

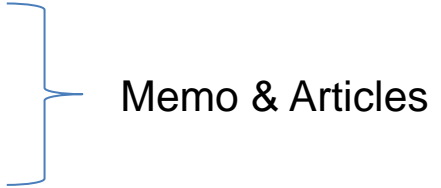
# The Listing Process

An Introduction

- Key requirements
- Overview of listing process
- FAQs

# Key Requirements

---

- “Public” company
    - At least 50 shareholders
    - No restrictions on buying and selling shares
    - No prohibition on offering shares to the public
  - Minimum \$1m market capitalisation
  - Minimum 20% of equity held by the public
    - “Public” excludes directors / their families, associated companies
  - Minimum 3 years of operating history
    - Substantially the same business
    - Generally at least 3 years of profitability
  - Substantially the same senior mgt in the last 3 years
- 
- Memo & Articles

# 2 Types of Listing

---

## Compliance Listing

- Straight listing
  - Already has 50+ shareholders
  - Compliant with listing requirements
  - New capital not required
- Simpler process
- Less information required

## Public Offering

- Public offer of shares as part of listing
  - New shares
  - Existing shares
- Purpose
  - Raise new capital
  - Increase shareholders as part of transition to public company

# Process – COMPLIANCE LISTING

---

## Preparation

- Strategic plan
- Budgets and projections
- Audited accounts
- Capital restructure
- Board restructure
- Management contracts
- Mem & Arts
- Other key contracts

## Structuring

- Due diligence
- Valuation
- Pricing
- Timetable

## Implementation

- Information Memo
- Research report
- Regulatory approvals
- Public relations
- Listing

# Process – PUBLIC OFFER

---

## Preparation

- Strategic plan
- Budgets and projections
- Audited accounts
- Capital restructure
- Board restructure
- Management contracts
- Mem & Arts
- Other key contracts

## Structuring

- Due diligence
- Valuation
- **Book build**
- Pricing
- Timetable
- **Offer structure**

## Implementation

- **Prospectus**
- Research report
- **IA report**
- Regulatory approvals
- **Road show**
- Public relations
- Listing

# Key Advisors

---

- Investment advisor
  - Managing overall compliance listing or public offer
- Underwriter
  - “Guarantor” for sell-down or capital raising
- Brokers
  - Generating demand and selling down shares
- Auditors / accountants
  - Financial reform and IA report
- Lawyers
  - Legal reform and key documentation

# Timeframe

---

- **Preparation:**
  - Varies widely depending on company “readiness”
  
- **Structuring and Implementation**
  - Typically 3-6 months
  - Offer period for public offer usually 2-4 weeks



# Cost

---

- Varies widely
  - Complexity of modelling the business
  - Work needed to make compliant and generate market demand
- Indicative fees for Phase II and III
  - 4% to 10% of capital raised or shares sold down
- Cost covers:
  - Issue management and investment advisory
  - Valuation model and research report
  - Selling
  - Underwriting
  - Independent Accountants Report
  - Other – Legal, Accounting, Statutory, Offer Document design/printing/ mailing, RBF/SPSE fees

# Challenges of Listing

---

- Management time
  - One-off cost
  - Due diligence often delivers new insights
- Dilution of control
  - Can maintain control with <50% ownership
  - Management agreements can reinforce control
- Greater transparency and reporting
  - Corporate discipline benefits shareholders
  - Proper reporting a feature of any well-run business
- Costs
  - Value and other gains from listing generally far outweigh costs
  - 10% corporate tax, 150% rebate and other tax incentives

# Closing Thoughts

---

- Challenges ... but manageable
- Significant benefits
- Prepare early
- Work closely with your advisory team
- Have a compelling investment story

Thank You