



# FAQ list for the Open Market / Entry Standard (on the DBAG website)

## Concept

### **What is the Open Market (Regulated Unofficial Market)?**

The Regulated Unofficial Market managed by Deutsche Börse at the Frankfurt Stock Exchange will be renamed the “Open Market” from October 2005 onwards. The new name reflects the international character of this market segment. The Open Market is Germany’s third statutory market segment alongside the Official Market and the Regulated Market. Alongside German shares, the securities traded on the Open Market include foreign shares, fixed-income securities from German and foreign issuers, certificates and warrants.

Unlike the Official Market and the Regulated Market, the Open Market is not an official market segment but a segment established under private law in accordance with section 57 of the Börsengesetz (BörsG – German Stock Exchange Act). The Open Market does not constitute an organized market within the meaning of section 2(5) of the Wertpapierhandelsgesetz (WpHG – German Securities Trading Act). As such the Open Market is not an EU regulated market.

### **What is the Entry Standard?**

Listing in the Entry Standard provides an uncomplicated alternative to floating on the EU-regulated General Standard and Prime Standard segments.

Compared with the Open Market, the Entry Standard places further requirements on companies. These requirements ensure increased transparency for investors.



The Entry Standard is a particularly attractive option for companies wishing to make use of the stock market's core functions as a trading platform and price discovery mechanism. Private equity and venture capital investors will be able to use it as an exit route.

The Entry Standard is intended primarily at qualified investors as defined by Section 2 No. 6 of the Wertpapierprospektgesetz (WpPG – German Securities Prospectus Act), who are able to assess and accept any increased risks associated with investing in these companies' shares.

Investors must be aware of the risk associated with the fact that the companies' shares are not admitted to exchange trading on an EU-regulated market. As a result, the stringent transparency requirements and investor protection regulations that have been standardized for organized markets across Europe do not apply.

### **Why has the Stock Exchange created the Entry Standard as a segment of the Open Market?**

Within the Open Market (Regulated Unofficial Market), the Entry Standard provides a "showcase" that increases investor visibility for companies that wish to provide investors with additional information.

With the Entry Standard, the Stock Exchange has created a flexible and cost-efficient way of accessing the capital market that is attractive to companies seeking an uncomplicated alternative to floating on the EU-regulated General Standard and Prime Standard segments with few formal requirements.

Legislation allows the Stock Exchange to create an alternative segment in this area only.

Investors must be aware of the risk associated with the fact that the companies' shares are not admitted to exchange trading on an EU-regulated market and therefore the stringent transparency requirements and investor protection regulations that have been standardized for organized markets across Europe do not apply.



## **Why was the Entry Standard name chosen?**

The Entry Standard name complements the corresponding names on Deutsche Börse's equity market (General Standard/Prime Standard) and provides international clarity.

## **How can companies include their shares in trading in the Entry Standard?**

Inclusion of shares in exchange trading in the Entry Standard is one of the easiest and quickest ways of accessing the stock market, as there are few formal requirements. The application is made by an authorized trading participant at the Frankfurt Stock Exchange (see [www.deutsche-boerse.com](http://www.deutsche-boerse.com) -> Trading & Clearing). The trading participant is there to assist and support the company when it lists in the Entry Standard. It also acts as a central contact and as a coordinator between the company and Deutsche Börse.

There are around 300 authorized trading participants available to act as Applicants and more than 70 Deutsche Börse Listing Partners available to provide support for companies going public (see [www.deutsche-boerse.com](http://www.deutsche-boerse.com) -> Listing).

## **What application documents are required before shares can be included in trading in the Entry Standard?**

- Application for inclusion of shares (form).
- Exposé or, in the case of a public offering, securities prospectus approved in accordance with German securities law by the national competent authority (in Germany this is BaFin, the Bundesanstalt für Finanzdienstleistungsaufsicht, or Federal Financial Supervisory Authority).
- Formal declaration of consent by the issuer.
- Undertaking regarding compliance with the Rules and Regulations (Appendix 1 to the Rules for the Regulated Unofficial Market).
- Nomination of a lead broker (XONTRO) and, if necessary, a designated sponsor (Xetra).



- Proof that the issuer has engaged a Deutsche Börse Listing Partner to provide the company with ongoing support in the Entry Standard (the minimum requirements are set out in Appendix 3 to the Rules for the Regulated Unofficial Market).
- Record of the company registration in the Commercial Register, dated no more than 4 weeks before the time the application for inclusion is made.
- Company Articles valid at the time of the application for inclusion is made.
- Audited consolidated financial statements and group management report prepared by the issuer in the legal form of an Aktiengesellschaft (German stock corporation).
- A brief company profile of the issuer, complying with Deutsche Börse's requirements set out in Appendix 2, for the purpose of publication on the issuer's website.

### **What are the criteria for inclusion of securities in trading in the Entry Standard?**

The Entry Standard enables companies to include their shares in exchange trading quickly, easily and cost-efficiently. The criteria for the shares' inclusion in trading are as follows:

- The shares must be tradable (eligible for collective safe custody).
- For public offerings, the prospectus, vetted and approved by the national regulator (in Germany, BaFin), and including audited consolidated financial statements for the year.
- For private placements, the unpublished exposé, which is the sole responsibility of the company, including audited consolidated financial statements for the year and group management report.
- A registered Frankfurt Stock Exchange trading participant must be appointed as the Applicant.
- A Deutsche Börse Listing Partner must be appointed as a "capital market coach".
- The Applicant's undertaking to comply with the Rules and Regulations.



## Do EU investor protection regulations apply on the Open Market and the Entry Standard?

No. Since inclusion in the Entry Standard does not constitute listing on an organized market within the meaning of section 2(5) of the WpHG, the principal regulatory requirements for organized markets do not generally apply to it. The following regulatory obligations do not apply:

- admission to listing within the meaning of section 3(2) of the Aktiengesetz (AktG – German Stock Corporation Act).
- publication of ad hoc disclosures in accordance with section 15 of the WpHG.
- notification that holding thresholds have been reached in accordance with section 21 of the WpHG.
- compulsory offer in the event of a change of control in accordance with the Wertpapierübernahmegesetz (WpÜG – German Securities Acquisition and Takeover Act).
- prospectus if it is a prospectus-free private placement in accordance with section 3 of the WpPG.

Investors must therefore be aware that there is less information available and that a higher degree of risk exists. First and foremost, only qualified investors within the meaning of section 2 no. 6 of the WpPG, who are able to assess and accept any increased risks associated with investing in these companies' shares, should act as investors in the Entry Standard.

Within the Open Market, however, the Entry Standard segment requires companies to provide additional information so that transparency can be increased.

Nevertheless, it should be clearly understood: the Entry Standard requires companies to make few disclosures, and investors therefore have little information on which to base their investment decisions.



## **What additional information has to be provided by Entry Standard companies and the trading participants introducing them to the Entry Standard?**

- publication on the company's website of any material development relating to the company and facts which could affect the stock price.
- release audited consolidated financial statements for the year and group management report (national GAAP/HGB or IFRSs) no later than six months after the end of the reporting period and publication of the annual report on the company's website.
- provide annually updated company profile and investor diary on the company's website.
- provide an interim report within three months of the first half of every financial year on the company's website.

## **What is the minimum content of the interim report?**

There is no prescribed format. Using figures and explanatory notes, the interim report should give a true and fair view of the issuer's financial position and general business trend during the first six months of the financial year (reporting period).

## **How is the Entry Standard positioned from a regulatory perspective?**

The regulations for organized markets do not apply in the Entry Standard, which is instead subject to the relevant Open Market rules. It is the regulatory equivalent of the non-EU regulated market segments in the United Kingdom (AIM/Alternative Investment Market) and in France (Alternext).

More specifically, the following regulations do not apply:

- admission to listing within the meaning of section 3(2) of the AktG.
- publication of ad hoc disclosures in accordance with section 15 of the WpHG.
- notification that thresholds have been reached in accordance with section 21 of the WpHG.



- obligation to publish interim reports in accordance with section 40 of the Börsengesetz (BörsG – German Stock Exchange Act) together with section 53 of the Börsenzulassungsverordnung (BörsenZulVO – German Stock Exchange Admission Regulations).
- compulsory offer in the event of a change of control in accordance with the WpÜG.
- prospectus if it is a prospectus-free private placement in accordance with section 3 of the WpPG.

### **Why does Deutsche Börse allow shares to be traded in the Entry Standard on the basis of a securities prospectus or an exposé?**

In principle, it is for the issuer to decide whether to include its shares in trading in the Entry Standard on the basis of a securities prospectus or an exposé. This gives it the option and flexibility to choose the most appropriate route. But in doing so, the issuer is required to fulfil the statutory requirements set out in the WpPG, in particular those relating to public offerings.

For non-public offerings, i.e. private placements, intended for qualified investors within the meaning of section 2 no. 6 of the WpPG, Deutsche Börse enables shares to be traded efficiently on a trading platform on the basis of an exposé for which the issuer takes sole responsibility and which is not available publicly. Investors must be aware that the stringent requirements of the WpPG, and in particular those relating to the content of a securities prospectus approved by BaFin, do not apply in these circumstances. Moreover, an exposé forming the basis of a non-public offering is not subject to review either by BaFin or by the Stock Exchange.

### **Why does the Stock Exchange not require a securities prospectus for inclusion in trading in the Entry Standard?**

The provisions of the WpPG require a prospectus to be prepared if the company decides to make a public offering.

If the company does not wish to make a public offering, however, and decides to conduct a private placement and to approach only qualified investors within the meaning of section 2 no. 6 of the WpHG in the process of coming to the market,



it must prepare an exposé. The issuer bears sole responsibility for the exposé, which is not available to the public. Investors must be aware that the stringent requirements of the WpPG, and in particular those relating to the content of a securities prospectus approved by BaFin, do not apply in these circumstances. Moreover, an exposé forming the basis of a non-public offering is not subject to review either by BaFin or by the Stock Exchange. For the Entry Standard, the intention is that the option of applying on the basis of an exposé should be subject to no requirements over and above minimum requirements already imposed by law. It is intended that the Entry Standard should make this route available for companies in a similar manner to AIM and Alternext.

### **Is there a qualitative difference between shares included in the Entry Standard on the basis of an exposé or a securities prospectus?**

In principle there is no connection between the document serving as the basis for inclusion and the quality of the company, and no general statement can be made in this respect. Whether or not a securities prospectus serves as the basis for inclusion in the market, investors must bear in mind that on the Open Market and the Entry Standard, the principal transparency requirements and investor protection regulations that have been standardized across Europe do not apply. For this reason, investors must always examine carefully and on an individual basis the nature of the company in which they are investing and the level of transparency or post-admission information it provides.

### **Are stocks included in trading in the Entry Standard with a securities prospectus better than those without a securities prospectus?**

The Stock Exchange does not prescribe a particular form. The market is free to decide on the method and documentation for coming to the market in each case.

The general principle is that inclusion in the Entry Standard or the Open Market, as in the case of AIM or Alternext, does not constitute listing on a stock exchange and therefore fundamental investor protection requirements do not apply. Since inclusion in the Entry Standard does not constitute listing on an organized market in accordance with 2(5) of the WpHG, significant regulatory requirements for organized markets do not generally apply to it, in particular:





- admission to listing within the meaning of section 3(2) of the Aktiengesetz (AktG – German Stock Corporation Act).
- publication of ad hoc disclosures in accordance with section 15 of the WpHG.
- notification that thresholds have been reached in accordance with section 21 of the WpHG.
- obligation to publish interim reports in accordance with section 40 of the Börsengesetz (BörsG – German Stock Exchange Act) together with section 53 of the Börsenzulassungsverordnung (BörsenZulVO – German Stock Exchange Admission Regulations).
- compulsory offer in the event of a change of control in accordance with the WpÜG.
- prospectus if it is a prospectus-free private placement in accordance with section 3 of the WpPG.

Investors must therefore be aware that there is less information available and that there is a higher level of risk. First and foremost, only qualified investors within the meaning of section 2 no. 6 of the WpPG, who are able to assess and accept any increased risks associated with investing in these companies' shares, should act as investors in the Entry Standard.

Within the Open Market, however, the Entry Standard segment requires companies to provide additional information so that transparency can be increased.

Nevertheless, it should be made clear that the Entry Standard requires companies to make few disclosures and investors therefore have little information on which to base their investment decisions.

### **What options and methods of coming to the market are available to issuers on the Frankfurt Stock Exchange with regard to transparency regulations?**

Companies can choose from a number of different methods for listing on the Frankfurt Stock Exchange. By options for a listing in the General Standard, companies accept the continuing obligation to comply with the minimum legal standards for investor protection and transparency which have been harmonized across Europe.



Companies which wish to go further and provide the highest level of transparency, particularly for the benefit of international investors, can opt for a listing in the Prime Standard.

Companies which would like their shares to be included in trading with few formal obligations opt for the Entry Standard. In the latter case, investors must be aware that major transparency requirements and investor protection regulations that have been standardized across Europe do not apply.

### **Where are shares traded (market model)?**

The stock exchange does not prescribe a particular form. The market is free to decide on the market model for each share.

The trading platforms are the floor and, running parallel with this, Xetra (one-auction-only, optional continuous trading with designated sponsor).

### **Do issuers have to engage a designated sponsor?**

Not in principle. A company only needs to engage a designated sponsor if it wishes to have its shares included in continuous trading on Xetra, Deutsche Börse AG's fully electronic trading system.

### **Does the Entry Standard have a different method of price discovery?**

Since the Entry Standard is based on the Open Market, the price discovery process also follows that of the Open Market. This is of the same quality as, and identical to, the equivalent process on the regulated markets (Prime and General Standard).

The Market Supervision Office of the Frankfurt Stock Exchange, a statutory body, is responsible for overseeing orderly price discovery and trading in accordance with the regulations and Stock Exchange rules. The Federal Financial Supervisory Authority (BaFin) oversees trading – and therefore securities transactions on the Open Market, too – in accordance with sections 12 ff. of the WpHG (insider trading regulations).



## Roles and tasks

### Who are the Applicants in the Entry Standard?

An authorized trading participant at the Frankfurt Stock Exchange can formally apply to have shares included in exchange trading in the Entry Standard. There are more than 300 finance companies, financial services providers and credit institutions acting as authorized trading participants at the Frankfurt Stock Exchange.

### What is the Applicant's role for investors, companies and Deutsche Börse?

- The Applicant applies to have the shares included in exchange trading,
- monitors whether the company is complying with specified requirements,
- advises and supports the company when joins the Entry Standard, and for the duration of its inclusion in the Entry Segment
- acts as a central contact for Deutsche Börse and as a coordinator between the company and Deutsche Börse,
- vouches for the seriousness of the company introduced to the market and that it will fulfil its obligations,
- is subject to possible sanctions imposed by Deutsche Börse in the event of non-fulfilment of its obligations.

### What sanctions are there in the Entry Standard if the Applicant fails to fulfil its obligations?

- In the event of the Applicant failing to perform its duties, Deutsche Börse can impose a contractual penalty of up to EUR 10,000 on it for each infringement. In determining the amount of the contractual penalty, the gravity of the Applicant's failure to carry out its duties and the order book turnover in the relevant shares will be taken into account in particular.
- Deutsche Börse can revoke the inclusion of the shares in the Entry Standard if the Applicant fails to fulfil its obligations in accordance with the Rules for the Regulated Unofficial Market or if orderly trading in the shares over the long term can no longer be guaranteed.
- The stipulated period between the publication of Deutsche Börse's decision and the date the revocation takes effect is six weeks.



- It should be noted that revocation of inclusion for shares included in the Entry Standard does not affect the inclusion of the shares in the Open Market
- In addition, the non-fulfilment of its duties by the Applicant and the decision with respect to imposing a contractual penalty and revoking the inclusion of the shares in the Open Market will be published on Deutsche Börse's website, giving reasons for the revocation and publically naming the Applicant.

### **Who are the Deutsche Börse Listing Partners and what tasks do they perform?**

Deutsche Börse Listing Partners are there to assist and support aspirants to the stock market before, during and after their admission to listing and to assist them in publication of the prescribed and voluntary information.

Deutsche Börse Listing Partner status is given to independent service providers that are recognised by Deutsche Börse by providing proof of their expertise in capital market transactions and relevant references.

The core tasks of the Deutsche Börse Listing Partners providing services relating to the Entry Standard are:

- They provide a company with basic information on transparency requirements on the capital market and offer support when it publishes prescribed and voluntary information.
- They provide support when the company maintains and publishes its investor diary on the company's website.
- They update the brief company profile on the company's website.

For further information, see [www.deutsche-boerse.com](http://www.deutsche-boerse.com) -> Listing

### **Can trading participants also act as Deutsche Börse Listing Partners?**

Many of the Frankfurt Stock Exchange's authorized trading participants also have Deutsche Börse Listing Partner status, as a result of these functions can also be performed by the same people.

**Where can information on Deutsche Börse Listing Partners be found?**

Profiles, proof of experience in capital market transactions and contact details can be found at [www.deutsche-boerse.com](http://www.deutsche-boerse.com) -> Listing



## Requirements

### What requirements do companies in the Entry Standard have to fulfil on a continuous basis?

The inclusion of shares in exchange trading in the Entry Standard provides one of the easiest and quickest ways of accessing the stock market, as there are few formal requirements.

- Publication on the company's website of material developments relating to the company and facts which could affect the share price.
- Publication of audited consolidated financial statements for the year and a group management report (national GAAP/HGB or IFRSs) no later than six months after the end of the reporting period on the company's website.
- Publication of a company profile, updated annually, and a calendar of company events on the company's website.
- Publication of an interim report covering the first half of the year on the company's website (no later than three months after the end of the reporting period).
- Proof that a Deutsche Börse Listing Partner has been appointed on an ongoing basis.

### What accounting standards are required?

The applicable national accounting standards (e.g. HGB for Germany), or alternatively IFRSs.

### Are companies required to issue quarterly reports?

No.

### What happens if the obligations imposed by the Entry Standard or the Open Market are not met? What are the possible sanctions?



### **a) against the company/issuer?**

As there is no direct legal relationship between Deutsche Börse and the company, DBAG does not check whether the requirements are being fulfilled. This is the responsibility of the Applicant.

### **b) against the Applicant?**

As a result of its undertaking (Appendix 1 to the Rules for the Regulated Unofficial Market), the Applicant has the following obligations:

- The Applicant applies to have the shares included in exchange trading.
- Monitors whether the company is complying with the requirements placed on it.
- Advises and supports the company when it lists in the Entry Standard.
- Acts as a central contact for Deutsche Börse and as a coordinator between the company and Deutsche Börse.

If the Applicant is unable to fulfil its obligations as set out in the Rules for the Regulated Unofficial Market as a result of omissions by the company and orderly trading is therefore no longer ensured, Deutsche Börse may

- impose a contractual penalty of up to EUR 10,000 on the Applicant for each instance of infringement. In determining the amount of the contractual penalty, the gravity of the Applicant's failure to carry out its duties and the order book turnover in the relevant shares will be taken into account in particular.
- revoke the securities' inclusion in the segment of the Open Market (Entry Standard) at the Applicant's request. The securities' inclusion in the Open Market remains unaffected by this provided the relevant requirements have been fulfilled. As a result, the security remains tradable. This measure takes effect six weeks after publication.
- suspend trading in the securities until orderly trading is once again ensured.
- cancel the securities' inclusion in the Open Market, thereby putting a stop to trading. The securities can then only be bought and sold over the counter. This measure takes effect three months after publication.

- publish the decision with respect to imposing a contractual penalty and revoking the inclusion of the shares in the Open Market or in the Entry Standard on Deutsche Börse's website, giving reasons and naming the Applicant.

The Applicant also vouches with its reputation for the seriousness of the companies introduced to the market and that it will fulfil its obligations.

### **What exactly is the difference between the obligation to publish Ad Hoc disclosures and the duty to publish information that applies in the Entry Standard?**

The obligation to publish ad hoc disclosures in accordance with section 15 of the WpHG only applies to companies that are listed on or included in EU-regulated markets. The Open Market is not a regulated market, which is why, from a legal perspective, the companies included in the Open Market are unable to make Ad Hoc disclosures. In order to ensure orderly trading on the Open Market and to meet investors' information needs, companies (monitored by their respective Applicant) are required to inform the market of material developments relating to the company or of facts which could affect the share price. This information – provided in keeping with the obligations which apply on the Open Market – must be disclosed to Deutsche Börse immediately so that orderly exchange trading can be ensured. In the Entry Standard segment of the Open Market, ensuring orderly trading involves immediate publication on the company's website.





## Target groups

### **At which investor target group is the Entry Standard intended?**

As the Entry Standard requires companies to make few disclosures, the information available to investors on which to base their investment decisions may be correspondingly more limited.

Investors must be aware that there is less information available and a higher level of risk. Therefore, only informed, risk-aware groups of investors and qualified investors within the meaning of section 2 no. 6 of the WpPG (legal entities and individuals) should feel that the Entry Standard is aimed at them.

### **At which companies is the Entry Standard aimed?**

The Entry Standard is open to all companies seeking to have their shares traded efficiently while meeting few formal requirements. It is a particularly attractive option for young growth companies and established small and medium-sized companies. Private equity and venture capital investors can use it as an exit channel. There is no specific industry focus.

### **Are there any minimum requirements for company size?**

No. Trading participants and the Deutsche Börse Listing Partners make recommendations based on an assessment that orderly trading in the shares is ensured.

### **What advantages does the Entry Standard offer companies?**

There are a number of advantages to listing in the Entry Standard: Shares are included in trading quickly and easily. Companies are therefore able to make use of the stock market's core functions as a trading platform and price discovery mechanism while, at the same time, increasing their visibility among risk-aware investors.



The cost of inclusion in the Entry Standard is significantly lower than for obtaining a listing on an EU-regulated market, as a result of the lower level of regulation.

The advantages at a glance:

- Quick and cost-effective access to the capital market.
- Few formal requirements.
- Low continuing transparency requirements.
- Use of the stock market as a trading platform and price discovery mechanism.
- Increased visibility among risk-aware investors for companies from all sectors.
- Efficient trading (using both floor trading / Xetra).
- Companies can prepare to move up to the EU-regulated General Standard and Prime Standard markets.
- Support by around 300 registered trading participants (Applicants) and around 70 Deutsche Börse Listing Partners.
- Deutsche Börse's capital market services.
- One-stop access to all capital market functions at the only fully integrated exchange organization worldwide.

### **What are the inclusion and listing fees?**

Open Market: €750 one-off fee for including shares in trading.

Entry Standard (in addition to the Open Market fee): one-off fee for including shares in trading of €0 if a prospectus is issued or €750 if an exposé is issued; €5,000 annual fee for the listing.

### **Are there any minimum requirements for company age?**

No, but companies are required to file audited consolidated financial statements for the year as an "Aktiengesellschaft" (German stock corporation). They must therefore have existed in the legal form of a German stock corporation since at least the end of the previous financial year.



## Motivation

### Is the Entry Standard the new “Neuer Markt”?

No. The idea behind the Entry Standard is to provide a market with few formal requirements that allows companies to include their shares in exchange trading easily, quickly and cost-effectively.

The Open Market and its Entry Standard segment offer an alternative to EU-regulated markets such as the General Standard and Prime Standard.

Market access through the Entry Standard is an option open to all companies as it is not focused on particular industries.

The Entry Standard complements Deutsche Börse’s equity market offering, which now consists of three points of access to the market based on different transparency levels: Entry Standard, General Standard and Prime Standard.

### How does the Entry Standard differ from the Neuer Markt as a concept?

The Entry Standard is not at all similar to the Neuer Markt and pursues a different goal:

- No industry focus and no focus on only fast-growing technology companies.
- Less regulation and lower transparency requirements.
- Requirements placed on companies are monitored by the Applicant.
- Companies are required to enlist the help and support of a Deutsche Börse Listing Partner (this is especially important for companies with little experience of the capital markets).
- The Entry Standard permits private placements (the Neuer Markt only permitted public offerings with a prospectus).

### Are the Open Market and the Entry Standard Deutsche Börse’s answer to AIM, Alternext and M:access?

By offering the Entry Standard, Deutsche Börse is meeting the need for German points of access to the capital market that offer an alternative to the EU-



regulated, organized markets (in Germany, the General Standard and Prime Standard).

In particular, it is Deutsche Börse's intention that the Open Market at the Frankfurt Stock Exchange should be positioned internationally and marketed more intensively. The Open Market is already the largest market segment in Europe: around 4,200 bonds, around 52,000 warrants and certificates and the shares of more than 5,900 German and international companies are traded there. As part of its international positioning, Deutsche Börse will market the Regulated Unofficial Market internationally under the name "Open Market" from 25 October. The Regulated Unofficial Market of the Frankfurt Stock Exchange is based on the minimum requirements for trading in securities and is regulated by the Exchange. The segment is gaining increasing importance as a listing platform for small and medium-sized companies seeking an alternative method of entry to the stock market with low regulatory requirements and costs.

Positioned alongside the General Standard and Prime Standard, the Entry Standard completes Deutsche Börse's offering of market access for companies. It is an alternative platform for small and medium-sized businesses and private equity/venture capital-financed companies. The Entry Standard is aimed primarily at qualified investors within the meaning of section 2 no. 6 of the WpPG, who are able to assess and accept any increased risks associated with investing in these companies' shares.

The Open Market and the Entry Standard are therefore comparable to the AIM and Alternext markets with respect to their regulatory basis and their function in the economy as entry-level segments for stock exchange trading.

### **Are there tax advantages for companies and investors?**

No, the tax regulations generally in force apply. Similar to other exchange regulated markets, such as AIM, smaller companies already benefiting from preferable fiscal treatment can continue to do so when their shares are included in the Entry Standard.

### **How does the Entry Standard differ from AIM and Alternext?**

- What they have in common  
All the platforms are positioned as alternative means of accessing the



capital market to the main markets (EU-regulated markets). Supervision is the responsibility of listing sponsors, nominated advisers (nomads), or Applicants (Frankfurt Stock Exchange trading participants); the focus is on share trading, there is little regulation, the target groups (companies) are open; no industry focus.

- How it differs from AIM  
No tax advantages.  
Higher level of liquidity on established market models (floor trading and fully electronic trading on Xetra).
- How it differs from Alternext  
No requirements as regards size and age  
(only five listing sponsors, as opposed to 303 Frankfurt Stock Exchange members).

### **What advantages do the Open Market and Entry Standard offer over M:access?**

- Market access with differing, consistent transparency levels and issuer services

With the Entry Standard, Deutsche Börse is offering a point of entry to the capital market with the opportunity to move up to the EU-regulated General Standard and Prime Standard markets.

Deutsche Börse is the market leader in the German primary market (IPOs in Germany, share of the volume of German shares traded).

Deutsche Börse offers a wide range of helpful services for companies aspiring to join the stock market and those companies that are already listed.

- Liquidity and global reach  
Worldwide access to investors and trading participants through the Xetra network (important for internationally-oriented Entry Standard companies).  
Liquidity support via an established designated sponsor model.
- Professional expertise in the capital markets

Broad-based support for issuers at Deutsche Börse from over 70 Deutsche Börse Listing Partners.

- Visibility on the Entry Standard and a showcase index.
- Investor attention is focused.

### **Where can I get information on the Entry Standard?**

- [www.deutsche-boerse.com](http://www.deutsche-boerse.com) -> Listing.
- Brochures
- From Deutsche Börse Listing Partners and Applicants.
- Deutsche Börse Issuer Relations (Hotline: (+49) (0)69 – 211 18888, e-mail: [issuer-relations@deutsche-boerse.com](mailto:issuer-relations@deutsche-boerse.com)).



## Open Market

### Can companies now only be admitted to the Open Market via the Entry Standard?

No, companies can continue to be admitted to the Open Market, too.

### What will happen to the Open Market?

It will continue to exist – it has more than 5,900 shares from 67 countries, more than 4,200 bonds and more than 52,000 warrants and certificates. The name Open Market will be used in future, especially in marketing it internationally.

### What are the arguments in favour of admission to the Open Market?

- Quick and cost-effective access to the capital market.
- Few formal requirements.
- Use of the stock market as a trading platform and price discovery mechanism.
- Efficient trading (specialist model for floor trading/open order book for electronic Xetra trading).
- Opportunity to move up to Entry Standard or the EU-regulated General Standard and Prime Standard markets.
- One-stop access to all capital market functions at the only fully integrated exchange organization worldwide.

### At which companies is the Entry Standard aimed?

At all companies, but especially fast-growing young companies and established small and medium-sized ones. Private equity investors and venture capitalists can use it as an exit channel.

### At which companies is the Open Market aimed?

In particular at international companies and issuers of warrants, certificates and bonds.