



**Continental
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BSX Listing Opportunities for SME's

ISEEE Fall 2010 Meeting
Barcelona, Spain
14 September 2015



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BSX Snapshot

- BSX founded in 1971
- Over 650 listed issuers
- 98 Insurance Linked securities with an aggregate market cap of over \$12.4 bn
- 17 Trading Members and Listing Sponsors
- Daily trading upgrading BSX trading platform in 2013
- Rolling T + 3 Settlement
- Over 5,000 accounts within the Bermuda Securities Depository (BSD) system with an aggregate market value of nearly \$675 mn
- Combined market cap approximately \$ 400 bn, \$1.6 bn domestic
- In 2011, the TMX Group made a strategic investment in the BSX
- Fully Electronic trading and settlement, upgraded in 2013, to a NASDAQ/OMX platform





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International Recognitions

- Full Member of World Federation of Exchanges
- “DOSM” status from US-SEC
- “Registered Organisation” - LSE
- Designated Investment Exchange - UK Financial Services Authority
- Approved Stock Exchange – Australian tax authorities
- Recognised Investment Exchange – The BMA
- Affiliate Member – IOSCO
- Recognised Stock Exchange – UK’s HM Revenue & Customs
- Member – America’s Central Securities Depository Association
- Designated Stock Exchange – Canada’s Ministry of Finance





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Key BSX Listing Requirements

- Minimum Market Capitalization (\$500,000)
- Full disclosure listing document prospectus
- Applicant goes through Trading Member that acts as the issuer's Listing Sponsor
- BSX Primary (Non Bda entity) - "Qualified Investor" requirements, however restrictions can be waived if the company becomes a Bermuda entity and agrees to oversight as a BSX Domestic Main Board Issuer
- BSX Secondary - Primary Listing on recognized exchange, straight forward process and reduced listing fees
- Compliance - US GAAP & IFRS accounting standards accepted
- Regular reporting with quarterly or semi-annual and annual audit filings
- Disclosure of major/material events
- Disclosure of directors combined interests for waived issuers as per BSX domestic regulations





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What makes listing on BSX attractive

- **Advancement.** Listing on BSX regarded as a mark of advancement for a company, adding recognition to marketability for its securities
- **Marketability.** Listed securities are comparatively more attractive to institutional investors (who often limit or prohibit investment allocations to "unlisted" securities)
- **Liquidity.** BSX provides an open market facility for Qualified Investors. While a highly-liquid secondary market in new securities is ever likely, a BSX listing creates a mechanism for trading including a potential exit strategy for institutional investors
- **Research.** A company's visibility is significantly enhanced including coverage on Bloomberg (with over 100,000 terminals worldwide), Reuters, Bridge/Telerate and other potential research coverage
- **Management.** Minimizes management distraction required to prepare for a larger exchange listing
- **Track record.** Press releases from the company are disseminated by the BSX. Together with trading and pricing information of its securities, company will develop a historical profile on financial news networks which may assist in preparation for a subsequent listing on other exchange(s)



Source: Bermuda Stock Exchange



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What are Current Challenges related to listing on BSX?

- Lack of Clearstream eligibility means that companies need to register through Canadian corporation and transfer agent in order to be able to transfer stock.
- All shares issued on the BSX are free trading without any restriction. this is a positive factor for institutions buying the stock but a negative factor for management that may not be fully responsible with how they distribute the free trading equity.
- Dual listing capability hampered by Exchange's interpretation of regulations governing dual listing suitability. There are documented issues encountered while companies attempts to dual-list on Six Swiss, Oslo Stock Exchnage and even FSE
- Lack of investment banks in Bermuda to support company financing and related services, lack of dedicated equity funds investing in Bermuda



Source: Bermuda Stock Exchange



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Co-Listing in Europe – FSE

- Upon a successful BSX listing, the company could apply for a co-listing on the Frankfurt Stock Exchange
- FSE is the second most liquid marketplace after the NYSE
- A company could obtain a US or Canadian ISIN for Clearstream eligibility in order for institutional investors to clear trades
- Quotation Board – first level for international dual listings
- Entry Standard Board – next fully reporting level up
- Listing agent and market maker would file for FSE co-listing for company
- As long as a company meets BSX requirements for an International Main Board listing, with a Regulation 4.10 waiver, it can co-list on the FSE Quotation Board
- A company must submit last annual audit and have a normal KYC with listing agent
- Listing agent then files for WKN and ISIN identifiers
- Process can take 2 – 4 weeks





FSE Market Transaction Funding

- Company can offer securities commensurate with an FSE co-listing as per the Term Sheet
- All documents must be filed with the BSX & all subsequent issues must be listed on the BSX before issuance
- When listed, an institution could purchase shares from the company with a market order
- Transaction set up with market maker and institution
- Trade would clear through institution's prime broker and market maker's clearing bank
- Company would issue shares, investor would purchase them DVP
- Funds wired from clearing bank directly to company





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Other Potential SEM Markets

- First North - NASDAQ OMX NORDIC



- AIM - London Stock Exchange



- AIM Italia



- AlterNext | Euronext



All markets in need of more flexible regulations regarding negative P/E





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Continental Access Ltd. – Finding Best Strategies for Indicial and Dual Listing processes

- Boutique investment advisory and consultancy company **active worldwide**
- Chief Executive Officer with over **20 years of experience in corporate financing and syndication**
- Work with **public companies** with unique products and strong management to structure **institutional offerings for capital raising** which offer value to our **institutional clients**
- Acts as a bridge for **international investment opportunities** and the primary **European financial centres**
- Multi-lingual team of **experienced investment consultants** can offer targeted introductions as part of multi-country regularly organized road-shows
- Based in Europe since 1998





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Continental Access Ltd. – Fund-raising and Listing Advisory

- **Raised over US \$ 1 billion** for small-cap public companies, private companies and funds
- Assists private companies to **go public in European Stock Exchanges**
- **Initial listing** for private companies
- **Dual-listing** for companies already listed in their home country
- **International sales team** members with over a dozen spoken languages.





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Continental Access Ltd. – Institutional Services

- Relations with **institutional fund managers** in every country within **Western Europe**, and developing new relationships in Eastern Europe, Singapore, Asia and the Middle East
- Work with **institutional investors** to show them **direct offerings from public and private companies** at discounted, low entry valuations
- Structures institutional **equity and debt offerings** for client companies.
- Represent **companies with high-growth potential** and strong management
- Institutional Investors have an opportunity to meet with the company management through targeted one to one meetings as well as Luncheon's and other organized events





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Continental Access Ltd. Services – Capital Raising Advisory

- Determining the most **economically attractive** and **flexible financing structures** consistent with **current market conditions** and **management objectives**
- Advising on the process of raising **seed or operating capital** and the **equity or debt** required to accomplish the **shareholders' goals**
- Assisting in the **restructuring of financial assets** and liabilities and creating the most **beneficial financial environment** for the company
- Consulting on the **optimum corporate financing structure**, taking into account the client's historical and projected financials, shareholder needs and investor requirements
- Advising on the preparation of **requisite offering materials for institutional investors** to make a **solid commitment to purchase the offered securities** and oversee the subsequent phases of the process to assure a **timely close**





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Continental Access Ltd. Services – Initial or Dual Listings on a European and US Exchanges

- Assistance with the initial listing process for private companies
- Dual-listings for companies already listed in their home country.
- We recommend the Deutsche Boerse and Luxembourg Stock Exchange, as those are among the most credible European exchanges, whilst having a very efficient bureaucratic apparatus, making the listing a rapid, non-complicated and cost efficient process
- US companies are advised to apply for listing in Europe, as European investors have strong preference towards European listed Companies
- Companies get opportunity to offer free trading stock
- Directing each company towards the best listing option, based on its current size, revenues and transparency requirements
- if a company is fully reporting at another stock exchange (e.g. OTC BB), it is less important to move to the Entry Standard as from an investor's perspective it is enough for the filings to be available in the United States. In this case we would suggest the open market level, in order to save extra costs for the listing and the reporting





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Continental Ltd. Services – Roadshows

- One-on-one appointments with **highly targeted Institutional Investors**
- Preparing management for a roadshow presentation and schedule appointments with the appropriate **Institutional Funds, Asset Managers and Family Offices**
- Assisting with **IR duties** for improving **visibility of the stock**
- Getting the **most exposure for the company** relative to its sector, ensuring a **high degree of success for the project** and enabling companies to have **professional fund managers as supportive investors**
- Forming **new, positive business relationships**
- Setting up the basis for **subsequent financing rounds**, through the inclusion of warrants in the initial offering and a close contact with the investors
- Creating sentiment of **mutual trust**, vital for a **durable relationship**





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Continental Ltd. Services – Corporate Finance

- Work with **small cap companies** in **raising equity and debt capital** from **institutional investors** located in the **major European financial centres**
- Facilitate from start to finish by evaluating the company's
 - Business plan
 - Financials
 - Target market
 - Past performance
 - Forecasts
- Assist to prepare the **presentation** to be **professional and timely**, and also structured for **European institutional investors** within their respective sectors
- Work with companies to determine a proper **valuation for a direct offering** in order for **institutional investors** to have an interest in starting the **due diligence process for an investment**





Continental Access Ltd.

CA Team – Andreea Porcelli, Managing Partner

- **International Investment Banker** with over **20 years of experience** in finding investors for **small Cap companies** on a world scale
- An expert in **communicating with investors** according to their own cultural professional requirements
- **Fluent in five languages**, and having lived in numerous countries throughout Europe, began her career at **Barclays Investment Banking division in London** in 1992
- Moving to NYC in 1995, became the youngest **Syndicate Manager on Wall Street** at the age of 28 for MH Meyerson&Co. a 500-broker firm which was a trading powerhouse in the 1990s
- Founded Continental Advisors in 1998 as a Luxembourg based boutique investment advisory
- Obtained over **\$1 billion in financing for US small cap companies** during her 20 year career. She has **financed over 250 companies** spanning two decades and has **obtained investments from funds from over 20 countries in Europe, Asia and the Middle East**
- A renowned **expert on international public listings**, her company Continental Advisors has represented companies from **\$25 million – \$10 Billion in market cap** in developing their **international investor base**





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Continental Ltd. Your Corporate Connection to Global Institutional Investors

Contact

Andreea Porcelli, CEO

Office: +44 203 282 7596

Mobile: +1 702 528 7280

E-mail:

andreea@continentalaccess.com

www.continentalaccessltd.com



<https://lu.linkedin.com/in/aporcelli>

