A Playbook for Profit-for-purpose Businesses

Demystifying the journey to impact investment

WHETHER YOUR IMPACT BUSINESS IS AT SEED, START-UP, GROWTH OR EXPANSION STAGE, THIS GUIDE WILL GIVE YOU AND YOUR TEAM:

- An introduction to impact investing; what it is and how it can help you realise your vision.
- Insights into investor expectations and motivations.
- Tips for confidently navigating the impact investing sector in Queensland.
- Practical tools and free resources to help you and your team explore, raise and manage impact capital.
- Reflections from other Queensland-based impact organisations that have utilised impact investment on their journey.

FOREWORD

In the 20 years since I started working to advance the Queensland impact economy, I have been inspired by the growth in energy and optimism of founders, investors and intermediaries alike.

Profit-for-purpose offers us a chance to revive the essential foundations of commerce that existed long before the constraints and limitations of shareholder primacy took hold in the 80s and 90s. With the right ideas, information, intentions and actions, impact organisations will lead us all to the future we dream of, in which we no longer have to trade off prosperity against a higher purpose, and solve our world's most complex and pressing problems.

I hope you enjoy, and benefit from, reading this Playbook. Our goal is to demystify key concepts and illuminate pathways towards impact investment, to accelerate action and to use profit for good.

LISA SIGANTO
EXECUTIVE DIRECTOR, IMPAQT QLD

There is a change upon us as we collectively move from shareholder value to stakeholder value. The days of profit at all costs and caring only for those with a direct shareholder position in companies are disappearing as we consider the impact of our actions for ourselves, our companies and even more broadly for our fellow citizens and the planet.

I'm pleased to see organisations such as ImpaQt Qld providing stewardship of Queensland companies wanting to creating profit-for-purpose companies and positively impact Queensland.

This Playbook is a useful resource to upskill our entrepreneurs and innovators working in this space, and to ensure that Queensland is known as an impact economy state.

LEANNE KEMP
QUEENSLAND CHIEF ENTREPRENEUR

ABOUT IMPAQT QLD

ImpaQt Qld is a not-for-profit convening power on a mission to strengthen and scale the impact economy in Queensland. We exist to improve positive social and environmental outcomes in the new economy. Our Vision is for a world in which purposeful business is the norm and impact investing is mainstream. The team at ImpaQt Qld provides advisory services, resources, education, and networks to facilitate deal flow and the growth of the impact economy across the state.

This publication reflects the shared experience and opinions of our sector partners. Designs and artwork by the fabulous team at Social Change Central.

"IMPACT-FOCUSED INVESTMENT IS NO LONGER A FRINGE TREND"

Australian Financial Review, October 2019

WHAT IS IMPACT INVESTING AND WHY DOES IT MATTER?

As your business moves through different stages of its life cycle - from concept, to start-up, to growth and then expansion – and you exhaust the financial resources readily available to you, your funding options may include friends and family, crowdfunding, government, 'Angel' networks, accelerator funds, philanthropic funds, venture capital funds or even open market equity via initial public offering (IPO).

That's a huge list!

You can think about third-party capital as akin to adding an extra battery cell to your phone – you can operate for longer, perhaps also faster and, most importantly, achieve outcomes that weren't previously available to you.

True impact investing is deemed to have the following characteristics, according to the Global Impact Investment Network:

- Intentionality around seeking to contribute to solutions for social and environmental challenges (i.e. it is more defined than ESG or 'responsible investing')
- Expectation of a financial return
- A variety of instruments
- A commitment to measure and report the social/environmental performance

EXPECTED FINANCIAL RETURN	NONE	PASSIVE	INTENTIONAL	EVIDENCE-BASED	
MARKET RATE	Financially Motivated Investments	Socially Responsible Investments e.g. focused on environmental, social justice or corporate governance (ESG) issues or employment	International, Market Rate Impact Investments	Social Impact Bonds & Development Impact Bonds	Evidence-Based Impact Investments
BELOW MARKET RATE			Below Market Rate Impact Investments		
PARTIAL CAPITAL RECOVERY					
COMPLETE LOSS OF CAPITAL		Traditional Philanthropic Grantmaking		Evidence-Based Grantmaking e.g. Robin Hood Foundation	

APPROACH TO IMPACT

Source: https://www.bridgespan.org/insights/library/impact-investing/what-is-impact-investing

"BRINGING IN INVESTORS CAN NOT ONLY GIVE YOU CAPITAL TO GROW BUT ALSO CONNECTIONS WITH CREDIBILITY AND PEOPLE WHO BELIEVE IN YOU TO HELP YOU GROW THE BUSINESS AS WELL. IT HAS MADE US MORE FOCUSED ABOUT WHERE WE SPEND MONEY IN THE BUSINESS."

Anna Robson & Nirary Dacho
Co-founders, Refugee Talent

HOW DOES IMPACT INVESTMENT HELP GROW IMPACT?

Like all forms of capital, impact capital is a resource to help you to acquire the essential infrastructure (people, technology, facilities) to be more productive, sustainable and impactful.

In deciding what sort of capital to bring on, and where to go for help to make that decision, it's useful to consider the purpose for which you are bringing it into your business, and whether it will be utilised to directly enhance the underlying commercial model that sustains your business, or whether it links more to your impact model.

For example, you might use impact capital to acquire core technology to improve sales, customer experience (commercial) or to better capture data and develop insights around the social or environmental impact your activities are creating (impact). You may want to expand your core capabilities or explore new markets (commercial) or reach new beneficiaries and communities in need (social).

"IF I HADN'T FOUND IMPACT INVESTORS WHO BELIEVED ENOUGH IN THE RIGHT THINGS… THIS IMPACT WOULDN'T EXIST, AND IF THIS IMPACT DIDN'T EXIST HERE, WE WOULDN'T BE ABLE TO SHIFT AN INDUSTRY INTO BEING PART OF THE SOLUTION [HUMAN TRAFFICKING] RATHER THAN PART OF THE PROBLEM."

James Bartle
CEO, Outland Denim

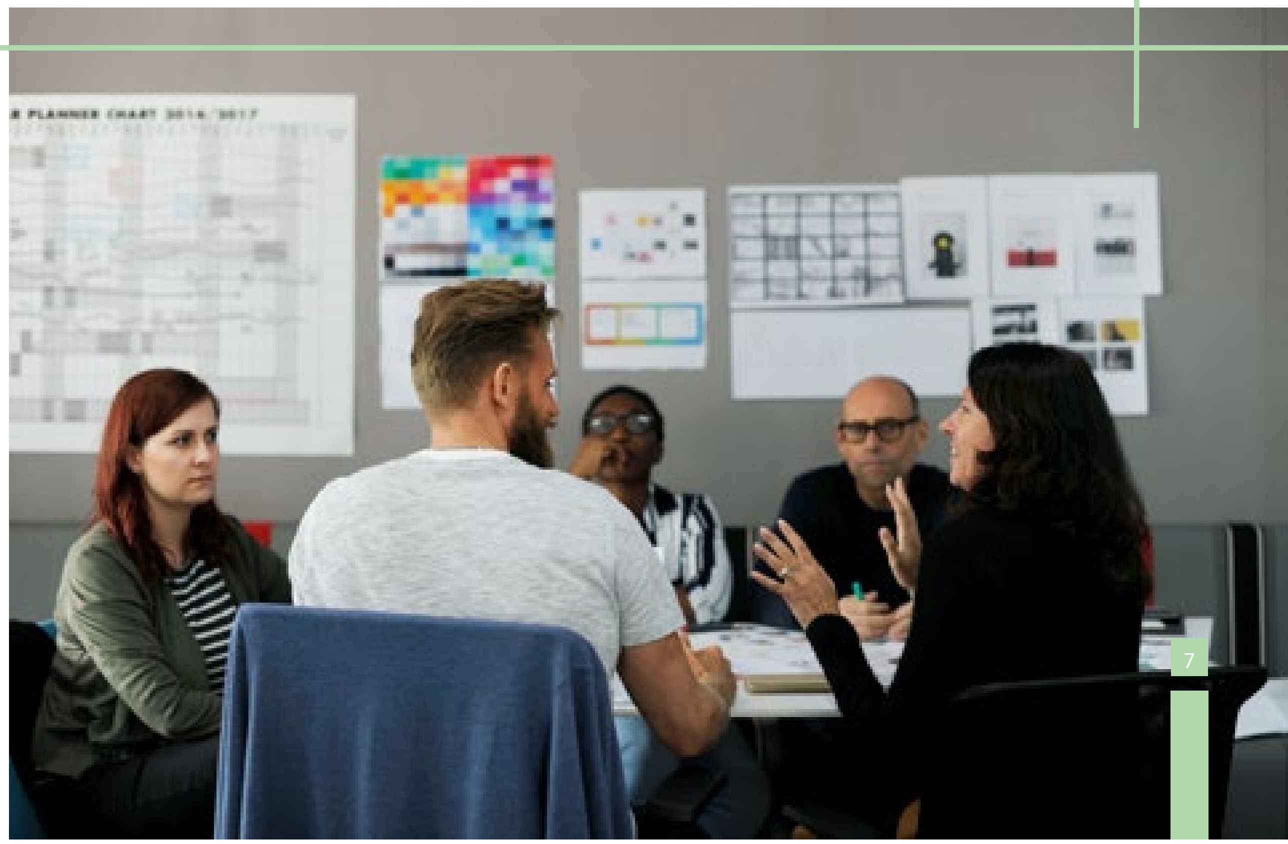
It's ultimately up to you, and your co-founder, as to how you apply your resources, however you can also expect to be asked to explain how the funds will be used to benefit the financial strength and profitability of the organisation and achieve better reach and impact – which is something you will have probably spent a long time thinking about! The purpose for which you are raising capital will also influence the type of capital you should consider, and the types of investors you should approach. ImpaQt Qld is able to assist in this as your "impact management thinking partner" as you navigate your options. We also have a preferred list of investment readiness consultants.

WHO ARE IMPACT INVESTORS?

Generally, anyone can invest in a profit-for-purpose company – it depends largely on how the capital raising is undertaken. The same investment guidelines and rules apply to a business that exists for purpose, as they do for pure profit-motivated businesses. The investor is obliged to assess whether an investment is suitable to their financial situation, needs and investment objectives.

Different investors require different types of information and documentation, and they will also have different interests and expectations in relation to the fundamentals of a business mode, versus its impact. For example, it is vital that there is agreement and alignment on the relative priority on financial return and impact, and over what time horizon. It is important that you have access to appropriately qualified advisors and experienced support when developing a capital raising plan.

As you begin to explore capital raising mechanisms, you will encounter terms like 'retail' and 'wholesale/sophisticated' investors. These terms become more important as you clarify your appetite to reduce your ownership in the business you have created and your 'why' for capital raising overall.



WHAT CAN I EXPECT ON AN EQUITY CAPITAL RAISE JOURNEY?

Most profit-for-profit businesses on their journey to growth will experience an equity route. We have listed here just some of the things that you will need to know upfront about equity investment and preparing for a capital raise. More detailed information is available when you engage with investment readiness services.

- You will be opening your doors to shareholders – diluting your stake in the company and increasing your responsibilities to satisfy the interests and expectations of investors in your business. Some founders are happy to have shareholders but wish to retain full authority – however this will not be the case when securing certain types of capital.
- Securing investment takes time – embarking on a capital raise and securing investment can take months of preparation and discussions with investors before an investor will commit. The key is to prepare and approach sourcing an investor(s) well in advance of needing investment, or, consider your interim funding solutions while you embark on a capital raise route.
- Raising money costs money – there are costs associated capital raising. Costs to prepare, costs to appoint professional advisors and in some cases, costs to access networks of investors and capital raise instruments.
- Raising capital is competitive – just as you are actively pursuing investors, it is likely that there are many other profit-for-purpose founders seeking investment. You've got to stand out and be prepared to present your business in the best way possible.
- Raising capital is a regulated process – you will be required to produce documentation in line with regulatory and legal requirements. This is mandatory and designed to protect investors.
- Consider your exit strategy as part of planning your investment strategy - Equity investors recover their investment only when they sell their shareholdings, or in the instance that the assets of the firm are liquidated, for example, the company lists on the Australian Securities Exchange (ASX), or proceeds are distributed once the entity is making profit, or via a trade sale. While it may seem that an exit is light years away, an active and experienced equity investor is likely to have greater confidence in a profit-for-purpose founder, who has a definitive and realistic, yet ambitious vision for their business, including the exit.
- Equity investors typically invest in a company which has momentum - Equity investors are attracted to businesses which demonstrate month to month revenue, or a clear line of sight to revenue with distribution agreements or client contracts in place.
- Be prepared to discuss the growth potential – do your research on your addressable market. Investors who take a stake in an early stage growth company typically invest with the knowledge they are unlikely to receive an initial return but invest in potential for growth. It is imperative that you demonstrate the market opportunity, your addressable market and clearly show the opportunity for revenue growth.

- Capital raising is a strategic and continuous activity. Take the time to set up your business processes and system for capturing documentation and working through your financial modelling and expected growth costs. Equity investors invest for long term gain – so may re-invest at different milestones and in future capital raises. If you are a profit-for-purpose founder who has just closed a round of funding and have just received a healthy injection of cash from investors, this is the time to start planning to raise your next round of funding, and to put aside the likely costs associated with performing the next round of funding.
- Research investors and their investment criteria – every investor, whether it be an individual, investment fund, or family office, or other - has their set criteria or parameters for investment. The key is to identify early on in your business's lifecycle, the investment channels, and the individuals or entities within each channel and set about understanding their criteria – enabling you to qualify-out quickly those investors who are unlikely to invest, and prepare the required information in advance of targeting investors or entities with which your business aligns to their criteria. Criteria is different for every equity investor, just as it is for each grant, or debt facility. The criteria might specify the point of growth, size of company, commercial location, impact focus, amount of revenue or the type of offering, service or product, consumer or business focused. The key is, to research potential investment pathways early, and adopt a strategic approach to fundraising.
- Seek advice – there are several investment readiness intermediaries which exist to help founders to navigate the capital raise process, and to guide you to get investor ready. It can be an efficient approach, given you are busy running the business, to employee the services of an intermediary to assist you to get ready or guide you.

"WE SPENT AN INORDINATE AMOUNT OF TIME INFORMING INVESTORS THAT WE ARE ABOUT SYSTEM CHANGE, NOT MARKET CHANGE, AND THAT (IN ITSELF) NEEDED INVESTORS THAT UNDERSTOOD THAT LONG-TERM PATIENT INVESTMENT WAS NEEDED. ALSO WE LEARNED THAT RELATIONSHIPS AND FINDING ALIGNED INVESTORS WAS CRITICAL."

Robert Pekin
CEO, Food Connect Shed

WHAT TYPES OF FUNDING AND CAPITAL IS OUT THERE?

FAMILY & FRIENDS

DESCRIPTION		
Funding received from immediate contacts such as family and friends		
STAGE	FUNDING AMOUNT	TYPE
Idea	Usually up to $50,000 (but can be significantly more)	Equity, Debt, Gift

PURPOSE

To develop the concept, feasibility of build, market understanding, competitors etc.

FORMALISATION

Agreement via Lawyer

CONSIDERATIONS AT THIS STAGE

If multiple individuals are taking equity at this early stage, it is important to have the right structure in place and agreements as they will effectively be shareholders and entitled to rights as a shareholder.

BENEFITS OF SOURCE

Family and friends are usually the first line supporters of an entrepreneur with a solid idea, and able to extend an initial level of funding ($10k-$50k) which is considered low risk to enable early stage development. If multiple individuals are taking equity at this early stage, it is important to have the right structure in place and agreements as they will effectively be shareholders and entitled to rights as a shareholder.

ISSUES WE HAVE SEEN

- At this stage, the need for quick and initial investment may result in a founder accepting funds from multiple individuals, with multiple terms and agreements.
- The appointment of a lawyer at this stage is not a typical undertaking and as such, the founder may not have the appropriate structure, constitution or shareholder agreements in place for those family and friends receiving equity which can, down the track, present issues for a founder in managing the interests of the shareholders.
- Funds are often accepted on terms that suit each shareholder, which can result in the inclusion of terms that protect the shareholder above the founder.
- The complexity of multiple agreements can be costly to supersede with a single shareholder agreement down the track. If multiple individuals are taking equity at this early stage, it is important to have the right structure in place and agreements as they will effectively be shareholders and entitled to rights as a shareholder.

GRANTS

DESCRIPTION

- Public or private grants
- Available at a local, state or federal government level
- Multiple types, for example, to support an individual, or to support a specific business activity or whole of initiative focus
- Multiple structure, for example, full grants, partial, or dollar-for-dollar (matched)

STAGE	FUNDING AMOUNT	TYPE
Multiple stages, including idea through to later stage growth	Funding amounts are specific to each grant	Gift (for a specific purpose, and with terms)

PURPOSE

Grants are offered typically for specific purposes and require individuals and/ or businesses to meet criteria, and to demonstrate use of funds for the purposes for which they were intended: for example, to support concept dezvelopment, appointment of staff, rollout of an initiative, or to support new channel growth.

FORMALISATION

Agreements directly with grant provider

CONSIDERATIONS AT THIS STAGE

- Grants require early application and an individual and/or business must meet stringent criteria.
- Grants can be a competitive source of funding and not a guaranteed source of funding, therefore an individual and/ or business should not rely wholly on grants to secure requisite funds.
- Grant application and approval processes can be lengthy.
- Grants are often a fixed amount for a fixed term. There is no guarantee that a grant will be re-offered; commonly, a separate grant application will need to be submitted for repeat tranches of funding.

BENEFITS OF SOURCE

- Can be a valuable first step on the capital raising pathway – enabling you to engage in early development without having the pressure of liaising with stakeholders or paying back a loan.

ISSUES WE HAVE SEEN

- Many grants don't apply to for-profit companies
- Restricted to activities dictated by grantor

ANGEL NETWORKS
(TEND TO BE CITY AND REGION BASED)

DESCRIPTION

Established entities which provide funding and support to early stage high growth companies through local groups of private sophisticated investors with Angel processes

STAGE	FUNDING AMOUNT	TYPE
Idea to MVP (Minimum Viable Product)	Generally, up to $150k	Equity, debt, sweat equity – providing a service (e.g. professional service such as legal or accounting, or App development) in return for equity

PURPOSE

To develop the product or service for future exit at high value multiples

FORMALISATION

An angel network will have a formal agreement template – it's important to run this by your lawyer for review.

CONSIDERATIONS AT THIS STAGE

What offerings and support does the Angel network provide in addition to funding? What is the commitment required? What outcomes are achieved?

BENEFITS OF SOURCE

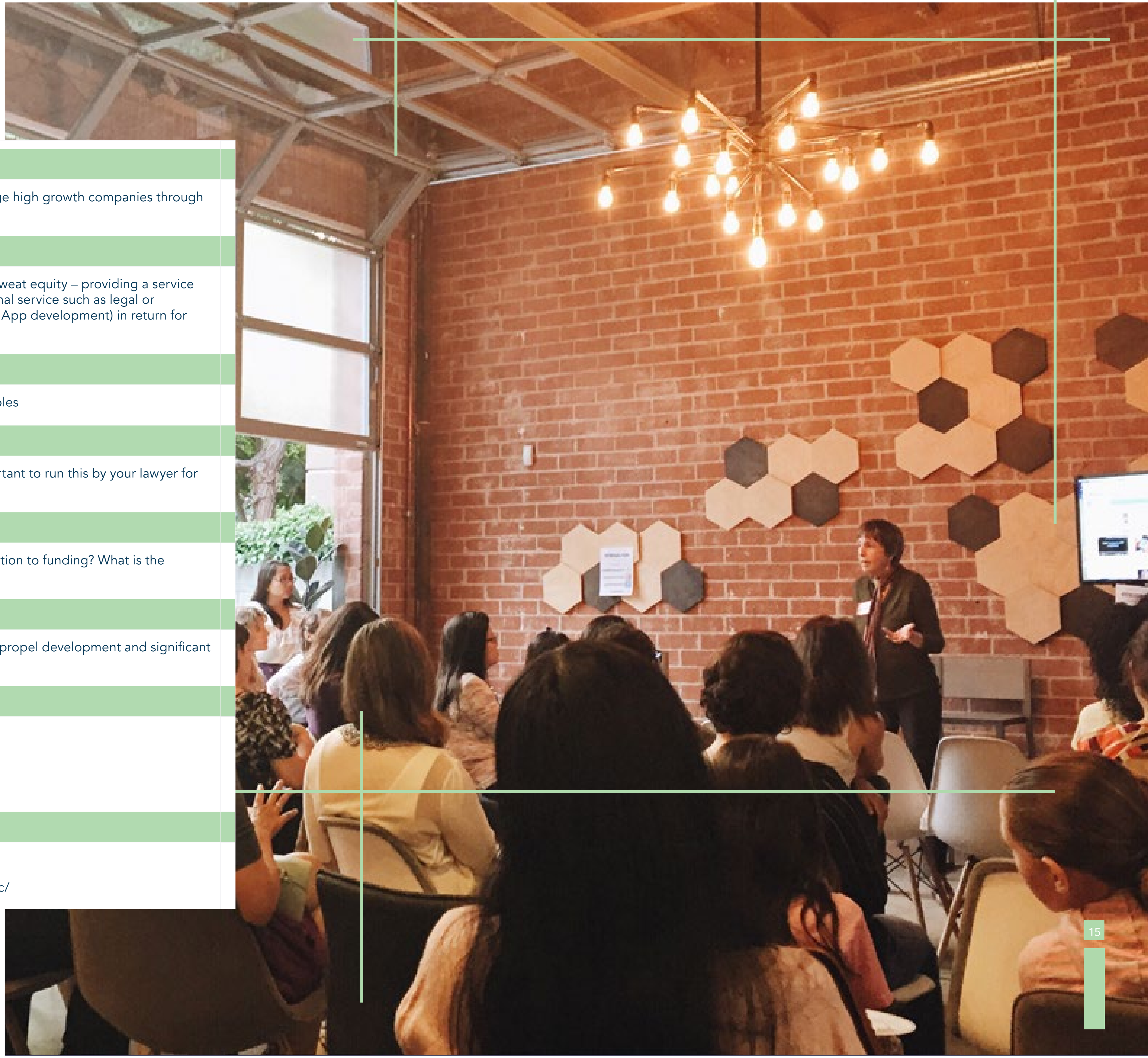
Angel networks are experienced in supporting start-up founders to propel development and significant growth

ISSUES WE HAVE SEEN

- Few impact-aligned angel networks in Australia
- Angel networks predominantly want first exit
- Restricted to activities dictated by investor

IN QUEENSLAND

- Brisbane Angels – admin@brisbaneangels.com.au
- Angel Loop – member@angelloop.org - https://goldcoastangels.vc/



ACCELERATORS

(NOTE: THAT THERE ARE DIFFERENT ACCELERATORS FOR DIFFERENT TYPES OF BUSINESS AND STAGE OF GROWTH)

DESCRIPTION

Usually a fixed-duration, cohort based business development programs, that use mentorship and action-based learning to advance a business towards a pitch to selected investors who may or may not be impact-driven

STAGE	FUNDING AMOUNT	TYPE
Beta or MVP	$70,000 - $150,000 – by invitation to join an Accelerator	Equity, Convertible Note, Gift

PURPOSE

To propel toward commercialisation with a fully functioning product or service

FORMALISATION

An Accelerator will have a formal agreement template; important to run this by your lawyer for review.

CONSIDERATIONS AT THIS STAGE

What support networks does an Accelerator put in place and give you access to? Are these required for your business? What is the outcome at the end of the program?

BENEFITS OF SOURCE

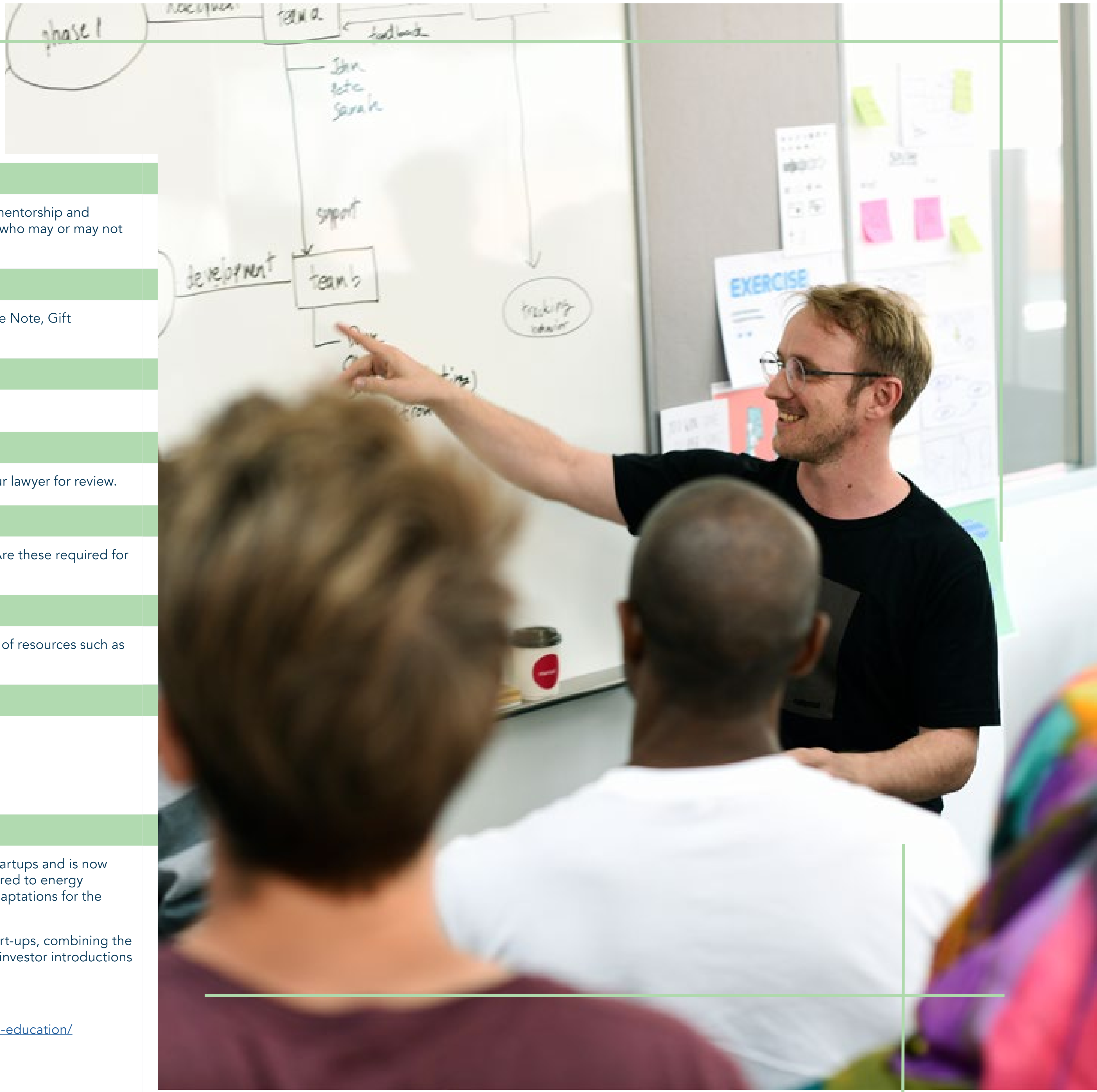
Accelerators are experienced in working with founders and usually have a network of resources such as legal, financial, and marketing which will help to reduce costs.

ISSUES WE HAVE SEEN

- Accelerator programs are not for everyone
- There needs to be an alignment between the founder and the Accelerator focus
- Accelerator programs offer different conditions and strengths

IN QUEENSLAND

- EnergyLab's Acceleration Program was the first in Australia to focus on energy startups and is now one of Australia's largest acceleration programs of any kind. The program is tailored to energy entrepreneurs, with learnings from the world's top cleantech accelerators and adaptations for the Australian context.
- The Bond Business Accelerator (BBA) is the ultimate incubator for early stage start-ups, combining the essential ingredients of formal training, practical skills, high level mentoring and investor introductions that will transform your idea into a fully-fledged commercial entity.
- River City Labs - https://rivercitylabs.acs.org.au/
- Business of Entrepreneurship Program - https://www.bdo.com.au/en-au/financial-education/growthprograms/business-of-entrepreneurship
- UQ Ventures - https://ventures.uq.edu.au/



VENTURE CAPITAL FUNDS

DESCRIPTION

A venture capital fund (VC) comprises investments by high net worth individuals and it is run and managed by one or more of the investors. Traditionally a venture fund is able to offer ongoing professional support services for a period of time.

STAGE	FUNDING AMOUNT	TYPE
Seed, Series A, B onwards $300,000+ Equity Definitions for stages vary. Typically Seed is the first official equity funding stage. Series A and B ($2M +) are follow on funding based on track record.	$300,000 +	Equity

PURPOSE

To propel a company towards growth and expansion.

FORMALISATION

Formal agreement in place with the Venture Fund provider

CONSIDERATIONS AT THIS STAGE

- Typically invest in commercialised entities with solid plans to propel growth and expand
- Venture funds have specific criteria and invest in companies only which meet criteria
- Founders or CEO will be required to pitch to the investment committee of the fund
- Risk profiles vary from fund to fund
- The venture fund differs from private equity funds in terms of the stage of growth and the level of support

BENEFITS OF SOURCE

- A venture capital fund can be fast acting with access to significant capital for early-stage companies
- A venture capital fund will surround the business with advisors to provide support across legal, financial, and commercialisation – distribution, sales and marketing in return for equity

ISSUES WE HAVE SEEN

- VCs all vary in so far as criteria and depth of due diligence they will undertake so it is important that a Founder be prepared with due diligence

IN QUEENSLAND

No dedicated impact equity seed funds available in Queensland as at August 2020.

Queensland based profit-for-purpose businesses can apply to::

- WA Impact Fund - https://www.impactseed.org/impactfund/
- Giant Leap Fund: Australia's first venture capital fund that is 100% dedicated to investing in impact startups – rapidly scalable businesses that blend financial returns with real and measurable social and environmental benefits. We invest across the following themes
- Impaqt Equity Seed Fund (forthcoming): A flagship impact investing equity seed fund targeting profit-for-purpose ventures. To be launched in early 2021. For more information, please contact ImpaQt Qld.

INVESTMENT FUNDS

DESCRIPTION

An independent private investment fund such as a family office fund or a fund with key organisational investors, or high net worth individual investors differs from a venture capital fund, in that an investment is made in return for equity, with likely limited support directed to the investee.

STAGE	FUNDING AMOUNT	TYPE
Seed, Series A, B onwards	Varied	Equity

PURPOSE

To propel a company towards growth and expansion.

FORMALISATION

Formal agreement in place with the Investment Fund provider

CONSIDERATIONS AT THIS STAGE

- Every investment fund has specific criteria as part of their investment strategy and it is very time consuming to address each small fund or funder separately
- Founders or CEO will likely be required to pitch to the investment committee of the fund
- Risk profiles vary from fund to fund

BENEFITS OF SOURCE

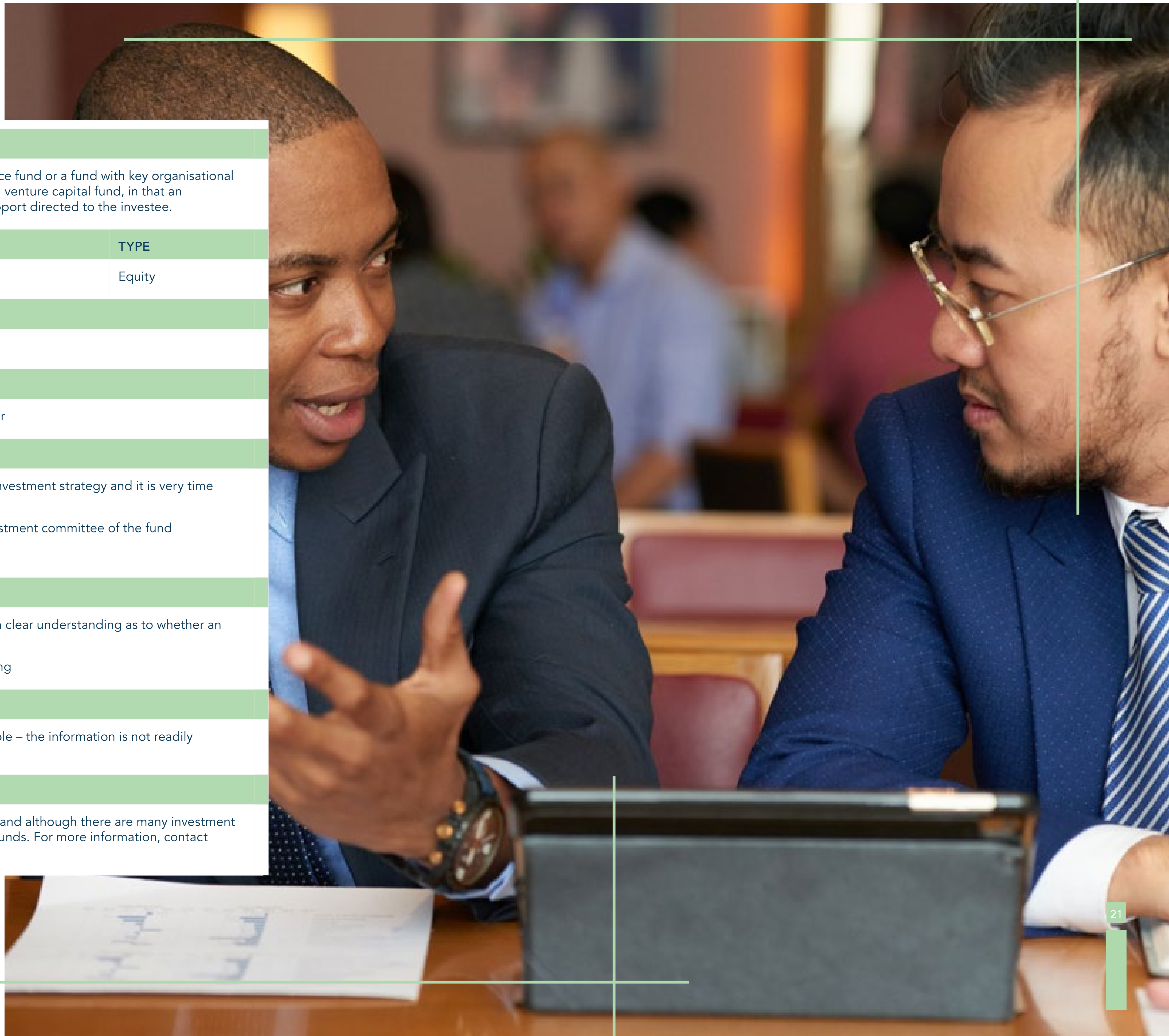
- Investment funds have clearly articulated criteria enabling a clear understanding as to whether an investment fund is a viable source of funding
- Often a fund can re-invest in the next round of capital raising

ISSUES WE HAVE SEEN

- Can be challenging to identify the investment funds available – the information is not readily available. Some funds have websites and some don't.

IN QUEENSLAND

No dedicated impact investment fund(s) available in Queensland although there are many investment funds aligned to family offices and other private investment funds. For more information, contact Advance Qld through https://advance.qld.gov.au/



EQUITY CROWDFUNDING

DESCRIPTION

Equity Crowdfunding or crowd-sourced funding (CSF) is a channel of funding which allows the 'crowd', that is, retail investors, to invest in companies via an authorised equity crowdfunding online platform.

CSF provides an alternative funding pathway that may otherwise be difficult for early-stage businesses that wish to secure funding.

Prepare offer disclosure. The company will need to publish a specific CSF offer document on a single intermediary's platform containing information prescribed by the regulations. ASIC has provided a CSF offer document template in ASIC Regulatory Guide 261.

STAGE	FUNDING AMOUNT	TYPE
Seed	$250,000 – $1M (can be less, can be more)	Equity

PURPOSE

To propel a company towards growth and expansion.

FORMALISATION

Formal agreement in place with an Equity Crowdfunding platform provider

CONSIDERATIONS AT THIS STAGE

- Equity crowdfunding is governed under ASIC and must be provided by an authorised equity crowdfunding provider (an intermediary which is a licensed operator of a CSF platform – that is, it holds an Australian Financial Services License expressly authorising it to provide CSF services).
- There are associated advisor and platform fees to be able to access an equity crowdfund vehicle.
- Equity Crowdfunding platform providers typically have an investment selection committee to decide which companies are best suited for an equity crowdfund using their platform.
- Not all businesses are suited for this channel, nor is it guaranteed that equity crowdfunding will deliver a successful outcome.
- Successful equity crowdfunding can result in a sudden increase of shareholders for your business.

BENEFITS OF SOURCE

- Typically, consumer-based products and solutions attract positive equity crowdfunding investment, particularly if personally relevant to investors in some form or an investor can relate.
- An equity crowdfund can benefit your business by exposing the product or solution to a large database of potential customers and potential future investors or re-investors down the track.

ISSUES WE HAVE SEEN

- Some profit-for-purpose businesses turn to an equity crowdfund platform at the time or just before they require an injection of capital into the business investment, only to discover that they are not able to pull together all of the mandatory information requirements within a short timeframe.
- Equity crowdfunding is an increasingly popular investment vehicle for both companies and investors, however it is a high-risk investment vehicle, for both purpose for profit founders and investors alike.
- There is no guarantee that the amount of funding needed by a founder will be successfully raised via an equity crowdfund campaign alone, due to the very nature of the vehicle - that you are inviting people to invest online at a point in time.

IN QUEENSLAND

OnMarket - enquiries@onmarket.com.au

PledgeMe - contact@pledgeme.com.au

Birchal - https://www.birchal.com/contact

EXAMPLES

Shebah; Outland Denim; Food Connect Shed

INITIAL PUBLIC OFFERING
(COMMONLY REFERRED TO AS 'IPO')

DESCRIPTION

An IPO is when a privately owned company publicly lists on a stock exchange, making ownership of their company available to the public. Within Australia, the Australian Securities Exchange (known as the 'stock exchange' or commonly referred to as the 'ASX')

STAGE	FUNDING AMOUNT	TYPE
Series A, B onwards	Open – can be a partial raise, or full raise, depending upon the level of equity in the company you wish to exchange in return for investment.	Equity

PURPOSE

To propel a company towards further substantial growth and expansion.

FORMALISATION

Initial key agreements are with a broker to help navigate and project manage the listing and with the ASX.

CONSIDERATIONS AT THIS STAGE

- An IPO is a later stage investment vehicle for growth companies that meet specific criteria. Further details of the ASX Listing Rules can be viewed www.asx.com.au/regulation/rules/asx-listing-rules.htm.
- Typically, earlier phase equity investors may like to know whether a liquidity event such as an IPO is a consideration as part of your longer term capital raising strategy, providing a line of sight for the prospective investor, to be able to liquify their investment down the track.
- Listing on the ASX is not a quick, nor cost free exercise. It can take approximately 6-12 months (or longer) to list your business and significant costs to list with additional and ongoing costs to run a publicly listed entity thereafter.

BENEFITS OF SOURCE

- An IPO vehicle can enable a business to raise ongoing capital through continued release of shares as further capital is required to support growth. Only an initial 20% of the company is currently required to be floated.

ANOTHER COMMON MECHANISM THAT ACHIEVES A SIMILAR RESULT AS AN IPO IS KNOWN AS A TRADE SALE. TRADE SALES ARE WHERE OTHER LARGER COMPANIES USUALLY IN THE SAME INDUSTRY BUY THE COMPANY FOR A MAJORITY SHAREHOLDING. IT IS RECOMMENDED TO BE DEVELOPING POTENTIAL FUTURE VALUES-ALIGNED BUYERS FROM EARLY DAYS.

ISSUES WE HAVE SEEN

- Global and local market conditions among other factors can dictate the ability to list a company, and ASX requirements can change from time to time
- An IPO is no guarantee of a company's success, and an IPO itself can be unsuccessful. Which is why engaging early to understand IPO's, doing your research, ensuring the appointment of a reputable broking firm which has with a solid history of IPOs, at the right time, is essential, if choosing to IPO your business down the track.
- Retail investors who invest in public companies have high expectations for the share price to increase and the market can turn quickly if it is deemed that the company is not achieving the stated growth milestones, nor acting in the best interests of the shareholders.

IN QUEENSLAND

- Brokers

IMPAQT QLD

—

The Precinct
Level 2/315 Brunswick St
Fortitude Valley QLD 4006

M : info@impaqtqld.com.au

W : www.impaqtgroup.com.au

We gratefully acknowledge the support of the English Family Foundation in assisting ImpaQt Qld to bring to the sector useful and relevant knowledge, support, tools and resources such as this Playbook.