

Prospects MTF

A multilateral trading platform of the
Malta Stock Exchange designed
specifically for SMEs





 03 August 2016

CHARTS

 Malta Stock Exchange

Annual General Meeting - Candidates for office of Director
 Tarxien Telecoms Agency

Indices

 Previous %

459.255 **0.3%** ▼

1027.323 **0.3%** ▼



 MEX National 20 Day

Equities	Change	%	Symbol	CCY	Price	Volume	Change	%
100	0.00	0.0%	AFIB	EUR	10.00	0.00	0.00	0.0%
139	0.00	0.0%	AIDA	EUR	10.00	0.00	0.00	0.0%
000	0.00	0.0%	BVBA	EUR	10.00	0.00	0.00	0.0%
000	0.00	0.0%	BVBA	EUR	10.00	0.00	0.00	0.0%
000	0.00	0.0%	BVBA	EUR	10.00	0.00	0.00	0.0%
000	0.00	0.0%	BVBA	EUR	10.00	0.00	0.00	0.0%
000	0.00	0.0%	BVBA	EUR	10.00	0.00	0.00	0.0%
000	0.00	0.0%	BVBA	EUR	10.00	0.00	0.00	0.0%

Government Bonds

Symbol	Price	Volume	Change	%
GTB	101.00	1,000,000	(0.01)	(0.0%)
GTB	101.00	1,000	(0.01)	(0.0%)
GTB	101.00	1,000	(0.01)	(0.0%)
GTB	101.00	1,000	(0.01)	(0.0%)
GTB	101.00	1,000	(0.01)	(0.0%)
GTB	101.00	1,000	(0.01)	(0.0%)
GTB	101.00	1,000	(0.01)	(0.0%)
GTB	101.00	1,000	(0.01)	(0.0%)

STOCK EXCHANGE

TO EUROPE

INTERNATIONAL LISTING

malta.com.mt



The Malta Stock Exchange

Since being set up in 1992, over €8 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 €23 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 77,000 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 MSE 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 MSE'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 years, the MSE 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 MSE operates the Regulated Main Market which is an EU compliant market regulated by the Malta Financial Services Authority (MFSA). The Institutional Financial Securities Market (IFSM) is a wholesale asset-backed debt security market and is also regulated by the MFSA.

Prospects MTF is designed to provide SMEs access to the capital market under an 'SME-friendly' regulatory regime. This market is operated and regulated by the MSE. The fees applicable to companies seeking admission to the above markets are very competitive and cost-effective compared to other European countries.

A 'can-do' attitude

The MSE 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 MSE 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 MSE CSD was one of the first participants of Target2-Securities (T2S), a pan-European settlement platform developed and operated by the European Central Bank. The CSD also offers the administration / registration of unlisted securities in a dematerialised environment at very competitive rates.

[Source: Malta Stock Exchange, May 2019]

An introduction to Prospects MTF

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 admission 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.

As of 2016, small and medium-sized enterprises (SMEs) in Malta can access the capital market through Prospects MTF, a multilateral trading platform of the Malta Stock Exchange. Designed specifically for SMEs, Prospects MTF offers a cost-effective opportunity for entities seeking to raise up to €8 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.

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

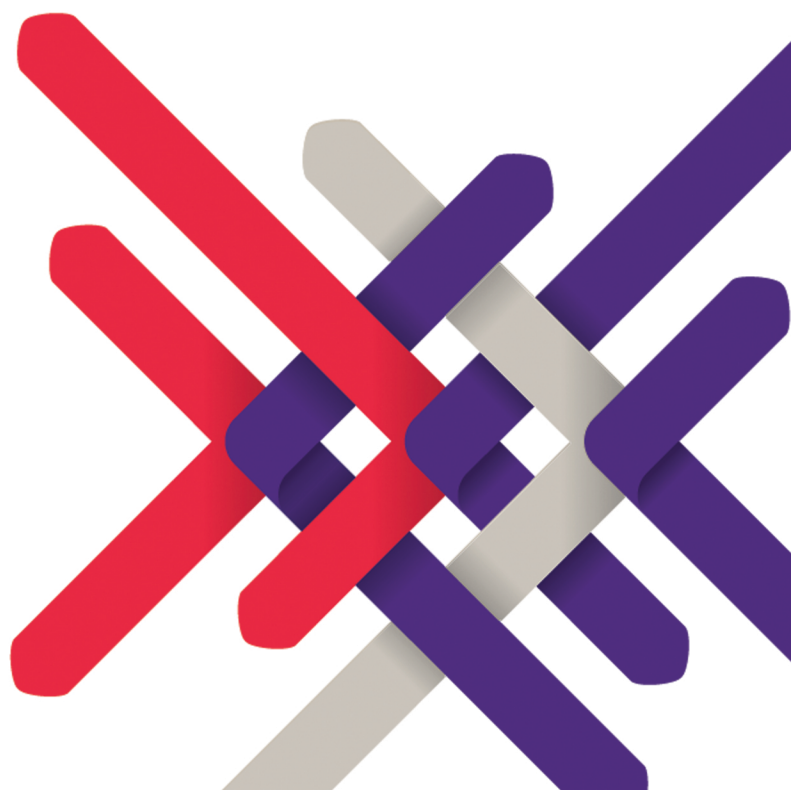
The costs associated with admission on Prospects MTF are significantly less when compared to the costs incurred by companies listed on the main market of the Malta Stock Exchange.

Besides Prospects MTF's cost-effectiveness, the time to market is another advantage. It is envisaged that the admission time is around 12 weeks, covering the compliance, preparation and review time. In order to be admitted on Prospects MTF, 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 MTF is a Maltese market, however the financing platform is also available for overseas companies seeking funding for their business ventures, and in fact foreign companies have been admitted on Prospects MTF.

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 MTF 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.



Six key benefits when raising finance with Prospects MTF



1. Cost effective access to finance

With an admission fee set at €5,000 plus document handling fee of €3,000 (excl. VAT), on-going annual fees starting from €3,500 and capped at €29,000 (excl. VAT), this form of financing is a very favourable alternative for SMEs.



2. Fast turnaround

The admission process is managed and regulated by the Malta Stock Exchange and approval for admission is obtained directly from the Malta Stock Exchange's Prospects 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 full submission.



3. 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 Advisor.



4. No minimum value of IPO

No minimum percentage of shares required to be floated, with a maximum capping of €8 million.



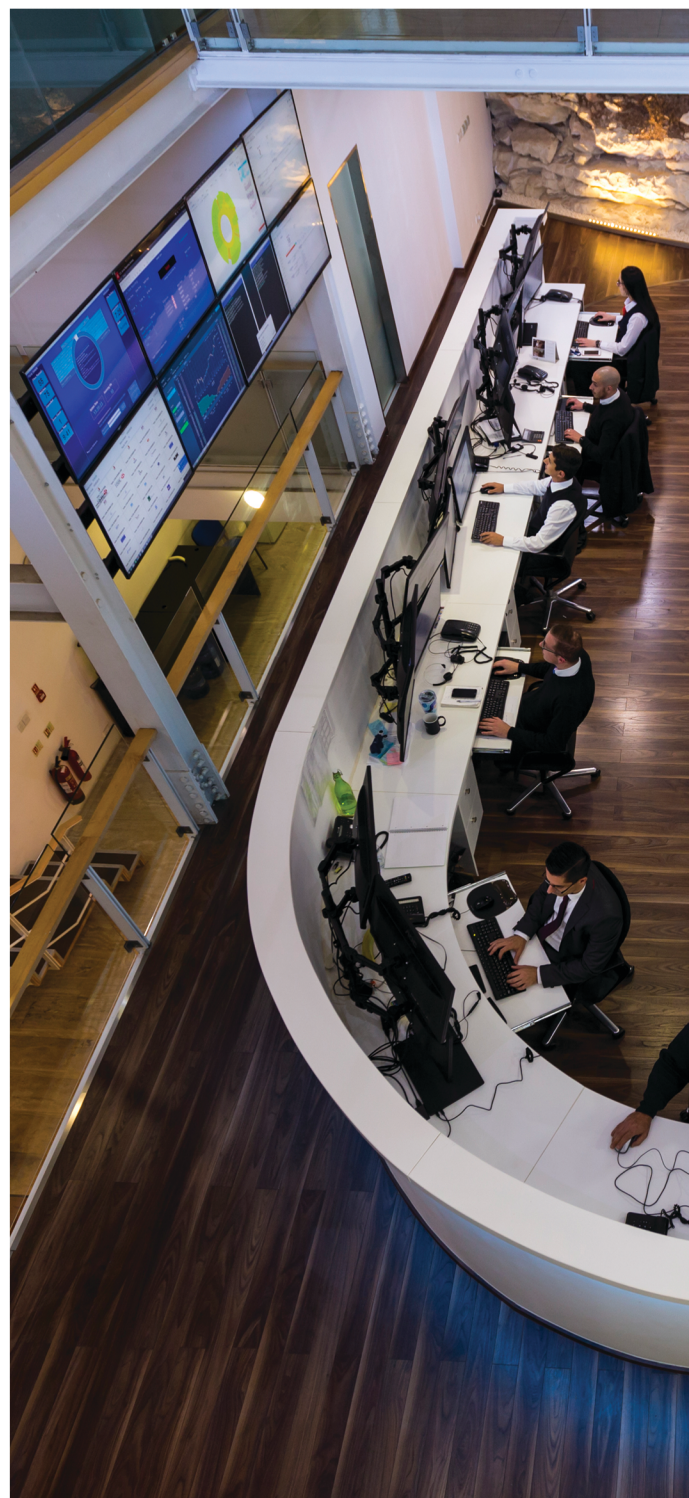
5. Appointment of a Corporate Advisor

In order to be admitted on Prospects MTF a Corporate Advisor 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.



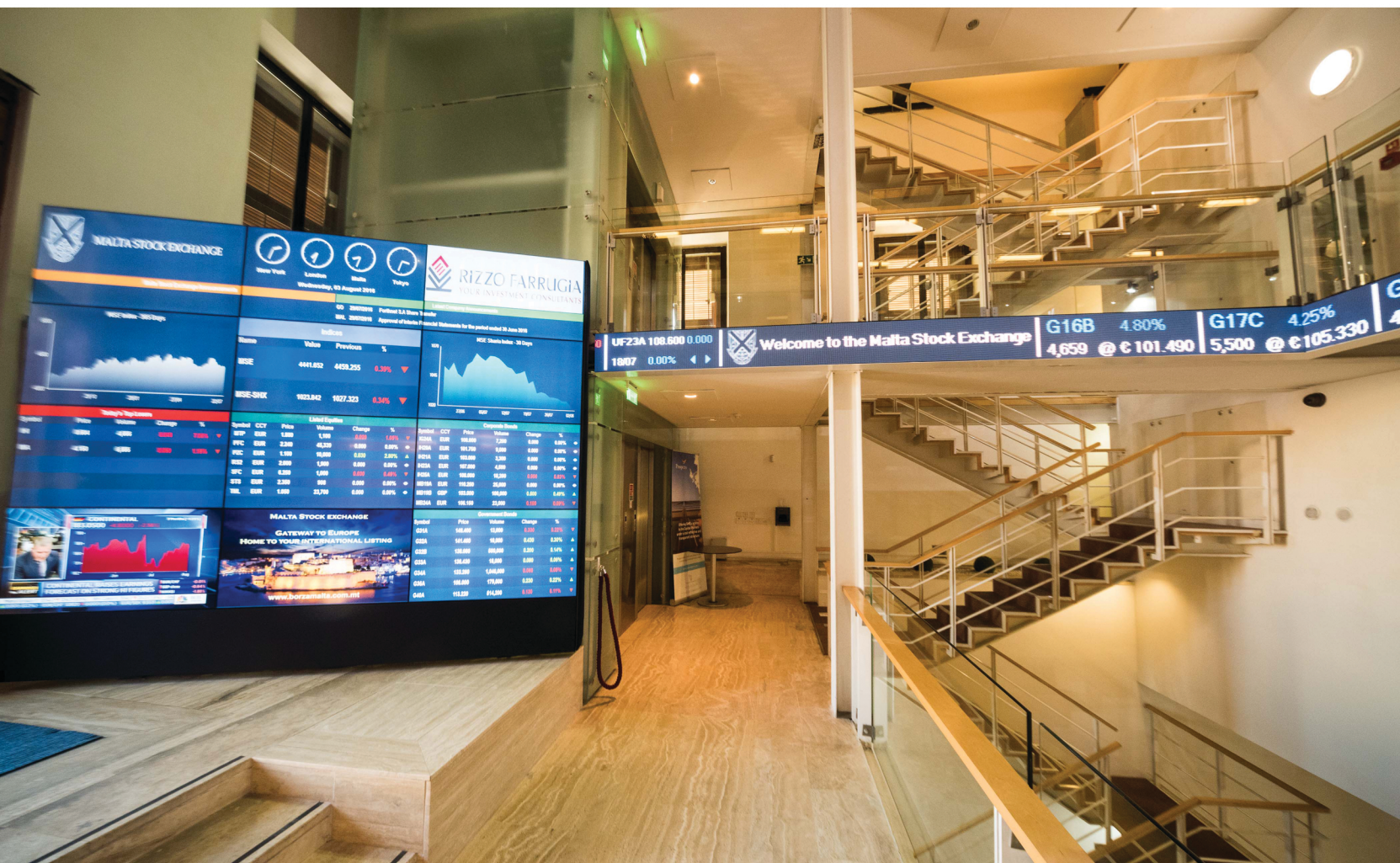
6. International admission

Prospects MTF 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 MTF

- (i) The entity must be an SME as defined by Section 2 (1) of the Companies Act, Chapter 386 of the Laws of Malta. Small and medium-sized enterprises or SMEs means companies which, according to their last annual or consolidated accounts, meet at least two of the following three criteria:
 - a) an average number of employees, during the financial year, of less than 250;
 - b) a total balance sheet not exceeding €43 million;
 - c) an annual net turnover not exceeding €50 million.
- (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 €8 million per issue.
- (iv) Appointment of a Corporate Advisor.
- (v) Submission of all required documentation as indicated in the Prospects Rules.



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 (excl. VAT) applicable for admitting securities to Prospects MTF. An additional document handling fee of €3,000 (excl. VAT) should apply when the proposed issue is secured by tangible assets.

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

Annual fees

on the first €3,500,000	€3,500
on the next €1,500,000	€5,000
on the next €2,000,000	€7,000
on the excess over €7,000,000	€8,000

Example of annual fees applicable

market capitalisation of €5,000,000	€8,500
market capitalisation of €7,000,000	€15,500
market capitalisation of €8,000,000 or above	€29,000



Our role as your Corporate Advisors

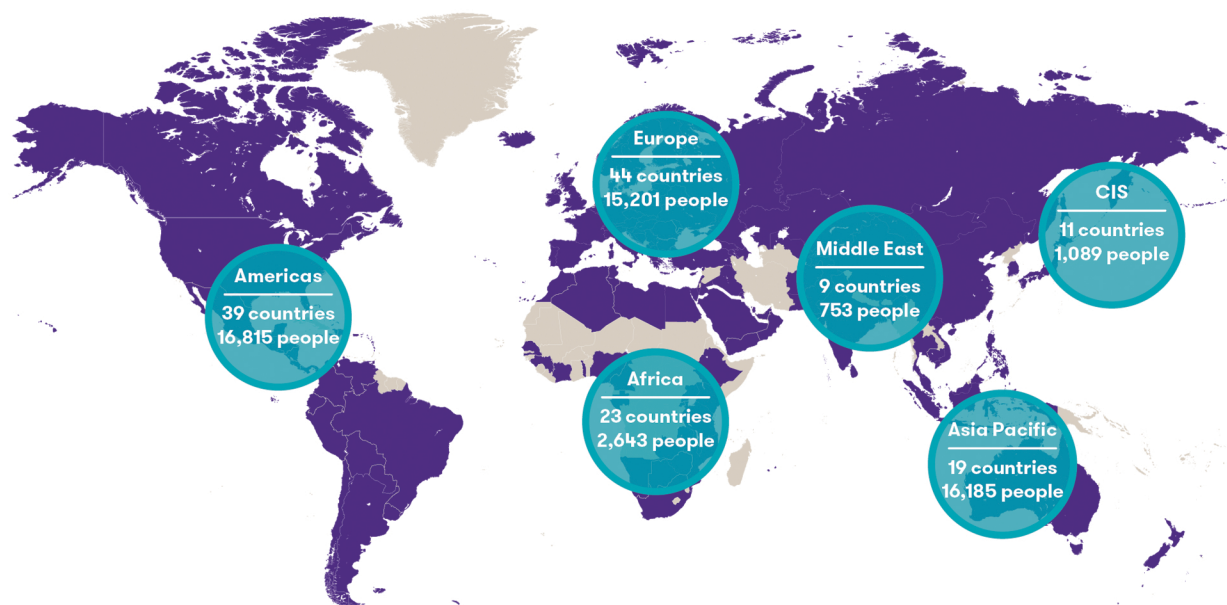
As your corporate advisors we would be responsible to ensure that your company achieves the right level of corporate governance and transparency. We will also assist with applying for admission to Prospects MTF through the submission of the Company Admission Document and any other documentation required 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 advisors 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 which can be more than just your corporate advisor, 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 53,000 Grant Thornton people across 135 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.



Our distinctive client experience sets us apart



USD5.45bn
(2018 revenue)



53,000
people



700+
offices



135+
countries

The admission process

2-3 weeks - engagement

- carrying of due diligence on the company, its shareholders, directors and key management personnel
- appointment of Corporate Advisors and briefing sessions
- setting of timetable and deliverables

1-2 weeks - application

- compilation of all required documentation
- submission of final application to the MSE for admission on Prospects MTF
- assistance with the preparation of marketing documents for investors

4-8 weeks - preparation

- advice on the ideal corporate structure and financing options, whilst ensuring that the company satisfies all eligibility requirements
- advice and support of the drafting of an investment teaser and setting meetings with brokers in order to appoint a placement agent
- advice and support on the drafting of the Company Admission Document and all the required documents
- preparation of accounting and other disclosure information
- setting of procedures to ensure compliance and disclosure, where/as required
- notifying the MSE of the company's intention to submit an application for admission on Prospects MTF at least four weeks before submitting the application

1-2 weeks - approval

- review of the application by the MSE Prospects Committee
- approval of application subject to company meeting all requirements
- opening of trading

Additional benefits that Prospects MTF offer :

- admission to Prospects MTF will raise brand awareness and prepare for the issue, or sale, of equity as part of a succession planning process
- SMEs will enjoy the benefits of good corporate governance and the enhance efficiency and effectiveness that this brings
- admission to Prospects MTF opens up the opportunity of eventual migration to a listing on a regulated market

Your team



George Vella

Partner - Transaction
Advisory Services

T +356 2093 1801

M +356 9982 3402

E george.vella@mt.gt.com

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,
Corporate and Financial
Services

T +356 2093 1602

M +356 9942 3253

E wayne.pisani@mt.gt.com

Wayne is the partner responsible for the corporate and financial services team in Malta where he deals with a wide range of asset protection and cross-border regulatory and tax planning engagements for clients ranging from private clients, including family offices and high-net-worth individuals, to NASDAQ listed companies in various industry sectors. He conducts an active consulting practice on the legal and tax implications involved in the structuring of both local and international financial institutions, M&A and project finance transactions. He is an active thought leader in the financial technology space, making regular contributions at fintech conferences, and has a passion for the security and technological aspects of distributed ledger technology. He is also a joint contributing author to "European Competition Laws: A Guide to the EC and its Member States, the leading legal compendium with respect to Competition law in Europe", published by Lexis Nexis and revised annually.

Qualifications

Doctorate in Laws - University of Malta
Masters Financial Services - University of Malta
Bachelor of Arts in Legal and Humanistic Studies (cum laude) - University of Malta

Memberships

President of the Malta Institute of Financial Services Practitioners
Governor of Finance Malta
Member of the International Fiscal Association, the International Bar Association and the Maltese Chamber of Advocates



Oriana Abela

Director - Transaction
Advisory Services

T +356 2093 1808
M +356 7961 7141
E oriana.abela@mt.gt.com

Oriana is a Director at Grant Thornton engaged in the Transaction Advisory Services, a department specialising in corporate finance. She holds an honours degree in Accountancy from the University of Malta and is also ACCA qualified. In 2013, Oriana graduated from the University of Wales with distinction obtaining a Master in Finance, specialising in Mergers and Acquisitions. As a Director at Grant Thornton, Oriana leads capital markets and due diligences. Through Prospects MTF, a multi-trading facility of the Malta Stock Exchange, Oriana has raised a total of €31 million for Orion Finance p.l.c., Klikk Finance p.l.c., AST Group p.l.c., AgriHoldings p.l.c., Luxury Living Finance p.l.c., D Shopping Malls p.l.c., and FES Finance p.l.c. With respect to the due diligences, Oriana managed several buy-side and sell-side due diligence for clients operating in the telecommunications industry, banking/stock broking industry, real estate industry, automobile industry and transportation industry. Oriana has also managed cross-border due diligences, both when foreign companies acquired Maltese companies, as well as a foreign companies during her secondment in Milan.

Prior to joining Grant Thornton in 2015, Oriana worked at two leading Big 4 companies in Malta, whereby she was involved in a variety of corporate finance engagements, servicing clients mainly in the real estate, telecommunications, utility, retail, gaming, insurance and beverage industry, both in the private and public sector in relation to a number of different assignments including but not limited to buy-side and vendor cross-border due diligence assignments, purchase price allocation assignments, raising of finance on the stock market, feasibility studies/financial projections, debt restructuring, strategic review, valuations of business and equity share capital, impairment review/assessment in relation to investment properties owned by various companies in Malta and review of the pension provision and assistance with any necessary settlement offers.

Oriana has also delivered several training sessions in corporate finance and securitisation to university students, excel at beginning, intermediate and advanced level as well as training on financial modelling, raising finance and due diligences.

Qualifications

Bachelor Degree in Accounting - University of Malta
ACCA

Masters in Finance, specialising in Mergers and Acquisitions – University of Wales



Jessica Borg

Manager - Tax & Regulatory

T +356 2093 1608
M +356 7931 2064
E jessica.borg@mt.gt.com

Jessica pursued her studies at the University of Malta first obtaining a Bachelor of Laws with Italian, followed by a Diploma of Notary Public and subsequently, graduating as a Doctor of Laws with a thesis in the field of contract law. She is currently in her second year of a 3 years Master of Arts in Financial Services course at the University of Malta. She has completed study units relating to the regulation of banking, EU financial services law, advanced company law matters, and the local legal framework of financial services, among others. She has also successfully obtained a Foundation Certificate in Trusts Law and Management. After a two year experience exposed to the practice of a local law firm specialising in the civil, commercial and private law service lines, Jessica joined Grant Thornton in 2015 focusing predominantly on the corporate, trusts, compliance, capital markets, regulatory and licensing fields. She was responsible for the drafting of various contracts relating to the same areas, providing legal support in the drafting of public offering documentation, advising on corporate restructuring and regulatory compliance, drafting of license applications in the financial services sector, providing support of a legal and regulatory nature to licensed companies, carrying out legal and regulatory due diligence on regulated entities, and works alongside the tax and advisory teams providing legal input for projects and business plans. Jessica is also a member of the Malta Chamber of Advocates.

Qualifications

Doctor of Laws – University of Malta

Bachelor of Laws (Magna Cum Laude) - University of Malta

Foundation Certificate in Trusts Law and Management – Institute of Financial Services
Practitioners



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