

بورصة البحرين
BAHRAIN BOURSE



سوق البحرين الإستثماري BAHRAIN INVESTMENT MARKET

AN INNOVATIVE CAPITAL RAISING PLATFORM



“

**Enabling A Capital Market Solution
For Financing Growth Companies**

”

BIM RULES

Bahrain Investment Market (BIM) is an equity market for companies seeking growth capital, offering the Issuers relaxed disclosure requirements and minimal admission requirements. Investing & trading in BIM companies is open to all nationalities without any restrictions. In addition to making it easier to list, the BIM provides more support through a unique Sponsor role and a more relaxed regulatory regime.

Criteria for Admission

- No market capitalization requirements
- Minimum paid-up capital required for Admission is BD 250,000 or its equivalent in other currencies
- Applicant must be established or converted to a Closed Shareholding Company in the Kingdom of Bahrain or its equivalent in any other jurisdiction
- Appointment of a Sponsor and retain the services of a Sponsor at all times; Sponsor must operate out of a physical office in the Kingdom of Bahrain
- Working Capital sufficient for 12 months
- Minimum 10% free-float
- Minimum shareholders are 3

Protective Measures

- Founders subject to two years lock-up period from date of listing. At all times, Founders must hold at least 30% of issued share capital

Financial Reporting

- Submission of audited annual financial accounts & half-yearly review of accounts
- IFRS & AAOIFI Accounting Standards Accepted

Ongoing Obligations

- Disclosure of material information as per CBB Disclosure Standards
- Maintain 10% free-float
- Maintain a sponsor at all times

Two large white opening quotation marks are positioned on the left side of the slide, framing the central text.

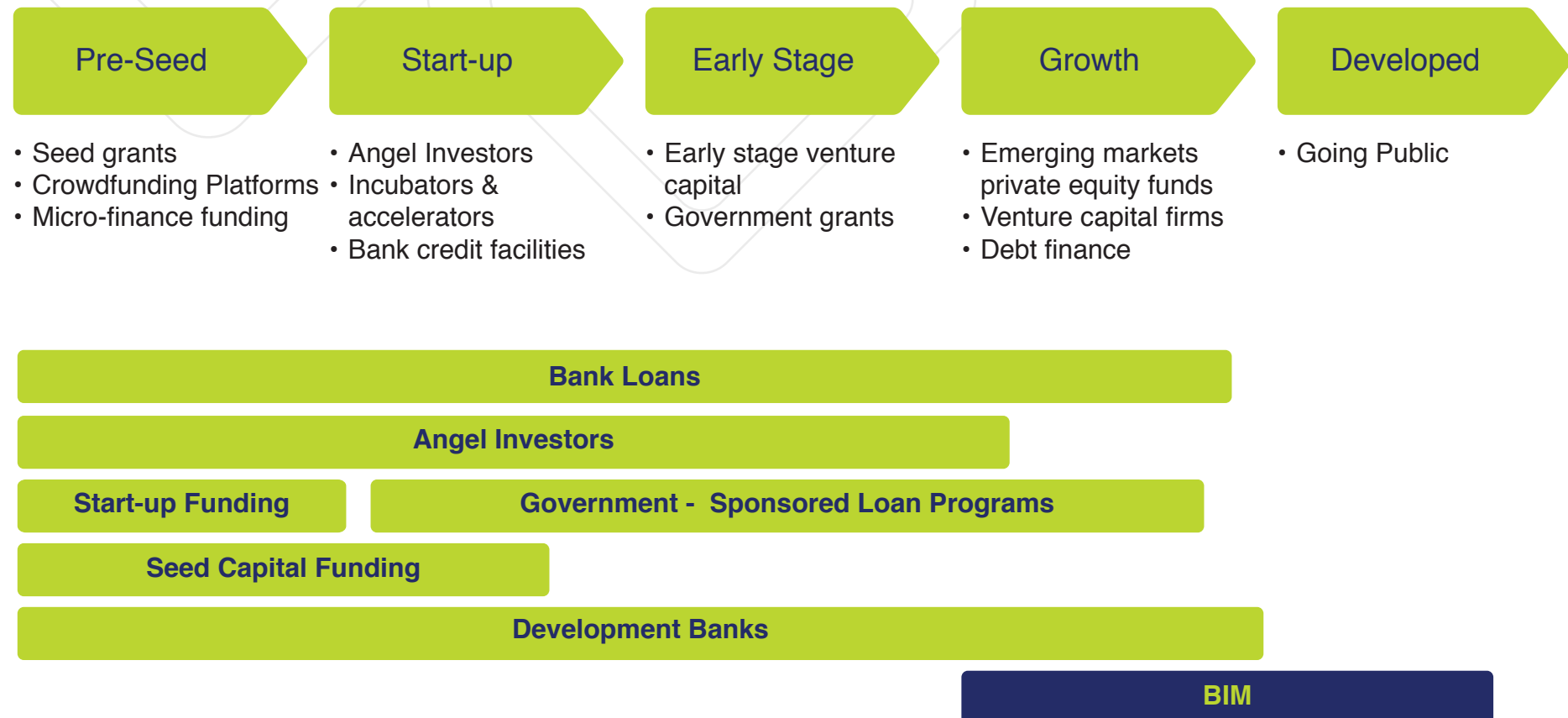
**Providing An Alternative
Cost-Effective Listing Venue
For Prospective Growth
Companies**

Two large white closing quotation marks are positioned on the right side of the slide, framing the central text.

FINANCING GAP

Currently, there is a funding void that restricts the expansion of growth companies. Moreover, Bahrain needs to promote an entrepreneurial culture, Bahrain Investment Market concept has been created to fill that void, and alleviate growth companies to the next level. BIM is an equity market for companies seeking growth capital, targeting companies in growth and developed stage to bridge the financing gap within the company's lifecycle.

Funding Gap



BENEFITS OF BIM

The BIM is an equity market which provides an array of benefits to young and growing companies, mainly focused on relaxed regulations, reduced capital and entry requirements, and most importantly providing suitable financing options for the expansion of entrepreneurial ventures and family-owned businesses.



KEY TARGET SECTORS

BIM is an equity market which aims to empower growth companies for expansion in specific target sectors.



BENEFITS OF CENTRAL REGISTRY SERVICES

The benefits of listing on BIM extends beyond just raising capital. A Closed Company can list in the BIM without the process of Direct Public Offering which will provide a greater corporate profile, a greater branding image, and exposure to potential investors, self-discipline in terms of compliance, and alignment of management/employee corporate goals. Listing with or without the process of Direct Public Offering, allows a closed shareholding company to benefit from the central registry services provided.

Benefits of Central Registry Services



Execute AGM
Corporate Actions



Maintain Security
Pledge



Retrieve
shareholders records



Retrieve shares
movement



Updated shareholders
ownership records



Reconcile security
balances



Automatic payment
of stock dividends



Holding shares in
dematerialized form

There are a multitude of benefits that can enhance young businesses and leverage the growth potential of growth companies. The BIM market has been created to meet those objectives.



Access to Wealth of Capital

- Access a global investor base, including retail investors from neighboring GCC countries
- Strategic trading time zone



Efficiency to meet your needs

- Mainboard for established companies
- BIM for growth companies; far more flexible in terms of regulation & capital requirements
- Both Mainboard and BIM listed equities enjoy competitive trading costs and listing fees



Connecting Investors to Growth Opportunities

- Increased demand and activity in venture capital and private equity space has created the need for further connectivity between the investors and opportunities

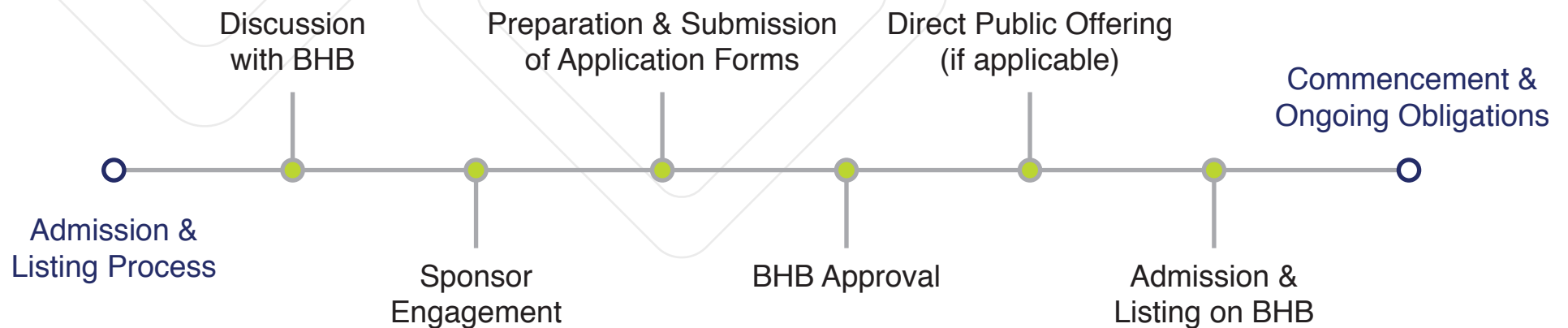


**Speed to Market for Equity
Security Listings**



SPEED TO MARKET

An efficient application process allows issuers to catch a window of opportunity. A Closed Company can list prior to the process of Direct Public Offering. The process of obtaining eligibility to list is provided within 30 days for BIM vs. Mainboard listing which can extend beyond that. The approval process of BIM falls within BHB's authority.



DIRECT PUBLIC OFFERING

The Direct Public Offering process is a two-tiered process that allows an applicant to be admitted for listing purposes only or for the sale of its equity security.

Direct Public Offering Process

| | |
|--|--|
| STEP 1 Discuss with BHB | Discuss with BHB your requirements and objectives. BHB can assist in answering preliminary questions and provide guidance on the most appropriate route, and connect the Applicant with BHB's list of authorized Sponsors. |
| STEP 2 Appoint a Sponsor | The Applicant must appoint a Sponsor whom will be responsible for the admission procedure and submission of Listing Document, follow-up with BHB, and ensure adherence to ongoing compliance obligations once listed. |
| STEP 3 Prepare & submit Application Forms | With the help of the authorized Sponsor, the due diligence process is carried out and preparation of the application form and Listing Document (if applicable) for BHB is conducted and submitted. |
| STEP 4 Receive approval from BHB | Once all required documents are submitted, approval is provided to the Applicant for Direct Public Offering (if applicable) or listing only. |
| STEP 5 Direct Public Offering Process (if applicable) | The Listing Applicant invites applications to subscribe for purchase of the Equity Securities. The Direct Public Offering must be kept open for at least 10 Trading Days. After the Direct Public Offering closes, the Listing Applicant announces the outcome of the Direct Public Offering, and where appropriate, the level of subscription and the basis of allocation and allotment, and the subscription rate reflecting the true level of demand for the Direct Public Offering. In computing the subscription rate, subscriptions by Key Persons and their Connected Persons must be excluded. |
| STEP 6 Admission & Listing on BHB | After completing the Direct Public Offering process (if applicable), the Sponsor must submit to BHB: 1. The information in Part III of the listing confirmation in Appendix A of BIM rules. 2. A list of the directors and Substantial Shareholders and their respective shareholdings. The official Admission of the Issuer can then commence on BHB for trading. |

SPONSOR'S ROLE

The Sponsor's role within the BIM is a key feature that has been designed to provide assistance for companies interested to list access to a cost-effective information and support system needed to become compliant. To ensure consistency and continuation of Sponsor's role, issuers are required to retain the services of the Sponsor at all times during their listing on BIM. The Sponsor must be legally established in the Kingdom of Bahrain and operate out of a physical office based in the Kingdom.

Pre-Listing



- Assess the prospective Issuer's suitability to list on BIM
- Advise and guide the Issuer throughout the listing process
- Conduct thorough due diligence on the Issuer
- Assess the suitability of Directors and Key Management
- Ensure that listing applicant has sufficient systems, procedures, controls and resources to comply with the listing rule requirements
- Oversee and be actively involved in the preparation of relevant documents and ensure compliance with rule requirements when listing

Post-Listing



- Advise Issuer on listing obligations
- Advise Issuer on all rules and corporate governance matters
- Ensure that the Issuer is in compliance with the disclosure requirements at all times
- Notify BHB if the Issuer ceases to fulfill any of its obligations
- Periodic financial reporting
- Corporate governance and listing rules compliance
- Evaluate the suitability of new Directors and key Executive Officers
- Review and endorse all announcements and reports prior to their release

LISTING REQUIREMENTS

The BIM offers a relaxed listing and disclosure requirements in comparison to Mainboard, making it a more suitable option for companies at a growth stage that are unable to meet the stringent requirements of a mainboard market. The approving authority for BIM falls within Bahrain Bourse.

| | Mainboard | BIM |
|------------------------------|--|---|
| Initial Listing Requirements | <ul style="list-style-type: none"> Established track record for at least one year 2 years audited financial statements prior to the submission date of the application Total annual sales (turnover) should not be less than BD 500,000 | <ul style="list-style-type: none"> No track record required; only projections Must have an appointed Sponsor at all times No specific market capitalization needed |
| Paid-up Capital | Minimum of BD 1,000,000 | Minimum of BD 250,000 |
| Minimum No. of Shares | Minimum of 10,000,000 shares | Not Specified |
| Minimum No. of Shareholders | Minimum of 100 registered shareholders excluding employees, associate persons and major shareholders | Minimum of 3 registered shareholders |
| Working Capital | No working capital requirements | Working Capital sufficient for 12 months |
| Financials | Submission of audited annual financial accounts & half-yearly audited accounts, and quarterly review of accounts. | Submission of audited annual financial accounts & half-year review of accounts. |
| Appointment of Underwriter | Mandatory | Optional |

LISTING FEES

The BIM is a cost-effective platform designed for fast-growth businesses seeking a safe and efficient capital raising platform.

| | Mainboard | BIM |
|---------------|--|--|
| Initial Fees | 0.1% of paid-up capital Min BD 5,000 Max BD 15,000 | BD 1000/listing |
| Annual Fees | Bahraini Shareholding Companies 0.13% of the first BD10 million paid up capital (min BD 5,000) 0.07% of the paid up capital for amounts between BD 10M to BD 50M 0.035% of the paid up capital for amounts exceeding BD 50M (max BD 80K) | 0.3% of paid-up capital/annum Min BD 1000 Max BD 6000 |
| Registry Fees | BD 0.500 Per Shareholder Min BD 2,000 Max BD 10,000 | Nil |
| Sponsor Fees | Nil | BD 2000/annum |

LISTING DOCUMENT

The Listing Document is the most vital document throughout the Direct Public Offering process. Given that the company previously was a private company. The Listing Document is the main marketing document to the investors in relation to the company's offering, prospects, financials, and risk exposure. Any misleading or ambiguous statements within the Listing Document may expose the Directors of the Issuer to a liability.



TRANSFERRING TO THE MAINBOARD

Issuers listed on BIM for at least six months are eligible for transfer to the Mainboard subject to meeting a number of eligibility requirements.

BIM



Mainboard

- Transfer to Mainboard is subject to meeting eligibility requirements
- The Issuer must be listed on BIM for at least a six month period
- The Issuer must meet the paid up capital requirements as prescribed by BHB
- The nominal value of issued shares has been paid in full
- The Issuer must provide to BHB an undertaking statement to comply with all the BHB's rules and Directives applicable to Issuers Listed on the Mainboard
- The Issuer's shareholders have approved the transfer by way of a resolution of an Extraordinary General Meeting
- The Issuer is in compliance with all applicable Mainboard Rules
- For the purpose of the transfer, a Listing Applicant may be required to increase the proportion of its issued and paid-up capital available for trading to meet the minimum shareholding spread requirements applicable within the Mainboard



**Establishing a unique
equity-focused platform for
growth companies**



CONTACT US

“ We'd like to hear from you. Please contact us on the below noted information to discuss your requirements ”

Listing & Disclosures



Bahrain Financial Harbor
Harbour Gate, 4th Floor



P.O. Box 3203
Manama-Kingdom of Bahrain



+973 17108782



BahrainBourse



+973 17213061



BahrainBourse



lia.info@bahrainbourse.com



BahrainBourseBHB



www.bahrainbourse.com



BahrainBourse

An Oasis of Investment Opportunities

w w w . b a h r a i n b o u r s e . c o m

DISCLAIMER

This brochure has been provided for general information purposes only. The information contained does not constitute legal, financial, or investment advice and neither does it make any recommendation or endorsement regarding the product mentioned herein. Bahrain Bourse B.S.C.(c) does not accept any liability for any investment decisions made on the basis of this information. Investors should consult independent financial, legal, and investment advice prior to taking any trading/investing decisions.