

Alternext (France)

Alternext is an equity trading market that was opened on May 17th 2005 by its parent institution Euronext (formerly NYSE Euronext) to address an opportunity posed by small to medium sized firms that were anticipated to desire easier access to an equity market.

The approach was to provide streamlined listing requirements and simplified trading rules to present a lesser load on small and mid-cap firms. The goal was to do this in a manner that also preserved good governance and transparency for investors.

Euronext bills the Alternext market as a unique option in the investing world. It aims to become the reference market for small and mid-sized companies throughout the Eurozone. Alternext is based on the same pan-European trading platform as the Euronext main cash market, enhancing liquidity.

Although the Alternext is part of the pan-European Stock Exchange Euronext, only three out of the four participating countries (Belgium, France and Portugal) offer the Alternext segment. The Netherlands offered this segment as well, but the Dutch part of Euronext shut it down in 2014 for strategic reasons. Currently, the Alternext has a total of 207 companies. 194 are listed in Paris (94 percent), 11 are listed in Brussels (5 percent) and 2 are listed in Lisbon (1 percent).

Quick Facts

Launch:	2005	Operated by:	Euronext
Number of listed securities:	194	Number of countries:	7
Total Market Capitalization:	8,1 bio. EUR	Average Market Capitalization:	42 mio. EUR

Overview

As of December 1st 2014, there have been 194 listed securities, representing 177 different companies + 17 debentures out of 7 countries. 184 companies, or 95 percent of all companies are French origin. The percentage of foreign companies on this French Stock Exchange segment is round 5 percent. In contrary to Marché Libre, the majority of the listed companies (64%) has an English version of its website. 90 percent of the companies have an extra IR section as part of their website to disclose market relevant information to the public. Thus, it is quite easy to get all relevant information to evaluate the company. This is actually recommended by the Stock Exchange.

34 out of the 194 companies (18%) have an additional listing (dual listing) on another Stock Exchange – mainly on Frankfurt Floor (Deutsche Börse) or on one of the additional 6 regional Stock Exchanges in Germany. One company is listed additionally in Canada (TSX-V) and USA (OTC-BB). Thus, the Alternext serves as main Stock Exchange for its listed companies.

Tradability and liquidity of the shares are outstanding. 85 percent of all companies can be traded via all online brokers in Belgium, France, Portugal, the Netherlands and Germany, Austria and Switzerland.

106 companies (55 percent) are traded on a daily basis with several trades – only 18 securities (mainly the debentures) have a market activity of less than 10 trades so far in 2014.

Below you will find a table with a ranking of the included countries:

ISIN	Number	Percentage	Country
FRxxxxxxxxxx	184	94,85%	France
BExxxxxxxxxx	3	1,55%	Belgium
ESxxxxxxxxxx	2	1,03%	Spain
GBxxxxxxxxxx	2	1,03%	Great Britain
CAxxxxxxxxxx	1	0,52%	Canada
ITxxxxxxxxxx	1	0,52%	Italy
LUxxxxxxxxxx	1	0,52%	Luxembourg

The total market capitalization of all 194 listed companies – as of December 1st 2014 – has been 8,1 billion Euro. This makes the Alternext Paris to one of the biggest segments for Small- und Mid-Cap companies in Europe.

Below you will find a table of the TOP5 listed companies according to the market capitalization:

Company	ISIN	Website	MC in mio.
LETS GOWEX	ES0158252033	http://www.gowex.com	581 EUR
DIRECT ENERGIE	FR0004191674	http://www.direct-energie.com	348 EUR
FIGEAC AERO	FR0011665280	http://www.figeac-aero.com	328 EUR
CARMAT	FR0010907956	http://www.carmatsa.com	300 EUR
CELLECTIS	FR0010425595	http://www.cellectis.com	285 EUR

Interesting note: although the Alternext Paris is mainly composed of French companies, the company with the highest market capitalization is a Spanish one: Lets GOWEX.

The number of so called Pennystocks – companies with a quotation of less than 1 Euro – is quite high for this established market: On December 1st, 40 companies (21 percent) of all listed companies had a quotation below 1 Euro.

Requirements

The Alternext listing process is nearly similar to that of the Euronext European Regulated Markets but can be quicker and more straightforward. Shares may be offered for sale to institutional investors, qualified investors and retail investors, or to certain classes of such investors, such as management, employees, 'friends and family' and customers.

Minimum social capital	no recommendation but a placement of at least 2.5 mio. EUR has to have been completed during the year prior to listing
Minimum nominal value	not required
Minimum market capitalization	not required
Minimum free-float	not required
IFRS accounting standard	IFRS, US GAPP or equivalent required
Past financial statements	two years of past financial statements not older than 9 months – otherwise plus 6 months figures (non-audited)
Securities prospectus	not required
IR Website	required

Costs (for the Admission and ongoing)**a) Fee table Initial Admission**

Each Issuer shall pay an Admission Fee in respect of an Initial Admission of its Equity Securities based on the fee table set out below:

Market Capitalisation	Admission Fee	Maximum Fee
up to EUR 10.000.000	EUR 10.000	EUR 10.000
from EUR 10.000.001 to EUR 100.000.000	0,05%	EUR 55.000
from EUR 100.000.001 to EUR 500.000.000	0,04%	EUR 215.000
from EUR 500.000.001 to EUR 1.000.000.000	0,03%	EUR 365.000
from EUR 1.000.000.001 to EUR 2.500.000.000	0,02%	EUR 665.000
over 2.500.000.000	0,01%	EUR 2.500.000

b) Annual Fee table

Each Issuer shall pay an Annual Fee based on the fee table set out below:

Number of Equity Securities	Fee
up to 2.500.000	EUR 2.800
from 2.500.001 to 5.000.000	EUR 3.800
from 5.000.001 to 10.000.000	EUR 8.800
from 10.000.001 to 50.000.000	EUR 14.200
from 50.000.001 to 100.000.000	EUR 18.600
over 100.000.000	EUR 23.000