



## UTILISING THE CAPITAL MARKETS FOR GROWTH

**SMALL BUSINESS** owners are faced with many capital management decisions; one of the critical decisions is how do you fund growth? Capital funding options include: debt; equity - private or public equity; hybrid structures; active or silent investors. Furthermore, how do you put in place the capital structure which ascribes an appropriate value to the business, rewards employees and creates a succession path?

One potential capital management strategy is to list your business on the National Stock Exchange of Australia (NSX). A primary driver is that public companies trade on higher multiples to private companies realising greater value for key stakeholders.

### The National Stock Exchange of Australia

NSX Ltd is unique in Australian Financial Markets. It operates both the National Stock Exchange and the Bendigo Stock Exchange. Both exchanges are focused on listing small to medium sized enterprises. NSX Ltd now has more than 110 securities and \$1 billion in market capitalisation across its two exchanges.

The unique characteristics offered by each exchange means that the NSX can provide solutions tailored for various entities and their securities. This choice provides a range of commercial and regulatory benefits.

NSX listed companies cover a diverse range, in size, activities and geographic location. SMEs, community-based organisations, debt securities, property and investment schemes are all catered for.

Becoming a publicly listed company brings a wealth of opportunity for your business. The following case study highlights the benefits to Brewtopia Ltd which listed on the NSX on Monday 20 February, 2006 based on sales for 2005 of \$A300,585. The company was founded by Liam Mulhall and Larry Hedges in 2002 and currently generates sales of about \$2 million per annum.

### Brewtopia Ltd

Brewtopia Ltd (NSX code: BWL) is an international brewer and distributor of high quality beverages. Brewtopia allows its customers to build and design their own beverage labels and then delivers these personally designed beverages worldwide. Brewtopia was the first ever company to grow by Viral Equity, whereby participants in surveys received a share in the company by way of Equity.

### Benefits of becoming a listed company

**Access to capital** – Being listed, it becomes easier for Brewtopia to access capital enabling it to grow the business.

**Greater liquidity** – Increasing the liquidity in Brewtopia's shares allows the company to broaden its shareholder base and gives existing shareholders an exit opportunity. Listing also assists with succession planning and enables employee ownership.

**Investor confidence** – Being listed on a regulated stock exchange enhances corporate governance and disclosure requirements, providing investors with an increased level of confidence.

### Why choose the NSX?

**Cost effective** – As an alternative exchange for small to medium size businesses, NSX has designed a cost structure which delivers value to your company.

**Fewer shareholders needed** – A spread of only 50 shareholders is required to list on NSX.

**Streamlined admission process** – With dedicated resources liaising with you throughout the application process, NSX ensures that becoming listed is both efficient and problem free.

**Suits growing companies** – Companies with a market capitalisation of just \$500k meet NSX's size requirements, ensuring growing businesses can become listed from an early stage.

**Good corporate governance** – NSX supports a high level of corporate governance through its rules whilst recognising the resourcing available to emerging businesses.



#### Brewtopia CEO Liam Mulhall

Mr Mulhall is the co-founder of Brewtopia and oversees group strategy and operations for BWL. He was the primary driver of BWL's strategic development during its initial years.

Prior to establishing Brewtopia, Mr Mulhall co-founded Mustangs Alley, an Australian importer of sports and classic cars. He was also involved in establishing the first channel and technical training partners for Cisco Systems.

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