



Funding Strategies

Corporate Presentation

"Advisors to Emerging and Growing Companies"

About Us

We serve predominantly sophisticated investors, private and public companies delivering a

broad range of services including:

- Corporate Advisory Services
- Better Business Program – Strategy, Execution, Leadership
- Funding Strategies and Investor Ready Services
- Equity and Debt Capital Raisings
- Small Scale Offerings and Venture Capital
- Business Exits
- Stock Exchange Listings / RTOs
- Director Services
- Providing Opportunities for Investors

Corporate Advice (Strategy, Structure, Roadmap, Exits)

Small Scale Offerings (Information Memorandum, Financial Model [incl. Forecast], Share Capital Structure, Investor Coordination and follow-up)

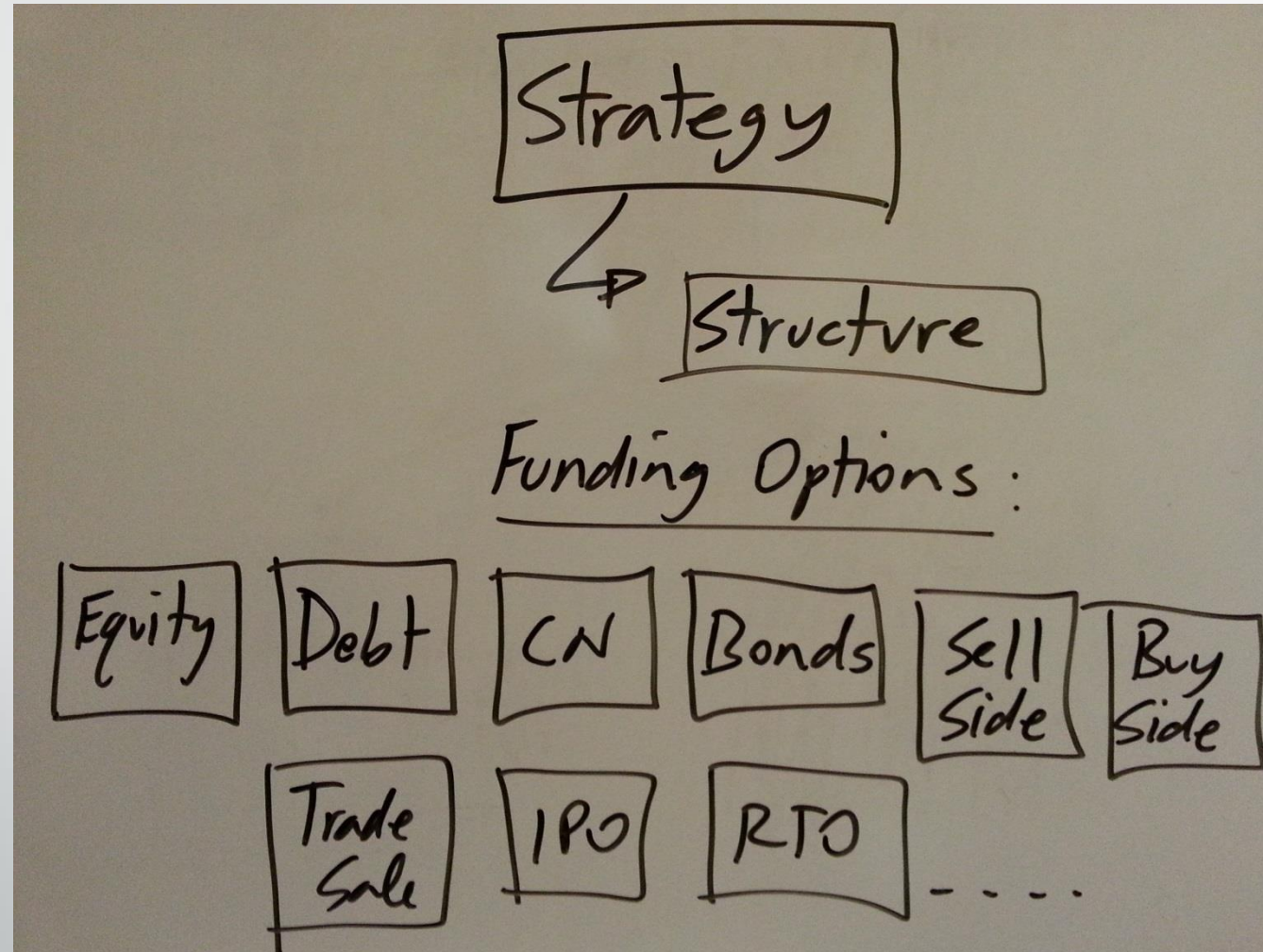
Other Capital Raisings (Finance, Investor Precip, Information Memorandum, OIS, Investor Coordination)

Opportunities for Investors
(predominately private companies)

Investor Distribution
(Investor follow-up)

Sell Side / Listings /
Special Private
Placements

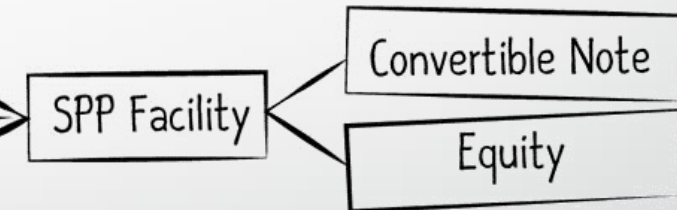
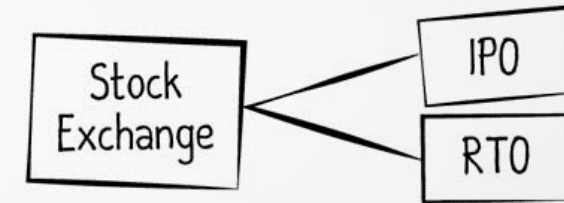
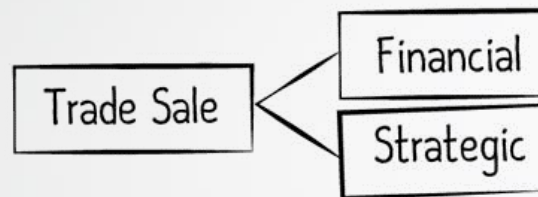
Funding Strategies:



Strategy



FUNDING & EXIT STRATEGIES



Equity Raise via Broker (\$ < 5m)

Early Stage Growth

Pre-IPO

Listed

Time

Funding Strategy

Business Strategy

Why Raise Capital?

- Hire human capital
- Grow the company (sales and marketing)
- To have a competitive advantage (more nimble in the marketplace)
- Working capital / build cash reserves
- To enhance credit and borrowing status (use equity to get debt)
- Launch new products / initiatives
- Fund acquisitions or acquire market share
- Fund capital investment and expansion (project finance)
- Retire debt / reduce balance sheet gearing
- Increase profit by reducing interest costs



Becoming “investor ready”

- Business and Funding Strategy Development
- Review of client / business situation
- Founder / Company exit options
- Review of financials (P&L, Balance Sheet, Forecast)
- Refinement and creation of business plans / forecasts
- Share Capital Structure calculation and Company Valuation
- Provision of Funding / Capital Raising Options
- Board and Management review
- Corporate Structure (working with accounting, tax and legal advisors)
- Offer Document Services (présis, offer document, information memorandum, prospectus, investor presentations)



Small Scale Offerings \$0.5-5m



- Suits emerging and growing companies
- Move company from a “Pty Ltd” to a “Limited” (3 Directors, Audited accounts, Shareholder Meetings, ASIC overview)
- Equity Raisings via non-disclosure (Section 708; 20/12; Class Order)
- We take the company through our Equity Capital Raising process
- Introduction to investors via Funding Strategies and the company’s distribution channels and capital raising platforms / media
- We can guarantee “distribution” to over 50,000 potential investors
- Funding Strategies is the largest Accredited Sponsor in Australia
- Overseas and Sophisticated/Professional investors can invest

The Australian Small Scale Offerings Board

The Australian Small Scale Offerings Board (ASSOB) is the largest and most successful capital raising platform for showcasing equity investment opportunities in high-growth, unlisted Australian companies.

To date almost \$141M of equity capital has been raised via a network of over 26,000 subscribers, many of whom are high-net-worth-individuals, angel investors and sophisticated investors in almost every industry sector including mining, IT&T, finance, green technologies, food & beverage.

ASSOB also operates the only Secondary Sales platform in Australia servicing the unlisted sector and providing a mechanism for investors to conduct share transfers in unlisted securities.



FUNDED

ASSOB: Opmantek Case Study

OPMANTEK OVERSUBSCRIBES PRIMARY OFFER

[Opmantek Ltd](#) has closed its primary capital raise on ASSOB after successfully raising over \$700,000.

Opmantek is an Australian company formed and built for high investor return. The Company's founders have a history of success, there are already early stage acquisition approaches and the company is growing rapidly at high profit.

Opmantek operates in the field of Network Management Software under a disruptive business model that leverages uniquely low costs to deliver their software to a blue-chip, global client base. Investors can now sell their shares via the Secondary Platform:

<http://www.assob.com.au/omk>

<https://www.youtube.com/watch?v=e0aojh5fyo0>

<http://www.startupsmart.com.au/financing-a-business/venture-capital/opmanteks-mexican-adventure-helps-it-to-700k-fund-raise/201303259316.html>

Danny Maher:
Opmantek's Managing Director,



*"Right Company,
Right Sponsor,
Right Platform"*

FUNDED

ASSOB: PRM Cloud Solutions (Enverro) Case Study

PRM Plans Major Expansion

[PRM Cloud Solutions](#) has closed its primary capital raise on ASSOB after successfully raising over \$860,000 with Funding Strategies. The company specialises in implementing and building cloud, mobile and social applications for the Mining, Oil & Gas, Construction, Media and Health, Government & Education sectors. The most recent of the applications developed by PRM is Enverro.

PRM subsequently changed it's name to Enverro and listed on the ASX in Dec 2014.



Valuing Businesses

The valuation of a business is typically determined by applying a multiple to its 'sustainable earnings' and subtracting the debt that it has borrowed:



$$\begin{array}{|c|} \hline \text{Sustainable} \\ \text{Earnings} \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{Multiple} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Business Value} \\ \hline \end{array} - \begin{array}{|c|} \hline \text{Debt} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Equity Value} \\ \hline \end{array}$$

What sustainable earnings is the business likely to generate? Typically, EBITDA is used.

What multiple of earnings (EBITDA) have similar businesses sold for?
eg. 5 x EBITDA

Debt must be repaid before equity holders receive proceeds.

Value of ALL of the shares currently on issue

Equity value is then divided by the total number of shares on issue to obtain an indicative value per share. Valuations are discounted for the “stage” of the business and the ability of the management team to execute the business plan.

Funding Strategies can provide a Strategic Growth Plan that helps provide guidance around the valuation and share capital structure.

Investors in unlisted companies



- Funding Strategies is able to introduce investors to a range of growth and high income opportunities including unlisted and pre-IPO opportunities
- Looking for high growth, leveraged companies ie. superior returns (unlisted vs. listed)
- Can participate in the company (or oversee their investment) by being on the Board or executive team
- Can exit on the liquidity event (or stay with the company)
- Many unlisted companies exit via a strategic trade sale and get higher multiples than via a traditional trade sale
- Emotional vs. sophisticated investors
- Sometimes invest as their self managed superfund as part of a balanced portfolio (10% of portfolio)
- Can participate in high yield instruments eg. Convertible Notes
- Get access to private deals not usually available to private clients – please contact us to discuss further:

[Investor Opportunities Link](#)

Possible Exits



- Management Buy Outs - management team buys out the company (sometimes with help from an investor)
- Joint Venture or Strategic Investor - usually via a Supplier / Competitor / VC or Private Equity
- Financial trade sale - sell for a multiple of EBITDA
- Strategic trade sale - sell to a competitor or strategic investor
- Initial Public Offering – list on a recognised stock exchange (RTO or IPO)



Raising Debt Finance

- Introduction of funding for commercial ventures through a range of brokers / funders
- Debt financing ranging from \$500K though to \$50m+
- Invoice financing, equipment financing, business loans, private lending, convertible notes ...
- Interest rates, fees and charges dependent on funding originator, quality of collateral and business, funding needs and exit strategy
- Timing of an offer and settlement is subject to all documentation being supplied by the Company
- We have good access to both bank and non-bank financiers



Private Placement Facility

- For pre-IPO / IPO and ASX listed companies
- \$1-50m facility (usually over 3 years)
- A negotiated facility with a an institutional investor
- Funder guarantees to buy new shares issued by your Company for cash
- With agreed parameters, the timing and amounts are determined by the Company
- Pricing of shares is usually at a discount to the market price
- Settlement is rapid and costs are competitive
- Gives your company the certainty of being able to raise cash at any time
- Equity and Convertible Note facilities available



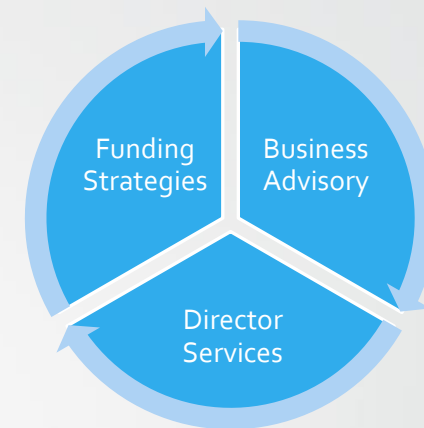
Director (or Advisory Board) Services



We can provide senior executives with 20+ years of experience for Boards and /or Advisory Boards :

- Overseeing the company, including its control and accountability systems
- Overseeing corporate strategy and stakeholder relationships
- Reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance
- With agreed parameters, the timing and amounts are determined by the Company
- Monitoring of senior executive's performance and implementation of strategy
- Approving and monitoring the progress of major capital expenditure, capital management, acquisitions and divestures
- Assisting with the raising of capital and corporate finance matters
- Chairman, NED, Company Secretary

Mergers and Acquisitions (Sell and Buy Side)



Strategy

- Strategic Advice; Review of potential targets; Review of Structure

Preparation

- Due diligence; Structure Transaction; "Packaging" - prepare investor materials; Valuation; Financial Advice

Execution

- Transaction co-ordination and control; Manage approaches to market; Provision of Documentation / updates; Final valuation / structuring / negotiation; Recommend transaction

Post-Transaction

- Post transaction implementation (100 day plans); Continuing Strategic Advice

Better Business Program



Our aim is to assist your organisation in fulfilling your business objectives via a structured program, where we work with you and your team to define your initiatives, provide the tools, management and reporting processes and provide on-going support and coaching.

- **Strategy** - Devise and maintain a clearly stated, focused strategy to guide every decision and action in the business.
- **Execution** - Put your strategy into action. 80% of strategy doesn't get executed even though it is most often the key to success.
- **Leadership** - The leader's role is to enable people to perform at their best, identify opportunities, predict and make good judgement when there are no clear answers, communicate that thinking passionately, and build strong relationships both internally and externally to the business.

Our Clients



Our People



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Why Us?



- We are specialists in supporting profitable businesses with corporate strategy, exit and financing options.
- We have senior executives with deep industry knowledge in Information Technology, Financial Services, FMCG, Food and Beverage, Agriculture and Resources
- Our capital raising methodology is tried and proven and we provide strategic options to move forward
- We have deep market and investor connections and have our own investor distribution mechanisms
- We can tailor options and solutions that suits your particular situation
- We are successful and we partner with our clients to achieve the appropriate outcomes
- We provide account management resources and help you with every step of the journey
- We can provide the exit for the company and shareholders and have extensive Investment Banking experience
- We are a trusted partner

Selected Investment Opportunities:



Company that provides home deposit services to allow home owners to purchase a home at competitive rates. Looking for up to \$2.5m.

Specialist IT professional services company looking for expansion capital for up to \$1m.

Syndicate property specialist looking for syndicate investors to finalise a 23 boutique apartment development in sought after in Brisbane. \$250K min.

Media and security company looking for expansion capital to roll-out innovative outdoor advertising billboards. Seeking up to \$2m.

Luxury furniture and homewares group expanding in Australia looking for up to \$1.5m to grow business.

Innovative industrial lighting company looking for up to \$750K to drive rapid expansion beyond current mining markets.

Developing and innovative beverage company looking to expand production for innovative ready to drink wine based products.

Energy consumer switching business looking for expansion capital of up to \$500K.

International language software business looking to grow cross boarder presence. Looking for up to \$1m.

Innovative technology bitcoin company looking to expand operations globally and meet demand looking for up to \$1m.

Patented independent living device company is looking to expand sales and marketing for up to \$1m.

Contact Us



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ITB Corporate Strategy

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