



Listing Guide for Mezzanine Securities

The Bermuda Stock Exchange (BSX) is uniquely positioned to offer provisions for the listing of Small to Medium Enterprise Companies (SMES), marketed on the BSX as 'Mezzanine Listings'.

A BSX Mezzanine Listing is specifically geared towards young, innovative companies with high growth potential, providing them with a unique opportunity to list and subsequently raise public capital on an internationally recognized exchange at a much earlier stage than a traditional IPO. This is due in large part to the fact that the BSX restricts investment in Mezzanine Listings to Qualified Investors, which means investment is restricted to institutional and HNW individual investors.

As investment is restricted, a company may list without having to meet the conventional proven minimum track record, free float or profitability requirements of a full IPO, while still exposing management to the process and responsibilities of having to comply with exchange regulations and reporting standards. Furthermore, listed securities are far more attractive to institutional investors, especially in jurisdictions where investment in non-listed securities may be restricted, and to investors who may limit their exposure to unlisted securities.

In addition, a listing on an internationally recognised exchange is widely regarded as a prestigious mark of achievement, significantly increasing the marketability of a company's securities. It also provides an alternate means for raising capital beyond bank debt and pure venture capital funding.

Whilst a highly liquid secondary market may not immediately develop, a BSX listing does create the mechanism for trading – representing an important exit strategy for institutional investors. Provision is also available for the introduction of a retail shareholder base in the event certain requirements are met.

Geographically positioned between two of the world's deepest capital markets Bermuda's unrivaled time zone offers a significant commercial advantage, allowing for same day, real-time access to markets in the Americas as well as Europe.

Supported by a Nasdaq licensed trading and settlement platform the BSX's international profile provides listed issuers with added recognition and visibility. Satisfying and often exceeding the listing imperative set by most institutional investors. All BSX listings and trading activity can be accessed 24/7 on Bloomberg and the BSX website www.bsx.com, thus developing an invaluable historic profile which can be readily sourced by the international market and global financial news networks; all in preparation for an ultimate IPO.

*Explicit information pertaining to Mezzanine Listings can be found in Section IIIA of the BSX Listing Regulations, which together with additional information can be found at www.bsx.com.

For further clarification and/or additional listing information please contact the BSX Head of Listings at +1 441-292 7212 or via email at listings@bsx.com.

→ **COMMERCIALY SOUND**

→ **COMPETITIVELY PRICED**

→ **CONVENIENTLY LOCATED BETWEEN MARKETS IN THE AMERICAS AND EUROPE**

LISTING CRITERIA

ELIGIBILITY:

To qualify for a listing on the BSX the issuer must submit the following:

- Initial and annual listing fees;
- Prospectus, this may be the same document as the private placement offering document;
- Various supporting documents.

Subject to the restriction to Qualified Investors and the obligation to make full disclosure, there are no other onerous qualifications imposed on Mezzanine Listings.*

Applicants will require the assistance of a BSX Trading Member, a full list of which, including contact information, can be found on the BSX website www.bsx.com.