GOLDRING

STRATEGIES FOR LISTING ON THE BUCHAREST STOCK EXCHANGE

Dimensions/ Alternatives	Technical listing	Private placement of shares + technical listing	Technical listing + share capital increase
Premise	Shareholders put up for free sale on the capital market, through orders placed in the market, in their own name, at their own price, of the shares they hold, until the liquidity conditions are met: at least 10% of freefloat shares or at least 30 shareholders in the shareholding structure. The conditions must be met immediately after listing.	The shareholders decide to increase the share capital by issuing shares offered in a Private Placement. An unlimited number of institutional investors and a maximum of 149 retail investors may participate. After completion, proceed to Technical Listing (1).	Shareholders offer percentages of their share capital until the liquidity condition required by the BSE is met (minimum 10% free-float in the first 10 days after listing or 30 shareholders), after which they increase the share capital (Public Offer, at a price set by the EGSM according to the market).
Steps	The Extraordinary General Meeting of Shareholders (EGSM) decides on the listing. The company's valuation takes place to verify the early capitalisation condition imposed by the BSE (€250,000) and for a benchmark market quotation at listing. The articles of association are reviewed for compliance. Communication and PR strategy is established. The Memorandum is drafted. Prepare the company for listing - corporate governance, compliance, investor communications. Obtain approval in principle from Bucharest Stock Exchange for listing. Sign contract with Central Depository - obtain ISIN, CFI, FISN codes. CIVM - FSA (Financial Supervisory Authority endorses the documentation) is obtained. Sign the contract with the Bucharest Stock Exchange and the actual admission takes place.	The valuation of the company takes place and the conditions for offering the newly issued shares are established. The EGSM decides on the share capital increase, the Private Placement, the admission to trading and makes the necessary revisions to the articles of association for listing compliance. It establishes the communication and PR strategy. The Offer Document is prepared. Prepare the company for listing - corporate governance, compliance, investor communications. Conduct Private Placement through the stock exchange system for transparency and attractiveness. Signing of the contract with the Central Depository takes place - obtaining ISIN, CFI, FISN codes. The increase of the share capital is registered with the Trade Register. The Memorandum is drafted. Approval in principle is obtained from the BSE for the listing. The Certificate of Registration of Financial Instruments (CIIF) is obtained from the FSA, which endorses the documentation. The contract with the BSE is signed and the actual admission takes place.	EGSM decides the listing. The company is evaluated to check the early capitalisation condition imposed by the BSE (€250,000) and for a benchmark market quotation at listing. Review of the articles of association for compliance. The company is prepared for listing - corporate governance, compliance, investor communications. The listing memorandum is drafted. Approval in principle is obtained from the BSE for listing. Sign the registration agreement with the Central Depository - obtain ISIN, CFI, FISN codes. Certificate of Registration of Financial Instruments (CIIF) obtained from FSA. The contract with the BSE is signed and the actual admission takes place. Liquidity conditions are met - minimum 10% free float or at least 30 shareholders. The share capital increase takes place: convocation - EGSM resolution, Prospectus approved by the FSA, the offer takes place and the increase is registered with the ONRC.
Time frame	The technical listing takes place within 2 to 4 months.	**Stage I** (raising capital through private placement): 1.5 - 3 months. **Stage II** (post-placement technical listing): 2 - 3 months.	**Stage I** (technical listing): 1.5 - 3 months. **Stage II** (share capital increase): 3 - 6 months.
Opportunity	The technical listing takes place in a short time frame. A reference price is created for further negotiations with potential strategic investors. Increased visibility. Market valuation of the company. A fair price is obtained for all parties involved: issuer, founding shareholders, investors. Increased credibility of the company A first step towards new sources of future financing.	Private placement has the shortest financing time through the capital market. The price at which the founding shareholders will dispose of part of the business must be attractive to investors entering the private placement, one that will allow them to make a profit after listing. The transaction allows: • to obtain a higher market value at the time of listing than the other alternatives: capital infusion => higher expected cash flows => higher estimated value of the company => higher market value at listing; • improved risk and solvency indicators (lower leverage); • through the private placement, a benchmark price will be set at which the market will report at listing. In general, lower leverage facilitates access to bank lending.	The price at which the founding shareholders dispose of the business is set by the market, usually in their favour compared to the private placement option. Under certain market conditions, capital can be attracted more easily, more cheaply and more widely than in a private placement. There is additional cash for shareholders who dispose of holdings. The capital increase will be anticipated by the trading of pre-emptive rights - cash for significant shareholders (which can be used for entry into the increase).
Inconvenient	In the event of a very high listing price/estimated value ratio, unconfirmed by future developments, the company will fall into a shadow, with shareholder discontent. The money goes into shareholders' pockets without capitalising the company. This can be done through a subsequent capital increase within 6 to 9 months.	To be successful, we need to discount the estimated market value and what we estimate investors would value in a technical listing. • Risk: listing price not reaching offering price in placement => dissatisfaction of private placement investors, damaged image; • Risk (relatively minor): post-listing sale price is decided by each shareholder who wants to sell - listing price may become difficult to control; Money raised from the sale of shares through technical listing goes into shareholders' pockets. This may be a "plus" for shareholders, but not necessarily for the company, which, however, will already have been captured by the private placement.	There will be a 4-6 month delay in raising capital in the company compared to Alternative 2. The amount of capital attracted is market determined and vulnerable to developments in the external environment (domestic and international). In the case of a newly listed issuer, volatility is higher relative to the market. There is a risk that the price proposed in the Memorandum will not be accepted by the market - with an impact on the price at which shareholders will dispose of their holdings and on the capital that could be raised through the share capital increase.

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