

Going Public

by CAPITAL FOR MARKETS GMBH



SUMMARY

First Steps: We help you to find Answers

- **Qualifying Examination:** Is your Company ready to go Public?
- **Reasons for the Decision:** Why does who stimulate the floatation?
- **Market Selection:** Which Stock Exchange and which Segment fit best?
- **Corporate Assessment:** What should the right Valuation be?
- **Right Timing:** Management of Expectations and Resources!

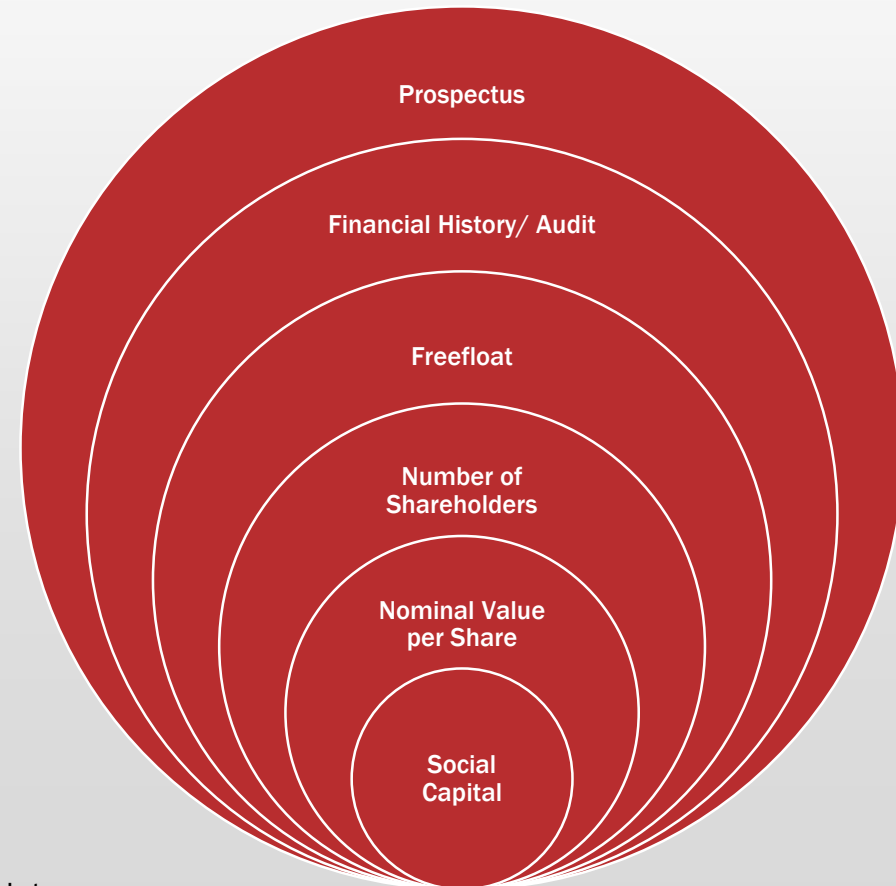
Main Steps: Accurate Preparation of your Application

- **Financials:** Audited Reports of the previous two to three years
- **Legal Due Diligence:** Corporate Check-up
- **Management Interview:** Questions and Answers about your Business
- **Clearing:** Custody and Settlement agreements for your Shares
- **Listing Application:** Drafting of the whole Listing Application

FIRST STEPS

First Steps: Requirements

Each Stock Exchange has different requirements, but all of them target the following criteria:

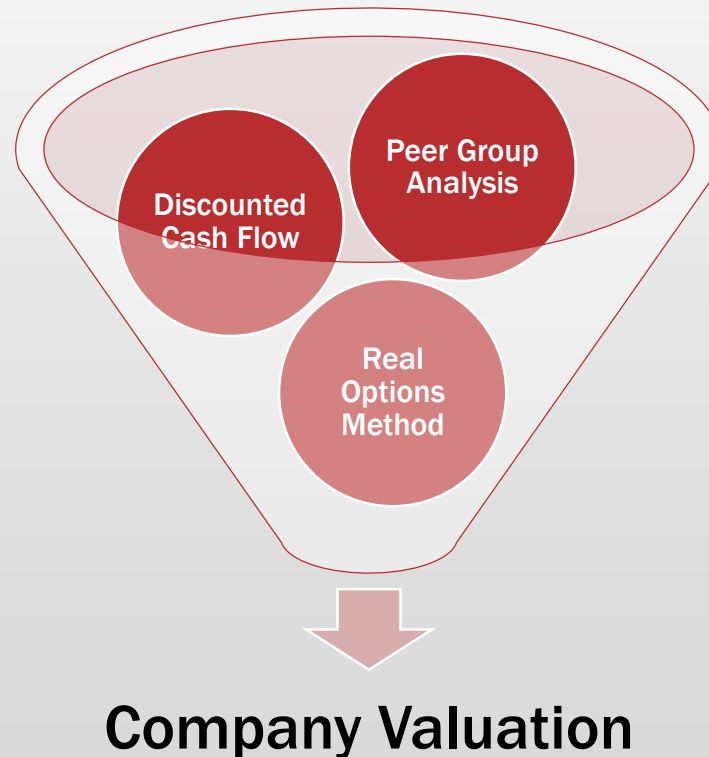


First steps: Reasons for Going Public

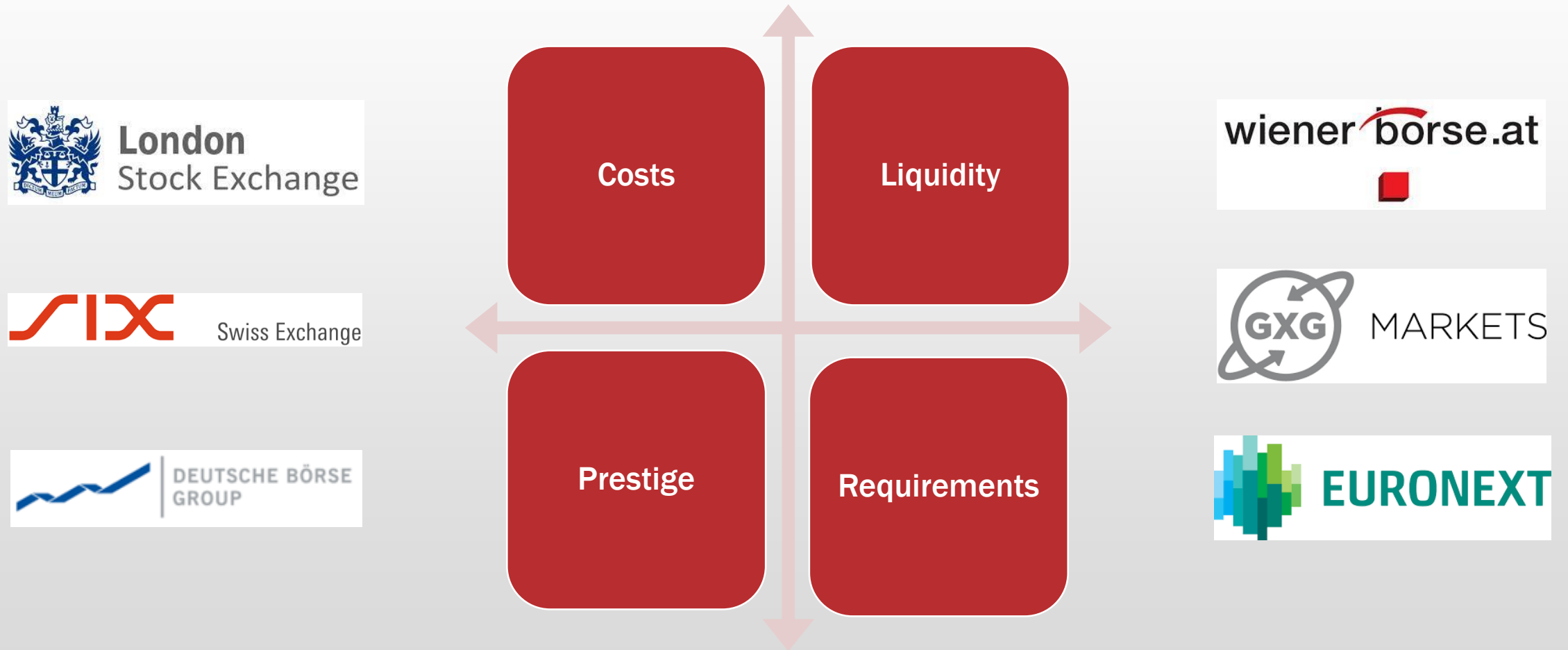
- **Capital:** Raising additional funds and leveraging loans
- **Currency:** Determine the value of your company (e.g. for acquisitions)
- **Loyalty:** Stock and Stock Options create a higher commitment of key staff
- **Credibility:** Trust among clients and business partners based on transparency and the fulfillment of regulations
- **Publicity:** Higher visibility due to attention of major newspapers and magazines
- **Exit:** Officers, directors and existing shareholders may sell (part of) their shares in the market

First Steps: Company Valuation

Besides mandating professional Equity Research, there are additional ways of finding the right company valuation:



First Steps: Market Selection - each Market is different



First Steps: Time to Market in Weeks

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1	Test Marketing
2	Negotiations of Engagement Agreements with Brokers, Accountants and Listing Partners
3	Review Corporate Structure with key Advisers
4	Long Form Report Produced
5	Accountants' Report Produced
6	Working Capital Review
7	Drafting of the Admission Document
8	Negotiation of Placement Agreement
9	Legal Due Diligence Report Produced
10	Verification
11	Marketing
12	Placing Listing Finalized
13	Admission to the Stock Exchange

MAIN STEPS

Main Steps: Audit

Below you will find the standard requirements for financial statements for the approval of a listing application by any competent authority:



Each Issuer must have published or filed audited annual financial statements or pro forma accounts for the previous 2 financial years.



If the most recent financial year ended more than 9 months prior to the first admission to trading, the Issuer must have published interim statements.



Issuers with registered offices in an EU Member State shall prepare financial statements in accordance with International Financial Reporting Standards (IFRS) or the accounting standards of its country of residence.



Issuers who do not have registered offices in an EU Member State shall prepare their financial statements according to IFRS or IFRS equivalents (US GAAP, Canadian standards, Japanese standards, Chinese standards, South Korean standards and Indian standards).

Main Steps: Legal Due Diligence

The Listing Partner is required to carry out the due diligence of the Issuer in accordance with generally accepted procedures. The main topics are:

Corporate
Accounting and Financial Statements
Financing/Loans
Legal Disputes
Main Agreements
Real Estate
Intellectual Property Rights
Insurances
Regulation
Management and Employees
Taxation

Main Steps: Management Interview

The Listing Partner is required to conduct a management interview with the Issuer which includes the following questions:

Background of the Company and its organization structure
Corporate governance and compliance
Market, activity and company strategy
Intellectual Property
Production – Procurement
Sales - Marketing
Financial and Accounting issues
Human resources
Disclosure – Value creation - Shareholders
Disputes
Insurance

Main Steps: Clearing

Clearing is necessary for the matching of all buy and sell orders in the market. Clearing is the procedure by which an organization acts as an intermediary and assumes the role of a buyer and seller for transactions in order to reconcile orders between transacting parties. The main Clearing Houses are:



Main Steps: Listing Application

Each Listing Partner shall, in respect of an application for first admission to trading on any relevant Stock Exchange, certify in writing to the relevant Stock Exchange that:



It has provided the Issuer with all material information regarding the legal and regulatory requirements arising from the proposed first admission to trading;



the Issuer satisfies all conditions pertaining to the first admission to trading as further described in these Rules;



a prospectus approved by a Competent Authority or – in the absence of a prospectus approved by a Competent Authority – an Information Document is made publicly available allowing potential investors to make an informed investment decision;



the Issuer has taken measures to ensure compliance with its ongoing and periodic reporting and disclosure obligations required by National Regulations.



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