder of ThinkMarkets and ACG Management Solutions LLC, a subsidiary of ThinkMarkets, and will serve as Chief Executive Officer of the Company following Closing. Mr. N. Anees has over a decade of experience in the technology sector. He has an extensive knowledge in computer science with a background in building highly complex trading platforms and risk management systems. Mr. N. Anees earned a Bachelor's of Science Degree in Management Information Systems from DePaul University in 2003.

Faizan Anees, President and Co-Founder, and Director

Faizan Anees is currently a Co-Chief Executive Officer and Co-Founder of ThinkMarkets, and will serve as President of the Company following Closing. Mr. F. Anees has over a decade of experience in sales and business development, and has been involved in online start-ups in the finance sector. Mr. F. Anees earned a Bachelor's of Science Degree in Economics from DePaul University in 2006.

Executives who do not serve as Directors

Mohamed Amin Ahmed Adat (Ameen Adat), Chief Financial Officer

Ameen Adat serves as Chief Financial Officer of ThinkMarkets and TF Global Markets (UK) Limited, a subsidiary of ThinkMarkets. He previously served as Director of Finance and Financial Controller of TF Global Markets (UK) Limited. Mr. Adat has several years of experience in the financial services industry. Mr. Adat previously worked as a financial accountant at GKFX Financial Services from August 2012 to March 2016. Mr. Adat earned a Master's Degree in Investment Management from the University of Wales in 2012, and ACCA certification from the London School of Business and Finance in 2010. Mr. Adat is a Chartered Accountant.

Harley Salt, Chief Operating Officer

Harley Salt serves as Chief Operating Officer of ThinkMarkets and TF Global Markets (UK) Limited, a subsidiary of ThinkMarkets. He has been the Chief Operating Officer since September 2021. Mr. Salt previously held the position of General Manager of ThinkMarkets having joined the Company in April 2016. He has over 20 years OTC industry experience, with over 10 years at competitor IG Group (IG.com) where he was an Associate Director and manager in the commercial team.

William Vernon, Chief of Staff

William Vernon serves as Chief of Staff of ThinkMarkets and ACG Management Solutions LLC, a subsidiary of ThinkMarkets. Mr. Vernon has been Chief of Staff since July 2020 and previously served as Head of Corporate Services from July 2019 to July 2020. Prior to this, Mr. Vernon was Chief Operating Officer of Signature Office Centers. Mr. Vernon earned a Bachelor's Degree in Marketing from DePaul University in 1989.

Corporate Cease Trade Orders and Bankruptcies

Other than as disclosed below, none of the proposed directors or executive officers of New ThinkMarkets (or a personal holding company of such person), promoters, or shareholder holding a sufficient number of securities in the Company following Closing to materially affect the control of the Company is, as at the date of this prospectus, or has been, within the 10 years prior to the date of this prospectus: (a) a director, chief executive officer or chief financial officer of any company that was subject to an order that was issued while such person was acting in the capacity as director, chief executive officer or chief financial officer; (b) was subject to an order that was issued after such person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or (c) a director or executive officer of any company that, while such person was acting in that capacity, or within a year of such person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets. For the purposes of this paragraph, “order” means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case, that was in effect for a period of more than 30 days.

Julian Barbaczy previously served as a director of Australian Industrial Minerals Limited, an Australian industrial minerals (garnet) project development company which was placed into voluntary administration under the Australian Corporations Act in 2019. The company was subsequently liquidated and wound up.

Individual Bankruptcies

None of the proposed directors or executive officers of New ThinkMarkets, promoters, or shareholder holding a sufficient number of securities in the Company following Closing to materially affect the control of the Company has, within the 10 years prior to the date of this prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver manager or trustee appointed to hold assets of that individual.

Penalties or Sanctions

None of the proposed directors or executive officers of New ThinkMarkets, promoters, or shareholders holding a sufficient number of securities in the Company following Closing to materially affect control of the Company has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Conflicts of Interests

To the Company’s knowledge, there are no known existing or potential conflicts of interest between the Company and its proposed directors and executive officers, except that certain of its proposed directors and officers also serve as directors or officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies. See “Directors and Executive Officers – Biographies”.

Agent for Service of Process

Larry G. Swets, Jr., who is a director and officer of FGAC, Hassan R. Baqar, who is a director and officer of FGAC, D. Kyle Cerminara, Dr. Richard E. Govignon, Jr., and Peter Huitsing, who are each directors of FGAC, Nauman Anees and Faizan Anees, who are officers and directors of ThinkMarkets, Mohamed Amin Ahmed Adat, who is an officer of ThinkMarkets, and Ilyas Ahmed, who is a director of ThinkMarkets, each reside outside of Canada, and FGAC Investors LLC, one of FGAC’s Sponsors, is incorporated, under the laws of a foreign jurisdiction. Each of the foregoing has appointed Norton Rose Fulbright Canada LLP, located at 510 West Georgia Street, Suite 1800, Vancouver, BC V6B 0M3, as agent for service of process. Investors are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

DIRECTOR AND EXECUTIVE OFFICER COMPENSATION

Introduction

The Company expects to develop and implement an executive compensation program, with particular emphasis on the process for determining compensation payable to the Chief Executive Officer, the Chief Financial Officer and the Company's other three most highly compensated executive officers (collectively, the "**Named Executive Officers**" or "**NEOs**"). The following section describes the anticipated elements of the Company's post-Closing executive compensation program. Following Closing, it is expected that the following persons will be NEOs of the Company:

- Nauman Anees, Chief Executive Officer and Co-Founder;
- Ameen Adat, Chief Financial Officer;
- Faizan Anees, President and Co-Founder;
- Harley Salt, Chief Operating Officer; and
- William Vernon, Chief of Staff.

As part of the Company's development and implementation of its post-Closing executive compensation program, the Company will execute new employment agreements with each of the NEOs setting forth the terms and conditions of their employment. The historical executive compensation arrangements for the executive officers of ThinkMarkets is not expected to be indicative of the executive compensation of the Company following Closing.

Overview and GHRC Committee

It is expected that the Board will establish a GHRC Committee following Closing comprised of Andrew B. McIntyre, Peter Huitsing and Symon Brewis-Weston, all of whom are independent within the meaning of NI 58-101.

The Board will adopt a written charter for the GHRC Committee that establishes, *inter alia*, the GHRC Committee's purpose and responsibilities with respect to executive compensation. Within the purview of its mandate, the GHRC Committee will, among other things:

- consider and recommend for approval by the Board: (i) the appointment of the Company's executive officers; and (ii) a succession plan with respect to each executive officer, as may be required;
- review and recommend to the Board the annual objectives for which the Chief Executive Officer is responsible;
- review the Chief Executive Officer's assessment of existing management resources and plans for ensuring that qualified personnel will be available as required for succession of each executive officer and to report on this matter to the Board;
- assess, and report to the Board, on the performance of the executive officers taking into consideration (i) such person's position description; (ii) such person's goals and objectives, as approved by the GHRC Committee; (iii) the corporate goals and objectives of the executive officers, as determined by the Board; (iv) the person's adherence to the policies and principles of the Company; and (v) the efforts made by such person to promote a culture of integrity at the Company; and the Company's strategic plan;
- oversee and recommend for approval by the Board the executive compensation principles, policies, programs, grants of equity-based incentives and processes based on the principles that the Company's executive compensation should be designed to (i) attract, retain, motivate and reward management for their performance and contribution to the Company's long-term success, and (ii) focus management on the key business factors that affect shareholder value and to align their compensation with the Company's business and financial objectives and the long-term interests of the Company's shareholders;
- consider and recommend annually or as required for approval by independent directors of the Board all forms of compensation for the executive officers;
- review the "compensation discussion and analysis" and related executive compensation disclosure for inclusion in the Company's public disclosure documents, in accordance with applicable rules and regulations; and

- review, monitor, report and where appropriate, provide recommendations to the Board on the Company's exposure to risks related to executive compensation and benefit policies and practices, if any, and identify compensation and benefit policies and practices that mitigate any such risk.

Compensation Discussion and Analysis

Compensation Objectives and Philosophy

Following Closing, it is expected that the Company will develop an executive compensation program designed to promote the principles described above. The Company intends to adopt a philosophy of paying fair, reasonable and competitive compensation with an equity-based component in order to align the interest of the Company's executive officers with those of its shareholders. The Company's executive compensation program is expected to be designed to achieve the following objectives:

- provide market-competitive compensation opportunities in order to attract and retain talented, high-performing and experienced executive officers, whose knowledge, skills and performance are critical to New ThinkMarkets' success;
- motivate these executive officers to achieve New ThinkMarkets' business objectives
- align the interests of New ThinkMarkets' executive officers with those of its shareholders by tying a meaningful portion of compensation directly to the long-term value and growth of New ThinkMarkets' business; and
- provide incentives that encourage appropriate levels of risk-taking by the executive team.

Benchmarking

As part of the development and implementation of the post-Closing executive compensation program, the Company intends to identify a benchmark group. It is expected that the benchmark group will be selected among publicly-traded companies that operate in similar industries, are at a similar stage of growth and have similar economic and business challenges as the Company. The GHRC Committee will periodically assess how competitive the Company's executive compensation is against the benchmark group in order to make compensation-related decisions.

Elements of Compensation

Following Closing, the Company's compensation program for its NEOs is expected to consist primarily of the following elements: base salary, short-term incentives and long-term incentives. Perquisites and personal benefits are not expected to be significant elements of compensation for NEOs.

Base Salary

Base salaries for NEOs will be established based on the scope of their responsibilities, competencies and their prior relevant experience, taking into account compensation paid in the market for similar positions and the market demand for such NEOs. An NEO's base salary will be determined by taking into consideration the NEO's total compensation package and the Company's overall compensation philosophy.

Base salaries will be reviewed annually and may be increased for merit reasons, based on the NEO's success in meeting or exceeding individual objectives. Additionally, base salaries may be adjusted as warranted throughout the year to reflect promotions or other changes in the scope or breadth of an executive's role or responsibilities, as well as for market competitiveness.

Short-Term Incentives

It is expected that NEOs and other executive officers will be eligible for annual cash bonuses. Annual bonuses will be designed to motivate executive officers to meet or surpass the Company's business and financial objectives as well as its annual performance targets.

The Board will maintain discretion at all times to grant discretionary bonuses, including in the context of acquisitions, to modify, amend or terminate short-term incentive plans at all times, and to deviate from the plans or grant individual exceptions.

Long-Term Incentives

Equity-based awards are a variable element of compensation that allows the Company to reward the NEOs for their sustained contributions to the Company's success. Equity awards reward performance and continued employment by

an NEO, with associated benefits to the Company of attracting and retaining employees. Additionally, it is expected that options and other equity-based compensation will provide NEOs with a strong link to long-term corporate performance and the creation of shareholder value. The GHRC Committee will determine the grant size and terms to be recommended to the Board.

In connection with the Business Combination, it is expected that FGAC will adopt and will submit for shareholder approval an omnibus incentive plan (the “**Omnibus Incentive Plan**”) for future awards to eligible directors, officers, employees and consultants. The Omnibus Incentive Plan will allow the Board to grant long-term equity-based awards to eligible participants. See “Long-Term Incentive Plans”.

Following Closing, the Board, upon recommendation of the GHRC Committee, is expected to establish the long-term incentive amounts to be awarded to each NEO based on proposed alignment with the market. The number of awards pursuant to the Omnibus Incentive Plan is expected to be determined based on the dollar amount of the long-term incentive compensation, divided by the calculated value of the applicable award under the Omnibus Incentive Plan.

Benefits and Perquisites

While not expected to be a significant element of NEO compensation, the Company intends to offer certain benefits to its employees, including its NEOs, which benefits can include coverage for, among other things, health, life and disability insurance by means of group insurance plans. Some benefits increase in proportion with salary and scope of responsibilities.

Compensation Risk Management

As part of their development, implementation and evaluation of the executive compensation program following Closing, the Board and the GHRC Committee will consider the implications of the risks associated with the Company’s compensation policies and practices as part of their respective responsibilities to monitor the Company’s exposure to risks related to its executive compensation policies and practices and to identify compensation policies and practices that mitigate any such risk. In this regard, the Board and GHRC Committee will review the Company’s compensation policies and practices with a view to ensuring that they do not encourage an executive officer or an employee to take inappropriate or excessive risks.

The Company’s Code of Ethics also prohibits all of directors, officers and employees of the Company and its subsidiaries from engaging in transactions that hedge, limit or otherwise change such individual’s economic interest in and exposure to the full rewards and risks of ownership in the Company’s securities. See “Hedging/Anti-Hedging Policy”.

Long-Term Incentive Plans

In connection with the Business Combination, the Company will implement an Omnibus Incentive Plan, for its eligible directors, officers and employees, and consultants.

Omnibus Incentive Plan

The Omnibus Incentive Plan to be adopted in connection with the Business Combination will be administered by the Board (which may delegate its authority to the GHRC Committee), and the Board will have the authority to interpret the Omnibus Incentive Plan, including in respect of any award granted thereunder. The Omnibus Incentive Plan will permit the Board to make awards of options, restricted share units (“**RSUs**”), performance share units (“**PSUs**”) and deferred share units (“**DSUs**”) to eligible participants.

Common Shares Reserved for Issuance

The maximum number of Common Shares available for issuance under the Omnibus Incentive Plan will not exceed 10% of the Company’s then issued and outstanding Common Shares (on a non-diluted basis). All of the Common Shares covered by exercised, settled, expired, cancelled or forfeited awards shall become available Common Shares for the purposes of awards that may be subsequently granted under the Omnibus Incentive Plan.

Insider Participation Limit

The number of Common Shares that will be issuable to insiders of the Company, at any time, under the Omnibus Incentive Plan or any other security based compensation arrangement of the Company, cannot exceed 10% of the Company’s total issued and outstanding Common Shares (on a non-diluted basis). In addition, the number of Common Shares issuable to insiders of the Company, within any one-year period, under the Omnibus Incentive Plan or any other security based compensation arrangement of the Company, cannot exceed 10% of the Company’s total issued and outstanding Common Shares (on a non-diluted basis).

Non-Employee Director Participation Limit

The aggregate number of Common Shares that will be issuable to non-employee directors at any time under the Omnibus Incentive Plan or any other security based compensation arrangement of the Company shall not exceed 1% of the issued and outstanding Common Shares (on a non-diluted basis).

Options

All options granted under the Omnibus Incentive Plan will have an exercise price determined and approved by the Board at the time of grant, which shall not be less than the closing price of the Common Shares on the TSX on the trading day immediately preceding the date of the granting of the option.

Subject to any vesting conditions set forth in a participant's grant agreement, options will vest one-fourth on the first anniversary of the date of grant, and subsequently in equal instalments on the last day of each month. Options shall be exercisable during a period established by the Board, which shall not be more than 10 years from the grant of the option. The Omnibus Incentive Plan will provide that the exercise period shall automatically be extended if the date on which it is scheduled to terminate shall fall during a blackout period. In such cases, the extended exercise period shall terminate 10 business days after the last day of the blackout period. The Board may, in its discretion, provide for procedures to allow a participant to elect to undertake a "cashless exercise" or a "net exercise" in respect of options.

Share Units

The Board will be authorized to grant RSUs, PSUs and DSUs evidencing the right to receive Common Shares (issued from treasury or purchased on the open market), cash (based on the value of a Common Share) or a combination thereof, at some future time to eligible persons under the Omnibus Incentive Plan. Although DSUs may be available for grant to directors, executive officers, employees and consultants, the Company currently only intends to grant DSUs as a form of non-executive director compensation.

RSUs generally become vested, if at all, following a period of continuous employment. PSUs are similar to RSUs, but their vesting is, in whole or in part, conditioned on the attainment of specified performance metrics as may be determined by the Board. The terms and conditions of grants of RSUs and PSUs, including the quantity, type of award, grant date, vesting conditions, vesting periods, settlement date and other terms and conditions with respect to these awards will be set out in the participant's grant agreement.

Subject to the achievement of the applicable vesting conditions, the payout of an RSU or PSU will generally occur on the settlement date. The payout of a DSU will generally occur upon or following the participant ceasing to be a director, officer, employee or consultant of the Company, subject to satisfaction of any applicable conditions.

Adjustments

In the event of any subdivision, consolidation, reclassification, reorganization or any other change affecting the Common Shares, or any merger or amalgamation with or into another corporation, or any distribution to all security holders of cash, evidences of indebtedness or other assets not in the ordinary course, or any transaction or change having a similar effect, the Board shall in its sole discretion, subject to the required approval of any stock exchange, determine the appropriate adjustments or substitutions to be made in such circumstances in order to maintain the economic rights of the participants in respect of awards under the Omnibus Incentive Plan, including, without limitation, adjustments to the exercise price, the number and kind of securities subject to unexercised awards granted prior to such change and/or permitting the immediate exercise of any outstanding awards that are not otherwise exercisable.

Trigger Events; Change of Control

The Omnibus Incentive Plan will provide that certain events, including termination for cause, resignation, termination other than for cause, retirement, death or disability, may trigger forfeiture or reduce the vesting period, where applicable, of the award, subject to the terms of the participant's grant agreement.

A participant's grant agreement or any other written agreement between a participant and the Company may provide, where applicable, that unvested awards be subject to acceleration of vesting and exercisability in certain circumstances, including in the event of certain change of control transactions. The Board may at its discretion accelerate the vesting, where applicable, of any outstanding awards notwithstanding the previously established vesting schedule, regardless of any adverse or potentially adverse tax consequences resulting from such acceleration or, subject to applicable regulatory provisions and shareholder approval, extend the expiration date of any award, provided that the period during which an option is exercisable does not exceed 10 years from the date such option is granted or that the period relating to RSUs and PSUs does not exceed three years.

Similarly, in the event of a change of control, the Board will have the power, in its sole discretion, to modify the terms of the Omnibus Incentive Plan and/or the awards granted thereunder (including to cause the vesting of all unvested awards) to assist the participants to tender into a take-over bid or any other transaction leading to a change of control. In such circumstances, the Board shall be entitled to, in its sole discretion, provide that any or all awards shall terminate, provided that any such outstanding awards that have vested shall remain exercisable until consummation of such change of control, and/or permit participants to conditionally exercise awards.

Amendments and Termination

Subject to the rules of the TSX, the Board may at any time or from time to time without shareholder approval alter, amend, vary, suspend, terminate or cancel the Omnibus Incentive Plan or amend any awards issued pursuant to the Omnibus Incentive Plan. The Board will have the discretion to make amendments to the Omnibus Incentive Plan which it may deem necessary or desirable, without having to obtain shareholder approval. Such changes include, without limitation:

- any amendment to the vesting provisions, if applicable, or assignability provisions of awards;
- any amendment to the expiration date of an award that does not extend the terms of the award past the original date of expiration for such award;
- any amendment regarding the effect of termination of a participant's employment or engagement;
- any amendment which accelerates the date on which any award may be exercised under the Omnibus Incentive Plan;
- any amendment to the definition of an eligible participant under the Omnibus Incentive Plan;
- any amendment necessary to comply with applicable law or the requirements of the TSX or any other regulatory body;
- any amendment of a "housekeeping" nature, including, without limitation, to clarify the meaning of an existing provision of the Omnibus Incentive Plan, correct or supplement any provision of the Omnibus Incentive Plan that is inconsistent with any other provision of the Omnibus Incentive Plan, correct any grammatical or typographical errors or amend the definitions in the Omnibus Incentive Plan;
- any amendment regarding the administration of the Omnibus Incentive Plan;
- any amendment to add or amend provisions permitting for the granting of cash-settled awards, a form of financial assistance or clawback; and
- any other amendment that does not require the approval of the Company's shareholders pursuant to the amendment provisions of the Omnibus Incentive Plan.

Nonetheless, and subject to any additional requirements of the rules of the TSX, the following changes to the Omnibus Incentive Plan or the awards will require the approval of the Company's shareholders as well as the approval of the TSX:

- a reduction in the exercise price of an option held by an insider of the Company;
- an extension of the term of awards held by an insider of the Company;
- any amendment to remove or exceed the insider participation limits;
- an increase in the maximum number of Common Shares issuable pursuant to awards granted under the Omnibus Incentive Plan; and
- a change to the provisions regarding amendments to the Omnibus Incentive Plan.

For the first three points above, the votes attached to shares held directly or indirectly by insiders benefiting directly or indirectly from the amendment are to be excluded. In addition, with respect to the last point above, where the amendment will disproportionately benefit one or more insiders over other participants, the votes of shares held directly or indirectly by those insiders receiving the disproportionate benefit must be excluded.

Except as specifically provided in a grant agreement approved by the Board, awards granted under the Omnibus Incentive Plan generally will not be transferable other than by will or the laws of succession.

It is not expected that the Company will provide any financial assistance to participants under the Omnibus Incentive Plan following Closing.

Employment Agreements, Termination and Change of Control Benefits

It is expected that following Closing, the Company will review and amend, as necessary, the existing employment agreements or enter into new employment agreements for each of the NEOs setting out the terms and conditions of their respective employment. These agreements will provide for initial base salary and eligibility for the Company's short and long-term incentive programs. It is expected that these agreement will include, among other things, provisions regarding confidentiality, non-competition and non-solicitation, as well as eligibility for the Company's benefit plans. The agreements will outline any financial impact of the termination of a NEOs employment and any change of control benefit.

Director Compensation

The Company intends to implement a director compensation program that attracts and retains global talent to serve on its Board, taking into account the risks and responsibilities of being an effective director. The Company's intent is to provide competitive director compensation through a combination of cash retainers and annual equity awards for non-employee directors. In addition, the Company also intends to provide additional retainers for the members and chairs of committees given the additional time commitment, level of responsibility and skill set required for those roles. All directors are entitled to reimbursement of reasonable expenses incurred by them acting in their capacity as directors. The Company believes this approach will help to attract and retain strong members for its Board who will be able to fulfill their fiduciary responsibilities without competing interests.

Hedging/Anti-Hedging Policy

Under the terms of the New Code of Ethics, the Company's directors and executive officers will be prohibited from engaging in short sales, sale of a call option, and purchase of a put option with respect to securities of the Company.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Except as described below or otherwise in this prospectus, none of the directors, executive officers, employees, former directors, former executive officers or former employees of FGAC, ThinkMarkets or any of their respective subsidiaries, and none of their respective associates, is or has within 30 days before the date of this prospectus or at any time since the beginning of the most recently completed financial year been indebted to FGAC, ThinkMarkets or any of their respective subsidiaries or another entity whose indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar agreement or understanding provided by FGAC, ThinkMarkets or any of their respective subsidiaries.

CORPORATE GOVERNANCE AND BOARD COMMITTEES

The Company recognizes that good corporate governance will play an important role in its overall success and in enhancing shareholder value. Accordingly, following Closing, the Company intends to adopt certain corporate governance policies and practices. The disclosure set out below includes disclosure required by NI 58-101 describing the Company's anticipated approach to corporate governance following Closing. Unless otherwise indicated, the following disclosure is based on the present expectations of the Company in respect of its corporate governance practices and that the formal establishment of committees of the Board described below (without changes to the proposed composition) and the ratification and adoption of their respective proposed charters (without any material modifications) will occur following the Closing. However, such disclosure remains subject to revision prior or subsequent to the Closing.

Board of Directors

Composition of the Board

The Company's Articles provide that the Company must have a minimum of three directors. The directors are appointed at an annual general meeting of shareholders and the term of office for each of the directors will expire at the time of the Company's next annual shareholders' meeting. The Company's Articles provide that between annual general meetings or unanimous resolutions of shareholders, the directors may appoint one or more additional directors provided that the number of additional directors so appointed must not at any time exceed one-third of the number of current directors, who were elected or appointed as directors. A director may be removed with or without cause by a special resolution passed by the shareholders. In addition, the directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, if the director is unacceptable to an

applicable governmental authority, or if the director ceases to be qualified to act as a director of a company and does not promptly resign.

Nomination of Directors

It is anticipated that following Closing, the GHRC Committee will be responsible for recommending to the Board nominees for election or appointment as directors, as the case may be, in accordance with the provisions of applicable corporate law and the charter of the GHRC Committee. It is expected that the GHRC Committee will consider the competencies and skills that the Board as a whole should possess, the competencies and skills of each existing director, the competencies and skills of each new nominee, whether the new nominee, can devote sufficient time and resources to his or her duties as a director; and the diversity of the Board composition (including with respect to gender considerations).

The GHRC Committee will be entirely comprised of independent directors within the meaning of NI 58-101. The Chair of the GHRC Committee will lead any nominating process in accordance with and pursuant to the criteria for Board membership as set forth in the charter of the GHRC Committee.

Majority Voting Policy

In accordance with the requirements of the TSX, it is anticipated that the Board will adopt a majority voting policy whereby proxy forms for shareholders' meetings at which directors are to be elected will enable the shareholder to vote for or to withhold from voting for each individual nominee. If, with respect to any particular nominee for election to the Board, the number of votes withheld exceeds the number of votes for the nominee, then, for the purpose of the majority voting policy, the nominee will be considered not to have received the confidence and support of the shareholders, even though duly elected as a matter of corporate law. A person elected as a director who is considered for the purpose of this policy not to have received the confidence and support of the shareholders is required to immediately tender his or her resignation as a director, to be effective on acceptance by the Board. The Board will consider the tendered resignation and disclose by news release its decision whether or not to accept that resignation and the reasons for its decision no later than 90 days after the date of the relevant shareholders' meeting. The Board will accept the tendered resignation, absent exceptional circumstances. In considering whether or not to accept the tendered resignation, the Board will consider all factors that it deems in its discretion to be relevant, including, without limitation, any stated reasons why shareholders withheld votes for election of such director, the length of service and qualifications of the director whose resignation has been tendered, the director's contribution to the Company and the Company's corporate governance policies.

Independence of the Board of Directors

Upon Closing, the Board will be comprised of seven directors, three of whom are independent within the meaning of NI 58-101. It is the Board's determination pursuant to applicable standards that Nauman Anees and Faizan Anees are not independent by reason of the fact that they are the Chief Executive Officer and President, respectively, and Co-Founders of the Company. Similarly, it is the Board's determination that Larry G. Swets, Jr., is not independent by reason of the fact that he is the Chief Executive Officer of FGAC. Julian Barbarczy is not independent by reason of the fact that he received more than C\$75,000 in direct compensation from ThinkMarkets, for consulting services provided to ThinkMarkets, during a 12 month period within the last three years. For additional information regarding the directors of the Company following Closing, see "Directors and Executive Officers".

Pursuant to NI 52-110, an independent director is one who is free from any direct or indirect relationship which could, in the view of the Board, be reasonably expected to interfere with a director's independent judgment. The Board, in coordination with the GHRC Committee, shall determine annually whether each member of the Board is independent in accordance with applicable securities legislation by ascertaining, among other things, whether they were engaged as an executive officer or employee of the Company, they have any immediate family member engaged as an executive officer or employee of the Company, the compensation of such member, including whether they received remuneration from the Company other than remuneration for acting as a director or a member of any committee of the Board, or they or an immediate family member benefitted from a business relationship with the Company that could reasonably be perceived to interfere with their independent judgement.

Following Closing, it is expected that one of the independent directors will be designated by the Board as a non-executive Chair or an independent lead director will be appointed if the Chair is not independent. Additionally, it is contemplated that independent directors within the meaning of NI 52-110 will hold in-camera sessions without management or non-independent directors present at meetings of the Board. See "Chair of the Board" and "Meetings of Independent Directors".

Outside Directorship

The following current and/or proposed members of the Board are currently directors of other issuers that are reporting issuers (or the equivalent) in a jurisdiction of Canada or a foreign jurisdiction:

Director	Reporting Issuer	Stock Exchange
Larry G. Swets, Jr.	FG Financial Group, Inc.	Nasdaq
	Harbor Custom Development Inc.	Nasdaq
	GreenFirst Forest Products Inc.	TSX
	Ballantyne Strong, Inc.	New York Stock Exchange American
	FG Merger Corp.	Nasdaq
Julian Babarczy	IXUP Limited	ASX
	Perpetual Resources Limited	ASX
Symon Brewis-Weston	BSP Financial Group Limited	ASX
	Solvar Limited	ASX

Meetings of Independent Directors

The Board will hold regularly-scheduled quarterly meetings as well as ad hoc meetings from time to time. In the course of meetings of the Board or of committees of the Board, the independent directors will hold meetings, or portions of such meetings, at which neither non-independent directors nor officers of the Company are in attendance.

If a director or officer holds an interest in a transaction or agreement under consideration at a Board meeting or a meeting of a committee of the Board, that director or officer shall not be present at the time the Board or committee deliberates such transaction or agreement and shall abstain from voting on the matter, subject to certain limited exceptions provided for in the BCBCA.

Chair of the Board

The Board recognizes the importance of independent leadership on the Board and intends to appoint one of its independent directors as the Chair of the Board following Closing, or, if the Chair is not independent, an independent lead director.

Mandate of the Board

It is expected that the Board will adopt a new written mandate following Closing, describing, inter alia, the Board's role and overall responsibility to oversee the management of the business and affairs of the Company. The Board, directly and through its committees and the Chair of the Board, shall provide direction to the executive officers of the Company, generally through the Chief Executive Officer. The Board will have the overall responsibility for the Company's strategic planning, risk management, human resource management, corporate governance, and communications with the Company's shareholders and the market. The text of the post-Closing charter of the Board is reproduced in its entirety under Appendix F.

Committees of the Board

In addition to the Audit Committee, which is required by Canadian securities law for all reporting issuers (see Audit Committee), the Board will establish at Closing a GHRC Committee comprised of Andrew B. McIntyre, Peter Huitsing and Symon Brewis-Weston, all of whom are independent within the meaning of NI 58-101.

Position Descriptions

It is expected that the Board will develop written descriptions for the Chair of the Board and the chair of each committee of the Board. In addition, the Board, in conjunction with the Chief Executive Officer, will develop a written position description for the role of the Chief Executive Officer who is primarily responsible for the overall management of the business and affairs of the Company, including establishing the strategic and operational priorities of the Company and providing leadership for the effective overall management of the Company. These position descriptions will become effective following Closing.

Orientation and Continuing Education

The GHRC Committee shall review, monitor and make recommendations with respect to director orientation. All newly elected directors will be provided with an orientation as to the nature and operation of the business and affairs of the Company and as to the role of the Board and its committees. Each new director shall meet with the Chair of the Board, individual directors and members of the senior management team to discuss the Company's business and activities. Orientation will be designed to assist the directors in fully understanding the nature and operation of the Company's business, the role of the Board and its committees, and the contributions that individual directors are expected to make, including the time and effort the Company expects them to devote to the execution of their functions.

In addition, the GHRC Committee shall review, monitor and make recommendations with respect to director continuing education opportunities designed to maintain or enhance the skills and abilities of the Company's directors and to ensure that their knowledge and understanding of the Company's business remains current.

Code of Ethics and Business Conduct

It is expected that the Board will adopt a new written Code of Ethics and Business Conduct (the "**New Code of Ethics**") which will take effect following Closing. The New Code of Ethics will be applicable to all employees, managers, executive officers and directors. The New Code of Ethics will set out the Company's core values and standards of behavior that are expected from its personnel following Closing. The objective of the New Code of Ethics will be to set out the Company's mission and values, and to provide guidelines for maintaining its integrity, reputation and honesty with a goal of honouring others' trust in the Company at all times. The New Code of Ethics will set out guidance with respect to conduct in dealing with conflicts of interest, protection of Company assets, confidentiality, fair dealing with shareholders, competitors and employees, insider trading, compliance with laws and reporting any illegal or unethical behaviour. The Board will have ultimate responsibility for the stewardship of the New Code of Ethics and it will monitor compliance through the GHRC Committee.

Following Closing, the full text of the New Code of Ethics will be available on the Company's website at www.thinkmarkets.com and on its SEDAR profile at www.sedar.com.

Interests of Directors

A director who has a material interest in a matter before the Board or any committee on which he or she serves is required to disclose such interest as soon as the director becomes aware of it. In situations where a director has a material interest in a matter to be considered by the Board or any committee on which he or she serves, such director may be required to excuse himself or herself from the meeting while discussions and voting with respect to the matter are taking place. Directors will also be required to comply with the relevant provisions of the BCBCA regarding conflicts of interest.

Compensation

The GHRC Committee will oversee and recommend for approval by the Board the executive compensation principles, policies, programs, grants of equity-based incentives and processes and, specifically, will consider and recommend annually or as required for approval by the independent directors of the Board all forms of compensation for the Chief Executive Officer, and for approval by the Board of all forms of compensation for the other executive officers of the Company. Further particulars of the process by which compensation for the Company executive officers will be determined are provided under the heading "Director and Executive Officer Compensation" in this prospectus. The Chair of the GHRC Committee will be an independent director and will lead the compensation review process in accordance with the charter of the GHRC Committee.

Assessments

It is the responsibility of the Board to regularly evaluate the overall efficiency of the Board and its various committees. In connection with such evaluations by the Board, the performance of the Board as a whole as well as the performance of each individual director will be evaluated and reviewed on an annual basis following Closing. The evaluation by the Board will take into account (i) in the case of the Board, the Board charter; and (ii) in the case of an individual director, the director's self-evaluation, peer reviews, the applicable position description(s), as well as the competencies and skills each individual director is expected to contribute to the Board. The Board will assess the contribution of individual directors on an ongoing basis and in light of the opportunities and risks facing the Company, the competencies, skills and qualities required of directors. As part of its mandate, the GHRC Committee will develop long-term plans for the composition of the Board, while it will be the responsibility of the Board to ensure that an appropriate system is in place to evaluate the effectiveness of the Board as a whole and its various committees.

Director Term Limits and Other mechanisms of Board Renewal

The Board has not adopted director term limits, a retirement policy for its directors or other automatic mechanisms of board renewal, and it is not expected that the Board will adopt director terms limits following Closing. Rather than adopting formal term limits, mandatory age-related retirement policies and other mechanisms of board renewal, it is expected that the GHRC Committee will seek to maintain the composition of the Board in a way that provides, in the judgment of the Board, the best mix of skills and experience to provide for the Company's overall stewardship.

The Board shall, on an annual basis, evaluate and review its performance as a whole, as well as the performance of each individual director while taking into account, among other things, any applicable position description(s), as well as the competencies and skills each individual director is expected to contribute to the Board. See "Assessments".

Diversity and Inclusion

The Company believes that having a diverse Board and executive team offers a depth of perspective that enhances Board and management operations and performance. The Company similarly believes that having a diverse and inclusive organization overall is beneficial to its success, and is committed to diversity and inclusion at all levels of its organization to ensure that it attracts, retains and promotes the brightest and most talented individuals.

The Board does not intend to specifically define diversity, but the GHRC Committee will value diversity of experience, perspective, education, background, race, gender and national origin as part of its overall evaluation of director nominees for election or re-election and the Board and GHRC Committee will value the same as part of their respective evaluation of candidates for executive positions. This will be achieved through ensuring that diversity considerations are taken into account to fill vacancies, continuously monitoring the level of women, visible minorities, aboriginal persons and persons with disabilities represented on the Board and on the executive team, continuing to broaden recruiting efforts to attract and interview qualified female candidates, and committing to retention and training to ensure that the Company's most talented employees are promoted from within the organization. It is not expected that the Company will implement a diversity policy in the context of the Closing.

The Board and the GHRC Committee will consider merit as the key requirement for Board and executive appointments that the Board makes, and as such, it is not expected that targets will be adopted in the context of the Closing regarding women, aboriginal persons, visible minorities and persons with disabilities in executive officer positions or as directors of the Company. There are currently no women acting as directors or executive officers of the Company.

Directors' and Officers' Liability Insurance

Following Closing, the Company intends to cover its directors and officers under a directors' and officers' liability insurance policy. Under this insurance coverage, it is expected that the Company and its subsidiaries will be reimbursed for insured claims where payments have been made under indemnity provisions on behalf of its and its subsidiaries' directors and officers, subject to a deductible for each loss, which will be paid by the Company. The Company and its subsidiaries' individual directors and officers will also be reimbursed for insured claims arising during the performance of their duties for which they are not indemnified by the Company or its subsidiaries. Excluded from insurance coverage will be illegal acts, acts which result in personal profit and certain other acts.

Advance Notice Provisions

The Company has included certain advance notice provisions with respect to the election of its directors in its Articles (the "**Advance Notice Provisions**"). The Advance Notice Provisions are intended to: (i) facilitate orderly and efficient annual general meetings or, where the need arises, special meetings, (ii) ensure that all shareholders receive adequate notice of director nominations to the Board and sufficient information with respect to all nominees, and (iii) allow shareholders to register an informed vote. Only persons who are nominated by shareholders in accordance with the Advance Notice Provisions will be eligible for election as directors at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors.

Under the Advance Notice Provisions, a shareholder wishing to nominate a director would be required to provide the Company, in the prescribed form, within the prescribed time periods. These time periods include, (i) in the case of an annual meeting of shareholders (including annual and special meetings), not fewer than 30 days prior to the date of the annual meeting of shareholders; provided, that if the first public announcement of the date (the "**Notice Date**") of the annual meeting of shareholders is less than 50 days before the meeting date, not later than the close of business on the 15th day following the Notice Date, and (ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for any purpose which includes electing directors, not later than the close of business on the 15th day following the Notice Date, provided that, in either instance, if notice-and-access (as defined in National

Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*) is used for delivery of proxy related materials in respect of a meeting described above, and the Notice Date in respect of the meeting is not fewer than 50 days prior to the date of the applicable meeting, the notice must be received not later than the close of business on the 40th day before the applicable meeting.

AUDIT COMMITTEE

Audit Committee Charter

It is expected that the Board will adopt a new written charter describing the mandate of the Audit Committee following Closing that will establish, inter alia, the committee’s purpose and responsibilities. Within the purview of its mandate, the Audit Committee is expected to be responsible for overseeing the financial and accounting reporting processes of the Company and the work of the external auditor. The Audit Committee’s responsibilities also include the recommendation and oversight of the Company’s independent auditor, as well as the oversight of the internal audit plan and system of internal controls over financial reporting and disclosure. The text of the charter of the Audit Committee that will be adopted following Closing is attached to this prospectus as Appendix E.

Composition of the Audit Committee

Immediately upon Closing, the Audit Committee is expected to be comprised of Andrew B. McIntyre, Peter Huitsing and Symon Brewis-Weston. Each of the expected members of the Audit Committee has or will have an understanding of the accounting principles used to prepare the Company’s financial statements and varied experience as to the general application of such accounting principles, as well as an understanding of the internal controls and procedures necessary for financial reporting. For additional details regarding the relevant education and experience of each expected member of the Audit Committee, see “Directors and Executive Officers – Biographies”.

It is the Board’s determination that each of the expected members of the Audit Committee is financially literate within the meaning of NI 52-110. A director is “financially literate” within the meaning of NI 52-110 if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements. In addition, at least one of the expected members of the Audit Committee will have had past employment experience in finance or accounting, hold a requisite professional certification in accounting, or any other comparable experience or background.

Moreover, it is the Board’s determination that each of the expected members of the Audit Committee is independent within the meaning of NI 52-110. Subject to certain exceptions, a director is “independent” within the meaning of NI 52-110 if he or she has no direct or indirect material relationship with the issuer. A “material relationship” is a relationship that could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment.

The current audit committee of FGAC is expected to remain in place until the new Audit Committee members are appointed immediately upon Closing.

Pre-Approval Procedures for Non-Audit Services

The Audit Committee will be responsible for the pre-approval of all non-audit services to be provided to the Company by its independent auditor. At least annually, the Audit Committee shall review and confirm the independence of the independent auditor by obtaining statements from the independent auditor describing all relationships with Company, including with respect to any non-audit services.

External Audit Service Fees

The fees billed to FGAC by its auditor, MNP LLP, for the financial year ended December 31, 2022 were as follows:

Year	Audit Fees	Audit-Related Fees⁽¹⁾	Tax Fees⁽²⁾	All Other Fees
2022	C\$32,100	C\$42,800	C\$3,210	-

Notes:

- (1) Audit-related fees include fees paid to FGAC’s auditors for statutory audits, attestation services, quarterly reviews and due diligence services.
- (2) Tax fees include fees paid for preparation of FGAC’s annual tax return.

EXCHANGE APPROVALS

Closing of the Business Combination is subject to, among other things, the approval of the TSX of the Business Combination as the “qualifying acquisition” of FGAC. FGAC will apply to list the securities issuable in connection with the Business Combination on the TSX after Closing. As part of the application process, FGAC will be required to provide evidence that it is able to meet the original listing requirements of the TSX. There is no assurance that any such matters will be approved by the TSX.

RISK FACTORS

Below are certain risk factors that shareholders should carefully consider in connection with and following the Business Combination. The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this prospectus.

Risk Factors Relating to New ThinkMarkets’ Business and Industry

New ThinkMarkets’ results of operations and other operating metrics may fluctuate from quarter to quarter, which makes these metrics difficult to predict

New ThinkMarkets’ results of operations are heavily reliant on the level of trading activity on its platforms. In the past, New ThinkMarkets’ results of operations and other operating metrics have fluctuated from quarter to quarter, including due to movements and trends in the underlying markets, changes in general economic conditions and fluctuations in trading levels, each of which is outside of New ThinkMarkets’ control and will continue to be outside of New ThinkMarkets’ control. Additionally, New ThinkMarkets is subject to additional risks and uncertainties that are frequently encountered by companies in rapidly evolving markets. New ThinkMarkets’ financial condition and results of operations in any given quarter can be influenced by numerous factors, many of which New ThinkMarkets is unable to predict or are outside of New ThinkMarkets’ control, which could include:

- the continued market acceptance of New ThinkMarkets’ products and services;
- New ThinkMarkets’ ability to retain existing clients and attract new clients;
- New ThinkMarkets’ continued development and improvement of products and services, including intellectual property, proprietary technology and client support functions;
- the timing and success of new product and service introductions by New ThinkMarkets or its competitors, or other changes in the competitive landscape of the market;
- increases in marketing, sales and other operating expenses that New ThinkMarkets may incur to grow and expand its operations and to remain competitive;
- the timing and amount of non-cash expenses, such as stock-based compensation and asset impairment;
- new sanctions between countries and persons;
- the success of New ThinkMarkets’ expansion into new markets, products and services;
- decreased trading or volatility in global markets or decreased demand for financial services products generally which could, among other things, impact demand for ThinkMarkets’ services and ThinkMarkets’ growth strategy and business more generally;
- system disruptions, outages and other performance problems or interruptions on New ThinkMarkets’ platforms, or breaches of security or privacy;
- disputes with clients, adverse litigation and regulatory judgments, enforcement actions, settlements or other related costs and the public perception thereof;
- fraudulent, unlawful or otherwise inappropriate client behavior, such as when clients make trades on New ThinkMarkets’ platforms using a short-term extension of credit from New ThinkMarkets and then repatriate or reverse the deposits, resulting in a loss to New ThinkMarkets of the credited amount;
- changes in the legislative or regulatory environment, scope or focus of regulatory investigations and inquiries, or interpretations of regulatory requirements and/or changes in requirements imposed on ThinkMarkets by regulators or by ThinkMarkets’ counterparties;

- New ThinkMarkets' development of any unique features or products and services that may be the subject of regulatory review or form the basis for regulatory approvals or other enforcement actions, including added compliance with regulatory frameworks;
- changes in tax rates or laws or judicial or regulatory interpretations of tax laws, which are recorded in the period such laws are enacted or interpretations are issued, and may significantly affect the effective tax rate of that period;
- changes in accounting standards, policies, guidance, interpretations or principles; and/or
- general economic conditions in either domestic or international markets, including the impact of any epidemics, pandemics or political conflicts.

Because a majority of New ThinkMarkets' revenue is transaction-based, reduced spreads in securities pricing or reduced levels of trading activity generally may result in reduced profitability

New ThinkMarkets generates its revenues principally from the dealing spreads from its trading platforms. In addition, New ThinkMarkets' generates revenues from overnight premiums, effectively a financing charge, on certain positions held by clients overnight and gains (offset by losses) on clients' trading positions. Computer-generated buy/sell programs and other technological advances and regulatory changes in the marketplace may continue to tighten spreads on transactions, which could lead to a decrease in the revenue earned by New ThinkMarkets from dealing spread. New ThinkMarkets' transaction-based revenue could also be harmed by decreased levels of trading generally.

Fluctuations in currency exchange rates and interest rates may negatively impact New ThinkMarkets' earnings

New ThinkMarkets faces risk from carrying on operations in various currencies in several jurisdictions. The rise or fall of a particular currency in relation to New ThinkMarkets' holdings may materially impact New ThinkMarkets' operating revenue if New ThinkMarkets is not able to convert the applicable foreign currency into a more liquid currency. In order to mitigate this risk, New ThinkMarkets converts funds in foreign currencies into its reporting currency (which is Australian dollars) and other liquid currencies such as the U.S. dollar, Pound Sterling and Euros. Nevertheless, any such fluctuations may have a material adverse effect on New ThinkMarkets' business, prospects, financial condition, results of operations and/or the value of its securities.

New ThinkMarkets is exposed to interest rate risk in that the rates of interest which it receives on its interest earning assets may not match the rates that it pays on its borrowings and other interest-bearing liabilities and these differences can affect its results of operations in each financial period.

New ThinkMarkets operates in highly competitive markets, and competitors may have greater resources than New ThinkMarkets and may have products and services that may be more appealing to current or potential clients

The markets in which New ThinkMarkets competes are evolving and highly competitive, with multiple participants competing for the same clients. New ThinkMarkets' current and potential future competition principally comes from incumbent discount brokerages, established financial technology companies, venture-backed financial technology firms, banks, foreign currency exchanges, asset management firms and other technology platforms. New ThinkMarkets' competitors may have greater capital resources than it has and offer a wider range of products and services. The impact of competitors with superior name recognition, greater market acceptance, larger client bases or stronger capital positions could adversely affect its results of operations and client acquisition and retention. New ThinkMarkets' competitors may also be able to respond more quickly to new or changing opportunities and demands and withstand changing market conditions better than it can, especially larger competitors that may benefit from more diversified product and client bases. In addition, competitors may conduct extensive promotional activities, offer better terms or offer differentiating products and services that could attract New ThinkMarkets' current and prospective clients and potentially result in intensified competition within the markets New ThinkMarkets operates within. New ThinkMarkets may also be subject to increased competition as its competitors enter into business combinations or partnerships, or established companies in other market segments expand to become competitive with New ThinkMarkets' business.

In addition, New ThinkMarkets competes in a technology-intensive market characterized by rapid innovation, and which in turn, increases the potential risk for failures in the bid to constantly develop New ThinkMarkets' technology. New ThinkMarkets may be unable to effectively use new technologies, adapt its products and services to emerging market standards or develop or introduce and market enhanced or new products and services. If New ThinkMarkets is not able to update or adapt its products and services to take advantage of the latest technologies and standards, or is otherwise unable to tailor the delivery of its services to the latest personal and mobile computing devices preferred by

its clients or to provide products or services that are of a quality preferred by its clients, it could have an adverse effect on New ThinkMarkets' business, financial position and results of operations.

New ThinkMarkets' ability to compete successfully in the financial services markets depends on a number of factors, including, among other things:

- providing easy-to-use, innovative and attractive products and services, as well as effective client support;
- maintaining and expanding New ThinkMarkets' market position;
- attracting and retaining clients;
- its reputation and the market perception of New ThinkMarkets' brand and overall value;
- maintaining its relationships with its counterparties;
- maintaining competitive pricing;
- competing in a competitive landscape, including in the provision of products and services that have until recently been available only from its bank competitors;
- the effectiveness, reliability and stability of its technology (including the success of its outage prevention efforts and New ThinkMarkets' cybersecurity measures and defences), products and services;
- innovating effectively in launching new or enhanced products and services;
- adjusting to a dynamic regulatory environment;
- the differences in regulatory oversight regimes to which New ThinkMarkets and its competitors are subject; and
- general economic and market trends, including client demand for financial products and services.

New ThinkMarkets' competitive position within its markets could be adversely affected if it is unable to adequately address these factors, which could have an adverse effect on its business, financial condition and results of operations.

New ThinkMarkets may fail to retain existing clients or attract new clients

New ThinkMarkets generates revenue through its three main operating businesses: over-the-counter markets, stock exchange markets and institutional markets. New ThinkMarkets' continued growth depends to a large degree on growing its Active Client base in a profitable and sustainable manner. This requires a combination of retaining its existing clients, increasing revenue through cross selling products and services and the addition of new clients and new products.

New ThinkMarkets cannot guarantee that it will successfully increase revenue from its existing clients, or that the uptake of New ThinkMarkets' products and services will grow or continue at its current rate. New ThinkMarkets' ability to retain or increase clients' levels of usage depends on many factors, including:

- The volatility of financial markets. Periods of high volatility typically increase client demand for New ThinkMarkets' products and services. However, periods of high volatility can also expose New ThinkMarkets to increased trading loss risk and bad debts. Conversely, in periods of low market volatility, client activity may decrease;
- The ability of New ThinkMarkets to compete with respect to matters such as functionality, reliability, value for money, price and client support with its director competitors, which may have substantially greater resources and/or offer a broader range of products across more markets compared to New ThinkMarkets. As a result, products other than those offered by New ThinkMarkets may become preferred alternatives for clients. If this occurs, New ThinkMarkets' business could be significantly affected;
- New ThinkMarkets' brand awareness among consumers;
- New ThinkMarkets' ability to continue to maintain and evolve its existing products and services and to create successful new products and services;
- Changes to laws and regulations which affect market conditions and the business and personal choices of New ThinkMarkets' clients; and

- Other additional factors outside of New ThinkMarkets' control, such as a decline in the disposable income of New ThinkMarkets' clients, or a decline in the number of markets in which New ThinkMarkets' platform is used (or is permitted to be used).

Any inability to attract or retain clients may have a materially negative effect on New ThinkMarkets' business, its prospects, financial condition, results of operations and/or the value of its securities.

Introduction of new products and services, or changes to existing products and services, in the implementation of ThinkMarkets' business strategy, could fail to attract or retain clients or generate growth and revenue for New ThinkMarkets

The implementation of New ThinkMarkets' strategy is subject to a number of risks, including operational, financial, macroeconomic, geographical, market, pricing and technological changes. For example, New ThinkMarkets' strategy involves expansion into North America, the United Arab Emirates and Singapore and the launching of new products (such as ThinkPay and trading products). There can be no guarantee that New ThinkMarkets will be able to achieve these goals within the timescale envisaged, or at all. Furthermore, there is no guarantee that New ThinkMarkets' technological infrastructure will be able to support its planned growth or that New ThinkMarkets will successfully augment its platforms and systems if required in a timely manner, or at all.

New ThinkMarkets' business strategy is contingent on its ability to attract, engage and retain its clients. Its ability to increase its revenue depends heavily on its ability to continue to maintain and evolve its existing products and services and to create successful new products and services. New ThinkMarkets may introduce significant changes to its existing products and services or acquire or introduce new and unproven products and services, including using technologies with which it has little or no prior development or operating experience. New ThinkMarkets may incur substantial costs, and it may not be successful in continuing to generate profits, in connection with these efforts. In addition, the introduction of new products and services, or changes to existing products and services, may result in new or enhanced governmental or regulatory scrutiny or other complications that could adversely affect its business and results of operations. If New ThinkMarkets' new or enhanced products and services fail to attract clients, or if its business strategy is unsuccessful, New ThinkMarkets may fail to attract or retain clients or to generate sufficient revenue, operating margin or other value to justify its investments, and its business may be adversely affected.

If New ThinkMarkets does not keep pace with industry and technological changes and continue to provide new and innovative products and services, its business may become less competitive and its business may be adversely impacted

Rapid and significant technological changes continue to confront the financial services industry, including developments in the methods in which securities are traded. If New ThinkMarkets fails to innovate and deliver products and services with market fit and differentiation, or fails to do so quickly enough as compared to its competitors, New ThinkMarkets may not be able to keep pace with industry and technological changes in its industry and it may face difficulty in competing within its market, which could harm its business.

New ThinkMarkets expects new technologies, products, services and industry norms to continue to emerge and evolve, and it cannot predict the effects of technological changes or industry practices on its business. Further, new technologies introduced in its markets may be superior to, or render obsolete, the technologies New ThinkMarkets currently uses in its products and services. Incorporating new technologies into its products and services may require substantial expenditures and may take considerable time, and New ThinkMarkets may not be successful in realizing a return on these development efforts in a timely manner or at all. New ThinkMarkets' ability to successfully adopt new products and services and to develop and incorporate new technologies may be inhibited by industry-wide standards, changes to laws and regulations, changing client expectations, demands and preferences or third-party intellectual property rights. If New ThinkMarkets is unable to enhance its products and services, or to innovate, or to develop new products and services that achieve market acceptance or that keep pace with rapid technological developments and evolving industry standards or practices, its business could be adversely affected.

Because New ThinkMarkets' products and services are designed to operate on a variety of systems, it will need to continuously modify, enhance and improve New ThinkMarkets' products and services to keep pace with changes in internet-related hardware, mobile operating systems and other software, communication, browser and database technologies. New ThinkMarkets may not be successful in either developing these modifications, enhancements and improvements or in bringing them to market quickly or cost-effectively in response to market demands. Furthermore, uncertainties about the timing and nature of new network platforms or technologies, or modifications to existing platforms or technologies, could increase its research and development expenses. Any failure of New ThinkMarkets' products and services to keep pace with technological changes or to innovate or to operate effectively with future

network platforms and technologies, or to do so in a timely and cost-effective manner, could reduce the demand for its products and services, result in client dissatisfaction and negative publicity, reduce its competitive advantage and harm its business and reputation.

New ThinkMarkets may incur losses as a result of market risk

New ThinkMarkets assumes risk from the trading positions of the clients on its platforms. Because these risks are spread across New ThinkMarkets' various clients, the risks posed by one client's positions are partially mitigated by the positions of other clients. However, these risks are not completely negated; New ThinkMarkets may assume risk from large position concentrations in particular currencies. This may cause New ThinkMarkets to suffer losses as a result of fluctuations in the market.

New ThinkMarkets is able to automatically hedge products where there is low natural aggregation (i.e., when the various trades processed through New ThinkMarkets' platforms do not act as a natural hedges against each other, which may occur because of low liquidity or because positions are concentrated in a certain direction). Through utilizing a dealer at trading desk, New ThinkMarkets is also able to manually hedge any residual trade exposure to accord with New ThinkMarkets' accepted risk profile. However, there is no guarantee that these mechanisms will always successfully manage New ThinkMarkets' market risk. Hedges that New ThinkMarkets implements may also not completely offset New ThinkMarkets' exposure to the market. Furthermore, where client positions are not hedged, there is a risk that if the market moves against New ThinkMarkets' aggregated position, New ThinkMarkets may incur substantial losses.

Any failure of New ThinkMarkets to manage its market risk may have a material adverse effect on New ThinkMarkets' business, prospects, financial condition, results of operations and/or the value of its securities.

The market for CFDs, and in particular CFDs associated with cryptocurrency, is highly regulated, subject to continued regulatory scrutiny and is, or may become, further restricted in certain jurisdictions

ThinkMarkets is dependent on its revenue from trading CFDs, which has driven significant diversification in trading since its introduction. There is no guarantee that the market for CFDs will grow in the future and there can be no assurance that CFDs will remain the preferred alternative for investments of that kind. If the market for CFDs does not grow in accordance with ThinkMarkets' expectations, the future growth of New ThinkMarkets may not be successful. There are significant restrictions on the marketing, sale and distribution of CFDs to retail clients in some countries. For example, this is the case in the U.K., where there are also prohibitions on the marketing, sale and distribution of derivatives (including CFDs) and certain other products relating to cryptocurrency to retail clients. These restrictions and prohibitions reflect the high level of complexity and risk that the regulators associate with these products, in part caused by inherent conflicts of interest between firms and clients and the likelihood of client losses. These restrictions already affect the way ThinkMarkets operates in relation to these jurisdictions, but changes in law and regulation in relation to trading CFDs in any of the jurisdictions in which ThinkMarkets operates could significantly reduce the market for CFDs in the relevant countries. Any such decline would have a material adverse effect on ThinkMarkets' business.

ThinkMarkets offers access to trading CFDs on cryptocurrency instruments. The increasing volatility and profile of cryptocurrencies has led to increased trading in these alternative currencies. As a result, ThinkMarkets has seen increased revenue in its cryptocurrency trading offering. There is a risk that macroeconomic and geopolitical factors aligned against cryptocurrencies could lead to a downturn in the cryptocurrency market. This could result in a decline in cryptocurrency trading and therefore ThinkMarkets would not derive as much, or any, revenue from this source in the future which could have a material adverse effect on ThinkMarkets' business.

The regulation around cryptocurrency is still being developed in most jurisdictions. The introduction of such regulation in the future may require New ThinkMarkets to apply for authorizations or licenses which may require it to reorganise its business and adjust the way it provides its services to clients in order to comply with new rules. This is likely to take time and be expensive and resource intensive. It may even mean that ThinkMarkets cannot undertake some of its business in the same form as it does today. Even where there is no cryptocurrency regulation or that regulation is still developing, New ThinkMarkets faces the risk of inadvertently breaching existing laws and regulations by failing to realise that they might apply to cryptocurrency or be interpreted as applying to it. Cryptocurrency is generally seen as high risk and therefore regulatory tolerance for it, especially where it and related services are offered to retail clients, is low, making the likelihood of expansive interpretation and regulatory consequences high.

New ThinkMarkets is required to conduct "appropriateness tests" on clients

As CFDs and spread bets are viewed as “complex products” from a regulatory perspective in the U.K. and other jurisdictions, New ThinkMarkets obtains information from prospective clients to enable an assessment of whether they have the knowledge and experience to understand the risks connected with New ThinkMarkets’ products. If a client is assessed as lacking in the relevant knowledge and experience, their application will either be rejected or they will be notified of their status and assurance will be sought from the applicant that they explicitly understand the risks involved and that they will familiarise themselves with the products before commencing trading.

Regulatory authorities in multiple jurisdictions have recently put a particular focus on the targeting of clients for whom CFDs are inappropriate. For example, in December 2022 the United Kingdom Financial Conduct Authority (“FCA”) sent a portfolio letter to the chief executives of firms that provide CFDs in which it identified unacceptable behavior by providers of CFDs in attempts to target clients to exploit them, often circumventing FCA rules. Any additional restrictions on ThinkMarkets’ ability to offer its products to retail clients for whom such products are deemed as “non-appropriate” may have a material adverse effect on ThinkMarkets’ business.

“Appropriateness test” requirements differ in many of the jurisdictions in which New ThinkMarkets operates, and is currently undertaken for applicants to entities of the U.K., Europe, Australia and New Zealand. There can be no guarantee that New ThinkMarkets’ assessments or tests of a client’s appropriateness will be adequate or will not be subject to regulatory scrutiny or challenge, which could lead to a loss of clients in that jurisdiction and/or restrict New ThinkMarkets’ ability to attract future clients, which could consequently have a material adverse effect on New ThinkMarkets’ business, prospects, financial condition and results of operations.

New ThinkMarkets is required to maintain capital in its regulated entities above a minimum level set by the relevant regulators. The amount of capital resources required may increase in the future, which could limit New ThinkMarkets’ flexibility regarding its capital structure. Failure to maintain capital resources to the required level could subject New ThinkMarkets to sanctions, or force it to change the scope of its operations

Each of New ThinkMarkets’ regulated entities must hold sufficient capital resources to meet their local regulatory capital requirements on an individual basis.

For example, New ThinkMarkets’ Australian subsidiary, is required to meet Australian regulatory capital adequacy tests which require that it has net tangible assets of the greater of A\$1,000,000 and 10% of its average revenue for the previous two years and current financial year actual and forecast. It must have, 50% of the required net tangible assets in cash or cash equivalents and 50% in liquid assets. Failure to meet the regulatory capital requirements could lead to enforcement action being taken against New ThinkMarkets.

Local regulatory capital requirements are subject to change either through changes to the relevant rules or their application, or through changes to the scale and nature of the underlying business or particular issues affecting the business. Any changes in New ThinkMarkets’ regulatory environment, or the imposition of new or increased regulatory capital requirements on any of New ThinkMarkets’ businesses in the future, could require an increase in the capital held in a regulated subsidiary.

ThinkMarkets’ U.K. investment firm subsidiary is subject to the prudential regime for investment firms in the U.K., which came into effect on January 1, 2022. The requirements are included in the prudential sourcebook for MIFID investment firms (“MIFIDPRU”). ThinkMarkets is required to maintain eligible regulatory capital and to comply with the minimum capital requirements. In addition, ThinkMarkets must comply with the liquid assets requirements under MIFIDPRU. As part of the internal capital adequacy and risk assessment process (the “**ICARA Process**”) ThinkMarkets needs to assess whether it is complying with the overall financial adequacy rule and whether it needs to supplement the basic capital and liquidity requirements by holding additional own funds and/or additional liquid assets. In addition ThinkMarkets is subject to quarterly reporting requirements and annual disclosure requirements under MIFIDPRU. ThinkMarkets’ investment firm subsidiary in Cyprus is subject to similar requirements introduced by the European Investment Firms Regulation and Directive on June 26, 2021.

In addition, each of New ThinkMarkets’ regulated entities must hold sufficient capital resources to meet their local regulatory capital requirements. Local regulatory capital requirements are subject to change either through changes to the relevant rules or their application, or through changes to the scale and nature of the underlying business or particular issues affecting the business. Any changes in New ThinkMarkets’ regulatory environment, or the imposition of new or increased regulatory capital requirements on any of the New ThinkMarkets’ businesses in the future, or any changes in the scope of business ThinkMarkets undertakes, could require an increase in the capital held in a regulated subsidiary.

Currently, New ThinkMarkets’ U.K. subsidiary is required to maintain adequate regulatory capital on an individual basis. The FCA has wide discretion to change the substantive information it requires in satisfaction of the regulatory

capital rules or the basis on which it calculates the U.K. subsidiary's regulatory capital requirements, as well as the option to impose individual capital guidance on the subsidiary if it considers the amount and type of capital that it holds to not be appropriate (including in light of the FCA's assessment of the market or operational risks of the subsidiary). Failure to implement the recommendations in the FCA's individual capital guidance (or the failure to increase the regulatory capital held as a result of increasing requirements) could lead to enforcement action being taken against New ThinkMarkets' subsidiary.

New ThinkMarkets' assessment of its regulatory prudential positions including through the ICARA Process and other various regulatory regimes applicable to it require management to make judgements, estimates and assumptions. Estimates, judgements and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, there can be no assurance that one or more of these judgements, estimates and assumptions will not be subsequently revised as a result of new factors or circumstances emerging, which could result in an actual or perceived shortage of capital and could, in turn, have a material adverse effect on New ThinkMarkets' business, financial condition and results of operations.

The minimum capital requirements to which New ThinkMarkets' subsidiaries are subject may affect New ThinkMarkets' ability to distribute profits which it would otherwise be permitted to distribute. Any changes to the regulatory capital requirements in any of the jurisdictions in which New ThinkMarkets offers its services could restrict the pace of the New ThinkMarkets' expansion or affect the balance of the financial instruments New ThinkMarkets is able to offer and/or the jurisdictions in which it is allowed to offer them. In turn, this could have a material adverse effect on New ThinkMarkets' business, financial condition and results of operations.

New ThinkMarkets believes that it has sufficient resources to satisfy any increase in regulatory capital requirements and to execute its strategy. In the absence of any ongoing interest payments and financial covenants or restrictions, New ThinkMarkets is able to retain significant working capital within its subsidiaries. However any sustained, unprecedented increases in regulatory capital requirements could have a material adverse effect on New ThinkMarkets' business, financial condition and results of operations.

Executing transactions with clients via the Internet exposes New ThinkMarkets to a number of risks, including the risk of fines and sanctions for operating in jurisdictions without the necessary authorizations or licenses

ThinkMarkets currently accepts clients from jurisdictions in the Emerging Markets where its activities are not currently regulated by the relevant local authority (outside the Licensed Markets in which it has licenses or is otherwise regulated by the relevant local authority and allows these clients to execute transactions online). The regulatory and legal framework in these Emerging Markets varies significantly and may be complex. In some jurisdictions where ThinkMarkets has no physical or regulated presence, it is unclear whether laws or regulations are applicable to the relationship ThinkMarkets has with clients or, if they are applicable, the effect of those laws or regulations may itself be unclear. If New ThinkMarkets decides to accept new clients from a jurisdiction in which it is not specifically authorized to do so, it may do so based on its view of: (a) the applicable local and regulatory regime and (b) the legal, regulatory and commercial risk in the relevant jurisdiction (including the likelihood of enforcement action being taken against New ThinkMarkets or its directors). Although ThinkMarkets' systems are designed to block access from prohibited jurisdictions, New ThinkMarkets may not be successful in filtering out all client applications from those prohibited jurisdictions (including as a result of IP address masking). As a result, New ThinkMarkets may be subject to fines and other sanctions for operating in jurisdictions without the necessary authorizations or licenses.

If fines, other sanctions, or restrictions on our business are imposed on us for failure to comply with applicable legal requirements, guidelines or regulations, our financial condition and results of operations, and our reputation and ability to engage in business, may be materially adversely affected.

New ThinkMarkets may not adequately discharge its obligations under anti-money laundering, anti-bribery and corruption and financial sanctions laws and regulations

New ThinkMarkets, along with other market participants, is subject to increasing scrutiny by regulators of its compliance with global anti-money laundering and financial sanctions laws and regulations. In order to discharge its obligations under the anti-money laundering and counter-terrorist financing and international sanction laws and regulations of its operating jurisdictions, New ThinkMarkets is required to perform adequate due diligence prior to accepting each new client and ensure that it has proper systems and safeguards in place to prevent and detect money laundering and market abuse and comply with international financial sanctions, including, for example, maintaining mechanisms to report potential offences.

For example, under the U.K. financial sanctions regime, such offences are reported to the Office of Financial Sanctions Implementation (the “**OFSI**”, part of HM Treasury) and suspected breaches or poor controls are reported to the FCA and in Australia, suspicious matter reports are submitted to the Australian Transaction Reports and Analysis Centre, detailing any financial activity which it considers to be suspicious. In addition, New ThinkMarkets is required to engage with third parties in the U.K. and abroad in a manner compliant with the anti-bribery and corruption laws, guided as a rule by the U.K. Bribery Act 2010, which has extraterritorial effect.

The sanctions aimed at Russia were unprecedented in terms of their volume and speed, which put a strain on the industry in seeking to be compliant. They strengthened requirements for reporting for firms, required companies to remain up-to-date to a changing regulatory landscape and increased regulatory scrutiny considerably. For example, in the U.K., the FCA published a statement in March 2022 jointly with the Bank of England and the OFSI on financial sanctions and the cryptoasset sector in light of the conflict in Ukraine. In August 2022, the sanctions regime in the U.K. was extended to include cryptoasset businesses that provided exchange or wallet services. This was followed by a number of statements and letters by the relevant agencies (including a red alert by the National Economic Crime Centre and the Joint Money Laundering Intelligence Taskforce in July 2022) to recommend and monitor efforts to ensure compliance with sanctions systems and controls. The U.K.’s financial sanctions regime will continue to be enhanced with the measures laid out in the Economic Crime Plan for 2023-2026 which will increase the FCA’s supervisory focus and focus on reducing sanctions evasion and money laundering.

While New ThinkMarkets devotes significant time and resources to remain compliant with all relevant anti-money laundering, anti-bribery and corruption and financial sanctions laws and regulations, and the directors are not aware of any violations of such laws or regulations having occurred by or within New ThinkMarkets, there can be no assurance that its systems and procedures will be deemed compliant with relevant laws, or the laws or standards of other regulators in the jurisdictions where its offering is available, or that individuals will not circumvent New ThinkMarkets’ systems and procedures to engage in money laundering, market abuse, bribery and corruption or other prohibited activities. The introduction of new financial sanctions laws as applied in response to the Ukraine conflict will put significant strain on ThinkMarkets’ resources and will materially increase the risk of compliance.

If New ThinkMarkets is deemed to violate applicable anti-money laundering, financial sanctions, market abuse or anti-bribery and corruption laws and regulations, New ThinkMarkets or its directors and officers may be subject to financial penalties or criminal sanctions, be required to suspend some or all of its client accounts or cease part or all of its operations, any of which could have a material.

New ThinkMarkets is subject to rules regulating how it holds client money

Various regulators in the jurisdictions in which the New ThinkMarkets operates require it to institute systems for ensuring that client money is segregated from that of the regulated entity. New ThinkMarkets holds client money in segregated bank accounts at the subsidiary level in accordance with applicable regulatory requirements. The relevant client money rules have been subject to recent changes requiring firms to re-evaluate the way they deal with client money. The rules facilitate different approaches to ensuring the segregation and safekeeping of client money.

There have been a number of enforcement cases relating to client money rule breaches on other grounds that have resulted in large fines for financial services firms. For example, in Australia, the Australian Securities and Investments Commission has imposed additional conditions on the licenses of financial services firms where it has found that those firms have breached the relevant client money rules.

In addition, regulators in other jurisdictions in which New ThinkMarkets operates are also increasingly focused on client money regulation and tightening rules relating to client money segregation. Any fines imposed on the New ThinkMarkets by the FCA or any other regulator, or the inability of New ThinkMarkets to address future changes to any applicable client money regulations could have a material adverse effect on New ThinkMarkets’ business, prospects, financial condition and results of operations.

New ThinkMarkets may be exposed to certain concentration risks

New ThinkMarkets generates the majority of its revenue from clients in Asia and Southeast Asia, which in aggregate accounted for approximately 41% of New ThinkMarkets’ revenue in the financial year ended December 31, 2022. Given that the majority of New ThinkMarkets’ revenue is derived from one geographic region, the occurrence of, amongst other things, legislative changes, regulatory interventions or geopolitical or economic events within that region could leave New ThinkMarkets exposed to material adverse effects on New ThinkMarkets’ business, financial condition and operating results arising from any such occurrence.

New ThinkMarkets may incur losses as a result of liquidity risk

Notwithstanding that New ThinkMarkets monitors its broker, liquidity and regulatory capital requirements in real time, New ThinkMarkets may suffer losses if it is unable to rely on its relationships with its liquidity providers (e.g., prime brokers, banks and other financial institutions), to provide liquidity for its trading activities and to maintain its regulatory capital requirements. Alternatively, one or more of New ThinkMarkets' banks or prime brokers may increase the margin requirement on the instruments that New ThinkMarkets uses to hedge. To manage these risks, New ThinkMarkets has agreements with a number of liquidity providers, thereby diversifying New ThinkMarkets' sources of potential liquidity. At the same time, this strategy does not negate all possible risk, and there can be no assurance that this strategy will always achieve the desired outcome.

There may be circumstances where New ThinkMarkets may need to meet immediate payment obligations (e.g., payment obligations owed to liquidity providers in relation to hedging positions or to clients that have made profits from trading). In some cases, New ThinkMarkets may need to meet those obligations by way of offsetting payments (e.g., from clients that have sustained losses). If there is a time lag between (i) the time at which New ThinkMarkets must pay the relevant counterparty; and (ii) the time at which it will receive the offsetting payment, this may result in a failure by New ThinkMarkets to effectively meet its obligations. This in turn may harm New ThinkMarkets' (i) relationship with the relevant counterparty, (ii) reputation, and/or (iii) ability to manage risk. These consequences may in turn have a material adverse effect on New ThinkMarkets' business, prospects, financial condition, results of operations and/or the value of its securities.

New ThinkMarkets may incur losses as a result of credit risk

New ThinkMarkets requires its clients to deposit money with New ThinkMarkets in order to ensure that it can meet the minimum margin requirements required by applicable regulations and/or adopted by New ThinkMarkets (depending on the particular product). These client deposits may not be sufficient to cover potential client losses, in particular, where the market moves significantly in a short period of time, resulting in a credit loss to New ThinkMarkets.

New ThinkMarkets has a variety of tools which it uses to manage client credit risk, such as:

- using real-time trade data to create scoring models to monitor single client risk;
- setting risk limits for each asset traded based on pre-determined criteria;
- automated liquidation (i.e. liquidating a client's account automatically once margin levels drop below pre-determined thresholds); and
- establishing position limits.

However, these may be ineffective, particularly during periods of significant market volatility. If clients do not make payments to New ThinkMarkets to cover their losses entirely, New ThinkMarkets may incur bad debts, which may negatively impact New ThinkMarkets' profitability and may have a material adverse effect on New ThinkMarkets' business, prospects, financial condition and results of operations and/or the value of its securities, particularly if a large number of its clients default in a short period of time.

New ThinkMarkets is subject to extensive, complex and changing laws and regulations across several jurisdictions. Changes in these laws and regulations, or a failure to comply with these laws and regulations, could harm New ThinkMarkets' business

The foreign exchange and securities and derivatives industry is subject to extensive regulation, and broker-dealers and financial services companies are subject to laws and regulations covering all aspects of their business. The substantial costs and uncertainties related to complying with these regulations continue to increase, and New ThinkMarkets' introduction of new products or services, expansion of its business in certain jurisdictions or subindustries, acquisitions of other businesses that operate in similar regulated spaces or other actions that New ThinkMarkets may take may subject it to additional laws, regulations or other government or regulatory scrutiny. Regulations are intended to ensure the integrity of financial markets, appropriate capitalization of broker-dealers and other financial services companies and the protection of clients and their assets. These regulations may serve to limit New ThinkMarkets' business activities through capital, client protection and market conduct requirements, as well as restrictions on the activities that it is permitted to conduct.

While some of the requirements to which ThinkMarkets is subject are detailed and prescriptive, others are more principles-based and outcomes-focused and require ThinkMarkets to determine for itself how to comply. One example is consumer duty, which is being introduced for the U.K. investment firm subsidiary on July 31, 2023. This will require firms to deliver good outcomes for retail clients in relation to products and services, price and value, consumer

understanding and consumer support, and to consider the needs, characteristics and objectives of their clients at every stage of the client journey. ThinkMarkets considers that this new regime sits well with its existing treatment of clients and has been working to ensure its arrangements are fully in line with the new regime. However, this is only one example that compliance with applicable regulations is complicated, time consuming and expensive, and have the potential to become even more difficult and expensive to comply with.

Failure to comply with any of these laws, rules or regulations, even minor, inadvertent irregularities could result in material adverse effects on New ThinkMarkets' business, results of operations and financial condition, including as a result of regulatory investigations and enforcement proceedings, civil litigation, fines and/or other settlement payments. In some cases, failure to comply with requirements designed to protect consumers could mean that parts or all of the contracts entered into with clients are unenforceable against them and that New ThinkMarkets has to compensate clients. In addition, we could incur significant legal expenses in defending ourselves against and resolving actions or investigations by such regulatory agencies. Further, changes in existing rules or regulations, including the interpretation thereof, or the adoption of new rules or regulations, could subject New ThinkMarkets to increased cost and risk of regulatory investigation or civil litigation, one or more of which could have a material adverse effect on its business, financial condition and results of operations. By way of example of the level of focus and scrutiny afforded by regulators to this sector, the portfolio letter that the FCA sent to the chief executives of firms that provide CFDs in December 2022 highlights some of its current areas of concern and makes clear that firms should expect the FCA to take swift and assertive action where necessary to protect consumers or ensure market integrity. There are several examples of the FCA having done so which illustrate long-standing issues. In jurisdictions where New ThinkMarkets is not licensed or authorized, New ThinkMarkets is generally restricted from direct marketing to retail investors including the operation of a website specifically targeted to investors in a particular foreign jurisdiction. This restriction may limit the company's ability to grow its business in such jurisdictions or may result in increased overhead costs or lower service quality to clients in such jurisdictions. Accordingly, New ThinkMarkets currently has only a limited presence in a number of significant markets and may not be able to gain a significant presence there unless and until legal and regulatory barriers to international firms in certain of those markets are modified. Existing and future legal and regulatory requirements and restrictions may adversely impact our international expansion on an ongoing basis and we may not be able to successfully develop our business in a number of markets, including emerging markets, as we currently plan. Furthermore, the entry into such markets could become cost prohibitive.

Even in markets where New ThinkMarkets is authorized to do business, it is subject to restrictions and rules about how it promotes its products and services, which could constrain its ability attract new business.

New ThinkMarkets is also subject to laws, rules, regulations, policies, industry standards and contractual obligations regarding data privacy, security, anti-bribery, anti-money laundering and anti-corruption, among others, and it may be subject to litigation, regulatory proceedings or other investigations regarding any actual or perceived non-compliance with such obligations.

New ThinkMarkets has devoted significant resources to develop its compliance and risk management policies and procedures and will continue to do so, but there can be no assurance these are sufficient or that they will be followed, especially as its business is rapidly growing and evolving. Some of New ThinkMarkets methods for managing risk are discretionary by nature and are based on internally developed controls and observed historical market behavior, and may also involve reliance on standard industry practices. These methods may not adequately prevent losses, particularly as they relate to extreme market movements, which may be significantly greater than historical changes in market prices. New ThinkMarkets' risk management methods also may not adequately prevent losses due to technical errors. In addition, New ThinkMarkets may elect to adjust its risk management policies to allow for an increase in risk tolerance, which could expose ThinkMarkets' business to the risk of greater losses.

New ThinkMarkets will be subject to income tax and similar laws in various jurisdictions and could be subject to challenges by tax authorities

Given ThinkMarkets' international operations, New ThinkMarkets will be subject to income tax and similar laws in various jurisdictions. There can be no assurance that Australian, Canadian or other foreign income tax laws, the judicial interpretation thereof, the terms of any applicable income tax treaties or the administrative policies or assessing practices of applicable tax authorities will not be changed, or that a tax authority will not challenge certain tax positions

adopted by New ThinkMarkets or its subsidiaries, in a manner that could adversely affect New ThinkMarkets' tax profile.

New and evolving tax laws could adversely affect New ThinkMarkets' growth and/or tax profile

The taxation of online activities and the types of product that ThinkMarkets markets continues to be subject to evaluation by tax authorities in the jurisdictions in which ThinkMarkets operates. For example, ThinkMarkets and its clients benefit from the exemption of CFDs from U.K. stamp duty and stamp duty reserve tax. Tax authorities may seek to impose taxation on New ThinkMarkets' activities greater than the tax imposed to date. The adoption of any such reform, such as that relating to the recognition of tax losses, or any other change in applicable tax laws, could have a material adverse effect on New ThinkMarkets' business.

In addition, the jurisdictions in which New ThinkMarkets will operate have committed to implementing the Organization for Economic Cooperation and Development's "Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalisation of the Economy", which, subject to the manner(s) in which implemented in such jurisdictions, could adversely affect New ThinkMarkets' tax profile.

Proposed changes to interest deductibility rules could adversely affect New ThinkMarkets

Australia and Canada have announced changes to their respective interest deductibility rules, which could adversely affect New ThinkMarkets' tax profile going forward.

New ThinkMarkets cannot assure that all of its employees and agents will comply with its internal policies and applicable law, including anti-corruption, anti-bribery and similar laws. New ThinkMarkets may be ultimately held responsible for any such non-compliance

Detecting, investigating and resolving actual or alleged violations of anti-corruption laws can require a significant diversion of time, resources, and attention from senior management. In addition, non-compliance with anti-corruption or anti-bribery laws could subject New ThinkMarkets to whistleblower complaints, investigations, sanctions, settlements, prosecution, enforcement actions, fines, damages, other civil or criminal penalties, injunctions, suspension or debarment from contracting with certain persons, reputational harm, adverse media coverage and other collateral consequences. If any investigations are launched, or if any governmental or other sanctions are imposed, or if New ThinkMarkets does not prevail in any possible civil or criminal proceeding, its business, results of operations and financial condition could be materially harmed. In addition, responding to any such action will likely result in a materially significant diversion of management's attention and resources and significant defence costs and other professional fees.

New ThinkMarkets is exposed to significant risk from civil litigation and regulatory enforcement actions against it

As a result of the broad scope of New ThinkMarkets' highly regulated business activities and its large and diverse client population, in the future it may be party to lawsuits and regulatory investigations and proceedings, which are costly and time consuming to defend or address and could expose New ThinkMarkets to risk of loss and fines and penalties. Moreover, the dollar amounts involved in the trades New ThinkMarkets executes, together with the potential for rapid price movements in the products it offers, could result in potentially large damage claims in any litigation that arises in connection with such trades. The risks relating to litigation and regulatory investigations and enforcement actions will also increase as New ThinkMarkets' business expands. For example, the FCA in the U.K. has warned firms in this sector to expect it to take swift and assertive action where necessary to protect consumers or ensure market integrity and there are several examples of it having done so.

Other than as disclosed in this prospectus, ThinkMarkets is not currently involved in any material contractual disputes or litigation, arbitration or government prosecution matters. ThinkMarkets may be subject to litigation or similar proceedings in the future, and ThinkMarkets' insurance may not adequately cover it for all liability arising from any such litigation. This may have an adverse impact on New ThinkMarkets' business, prospects, financial condition, results of operations and/or the value of its securities.

Providing investment education tools could subject New ThinkMarkets to additional risks if such tools are construed to be investment advice or recommendations

New ThinkMarkets provides a variety of investment education and tools to its clients that it does not consider investment advice or an investment recommendation, but New ThinkMarkets cannot guarantee that such services could not be construed as constituting investment advice or recommendations by clients or regulatory agencies. New

ThinkMarkets could be subject to investigations by regulatory agencies if its services are construed as constituting investment advice or recommendations.

The quantitative models used by New ThinkMarkets may contain errors

New ThinkMarkets' global risk management team uses various quantitative models to support internal risk management policies, decisions and processes, including those related to risk assessment, client risk, position limits and margin levels. The process of monitoring New ThinkMarkets' trading risks is undertaken by a combination of automated systems and a team of analysts, working in New ThinkMarkets' various offices around the globe. Risk is monitored both at an individual client level, and in terms of New ThinkMarkets' aggregated positions. Any errors in the underlying models or model assumptions, or a failure of New ThinkMarkets' risk management team to identify potential risks could have unexpected and potentially adverse consequences for New ThinkMarkets' business, prospects, financial condition, results of operations and/or the value of its securities.

Any restriction in the availability of credit and debit cards as a payment option for New ThinkMarkets' clients, or any disruption to the Company's arrangements with payment service providers (PSPs) generally, could adversely affect New ThinkMarkets business, financial condition and results of operations and cash flows

New ThinkMarkets currently allows clients to use credit and debit cards to fund their accounts, and over 23% of New ThinkMarkets client deposits in 2022 were via this payment method. There is a risk that in the future, new regulations or credit card issuing institutions may restrict the use of credit cards as a means to fund accounts used to trade in investment products or cryptocurrency CFDs. For example, in the U.K., the FCA repeats that clients should never invest money into cryptocurrency that they cannot afford to lose and the Advertising Standards Authority has found against companies advertising cryptocurrency services that can be paid for by credit card. The elimination or a reduction in the availability of credit cards as a means to fund client accounts could have a material adverse effect on New ThinkMarkets' business, financial condition and results of operations and cash flows.

New ThinkMarkets also has arrangements with various PSPs to facilitate the funding of accounts by clients. Any disruption to such arrangements or the discontinued operations of such PSPs could adversely impact the ability of clients to fund their accounts, which could have a material adverse effect on New ThinkMarkets' business, financial condition and results of operations and cash flows.

New ThinkMarkets' technology platforms may be disrupted, fail or cease to function efficiently

New ThinkMarkets relies heavily on the proper functioning of its technology. There is a risk that its technology platforms may be disrupted by a number of factors including damage, equipment faults, power failure, computer viruses, misuse by employees or contractors, hacking, cyber attacks, fire or natural disasters. Events of that nature may disable or all part of New ThinkMarkets' technology suites. To the extent that any IT infrastructure is unable to support the demands placed upon it, New ThinkMarkets' business may be adversely affected.

There is also a risk that potential faults in New ThinkMarkets' technology platforms may cause transaction errors. Such errors could result in legal exposure from clients, potentially leading to a loss of relationships with clients, partner companies, damage to New ThinkMarkets' reputation or goodwill, or result in a breach of laws and regulatory requirements (including those affecting any required license held by New ThinkMarkets).

New ThinkMarkets has a number of strategies in place to mitigate these risks. For example, New ThinkMarkets has implemented:

- a Security Incident & Event Monitoring system, which is monitored 24 hours a day, seven days a week by a network operations center which aggregates all application and network events in real time and escalates events as necessary;
- a Cyber Resilience Policy; and
- a Data Breach Response Procedure.

Despite adopting crisis response and cybersecurity measures, there is no guarantee that every adverse event can be prevented. Nor is it guaranteed that New ThinkMarkets' insurance policies will cover loss or damage that New ThinkMarkets suffers as a result of a technological system failure. Any malfunction, breakdown, fault or other technological disruption of the kinds described above may have a material adverse effect on New ThinkMarkets' business, prospects, financial condition, results of operations and/or the value of its securities.

New ThinkMarkets' products and internal systems rely on software that is highly technical, and if these systems contain errors, bugs or vulnerabilities (including vulnerabilities to cyber attacks), or if New ThinkMarkets is

unsuccessful in addressing or mitigating technical limitations or vulnerabilities in its systems, its business could be adversely affected

New ThinkMarkets' products and internal systems rely on software, including software developed or maintained internally and by third parties, that is highly technical and complex. In addition, its platforms and internal systems depend on the ability of such software, which includes machine learning models, to collect, store, retrieve, transmit, manage and otherwise process immense amounts of data. The software on which New ThinkMarkets relies may contain errors, bugs or vulnerabilities, and its systems are subject to certain technical limitations that may compromise its ability to meet its objectives. Some errors, bugs or vulnerabilities (including vulnerabilities to cyber attacks) inherently may be difficult to detect and may only be discovered after code has been released for external or internal use. Errors, bugs, vulnerabilities, design defects or technical limitations within the software on which New ThinkMarkets relies may lead to negative client experiences (including the communication of inaccurate information to clients), compromised ability of New ThinkMarkets' products to perform in a manner consistent with client expectations, delayed product introductions, compromised ability to protect the data (including personal data) of New ThinkMarkets' clients and its intellectual property or an inability to provide some or all of its services. Such errors, bugs, vulnerabilities or defects could also be exploited by malicious actors and result in exposure of data of clients on New ThinkMarkets' platforms, or otherwise result in a security breach or other security incident. New ThinkMarkets may need to expend significant financial and development resources to analyze, correct, eliminate, or work around errors or defects or to address and eliminate vulnerabilities. Any failure to timely and effectively resolve any such errors, bugs, vulnerabilities or defects in the software on which New ThinkMarkets relies, and any associated degradations or interruptions of service, could result in damage to its reputation, loss of clients, loss of revenue, regulatory or governmental inquiries, civil litigation, or liability for damages, any of which could have an adverse effect on its business, financial condition and results of operations.

New ThinkMarkets' success depends in part upon effective operation with mobile operating systems, networks, technologies, products, hardware and standards that it does not control

New ThinkMarkets' clients' activity on its trading platform occurs on mobile devices via its ThinkTrader and MetaTrader apps and via web browsers. There is no guarantee that popular mobile devices will continue to feature the ThinkTrader and MetaTrader apps, or that mobile device clients will continue to use New ThinkMarkets' products and services rather than those of its competitors. New ThinkMarkets is dependent on the interoperability of the ThinkTrader and MetaTrader apps with popular mobile operating systems, networks, technologies, products, hardware and standards that New ThinkMarkets does not control, such as the Android and iOS operating systems. Any changes, bugs or technical issues in such systems or changes in New ThinkMarkets' relationships with mobile operating system partners, device manufacturers or mobile carriers, or in their terms of service or policies that degrade the functionality of its apps, reduce or eliminate New ThinkMarkets' ability to distribute applications, give preferential treatment to competitive products, limit New ThinkMarkets' ability to target or measure the effectiveness of applications, or impose fees or other charges related to New ThinkMarkets' delivery of its application could adversely affect client usage of the ThinkTrader or MetaTrader apps. Further, New ThinkMarkets is subject to the standard policies and terms of service of these operating systems, as well as policies and terms of service of the various application stores that make its applications and experiences available to New ThinkMarkets' developers, creators and clients. These policies and terms of service govern the availability, promotion, distribution, content and operation generally of applications and experiences on such operating systems and stores. Each provider of these operating systems and stores has broad discretion to change and interpret its terms of service and policies with respect to New ThinkMarkets' platforms and those changes may be unfavourable to New ThinkMarkets and its developers', creators' and clients' use of New ThinkMarkets' platforms. If New ThinkMarkets were to violate, or an operating system provider or application store believes that New ThinkMarkets has violated, its terms of service or policies, that operating system provider or application store could limit or discontinue New ThinkMarkets' access to its operating system or store. In some cases these requirements may not be clear or New ThinkMarkets' interpretation of the requirements may not align with the interpretation of the operating system provider or application store, which could lead to inconsistent enforcement of these terms of service or policies against New ThinkMarkets, and could also result in the operating system provider or application store limiting or discontinuing access to its operating system or store. Any limitation or discontinuation of New ThinkMarkets' access to any third-party platform or application store could adversely affect New ThinkMarkets' business, financial condition or results of operations.

Additionally, in order to deliver a high-quality mobile experience for its clients, it is important that New ThinkMarkets' products and services work well with a range of mobile technologies, products, systems, networks, hardware and standards that New ThinkMarkets does not control. New ThinkMarkets may not be successful in developing products that operate effectively with these technologies, products, systems, networks or standards. In the

event that it is more difficult for New ThinkMarkets' clients to access and use its apps, or if its clients choose not to access or use its apps on their mobile devices or use mobile products that do not offer access to New ThinkMarkets' apps, its client growth and engagement could be harmed. In the event that New ThinkMarkets' clients are adversely affected by these actions or if its relationships with such third parties deteriorate, New ThinkMarkets' client growth and engagement could be adversely affected and its business could be harmed.

New ThinkMarkets' business operation may be disrupted

New ThinkMarkets is exposed to a large range of operational risks relating to both current and future operations. Such operational risks include fraud/dishonesty/misconduct by its employees or service providers, human error, processing and communication errors, industrial action or disputes and natural disasters.

New ThinkMarkets' business is highly dependent on its ability to process a large number of transactions on a daily basis. New ThinkMarkets' financial, accounting data processing and other operating systems and facilities may fail to operate or become partially disabled as a result of events that are wholly or partly outside of New ThinkMarkets' control.

While New ThinkMarkets endeavours to take appropriate action to mitigate these operational risks including through compliance with regulatory requirements on operational resilience and, where practicable, insures against them, New ThinkMarkets cannot remove all possible risks of disruption to its business operations. New ThinkMarkets' insurance policies also may not completely mitigate the potential total losses faced. A disruption in New ThinkMarkets' operations and/or service access may have an adverse impact on New ThinkMarkets' business, prospects, financial condition, results of operations and/or the value of its securities.

New ThinkMarkets is dependent on several third party service providers and suppliers, and their failure to perform their respective functions could adversely affect New ThinkMarkets' business, financial condition and results of operations

ThinkMarkets is dependent on banks and financial institutions to process payments and to hold deposits, in both cases on its own behalf and on behalf of clients. These institutions regularly review their policy of providing financial services, particularly in relation to clients perceived as operating in higher risk sectors such as retail CFDs and cryptocurrency CFDs. If these institutions change the terms on which they provide services to New ThinkMarkets or decide to withdraw service altogether (whether required by its regulator or otherwise), this could have a material adverse effect on New ThinkMarkets' business, financial condition and operations.

If these institutions fail to fulfil their obligations due to insolvency, New ThinkMarkets would rank as an unsecured creditor in respect of claims to funds deposited with such financial institution. While New ThinkMarkets takes steps to mitigate such risks through means such as due diligence and diversification of banks used, these risks cannot be eliminated.

Any failure would harm New ThinkMarkets by virtue of the loss of its own funds as well as the potential exposure to claims by clients due to the loss of their money.

New ThinkMarkets conducts a significant amount of its key operational activities through a series of contractual relationships with licensees, independent contractors and suppliers, in particular:

- providers of electronic networks capabilities (including power and internet service providers);
- data aggregators and stock exchanges (to provide market-related information);
- liquidity providers;
- derivatives dealers;
- data centre and client relationship management providers; and
- credit and know-your-customer checking providers such as GBG Group and Comply Advantage.

Additionally, although New ThinkMarkets has developed its technology stack internally, suppliers are important in allowing New ThinkMarkets to deliver to a leading trading experience for its clients.

Outsourced arrangements carry a risk that the third parties may not adequately or properly perform their obligations. There is no assurance that New ThinkMarkets' third-party service providers or their subcontractors will be able to continue to provide services to meet New ThinkMarkets' current needs in an efficient, cost-effective manner or that they will be able to adequately expand their services to meet New ThinkMarkets' needs in the future. An interruption

in or the cessation of service by its third-party service providers or their subcontractors, coupled with its possible inability to make alternative arrangements in a smooth, cost-effective and timely manner, could have adverse effects on New ThinkMarkets' business, financial condition and results of operations.

New ThinkMarkets is subject to risks with respect to its contracts

As a party to many contracts, New ThinkMarkets has various contractual rights in the event of non-compliance by a contracting party. However, no assurance can be given that all contracts will be fully performed by all contracting parties and that New ThinkMarkets will be successful in securing compliance with the terms of each contract by the counterparties to its contracts. Certain of New ThinkMarkets' material contracts contain provisions providing for early termination of the contracts, on giving notice and paying a termination amount (which varies between the contracts). The early termination of any of these contracts, for any reason, may mean that New ThinkMarkets will not realise the full value of the contract, which is likely to adversely affect New ThinkMarkets' business, prospects, financial condition, results of operations and/or the value of its securities.

New ThinkMarkets relies on a license agreement with Metaquotes to offer MetaTrader to its clients. The termination of this agreement could have materially adverse effects on New ThinkMarkets' business and operations

New ThinkMarkets is party to a license agreement with Metaquotes, pursuant to which New ThinkMarkets licenses MetaTrader from Metaquotes. MetaTrader is a trading platform that allows traders to customize their trading experience to execute manual or automated trades. Pursuant to the license agreement, New ThinkMarkets is able to offer MetaTrader to its clients. MetaTrader is a key component of New ThinkMarkets' overall platform. The termination of the license agreement between New ThinkMarkets and Metaquotes would likely adversely affect New ThinkMarkets' business, prospects, financial condition, results of operations and/or the value of its securities.

New ThinkMarkets is subject to risks arising from third party relationships

As a business development strategy, New ThinkMarkets has engaged with a number of third parties through its various client acquisition networks, such as the "ThinkAffiliates", "Introducing Brokers" and "ThinkInvest" platforms. A portion of New ThinkMarkets' revenue is dependent on referral relationships originating from these platforms. In turn, these relationships expose New ThinkMarkets to a variety of risks. For example, through its Introducing Brokers and ThinkAffiliates platforms, New ThinkMarkets often does not engage directly with end users, instead relying on its partners to interact with and provide services to clients directly. As a result, New ThinkMarkets is exposed to potential reputational and litigation risk resulting from third-party interactions with clients that New ThinkMarkets may not approve or of which it is unaware. New ThinkMarkets mitigates these risks by obtaining contractual guarantees and/or indemnities from the third party network participants with which it is affiliated. However, these protections may not always successfully guard New ThinkMarkets against losses or other liabilities, nor will it necessarily protect New ThinkMarkets from reputational damage. Any of these issues relating to third-party relationships may have a material adverse effect on New ThinkMarkets' business, prospects, financial condition, results of operations and/or the value of its securities.

New ThinkMarkets may suffer reputational damage, which could adversely affect New ThinkMarkets' business

New ThinkMarkets relies on its reputation to grow its business. Its reputation, brand and ability to build trust with existing and new clients may be adversely affected by complaints and negative publicity about New ThinkMarkets, its platforms and clients that utilize its platforms or its competitors' platforms, even if factually incorrect or based on isolated incidents. New ThinkMarkets' ability to attract and retain clients is highly dependent upon external perceptions of New ThinkMarkets, and damage to its brand and reputation may be caused by:

- actual or perceived system disruptions, outages, interruptions or other performance problems of New ThinkMarkets' platforms or similar incidents, cybersecurity attacks, privacy or data security breaches, or other security incidents, payment disruptions or other incidents that impact the reliability of New ThinkMarkets' platforms;
- complaints or negative publicity about New ThinkMarkets, its platforms, management team, other employees or contractors, clients or third-party service providers;
- actual or alleged illegal, negligent, reckless, fraudulent or otherwise inappropriate behaviour by New ThinkMarkets' management team, its other employees or contractors, clients or third-party service providers;
- litigation involving, or regulatory actions or investigations into, New ThinkMarkets' platforms or its business;

- a failure to comply with legal, tax and regulatory requirements;
- any perceived or actual weakness in New ThinkMarkets' financial strength or liquidity;
- a failure to meet any capital requirements imposed by regulators and self-regulatory organizations, or any cash deposit and collateral requirements imposed by certain other self-regulatory organizations;
- any regulatory action that results in changes to, or prohibits New ThinkMarkets from offering, certain features or services;
- changes to New ThinkMarkets' policies, features or services that clients or others perceive as overly restrictive, unclear, inconsistent with New ThinkMarkets' values or mission, or not clearly articulated;
- a failure of New ThinkMarkets to operate its business in a way that is consistent with its values and mission;
- inadequate or unsatisfactory client support experiences, including as a result of New ThinkMarkets' inability to successfully and timely improve, maintain or increase its client support capabilities;
- negative responses by clients or regulators to New ThinkMarkets' business model;
- negative responses by clients or regulators to new features or services, or changes to existing features or services, on New ThinkMarkets' platforms;
- a failure to adapt to new or changing client preferences;
- a sustained downturn in equity markets or in general economic conditions, which could cause New ThinkMarkets' existing clients to incur losses and, as a result, affect its existing and potential new clients' interest in New ThinkMarkets' products and services; and
- any of the foregoing with respect to New ThinkMarkets' competitors, to the extent the resulting negative perception affects the public's perception of New ThinkMarkets' or its industry as a whole.

Upholding its standing as a reputable industry operator is important, not only for increasing the level of usage on New ThinkMarkets' platforms, but also for maintaining its relationship with the regulators in the jurisdiction in which it operates. Additionally, a substantial part of New ThinkMarkets' growth strategy includes acquiring clients through word of mouth referrals.

If client complaints cannot be resolved internally, they may be referred to an adjudicator service in the applicable jurisdiction. In the U.K., for example, the U.K. Financial Ombudsman Service handles complaints relating to CFDs. The escalation of complaints could result in negative publicity, fines or other regulatory or legal action. This could have a material adverse effect on New ThinkMarkets' business.

New ThinkMarkets adopts a range of practices to reduce reputational risk. In particular, New ThinkMarkets uses dedicated software programs to detect and monitor loss making behaviours amongst its client base. It also administers suitability tests to incoming clients, and offers educational tutorials to potential clients (e.g., New ThinkMarkets' targeted outbound campaigns designed to assist potential clients with understanding retail over-the-counter markets).

Notwithstanding New ThinkMarkets' focus on maintaining its reputation, not all risks can be mitigated. The foregoing and other events that may harm New ThinkMarkets' brand and reputation could diminish client confidence in, and use of, New ThinkMarkets' products and services and could have an adverse effect on its business, financial condition, results of operations and value of New ThinkMarkets' securities.

New ThinkMarkets may be unable to obtain new licenses, maintain existing ones or comply with license conditions, and may not possess all the licenses it requires in order to operate its business

New ThinkMarkets must comply with various licensing and authorization regimes in the jurisdictions in which it operates and/or provides services. These licenses and authorizations (together, "**Authorizations**") to which New ThinkMarkets is subject to differ across markets, and the conditions that apply to certain Authorizations is often complex. For example, ThinkMarkets relies on its Australian, Cayman Islands and South African market making licenses for its business.

There is no guarantee that New ThinkMarkets will be able to retain its current Authorizations, or that it can obtain additional required Authorizations in the future. New ThinkMarkets may lose any such Authorizations for various reasons, including due to breach of regulatory requirements or conditions, changes in applicable law, or a change in

the interpretation of applicable law. The key consequences of New ThinkMarkets losing or breaching its current or future Authorizations include the imposition of fines, penalties or enforceable undertakings and/or prohibitions or restrictions on New ThinkMarkets continuing all or part of its operations in a particular jurisdiction. Any such adverse consequences may lead to material damage to New ThinkMarkets' growth prospects, profitability and/or reputation.

New ThinkMarkets may expand its operations into new jurisdictions, which will expose it to significant new risks, and its expansion efforts may not be successful

New ThinkMarkets is licensed to operate in Australia, the United Kingdom, the European Union, South Africa, Japan, New Zealand, the Cayman Islands, Seychelles, Mauritius and the United Arab Emirates. New ThinkMarkets may further expand its operations to other jurisdictions, which will require significant resources and management attention and will subject New ThinkMarkets to regulatory, economic and political risks in addition to those it already faces in the above-noted jurisdictions. There are significant risks and costs inherent in doing business in international markets, including:

- difficulty establishing and managing international operations and the increased operations, travel, infrastructure and legal and compliance costs associated with locations in different countries or regions;
- difficulties pursuing new acquisitions or joint ventures that could present integration obstacles or costs.
- the need to understand and comply with local laws, regulations and customs in multiple jurisdictions, including laws and regulations governing broker-dealer practices, some of which may be different from, or conflict with, those of other jurisdictions, and which might not permit New ThinkMarkets to operate its business or collect revenues in the same manner as New ThinkMarkets does in such other jurisdictions;
- New ThinkMarkets' interpretations of local laws and regulations, which may be subject to challenge by local regulators;
- difficulties or delays in obtaining and/or maintaining the regulatory permissions, authorizations, licenses or consents that may be required to offer certain products in one or more international markets;
- difficulties in managing multiple regulatory relationships across different jurisdictions on complex legal and regulatory matters (e.g., data privacy regulations and requirements differ substantially across jurisdictions);
- the need to vary products, pricing and margins to effectively compete in international markets;
- the need to adapt and localize products for specific countries, including obtaining rights to third-party intellectual property used in each country;
- increased competition from local providers of similar products and services;
- the challenge of positioning New ThinkMarkets' products and services to meet a demand in the local market (also known as "product-market fit");
- the ability to obtain, maintain, protect, defend and enforce intellectual property rights abroad;
- the need to offer client support and other aspects of New ThinkMarkets' offering (including websites, articles, blog posts and client support documentation) in various languages;
- compliance with anti-bribery laws and anti-corruption requirements in local markets, by New ThinkMarkets, its employees and its business partners, and the potential for increased complexity due to the requirements on New ThinkMarkets to follow multiple rule sets;
- complexity and other risks associated with current and future legal requirements in other countries, including laws, rules, regulations and other legal requirements related to cybersecurity and data privacy frameworks and labour and employment laws;
- the need to enter into new business partnerships with third-party service providers in order to provide products and services in the local market, which New ThinkMarkets may rely upon to be able to provide such products and services or to meet certain regulatory obligations;
- varying levels of internet technology adoption and infrastructure, and increased or varying network and hosting service provider costs and differences in technology service delivery in different countries;
- fluctuations in currency exchange rates and the requirements of currency control regulations, which might

restrict or prohibit conversion of other currencies into Australian dollars;

- taxation of New ThinkMarkets' international earnings and potentially adverse tax consequences due to requirements of or changes in the income and other tax laws of the jurisdictions in which New ThinkMarkets operates; and
- political or social unrest or economic instability in a specific country or region in which New ThinkMarkets operate.

New ThinkMarkets' failure to successfully manage these risks could harm its international operations in the markets it chooses to enter and have an adverse effect on its business, financial condition and results of operations.

New ThinkMarkets is exposed to potential breaches of data and cyber security

New ThinkMarkets stores confidential, personal and otherwise sensitive information of its clients and personnel, including personal contact details, dates of birth, gender, tax identification numbers, trading experience, investment activities, passport and/or driver's license details as well as payment and bank account details. New ThinkMarkets' systems and those of its clients and third-party service providers have been and may in the future be vulnerable to hardware and cybersecurity issues. New ThinkMarkets, like other financial technology organizations, routinely is subject to cybersecurity threats and its technologies, systems and networks may in the future be subject to attempted cybersecurity attacks.

Concerns about security increase when New ThinkMarkets transmits information (including personal data) electronically. Electronic transmissions can be subject to attack, interception, loss or corruption. In addition, computer viruses and malware can be distributed and spread rapidly over the internet and could infiltrate New ThinkMarkets' systems or those of New ThinkMarkets' clients or third-party service providers. Infiltration of its systems or those of New ThinkMarkets' clients or third-party service providers could in the future lead to disruptions in systems, accidental or unauthorized access to or disclosure, loss, destruction, disablement or encryption of, use or misuse of or modification of confidential, sensitive or otherwise protected information (including personal data) and the corruption of data.

New ThinkMarkets has a number of risk management strategies in place to mitigate risks associated with loss, theft, or other forms of unauthorized use or access to sensitive information held by New ThinkMarkets. For example, a Data Breach Response Procedure has been implemented to establish processes for managing data breaches, keeping sensitive information secure, and ensuring personnel are adequately informed of their obligations regarding privacy and data protection. In addition, the Company individually trains employees on data protection, which occurs both during on-boarding, as well as through ongoing informal training.

Despite it implementing robust data protection measures, there is a risk that such measures may not be adequate and there can be no assurance that such measures will prevent damage to, or interruption or breach of, New ThinkMarkets' information systems, data (including personal data) and operations. The inability to implement, maintain and upgrade adequate safeguards could have a material and adverse impact on New ThinkMarkets' business, financial condition and results of operations.

A data breach that jeopardizes the security of the sensitive information collected and retained by New ThinkMarkets may cause significant disruption to New ThinkMarkets' business including rendering such operations unavailable for a period of time until the data is restored. This may occur through theft, unauthorized access (e.g., hacking), unauthorized disclosure of confidential client information (including exploitation of data) or loss of information (e.g., system problems). A security breach may also have an adverse impact on New ThinkMarkets' business, prospects, financial condition, results of operations and/or the value of its securities.

Further, New ThinkMarkets is subject to a variety of laws, regulations, rules, policies, industry standard and other requirements relating to privacy and the collection, protection, use, retention, security, disclosure, transfer and processing of personal data and other data. A security breach could result in regulatory investigations, fines or penalties for violation of applicable laws or regulations, litigation and remediation costs, as well as reputational harm.

New ThinkMarkets faces risk with respect to protecting its intellectual property

New ThinkMarkets' success and ability to compete depend in part upon its ability to obtain, maintain, protect, defend and enforce New ThinkMarkets' intellectual property rights in the Company IP, including unregistered intellectual property such as trade secrets, confidential information and know-how. New ThinkMarkets relies on a combination of laws (e.g., trademark, patent, copyright and trade secrets laws), confidentiality agreements, and technical security

measures to protect the Company IP from infringement, misappropriation or other violation. However, there is a risk that the Company IP will be infringed.

The steps New ThinkMarkets takes to protect the Company IP may not be sufficient to effectively prevent third parties from infringing, misappropriating, diluting or otherwise violating the Company IP. There can be no assurance that New ThinkMarkets' intellectual property rights will be sufficient to protect against unauthorized parties offering products or services that are substantially similar to New ThinkMarkets' products and services and competing with its business or attempting to copy aspects of the Company IP and use information that New ThinkMarkets' considers proprietary.

New ThinkMarkets attempts to protect the Company IP by requiring its employees, contractors, consultants, corporate collaborators, advisors and other third parties who develop intellectual property on its behalf to enter into confidentiality and invention assignment agreements, and by requiring third parties it shares information with to enter into nondisclosure and confidentiality agreements. New ThinkMarkets cannot guarantee that it has entered into such agreements with each party who has developed intellectual property on its behalf and each party that has or may have had access to the Company IP. These agreements may be insufficient or breached, or may not effectively prevent unauthorized access to or unauthorized use, disclosure, misappropriation or reverse engineering of the Company IP. Moreover, these agreements may not provide an adequate remedy for breaches or in the event of unauthorized use or disclosure of the Company IP.

Additionally, enforcing a claim that a party illegally disclosed or misappropriated a trade secret or know-how is difficult, expensive, and time-consuming, and the outcome is unpredictable. In addition, trade secrets and know-how can be difficult to protect. If any of New ThinkMarkets' trade secrets were to be lawfully obtained or independently developed by a competitor or other third party, New ThinkMarkets would have no right to prevent them from using that technology or information to compete with New ThinkMarkets, and its competitive position would be materially and adversely harmed.

The loss of trade secret protection could make it easier for third parties to compete with New ThinkMarkets' products and services by copying functionality. Additionally, individuals not subject to invention assignment agreements may make adverse ownership claims to the Company IP, and, to the extent that New ThinkMarkets' employees, independent contractors or other third parties with whom it does business with use intellectual property owned by others in their work for New ThinkMarkets, disputes may arise as to the rights in such inventions.

If the Company IP is jeopardized, this may have material adverse effect on New ThinkMarkets' business, prospects, financial condition, results of operations and/or the value of its securities.

New ThinkMarkets may be accused of infringing on the intellectual property rights of third parties

If a third party accuses New ThinkMarkets of infringing its intellectual property rights or if a third party commences litigation against New ThinkMarkets for the infringement of intellectual property rights, New ThinkMarkets may incur significant costs in defending such action, whether or not it ultimately prevails. Costs that New ThinkMarkets incurs in defending third party infringement actions would also include diversion of management's and technical personnel's time. In addition, parties making claims against New ThinkMarkets may be able to obtain injunctive or other equitable relief that may prevent New ThinkMarkets from further developing discoveries or commercialising its products or services. In the event of a successful claim of infringement against New ThinkMarkets, it may be required to pay damages and obtain one or more licenses from the prevailing third party. If it is not able to obtain these licenses at a reasonable cost, if at all, it may encounter delays in new product or service introductions and loss of substantial resources while it attempts to develop alternative products or services. Defence of any lawsuit or failure to obtain any of these licenses may prevent New ThinkMarkets from commercialising available products or services and may cause it to incur substantial expenditure. In turn, this may have a material adverse effect on New ThinkMarkets' business, prospects, financial condition, results of operations and/or the value of its securities.

New ThinkMarkets may not be able to obtain, maintain, protect, defend and enforce its trademarks and trade names, or build name recognition in its markets of interest, thereby harming its competitive position

New ThinkMarkets believes that the protection of its trademark rights is an important factor in product recognition, protecting New ThinkMarkets' brand and maintaining goodwill. New ThinkMarkets may be unable to obtain trademark protection for its technologies, logos, slogans and brands, and its existing trademark registrations and applications, and any trademarks that may be used in the future, may not provide it with competitive advantages or distinguish its products and services from those of its competitors. Further, New ThinkMarkets may not timely or successfully register its trademarks.

If New ThinkMarkets does not adequately protect its rights in its trademarks from infringement and unauthorized use, any goodwill that it has developed in those trademarks could be lost or impaired, which could harm its brand and business. New ThinkMarkets has registered, among other trademarks, the terms “ThinkMarkets” and “ThinkFinancial”. Competitors may continue to adopt service names similar to “ThinkMarkets”, thereby harming its ability to build brand identity and possibly leading to client confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other trademarks that are similar to New ThinkMarkets’ trademarks. Furthermore, New ThinkMarkets’ trademarks may be opposed, contested, circumvented or found to be unenforceable, weak or invalid, and it may not be able to prevent third parties from infringing or otherwise violating them or using similar marks in a manner that causes confusion or dilutes the value or strength of New ThinkMarkets’ brand. Litigation or proceedings may be necessary in the future for New ThinkMarkets to enforce its trademark rights and to determine the validity and scope of the trademark rights of others. New ThinkMarkets’ efforts to obtain, maintain, protect, defend and enforce New ThinkMarkets’ trademarks may be ineffective and could result in substantial costs and diversion of resources, which could adversely affect its business, financial condition, and results of operations.

New ThinkMarkets may be unable to continue to use the domain names that it uses in its business or prevent third parties from acquiring and using domain names that infringe, misappropriate or otherwise violate, are similar to, or otherwise decrease the value of New ThinkMarkets’ brand, trademarks, or service marks

New ThinkMarkets has registered domain names that it uses in, or are related to, its business, including www.thinkmarkets.com. If New ThinkMarkets loses the ability to use a domain name, whether due to trademark claims, failure to renew the applicable registration, or any other cause, it may be forced to market its offerings under a new domain name, which could cause New ThinkMarkets substantial harm or cause it to incur significant expense in order to purchase rights to the domain name in question. New ThinkMarkets may not be able to obtain preferred domain names outside the jurisdictions in which it currently has domain names registered due to a variety of reasons. In addition, its competitors and other third parties could attempt to capitalize on New ThinkMarkets’ brand recognition by using domain names similar to New ThinkMarkets. New ThinkMarkets may be unable to prevent its competitors and other third parties from acquiring and using domain names that infringe, misappropriate, or otherwise violate, are similar to, or otherwise decrease the value of its brand, trademarks or service marks. Obtaining, maintaining, protecting, defending and enforcing New ThinkMarkets’ rights in its domain names may require litigation, which could result in substantial costs and diversion of resources, which could in turn adversely affect its business, financial condition, and results of operations.

New ThinkMarkets’ use of open source software poses risks to the Company IP and New ThinkMarkets’ products and services in a manner that could harm the business

Third parties may claim that New ThinkMarkets infringes or violates their trademarks, patents, copyrights, domain names, publicity rights or other proprietary rights. Such claims, regardless of their merit, could result in litigation or other proceedings and could require New ThinkMarkets to expend significant financial resources and attention by management and other personnel that otherwise would be focused on New ThinkMarkets’ business and operations, result in injunctions against New ThinkMarkets that prevent it from using material intellectual property rights, or require New ThinkMarkets to pay damages to third parties. New ThinkMarkets may need to obtain licenses from third parties who allege that it has infringed or violated their rights, but such licenses may not be available on terms acceptable to New ThinkMarkets or at all. In addition, New ThinkMarkets may not be able to obtain or use on terms that are favourable, or at all, licenses or other rights with respect to intellectual property that it does not own, which would require New ThinkMarkets to develop alternative intellectual property. To the extent New ThinkMarkets relies on open source software, it may face claims from third parties that claim ownership of the open source software or derivative works that were developed using such software, or otherwise seek to enforce the terms of the applicable open source license. Similar claims might also be asserted regarding New ThinkMarkets’ in-house software. The occurrence of these claims could harm New ThinkMarkets’ brand or materially adversely affect its business, financial position and operating results.

New ThinkMarkets relies upon attracting and retaining skilled personnel across all parts of its business and operations. If New ThinkMarkets is unable to attract and retain key employees and hire qualified management, New ThinkMarkets’ ability to compete could be harmed

New ThinkMarkets’ success depends, in part, on its ability to retain its key personnel. For example, New ThinkMarkets requires skilled sales and business development staff to execute its marketing and client retention strategies, IT and technology specialists to operate its various platforms, securities analysts to manage New ThinkMarkets’ risk, as well as its internal and external professional advisors (e.g., legal, tax, accounting etc.), among

others, each having substantial experience with our operations, our rapidly changing industry and the markets in which we offer products and services. The unexpected loss of or failure to retain one or more of New ThinkMarkets' key employees could adversely affect its business. Competition for executives, data scientists, engineers, software developers, sales personnel, and other key employees in our industry, and specifically in research and development, is intense, and we may not succeed in recruiting and retaining existing and additional personnel or we may fail to effectively replace departing personnel with qualified or effective successors. Further, the loss or failure to retain certain key employees acting as principals for the purpose of regulatory approvals could adversely affect New ThinkMarkets' ability to obtain and maintain its regulatory licenses. New Think Markets' success depends, in part, on its continuing ability to identify, hire, attract, train and develop other highly qualified personnel, and New ThinkMarkets' ability to hire, attract and retain them depends on its ability to provide competitive compensation. New ThinkMarkets may not be able to attract, assimilate, develop or retain qualified personnel in the future, and its failure to do so could adversely affect its business, including the execution of its business strategy. Any failure by New ThinkMarkets' management team to perform as expected may have a material adverse effect on its business, prospects, financial condition and results of operations.

New ThinkMarkets' business and reputation may be harmed by changes in business, economic or political conditions that impact global financial markets, or by a systemic market event

As a financial services company, New ThinkMarkets' business, results of operations and reputation are directly affected by elements beyond its control, such as economic and political conditions, changes in the volatility in financial markets, significant increases in the volatility or trading volume of particular securities, currencies, cryptocurrency CFDs, interest and inflation rates, precious metals or commodities, broad trends in business and finance, as well as changes in the markets in which such transactions occur and changes in how such transactions are processed.

For example, in recent years, increased inflation matched with globally rising interest rates has put major stress on the global economy. Financial markets have also seen tumult, with the emergency sale of Silicon Valley Bank in March 2023 and the increase in volatility as a result of fears of an economic slowdown. Further, volatility arose as a result of the COVID-19 Pandemic and the ongoing Russia-Ukraine conflict. These elements can arise suddenly and have a material negative impact on New ThinkMarkets' business.

A prolonged weakness in equity, foreign exchange, precious metals or commodities markets such as a slowdown causing reduction in trading volume in securities, currency values or fluctuations, precious metals, commodities or derivatives markets, may result in reduced revenues and would have an adverse effect on New ThinkMarkets' business, financial condition and results of operations. Significant downturns in the markets in which New ThinkMarkets' operates or in general economic and political conditions may also cause individuals to be reluctant to make their own investment decisions and thus decrease the demand for New ThinkMarkets' products and services and could also result in its clients reducing their engagement with its platforms. Conversely, significant upturns in the markets in which New ThinkMarkets operates or in general economic and political conditions may cause individuals to be less proactive in seeking ways to improve the returns on their trading or investment decisions and, thus, decrease the demand for New ThinkMarkets' products and services. For example, the prolonged increase of interest rates globally may result in reduced trading revenues for the products that New ThinkMarkets offers, as government bond securities may be seen as being more favourable in a high-interest rate environment. Any of these changes could cause New ThinkMarkets' future performance to be uncertain or unpredictable, and could have an adverse effect on its business, financial condition and results of operations.

New ThinkMarkets may in the future need to raise additional funds to meet its capital requirements and such funds may not be available to New ThinkMarkets on commercially reasonable terms or at all when it needs them, which could materially adversely affect New ThinkMarkets' business, results of operations or financial condition

Although New ThinkMarkets believes that it will have sufficient funds to meet its short to medium term capital requirements, it may in the future need to raise additional funds, including through the issuance of equity, equity related or debt securities or through obtaining credit from government or financial institutions, to meet its capital requirements, and the availability of additional funds to New ThinkMarkets will depend on a variety of factors, some of which are outside of its control. Additional funds may not be available to New ThinkMarkets on commercially reasonable terms or at all when it needs them, which could materially adversely affect its business, results of operations or financial condition. If additional funds are raised by issuing equity securities, shareholders may incur dilution.

New ThinkMarkets may not be able to continue as a going concern

The ThinkMarkets Financial Statements have been prepared on a going-concern basis which contemplates the continuity of normal business activity and realization of assets and satisfaction of liabilities in the ordinary course of

business. New ThinkMarkets' future operations are dependent upon the identification and successful completion of equity or debt financing and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that New ThinkMarkets will be successful in completing equity or debt financing or in achieving profitability. The ThinkMarkets Financial Statements do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should New ThinkMarkets be unable to continue as a going concern.

New ThinkMarkets' insurance coverage may not be adequate

ThinkMarkets maintains insurance at a level it believes appropriate against risks as insured against in the industry. However, certain risks may be uninsurable, uneconomic or unknown and therefore are not insured. As a result, there can be no guarantee that New ThinkMarkets will be able to obtain insurance coverage on acceptance terms for such risks and in the event of any claim there may be a material adverse effect on New ThinkMarkets' business.

Risk Factors Relating to the Business Combination

Since each of the Founders will lose its investment in FGAC if a qualifying acquisition is not completed, a conflict of interest may arise in determining whether the Business Combination is appropriate

The Founders will not be entitled to redeem their Founders' Shares in connection with a qualifying acquisition and will not be entitled to access the escrow account in respect thereof upon a winding-up of FGAC. Similarly, the Founders will also not be entitled to exercise the put rights in respect of the Sponsors' Warrants or OTM Warrants in connection with a qualifying acquisition or be entitled to access the escrow account in respect thereof upon a winding-up of FGAC. In addition, following completion of the Qualifying Acquisition, the Common Shares, Exchange Preferred Shares (and underlying Common Shares) and Sponsors' Warrants and OTM Warrants (and underlying Common Shares), and 50% of the IPO Warrants (and underlying Common Shares) acquired pursuant to the exercise of the Warrant Put Rights held by the Sponsors will be subject to the Lockups. As a result, the Founders may have interests in the Business Combination that may be different from, or in addition to, the interests of shareholders generally.

Completion of the Business Combination is subject to a number of conditions precedent and required approvals

Some of the conditions precedent that are required in order to complete the Business Combination are outside FGAC's control. There can be no certainty, nor can FGAC provide any assurance, that all conditions precedent to the Business Combination will be satisfied or waived, or, if satisfied or waived, when they will be satisfied or waived. If certain approvals and consents are not received prior to the Closing, or if certain conditions are not satisfied, FGAC and/or ThinkMarkets, as applicable, may decide to proceed nonetheless, or it may either delay or amend the implementation of all or part of the Business Combination, including possibly delaying the completion of the Business Combination in order to allow sufficient time to complete or satisfy such matters. If the Business Combination is delayed or not completed, the market price of the Class A Restricted Voting Shares or Common Shares, as applicable, may be materially adversely affected.

The Business Combination may be terminated in certain circumstances

Each of FGAC and ThinkMarkets has the right to terminate the Business Combination Agreement in certain circumstances and not complete the Business Combination. Specifically, among other conditions, either of FGAC and ThinkMarkets has the right to terminate the Business Combination Agreement by mutual consent, by any party if the Closing shall not have occurred by July 28, 2023 (or, provided that the Ontario Securities Commission has issued a receipt in respect of the final prospectus and the TSX has conditionally approved the transactions contemplated by the Business Combination Agreement by July 28, 2023, August 15, 2023) and by FGAC if there has been a material adverse change with respect to ThinkMarkets.

FGAC and ThinkMarkets may delay or amend the implementation of all or part of the Business Combination or may proceed with the Business Combination even if certain consents and approvals are not obtained on a timely basis

FGAC and ThinkMarkets continue to seek and obtain certain necessary consents and approvals in order to implement the Business Combination and related transactions as currently structured. FGAC may not obtain such consents and approvals on acceptable terms prior to the expected Closing. If certain approvals and consents are not received prior to the Closing, FGAC and/or ThinkMarkets may decide to proceed nonetheless, or may either delay or amend the implementation of all or part of the Business Combination in order to allow sufficient time to complete such matters. If FGAC and/or ThinkMarkets amend or delay the implementation of the Business Combination or proceed without certain consents, this may materially adversely affect the Company's financial position.

There are certain costs related to the Business Combination that must be paid even if the Business Combination is not completed

There are certain costs related to the Business Combination, such as those for legal and accounting advisory services and for producing this prospectus that must be paid even if the Business Combination is not completed. There are also opportunity costs associated with the diversion of management attention away from the conduct of business in the ordinary course. These costs may have an adverse impact on FGAC's financial position.

The representations, warranties and covenants of ThinkMarkets under the Business Combination Agreement terminate on Closing

The representations, warranties and covenants provided by ThinkMarkets pursuant to the Business Combination Agreement terminate on Closing. As a result, any loss of value resulting from a misrepresentation in the Business Combination Agreement could have a material adverse impact on all of the outstanding Common Shares, including the Common Shares held by the current shareholders of FGAC, and FGAC will not have the ability to make a claim against ThinkMarkets pursuant to the terms of the Business Combination Agreement.

Subsequent to the completion of the Business Combination, New ThinkMarkets may be required to take write-downs or write-offs, restructuring and impairment or other charges that could have a significant negative effect on the financial condition, results of operations and Common Share price, which could cause investors to lose some or all of their investment

Although FGAC conducted due diligence on ThinkMarkets, FGAC cannot assure that this diligence revealed all material issues that may be present in ThinkMarkets' business, that it would be possible to uncover all material issues through a customary amount of due diligence or that factors outside of either party's control will not later arise. As a result, New ThinkMarkets may be forced to later write down or write-off assets, restructure its operations or incur impairment or other charges that could result in losses. Even if due diligence successfully identified certain risks, unexpected risks may arise and previously known risks may materialize in a manner not consistent with FGAC's preliminary risk analysis. Even though these charges may be non-cash items and not have an immediate impact on New ThinkMarkets' liquidity, the fact that charges of this nature are reported could contribute to negative market perceptions. In addition, charges of this nature may cause New ThinkMarkets to be unable to obtain future financing on favourable terms or at all.

There can be no assurance that the TSX will approve the Business Combination or that the Company's securities will be approved for listing on the TSX following the Closing, or if approved, that they will be able to comply with the continued listing standards of the TSX

FGAC's Class A Restricted Voting Shares and Warrants are currently listed on the TSX. FGAC will apply to have the TSX approve the Business Combination as FGAC's Qualifying Acquisition and to list the securities issuable in connection with the Business Combination on the TSX after the Closing. The TSX has not approved the Business Combination and the TSX has not conditionally approved FGAC's listing application. There is no assurance that the TSX will approve the Business Combination or the listing application. Listing is subject to the approval of the TSX in accordance with its original listing requirements. If, after the Business Combination, the TSX delists the Common Shares or Warrants from trading on its exchange for failure to meet the listing standards, the Company and its shareholders could face significant material adverse consequences.

If the Business Combination's benefits do not meet the expectations of investors or securities analysts, the market price of FGAC securities may decline

If the benefits of the Business Combination do not meet the expectations of investors or securities analysts, the market price of FGAC's securities prior to the Closing may decline. The market values of securities at the time of the Business Combination may vary significantly from their prices on the date the Business Combination Agreement was executed.

In addition, following the Business Combination, fluctuations in the price of New ThinkMarkets' securities could contribute to the loss of all or part of investor's investments. Any of the factors listed below could have a material adverse effect on investments in the Common Shares, and they may trade at prices significantly below the price paid for them.

- failure to achieve the results in the Company's financial outlook;
- actual or anticipated fluctuations in the Company's quarterly financial results or the quarterly financial results of companies perceived to be similar;

- changes in the market's expectations about operating results;
- success of competitors;
- the Company's operating results failing to meet the expectation of securities analysts or investors in a particular period;
- operating and stock price performance of other companies that investors deem comparable to the Company;
- changes in laws and regulations affecting the business;
- commencement of, or involvement in, litigation involving the Company;
- changes in the Company's capital structure, such as future issuances of securities, or the perception that future issuances of securities may occur, or the incurrence of additional debt;
- any major change in the Company's board of directors or management; and
- sales of substantial amounts of Common Shares by directors, executive officers or significant shareholders, or the perception that such sales could occur, including following the expiration of the Lockups.

In such circumstances, the trading price may not recover and may experience a further decline.

In addition, broad market and industry factors may materially harm the market price of the Common Shares irrespective of operating performance. The stock market in general, and the TSX in particular, has experienced price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the particular companies affected. The trading prices and valuations of these stocks, and of the Company's securities, may not be predictable. A loss of investor confidence in the market for retail stocks or the stocks of other companies which investors perceive to be similar to the Company could depress the share price regardless of the Company's business, prospects, financial conditions or results of operations. A decline in the market price of the Company's securities also could adversely affect its ability to issue additional securities and to obtain additional financing in the future.

Dissenting Shareholders may apply to an Australian court to amend the terms of, or prevent the consummation of, the compulsory acquisition

If the Offer is accepted by ThinkMarkets' Shareholders representing at least 90% of the votes attached to the ThinkMarkets Company Shares, FGAC will be entitled to invoke the compulsory acquisition powers under section 414 of the Australian Corporations Act in order to seek to obtain full ownership of ThinkMarkets, by providing a notice to any Dissenting Shareholders. Within one month following the date of such notice, a Dissenting Shareholder may apply to a court of competent jurisdiction in Australia for an order that the compulsory acquisition either not proceed or proceed on different terms.

Upon receipt of an application from a Dissenting Shareholder, the court will assess the application from the perspective of whether the compulsory acquisition is unfair. The court has the discretion to make such orders as it may deem fit, including dismissal of the application, varying the terms of the compulsory acquisition, or ordering that the compulsory acquisition not proceed. Courts in Australia have generally found that an offer which has received 90% of acceptances will prima facie be considered a fair offer, and there is a greater evidentiary burden for the Dissenting Shareholder making the application where the offeror has received acceptances from a large proportion of shareholders and in relation to a large proportion of the company's share capital. However, as this process has not been widely utilized nor widely considered by Australian courts, the description of the process and associated risks is not a settled position and relies on the analysis of analogous provisions under Australian law by Australian courts.

The Business Combination Agreement provides that one of the conditions to Closing in favour of FGAC is the receipt of acceptances under the Offer representing at least 90% of the votes represented by the ThinkMarkets Company Shares.

As such, although FGAC expects to be able to use the compulsory acquisition provisions of the Australian Corporations Act to acquire 100% of the outstanding shares of ThinkMarkets, there is a risk that FGAC may not be able to acquire all shares held by Dissenting Shareholders or may not be able to acquire such shares on the terms contemplated in the Business Combination Agreement.

There can be no assurance that the Private Placement will be completed on the expected terms, or at all

Closing of the Private Placement is subject to customary conditions, including the receipt of all required regulatory approvals for the Business Combination and the closing of the Business Combination. There can be no assurance that the Private Placement will be completed on the expected terms, or at all. If the Private Placement does not close, or does not close on substantially the same terms as are currently agreed to, New ThinkMarkets will have substantially less funds available to fund its growth strategy and ongoing operations. As a result, New ThinkMarkets' business, results of operations or financial condition could be materially adversely affected, and the trading price of the Common Shares or Warrants may be adversely impacted.

The ability of FGAC shareholders to redeem their shares for cash may make it difficult or impossible for FGAC and ThinkMarkets to complete the Business Combination or may substantially reduce the funds available to New ThinkMarkets following completion of the Business Combination

In connection with the Business Combination, holders of the Class A Restricted Voting Shares have the right to redeem all or a portion of their shares for cash. If a large number of holders do so, this may make it more difficult or impossible for FGAC to complete the Business Combination, which may adversely impact the trading price of the Class A Restricted Voting Shares and Warrants. If the Business Combination is completed, significant redemptions by holders of the Class A Restricted Voting Shares may impact the ability of New ThinkMarkets to fund its growth strategy and ongoing operations. As a result, New ThinkMarkets' business, results of operations or financial condition could be materially adversely affected, and the trading price of the Common Shares or Warrants may be adversely impacted.

There is no existing market for New ThinkMarkets' securities, and there can be no assurance that one will develop to provide investors with adequate liquidity. If New ThinkMarkets' security prices fluctuates after completion of the Business Combination, you could lose a significant part of your investment

There is currently no market for the Common Shares. Upon completion of the Business Combination, there is no assurance that a market will develop, which may prevent securityholders from selling their securities or may result in securityholders having to sell their securities at a loss in order to liquidate their securities. If New ThinkMarkets' securities fluctuate after the completion of the Business Combination, which may occur due to a number of known and unknown risks, securityholders may lose a significant part of their investment.

The market price of the Common Shares may fluctuate significantly and investors could lose all or part of their investment

Even if a market for New ThinkMarkets' securities comes into existence, the share price of companies listed on the TSX can be highly volatile, which could prevent the holders of Common Shares from being able to sell their shares at or above the price paid for them. The market price of the Common Shares could fluctuate significantly for various reasons, many of which are outside of New ThinkMarkets' control. These factors could include the performance of New ThinkMarkets, additions and departures of personnel, issuances, purchases or sales of the Common Shares, changes in market valuations of similar companies, legislative changes and general economic, political or regulatory conditions.

Sales of the Common Shares by significant shareholders could depress the price of the Common Shares

Sales by the Company's significant shareholders of Common Shares could have an adverse effect on the market price of the Common Shares and could affect ThinkMarkets' ability to obtain further capital through an offering of equity securities. This could have a material adverse effect on the market price of the Common Shares as well as ThinkMarkets' business.

Warrants, OTM Warrants, New OTM Warrants and other convertible or exchangeable securities will become exercisable for Common Shares, which would increase the number of shares eligible for future resale in the public market and result in dilution to holders of Common Shares

The Warrants, OTM Warrants and New OTM Warrants will become exercisable 65 days after the completion of the Business Combination. Similarly, the Exchange Preferred Shares (if the Business Combination is completed) and the Convertible Debentures (if the Private Placement is completed) will be exercisable for Common Shares. The extent

to which such Warrants, OTM Warrants, New OTM Warrants and other convertible or exchangeable securities are exercised or exchanged will result in dilution to the holders of Common Shares and increase the number of shares eligible for resale in the public market. Sales of substantial numbers of such shares in the public market or the fact that such Warrants, OTM Warrants, New OTM Warrants and other convertible or exchangeable securities may be exercised or exchanged could adversely affect the market price of the Common Shares.

Even if the Business Combination becomes effective, there is no guarantee that the Warrants will ever be in-the-money, and the Warrants may expire worthless

Pursuant to the terms of the Warrant Agreement, the Warrants will be exercisable commencing 65 days following the Closing for an exercise price of U.S.\$11.50 per Common Share. There is no guarantee that the Warrants will ever be in-the-money prior to their expiration, and as such, the Warrants may expire worthless.

FGAC is a special purpose acquisition corporation, has no operating history and is subject to a mandatory liquidation requirement. As such, there is a risk that FGAC will be unable to continue as a going concern and consummate a qualifying acquisition

FGAC is a special purpose acquisition corporation and, as such, has no operating history and is subject to a mandatory liquidation requirement should it fail to consummate a qualifying acquisition within the Permitted Timeline. Therefore, there is a risk that FGAC will be unable to complete a qualifying acquisition should the Business Combination not be consummated within the Permitted Timeline or at all. Unless FGAC extends the Permitted Timeline, if a qualifying acquisition has not been completed by July 5, 2023 (as such date may be extended if the Extension is approved by shareholders at the FGAC Meeting), FGAC will (i) cease all operations except for the purpose of winding-up, and (ii) as promptly as reasonably possible redeem 100% of the Class A Restricted Voting Shares in consideration of the Class A Qualifying Acquisition Redemption Price, payable in cash.

New ThinkMarkets will incur significant expenses and devote significant resources and management time as a result of being a public company, which may negatively impact its financial performance or results of operations

New ThinkMarkets will incur significant additional legal, accounting, insurance and other expenses as a result of being a public company, which may negatively impact its financial performance or results of operations. New ThinkMarkets expects that compliance with applicable securities laws and the rules of the TSX will substantially increase its expenses, including its legal and accounting costs, and make some activities more time-consuming and costly.

New ThinkMarkets also expects that as a result of being a public company, it will be more expensive for it to obtain director and officer liability insurance, and it may be required to accept reduced policy limit and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for New ThinkMarkets to attract and retain qualified persons to serve on its board of directors or as officers.

New ThinkMarkets' management has limited experience in managing a public company, and regulatory compliance may divert its attention from the day-to-day management of the business

New ThinkMarkets' senior management team have limited experience in the management of a publicly traded company and limited experience complying with the increasingly complex regulatory environment pertaining to public companies. New ThinkMarkets' senior management team may not successfully or efficiently manage the transition to New ThinkMarkets being a public company subject to significant regulatory oversight and reporting obligations under Canadian securities laws.

If New ThinkMarkets fails to implement and maintain effective internal controls over financial reporting, New ThinkMarkets may be unable to accurately report its results of operations, meet its reporting obligations or prevent fraud

Prior to the Business Combination, ThinkMarkets has been a private company with limited accounting personnel and other resources to address its internal control over financial reporting and procedures. ThinkMarkets' management has not completed an assessment of the effectiveness of its internal control over financial reporting, and its independent registered public accounting firm has not conducted an audit of its internal control over financial reporting.

ThinkMarkets is not currently required to comply with NI 52-109. As a result, ThinkMarkets is not currently required to make an assessment of the effectiveness of its internal controls, or to deliver a report that assesses the effectiveness of its internal control over financial reporting. In conducting such assessment, New ThinkMarkets' management may conclude that its internal control over financial reporting is not effective. In addition, after it becomes a public company, New ThinkMarkets' reporting obligations may place a significant strain on our management, operational

and financial resources, and systems for the foreseeable future. New ThinkMarkets may be unable to timely complete its evaluation testing and any required remediation, which could ultimately lead to reporting a material weakness in the design of its internal controls over financial reporting.

During the course of documenting and testing its internal control procedures, in order to satisfy the requirements of NI 52-109, New ThinkMarkets may identify weaknesses and deficiencies in its internal control over financial reporting. In addition, if New ThinkMarkets fails to maintain the adequacy of its internal control over financial reporting, as these standards are modified, supplemented or amended from time to time, New ThinkMarkets may not be able to conclude on an ongoing basis that it has effective internal control over financial reporting in accordance with NI 52-109. If New ThinkMarkets fails to achieve and maintain an effective internal control environment, it could suffer material misstatements in its financial statements, fail to meet its reporting obligations or fail to prevent fraud, which would likely cause investors to lose confidence in New ThinkMarkets' reported financial information. New ThinkMarkets would also be required to disclose publicly any material weakness in internal controls in financial reporting. This could, in turn, limit New ThinkMarkets' access to capital markets, harm its results of operations and lead to a decline in the trading price of the Common Shares. Additionally, ineffective internal control over financial reporting could expose New ThinkMarkets to increased risk of fraud or misuse of corporate assets and subject us to potential delisting the Common Shares, regulatory investigations and civil or criminal sanctions.

It may not be possible to effect service of process upon the directors or officers of New ThinkMarkets, or enforce judgments against ThinkMarkets, outside Canada

ThinkMarkets is incorporated and domiciled in Australia. A significant amount of ThinkMarkets' assets are located outside of Canada. In addition, the majority of the directors and senior management are located outside of Canada. As a result, it may not be possible for investors to effect service of process against ThinkMarkets or its directors or to enforce the judgment of a court outside of Canada against ThinkMarkets or the Company's directors or officers, as applicable, based on civil liabilities under that country's securities laws.

Changes in New ThinkMarkets' accounting policies or in accounting standards could materially affect how it reports its financial condition and results of operations.

From time to time, the International Accounting Standards Board (the "IASB") and/or the European Union and/or other financial regulators change the financial accounting and reporting standards that will govern the preparation of New ThinkMarkets' financial statements. These changes can be difficult to predict and may materially impact how New ThinkMarkets records and reports its financial condition and results of operations. In some cases, New ThinkMarkets could be required to apply a new or revised standard retroactively, resulting in restating prior period financial statements. The IASB may make other changes to financial accounting and reporting standards that will govern the preparation of New ThinkMarkets' financial statements, which New ThinkMarkets may adopt if determined to be appropriate by its management, or which New ThinkMarkets may be required to adopt. Any such change in New ThinkMarkets' accounting policies or accounting standards could materially affect its reported financial condition and results of operations.

If securities or industry analysts do not publish research, or publish inaccurate or unfavourable research, about New ThinkMarkets' business, the price of the Common Shares and their trading volume could decline

The trading market for the Common Shares will depend in part on the research and reports that securities or industry analysts publish about New ThinkMarkets' business. Securities and industry analysts do not currently, and may never, publish research on New ThinkMarkets. If no or too few securities or industry analysts commence coverage of New ThinkMarkets, the trading price for the Common Shares would likely be negatively affected. In the event that securities or industry analysts initiate coverage, if one or more of the analysts who cover New ThinkMarkets downgrade its Common Shares or publish inaccurate or unfavourable research about New ThinkMarkets' business, the price of the Common Shares would likely decline. If one or more of these analysts cease coverage of New ThinkMarkets or fail to publish reports on it regularly, demand for the Common Shares could decrease, which might cause the price of the Common Shares and trading volume to decline.

Because there is no current plan to pay dividends on the Common Shares for the foreseeable future, investors may not receive any return on investment unless they sell their Common Shares at a price greater than that which they paid for them

New ThinkMarkets intends to retain its future earnings, if any, for the foreseeable future, to fund the operation of its business and future growth. New ThinkMarkets does not intend to pay any dividends to holders of its Common Shares for the foreseeable future. As a result, capital appreciation in the price of the Common Shares, if any, will be the only source of gain on an investment in the Common Shares.

New ThinkMarkets' management will have broad discretion in the use of FGAC's escrowed funds and the net proceeds from the Private Placement, and may not use them effectively

New ThinkMarkets' management will have broad discretion in the application of FGAC's escrowed funds and the net proceeds from the Private Placement and could spend the proceeds in ways that do not improve its results of operations or enhance the value of the Common Shares. The failure by New ThinkMarkets' management to apply these funds effectively could result in financial losses that could have a material adverse effect on New ThinkMarkets' business, results of operations and financial condition.

The application of the Canadian foreign affiliate dumping rules could adversely affect New ThinkMarkets and its shareholders

The Tax Act contains legislation (the "FAD Rules") that can cause adverse tax consequences where, among other situations, a Canadian corporation is controlled by a non-resident person, or a group of non-resident persons not dealing with each other at arm's length (such person or group, a "**Non-Resident Parent**"), in each case for purposes of the FAD Rules, and the Canadian corporation makes an "investment" in a "foreign affiliate" of the Canadian corporation.

Upon Closing, New ThinkMarkets may be subject to the FAD Rules. If New ThinkMarkets is subject to the FAD Rules, the "paid-up capital" of the Common Shares for purposes of the Tax Act, following Closing, will be materially less than the price for which such shares were issued (and accordingly less than a shareholder's adjusted cost base in such shares).

Further, following Closing, if New ThinkMarkets is subject to the FAD Rules, additional "investments" (if any) made by New ThinkMarkets in its foreign subsidiaries from time-to-time may (i) reduce the "paid-up capital" of the Common Shares for purposes of the Tax Act at that time and/or (ii) result in ThinkMarkets being deemed to have paid a dividend for purposes of the Tax Act to its Non-Resident Parent (resulting in liability for non-resident Canadian withholding tax) which could increase New ThinkMarkets' tax costs and have a material adverse effect on New ThinkMarkets and/or its shareholders. New ThinkMarkets intends to manage its affairs, including investments in its foreign subsidiaries, such that it will not be deemed to have paid any dividends by virtue of the FAD Rules. However, the application of the FAD Rules following Closing could reduce the paid-up capital of the Common Shares at that time.

In general, a reduction in the paid-up capital of the Common Shares should not have a material adverse effect on New ThinkMarkets or its shareholders. However, in certain circumstances, such reduction could have a material adverse effect on shareholders. For example, if a Common Share held by a shareholder is redeemed by New ThinkMarkets (unless such Common Share is purchased by New ThinkMarkets in the open market in the manner in which shares are normally purchased by any member of the public in the open market), the shareholder will be deemed to have received a dividend from New ThinkMarkets equal to the amount, if any, by which the redemption proceeds exceeds the paid-up capital of the share redeemed (regardless of the adjusted cost base of such share to the shareholder). If the shareholder is a non-resident of Canada, any such deemed dividend will be subject to Canadian withholding tax.

PROMOTERS

FGAC Investors LLC and CG Investments VII Inc. are each considered a promoter of FGAC within the meaning of applicable securities legislation. FGAC Investors LLC is controlled by Messrs. Swets, Cerminara and Baqar in their capacity as managers and CG Investments VII Inc. is controlled by Canaccord Genuity Group Inc. FGAC has entered into an administrative services agreement with FGAC Investors LLC, pursuant to which FGAC pays FGAC Investors LLC U.S.\$10,000 per month for certain administrative and related services. Such agreement and the payments thereunder will terminate upon completion of the Qualifying Acquisition.

As of the date hereof, FGAC Investors LLC beneficially owns, or controls or directs, directly or indirectly, 2,555,925 Class B Shares, representing 88.9% of the issued and outstanding Class B Shares, and CG Investments VII Inc., beneficially owns, or controls or directs, directly or indirectly, 319,075 Class B Shares, representing 11.1% of the issued and outstanding Class B Shares. Assuming no redemption of the Class A Restricted Voting Shares, the issuance of 14,159,117 Common Shares in connection with the Business Combination and a Closing Cash Amount of at least U.S.\$50,000,000, FGAC Investors LLC will beneficially own, or control or direct, directly or indirectly, 777,890 Common Shares, representing approximately 2.9% of the then issued and outstanding Common Shares, and CG Investments VII Inc. will beneficially own, or control or direct, directly or indirectly, 97,110 Common Shares, representing approximately 0.4% of the issued and outstanding Common Shares following Closing.

In addition, Nauman Anees and Faizan Anees, as the current Co-Chief Executive Officers and Co-Founders of ThinkMarkets, may each be considered a promoter of the Company within the meaning of applicable securities legislation. Assuming no redemption of the Class A Restricted Voting Shares, the issuance of 14,159,117 Common Shares in connection with the Business Combination and a Closing Cash Amount of at least U.S.\$50,000,000, Nauman Anees and Faizan Anees will beneficially own, or control or direct, directly or indirectly, 4,583,922 Common Shares and 4,389,089 Common Shares, respectively, representing approximately 17.3% and 16.5%, respectively, of the issued and outstanding Common Shares following Closing. See “Securities Law Exemptions”.

LEGAL PROCEEDINGS

To the knowledge of FGAC, as of the date hereof and other than as described elsewhere in this prospectus, there are no material legal proceedings to which FGAC or ThinkMarkets is a party or to which its property is subject, nor were there any such proceedings since December 31, 2022, and, to FGAC’s knowledge, no such proceedings are contemplated.

FGAC is not aware of penalties or sanctions imposed against FGAC or ThinkMarkets by a court relating to provincial and territorial securities legislation or by a securities regulatory authority within the three years immediately preceding the date of this prospectus. No other penalties or sanctions have been imposed by a court or regulatory body against FGAC or ThinkMarkets necessary for this prospectus to contain full, true and plain disclosure of all material facts. Neither FGAC nor ThinkMarkets has entered into any settlement agreements before a court relating to provincial and territorial securities legislation or with a securities regulatory authority within the three years immediately preceding the date of this prospectus.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as described in this prospectus, none of the proposed directors or executive officers of the Company, or any person that is expected to beneficially own, or control or direct, more than 10% of any class or series of shares of the Company, or any associate or Affiliate of any of the foregoing, has or has had any material interest in any past transaction within the three years before the date of this prospectus, or any proposed transaction, that has materially affected or would materially affect the Company or any of its expected subsidiaries.

AUDITORS, TRANSFER AGENT, WARRANT AGENT AND ESCROW AGENT

FGAC’s auditors are MNP LLP, Chartered Professional Accountants, Licensed Public Accountants, having an address of 1 Adelaide Street East, Suite 1900, Toronto, Ontario M5C 2V9. MNP LLP is independent of FGAC within the meaning of the Chartered Professional Accountants of Ontario Code of Professional Conduct.

ThinkMarkets’ auditors are LNP Audit and Assurance Pty Ltd, having an address of L24 570 Bourke Street, Melbourne, Victoria, Australia 3000. LNP Audit and Assurance Pty Ltd is independent of ThinkMarkets within the meaning of the Australian Corporations Act.

TSX Trust Company, at its principal offices in Toronto, Ontario, is the transfer agent and registrar for FGAC’s Class A Restricted Voting Shares and is the Warrant Agent for the Warrants under the Warrant Agreement. Following Closing, it is expected that TSX Trust Company will act as the transfer agent and registrar for the Common Shares and Warrants.

TSX Trust Company, at its principal offices in Toronto, Ontario, is the Escrow Agent.

EXPERTS AND INTERESTS OF EXPERTS

Certain legal and tax matters will be passed upon at the date of this prospectus by Goodmans LLP on FGAC’s behalf. As at the date hereof, the partners and associates of Goodmans LLP, as a group, beneficially own, directly or indirectly, less than 1% of FGAC’s securities.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of the principal Canadian federal income tax considerations under the Tax Act, as of the date hereof, generally applicable to a holder who, as beneficial owner, acquires Common Shares issued on the automatic conversion of Class A Restricted Voting Shares upon Closing and/or holds Warrants to acquire Common Shares upon the Closing and who, at all relevant times, for the purposes of the Tax Act, holds such Common Shares

and Warrants and will hold its Common Shares, if any, issued on the exercise of such Warrants (collectively, the “**Securities**”) as capital property, and deals at arm’s length and is not affiliated with the Company (a “**Holder**”). A Security will generally be considered to be capital property to a Holder unless either (i) the Holder holds or uses the Security or is deemed to hold or use the Security in the course of carrying on a business of trading or dealing in securities or (ii) the Holder has acquired the Security or is deemed to have acquired the Security in a transaction or transactions considered to be an adventure or concern in the nature of trade.

This summary does not apply to a Holder (i) that is a “financial institution” within the meaning of the Tax Act for purposes of the “mark-to-market rules” contained in the Tax Act, (ii) that is a “specified financial institution” as defined in the Tax Act, (iii) that reports its “Canadian tax results” within the meaning of the Tax Act in a currency other than Canadian currency, (iv) an interest in which is or would constitute a “tax shelter investment” for purposes of the Tax Act, (v) that has entered or will enter into a “derivative forward agreement” or a “synthetic disposition arrangement”, each as defined in the Tax Act, with respect to any of the Securities, (vi) that would receive dividends on the Common Shares under or as part of a “dividend rental arrangement” as defined in the Tax Act, (vii) who is a Founder, a ThinkMarkets’ Shareholder or any member of the Company’s management, or (viii) that is exempt from tax under the Tax Act. Such Holders should consult their own tax advisors.

This summary does not address the possible application of the FAD Rules that may be applicable to a corporation that is resident in Canada (for the purposes of the Tax Act) and is or becomes, or does not deal at arm’s length with a corporation resident in Canada that is or becomes, as part of a transaction or event or series of transactions or events that includes the acquisition of the Securities, controlled by a non-resident person, or a group of non-resident persons not dealing with each other at arm’s length, in each case for purposes of these rules. Any such Holder to which this summary does not apply should consult its own tax advisor with respect to the tax consequences applicable to the acquisition, holding and disposition of Securities.

This summary is based on facts set out in this prospectus, the current provisions of the Tax Act in force as of the date hereof, an understanding of the current published in writing prior to the date hereof administrative policies and assessing practices of the CRA and all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Proposed Amendments**”). No assurances can be given that the Proposed Amendments will be enacted or will be enacted as proposed, or that legislative, judicial or administrative changes will not modify or change the statements expressed herein. Other than the Proposed Amendments, this summary does not take into account or anticipate any changes in law or the administrative policies or assessing practices of the CRA, whether by judicial, legislative, governmental or administrative decision or action, nor does it take into account provincial, territorial or foreign tax legislation or considerations, which may differ significantly from those discussed herein.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular holder and no representations with respect to the income tax consequences to any particular holder are made. This summary is not exhaustive of all Canadian federal income tax considerations and does not describe the income tax considerations relating to the deductibility of interest on money borrowed to exercise Warrants. Accordingly, holders should consult their own tax advisors with respect to their own particular circumstances.

Currency Conversion

In general, for purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of the Securities must be converted into Canadian dollars based on the applicable exchange rate quoted by the Bank of Canada for the relevant day or such other rate of exchange that is acceptable to the CRA. Holders of Securities may, as a consequence, realize capital gains or capital losses, or be deemed to receive dividends, by virtue of changes in the value of one or more applicable foreign currencies relative to the Canadian dollar.

Holders Resident in Canada

This section of the summary generally applies to a Holder who, at all relevant times, is, or is deemed to be, resident in Canada for purposes of the Tax Act and any applicable income tax treaty or convention (a “**Resident Holder**”). A Resident Holder whose Common Shares might not otherwise qualify as capital property may, in certain circumstances, be entitled to make the irrevocable election provided by subsection 39(4) of the Tax Act to have the Common Shares and every other “Canadian security” (as defined in the Tax Act) owned by such Resident Holder in the taxation year of the election and in all subsequent taxation years deemed to be capital property. Resident Holders should consult their own tax advisors for advice as to whether an election under subsection 39(4) of the Tax Act is available and/or advisable in their particular circumstances. Such election will not apply in respect of Warrants.

Exercise or Expiry of Warrants

No gain or loss will be realized by a Resident Holder upon the exercise of a Warrant to acquire a Common Share. When such a Warrant is exercised, the Resident Holder's cost of the Common Share acquired thereby will be equal to the adjusted cost base of the Warrant to such Resident Holder, plus the amount paid on the exercise of the Warrant. The adjusted cost base to a Resident Holder of each Common Share acquired on the exercise of a Warrant will be determined by averaging the adjusted cost base to the Resident Holder of the Common Share with the adjusted cost base of all other Common Shares (if any) held as capital property by the Resident Holder as capital property immediately prior to the exercise of such Warrant and by making certain other adjustments required under the Tax Act.

Generally, the expiry of an unexercised Warrant to acquire a Common Share will give rise to a capital loss equal to the adjusted cost base to the Resident Holder of such expired Warrant. See "Disposition of Securities" below.

Dividends

A Resident Holder will be required to include in computing its income for a taxation year dividends (including deemed dividends) received or deemed to be received on the Common Shares. In the case of a Resident Holder that is an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received from taxable Canadian corporations. Taxable dividends received from a taxable Canadian corporation which are designated by such corporation as "eligible dividends" will be subject to an enhanced gross-up and dividend tax credit regime in accordance with the rules in the Tax Act. Following Closing, there may be limitations on the Company's ability to designate dividends and deemed dividends as eligible dividends.

In the case of a Resident Holder that is a corporation, the amount of any such taxable dividend that is included in its income for a taxation year will generally be deductible in computing its taxable income for that taxation year. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received by a Resident Holder that is a corporation as proceeds of disposition or a capital gain. Resident Holders that are corporations should consult their own tax advisors having regard to their own circumstances.

A Resident Holder that is a "private corporation" or a "subject corporation", each as defined in the Tax Act, will generally be liable to pay a refundable tax under Part IV of the Tax Act on dividends received or deemed to be received on the Common Shares to the extent such dividends are deductible in computing the Resident Holder's taxable income for the year. A "subject corporation" is generally a corporation (other than a private corporation) controlled, whether because of a beneficial interest in one or more trusts or otherwise, by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts).

Disposition of Securities

Upon a disposition or deemed disposition of a Security (other than a disposition arising on the exercise of a Warrant or a disposition of a Common Share to the Company, unless such Common Share is purchased by the Company in the open market in the manner in which shares are normally purchased by any member of the public in the open market), a Resident Holder will realize a capital gain (or capital loss) in the taxation year of the disposition equal to the amount by which the Resident Holder's proceeds of disposition, net of any reasonable costs of disposition, exceed (or are exceeded by) the adjusted cost base to the Resident Holder of such Security immediately before the disposition or deemed disposition. The adjusted cost base to a Resident Holder of a Security will be determined by averaging the adjusted cost base to the Resident Holder of the Security with the adjusted cost base of all other identical Securities (if any) held as capital property at that time by the Resident Holder and by making certain other adjustments required under the Tax Act.

Generally, a Resident Holder will be required to include in computing its income for the taxation year of disposition one-half of the amount of any capital gain (a "**taxable capital gain**") realized in such taxation year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder will be required to deduct one-half of the amount of any capital loss realized in a particular taxation year (an "**allowable capital loss**") against taxable capital gains realized in the taxation year. Allowable capital losses in excess of taxable capital gains for a taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such taxation years, to the extent and under the circumstances specified in the Tax Act.

The amount of any capital loss realized on the disposition or deemed disposition of a Common Share by a Resident Holder that is a corporation may, in certain circumstances, be reduced by the amount of dividends received or deemed to have been received by it on such Common Share (or on a share for which such share has been substituted) to the

extent and under the circumstances specified in the Tax Act. Similar rules may apply to a partnership or trust of which a corporation, partnership or trust is a member or beneficiary. Resident Holders to whom these rules may be relevant are urged to consult their own tax advisors.

A Resident Holder that is throughout the relevant taxation year a “Canadian controlled private corporation” or, pursuant to certain Proposed Amendments, a “substantive CCPC” (each as defined in the Tax Act) may be liable to pay a refundable tax on its “aggregate investment income” (as defined in the Tax Act) for the year, including taxable capital gains.

Alternative Minimum Tax

In general terms, a Resident Holder who is an individual (other than certain trusts) that receives or is deemed to have received taxable dividends on the Common Shares, or realizes a capital gain on the disposition or deemed disposition of Securities, may be liable for alternative minimum tax under the Tax Act. Resident Holders that are individuals should consult their own tax advisors in this regard.

Holdings Not Resident in Canada

This section of the summary generally applies to a Holder who, at all relevant times, for purposes of the Tax Act (i) is not, and is not deemed to be, resident in Canada for purposes of the Tax Act or any applicable income tax treaty or convention, and (ii) does not and will not use or hold, and is not and will not be deemed to use or hold, Securities in connection with carrying on a business in Canada (a “**Non-Resident Holder**”). This summary does not apply to a Non-Resident Holder that carries on, or is deemed to carry on, an insurance business in Canada and elsewhere or that is an “authorized foreign bank” as defined in the Tax Act. Such Holders should consult their own tax advisors having regard to their own circumstances.

Exercise or Expiry of Warrants

The tax consequences of the exercise of a Warrant held by a Non-Resident Holder are the same as those described above under “Certain Canadian Federal Income Tax Considerations – Holdings Resident in Canada – Exercise or Expiry of Warrants”.

Generally, the expiry of an unexercised Warrant to acquire a Common Share will give rise to a capital loss equal to the adjusted cost base to the Non-Resident Holder of such expired Warrant. See “Disposition of Securities” below).

Dividends

Under the Tax Act, dividends on Common Shares paid or credited or deemed to be paid or credited to a Non-Resident Holder will be subject to Canadian withholding tax at the rate of 25% of the gross amount of the dividends, subject to any reduction in the rate of withholding to which the Non-Resident Holder is entitled under any applicable income tax treaty or convention between Canada and the country in which the Non-Resident Holder is resident. For example, where a Non-Resident Holder is a resident of the United States, is fully entitled to the benefits under the Canada-United States Income Tax Convention (1980), as amended, and is the beneficial owner of the dividend, the applicable rate of Canadian withholding tax is generally reduced to 15% of the amount of such dividend.

Disposition of Securities

Upon a disposition or deemed disposition of a Security (other than a disposition arising on the exercise of a Warrant or a disposition of a Common Share to the Company, unless such Common Share is purchased by the Company in the open market in the manner in which shares are normally purchased by any member of the public in the open market), a Non-Resident Holder will realize a capital gain (or capital loss) in the taxation year of the disposition equal to the amount by which the Non-Resident Holder’s proceeds of disposition, net of any reasonable costs of disposition, exceed (or are exceeded by) the adjusted cost base to the Non-Resident Holder of such Security immediately before the disposition or deemed disposition. The adjusted cost base to a Non-Resident Holder of a Security will be determined by averaging the adjusted cost base to the Non-Resident Holder of the Security with the adjusted cost base of all other identical Securities (if any) held as capital property at that time by the Non-Resident Holder and by making certain other adjustments required under the Tax Act.

A Non-Resident Holder will not be subject to tax (or entitled to deduct) under the Tax Act in respect of any capital gain (or capital loss) realized by such Non-Resident Holder on a disposition of a Security, unless the Security constitutes “taxable Canadian property” (as defined in the Tax Act) of the Non-Resident Holder at the time of disposition and the Non-Resident Holder is not entitled to relief under an applicable income tax treaty or convention.

Provided that the Common Shares are listed on a designated stock exchange for purposes of the Tax Act (which currently includes the TSX) at the time of the disposition thereof, the Securities generally will not constitute taxable Canadian property of a Non-Resident Holder, unless at any time during the 60-month period immediately preceding the disposition or deemed disposition of the Securities the following two conditions are met concurrently: (i) 25% or more of the issued shares of any class or series of the share capital of the Company were owned by, or belonged to, one or any combination of (x) the Non-Resident Holder, (y) persons with whom the Non-Resident Holder did not deal at arm's length (for purposes of the Tax Act), and (z) partnerships in which the Non-Resident Holder or a person referred to in (y) holds a membership interest directly or indirectly through one or more partnerships, and (ii) more than 50% of the fair market value of the Common Shares was derived directly or indirectly from one or any combination of (A) real or immovable property situated in Canada, (B) "Canadian resource property" (as defined in the Tax Act), (C) "timber resource property" (as defined in the Tax Act), and (D) options in respect of, or interests in, or for civil law rights in, property described in any of (A) through (C) above, whether or not such property exists. Notwithstanding the foregoing, a Security may also be deemed, under the Tax Act, to be taxable Canadian property to a Non-Resident Holder in particular circumstances.

If the Securities are (or are deemed to be) taxable Canadian property to a Non-Resident Holder, any capital gain realized on the disposition or deemed disposition of such Securities may not be subject to Canadian federal income tax pursuant to the terms of an applicable income tax treaty or convention between Canada and the country in which the Non-Resident Holder is resident provided such Non-Resident Holder is entitled to the benefits of such applicable income tax treaty or convention. Non-Resident Holders whose Securities may be taxable Canadian property should consult their own tax advisors.

ELIGIBILITY FOR INVESTMENT

Based on the current provisions of the Tax Act, upon Closing, the Securities will be qualified investments for a trust governed by a registered retirement savings plan ("RRSP"), registered retirement income fund ("RRIF"), deferred profit sharing plan, registered education savings plan ("RESP"), registered disability savings plan ("RDSP"), first home savings account ("FHSA") or tax-free savings account ("TFSA") (collectively, "Plans"), provided that:

- (a) in the case of Common Shares, the Common Shares are then listed on a designated stock exchange for purposes of the Tax Act (which currently includes the TSX); and
- (b) in the case of the Warrants:
 - (i) the Warrants are then listed on a designated stock exchange for purposes of the Tax Act (which currently includes the TSX); or
 - (ii) the Common Shares are qualified investments as described in (a) above, provided that the Company is not, and deals at arm's length (for the purposes of the Tax Act) with each person who is, an annuitant, a beneficiary, an employer or a subscriber under or a holder of the Plan.

Notwithstanding the foregoing, if a Security is a "prohibited investment" (as defined in the Tax Act) for a trust governed by a RDSP, RESP, RRIF, RRSP, FHSA or TFSA, the holder, annuitant or subscriber thereof (as the case may be) will be subject to a penalty tax as set out in the Tax Act. The Securities will not be a prohibited investment for a RDSP, RESP, RRIF, RRSP, FHSA or TFSA provided the holder, annuitant or subscriber thereof (as the case may be) deals at arm's length with the Company, for purposes of the Tax Act, and does not have a "significant interest" (as defined in subsection 207.01(4) the Tax Act) in the Company. Holders who intend to hold Securities in a RDSP, RESP, RRIF, RRSP, FHSA or TFSA should consult their own tax advisors regarding their particular circumstances.

MATERIAL CONTRACTS

Following Closing, the following will be the material contracts of New ThinkMarkets, other than contracts entered into in the ordinary course:

- (a) the Business Combination Agreement;
- (b) the Warrant Agreement; and
- (c) the Indenture.

Copies of the above material contracts are or will be available following the Closing, on New ThinkMarkets' SEDAR profile at www.sedar.com.

SECURITIES LAW EXEMPTIONS

Nauman Anees and Faizan Anees, as the current Co-Chief Executive Officers and Co-Founders of ThinkMarkets, may be considered promoters of the Company within the meaning of applicable securities legislation. In connection with the filing of this prospectus, the Company will apply to the Ontario Securities Commission, as principal regulator, for exemptive relief from any requirement that Nauman Anees and Faizan Anees execute a Certificate of Promoter in their individual capacities for this prospectus on the basis that such individuals will sign the Certificate of Reverse Takeover Acquirer as the current Co-Chief Executive Officers and Co-Founders of ThinkMarkets for this prospectus in such capacity.

FGAC has also applied for exemptive relief from the provisions of MI 61-101 relating to minority approval and formal valuation requirements, such that if the exemptive relief is granted, the Corporation will qualify for the Transaction Size Exemptions for the exchange of Class B Shares for Exchange Preferred Shares. See “The Business Combination – Related Party Transactions”.

CONTRACTUAL RIGHT OF ACTION

Original purchasers of Class A Restricted Voting Units from the underwriters of the IPO will have a contractual right of action for rescission or damages against FGAC (as well as a contractual right of action for damages alone against (a) the directors of FGAC as of the Redemption Election Deadline, and (b) every person or company who signs this prospectus, which for greater certainty, includes the Sponsors, as promoters of the Company (collectively, the “**signatories**”). In the event that the Business Combination is completed and if this prospectus or any amendment hereto contains a misrepresentation (as defined in the *Securities Act* (Ontario) (the “**OSA**”)), provided that the exercise of either such remedy occurs not later than (a) in the case of an action for rescission, 180 days after the Redemption Election Deadline, or (b) in the case of an action for damages, the earlier of (i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the Redemption Election Deadline, a purchaser who purchased Class A Restricted Voting Units in connection with the IPO shall, in respect of any Common Shares and Warrants received at Closing, be entitled to, in addition to any other remedy available at the time to such holder, (i) as against FGAC, in the case of rescission, the amount paid for the Class A Restricted Voting Units upon surrender of the Class A Restricted Voting Shares and Warrants underlying the Class A Restricted Voting Units, and (ii) as against FGAC, the directors of FGAC, and the signatories, in the case of a damages election, their proven damages.

In addition, the following additional provisions apply to actions against the directors of FGAC and the signatories: (a) each has a due diligence defence and the other defences and rights contemplated in section 130 of the OSA and at law, and (b) each is entitled to be indemnified by FGAC to the maximum extent permitted by law.

This contractual right of action for rescission or damages will, subject to the foregoing, be consistent with the statutory right of rescission or damages described under section 130 of the OSA. In no case shall the amount recoverable exceed the original purchase price of the Class A Restricted Voting Units. In addition, for non-residents of Canada, the contractual right shall be subject to the same interpretational or constitutional defences, if any, as would apply to a claim against a resident Canadian issuer under section 130 of the OSA, and, as a result, the argument that non-residents are not entitled to take advantage of the contractual right shall not be precluded.

CERTIFICATE OF FG ACQUISITION CORP. AND THE PROMOTERS

May 12, 2023

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the issuer as required by securities legislation of each of the provinces and territories of Canada, other than Québec.

FG ACQUISITION CORP.

(signed) *"Larry G. Swets, Jr."*

Larry G. Swets, Jr.
Chief Executive Officer

(signed) *"Hassan R. Baqar"*

Hassan R. Baqar
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) *"D. Kyle Cerminara"*

D. Kyle Cerminara
Director

(signed) *"Dr. Richard E. Govignon"*

Dr. Richard E. Govignon
Director

FGAC INVESTORS LLC, AS PROMOTER

(signed) *"Hassan R. Baqar"*

Hassan R. Baqar
Authorized Signatory

CG INVESTMENTS VII INC., AS PROMOTER

(signed) *"Patrick Malcom Burke"*

Patrick Malcom Burke
President, CG Investments VII Inc.

CERTIFICATE OF REVERSE TAKEOVER ACQUIRER

May 12, 2023

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the issuer as required by securities legislation of each of the provinces and territories of Canada, other than Québec.

THINK FINANCIAL GROUP HOLDINGS LIMITED

(signed) “*Nauman Anees*”

Nauman Anees
Co-Chief Executive Officer

(signed) “*Faizan Anees*”

Faizan Anees
Co-Chief Executive Officer

(signed) “*Mohamed Amin Ahmed Adat*”

Mohamed Amin Ahmed Adat
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) “*Nauman Anees*”

Nauman Anees
Director

(signed) “*Faizan Anees*”

Faizan Anees
Director

(signed) “*Ilyas Ahmed*”

Ilyas Ahmed
Director

APPENDIX A
FGAC FINANCIAL STATEMENTS

(See attached)

FG Acquisition Corp.

Condensed Interim Financial Statements

As at and for the three months ended March 31, 2023 and March 31, 2022 (unaudited)

FG Acquisition Corp.
Condensed Interim Statements of Financial Position
Unaudited

(expressed in U.S. dollars)

	Note	As at March 31, 2023	As at December 31, 2022 <i>(audited)</i>
ASSETS			
Current			
Cash		\$ 587,973	\$ 680,325
Deferred costs		91,560	157,500
Funds Held in Escrow	6	117,889,645	116,677,634
Prepays	5	256,397	318,163
Deferred tax asset		223,041	223,041
TOTAL ASSETS		119,048,616	118,056,663
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)			
Current liabilities			
Deferred Underwriting Commission		4,232,000	4,232,000
Accounts payable and accrued expenses		46,079	25,377
Current tax liability		223,041	223,041
Class A Restricted Voting Shares subject to redemption	7	114,770,000	113,850,000
Warrant liability - IPO	8	6,612,500	7,187,500
Warrant liability - Sponsor	8	4,350,000	4,567,500
Warrant liability - OTM	8	1,275,000	1,440,000
TOTAL LIABILITIES		131,508,620	131,525,418
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share Capital	9	23,489	23,489
Accumulated deficit		(12,483,493)	(13,492,244)
TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)		(12,460,004)	(13,468,755)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 119,048,616	\$ 118,056,663

Note 1, Corporation Information and Going Concern

Note 13, Subsequent Event

The accompanying notes are an integral part of these financial statements

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

“Hassan Raza Baqar”
DIRECTOR

“Andrew B. McIntyre”
DIRECTOR

FG Acquisition Corp.
Condensed Interim Statements of Comprehensive Loss
Unaudited
(expressed in U.S. dollars)

			Three Months Ended March 31, 2023	Three months ended March 31, 2022
	Note			
INCOME				
Interest income	6	\$	1,212,011	\$ -
EXPENSES				
General and administrative expenses	10		240,760	240
Unrealized (gain) on change in the fair value of financial liabilities	7,8		(37,500)	-
Total Expenses			<u>203,260</u>	<u>240</u>
Net income (loss) and comprehensive income (loss) for the period		\$	<u>1,008,751</u>	<u>\$ (240)</u>
INCOME (LOSS) PER SHARE				
Net Income (Loss) Per Class B Share, basic and diluted		\$	0.35	\$ (240)
Weighted average number of Class B Shares outstanding, basic and diluted			<u>2,875,000</u>	<u>1</u>

The accompanying notes are an integral part of these financial statements

FG Acquisition Corp.
Condensed Interim Statements of Shareholders' Equity (Deficiency)
Unaudited

(expressed in U.S. dollars, except for number of shares outstanding amounts)

	Number	Amount	Accumulated Deficit	Total Shareholders' Equity (Deficiency)
Balance at December 31, 2021	1	\$	1 \$	(120) \$ (119)
2022 Net loss for the period	-	-	(240)	(240)
Balance at March 31, 2022	1	\$	1 \$	(360) \$ (359)

	Number	Amount	Accumulated Deficit	Total Shareholders' Equity (Deficiency)
Balance at December 31, 2022	2,875,000	\$ 23,489	\$ (13,492,244)	\$(13,468,755)
2023 Net income for the period	-	-	1,008,751	1,008,751
Balance at March 31, 2023	2,875,000	\$ 23,489	\$ (12,483,493)	\$(12,460,004)

The accompanying notes are an integral part of these financial statements

FG Acquisition Corp.
Condensed Interim Statements of Cash Flows
Unaudited

(expressed in U.S. dollars)

	Note	Three Months Ended March 31, 2023	Three months Ended March 31, 2022
OPERATING ACTIVITIES			
Net income (loss) for the period		\$ 1,008,751	\$ (240)
<i>Non-cash items</i>			
Unrealized (gain) on change in the fair value of financial liabilities	8	(37,500)	-
<i>Changes in operating assets and liabilities</i>			
Prepays	5	61,766	
Accounts Payable and accrued liabilities		20,702	240
Deferred costs		65,940	-
Cash flows from operating activities		1,119,659	-
INVESTING ACTIVITIES			
Funds held in escrow	6	(1,212,011)	-
Cash flows used in investing activities		(1,212,011)	-
Net increase in cash during the period		\$ (92,352)	\$ -
Cash, beginning of period		\$ 680,325	\$ 1
Cash, end of period		\$ 587,973	\$ 1

The accompanying notes are an integral part of these financial statements

NOTE 1. CORPORATE INFORMATION AND GOING CONCERN

FG Acquisition Corp. (the “**Corporation**”) is a special purpose acquisition corporation (“**SPAC**”) incorporated under the laws of the Province of British Columbia for the purpose of effecting, directly or indirectly, an acquisition of one or more businesses or assets, by way of a merger, amalgamation, arrangement, share exchange, asset acquisition, share purchase, reorganization, or any other similar business combination involving the Corporation (a “**Qualifying Acquisition**”). The Corporation will search for target businesses within the financial services sector. However, there is not a limitation to a particular industry or geographic region for purposes of completing a qualifying acquisition.

The Corporation was incorporated on October 25, 2021 under the *Business Corporations Act* (British Columbia), and is domiciled in Canada. The registered head office of the Corporation is located at 510 West Georgia Street, Suite 1800, Vancouver, BC V6B 0M3.

FGAC Investors LLC and CG Investments VII Inc. (together, the “**Sponsors**”) are the Sponsors of the Corporation.

The Corporation’s ability to continue as a going concern is dependent upon the continued support of its Sponsors, and upon the completion of the Qualifying Transaction or on the approval of an extension of the Permitted Timeline should the Qualifying Transaction not be completed by July 5, 2023. In the event a Qualifying Transaction does not occur, the escrowed cash will be returned to Class A Restricted Voting unit holders and the Sponsors will have no recourse against the escrowed cash. These conditions represent material uncertainties that may cast significant doubt upon the Corporation’s ability to continue as a going concern. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Corporation be unable to continue as a going concern. If the Corporation is not able to continue as a going concern, the Corporation may be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements. These differences could be material.

On March 28, 2022, the Corporation filed its Final Prospectus (“**Final Prospectus**”) with the securities regulatory authorities in each of the provinces and territories of Canada, other than Quebec, in respect of the Corporation’s proposed initial public offering (the “**Offering**”) of 10,000,000 Class A restricted voting units (the “**Class A Restricted Voting Units**”) at a price of \$10.00 per Class A Restricted Voting Unit for aggregate gross proceeds of \$100,000,000.

On April 1, 2022, in connection with the Offering, the Sponsors purchased an aggregate of 2,874,999 Class B shares (the “**Class B Shares**”) in the capital of the Corporation for an aggregate purchase price of \$24,999. Upon closing of the Qualifying Acquisition, each Class B Share will be automatically converted on a 100-for-1 basis into new proportionate voting shares of the Corporation (the “**Proportionate Voting Shares**”), as set forth in the notice of articles and articles of the Corporation, available on SEDAR at www.sedar.com. No Proportionate Voting Shares will be issued during the period after Closing and prior to the closing of the Qualifying Acquisition.

On April 5, 2022, the Corporation closed its Offering for gross proceeds of \$100,000,000 and the Class A Restricted Voting Units began trading on the Toronto Stock Exchange (the “**Exchange**”) under the symbol “FGAA.V”. Each Class A Restricted Voting Unit consists of one Class A restricted voting share (a “**Class A Restricted Voting Share**”) and one-half of a share purchase warrant (each whole warrant, an “**IPO Warrant**”). The Class A Restricted Voting Units initially traded as a unit on the Exchange, but the Class A Restricted Voting Shares and the IPO Warrants began trading separately 40 days following the closing of the Offering (“**Closing**”). On or immediately following completion of the Qualifying Acquisition, each Class A Restricted Voting Share (unless previously redeemed) will be automatically converted into a common share in the capital of the Corporation (each, a “**Common Share**”). No Common Shares will be issued during the period after Closing and prior to the closing of the Qualifying Acquisition. The IPO Warrants will become exercisable, at an exercise price of \$11.50, commencing 65 days after the completion of the Qualifying Acquisition and will expire at 5:00 p.m. (Toronto time) on the day that is five years after the completion of the Qualifying Acquisition or earlier if a Qualifying Acquisition is not completed within the Permitted Timeline (as defined herein) or if the expiry date is accelerated.

The IPO Warrants shall contain a right (the “**Warrant Put Rights**”) to require the Sponsors to acquire such IPO Warrants (other than those held by the Corporation’s Sponsors) in connection with a Qualifying Acquisition or upon the liquidation and cessation of the business of the Corporation (a “**Winding-Up**”), for \$1.25 per IPO Warrant. In connection with a Qualifying Acquisition, holders of IPO Warrants exercising such Warrant Put Right shall be required to deposit all or a portion of their IPO Warrants prior to the deadline set by the Corporation. Holders of IPO Warrants shall be provided not less than 21 days’ notice nor more than 60 days’ notice of such deadline. Warrant Put Rights shall be automatically exercised in connection with a Winding-Up. The applicable IPO Warrants shall be acquired by the Sponsors, subject to applicable law, immediately prior to the closing of the Qualifying Acquisition or in connection with a Winding-Up, as applicable. To facilitate the transfer of the IPO Warrants to the Sponsors pursuant to the Warrant Put Rights, concurrently with Closing, the Sponsors deposited \$6,250,000 (the “**Warrant Put Rights Escrow Amount**”) with TSX Trust Company (the “**Escrow Agent**”) in accordance with the warrant agency agreement dated April 5, 2022 among the Corporation, TSX Trust Company, as the warrant agent, and the Sponsors (the “**Warrant Agreement**”). The Warrant Put Rights Escrow Amount deposited with the Escrow Agent will be required to be invested in permitted investments, being U.S. dollar denominated cash or in book based securities, negotiable instruments, investments or securities which evidence: obligations issued or fully guaranteed by the Government of Canada, the Government of the United States of America or any Province of Canada or State of the United States of America. The Sponsors intend to invest Warrant Put Rights Escrow Amount deposited with the Escrow Agent only in instruments that are the obligation of, or guaranteed by, the federal or provincial/state governments of Canada and the United States of America.

The Corporation granted Canaccord Genuity Corp. and Raymond James Ltd. (together, the “**Underwriters**”), a 30-day option following Closing to purchase up to an additional 1,500,000 Class A Restricted Voting Units, at a price of \$10.00 each (the “**Over-Allotment Option**”) for additional aggregate proceeds of up to \$15,000,000 to cover over-allotments, if any, and for market stabilization purposes.

If the Corporation is unable to consummate a Qualifying Acquisition within the permitted timeline of 15 months (the “**Permitted Timeline**”) from the date of Closing, subject to any extension as described below, the Corporation will be required to redeem each of the outstanding Class A Restricted Voting Shares, for an amount per share, payable in cash, equal to the pro-rata portion (per Class A Restricted Voting Share) of: (A) the escrowed funds available in the escrow account established for the purpose of holding the proceeds of the Offering pursuant to the terms of the escrow agreement (the “**Escrow Agreement**”) dated as of the date of Closing between the Corporation, the Escrow Agent and the Underwriters (the “**Share Escrow Account**”), including any interest and other amounts earned thereon, less (B) an amount equal to the total of (i) any applicable taxes payable by the Corporation on such interest and other amounts earned in the Share Escrow Account, (ii) any taxes of the Corporation (including under Part VI.1 of the *Income Tax Act* (Canada) (the “**Tax Act**”)) arising in connection with the redemption of the Class A Restricted Voting Shares, and (iii) up to a maximum of \$100,000 of interest and other amounts earned from the proceeds in the Share Escrow Account to pay actual and expected Winding-Up expenses and certain other related costs (as described in the Final Prospectus), each as reasonably determined by the Corporation, and the Warrant Put Rights shall be automatically exercised. The Underwriters will have no right to the Deferred Amount (as defined herein) in such circumstances.

Such Permitted Timeline, however, could be extended to up to 36 months with shareholder approval of the holders of Class A Restricted Voting Shares, by ordinary resolution, with approval by the Corporation’s board of directors. If such approvals are obtained, holders of Class A Restricted Voting Shares, irrespective of whether such holders vote for or against, or do not vote on, the extension of the Permitted Timeline, would be permitted to deposit all or a portion of their Class A Restricted Voting Shares for redemption prior to the second business day before the shareholders’ meeting in respect of the extension. Upon the requisite approval of the extension of the Permitted Timeline, and subject to applicable law, the Corporation will be required to redeem such Class A Restricted Voting Shares so deposited at an amount per share, payable in cash, equal to: (A) the pro-rata portion (per Class A Restricted Voting Share) of: (i) the escrowed funds available in the Share Escrow Account at the time of the meeting in respect of the extension, including any interest and other amounts earned thereon, less (ii) an amount equal to the total of (a) any applicable taxes payable by the Corporation on such interest and other amounts earned in the Share Escrow Account and (b) actual and expected expenses directly related to the redemption (and for greater certainty, such amount will not be reduced by the deferred underwriting commissions per Class A Restricted Voting Share held in the Share Escrow Account), each as reasonably determined by the Corporation, less (B) any taxes of the Corporation (including under

Part VI.1 of the Tax Act), as reasonably determined by the Corporation, arising in connection with the redemption of the Class A Restricted Voting Shares divided by the number of shares being redeemed. The Warrant Put Rights shall not be exercisable in connection with an extension of the Permitted Timeline.

Notwithstanding the foregoing redemption rights, each holder of Class A Restricted Voting Shares, together with any affiliate of such holder or other person with whom such holder or affiliate is acting jointly or in concert, will not be permitted to redeem a number of Class A Restricted Voting Shares that is more than 15% of the aggregate number of Class A Restricted Voting Shares issued and outstanding following Closing. This limitation will not apply in the event a Qualifying Acquisition does not occur within the Permitted Timeline, or in the event of an extension to the Permitted Timeline.

Simultaneously with Closing, the Sponsors purchased 4,150,000 share purchase warrants (the "**Sponsors' Warrants**") at a price of \$1.00 per Sponsors' Warrant and 1,500,000 out of money share purchase warrants (the "**OTM Warrants**") at a price of \$0.10 per OTM Warrant. The OTM Warrants and the Sponsors' Warrants will become exercisable 65 days after the completion of the Qualifying Acquisition. Each OTM Warrant will entitle the holder to purchase one Class A Restricted Voting Share at a price of \$15.00 for a period of ten years after the completion of a Qualifying Acquisition. Each Sponsors' Warrant will entitle the holder to purchase one Class A Restricted Voting Share at a price of \$11.50 for a period of five years after the completion of a Qualifying Acquisition.

The Class A Restricted Voting Shares may be considered "restricted securities" within the meaning of such term under applicable Canadian securities laws. Prior to the completion of the Qualifying Acquisition, holders of the Class A Restricted Voting Shares would not be entitled to vote at (or receive notice of or meeting materials in connection with) meetings held only to consider the election and/or removal of directors and auditors. The holders of the Class A Restricted Voting Shares would, however, be entitled to vote on and receive notice of meetings on all other matters requiring shareholder approval (including the proposed Qualifying Acquisition, if required under applicable law, and any proposed extension to the Permitted Timeline) other than the election and/or removal of directors and auditors prior to closing of a Qualifying Acquisition. In lieu of holding an annual meeting prior to the closing of the Qualifying Acquisition, the Corporation is required to provide an annual update on the status of identifying and securing a Qualifying Acquisition by way of a press release.

Simultaneously with Closing, pursuant to the transfer restrictions agreement and undertaking dated April 5, 2022 and entered into by the Sponsors in favour of the Exchange (the "**Exchange Agreement and Undertaking**"), the Sponsors agreed not to transfer any of their Class B Shares, Sponsors' Warrants or OTM Warrants until after the closing of the Qualifying Acquisition, in each case other than transfers required due to the structuring of the Qualifying Acquisition or unless otherwise permitted by the Exchange. Any Class A Restricted Voting Shares and/or IPO Warrants purchased by the Sponsors would not be subject to the restrictions set out in the Exchange Agreement and Undertaking. The Class B Shares, Sponsors' Warrants and OTM Warrants purchased by the Sponsors pursuant to the Final Prospectus will not be subject to relinquishment based on performance.

Upon Closing, an aggregate of \$100,000,000 from the sale of the Class A Restricted Voting Units, or U.S.\$10.00 per Class A Restricted Voting Unit sold to the public, was deposited in the Share Escrow Account, in accordance with the Escrow Agreement. Based on the initial \$100,000,000 placed in escrow and an interest rate of approximately 0.3% per annum, if the Share Escrow Account remains in place over the 15 months following the Closing (and no Qualifying Acquisition has been completed and the Permitted Timeline has not otherwise been extended), the cash held in escrow is expected to grow from the initial U.S.\$10.00 per Class A Restricted Voting Unit sold to the public to approximately U.S.\$10.04 per Class A Restricted Voting Share, before applicable taxes and other permitted deductions. Subject to applicable law and payment of certain taxes, permitted redemptions and certain expenses, as further described herein, none of the funds held in the Share Escrow Account will be released to the Corporation prior to the closing of a Qualifying Acquisition.

Following the closing of the Qualifying Acquisition, the Corporation intends to use a portion of the balance of the non-redeemed Class A Restricted Voting Shares' portion of the Share Escrow Account (less tax liabilities on amounts earned on the escrowed funds and certain expenses directly related to redemptions) to pay the Underwriters the balanced of the agreed underwriting commission, being 3.5% of the gross proceeds of the Offering, which is only payable upon the closing of the Qualifying Acquisition (the "**Deferred Amount**"). If the Qualifying Acquisition is

closed and the Share Escrow Account is released, any shortfall in respect of the Deferred Amount shall be made up from other sources of capital available to the Corporation. The per share amount the Corporation will distribute to holders of Class A Restricted Voting Shares who properly redeem their shares will not be reduced by the Deferred Amount the Corporation will pay to the Underwriters.

As 100% of the gross proceeds of the Offering and any additional equity raised pursuant to a rights offering will be held by the Escrow Agent in the Share Escrow Account, shareholder approval of the Qualifying Acquisition is not required pursuant to the Exchange rules. As such, and unless shareholder approval is otherwise required under applicable law, including in the event of an arrangement or amalgamation of the Corporation, the Corporation will: (i) prepare and file with applicable securities regulatory authorities a prospectus containing disclosure regarding the Corporation and its proposed Qualifying Acquisition; (ii) mail a notice of redemption to the holders of the Class A Restricted Voting Shares and make the final prospectus publicly available at least 21 days prior to the deadline for redemption; and (iii) send by prepaid mail or otherwise deliver the prospectus to the holders of the Class A Restricted Voting Shares no later than midnight (Toronto time) on the second business day prior to the deadline for redemption, which delivery may be effected electronically in compliance with National Policy 11-201 – *Electronic Delivery of Documents*.

The gross proceeds from the Offering will be held in escrow following the Closing to enable the Corporation to (i) satisfy redemptions made by holders of Class A Restricted Voting Shares (including in the event of a Qualifying Acquisition or an extension to the Permitted Timeline, or in the event a Qualifying Acquisition does not occur within the Permitted Timeline), (ii) fund the Qualifying Acquisition with the net proceeds following payment of any such redemptions and the Deferred Amount and/or (iii) pay taxes on amounts earned on the escrowed funds and certain permitted expenses. Such escrowed funds and all amounts earned thereon, subject to such obligations and applicable law, will be assets of the Corporation.

The Warrant Put Rights Escrow Amount will be held in escrow following the Closing to facilitate payments to the holders of IPO Warrants exercising the Warrant Put Right in connection with a Qualifying Acquisition or to the holders of IPO Warrants upon the occurrence of a Winding-Up. Such escrowed funds and all amounts earned thereon, subject to such obligations and applicable law, will be assets of the Sponsors. In the event the Corporation completes a Qualifying Acquisition, any portion of the Warrant Put Rights Escrow Amount that is not paid to the holders of IPO Warrants upon the exercise of Warrant Put Rights shall be returned to the Sponsors in accordance with the Warrant Agreement.

In connection with the completion of a Qualifying Acquisition, the Corporation will provide holders of Class A Restricted Voting Shares with the opportunity to redeem all or a portion of their Class A Restricted Voting Shares, provided that they deposit their shares for redemption prior to the deadline specified by the Corporation, following public disclosure of the details of the Qualifying Acquisition and prior to the closing of the Qualifying Acquisition, of which prior notice had been provided to the holders of the Class A Restricted Voting Shares by any means permitted by the Exchange, not less than 21 days nor more than 60 days in advance of such deadline, in each case, with effect, subject to applicable law, immediately prior to the closing of the Qualifying Acquisition, for an amount per share, payable in cash, equal to the pro rata portion (per Class A Restricted Voting Share) of: (A) the escrowed funds available in the Share Escrow Account at the time immediately prior to the redemption deposit deadline, including interest and other amounts earned thereon; less (B) an amount equal to the total of (i) any applicable taxes payable by the Corporation on such interest and other amounts earned in the Share Escrow Account, and (ii) actual and expected expenses directly related to the redemption, each as reasonably determined by the Corporation, subject to the limitations described in the Final Prospectus. For greater certainty, such amount will not be reduced by the amount of any tax of the Corporation under Part VI.1 of the Tax Act or the Deferred Amount per Class A Restricted Voting Share held in the Share Escrow Account. If approval of the Qualifying Acquisition by shareholders' is otherwise required under applicable law, including in the event of an arrangement or amalgamation of the Corporation, holders of Class A Restricted Voting Shares shall have the option to redeem their Class A Restricted Voting Shares irrespective of whether they vote for or against, or do not vote on, the Qualifying Acquisition at any shareholders' meeting. Holders of Class A Restricted Voting Shares will be given not less than 21 days' notice of such shareholders' meeting (if such meeting is required under applicable law, including in the event of an arrangement or amalgamation of the Corporation) and of the corresponding redemption deposit deadline if such meeting is required. Participants through CDS Clearing and Depositary Services Inc. ("CDS") may have earlier deadlines for beneficial holders to make

deposits of Class A Restricted Voting Shares for redemption. If a CDS participant's deadline is not met by a holder of Class A Restricted Voting Shares, such holder's Class A Restricted Voting Shares may not be eligible for redemption.

Following completion of the Qualifying Acquisition, the Proportionate Voting Shares into which the Class B Shares are convertible, the Sponsors' Warrants and OTM Warrants, and the shares issuable on exercise of such Sponsors' Warrants and OTM Warrants may be subject to certain sale or transfer restrictions in accordance with applicable securities laws. The Sponsors will not be entitled to redeem the Class B Shares, or to exercise the Warrant Put Right in respect of their Sponsors' Warrants or OTM Warrants, in connection with a Qualifying Acquisition or an extension to the Permitted Timeline or entitled to access the escrow accounts should a Qualifying Acquisition not occur within the Permitted Timeline, as further described herein. The Sponsors (and, as applicable, the Corporation's directors and officers) will, however, participate in any liquidation distribution with respect to any Class A Restricted Voting Shares they may acquire in connection with or following the Offering through possible purchases on the secondary market.

On April 5, 2022, the Corporation entered into an administrative services agreement with FGAC Investors LLC, pursuant to which the Corporation will pay FGAC Investors LLC a fee of \$10,000 (plus applicable taxes) per month in exchange for FGAC Investors LLC, as a Sponsor, providing certain services to the Corporation to help effect the Qualifying Acquisition, including but not limited to, various administrative, managerial and/or operational services.

On April 20, 2022, the Underwriters fully exercised the Over-Allotment Option. Pursuant to the exercise of the Over-Allotment Option, on April 20, 2022, the Corporation issued 1,500,000 Class A Restricted Voting Units for aggregate proceeds of \$15,000,000, and the Sponsors purchased an additional 200,000 Sponsors' Warrants for an aggregate purchase price of \$200,000 and deposited an additional \$937,500 with the Escrow Agent pursuant to the Warrant Agreement to facilitate the transfer of the IPO Warrants to the Sponsors pursuant to the Warrant Put Rights.

NOTE 2. BASIS OF PRESENTATION

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. These condensed interim financial statements do not include all the disclosures required in annual financial statements and should be read in conjunction with the Corporation's audited financial statements for the year ended December 31, 2022.

Except as noted, the Corporation has followed the same basis of presentation, accounting policies and method of computation for these condensed interim financial statements as disclosed in the annual audited financial statements for the year ended December 31, 2022.

The financial statements of the Corporation have been prepared on a historical cost basis. The Corporation's functional and presentation currency is the U.S. dollar.

The financial statements were authorized for issuance by the Board of Directors of the Corporation on April 26, 2023.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash is classified as an asset at fair value.

Deferred costs

Deferred costs consist of legal fees incurred through the balance sheet date that are directly related to a Qualifying Transaction.

Financial Instruments

Recognition

The Corporation recognizes financial assets and financial liabilities on the date the Corporation becomes a party to the contractual provisions of the instruments.

Classification

The Corporation classifies its financial assets and financial liabilities in the following measurement categories: i) those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss, and ii) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income.

The Corporation reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

The Corporation's financial assets consist of cash and funds held in escrow, which are classified and subsequently measured at fair value through profit or loss ("FVTPL"). The Corporation's financial liabilities consist of accounts payable and accrued expenses and deferred Underwriting commission, which are classified and subsequently measured at amortized cost using the effective interest method. The Corporation's financial liabilities include Class A Restricted Voting Shares subject to redemption, which is classified and subsequently measured at FVTPL. The IPO, Sponsor and OTM Warrant liabilities are also classified as FVTPL as they include a cashless option.

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss ("FVTPL") are expensed in profit or loss.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income (irrevocable election at the time of recognition).

Additional fair value measurement disclosure includes classification of financial instrument fair values in a fair value hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements which are as follows:

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

Income taxes

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in net earnings and comprehensive income or in equity depending on the item to which the adjustment relates.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

Earnings (loss) per share

Basic income or loss per Class B Share is calculated by dividing the net income or loss by the weighted average number of Class B Shares outstanding during the reported period. The calculation excludes the effect of Class A Restricted Voting Shares, as the Class A Restricted Voting Shares have been classified in these financial statements as financial liabilities.

Recently Issued Accounting Standards

In January 2020, the IASB issued amendments to IAS 1, Presentation of Financial Statements, to clarify the requirements for classifying liabilities as current or non-current. The amendments clarify the classification of liabilities as current or non-current based on rights that are in existence at the end of the reporting period and are unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. The amendments also clarify the definition of "settlement" of a liability. The amendments are effective January 1, 2023, with early adoption permitted. The amendments are to be applied retrospectively. Management does not expect any material impact to the Corporation's financial statements upon adoption of these amendments.

In February 2021, the IASB issued amendments to IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, to introduce a definition of "Accounting Estimates". The amendments clarify the distinction between changes in accounting estimates and accounting policies as well as the correction of errors. Additionally, the IASB clarifies how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective January 1, 2023, with early adoption permitted. Management does not expect any material impact to the Corporation's financial statements upon adoption of these amendments.

4. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES, AND ASSUMPTIONS

The preparation of these financial statements requires the Corporation to make judgments in applying its accounting policies and estimates and assumptions about the future. These judgments, estimates and assumptions affect the Corporation's reported amounts of assets, liabilities, and items in net income or loss, and the related disclosure of contingent assets and liabilities, if any. The Corporation evaluates its estimates on an ongoing basis. Such estimates are based on various assumptions that the Corporation believes are reasonable under the circumstances, and these estimates form the basis for making judgments about the carrying value of assets and liabilities and the reported amounts of items in net income or loss that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The following discusses the most significant accounting judgments, estimates and assumptions that the Corporation has made in the preparation of its interim condensed financial statements.

Fair Value of Financial Instruments

Certain financial instruments are recorded in the Corporation's statements of financial position at values that are representative of or approximate their fair value. The fair value of a financial instrument that is traded in active markets at each reporting date is determined by reference to its quoted market price. If the financial instrument does not trade on an active market, the Corporation will use an option-pricing model to measure the fair value of the financial instrument. Application of the option-pricing model requires estimates in expected dividend yields, expected volatility in the underlying assets and the expected life of the financial instrument. Changes in the underlying trading value or estimates may significantly affect the amount of net income or loss for a particular period. Furthermore, the quoted market price or option price of a financial liability may not be equal to the amount that the Corporation may have to pay in settlement of the underlying obligation, should such obligation become immediately payable. The Corporation reviews assumptions relating to financial instruments on an ongoing basis to ensure that the basis for determination of fair value is appropriate.

Management exercised significant judgement in determining that the Class A Restricted Voting Shares were classified as financial liabilities and in the determination of the initial fair value of the Class A Restricted Voting Shares.

Warrant Valuations

Pursuant to the Corporation's Offering of Class A Restricted Voting Units, the Corporation issued warrants. The Corporation also issued warrants to the Sponsor concurrent with the Offering. Estimating the fair value of warrants requires determining the most appropriate valuation model that is dependent on the terms and conditions of the warrant. To the extent a quoted market value is not available, the Corporation applies an option-pricing model to measure the fair value of the warrants issued. Application of the option pricing model requires estimates in expected dividend yields, expected volatility in the underlying assets and the expected life of the warrant. These estimates may ultimately be different from amounts subsequently realized, resulting in an overstatement or understatement of net income or loss.

Income taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Corporation reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

5. PREPAIDS

The following balances were included in the Corporations prepaid balances as at March 31, 2023 and December 31, 2022:

	Amount
Directors' and officers' liability insurance	254,054
Other prepaid	2,344
Balance, March 31, 2023	\$ 256,397
	Amount
Directors' and officers' liability insurance	315,850
Other prepaid	2,313
Balance, December 31, 2022	\$ 318,163

6. FUNDS HELD IN ESCROW

At as March 31, 2023, the escrow balance held by the TSX Trust Company on behalf of the Corporation was \$117,889,645. Substantially all of the escrow balance was invested in a short-term U.S. Treasury Bill, which matures on April 27, 2023, and has an interest rate of approximately 4.62%. The U.S. Treasury Bill is carried at amortized cost on the statements of financial position, as the Corporation plans to hold the obligation until maturity.

The Corporation has not withdrawn any interest income from the Trust Account to pay for applicable taxes.

7. CLASS A RESTRICTED VOTING SHARES SUBJECT TO REDEMPTION

Authorization

The Corporation is authorized to issue an unlimited number of Class A Restricted Voting Shares prior to the closing of a Qualifying Transaction. Following closing of the Qualifying Transaction, the Corporation will not issue any Class A Restricted Voting Shares. The holders of Class A Restricted Voting Shares have no pre-emptive rights or other subscription rights and there are no sinking fund provisions applicable to these shares.

Voting Rights

All holders of Class A Restricted Voting Shares will be entitled to receive notice of any meeting of shareholders' of the Corporation, and to attend, vote and speak at such meetings, except those meetings at which only holders of a specific class of shares are entitled to vote separately as a class under the Business Corporations Act (British Columbia).

Redemption Rights

The holders of Class A Restricted Voting Shares are entitled to redeem their shares, as described in the Final Prospectus, and are entitled to receive a pro-rata portion of the amount then held in the escrow account, less applicable taxes and other permitted deductions: (i) in the event that the Corporation does not complete a Qualifying Transaction within the Permitted Timeline; (ii) in the event of the completion of a Qualifying Transaction; and (iii) in the event of an extension to the Permitted Timeline.

Classification

The redemption rights embedded in the terms of the Corporation's Class A Restricted Voting Shares are considered by the Corporation to be outside of the Corporation's control and subject to uncertain future events. Accordingly, the Corporation has classified its "Class A Restricted Voting Shares subject to redemption" as financial liabilities carried at FVTPL.

Fair value of Class A Restricted Voting Shares subject to redemption – issued and outstanding:

Refer to Note 1, Corporate Information and Going Concern, for additional details of terms and issuance of Class A Restricted Voting Shares.

	Number	Amount
Balance, December 31, 2021	-	\$ -
Issuance of Class A Restricted Voting Units pursuant to Offering	11,500,000	115,000,000
Allocation of value attributed to IPO Warrants		(6,900,000)
Fair value adjustment to Class A Restricted Voting Shares		5,750,000
Balance, December 31, 2022	11,500,000	\$ 113,850,000
Fair value adjustment to Class A Restricted Voting Shares	-	920,000
Balance, March 31, 2023	11,500,000	\$ 114,770,000

As at March 31, 2023, the share price of the Class A Restricted Voting Shares was \$9.98, resulting in a quarter to date fair value loss on financial liabilities of \$920,000, compared to zero for the quarter to date ending March 31, 2022.

The initial fair value of the Corporation's Class A Restricted Voting Shares was based on the Offering price of \$10.00 per unit, bifurcated by reallocating the estimated fair market value of the IPO Warrants. The IPO Warrants were measured on issuance based on the closing price of the security on the first day the Restricting Voting Units split, which was \$1.20.

8. WARRANTS LIABILITY

As at March 31, 2023, the Corporation had 11,600,000 warrants issued and outstanding, comprised of 5,750,000 IPO Warrants, 4,350,000 Sponsors' Warrants, and 1,500,000 OTM Warrants.

The IPO Warrants and Sponsors' Warrants will become exercisable at an exercise price of \$11.50, commencing 65 days after the completion of a Qualifying Transaction and will expire at 5:00 p.m. (Toronto time) on the day that is five years after the completion of a Qualifying Transaction. The OTM Warrants will become exercisable at an exercise price of \$15.00, commencing 65 days after the completion of a Qualifying Transaction and will expire at 5:00 p.m. (Toronto time) on the day that is ten years after the completion of a Qualifying Transaction.

The IPO Warrants, Sponsors' Warrants and OTM Warrants were classified as financial liabilities carried at FVTPL, as they include a cashless option, and had the following fair values of March 31, 2023 and December 31, 2022:

	Number	Amount
Balance, December 31, 2021	-	-
IPO Warrants	5,750,000	6,900,000
Fair value adjustment - IPO Warrants		287,500
Balance, December 31, 2022	5,750,000	\$ 7,187,500
Fair value adjustment - IPO Warrants	-	(575,000)
Balance, March 31, 2023	5,750,000	\$ 6,612,500

As previously discussed, the IPO Warrants were measured on issuance based on the closing price of the security on the first day the Restricting Voting Units split, which was \$1.20.

As at March 31, 2023, the market value was \$1.15 per IPO Warrant, compared to a market value of \$1.25 per IPO warrant as of December 31, 2022. This resulted in a fair value gain on financials of \$575,000 for the three months ended March 31, 2023, compared to zero for the three months ended March 31, 2022.

	Number	Amount
Balance, December 31, 2021	-	\$ -
Sponsors' Warrants	4,350,000	4,350,000
Fair value adjustment - Sponsors' Warrants		217,500
Balance, December 31, 2022	4,350,000	\$ 4,567,500
Fair value adjustment - Sponsors' Warrants		(217,500)
Balance, March 31, 2023	4,350,000	\$ 4,350,000

The Sponsor Warrants were measured on issuance using \$1.00 per warrant being the cash price paid per warrant. At March 31, 2023, the Sponsor Warrants were measured using an option pricing model with the following inputs: Volatility: 10%; Expected Life: 5 years; Risk Free Rate: 3.3%; Dividend Yield: 0%.

As at March 31, 2023, the market value was \$1.00 per Sponsor Warrant compared to a market value of \$1.05 per Sponsor Warrant as of December 31, 2022. This resulted in a fair value gain on financials of \$217,500 for the three months ended March 31, 2023, compared to zero for the three months ended March 31, 2022.

	Number	Amount
Balance, December 31, 2021	-	\$ -
OTM Warrants	1,500,000	150,000
Fair value adjustment - OTM Warrants		1,290,000
Balance, December 31, 2022	1,500,000	\$ 1,440,000
Fair value adjustment - OTM Warrants		(165,000)
Balance, March 31, 2023	1,500,000	\$ 1,275,000

The OTM Warrants were measured on issuance using \$0.10 per warrant being the cash price paid per warrant. At March 31, 2023, the OTM Warrants were measured using an option pricing model with the following inputs: Volatility: 10%; Expected Life: 10 years; Risk Free Rate: 3.3%; Dividend Yield: 0%.

As at March 31, 2023, the market value was \$0.85 per OTM Warrant as compared to a market value of \$0.96 per OTM Warrant as of December 31, 2022. This resulted in a fair value gain on financials of \$165,000 for the three months ended March 31, 2023, compared to zero for the three months ended March 31, 2022.

9. SHARE CAPITAL

Authorized

The Corporation is authorized to issue an unlimited number of Class B shares prior to the closing of the Qualifying Transaction. On October 25, 2021, the Corporation issued one Class B Share to FGAC Investors LLC in exchange for proceeds of \$1.00. On April 1, 2022, in connection with the Offering, the Sponsors purchased an aggregate of 2,874,999 Class B shares in the capital of the Corporation for an aggregate purchase price of \$24,999.

Voting Rights

Holders of Class B Shares are entitled to vote at all meetings of shareholders' and on all matters requiring a shareholder vote, with the exception of a vote to approve an extension of the Permitted Timeline within which the Corporation is required to complete its Qualifying Transaction, which will only be voted upon by holders of Class A Restricted Voting Shares.

Redemption Rights

Holders of Class B Shares do not have any redemption rights with respect to its Class B Shares, or rights to

distributions from the escrow account if the Corporation fails to complete a Qualifying Transaction within the Permitted Timeline.

Class B Shares – Issued and Outstanding

The Company had 2,875,000 Class B shares issued and outstanding as of March 31, 2023.

10. GENERAL AND ADMINISTRATIVE EXPENSES

The Corporation had the following general and administrative expenses for the following periods:

	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Insurance	\$ 61,797	\$ -
General office expenses	31,787	240
Filing and transfer agent fees	31,582	-
Professional	115,594	-
Total	\$ 240,760	\$ 240

11. FINANCIAL INSTRUMENTS

Fair value measurements

The following tables summarize those assets and liabilities that are included at their fair values in the Corporation's statements of financial position as at March 31, 2023 and December 31, 2022. These assets and liabilities have been categorized into hierarchal levels, according to the significance of the inputs used in determining fair value measurements.

Fair value as at March 31, 2023

	Carrying value as at March 31, 2023	Level 1	Level 2	Level 3
Financial Assets and Liabilities				
Cash	587,973	587,973	-	-
Held in Escrow	117,889,645	117,889,645	-	-
Class A Restricted Voting Shares subject to redemption	114,770,000	114,770,000	-	-
IPO Warrants	6,612,500	6,612,500	-	-
Sponsor Warrants	4,350,000	-	4,350,000	-
OTM Warrants	1,275,000	-	1,275,000	-

Fair value as at December 31, 2022

	Carrying value as at December 31, 2022	Level 1	Level 2	Level 3
Financial Assets and Liabilities				
Cash	680,325	680,325	-	-
Held in Escrow	116,677,634	116,677,634	-	-
Class A Restricted Voting Shares subject to redemption	113,850,000	113,850,000	-	-
IPO Warrants	7,187,500	7,187,500	-	-
Sponsor Warrants	4,567,500	-	4,567,500	-
OTM Warrants	1,440,000	-	1,440,000	-

Financial Risk Management

The Corporation is exposed to financial risks due to the nature of its business and the financial assets and liabilities that it holds. The Corporation's overall risk management strategy seeks to minimize potential adverse effects on the Corporation's financial performance.

Market risk:

Market risk is the risk that a material loss may arise from fluctuations in the fair value of a financial instrument. For purposes of this disclosure, the Corporation segregates market risk into three categories: fair value risk, interest rate risk, and currency risk.

Fair value risk:

Fair value risk is the potential for loss from an adverse movement, excluding movements relating to changes in interest rates and foreign exchange rates, because of changes in market prices. The Corporation is exposed to fair value risk in respect of its Cash, Funds held in Escrow, Class A Restricted Voting Shares subject to redemption and Warrants, which are carried in the Corporation's financial statements at their fair values.

Interest rate risk:

Interest rate risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation's exposure to interest rate risk is nominal at this time.

Currency risk:

Currency risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates relative to the Corporation's presentation currency of the United States dollar. The Corporation does not currently have any exposure to currency risk as the Corporation transacts minimally in any currency other than the United States dollar.

12. CAPITAL MANAGEMENT

The Corporation defines the capital that it manages as its cash and funds held in escrow balance. The following table summarizes the carrying value of the Corporation's capital as at March 31, 2023 and December 31, 2022.

	As at March 31, 2023	As at December 31, 2022
Cash	587,973	680,325
Funds Held in Escrow	117,889,645	116,677,634
Total Capital	118,477,618	117,357,959

The Corporation's primary objective in managing capital is to ensure capital preservation in order to benefit from acquisition opportunities as they arise.

13. RELATED PARTY TRANSACTIONS

The Corporation entered into an administrative services agreement with FGAC Investors LLC on April 5, 2022, whereby FGAC Investors LLC will perform certain administrative services for the Corporation for a monthly fee of \$10,000. For the three months ended March 31, 2023, administrative services expense was \$30,000.

14. SUBSEQUENT EVENT

The Corporation has evaluated subsequent events through the filing date of the financial statements and determined that there have been no events that have occurred that would require additional disclosures. As of March 31, 2023, the Corporation had not yet entered into a definitive agreement with a target.

FG Acquisition Corp.

Financial Statements

December 31, 2022 and for the period from October 25, 2021 (date of incorporation) to December 31, 2021

Independent Auditor's Report

To the Shareholders of FG Acquisition Corp.:

Opinion

We have audited the financial statements of FG Acquisition Corp. (the "Corporation"), which comprise the statements of financial position as at December 31, 2022 and December 31, 2021, and the statements of comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the year ended December 31, 2022 and for the period from October 25, 2021 (date of incorporation) to December 31, 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2022 and December 31, 2021, and its financial performance and its cash flows for the year ended December 31, 2022 and for the period from October 25, 2021 (date of incorporation) to December 31, 2021 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which indicates the Corporation's dependence on the continued support of its Sponsor and/or the completion of the Qualifying Transaction. As stated in Note 1, these events or conditions indicate that material uncertainties exist that may cast significant doubt on the Corporation's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Classification and Valuation of Class A Restricted Voting Shares subject to redemption at initial recognition and classification and valuation of IPO, Sponsor and OTM warrants. Refer to note 3 – Significant accounting policies, note 7 – Class A Restricted Voting Shares subject to redemption and note 8 – Warrants to the financial statements. Management has classified the Class A Restricted Voting Shares subject to redemption (Class A Shares) as financial liabilities based on the redemption provisions constituting a contractual right to deliver cash. Gross proceeds of \$115.0 million from the Offering were allocated between Class A Shares – \$108.1 million and IPO Warrants – \$6.9 million at initial recognition. The allocation was made based on the relative fair value of the Class A Shares and IPO Warrants on initial recognition date. Management exercised significant judgment in determining that the Class A Shares were classified as financial liabilities and in the determination of the initial fair value of the Class A Shares and IPO Warrants. Simultaneously with closing of the IPO, the Sponsors purchased 4,350,000 share purchase warrants for gross proceeds of \$4.3 million and 1,500,000 OTM Warrants for gross proceeds of \$0.2 million. Application of the option-pricing model requires estimates, which included expected volatility and the expected life of the respective Sponsor and OTM Warrants. We considered this a key audit matter due to the significant judgment exercised by management in determining that the Class A Shares were classified as financial liabilities and in the determination of the initial fair value of the Class A Shares, IPO Warrants, Sponsor Warrants and OTM Warrants. This, in turn, led to a high degree of auditor judgment in performing procedures to assess management's classification of Class A Shares and IPO Warrants, Sponsor Warrants and OTM Warrants as financial liabilities and in the assessment of the initial and year end fair value of these instruments.	We responded to this matter by performing procedures in relation to classification and valuation of Class A Restricted Voting Shares subject to redemption and classification and valuation of IPO, Sponsor and OTM Warrants, at initial recognition and year end. Our audit work in relation to this included, but was not restricted to, the following: • Assessed management's classification of Class A Shares as financial liabilities by reading the Prospectus and considering reference to relevant accounting standards and guidelines. • Tested how management determined the allocation of the gross proceeds between Class A Shares and IPO Warrants based on their relative fair values at initial recognition. • Tested how management measured the value of the Sponsor and OTM Warrants at year end using an option-pricing model, which included the following: – Evaluated the appropriateness of the option-pricing model by involving internal valuation specialists and tested the mathematical accuracy thereof. – Tested the underlying data used in the option-pricing model. – Evaluated the reasonableness of the expected volatility in the underlying assets by comparing it to volatility rates of companies having businesses similar to the Corporation; and – Evaluated the reasonableness of the expected life of the Sponsor and OTM Warrants based on the terms of the Sponsor and OTM Warrants and discussions with management.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Murad Bhimani.

Toronto, Ontario
March 3, 2023

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

FG Acquisition Corp.
Statements of Financial Position
(expressed in U.S. dollars)

	Note	As at December 31, 2022	As at December 31, 2021
ASSETS			
Current			
Cash		\$ 680,325	\$ 1
Deferred costs		157,500	24,178
Funds Held in Escrow	6	116,677,634	-
Prepays	5	318,163	-
Deferred tax asset	14	223,041	-
TOTAL ASSETS		118,056,663	24,179
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)			
Current liabilities			
Deferred Underwriting Commission	10	4,232,000	-
Accounts payable and accrued expenses		25,377	120
Current tax liability	14	223,041	-
Accrued offering costs		-	24,178
Class A Restricted Voting Shares subject to redemption	7	113,850,000	-
Warrant liability - IPO	8	7,187,500	-
Warrant liability - Sponsor	8	4,567,500	-
Warrant liability - OTM	8	1,440,000	-
TOTAL LIABILITIES		131,525,418	24,298
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share Capital	9	23,489	1
Accumulated deficit		(13,492,244)	(120)
TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)		(13,468,755)	(119)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 118,056,663	\$ 24,179

Note 1, Corporation Information and Going Concern

Note 15, Subsequent Event

The accompanying notes are an integral part of these financial statements

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

"Hassan Raza Baqar"
DIRECTOR

"Andrew B. McIntyre"
DIRECTOR

FG Acquisition Corp.

Statements of Comprehensive Loss

(expressed in U.S. dollars)

	Note	Twelve Months Ended December 31, 2022	Period Ended December 31, 2021
INCOME			
Interest income	6	\$ 1,677,634	\$ -
EXPENSES			
Transaction costs	10	7,222,400	-
General and administrative expenses	11	402,358	120
Unrealized loss on change in the fair value of financial liabilities	7,8	7,545,000	-
Total Expenses		<u>15,169,758</u>	<u>120</u>
Net loss and comprehensive loss for the period		<u>\$ (13,492,124)</u>	<u>\$ (120)</u>
LOSS PER SHARE			
Net Loss Per Class B Share, basic and diluted		\$ (6.26)	\$ (120)
Weighted average number of Class B Shares outstanding, basic and diluted		<u>2,156,250</u>	<u>1</u>

The accompanying notes are an integral part of these financial statements

FG Acquisition Corp.

Statements of Shareholders' Equity (Deficiency)

(expressed in U.S. dollars, except for number of shares outstanding amounts)

	Number	Amount	Accumulated Deficit	Total Shareholders' Equity (Deficiency)
Balance at October 25, 2021 (inception)	-	\$ -	\$ -	\$ -
Issuance of Class B Common Share	1	1		1
2021 Net loss			(120)	(120)
Balance at December 31, 2021	1	1	(120)	(119)
Issuance of Class B Common Shares	2,874,999	24,999	-	24,999
Class B Common Shares Transaction Costs	-	(1,511)	-	(1,511)
2022 Net loss	-	-	(13,492,124)	(13,492,124)
Balance at December 31, 2022	2,875,000	\$ 23,489	\$ (13,492,244)	\$ (13,468,755)

The accompanying notes are an integral part of these financial statements

FG Acquisition Corp. Statements of Cash Flows

(expressed in U.S. dollars)

	Note	Twelve Months Ended December 31, 2022	Period Ended December 31, 2021
OPERATING ACTIVITIES			
Net loss for the year/period		\$ (13,492,124)	\$ (120)
<i>Non-cash items</i>			
Unrealized loss on change in the fair value of financial liabilities	8	7,545,000	-
Transaction costs associated with financing activities	10	7,222,400	-
<i>Changes in operating assets and liabilities</i>			
Prepays	5	(318,163)	-
Accounts Payable and accrued liabilities		1,079	120
Deferred costs		(133,322)	-
Cash flows from operating activities		824,870	-
FINANCING ACTIVITIES			
Proceeds from sale of Class B Shares	9	24,999	1
Proceeds from sale of Sponsor Warrants	8	4,350,000	-
Proceeds from sale of OTM Warrants	8	150,000	-
Proceeds from sale of Class A Restricted Voting Units	7	115,000,000	-
Transaction costs	10	(2,991,911)	-
Cash flows from financing activities		116,533,088	1
INVESTING ACTIVITIES			
Funds held in escrow	6	(116,677,634)	-
Cash flows used in investing activities		\$ (116,677,634)	\$ -
Net increase in cash during the year/period		\$ 680,324	\$ 1
Cash, beginning of year/period		\$ 1	\$ -
Cash, end of year/period		\$ 680,325	\$ 1

The accompanying notes are an integral part of these financial statements

NOTE 1. CORPORATE INFORMATION AND GOING CONCERN

FG Acquisition Corp. (the “**Corporation**”) is a special purpose acquisition corporation (“**SPAC**”) incorporated under the laws of the Province of British Columbia for the purpose of effecting, directly or indirectly, an acquisition of one or more businesses or assets, by way of a merger, amalgamation, arrangement, share exchange, asset acquisition, share purchase, reorganization, or any other similar business combination involving the Corporation (a “**Qualifying Acquisition**”). The Corporation will search for target businesses within the financial services sector. However, there is not a limitation to a particular industry or geographic region for purposes of completing a qualifying acquisition.

The Corporation was incorporated on October 25, 2021 under the *Business Corporations Act* (British Columbia), and is domiciled in Canada. The registered head office of the Corporation is located at 510 West Georgia Street, Suite 1800, Vancouver, BC V6B 0M3.

FGAC Investors LLC and CG Investments VII Inc. (together, the “**Sponsors**”) are the Sponsors of the Corporation.

The global outbreak of COVID-19 (coronavirus) has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Corporation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

The Corporation’s ability to continue as a going concern is dependent upon the continued support of its Sponsors, and upon the completion of the Qualifying Transaction or on the approval of an extension of the Permitted Timeline should the Qualifying Transaction not be completed by July 5, 2023. In the event a Qualifying Transaction does not occur, the escrowed cash will be returned to Class A Restricted Voting unit holders and the Sponsors will have no recourse against the escrowed cash. These conditions represent material uncertainties that may cast significant doubt upon the Corporation’s ability to continue as a going concern. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Corporation be unable to continue as a going concern. If the Corporation is not able to continue as a going concern, the Corporation may be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements. These differences could be material.

On March 28, 2022, the Corporation filed its Final Prospectus (“**Final Prospectus**”) with the securities regulatory authorities in each of the provinces and territories of Canada, other than Quebec, in respect of the Corporation’s proposed initial public offering (the “**Offering**”) of 10,000,000 Class A restricted voting units (the “**Class A Restricted Voting Units**”) at a price of \$10.00 per Class A Restricted Voting Unit for aggregate gross proceeds of \$100,000,000.

On April 1, 2022, in connection with the Offering, the Sponsors purchased an aggregate of 2,874,999 Class B shares (the “**Class B Shares**”) in the capital of the Corporation for an aggregate purchase price of \$24,999. Upon closing of the Qualifying Acquisition, each Class B Share will be automatically converted on a 100-for-1 basis into new proportionate voting shares of the Corporation (the “**Proportionate Voting Shares**”), as set forth in the notice of articles and articles of the Corporation, available on SEDAR at www.sedar.com. No Proportionate Voting Shares will be issued during the period after Closing and prior to the closing of the Qualifying Acquisition.

On April 5, 2022, the Corporation closed its Offering for gross proceeds of \$100,000,000 and the Class A Restricted Voting Units began trading on the Toronto Stock Exchange (the “**Exchange**”) under the symbol “FGAA.V”. Each Class A Restricted Voting Unit consists of one Class A restricted voting share (a “**Class A Restricted Voting Share**”) and one-half of a share purchase warrant (each whole warrant, an “**IPO Warrant**”). The Class A Restricted Voting Units initially traded as a unit on the Exchange, but the Class A Restricted Voting Shares and the IPO Warrants began trading separately 40 days following the closing of the Offering (“**Closing**”). On or immediately following completion of the Qualifying Acquisition, each Class A Restricted Voting Share (unless previously redeemed) will be

automatically converted into a common share in the capital of the Corporation (each, a “**Common Share**”). No Common Shares will be issued during the period after Closing and prior to the closing of the Qualifying Acquisition. The IPO Warrants will become exercisable, at an exercise price of \$11.50, commencing 65 days after the completion of the Qualifying Acquisition and will expire at 5:00 p.m. (Toronto time) on the day that is five years after the completion of the Qualifying Acquisition or earlier if a Qualifying Acquisition is not completed within the Permitted Timeline (as defined herein) or if the expiry date is accelerated.

The IPO Warrants shall contain a right (the “**Warrant Put Rights**”) to require the Sponsors to acquire such IPO Warrants (other than those held by the Corporation’s Sponsors) in connection with a Qualifying Acquisition or upon the liquidation and cessation of the business of the Corporation (a “**Winding-Up**”), for \$1.25 per IPO Warrant. In connection with a Qualifying Acquisition, holders of IPO Warrants exercising such Warrant Put Right shall be required to deposit all or a portion of their IPO Warrants prior to the deadline set by the Corporation. Holders of IPO Warrants shall be provided not less than 21 days’ notice nor more than 60 days’ notice of such deadline. Warrant Put Rights shall be automatically exercised in connection with a Winding-Up. The applicable IPO Warrants shall be acquired by the Sponsors, subject to applicable law, immediately prior to the closing of the Qualifying Acquisition or in connection with a Winding-Up, as applicable. To facilitate the transfer of the IPO Warrants to the Sponsors pursuant to the Warrant Put Rights, concurrently with Closing, the Sponsors deposited \$6,250,000 (the “**Warrant Put Rights Escrow Amount**”) with TSX Trust Company (the “**Escrow Agent**”) in accordance with the warrant agency agreement dated April 5, 2022 among the Corporation, TSX Trust Company, as the warrant agent, and the Sponsors (the “**Warrant Agreement**”). The Warrant Put Rights Escrow Amount deposited with the Escrow Agent will be required to be invested in permitted investments, being U.S. dollar denominated cash or in book based securities, negotiable instruments, investments or securities which evidence: obligations issued or fully guaranteed by the Government of Canada, the Government of the United States of America or any Province of Canada or State of the United States of America. The Sponsors intend to invest Warrant Put Rights Escrow Amount deposited with the Escrow Agent only in instruments that are the obligation of, or guaranteed by, the federal or provincial/state governments of Canada and the United States of America.

The Corporation granted Canaccord Genuity Corp. and Raymond James Ltd. (together, the “**Underwriters**”), a 30-day option following Closing to purchase up to an additional 1,500,000 Class A Restricted Voting Units, at a price of \$10.00 each (the “**Over-Allotment Option**”) for additional aggregate proceeds of up to \$15,000,000 to cover over-allotments, if any, and for market stabilization purposes.

If the Corporation is unable to consummate a Qualifying Acquisition within the permitted timeline of 15 months (the “**Permitted Timeline**”) from the date of Closing, subject to any extension as described below, the Corporation will be required to redeem each of the outstanding Class A Restricted Voting Shares, for an amount per share, payable in cash, equal to the pro-rata portion (per Class A Restricted Voting Share) of: (A) the escrowed funds available in the escrow account established for the purpose of holding the proceeds of the Offering pursuant to the terms of the escrow agreement (the “**Escrow Agreement**”) dated as of the date of Closing between the Corporation, the Escrow Agent and the Underwriters (the “**Share Escrow Account**”), including any interest and other amounts earned thereon, less (B) an amount equal to the total of (i) any applicable taxes payable by the Corporation on such interest and other amounts earned in the Share Escrow Account, (ii) any taxes of the Corporation (including under Part VI.1 of the *Income Tax Act* (Canada) (the “**Tax Act**”)) arising in connection with the redemption of the Class A Restricted Voting Shares, and (iii) up to a maximum of \$100,000 of interest and other amounts earned from the proceeds in the Share Escrow Account to pay actual and expected Winding-Up expenses and certain other related costs (as described in the Final Prospectus), each as reasonably determined by the Corporation, and the Warrant Put Rights shall be automatically exercised. The Underwriters will have no right to the Deferred Amount (as defined herein) in such circumstances.

Such Permitted Timeline, however, could be extended to up to 36 months with shareholder approval of the holders of Class A Restricted Voting Shares, by ordinary resolution, with approval by the Corporation’s board of directors. If such approvals are obtained, holders of Class A Restricted Voting Shares, irrespective of whether such holders vote for or against, or do not vote on, the extension of the Permitted Timeline, would be permitted to deposit all or a portion of their Class A Restricted Voting Shares for redemption prior to the second business day before the shareholders’ meeting in respect of the extension. Upon the requisite approval of the extension of the Permitted Timeline, and subject to applicable law, the Corporation will be required to redeem such Class A Restricted Voting Shares so deposited at

an amount per share, payable in cash, equal to: (A) the pro-rata portion (per Class A Restricted Voting Share) of: (i) the escrowed funds available in the Share Escrow Account at the time of the meeting in respect of the extension, including any interest and other amounts earned thereon, less (ii) an amount equal to the total of (a) any applicable taxes payable by the Corporation on such interest and other amounts earned in the Share Escrow Account and (b) actual and expected expenses directly related to the redemption (and for greater certainty, such amount will not be reduced by the deferred underwriting commissions per Class A Restricted Voting Share held in the Share Escrow Account), each as reasonably determined by the Corporation, less (B) any taxes of the Corporation (including under Part VI.1 of the Tax Act), as reasonably determined by the Corporation, arising in connection with the redemption of the Class A Restricted Voting Shares divided by the number of shares being redeemed. The Warrant Put Rights shall not be exercisable in connection with an extension of the Permitted Timeline.

Notwithstanding the foregoing redemption rights, each holder of Class A Restricted Voting Shares, together with any affiliate of such holder or other person with whom such holder or affiliate is acting jointly or in concert, will not be permitted to redeem a number of Class A Restricted Voting Shares that is more than 15% of the aggregate number of Class A Restricted Voting Shares issued and outstanding following Closing. This limitation will not apply in the event a Qualifying Acquisition does not occur within the Permitted Timeline, or in the event of an extension to the Permitted Timeline.

Simultaneously with Closing, the Sponsors purchased 4,150,000 share purchase warrants (the "**Sponsors' Warrants**") at a price of \$1.00 per Sponsors' Warrant and 1,500,000 out of money share purchase warrants (the "**OTM Warrants**") at a price of \$0.10 per OTM Warrant. The OTM Warrants and the Sponsors' Warrants will become exercisable 65 days after the completion of the Qualifying Acquisition. Each OTM Warrant will entitle the holder to purchase one Class A Restricted Voting Share at a price of \$15.00 for a period of ten years after the completion of a Qualifying Acquisition. Each Sponsors' Warrant will entitle the holder to purchase one Class A Restricted Voting Share at a price of \$11.50 for a period of five years after the completion of a Qualifying Acquisition.

The Class A Restricted Voting Shares may be considered "restricted securities" within the meaning of such term under applicable Canadian securities laws. Prior to the completion of the Qualifying Acquisition, holders of the Class A Restricted Voting Shares would not be entitled to vote at (or receive notice of or meeting materials in connection with) meetings held only to consider the election and/or removal of directors and auditors. The holders of the Class A Restricted Voting Shares would, however, be entitled to vote on and receive notice of meetings on all other matters requiring shareholder approval (including the proposed Qualifying Acquisition, if required under applicable law, and any proposed extension to the Permitted Timeline) other than the election and/or removal of directors and auditors prior to closing of a Qualifying Acquisition. In lieu of holding an annual meeting prior to the closing of the Qualifying Acquisition, the Corporation is required to provide an annual update on the status of identifying and securing a Qualifying Acquisition by way of a press release.

Simultaneously with Closing, pursuant to the transfer restrictions agreement and undertaking dated April 5, 2022 and entered into by the Sponsors in favour of the Exchange (the "**Exchange Agreement and Undertaking**"), the Sponsors agreed not to transfer any of their Class B Shares, Sponsors' Warrants or OTM Warrants until after the closing of the Qualifying Acquisition, in each case other than transfers required due to the structuring of the Qualifying Acquisition or unless otherwise permitted by the Exchange. Any Class A Restricted Voting Shares and/or IPO Warrants purchased by the Sponsors would not be subject to the restrictions set out in the Exchange Agreement and Undertaking. The Class B Shares, Sponsors' Warrants and OTM Warrants purchased by the Sponsors pursuant to the Final Prospectus will not be subject to relinquishment based on performance.

Upon Closing, an aggregate of \$100,000,000 from the sale of the Class A Restricted Voting Units, or U.S.\$10.00 per Class A Restricted Voting Unit sold to the public, was deposited in the Share Escrow Account, in accordance with the Escrow Agreement. Based on the initial \$100,000,000 placed in escrow and an interest rate of approximately 0.3% per annum, if the Share Escrow Account remains in place over the 15 months following the Closing (and no Qualifying Acquisition has been completed and the Permitted Timeline has not otherwise been extended), the cash held in escrow is expected to grow from the initial U.S.\$10.00 per Class A Restricted Voting Unit sold to the public to approximately U.S.\$10.04 per Class A Restricted Voting Share, before applicable taxes and other permitted deductions. Subject to applicable law and payment of certain taxes, permitted redemptions and certain expenses, as further described herein,

none of the funds held in the Share Escrow Account will be released to the Corporation prior to the closing of a Qualifying Acquisition.

Following the closing of the Qualifying Acquisition, the Corporation intends to use a portion of the balance of the non-redeemed Class A Restricted Voting Shares' portion of the Share Escrow Account (less tax liabilities on amounts earned on the escrowed funds and certain expenses directly related to redemptions) to pay the Underwriters the balanced of the agreed underwriting commission, being 3.5% of the gross proceeds of the Offering, which is only payable upon the closing of the Qualifying Acquisition (the "**Deferred Amount**"). If the Qualifying Acquisition is closed and the Share Escrow Account is released, any shortfall in respect of the Deferred Amount shall be made up from other sources of capital available to the Corporation. The per share amount the Corporation will distribute to holders of Class A Restricted Voting Shares who properly redeem their shares will not be reduced by the Deferred Amount the Corporation will pay to the Underwriters.

As 100% of the gross proceeds of the Offering and any additional equity raised pursuant to a rights offering will be held by the Escrow Agent in the Share Escrow Account, shareholder approval of the Qualifying Acquisition is not required pursuant to the Exchange rules. As such, and unless shareholder approval is otherwise required under applicable law, including in the event of an arrangement or amalgamation of the Corporation, the Corporation will: (i) prepare and file with applicable securities regulatory authorities a prospectus containing disclosure regarding the Corporation and its proposed Qualifying Acquisition; (ii) mail a notice of redemption to the holders of the Class A Restricted Voting Shares and make the final prospectus publicly available at least 21 days prior to the deadline for redemption; and (iii) send by prepaid mail or otherwise deliver the prospectus to the holders of the Class A Restricted Voting Shares no later than midnight (Toronto time) on the second business day prior to the deadline for redemption, which delivery may be effected electronically in compliance with National Policy 11-201 – *Electronic Delivery of Documents*.

The gross proceeds from the Offering will be held in escrow following the Closing to enable the Corporation to (i) satisfy redemptions made by holders of Class A Restricted Voting Shares (including in the event of a Qualifying Acquisition or an extension to the Permitted Timeline, or in the event a Qualifying Acquisition does not occur within the Permitted Timeline), (ii) fund the Qualifying Acquisition with the net proceeds following payment of any such redemptions and the Deferred Amount and/or (iii) pay taxes on amounts earned on the escrowed funds and certain permitted expenses. Such escrowed funds and all amounts earned thereon, subject to such obligations and applicable law, will be assets of the Corporation.

The Warrant Put Rights Escrow Amount will be held in escrow following the Closing to facilitate payments to the holders of IPO Warrants exercising the Warrant Put Right in connection with a Qualifying Acquisition or to the holders of IPO Warrants upon the occurrence of a Winding-Up. Such escrowed funds and all amounts earned thereon, subject to such obligations and applicable law, will be assets of the Sponsors. In the event the Corporation completes a Qualifying Acquisition, any portion of the Warrant Put Rights Escrow Amount that is not paid to the holders of IPO Warrants upon the exercise of Warrant Put Rights shall be returned to the Sponsors in accordance with the Warrant Agreement.

In connection with the completion of a Qualifying Acquisition, the Corporation will provide holders of Class A Restricted Voting Shares with the opportunity to redeem all or a portion of their Class A Restricted Voting Shares, provided that they deposit their shares for redemption prior to the deadline specified by the Corporation, following public disclosure of the details of the Qualifying Acquisition and prior to the closing of the Qualifying Acquisition, of which prior notice had been provided to the holders of the Class A Restricted Voting Shares by any means permitted by the Exchange, not less than 21 days nor more than 60 days in advance of such deadline, in each case, with effect, subject to applicable law, immediately prior to the closing of the Qualifying Acquisition, for an amount per share, payable in cash, equal to the pro rata portion (per Class A Restricted Voting Share) of: (A) the escrowed funds available in the Share Escrow Account at the time immediately prior to the redemption deposit deadline, including interest and other amounts earned thereon; less (B) an amount equal to the total of (i) any applicable taxes payable by the Corporation on such interest and other amounts earned in the Share Escrow Account, and (ii) actual and expected expenses directly related to the redemption, each as reasonably determined by the Corporation, subject to the limitations described in the Final Prospectus. For greater certainty, such amount will not be reduced by the amount of any tax of the Corporation under Part VI.1 of the Tax Act or the Deferred Amount per Class A Restricted Voting

Share held in the Share Escrow Account. If approval of the Qualifying Acquisition by shareholders' is otherwise required under applicable law, including in the event of an arrangement or amalgamation of the Corporation, holders of Class A Restricted Voting Shares shall have the option to redeem their Class A Restricted Voting Shares irrespective of whether they vote for or against, or do not vote on, the Qualifying Acquisition at any shareholders' meeting. Holders of Class A Restricted Voting Shares will be given not less than 21 days' notice of such shareholders' meeting (if such meeting is required under applicable law, including in the event of an arrangement or amalgamation of the Corporation) and of the corresponding redemption deposit deadline if such meeting is required. Participants through CDS Clearing and Depositary Services Inc. ("CDS") may have earlier deadlines for beneficial holders to make deposits of Class A Restricted Voting Shares for redemption. If a CDS participant's deadline is not met by a holder of Class A Restricted Voting Shares, such holder's Class A Restricted Voting Shares may not be eligible for redemption.

Following completion of the Qualifying Acquisition, the Proportionate Voting Shares into which the Class B Shares are convertible, the Sponsors' Warrants and OTM Warrants, and the shares issuable on exercise of such Sponsors' Warrants and OTM Warrants may be subject to certain sale or transfer restrictions in accordance with applicable securities laws. The Sponsors will not be entitled to redeem the Class B Shares, or to exercise the Warrant Put Right in respect of their Sponsors' Warrants or OTM Warrants, in connection with a Qualifying Acquisition or an extension to the Permitted Timeline or entitled to access the escrow accounts should a Qualifying Acquisition not occur within the Permitted Timeline, as further described herein. The Sponsors (and, as applicable, the Corporation's directors and officers) will, however, participate in any liquidation distribution with respect to any Class A Restricted Voting Shares they may acquire in connection with or following the Offering through possible purchases on the secondary market.

On April 5, 2022, the Corporation entered into an administrative services agreement with FGAC Investors LLC, pursuant to which the Corporation will pay FGAC Investors LLC a fee of \$10,000 (plus applicable taxes) per month in exchange for FGAC Investors LLC, as a Sponsor, providing certain services to the Corporation to help effect the Qualifying Acquisition, including but not limited to, various administrative, managerial and/or operational services.

On April 20, 2022, the Underwriters fully exercised the Over-Allotment Option. Pursuant to the exercise of the Over-Allotment Option, on April 20, 2022, the Corporation issued 1,500,000 Class A Restricted Voting Units for aggregate proceeds of \$15,000,000, and the Sponsors purchased an additional 200,000 Sponsors' Warrants for an aggregate purchase price of \$200,000 and deposited an additional \$937,500 with the Escrow Agent pursuant to the Warrant Agreement to facilitate the transfer of the IPO Warrants to the Sponsors pursuant to the Warrant Put Rights.

NOTE 2. BASIS OF PRESENTATION

These financial statements of the Corporation as at December 31, 2022 and 2021 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

The financial statements of the Corporation have been prepared on a historical cost basis. The Corporation's functional and presentation currency is the U.S. dollar.

The financial statements were authorized for issuance by the Board of Directors of the Corporation on March 3, 2023.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash is classified as an asset at fair value.

Deferred costs

Deferred costs consist of legal fees incurred through the balance sheet date that are directly related to a Qualifying Transaction. Upon completion of the Qualifying Transaction, these deferred costs will be expensed.

Financial Instruments

Recognition

The Corporation recognizes financial assets and financial liabilities on the date the Corporation becomes a party to the contractual provisions of the instruments.

Classification

The Corporation classifies its financial assets and financial liabilities in the following measurement categories: i) those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss, and ii) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income.

The Corporation reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

The Corporation's financial assets consist of cash and funds held in escrow, which are classified and subsequently measured at fair value through profit or loss ("FVTPL"). The Corporation's financial liabilities consist of accounts payable and accrued expenses and deferred Underwriting commission, which are classified and subsequently measured at amortized cost using the effective interest method. The Corporation's financial liabilities include Class A Restricted Voting Shares subject to redemption, which is classified and subsequently measured at FVTPL. The IPO, Sponsor and OTM Warrant liabilities are also classified as FVTPL as they include a cashless option.

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss ("**FVTPL**") are expensed in profit or loss.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income (irrevocable election at the time of recognition).

Additional fair value measurement disclosure includes classification of financial instrument fair values in a fair value hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements which are as follows:

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

Income taxes

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in net earnings and comprehensive income or in equity depending on the item to which the adjustment relates.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

Earnings (loss) per share

Basic income or loss per Class B Share is calculated by dividing the net income or loss by the weighted average number of Class B Shares outstanding during the period. The calculation excludes the effect of Class A Restricted Voting Shares, as the Class A Restricted Voting Shares have been classified in these financial statements as financial liabilities.

Recently Issued Accounting Standards

In January 2020, the IASB issued amendments to IAS 1, Presentation of Financial Statements, to clarify the requirements for classifying liabilities as current or non-current. The amendments clarify the classification of liabilities as current or non-current based on rights that are in existence at the end of the reporting period and are unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. The amendments also clarify the definition of "settlement" of a liability. The amendments are effective January 1, 2023, with early adoption permitted. The amendments are to be applied retrospectively. Management does not expect any material impact to the Corporation's financial statements upon adoption of these amendments.

In February 2021, the IASB issued amendments to IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, to introduce a definition of "Accounting Estimates". The amendments clarify the distinction between changes in accounting estimates and accounting policies as well as the correction of errors. Additionally, the IASB clarifies how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective January 1, 2023, with early adoption permitted. Management does not expect any material impact to the Corporation's financial statements upon adoption of these amendments.

4. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES, AND ASSUMPTIONS

The preparation of these financial statements requires the Corporation to make judgments in applying its accounting policies and estimates and assumptions about the future. These judgments, estimates and assumptions affect the Corporation's reported amounts of assets, liabilities, and items in net income or loss, and the related disclosure of contingent assets and liabilities, if any. The Corporation evaluates its estimates on an ongoing basis. Such estimates are based on various assumptions that the Corporation believes are reasonable under the circumstances, and these estimates form the basis for making judgments about the carrying value of assets and liabilities and the reported amounts of items in net income or loss that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The following discusses the most significant accounting judgments, estimates and assumptions that the Corporation has made in the preparation of its annual financial statements.

Fair Value of Financial Instruments

Certain financial instruments are recorded in the Corporation's statements of financial position at values that are representative of or approximate their fair value. The fair value of a financial instrument that is traded in active markets at each reporting date is determined by reference to its quoted market price. If the financial instrument does not trade on an active market, the Corporation will use an option-pricing model to measure the fair value of the financial instrument. Application of the option-pricing model requires estimates in expected dividend yields, expected volatility in the underlying assets and the expected life of the financial instrument. Changes in the underlying trading value or estimates may significantly affect the amount of net income or loss for a particular period. Furthermore, the quoted market price or option price of a financial liability may not be equal to the amount that the Corporation may have to pay in settlement of the underlying obligation, should such obligation become immediately payable. The Corporation reviews assumptions relating to financial instruments on an ongoing basis to ensure that the basis for determination of fair value is appropriate.

Management exercised significant judgement in determining that the Class A Restricted Voting Shares were classified as financial liabilities and in the determination of the initial fair value of the Class A Restricted Voting Shares.

Warrant Valuations

Pursuant to the Corporation's Offering of Class A Restricted Voting Units, the Corporation issued warrants. The Corporation also issued warrants to the Sponsor concurrent with the Offering. Estimating the fair value of warrants requires determining the most appropriate valuation model that is dependent on the terms and conditions of the warrant. To the extent a quoted market value is not available, the Corporation applies an option-pricing model to measure the fair value of the warrants issued. Application of the option pricing model requires estimates in expected dividend yields, expected volatility in the underlying assets and the expected life of the warrant. These estimates may ultimately be different from amounts subsequently realized, resulting in an overstatement or understatement of net income or loss.

Income taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Corporation reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

5. PREPAIDS

The following balances were included in the Corporations prepaids balance as at December 31, 2022:

	Amount
Balance, December 31, 2021	\$ -
Directors' and officers' liability insurance	315,850
Other prepaid	2,313
Balance, December 31, 2022	\$ 318,163

6. FUNDS HELD IN ESCROW

At as December 31, 2022, the escrow balance held by the TSX Trust Company on behalf of the Corporation was \$116,677,634. Substantially all of the escrow balance was invested in a short-term U.S. Treasury Bill, which matures on

January 3, 2023, and has an interest rate of approximately 3.78%. The U.S. Treasury Bill is carried at amortized cost on the statements of financial position, as the Corporation plans to hold the obligation until maturity.

During the twelve months ended December 31, 2022, the Corporation did not withdraw any interest income from the Trust Account to pay for applicable taxes.

7. CLASS A RESTRICTED VOTING SHARES SUBJECT TO REDEMPTION

Authorization

The Corporation is authorized to issue an unlimited number of Class A Restricted Voting Shares prior to the closing of a Qualifying Transaction. Following closing of the Qualifying Transaction, the Corporation will not issue any Class A Restricted Voting Shares. The holders of Class A Restricted Voting Shares have no pre-emptive rights or other subscription rights and there are no sinking fund provisions applicable to these shares.

Voting Rights

All holders of Class A Restricted Voting Shares will be entitled to receive notice of any meeting of shareholders' of the Corporation, and to attend, vote and speak at such meetings, except those meetings at which only holders of a specific class of shares are entitled to vote separately as a class under the Business Corporations Act (British Columbia).

Redemption Rights

The holders of Class A Restricted Voting Shares are entitled to redeem their shares, as described in the Final Prospectus, and are entitled to receive a pro-rata portion of the amount then held in the escrow account, less applicable taxes and other permitted deductions: (i) in the event that the Corporation does not complete a Qualifying Transaction within the Permitted Timeline; (ii) in the event of the completion of a Qualifying Transaction; and (iii) in the event of an extension to the Permitted Timeline.

Classification

The redemption rights embedded in the terms of the Corporation's Class A Restricted Voting Shares are considered by the Corporation to be outside of the Corporation's control and subject to uncertain future events. Accordingly, the Corporation has classified its "Class A Restricted Voting Shares subject to redemption" as financial liabilities carried at FVTPL.

Fair value of Class A Restricted Voting Shares subject to redemption – issued and outstanding:

Refer to Note 1, Corporate Information and Going Concern, for additional details of terms and issuance of Class A Restricted Voting Units.

	Number	Amount
Balance, December 31, 2021	-	\$ -
Issuance of Class A Restricted Voting Units pursuant to Offering	11,500,000	115,000,000
Allocation of value attributed to IPO Warrants	-	(6,900,000)
Value attributable to Class A Restricted Voting Shares - on issuance date	-	108,100,000
Fair value adjustment to Class A Restricted Voting Shares	-	5,750,000
Balance, December 31, 2022	11,500,000	\$ 113,850,000

As at December 31, 2022, the share price of the Class A Restricted Voting Shares was \$9.90, resulting in a fair value loss on financial liabilities of \$5,750,000. The initial fair value of the Corporation's Class A Restricted Voting Shares was based on the Offering price of \$10.00 per unit, bifurcated by reallocating the estimated fair market value of the IPO Warrants on the date the Offering was completed.

8. WARRANTS LIABILITY

As at December 31, 2022, the Corporation had 11,600,000 warrants issued and outstanding, comprised of 5,750,000 IPO Warrants, 4,350,000 Sponsors' Warrants, and 1,500,000 OTM Warrants.

The IPO Warrants and Sponsors' Warrants will become exercisable at an exercise price of \$11.50, commencing 65 days after the completion of a Qualifying Transaction and will expire at 5:00 p.m. (Toronto time) on the day that is five years after the completion of a Qualifying Transaction. The OTM Warrants will become exercisable at an exercise price of \$15.00, commencing 65 days after the completion of a Qualifying Transaction and will expire at 5:00 p.m. (Toronto time) on the day that is ten years after the completion of a Qualifying Transaction.

The IPO Warrants, Sponsors' Warrants and OTM Warrants were classified as financial liabilities carried at FVTPL as they include a cashless option and had the following fair values as of December 31, 2022:

	Number	Amount
Balance, December 31, 2021	-	\$ -
IPO Warrants	5,750,000	6,900,000
Fair value adjustment - IPO Warrants	-	287,500
Balance, December 31, 2022	5,750,000	\$ 7,187,500

The IPO Warrants were measured on issuance based on the closing price of the security on the first day the Restricting Voting Units split, which was \$1.20.

As at December 31, 2022, the market value was \$1.25 per IPO Warrant (December 31, 2021 – NIL), resulting in a fair value loss on financial liabilities of \$287,500 (December 31, 2021 – NIL).

	Number	Amount
Balance, December 31, 2021	-	\$ -
Sponsors' Warrants	4,350,000	4,350,000
Fair value adjustment - Sponsors' Warrants	-	217,500
Balance, December 31, 2022	4,350,000	\$ 4,567,500

The Sponsor Warrants were measured on issuance using \$1.00 per warrant being the cash price paid per warrant. At December 31, 2022, the Sponsor Warrants were measured using an option pricing model with the following inputs: Volatility: 10%; Expected Life: 5 years; Risk Free Rate: 3.5%; Dividend Yield: 0%.

As at December 31, 2022, the market value was \$1.05 per Sponsor Warrant (December 31, 2021 – NIL), resulting in a fair value loss on financial liabilities of \$217,500 (December 31, 2021 – NIL).

	Number	Amount
Balance, December 31, 2021	-	\$ -
OTM Warrants	1,500,000	150,000
Fair value adjustment - OTM Warrants	-	1,290,000
Balance, December 31, 2022	1,500,000	\$ 1,440,000

The OTM Warrants were measured on issuance using \$0.10 per warrant being the cash price paid per warrant. At December 31, 2022, the OTM Warrants were measured using an option pricing model with the following inputs: Volatility: 10%; Expected Life: 10 years; Risk Free Rate: 3.5%; Dividend Yield: 0%.

As at December 31, 2022, the market value was \$0.96 per OTM Warrant (December 31, 2021 – NIL) resulting in a fair value loss on financial liabilities of \$1,290,000 (December 31, 2021 – NIL).

9. SHARE CAPITAL

Authorized

The Corporation is authorized to issue an unlimited number of Class B shares prior to the closing of the Qualifying Transaction. On October 25, 2021, the Corporation issued one Class B Share to FGAC Investors LLC in exchange for proceeds of \$1.00. On April 1, 2022, in connection with the Offering, the Sponsors purchased an aggregate of 2,874,999 Class B shares in the capital of the Corporation for an aggregate purchase price of \$24,999.

Voting Rights

Holders of Class B Shares are entitled to vote at all meetings of shareholders' and on all matters requiring a shareholder vote, with the exception of a vote to approve an extension of the Permitted Timeline within which the Corporation is required to complete its Qualifying Transaction, which will only be voted upon by holders of Class A Restricted Voting Shares.

Redemption Rights

Holders of Class B Shares do not have any redemption rights with respect to its Class B Shares, or rights to distributions from the escrow account if the Corporation fails to complete a Qualifying Transaction within the Permitted Timeline.

Class B Shares – Issued and Outstanding

	Number	Amount
Balance, December 31, 2021	1	\$ 1
Issuance of Class B Shares to Sponsors	2,874,999	24,999
Transaction costs allocated to Class B Shares	-	(1,511)
Balance, December 31, 2022	2,875,000	\$ 23,489

10. Transaction Costs

Transaction costs consist principally of legal, accounting, underwriting and miscellaneous costs that are directly related to the Offering.

Transaction costs incurred amounted to \$7,223,911 (including \$6,325,000 in Underwriters' commission of which \$4,232,000 is deferred and payable only upon completion of a Qualifying Transaction). Transaction costs were expensed to the Statements of Comprehensive Loss as incurred, except for \$1,511 of transaction costs allocated directly to Share Capital.

Transaction costs incurred in connection with the offering were allocated as follows:

	Statement of Comprehensive Loss	Common Stock - Class B	Total
Upfront Underwriters' commission	\$ 2,092,562	\$ 438	\$ 2,093,000
Deferred Underwriters' commission	4,231,115	885	4,232,000
Professional fees (legal, accounting, etc)	698,422	146	698,568
Other	200,301	42	200,343
Balance, December 31, 2022	\$ 7,222,400	\$ 1,511	\$ 7,223,911

11. GENERAL AND ADMINISTRATIVE EXPENSES

The Corporation had the following general and administrative expenses for the following periods:

	For the twelve months ended December 31, 2022	For the period ended December 31, 2021
Insurance	\$ 186,077	\$ -
General office expenses	103,227	120
Filing and transfer agent fees	43,800	-
Professional	69,254	-
Total	\$ 402,358	\$ 120

12. FINANCIAL INSTRUMENTS

Fair value measurements

The following table summarizes those assets and liabilities that are included at their fair values in the Corporation's statement of financial position as at December 31, 2022. These assets and liabilities have been categorized into hierarchal levels, according to the significance of the inputs used in determining fair value measurements.

Fair value as at December 31, 2022				
	Carrying value as at December 31, 2022	Level 1	Level 2	Level 3
Financial Assets and Liabilities				
Cash	680,325	680,325	-	-
Held in Escrow	116,677,634	116,677,634	-	-
Class A Restricted Voting Shares subject to redemption	113,850,000	113,850,000	-	-
IPO Warrants	7,187,500	7,187,500	-	-
Sponsor Warrants	4,567,500	-	4,567,500	-
OTM Warrants	1,440,000	-	1,440,000	-

Financial Risk Management

The Corporation is exposed to financial risks due to the nature of its business and the financial assets and liabilities that it holds. The Corporation's overall risk management strategy seeks to minimize potential adverse effects on the Corporation's financial performance.

Market risk:

Market risk is the risk that a material loss may arise from fluctuations in the fair value of a financial instrument. For purposes of this disclosure, the Corporation segregates market risk into three categories: fair value risk, interest rate risk, and currency risk.

Fair value risk:

Fair value risk is the potential for loss from an adverse movement, excluding movements relating to changes in interest rates and foreign exchange rates, because of changes in market prices. The Corporation is exposed to fair value risk in respect of its Cash, Funds held in Escrow, Class A Restricted Voting Shares subject to redemption and Warrants, which are carried in the Corporation's financial statements at their fair values.

A 1% increase in the fair value of Class A Restricted Voting Shares and Warrants would result in a decrease in net income for the year ended December 31, 2022 of \$1,270,450 (2021 - NIL). A 1% decrease in the fair value of Class A Restricted Voting Shares and Warrants would result in an increase in net income for the year ended December 31, 2022 of \$1,270,450 (2021- NIL).

Interest rate risk:

Interest rate risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation's exposure to interest rate risk is nominal at this time.

Currency risk:

Currency risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates relative to the Corporation's presentation currency of the United States dollar. The Corporation does not currently have any exposure to currency risk as the Corporation transacts minimally in any currency other than the United States dollar.

13. Related Party Transactions

The Corporation entered into an administrative services agreement with FGAC Investors LLC on April 5, 2022, whereby FGAC Investors LLC will perform certain administrative services for the Corporation for a monthly fee of \$10,000. For the twelve months ended December 31, 2022, the total administrative services expense was \$90,000.

14. Income Taxes

The income tax recovery amount on pre-tax losses differs from the income tax recovery amount that would arise using the combined Canadian federal and provincial statutory rate of 27.0%, as a result of the following items:

	As at December 31, 2022	As at December 31, 2021
Loss before recovery of income taxes	(13,492,124)	(120)
Expected income tax (recovery) expense	(3,642,873)	(32)
Tax rate changes and other adjustments	(408)	-
Unrealized change in fair value	2,037,150	-
Change in tax benefits not recognized	1,606,131	32
Income tax (recovery) expense	-	-

The Company's income tax (recovery) is allocated as follows:

	As at December 31, 2022	As at December 31, 2021
Current tax (recovery) expense	223,041	-
Deferred tax (recovery) expense	(223,041)	-
Net tax (recovery) expense	-	-

The following table summarizes the components of deferred tax:

	As at December 31, 2022	As at December 31, 2021
Deferred tax assets		
Share issuance costs	223,041	-
Deferred tax liabilities	-	-
Net deferred tax assets	223,041	-

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset. Below is the movement in net deferred tax assets:

	December 2022	December 2021
Beginning of year balance	-	-
Recognized in profit/loss	223,041	-
End of year balance	223,041	-

Deferred tax assets are only recognized if management has determined that it is probable that such deferred tax assets may be recovered. The recoverability of deferred tax assets is dependent in part on the nature, terms, and conditions of any completed Qualifying Transaction. As such, management believes that the following deductible temporary differences do not currently meet the criteria for recognizing any deferred tax benefits:

	As at December 31, 2022	As at December 31, 2021
Share issuance costs	1,716,635	-
Deferred underwriters' commission	4,232,000	-
Total	5,948,635	-

15. Subsequent Event

The Corporation has evaluated subsequent events through the filing date of the financial statements and determined that there have been no events that have occurred that would require additional disclosures.

APPENDIX B
FGAC MD&AS

(See attached)

FG ACQUISITION CORP.

MANAGEMENT’S DISCUSSION AND ANALYSIS

As at March 31, 2023 and

For the three months ended March 31, 2023 and 2022

(In U.S. Dollars)

FG ACQUISITION CORP.

Management Discussion and Analysis – For the three months ended March 31, 2023 and March 31, 2022

The following discussion of performance, financial condition and future prospects should be read in conjunction with the unaudited financial statements (“**Financial Statements**”) of FG Acquisition Corp. (the “**Corporation**”, “**our**” or “**we**”) for the three months ended March 31, 2023 and the accompanying notes thereto.

This Management’s Discussion and Analysis (“**MD&A**”) has been prepared with an effective date of April 26, 2023. The unaudited Financial Statements have been prepared by management in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board. Unless otherwise noted herein, all references to “\$” are to the currency of the United States.

In addition to reviewing this MD&A, readers are encouraged to read the Corporation’s public information filings available on the Corporation’s profile on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) at www.sedar.com.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document may contain certain “**forward-looking statements**” (as defined under applicable Canadian securities laws). These forward-looking statements relate to future events or future performance including with respect to the Corporation’s objectives and priorities for fiscal year 2023 and beyond, and strategies or further actions with respect to the Corporation, a Qualifying Acquisition (as defined herein) and the Corporation’s business operations, financial performance and condition.

Such forward-looking statements reflect management’s current beliefs and are based on information currently available to management. In some cases, forward-looking statements can be identified by terminology such as “may”, “will”, “should”, “expect”, “plan”, “anticipate”, “believe”, “estimate”, “predict”, “potential”, “continue”, “target”, “intend”, “could” or the negative of these terms or other comparable terminology. By their very nature, forward looking statements involve inherent risks and uncertainties, both general and specific, and many factors could cause actual events or results to differ materially from the results discussed in the forward-looking statements. In evaluating forward-looking statements, readers should specifically consider various factors that may cause actual results to differ materially from any forward-looking statement. These factors include, but are not limited to, market and general economic conditions, including the impact of the COVID-19 pandemic, changes in market interest rates, and the risks and uncertainties discussed in the section entitled “Risk Factors” in the Corporation’s final prospectus dated March 28, 2022 (the “**Final Prospectus**”), available on SEDAR at www.sedar.com.

The forward-looking statements contained in this MD&A are presented for the purpose of assisting investors in understanding the business and strategic priorities and objectives of the Corporation as at the periods indicated and may not be appropriate for other purposes. The forward-looking statements contained in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The forward-looking statements contained in this MD&A are not guarantees of future performance and, while forward-looking statements are based on certain assumptions that the Corporation considers reasonable, actual events and results could differ materially from those expressed or implied by forward-looking statements made by the Corporation. Prospective investors are cautioned to consider these and other factors carefully when making decisions with respect to the Corporation and not place undue reliance on forward looking statements. Circumstances affecting the Corporation may change rapidly. Except as may be expressly required by applicable law, the Corporation does not undertake any obligation to update publicly or revise any such forward-looking statements, whether as a result of new information, future events or otherwise.

DESCRIPTION OF BUSINESS

The Corporation is a special purpose acquisition corporation incorporated under the laws of the Province of British Columbia for the purpose of effecting, directly or indirectly, an acquisition of one or more businesses or assets, by way of a merger, amalgamation, arrangement, share exchange, asset acquisition, share purchase, reorganization, or any other similar business combination involving the Corporation (a “**Qualifying Acquisition**”). The Corporation intends to execute a Qualifying Acquisition of assets and/or businesses in the financial services sector. However, the Corporation is not limited to a particular industry or geographic region for purposes of completing its Qualifying Acquisition.

The Corporation was incorporated on October 25, 2021 under the *Business Corporations Act* (British Columbia), and is domiciled in Canada. The registered head office of the Corporation is located at 510 West Georgia Street, Suite 1800, Vancouver, BC V6B 0M3.

On April 1, 2022, in connection with the Offering the sponsors of the Corporation, FGAC Investors LLC and CG Investments VII Inc. (together, the “Sponsors”), purchased an aggregate of 2,874,999 Class B shares (the “Class B Shares”) in the capital of the Corporation for an aggregate purchase price of \$24,999. Upon closing of the Qualifying Acquisition, each Class B Share will be automatically converted on a 100-for-1 basis into new proportionate voting shares of the Corporation (the “Proportionate Voting Shares”), as set forth in the notice of articles and articles of the Corporation, available on SEDAR at www.sedar.com. No Proportionate Voting Shares will be issued during the period after Closing and prior to the closing of our Qualifying Acquisition.

On April 5, 2022, the Corporation closed its Offering for gross proceeds of \$100,000,000 and the Class A Restricted Voting Units began trading on the Toronto Stock Exchange (the “Exchange”) under the symbol “FGAA.V”. Each Class A Restricted Voting Unit consists of one Class A restricted voting share (a “Class A Restricted Voting Share”) and one-half of a share purchase warrant (each whole warrant, an “IPO Warrant”). The Class A Restricted Voting Units initially traded as a unit on the Exchange, but the Class A Restricted Voting Shares and the IPO Warrants began trading separately 40 days following the closing of the Offering (“Closing”). On or immediately following completion of our Qualifying Acquisition, each Class A Restricted Voting Share (unless previously redeemed) will be automatically converted into a common share in the capital of the Corporation (each, a “Common Share”). No Common Shares will be issued during the period after Closing and prior to the closing of our Qualifying Acquisition. The IPO Warrants will become exercisable, at an exercise price of \$11.50, commencing 65 days after the completion of our Qualifying Acquisition and will expire at 5:00 p.m. (Toronto time) on the day that is five years after the completion of our Qualifying Acquisition or earlier if a Qualifying Acquisition is not completed within the Permitted Timeline (as defined herein) or if the expiry date is accelerated.

The IPO Warrants shall contain a right (the “Warrant Put Rights”) to require the Sponsors to acquire such IPO Warrants (other than those held by our Sponsors) in connection with a Qualifying Acquisition or upon the liquidation and cessation of the business of the Corporation (a “Winding-Up”), for \$1.25 per IPO Warrant. In connection with a Qualifying Acquisition, holders of IPO Warrants exercising such Warrant Put Right shall be required to deposit all or a portion of their IPO Warrants prior to the deadline set by the Corporation. Holders of IPO Warrants shall be provided not less than 21 days’ notice nor more than 60 days’ notice of such deadline. Warrant Put Rights shall be automatically exercised in connection with a Winding-Up. The applicable IPO Warrants shall be acquired by the Sponsors, subject to applicable law, immediately prior to the closing of the Qualifying Acquisition or in connection with a Winding-Up, as applicable. To facilitate the transfer of the IPO Warrants to the Sponsors pursuant to the Warrant Put Rights, concurrently with Closing, the Sponsors deposited \$6,250,000 (the “Warrant Put Rights Escrow Amount”) with TSX Trust Company (the “Escrow Agent”) in accordance with the warrant agency agreement dated April 5, 2022 among the Corporation, TSX Trust Company, as the warrant agent, and the Sponsors (the “Warrant Agreement”). The Warrant Put Rights Escrow Amount deposited with the Escrow Agent will be required to be invested in permitted investments, being U.S. dollar denominated cash or in book based securities, negotiable instruments, investments or securities which evidence: obligations issued or fully guaranteed by the Government of Canada, the Government of the United States of America or any Province of Canada or State of the United States of America. The Sponsors intend to invest Warrant Put Rights Escrow Amount deposited with the Escrow Agent only in instruments that are the obligation of, or guaranteed by, the federal or provincial/state governments of Canada and the United States of America.

FG ACQUISITION CORP.

Management Discussion and Analysis – For the three months ended March 31, 2023 and March 31, 2022

The Corporation granted Canaccord Genuity Corp. and Raymond James Ltd. (together, the "Underwriters"), a 30-day option following Closing to purchase up to an additional 1,500,000 Class A Restricted Voting Units, at a price of \$10.00 each (the "Over-Allotment Option") for additional aggregate proceeds of up to \$15,000,000 to cover over-allotments, if any, and for market stabilization purposes.

If we are unable to consummate a Qualifying Acquisition within the permitted timeline of 15 months (the "Permitted Timeline") from the date of Closing, subject to any extension as described below, we will be required to redeem each of the outstanding Class A Restricted Voting Shares, for an amount per share, payable in cash, equal to the pro-rata portion (per Class A Restricted Voting Share) of: (A) the escrowed funds available in the escrow account established for the purpose of holding the proceeds of the Offering pursuant to the terms of the escrow agreement (the "Escrow Agreement") dated as of the date of Closing between the Corporation, the Escrow Agent and the Underwriters (the "Share Escrow Account"), including any interest and other amounts earned thereon, less (B) an amount equal to the total of (i) any applicable taxes payable by the Corporation on such interest and other amounts earned in the Share Escrow Account, (ii) any taxes of the Corporation (including under Part VI.1 of the Income Tax Act (Canada) (the "Tax Act")) arising in connection with the redemption of the Class A Restricted Voting Shares, and (iii) up to a maximum of \$100,000 of interest and other amounts earned from the proceeds in the Share Escrow Account to pay actual and expected Winding-Up expenses and certain other related costs (as described in the Final Prospectus), each as reasonably determined by the Corporation, and the Warrant Put Rights shall be automatically exercised. The Underwriters will have no right to the Deferred Amount (as defined herein) in such circumstances.

Such Permitted Timeline, however, could be extended to up to 36 months with shareholder approval of the holders of Class A Restricted Voting Shares, by ordinary resolution, with approval by the Corporation's board of directors. If such approvals are obtained, holders of Class A Restricted Voting Shares, irrespective of whether such holders vote for or against, or do not vote on, the extension of the Permitted Timeline, would be permitted to deposit all or a portion of their Class A Restricted Voting Shares for redemption prior to the second business day before the shareholders' meeting in respect of the extension. Upon the requisite approval of the extension of the Permitted Timeline, and subject to applicable law, we will be required to redeem such Class A Restricted Voting Shares so deposited at an amount per share, payable in cash, equal to: (A) the pro-rata portion (per Class A Restricted Voting Share) of: (i) the escrowed funds available in the Share Escrow Account at the time of the meeting in respect of the extension, including any interest and other amounts earned thereon, less (ii) an amount equal to the total of (a) any applicable taxes payable by the Corporation on such interest and other amounts earned in the Share Escrow Account and (b) actual and expected expenses directly related to the redemption (and for greater certainty, such amount will not be reduced by the deferred underwriting commissions per Class A Restricted Voting Share held in the Share Escrow Account), each as reasonably determined by the Corporation, less (B) any taxes of the Corporation (including under Part VI.1 of the Tax Act), as reasonably determined by the Corporation, arising in connection with the redemption of the Class A Restricted Voting Shares divided by the number of shares being redeemed. The Warrant Put Rights shall not be exercisable in connection with an extension of the Permitted Timeline.

Notwithstanding the foregoing redemption rights, each holder of Class A Restricted Voting Shares, together with any affiliate of such holder or other person with whom such holder or affiliate is acting jointly or in concert, will not be permitted to redeem a number of Class A Restricted Voting Shares that is more than 15% of the aggregate number of Class A Restricted Voting Shares issued and outstanding following Closing. This limitation will not apply in the event a Qualifying Acquisition does not occur within the Permitted Timeline, or in the event of an extension to the Permitted Timeline.

Simultaneously with Closing, the Sponsors purchased 4,150,000 share purchase warrants (the "Sponsors' Warrants") at a price of \$1.00 per Sponsors' Warrant and 1,500,000 share purchase warrants (the "OTM Warrants") at a price of \$0.10 per OTM Warrant. The OTM Warrants and the Sponsors' Warrants will become exercisable 65 days after the completion of the Qualifying Acquisition. Each OTM Warrant will entitle the holder to purchase one Class A Restricted Voting Share at a price of \$15.00 for a period of ten years after the completion of a Qualifying Acquisition. Each Sponsors' Warrant will entitle the holder to purchase one Class A Restricted Voting Share at a price of \$11.50 for a period of five years after the completion of a Qualifying Acquisition.

The Class A Restricted Voting Shares may be considered "restricted securities" within the meaning of such term under applicable Canadian securities laws. Prior to the completion of our Qualifying Acquisition, holders of the Class A Restricted Voting Shares would not be entitled to vote at (or receive notice of or meeting materials in connection with) meetings held only to consider the election and/or removal of directors and auditors. The holders of the Class A

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Restricted Voting Shares would, however, be entitled to vote on and receive notice of meetings on all other matters requiring shareholder approval (including the proposed Qualifying Acquisition, if required under applicable law, and any proposed extension to the Permitted Timeline) other than the election and/or removal of directors and auditors prior to closing of a Qualifying Acquisition. In lieu of holding an annual meeting prior to the closing of the Qualifying Acquisition, the Corporation is required to provide an annual update on the status of identifying and securing a Qualifying Acquisition by way of a press release.

Simultaneously with Closing, pursuant to the transfer restrictions agreement and undertaking dated April 5, 2022 and entered into by our Sponsors in favour of the Exchange (the “Exchange Agreement and Undertaking”), our Sponsors agreed not to transfer any of their Class B Shares, Sponsors’ Warrants or OTM Warrants until after the closing of the Qualifying Acquisition, in each case other than transfers required due to the structuring of the Qualifying Acquisition or unless otherwise permitted by the Exchange. Any Class A Restricted Voting Shares and/or IPO Warrants purchased by our Sponsors would not be subject to the restrictions set out in the Exchange Agreement and Undertaking. The Class B Shares, Sponsors’ Warrants and OTM Warrants purchased by our Sponsors pursuant the Final Prospectus will not be subject to relinquishment based on performance.

Upon Closing, an aggregate of \$100,000,000 from the sale of the Class A Restricted Voting Units, or U.S.\$10.00 per Class A Restricted Voting Unit sold to the public, was deposited in the Share Escrow Account, in accordance with the Escrow Agreement. Based on the initial \$100,000,000 placed in escrow and an interest rate of approximately 0.3% per annum, if the Share Escrow Account remains in place over the 15 months following the Closing (and no Qualifying Acquisition has been completed and the Permitted Timeline has not otherwise been extended), the cash held in escrow is expected to grow from the initial U.S.\$10.00 per Class A Restricted Voting Unit sold to the public to approximately U.S.\$10.04 per Class A Restricted Voting Share, before applicable taxes and other permitted deductions. Subject to applicable law and payment of certain taxes, permitted redemptions and certain expenses, as further described herein, none of the funds held in the Share Escrow Account will be released to the Corporation prior to the closing of a Qualifying Acquisition.

Following the closing of our Qualifying Acquisition, we intend to use a portion of the balance of the non-redeemed Class A Restricted Voting Shares’ portion of the Share Escrow Account (less tax liabilities on amounts earned on the escrowed funds and certain expenses directly related to redemptions) to pay the Underwriters the balanced of the agreed underwriting commission, being 3.5% of the gross proceeds of the Offering, which is only payable upon the closing of the Qualifying Acquisition (the “Deferred Amount”). If the Qualifying Acquisition is closed and the Share Escrow Account is released, any shortfall in respect of the Deferred Amount shall be made up from other sources of capital available to the Corporation. The per share amount we will distribute to holders of Class A Restricted Voting Shares who properly redeem their shares will not be reduced by the Deferred Amount we will pay to the Underwriters.

As 100% of the gross proceeds of the Offering and any additional equity raised pursuant to a rights offering will be held by the Escrow Agent in the Share Escrow Account, shareholder approval of our Qualifying Acquisition is not required pursuant to the Exchange rules. As such, and unless shareholder approval is otherwise required under applicable law, including in the event of an arrangement or amalgamation of the Corporation, we will: (i) prepare and file with applicable securities regulatory authorities a prospectus containing disclosure regarding the Corporation and its proposed Qualifying Acquisition; (ii) mail a notice of redemption to the holders of the Class A Restricted Voting Shares and make the final prospectus publicly available at least 21 days prior to the deadline for redemption; and (iii) send by prepaid mail or otherwise deliver the prospectus to the holders of the Class A Restricted Voting Shares no later than midnight (Toronto time) on the second business day prior to the deadline for redemption, which delivery may be effected electronically in compliance with National Policy 11-201 – Electronic Delivery of Documents.

The gross proceeds from the Offering will be held in escrow following the Closing to enable the Corporation to (i) satisfy redemptions made by holders of Class A Restricted Voting Shares (including in the event of a Qualifying Acquisition or an extension to the Permitted Timeline, or in the event a Qualifying Acquisition does not occur within the Permitted Timeline), (ii) fund the Qualifying Acquisition with the net proceeds following payment of any such redemptions and the Deferred Amount and/or (iii) pay taxes on amounts earned on the escrowed funds and certain permitted expenses. Such escrowed funds and all amounts earned thereon, subject to such obligations and applicable law, will be assets of the Corporation.

The Warrant Put Rights Escrow Amount will be held in escrow following the Closing to facilitate payments to the holders of IPO Warrants exercising the Warrant Put Right in connection with a Qualifying Acquisition or to the holders of IPO Warrants upon the occurrence of a Winding-Up. Such escrowed funds and all amounts earned thereon, subject

FG ACQUISITION CORP.**Management Discussion and Analysis – For the three months ended March 31, 2023 and March 31, 2022**

to such obligations and applicable law, will be assets of the Sponsors. In the event the Corporation completes a Qualifying Acquisition, any portion of the Warrant Put Rights Escrow Amount that is not paid to the holders of IPO Warrants upon the exercise of Warrant Put Rights shall be returned to the Sponsors in accordance with the Warrant Agreement.

In connection with the completion of a Qualifying Acquisition, we will provide holders of our Class A Restricted Voting Shares with the opportunity to redeem all or a portion of their Class A Restricted Voting Shares, provided that they deposit their shares for redemption prior to the deadline specified by the Corporation, following public disclosure of the details of the Qualifying Acquisition and prior to the closing of the Qualifying Acquisition, of which prior notice had been provided to the holders of the Class A Restricted Voting Shares by any means permitted by the Exchange, not less than 21 days nor more than 60 days in advance of such deadline, in each case, with effect, subject to applicable law, immediately prior to the closing of our Qualifying Acquisition, for an amount per share, payable in cash, equal to the pro rata portion (per Class A Restricted Voting Share) of: (A) the escrowed funds available in the Share Escrow Account at the time immediately prior to the redemption deposit deadline, including interest and other amounts earned thereon; less (B) an amount equal to the total of (i) any applicable taxes payable by the Corporation on such interest and other amounts earned in the Share Escrow Account, and (ii) actual and expected expenses directly related to the redemption, each as reasonably determined by the Corporation, subject to the limitations described in the Final Prospectus. For greater certainty, such amount will not be reduced by the amount of any tax of the Corporation under Part VI.1 of the Tax Act or the Deferred Amount per Class A Restricted Voting Share held in the Share Escrow Account. If approval of the Qualifying Acquisition by shareholders' is otherwise required under applicable law, including in the event of an arrangement or amalgamation of the Corporation, holders of Class A Restricted Voting Shares shall have the option to redeem their Class A Restricted Voting Shares irrespective of whether they vote for or against, or do not vote on, the Qualifying Acquisition at any shareholders' meeting. Holders of Class A Restricted Voting Shares will be given not less than 21 days' notice of such shareholders' meeting (if such meeting is required under applicable law, including in the event of an arrangement or amalgamation of the Corporation) and of the corresponding redemption deposit deadline if such meeting is required. Participants through CDS Clearing and Depositary Services Inc. ("CDS") may have earlier deadlines for beneficial holders to make deposits of Class A Restricted Voting Shares for redemption. If a CDS participant's deadline is not met by a holder of Class A Restricted Voting Shares, such holder's Class A Restricted Voting Shares may not be eligible for redemption.

Following completion of the Qualifying Acquisition, the Proportionate Voting Shares into which the Class B Shares are convertible, the Sponsors' Warrants and OTM Warrants, and the shares issuable on exercise of such Sponsors' Warrants and OTM Warrants may be subject to certain sale or transfer restrictions in accordance with applicable securities laws. Our Sponsors will not be entitled to redeem the Class B Shares, or to exercise the Warrant Put Right in respect of their Sponsors' Warrants or OTM Warrants, in connection with a Qualifying Acquisition or an extension to the Permitted Timeline or entitled to access the escrow accounts should a Qualifying Acquisition not occur within the Permitted Timeline, as further described herein. Our Sponsors (and, as applicable, our directors and officers) will, however, participate in any liquidation distribution with respect to any Class A Restricted Voting Shares they may acquire in connection with or following the Offering through possible purchases on the secondary market.

On April 5, 2022, the Corporation entered into an administrative services agreement with FGAC Investors LLC, pursuant to which the Corporation will pay FGAC Investors LLC a fee of \$10,000 (plus applicable taxes) per month in exchange for FGAC Investors LLC, as a Sponsor, providing certain services to the Corporation to help effect the Qualifying Acquisition, including but not limited to, various administrative, managerial and/or operational services.

On April 20, 2022, the Underwriters fully exercised the Over-Allotment Option. Pursuant to the exercise of the Over-Allotment Option, on April 20, 2022, the Corporation issued 1,500,000 Class A Restricted Voting Units for aggregate proceeds of \$15,000,000, and the Sponsors purchased an additional 200,000 Sponsors' Warrants for an aggregate purchase price of \$200,000 and deposited an additional \$937,500 with the Escrow Agent pursuant to the Warrant Agreement to facilitate the transfer of the IPO Warrants to the Sponsors pursuant to the Warrant Put Rights.

SELECTED FINANCIAL INFORMATION

A summary of selected information for each of the periods presented below is as follows:

	As at and for the three months ended March 31, 2023	As at and for the three months ended March 31, 2022
Assets	119,048,616	36,343
Liabilities	131,508,620	36,702
Interest Income	1,212,011	-
Net income (loss) and comprehensive income (loss)	1,008,751	(240)
Net income (loss) per share, basic and diluted	0.35	(240)

RESULTS OF OPERATIONS

The Corporation has not conducted commercial operations and its sole focus is on the identification and evaluation of businesses or assets to acquire. There were no notable events that occurred during the reporting period presented. For the immediate future, the Corporation intends to continue to identify and evaluate potential targets and pursue a Qualifying Acquisition.

The Corporation's net income totaled \$1,008,751 for the three months ended March 31, 2023, with basic and diluted income per Class B Share of \$0.35. The net income for the three-month period is principally related to interest income earned on the funds held in escrow, offset by general and administrative expenses of \$240,760. The Corporation only incurred minor general and administrative expenses of \$240 for the three months ended March 2022.

Net Unrealized Gain/Loss on Changes in Fair Value of Financial Liabilities

During the three months ended March 31, 2023, the Corporation recognized an unrealized gain on change in fair value of financial liabilities of \$37,500 related to the re-valuation of its Class A Restricted Voting Shares redemption liability and warrants liability as at March 31, 2023. While for accounting purposes, the liability associated with the potential redemption of our Class A Restricted Voting Shares is measured at fair value having regard to the market price of the Class A Restricted Voting Shares, which at March 31, 2023 is \$9.98 per share, redeeming holders of such Class A Restricted Voting Shares would actually be entitled to their pro rata share of the escrow account, which as at March 31, 2023, is in excess of \$10.00 per Class A Restricted Voting Share. Please see Note 7 and 8 to the Condensed Interim Financial Statements for more detailed information regarding the Fair Value of Class A Restricted Voting Shares subject to redemption and Warrants liability, respectively.

General and Administrative Expenses

The Corporation had the following general and administrative expenses for the following periods ended:

	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Insurance	\$ 61,797	\$ -
General office expenses	31,787	240
Filing and transfer agent fees	31,582	-
Professional	115,594	-
Total	\$ 240,760	\$ 240

Interest Income

Since completion of the Offering in April 2022, the Corporation has been limited to the identification, evaluation and diligence of business targets and as such, we do not expect to generate any operating revenues until the closing and completion of the Qualifying Transaction. In the interim, we expect to generate non-operating income in the form of interest income on the short-term investments held in escrow. During the three months ended March 31, 2023, the Corporation earned interest income of \$1,212,001.

LIQUIDITY AND CAPITAL RESOURCES

Held in Escrow Account includes the \$115,000,000 of funds raised relating to the Offering. In accordance with the terms of the Offering, all amounts raised through the issuance of the Class A Restricted Voting Units were deposited into the Escrow Account and can only be released upon certain prescribed conditions being met, as further described herein and in the Final Prospectus. The Corporation intends to use substantially all of the proceeds from the Offering, to consummate the Qualifying Acquisition.

As of March 31, 2023, the Corporation had cash held outside of the Escrow Account of \$587,973, which is available to fund its working capital requirements, including any further transaction costs that may be incurred. We expect to generate negative cash flow from operating activities in the future until our Qualifying Transaction is completed and we commence revenue generation. Our management seeks to ensure that our operational and administrative costs are minimal prior to the completion of a Qualifying Transaction, with a view towards preserving the Corporation's working capital. We do not believe that we will need to raise additional funds to meet expenditures required for operating our business until the consummation of a Qualifying Transaction. We believe that we have sufficient funds available outside of the Escrow Account to operate the business. However, we cannot be assured that this will be the case.

To the extent that we require additional funding for general ongoing expenses or in connection with the Qualifying Acquisition, the Corporation may seek funding by way of unsecured loans from our Sponsors and/or their affiliates, which loans must be on reasonable commercial terms and must comply with applicable Exchange (as defined herein) requirements. The lender under the loans would not have recourse against the funds held in the escrow accounts, and thus the loans will not reduce the value thereof. Such loans will collectively be subject to a maximum aggregate principal amount equal to 10% of the gross proceeds of the Offering. Such loans shall be repayable in cash, provided, however, that the Sponsors shall have the right, exercisable in their sole discretion, to convert up to \$1,500,000 of the principal amount, together with all accrued interest, of such loans into warrants having the same terms as the Sponsors' Warrants (as defined herein) at a conversion price of \$1.00 per warrant, however no such repayment or conversion shall occur prior to the closing of the Qualifying Acquisition. The Corporation will not obtain any other form of debt financing except: (i) in the ordinary course for short term trade, accounts payable and general ongoing expenses; or (ii) contemporaneous with, or after, the completion of a Qualifying Acquisition.

The Corporation may also seek to raise additional funds through a rights offering in respect of shares available to our shareholders', in accordance with the requirements of applicable securities legislation and the Exchange's rules, and subject to the consent of the Underwriters (as defined herein), subject to placing the required funds raised in the Share Escrow Account in accordance with the Exchange's rules and also subject to fulfilling the following condition: the Corporation would not undertake a rights offering unless the amount per share deposited into the Share Escrow Account in connection therewith would be at least equal to the per share amount of the escrow funds then on deposit in the Share Escrow Account, including any interest and other amounts earned thereon (net of any applicable taxes payable by the Corporation on such interest and other amounts earned in the Share Escrow Account), and provided that 100% of the gross proceeds raised in any subsequent rights offering from holders of Class A Restricted Voting Units are held in the Share Escrow Account.

RELATED PARTY TRANSACTIONS

The Corporation entered into an administrative services agreement with FGAC Investors LLC on April 5, 2022, whereby FGAC Investors LLC will perform certain administrative services for the Corporation for a monthly fee of \$10,000. For the three months ended March 31, 2023, the total administrative services expense was \$30,000.

RISK FACTORS

An investment in the securities of the Corporation is highly speculative and involves numerous and significant risks. Such investments should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect the Corporation and its financial position.

SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

For further information about the accounting policies used by the Corporation, please refer to the Condensed Interim Financial Statements and notes thereto, which have been prepared in accordance with IFRS and with the interpretation of IFRC.

Critical accounting estimates represent estimates made by management that are, by their very nature, uncertain. Management evaluates its estimates on an ongoing basis. Such estimates are based on assumptions that management believes are reasonable under the circumstances, and these estimates form the basis for making judgments about the carrying value of assets and liabilities and the reported amounts of revenues and expenses that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. A summary of the significant accounting policies used by management in the preparation of its financial information is provided in Note 2 to the Condensed Interim Financial Statements.

CONTROLS AND PROCEDURES

As at March 31, 2023, the Corporation has designed its controls and procedures to provide reasonable assurance that information required to be disclosed in the various reports filed or submitted by the Corporation under securities legislation is recorded, processed, summarized and reported accurately and have designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The Corporation did not make any changes in its internal controls over financial reporting during the quarter ending March 31, 2023, that have had, or are reasonably likely to have, a material effect on its internal controls over financial reporting. On an ongoing basis, management will continue to analyze its controls and procedures for potential areas of improvement.

Management does recognize that any controls and procedures, no matter how well designed and operated, can only provide reasonable assurance and not absolute assurance of achieving the desired control objectives. In the unforeseen event that lapses in the disclosure controls and procedures or internal controls over financial reporting occur and/or mistakes happen, the Corporation intends to take the necessary steps to minimize the consequences thereof.

FINANCIAL INSTRUMENTS

Fair Value Measurements

The following tables summarize those assets and liabilities that are included at their fair values in the Corporation's statement of financial position as at March 31, 2023 and December 31, 2022. These assets and liabilities have been categorized into hierarchical levels, according to the significance of the inputs used in determining fair value measurements.

Fair value as at March 31, 2023				
	Carrying value as at March 31, 2023	Level 1	Level 2	Level 3
Financial Assets and Liabilities				
Cash	587,973	587,973	-	-
Held in Escrow	117,889,645	117,889,645	-	-
Class A Restricted Voting Shares subject to redemption	114,770,000	114,770,000	-	-
IPO Warrants	6,612,500	6,612,500	-	-
Sponsor Warrants	4,350,000	-	4,350,000	-
OTM Warrants	1,275,000	-	1,275,000	-

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Fair value as at December 31, 2022

	Carrying value as at December 31, 2022	Level 1	Level 2	Level 3
Financial Assets and Liabilities				
Cash	680,325	680,325	-	-
Held in Escrow	116,677,634	116,677,634	-	-
Class A Restricted Voting Shares subject to redemption	113,850,000	113,850,000	-	-
IPO Warrants	7,187,500	7,187,500	-	-
Sponsor Warrants	4,567,500	-	4,567,500	-
OTM Warrants	1,440,000	-	1,440,000	-

Financial Risk Management

The Corporation is exposed to financial risks due to the nature of its business and the financial assets and liabilities that it holds. The Corporation's overall risk management strategy seeks to minimize potential adverse effects on the Corporation's financial performance.

CAPITAL

As of the date of this MD&A, 2,875,000 Class B Shares are issued and outstanding. The Class B Shares are classified as equity on the statement of financial position.

As of the date of this MD&A, 11,500,000 Class A Restricted Voting Shares, 5,750,000 IPO Warrants, 1,500,000 OTM Warrants and 4,350,000 Sponsors' Warrants are issued and outstanding. The Class A Restricted Voting Shares, IPO Warrants, OTM Warrants and Sponsors' Warrants are all classified as liabilities on the statement of financial position.

OUTLOOK

For the immediate future, the Corporation intends to continue to identify and evaluate potential targets and pursue a Qualifying Transaction. The Corporation continues to monitor its expenditures and expects to modify its plans based on business opportunities that arise in the future.

As of the date of the MD&A, the Corporation has not yet entered into a definitive agreement with a target.

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MANAGEMENT’S DISCUSSION AND ANALYSIS

As at December 31, 2022 and

For the year and period ended December 31, 2022 and 2021

(In U.S. Dollars)

The following discussion of performance, financial condition and future prospects should be read in conjunction with the audited financial statements (“**Financial Statements**”) of FG Acquisition Corp. (the “**Corporation**”, “**our**” or “**we**”) for the twelve months ended December 31, 2022 and the accompanying notes thereto.

This Management’s Discussion and Analysis (“**MD&A**”) has been prepared with an effective date of March 3, 2023. The Audited Financial Statements have been prepared by management in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. Unless otherwise noted herein, all references to “\$” are to the currency of the United States.

In addition to reviewing this MD&A, readers are encouraged to read the Corporation’s public information filings available on the Corporation’s profile on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) at www.sedar.com.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document may contain certain “**forward-looking statements**” (as defined under applicable Canadian securities laws). These forward-looking statements relate to future events or future performance including with respect to the Corporation’s objectives and priorities for fiscal year 2023 and beyond, and strategies or further actions with respect to the Corporation, a Qualifying Acquisition (as defined herein) and the Corporation’s business operations, financial performance and condition.

Such forward-looking statements reflect management’s current beliefs and are based on information currently available to management. In some cases, forward-looking statements can be identified by terminology such as “may”, “will”, “should”, “expect”, “plan”, “anticipate”, “believe”, “estimate”, “predict”, “potential”, “continue”, “target”, “intend”, “could” or the negative of these terms or other comparable terminology. By their very nature, forward looking statements involve inherent risks and uncertainties, both general and specific, and many factors could cause actual events or results to differ materially from the results discussed in the forward-looking statements. In evaluating forward-looking statements, readers should specifically consider various factors that may cause actual results to differ materially from any forward-looking statement. These factors include, but are not limited to, market and general economic conditions, including the impact of the COVID-19 pandemic, changes in market interest rates, and the risks and uncertainties discussed in the section entitled “Risk Factors” in the Corporation’s final prospectus dated March 28, 2022 (the “**Final Prospectus**”), available on SEDAR at www.sedar.com.

The forward-looking statements contained in this MD&A are presented for the purpose of assisting investors in understanding the business and strategic priorities and objectives of the Corporation as at the periods indicated and may not be appropriate for other purposes. The forward-looking statements contained in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The forward-looking statements contained in this MD&A are not guarantees of future performance and, while forward-looking statements are based on certain assumptions that the Corporation considers reasonable, actual events and results could differ materially from those expressed or implied by forward-looking statements made by the Corporation. Prospective investors are cautioned to consider these and other factors carefully when making decisions with respect to the Corporation and not place undue reliance on forward looking statements. Circumstances affecting the Corporation may change rapidly. Except as may be expressly required by applicable law, the Corporation does not undertake any obligation to update publicly or revise any such forward-looking statements, whether as a result of new information, future events or otherwise.

DESCRIPTION OF BUSINESS

The Corporation is a special purpose acquisition corporation incorporated under the laws of the Province of British Columbia for the purpose of effecting, directly or indirectly, an acquisition of one or more businesses or assets, by way of a merger, amalgamation, arrangement, share exchange, asset acquisition, share purchase, reorganization, or any other similar business combination involving the Corporation (a “**Qualifying Acquisition**”). The Corporation intends to execute a Qualifying Acquisition of assets and/or businesses in the financial services sector. However, the Corporation is not limited to a particular industry or geographic region for purposes of completing its Qualifying Acquisition.

The Corporation was incorporated on October 25, 2021 under the *Business Corporations Act* (British Columbia), and is domiciled in Canada. The registered head office of the Corporation is located at 510 West Georgia Street, Suite 1800, Vancouver, BC V6B 0M3.

On April 1, 2022, in connection with the Offering the sponsors of the Corporation, FGAC Investors LLC and CG Investments VII Inc. (together, the “Sponsors”), purchased an aggregate of 2,874,999 Class B shares (the “Class B Shares”) in the capital of the Corporation for an aggregate purchase price of \$24,999. Upon closing of the Qualifying Acquisition, each Class B Share will be automatically converted on a 100-for-1 basis into new proportionate voting shares of the Corporation (the “Proportionate Voting Shares”), as set forth in the notice of articles and articles of the Corporation, available on SEDAR at www.sedar.com. No Proportionate Voting Shares will be issued during the period after Closing and prior to the closing of our Qualifying Acquisition.

On April 5, 2022, the Corporation closed its Offering for gross proceeds of \$100,000,000 and the Class A Restricted Voting Units began trading on the Toronto Stock Exchange (the “Exchange”) under the symbol “FGAA.V”. Each Class A Restricted Voting Unit consists of one Class A restricted voting share (a “Class A Restricted Voting Share”) and one-half of a share purchase warrant (each whole warrant, an “IPO Warrant”). The Class A Restricted Voting Units initially traded as a unit on the Exchange, but the Class A Restricted Voting Shares and the IPO Warrants began trading separately 40 days following the closing of the Offering (“Closing”). On or immediately following completion of our Qualifying Acquisition, each Class A Restricted Voting Share (unless previously redeemed) will be automatically converted into a common share in the capital of the Corporation (each, a “Common Share”). No Common Shares will be issued during the period after Closing and prior to the closing of our Qualifying Acquisition. The IPO Warrants will become exercisable, at an exercise price of \$11.50, commencing 65 days after the completion of our Qualifying Acquisition and will expire at 5:00 p.m. (Toronto time) on the day that is five years after the completion of our Qualifying Acquisition or earlier if a Qualifying Acquisition is not completed within the Permitted Timeline (as defined herein) or if the expiry date is accelerated.

The IPO Warrants shall contain a right (the “Warrant Put Rights”) to require the Sponsors to acquire such IPO Warrants (other than those held by our Sponsors) in connection with a Qualifying Acquisition or upon the liquidation and cessation of the business of the Corporation (a “Winding-Up”), for \$1.25 per IPO Warrant. In connection with a Qualifying Acquisition, holders of IPO Warrants exercising such Warrant Put Right shall be required to deposit all or a portion of their IPO Warrants prior to the deadline set by the Corporation. Holders of IPO Warrants shall be provided not less than 21 days’ notice nor more than 60 days’ notice of such deadline. Warrant Put Rights shall be automatically exercised in connection with a Winding-Up. The applicable IPO Warrants shall be acquired by the Sponsors, subject to applicable law, immediately prior to the closing of the Qualifying Acquisition or in connection with a Winding-Up, as applicable. To facilitate the transfer of the IPO Warrants to the Sponsors pursuant to the Warrant Put Rights, concurrently with Closing, the Sponsors deposited \$6,250,000 (the “Warrant Put Rights Escrow Amount”) with TSX Trust Company (the “Escrow Agent”) in accordance with the warrant agency agreement dated April 5, 2022 among the Corporation, TSX Trust Company, as the warrant agent, and the Sponsors (the “Warrant Agreement”). The Warrant Put Rights Escrow Amount deposited with the Escrow Agent will be required to be invested in permitted investments, being U.S. dollar denominated cash or in book based securities, negotiable instruments, investments or securities which evidence: obligations issued or fully guaranteed by the Government of Canada, the Government of the United States of America or any Province of Canada or State of the United States of America. The Sponsors intend to invest Warrant Put Rights Escrow Amount deposited with the Escrow Agent only in instruments that are the obligation of, or guaranteed by, the federal or provincial/state governments of Canada and the United States of America.

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Management Discussion and Analysis – For the year ended December 31, 2022

The Corporation granted Canaccord Genuity Corp. and Raymond James Ltd. (together, the "Underwriters"), a 30-day option following Closing to purchase up to an additional 1,500,000 Class A Restricted Voting Units, at a price of \$10.00 each (the "Over-Allotment Option") for additional aggregate proceeds of up to \$15,000,000 to cover over-allotments, if any, and for market stabilization purposes.

If we are unable to consummate a Qualifying Acquisition within the permitted timeline of 15 months (the "Permitted Timeline") from the date of Closing, subject to any extension as described below, we will be required to redeem each of the outstanding Class A Restricted Voting Shares, for an amount per share, payable in cash, equal to the pro-rata portion (per Class A Restricted Voting Share) of: (A) the escrowed funds available in the escrow account established for the purpose of holding the proceeds of the Offering pursuant to the terms of the escrow agreement (the "Escrow Agreement") dated as of the date of Closing between the Corporation, the Escrow Agent and the Underwriters (the "Share Escrow Account"), including any interest and other amounts earned thereon, less (B) an amount equal to the total of (i) any applicable taxes payable by the Corporation on such interest and other amounts earned in the Share Escrow Account, (ii) any taxes of the Corporation (including under Part VI.1 of the Income Tax Act (Canada) (the "Tax Act")) arising in connection with the redemption of the Class A Restricted Voting Shares, and (iii) up to a maximum of \$100,000 of interest and other amounts earned from the proceeds in the Share Escrow Account to pay actual and expected Winding-Up expenses and certain other related costs (as described in the Final Prospectus), each as reasonably determined by the Corporation, and the Warrant Put Rights shall be automatically exercised. The Underwriters will have no right to the Deferred Amount (as defined herein) in such circumstances.

Such Permitted Timeline, however, could be extended to up to 36 months with shareholder approval of the holders of Class A Restricted Voting Shares, by ordinary resolution, with approval by the Corporation's board of directors. If such approvals are obtained, holders of Class A Restricted Voting Shares, irrespective of whether such holders vote for or against, or do not vote on, the extension of the Permitted Timeline, would be permitted to deposit all or a portion of their Class A Restricted Voting Shares for redemption prior to the second business day before the shareholders' meeting in respect of the extension. Upon the requisite approval of the extension of the Permitted Timeline, and subject to applicable law, we will be required to redeem such Class A Restricted Voting Shares so deposited at an amount per share, payable in cash, equal to: (A) the pro-rata portion (per Class A Restricted Voting Share) of: (i) the escrowed funds available in the Share Escrow Account at the time of the meeting in respect of the extension, including any interest and other amounts earned thereon, less (ii) an amount equal to the total of (a) any applicable taxes payable by the Corporation on such interest and other amounts earned in the Share Escrow Account and (b) actual and expected expenses directly related to the redemption (and for greater certainty, such amount will not be reduced by the deferred underwriting commissions per Class A Restricted Voting Share held in the Share Escrow Account), each as reasonably determined by the Corporation, less (B) any taxes of the Corporation (including under Part VI.1 of the Tax Act), as reasonably determined by the Corporation, arising in connection with the redemption of the Class A Restricted Voting Shares divided by the number of shares being redeemed. The Warrant Put Rights shall not be exercisable in connection with an extension of the Permitted Timeline.

Notwithstanding the foregoing redemption rights, each holder of Class A Restricted Voting Shares, together with any affiliate of such holder or other person with whom such holder or affiliate is acting jointly or in concert, will not be permitted to redeem a number of Class A Restricted Voting Shares that is more than 15% of the aggregate number of Class A Restricted Voting Shares issued and outstanding following Closing. This limitation will not apply in the event a Qualifying Acquisition does not occur within the Permitted Timeline, or in the event of an extension to the Permitted Timeline.

Simultaneously with Closing, the Sponsors purchased 4,150,000 share purchase warrants (the "Sponsors' Warrants") at a price of \$1.00 per Sponsors' Warrant and 1,500,000 share purchase warrants (the "OTM Warrants") at a price of \$0.10 per OTM Warrant. The OTM Warrants and the Sponsors' Warrants will become exercisable 65 days after the completion of the Qualifying Acquisition. Each OTM Warrant will entitle the holder to purchase one Class A Restricted Voting Share at a price of \$15.00 for a period of ten years after the completion of a Qualifying Acquisition. Each Sponsors' Warrant will entitle the holder to purchase one Class A Restricted Voting Share at a price of \$11.50 for a period of five years after the completion of a Qualifying Acquisition.

The Class A Restricted Voting Shares may be considered "restricted securities" within the meaning of such term under applicable Canadian securities laws. Prior to the completion of our Qualifying Acquisition, holders of the Class A Restricted Voting Shares would not be entitled to vote at (or receive notice of or meeting materials in connection with) meetings held only to consider the election and/or removal of directors and auditors. The holders of the Class A

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Restricted Voting Shares would, however, be entitled to vote on and receive notice of meetings on all other matters requiring shareholder approval (including the proposed Qualifying Acquisition, if required under applicable law, and any proposed extension to the Permitted Timeline) other than the election and/or removal of directors and auditors prior to closing of a Qualifying Acquisition. In lieu of holding an annual meeting prior to the closing of the Qualifying Acquisition, the Corporation is required to provide an annual update on the status of identifying and securing a Qualifying Acquisition by way of a press release.

Simultaneously with Closing, pursuant to the transfer restrictions agreement and undertaking dated April 5, 2022 and entered into by our Sponsors in favour of the Exchange (the “Exchange Agreement and Undertaking”), our Sponsors agreed not to transfer any of their Class B Shares, Sponsors’ Warrants or OTM Warrants until after the closing of the Qualifying Acquisition, in each case other than transfers required due to the structuring of the Qualifying Acquisition or unless otherwise permitted by the Exchange. Any Class A Restricted Voting Shares and/or IPO Warrants purchased by our Sponsors would not be subject to the restrictions set out in the Exchange Agreement and Undertaking. The Class B Shares, Sponsors’ Warrants and OTM Warrants purchased by our Sponsors pursuant the Final Prospectus will not be subject to relinquishment based on performance.

Upon Closing, an aggregate of \$100,000,000 from the sale of the Class A Restricted Voting Units, or U.S.\$10.00 per Class A Restricted Voting Unit sold to the public, was deposited in the Share Escrow Account, in accordance with the Escrow Agreement. Based on the initial \$100,000,000 placed in escrow and an interest rate of approximately 0.3% per annum, if the Share Escrow Account remains in place over the 15 months following the Closing (and no Qualifying Acquisition has been completed and the Permitted Timeline has not otherwise been extended), the cash held in escrow is expected to grow from the initial U.S.\$10.00 per Class A Restricted Voting Unit sold to the public to approximately U.S.\$10.04 per Class A Restricted Voting Share, before applicable taxes and other permitted deductions. Subject to applicable law and payment of certain taxes, permitted redemptions and certain expenses, as further described herein, none of the funds held in the Share Escrow Account will be released to the Corporation prior to the closing of a Qualifying Acquisition.

Following the closing of our Qualifying Acquisition, we intend to use a portion of the balance of the non-redeemed Class A Restricted Voting Shares’ portion of the Share Escrow Account (less tax liabilities on amounts earned on the escrowed funds and certain expenses directly related to redemptions) to pay the Underwriters the balanced of the agreed underwriting commission, being 3.5% of the gross proceeds of the Offering, which is only payable upon the closing of the Qualifying Acquisition (the “Deferred Amount”). If the Qualifying Acquisition is closed and the Share Escrow Account is released, any shortfall in respect of the Deferred Amount shall be made up from other sources of capital available to the Corporation. The per share amount we will distribute to holders of Class A Restricted Voting Shares who properly redeem their shares will not be reduced by the Deferred Amount we will pay to the Underwriters.

As 100% of the gross proceeds of the Offering and any additional equity raised pursuant to a rights offering will be held by the Escrow Agent in the Share Escrow Account, shareholder approval of our Qualifying Acquisition is not required pursuant to the Exchange rules. As such, and unless shareholder approval is otherwise required under applicable law, including in the event of an arrangement or amalgamation of the Corporation, we will: (i) prepare and file with applicable securities regulatory authorities a prospectus containing disclosure regarding the Corporation and its proposed Qualifying Acquisition; (ii) mail a notice of redemption to the holders of the Class A Restricted Voting Shares and make the final prospectus publicly available at least 21 days prior to the deadline for redemption; and (iii) send by prepaid mail or otherwise deliver the prospectus to the holders of the Class A Restricted Voting Shares no later than midnight (Toronto time) on the second business day prior to the deadline for redemption, which delivery may be effected electronically in compliance with National Policy 11-201 – Electronic Delivery of Documents.

The gross proceeds from the Offering will be held in escrow following the Closing to enable the Corporation to (i) satisfy redemptions made by holders of Class A Restricted Voting Shares (including in the event of a Qualifying Acquisition or an extension to the Permitted Timeline, or in the event a Qualifying Acquisition does not occur within the Permitted Timeline), (ii) fund the Qualifying Acquisition with the net proceeds following payment of any such redemptions and the Deferred Amount and/or (iii) pay taxes on amounts earned on the escrowed funds and certain permitted expenses. Such escrowed funds and all amounts earned thereon, subject to such obligations and applicable law, will be assets of the Corporation.

The Warrant Put Rights Escrow Amount will be held in escrow following the Closing to facilitate payments to the holders of IPO Warrants exercising the Warrant Put Right in connection with a Qualifying Acquisition or to the holders of IPO Warrants upon the occurrence of a Winding-Up. Such escrowed funds and all amounts earned thereon, subject

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to such obligations and applicable law, will be assets of the Sponsors. In the event the Corporation completes a Qualifying Acquisition, any portion of the Warrant Put Rights Escrow Amount that is not paid to the holders of IPO Warrants upon the exercise of Warrant Put Rights shall be returned to the Sponsors in accordance with the Warrant Agreement.

In connection with the completion of a Qualifying Acquisition, we will provide holders of our Class A Restricted Voting Shares with the opportunity to redeem all or a portion of their Class A Restricted Voting Shares, provided that they deposit their shares for redemption prior to the deadline specified by the Corporation, following public disclosure of the details of the Qualifying Acquisition and prior to the closing of the Qualifying Acquisition, of which prior notice had been provided to the holders of the Class A Restricted Voting Shares by any means permitted by the Exchange, not less than 21 days nor more than 60 days in advance of such deadline, in each case, with effect, subject to applicable law, immediately prior to the closing of our Qualifying Acquisition, for an amount per share, payable in cash, equal to the pro rata portion (per Class A Restricted Voting Share) of: (A) the escrowed funds available in the Share Escrow Account at the time immediately prior to the redemption deposit deadline, including interest and other amounts earned thereon; less (B) an amount equal to the total of (i) any applicable taxes payable by the Corporation on such interest and other amounts earned in the Share Escrow Account, and (ii) actual and expected expenses directly related to the redemption, each as reasonably determined by the Corporation, subject to the limitations described in the Final Prospectus. For greater certainty, such amount will not be reduced by the amount of any tax of the Corporation under Part VI.1 of the Tax Act or the Deferred Amount per Class A Restricted Voting Share held in the Share Escrow Account. If approval of the Qualifying Acquisition by shareholders' is otherwise required under applicable law, including in the event of an arrangement or amalgamation of the Corporation, holders of Class A Restricted Voting Shares shall have the option to redeem their Class A Restricted Voting Shares irrespective of whether they vote for or against, or do not vote on, the Qualifying Acquisition at any shareholders' meeting. Holders of Class A Restricted Voting Shares will be given not less than 21 days' notice of such shareholders' meeting (if such meeting is required under applicable law, including in the event of an arrangement or amalgamation of the Corporation) and of the corresponding redemption deposit deadline if such meeting is required. Participants through CDS Clearing and Depositary Services Inc. ("CDS") may have earlier deadlines for beneficial holders to make deposits of Class A Restricted Voting Shares for redemption. If a CDS participant's deadline is not met by a holder of Class A Restricted Voting Shares, such holder's Class A Restricted Voting Shares may not be eligible for redemption.

Following completion of the Qualifying Acquisition, the Proportionate Voting Shares into which the Class B Shares are convertible, the Sponsors' Warrants and OTM Warrants, and the shares issuable on exercise of such Sponsors' Warrants and OTM Warrants may be subject to certain sale or transfer restrictions in accordance with applicable securities laws. Our Sponsors will not be entitled to redeem the Class B Shares, or to exercise the Warrant Put Right in respect of their Sponsors' Warrants or OTM Warrants, in connection with a Qualifying Acquisition or an extension to the Permitted Timeline or entitled to access the escrow accounts should a Qualifying Acquisition not occur within the Permitted Timeline, as further described herein. Our Sponsors (and, as applicable, our directors and officers) will, however, participate in any liquidation distribution with respect to any Class A Restricted Voting Shares they may acquire in connection with or following the Offering through possible purchases on the secondary market.

On April 5, 2022, the Corporation entered into an administrative services agreement with FGAC Investors LLC, pursuant to which the Corporation will pay FGAC Investors LLC a fee of \$10,000 (plus applicable taxes) per month in exchange for FGAC Investors LLC, as a Sponsor, providing certain services to the Corporation to help effect the Qualifying Acquisition, including but not limited to, various administrative, managerial and/or operational services.

On April 20, 2022, the Underwriters fully exercised the Over-Allotment Option. Pursuant to the exercise of the Over-Allotment Option, on April 20, 2022, the Corporation issued 1,500,000 Class A Restricted Voting Units for aggregate proceeds of \$15,000,000, and the Sponsors purchased an additional 200,000 Sponsors' Warrants for an aggregate purchase price of \$200,000 and deposited an additional \$937,500 with the Escrow Agent pursuant to the Warrant Agreement to facilitate the transfer of the IPO Warrants to the Sponsors pursuant to the Warrant Put Rights.

FG ACQUISITION CORP.**Management Discussion and Analysis – For the year ended December 31, 2022****SELECTED FINANCIAL INFORMATION**

A summary of selected information for each of the periods presented below is as follows:

	As at and for the twelve months ended December 31, 2022	As at and for the period ended December 31, 2021
Assets	118,056,663	24,179
Liabilities	131,525,418	24,298
Interest Income	1,677,634	-
Net loss and comprehensive loss	(13,492,124)	(120)
Net loss per share, basic and diluted	(6.26)	(120)

RESULTS OF OPERATIONS

The Corporation has not conducted commercial operations and its sole focus is on the identification and evaluation of businesses or assets to acquire. There were no notable events that occurred during the reporting period presented. For the immediate future, the Corporation intends to continue to identify and evaluate potential targets and pursue a Qualifying Acquisition.

The Corporation's net loss totaled \$13,492,124 for the twelve months ended December 31, 2022, with basic and diluted loss per Class B Share of \$6.26. The net loss for the twelve-month period is principally related to transaction costs of \$7,222,400, general and administrative expenses of \$402,358, and an unrealized loss on the change in the fair value of financial liabilities of \$7,545,000. The Corporation was incorporated on October 25, 2021 and only incurred minor general and administrative expenses of \$120 for the period ended December 2021.

Transaction Costs

Transaction costs incurred amounted to \$7,223,911 (including \$6,325,000 in Underwriters' commission of which \$4,232,000 is deferred and payable only upon completion of a Qualifying Transaction). Transaction costs were expensed to the Statements of Comprehensive Loss as incurred, except for \$1,511 of transaction costs allocated directly to Share Capital. Transaction costs incurred through December 31, 2022 were allocated between Class B Common Stock and Statement of Comprehensive Loss on the following basis:

	Statement of Comprehensive Loss	Common Stock - Class B	Total
Upfront Underwriters' commission	\$ 2,092,562	\$ 438	\$ 2,093,000
Deferred Underwriters' commission	4,231,115	885	4,232,000
Professional fees (legal, accounting, etc)	698,422	146	698,568
Other	200,301	42	200,343
Balance, December 31, 2022	\$ 7,222,400	\$ 1,511	\$ 7,223,911

Net Unrealized Loss on Changes in Fair Value of Financial Liabilities

During the twelve months ended December 31, 2022, the Corporation recognized an unrealized loss on change in fair value of financial liabilities of \$7,545,000 related to the re-valuation of its Class A Restricted Voting Shares redemption liability and warrants liability as at December 31, 2022. While for accounting purposes, the liability associated with the potential redemption of our Class A Restricted Voting Shares is measured at fair value having regard to the market price of the Class A Restricted Voting Shares, which at December 31, 2022 is \$9.90 per share, redeeming holders of such Class A Restricted Voting Shares would actually be entitled to their pro rata share of the escrow account, which as at December 31, 2022, is in excess of \$10.00 per Class A Restricted Voting Share. Please see Note 7 and 8 to the Annual Financial Statements for more detailed information regarding the Fair Value of Class A Restricted Voting Shares subject to redemption and Warrants liability, respectively.

General and Administrative Expenses

The Corporation had the following general and administrative expenses for the following periods ended:

FG ACQUISITION CORP.**Management Discussion and Analysis – For the year ended December 31, 2022**

	For the twelve months ended December 31, 2022	For the period ended December 31, 2021
Insurance	\$ 186,077	\$ -
General office expenses	103,227	120
Filing and transfer agent fees	43,800	-
Professional	69,254	-
Total	\$ 402,358	\$ 120

Interest Income

Since completion of the Offering, the Corporation has been limited to the identification, evaluation and diligence of business targets and as such, we do not expect to generate any operating revenues until the closing and completion of the Qualifying Transaction. In the interim, we expect to generate non-operating income in the form of interest income on the short-term investments held in escrow. During the twelve months ended December 31, 2022, the Corporation earned interest income of \$1,677,634.

LIQUIDITY AND CAPITAL RESOURCES

Held in Escrow Account includes the \$115,000,000 of funds raised relating to the Offering. In accordance with the terms of the Offering, all amounts raised through the issuance of the Class A Restricted Voting Units were deposited into the Escrow Account and can only be released upon certain prescribed conditions being met, as further described herein and in the Final Prospectus. The Corporation intends to use substantially all of the proceeds from the Offering, to consummate the Qualifying Acquisition.

As of December 31, 2022, the Corporation had cash held outside of the Escrow Account of \$680,325, which is available to fund its working capital requirements, including any further transaction costs that may be incurred. We expect to generate negative cash flow from operating activities in the future until our Qualifying Transaction is completed and we commence revenue generation. Our management seeks to ensure that our operational and administrative costs are minimal prior to the completion of a Qualifying Transaction, with a view towards preserving the Corporation's working capital. We do not believe that we will need to raise additional funds to meet expenditures required for operating our business until the consummation of a Qualifying Transaction. We believe that we have sufficient funds available outside of the Escrow Account to operate the business. However, we cannot be assured that this will be the case.

To the extent that we require additional funding for general ongoing expenses or in connection with the Qualifying Acquisition, the Corporation may seek funding by way of unsecured loans from our Sponsors and/or their affiliates, which loans must be on reasonable commercial terms and must comply with applicable Exchange (as defined herein) requirements. The lender under the loans would not have recourse against the funds held in the escrow accounts, and thus the loans will not reduce the value thereof. Such loans will collectively be subject to a maximum aggregate principal amount equal to 10% of the gross proceeds of the Offering. Such loans shall be repayable in cash, provided, however, that the Sponsors shall have the right, exercisable in their sole discretion, to convert up to \$1,500,000 of the principal amount, together with all accrued interest, of such loans into warrants having the same terms as the Sponsors' Warrants (as defined herein) at a conversion price of \$1.00 per warrant, however no such repayment or conversion shall occur prior to the closing of the Qualifying Acquisition. The Corporation will not obtain any other form of debt financing except: (i) in the ordinary course for short term trade, accounts payable and general ongoing expenses; or (ii) contemporaneous with, or after, the completion of a Qualifying Acquisition.

The Corporation may also seek to raise additional funds through a rights offering in respect of shares available to our shareholders', in accordance with the requirements of applicable securities legislation and the Exchange's rules, and subject to the consent of the Underwriters (as defined herein), subject to placing the required funds raised in the Share Escrow Account in accordance with the Exchange's rules and also subject to fulfilling the following condition: the Corporation would not undertake a rights offering unless the amount per share deposited into the Share Escrow Account in connection therewith would be at least equal to the per share amount of the escrow funds then on deposit in the Share Escrow Account, including any interest and other amounts earned thereon (net of any applicable taxes payable by the Corporation on such interest and other amounts earned in the Share Escrow Account), and provided

FG ACQUISITION CORP.**Management Discussion and Analysis – For the year ended December 31, 2022**

that 100% of the gross proceeds raised in any subsequent rights offering from holders of Class A Restricted Voting Units are held in the Share Escrow Account.

RELATED PARTY TRANSACTIONS

The Corporation entered into an administrative services agreement with FGAC Investors LLC on April 5, 2022, whereby FGAC Investors LLC will perform certain administrative services for the Corporation for a monthly fee of \$10,000. For the twelve months ended December 31, 2022, the total administrative services expense was \$90,000.

RISK FACTORS

An investment in the securities of the Corporation is highly speculative and involves numerous and significant risks. Such investments should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect the Corporation and its financial position.

SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

For further information about the accounting policies used by the Corporation, please refer to the Financial Statements and notes thereto, which have been prepared in accordance with IFRS and with the interpretation of IFRIC.

Critical accounting estimates represent estimates made by management that are, by their very nature, uncertain. Management evaluates its estimates on an ongoing basis. Such estimates are based on assumptions that management believes are reasonable under the circumstances, and these estimates form the basis for making judgments about the carrying value of assets and liabilities and the reported amounts of revenues and expenses that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. A summary of the significant accounting policies used by management in the preparation of its financial information is provided in Note 2 to the Annual Financial Statements.

CONTROLS AND PROCEDURES

As at December 31, 2022, the Corporation has designed its controls and procedures to provide reasonable assurance that information required to be disclosed in the various reports filed or submitted by the Corporation under securities legislation is recorded, processed, summarized and reported accurately and have designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The Corporation did not make any changes in its internal controls over financial reporting during the year ended December 31, 2022, that have had, or are reasonably likely to have, a material effect on its internal controls over financial reporting. On an ongoing basis, management will continue to analyze its controls and procedures for potential areas of improvement.

Management does recognize that any controls and procedures, no matter how well designed and operated, can only provide reasonable assurance and not absolute assurance of achieving the desired control objectives. In the unforeseen event that lapses in the disclosure controls and procedures or internal controls over financial reporting occur and/or mistakes happen, the Corporation intends to take the necessary steps to minimize the consequences thereof.

FINANCIAL INSTRUMENTS

Fair Value Measurements

The following table summarizes those assets and liabilities that are included at their fair values in the Corporation's statement of financial position as at December 31, 2022. These assets and liabilities have been categorized into hierarchal levels, according to the significance of the inputs used in determining fair value measurements.

Fair value as at December 31, 2022				
	Carrying value as at December 31, 2022	Level 1	Level 2	Level 3
Financial Assets and Liabilities				
Cash	680,325	680,325	-	-
Held in Escrow	116,677,634	116,677,634		
Class A Restricted Voting Shares subject to redemption	113,850,000	113,850,000	-	-
IPO Warrants	7,187,500	7,187,500	-	-
Sponsor Warrants	4,567,500	-	4,567,500	-
OTM Warrants	1,440,000	-	1,440,000	-

Financial Risk Management

The Corporation is exposed to financial risks due to the nature of its business and the financial assets and liabilities that it holds. The Corporation's overall risk management strategy seeks to minimize potential adverse effects on the Corporation's financial performance.

CAPITAL

As of the date of this MD&A, 2,875,000 Class B Shares are issued and outstanding. The Class B Shares are classified as equity on the statement of financial position.

As of the date of this MD&A, 11,500,000 Class A Restricted Voting Shares, 5,750,000 IPO Warrants, 1,500,000 OTM Warrants and 4,350,000 Sponsors' Warrants are issued and outstanding. The Class A Restricted Voting Shares, IPO Warrants, OTM Warrants and Sponsors' Warrants are all classified as liabilities on the statement of financial position.

OUTLOOK

For the immediate future, the Corporation intends to continue to identify and evaluate potential targets and pursue a Qualifying Transaction. The Corporation continues to monitor its expenditures and expects to modify its plans based on business opportunities that arise in the future. As of the date of the MD&A, the Corporation has not yet entered into a definitive agreement.

APPENDIX C
THINKMARKETS FINANCIAL STATEMENTS

(See attached)



Think Financial Group Holdings Limited and Controlled Entities

Consolidated Financial Statements

For the Year Ended 31 December 2022

The registered office and principal place of business of the company is:
Think Financial Group Holdings Limited
Level 18, 357 Collins Street
Melbourne VIC 3000

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For the Year Ended 31 December 2022

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Directors' Report

31 December 2022

The directors present their report, together with the consolidated financial statements of the Company, comprising of Think Financial Group Holdings Limited and its subsidiaries (together, the Company), at the end of, or during, the financial year ended 31 December 2022.

Directors

The directors who have been in office since the start of the financial year to the date of this report are:

Nauman Anees

Faizan Anees

Ilyas Ahmed – appointed on 1 August 2022

Harshad Subhash Kale – resigned on 31 October 2022

Principal activity

The principal activity of the Company during the financial year was the provision of cash equities and share trading services, provision of over the counter (OTC) derivative contracts over a wide range of instruments and commodities, including foreign exchange, shares, precious metals, energy, indices, cryptos and other commodities. The nature of this activity did not change significantly during the year.

Operating results and review of operations for the year

The consolidated loss after tax of the Company amounted to \$18,898,720 (2021 loss: \$11,943,467). A review of the operations of the Company during the financial period and the results of those operations show that revenue increased by 6% to \$89,128,020 (2021: \$84,229,913). The financial result includes legal costs \$3,203,418 and depreciation and amortisation charge of \$7,998,862. Net cash outflows from operations were \$9,269,974 compared to net cash outflows of \$8,971,812 in 2021; Cash and cash equivalents decreased to \$30,691,572 compared to \$34,164,793 in the previous year; Total assets at 31 December 2022 were \$70,881,386 (2021: \$71,964,375).

Significant changes in state of affairs

- (a) On 31 December 2022, 23,200 out of 74,200 convertible notes were converted into redeemable preference shares amounting to AUD\$3,424,354..Refer to Note 13.
- (b) During the financial year, the TF Global Markets (Aust) Pty Ltd (a wholly owned subsidiary) received three promissory notes from a related party:
- 28 February 2022 in the sum of \$3,481,000 AUD equivalent
 - 31 May 2022 in the sum of \$3,478,500 AUD equivalent
 - 30 November 2022 in the sum of \$4,479,000 AUD equivalent

The company has received the above promissory notes in cash within the timeframe specified in the note. As at 31 December 2022, \$1,095,747 remains outstanding and the balance was received in full after year-end.

Other than the above, there were no other significant changes in the state of affairs of the Company occurred during the financial year.

Directors' Report

31 December 2022

Dividends paid or recommended

No dividend has been paid or declared by the parent company or any of its subsidiaries.

Events after the reporting date

- On 28 February 2023, a director related party has issued \$7,380,074 promissory note to TF Global Markets (Aust) Pty Ltd, of which \$5,083,395 has been received at the date of this report.
- Post year-end the Company paid \$3,983,467 (principal and interest) of MARS and Liquidity Funding loan.
- Post year-end, 1 convertible note holder has redeemed convertibles notes amounting to \$401,963.
- On 1 May 2023, the Board of Directors has passed a resolution that all redeemable preference shares issued on 31 December 2022 to be converted to ordinary shares by 30 June 2023.

Other than the matters already disclosed in the financial report, no matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Future developments and results

Likely developments in the operations of the Company and the expected results of those operations in future financial years are aligned with the Company's overall growth strategy and in accordance with the regulatory requirements.

Environmental issues

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia or other jurisdictions.

Indemnification and insurance of officers and auditors

The Company maintains appropriate insurances for the indemnification of directors and officers. The Company does not maintain insurances covering the auditor of the Company.

The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability and legal expenses insurance contracts as such disclosure is prohibited under the terms of the contract.

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 December 2022 has been received and can be found on page 3 of the consolidated financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: 
Nauman Anees

Director: 
Ilyas Ahmed

Dated this 5th day of May 2023

ABN 65 155 188 837

L8 309 Kent Street Sydney NSW 2000

L24 570 Bourke Street Melbourne VIC 3000

L14 167 Eagle Street Brisbane QLD 4000

1300 551 266

www.lnpaudit.com

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF THINK FINANCIAL GROUP HOLDINGS LIMITED

As lead auditor of Think Financial Group Holdings Limited for the year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
2. no contraventions of any applicable code of professional conduct in relation to the audit.

LNP Audit and Assurance Pty Ltd



Archana Kumar

Director

Melbourne Australia, 5 May 2023

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2022

		2022	2021
	Note	\$	\$
Trading income		85,392,495	77,448,289
Other income	4 (a)	3,735,525	6,781,624
Total income		89,128,020	84,229,913
Trading expenses	4 (b)	(43,361,548)	(34,470,537)
Marketing expenses		(7,733,818)	(4,635,445)
Administrative expenses		(4,740,763)	(4,191,276)
Employee costs		(14,807,473)	(17,075,151)
IT expenses		(7,722,400)	(7,651,324)
Consulting and professional fee		(11,018,849)	(10,495,349)
Depreciation and amortisation expense		(7,998,862)	(8,169,599)
Bank and merchant fees		(6,835,409)	(5,473,748)
Impairment loss		-	(2,077,131)
Finance expenses	4 (c)	(3,731,445)	(1,502,397)
Loss before income tax		(18,822,547)	(11,512,044)
Income tax expense	5	(76,173)	(431,423)
Loss for the year after tax		(18,898,720)	(11,943,467)
Other comprehensive income, net of income tax			
Items that will be reclassified to profit or loss when specific conditions are met			
Exchange differences on translating foreign controlled entities		(897,789)	720,823
Other comprehensive income for the year, net of tax		(897,789)	720,823
Total comprehensive income for the year		(19,796,509)	(11,222,644)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

31 December 2022

	Note	2022 \$	2021 \$
ASSETS			
Cash and cash equivalents	6	30,691,572	34,164,793
Trade and other receivables	8	17,976,638	13,833,454
Financial assets	9	2,125,248	2,125,248
Property, plant and equipment	10	4,180,468	5,062,900
Intangible assets	11	13,377,369	13,005,997
Derivative assets	28	2,530,091	3,771,983
TOTAL ASSETS		70,881,386	71,964,375
LIABILITIES			
Trade and other payables	12	12,901,823	9,399,703
Borrowings	13	31,989,086	16,720,183
Client monies liabilities	28	18,474,317	17,134,148
Current tax liabilities		170,961	322,926
Lease liabilities		3,041,337	4,418,313
Deferred tax liabilities		215,707	84,438
TOTAL LIABILITIES		66,793,231	48,079,711
NET ASSETS		4,088,155	23,884,664
EQUITY			
Share capital	14	19,834,168	19,834,168
Reserves		(1,599,889)	(702,100)
Retained profits		(14,146,124)	4,752,596
TOTAL EQUITY		4,088,155	23,884,664

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2022

2022

	Share Capital \$	Retained Earnings \$	Foreign Currency Translation Reserve \$	Total \$
Balance at 1 January 2022	19,834,168	4,752,596	(702,100)	23,884,664
Loss attributable to members of the parent entity	-	(18,898,720)	-	(18,898,720)
Total other comprehensive income for the year	-	-	(897,789)	(897,789)
Balance at 31 December 2022	19,834,168	(14,146,124)	(1,599,889)	4,088,155

2021

	Ordinary Shares \$	Preference Shares \$	Retained Earnings \$	Class A Shares \$	Foreign Currency Translation Reserve \$	Total \$
Balance at 1 January 2021	100	3,340,970	16,696,063	98	(1,422,923)	18,614,308
Loss attributable to members of the parent entity	-	-	(11,943,467)	-	-	(11,943,467)
Total other comprehensive income for the year	-	-	-	-	720,823	720,823
Transactions with owners in their capacity as owners						
Shares converted	3,341,068	(3,340,970)	-	(98)	-	-
CPSA and CPSB converted	16,493,000	-	-	-	-	16,493,000
Balance at 31 December 2021	19,834,168	-	4,752,596	-	(702,100)	23,884,664

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2022

	Note	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		84,215,608	80,950,448
Payments to suppliers and employees		(85,882,731)	(84,167,638)
Interest received		205,123	124,519
Interest paid		(875,696)	(193,867)
Payment for bank fee & merchant PSP charges		(6,835,409)	(5,473,748)
Income taxes paid		(96,869)	(211,526)
Net cash used in operating activities	7	<u>(9,269,974)</u>	<u>(8,971,812)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payment for acquisition of intangible assets		(6,700,882)	(4,990,618)
Purchase of plant and equipment		(786,919)	(519,594)
Net cash used in investing activities		<u>(7,487,801)</u>	<u>(5,510,212)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from borrowings		15,833,007	12,384,321
Lease payments		(1,622,194)	(1,417,514)
Interest paid on borrowings		(2,610,531)	(1,188,403)
Net cash provided by financing activities		<u>11,600,282</u>	<u>9,778,404</u>
Effects of exchange rate changes on cash and cash equivalents		(897,789)	720,823
Client monies received/(paid)		<u>2,582,061</u>	<u>(7,889,676)</u>
Net decrease in cash and cash equivalents held		<u>(3,473,221)</u>	<u>(11,872,473)</u>
Cash and cash equivalents at beginning of year		<u>34,164,793</u>	<u>46,037,266</u>
Cash and cash equivalents at end of financial year	6	<u><u>30,691,572</u></u>	<u><u>34,164,793</u></u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2022

1 Basis of Preparation

The consolidated financial report covers Think Financial Group Holdings Limited (TFGH) and its subsidiaries ('the Company'). TFGH (Parent company) is a for-profit unlisted public company, incorporated and domiciled in Australia.

The financial statements are general purpose financial statements that have been prepared in accordance with the requirements of:

- Australian Corporations Act 2001 (*Corporations Act 2001*);
- International Financial Reporting Standards as issued by the International Financial Reporting Standards Board (IASB) (collectively referred to as IFRS).

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

The financial report was authorised for issue by the Directors on 5 May 2023.

Comparatives are consistent with previous year unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Basis of consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost. Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements. Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a December financial year end.

Subsidiaries are all entities over which the parent has control. Control is established when the parent is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. A list of controlled entities is contained in Note 27(a) to the financial statements.

(b) Business combinations

Business combinations are accounted for by applying the acquisition method which requires an acquiring entity to be identified in all cases. The acquisition date under this method is the date that the acquiring entity obtains control over the acquired entity. The fair value of identifiable assets and liabilities acquired are recognised in the consolidated financial statements at the acquisition date.

Goodwill or a gain on bargain purchase may arise on acquisition, this is calculated by comparing the consideration transferred and the amount of non-controlling interest in the acquiree with the fair value of the net identifiable assets acquired. Where consideration is greater than the net assets acquired, the excess is recorded as goodwill. Where the net assets acquired are greater than the consideration, the measurement basis of the net assets are reassessed and then a gain from bargain purchase recognised in profit or loss.

All acquisition-related costs are recognised as expenses in the periods in which the costs are incurred except for costs to issue debt or equity securities. Any contingent consideration which forms part of the combination is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and the settlement is accounted for within equity. Otherwise, subsequent changes in the value of the contingent consideration liability are measured through profit or loss.

Notes to the Financial Statements

For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies

(c) Revenue and other income

Principal revenue streams are recognised as follows.

Trading revenue. The Company makes markets for foreign exchange contracts and derivative financial products. Trading revenue represents related brokerage activities for establishing these markets, including spread, commission and funding charges made to clients in respect of the opening, holding and closing of contracts; and gains and losses arising on such client trading activity and the transactions undertaken to hedge the risk associated with client trading activity. Transactions are recorded on the trade date and open client and hedging positions are carried at fair market value, with positions marked to market daily. Resulting gains and losses arising are recognised in trading revenue together with gains and losses realised on client positions that have closed.

Open client positions which are recognised as derivatives are carried at fair value with the gains and losses arising on valuation recognised as trading income. Trading income also includes gains and losses arising on trading activity with liquidity providers. Both unrealised gains and losses on open positions, and gains and losses realised on closed positions are recognised in trading income.

Revenue from contracts with customers – service income

Service income including software license fee is recognised in the accounting period in which the services are rendered.

Interest income is reported on an accrual basis using the effective interest method.

Other income is recognised on an accruals basis when the Company is entitled to it.

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

(d) Income Tax

The tax expense recognised in the consolidated statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense. Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised. At year-end, no deferred tax asset has been recognised for unused tax losses.

(e) Finance costs

Finance cost includes all interest related expenses and other than those arising from financial assets at fair value through profit or loss.

Notes to the Financial Statements

For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies

(f) Cash and cash equivalents

Cash and cash equivalents comprises cash at bank and on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the consolidated statement of cash.

(g) Financial instruments

Recognition

The Company determines the classification of its financial instruments at initial recognition in accordance with the categories outlined below and re-evaluates this designation at each financial year end. When financial instruments are recognised initially, they are measured at fair value, being the transaction price plus, in the case of financial assets and financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Financial assets measured at fair value through profit and loss are financial assets that are not classified and measured at amortised cost or as fair value through other comprehensive income. These assets are carried in Statement of Financial Position at fair value with gains or losses recognised in revenue. The Company's financial assets measured at fair value through profit and loss comprise of client assets held in trust and margin receivables from brokers and payment service providers.

Financial assets measured at amortised cost are financial assets which are held to collect the contractual cash flows. The contractual terms of the financial assets give rise to payments on specified dates that are solely payments of principal and interest on the principal amount outstanding. The Company's financial assets measured at amortised cost comprise cash and cash equivalents and trade and other receivables.

Financial liabilities include trade and other payables, lease liabilities, client monies liabilities and borrowings. These are measured subsequently at amortised cost using the effective interest method. The interest expense is calculated during each reporting period by applying the effective interest rate and reflected on the Statement of Profit or Loss and Other Comprehensive Income.

Impairment

The impairment charge in the statement of comprehensive income includes the change in expected credit losses. Expected credit losses are recognised for trade receivables (excluding margin receivables from brokers and payment service providers held at fair value through profit and loss), cash and cash equivalents and other receivables. Expected credit losses are calculated as the difference between the contractual cash flows that are due to the Company and the cash flows that the Company expects to receive given the probability of default and loss given default, discounted at the original effective interest rate.

(h) Derivative financial instruments

The Company's customers enter into the Derivative Contracts on a margin basis with the relevant Licensed entity. The settlement date for unsettled contracts (open positions) at 5 pm New York (EST) time is automatically rolled over by the Licensed entity to the next business day. The rolled-over Derivative Contracts, therefore, could be viewed as in substance synthetic forward foreign exchange contracts. The Licensed entity may enter into equal and opposite Derivative Contracts with its hedging counterparties, in order to hedge price fluctuations as part of its risk management strategy.

The Company operates as a "market maker" and continuously offers prices for the buying and selling of CFDs. Customers can only settle Derivative Contracts by entering equal and opposite Derivative Contracts with the Company at its quoted prices. The Derivative Contracts are initially recognised at fair value on the date on which a derivative financial instrument is entered into using the contract price that the Licensed entity offers the equal and opposite Derivative Contract and are subsequently re-measured at fair value using the same methodology. Assets or liabilities resulting from profits or losses on clients' open positions are carried at fair value and has been disclosed in the statement of financial position on a net basis either as derivative asset or derivative liability.

Notes to the Financial Statements

For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies

(i) Client funds

As a part of its business, the Licensee receives deposits from customers to secure their trading positions. Deposits are held in segregated client accounts with authorised deposit taking institutions (ADI's) and other financial institutions, as required by the Licensee's Australian Financial Services Licence, Financial Conduct Authority and the financial services laws applicable in that country. Assets or liabilities resulting from profits or losses on clients' open positions are carried at fair value. Client funds are netted against, or presented with, the valuation of financial derivative positions, resulting in a net payable.

(j) Intangibles

Software is carried at cost less any accumulated amortisation and impairment losses. It is amortised over its estimated useful life of between two to three years.

Financial Services Licence acquired via acquisition of subsidiaries (note 26(b)) has a finite life and are carried at cost less any accumulated amortisation and impairment losses. The Financial Licence has an estimated useful life of five years. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted accordingly.

Goodwill arises as a result of the acquisition of subsidiaries. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Company's of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

(k) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment. Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable. Property, plant and equipment are measured using the historic cost model.

Property, plant and equipment is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use. Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life. The depreciation rates used for plant and equipment ranges from 25% to 50%.

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(l) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Notes to the Financial Statements

For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies

(m) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST) or valued added tax (VAT), except where the amount of GST/ VAT incurred is not recoverable from the Australian Taxation Office (ATO) and other regulatory bodies. Receivables and payables are stated inclusive of GST/VAT. Cash flows in the consolidated statement of cash flows are included on a gross basis and the GST/VAT component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(n) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares.

(o) Foreign currency transactions and balances

Foreign currency transactions are recorded at the spot rate on the date of the transaction. At the end of the reporting period: Foreign currency monetary items are translated using the closing rate; Non-monetary items that are measured at historical cost are translated using the exchange rate at the date of the transaction; and Non-monetary items that are measured at fair value are translated using the rate at the date when fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition or in prior reporting periods are recognised through profit or loss.

Foreign operations

The financial results and position of foreign operations whose functional currency is different from Think Financial Group Holdings Limited's presentation currency are translated as follows; assets and liabilities are translated at year-end exchange rates prevailing at that reporting date; income and expenses are translated at average exchange rates for the period where the average rate approximates the rate at the date of the transaction; and, retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Company's foreign currency translation reserve in the consolidated statement of financial position. These differences are recognised in the consolidated statement of profit or loss and other comprehensive income in the relevant period.

(p) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for their annual reporting period commencing 1 January 2022. The adoption of these standards did not have any impact on the amount recognised in prior periods and are not expected to significantly affect the current or future periods.

(q) New Accounting Standards and Interpretations

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2023, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect in the current or future reporting periods and on foreseeable future transactions.

Notes to the Financial Statements

For the Year Ended 31 December 2022

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these consolidated financial statements regarding assumptions about current and future events affecting transactions and balances. These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

A. Key estimates – Carrying value and assessment of useful life of Japan Type 1 Financial License and Cyprus Financial Licence

In March 2020, the Company purchased a new company in Japan with an existing Type 1 Financial Licence. The acquired company launched its operation in January 2022. The acquired company acts as a market maker and continuously offers buying and selling of CFDs to local customers. This licence is being carried at its allocated purchase cost, and is being amortised over 5 years, the carrying amount at 31 December 2022 being \$540,266 (31 December 2021: \$780,384).

On 4 October 2021, the Company gained 100% control of TF Global Markets (Europe) Ltd (Previous name A-Conversio Capital Limited), a Cyprus based company with an existing Financial Licence. The acquired company has launched its operations during the year ended 31 December 2022 acting as a market maker. This licence is being carried at its allocated purchase cost, and is being amortised over 5 years, the carrying amount at 31 December 2022 being \$721,677 (31 December 2021: \$914,124).

The Company has assessed that neither of these licences are impaired

B. Key estimates – Carrying value and timing of receipt of related party receivables and promissory notes

As at 31 December 2022, the Company holds \$16,701,682 (31 December 2021: \$11,151,134) of receivables and \$1,095,747 (31 December 2021: \$3,446,565) of promissory note due from related parties. The Company has assessed the recoverability of these receivables and promissory notes and is confident the receivables are recoverable within 12 months of the year-end, the promissory notes are recoverable within 3 months, and accordingly, has assessed that both balances are not impaired.

C. Key judgments - Carrying value and assessment of useful life of software

At 31 December 2022 the Company held \$9,269,130 of software (31 December 2021 \$8,465,193), which the company has assessed has useful lives of between 2 to 3 years. The Company has assessed that software is not impaired.

D. Key judgments – going concern

The directors have prepared the financial statements on a going concern basis which contemplates the continuity of normal business activity and realisation of assets and settlement of liabilities in the normal course of business.

The Company incurred a loss after tax in the year from continuing operations of \$18,898,720 (2021: \$11,943,467) and had cash outflows from operating activities of \$9,269,974 for the financial year ended 31 December 2022 (2021: \$8,971,812). As at 31 December 2022, the Company has net assets of \$4,088,155 (2021: \$23,884,664). These factors give rise to a material uncertainty in relation to the Company's ability to realise its assets and settle its liabilities at the amounts stated in the financial statements.

The Company considers that it will be able to meet its obligations as and when they fall due based on the following assumptions, which the Company considers reasonable, as the Company has the option to;

- draw down up to \$18.8 million from a funding facility available which has a maximum facility of \$44.3 million;
- raise additional funding from sophisticated investors; and
- reduce expenses when required.

Accordingly, the financial statements have been prepared on a going concern basis. No adjustments have been made to the financial statements relating to the recoverability or classification of the recorded asset amounts and classification of liabilities that may be necessary should the Company not continue as a going concern.

Notes to the Financial Statements

For the Year Ended 31 December 2022

4 Other Income and expenses

	2022	2021
	\$	\$
(a) Other income		
- Interest income	205,123	124,519
- Gain on sale of subsidiary	-	1,480,049
- Service fee with related party (Note 26 (b))	3,056,341	5,177,056
- Other income	474,061	-
	3,735,525	6,781,624
(b) Trading expenses		
- Liquidity management costs	21,550,205	23,779,696
- Partners cost (note 26(b))	21,811,343	10,690,841
	43,361,548	34,470,537
(c) Finance cost		
- Interest paid/payable to convertible notes holders and debt facility	2,610,531	690,307
- Capital raising cost	661,551	193,867
- Interest expense on leases	245,218	120,127
- Bank loan interest expense	14,124	287,692
- Other interest expense	200,021	210,404
	3,731,445	1,502,397

5 Income Tax Expense

(a) The major components of tax expense (income) comprise:

Current tax expense	76,173	(56,448)
Deferred tax	-	487,871

Income tax expense for continuing operations

76,173 **431,423**

(b) Reconciliation of income tax to accounting profit:

Loss	(18,822,547)	(11,512,044)
Tax (US: 21%; UK: 19%)	30%	30%
	(5,646,764)	(3,453,613)

Add Tax effect of:

- timing difference	(35,597)	487,871
- unrecognised tax losses	6,016,518	3,525,757
- R&D credit	(198,376)	-
- differences in tax rates across jurisdictions	(2,833)	-
- over provision	-	(271,154)
- other	(56,775)	142,562

Income tax expense

76,173 **431,423**

Notes to the Financial Statements

For the Year Ended 31 December 2022

6 Cash and Cash Equivalents

	2022	2021
	\$	\$
Cash at bank and in hand	13,464,327	15,348,650
Promissory note	1,095,747	3,446,565
Short-term deposits	187,272	2,007,413
Total own cash and cash equivalents	14,747,346	20,802,628
Client funds held in segregated accounts *	15,944,226	13,362,165
Total cash and cash equivalents	30,691,572	34,164,793

*The Company holds money on behalf of clients in segregated bank accounts in accordance with the financial services laws and regulations in Australia and other relevant jurisdictions. These monies are classified as 'client funds held in segregated accounts', and these are not co-mingled with the Company's operating accounts, or used by the Company for any purpose other than client obligations. All cash at bank and client funds in segregated accounts are held at Australian Depository Institution or other financial Institutions.

7 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

Profit/(loss) for the year	(18,898,720)	(11,943,467)
Cash flows excluded from profit attributable to operating activities		
- interest in financing	2,855,749	1,308,530
Non-cash flows in profit:		
- amortisation	6,329,510	6,042,305
- impairment loss	-	2,077,131
- depreciation	1,669,352	2,127,294
Changes in assets and liabilities:		
- (increase)/ decrease in trade and other receivables	(4,707,289)	(4,690,884)
- (increase)/ decrease in deferred taxes	131,269	487,871
- increase/ (decrease) in trade and other payables	3,502,120	(4,112,618)
- increase/ (decrease) in income taxes payable	(151,965)	(267,974)
Cashflows from operations	(9,269,974)	(8,971,812)

Notes to the Financial Statements

For the Year Ended 31 December 2022

8 Trade and Other Receivables

	2022	2021
	\$	\$
Trade receivables	259,413	113,441
Deposits	376,791	868,551
Related party receivables (Note 26(b))	14,841,681	10,996,441
Loan to directors (a) (Note 26(b))	1,860,001	154,693
Other receivables	239,519	278,622
Prepayments	399,233	1,421,706
	17,976,638	13,833,454

a) Loans to directors are repayable on demand and is interest free.

The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit loss rate has been determined based on historic bad debts over the Company's total revenue relating to financial year 2022 and hence has not had a significant impact on the Company's performance.

9 Financial Assets

Financial assets at fair value through profit or loss

Preference shares held in director related party	2,125,248	2,125,248
Total	2,125,248	2,125,248

On 21 December 2018 a director related entity, issued 1,500,000 preference shares amounting to \$2,125,248 to TF Global Markets (Aust) Pty Ltd. Preference shares were issued in accordance with the terms and conditions per the by-laws of the related party. This amount was offset against outstanding loan balance payable to TF Global Markets (Aust) Pty Ltd at the time of issue.

The Company has assessed the above financial asset for impairment at balance date. No impairment was required.

Notes to the Financial Statements

For the Year Ended 31 December 2022

10 Property, plant and equipment

	2022	2021
	\$	\$
Plant and equipment		
At cost	3,541,215	2,529,420
Accumulated depreciation	(2,095,593)	(1,645,941)
Total plant and equipment	1,445,622	883,479
Leasehold Improvements		
At cost	456,495	453,468
Accumulated amortisation	(261,831)	(185,017)
Total leasehold improvements	194,664	268,451
Right-of-Use asset		
At cost	6,278,161	6,209,248
Accumulated depreciation	(3,737,979)	(2,298,278)
Total Right-of-Use asset	2,540,182	3,910,970
Total property, plant and equipment	4,180,468	5,062,900

(a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Plant and Equipment \$	Leasehold Improvements \$	Right-of-Use asset \$	Total \$
Year ended 31 December 2022				
Balance at the beginning of year	883,479	268,451	3,910,970	5,062,900
Additions	783,893	3,027	-	786,920
Depreciation expense	(221,750)	(76,814)	(1,370,788)	(1,669,352)
Balance at the end of the year	1,445,622	194,664	2,540,182	4,180,468

	Plant and Equipment \$	Leasehold Improvements \$	Right-of-Use asset \$	Total \$
Year ended 31 December 2021				
Balance at the beginning of year	978,172	406,455	3,493,202	4,877,829
Additions	645,442	-	1,676,699	2,322,141
Disposals	-	(9,775)	-	(9,775)
Depreciation expense	(740,135)	(128,229)	(1,258,931)	(2,127,295)
Balance at the end of the year	883,479	268,451	3,910,970	5,062,900

Notes to the Financial Statements

For the Year Ended 31 December 2022

11 Intangible Assets

	2022	2021
	\$	\$
Financial Service Licence		
Cost	2,162,827	2,162,827
Accumulated amortisation and impairment	(900,884)	(468,319)
Net carrying value	1,261,943	1,694,508
Goodwill		
Cost	89,044	89,044
Net carrying value	89,044	89,044
Work in progress		
Cost	2,757,252	2,757,252
Net carrying value	2,757,252	2,757,252
Computer software		
Cost	27,752,878	21,051,996
Accumulated amortisation and impairment	(18,483,748)	(12,586,803)
Net carrying value	9,269,130	8,465,193
Total Intangibles	13,377,369	13,005,997

(a) Movements in carrying amounts of intangible assets

	Computer software	Goodwill	Work in progress	Licence	Total
	\$	\$	\$	\$	\$
Year ended 31 December 2022					
Balance at the beginning of the year	8,465,193	89,044	2,757,252	1,694,508	13,005,997
Additions	6,700,882	-	-	-	6,700,882
Amortisation	(5,896,945)	-	-	(432,565)	(6,329,510)
Closing value at 31 December 2022	9,269,130	89,044	2,757,252	1,261,943	13,377,369
Year ended 31 December 2021					
Balance at the beginning of the year	9,228,650	89,044	-	1,020,502	10,338,196
Additions	4,990,618	-	2,757,252	-	7,747,870
Additions through business combinations	-	-	-	962,236	962,236
Amortisation	(5,754,075)	-	-	(288,230)	(6,042,305)
Closing value at 31 December 2021	8,465,193	89,044	2,757,252	1,694,508	13,005,997

Notes to the Financial Statements

For the Year Ended 31 December 2022

12 Trade and Other Payables

	2022	2021
	\$	\$
Trade payables	4,594,042	4,580,298
Related party payables (Note 26(b))	3,357,267	2,207,962
Employee benefits	560,864	775,168
Sundry payables and accrued expenses	4,389,650	1,836,275
	12,901,823	9,399,703

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

13 Borrowings

Bank loans (a)	133,249	2,905,320
Other borrowings (a)	80,041	668,336
MARS / Liquidity Funding facility (b)	20,508,656	2,757,242
Convertible notes facility and redeemable preference shares – unsecured (c)	11,267,140	10,389,285
Total borrowings	31,989,086	16,720,183

(a) Bank loan is due for repayment by 3 December 2024. Other borrowings are due to an external party relating to a subscription loan which is due to expire in September 2023. Total amount payable at year-end is \$80,041 (2021: \$117,068).

(b) On 15 November 2021, the Parent Company entered into a debt financing agreement with a facility limit of \$44,280,443 with Mars Growth Capital Fund 1, L.P., and Liquidity Capital II L.P (Lenders). The amount drawn down under this facility arrangement and owing to the lender will be secured by all the assets and rights of the Parent Company and its subsidiaries (as guarantors) including intellectual property and accounts receivables. The financial exposure over the Company's assets at 31 December 2022 amounts to \$20,508,656 (2021: \$2,757,242).

(c) In prior year, the Parent Company issued \$10,317,485 of convertible notes expiring on 31 December 2021 which was extended to 31 December 2022. On 31 December 2022, 23,200 out of 74,200 units of convertible notes were converted into redeemable preference shares (RPSs) amounting to \$3,424,354.

The terms of the RPSs are set out in the Company's Constitution and in addition a dividend rate of 8% per annum calculated monthly and fully franked if the Board so determines by Resolution have been agreed with the Note Holders. Redemption date is either a date determined by the Company, or 30 June 2023 at which date the RPS holder may request a redemption or 31 December 2023. Redemption amount is the issue price of each RPS plus the accrued or cumulative amount of dividends payable on each RPS.

During the year, interest of AUD \$901,341 has been accrued on these notes. On 1 May 2023, the Board of Directors has passed a resolution that all redeemable preference shares issued on 31 December 2022 will be converted to ordinary shares by 30 June 2023.

14 Issued Capital

19,834,168 (2021: 100) Ordinary shares	19,834,168	19,834,168
Total	19,834,168	19,834,168

The holders of ordinary shares and redeemable preference shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote. On 1 May 2023, the Board of Directors passed a resolution that all redeemable preference shares (Refer note 13) issued on 31 December 2022 will be converted to ordinary shares by 30 June 2023. The Company had 2,400,000 options on issue as at 31 December 2022 (2021: 2,400,000), which are exercisable into ordinary shares of the Company at a price of US\$0.001 each, and 177,665 options on issue at 31 December 2022 (2021:nil) which are exercisable into ordinary shares of the Company for no consideration.

Notes to the Financial Statements

For the Year Ended 31 December 2022

15 Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income - foreign currency translation reserve. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

16 Capital and Leasing Commitments

There are no capital commitments as at 31 December 2022 (2021: nil).

17 Financial Risk Management

The Company is exposed to a variety of financial risks through its use of financial instruments. The Company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets. The most significant financial risks to which the Company is exposed to are: Liquidity risk, Credit risk, and Market risk comprising currency risk, interest rate risk and price risk. The principal categories of financial instrument used by the Company are: Trade receivables, related party investments and receivables, cash at bank, bank overdraft, financial assets, borrowings, trade and other payables, convertible notes, and redeemable preference shares and derivative assets.

Objectives, policies and processes

The Board of Directors have overall responsibility for the establishment of the Company's financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and the use of derivatives. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The day-to-day risk management is carried out by the Company's finance function under policies and objectives which have been approved by the Board of Directors. The Director of Finance has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate and foreign exchange rate risk and assessment of market forecasts for interest rate and foreign exchange movements. The Board of Directors receives monthly reports which provide details of the effectiveness of the processes and policies in place. Mitigation strategies for specific risks faced are described below:

Liquidity risk

Liquidity risk arises from the Company's management of working capital and the finance charges. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its operational liabilities, as well as its regulatory capital requirement, and long-term funding requirements. The Company manages its liquidity needs by monitoring cashflows, and liquidity needs daily, as well as on the basis of rolling projections. At the reporting date, these processes indicate that the Company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

Trade and other payables are in accordance with supplier standard trading terms which are usually less than 3 months. Bank loans and other borrowings are within the repayment terms, redeemable preference shares are expected to be converted into ordinary shares prior to 30 June 2023. All other liabilities are repayable upon demand.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

The Company's policy is not to grant credit to clients. Insofar as underlying contracts represent a leveraged trading service, the "credit" applicable to the client's account is limited to the amount of margin within that account, as such the Company has minimal exposure. The Company has sophisticated systems to ensure that trading platforms do not allow clients to exceed trading over their margin balance, in all usual circumstances. The Company has adopted a policy of only dealing with creditworthy clients and counterparties as a means of mitigating the risk of financial loss from defaults. Board of Directors considers that recorded financial assets are not impaired at the reporting date and are of good credit quality, including those that are past due.

Notes to the Financial Statements

For the Year Ended 31 December 2022

17 Financial Risk Management (continued)

Credit risk (continued)

The credit risk for cash and cash equivalents and receivables from brokers is considered negligible, since the counterparties are financial institutions with high quality external credit ratings. Concentration of credit risk is the risk of exposure to a counterparty with a loss potential which is large enough to threaten the solvency or the financial position of the Company.

The Company's clients collectively form its biggest group of counterparties, and as such the Company actively monitors the positions of its clients to ensure adequate collateral (margin) is held against these positions. Each client is required to have minimum funds in their account for opening positions, and for maintaining positions. The client's collateral requirement is based on the aggregate requirement across all of the positions that a client holds at any one moment in time.

The Company maintains collateral in various currencies in order to minimise its credit risk. The Company also utilises a number of broker counterparties to hedge positions against specific clients and also against exposure to specific currency as and when required. All brokers are monitored on an ongoing basis and the Company believes that credit risk is not significant.

The Company's systems automatically monitor each client's margin requirements in real time and confirm that each client has sufficient collateral in their account before trades are executed. If at any point in time a clients' trading position does not comply with the applicable margin requirement, including where there maybe negative equity, the position is automatically liquidated. The incidence of negative equity in client accounts has been immaterial to operations in the period ended 31 December 2022. The Company may be exposed to movements in exchange rates, if the counterparties with which it hedges with are not able to provide the volume of counterparty hedging required by the Company. The Company manages this risk by transacting with several financial institutions to facilitate counterparty hedging. The following table details the Company's maximum exposure to credit risk.

	Gross amount	Past due and impaired	< 30	31-60	> 90
	\$	\$	\$	\$	\$
2022					
Cash and cash equivalents	30,691,572	-	30,691,572	-	-
Trade receivables	259,413	-	259,413	-	-
Other receivables	17,317,992	-	15,457,991	1,860,001	-
Financial assets at fair value	2,125,248	-	-	-	2,125,248
Derivative assets	2,530,091	-	2,530,091	-	-
Total	52,924,316	-	48,939,067	1,860,001	2,125,248
2021					
Cash and cash equivalents	34,164,793	-	34,164,793	-	-
Trade receivables	113,441	-	113,441	-	-
Other receivables	12,298,307	-	11,579,510	154,693	564,104
Financial assets at fair value	2,125,248	-	-	-	2,125,248
Derivative assets	3,771,983	-	3,771,983	-	-
Total	52,473,772	-	49,629,727	154,693	2,689,352

It is expected that these balances will be received when due, there are no amounts considered past due. Amounts are considered as 'past due' when they are not settled within the terms and conditions agreed between the Company and the counterparty. All receivables are assessed for impairment by ascertaining solvency of the counterparty and are provided for where there is objective evidence indicating that the amount may not be fully repaid. The Company does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired. There are no material impaired financial assets.

Notes to the Financial Statements

For the Year Ended 31 December 2022

17 Financial Risk Management (continued)

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

(i) Foreign exchange risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Company holds financial instruments which are other than the AUD functional currency of the Company.

Exposures to currency exchange rates arise from the Company's overseas revenue and purchases, which are primarily denominated in USD, EUR and GBP.

Foreign currency denominated financial assets and liabilities, translated into Australian Dollars at the closing rate, are as follows,

	USD	GBP	EUR	Other currencies	Total AUD
	\$	\$	\$	\$	\$
2022					
Nominal amounts					
Financial assets	6,267,692	3,768,527	6,819,952	6,015,274	22,871,445
Financial liabilities	(714,636)	(2,645,613)	(2,783,101)	(5,095,308)	(11,238,658)
Borrowings	(31,775,796)	-	-	-	(31,775,796)
	<u>(26,222,740)</u>	<u>1,122,914</u>	<u>4,036,851</u>	<u>919,966</u>	<u>(20,143,009)</u>
2021					
Nominal amounts					
Financial assets	12,383,932	2,577,238	4,294,260	2,208,108	21,463,538
Financial liabilities	(2,684,175)	(3,043,639)	(3,601,001)	(1,497,581)	(10,826,396)
Borrowings	(13,146,527)	-	-	-	(13,146,527)
	<u>(3,446,770)</u>	<u>(466,401)</u>	<u>693,259</u>	<u>710,527</u>	<u>(2,509,385)</u>

The following table illustrates the sensitivity of the net equity for the year in regards to Company's financial assets and financial liabilities. There have been no changes in the assumptions calculating this sensitivity from prior years.

It assumes a +/- 10% change of the USD, EUR, and GBP exchange rates against Australian Dollar for the year ended 31 December 2022. The above percentages have been determined based on the Company's assessment of average market volatility in exchange rates in the previous 12 months.

The year-end rate is 0.6775 USD, 0.6411 EUR, and 0.6359 GBP.

The sensitivity analysis is based on the foreign currency financial instruments held at the reporting date and also takes into account forward exchange contracts that offset effects from changes in currency exchange rates.

Notes to the Financial Statements

For the Year Ended 31 December 2022

17 Financial Risk Management (continued)

(i) Foreign exchange risk (continued)

If the Australian Dollar had strengthened and weakened against the following currencies by the above percentages at 31 December 2022, (31 December 2021: 10%) then this would have had the following impact:

	2022		2021	
	+10%	-10%	+10%	-10%
USD				
Equity	2,438,210	(2,980,034)	397,155	(485,412)
EUR				
Equity	(354,086)	432,772	(62,013)	75,794
GBP				
Equity	(103,542)	126,551	42,400	(51,822)
Other currencies				
Equity	(4,542)	5,551	(64,593)	78,947

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Company's exposure to foreign currency risk.

(ii) Interest rate risk

The Company is exposed to interest rate risk as funds are borrowed at floating and fixed rates. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates. At the reporting date, the Company is exposed to changes in market interest rates through its bank borrowings, which is subject to variable interest rates.

The following table illustrates the sensitivity of the net result for the year and equity to a reasonably possible change in interest rates of +10% and -10% (2021: +10%/-10%), with effect from the beginning of the year. These changes are considered to be reasonably possible based on observation of current market conditions and economist reports.

Notes to the Financial Statements

For the Year Ended 31 December 2022

17 Financial Risk Management (continued)

(ii) Interest rate risk (continued)

The calculations are based on the financial instruments held at each reporting date. All other variables are held constant.

	2022		2021	
	+10%	-10%	+10%	-10%
	\$	\$	\$	\$
Net results	21,925	(21,925)	28,769	(28,769)

18 Capital Management

The Company's objectives when managing capital are to meet all regulatory capital requirements and to safeguard the ability to continue as a going concern, so that the Company can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

19 Operating Segments

Identification of reportable segments

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources.

The Company is managed primarily on the basis of product category and service offerings as the diversification of the Company's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following: the product services provided by the segment; the type or class of customer for the services; the distribution method; and, any external regulatory requirements.

Performance is measured based on segment profit before income tax as included in the internal financial reports.

The Company has identified reportable segments based on geographic location as follows.

Notes to the Financial Statements

For the Year Ended 31 December 2022

19 Operating Segments (continued)

Reportable segment by geographic location

(i) Australia

Total is made up of the following entities: TF Global Markets (Aust) Ltd, TF Global Securities (Aust) Pty Ltd (formerly known as Pinnacle Adviser Services Pty Ltd), TF Global Markets Equities (Aust) Pty Limited.

(ii) United Kingdom

Total is made up of the following entities: TF Global Markets (UK) Limited, TF Global UK Services Limited.

(iii) USA

Total is made up of the following entities: Think Liquidity LLC, ACG Management Solutions LLC, TF Global Markets US LLC, TF Global Markets Operations LLC, Think Financial Group Inc. Delaware.

(iv) Others

Total is made up of the following entities: TF Global Markets ME DMCC, Think Capital Services Limited EOOD, TF Global Markets South Africa (Pty) Ltd, TF Global Markets (International) Ltd, TF Global Markets (Japan) Ltd, TF Global Markets Int Ltd, TF Global Markets Ltd, TF Global Markets (Europe) Ltd.

Notes to the Financial Statements

For the Year Ended 31 December 2022

19 Operating Segments (continued)

(a) Segment performance

	Australia		UK		Others		USA		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total segment income	88,747,189	83,176,243	168,575	124,519	201,068	(69,754)	11,187	998,905	89,128,020	84,229,913
Total segment expense	(80,196,438)	(68,333,966)	(7,481,167)	(6,811,944)	(8,816,827)	(5,554,307)	(11,456,134)	(15,041,740)	(107,950,566)	(95,741,957)
Income tax expense/ (benefit)	-	(360,614)	(23,703)	(24,032)	(52,470)	(54,103)	-	7,326	(76,173)	(431,423)
Segment operating profit/(loss)	8,550,751	14,481,663	(7,336,295)	(6,711,457)	(8,668,229)	(5,678,164)	(11,444,947)	(14,035,509)	(18,898,719)	(11,943,467)
Segment assets	45,314,149	48,549,969	9,642,089	11,710,420	13,174,178	5,513,488	2,750,969	2,418,516	70,881,385	68,192,392
Segment liabilities	(42,512,814)	(27,355,470)	(11,943,628)	(10,160,240)	(10,015,442)	(3,073,751)	(2,321,347)	(3,718,267)	(66,793,231)	(44,307,728)

Notes to the Financial Statements

For the Year Ended 31 December 2022

20 Parent entity

The following information has been extracted from the books and records of the Parent Company, Think Financial Group Holdings Limited and has been prepared in accordance with International Financial Reporting Standards. The financial information for the Parent Company, Think Financial Group Holdings Limited has been prepared on the same basis as the consolidated financial statements.

	2022	2021
	\$	\$
Statement of Financial Position		
Total Assets	53,268,765	41,738,590
Total Liabilities	(37,633,592)	(22,860,509)
Net Assets	15,635,173	18,878,081
Total Equity	15,635,173	18,878,081

Statement of profit or loss and other comprehensive income

Total revenue	361,532	775,981
Total expenses	(3,604,440)	(1,024,787)
Net loss	(3,242,908)	(248,806)

Contingent liabilities

The parent entity did not have any contingent liabilities as at 31 December 2022 or 31 December 2021.

21 Key Management Personnel Remuneration

Key Management personnel remuneration included within employee expenses for the year is shown below:

Short-term employee benefits	1,316,179	1,342,068
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22 Auditors' Remuneration

Remuneration of the auditor for:

- auditing or reviewing the financial statements	180,000	155,000
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23 Fair Value Measurement

The Company measures the following assets and liabilities at fair value on a recurring basis: Derivative Assets, Client monies liabilities and Financial assets.

Fair value hierarchy

IFRS13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Unobservable inputs for the asset or liability.

All financial assets except for preference shares in Directors related party are measured at fair value fall into level 2 hierarchy. Preference shares in Directors related party and convertible notes fall into level 3 hierarchy. All financial liabilities are measured at fair value fall into level 2 hierarchy. There have been no transfers between assigned hierarchies during the period.

Notes to the Financial Statements

For the Year Ended 31 December 2022

24 Franking Credits

The Parent Company has franking account balance is \$17,225 as at 31 December 2022 (31 December 2021: \$17,225).

25 Contingencies

- (a) TF Global Markets (Aust) Pty Ltd and its subsidiary companies (TFGM Group) have active litigation against IS Prime Limited and related parties ("IS Prime") stemming from a 2017 asset sale and follow-on liquidity and service contracts. The dispute currently involves lawsuits in the U.K. and U.S. Any future financial costs associated with this litigation cannot be determined with certainty as the timing and outcome are unknown as of this report's date.
- (b) In February 2021 a claim in the sum of \$6,318,552 was made by a client against TF Global Markets (UK) Limited (TFUK, subsidiary company) on account of certain trades during the current financial year. TFUK disputes this claim and is of the view that the client committed multiple breaches of the company's trading terms and conditions and other agreements. The directors have sought legal advice on this matter and believe that the claim is unlikely to be successful. Hence no provision has been recognised by the directors in the financial statements. The parent company has agreed to indemnify TFUK of all costs associated with this matter.

Other than the above, the Company did not have any other contingencies at 31 December 2022 (31 December 2021: None).

26 Related Parties

(a) The Company's main related parties are as follows:

The ultimate parent entity, which exercises control over the Company, is Think Financial Group Holdings Limited which is incorporated in Australia.

Key Management personnel - refer to Note 21; Subsidiaries - refer to Note 27.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) Transactions with related parties

Transactions between related parties are supported by signed agreement between the parties.

The following transactions occurred with related parties:

	Trading expense \$	Trading income \$	Financial Assets	Owed to the Company \$	Balance outstanding Owed by the Company \$
Directors related company					
Trading revenue and trading costs (a)	21,811,343	62,700,158	-	-	-
Service fee & other income (b)		3,056,341	-	-	-
Consulting and international services	134,772	-	-	-	-
Receivables (Note 8), (c)	-	-	-	14,841,681	-
Payables (Note 12), (c)	-	-	-	-	3,357,267
Preference shares (Note 9)	-	-	2,125,248	-	-
Loan to/from					
Directors (Note 8)	-	-	-	1,860,001	-

- (a) An agreement has been entered into with a related party where the Company provides hedging services (hedging counterparty) which entitles them to gains and losses from related party's customer trades. Accordingly, trading costs such as commission and payment service provider charges are also recognised by the Company.
- (b) Included in this balance is revenue generated from a 2 year software license agreement entered into in January 2021 with a related party whereby the Company charges a fixed monthly fee for the use of proprietary software.
- (c) Related party receivables and payables are held with various KMP related companies.

Notes to the Financial Statements

For the Year Ended 31 December 2022

27 Interests in Subsidiaries

(a) Composition of the Company

	Principal place of business / Country of Incorporation	Percentage Owned (%) 2022	Percentage Owned (%) 2021
Subsidiaries:			
TF Global Markets (UK) Limited	UK	100	100
Think Liquidity LLC*	USA	100	100
TF Global Markets ME DMCC*	Dubai	100	100
Think Capital Services Limited EOOD	Bulgaria	100	100
ACG Management Solution LLC	USA	100	100
Think Capital UK Services Ltd	UK	100	100
TF Global Markets South Africa (Pty) Ltd	South Africa	100	100
TF Global Markets (International) Ltd	Cayman Island	100	100
TF Global Markets (Aust) Pty Ltd	Australia	100	100
TF Global Markets (Japan) Ltd	Japan	100	100
TF Global Markets Ltd	British Virgin Islands	100	100
TF Global Securities (Aust) Pty Ltd	Australia	100	100
TF Global Markets Equities (Aust) Pty Limited	Australia	100	100
TF Global Markets US LLC	USA	100	100
TF Global Markets Operations LLC	USA	100	100
Think Financial Group Inc. Delaware*	USA	100	100
TF Global Markets (Europe) Ltd	Cyprus	100	100
Think Delta (Kenya) Ltd*	Kenya	100	-
Liquidity Network Pty Ltd*	Australia	100	-

* Dormant entities

Notes to the Financial Statements

For the Year Ended 31 December 2022

28 Client Monies

	2022	2021
	\$	\$
Client monies owing – closed positions	18,474,317	17,134,148
Derivative assets, net – open positions	(2,530,091)	(3,771,983)
Net amount owing to clients	<u>15,944,226</u>	<u>13,362,165</u>

The total net amount owing to both retail and wholesale clients is held in segregated accounts. Refer to Note 6.

29 Events Occurring After the Reporting Date

- On 28 February 2023, a related party has issued \$7,380,074 promissory note to TF Global Markets (Aust) Pty Ltd, of which \$5,083,395 has been received at the date of this report.
- Post year-end the Company paid \$3,983,467 (principal and interest) of MARS and Liquidity Funding loan.
- Post year-end, 1 convertible note holder has redeemed \$401,963.
- On 1 May 2023, the Board of Directors has passed a resolution that all redeemable preference shares issued on 31 December 2022 will be converted to ordinary shares by 30 June 2023.

The consolidated financial report was authorised for issue on 5 May 2023 by the Board of Directors

Other than the matters already disclosed in the financial report, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

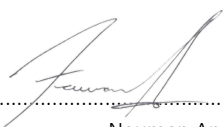
Directors' Declaration

In the Directors' opinion:

1. the consolidated financial statements and notes set out on pages 4 to 30 are in accordance with the *Corporations Act 2001* and the *International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board*, including:
 - a. complying the Australian *Corporations Regulation 2001*; and
 - b. giving a true and fair view of the Company's financial position as at 31 December 2022 and of its performance for the financial year ended on that date;
2. the Financial Statements also comply with International Financial Reporting Standards, as disclosed in the Basis of Preparation to the Financial Statements.
3. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director



Nauman Anees

Director



Ilyas Ahmed

Dated this 5th day of May 2023

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THINK FINANCIAL GROUP HOLDINGS LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Think Financial Group Holdings Limited and its controlled entities (together, the Company), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Directors' Declaration of the Company.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Company's consolidated financial position as at 31 December 2022 and of its consolidated financial performance for the year ended on that date; and
- b) complying with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB), and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with International Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Report section of our report. We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia; and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern

We draw your attention to Note 3(D) in the financial report which indicates that Company incurred a loss after tax in the year from continuing operations of \$18,898,720 (2021: \$11,943,467 loss) and has cash outflow from operating activities of \$9,269,974 (2021: \$8,971,812) for the financial year ended 31 December 2022. The Company has net assets of \$4,088,155 (2021: \$23,884,664).

These conditions, along with other matters set out in Note 3(D), indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter. No adjustments have been made to the financial report relating to the recoverability or classification of the recorded asset amounts and classification of liabilities that may be necessary should the Company not continue as a going concern.

Directors' Responsibilities

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with International Financial Reporting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with International Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting in the preparation of the financial report. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events and conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the disclosures in the financial report about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial report. However, future events or conditions may cause an entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

LNP Audit and Assurance Pty Ltd



Archana Kumar
Director

Melbourne Australia, 5 May 2023



Think Financial Group Holdings Limited and Controlled Entities

Consolidated Financial Statements

For the Year Ended 31 December 2021

The registered office and principal place of business of the company is:
Think Financial Group Holdings Limited
Level 18, 357 Collins Street
Melbourne VIC 3000

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Directors' Report

31 December 2021

The directors present their report, together with the consolidated financial statements of the Company, comprising of Think Financial Group Holdings Limited and its subsidiaries (together, the Company), at the end of, or during, the financial year ended 31 December 2021 and 2020.

Directors

The directors who have been in office since the start of the financial year to the date of this report are:

Nauman Anees

Faizan Anees

Ilyas Ahmed – appointed on 1 August 2022

Harshad Subhash Kale – resigned on 31 October 2022

Principal activity

The principal activity of the Company during the financial year was the provision of cash equities and share trading services, provision of over the counter (OTC) derivative contracts over a wide range of instruments and commodities, including foreign exchange, shares, precious metals, energy, indices, cryptos and other commodities. The nature of this activity did not change significantly during the year.

Operating results and review of operations for the year

The consolidated loss of the Company amounted to \$11,943,467 (2020 profit: \$2,407,898). A review of the operations of the Company during the financial period and the results of those operations show that revenue decreased by 12% to \$84,229,913 (2020: \$96,213,360); The financial result includes legal costs \$3,715,169 and depreciation and amortisation charge of \$8,169,599. Net cash outflows from operations were \$8,971,812 compared to net cash inflows of \$12,615,736 in 2020; cash and cash equivalents decreased to \$34,164,793 compared to \$46,037,266 in the previous year; Total assets at 31 December 2021 were \$71,964,375 (2020: \$81,993,784).

Significant changes in state of affairs

- (a) On 15 November 2021, the Parent Company entered into a debt financing agreement with a facility limit of \$44,280,443 with Mars Growth Capital Fund 1, L.P., and Liquidity Capital II L.P (Lenders). The amount drawn down under this facility arrangement and owing to the lender will be secured by all the assets and rights of the Parent Company and its subsidiaries' (as guarantors) including intellectual property and accounts receivables. The financial exposure over the Company's assets at 31 December 2021 amounts to \$2,757,242 (Note 13).
- (b) On 31 December 2021 TF Global Markets Int Ltd a company incorporated in Seychelles was sold to a related party for \$1,240,763 on 31 December 2021, the date on which the parent lost control.
- (c) In October 2021 the Company gained 100% control of TF Global Markets (Europe) Ltd (formerly known as A-Conversio Capital Limited). Refer to Note 27(b) for details.
- (d) During the year; Class A shares amounting to \$98; Preference shares amounting to \$3,340,970 has been fully converted to ordinary shares; and CPSA convertible preference shares (45,066,000 shares) and CPSB convertible preference shares (26,134,469 shares) were converted into ordinary shares.
- (e) In February 2021 a claim from Institutional client was made by a client against TF Global Markets (UK) Limited (TFUK, subsidiary company) on account of certain trades made by the client during the current financial year. The subsidiary company disputes this claim and has obtained legal advice. Refer to Note 25(b) for details.
- (f) TF Global Markets (Aust) Pty Ltd changed its company type from a public company limited by shares to a proprietary company limited company by shares on 5 November 2021. Pinnacle Adviser Services Pty Ltd changed its name to TF Global Securities (Aust) Pty Ltd on 1 December 2021.

Other than the above, there were no other significant changes in the state of affairs of the Company occurred during the financial year.

Dividends paid or recommended

No dividend been paid or declared by the parent company. The subsidiary company TF Global Markets (Aust) Pty Ltd has declared and paid a fully franked dividend to Think Financial Group Holdings Limited amounting to \$700,000 on 11 August 2021.

Directors' Report

31 December 2021

Events after the reporting date

- During the 2022 financial year, TF Global Markets (Aust) Pty Ltd (a wholly owned subsidiary) received three promissory notes from a related party:
 - 28 February 2022 in the sum of \$3,481,000 AUD equivalent
 - 31 May 2022 in the sum of \$3,478,500 AUD equivalent
 - 30 November 2022 in the sum of \$4,479,000 AUD equivalent

The company has received the above promissory notes in cash within the timeframe specified in the note. As at 31 December 2022, \$1,095,747 remains outstanding and the balance was received in full after year-end.

- On 31 December 2022, 23,200 out of 74,200 convertible notes were converted into redeemable preference shares amounting to \$3,424,354. Refer to Note 13. On 1 May 2023, the Board of Directors has passed a resolution that all redeemable preference shares issued on 31 December 2022 to be converted to ordinary shares by 30 June 2023.
- On 28 February 2023, a director related party has issued \$7,380,074 promissory note to TF Global Markets (Aust) Pty Ltd, of which \$5,083,395 has been received at the date of this report.
- Post 31 December 2022, the Company paid \$3,983,467 (principal and interest) of MARS and Liquidity Funding loan. 1 convertible note holder has redeemed convertible notes amounting to \$401,963.
- The Directors have prepared financial statements on a going concern basis as the Directors consider the Company will be able to meet its obligations as and when they fall due. Refer to Note 3(D) for details.

Other than the matters already disclosed in the financial report, no matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Future developments and results

Likely developments in the operations of the Company and the expected results of those operations in future financial years are aligned with the Company's overall growth strategy and in accordance with the regulatory requirements.

Environmental issues

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia or other jurisdictions.

Indemnification and insurance of officers and auditors

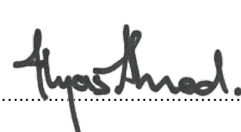
The Company maintains appropriate insurances for the indemnification of directors and officers. The Company does not maintain insurances covering the auditor of the Company. The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability and legal expenses insurance contracts as such disclosure is prohibited under the terms of the contract.

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 December 2021 has been received and can be found on page 3 of the consolidated financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: 
Nauman Anees

Director: 
Ilyas Ahmed

Dated this 5th day of May 2023

ABN 65 155 188 837

L8 309 Kent Street Sydney NSW 2000

L24 570 Bourke Street Melbourne VIC 3000

L14 167 Eagle Street Brisbane QLD 4000

1300 551 266

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AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF THINK FINANCIAL GROUP HOLDINGS LIMITED

As lead auditor of Think Financial Group Holdings Limited for the year ended 31 December 2021 and 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
2. no contraventions of any applicable code of professional conduct in relation to the audit.

LNP Audit and Assurance Pty Ltd



Archana Kumar

Director

Melbourne Australia, 5 May 2023

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2021

		2021	2020
	Note	\$	\$
Trading income		77,448,289	93,579,686
Other income	4 (a)	6,781,624	2,633,674
Total income		84,229,913	96,213,360
Trading expenses	4 (b)	(34,470,537)	(44,067,824)
Marketing expenses		(4,635,445)	(2,413,901)
Administrative expenses		(4,191,276)	(5,046,240)
Employee costs		(17,075,151)	(14,365,126)
IT expenses		(7,651,324)	(6,127,331)
Consulting and professional fee		(10,495,349)	(7,593,586)
Depreciation and amortisation expense		(8,169,599)	(4,993,334)
Bank and merchant fees		(5,473,748)	(5,027,271)
Impairment loss		(2,077,131)	(1,515,591)
Finance expenses	4 (c)	(1,502,397)	(1,748,897)
Profit/(loss) before income tax		(11,512,044)	3,314,259
Income tax expense	5	(431,423)	(906,361)
Profit/(loss) for the year after tax		(11,943,467)	2,407,898
Other comprehensive income, net of income tax			
Items that will be reclassified to profit or loss when specific conditions are met			
Exchange differences on translating foreign controlled entities		720,823	(646,038)
Other comprehensive income for the year, net of tax		720,823	(646,038)
Total comprehensive income for the year		(11,222,644)	1,761,860

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

31 December 2021

	Note	2021 \$	2020 \$
ASSETS			
Cash and cash equivalents	6	34,164,793	46,037,266
Trade and other receivables	8	13,833,454	13,236,080
Financial assets	9	2,125,248	2,125,248
Property, plant and equipment	10	5,062,900	4,877,829
Intangible assets	11	13,005,997	10,338,196
Derivative asset	28	3,771,983	4,975,732
Deferred tax assets		-	403,433
TOTAL ASSETS		71,964,375	81,993,784
LIABILITIES			
Trade and other payables	12	9,399,703	10,755,069
Borrowings	13	16,720,183	21,883,004
Client monies liabilities	28	17,134,148	26,227,573
Current tax liabilities		322,926	590,900
Lease liabilities		4,418,313	3,922,930
Deferred tax liabilities		84,438	-
TOTAL LIABILITIES		48,079,711	63,379,476
NET ASSETS		23,884,664	18,614,308
EQUITY			
Share capital	14	19,834,168	3,341,168
Reserves		(702,100)	(1,422,923)
Retained profits		4,752,596	16,696,063
TOTAL EQUITY		23,884,664	18,614,308

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2021

2021

	Ordinary Shares \$	Preference Shares \$	Retained Earnings \$	Class A Shares \$	Foreign Currency Translation Reserve \$	Total \$
Balance at 1 January 2021	100	3,340,970	16,696,063	98	(1,422,923)	18,614,308
Loss attributable to members of the parent entity	-	-	(11,943,467)	-	-	(11,943,467)
Total other comprehensive income for the year	-	-	-	-	720,823	720,823
Transactions with owners in their capacity as owners						
Shares converted	3,341,068	(3,340,970)	-	(98)	-	-
CPSA and CPSB converted	16,493,000	-	-	-	-	16,493,000
Balance at 31 December 2021	19,834,168	-	4,752,596	-	(702,100)	23,884,664

2020

	Ordinary Shares \$	Preference Shares \$	Retained Earnings \$	Class A Shares \$	Foreign Currency Translation Reserve \$	Total \$
Balance at 1 January 2020	100	3,340,970	15,985,509	100	(776,885)	18,549,794
Profit attributable to members of the parent entity	-	-	2,407,898	-	-	2,407,898
Total other comprehensive income for the year	-	-	-	-	(646,038)	(646,038)
Transactions with owners in their capacity as owners						
Dividends provided for or paid	-	-	(1,697,344)	-	-	(1,697,344)
Shares cancelled	-	-	-	(2)	-	(2)
Balance at 31 December 2020	100	3,340,970	16,696,063	98	(1,422,923)	18,614,308

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2021

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		80,950,448	94,375,729
Payments to suppliers and employees		(84,167,638)	(75,863,181)
Interest received		124,519	192,864
Interest paid		(193,867)	-
Payment for bank fee & merchant PSP charges		(5,473,748)	(5,027,271)
Income taxes paid		(211,526)	(1,062,405)
Net cash (used in)/provided by operating activities	7	<u>(8,971,812)</u>	<u>12,615,736</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payment for acquisition of intangible assets		(4,990,618)	(4,339,126)
Payment for business acquisition		-	(2,429,190)
Proceeds from financial assets		-	411,383
Purchase of plant and equipment		(519,594)	(761,822)
Net cash used in investing activities		<u>(5,510,212)</u>	<u>(7,118,755)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds/ (repayment) of borrowings		12,384,321	(405,566)
Dividends paid to ordinary shareholders		-	(1,697,344)
Lease payments		(1,417,514)	(1,112,551)
Interest paid on borrowings		(1,188,403)	(546,590)
Net cash provided by/(used in) financing activities		<u>9,778,404</u>	<u>(3,762,051)</u>
Effects of exchange rate changes on cash and cash equivalents		720,823	(271,533)
Client monies received/(paid)		(7,889,676)	2,079,821
Net increase/(decrease) in cash and cash equivalents held		<u>(11,872,473)</u>	<u>3,543,218</u>
Cash and cash equivalents at beginning of year		46,037,266	42,494,048
Cash and cash equivalents at end of financial year	6	<u><u>34,164,793</u></u>	<u><u>46,037,266</u></u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2021

1 Basis of Preparation

The consolidated financial report covers Think Financial Group Holdings Limited (TFGH) and its subsidiaries (together, the Company). TFGH (Parent company) is a for-profit unlisted public company, incorporated and domiciled in Australia.

The financial statements are general purpose financial statements that have been prepared in accordance with the requirements of Australian Corporations Act 2001 (*Corporations Act 2001*) and International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) (collectively referred to as IFRS).

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

The financial report was authorised for issue by the Directors on 5 May 2023.

Comparatives are consistent with previous year unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Basis of consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost. Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements. Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a December financial year end.

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. A list of controlled entities is contained in Note 27(a) to the financial statements.

(b) Business combinations

Business combinations are accounted for by applying the acquisition method which requires an acquiring entity to be identified in all cases. The acquisition date under this method is the date that the acquiring entity obtains control over the acquired entity. The fair value of identifiable assets and liabilities acquired are recognised in the consolidated financial statements at the acquisition date.

Goodwill or a gain on bargain purchase may arise on acquisition, this is calculated by comparing the consideration transferred and the amount of non-controlling interest in the acquiree with the fair value of the net identifiable assets acquired. Where consideration is greater than the net assets acquired, the excess is recorded as goodwill. Where the net assets acquired are greater than the consideration, the measurement basis of the net assets are reassessed and then a gain from bargain purchase recognised in profit or loss.

All acquisition-related costs are recognised as expenses in the periods in which the costs are incurred except for costs to issue debt or equity securities. Any contingent consideration which forms part of the combination is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and the settlement is accounted for within equity. Otherwise, subsequent changes in the value of the contingent consideration liability are measured through profit or loss.

Notes to the Financial Statements

For the Year Ended 31 December 2021

2 Summary of Significant Accounting Policies

(c) Revenue and other income

Principal revenue streams are recognised as follows.

Trading revenue. The Company makes markets for foreign exchange contracts and derivative financial products. Trading revenue represents related brokerage activities for establishing these markets, including spread, commission and funding charges made to clients in respect of the opening, holding and closing of contracts; and gains and losses arising on such client trading activity and the transactions undertaken to hedge the risk associated with client trading activity. Transactions are recorded on the trade date and open client and hedging positions are carried at fair market value, with positions marked to market daily. Resulting gains and losses arising are recognised in trading revenue together with gains and losses realised on client positions that have closed.

Open client positions which are recognised as derivatives are carried at fair value with the gains and losses arising on valuation recognised as trading income. Trading income also includes gains and losses arising on trading activity with liquidity providers. Both unrealised gains and losses on open positions, and gains and losses realised on closed positions are recognised in trading income.

Revenue from contracts with customers – service income

Service income including software license fee is recognised in the accounting period in which the services are rendered.

Interest income is reported on an accrual basis using the effective interest method.

Other income is recognised on an accruals basis when the Company is entitled to it.

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

(d) Income Tax

The tax expense recognised in the consolidated statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense. Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised. At year-end, no deferred tax asset has been recognised for unused tax losses.

(e) Finance costs

Finance cost includes all interest related expenses, capital raising costs and other than those arising from financial assets at fair value through profit or loss.

(f) Cash and cash equivalents

Cash and cash equivalents comprises cash at bank and on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the consolidated statement of cash flows.

Notes to the Financial Statements

For the Year Ended 31 December 2021

2 Summary of Significant Accounting Policies

(g) Financial instruments

Recognition

The Company determines the classification of its financial instruments at initial recognition in accordance with the categories outlined below and re-evaluates this designation at each financial year end. When financial instruments are recognised initially, they are measured at fair value, being the transaction price plus, in the case of financial assets and financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Financial assets measured at fair value through profit and loss are financial assets that are not classified and measured at amortised cost or as fair value through other comprehensive income. These assets are carried in Statement of Financial Position at fair value with gains or losses recognised in revenue. The Company's financial assets measured at fair value through profit and loss comprise of client assets held in trust and margin receivables from brokers and payment service providers.

Financial assets measured at amortised cost are financial assets which are held to collect the contractual cash flows. The contractual terms of the financial assets give rise to payments on specified dates that are solely payments of principal and interest on the principal amount outstanding. The Company's financial assets measured at amortised cost comprise cash and cash equivalents and trade and other receivables.

Financial liabilities include trade and other payables, lease liabilities, client monies liabilities and borrowings. These are measured subsequently at amortised cost using the effective interest method. The interest expense is calculated during each reporting period by applying the effective interest rate and reflected on the Statement of Profit or Loss and Other Comprehensive Income.

Impairment

The impairment charge in the statement of comprehensive income includes the change in expected credit losses. Expected credit losses are recognised for trade receivables (excluding margin receivables from brokers and payment service providers held at fair value through profit and loss), cash and cash equivalents and other receivables. Expected credit losses are calculated as the difference between the contractual cash flows that are due to the Company and the cash flows that the Company expects to receive given the probability of default and loss given default, discounted at the original effective interest rate.

(h) Derivative financial instruments

The Company's customers enter into the Derivative Contracts on a margin basis with the relevant Licensed entity. The settlement date for unsettled contracts (open positions) at 5 pm New York (EST) time is automatically rolled over by the Licensed entity to the next business day. The rolled-over Derivative Contracts, therefore, could be viewed as in substance synthetic forward foreign exchange contracts. The Licensed entity may enter into equal and opposite Derivative Contracts with its hedging counterparties, in order to hedge price fluctuations as part of its risk management strategy.

The Company operates as a "market maker" and continuously offers prices for the buying and selling of CFDs. Customers can only settle Derivative Contracts by entering equal and opposite Derivative Contracts with the Company at its quoted prices. The Derivative Contracts are initially recognised at fair value on the date on which a derivative financial instrument is entered into using the contract price that the Licensed entity offers the equal and opposite Derivative Contract and are subsequently re-measured at fair value using the same methodology. Assets or liabilities resulting from profits or losses on clients' open positions are carried at fair value and has been disclosed in the statement of financial position on a net basis either as derivative asset or derivative liability.

(i) Client funds

As a part of its business, the Licensee receives deposits from customers to secure their trading positions. Deposits are held in segregated client accounts with authorised deposit taking institutions (ADI's) and other financial institutions, as required by the Licensee's Australian Financial Services Licence, Financial Conduct Authority and the financial services laws applicable in that country. Assets or liabilities resulting from profits or losses on clients' open positions are carried at fair value. Client funds are netted against, or presented with, the valuation of financial derivative positions, resulting in a net payable.

Notes to the Financial Statements

For the Year Ended 31 December 2021

2 Summary of Significant Accounting Policies

(j) Intangibles

Software is carried at cost less any accumulated amortisation and impairment losses. It is amortised over its estimated useful life of between two to three years.

Financial Services Licence acquired via acquisition of subsidiaries (note 27(b)) has a finite life and are carried at cost less any accumulated amortisation and impairment losses. The Financial Licence has an estimated useful life of five years. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if accordingly.

Goodwill arises as a result of the acquisition of subsidiaries. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or company's of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

(k) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment. Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable. Property, plant and equipment are measured using the historic cost model.

Property, plant and equipment is depreciated on a straight-line basis over the assets' useful life to the Company, commencing when the asset is ready for use. Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life. The depreciation rates used for plant and equipment range from 25% to 50%. At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(l) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(m) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST) or valued added tax (VAT), except where the amount of GST/ VAT incurred is not recoverable from the Australian Taxation Office (ATO) and other regulatory bodies. Receivables and payables are stated inclusive of GST/VAT. Cash flows in the consolidated statement of cash flows are included on a gross basis and the GST/VAT component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Notes to the Financial Statements

For the Year Ended 31 December 2021

2 Summary of Significant Accounting Policies

(n) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares.

(o) Foreign currency transactions and balances

Foreign currency transactions are recorded at the spot rate on the date of the transaction. At the end of the reporting period: Foreign currency monetary items are translated using the closing rate; Non-monetary items that are measured at historical cost are translated using the exchange rate at the date of the transaction; and Non-monetary items that are measured at fair value are translated using the rate at the date when fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition or in prior reporting periods are recognised through profit or loss.

Foreign operations

The financial results and position of foreign operations whose functional currency is different from Think Financial Group Holdings Limited's presentation currency are translated as follows; assets and liabilities are translated at year-end exchange rates prevailing at that reporting date; income and expenses are translated at average exchange rates for the period where the average rate approximates the rate at the date of the transaction; and, retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Company's foreign currency translation reserve in the consolidated statement of financial position. These differences are recognised in the consolidated statement of profit or loss and other comprehensive income in the relevant period.

(p) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for their annual reporting period commencing 1 January 2021. The adoption of these standards did not have any impact on the amount recognised in prior periods and are not expected to significantly affect the current or future periods.

(q) New Accounting Standards and Interpretations

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2022, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect in the current or future reporting periods and on foreseeable future transactions.

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these consolidated financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Notes to the Financial Statements

For the Year Ended 31 December 2021

3 Critical Accounting Estimates and Judgments (continued)

A. Key estimates – Carrying value and assessment of useful life of Japan Type 1 Financial License and Cyprus Financial Licence

In March 2020, the Company purchased a new company in Japan with an existing Type 1 Financial Licence. The acquired company launched its operation in January 2022. The acquired company acts as a market maker and continuously offers buying and selling of CFDs to local customers. This licence is being carried at its allocated purchase cost, and is being amortised over 5 years, the carrying amount at 31 December 2021 being \$780,384 (31 December 2020: \$1,020,502).

On 4 October 2021, the Company gained 100% control of TF Global Markets (Europe) Ltd (Previous name A-Convorsio Capital Limited), a Cyprus based company with an existing Financial Licence. The acquired company has launched its operations during the year ended 31 December 2022 acting as a market maker. This licence is being carried at its allocated purchase cost, and is being amortised over 5 years, the carrying amount at 31 December 2021 being \$914,124).

The Company has assessed that neither of these licences are impaired.

B. Key estimates – Carrying value and timing of receipt of related party receivables and promissory notes

As at 31 December 2022, the Company holds \$16,701,682 (31 December 2021: \$11,151,134, 31 December 2020: \$10,907,219) of receivables and \$1,095,747 (31 December 2021: \$3,446,565, 31 December 2020: \$6,491,800) of promissory note due from related parties. The Company has assessed the recoverability of these receivables and promissory notes and is confident the receivables are recoverable within 12 months of the year-end, the promissory notes are recoverable within 3 months, and accordingly has assessed that both balances are not impaired.

C. Key judgments - Carrying value and assessment of useful life of software

At 31 December 2022 the Company held \$9,269,130 of software (31 December 2021 \$8,465,193, 31 December 2020 \$9,228,650), which the company has assessed has useful lives of between 2 to 3 years. The Company has assessed that software is not impaired.

D. Key judgments – going concern

The directors have prepared the financial statements on a going concern basis which contemplates the continuity of normal business activity and realisation of assets and settlement of liabilities in the normal course of business.

The Company incurred a loss after tax in the year ended 31 December 2022 from continuing operations of \$18,898,720 (2021: \$11,943,467) and had cash outflows from operating activities of \$9,269,974 for the financial year ended 31 December 2022 (2021: \$8,971,812). As at 31 December 2022, the Company has net assets of \$4,088,155 (2021: \$23,884,664). These factors give rise to a material uncertainty in relation to the Company's ability to realise its assets and settle its liabilities at the amounts stated in the financial statements.

The Company considers that it will be able to meet its obligations as and when they fall due based on the following assumptions, which the Company considers reasonable, as the Company has the option to;

- draw down up to \$18.8 million from a funding facility available which has a maximum facility of \$44.3 million;
- raise additional funding from sophisticated investors; and
- reduce expenses when required.

Accordingly, the financial statements have been prepared on a going concern basis. No adjustments have been made to the financial statements relating to the recoverability or classification of the recorded asset amounts and classification of liabilities that may be necessary should the Company not continue as a going concern.

Notes to the Financial Statements

For the Year Ended 31 December 2021

4 Other Income and expenses

	2021 \$	2020 \$
(a) Other income		
- Interest income	124,519	192,864
- Gain on sale of subsidiary	1,480,049	-
- Service fee and other income	5,177,056	2,440,810
	<u>6,781,624</u>	<u>2,633,674</u>
(b) Trading expenses		
- Liquidity management costs	23,779,696	29,558,066
- Partners cost (note 26(b))	10,690,841	14,509,758
	<u>34,470,537</u>	<u>44,067,824</u>
(c) Finance cost		
- Interest paid/payable to convertible notes holders and debt facility	690,307	1,253,871
- Capital raising cost	193,867	-
- Interest expense on leases	120,127	174,341
- Bank loan interest expense	287,692	320,685
- Other interest expense	210,404	-
	<u>1,502,397</u>	<u>1,748,897</u>

5 Income Tax Expense

(a) The major components of tax expense (income) comprise:

Current tax expense	(56,448)	1,097,435
Deferred tax	487,871	(191,074)
Income tax expense for continuing operations	<u>431,423</u>	<u>906,361</u>

(b) Reconciliation of income tax to accounting profit:

Profit/(loss)	(11,512,044)	3,314,259
Tax (US: 21%; UK: 19%)	30%	30%
	<u>(3,453,613)</u>	<u>994,278</u>
Add Tax effect of:		
- non-deductible expenses	-	468,382
- timing difference	487,871	(299,995)
- adjustment to tax due to different tax rate	-	(256,304)
- unrecognised tax losses	3,525,757	-
- over provision	(271,154)	-
- other	142,562	-
Income tax expense	<u>431,423</u>	<u>906,361</u>

Notes to the Financial Statements

For the Year Ended 31 December 2021

6 Cash and Cash Equivalents

	2021	2020
	\$	\$
Cash at bank and in hand	15,348,650	16,293,625
Promissory note (a)	3,446,565	6,491,800
Short-term deposits	2,007,413	2,000,000
Total own cash and cash equivalents	20,802,628	24,785,425
Client funds held in segregated accounts *	13,362,165	21,251,841
Total cash and cash equivalents	34,164,793	46,037,266

*The Company holds money on behalf of clients in segregated bank accounts in accordance with the financial services laws and regulations in Australia and other relevant jurisdictions. These monies are classified as 'client funds held in segregated accounts', and these are not co-mingled with the Company's operating accounts, or used by the Company for any purpose other than client obligations. All cash at bank and client funds in segregated accounts are held at Australian Depository Institution or other financial Institutions.

(a) On 31 December 2021 TFGH received a 90-day promissory note from a related party in the amount of \$3,446,565 AUD equivalent. This amount was subsequently received in March 2022.

7 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

Profit/(loss) for the year	(11,943,467)	2,407,898
Cash flows excluded from profit attributable to operating activities		
- interest in financing	1,308,530	1,748,897
Non-cash flows in profit:		
- amortisation	6,042,305	3,530,834
- impairment loss	2,077,131	1,515,591
- depreciation	2,127,294	1,462,500
Changes in assets and liabilities:		
- (increase)/ decrease in trade and other receivables	(4,690,884)	(1,644,768)
- (increase)/ decrease in financial assets	-	(2,596,728)
- (increase)/ decrease in deferred tax assets	487,871	(179,729)
- increase/ (decrease) in trade and other payables	(4,112,618)	6,347,554
- increase/ (decrease) in income taxes payable	(267,974)	23,687
Cashflows from operations	(8,971,812)	12,615,736

Notes to the Financial Statements

For the Year Ended 31 December 2021

8 Trade and Other Receivables

	2021	2020
	\$	\$
Trade receivables	113,441	26,855
Deposits	868,551	1,637,027
Related party receivables (Note 26(b))	10,996,441	8,553,240
Loan to shareholders (a) (Note 26(b))	154,693	2,353,979
Other receivables	278,622	386,230
Prepayments	1,421,706	278,749
	13,833,454	13,236,080

a) Loans to shareholders are repayable on demand and is interest free.

The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit loss rate has been determined based on historic bad debts over the Company's total revenue relating to financial year 2021 and hence has not had a significant impact on the Company's performance.

9 Financial Assets

(a) Financial assets at fair value through profit or loss

Preference shares held in director related party	2,125,248	2,125,248
Total	2,125,248	2,125,248

On 21 December 2018 a director related entity, issued 1,500,000 preference shares amounting to \$2,125,248 to TF Global Markets (Aust) Pty Ltd. Preference shares were issued in accordance with the terms and conditions per the by-laws of the related party. This amount was offset against outstanding loan balance payable to TF Global Markets (Aust) Pty Ltd at the time of issue.

The Company has assessed the above financial asset for impairment at balance date. No impairment was required.

Notes to the Financial Statements

For the Year Ended 31 December 2021

10 Property, plant and equipment

	2021 \$	2020 \$
Plant and equipment		
At cost	2,529,420	2,173,181
Accumulated depreciation	(1,645,941)	(1,195,009)
Total plant and equipment	883,479	978,172
Leasehold Improvements		
At cost	453,468	463,243
Accumulated amortisation	(185,017)	(56,788)
Total leasehold improvements	268,451	406,455
Right-of-Use asset		
At cost	6,209,248	4,532,549
Accumulated depreciation	(2,298,278)	(1,039,347)
Total Right-of-Use asset	3,910,970	3,493,202
Total property, plant and equipment	5,062,900	4,877,829

(a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Plant and Equipment \$	Leasehold Improvements \$	Right-of-Use asset \$	Total \$
Year ended 31 December 2021				
Balance at the beginning of year	978,172	406,455	3,493,202	4,877,829
Additions	645,442	-	1,676,699	2,322,141
Disposals	-	(9,775)	-	(9,775)
Depreciation expense	(740,135)	(128,229)	(1,258,931)	(2,127,295)
Balance at the end of the year	883,479	268,451	3,910,970	5,062,900

	Plant and Equipment \$	Leasehold Improvements \$	Right-of-Use asset \$	Total \$
Year ended 31 December 2020				
Balance at the beginning of year	792,421	351,674	3,580,139	4,724,234
Additions	683,058	78,764	854,273	1,616,095
Depreciation expense	(497,307)	(23,983)	(941,210)	(1,462,500)
Balance at the end of the year	978,172	406,455	3,493,202	4,877,829

Notes to the Financial Statements

For the Year Ended 31 December 2021

11 Intangible Assets

	2021 \$	2020 \$
Financial Service Licence (refer to Note 27(b))		
Cost	2,162,827	1,200,591
Accumulated amortisation and impairment	(468,319)	(180,089)
Net carrying value	1,694,508	1,020,502
Goodwill		
Cost	89,044	89,044
Net carrying value	89,044	89,044
Work in progress		
Cost	2,757,252	-
Net carrying value	2,757,252	-
Computer software		
Cost	21,051,996	15,197,889
Accumulated amortisation and impairment	(12,586,803)	(5,969,239)
Net carrying value	8,465,193	9,228,650
Total Intangibles	13,005,997	10,338,196

(a) Movements in carrying amounts of intangible assets

	Computer software \$	Goodwill \$	Work in progress \$	Licence \$	Total \$
Year ended 31 December 2021					
Balance at the beginning of the year	9,228,650	89,044	-	1,020,502	10,338,196
Additions	4,990,618	-	2,757,252	-	7,747,870
Additions through business combinations	-	-	-	962,236	962,236
Amortisation	(5,754,075)	-	-	(288,230)	(6,042,305)
Closing value at 31 December 2021	8,465,193	89,044	2,757,252	1,694,508	13,005,997

	Computer software \$	Goodwill \$	Licence \$	Total \$
Year ended 31 December 2020				
Balance at the beginning of the year	7,301,347	-	-	7,301,347
Additions	4,339,126	-	-	4,339,126
Additions through business combinations	938,922	89,044	1,200,591	2,228,557
Amortisation	(3,350,745)	-	(180,089)	(3,530,834)
Closing value at 31 December 2020	9,228,650	89,044	1,020,502	10,338,196

Notes to the Financial Statements

For the Year Ended 31 December 2021

12 Trade and Other Payables

	2021	2020
	\$	\$
Trade payables	4,580,298	8,716,630
Related party payables (Note 26(b))	2,207,962	-
Employee benefits	775,168	383,179
Sundry payables and accrued expenses	1,836,275	1,655,260
	9,399,703	10,755,069

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

13 Borrowings

Bank loans- secured by term deposit of \$2,000,000 (Note 6) (a)	2,905,320	3,023,654
Other borrowings (a)	668,336	184,350
MARS / Liquidity Funding facility (b)	2,757,242	-
Convertible redeemable preference shares (CRPS A and B)	-	18,675,000
Convertible notes facility – unsecured (c)	10,389,285	-
Total borrowings	16,720,183	21,883,004

(a) Bank loan is due for repayment on 3 December 2024. Other borrowings is due to an external party relating to a subscription loan which is due to expire in September 2023. Total amount payable at year-end is \$117,068 (2021: \$184,350). The Company also received funds from a litigation funding arrangement during the year. Total amount received and not expensed at year-end was \$551,268.

(b) On 15 November 2021, the Parent Company entered into a debt financing agreement with a facility limit of \$44,280,443 with Mars Growth Capital Fund 1, L.P., and Liquidity Capital II L.P (Lenders). The amount drawn down under this facility arrangement and owing to the lender will be secured by all the assets and rights of the Parent Company and its subsidiaries' (as guarantors) including intellectual property and accounts receivables. The financial exposure over the Company's assets at 31 December 2021 amounts to \$2,757,242.

(c) On 16 November 2021, the Parent Company issued \$10,317,485 of convertible notes expiring on 31 December 2021 which was extended to 31 December 2022. On 31 December 2022, 23,200 out of 74,200 units of convertible notes were converted into redeemable preference shares (RPSs) amounting to \$3,424,354. The terms of the RPSs are set out in the Company's Constitution and in addition a dividend rate of 8% per annum calculated monthly and fully franked if the Board so determines by Resolution have been agreed with the Note Holders. Redemption date is either a date determined by the Company, or 30 June 2023 at which date the RPS holder may request a redemption or 31 December 2023. Redemption amount is the issue price of each RPS plus the accrued or cumulative amount of dividends payable on each RPS.

During the 2021 financial year, interest of \$71,800 has been accrued on these notes. On 1 May 2023, the Board of Directors has passed a resolution that all redeemable preference shares issued on 31 December 2022 will be converted to ordinary shares by 30 June 2023.

14 Issued Capital

19,834,168 (2020: 100) Ordinary shares	19,834,168	100
Nil (2020: 98) Class A shares	-	98
Nil (2020: 3,340,970) Preference shares	-	3,340,970
Total	19,834,168	3,341,168

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote. The Company had 2,400,000 options on issue as at 31 December 2021 (2020: nil), which are exercisable into ordinary shares of the Company at a price of US\$0.001 each

Notes to the Financial Statements

For the Year Ended 31 December 2021

14 Issued Capital (continued)

During the year, Class A shares amounting to \$98; Preference shares amounting to \$3,340,970 has been fully converted to ordinary shares; and CRPS A convertible preference shares (45,066,000 shares) and CRPS B convertible preference shares (26,134,469 shares) were converted into ordinary shares. On 1 May 2023, the Board of Directors has passed a resolution that all redeemable preference shares (Refer note 13) issued on 31 December 2022 will be converted to ordinary shares by 30 June 2023.

15 Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income - foreign currency translation reserve. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

16 Capital and Leasing Commitments

There are no capital and leasing commitments as at 31 December 2021 (2020: nil).

17 Financial Risk Management

The Company is exposed to a variety of financial risks through its use of financial instruments. The Company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets. The most significant financial risks to which the Company is exposed to are: Liquidity risk, Credit risk, and Market risk comprising currency risk, interest rate risk and price risk. The principal categories of financial instrument used by the Company are: Trade receivables, related party investments and receivables, cash at bank, derivative assets, bank overdraft, financial assets, borrowings, trade and other payables, convertible notes, redeemable preference shares and derivative assets.

Objectives, policies and processes

The Board of Directors have overall responsibility for the establishment of the Company's financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and the use of derivatives. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The day-to-day risk management is carried out by the Company's finance function under policies and objectives which have been approved by the Board of Directors. The Director of Finance has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate and foreign exchange rate risk and assessment of market forecasts for interest rate and foreign exchange movements. The Board of Directors receives monthly reports which provide details of the effectiveness of the processes and policies in place. Mitigation strategies for specific risks faced are described below:

Liquidity risk

Liquidity risk arises from the Company's management of working capital and the finance charges. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its operational liabilities, as well as its regulatory capital cash, and long-term funding requirements.

The Company manages its liquidity needs by monitoring cashflows, and liquidity needs daily, as well as on the basis of rolling projections. At the reporting date, these processes indicate that the Company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances. Trade and other payables are in accordance with supplier standard trading terms which are usually less than 3 months. Bank loans and other borrowings are within the repayment terms, redeemable preference shares are expected to be converted into ordinary shares prior to 30 June 2023. All other liabilities are repayable upon demand.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions. The Company's policy is not to grant credit to clients.

Notes to the Financial Statements

For the Year Ended 31 December 2021

17 Financial Risk Management (continued)

Credit risk (continued)

Insofar as underlying contracts represent a leveraged trading service, the “credit” applicable to the client’s account is limited to the amount of margin within that account, as such the Company has a minimal exposure. The Company has sophisticated systems to ensure that trading platforms do not allow clients to exceed trading over their margin balance, in all usual circumstances. The Company has adopted a policy of only dealing with creditworthy clients and counterparties as a means of mitigating the risk of financial loss from defaults. Board of Directors considers that recorded financial assets are not impaired at the reporting date and are of good credit quality, including those that are past due. The credit risk for cash and cash equivalents and receivables from brokers is considered negligible, since the counterparties are financial institutions with high quality external credit ratings. Concentration of credit risk is the risk of exposure to a counterparty with a loss potential which is large enough to threaten the solvency or the financial position of the Company.

The Company’s clients collectively form its biggest group of counterparties, and as such the Company actively monitors the positions of its clients to ensure adequate collateral (margin) is held against these positions. Each client is required to have minimum funds in their account for opening positions, and for maintaining positions. The client’s collateral requirement is based on the aggregate requirement across all of the positions that a client holds at any one moment in time.

The Company maintains collateral in various currencies in order to minimise its credit risk. The Company also utilises a number of broker counterparties to hedge positions against specific clients and also against exposure to specific currency as and when required. All brokers are monitored on an ongoing basis and the Company believes that credit risk is not significant.

The Company’s systems automatically monitor each client’s margin requirements in real time and confirm that each client has sufficient collateral in their account before trades are executed. If at any point in time a clients’ trading position does not comply with the applicable margin requirement, including where there maybe negative equity, the position is automatically liquidated. The incidence of negative equity in client accounts has been immaterial to operations in the period ended 31 December 2021.

The Company may be exposed to movements in exchange rates, if the counterparties with which it hedges with are not able to provide the volume of counterparty hedging required by the Company. The Company manages this risk by transacting with several financial institutions to facilitate counterparty hedging. The following table details the Company's maximum exposure to credit risk.

	Gross amount	Past due and impaired	< 30	31-60	> 90
	\$	\$	\$	\$	\$
2021					
Cash and cash equivalents	34,164,793	-	34,164,793	-	-
Trade receivables	113,441	-	113,441	-	-
Other receivables	12,298,307	-	11,579,510	154,693	564,104
Financial assets at fair value	2,125,248	-	-	-	2,125,248
Derivative assets	3,771,983	-	3,771,983	-	-
Total	52,473,772	-	49,629,727	154,693	2,689,352
2020					
Cash and cash equivalents	46,037,266	-	46,037,266	-	-
Trade receivables	26,855	-	26,855	-	-
Other receivables	12,930,476	-	7,454,822	2,353,979	3,121,675
Financial assets at fair value	2,125,248	-	-	-	2,125,248
Derivative assets	4,975,732	-	4,975,732	-	-
Total	66,095,577	-	58,494,675	2,353,979	5,246,923

Notes to the Financial Statements

For the Year Ended 31 December 2021

17 Financial Risk Management (continued)

It is expected that these balances will be received when due, there are no amounts considered past due. Amounts are considered as 'past due' when they are not settled within the terms and conditions agreed between the Company and the counterparty. All receivables are assessed for impairment by ascertaining solvency of the counterparty and are provided for where there is objective evidence indicating that the amount may not be fully repaid. The Company does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired. There are no material impaired financial assets.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

(i) Foreign exchange risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Company holds financial instruments which are other than the AUD functional currency of the Company.

Exposures to currency exchange rates arise from the Company's overseas revenue and purchases, which are primarily denominated in USD, EUR and GBP.

Foreign currency denominated financial assets and liabilities, translated into Australian Dollars at the closing rate, are as follows,

	USD	GBP	EUR	Other currencies	Total AUD
	\$	\$	\$	\$	\$
2021					
Nominal amounts					
Financial assets	12,383,932	2,577,238	4,294,260	2,208,108	21,463,538
Financial liabilities	(2,684,175)	(3,043,639)	(3,601,001)	(1,497,581)	(10,826,396)
Borrowings	(13,146,527)	-	-	-	(13,146,527)
	<u>(3,446,770)</u>	<u>(466,401)</u>	<u>693,259</u>	<u>710,527</u>	<u>(2,509,385)</u>
2020					
Nominal amounts					
Financial assets	15,230,030	2,842,679	12,611,150	329,931	31,013,790
Financial liabilities	(9,413,011)	(3,071,626)	(11,786,204)	(166,465)	(24,437,306)
Borrowings	(18,675,000)	-	-	-	(18,675,000)
	<u>(12,857,981)</u>	<u>(228,947)</u>	<u>824,946</u>	<u>163,466</u>	<u>(12,098,516)</u>

The following table illustrates the sensitivity of the net equity for the year in regards to Company's financial assets and financial liabilities. There have been no changes in the assumptions calculating this sensitivity from prior years.

It assumes a +/- 10% change of the USD, EUR, and GBP exchange rates against Australian Dollar for the year ended 31 December 2021. The above percentages have been determined based on the Company's assessment of average market volatility in exchange rates in the previous 12 months.

The year-end rate is 0.7256 USD, 0.6411 EUR, and 0.5376 GBP.

The sensitivity analysis is based on the foreign currency financial instruments held at the reporting date and also takes into account forward exchange contracts that offset effects from changes in currency exchange rates.

Notes to the Financial Statements

For the Year Ended 31 December 2021

17 Financial Risk Management (continued)

(i) Foreign exchange risk (continued)

If the Australian Dollar had strengthened and weakened against the following currencies by the above percentages at 31 December 2021, (31 December 2020: 10%) then this would have had the following impact:

	2021		2020	
	+10%	-10%	+10%	-10%
USD				
Equity	397,155	(485,412)	(528,820)	646,335
EUR				
Equity	(62,013)	75,794	(74,995)	91,661
GBP				
Equity	42,400	(51,822)	20,813	(25,439)
Other currencies				
Equity	(64,593)	78,947	(14,860)	18,163

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Company's exposure to foreign currency risk.

(ii) Interest rate risk

The Company is exposed to interest rate risk as funds are borrowed at floating and fixed rates. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates. At the reporting date, the Company is exposed to changes in market interest rates through its bank borrowings, which is subject to variable interest rates.

The following table illustrates the sensitivity of the net result for the year and equity to a reasonably possible change in interest rates of +10% and -10% (2020: +10%/-10%), with effect from the beginning of the year. These changes are considered to be reasonably possible based on observation of current market conditions and economist reports.

Notes to the Financial Statements

For the Year Ended 31 December 2021

17 Financial Risk Management (continued)

(ii) Interest rate risk (continued)

The calculations are based on the financial instruments held at each reporting date. All other variables are held constant.

	2021		2020	
	+10%	-10%	+10%	-10%
	\$	\$	\$	\$
Net results	28,769	(28,769)	33,012	(33,012)

18 Capital Management

The Company's objectives when managing capital are to meet all regulatory capital requirements and to safeguard the ability to continue as a going concern, so that the Company can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

19 Operating Segments

Identification of reportable segments

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources.

The Company is managed primarily on the basis of product category and service offerings as the diversification of the Company's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following: the product services provided by the segment; the type or class of customer for the services; the distribution method; and, any external regulatory requirements.

Performance is measured based on segment profit before income tax as included in the internal financial reports.

The Company has identified reportable segments based on geographic location as follows.

Notes to the Financial Statements

For the Year Ended 31 December 2021

19 Operating Segments (continued)

Reportable segment by geographic location

(i) Australia

Total is made up of the following entities: TF Global Markets (Aust) Ltd, TF Global Securities (Aust) Pty Ltd (formerly known as Pinnacle Adviser Services Pty Ltd), TF Global Markets Equities (Aust) Pty Limited.

(ii) United Kingdom

Total is made up of the following entities: TF Global Markets (UK) Limited, TF Global UK Services Limited.

(iii) USA

Total is made up of the following entities: Think Liquidity LLC, ACG Management Solutions LLC, TF Global Markets US LLC, TF Global Markets Operations LLC, Think Financial Group Inc. Delaware.

(iv) Others

Total is made up of the following entities: TF Global Markets ME DMCC, Think Capital Services Limited EOOD, TF Global Markets South Africa (Pty) Ltd, TF Global Markets (International) Ltd, TF Global Markets (Japan) Ltd, TF Global Markets Int Ltd, TF Global Markets Ltd, TF Global Markets (Europe) Ltd.

Notes to the Financial Statements

For the Year Ended 31 December 2021

19 Operating Segments (continued)

(a) Segment performance

	Australia		UK		Others		USA		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total segment income	83,176,243	72,206,510	124,519	8,406,856	(69,754)	3,320,616	998,905	12,279,378	84,229,913	96,213,360
Total segment expense	(68,333,966)	(70,223,183)	(6,811,944)	(7,887,639)	(5,554,307)	(3,537,418)	(15,041,740)	(11,250,861)	(95,741,957)	(92,899,101)
Income tax expense	(360,614)	(558,842)	(24,032)	8,125	(54,103)	(57,947)	7,326	(297,697)	(431,423)	(906,361)
Segment operating profit/(loss)	14,481,663	1,424,485	(6,711,457)	527,342	(5,678,164)	(274,749)	(14,035,509)	730,820	(11,943,467)	2,407,898

(b) Segment assets and liabilities

Segment assets	48,549,969	45,038,506	11,710,420	21,291,373	5,513,488	7,631,507	2,418,516	3,056,666	68,192,393	77,018,052
Segment liabilities	(27,355,470)	(37,869,233)	(10,160,240)	(15,329,473)	(3,073,751)	(3,377,256)	(3,718,267)	(1,827,782)	(44,307,728)	(58,403,744)

Notes to the Financial Statements

For the Year Ended 31 December 2021

20 Parent entity

The following information has been extracted from the books and records of the Parent Company, Think Financial Group Holdings Limited and has been prepared in accordance with International Financial Reporting Standards.

The financial information for the Parent Company, Think Financial Group Holdings Limited has been prepared on the same basis as the consolidated financial statements.

	2021	2020
	\$	\$
Statement of Financial Position		
Total Assets	41,738,590	34,510,774
Total Liabilities	(22,860,509)	(31,876,887)
Net Assets	18,878,081	2,633,887
Total Equity	18,878,081	2,633,887
Statement of profit or loss and other comprehensive income		
Total revenue	775,981	-
Total expenses	(1,024,787)	(707,281)
Net loss	(248,806)	(707,281)

Contingent liabilities

The Company did not have any contingent liabilities as at 31 December 2021 or 31 December 2020.

21 Key Management Personnel Remuneration

Key Management personnel remuneration included within employee expenses for the year is shown below:

Short-term employee benefits	1,342,068	1,242,823
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22 Auditors' Remuneration

Remuneration of the auditor for:

- auditing or reviewing the financial statements	155,000	75,000
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23 Fair Value Measurement

The Company measures the following assets and liabilities at fair value on a recurring basis: Derivative Assets, Client monies liabilities and Financial assets.

Fair value hierarchy

IFRS 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Unobservable inputs for the asset or liability.

All financial assets except for preference shares in Directors related party are measured at fair value fall into level 2 hierarchy. Preference shares in Directors related party and convertible notes fall into level 3 hierarchy. All financial liabilities are measured at fair value fall into level 2 hierarchy. There have been no transfers between assigned hierarchies during the period.

Notes to the Financial Statements

For the Year Ended 31 December 2021

24 Franking Credits

The Parent Company has franking account balance of \$17,225 as at 31 December 2021 (31 December 2020: \$nil).

25 Contingencies

- (a) TF Global Markets (Aust) Pty Ltd and its subsidiary companies (TFGM Group) have active litigation against IS Prime Limited and related parties ("IS Prime") stemming from a 2017 asset sale and follow-on liquidity and service contracts. The dispute currently involves lawsuits in the U.K. and U.S. Any future financial costs associated with this litigation cannot be determined with certainty as the timing and outcome are unknown as of this report's date.
- (b) In February 2021 a claim in the sum of \$5,788,313 AUD equivalent was made by a client against TF Global Markets (UK) Limited (TFUK, subsidiary company) on account of certain trades during the current financial year. TFUK disputes this claim and is of the view that the client committed multiple breaches of the company's trading terms and conditions and other agreements. The directors have sought legal advice on this matter and believe that the claim is unlikely to be successful. Hence no provision has been recognised by the directors in the financial statements. The parent company has agreed to indemnify TFUK of all costs associated with this matter.

Other than the above, the Company did not have any other contingencies at 31 December 2021 (31 December 2020: None).

26 Related Parties

(a) The Company's main related parties are as follows:

The ultimate parent entity, which exercises control over the Company, is Think Financial Group Holdings Limited which is incorporated in Australia.

Key Management personnel - refer to Note 21; Subsidiaries - refer to Note 27.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) Transactions with related parties

Transactions between related parties are supported by signed agreement between the parties.

The following transactions occurred with related parties:

	Trading expense	Trading income	Financial asset	Balance outstanding Owed to the Company	Owed by the Company
	\$	\$	\$	\$	\$
Directors related company					
Trading revenue and trading costs (a)	10,690,841	45,395,296	-	-	-
Service fee, other income (b)	-	3,908,522	-	-	-
Gain on sale of investment	-	1,236,559	-	-	-
Receivables (Note 8), (c)	-	-	-	10,996,441	-
Payables (Note 12)	-	-	-	-	2,207,962
Preference shares (Note 9)	-	-	2,125,248	-	-
Loan to/from					
Directors (Note 8)	-	-	-	154,693	-

- (a) An agreement has been entered into with a related party where the Company provides hedging services (hedging counterparty) which entitles them to gains and losses from related party's customer trades. Accordingly, trading costs such as commission and payment service provider charges are also recognised by the Company.
- (b) Included in this balance is revenue generated from a 2 year software license agreement entered into in January 2021 with a related party whereby the Company charges a fixed monthly fee for the use of proprietary software.
- (c) Related party receivables and payables are held with various KMP related companies.

Notes to the Financial Statements

For the Year Ended 31 December 2021

27 Interests in Subsidiaries

(a) Composition of the Company

	Principal place of business / Country of Incorporation	Percentage Owned (%) 2021	Percentage Owned (%) 2020
Subsidiaries:			
TF Global Markets (UK) Limited	UK	100	100
Think Liquidity LLC	USA	100	100
TF Global Markets ME DMCC	Dubai	100	100
Think Capital Services Limited EOOD	Bulgaria	100	100
ACG Management Solution LLC	USA	100	100
Think Capital UK Services Ltd	UK	100	100
TF Global Markets South Africa (Pty) Ltd	South Africa	100	100
TF Global Markets (International) Ltd	Cayman Island	100	100
TF Global Markets (Aust) Pty Ltd	Australia	100	100
TF Global Markets (Japan) Ltd	Japan	100	100
TF Global Markets Int Ltd	Seychelles	-	100
TF Global Markets Ltd	British Virgin Islands	100	100
TF Global Securities (Aust) Pty Ltd (formerly known as Pinnacle Adviser Services Pty Ltd)	Australia	100	100
TF Global Markets Equities (Aust) Pty Limited	Australia	100	100
TF Global Markets US LLC	USA	100	100
TF Global Markets Operations LLC	USA	100	100
Think Financial Group Inc. Delaware	USA	100	100
TF Global Markets (Europe) Ltd (formerly known as A- Conversio Capital Limited)	Cyprus	100	-

(b) Acquisition of subsidiary

Acquisition of TF Global Markets (Europe) Ltd

During the year, the Company gained 100% control of A-Conversio Capital Limited for \$755,720 AUD equivalent (EUR312,412), and subsequently renamed the Company to TF Global Markets (Europe) Ltd.

	\$
Purchase consideration consisting of:	
Cash paid	755,720
Total Consideration	755,720
 Assets and Liabilities held at acquisition date	
Cash	350,959
Accumulated losses	(557,475)
Licence (Note 11)	962,236
Net Assets Acquired	755,720

Notes to the Financial Statements

For the Year Ended 31 December 2021

28 Client Monies

	2021	2020
	\$	\$
Client monies owing – closed positions	17,134,148	26,227,573
Derivative assets, net – open positions	(3,771,983)	(4,975,732)
Net amount owing to clients	<u>13,362,165</u>	<u>21,251,841</u>

The total net amount owing to both retail and wholesale clients is held in segregated accounts. Refer to Note 6

29 Events Occurring After the Reporting Date

- During the 2022 financial year, the TF Global Markets (Aust) Pty Ltd (a wholly owned subsidiary company) received three promissory notes from a related party:
 - 28 February 2022 in the sum of \$3,481,000
 - 31 May 2022 in the sum of \$3,478,500
 - 30 November 2022 in the sum of \$4,479,000

The company has received the above promissory notes in cash within the timeframe specified in the note. As at 31 December 2022, \$1,095,747 remains outstanding and the balance was received in full after year-end.
- On 31 December 2022, 23,200 convertible notes were redeemed and redeemable preference shares amounting to \$3,424,354 were issued in the same transaction.
- On 28 February 2023, a related party has issued \$7,380,074 AUD equivalent promissory note to TF Global Markets (Aust) Pty Ltd, of which \$5,083,395 AUD equivalent) has been received at the date of this report.
- Post 31 December 2022, the Company paid \$3,983,467 (principal and interest) of MARS and Liquidity Funding loan.
- Post 31 December 2022, 1 convertible note holder has redeemed \$401,963.
- On 1 May 2023, the Board of Directors has passed a resolution that all redeemable preference shares issued on 31 December 2022 to be converted to ordinary shares by 30 June 2023.
- The Directors have prepared financial statements on a going concern basis which contemplates the continuity of normal business activity and realisation of assets and settlement of liabilities in the normal course of business. The Directors consider the Company will be able to meet its obligations as and when they fall due. Refer to Note 3(D) for details.

The consolidated financial report was authorised for issue on 5 May 2023 by the Board of Directors

Other than the matters already disclosed in the financial report, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Directors' Declaration

In the Directors' opinion:

1. the consolidated financial statements and notes set out on pages 4 to 30 are in accordance with the *Corporations Act 2001* and the *International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board*, including:
 - a. complying with *Australian Corporations Regulations 2001*; and
 - b. giving a true and fair view of the Company's financial position as at 31 December 2021 and 31 December 2020 and of its performance for the financial year ended on that date; and
2. the Financial Statements also comply with International Financial Reporting Standards, as disclosed in the Basis of Preparation to the Financial Statements.
3. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director
Nauman Anees

Director
Ilyas Ahmed

Dated this 5th day of May 2023

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THINK FINANCIAL GROUP HOLDINGS LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Think Financial Group Holdings Limited and its controlled entities (together, the Company), which comprises the consolidated statement of financial position as at 31 December 2021 and 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Directors' Declaration of the Company.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Company's consolidated financial position as at 31 December 2021 and 31 December 2020 and of its consolidated financial performance for the year ended on that date; and
- b) complying with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB), and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with International Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Report section of our report. We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia; and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern

We draw your attention to Note 3(D) in the financial report which indicates that Company incurred a loss after tax in the year from continuing operations of \$18,898,720 (2021: \$11,943,467 loss) and has cash outflow from operating activities of \$9,269,974 (2021: \$8,971,812) for the financial year ended 31 December 2022. The Company has net assets of \$4,088,155 (2021: \$23,884,664) as at 31 December 2022.

These conditions, along with other matters set out in Note 3(D), indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter. No adjustments have been made to the financial report relating to the recoverability or classification of the recorded asset amounts and classification of liabilities that may be necessary should the Company not continue as a going concern.

Directors' Responsibilities

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with International Financial Reporting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with International Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting in the preparation of the financial report. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events and conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the disclosures in the financial report about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial report. However, future events or conditions may cause an entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

LNP Audit and Assurance Pty Ltd



Archana Kumar
Director

Melbourne Australia, 5 May 2023

APPENDIX D
THINKMARKETS MD&A

(See attached)

MANAGEMENT'S DISCUSSION AND ANALYSIS

This management's discussion and analysis of financial condition and results of operations ("MD&A") for the ThinkMarkets' fiscal years ended December 31, 2022 ("Fiscal 2022" or "FY 2022"), December 31, 2021 ("Fiscal 2021" or "FY 2021") and December 31, 2020 ("Fiscal 2020" or "FY 2020"), and should be read in conjunction with ThinkMarkets' audited annual consolidated financial statements for Fiscal 2022, Fiscal 2021 and Fiscal 2020, along with the related notes thereto, included elsewhere in the prospectus to which it is attached (the "prospectus"). This MD&A is presented as of the date of the prospectus and is current to that date unless otherwise stated. Terms used herein but not otherwise defined herein shall have the meanings given to such terms in the prospectus. The financial information presented in this MD&A is derived from the ThinkMarkets' audited annual consolidated financial statements for Fiscal 2022, Fiscal 2021, and Fiscal 2020, all of which have been prepared in accordance with the Australian Corporations Act 2001 and International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board. All amounts are in Australian dollars except where otherwise indicated.

This MD&A has been prepared by reference to the MD&A disclosure requirements established under National Instrument 51-102 – *Continuous Disclosure Obligations*.

Caution Regarding Forward-Looking Information

Some of the information contained in this MD&A contain forward-looking statements. The forward-looking statements and other forward-looking information are provided as of the date of this MD&A and are based on management's opinions, estimates and assumptions in light of its experience and perception of historical trends, current trends, current conditions and expected future developments, as well as other factors that management believes appropriate and reasonable in the circumstances. ThinkMarkets does not undertake to update any such forward-looking statements whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Actual results may differ materially from those indicated or underlying forward looking statements as a result of various factors, including those described below under the heading "Risk Factors" in the prospectus.

ThinkMarkets cautions that the list of risk factors and uncertainties is not exhaustive and other factors could also adversely affect its results. Many factors, including factors that are beyond ThinkMarkets' control, may have a detrimental impact on its operating performance. Readers are urged to consider the risks, uncertainties and assumptions carefully in evaluating the forward-looking information and are cautioned not to place undue reliance on such information. See "*Forward-Looking Statements*" and "*Risk Factors*" in the prospectus for a discussion of the uncertainties, risks and assumptions associated with these statements.

Cautionary Note Regarding Non-IFRS Measures

This MD&A makes reference to certain non-IFRS measures, operating metrics and key performance indicators ("KPI"s). These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of ThinkMarkets' results of operations from management's perspective and to discuss ThinkMarkets' financial outlook. ThinkMarkets also includes these measures because it believes certain investors use these measures and metrics as a means of assessing financial performance and that such measures highlight trends in its financial performance that may not otherwise be apparent when one relies solely on IFRS measures. Management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period. Non-IFRS measures should not be considered in isolation nor as a substitute for analysis of ThinkMarkets' financial information reported under IFRS and may not be comparable to similarly titled measures used by other companies.

In addition to the KPIs, the non-IFRS measures presented in this MD&A along with reconciliations to their nearest IFRS measures, are provided below:

"**Adjusted EBITDA**" is calculated as EBITDA adjusted for unusual or non-recurring charges (including initial start-up costs related to entry into new jurisdictions and obtaining new licenses, costs related to raising capital, initial start-up costs related to investment in expansion of products and services and other costs that ThinkMarkets does not expect to incur again in the following year).

"**EBITDA**" is calculated as total comprehensive income for the year excluding exchange differences on translating foreign controlled entities, income tax expense, finance expenses, impairment loss and depreciation and amortization.

The following table sets forth a reconciliation of Adjusted EBITDA and EBITDA to total comprehensive income:

	Year ended December 31		
	2022	2021	2020
	\$	\$	\$
Total comprehensive income	(19,796,509)	(11,222,644)	1,761,860
Exchange differences on translating foreign controlled entities	(897,789)	720,823	(646,038)
Income tax expense	(76,173)	(431,423)	(906,361)
Finance expenses	(3,731,445)	(1,502,397)	(1,748,897)
Impairment loss	-	(2,077,131)	(1,515,591)
<u>Depreciation and amortization expense</u>	<u>(7,998,862)</u>	<u>(8,169,599)</u>	<u>(4,993,334)</u>
EBITDA	(7,092,240)	237,083	11,572,081
Initial start-up costs related to entry into new jurisdictions and obtaining new licenses	(6,706,550)	(5,604,715)	-
Costs related to raising capital	(1,294,887)	(1,475,826)	(1,472,667)
Initial start-up costs related to investment in expansion of products and services	(1,426,830)	(1,551,376)	(3,166,396)
<u>Other non-recurring costs</u>	<u>(14,681,203)</u>	<u>(6,161,211)</u>	<u>(1,020,169)</u>
Adjusted EBITDA	17,017,230	15,030,211	17,231,313

OVERVIEW

Business Overview

Established in 2010, ThinkMarkets is a developer and provider of online financial services across the globe. ThinkMarkets services clients by providing them the technology and access to over 10,000 tradable instruments.

ThinkMarkets primarily operates in the Leveraged Trading industry, which is broadly comprised of contracts for differences, or CFDs, that allow clients to take leveraged positions on the value of an underlying financial instrument. ThinkMarkets also operates in the Online Trading industry, which comprises publicly traded products including shares, options and ETFs. ThinkMarkets provides the following products in the Leveraged Trading and Online Trading Industries: (1) Derivatives / CFDs; (2) Options; (3) Futures; (4) Shares & ETFs; and (5) Forex. ThinkMarkets approximately 6,500 CFD products including shares, indices, cryptocurrencies, precious metals, commodities, and energies.

ThinkMarkets' offerings in the Leveraged Trading and Online Trading industries are available on its proprietary platform ThinkTrader, along with third party MetaQuotes platforms (MetaTrader). Such trading platforms cover multiple solutions including iOS and Android smart mobile devices, desktop access for Windows and Mac, and general access from any web browser.

ThinkMarkets operates three key markets: OTC markets (which accounts for ~94% of trading revenue for FY 2022 and captures, among other things, CFD and Forex products), Exchange markets (which accounts for ~1% of trading revenue for FY 2022 and captures, among other things, shares, options, and ETF products), and Institutional markets (which accounts for ~5% of trading revenue for 2022) via Liquidity.net. Although the OTC markets is ThinkMarkets' core business (as CFDs, an OTC product, remains a key product of ThinkMarkets' value proposition), ThinkMarkets' exchange and institutional markets provide a gateway to acquire more clients, including institutional clients, and an opportunity to retain existing leveraged trading clients by making more products available under their existing client profile.

ThinkMarkets has also continually expanded its product offering so that its clients can take advantage of trading opportunities across a number of different markets. ThinkMarkets believes that product range and depth are key criteria in the acquisition and retention of clients. An expanded product range is also critical in delivering on ThinkMarkets' client value proposition of enabling clients to trade the world. As ThinkMarkets has significantly expanded its product offering, its generated revenue has also increased significantly over time – from \$49.4 million in 2019 to \$89.1 million in 2022.

ThinkMarkets commenced operations in 2010, and has grown markedly significantly over the past 13 years. Since 2018, ThinkMarkets has expanded its geographic footprint to now service clients in 165 countries while diversifying its revenue mix by asset class, in particular into higher margin asset classes such as precious metals, indices, share CFDs and commodities. The addition

of further product offerings is expected to drive client acquisition and retention as well as drive trading activity and revenue per client higher.

As ThinkMarkets begins operations in new jurisdictions, it does not expect to immediately generate revenue. Typically, when entering a new jurisdiction, ThinkMarkets must first obtain the required regulatory approvals and adapt ThinkMarkets' platforms and related technological infrastructure for the local jurisdiction (e.g. localizing language for the region). Since the start of 2020, new jurisdictions included Japan (regulatory approval received in 2020) and the EU (through a license obtained in 2021). Both ThinkMarkets' Japan and EU operations are now generating revenue as ThinkMarkets has made the necessary investments to begin scaling the operations in these jurisdictions, and expects revenues to continue to increase from these operations.

See "*The Business of ThinkMarkets*".

Business Model and Key Components of Results of Operation

Income

ThinkMarkets has one reportable segment and has two principal income streams: trading and other income. ThinkMarkets has identified operating segments based on geographic location as noted below. See note 19 to ThinkMarkets Financial Statements for FY 2022.

	Australia		UK		Others		USA		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total segment income	88,747,189	83,176,243	168,575	124,519	201,068	(69,754)	11,187	998,905	89,128,020	84,229,913
Total segment expense	(80,196,438)	(68,333,966)	(7,481,167)	(6,811,944)	(8,816,827)	(5,554,307)	(11,456,134)	(15,041,740)	(107,950,566)	(95,741,957)
Income tax expense/(benefit)	-	(360,614)	(23,703)	(24,032)	(52,470)	(54,103)	-	7,326	(76,173)	(431,423)
Segment operating profit/(loss)	8,550,751	14,481,663	(7,336,295)	(6,711,457)	(8,668,229)	(5,678,164)	(11,444,947)	(14,035,509)	(18,898,719)	(11,943,467)
Segment assets	45,314,149	48,549,969	9,642,089	11,710,420	13,174,178	5,513,488	2,750,969	2,418,516	70,881,385	68,192,392
Segment liabilities	(42,512,814)	(27,355,470)	(11,943,628)	(10,160,240)	(10,015,442)	(3,073,751)	(2,321,347)	(3,718,267)	(66,793,231)	(44,307,728)

ThinkMarkets considers growth in the markets in which it operates to be driven primarily by the number of Active Clients and trading activity, including the types of products they trade upon.

ThinkMarkets continues to attract, retain and engage clients by enabling them to trade the world and by providing an easy-to-use platform, including its proprietary ThinkTrader platform, and what it believes to be a superior user experience, great service, deep liquidity, high quality trade execution, transparent low costs, and established track record and commitment to strong regulations.

Trading Income (~96% FY 2022 revenue)

ThinkMarkets makes markets for foreign exchange contracts and derivative financial products (such as CFDs). Trading revenue represents revenue for related brokerage activities for establishing these markets, including spread, commission and funding charges made to clients in respect of the opening, holding and closing of contracts; and gains and losses arising on such client trading activity and the transactions undertaken to hedge the risk associated with client trading activity. Trading income also includes gains and losses arising on trading activity with liquidity providers.

Other Income (~4% FY 2022 revenue)

ThinkMarkets receives interest from banks, charges white-label fees when assisting individuals and companies in establishing a brokerage, and charges and/or passes on other nominal fees and charges such as currency conversion charges, certain administrative fees, and inactivity fees where a client is inactive for more than 180 days.

ThinkMarkets has recently started offering a subscription service in Japan, from monthly to yearly plans. This is a unique concept in the Forex trading space and can be deployed to other markets and product lines in the future. Subscription services open a larger total addressable market – including a broader retail audience that does not need to trade but simply wants to use the platform and its functions and features – and provides a passive revenue stream.

Expenses

ThinkMarkets' expenses include trading expenses, marketing expenses, administrative expenses, employee costs, IT expenses, consulting and professional fees, depreciation and amortization expenses, bank and merchant fees, impairment losses and finance expenses.

ThinkMarkets' largest expense is trading expenses, comprised of liquidity management costs and partners cost. Introductory broker commissions, along with other fees associated with trading activity, are included and disclosed as trading expenses.

ThinkMarkets has established relationships with top-tier liquidity partners, venues and exchanges from key regions globally.

ThinkMarkets leverages liquidity from banks, non-banks, and other execution venues such as ECN networks on prime broker give-up, margin, and bilateral relationships. By trading with counterparties in the interbank and non-bank space, ThinkMarkets is able to offer competitive pricing to clients, execute trades at low cost and provide liquidity during periods of market volatility. In addition, some of the arrangements with such partners, venues and exchanges provide ThinkMarkets with more favourable rates based on increased volume.

In addition, ThinkMarkets has highly scalable infrastructure that can be easily used by both retail and institutional investors, as ThinkMarkets' investment in its platform has created a modular and easy-to-use technology stack that can continue to grow with limited required incremental investment, and with the ability to handle both increasing demand from clients and the introduction of an increasing suite of products. Notably, ThinkMarkets may see an increase in non-recurring expenses, such as costs associated with obtaining licenses and related regulatory and advisor fees, as it seeks to enter new geographic markets or expand its product offering and for any build outs adding to technology stack.

In 2022, ThinkMarkets initiated a cost restructuring review to reduce certain ongoing expenses of its business. ThinkMarkets has identified cost-saving opportunities. and among other things, has initiated transferring certain labour costs to offshore entities where labour is less expensive in addition to bringing in-house certain services previously provided by third-party technology vendors. These adjustments have made ThinkMarkets less reliant on third-parties and reduced the fixed costs associated with operating its digital infrastructure.

See "*The Business of ThinkMarkets – Business Model*".

Key Performance Indicators

ThinkMarkets monitors the following KPIs to help evaluate its business, measure performance, identify trends affecting its business, formulate business plans and make strategic decisions. ThinkMarkets KPIs may be calculated in a manner that differs from similar KPIs used by other companies.

Active Clients

Active Client is a client of ThinkMarkets with one or more approved accounts that has traded at least once. ThinkMarkets view Active Clients as a key indicator of its ability to retain and engage clients and generate revenue from clients.

Approved Client

Approved Client is a new client of ThinkMarkets who has passed ThinkMarkets' onboarding process to open a trading account and who deposits money in the approved account. ThinkMarkets views Approved Clients as a key indicator of its ability to attract new clients.

ARPU (Average Revenue Per Unique Active Client)

ARPU is defined as average revenue per unique Active Client that has traded within the period presented, as aggregated across all accounts of the Active Client. ThinkMarkets views ARPU as a key indicator of how it is monetizing clients across all of its products.

The following table sets forth a summary of Active Clients, Approved Clients, and ARPU for the periods presented:

	Year ended December 31		
	2022	2021	2020
	\$	\$	\$
Active Clients	73,004	61,711	48,377
Approved Clients	130,701	108,205	83,284
ARPU	4,028	4,056	6,282

The increase in Active Clients, the increase in Approved Clients, the decrease in ARPU in FY 2022, as compared to FY 2021, was impacted by a number of factors, including continued development of ThinkMarkets' platforms, increased product and service offerings and increased trading opportunities during period of market volatility, all of which led to greater client acquisition, retention and engagement. ThinkMarkets also typically sees a short-term drop in ARPU coincide with an increase in Approved Clients, as new clients may not be as active as existing clients at the outset, thereby driving down ARPU in the short term and ARPU may also see a short-term drop where market conditions are favourable to ThinkMarkets clients floating profit which would drive down the ARPU at any given time.

See "Management's Discussion and Analysis of Financial Condition and Results of Operations".

Consolidated Highlights

Financial Highlights for FY 2022

- Trading income was \$85,392,495, an increase of \$7,944,206 compared to \$77,448,289 for FY 2021
- Employee costs were \$14,807,473, a decrease of \$2,267,678 compared to \$17,075,151 for FY 2021
- Marketing expenses were \$7,733,818, an increase of \$3,098,373 compared to \$4,635,445 for FY 2021
- Loss before income tax was \$18,822,547, an increase of \$7,310,503 compared to \$11,512,044 for FY 2021
- Total income was \$89,128,020, an increase of \$4,898,107 compared to \$84,229,913 for FY 2021
- EBITDA was \$(7,092,240) for FY 2022, a decrease of \$7,329,323 compared to \$237,083 for FY 2021
- Adjusted EBITDA was \$17,017,230 for FY 2022, an increase of \$1,987,019 compared to \$15,030,211 for FY 2021
- Active Clients were 73,004 for FY 2022, an increase of 11,293 compared to 61,711 for FY 2021
- Approved Clients were 130,701 for FY 2022, an increase of 22,496 compared to 108,205 for FY 2021
- ARPU was \$4,028 for FY 2022, a decrease of \$28 compared to \$4,056 for FY 2021

Notable Events for FY 2022

- In 2022, ThinkMarkets launched operations (including on-boarding clients) in Japan and introduced a subscription service in Japan.
- At the end of 2022, ThinkMarkets implemented its planned cost-restructuring review of the company
- The number of products increased by 40% between 2021 and 2022, increasing from approximately 6,709 in 2021 to 9,369 in 2022
- ThinkMarkets had experienced strong client and average revenue per user growth during the COVID-19 Pandemic in 2020 which stabilized in 2022

Factors Affecting the ThinkMarkets' Performance

ThinkMarkets believes that the growth and future success of its business depends on many factors, some of which are discussed below. These factors are also subject to a number of inherent risks and challenges. See "Risk Factors" and "The Business of ThinkMarkets" in the prospectus for more information.

Investment in Platforms and Product Offering

ThinkMarkets plans to continue to invest in expanding its product offering as well as adding new features and solutions to its online trading services and platforms. These investments will involve up-front costs to ThinkMarkets but are expected to yield long-term returns with increased trading activity and client acquisition, retention, and engagement; however, the effects of such investments may differ from those expected.

Ability to Acquire and Retain Clients

ThinkMarkets' continued growth depends to a large degree on growing its Active Client base in a profitable and sustainable manner.

This requires a combination of retaining its existing clients, increasing revenue through cross-selling products and services and the addition of new clients and new products. ThinkMarkets' ability to retain or increase clients' levels of usage depends on many factors, including, the volatility of the financial markets, competition within the markets in which it operates, brand awareness, its ability to continue to maintain and evolve its existing products and services and to create new product and services, changes to laws and regulations in jurisdictions where it operates, and additional factors outside of ThinkMarkets' control.

Access to Liquidity

ThinkMarkets has established relationships with top-tier liquidity partners, venues and exchanges from key regions globally. ThinkMarkets leverages liquidity from banks, non-banks, and other execution venues such as ECNs on prime broker give-up, margin, and bilateral relationships. By trading with counterparties in the interbank and non-bank space, ThinkMarkets is able to offer competitive pricing to clients, execute trades at low cost and remain liquid during periods of market volatility. ThinkMarkets may suffer losses if it is unable to maintain its relationships with its liquidity providers to provide liquidity for its trading activities and to maintain its regulatory capital requirements.

Obtaining and Retaining Licenses

ThinkMarkets operates in multiple jurisdictions and has clients in 165 countries. ThinkMarkets has obtained certain regulatory licences and authorizations in Licensed Markets where there is an existing regulatory framework requiring a company to be licensed to facilitate Leveraged Trading and Online Trading. ThinkMarkets also has clients located in Emerging Markets who use its services. Emerging Markets are regions where there is no relevant licensing regime for providing a trading platform for CFDs. The regulatory and legal framework in these Emerging Markets countries varies significantly and may be complex. ThinkMarkets' ability to acquire and maintain licenses in Licensed Markets and to navigate the legal and regulatory framework in Emerging Markets may impact its future growth and success.

Macroeconomic Factors and General Trends

ThinkMarkets has organically grown its Approved Client and Active Client base since inception, which has consistently grown throughout various economic cycles including during the COVID-19 Pandemic. ThinkMarkets has experienced strong client growth during times of heightened volatility as client activity and ARPU increased due to increased trading opportunities.

Recent and persistent increased volatility brought about by factors such as the COVID-19 Pandemic, global conflicts, natural disasters, as well as other macroeconomic events, have created trading opportunities across multiple products and markets. Periods of high volatility typically increase client demand for ThinkMarkets' products and services. However, periods of high volatility can also expose ThinkMarkets to increased trading loss risk and bad debts and can otherwise have a material adverse effect on ThinkMarkets business. Conversely, in periods of low market volatility, client activity may decrease. Decreased trading or volatility in global markets or decreased demand for financial services products generally could, among other things, adversely impact client activity and demand for ThinkMarkets' services.

Foreign Currency and Interest Rate

ThinkMarkets faces risk from carrying on operations in various currencies in multiple jurisdictions. The rise or fall of a particular currency in relation to ThinkMarkets' holdings may materially impact ThinkMarkets' operating revenue if ThinkMarkets is not able to convert the applicable foreign currency into a more liquid currency. In order to mitigate this risk, ThinkMarkets converts funds in foreign currencies into its reporting currency (which is Australian dollars) and other liquid currencies such as the U.S. dollar, Pound Sterling and Euros. Nevertheless, any such fluctuations may have a material adverse effect on ThinkMarkets' business, prospects, financial condition, results of operations and/or the value of its securities.

ThinkMarkets is exposed to interest rate risk in that the rates of interest which it receives on its interest earning assets may not match the rates that it pays on its borrowings and other interest-bearing liabilities and these differences can affect its results of operations in each financial period.

SELECTED ANNUAL FINANCIAL INFORMATION

The following table summarizes ThinkMarkets' recent results of operations as of the dates and for the periods indicated below. The information should be read together with ThinkMarkets Financial Statements included in the prospectus. The selected consolidated information set out below for Fiscal 2022, Fiscal 2021 and Fiscal 2020 has been derived from ThinkMarkets Financial Statements which were prepared in accordance with IFRS. Historical financials and operating information may not be indicative of future performance.

	Year ended December 31		
	2022	2021	2020
	\$	\$	\$
Total income	89,128,020	84,229,913	96,213,360
Expenses	107,950,567	95,741,957	92,899,101
Total comprehensive income (loss)	(19,796,509)	(11,222,644)	1,761,860
Total comprehensive income (loss) per share – basic	(0.098) ¹	(0.055) ²	0.527 ³
Total comprehensive income (loss) per share – diluted	(0.096) ¹	(0.055) ²	0.080 ³
EBITDA	(7,092,240)	237,083	11,572,081
Adjusted EBITDA	17,017,230	15,030,211	17,231,313
Total assets	70,881,386	71,964,375	81,993,784
Total liabilities	66,793,231	48,079,711	63,379,476
Distributions or cash dividends	Nil	Nil	(1,697,344)

¹ Based on 203,000,011 ordinary shares and 23,200 redeemable preference shares outstanding and 2,577,665 options, each exercisable for one ordinary share, outstanding.

² Based on 203,000,011 ordinary shares outstanding.

³ Based on 100 ordinary shares, 98 class A shares, 3,340,970 preference shares, 13,125,000 convertible preference shares – A and 5,550,000 convertible preference shares – B outstanding.

See “*Discussion of Operations*” for a more detailed discussion of EBITDA, Adjusted EBITDA, total income, expenses and total comprehensive income (loss).

Total Assets

Total assets for FY 2022, FY 2021 and FY 2020 were \$70,881,386, \$71,964,375 and \$81,993,784, respectively.

The decrease in total assets for FY 2022 from FY 2021 was primarily attributable to a decline in cash and cash equivalents caused by expenditures related to: (i) investments made to develop ThinkMarkets’ platforms and related digital infrastructure; (ii) the launch of the web browser version of ThinkTrader; and (iii) costs associated with entry into the Japanese market, including costs associated with customizing platforms for local languages. Total assets also decreased due to a decline in derivative assets. This decline was due to ThinkMarkets’ balance sheet classifying the floating profit of client investments held in its accounts as a liability. The decrease was partially offset by an increase in trade and other trade receivables primarily due to substantial receivables being paid to ThinkMarkets by related parties for their usage of ThinkMarkets’ services and products.

The decrease in total assets for FY 2021 from FY 2020 was primarily attributable to a decline in cash and cash equivalents. This decline was primarily the result of up-front costs arising from ThinkMarkets’ cost-restructuring initiatives in 2021. The decrease was partially offset by an increase in trade and other trade receivables primarily due to substantial receivables being paid to ThinkMarkets by related parties for their usage of ThinkMarkets’ services and products as well as an increase in intangible assets resulting from ThinkMarkets’ investment in developing its platforms and related digital infrastructure, including the associated up-front investments with entry into the Japanese and European markets including the investments associated with the acquisition of a Cyprus-based company with an existing EU license and entry into the European market.

Total Liabilities

Total liabilities for FY 2022, FY 2021 and FY 2020 were \$66,793,231, \$48,079,711 and \$63,379,476, respectively.

The increase in total liabilities for FY 2022 from FY 2021 was primarily attributable to an increase in borrowings as ThinkMarkets drew down \$AUD20,508,656 against the Debt Facility (as defined under “Debt Facilities and Loan” below) in 2022.

The decrease in total liabilities for FY 2021 from FY 2020 was the result of the decline in borrowings as certain convertible preference shares were converted into ordinary shares.

Distributions or cash dividends

Distributions or cash dividends for FY 2022, FY 2021 and FY 2020 were Nil, Nil, and \$1,697,344, respectively.

The decrease in distributions or cash dividends for FY 2021 from FY 2020 was due to ThinkMarkets’ decision to not issue any

cash dividends or any other distributions.

DISCUSSION OF OPERATIONS

The following table outlines ThinkMarkets' summary consolidated results of operations for the periods presented:

	Year ended December 31		
	2022	2021	2020
	\$	\$	\$
Total Income	89,128,020	84,229,913	96,213,360
Expenses	107,950,567	95,741,957	92,899,101
Trading expenses	(43,361,548)	(34,470,537)	(44,067,824)
Marketing expenses	(7,733,818)	(4,635,445)	(2,413,901)
Administrative expenses	(4,740,763)	(4,191,276)	(5,046,240)
Employee costs	(14,807,473)	(17,075,151)	(14,365,126)
IT expenses	(7,722,400)	(7,651,324)	(6,127,331)
Consulting and professional fee	(11,018,849)	(10,495,349)	(7,593,586)
Depreciation and amortization expense	(7,998,862)	(8,169,599)	(4,993,334)
Bank and merchant fees	(6,835,409)	(5,473,748)	(5,027,271)
Impairment loss	-	(2,077,131)	(1,515,591)
Finance expenses	(3,731,445)	(1,502,397)	(1,748,897)
Profit/(loss) before income tax	(18,822,547)	(11,512,044)	3,314,259
Total comprehensive income (loss)	(19,796,509)	(11,222,644)	(1,761,860)
Total comprehensive income (loss) per share – basic	(0.098)	(0.055)	(0.527)
Total comprehensive income (loss) per share – diluted	(0.098)	(0.055)	(0.080)
EBITDA	(7,092,240)	237,083	11,572,081
Adjusted EBITDA	17,017,230	15,030,211	17,231,313

FY 2022 and FY 2021

Total Income

Total income for Fiscal 2022 increased by \$4,898,107 or approximately 6% as compared to Fiscal 2021. The increase was primarily due to an increase in trading income, which result from an increase in Approved Clients and Active Clients, as well as an increase in client activity driven by, among other things, increased product and service offerings and market volatility driven trading opportunities. The increase was partially offset by a decrease in other income as ThinkMarkets generated revenue from a one-off transaction to a related party in 2021 resulting in higher other income in Fiscal 2021.

Expenses

Expenses for Fiscal 2022 increased by \$12,208,610 or approximately 13% as compared to Fiscal 2021. The increase was primarily due to an increase in trading expenses, which increased as a result of increased trading activity on ThinkMarkets' platforms. Expenses also increased due to an increase in marketing expenses as ThinkMarkets entered into a new sponsorship arrangement in 2022. The increase was partially offset by a decrease in employee costs associated with ThinkMarkets' cost restructuring efforts, including transferring certain labour costs to offshore entities where labour is less expensive.

Profit/(loss) Before Income Tax

Loss before income tax expenses for Fiscal 2022 increased by \$7,310,503 or 64% as compared to Fiscal 2021. The increase was primarily due to an increase in expenses partially offset by an increase in total income.

Total Comprehensive Income (loss)

Total comprehensive loss for Fiscal 2022 increased by \$8,573,865 or approximately 76% as compared to Fiscal 2021. The increase was primarily due to an increase in expenses partially offset by an increase in total income.

EBITDA and Adjusted EBITDA

EBITDA for Fiscal 2022 decreased by \$7,329,323 compared to Fiscal 2021. The decrease is primarily due to an increase in administrative expenses, as ThinkMarkets' overhead increased to facilitate its expansion into new markets and its cost-reduction efforts in 2022, and increased marketing expenses, as ThinkMarkets entered a new sponsorship arrangement in 2022.

Adjusted EBITDA for Fiscal 2022 increased by \$1,987,019 as compared to Fiscal 2021. The increase was primarily due to an increase in certain non-recurring costs, including the engagement of certain vendors to facilitate ThinkMarkets' expansion into new markets and its cost-reduction efforts, which engagements are not expected to be renewed next year. The increase in Adjusted EBITDA also reflects the scalability of ThinkMarkets' business model and operating systems, as Adjusted EBITDA increased with ThinkMarkets' expansion into the Japanese market and an increase in its product offering.

FY 2021 and FY 2020

Total Income

Total income for Fiscal 2021 decreased by \$11,983,447 or approximately 12% as compared to Fiscal 2020. The decrease was primarily due to a stabilization in trading income in 2021 after experiencing strong client growth and trading activity associated with the COVID-19 Pandemic in 2020. The decrease was partially offset by an increase in other income, as ThinkMarkets generated revenue from a one-off transaction to a related party in 2021 resulting in higher other income in 2021.

Expenses

Expenses for Fiscal 2021 increased by \$2,842,856 or approximately 3% as compared to Fiscal 2020. The increase was primarily due to an increase across categories of ThinkMarkets' expenses due to expansion efforts, including associated up-front costs with entry into the Japanese and European markets, including costs associated with the acquisition of a Cyprus based company. The increase was partially offset by a decrease in trading expenses resulting from the stabilization of trading income after experiencing strong client growth and client activity associated with the COVID-19 Pandemic in 2020.

Profit/(loss) Before Income Tax

Loss before income tax for Fiscal 2021 increased by \$14,826,303 or approximately 447% as compared to Fiscal 2020. The decrease was primarily due to a decline in total income.

Total Comprehensive Income (loss)

Total comprehensive loss for Fiscal 2021 increased by \$12,984,504 or 737% as compared to Fiscal 2020. The decrease was primarily due to a decline in total income and an increase in expenses. Notably, as ThinkMarkets reports in Australian dollars but its operating subsidiaries hold funds in domestic currencies relative to their jurisdiction of operation, there was also an increase in losses solely for reporting purposes resulting from currency movement between those domestic currencies and the Australian dollar.

EBITDA and Adjusted EBITDA

EBITDA for Fiscal 2021 decreased by \$11,334,998 as compared to Fiscal 2020. The decrease was primarily due to an increase across all categories of ThinkMarkets' expenses, as ThinkMarkets' overhead increased to facilitate its expansion into new markets.

Adjusted EBITDA for Fiscal 2021 decreased by \$2,201,102 as compared to Fiscal 2020. The decrease was primarily due to decrease in EBITDA.

SUMMARY OF QUARTERLY RESULTS

Prior to becoming a reporting issuer, ThinkMarkets did not prepare quarterly financial statements and no quarterly financial information is available.

LIQUIDITY AND CAPITAL RESOURCES

ThinkMarkets' capital structure consists of shareholders' equity and long-term debt. ThinkMarkets intends to rely on positive cash flows from its operations as well as financing activities, availability under the Debt Facility, cash balance and proceeds from the

Private Placement to fund its working capital requirements, capital expenditures, debt service, pursue its growth strategies and for general corporate purposes.

Management regularly reviews its capital requirements and believes that this approach, given ThinkMarkets' relative size, is reasonable. ThinkMarkets' objectives when managing capital are to, among other things, ensure its regulated entities hold sufficient capital resources to meet all regulatory capital requirements, to execute its business strategy and to safeguard the ability to continue as a going concern. Management also seeks to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or optimize its capital structure, ThinkMarkets may issue new shares or sell assets to reduce debt. Cash flows from operating activities are expected to increase as, in addition to undergoing cost-reduction efforts, ThinkMarkets' revenues from operations in the EU and Japan increase.

The directors have prepared financial statements for Fiscal 2022 and Fiscal 2021 and Fiscal 2020 on a going concern basis, which contemplates the continuity of normal business activity and the realization of assets and settlement of liabilities in the normal course of business.

ThinkMarkets incurred a loss after tax in Fiscal 2022 from continuing operations of \$18,898,720 (2021: \$11,943,467) and had cash outflows from operating activities of \$9,269,974 for Fiscal 2022 (2021: \$8,971,812). As at December 31, 2022, ThinkMarkets had net assets of \$4,088,155 (2021: \$23,884,664). These factors give rise to a material uncertainty in relation to ThinkMarket's ability to realize its assets and settle its liabilities at the amounts stated in the ThinkMarkets Financial Statements.

ThinkMarkets considers that it will be able to meet its obligations as and when they fall due based on the following assumptions, which ThinkMarkets considers reasonable, as ThinkMarkets has the option to:

- draw down up to \$18.8 million from the Debt Facility (which has a maximum facility of \$44.3 million);
- raise additional funding from sophisticated investors; and
- reduce expenses when required.

Accordingly, the ThinkMarkets Financial Statements have been prepared on a going concern basis. No adjustments have been made to the financial statements relating to the recoverability or classification of the recorded asset amounts and classification of liabilities that may be necessary should ThinkMarkets not continue as a going concern.

There were no changes in ThinkMarkets' approach to capital management during FY 2022. Other than as noted in this prospectus or in this MD&A (including under "*Regulatory Capital Requirements*" below) or in ThinkMarkets' Financial Statements, neither ThinkMarkets nor its subsidiaries are subject to externally imposed capital requirements.

See "*Overview*" and "*Liquidity and Capital Resources*".

Regulatory Capital Requirements

Each of ThinkMarkets' regulated entities must hold sufficient capital resources to meet their local regulatory capital requirements.

For example, ThinkMarkets' Australian subsidiary is required to meet Australian regulatory capital adequacy tests which require that it has net tangible assets ("NTA") of the greater of \$1 million or 10% of its average revenue for the previous two financial years and current financial year and forecast, with at least 50% of the NTA to be held in cash or cash equivalents and 50% in liquid assets. Similarly, ThinkMarkets' UK investment firm subsidiary is subject to the prudential regime for investment firms in the UK, pursuant to which ThinkMarkets is required to maintain eligible regulatory capital and to comply with the minimum capital requirements. In addition, ThinkMarkets must comply with the liquid assets requirements under MIFIDPRU. ThinkMarkets' investment firm subsidiary in Cyprus is also subject to similar requirements introduced by the European Investment Firms Regulation and Directive on June 26, 2021.

Further, the cash flow of ThinkMarkets South African subsidiary is subject to certain restrictions set out by the South African Reserve Bank on moving capital outside of the country. Consequently, ThinkMarkets currently faces difficulty moving revenues generated by the South African subsidiary to either the parent company or other subsidiaries situated outside of South Africa. ThinkMarkets has applied to the South African Reserve Bank for approval to move funds from South Africa to Australia and will continue to work with the regulator to address restrictions.

Cash Flow

The following table presents cash and cash flows from operating, investing and financing activities for the periods presented:

	Year ended December 31		
	2022	2021	2020
	\$	\$	\$
Net cash (used in)/provided by operating activities	(9,269,974)	(8,971,812)	12,615,736
Net cash used in investing activities	(7,487,801)	(5,510,212)	(7,118,755)
Net cash provided by/(used in) financing activities	11,600,282	9,778,404	(3,762,051)
Effects of exchange rate changes on cash and cash equivalents	(897,789)	720,823	(271,533)
<u>Client monies received/(paid)</u>	<u>2,582,061</u>	<u>(7,889,676)</u>	<u>2,079,821</u>
Net increase/(decrease) in cash and cash equivalents held	(3,473,221)	(11,872,473)	3,543,218
<u>Cash and cash equivalents at beginning of year</u>	<u>34,164,793</u>	<u>46,037,266</u>	<u>42,494,048</u>
Cash and cash equivalents at end of financial year	30,691,572	34,164,793	46,037,266

Cash Flows from Operating Activities

Cash flows from operating activities for FY 2022 were \$(9,269,974), a decrease of \$298,162, or approximately 3%, compared to FY 2021. This decrease was primarily attributable to an increase in payments to suppliers and employees to facilitate ThinkMarkets' expansion, including its entry into the Japanese market. The decrease was also attributable to an increase in bank fees and merchant payment service provider (PSP) charges due to an increase in the movement of client funds on ThinkMarkets' platforms (which charges are not passed through to clients).

Cash flows from operating activities for FY 2021 were \$(8,971,812), a decrease of \$21,587,548, or 171%, compared to FY 2020. This decrease was primarily attributable to an increase in payments to suppliers and employees to facilitate ThinkMarkets' expansion, including the associated up-front costs with entry into the Japanese and European markets, including costs associated with the acquisition of a Cyprus based company.

Cash Flows from Investing Activities

Cash flows from investing activities for FY 2022 were \$(7,487,801), a decrease of \$1,977,589, or approximately 36%, compared to FY 2021. This decrease was primarily attributable to payments made for the acquisition of intangible assets related to investments made to develop ThinkMarkets' platforms and related digital infrastructure, including costs associated with customizing platforms for localized languages and the launch of the web browser version of ThinkTrader.

Cash flows from investing activities for FY 2021 were \$(5,510,212), an increase of \$1,608,543, or 23%, compared to FY 2020. This increase was primarily attributable to a decline in expenses related to business acquisitions in 2021, which were higher in 2020 as ThinkMarkets purchased a new company in Japan in 2020.

Cash Flows from Financing Activities

Cash flows from financing activities for FY 2022 were \$11,600,282, an increase of \$1,821,878, or approximately 19%, compared to FY 2021. This increase was primarily attributable to an increase in borrowings as ThinkMarkets made multiple drawdowns against the Debt Facility in 2021, the aggregate amount owing pursuant to the Debt Facility as at December 31, 2022 was AUD \$20,508,656.

Cash flows from financing activities for FY 2021 were \$9,778,404, an increase of \$13,540,465, or approximately 360%, compared to FY 2020. This increase was primarily attributable to an increase borrowings as ThinkMarkets made a single drawdown against the Debt Facility and owed a total of AUD \$2,757,242 against the Debt Facility as at December 31, 2021.

Capital Expenditures

	Year ended December 31		
	2022	2021	2020
	\$	\$	\$
Plant and Equipment	783,893	645,442	683,058
Leasehold	3,027	(9,775)	78,764
Intangibles - Software	6,700,882	7,747,870	4,339,126
Intangibles – software through business combination	-	-	938,922
Total	7,487,802	8,383,537	6,039,870

Capital Expenditures for FY 2022 were \$7,487,802, a decrease of \$895,735 compared to FY 2021. This decrease was primarily attributable to a decrease in Intangibles - Software as ThinkMarkets' expenses associated with the expansion of its platforms to Japan and Europe tapered off as the digital infrastructure was established.

Capital Expenditures for FY 2021 were \$8,383,537, an increase of \$2,343,667 compared to FY 2020. This increase was primarily attributable to an increase in Intangibles – Software as a result of increased spending to facilitate ThinkMarkets' expansion into new markets.

Debt Facilities and Loans

MARS / Liquidity Funding Facility

On December 24, 2021, ThinkMarkets entered into a debt financing agreement (“**Debt Facility**”) between ThinkMarkets, as borrower, its subsidiaries, as guarantors, and Mars Growth Capital Fund 1, L.P., and Liquidity Capital II L.P (together, the “**Lenders**”), as lenders, providing for a credit facility in the amount of US\$30,000,000. The Lenders are to make available US\$15,000,000 from the effective date of the Debt Facility (December 13, 2021) until December 13, 2022 and make available the remaining US\$15,000,000 from December 13, 2022 to December 13, 2023. ThinkMarkets is limited to drawing down a maximum of US\$2,250,000 per month.

With respect to each draw down against the Debt Facility, ThinkMarkets is required to repay the applicable principal amount plus interest at an annual fixed rate of 11.11%, computed on a three hundred sixty (360) day basis, divided into twenty-four (24) monthly installments comprised of the following:

- (1) Six (6) monthly installments of "interest only"; and
- (2) Eighteen (18) equal monthly installments of the principal amount plus accrued interest.

As at December 31, 2022, the aggregate principal amount drawn under the Debt Facility was A\$20,508,656 (US\$13,894,753). The amount drawn down under this facility arrangement and owing to the Lenders is secured by all the assets and rights of ThinkMarkets and its subsidiaries' including intellectual property and accounts receivables.

Loans

The Company issued 74,200 convertible notes, representing an aggregate principal amount of US\$7,420,000 (the “**Convertible Notes**”) on November 29, 2021. The terms of the Convertible Notes are governed by a Convertible Note Deed Poll dated November 19, 2012, as amended (the “**Convertible Note Deed Poll**”). In connection with the Convertible Note Deed Poll, a deed dated May 10, 2023 between ThinkMarkets and the Sole Noteholder (as defined below) was entered into (the “**Side Letter**”).

Under the Convertible Note Deed Poll, ThinkMarkets can issue Convertible Notes up to a maximum aggregate principal amount of US\$15,000,000 except where the ThinkMarkets reasonably considers that it is strategically necessary or desirable to issue more Convertible Notes, then it is permitted to do so up to an aggregate principal amount of US\$25 million.

Interest on the Convertible Notes accrues monthly at a rate of: (i) 8.0% per annum; or for a holder of 50,000 Convertible Notes or more (a “**Major Noteholder**”), (ii) 8.0% per annum until December 31, 2022, 11% per annum during the period between January 1, 2023 and April 30, 2023, and 13% per annum during the period on and from May 1, 2023.

Currently, the only Convertible Notes outstanding are 50,000 Convertible Notes (the “**Outstanding Convertible Notes**”) held by one person (the “**Sole Noteholder**”), as trustee for one or more funds.

Pursuant to the May 10, 2023 amendment, the maturity date of the Outstanding Convertible Notes for the Sole Noteholder is the earlier of: (i) the closing of the proposed transaction between ThinkMarkets and FGAC (the “**Business Combination**”) or, (ii) if the Business Combination does not occur and no other transaction that sees ThinkMarkets listed on a major global stock exchange (a “**Listing Event**”) occurs by September 30, 2023, September 30, 2023 (the “**Maturity Date**”).

The Outstanding Convertible Notes may be redeemed for an amount equal to the aggregate principal amount of the notes, plus a rate of return of 15% per annum, in accordance with the terms of the Convertible Note Deed Poll. Further, pursuant to the May 10, 2023 amendment, the parties to the Convertible Note Deed Poll agreed that an additional amount representing 15% of the aggregate face value of the Outstanding Convertible Notes (the “**Additional Amount Payable**”) will be payable by ThinkMarkets to the Sole Noteholder as follows:

- i. in cash, on the date which is 25 business days after the Maturity Date, if either (i) no Listing Event has occurred by the Maturity Date, or (ii) if a Listing Event has occurred by the Maturity Date, and the cash balance of FGAC at the Maturity Date is equal to or exceeds US\$40 million; or
- ii. by the provision of common shares in FGAC at a price of US\$10 per share on the date which is 25 business days after the Maturity Date, if the cash balance of FGAC at the Maturity Date is less than US\$40 million.

Under the latter circumstance, all other amounts payable by ThinkMarkets to the Noteholder under the Convertible Note Deed Poll will be paid in two equal installments on August 31, 2023 and September 30, 2023, respectively.

Per the Side Letter, if a Listing Event does not occur by September 30, 2023, ThinkMarkets will pay to the Sole Noteholder the Additional Amount Payable and a further amount representing 15% of the aggregate face value of the Outstanding Convertible Notes on the date which is 25 business days after September 30, 2023. If a Listing Event does occur by September 30, 2023, but the cash balance of FGAC at the Maturity Date is less than US\$40 million, ThinkMarkets will pay to the Sole Noteholder a further amount of A\$500,000 on September 30, 2023.

Pursuant to the May 10, 2023 amendment, the Sole Noteholder’s conversion rights were revoked.

Redeemable Preference Shares

Holders of Redeemable Preference Shares are entitled to receive a dividend of 8% per annum on the date redeemed, or earlier if determined by ThinkMarkets, ThinkMarkets Company may determine the date on which the Redeemable Preference Shares are redeemed for cash payment in the amount of their issue, or may convert the shares into a number of ordinary shares equalling the price of issue of each Redeemable Preference Share in addition to the accrued or cumulative amount of dividends payable on each Redeemable Preference Share.

See “*Disclosure of Outstanding Share Data*”.

Contingencies

ThinkMarkets, from time to time, may be subject to or involved in various claims, legal proceedings and complaints arising in the ordinary course of business. As of the date hereof, management does not believe that adverse decisions in any pending or threatened proceedings, or any amount ThinkMarkets may be required to pay by reason thereof, will have a material adverse effect on its financial condition or future results of operations. See note 25 to ThinkMarkets Financial Statements for FY 2022 included in this prospectus for a discussion on active litigation involving ThinkMarkets or its subsidiaries.

Contractual Obligations

As at December 31, 2022, ThinkMarkets had the following payment commitments with respect to lease payments and other contractual obligations:

Contractual Obligations	Payments Due by Period (\$)				
	Total	Less than 1 year	1 – 3 years	4 – 5 years	After 5 years
Client monies liability obligation	18,474,317	18,474,317	-	-	-
Purchase Obligations	12,340,959	12,340,959	-	-	-

Contractual Obligations	Payments Due by Period (\$)				
	Total	Less than 1 year	1 – 3 years	4 – 5 years	After 5 years
Other Obligations	560,864	560,864	-	-	-
Debt	31,989,086	26,236,017	5,753,069	-	-
Lease Obligations	3,041,337	1,512,347	1,528,990	-	-
Total Contractual Obligations	66,406,563	59,124,504	7,282,059	-	-

OFF-BALANCE SHEET ARRANGEMENTS

ThinkMarkets does not have any off-balance sheet arrangements that have, or are reasonable likely to have, a current or future effect on its results of operations or financial condition as at the date hereof. All of ThinkMarkets' liabilities and commitments are reflected in its statement of financial position. From time to time, ThinkMarkets may be contingently liable with respect to litigation and claims that arise in the normal course of its operations.

TRANSACTIONS WITH RELATED PARTIES

ThinkMarkets has no related party transactions, other than those noted in the ThinkMarkets Financial Statements included in this prospectus.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires ThinkMarkets to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. ThinkMarkets makes estimates and judgements regarding assumptions about current and future events affecting transactions and balances which are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates. ThinkMarkets reviews these estimates and judgements on an ongoing basis based on its knowledge of current events and actions that it may undertake in the future. Unless stated all critical accounting policies and estimates relate to ThinkMarkets as a whole. There were no changes to the items assessed as significant estimates and judgements and critical accounting policies during the periods stated.

Significant estimates and judgments which are also critical accounting policies

Carrying value and assessment of useful life of Japan Type 1 Financial License and Cyprus Financial Licence

In March 2020, ThinkMarkets purchased a new company in Japan with an existing Type 1 Financial Licence. ThinkMarkets launched its operation in January 2022. ThinkMarkets acts as a market maker and continuously offers buying and selling of CFDs to local customers. This licence is being carried at its allocated purchase cost, and is being amortised over 5 years, the carrying amount at December 31, 2022 being \$540,266 (December 31, 2021: \$780,384, December 31, 2020: \$1,020,502).

On October 4, 2021, ThinkMarkets gained 100% control of TF Global Markets (Europe) Ltd (Previous name A-Convorsio Capital Limited), a Cyprus based company with an existing Financial Licence. The company has launched its operations during the year ended December 31, 2022. This licence is being carried at its allocated purchase cost, and is being amortised over 5 years, the carrying amount at December 31, 2022 being \$721,677 (December 31, 2021: \$914,124).

ThinkMarkets has assessed that neither of these licences are impaired.

Carrying value and assessment of useful life of software

At December 31, 2022, ThinkMarkets held \$9,269,130 of software (December 31, 2021: \$8,465,193, December 31, 2020: \$9,228,650), an intangible asset under the balance sheet, which ThinkMarkets has assessed has useful lives of between 2 to 3 years as that is the estimated lifecycle of ThinkMarkets' technology generally. ThinkMarkets has assessed that software is not impaired.

Carrying value and timing of receipt of related party receivables and promissory notes

As at December 31, 2022, ThinkMarkets holds \$16,701,682 (December 31, 2021: \$11,151,134, December 31, 2020: \$10,907,219) of receivables and \$1,095,747 (December 31, 2021: \$3,446,565, December 31, 2020: \$6,491,800) of promissory notes due from

related parties. ThinkMarkets has assessed the recoverability of these receivables and promissory notes and is confident the receivables are recoverable within 12 months of the year-end, the promissory notes are recoverable within 3 months, and has assessed that both are not impaired.

Going concern

The directors have prepared financial statements for Fiscal 2022, Fiscal 2021 and Fiscal 2020 on a going concern basis which contemplates the continuity of normal business activity and realization of assets and settlement of liabilities in the normal course of business.

See “*Liquidity and Capital Resources*” above.

Other critical accounting policies

The following accounting policies, whilst not being subject to significant estimates, are critical accounting policies:

- *Recognition of Revenue and other income* – refer to note 2c of ThinkMarkets Financial Statements for FY 2022
- *Recognition of financial instruments at fair value through profit and loss* – refer to note 2g of ThinkMarkets Financial Statements for FY 2022

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

There were no changes to ThinkMarkets’ accounting policies in the periods presented and ThinkMarkets does not expect to early adopt any changes in its accounting policies at this time.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Nature and extent of ThinkMarkets’ use of financial instruments and relationships between such items

The nature and extent of ThinkMarkets’ use of financial instruments and relationships between such items, as classified in the financial statements are as follows.

	2022 \$	2021 \$	2020 \$
<i>Classified within Cash and cash equivalents;</i>			
Cash at bank and in hand	13,464,327	15,348,650	16,293,625
Promissory note	1,095,747	3,446,565	6,491,800
Short-term deposits	187,272	2,007,413	2,000,000
Total own cash and cash equivalents	14,747,346	20,802,628	24,785,425
Client funds held in segregated accounts	15,944,226	13,362,165	21,251,841
Total	30,691,572	34,164,793	46,037,266
<i>Classified within Trade and other receivables;</i>			
Trade receivables	259,413	113,441	26,855
Deposits	376,791	868,551	1,637,027
Related party receivables	14,841,681	10,996,441	8,553,240
Loan to shareholders	1,860,001	154,693	2,353,979
Other receivables	239,519	278,622	386,230
Total	17,577,405	12,411,748	12,957,331
<i>Classified within Financial Assets;</i>			
Preference shares in related party	2,125,248	2,125,248	2,125,248
Related party receivables at call with an interest rate of 4% per annum	-	564,104	3,121,675
Total	2,125,248	2,689,352	5,246,923
<i>Classified within Derivative assets;</i>			
Client monies owing – open positions	2,530,091	3,771,983	4,975,732

Classified within Trade and other payables;

Trade payables	4,594,042	4,580,298	8,716,630
Related party payables	3,357,267	2,207,962	-
Total	7,951,309	6,788,260	8,716,630

Classified within Borrowings;

Bank loan, due for repayment 3 December 2024	133,249	2,905,320	3,023,654
Other borrowings	80,041	668,336	184,350
MARS / Liquidity Funding facility	20,508,656	2,757,242	-
Convertible notes facility / redeemable preference shares – unsecured	11,267,140	10,389,285	18,675,000
Total	31,989,086	16,720,183	21,883,004

	2022	2021	2020
	\$	\$	\$
<i>Classified within Client monies liabilities;</i>			
Client monies owing – closed positions	18,474,317	17,134,148	26,227,573

Business purposes of the ThinkMarkets' financial instruments

The business purpose of ThinkMarkets' financial instruments are to enable and further its business, and to provide for its regulatory and working capital requirements.

Income and expenses associated with financial instruments

Income and expenses associated with financial instruments are principally trading income, trading expenses, bank and merchant fees, and finance expenses, in the amounts classified for these items in the financial statements.

Risks associated with the ThinkMarkets' use of financial instruments

ThinkMarkets is exposed to a variety of financial risks through its use of financial instruments.

The principal categories of financial instruments used by ThinkMarkets, from which financial instrument risk arises, are as disclosed above.

The most significant financial risks to which ThinkMarkets is exposed to are: Liquidity risk, Credit risk, and Market risk comprising currency risk, interest rate risk and foreign exchange risk.

Risk management objectives strategies policies and procedures

ThinkMarkets' overall risk management plan has the objective to minimise potential adverse effects due to the unpredictability of financial markets. The general risk management strategies, policies and procedures are as follows.

The Board of Directors have overall responsibility for the establishment of ThinkMarkets' financial risk management framework. This includes the development of strategies and policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and the use of derivatives. Risk management strategies policies and systems are reviewed regularly to reflect changes in market conditions and ThinkMarkets' activities.

Day-to-day risk management is carried out by ThinkMarkets' finance function under policies and objectives which have been approved by the Board of Directors. The Chief Financial Officer / the Director of Finance has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate and foreign exchange rate risk and assessment of market forecasts for interest rate and foreign exchange movements. The Board of Directors receives monthly reports which provide details of the effectiveness of the processes and policies in place.

Mitigation strategies for specific risks faced, including hedging

Liquidity risk. Liquidity risk arises from ThinkMarkets' management of working capital and the finance charges. It is the risk that ThinkMarkets' will encounter difficulty in meeting its financial obligations as they fall due. ThinkMarkets' policy is to ensure that it will always have sufficient cash to allow it to meet its operational liabilities, as well as its regulatory capital requirements, and

long-term funding requirements.

ThinkMarkets manages its liquidity needs by monitoring cashflows, and liquidity needs daily, as well as on the basis of rolling projections. At the reporting date, these processes indicate that ThinkMarkets expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

Trade and other payables are in accordance with supplier standard trading terms which are usually less than 3 months. Bank loans and other borrowings are within the repayment terms. All other liabilities are repayable upon demand.

Credit Risk. Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to ThinkMarkets. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

ThinkMarkets' policy is not to grant credit to clients. Insofar as underlying contracts represent a leveraged trading service, the "credit" applicable to the client's account is limited to the amount of margin within that account, as such ThinkMarkets has minimal exposure. ThinkMarkets has sophisticated systems to ensure that trading platforms do not allow clients to exceed trading over their margin balance, in all usual circumstances. ThinkMarkets has adopted a policy of only dealing with creditworthy clients and counterparties as a means of mitigating the risk of financial loss from defaults.

ThinkMarkets considers that recorded financial assets are not impaired at the reporting date and are of good credit quality, including those that are past due. The credit risk for cash and cash equivalents and receivables from brokers is considered negligible, since the counterparties are financial institutions with high quality external credit ratings. Concentration of credit risk is the risk of exposure to a counterparty with a loss potential which is large enough to threaten the solvency or the financial position of ThinkMarkets.

ThinkMarkets' clients collectively form its biggest group of counterparties, and as such ThinkMarkets actively monitors the positions of its clients to ensure adequate collateral (margin) is held against these positions. Each client is required to have minimum funds in their account for opening positions and for maintaining positions. The client's collateral requirement is based on the aggregate requirement across all of the positions that a client holds at any one moment in time.

ThinkMarkets maintains collateral in various currencies in order to minimise its credit risk. ThinkMarkets also utilises a number of broker counterparties to hedge positions against specific clients and also against exposure to specific currency as and when required. All brokers are monitored on an ongoing basis and ThinkMarkets believes that credit risk is not significant.

ThinkMarkets' systems automatically monitor each client's margin requirements in real time and confirm that each client has sufficient collateral in their account before trades are executed. If at any point in time a clients' trading position does not comply with the applicable margin requirement, including where there maybe negative equity, the position is automatically liquidated. The incidence of negative equity in client accounts has been immaterial to operations in the period ended December 31, 2022.

ThinkMarkets may be exposed to movements in exchange rates, if the counterparties with which it hedges with are not able to provide the volume of counterparty hedging required by ThinkMarkets. It manages this risk by transacting with several financial institutions to facilitate counterparty hedging.

The following table details ThinkMarkets' maximum exposure to credit risk.

	Gross amount \$	Past due and impaired \$	< 30 \$	31-60 \$	> 90 \$
2022					
Cash and cash equivalents	30,691,572	-	30,691,572	-	-
Trade receivables	259,413	-	259,413	-	-
Other receivables	17,317,992	-	15,457,991	1,860,001	-
Financial assets at fair value	2,125,248	-	-	-	2,125,248
Derivative assets	2,530,091	-	2,530,091	-	-
Total	52,924,316	-	48,939,067	1,860,001	2,125,248
2021					
Cash and cash equivalents	34,164,793	-	34,164,793	-	-

Trade receivables	113,441	-	113,441	-	-
Other receivables	12,298,307	-	11,579,510	154,693	564,104
Financial assets at fair value	2,125,248	-	-	-	2,125,248
Derivative assets	3,771,983	-	3,771,983	-	-
Total	52,473,772	-	49,629,727	154,693	2,689,352
2020					
Cash and cash equivalents	46,037,266	-	46,037,266	-	-
Trade receivables	26,855	-	26,855	-	-
Other receivables	12,930,476	-	7,454,822	2,353,979	3,121,675
Financial assets at fair value	2,125,248	-	-	-	2,125,248
Derivative assets	4,975,732	-	4,975,732	-	-
Total	66,095,577	-	58,494,675	2,353,979	5,246,923

ThinkMarkets expects that these balances will be received when due and there are no amounts currently considered past due. Amounts are considered as 'past due' when they are not settled within the terms and conditions agreed between ThinkMarkets and the counterparty. All receivables are assessed for impairment by ascertaining solvency of the counterparty and are provided for where there is objective evidence indicating that the amount may not be fully repaid. ThinkMarkets does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired. There are no material impaired financial assets.

Market Risk. Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market price, of which the principal elements are comprised of foreign exchange and interest rate risk.

Foreign Exchange Risk. Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which ThinkMarkets holds financial instruments which are other than the AUD functional currency of ThinkMarkets. Exposures to currency exchange rates arise from ThinkMarkets' overseas revenue and purchases, which are primarily denominated in USD, EUR and GBP.

Foreign currency denominated financial assets and liabilities, translated into Australian Dollars at the closing rate, are as follows,

	USD \$	GBP \$	EUR \$	Other currencies \$	Total, AUD \$
2022					
Nominal amounts					
Financial assets	6,267,692	3,768,527	6,819,952	6,015,274	22,871,445
Financial liabilities	(714,636)	(2,645,613)	(2,783,101)	(5,095,308)	(11,238,658)
Borrowings	(31,775,796)	-	-	-	(31,775,796)
	(26,222,740)	1,122,914	4,036,851	919,966	(20,143,009)
2021					
Nominal amounts					
Financial assets	12,383,932	2,577,238	4,294,260	2,208,108	21,463,538
Financial liabilities	(2,684,175)	(3,043,639)	(3,601,001)	(1,497,581)	(10,826,396)
Borrowings	(13,146,527)	-	-	-	(13,146,527)
	(3,446,770)	(466,401)	693,259	710,527	(2,509,385)
2020					
Nominal amounts					
Financial assets	15,230,030	2,842,679	12,611,150	329,931	31,013,790
Financial liabilities	(9,413,011)	(3,071,626)	(11,786,204)	(166,465)	(24,437,306)
Borrowings	(18,675,000)	-	-	-	(18,675,000)
	(12,857,981)	(228,947)	824,946	163,466	(12,098,516)

The following table illustrates the sensitivity of the net equity for the year in regards ThinkMarkets' financial assets and financial liabilities. There have been no changes in the assumptions calculating this sensitivity from prior years. It assumes a +/- 10% change of the USD, EUR, and GBP exchange rates against Australian Dollar for the year ended December 31, 2022. The above percentages have been determined based on ThinkMarkets' assessment of average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the foreign currency financial instruments held at the reporting date and also takes into account

forward exchange contracts that offset effects from changes in currency exchange rates. If the Australian Dollar had strengthened and weakened against the following currencies by the above percentages at December 31, 2022, (December 31, 2021: 10%) then this would have had the following impact:

	2022		2021		2020	
	+10%	-10%	+10%	-10%	+10%	-10%
USD						
Equity	2,438,210	(2,980,034)	397,155	(485,412)	(528,820)	646,335
EUR						
Equity	(354,086)	432,772	(62,013)	75,794	(74,995)	91,661
GBP						
Equity	(103,542)	126,551	42,400	(51,822)	20,813	(25,439)
Other currencies						
Equity	(4,542)	5,551	(64,593)	78,947	(14,860)	18,163

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the ThinkMarkets' exposure to foreign currency risk.

Interest Rate Risk

ThinkMarkets is exposed to interest rate risk as funds are borrowed at floating and fixed rates. Borrowings issued at fixed rates expose ThinkMarkets to fair value interest rate risk.

ThinkMarkets' policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates. At the reporting date, ThinkMarkets is exposed to changes in market interest rates through its bank borrowings, which is subject to variable interest rates.

The following table illustrates the sensitivity of the net result for the year and equity to a reasonably possible change in interest rates of +10% and -10% (2021: +10%/-10%), with effect from the beginning of the year. These changes are considered to be reasonably possible based on observation of current market conditions and economist reports. The calculations are based on the financial instruments held at each reporting date. All other variables are held constant.

	2022		2021		2020	
	+10%	-10%	+10%	-10%	+10%	-10%
	\$	\$	\$	\$		
Net results	21,925	(21,925)	28,769	(28,769)	33,012	(33,012)

Significant assumptions in determining the fair value of financial instruments

ThinkMarkets measures the following assets and liabilities being Financial assets, Derivative assets, and Client monies liabilities at fair value on a recurring basis. IFRS 13, Fair Value Measurement, requires assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Unobservable inputs for the asset or liability.

ThinkMarkets assesses which level each of its financial instruments held at fair value falls into. It has assessed that Derivative assets and Client monies liabilities are level 2, and Financial assets and convertible notes are level 3. There were no changes in classification in the periods as reported. There were no unrecognized gains or losses related to financial instruments in the periods stated.

Disclosure Controls and Internal Control over Financial Reporting

Internal control over financial reporting

In accordance with National Instrument 52-109 – Certification of Disclosure in Issuers’ Annual and Interim Filings, management is responsible for establishing and maintaining adequate Disclosure Controls and Procedures (“DCP”) and Internal Control Over Financial Reporting (“ICFR”). If ThinkMarkets becomes a reporting issuer in Canada, its Co-Chief Executive Officers and Chief Financial Officer will be required to file certifications relating to DCP and ICFR for ThinkMarkets in connection with its interim and annual filings, commencing with the first reporting period after becoming a reporting issuer.

Limitations of controls and procedures

ThinkMarkets’ management, including the Co-Chief Executive Officers and Chief Financial Officer, believes that any DCP or ICFR, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within ThinkMarkets have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any control system also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

DISCLOSURE OF OUTSTANDING SHARE DATA

Further to its constating documents, the issue and the terms of issue of shares, options over unissued shares and other securities of ThinkMarkets is within the control of the directors of ThinkMarkets. There are currently 203,000,011 ordinary shares and 23,200 redeemable preference shares outstanding.

The Board of Directors of ThinkMarkets have approved a resolution pursuant to which all outstanding redeemable preference shares are to be surrendered and tendered for conversion into ordinary shares on the basis of one ordinary share for each preference share by June 30, 2023.

The following lists the securities of ThinkMarkets that are convertible into, or exercisable or exchangeable for, voting or equity securities of ThinkMarkets:

Number of Options	Grant Date	Expiry Date	Exercise Price
177,665 options, each exercisable for one ordinary share	December 30, 2022	June 30, 2024	Nil
2,400,000 options, each exercisable for one ordinary share	November 19, 2021	May 19, 2023	US\$0.001

On or about May 11, 2023, ThinkMarkets agreed to issue 2,097,827 ordinary shares of ThinkMarkets to a third party.

See “*The Business Combination*” and “*Corporate Structure*”.

**APPENDIX E
CHARTER OF THE AUDIT COMMITTEE
OF NEW THINKMARKETS**



AUDIT COMMITTEE CHARTER

DATED ●, 2023

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I. PURPOSE

The purpose of the Audit Committee is to assist the Board of Directors (the “**Board**”) of ThinkMarkets Group Holdings Limited (the “**Corporation**”) in its oversight of:

- A. the integrity of the financial statements, the financial and accounting reporting processes, both internal and external, and related information;
- B. the work independence, qualifications and appointment and performance of the Corporation’s external auditor (the “**External Auditor**”);
- C. compliance with applicable legal and regulatory requirements;
- D. disclosure, internal controls and audit procedures (internal and external);
- E. enterprise risk management processes, treasury, tax, hedging, and financial strategies and policies; and
- F. Whistleblower Policy and processes.

In addition, the Audit Committee provides an avenue for communication between the External Auditor, management, and other employees of the Corporation, as well as the Board, concerning accounting and auditing matters.

The composition and meetings of the Audit Committee are subject to the requirements set forth in the articles and by-laws of the Corporation, as well as in applicable legal, regulatory and listing requirements, including, without limitation, the rules of the Toronto Stock Exchange (the “**TSX**”) or of any other stock exchange on which the securities of the Corporation are listed, and all applicable securities regulatory authorities. The present charter is not intended to limit, enlarge or change in any way the responsibilities of the Audit Committee as determined by such articles, by-laws, applicable laws and the rules of the TSX or of any other stock exchange on which the securities of the Corporation are listed.

II. DUTIES AND RESPONSIBILITIES

The Audit Committee shall perform the functions customarily performed by audit committees and any other functions assigned by the Board. The Audit Committee shall have the following duties and responsibilities:

A. FINANCIAL REPORTING AND CONTROL

- 1. Review and discuss with management and the External Auditor the following:
 - a. annual audited financial statements to satisfy that they are presented in accordance with International Financial Reporting Standards (“**IFRS**”), and report thereon to the Board and recommend to the Board whether the financial statements should be approved prior to their being filed with the appropriate regulatory authorities;
 - b. major issues regarding accounting principles and financial statements presentation, including any significant changes in the Corporation’s selection or application of accounting principles, and issues as to the adequacy of the Corporation’s internal controls and any special audit steps adopted in light of material control deficiencies;
 - c. analyses prepared by management and/or the External Auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including the adoption of all major accounting policies and practices, any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgments of management that may be material to financial reporting;

- d. the effect of regulatory and accounting developments, as well as any off-balance sheet arrangements, on the financial statements of the Corporation;
 - e. the type and presentation of information to be included in earnings press releases (including any use of pro forma or non-IFRS information as well as the presentation of future oriented financial information);
 - f. any corporate governance issues which could significantly affect the financial statements; and
 - g. all matters required to be communicated to the Audit Committee under accounting policies, auditing standards or other applicable requirements.
2. Review and discuss with management and the External Auditor, report and, where appropriate, provide recommendations to the Board on the following, prior to its public disclosure:
- a. the annual and interim consolidated financial statements and the related “Management’s Discussion and Analysis”, Annual Information Forms, earnings press releases, and other financial information, all in accordance with the Corporation’s Disclosure Policy, and the integrity of the financial reporting of the Corporation;
 - b. any audit issues raised by the External Auditor and management’s responses thereto, including any restrictions on the scope of the activities of the External Auditor or access to requested information and any significant disagreements with management; and
 - c. to the extent not previously reviewed by the Audit Committee, all financial statements included in any prospectus, business acquisition report or offering memoranda and all other financial reports required by regulatory authorities and/or requiring approval by the Board.
3. Review and discuss reports from the External Auditor on:
- a. all critical accounting policies and practices used by the Corporation;
 - b. all material selections of accounting policies when there is a choice of policies available under IFRS that have been discussed with management, including the ramifications of the use of such alternative treatment and the alternative preferred by the External Auditor;
 - c. other material written communications between the External Auditor and management, and discuss such communications with the External Auditor; and
 - d. the adequacy of procedures in place for the review of public disclosure of financial information extracted or derived from the financial statements.

B. OVERSIGHT OF THE EXTERNAL AUDITOR

1. Recommend to the Board the External Auditor to be nominated, for the purpose of preparing the External Auditor’s report as well as the External Auditor’s compensation for doing so.
2. Oversee the work of the External Auditor and any other auditor preparing or issuing an audit report or performing other audit services or attest services for the Corporation or any consolidated subsidiary of the Corporation, where required, and review, report and, provide recommendations to the Board on the appointment, terms and review of engagement, removal, independence and proposed fees of the External Auditor.
3. Approve in advance all audit, review or attest engagement fees and terms for all audit, review or attest services to be provided by the External Auditor to the Corporation and any consolidated subsidiary and any other auditor preparing or issuing an audit report or performing other audit

services or attest services for the Corporation or any consolidated subsidiary of the Corporation, where required.

4. Pre-approve all engagements for permitted non-audit services provided by the External Auditor to the Corporation and any consolidated subsidiary, and to this effect, establish policies and procedures as appropriate for the engagement of the External Auditor to provide non-audit services.
5. Establish policies for the hiring of partners, employees and former partners and employees of the External Auditor in order to protect the independence of the External Auditor.
6. At least annually, consider, assess, and report to the Board on:
 - a. the independence of the External Auditor, including that the External Auditor's performance of permitted non-audit services does not impair the External Auditor's independence;
 - b. the External Auditor's formal written statement (i) delineating all relationships between the External Auditor and the Corporation actively engaging in a dialogue with the External Auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the External Auditor and for taking, or recommending that the full board take, appropriate action to oversee the independence of the External Auditor; and (ii) ensuring that the lead audit partner rotation is carried out, as required by law; and
 - c. the evaluation of the lead audit partner, taking into account the opinions of management.
7. At least annually, obtain and review a report by the External Auditor describing:
 - a. the External Auditor's internal quality-control procedures; and
 - b. any material issues raised by the most recent internal quality-control review, or peer review of the External Auditor firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the External Auditor firm, and any steps taken to deal with any such issues.
8. Resolve any disagreement between management and the External Auditor regarding financial reporting.
9. Review and approve the External Auditor's annual audit plan.
10. At least quarterly and when required, meet with the External Auditor in the absence of management.

C. COMPLIANCE WITH LEGAL AND ACCOUNTING REQUIREMENTS

1. Review and discuss with management, legal counsel and the External Auditor, monitor, report and, when appropriate, provide recommendations to the Board on the adequacy of the Corporation's processes for complying with laws, regulations and applicable accounting standards.
2. Review, on a periodic basis with legal counsel, the Corporation's legal compliance with respect to:
(a) the legal and regulatory matters which may have a material effect on the Corporation and/or its financial statements, including with respect to pending or threatened material litigations; and (b) corporate compliance policies and the Code of Ethics and Business Conduct.

D. OVERSIGHT OF THE CORPORATION'S INTERNAL CONTROLS SYSTEM

1. Review and discuss with management and, as appropriate, the External Auditor, monitor, report and, where appropriate, provide recommendations to the Board on the following:
 - a. the Corporation's systems of internal controls over financial reporting, including information technology security and controls, and any weakness, deficiency, significant finding or recommendation in relation therewith;
 - b. compliance with the policies and practices of the Corporation relating to business ethics;
 - c. compliance by directors, officers and other management personnel with the Corporation's Disclosure Policy; and
 - d. the relationship of the Audit Committee with other committees of the Board, management and the Corporation's consolidated subsidiaries' audit and other committees, as appropriate.
2. Review and discuss with the Chief Executive Officer(s) (the "CEOs") and Chief Financial Officer (the "CFO", and together with the CEOs and the other executive officers, as appropriate, the "Executive Officers") of the Corporation the process for the certifications to be provided in the Corporation's public disclosure documents.
3. Review, monitor, report, and, where appropriate, provide recommendations to the Board on the Corporation's disclosure controls and procedures.
4. Annually approve, or recommend to the Board for approval, the annual internal audit plan.

E. OVERSIGHT OF THE CORPORATION'S RISK MANAGEMENT

1. Review, monitor, report and, where appropriate, provide recommendations to the Board on the Corporation's major business, operational, and financial risk exposures and the guidelines, policies and practices regarding risk assessment and risk management including the following:
 - a. the Corporation's processes for identifying, assessing and managing risks;
 - b. the Corporation's major financial risks, including derivative and tax risks, and operational risk exposures and the steps the Corporation has taken to monitor and control such exposures;
 - c. the Corporation's major security risks and security trends, including cybersecurity risks, that may impact the Corporation's operations and business; and
 - d. the Corporation's business continuity plans, including work stoppage and disaster recovery plans.
2. Review, monitor, report and, where appropriate, provide recommendations to the Board on the Corporation's compliance with internal policies and practices regarding risk assessment and risk management and the Corporation's progress in remedying any material deficiencies thereto.
3. When appropriate, ensure that the Corporation and its consolidated subsidiaries establish risk assessment and risk management policies, and review and report thereon to the Board.
4. Review with management the credit worthiness, liquidity and important treasury matters including financial plans and strategies of the Corporation.

5. Review the Corporation's tax strategy, including its tax planning and compliance with applicable tax laws.
6. Review with management any hedging strategy that may be in place from time to time, including with respect to foreign exchange and interest rate hedging, financial or physical, intended to manage, mitigate or eliminate risks in relation to foreign exchange and interest rate fluctuations.
7. Review all related party transactions and actual or potential conflicts of interest.

F. WHISTLEBLOWER, ETHICS, CONDUCT AND INTERNAL CONTROLS COMPLAINT PROCEDURES

In accordance with the terms of the Whistleblower Policy, ensure that the Corporation has in place, monitors, and reviews annually policies for:

1. The receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters.
2. The confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters or circumstances (including allegations with respect to fraud, accounting misconduct, harassment, violence, retaliation, etc.).

III. EVALUATION OF THE AUDIT COMMITTEE AND REPORT TO BOARD

1. The Audit Committee shall evaluate and review with the Board, on an annual basis, the performance of the Audit Committee as a whole, as well as the performance of each individual member while taking into account: (i) in the case of the Audit Committee as a whole, the present Charter, and (ii) in the case of an individual member, the applicable position description(s), as well as the competencies and skills each individual director is expected to contribute to the Audit Committee.
2. The Audit Committee shall evaluate and assess, on an annual basis, the financial literacy and independence of the members of the Audit Committee.
3. The Audit Committee shall report to the Board periodically on the Audit Committee's activities.

IV. OUTSIDE ADVISORS

The Audit Committee shall have the authority to engage outside counsel and other outside advisors as it deems necessary or appropriate to assist the Audit Committee in the performance of its functions and carrying out of its duties. The Corporation shall provide appropriate funding, as determined by the Audit Committee for payment of (i) compensation for the External Auditor; (ii) compensation for outside counsel and other advisors engaged by the Audit Committee; and (iii) ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.

V. MEMBERSHIP

The Audit Committee shall consist of such number of directors, in no event to be less than three, as the Board may from time to time by resolution determine. The members of the Audit Committee shall meet the independence test and other membership requirements (including the financial literacy requirements pursuant to National Instrument 52-110 - *Audit committees*) under applicable laws, rules and regulations and listing requirements of the TSX and/or any other stock exchange on which the securities of the Corporation are listed, as well as those that may determined by the Board.

Each member of the Audit Committee shall be able to read and understand fundamental financial statements, including a company's balance sheet, income statement and cash flow statement. At least one member of the Audit Committee shall have past employment experience in finance or accounting, requisite professional certification in accounting, or

any other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities.

Members of the Audit Committee shall not accept directly or indirectly any consulting, advisory, or other compensatory fee from the Corporation or any subsidiary thereof; or be an affiliated person of the Corporation or any subsidiary thereof.

Members of the Audit Committee shall not have participated in the preparation of the financial statements of the Corporation or any current subsidiary of the Corporation at any time during the past three years.

VI. AUDIT COMMITTEE CHAIR POSITION DESCRIPTION

The Audit Committee Chair shall be appointed by the Board. The Audit Committee Chair leads the Audit Committee in all aspects of its work and is responsible for effectively managing the affairs of the Audit Committee and ensuring that it is properly organized and functions efficiently. More specifically, the Audit Committee Chair shall:

- A. Provide leadership to enable the Audit Committee to act effectively in carrying out its duties and responsibilities as described elsewhere in this Charter and as otherwise may be appropriate;
- B. Ensure that there is an effective relationship between management and the members of the Audit Committee;
- C. Chair meetings of the Audit Committee;
- D. In consultation with the Board Chair, any Lead Director, the Corporate Secretary, the Executive Officers, determine the frequency, dates and locations of meetings of the Audit Committee;
- E. Establish the agenda for each meeting of the Audit Committee, with input from other Committee members, and any other parties, as appropriate;
- F. In consultation with the Executive Officers, review the annual work plan and the meeting agendas to ensure all required business is brought before the Audit Committee to enable it to efficiently carry out its duties and responsibilities;
- G. Ensure, in consultation with the Board Chair and any Lead Director, that all items requiring the Audit Committee's approval, are appropriately tabled;
- H. Ensure the proper flow of information to the Audit Committee and review, with the Executive Officers and the Corporate Secretary the adequacy and timing of materials in support of management's proposals;
- I. Report to the Board on the matters reviewed by, and on any decisions or recommendations of, the Audit Committee at the next meeting of the Board following any meeting of the Audit Committee;
- J. Establish and implement an orientation and education program for new Committee members and a continuing education program for all members on applicable financial, accounting, auditing and industry issues; and periodically review these programs and update them as necessary; and
- K. Carry out any special assignments or any functions as requested by the Board.

VII. TERM

The members of the Audit Committee shall be appointed or changed by resolution of the Board to hold office from the time of their appointment until the next annual meeting of the shareholders, until their successors are so appointed, or until the member's earlier death, resignation, disqualification or removal.

VIII. PROCEDURES FOR MEETINGS

Meetings of the Audit Committee may be called by any member of the Audit Committee. The Audit Committee shall fix its own procedure at meetings and for the calling of meetings. The Audit Committee will meet at least each quarter and otherwise as necessary. The Audit Committee shall meet separately in an “in-camera” session, in the absence of management and the External Auditor, at each regularly scheduled meeting. The Audit Committee will also meet with the External Auditor without management being present.

The Audit Committee may invite any directors, officers or employees of the Corporation or any other person to attend meetings of the Audit Committee to assist in the discussion and examination of the matters under consideration by the Audit Committee. The External Auditor shall receive notice of and attend, at the expense of the Corporation, each meeting of the Audit Committee.

IX. QUORUM AND VOTING

Unless otherwise determined from time to time by resolution of the Board, two members of the Audit Committee shall constitute a quorum for the transaction of business at a meeting. For any meeting(s) at which the Audit Committee Chair is absent, the Chair of the meeting shall be the person present who shall be decided upon by all members present. At a meeting, any question shall be decided by a majority of the votes cast by members of the Audit Committee, except where only two members are present, in which case any question shall be decided unanimously.

X. SECRETARY

Unless otherwise determined by resolution, the Corporate Secretary of the Corporation or his/her delegate shall be the Secretary of the Audit Committee.

XI. VACANCIES

Vacancies at any time occurring shall be filled by a vote of a majority of the Board.

XII. LIMITATION ON DUTIES

Notwithstanding the foregoing and subject to applicable law, nothing contained in the present Charter is intended to require the Audit Committee to ensure the Corporation’s compliance with applicable laws or regulations.

In contributing to the Audit Committee's discharge of its duties under this charter, each member shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this Charter is intended or may be construed as imposing on any member a standard of care or diligence that is in any way more onerous or extensive than the standard to which the members of the Board are subject.

The Audit Committee is a committee of the Board and is not and shall not be deemed to be an agent of the Corporation’s shareholders for any purpose whatsoever. The Board may, from time to time, permit departures from the terms hereof, either prospectively or retrospectively. The terms contained herein are not intended to give rise to civil liability on the part of the Corporation or its directors or officers to shareholders, security holders, customers, suppliers, competitors, employees or other persons, or to any other liability whatsoever on their part.

XIII. RECORDS

The Audit Committee shall keep such records of its proceedings as it may deem necessary and shall report regularly its activities and recommendations to the Board as appropriate.

XIV. ACCESS TO INFORMATION AND AUTHORITY

The Audit Committee will be granted access to all information regarding the Corporation that is necessary or desirable to fulfill its duties and all directors, officers and employees will be directed to cooperate as requested by the members

of the Audit Committee. The Audit Committee also has the authority to communicate directly with the External Auditor, the CFO as well as any other employee of the Corporation as it deems necessary or advisable to carry out its duties.

XV. REVIEW OF CHARTER

The Audit Committee will annually review and assess the adequacy of this Charter and recommend to the Board any proposed changes for consideration. The Board may amend this Charter, as required.

This Charter will be adopted by the Board prior to Closing.

APPENDIX F
CHARTER OF THE BOARD OF DIRECTORS
OF NEW THINKMARKETS



BOARD OF DIRECTORS CHARTER

DATED ●, 2023

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I. PURPOSE

The Board of Directors (the “**Board**”) of ThinkMarkets Group Holdings Limited (the “**Corporation**”) is responsible for the oversight of the management of the business and affairs of the Corporation. The Board shall pursue the best interests of the Corporation and shall discharge its duties directly and through the committees that may exist from time to time.

The composition and meetings of the Board are subject to the requirements set forth in the articles and by-laws of the Corporation, as well as in applicable laws and the rules of the Toronto Stock Exchange (the “**TSX**”) and/or of any other stock exchange on which the securities of the Corporation are listed. The present charter is not intended to limit, enlarge or change in any way the responsibilities of the Board as determined by such articles, by-laws, applicable laws and the rules of the TSX and/or of any other stock exchange on which the securities of the Corporation are listed.

II. DUTIES AND RESPONSIBILITIES OF THE BOARD

In furtherance of its purpose, the Board assumes the following duties and responsibilities, some of which are initially reviewed and recommended by the applicable committee of the Board (each, a “**Committee**”) to the full Board for approval:

A. STRATEGY AND BUDGET

1. Oversees the formulation of long-term strategic, financial and organizational goals for the Corporation, and periodically reviews its mission and business vision.
2. Reviews and approves, at least annually, the Corporation’s strategic plan, which shall consider the opportunities and risks of the Corporation’s business.
3. Approves the Corporation’s annual business plan and operating and capital budgets.
4. Reviews and monitors the Corporation’s short and long-term performance against approved plans and budgets.
5. Advises management on critical and sensitive issues.
6. Reviews and approves material transactions and capital investments, not in the ordinary course of business (including proposals on mergers, acquisitions and other major investments or divestitures).

B. GOVERNANCE

1. Oversees the Corporation’s policies concerning business conduct, ethics, public disclosure of material information and other matters.
2. Oversees any charitable contributions made by the Corporation.
3. Develops, adopts, implements, reviews and enforces the Corporation’s Code of Ethics and Business Conduct, Majority Voting Policy, Forum Selection Provisions, Advance Notice Provisions, Insider Trading Policy, Disclosure Policy, Authorization Policy and Whistleblower Policy and any such other policies that may be adopted by the Board from time to time, and the actions, reports and recommendations received periodically from the Audit Committee and the Governance, Human Resources and Compensation Committee (the “**GHRC Committee**”) with respect to the conduct of the business in compliance with such policies.
4. In the event of a breakdown of communication between shareholders and the Board Chair or Executive Officers (as defined below), appoints an independent director to be available to shareholders with concerns.

C. BOARD AND COMMITTEE MEMBERS

1. Identifies individuals qualified to become directors considering the size of the Board and the competencies and skills of directors and proposed directors and the nominees for election at the next annual meeting of shareholders.
2. Approves the nomination of directors to the Board and its Committees, as well as:
 - a. ensures that the requisite number of the Corporation's directors have no direct or indirect material relationship with the Corporation and determine who, in the reasonable opinion of the Board, are independent pursuant to applicable legislation, regulation and listing requirements;
 - b. develops appropriate qualifications/criteria for the selection of directors, including criteria for determining director independence; and
 - c. appoints the Board Chair, the Lead Director (if necessary), and the Chair and members of each Committee of the Board, in consultation with the relevant Committee of the Board.
3. Determines the directors' remuneration for Board and Committee service while ensuring that the Corporation's compensation policy for directors reflects market practice and the time spent, responsibilities and risks involved in being an effective director.
4. Assesses annually the effectiveness and contribution of the Board and the Board Chair, and of each Committee and their respective Chairs and of individual Directors.
5. Identifies individuals qualified to become members of the Audit Committee in light of the independence, financial literacy, experience and other membership requirements set forth under applicable laws, rules and regulations and listing requirements.
6. Provides a comprehensive orientation program for new directors to the Board and continuing education opportunities for all directors.
7. Develops written position descriptions for the Board Chair, the Lead Director (if applicable) and the Chair of each Committee.
8. Reviews and discusses with each of the Committees of the Board the appropriateness of their respective charters and any changes to such charters which may be recommended by such Committee to the Board.

D. CEO, CFO, OTHER EXECUTIVE OFFICERS AND COMPENSATION AND BENEFIT POLICIES

1. Appoints the executive officers of the Corporation including, but not limited to, the Chief Executive Officer(s) (the "CEO") and the Chief Financial Officer (the "CFO" and together with the CEO and the other executive officers, as appropriate, the "Executive Officers").
2. Develops, together with the CEO(s), a written position description for the role of the CEO(s).
3. Develops the corporate goals and objectives that each Executive Officer is responsible for meeting.
4. Evaluates the performance assessments of each Executive Officer conducted by the GHRC Committee.
5. Approves, upon recommendation of the GHRC Committee, the Corporation's compensation and benefits policies or any changes thereto for Executive Officers.
6. Approves, by the independent directors, all forms of compensation for the Executive Officers.

7. Ensures, upon recommendation of the GHRC Committee, that the Corporation's compensation and benefits policies create and reinforce good conduct, ethical behaviour and promote reasonable risk taking.
8. Satisfies itself as to the integrity of the Executive Officers and senior management and that the Executive Officers, and senior management create a culture of integrity throughout the organization.
9. Provides stewardship in respect of succession planning, and approves, as may be required, (i) the succession plan with respect to the positions of the Executive Officers, and (ii) the appointment, training and monitoring of the Executive Officers and senior management.

E. RISK MANAGEMENT, CAPITAL MANAGEMENT AND INTERNAL CONTROLS

1. Identifies and assesses the principal risks of the Corporation's business, and ensures the implementation of appropriate systems to manage these risks.
2. Ensures the integrity of the Corporation's internal controls system and management information systems and the safeguarding of the Corporation's assets.
3. Reviews, approves, and as required, oversees compliance with the Corporation's Disclosure Policy (regarding corporate disclosure and confidentiality) and the Insider Trading Policy by directors, Executive Officers and other management and employees.
4. Reviews and approves the Corporation's internal and external policies for communicating and disseminating information, the whole in accordance with the Disclosure Policy.
5. Reviews annually and oversees the Corporation's internal controls over financial reporting and its disclosure controls and procedures.
6. Reviews and approves the Code of Ethics and Business Conduct with the purpose of promoting integrity and deterring wrongdoing, and encouraging and promoting a culture of ethical business conduct and as required, oversees compliance with the Code of Ethics and Business Conduct by directors, Executive Officers and other management and employees.
7. Grants, when appropriate, waivers to the Code of Ethics and Business Conduct.

F. FINANCIAL REPORTING, AUDITORS AND TRANSACTIONS

1. Reviews and approves, as required, the Corporation's financial statements, management's discussion and analysis, related financial information, press releases and financial outlook, the whole in accordance with the Disclosure Policy.
2. Approves and reviews the engagement of the external auditor, appoints the external auditor subject to shareholder approval and approves the external auditor and approve external auditor's compensation.
3. Establishes appropriate limits on the authority delegated to the Executive Officers and management to manage the business and affairs of the Corporation, the whole in accordance with the Authorization Policy.

G. LEGAL REQUIREMENTS AND DIALOGUE WITH STAKEHOLDERS

1. Oversees the adequacy of the Corporation's processes to ensure compliance by the Corporation with applicable legal and regulatory requirements.
2. Establishes appropriate measures for receiving feedback from stakeholders.

H. OTHER

1. Reviews, approves, and as required, oversees, with the assistance of the GHRC Committee, the compliance with the Corporation's environmental, social, health and safety and governance and ethics policies by the Corporation's directors, Executive Officers and management and employees.
2. Performs any other function as prescribed by law or as not delegated by the Board to one of the Committees or to management.

III. BOARD CHAIR

The Board shall annually appoint its Chair from among the Corporation's directors. The Board Chair leads the Board in all aspects of its work and is responsible for effectively managing the affairs of the Board and ensuring that the Board is properly organized and functions efficiently. The Board shall develop a written position description for the Board Chair.

IV. LEAD DIRECTOR

If the appointed Board Chair is also an Executive Officer, the directors will annually appoint a lead director (the "**Lead Director**") that will assist the Chair in performing the duties and responsibilities associated with the Chair. The Lead Director should be sufficiently removed from the day-to-day running of the business to ensure that the Board can objectively oversee the Company's affairs and be attentive to its obligations to its shareholders. The Board shall develop a written position description for the Lead Director in the event a Lead Director is appointed.

V. EVALUATION OF THE BOARD

The Board shall, on an annual basis, evaluate and review its performance as a whole, as well as the performance of each individual director while taking into account: (i) in the case of the Board as a whole, the present Charter, and (ii) in the case of an individual director, the director's self-evaluation, peer reviews, the applicable position description(s), as well as the competencies and skills each individual director is expected to contribute to the Board.

VI. OUTSIDE ADVISORS

The Board shall have the authority to engage outside counsel and other outside advisors as it deems appropriate to assist the Board in the performance of its duties. The Corporation shall provide appropriate funding for such advisors as determined by the Board.

VII. MEMBERSHIP

At least a majority of the directors shall, pursuant to applicable laws, rules, regulations and listing requirements, meet applicable independence requirements, and a majority of the members shall have the required experience and qualifications as determined by the Board.

Directors shall complete a Directors and Officers Information Form to help the Corporation meet its continuous disclosure requirements, and to help identify any director independence issues or conflicts of interest.

VIII. TERM

The members of the Board shall be appointed or changed by resolution of the Board to hold office from the time of their appointment until the next annual meeting of the shareholders or until their successors are so appointed.

IX. PROCEDURES FOR MEETINGS

The Board shall fix its own procedure at meetings and for the calling of meetings. Meetings of the Board will be held quarterly, or more frequently, as required. Independent directors may meet before or after each Board meeting or more

often if required. All independent directors and non-management directors shall meet in an executive session in the absence of management following each regularly scheduled meeting of the Board.

The Board may invite any of the Corporation's officers, employees, advisors or any other person to attend meetings of the Board to assist in the discussion and examination of the matters under consideration by the Board.

Directors are expected to attend all meetings of the Board and of its Committees (if applicable) and review, in advance, the meeting materials.

The proceedings and deliberations of the Board and its Committees are confidential. Each director shall maintain the confidentiality of all information received in his or her capacity as a director of the Corporation.

X. QUORUM AND VOTING

A majority of the Board shall constitute a quorum for the transaction of business at a meeting. For any meeting(s) at which the Board Chair is absent, the Chair of the meeting shall be the person present who shall be decided upon by all members present. At a meeting, any question shall be decided by a majority of the votes cast.

XI. SECRETARY

Unless otherwise determined by resolution of the Board, the Corporate Secretary of the Corporation or his/her delegate shall be the Secretary of the Board.

XII. RECORDS

The Board shall keep such records of its proceedings as it may deem necessary.

XIII. REVIEW OF CHARTER

The Board shall review and assess the adequacy of the Board Charter annually and at such other times as it considers appropriate, and shall make such changes to the Board Charter as it considers necessary or appropriate.

This Charter will be adopted by the Board prior to Closing.