



AERO

BVB Market for Equities

LISTING
ROMANIA



Bucharest Stock Exchange operates and administrates AeRO, an alternative trading system. This enables the development of companies that access finances via the capital market. AeRO brings to investors' attention companies such as SMEs and start-ups with development potential.

AeRO is dedicated to funding the companies which do not fulfill the size or the length-of-operation criteria in order to be listed on the regulated market.

AeRO is the suitable option for the contractors that are at least in one of the following situations:

- have an excellent idea that might be a breakthrough if put into practice;
- the lack of capital is the highest impediment to the company growth;
- the company develops, but wishes to make its business model known (the products and services offered should benefit from better upgrading);
- take into account the funding on the stock market, but they consider the stock market to be only for large companies;
- aim for an assessment at an objective price for the company, established by meeting supply and demand.

THE ADVANTAGES OF FINANCING ON THE STOCK EXCHANGE AND THE QUALITY OF LISTED COMPANY

In USA, about 80% of the companies' funding is raised on the capital market and only 20% through bank loans. In Europe, the capital market finances about 20% of private initiatives, and bank loans represent 80% of the funding methods. In Romania, the funding through bank loan prevails and exploring the funding through the capital market is still at the beginning.

In order to obtain funding through the capital market, a company must, first of all, request the approval for the shares to be traded on the stock market.

The advantages of a listed company are:

- The access to the capital necessary for development;
- The increase of the company's visibility and notoriety on a national and international level, among business partners and customers;
- The establishment of a market value for the company and the possibility to secure the management officers' and the employees' loyalty by rewarding them with participations in the company's shares, which may be further capitalized on the market;

- The possibility to attract new partners due to the company's increased transparency;
- Rendering more efficient the company's management;
- The association with the Bucharest Stock Exchange – BVB is a nationally and internationally acknowledged brand;
- Facilitated access also to other funding sources.

Why AeRO?

- It is a new alternative solution for the financing, mainly, of SMEs and of start-ups;
- It provides the investors with new opportunities to discover companies with high growth potential, with promising projects, since their very beginning;
- It distinguishes through competitive rates and through simple and efficient procedures, harmonized with the European Union principles in the financial market fields;
- It provides the companies with the possibility of financing either through shares issuance or through the issuance of corporate bonds (the most suitable funding strategy shall be chosen);
- It does not impose the elaboration of a laborious prospectus, but only of a company's presentation document;
- It is a market regulated by the Bucharest Stock Exchange, which promotes the principle of partnership between BVB and the listed companies;
- It introduces the concept of Authorized Advisor, who offers to companies the support in order to get listed and to fulfill their further reporting obligations. The Authorized Advisor enables the obtainment of finances through public offerings or through private placements. Such concept is employed on the similar markets of developed exchanges and contributes to the success of the companies from the capital market field.

THE STAGES OF SHARES LISTING ON AeRO

- 1.** The stakeholders/shareholders adopt the decision in principle to list the shares on the AeRO market;
 - 2.** Contracting an Authorized Advisor approved by the Bucharest Stock Exchange, out of the list which may be found on the web page www.bvb.ro;
 - 3.** The change into a joint-stock company (for other types of companies);
 - 4.** The formal Decision of the Board of Directors or of the General Shareholders Meeting (the statutory body) regarding the shares trade on the AeRO market;
 - 5.** The elaboration of the documents (company's presentation, financial information – pursuant the Technical Specifications regarding the Memorandum elaborated for the shares admission to trading on AeRO, as available on the BVB web page):
 - a.** Data regarding the issuer (identification data, activity description, share capital, management, stakeholders, etc.);
 - b.** Data regarding the issuer's activity and the development plans;
 - c.** Litigations in which the issuer is involved (if the case may be);
 - d.** Affiliated companies and the participation owned in such companies (if applicable);
 - e.** Financial reporting, financial indicators (at least for the last year, if any);
 - f.** Other data.
 - 6.** The preparation of the financing operation, by two alternatives:
 - a.** Through offer without prospectus – addressed to a limited number, of up to 149 potential investors;
 - b.** Through an initial public offer of shares (IPO) – requires the elaboration of a prospectus and therefore, the completion of the relative legal and regulatory procedures.
 - 7.** Closing the registry contract with the Central Depository in order to ensure the clearing and settlement for exchange transactions, as well as to keep the company's shareholders registry;
 - 8.** The shares registration with the Financial Supervisory Authority;
 - 9.** The submittal of the documents with the Bucharest Stock Exchange for approving the admission to trading:
 - a.** Application for admission to trading;
 - b.** Memorandum – the Presentation Document;
 - c.** The proof regarding the closing of the contract with the Central Depository;
 - d.** A copy of the Securities Registration Certificate issued by AFS;
 - e.** A copy of the Certificate of Registration with the Trade Registry Office;
 - f.** The annual and quarterly financial reports, at least for the last financial year (if any);
 - g.** The Decision of the statutory body of the issuer, regarding the listing;
 - h.** Other additional information or documents which might be requested by the Bucharest Stock Exchange.
 - 10.** The approval of the admission to trading by BVB;
 - 11.** The signing of the Contract with Bucharest Stock Exchange;
 - 12.** The first trading day.
- The minimum requirements for the companies willing to be listed on AeRO are: at least 250 000 euro anticipated market value, at least 10% free-float or 30 stakeholders.
- The shares issued in order to be listed must be integrally paid at the admission date, must be issued in dematerialized form and registered into the account. The transfers must not be restricted through provisions of the articles of incorporation (provisions related to the stakeholders' liability to sell shares only to other stakeholders).



REPORTING OBLIGATIONS TOWARDS THE INVESTORS

After listing, the issuers are bound to submit to the Bucharest Stock Exchange the following type of reports, which shall be publicly disseminated:

a. Periodical Reports:

- Annual report (the balance sheet, the profit and loss account, the notes to the financial statements, the management report and the financial auditor's report);
- Report for the first half of the year (the balance sheet and the profit and loss account, together with the management report);
- Quarterly reports – to the extent in which they are prepared, for the first and for the third quarters.

b. Current Reports:

- The Notice of Convening the General Meeting of Shareholders (or the Board of Directors meeting, that has as a purpose deciding on the duties delegated by the General Meeting of Shareholders);
- The Decisions concluded during the aforementioned meetings;
- Information regarding the payment of dividends, the value per share, the payment due date and methods;
- Other information such as: changes in the control of the company, mergers / spin-offs, litigation procedures, beginning or conclusion of company's dissolution, insolvency, reorganization or bankruptcy etc.

The regulations regarding the alternative trading systems are included in the CNVM (National Securities Commission) Regulation no. 1/2006 and in the Bucharest Stock Exchange Rulebook – System Operator, as well as in the technical specifications regarding the activity of authorized advisors, in the memorandum elaborated for the admission on AeRo and in the corporate governance principles for AeRO. The Authorized Advisors shall provide the issuers with the support required to fulfill their regulatory obligations.

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