



Armstrong
Teasdale

LISTING ON AQUIS STOCK EXCHANGE

▶ A GUIDE TO COMPLETING AN IPO OR OTHER ADMISSION TO THE MAIN
MARKET OR GROWTH MARKET OF THE AQUIS STOCK EXCHANGE



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1 BACKGROUND TO AQUIS AND THE AQSE

The Aquis Stock Exchange (AQSE) operates primary and secondary stock markets for equity and debt securities. Since its inception in 2012, it has grown to be the seventh-largest exchange in Europe, with over 1,700 equity securities listed across its trading platforms. AQSE currently operates two equity markets, being the AQSE Main Market and the AQSE Growth Market. Each market has its own eligibility criteria, and companies should consider which market is the most appropriate for their business given their size and other corporate characteristics.

The AQSE Main Market is a U.K.-regulated market supervised by the U.K.'s Financial Conduct Authority (FCA) in the same manner as the Main Market of the London Stock Exchange (LSE).

The AQSE Growth Market is a U.K. multilateral trading facility (MTF) that is instead supervised by AQSE (as a recognised investment exchange). As an MTF, it is subject to a lighter degree of regulation than AQSE Main Market. In this regard, it is the only other U.K. MTF outside of the AIM market of the London Stock Exchange (AIM), both of which are designed to be accessible to growing entrepreneurial companies.

The AQSE Growth Market is further divided into two segments: the Access Segment (AXS) and the APEX Segment (APX). The Access Segment is designed in particular for younger and growing companies, to enable them to focus on growing their business rather than be distracted by red tape. Conversely, while the APEX Segment is designed for more established ventures, it still generally deals with small and medium enterprise companies (SMEs).

2 AQSE GROWTH MARKET BENEFITS

Companies that seek to list on the AQSE Growth Market enjoy similar advantages to companies that seek to list on AIM. This includes the benefit of trades on either segment being exempt from stamp duty, as well as tax reliefs for capital gains tax and inheritance tax.

In addition to this, AQSE makes a point of maintaining a direct and ongoing relationship with the companies it lists, including after their initial IPO. This allows companies not to be entirely reliant on their advisers and enables a direct line of contact between companies and AQSE.



There are also specific advantages depending on which market/segment of the AQSE a company lists with.

Access Segment (AXS) Benefits:

- **Streamlined admission process:** Admission to the Access Segment is very straightforward when compared to other markets and can be navigated in a much tighter timeframe than might be possible on AIM.
- **Low admission cost:** As a result of the streamlined admission process, the cost of flotation is between 25% and 50% cheaper than a flotation on AIM, thereby making it easier for early stage/growth companies to gain admission to a recognised investment exchange.
- **Lower market capitalisation requirement:** The Access Segment has a £2 million minimum market capitalisation requirement for listing. While this is a higher bar to entry than AIM (which has no minimum market capitalisation requirements), it still provides a lower threshold to meet than the minimum amount required of the Main Market of the LSE.
- **Specific designed initiatives to help companies engage with investor audiences:** As typical entrants to the Access Segment will be companies at some of the earliest stage of development, exposure and engagement to investors is key.

APEX Segment (APX) Benefits:

- **Greater levels of liquidity than the access segment:** Due to the higher eligibility criteria for companies to list on the APEX Segment, this gives investors greater confidence in the market, thereby enabling a greater level of liquidity afforded to the listed securities.

- **Great level of public participation in a listing:** Companies can open up their IPOs to retail participation, which has in turn resulted in online brokers connecting to the exchange and offering trading in APEX-listed securities.
- **Higher levels of interest from institutional investors:** Again, due to the higher eligibility criteria for the APEX Segment.

3 AQSE MAIN MARKET BENEFITS

The AQSE Main Market, while targeted at well-established companies (with a minimum track record of three years) as opposed to SMEs, does have its own unique advantages:

- **Access to a broad range of both retail and institutional investors:** Such access provides a higher level of liquidity than that of the AQSE Growth Market.
- **Dedicated 'impact' segment:** The Main Market has a dedicated segment for those companies that are accredited for having a positive social environmental impact. This allows them to stand out to environmentally conscious investors.

4 U.K. REGULATORY REQUIREMENTS

Listing on either the AQSE Main Market or the AQSE Growth market will require compliance with different sets of rules. For those companies listed on the AQSE Main Market, as with the Main Market of the LSE, these are regulated by the FCA. As such, all companies listed on this market must comply with the FCA's Listing Authority Rules.

For those companies listed on the AQSE Growth Market, these must comply with the rulebook for the relevant segment – for the APEX Segment this is the AQSE APEX Rulebook, and for the Access Segment it is the AQSE Access Rulebook.

In addition to these rules, AQSE-listed companies on either market also need to comply with all applicable U.K. laws and regulations, as well as certain standards and regulations where applicable, overseen and regulated by the FCA. The FCA is the U.K.'s financial regulatory body that regulates all financial firms providing services to consumers and maintains the integrity of the financial markets in the U.K. The FCA works alongside the Prudential Regulation Authority and the Financial Policy Committee to set regulatory requirements for the financial sector.

5 ELIGIBILITY REQUIREMENTS

There are various eligibility criteria for a listing on the AQSE Main Market, or either the APEX or Access segment of the AQSE Growth Market. Companies need to consider these and determine which route to going public is most suitable for them. Outside of the general eligibility and suitability criteria there are matters that a company will need to consider when evaluating any decision to list, and this involves a detailed understanding of the company's existing business and equity 'story' (i.e., why the company wants to list and its attractiveness to the market).

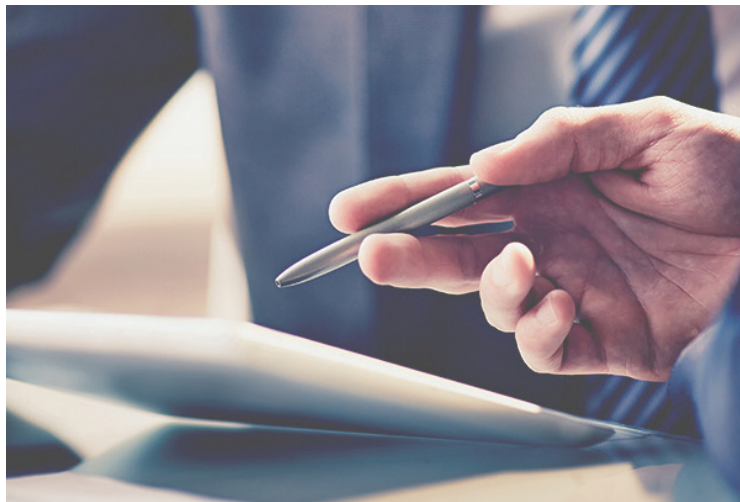
See the Appendix for a table which sets out the key listing requirements for the AQSE Main Market and both segments of the AQSE Growth Market, as well as a comparison of those for an LSE Main Market listing or an AIM listing.

6 APPOINTMENT OF AQSE CORPORATE ADVISER AND TRANSACTION TEAM

Appointing an AQSE Corporate Adviser (Corporate Adviser) is one of the first steps in the journey to listing on AQSE. All companies listed on the AQSE Growth Market are required to appoint a Corporate Adviser (under section 1.1 of both the APEX Segment rulebook and the Access Segment rulebook). For AQSE Main Market listed companies, while there is no requirement under the FCA listing rules to appoint a Corporate Adviser, in practice, one is often appointed.

All companies listed on the AQSE Growth Market are required to appoint a Corporate Adviser.

The initial role of a Corporate Adviser extends to supporting the company on its journey to listing on AQSE. As such, they will need to consider and ensure that the company is appropriate for listing on the relevant AQSE market/segment, to provide advice on the relevant segment rulebook/FCA Listing Rules, and to generally guide the company through the steps for an IPO. Corporate Advisers can have a dual or single role. In some cases the Corporate Adviser will act in a purely advisory/regulatory role in guiding the company through to admission, but they can (and often do) also act as the company's broker assisting in the capital raise. It is therefore important to consider the choice of Corporate Adviser and their expertise when appointing them.



Corporate Advisers are required to comply with the AQSE Corporate Adviser Handbook (the Handbook). Pursuant to the Handbook, Corporate Advisers are required to undertake extensive due diligence, advise on disclosure requirements, liaise with all the company's advisers, as well as be generally available to provide guidance and support to the company throughout the transaction. Apart from the Corporate Adviser, the transaction team will include various other advisers, including:

- **Legal advisers:** Legal advisers are broadly responsible for conducting the legal due diligence on the company and its group to satisfy the Corporate Adviser that the company is suitable for listing. They also assist with drafting of the Admission Document as appropriate, as well as verifying the contents of the document and any associated marketing materials used for fundraising. Other areas of support include drafting the various ancillary documents required and advising the company's directors on their duties and responsibilities as directors of an AQSE-listed company (we have set out the role of legal advisers in detail at section 7 below – Role of Legal Advisers).
- **Broker:** A broker will provide ongoing advice on market- and share trading-related matters and the pricing of shares and other investments. The broker will assist the company with any fundraising it is looking to carry out at the time of admission to AQSE and to provide advice in relation to investor relations.
- **Reporting accountants:** The reporting accountants prepare financial due diligence reports on the company and its group, summary financial information, working capital projections, pro-forma accounts and the Financial Position and Prospects Procedures document (commonly known as FPPP; a document that covers financial controls, governance and working capital information) as part of the listing.

- **Registrar:** The registrar will need to be appointed to maintain the company's share register once the company becomes public.
- **Non-executive directors (NEDs):** If a company does not have any NEDs, they should consider appointing appropriately experienced individuals ahead of a listing. NEDs hold management to account and supervise the strategy and direction of the business and are members of the company's required Audit Remuneration, Nomination and Appointments Committees.
- **Public relations (PR):** A PR or marketing agency may be appointed to assist in the marketing prior to the fundraising. They provide support in designing and implementing a communications strategy for the company. They also assist the company with regulatory news announcements and other key investor events (e.g., release of financial results) that take place following admission.
- **Corporate Adviser/broker's legal advisers:** The Corporate Adviser and broker may appoint their own legal advisers for their own protections and guidance on the legal aspects of the transaction and with their costs, which forms a part of the costs payable by the company.

7 ROLE OF LEGAL ADVISERS

While the scope of work required as well as timetables for any IPO transaction can differ depending on a multitude of factors, the typical work to be completed by a company's legal advisers for an AQSE initial public offering (IPO) (for either the AQSE Main Market or the AQSE Growth Market) would include:

- **Preparing the legal due diligence report:** Completed in conjunction with the company's executives, the report involves a question and response period in relation to legal due diligence. A data room is also set up for due diligence. If the company has operations or establishments overseas, some of the due diligence will need to be carried out by a local law firm in the relevant jurisdictions.
- **Reviewing and commenting on the admission document prepared by the Corporate Adviser/broker:** The legal advisers provide support in relation to drafting (primarily handled by the Corporate Adviser) and taking responsibility for the back end of the Admission Document, which focuses on internal company information.

- **Preparing AQSE checklist:** Legal advisers will prepare and maintain an AQSE checklist throughout the transaction ensuring the required documentation is prepared in accordance with the appropriate segment rulebook or the FCA Listing Rules.
- **Reviewing and updating statutory registers:** As a part of an AQSE listing there may be a corporate reorganisation required, including changes to the share capital and company documents. As a result, legal advisers will review and update statutory registers throughout the IPO process as required.
- **Verification:** Legal advisers are responsible for carrying out a verification of the contents of the Admission Document, Pathfinder Admission Document and the Marketing Presentation. Verification requires the support of the company's executive to answer queries, confirm statements and provide supporting verification sources for the statements included in those documents.
- **Preparing a memorandum of directors' duties and responsibilities:** Legal advisers will prepare the memorandum of directors' duties and responsibilities, provide it to the directors and generally provide advice and guidance to the directors on their duties and responsibilities as directors of an AQSE-listed company.
- **Preparing a share dealing code:** Legal advisers will prepare a share dealing code which sets out how parties can sell or deal with shares and how any sale or transfer can be authorised. This is often done with input from both the company and the Corporate Adviser about the required code for the company and its circumstances.
- **Drafting directors' service agreements and NEDs' appointment letters:** The drafting of these documents is undertaken by the legal advisers, with guidance from the company, and what is typically required for these types of agreements in the context of a listed company.
- **Drafting terms of reference for the board committees:** As a part of the AQSE admission, the company will need to form board committees, and the legal advisers will draft the terms of reference for those committees.
- **Drafting and negotiating any relationship and lock-in agreements:** Legal advisers will draft these documents and assist the company in negotiating their terms.
- **Negotiating the placing agreement, placing letter, and Corporate Adviser and broker agreements:** Legal advisers will generally assist in the negotiation of these documents by providing advice to the company.

- **Providing a comfort letter to the Corporate Adviser:** Legal advisers will draft and provide a letter of comfort regarding the issuance of the memorandum of directors' duties and responsibilities, and explaining those duties and responsibilities to the directors, providing guidance and answering any queries the directors might have.
- **Drafting and negotiating the required ancillary documents:** There are various ancillary documents required as a part of the IPO process; for example, board minutes or a share exchange agreement. The legal advisers assist in drafting and negotiating as required.
- **General advice:** Legal advisers provide guidance to the company and its directors throughout the admission process.

8 IPO TIMELINE

There are various steps and stages to the IPO process with deliverables from parties across the transaction team. Timelines are likely to differ between an AQSE Main Market IPO and a Growth Market IPO.

A fairly standard timeline for a Growth Market IPO (for either segment) would be a two to three months from engagement of advisers to admission to trading on the market. However, every transaction is different with specifics that may affect the timeline. So, for example, it will depend on the extent of due diligence or any group restructuring required as part of the listing, and could take longer due to complex financial or legal issues.



An example of an AQSE Growth Market listing schedule, including the various advisers and their deliverables, can be seen below:

	Month 1	Month 2	Month 3	Month 4
Engagement of Advisers				
Agreement and Signing of Engagement Letters	●			
Planning and Preparation	●			
Accounting				
Preparation of Historic Financial Information		●	●	●
Preparation of Financial Due Diligence Report		●	●	●
Working Capital Review		●	●	●
Financial Position and Prospects Procedures Review		●	●	●
Legal				
Group Restructuring (if required)		●	●	●
Legal Due Diligence Report		●	●	●
Verification of Marketing Materials and Admission Document		●	●	●
Fundraising/Placing Agreement		●	●	●
Marketing				
Preparation of Marketing Story and Investor Presentation (including any pre-marketing)	●			
Broker Research	●		●	
Pathfinder Approval	●	●	●	●
Road Show/Marketing Meetings	●	●	●	●
Admission Document/Workstreams				
Early Notification Process	●	●	●	●
Drafting Admission Document		●	●	●
Final Admission Document			●	
Admission				
10-Day Announcement			●	
Publication of Admission Document				●
Admission				●

9 IPO CONSIDERATIONS

The company will need to engage the various advisers referred to above. This will involve agreeing to the terms of engagement and scope of works with each adviser.

PLC Vehicle and Corporate Restructuring

A U.K. private company cannot be listed on AQSE as these cannot offer shares to the public. As such, the listed company to be taken public and any existing private limited company that is seeking admission to AQSE, will need to be re-registered as a public limited company. Or it may be possible for a new holding company of the existing group to be incorporated as a Public Listed Company (PLC) ahead of listing.

Legal and Financial Due Diligence

Both the legal advisers and reporting accountants will begin preparing their due diligence on the company and its group. This involves each of those advisers raising a series of enquiries for which the company will need to provide responses, along with supporting documents (which will often necessitate setting up a data room so that all information can be accessed by relevant advisers). Corresponding reports by the legal and financial advisers respectively will then be prepared and circulated to the company and advisory team for review and comment.

Preparation of Admission Document

The types of information to be included in an Admission Document include:

- a business information section that sets out what the business does, its growth strategy and details of other relevant issues including corporate governance, dividend policy and the use of fundraising proceeds;
- details of the directors, company secretary and advisers;
- key information about the company's financial history and current financial position;
- further financial information including interim and pro-forma accounts prepared by the reporting accountants;
- timetable of key milestones and statistics for the fundraising;
- risk factors in relation to the key risks of investing in the business; and
- other additional information, such as legal, technical and other factual matters.

Verification of Admission Document and Marketing Materials

Each individual statement in the Admission Document and any associated marketing materials (such as an investor presentation) that are prepared as part of the transaction must be 'verified' to confirm that it is true, accurate and not misleading. This process will be led by the legal advisers who, alongside the company's executive team, will go through each statement and provide a verification source. The record of this verification process is set out in Verification Notes, which detail each statement and list the verification source alongside. Prior to publishing the Admission Document or any marketing being conducted to potential investors, this verification process must be completed and signed off by all the directors of the company. Often, in supplement to the Verification Notes, the directors may also have a board meeting (with accompanying Verification Board Minutes) to verify specific statements, such as statements of belief that cannot be verified by a specific source material, but for example, rely on specific knowledge of a specialist, director or expert.

Drafting and Agreement of Ancillary Documents

Alongside the verification process the company's legal advisers will be involved in drafting and reviewing other agreements and legal documents relating to the IPO (most of which will be for the benefit of the Corporate Adviser, giving them the comfort they require in order to confirm that the company is suitable to be listed on AQSE). Some of the typical documents include:

- **Corporate Adviser and broker agreement:** An agreement appointing the Corporate Adviser and broker to the company (there will be two separate agreements if the Corporate Adviser and broker are separate advisers) that sets out the long-term responsibilities of the Corporate Adviser and broker and how they are to be remunerated following Admission.
- **Lock-in agreement:** An agreement between the Corporate Adviser, broker, the company's directors and immediate family members, as well as any key shareholders that restricts any of them from disposing of their shares for a period of time from Admission, and to only sell (where permitted to do so) through the company's broker. These restrictions are contained in the FCA Listing Rules and the APEX segment and Access segment rulebooks.

- **Relationship agreement:** An agreement to govern the relationship between a company and its shareholder(s) where there is a significant shareholder(s) in the company who can effectively control the company by virtue of that shareholding. It contains various undertakings from key shareholder(s) that are intended to ensure the business is run on an arm's length basis and to avoid it being used by shareholder(s) as a personal vehicle for their own use.
- **Share dealing code:** A code adopted by the company that sets out how and when certain people can deal in shares in the company and who will need to authorise such dealing.
- **Placing agreement:** An agreement that must be entered into by the company that is seeking admission to AQSE, its directors, the Corporate Adviser and the broker in respect of any funds raised as part of the transaction. It sets out the terms on which the broker will raise money for the company.
- **Memorandum of directors' duties and responsibilities:** A memorandum outlining and advising the company's directors of their duties, responsibilities, obligations and potential liabilities in relation to the publication of an Admission Document and as a director of an AQSE-listed company.
- **Terms of reference:** For the various committees required to be implemented by the company for an AQSE Admission, a terms of reference document is drafted outlining to the committee its role, composition and other relevant information for the formation and operation of the board.

Pathfinder Admission Document and Board Meeting

When the Admission Document is substantively in its final form, a Board Meeting will be held to approve a version of the document known as the 'Pathfinder'. The approved Pathfinder is generally the basis upon which potential investors are approached regarding a placing, and it will be distributed to those investors for their review and consideration. At the Pathfinder Board Meeting, the Verification Notes, due diligence reports and any relevant agreements and documents are also tabled to be discussed and approved by the board. An important legal focus in the Pathfinder Board Meeting is a briefing from the legal advisers for the directors of the company regarding their obligations as directors of an AQSE company.

Marketing

Once there is an approved Pathfinder as well as any other relevant marketing materials or presentation, the brokers will arrange what is referred to as a marketing 'Road Show'. The Road Show will comprise a series of meetings with potential investors where the directors can directly 'sell' and pitch the business to potential investors, as well as answer and discuss any questions in relation to the contents of the Pathfinder or any marketing presentation. The company will then hopefully garner investment from potential investors they meet as part of the Road Show, with the issue price of the shares being determined at this point.

Depending on the timeline, companies often prepare an initial presentation prior to the approval of the Pathfinder so the company can proceed with marketing earlier.

Updating Admission Document

During and after the completion of any marketing, any outstanding points, issues or queries in relation to the Admission Document are addressed and finalised (including any ongoing or to be confirmed due diligence and verification points). Barring anything further, the Admission Document and all ancillary documents will be prepared in their final form for approval by the board, including details of the fundraising and the timetable for completion.

Completion Board Meeting

Once the Admission Document and other ancillary documents are finalised, a completion board meeting is held at which the directors review and approve the final form Admission Document and all other tabled documents.

Intention to List

Upon approval of all the finalised documents from the completion board meeting, the Corporate Adviser now deals with the remaining AQSE requirements for admission, including the release of an announcement of the Intention to List. An Admission Date will then be formally designated.

The requirements will also include the publishing of the announcement, Admission Document and other documents required under the relevant segment rulebook or the FCA Listing Rules. The Corporate Adviser will liaise with the company as to the copies of the documents that are required to be placed on the company's own website.

Share Allotment Board Meeting

Immediately before the Admission Date, a final board meeting is held to deal with the allotment and issue of shares to investors, with these allotments being made subject to admission.

Admission

Once the required forms are filed with the exchange and notice has been given, AQSE will notify the Corporate Adviser and grant permission for Admission. Once the listing on AQSE is live, the company begins its next journey as a listed company.

An AQSE company must prepare and publish audited annual accounts within six months of the financial period to which they relate.

10 ONGOING OBLIGATIONS FOR AQSE COMPANIES

Once a company has listed on either market of AQSE, then it will be subject to a set of continuing obligations:

Appointment of Corporate Adviser: An AQSE company must have a Corporate Adviser appointed at all times.

Disclosure of Price Sensitive Information: A company must disclose without delay any new developments that are not in the public domain (including changes in its financial condition, sphere of activity or business performance) which, if made public, would likely lead to a substantial movement in the company's share price.

Annual Reports and Accounts: An AQSE company must prepare and publish audited annual accounts within six months of the financial period to which they relate.

Half-Yearly Reports and Accounts: These must be prepared and published within three months after the relevant half-year period.

Restrictions on Share Dealings: An AQSE company must ensure that directors and senior employees do not deal in the company's shares within close periods (i.e. 30 days preceding (i) the publication of the company's annual results; or (ii) the announcement of its half-yearly results).

Website: An AQSE-listed company must maintain a website on which key information about the company is available. This includes details such as the company's business and directors, its corporate governance arrangements, its constitutional documents, recent admission documents and circulars, details of significant shareholders and copies of all regulatory announcements.

Significant Transactions: Certain transactions require specific treatment and actions, based on their size (as measured by a series of class tests used to compare the gross assets, profits, turnover, consideration and gross capital of the transactions against those of the company).

Corporate Governance: Details of a recognised corporate governance code that the directors of the AQSE company has decided to apply, how the AQSE company applies with that code, and where it departs from its chosen corporate governance code, an explanation of the reasons for doing so. The information is to be updated annually and the date it was last reviewed included on the company's website.

11 ARMSTRONG TEASDALE AND OUR U.K. CAPITAL MARKETS TEAM

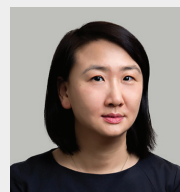
Armstrong Teasdale (AT) is an international law firm with more than 120 years of experience. Headquartered in St. Louis, Missouri, the firm's lawyers are in offices across the U.S. and in London, England and Dublin, Ireland. AT is an Am Law 200 law firm employing over 700 people, of whom more than 360 are lawyers. We represent over one-third of the Fortune 1000 and serve clients around the globe. Throughout its rich history, AT has built a reputation based on the breadth of our lawyers' skills and knowledge, team approach to representation, responsiveness to clients' needs and understanding of their businesses. Our mission statement, which reflects these attributes, is: *Always exceed expectations through teamwork and excellent client service.*

The U.K. Capital Markets team at AT regularly advises clients on their journey to becoming listed on the public markets in the U.K., whether by IPO or otherwise and then with ongoing requirements once they do become listed. Our extensive experience covers advice on admission to the Main Market of the London Stock Exchange (both premium and standard segments), the AIM market and the AQSE markets.

Our Capital Markets team are recognised in The Legal 500 U.K. as leaders within the field of small and mid-cap flotations, which is testament to the number of companies we have advised in connection with their IPOs and follow-on offerings. Our experienced team has successfully completed transactions for both domestic and international issuers in over 50 jurisdictions and territories around the globe.

We advise both multinational and domestic public (or quasi-public) companies, together with investment banks and other financial advisers, on all manner of corporate transactions, including IPOs and secondary issues (including placings, rights issues, open offers and other non-preemptive issues), public takeovers and defences (whether by contractual offer or scheme of arrangement) and private acquisitions and disposals. We also advise clients that are already listed on a public market on their day-to-day regulatory compliance obligations, including advice on applicable listing rules and market regulation such as insider dealing. We value long-term relationships with our clients and often help clients with their initial listing.

If you are interested in listing your company on AIM, Main Market, AQSE or any other market, or have questions regarding listing processes and procedures, please see the key contacts for our U.K. Capital Markets team below.



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APPENDIX

Listing Requirements across Aquis Exchange (AQSE), AIM and Main Market of London Stock Exchange (LSE)

EXCHANGE MARKET	AQSE Listing		AIM Listing	Main Market, London Stock Exchange	
	ACCESS LISTING SEGMENT	APEX LISTING SEGMENT	AIM MARKET	PREMIUM LISTING SEGMENT	STANDARD LISTING SEGMENT
Listing document	AQSE Admission Document ¹	AQSE Admission Document ²	AIM Admission Document	FCA approved full Prospectus	FCA approved full Prospectus
Minimum market capitalisation/fundraising requirements	£2 million market capitalisation	£10 million market capitalisation	No minimum (however there is a £6 million minimum fundraising on admission for SPACs)	£30 million market capitalisation (SPACs not eligible to be listed on Premium Listing)	£30 million market capitalisation (£100 million fundraising on admission for SPACs)
Free transferability of shares	Shares must be freely transferable, fully paid and eligible for electronic settlement	Shares must be freely transferable, fully paid and eligible for electronic settlement	<p>Shares must be freely transferable, fully paid and eligible for electronic settlement except where:</p> <ul style="list-style-type: none"> ▪ any jurisdiction, statute or regulation requires or places restrictions on shares; or ▪ where the company wishes to restrict the number of shareholders domiciled in a particular country to avoid being subject to statute or regulation. <p>Note, however, that on admission to AIM, certain shareholders will be required to enter into contractual “lock-ins” in respect of their shares</p>	Shares must be freely transferable, fully paid and eligible for electronic settlement	Shares must be freely transferable, fully paid and eligible for electronic settlement
Shareholder approval for acquisition	Yes, if it constitutes a reverse takeover under AQSE Rules	Yes, if it constitutes a reverse takeover under AQSE Rules	Yes, if it constitutes reverse takeover for AIM Rules purposes	Shareholder approval only required for Class 1 transactions (including reverse takeovers) – but not for Class 2 or 3 transactions	No, but is now required for SPAC acquisitions in certain circumstances
Financial adviser Requirements/Sponsor	AQSE Corporate Adviser required for listing and on an ongoing basis thereafter	AQSE Corporate Adviser required for listing and on an ongoing basis thereafter	Nominated Adviser required for listing and on an ongoing basis thereafter	Listing sponsor required for listing and for certain transactions	No requirement under listing rules to do so, but in practice a financial adviser is often appointed
Corporate governance	Access market companies must have due regard for the principles laid down by a ‘recognised corporate governance code’	APEX market companies must, as far as possible, adopt the principles and standards set down in either the Quoted Companies Alliance’s corporate governance code or the UK Corporate Governance Code	AIM companies must confirm the ‘recognised corporate governance code’ they have chosen to apply and explain how they comply with that code, and the reason/s for any non-compliance must be explained	Required to comply with the UK Corporate Governance Code or to explain non-compliance	Requires an annual corporate governance statement, which must include confirmation of the corporate governance code applied and explanations of any potential non-compliance with its provisions

¹As of 3 October 2022, there is now a template ‘Additional Information’ section of an Admission Document available for routine admissions. This is available to prospective issuers applying to admission for either the Access Segment or the APEX Segment.

²Full FCA approved prospectus was previously required if market capitalisation exceeded €500 million or an offer of securities was made which exceeded €20 million. This was changed on 3 October 2022 as a result of an AQSE Consultation on proposed changes to the rules governing admission to the Access and APEX segments.

EXCHANGE MARKET	AQSE Listing		AIM Listing	Main Market, London Stock Exchange	
	ACCESS LISTING SEGMENT	APEX LISTING SEGMENT	AIM MARKET	PREMIUM LISTING SEGMENT	STANDARD LISTING SEGMENT
Minimum Free float	10% of securities must be in public hands on admission (25% for SPACS)	25% of securities must be in public hands on admission	AIM has no minimum percentage free float requirement, but Nomad assess suitability	10% of the shares must be in public hands on admission to listing and at all times thereafter	10% of the shares must be in public hands on admission to listing and at all times thereafter
Financial track record	N/A	2 years of audited historical financial information covering at least 2 financial years prior to admission and including consolidated accounts for the applicant and all its subsidiary undertakings	3 years of audited accounts (or shorter period since incorporation). No more than 9 months old audited accounts, otherwise interim financial information (which may be unaudited) required	3 years of audited accounts with unqualified audit opinions. No more than 6 months old audited financial information (including interim information if appropriate)	3 years of audited accounts (or shorter period since incorporation). No more than 9 months old audited accounts, otherwise interim financial information (which may be unaudited) required
Accounting standards	IFRS; U.K. GAAP; or other accounting standards as prescribed under the Access Rules	IFRS; U.K. GAAP; or other accounting standards as prescribed under the APEX Rules	IFRS or other approved GAAPs for non-EEA and Channel Island issuers or national GAAP with reconciliation to one of the approved standards	IFRS or other approved GAAPs. At a minimum, the last 2 years' financial information must be restated on the basis to be applied in the issuer's next annual accounts	IFRS or other approved GAAPs. At a minimum, the last 2 years' financial information must be restated on the basis to be applied in the issuer's next annual accounts
Financial reporting obligations	Must announce and make public its annual financial report at the latest 6 months after the end of each financial year and must announce and make public a half-yearly financial report within 3 months of the end of the first 6 months of the financial year	Must announce and make public its annual financial report at the latest 6 months after the end of each financial year and must announce and make public a half-yearly financial report within 3 months of the end of the first 6 months of the financial year	Must announce and make public its annual financial report at the latest 6 months after the end of each financial year and must announce and make public a half-yearly financial report within 3 months of the end of the first 6 months of the financial year	Must announce and make public its annual financial report at the latest 4 months after the end of each financial year and must announce and make public a half-yearly financial report within 3 months of the end of the period to which they relate	Must announce and make public its annual financial report at the latest 4 months after the end of each financial year and must announce and make public a half-yearly financial report within 3 months of the end of the period to which they relate
Working Capital Statement for next 12 months	Yes	Yes (if market capitalisation exceeds €200 million)	Yes	Yes	Yes
Reverse takeovers	Reverse takeovers require readmission including publication of an Admission Document and shareholder approval	Reverse takeovers require readmission including publication of an Admission Document and shareholder approval	Reverse takeovers where any class test exceeds 100% require readmission to AIM including publication of an Admission Document and shareholder approval	Reverse takeovers, where any class test exceeds 100%, require readmission including publication of a full Prospectus and shareholder approval	Reverse takeovers require readmission including publication of a full Prospectus, but shareholder approval is not required
Related party transactions	If applicant enters into related party transaction, they must release an announcement that contains the required information as set out under the Access Rulebook	If applicant enters into related party transaction, they must release an announcement that contains the required information as set out under the APEX Rulebook	Any related party transaction exceeding 5% of the class tests must issue a notification that contains information as set out under the AIM Rules	For related party transaction exceeding 5% of class tests under the Listing Rules, requires a circular to be sent to shareholders, a notification with information required under the Listing Rules, and shareholder approval	N/A
Further issues of shares	No admission document/prospectus required, but must submit to the Exchange a securities application prior to the expected date of admission per the Access Rules	No admission document/prospectus required, but must submit to the Exchange a securities application prior to the expected date of admission per the APEX Rules	No admission document required. Prospectus only required when mandated by the Prospectus Rules	Prospectus required to be issued when offering exceeds 20% of existing shares over 12-month period	Prospectus required to be issued when offering exceeds 20% of existing shares over 12-month period

EXCHANGE MARKET	AQSE Listing		AIM Listing	Main Market, London Stock Exchange	
	ACCESS LISTING SEGMENT	APEX LISTING SEGMENT	AIM MARKET	PREMIUM LISTING SEGMENT	STANDARD LISTING SEGMENT
Control of assets	N/A	N/A	N/A	Control over the majority of assets for a 3-year period	N/A
Revenue track record	N/A	N/A	N/A	At least 75% of the business must be supported by a revenue earning track record for 3-year period (some exemptions apply)	N/A
Shareholder approval required for de-listing	Yes	Yes	Yes	Yes	No