



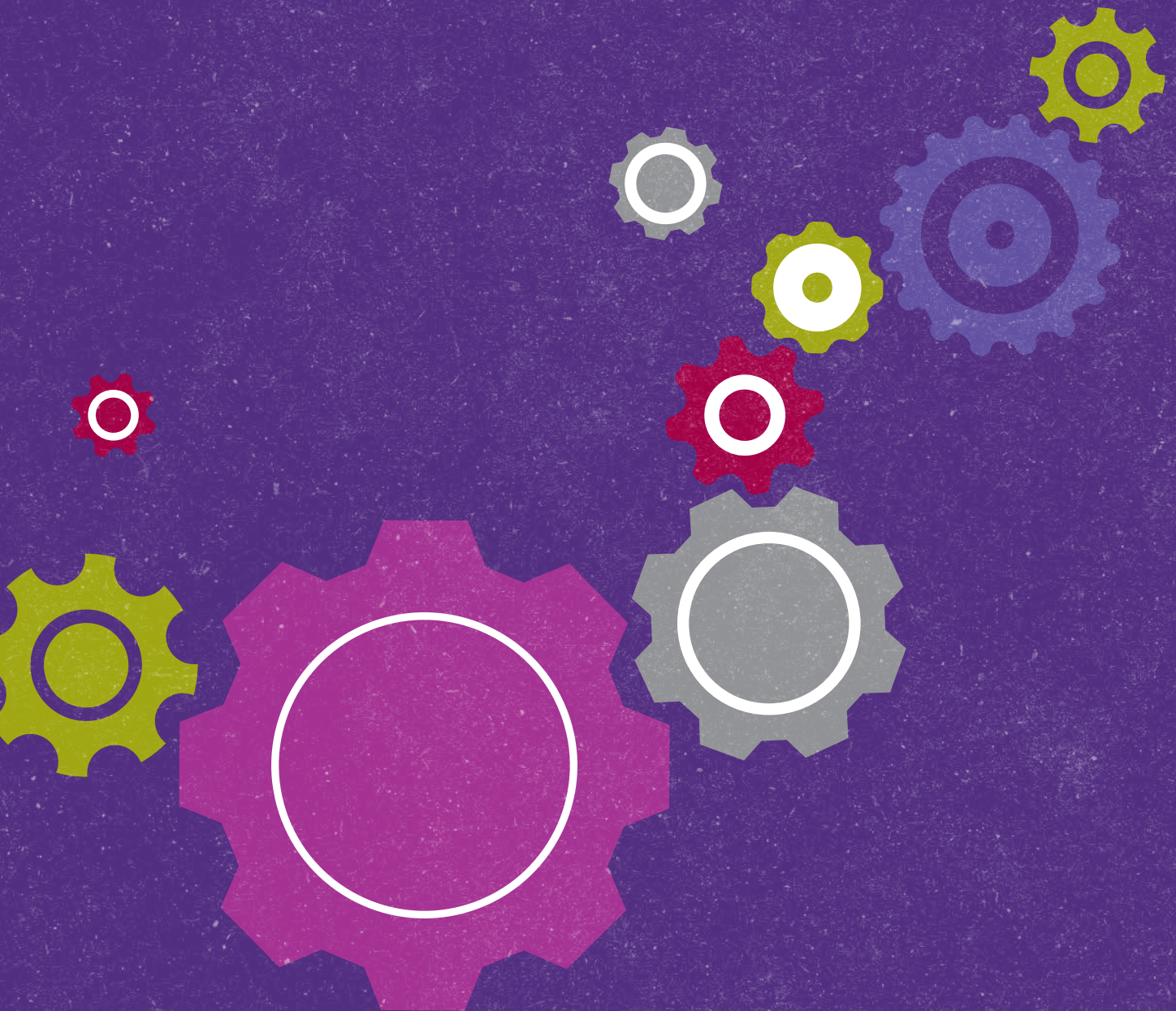
Grant Thornton

An instinct for growth™

Prospects

A platform of the Malta Stock Exchange
designed specifically for SMEs





The Malta Stock Exchange

Since being set up in 1992, over €4 billion worth of capital has been raised on the local market for the private sector through the issue of corporate bonds and equity. A further €15 billion worth of Government of Malta Paper in the form of stocks and Treasury Bills have been issued and fully subscribed.

The investor base consists of over 75,000 individual investors, which is a significant number given Malta's economic size and population. The following are a few reasons as to why companies have chosen the Malta Stock Exchange (MSE) as their preferred choice for raising finance:

Financial gateway to Europe

The Malta Stock Exchange offers an EU jurisdiction coupled with passportability, ensuring easy access to and from international markets and investors. It is located in a well-regulated and cost effective domicile in an EU member state that has been steadily investing in becoming a reputable financial centre in Europe.

Multi-currency option

While Malta's official currency is the Euro, the Malta Stock Exchange's admission to listing, trading and settlement processes can accommodate multi-currency issues on all the markets it operates and can therefore support companies seeking to raise finance in non-Euro denominated currencies, such as Pound Sterling or US Dollar. Other currencies can be supported by prior agreement.

Efficient support services

Over the past 25 years, the Malta Stock Exchange has accumulated extensive experience with listing various categories of financial instruments such as equities, bonds and government paper. Moreover, the Maltese financial services sector is supported by numerous experienced professionals who are able to provide cost-effective expertise in legal, audit, accounting and brokerage services. This includes all global accounting and audit firms, including Grant Thornton Malta.

Cost effective access to finance

The fees applicable to companies seeking admission to listing on the main market are very competitive and cost-effective when compared to other European countries.

A 'can-do' attitude

The Malta Stock Exchange is agile, proactive and flexible in its approach. It is business-friendly and keen to build domestic and cross-border relationships in a transparent and professional manner. The Malta Stock Exchange is open to exploring opportunities that offer good quality prospects for new business.

Latest technology

The MSE, which also operates a Central Securities Depository (CSD), uses state-of-the-art trading and depository technology. It is able to provide a full value-chain of services from initial public offerings (IPOs) right through to registration of securities in book entry form within its depository. The Malta Stock Exchange CSD was one of the first participants of Target2Securities (T2S), a pan-European settlement platform developed and operated by the European Central Bank.



The Malta Stock Exchange Index finished 2015 at 4430 up 33%, and was one of the world's best performing stock indices.

An introduction to Prospects

As of 2016, small and medium-sized enterprises (SMEs) in Malta can access the capital market through Prospects, a multilateral trading platform of the Malta Stock Exchange. Designed specifically for SMEs, Prospects offers a cost-effective opportunity for entities looking to raise up to €5 million per issue.

With over ninety per cent of all companies in Europe falling under the SME category, one of the challenges that these companies face is the difficulty to access capital. The same applies to Malta and whilst the island has its fair share of smart and industrious entrepreneurs, their capacity to grow, either organically or through merger and acquisition, is very often curtailed due to difficulties faced in accessing capital.

The new Prospects market can be the perfect venue for SMEs to raise capital either by way of equities or bonds. Prospects aims at facilitating access to fund raising, potentially offering a more cost-effective and easier-to-access alternative to other traditional means.

The annual listing costs associated with admission on Prospects are significantly less when compared to the costs incurred by companies trading on the main market of the Malta Stock Exchange.

Besides Prospects' cost-effectiveness, the time to market is another advantage. It is envisaged that the listing time is of 4 to 12 weeks, covering the compliance, preparation and review time. In order to list on Prospects, the applicant will need to appoint a Corporate Adviser to carry out the necessary due diligence on the applicant, also ensuring that proper compliance, transparency and accounting protocols are adhered to.

Prospects is a Maltese market, however the financing platform is also available for overseas companies seeking funding for their business ventures.

With Malta's positioning as a reputable financial services provider, a well-qualified, English speaking workforce, excellent economic growth prospects and a sound banking system, Malta is the ideal choice for foreign SMEs looking for a trusted and affordable financing mechanism.

Strict guidelines are applied to ensure proper uptake and compliance by the applicant, and to ensure proper protection of the investor. Prospects is fully compliant with the Markets in Financial Instruments Directive (MiFID) which harmonises the regulation of investment services and Multilateral Trading Facilities (MTFs) at European Union level.

As one of Malta's leading accountancy and advisory companies, Grant Thornton is able to offer such service which covers not only all the requirements as set by the Malta Stock Exchange, but would also follow the process through from origination, to listing and subsequent ongoing compliance so as to adhere to the Prospects' rules. Grant Thornton can also supplement its services by offering assistance with all taxation, legal and accounting requirements.



Prospects

6 key benefits when raising finance through Prospects

Cost effective access to finance

With an admission fee set at €5,000, on-going annual fees starting from €5,000 and capped at €32,500, this form of financing is a very favourable alternative for SMEs.

No minimum value of IPO

No minimum percentage of shares required to be floated, with a maximum capping of €5 million.

Appointment of a Corporate Adviser

In order to list on Prospects a Corporate Adviser must be appointed, whose role is to draft and submit all relevant documents, as well as to carry out the necessary due diligence as highlighted in the Prospects Rules.

Fast turnaround

The admission process is managed and regulated by the Malta Stock Exchange and approval for listing is obtained directly from the Malta Stock Exchange's listing committee. Subject to the application and admission of documents being complete and satisfactory, the Malta Stock Exchange shall approve or refuse an application within ten business days from submission.

Simplified admission requirements

A simplified admissions document, referred to as the Company Admission Document, can be submitted instead of a Prospectus. Such document is drafted and submitted by the Corporate Adviser.

International admission

Prospects is a Maltese market, operating under a MIFID MTF structure, but which is accessible to both Maltese as well as non-Maltese companies seeking to be admitted.

Eligibility to Prospects

- (i) The entity must be an SME as defined by the European Union. This also includes start-up businesses.

EU criteria for SME categorisation

Company Category	Employees	Turnover		Balance Sheet Total
Medium	<250	≤ €50 million	OR	≤ €43 million
Small	<50	≤ €10 million	OR	≤ €10 million
Micro	<10	≤ €2 million	OR	≤ €2 million

Source: EU recommendation 2003/361

- (ii) The company must be a public limited company with a minimum issued and fully paid up share capital of €46,588.
- (iii) Capping of financing is limited to €5 million per issue, with a maximum of 150 investors from any single jurisdiction. If the values exceed such thresholds, special consent by the Malta Stock Exchange can be sought.
- (iv) Appointment of a Corporate Adviser.
- (v) Submission of all required documentation as indicated in the Prospects Rules.

Additional benefits that Prospects offers

Admission to Prospects will raise brand awareness and prepare for the issue, or sale, of equity as part of a succession planning process

The company may secure capital at a competitive coupon rate in the case of a bond issue, and under conditions more favourable to other traditional methods of raising finance

SMEs will enjoy the benefits of good corporate governance and the enhanced efficiency and effectiveness that this brings

Cost of admission and annual listing costs

Admission fees as well as annual listing costs are significantly less when compared to the costs incurred by companies trading on the Malta Stock Exchange, as set out below:

Application fee

€5,000 applicable for admission of equity or debt securities to Prospects.

Where the MSE requires additional skills and resources in order to process an admission application, additional costs may apply.

Annual fees

on the first €15 million	0.1% - with a minimum of €5,000
on the next €35 million	0.05%
above €50 million	no additional fees

Market data services

currently included in the annual fee

Example of annual fees applicable:

market capitalisation of €5 million or below	€5,000
market capitalisation of €15 million	€15,000
market capitalisation of €50 million, or above	€32,500

Source: www.smeprospects.com

Admission to Prospects opens up the opportunity of eventual migration to a listing on a regulated market

No collateral is required to access finance on the capital market

Our role as your adviser

As your corporate advisers we would be responsible to ensure that your company achieves the right level of corporate governance and transparency. We will also assist with applying for admission to Prospects through the submission of the Company Admission Document and any other documentation required by the Prospects Rules.

Our role is also that of carrying out the necessary due diligence processes on the applicant (including owners, directors and key management personnel), as well as ensuring that proper compliance, transparency and accounting protocols are adhered to. As your corporate advisers we will maintain independence, impartiality, objectivity, confidentiality and ethical standards all throughout our engagement.

At Grant Thornton we hold a sound international standing with a demonstrable and credible track record of working with some of the world's most dynamic companies. We are an advisory firm who can be more than just your corporate adviser, offering you a depth and breadth of advisory solutions to help deliver your company's growth aspirations. Grant Thornton can provide a full range of services connected with the Malta Stock Exchange's listing, as well as assistance with all taxation, legal and accounting requirements.

We are highly experienced in the field of raising finance, with a deep involvement and understanding of the local market. We also hold close relationships with key stakeholders, including both the financial intermediaries and the regulators.

We guarantee direct and active involvement from senior team members and partners. Our team of trained accountants and lawyers adopt a hands-on approach, complemented by rigorous internal training programmes and secondments. Thanks to this, our organisation has accumulated an excellent knowledge base and expertise in the field of raising finance, whilst staying abreast with all market trends.

Our team of marketing specialists will also assist to make the admission of your securities a success by better communicating your company's value story to the market.

We have more than 42,000 Grant Thornton people across 130 countries, working with privately owned, publicly listed and public sector clients each day. Our strong global organisation, combined with our understanding of both the local market and dynamic economies across the world means Grant Thornton can support you no matter where you choose to do business.

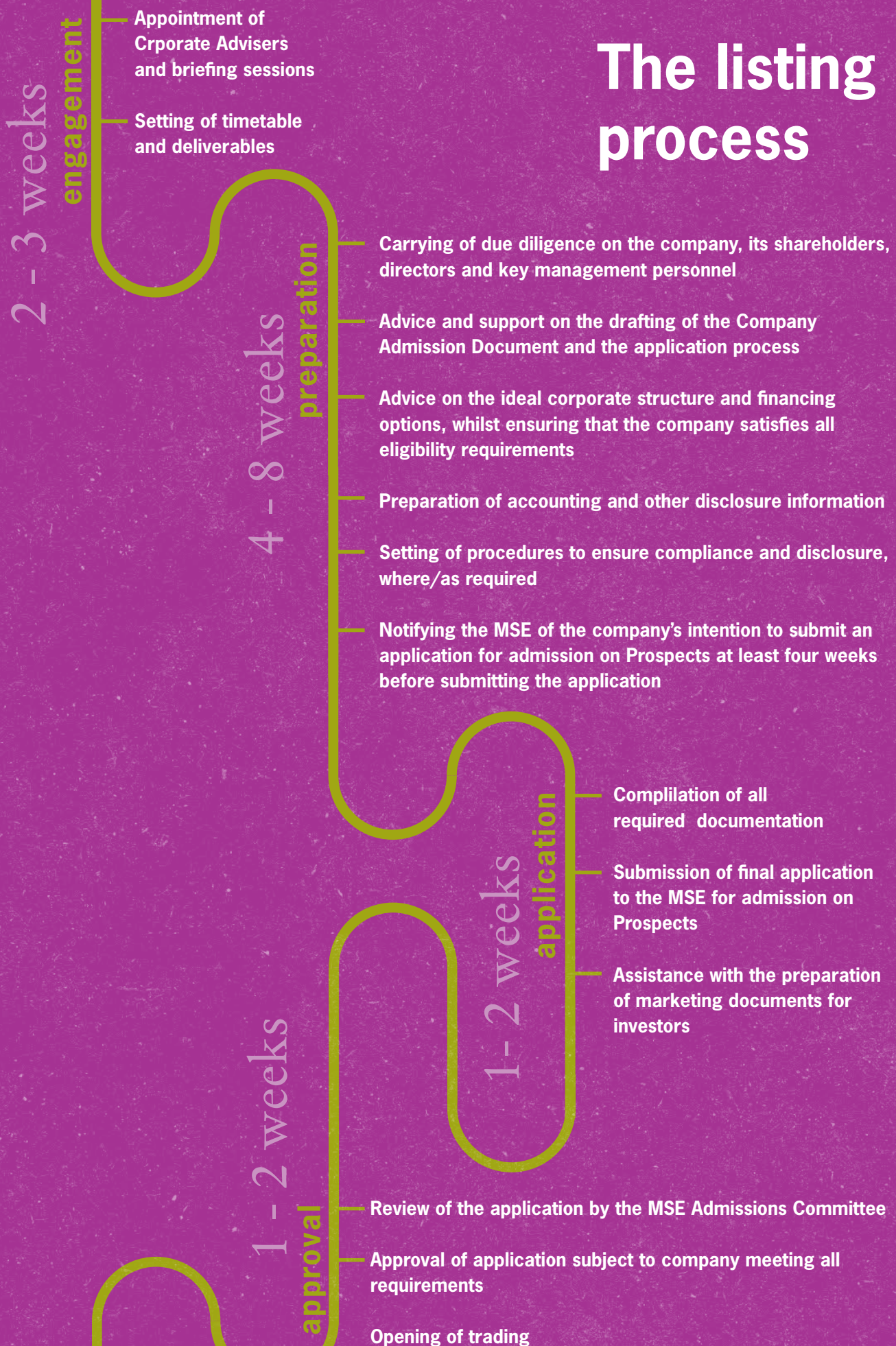
730
offices
and growing

42,000
people
and growing

presence in
133
countries

\$4.6bn
global
revenue
in 2015

The listing process



Your team



George Vella
Partner, Advisory Services

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George has over 20 years experience in corporate and project finance, R&D, strategic and project management, starting his career in 1995 at one of the big four accountancy firms where he worked in assurance, advisory and risk management arms.

In 2001 he joined the Corinthia Group and fulfilled a number of roles both locally and abroad, including that of Finance Director at the Corinthia Grand Hotel Royal in Budapest and Corporate Finance Executive at the Corinthia Head Office. George was also involved in numerous large projects, including the raising of finance by way of bonds and syndicated loan facilities, which were then used either to acquire or develop residential and commercial space.

In 2005, he took on the role of Head of Corporate Strategy at APS Bank and was a member on the Bank's risk management and credit committees. At Grant Thornton, George and his team provide a variety of

services including due diligences, debt restructuring, assistance in the preparation of business plans, feasibility studies and cost benefit analyses, business valuations, assistance with mergers and acquisitions, project finance and corporate finance advisory services.

George holds various technical roles in high profile advisory assignments, including EU funding projects and applications as well as fund raising for the private sector, both through negotiating bank loans or raising private equity, and through assisting in public equity and bond listing.

Qualifications

Bachelor of Arts (Honours) Accountancy
University of Malta

Masters in Business Administration Henley

Memberships

Malta Institute of Accountants



Wayne Pisani
Partner, Tax & Regulatory

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Wayne joined Grant Thornton in 2007 and was admitted partner in 2013. He is also jointly responsible for the management of Grant Thornton's fiduciary and trustee services arm licensed by the Malta Financial Services Authority.

He was admitted to the Bar in 2001 and, until March 2007, practised with a leading Maltese law firm specialising in antitrust, civil, commercial, banking and securities law.

Leading the corporate and financial services regulatory team at Grant Thornton, Wayne conducts an active consulting practice in international tax planning, financial, corporate, commercial, transactional, trusts and fiscal law. He advises on the legal and tax implications involved in the structuring

of both local and international M&A and project finance transactions, rendering advice to clients in various industry sectors.

Qualifications

Doctorate in Laws - University of Malta

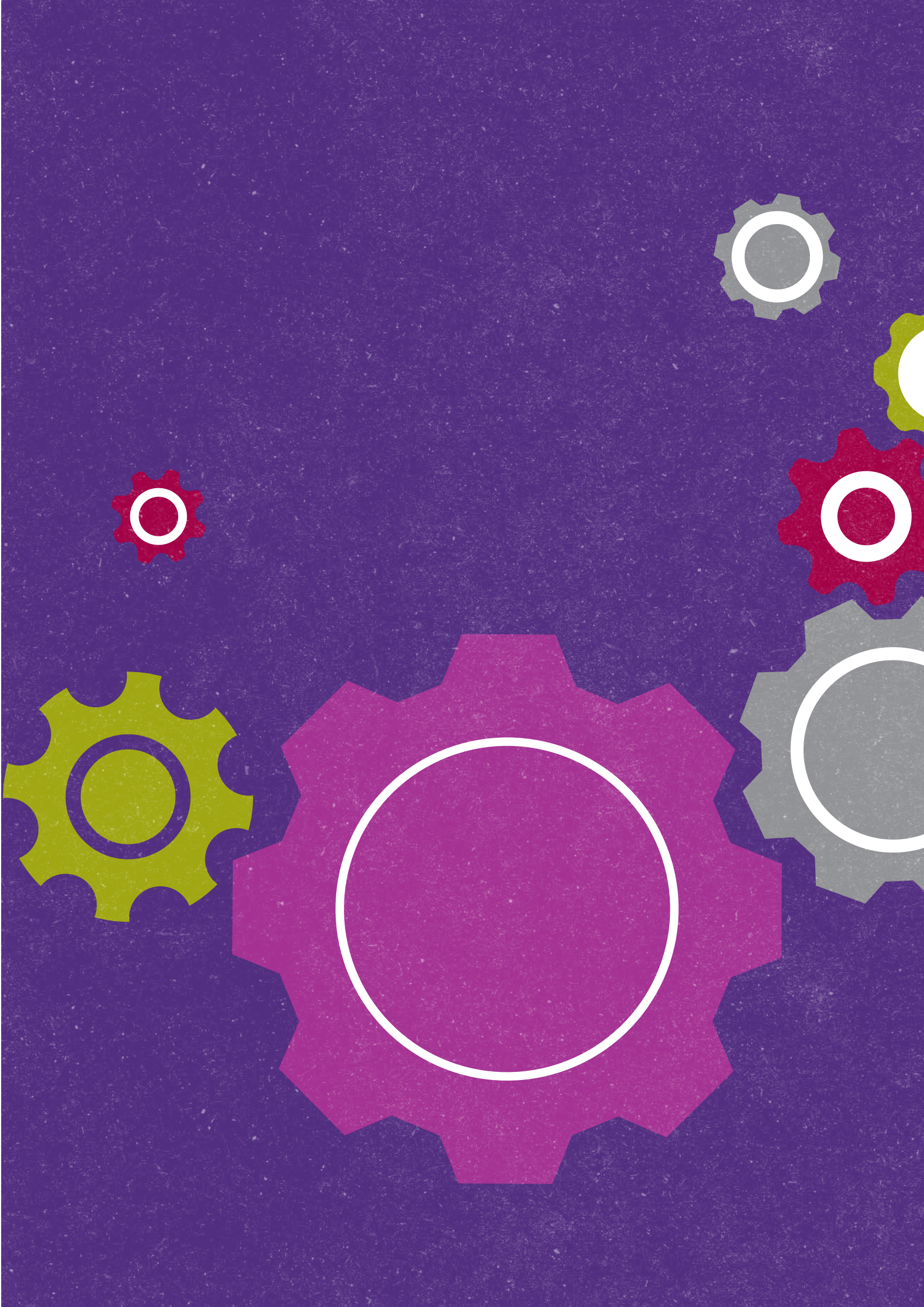
Masters in Financial Services UoM

Bachelor of Arts in Legal and Humanistic Studies (cum laude) - University of Malta

Memberships

Council member of the Malta Institute of Management and the Malta Institute of Financial Services Practitioners

Member of the International Fiscal Association, the International Bar Association and the Maltese Chamber of Advocates.





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