



Borsa Italiana for SMEs

Primary Markets Italy

June 2024



BORSA ITALIANA



EURONEXT

Introduction

Borsa Italiana acquisition created the main paneuropean market infrastructure and the main venue for European capital markets: Euronext Group

Euronext Group is the biggest liquidity pool in Europe and our mission is financing the real economy and connect local economies to global capital markets.

With Borsa Italiana entrance in Euronext Group, it has been created:

The main venue for capital markets in Europe, with about 1.900 listed companies for an aggregated market cap of € 6.5 tn at the end of June 2024;

The main infrastructure supporting equity financing, with € 2.4 Bn raised in 2023 by investors to finance companies all over Europe.

Euronext actively participates in discussions at EU level to encourage the Commission to promote the development of Growth Markets for the benefit of SMEs, to enable fundraising, growth, employment and the value creation for stakeholders.

Listing Rules simplification

Starting from October 3°, 2022 simplifications of listing rule to access Euronext Milan market enters into force

Starting from October 3°, 2022 simplifications of listing rule, announced by Borsa Italiana on September 23°, 2022 enters into force, to the benefit of companies aiming to raise capital on the regulated market Euronext Milan.

Driven by the integration of Borsa Italiana into Euronext, the changes to Euronext Milan's listing rules align the listing process in Italy with European and global standards, aiming to simplify the requirements for issuers preparing to go public, thereby reducing workload and time for market participants.

Specially, the documentation requirements, the extent of Borsa Italiana's role in reviewing listings and the Sponsor's responsibilities have been significantly simplified.

Simplifications are in line with Euronext's commitment to facilitating access to financing on its venues, and make the listing process as attractive, competitive and efficient as possible in Europe, in particular across the seven listing venues where it operates: Amsterdam, Brussels, Dublin, Oslo, Lisbon, Milan and Paris.

Euronext, the leading equity listing venue in Europe



+1,850 companies listed on Euronext markets

+€6.5tn of total aggregate market capitalisation

7 listing venues fully integrated into one single liquidity pool*

+6,200 active institutional investors

Home of the largest and well-known European companies: **30 components of the EuroStoxx 50**

#1 Stock Exchange in Europe for Tech companies with **c.750 Tech companies listed**

#1 Stock Exchange in Europe for SMEs with **c.1,500 listed SMES**

Euronext, the leading equity listing venue in Europe

1,862 issuers representing a total market capitalization of **€6.5tn**



780 issuers
€3.2tn market cap.



121 issuers
€334bn market cap.



428 issuers
€832bn market cap.



52 issuers
€81bn market cap.



329 issuers
€361bn market cap.



32 issuers
€95bn market cap.



120 issuers
€1.6tn market cap.



LISTED COMPANIES

393

Large caps

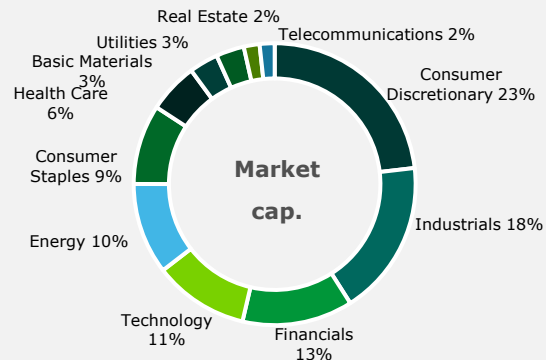
of issuers

406

Mid caps

1,063

Small caps

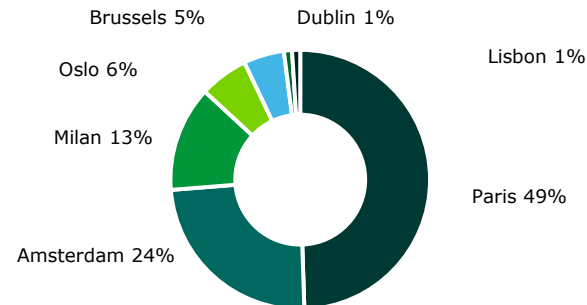


Euronext, the leading equity listing venue in Europe

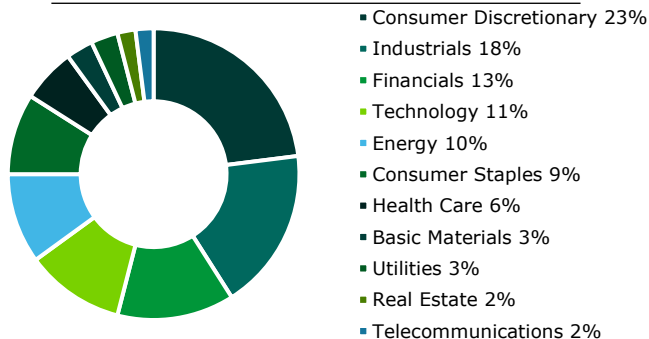
Number of issuers per Market Type



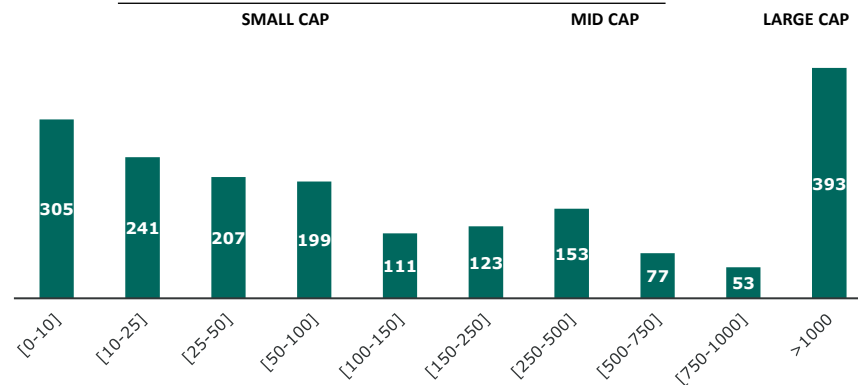
Market Cap by marketplace



Market Cap by Industry



Number of issuers per Market Cap range



Introduction

Since 2018, we helped over 250 companies to achieve their growth ambitions

Borsa Italiana stock markets allow companies of all sizes to gather important financial resources.

Resources to finance growth, to diversify funding sources and to involve domestic and international investors in companies' shareholder base.

IPO increases company visibility and standing and helps to motivate and involve the management team in group results.

Today there is greater consensus among institutions, associations of companies and operators, on the importance of a domestic market role that favors access to capital for companies with growth ambitions.

Among the recent initiatives to favor IPOs, it is worth mentioning the introduction of the Individual Savings Plans in 2017 Budget Law, which consists in tax benefits related to investments towards SMEs and the introduction of fiscal incentives on IPO costs for SMEs starting from 2018 Budget Law.

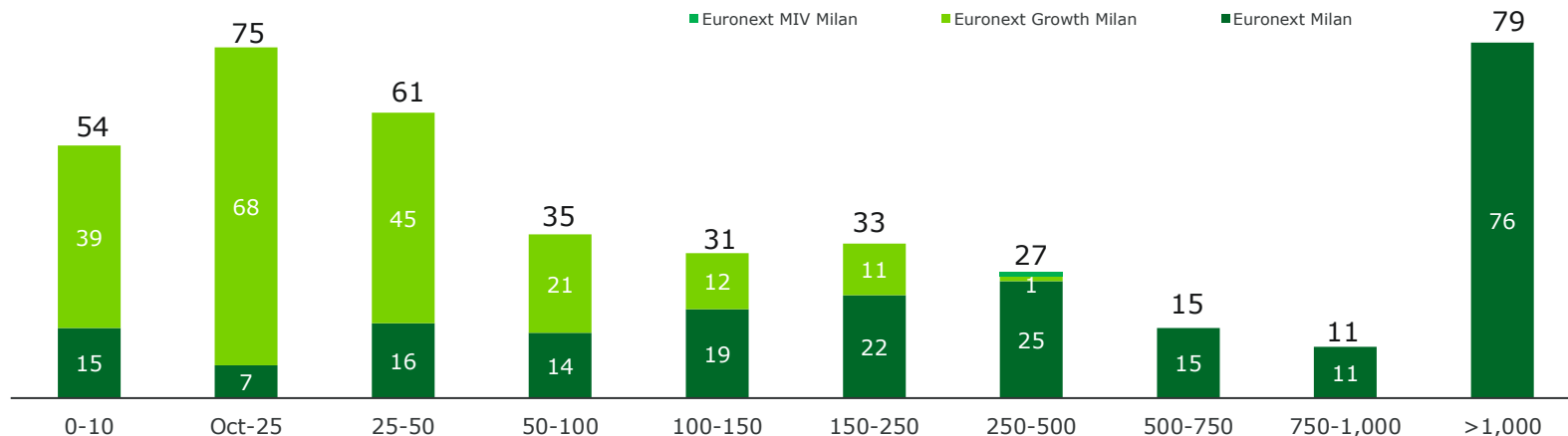
In this presentation we will illustrate how companies can access listing opportunities in one of our markets.

Italy Primary Markets team remains available for answering questions or concerns regarding how companies can seize these opportunities.

Primary Markets Italy

Introduction

Borsa Italiana markets count 429 listed companies. SMEs - companies with a market cap less than € 1 Billion - represent 80% of Italian listed companies, with 342 companies.





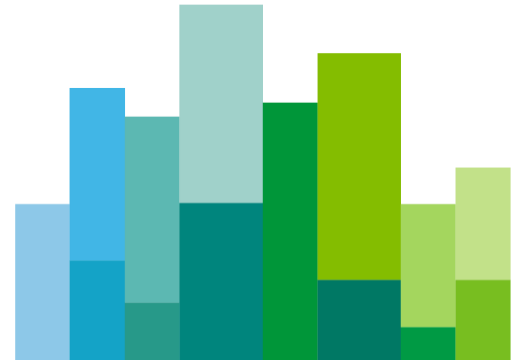
Contents

- 1. Why going public?**
- 2. Borsa Italiana offering**
- 3. FAQ**
- 4. Contacts**

1. Why going public?

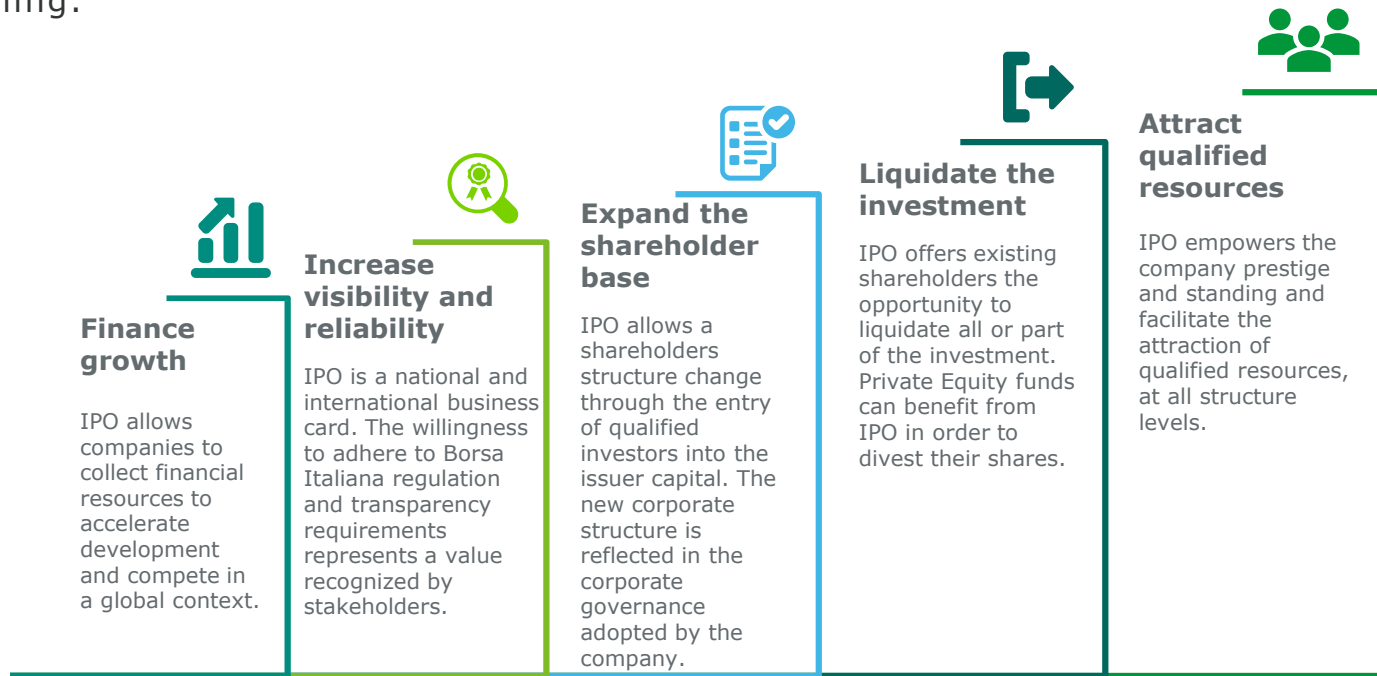


BORSA ITALIANA



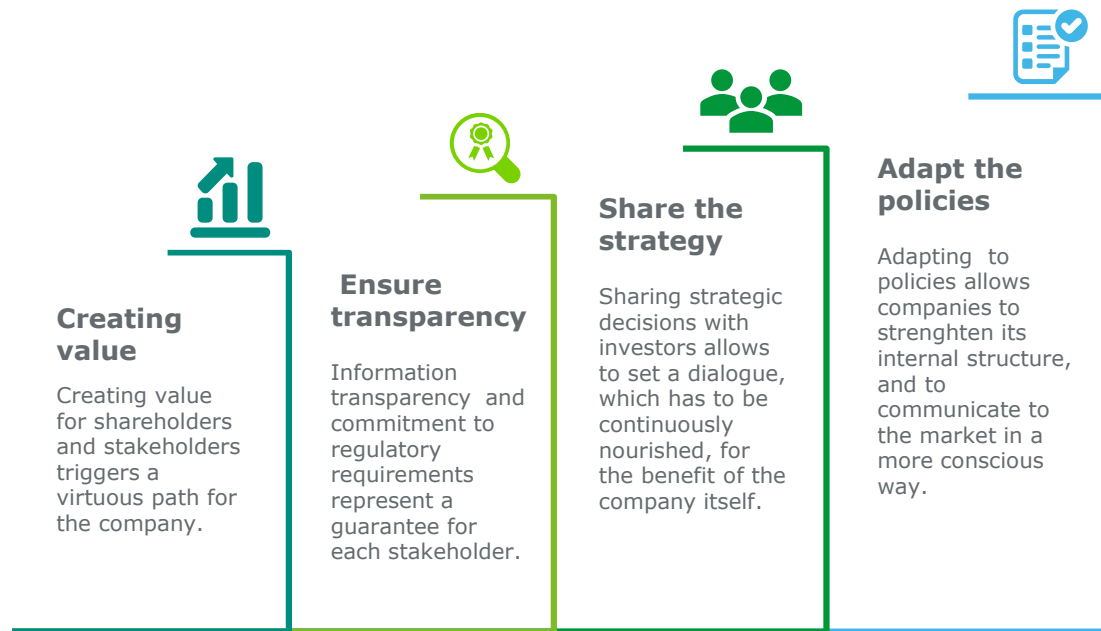
IPO benefits

The opportunities that listed companies have access to **can be transformed into ongoing benefits** that increase their status, visibility and competitive positioning.



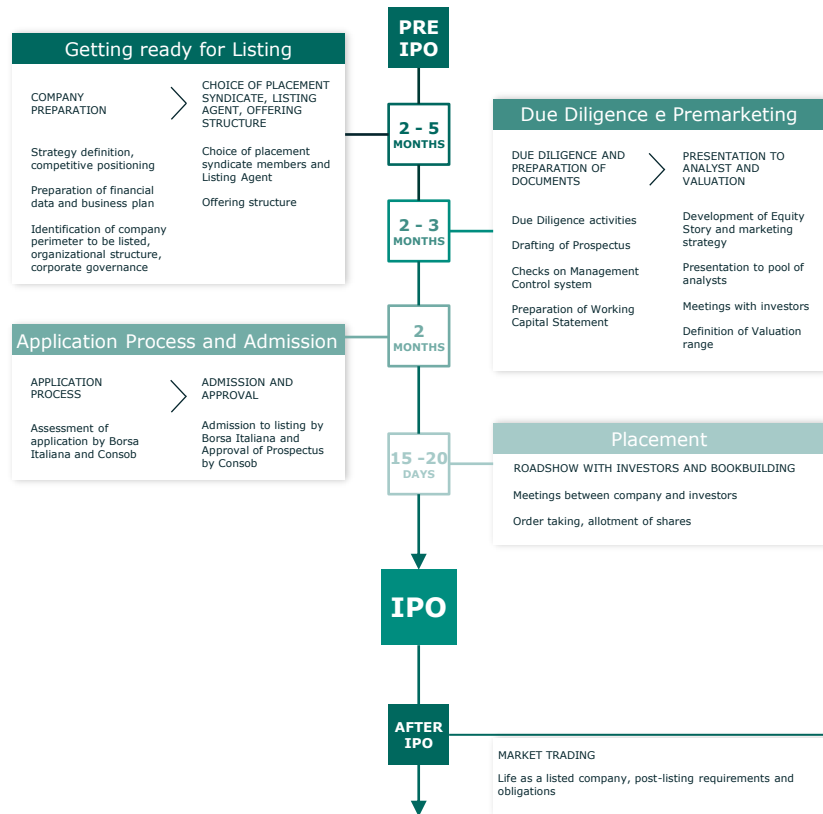
IPO responsibilities

IPO sets **strong responsibilities for companies towards investors and market** in terms of transparency, communication and sharing of strategic choices

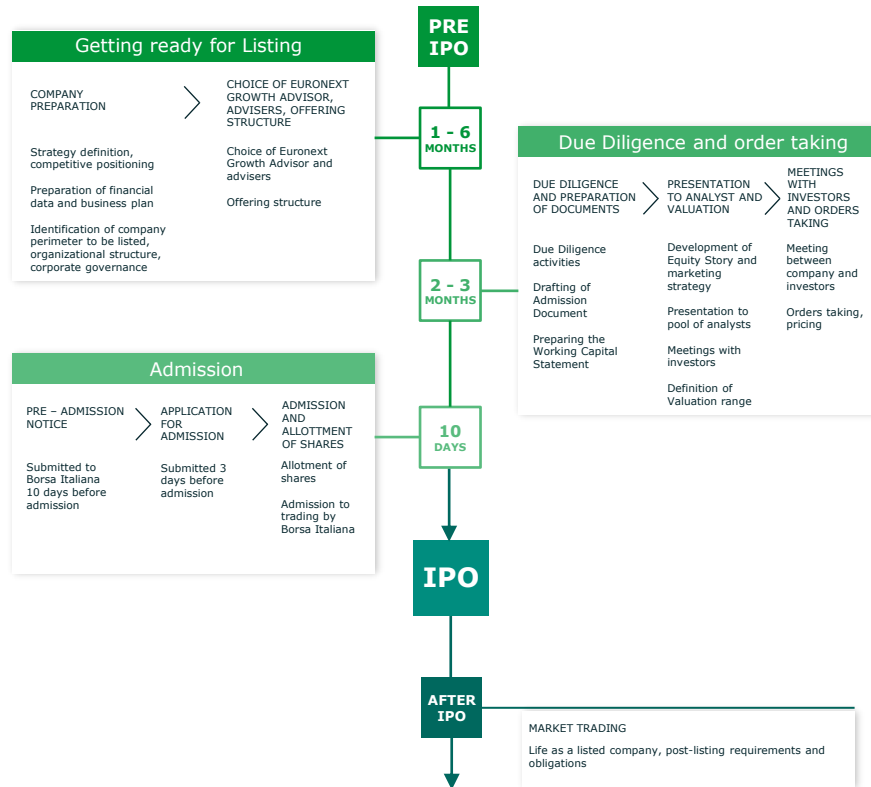


IPO process

The listing process on Euronext Milan market



The listing process on Euronext Growth Milan market



Phases

Without considering pre-listing activity, it is reasonable to expect a minimum IPO process length of **6 months for Euronext Milan** and **3 - 5 months for Euronext Growth Milan**

Preliminary activity

- Possible company reorganization
- Possible governance changes
- Financial Statement audit
- Adoption of international accounting standards for Euronext Milan and international, Italian and American standards for Euronext Growth Milan
- Implementation of an appropriate management control system, according to the peculiarities of the company and the listing market
- Business Plan definition
- Contacts with Borsa Italiana and consultants
- Advisors team definition

Due Diligence

- Listing market choice
- IPO timeline
- Business Due Diligence, Financial Due Diligence, Legal Due Diligence, Tax Due Diligence
- Equity Story definition
- Placement consortium organization

Placement

- Domestic and foreign roadshow
- Book building for institutional placement
- Retail placement in the case of listing on the main market

Investigation

- Borsa Italiana investigation in case of listing on Euronext Milan
- No investigation of Borsa Italiana in case of listing on Euronext Growth Milan



IPO Community

Borsa Italiana's IPO Community aims to create an integrated ecosystem of capital market specialists who, through their specific expertise, can best support companies at all stages of the listing process.



Learn more: <https://www.borsaitaliana.it/azioni/quotarsi-in-borsa-italiana/ipocommunity/ipocommunity.en.htm>

IPO costs

IPO costs can be split into fixed and variable costs.

IPO costs occurs only once, in comparison with long lasting benefits.

IPO costs changes in relation to:

- the listing market (Euronext Milan or Euronext Growth Milan)
- the structure, the size, the sector and the complexity of the company
- the offering size
- the composition of the advisor team

Variable costs and fixed costs

Variable costs are related to the placement of shares among investors and are defined as a percentage of the total amount collected. Commissions are paid only in case the placement is successful.

Fixed costs included fees towards consultants, Euronext Growth Advisor / Listing Agents, auditing firms, law firms, financial advisors, communication advisors - functional to the IPO process.

Summary

IPO offers the opportunity to raise capital in order to finance development and growth process.

IPO also allows to increase visibility and reliability, to enlarge the shareholder base, to liquidate the investment and to attract qualified resources.

Without considering the pre-IPO activities, it is reasonable to expect a minimum process length of 6 months for Euronext Milan and 3-5 months for Euronext Growth Milan.

IPO costs can be split within fixed (listing preparation) and variable (placement costs).

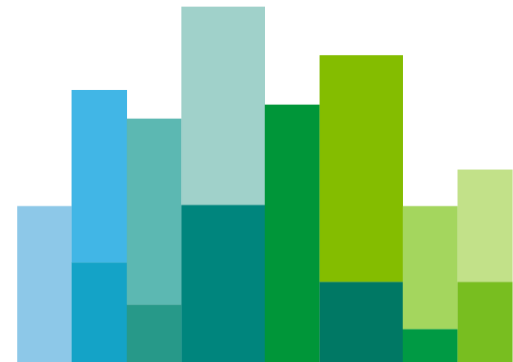
IPO costs, in comparison with financing costs, incurred only once and generates benefits that last over time.

IPO requirements include both substantial requirements, based on the company's growth prospects, and formal requirements, defined by Borsa Italiana Markets Regulation.

Both formal and substantial requirements need to be met together: the only compliance to the formal requirements does not necessarily entail market appreciation.

Maximizing shareholder value, ensuring disclosure transparency, sharing strategy with investors and adapting company policies are the main responsibilities from an IPO.

2. Borsa Italiana offering



Equity Markets

SMEs can both go listed on Euronext Growth Milan and on Euronext Milan.

Euronext Growth Milan

Growth Market dedicated to competitive and dynamic SMEs. Euronext Growth Milan IPO process is balanced and tailored according to SMEs needs

Professional Segment

Professional Segment dedicated to SMEs looking for a gradual access to the markets, start-up and scale-up

**Euronext
Growth Milan**

**Professional
Segment**

Euronext Milan

**Euronext STAR
Milan**

Euronext Milan

Mercato Telematico Azionario, dedicated to mid and large cap companies. Euronext Milan is aligned with international best practice, access for global investors

Euronext STAR Milan

Within Euronext Milan, it is dedicated to midsize companies that respect strict requirements in terms of governance, transparency and liquidity, appreciated by global investors

Why choosing Euronext Growth Milan?

Euronext Growth Milan is Borsa Italiana market dedicated to dynamic and competitive SMEs, looking for capital in order to finance growth, thanks to a balanced regulatory approach, suitable for ambitious companies needs.



**Have you created a successful company.
Are you ready now to make it bigger?**

Euronext Growth Milan offers an IPO process tailored on SMEs structure and built on the figure of the Euronext Growth Advisor that supports the company during the admission period and during its stay on the market.

Euronext Growth Milan allows to raise financial resources through a path with minimum market access requirements.

Euronext Growth Milan is an accelerator of SMEs growth projects and competitiveness and answers to companies needs like capital raising, visibility, standing and control.

Entrepreneurs of Euronext Growth Milan listed companies recognize also other benefits from IPO, such as visibility, best practices adoption, support for internationalization and market performance measurement.

Euronext Growth Milan, a market with tailored requirements on SMEs needs.

Balanced regulatory approach

Euronext Growth Milan is addressed to SMEs, thanks to a balanced regulatory approach between companies and investors' needs.

Euronext Growth Milan has a flexible admission process, tailored on SMEs financing needs in a global competitive context.

Regulatory flexibility

- simplified IPO process
- reduction of IPO duration in comparison with the regulated market
- balanced on going obligations, according to SMEs structure
- the Euronext Growth Advisor support during IPO process and on going

Minimum bureaucracy

- Euronext Growth Milan is an MTF regulated by Borsa Italiana
- Neither prospectus or Consob investigation
- The Euronext Growth Advisor performs the due diligence

Lean access

- No requirement in terms of years of existence or minimum capitalization of the company
- Minimum free float: 10% (minimum 7.5% held by at least 5 institutional investors)
- Italian, international or American accounting standards
- Mainly professional and institutional investors offering

The Euronext Growth Advisor role

The Euronext Growth Advisor plays a central role on Euronext Growth Milan, since it supports the issuer both during the admission process and its stay on the market.

The Euronext Growth Advisor can be either a bank, or a brokerage firm (SIM) or a corporate finance company belonging to the auditors' network included in Borsa Italiana register.

The Euronext Growth Advisor mainly performs the following key functions:

- **supervises** the due diligence process for the issuer;
- **supports** the issuer in managing the listing process, with particular attention to the admission document preparation;
- once the company is admitted, **it assists and supports the issuer** for the entire stay on the market, within tasks and responsibilities coming from the listed company status;
- **continuously stimulates** the issuer commitment to requirements coming from Euronext Growth Milan Regulation

The Euronext Growth Advisor meets the admission criteria set by Borsa Italiana.

Euronext Growth Advisors currently included in Borsa Italiana register are:

Alantra Capital Markets Succursale italiana, BALDI FINANCE, Banca Akros, Banca Finnat Euramerica, Banca Investis, Banca Mediolanum, Banca Monte dei Paschi di Siena, Banca Profilo, BPER Banca, CFO SIM, Envent Italia SIM, Equita SIM, illimity Bank, Integrae SIM, Intermonte SIM, Intesa Sanpaolo, Invest Italy SIM, Mediobanca Banca di Credito Finanziario, MIT SIM, Stifel Europe Bank AG – Milan Branch, UBS Europe SE, Unicredit Bank AG Succursale di Milano

Formal requirements at IPO

Euronext Growth Milan has a balanced regulatory approach, suitable for ambitious SMEs companies' needs.



Main admission requirements

- **Free Float** : 10% (minimum 7.5% held by at least 5 institutional investors)
- **Financial statements**: 1 Audited – if existing
- **Accounting principles**: either Italian or international or American
- **Offering**: mainly institutional (retail with offering < € 8 Mln)
- **Other documents**: admission document
- **Capitalization**: no minimum requirement
- **Advisor**: Euronext Growth Advisor / Global Coordinator
- **Governance**: B.o.D with 1 independent member
- **Investor Relations Manager**: mandatory
- **Web Site**: mandatory

The admission procedure is managed by Borsa Italiana within 10 days

Euronext Growth Milan Target

Simplification of formal requirements doesn't distort Euronext Growth Milan target, mainly represented by **medium and small enterprises with reliable and sustainable growth projects** within expanding sectors,, with strong financials and able to attract a diversified investors audience.

Company statement towards Euronext Growth Milan target, **is transferred to the Euronext Growth Advisor**, the advisor introduced by Euronext Growth Milan within italian economic and financial landscape.

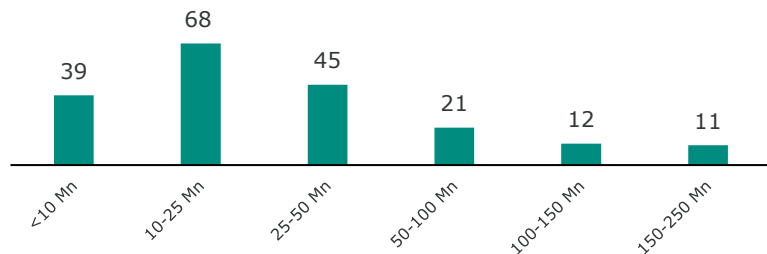
Euronext Growth Milan

Euronext Growth Milan is showing increasingly positive results, attracting both solid and ambitious companies and the interest of a wider investors audience

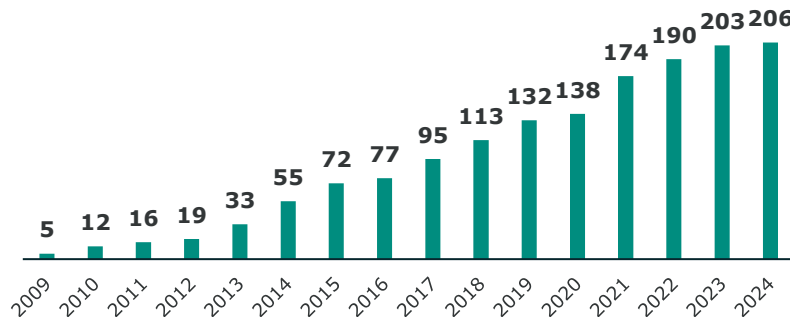
Euronext Growth Milan market today

- **206 listed companies**, **11** represented sectors
- **€ 8.2 Bn** aggregated Mkt Cap
- **€ 41.7 Mn** average Mkt Cap **€ 23.5 Mn** median Mkt Cap
- **€ 6 Bn** raised at IPO, of which
 - **€ 5 Bn** through OPS (84.4%)
 - **€ 1 Mld** through OPV
- **28%** average free float at IPO

Mkt Cap range distribution*



Development of the Euronext Growth Milan



Mkt Cap sector distribution



- **INDUSTRIALS 28,7%**
- **CONSUMER DISCRETIONARY 21,2%**
- **TECHNOLOGY 16,7%**
- **FINANCIALS 7,9%**
- **UTILITIES 5,5%**
- **CONSUMER STAPLES 5,4%**
- **ENERGY 5,3%**
- **HEALTH CARE 3,9%**
- **TELECOMMUNICATIONS 2,4%**
- **BASIC MATERIALS 2,3%**
- **REAL ESTATE 0,7%**

Professional Segment

The Professional Segment, addressed to professional investors, is designed to meet the listing needs of a diversified pool of issuers



The Professional Segment is dedicated to:

- Gradual access to the market: companies wishing to access the market more gradually, progressively adopting the necessary structure to operate on the market open to retail investors
- Start-up and scale-up: which have generated revenues coming from products / services sales for less than 1 year and have to start the core strategic functions / processes required by the business model.
- Just Listing operations: companies which have no immediate capital raising needs, which prefer to wait for better market conditions than those faced in the offering period, companies wishing to increase their visibility to investors, before proceeding with the offering
- Offering structure: companies which structure their offer with complex products, not suitable for retail customers

The Professional Segment is the first access to capital markets

Professional Segment: formal requirements at IPO

Professional Segment regulatory framework is balanced on SMEs needs, which have the potential to achieve excellence



Main admission requirements

- **Free Float***: 10% (5 investors, including non institutional or professional one).

If the free float is between a **minimum of 2% and 10%** Borsa Italiana orders the **admission** and the **simultaneous suspension**

If the free float requirement has not met for 2 years, Borsa Italiana orders the delisting from the Professional Segment

- **Financial statements**: 1 Audited – if existing
- **Accounting principles**: either Italian or international or American
- **Offering**: not mandatory
- **Other documents**: admission document

- **Capitalization**: no minimum requirement
- **Advisor**: Euronext Growth Advisor
- **Governance**: B.o.D
- **Investor Relations Manager**: not mandatory
- **Web Site**: mandatory

The admission procedure is managed by Borsa Italiana within 10 days

Professional Segment: main features

The Professional Segment is addressed to SMEs that have the potential to achieve excellence. The regulatory approach of the Professional Segment is also characterized by regulatory flexibility, minimum bureaucracy and ease of access

The Professional Segment also benefits from some peculiarities according to the **type of investors** and the **trading method**:

Investors Type

- Negotiations are only accessible to professional investors
- Sales transactions are permitted for non-professional investors only to existing shareholders at admission

Negotiation

- Specific negotiation practice considers the different expected liquidity from investors
- Negotiation occur on a single day price, according to the auction mechanism
- Specialist is not required
- Minimum trading lot corresponds to an equivalent of € 5,000

Why choosing Euronext Milan?

Euronext Milan is Borsa Italiana regulated market, dedicated to the most structured companies.

Euronext Milan is the market where mid and large cap companies are listed.

Euronext Milan is a regulated market with supervision authority and respect of transparency obligations.

The admission and on going requirements are aligned with the best international standard to allow medium and large italian entrepreneurial organizations the access to important international liquidity pools.

The FTSE MIB index includes the 40 most capitalized and liquid stocks listed on Euronext Milan and on Euronext MIV Milan.

The FTSE ITALIA MID CAPS index includes the 60 most capitalized stocks after the top 40 of the FTSE MIB.

The FTSE ITALIA SMALL CAPS index includes most capitalized stocks after FTSE MIB's top 40 and the FTSE ITALIA MID CAPS' top 60.

The belonging to FTSE indexes implies the application of liquidity and floating screenings, together with selection rules and basket inclusions. Besides, it guarantees visibility inside the international mid and large caps landscape.



Euronext Milan

The **Euronext Milan** mainly addresses mid and large cap companies that want to attract financial resources.

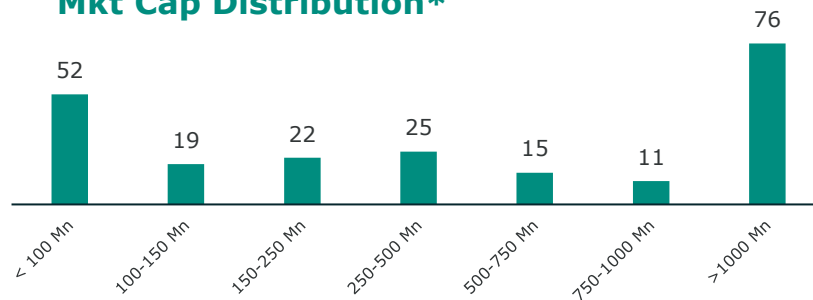
Euronext Milan market today

- **222** companies and **11 sectors** represented
 - **€ 824.6 Bn** aggregated Mkt Cap
 - **€ 3.7 Bn** average Mkt Cap, **€ 400.5 Mn** median
- **144** companies are SMEs (Mkt cap < € 1 Bn).
- **71** companies are listed on the **STAR** segment.

Market flows

- Since 2011, **28 companies** listed on Euronext Growth Milan, **transferred** to Euronext Milan, of which **16** to the **STAR segment**.

Mkt Cap Distribution*



Mkt Distribution by sector



- FINANCIALS 31,6%
- CONSUMER DISCRETIONARY 22,4%
- UTILITIES 12,9%
- ENERGY 10,2%
- INDUSTRIALS 9,5%
- TECHNOLOGY 6,0%
- HEALTH CARE 3,1%
- TELECOMMUNICATIONS 1,9%
- CONSUMER STAPLES 1,8%
- BASIC MATERIALS 0,4%
- REAL ESTATE 0,2%

Why choosing Euronext STAR Milan?

Euronext Milan is Borsa Italiana main market, regulated and dedicated to more structured companies

Euronext STAR Milan is the Euronext Milan segment dedicated to midsize companies that voluntarily adopt strict requirements in terms of transparency, liquidity and governance



Euronext Milan is Borsa Italiana market where large cap companies are listed.

Euronext Milan is a regulated market with regularity functioning and supervisory authority in compliance with transparency obligations.

Euronext Milan listing process is subject to requirements aligned with international standards.

The Euronext STAR Milan segment (High Requirements Segment) of Euronext Milan market was founded in 2001 in order to promote midsize companies.

Euronext STAR Milan stands for entrepreneurial excellence.

Euronext STAR Milan companies benefit from the visibility offered by Borsa Italiana (i.e. STAR Conference in Milan and London) and from greater recognition by investors than other listed companies of similar size.

The adoption of best practices and visibility obtained after IPO generate a virtuous circle that allows to attract domestic and international capital and to generate significant overperformance of the **FTSE ITALIA STAR** index.

Euronext STAR Milan: formal requirements at IPO

Liquidity:

- **Mkt Cap** between € 40 m and € 1 b
- **35% free float** at IPO (or at the transition to the Euronext STAR Milan segment). 20% to maintain the qualification
- **Specialist** with functions to guarantee the securities liquidity of the issuer, to produce at least two researches a year and to organize at least two meeting occasions a year between the issuer and investors

Transparency

- Information in Italian and English available on the website. Quarterly data: I and II interim report within 45 days from the end of the quarter; half-year data: within 75 days from the end of the semester; annual data: exemption from the fourth quarterly if the Financial Statement project is available to the public within 90 days of the end of the year; price sensitive press releases
- Positive opinion from the **auditing firm**
- **No revenues / assets** represented predominantly by the investment in a listed company
- **Dedicated IR** to manage relationships with investors

Governance

- **BoD composition** - at least 2 independent directors for BoD with at least 8 members, at least 3 independent directors for BoD with 9 – 14 members, at least 4 independent directors for BoD with more than 14 members
- **Internal committee**: one or more committee with proposing and consulting roles, composed, at least by 3 members
- **Remuneration, Risk and Control committee**: composed of independent directors or non executive directors, mainly independent members. President must be nominated within independent members
- **Incentive compensation** for executive directors and top management
- **Remuneration** not related to the issuer results for non executive directors
- **231 Model**

Euronext STAR Milan

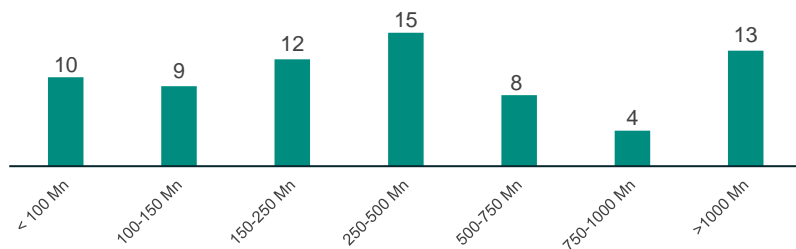
Euronext STAR Milan is the market segment of Borsa Italiana's main market, Euronext Milan, dedicated to companies that, on a voluntary basis, comply with strict requirements in terms of information transparency, liquidity and corporate governance, compared to Euronext Milan market

The Euronext STAR Milan segment

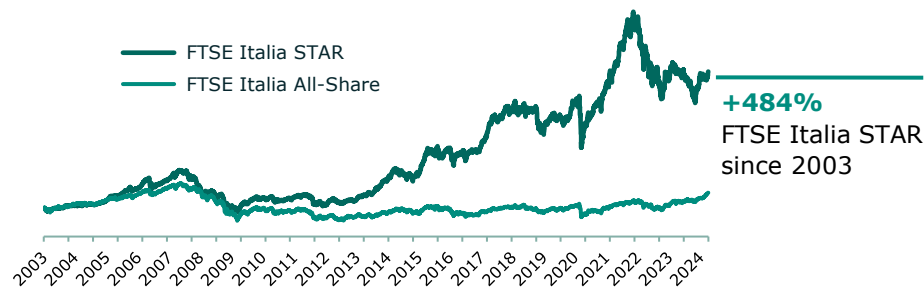
- **71 companies, 10 sectors** represented
- **€ 49.1 Bn** aggregated Mkt Cap; **€ 692.1 Mn** average Mkt Cap
- **€ 6.3 Bn** raised in IPO*
- **€ 3.9 Bn** raised in subsequent capital increases
- **80% foreign investors** out of total institutional investors

* The data refers to all the companies that, since 2000, have been listed directly on the Euronext STAR Milan segment

Mkt Cap range distribution



Index performance



Mkt Sector distribution



- INDUSTRIALS 32,7%
- HEALTH CARE 19,1%
- TECHNOLOGY 18,2%
- FINANCIALS 15,0%
- CONSUMER DISCRETIONARY 7,7%
- CONSUMER STAPLES 5,3%
- UTILITIES 1,1%
- REAL ESTATE 0,4%
- BASIC MATERIALS 0,3%
- TELECOMMUNICATIONS 0,2%

Summary

C. 250 companies, from 2018, achieved their growth ambitions, accessing Borsa Italiana markets.

Borsa Italiana primary markets allow companies of all sizes to gather important financial resources.

In addition to that, IPO represents an opportunity, for listed companies, in terms of: visibility, greater standing on the market, excellent ambitions and attraction of new talents.

5 admissions on Euronext Growth Milan since the beginning of the year, of which 3 on the Professional Segment.

Euronext Growth Milan is the multilateral trading facility dedicated to SMEs and offers a flexible and lean listing process, with minimum requirements.

Euronext Milan market is regulated and dedicated to large cap and structured companies, and requires rigorous requirements.

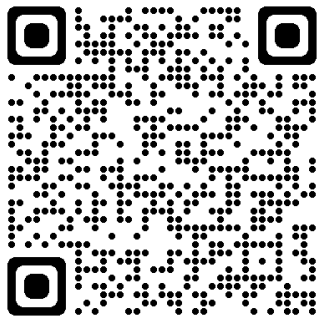
The Euronext STAR Milan segment of Euronext Milan is dedicated to SMEs that voluntarily comply with stringent requirements in terms of liquidity, transparency, governance.

At the end of June 2024, 429 companies were listed on Borsa Italiana markets; 342 of which SMEs

Borsa Italiana, a various offering; the strength of a large Group.

Is your company ready for a stock market listing?

Borsa Italiana can support you in the process of approaching the listing of your company and guide you to a successful operation.



Scan the QRCode

Fill in a quick online questionnaire

Find out more about the path to the IPO.

Borsa Italiana's Primary Markets Team will contact you following the completion of the questionnaire to provide more details on the listing process.

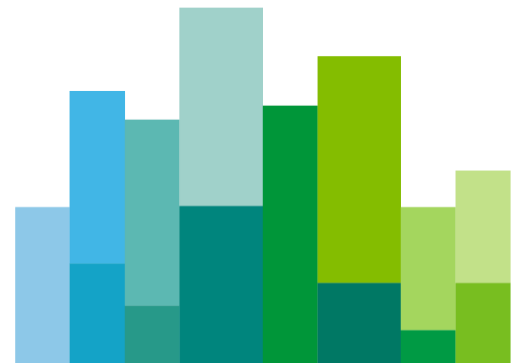
DO YOU WANT TO KNOW MORE ABOUT THE IPO PROCESS?
Contact our Team: borsaitalianaprimarymarkets@euronext.com



3. FAQ



BORSA ITALIANA



FAQ

The access to capital markets through Stock Exchange listing is an important instrument for companies facing with increasing a competitive landscape that entails strategic vision, strong business plan and huge amount of capital to achieve them.

IPO offers an answer to these challenges and represents a key choice for the future of the company.

It is crucial to carefully consider all the IPO elements and all the implications that a listed company status set within the ordinary business management.

In the following pages **we will answer to some of the questions** supposed by companies that are considering an IPO, the various consequences and advantages.

We will be glad to answer these and other questions in more detail if requested.

On the final page of the document you will find a list of useful contacts, do not hesitate to contact us.

Is IPO intended for large companies only?

No. A small business turnover is not an obstacle if generated by companies with success stories, solid and sustainable projects and a reliable corporate strategy.

Investors will choose to share a growth path with smaller companies, if based on solid and reliable growth prospects and business plans.

The market

In 2017 macro-economic factors at national and international level, together with measures introduced by the Italian Government, generated structural changes: new funds were born, liquidity on the market and in particular on SMEs increased, the advisory network dedicated to this asset class strengthened too

PIR effect

PIR (Individual Savings Plans), introduced in the 2017 Budget Law, are generating increasing liquidity on the market. The PIR effect is a flywheel for mid and small caps in Italy.

Euronext Growth Milan success

Balanced regulatory approach, ease of access, minimum bureaucracy and the expert support of the Euronext Growth Advisor make the access to capital markets easy for SMEs.

FAQ

Who decides my company value?

The market defines it.

Advisors who accompany the issuer along the listing process have the task to meet the entrepreneurs' expectations on valuation with the real willingness of investors to buy at a certain price.

Advisors generally use valuation methodologies that compare the company with listed comparables.

The advisors team selection is crucial since they can appreciate the company competitive advantages in order to enhance the company strengths towards investors.

FAQ

Who buys my company shares?

Professional Investors

The main categories of professional investors include institutional investors, among which credit agencies, investment firms, insurance companies, UCIs, pension funds and fund manager companies.

Retail investors

Retail investors are mainly private investors who are not included in the professional investor's definition.

Type of shares

Shares included in the offering may be:

- newly issued shares in the event of a capital increase (OPS),
- existing shares offered for sale by existing shareholders (OPV),
- a mixed combination of newly issued and existing shares (OPVS)

Which information requirements do I have to fulfill once my company is listed?

Periodic Accounting Information*

Annual report, half-year report, quarterly report - where present – according to the listing market.

Price Sensitive and Extraordinary Disclosure

The issuer communicates to the market, as soon as possible, all preferred information concerning the company.

I.e.: these information include: the acquisition and sale of assets, extraordinary operations, changes in the expected results for the period (profit warning and earning surprise) and changes within key managers.

For some events, regulation may also require, in addition to the sharing of a press release, the publication of a prospectus or an informative document.

Technical information

The issuer communicates to the market additional information required by Borsa Italiana, according to Regulation, in order to guarantee a correct and orderly market functioning.

I.e.: these information include: the corporate events calendar, a change in share capital and a change in company name.

*These documents must be prepared in accordance with (i) Italian Accounting Principles (ii) International Accounting Principles - mandatory if the issuer has issued financial instruments that are widely distributed among the public or listed on regulated markets, (iii) US GAAP - Generally Accepted Accounting Principles

Who are the external parties involved?

Many external parties act to ensure the IPO success .

Listing Agent (only on Euronext Milan): financial intermediary that assists the company throughout the entire process, guaranteeing the quality, accuracy, completeness of the information provided by the issuers, and the orderly and correct execution of the process.

Euronext Growth Advisor (only on Euronext Growth Milan): It can be either a bank, or a SIM or a corporate finance company belonging to the auditors network included in Borsa Italiana register. The Euronext Growth Advisor evaluates the applicability of the company for admission on Euronext Growth Milan, manages the IPO process and assists the company along its stay on the market.

Global Coordinator: investment bank that coordinates every aspect of the IPO process, including placement. For Euronext Milan market the Global Coordinator can be the Listing Agent, for Euronext Growth Milan the Global Coordinator must be the Euronext Growth Advisor.

Legal consultants assist the company, shareholders and intermediaries for all the contractual, regulatory and legal aspects of the IPO process.

Auditing company in addition to the auditing activity, it runs an assesment on budget data and is among the deputy subjects to make verification on the management information system of the issuer.

Financial Advisor sustain the company in the listing process, supporting the entrepreneur relationship with all the advisors, assists the company in the offering definition , according to the financial needs.

Media company, through media and investor relations services, it manages marketing activities in order to guarantee to the issuer the market visibility in the period before the placement.

Which corporate governance requirements are asked on Euronext Growth Milan?

Euronext Growth Milan

The issuer has to adopt and maintain "appropriate" corporate governance rules, according to the management efficiency and investor protection targets.

There is no "standard" formula suitable for all companies: the appropriateness must be concretely assessed by each issuer (together with the Euronext Growth Advisor support) considering all the peculiarities, including the ownership structure and type of business.

Among other things, it will be appropriate to take care of the centrality and effectiveness of the board of directors, with a balanced composition and set up, in terms of competences and independence.

In any case, as a guarantee for investors, Euronext Growth Milan Issuers Regulation establishes some minimum protections - among which the following are crucial:

- the adoption of procedures that ensure transparency and accuracy of transactions with related parties, as well as
- the statutory provision of the tender offer obligation in the event of a change of control

Formal requirements at IPO

	Euronext Milan	Euronext STAR Milan	Euronext Growth Milan	Euronext Growth Milan Professional Segment
Free Float	25%	35%	10% (minimum 7,5% subscribed by at least 5 institutional investors)	10% (5 investors)*
Audited financial statements	3	3	1 (if existing)	1 (if existing)
Accounting principles	International	International	International, Italian, American	International, Italian, American
Offering	Institutional / Retail	Institutional / Retail	Mainly institutional (retail with offering < € 8 Mln)	Not mandatory
Documents	Prospectus	Prospectus	Admission Document	Admission Document
Market Cap (€)	Min €40 m	Min €40m – Max. 1bn	No formal requirements	No formal requirements
Board of Directors (independent number)	TUF	Mandatory (N. in the Regulations)	B.o.D with at least 1 independent member	B.o.D

* Professional Segment Free Float

- If the free float is between a minimum of 2% and 10% Borsa Italiana orders the admission and the simultaneous suspension.
- If the free float requirement has not met for 2 years, Borsa Italiana orders the delisting from the Professional Segment

Formal requirements at IPO

	Euronext Milan	Euronext STAR Milan	Euronext Growth Milan	Euronext Growth Milan Professional Segment
Control and Risk Committee	Recommended	Mandatory		
Remuneration Committee	Recommended	Mandatory	No formal requirements	No formal requirements
Top management incentives	Recommended	Mandatory (remuneration related to performance)		
Investor relation	Recommended	Mandatory	Mandatory	Not mandatory
Web Site	Mandatory	Mandatory	Mandatory	Mandatory
Main Advisor	Listing Agent/Global coordinator	Listing Agent /Global coordinator	Euronext Growth Advisor / Global Coordinator	Euronext Growth Advisor

* Professional Segment Free Float

- If the free float is between a minimum of 2% and 10% Borsa Italiana orders the admission and the simultaneous suspension.
- If the free float requirement has not met for 2 years, Borsa Italiana orders the delisting from the Professional Segment

Formal requirements on going

	Euronext Milan	Euronext STAR Milan	Euronext Growth Milan	Professional Segment
Corporate Governance Code	Comply or explain	Partially mandatory	Discretionary	Discretionary
Specialist	Mandatory for companies with Mkt Cap less than € 1 bn for the first 3 years since IPO	Mandatory (liquidity provider / 2 annual researches / meeting with investors)	Mandatory (liquidity provider / 2 annual researches)	Not mandatory
Disclosure	Price sensitive information and extraordinary operations (TUF and Consob Issuers Rule)		Price sensitive information and extraordinary operations (Euronext Growth Milan Rules)	
Takeover	TUF		Statutory takeover	Statutory takeover
Related parties	Procedures and informative requirements		Simplified procedures and informative requirements	
Quarterly data	Not Mandatory	I-III quarterly report within 45 days from quarter end (exemption from IV quarterly report if annual report is published within 90 days from year end)	Not Mandatory	Not Mandatory
Half year data	Yes - Within 90 days from half year end	Yes - Within 75 days from half year end	Yes - Within 3 months from half year end	Yes - Within 3 months from half year end
Annual report	Yes - Within 120 days from year end	Yes - If within 90 days from year end no need for IV quarterly report	Yes - Within 6 months from year end	Yes - Within 6 months from year end

Glossary

Bookbuilding	As part of an offer, the bookbuilding consists in the order collection by institutional investors, after which the securities price will be defined
B.o.D.	Board of Directors
Control and Risk Committee	Committee with the task of supporting, with an adequate investigation, assessments and decisions of the board of directors related to the internal control and risk management systems, as well as assessments and decisions related to the approval of periodic financial reports
Due Diligence	Acquisition of the necessary information for the preparation of the required documents, according to operating practice and to regulations related to financial instruments issue
Earning Surprise	Significant positive deviations related to provisional data and quantitative objectives compared to already disclosed data
Equity Story	Main qualitative aspects (specific characteristics and distinctive elements, competitive positioning, critical success factors, etc.) and quantitative aspects (financial data, growth and profitability expectations, track record, etc.) of the company that determine its appeal for potential investor
Euronext Growth Advisor	Advisor which has the function of assisting and supporting the issuing company both during the admission phase and subsequently during its stay on the market
Euronext Milan	The stock market regulated by Borsa Italiana
Free Float	Amount of company shares that do not represent controlling quotes, that do not exceed the limits defined by Regulation, and that are therefore available for negotiation on the Stock Exchange
FTSE	Company that calculates all the main Borsa Italiana indexes
Governance	Set of tools, rules and mechanisms organized for the best realization of the companies decision-making process, assuring the interests of each stakeholder towards the corporate lifecycle
Investor relation	Activity addressed to the relationship management between the issuer and investors
IPO	Initial Public Offering finalised to the admission to listing on a regulated market or an MTF

Glossary

Investigation	Admission process phase - only on Euronext Milan - where Borsa carries out the preparatory analysis for listing
Liquidity Provider	Subject who has the role of supporting the security liquidity
Listing	Admission of a financial instrument in the list of listed securities of a specific market
Listing Agent	financial intermediary that assists the company throughout the entire process, guaranteeing the quality, accuracy, completeness of the information provided by the issuers, and the orderly and correct execution of the process.
MAR	Market Abuse Regulation (UE. N. 596/2014) Regulation entered into force on 3 July 2016, relating to market abuse, which establishes a common framework for the abuse of privileged information, illegal communications of privileged information and market manipulation
Mkt Cap	Related to a company, it represents the product between the number of shares in circulation and their unit price; related to a market it represents the aggregate value - at market prices - of all listed securities.
MTF	Multilateral Trading Facility: multilateral trading system authorized by Consob and managed by Borsa Italiana. Ex: Euronext Growth Milan
O.P.A	Tender Offer: offer addressed to the public of investors and aimed at the purchase of financial instruments
O.P.S	Public Subscription Offer: transaction where a company invites one or more categories of investors to subscribe newly issued shares
O.P.V	Public Sale Offer: offer proposed by one or more company shareholders that totally or partially sell the existing shares held
O.P.V.S	Public Sale and Subscription Offer: offer that include both a public subscription and a public sale
Placement	Investment service carried out by authorized intermediaries which consists of the diffusion and distribution of newly issued or already in circulation financial instruments (shares, bonds and government bonds) on the market
Price Sensitive	Information about a company or security that could influence its price

Glossary

Primary market	Market in which the offer of newly issued securities takes place
Private Equity	Institutional investment activity in capital of private companies with high growth potential
Profit Warning	Significant negative deviations related to provisional data and quantitative objectives compared to already disclosed data
Remuneration Committee	Committee within the Board of Directors, composed by either independent directors or by non-executive directors, mostly independent. It supports the Board of Directors in the definition and control of a remuneration policy for directors and executives with strategic responsibilities
Roadshow	Meetings between the institutional investor community and the management of a company that intends to carry out a securities offering
SIM	Securities Brokerage Company authorized to carry out investment services and ancillary services defined by Testo Unico della Intermediazione Finanziaria
TUF	The Consolidated Finance Act (TUF) represents the main Italian body of legislation on financial markets and intermediaries

4. Contacts



CONTACTS

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