

## 3. Equity

### 3.1 The IPO Journey

#### 3.1.0. The Road to Equity trading

Last updated: September 16, 2022

The process for a first admission to trading of shares (generally known by the English acronym “IPO” or Initial Public Offering) requires some preparation. The level of demand and planning required for an IPO depends on a number of factors relating to the issuer itself, such as the stage of development its Company is at, its corporate governance model and internal organisation, the transaction itself – such as the characteristics and format of the offer that precedes the admission to trading (“the Offer”), the admission market, and also the type of presentation document that needs to be prepared to make available to investors or additional information that the Company wishes to make available.

The Offer and/or Listing presentation document can be a Prospectus drafted in accordance with the EU legislation (“EU Prospectus”) or an Information Document (“Information Document”) and aim to support investors in making an informed decision on whether to invest in the Company's shares. Accordingly, it is necessary to ensure sufficient transparency and protection to the potential investors.

The preparation of an Offer addressed to the general public (“Public Offer”) that has as a presentation document an EU Prospectus is, on one hand, more challenging than it would otherwise be for an Offer that only requires the disclosure of an Information Document, but, on the other hand, the former allows to reach easily more investors and higher liquidity.

Drafting a Prospectus may be more demanding but not necessarily a burden: the Prospectus is subject to approval by the CMVM (or “Regulator”), which provides, from the beginning, the proper support to potential new issuers. The CMVM adopts agile, simplified and timely review and approval procedures as part of its market development objective.

An EU Prospectus may benefit of a higher level of confidence from the investors.

In certain circumstances the preparation of an EU Prospectus is a mandatory requirement for the Offer. The main characteristics that determine the need to prepare and disclose a Prospectus are:

The market segment of the listing: listing on a regulated market requires a Prospectus, while listing on a Multilateral Trading Facility (“MTF”) does not require one;

The target investors: offers directed to the general public require a Prospectus, while offers directed to Institutional Investors do not;

The size of the Offer: in Portugal, offers up to €8 million are exempted from the obligation to have a Prospectus.

If only an Information Document is required, the IPO process may be simplified, given the information that needs to be disclosed (when compared to a Prospectus) is less detailed, with the aim to reach a balance between simplifying access to finance for SMEs and protecting investors.

Recommended reading: 3.1.1.2.3. Prospectus and 3.1.2.2.2. Information document (further information on the presentation documents).

## Market segment

You may choose to list your shares on a regulated market or on an MTF.

If you choose to list your shares on a regulated market you will have to prepare a Prospectus. If you choose an MTF, you might not need to prepare this document dependent on the type and size of Offer you pursue.

The regulated market has the higher level of eligibility criteria and more demanding ongoing requirements upon listing, given that is the segment that provides more liquidity and may attract more interest from investors. It should be noted that beyond the enhanced visibility provided by regulated markets, some Institutional Investors have investment policies that require them to invest in regulated markets exclusively.

Alternatively, the MTF segments have lower levels of eligibility criteria and less onerous ongoing requirements upon listing but may provide lower liquidity.

Recommended reading: 3.1.1.1.2. Eligibility Criteria (information on the eligibility criteria for each segment and section), and 5.2. Ongoing Regulatory Requirements (requirements for each segment).

## Targeted investors

You may choose to offer your shares to the general public (i.e. by pursuing a Public Offer) and/or to Institutional Investors (i.e. by pursuing a Private Placement). A Public Offer reaches a wider pool of investors and enhances the Company's image and credibility but may require a longer and more demanding preparation. Alternatively, a Private Placement will be commonly faster and agile but may result in lower visibility and liquidity.

Besides the exceptions that will be presented next, if you choose to pursue a Public Offer you will have to prepare a Prospectus. If you choose to pursue a Private Placement and a regulated market is chosen for listing you will also have to prepare a Prospectus, but simpler and more concise. Finally, in case of a Private Placement and listing in MTF you only need to prepare an Information Document.

## Offer size and structure

The Portuguese and European legislation provide exemptions for the need to prepare and disclose a Prospectus for Public Offers.

A Prospectus will not be required for a Public Offer if any of the following applies:

The Offer has total consideration in the European Union lower than € 8 000 000, calculated over a period of 12 months;

The Offer is addressed to fewer than 150 Retail Investors;

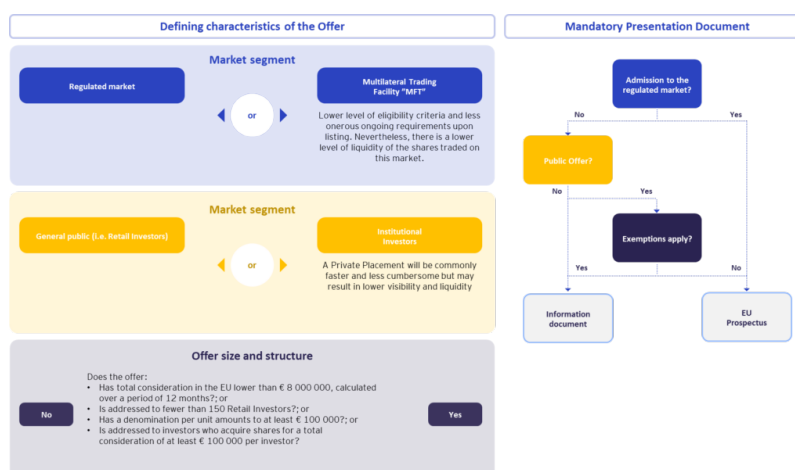
The Offer has a denomination per unit amounts to at least € 100 000;

The Offer is addressed to investors who acquire shares for a total consideration of at least € 100 000 per investor.

SMEs and other companies meeting some criteria, may choose to draw up EU Growth Prospectus, a more simplified and concise Prospectus.

Recommended reading: 3.1.1.2.3. Prospectus.

Considering the referred elements, these are the different assumptions according to which a prospectus may or may not be required:



The section '3.1.1. Full Scope IPO Process (IPO with Prospectus)' explains the typical IPO process and its main steps in case a Prospectus is required. In Section '3.1.2. Simplified Scope IPO Process (IPO without Prospectus)' we will present the main differences of the Offering process when no Prospectus is required and show potential Issuers the path for the admission of the shares to trading on an MTF.

### 3.1.1. Full Scope IPO Process (IPO with Prospectus)

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If the admission to trading of your Company's shares takes place on a regulated market and/or if the IPO takes place through a Public Offer, the Company needs to prepare and disclose an EU Prospectus (unless any of the exemptions referred apply). This section aims to present to potential issuers the roadmap to follow in those situations.

**Usually, the IPO process is developed in 3 phases, namely Planning, Preparation & Review, and Offering & Placement:**

#### IPO & Listing

#### Planning

#### Preparation & Review

#### Offering & Placement

The IPO planning should lay the framework for a successful IPO. In order to ascertain that an IPO is the optimal choice (and if so, what is the best format for an Offer), Companies should diligently analyse and rank all available funding alternatives.

In this phase, it's common to do the following steps:

Examine strategic alternatives and conduct a health check, preferably an IPO Readiness Assessment;  
Consider the Eligibility Criteria for the available trading markets and determine the most appropriate market segment;

Select the key advisors who can help you throughout the issuance process.

It is advisable to hire advisors to perform and assist some of the tasks, such as due diligence and regulatory requirements (filings and documents), adaptation of the financial information if required.

Main steps in this phase are typically the following:

Create a strong external IPO team (bankers, attorneys, auditors, and other advisors) and set a calendar for the IPO;

Conduct a Due Diligence;

Drafting of the Prospectus;

Engagement with the Regulator (for the approval of the Prospectus) and with the Market Operator (for the filing of the Listing Application);

Develop the Marketing and Communication Plan.

This phase is key not only for the success of the IPO but also for the Company's relationship with Investors, as this is a period in which the Company will have a high level of exposure and Investors' attention is highly focused.

The main steps in this last phase are as follows:

Publicise the Offer to the public and collect subscription orders through financial institutions;

When a Private Placement directed to Institutional Investors is carried out, promote Management Roadshows to attract the right investors, and collect subscription intentions;

Allocation of shares to investors and settlement of the Offer.

Once you are knowledgeable about which steps you need to take and with the support of experienced IPO advisors to assist you throughout the process, your Company should be able to carry out the IPO process with greater ease. In this Section, a detailed description of the 3 phases of the IPO process is presented. Post-Listing processes are dealt with in Section "5. Life as a company with securities admitted to trading".

A comprehensive timeline detailing main events during the process is presented here.

### 3.1.1.1. Planning

Last updated: September 23, 2022

Your company is on the rise, and to reach your full potential, you consider an IPO as your next step. But is your Company prepared to operate effectively as a public company?

Successful IPO candidates will begin the transformation process well in advance. Companies that outperformed the market after an IPO often start planning to begin functioning like a public Company typically 6 to 12 months before finalizing the process of going public.

The length of this period (which, in certain cases, can even be shorter) depends on several aspects, in particular, the stage of the Company's development, the governance and internal organization it has already in place. That is also very important on the long run, considering sustainability of the company and its business model.

to any specific caption).

## IPO Structure and main features

as a public company.

## Eligibility

### criteria

To access the stock market, companies must meet a number of preliminary requirements for admission to listing and

## Appointment of advisors

The process of going public, through an IPO, requires close collaboration with financial advisors, legal advisors, auditor, among others. Knowing the roles that the several advisors play and the right questions to ask them will help in selecting the best IPO team.

### 3.1.1.1.1. IPO Structure and main features

#### 3.1.1.1.1.1. STRATEGIC OPTIONS

*After considering and evaluating the alternatives, does an IPO come up as the right strategy to achieve your goals?*

Even if an IPO is the final goal and your favored approach to raise capital, you should consider other financing options that could serve as attractive alternatives to a public listing in terms of shareholder and corporate goals.

A detailed evaluation of the suitability and viability of M&A, a private equity investment or other alternative transactions should always be considered when assessing whether to pursue an IPO. These alternatives and a comparative analysis between them are available in section '2.1. How can your company finance its funding needs?'.

With all the possible alternatives for raising capital, you'll need a clear understanding of what's required, how long the process will take, how much it'll cost, and if routes will need to be performed simultaneously.

### **What are the different ways of listing?**

As a rule, the admission to trading of the shares is preceded by an offer for subscription of shares, carried out through a Public Offering and/or through a Private Placement.

While the former is addressed to all investors, opening to the public the possibility to subscribe the Company's shares prior to their admission to trading, the Private Placement is addressed to a selected group of investors and institutions and negotiated in a confidential manner, this being a private alternative to raise capital.

A possible consequence of Private Placements is the lower liquidity of the shares because they remain in the ownership of a restricted number of investors.

#### **TIP**

1. In the same Offer, the Company/its shareholders may decide to offer both newly issued shares and pre-existing shares. This way you may assure the funding required for the business, as well as liquidity for the existing shareholders (as well as reducing the concentration of risk of their individual assets).

2. The Company may undertake both a Public Offering and a Private Placement simultaneously. This approach enables the Company to benefit from both formats, namely from the increased exposure of the Public Offering and the attraction of reference Institutional Investors arising from the Private Placement. For further information please see sections 3.1.1.3.3.1. Investors targeted by the Offering, 3.1.1.3.2. Pricing and 3.1.1.3.4. Allocation of shares.

When the eligibility criteria to be admitted to trading are fulfilled, notably in what regards the level of free float of the Company's shares, (please refer to section '3.1.1.2. Eligibility Criteria'), the Company may opt to apply for a direct listing.

With a direct listing, the Company shares are simply made available for trading on the Stock Exchange (without an IPO or a private placement being carried out).

### **3.1.1.1.2. IPO READINESS ASSESSMENT**

By taking a disciplined approach to the planning of the offering and listing process, companies may save time and money while also reducing risks. Companies should become aware of the obligations that applies as a public company before, during and after an IPO. Going public requires Management's readiness and commitment to consider the existing shareholders, new potential investors as well as the market expectations when implementing the Company's strategy.

Prior to any IPO, it is recommended that the Company's management, with the help of specialized advisors, conducts an assessment to preemptively maximize the probability of a smooth and successful transaction.

#### **Are you prepared?**

Once you've made the decision to take your business public, you'll need to plan out all the actions involved. Preparing and planning ahead of time are essential and cannot be overstated. To be ready to begin implementation when the IPO window of opportunity opens, changes to the business, organization, and corporate culture may be required..

#### **What is the scope and process of the IPO Readiness Assessment?**

An IPO Readiness Assessment is intended to assist your Company in successfully transitioning from a private to a public corporation. The existing shareholders and the Company's management will want to understand more what it takes to thrive in the capital markets.

It typically starts with a reflection covering all areas specific to the IPO case: strategy, structures, taxes, financials, internal systems and functions, leadership, and the planned timeline.

In this process, your Company should identify and discuss the gaps between its current status and IPO target ready status, the strategic funding considerations, develop a target structure and an IPO base case in line with its objectives, define the strategy, work streams and a road map. Your Company should also estimate the timelines and the resources required to fill the gaps and achieve IPO readiness.

This assessment may include discussions on the following matters:





## Pre-IPO enhancement

### Have you evaluated which pre-IPO transactions could enhance the offering's value?

Most companies undertook pre-IPO strategic transactions, which are powerful tools for accelerating the development of the business.

A successful M&A track record may enhance your ability to achieve critical mass. If a Company can demonstrate that a joint venture partnership or acquisition has already been completed, it adds credibility to a Company's growth plans.

Some of the inherent benefits of pre-IPO deals would have been to strengthen the business, increase revenues, add scale or size to the Company, enhance growth by expanding into new markets. These actions can enhance the Company's credibility with potential investors and the market (e.g. including analysts).

## IPO destination

### Have you chosen the right stock exchange and listing option?

You will be able to determine the regulatory standards that your Company will have to satisfy after choosing the stock exchange and the listing segment. Your Company's internal structures must be reviewed and prepared for the applicable regulations in the run-up to going public. These actions are necessary to preserve a listed Company's profile and fulfill investors and regulatory obligations. The determination of an acceptable capital market strategy and the development of internal capital market competences are critical steps in this phase.

Global IPO trends show that the majority of Companies list on their domestic stock exchanges, although they may sell shares abroad, simultaneously or exclusively.

It is therefore recommended that the Company develops a destination assessment to support a structured way to assess these factors, from different IPO stakeholder perspectives. Considerations in the decision of where to list may cover:

The strategic fit regarding new stakeholders

Prestige of the marketplace

Investor base and attention

The liquidity of the stock exchange

The level of regulatory requirements

Speed of approval process

Initial flotation and ongoing post-IPO costs

## IPO alternative strategy

### Do you have an alternative financing strategy to execute instead of an IPO?

Even after the preparation is complete, it is still not possible to ensure that the equity market circumstances will be optimal.

Given capital markets volatility and unpredictability (because there are no certainties about the future – e.g., interest rates, economic growth), in case a phase of decreasing prices of the Companies and/or investors' interest, it may be advisable to hold off the IPO until the markets improve. It is also critical that you have the flexibility to implement alternative financing options in the event that the IPO does not proceed on schedule and needs to be postponed.

### How can you prepare and run a multitrack process?

Many of preparation processes that apply to an IPO will also be useful for alternative equity funding sources as both have a very high correlation when it comes to value drivers.

Considering that the various financing pathways are, significantly, complementary, a dual or multitrack method can be implemented without necessarily increasing the costs of the preparation process in a significant manner. The preparation of a document on the positioning of the company as an attractive investment, detailing the successes and milestones achieved (hereinafter "equity story"), is the first component shared by alternative equity funding sources.

Any investor, whether strategic, financial, or retail, will want to know why they should, or should not, invest their money into your Company. The financial information to be disclosed will be a second common component for any equity funding process. You should be able to provide reliable financial information that gives potential investors a clear view on the Company's historical financial performance and future financial prospects. The Company may greatly expand its strategic alternatives and negotiation power while lowering execution risk by diversifying its strategy and having multiple funding alternatives.

## IPO internal project resourcing

### Is the management team experienced?

Building a strong team begins at the top, with the right executive team with the correct incentives in place well before the IPO. Data shows that when evaluating a new offering, the quality of management was the most important non-financial criteria for the great majority of Institutional Investors.

Investors frequently state that they back individuals rather than plans, hence, before the IPO, the correct management team must be in place.

Your internal IPO project management team must be able to collaborate effectively and have the necessary expertise, abilities, and incentives to successfully complete the IPO transaction and run a public business.

## Corporate governance

### Has your Company a robust corporate governance that inspire stakeholder confidence?

Finding, appointing, and grooming a qualified board of directors takes time and effort. Your Company will need to implement best-practice corporate governance rules and reporting practices that safeguard the interests of the Company's stakeholders.

Corporate governance policies that safeguard stakeholders interests are critical for the success of any Company. This will entail collaborating with your legal counsel on all aspects of Company governance and, adherence to regulatory requirements.

A good and sustainable corporate governance policies, including an adequate balance of qualified and diverse Board members, a strong supervision body, and transparency of related-party transactions, is critical and increasingly required by stakeholders from all companies, not only from listed companies.

### What are the most challenging corporate governance topics your Company needs to address in the IPO process?

Adjustments to the Management and Supervisory Boards structure and composition may often be part of the IPO. Investors expect your Company to have a balance of qualified executive and non-executive directors, preferentially with an adequate number of independent directors, with a good mix of skills and gender diversity as well as qualified experts to carry out effective supervisory roles. Further, for the regulated market, specific requirements in terms of independence of the governing bodies members must be mandatorily met as explained in section 3.1.1.2.1.2. Adapt corporate governance structure and internal compliance functions.

It is advisable that the structure and composition of the Company's bodies is considered at an early stage, considering that recruitment processes may take time and recruiting experienced independent Board members can be time consuming.

The Board(s) internal regulations should also be carefully considered.

Companies should design a management remuneration system which is sensible and resilient enough to endure public scrutiny. The compensation structure should enhance the Company's profitability while also rewarding managers who achieve their objectives, including non-financial goals, that are necessary for the Company's long-term sustainability. Further, for the regulated market, specific requirements in terms of the remuneration of the governing bodies members must be mandatorily met as explained in section 3.1.1.2.1.2. Adapt corporate governance structure and internal compliance functions.

Amendments to existing or implementing new incentive plans based on key drivers and measures for increasing shareholder value, while aligned with environmental, social and governance key performance indicators may be considered, being also an important part to help ensuring retention of existing key personnel. An employee stock option plan may be a particularly appealing aspect of the Company's executive compensation package.

For more detailed information, please refer to section 3.1.1.2.1.2. Adapt corporate governance structure and internal compliance functions.

## Tax Considerations

### Why does tax planning need to be a priority throughout the IPO process?

Each Company undergoing an IPO will have distinct needs and goals when it comes to building its new legal and tax structure. Although there is no one-size-fits-all approach, there are a few essential areas that all businesses should address. In particular, it is highly advisable to investigate the tax feasibility of the desired IPO structure under the law, to mitigate tax contingencies early on and avoid unwanted surprises.

Additionally, the Company must be prepared to provide tax documents and the information needed to identify tax risks and contingencies. If material tax risks are identified during a tax due diligence, these will most likely have to be included in the Prospectus.

Tax issues may influence the structure of an IPO and, in many cases, the way commercial agreements are undertaken.

Often, corporate reorganizations intended to simplify or optimize the present corporate structure (such as spin-offs of businesses), or other actions to prepare the firm for the IPO will be necessary (for example changes to or increases in share capital). Such reorganizations or adjustments must be carefully evaluated since they may have major tax implications for the Company or its shareholders and they may take time to implement, thus, they must be identified early in the process to guarantee that they can be completed before the IPO.

In addition, to assure the Company's incentive plans will have the desired outcome, their tax implication should also be assessed.

## Finance function

### Look at your Company's finance organization through the lens of the public markets

The process of becoming listed often requires a considerable shift in the focus of the finance function. There is a need for additional external reporting and disclosure of financial information, as well as the possibility of changing accounting reporting requirements.

Thus, the structure of the finance function is a priority. Accounting standards used to publish financial statements, frequency of reporting, e.g., half-year reporting, timeliness of financial close, new and expanded financial disclosures to investors and analysts are all possible areas of change.

The following things should be considered as the firm builds a plan to begin its IPO journey and overcome the challenges:

Does your finance team have the balance and diversity of skills required?

Are accounting procedures and policies documented and properly disseminated?

Is the public disclosure aligned with the way management runs the Company and the equity story?

Have auditor independence matters been fixed? Have audit timetables and procedures been implemented to align with the initial offering timeline and information that have to be disclosed?

## Internal controls

### Have financial, accounting, operational and IT processes, systems and controls been reassessed?

Continuous and broad testing of internal control systems has become a way of life for public companies. An effective risk-taking culture can only thrive within a solid framework of cost-effective internal controls.

Financial analysis and reporting are made easier by adaptable IT systems. IT will be crucial in assisting your Company in swiftly capturing, organizing, and analyzing key business information, allowing for speedy financial analysis and reporting. The current IT environment and infrastructure should be evaluated to see if they are in line with the Company's business goals. Because high-growth businesses are always changing, your information systems must be able to support an environment that encourages adaptation, creativity, and cooperation in a fast moving and changing environment.

Additionally, enhancing internal controls can help you meet changing accounting, tax, legal and procedural requirements deemed necessary. Historically, the top two reported internal control deficiencies contributing to a material weakness were related to the competency and training of accounting resources and inadequate accounting documentation, policy or procedures. Dealing with such significant accounting issues early is a critical success factor to an IPO.

## Risk Management and compliance

## How should your Company reassess its risk management?

As the listing process inevitably creates new stakeholders to the Company, it is recommended that prior to the listing process the Company performs a thorough assessment of the risk and compliance implications that correspond to the expectations of its new stakeholders, such as the regulator, investors and analysts. Risk and compliance management practices that are effective can greatly lessen the risks of any surprises which should start at the top of the management team, reason why it is so important to consider adequate independent non-executive directors.

This risk assessment should be a continuous, systematic process for identifying and evaluating any potential future occurrences — whether within the Company or in the external environment — that could have an impact on the organization's capacity to achieve its goals. The organization's capabilities that are key for effective risk management are:

Manage market expectations (both positive and negative);

Establish realistic and medium and long-term financial objectives;

Predict/forecast and respond to regulatory developments as well as commercial risks in a timely and effective manner.

Furthermore, just as essential as the quality of the Company's corporate governance, including its response to compliance concerns, is the management's ability to explain the Company's risk management policies and practices.

A common practice is to carry out a comparison between the risk mitigation measures of your Company and the ones that listed companies in the same industry have in place.

Regarding the need to make these risk assessment processes more regular and continuous, it is worth to mention that most industries' market leaders are commonly the companies with the most developed risk management practices.

## Maintenance of control

### Does an IPO affect the current shareholders control?

Existing Shareholders (pre-IPO) don't need to renounce to the Company's control to take the Company public. Even in the case shareholders consider selling more than 50% of the share capital of the Company (which is not required when listing the company), there are still measures that may maintain their controlling position over the Company.

The following options, among others, may help current shareholders maintaining the control:

## Plural voting shares

Listed Companies and Companies that wish to list their shares are allowed to issue shares with special plural voting rights, up to a limit of 5 votes per share. This is perhaps the most appropriate solution for Companies whose shareholders are concerned about losing control with the disposal of more than 50% of the Company's share capital, without the risks associated with non-voting preferred shares.

## Non-voting preferred shares

Companies may issue shares that do not have voting rights, but grant special rights, namely a priority dividend. Non-voting preferred shares allow capturing financing without changing the controlling shareholder structure of the company. However, they carry an increased risk in their use, since if the priority dividend is not paid in full during two consecutive fiscal years, these shares will grant their holders voting rights on the same terms as ordinary shares.

### TIP

Experience shows that “best in class” companies that go through an IPO process, usually implement internal processes that are “public company alike” before going through the offering process, e.g. putting in place adequate reporting systems and governance structures.

This exercise highlights areas that may need attention and enable the company to mitigate risks in the early stages of the process.



### 3.1.1.1.2. Eligibility criteria

You should have to consider the eligibility criteria of the markets your Company is considering listing its shares.

While most of the eligibility criteria for admission to listing on a regulated market are common to all regulated markets operated in the European Union, Stock Market Operators have more flexibility to define, in their respective rules, the eligibility criteria of each MTF operated by them.

Companies may list their shares directly on the regulated market or, in certain cases, start their path by an admission to trading on an MTF and, at a later stage, when they are at a more developed stage, request the admission to trading on a regulated market.

If your Company chooses to request the admission to trading on a Portuguese regulated market or MTFs, the requirements for admission on each market are shown below:

Legend	
	Obligations derived from Portuguese and UE legislation enforced by CMVM
	Obligations derived from Euronext rules enforced by Euronext

## Issuer

	MTFs			Regulated Market
	Euronext Access	Euronext Access+	Euronext Growth	Euronext
<b>Form of the Company</b>	Only companies that have adopted the form of a public limited Company (SA), are allowed to have their shares listed on the stock exchange.			
<b>Company's incorporation</b>	Shall be incorporated and validly operate according to its respective national law			
<b>Company's economic and financial position</b>	n.a.		Shall demonstrate that its economic and financial position is adequate considering the nature of securities to be listed and the respective market	
<b>Company's operations</b>	n.a.	n.a.	n.a.	Shall be operationally in business for at least three years, except with CMVM's authorization
<b>Company's Board of Directors</b>	n.a.			Members of the Board of Directors must have satisfactory expertise regarding the Rules and applicable laws and regulations
<b>Market Capitalisation</b>	n.a.	n.a.	n.a.	≥ €1 million (When not available for calculation, the Company's equity ≥ €1 million)

## Offered shares



	MTFs			Regulated Market
	Euronext Access	Euronext Access+	Euronext Growth	Euronext
<b>General</b>	The shares have been validly issued and that their contents and forms of representation are according to the respective applicable legislation; listed shares are freely negotiable and transferable			
<b>Free Float (dispersion of shares amongst the public)</b>	Not applicable	€1m	€25m	>25% market cap or >5% market cap if at least €5m
<b>Share issue value</b>	≥ par value (nominal value of a single common share as set by a corporation's charter) (in the case of shares without par value, ≥ issue value)			

## Offer process

	MTFs			Regulated Market
	Euronext Access	Euronext Access+	Euronext Growth	Euronext
<b>Intermediary accredited by Euronext</b>	Listing Sponsor			Listing Agent
<b>Presentation Document</b>	Public Offer => €8m: EU Prospectus Public Offer below these amounts or for an admission through Private Placement or Direct Listing: Information Document			EU Prospectus (simpler and more concise if no Public Offer)

## Financial information

	MTFs			Regulated Market
	Euronext Access	Euronext Access+	Euronext Growth	Euronext
<b>Company's financial statements</b>	2 years  (if relevant, and no requirement for audited accounts)	2 years  (incl. audited annual accounts of the last financial year)	2 years  (audited annual accounts, unless the fiscal year ended more than 9 months before the admission to trading date - interim accounts)	The Company shall disclose its audited annual accounts and financial reports for the 3 years prior applying for admission (or 2 for SMEs), except with CMVM's authorization
<b>Accounting Standards</b>	IFRS or local GAAP			IFRS

### 3.1.1.1.3. Appointment of advisors

#### Do you know who to ask for assistance?

Besides the Company's management, advisors will typically have a crucial role in the IPO process, by assisting with preparation of the documentation for the IPO, ensuring that all the eligibility criteria is fulfilled, managing the marketing and sale of the Company's shares and dedicating time to the analysis on how to "position" the Company to achieve a successful offering. Therefore, an experienced and motivated team will increase the likelihood of an orderly and professional offering process and a positive reception from investors.

#### What factors should companies consider when selecting advisors?

#### Track Record

Has the advisor been involved in successful IPO processes? Does the (legal) advisor have a deep knowledge and practical experience in capital markets operations and law enforcement?

### **Reputation and Experience**

Can the advisor provide specific advice and research on the industry? Does the advisor have strong relationships with investors from the Company's sector? Is the advisor considered credible in capital markets?

### **Analyst Coverage**

Do financial analysts (research) know the sector of activity and comparable companies (national and international)?

### **Distribution Strength**

Does the advisor have strong distribution channels with retail and institutional investors? How effective is its retail sales force and its institutional sales force? Does the advisor act at regional, national or international level?

### **Commitment to the Company**

Will the advisor give priority to the Company's IPO process?

## Aftermarket Support

Will the advisor continue to advise the Company as a public company and, when applicable, present it to potential investors?

The Company must dialogue with potential advisor candidates to measure how well they understand both the capital markets environment, the Company and its respective industry, and the aspects that investors will focus on in deciding whether to invest.

### TIP

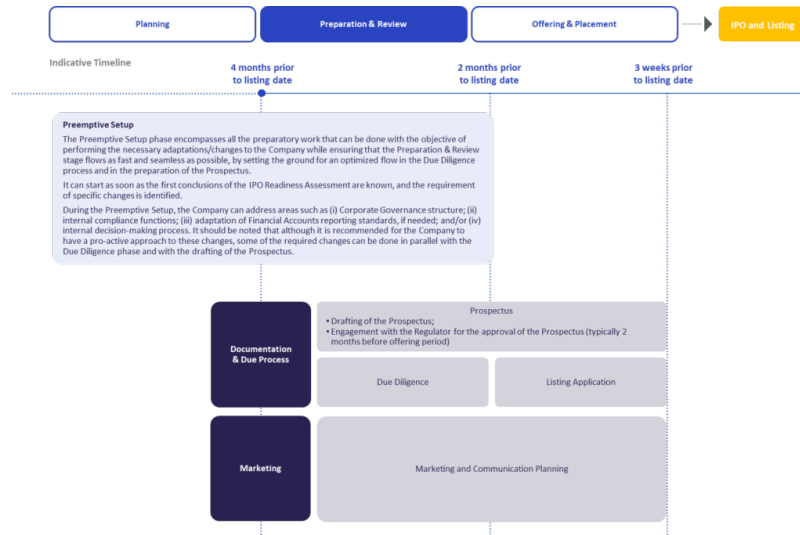
Advisors will certainly not want to commit significant time and resources if they are not confident that the offering will be successfully completed. The number of the advisors approached depends partly on the attractiveness of your offering. If it is large and likely to attract larger firms, you may decide to approach three or four financial advisors. It is important, though, to inform potential advisors that you are approaching others.

## 3.1.1.2 Preparation

Last updated: September 22, 2022

The preparation phase may take between 6 to 3 months before finalizing the process of going public. The length of this period depends on several aspects, in particular, the stage of the Company's development, the governance and internal organization it has already in place.

What are the necessary preparation steps you need to take?



Preemptive setup

Due Diligence

Prospectus

Listing application

Marketing and Communication Planning

Early-look meetings with investors

Meetings with Equity Research Analysts

### 3.1.1.2.1. Preemptive setup

#### 3.1.1.2.1.1. KICK-OFF MEETING

Once all members of the IPO team have been selected, the kick-off meeting brings them together to agree on:

Their roles and responsibilities;

The offering's nature and structure, namely, whether it will be made through the issuance of new shares or also comprises a sale of existing shares; will be comprise a public offering and/or also a private placement or will target investors resident in Portugal or abroad and in which jurisdictions;

Coordination of responsibilities for drafting sections of the Prospectus;

The timetable for the whole process.

#### 3.1.1.2.1.2. ADAPT CORPORATE GOVERNANCE STRUCTURE AND INTERNAL COMPLIANCE FUNCTIONS

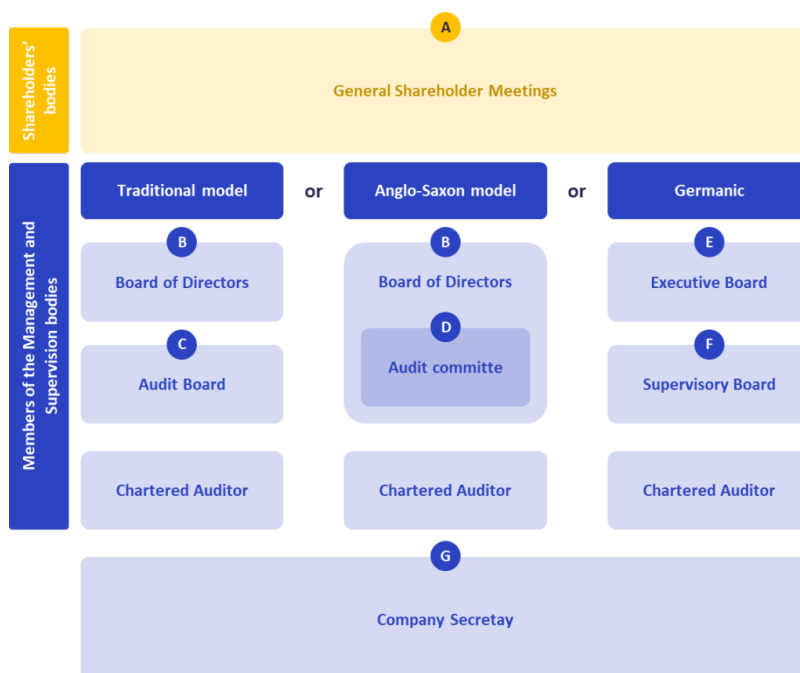
**How efficient, compliant and accountable is your Company?**

##### Legal form of the Company

It has to be a public limited Company (in Portugal designated as "Sociedade Anónima" or "S.A."). If this is not case, your Company will have to change its legal form before the IPO.

##### Corporate Governance structure

Companies with shares admitted to trading on the stock market may adopt any of the 3 types of management and supervision structure for public limited companies. Any of the structures is admissible and on the Portuguese market there are listed companies with the various modalities.



Further information on the corporate governance requirements applicable to Companies with shares admitted to trading on a regulated market is presented upon mouse click of the boxes below.

Many of these corporate governance requirements are not specific for Companies with shares admitted to trading on a regulated market as they also apply to Companies with a large dimension\*.

\*Companies, that according to their last annual or consolidated accounts, meet at least two of the following three criteria for two consecutive years:

an average headcount over 250;

total assets recorded in the Balance Sheet exceed €20m;

annual net turnover exceeds €40m.

## A. General Shareholder Meetings

A	General Meetings	
Table of the General Meeting	Members of the table of the General meeting of Companies with shares admitted to trading on a regulated market must be independent. To be independent, a member must not be associated with any specific interest group of the company or being under any circumstances likely to affect his exemption from analysis or decision. In particular, a member cannot (a) hold or act on behalf of holders of a qualifying holding equal to or greater than 2% of the Company's share capital; and (b) has been re-elected for more than two terms, continuously or interspersed.	
Shareholders' General Meetings	The General Meetings of <u>Companies with shares</u> admitted to trading on a regulated market must be convened at least 21 days prior to the meeting (instead of one month for companies not listed). Specific information items must be included in the convening notice and made available for shareholders consultation together with the convening notice.	

## B. Board of Directors

B	Board of Directors	
Guarantee	The <u>liability of the directors of</u> Companies with shares admitted to trading on a regulated market shall be guaranteed by one of the forms accepted by law, in an amount no lower than €250k.	

## C. Audit Board

C Audit Board	
Composition	The Audit Board of Companies with shares admitted to trading on a regulated market must be composed by a majority of independent* members and must include, at least, one member who has a university degree appropriate to the performance of his/her duties and knowledge of auditing or accounting and who is independent. The president must be independent.
Guarantee	The liability of the members of the Audit Board of Companies with shares admitted to trading on a regulated market shall be guaranteed by one of the forms accepted by law, in an amount no lower than €250k.
Competency	The Chartered Auditor or the Audit Board of Companies with shares admitted to trading on a regulated market, must certify whether the report on corporate governance structure and practices disclosed includes the necessary elements. For more information on this subject see Chapter 5. Life as a company with securities admitted to trading.

\*To be independent, the members must not be associated with any specific interest group of the Company or be under any circumstances likely to affect their exemption from analysis or decision. Particularly, to assure their independence, members cannot (i) hold or act on behalf of holders of a holding equal to or greater than 2% of the Company's share capital; and (ii) have been re-elected for more than two terms, continuously or interspersed.

## D. Audit Committee

D Audit committee	
Composition	The Audit Committee of Companies with shares admitted to trading on a regulated market must be composed by a majority of independent members and must include, at least, one member who has a university degree appropriate to the performance of his/her duties and knowledge of auditing or accounting and who is independent*. The president must be independent.
Competency	The Audit Committee of Companies with shares admitted to trading on a regulated market, must certify whether the report on corporate governance structure and practices disclosed includes the necessary elements. For more information on this subject see Chapter 5. Life as a company with securities admitted to trading.

\*To be independent, the members must not be associated with any specific interest group of the Company or be under any circumstances likely to affect their exemption from analysis or decision. Particularly, to assure their independence, members cannot (i) hold or act on behalf of holders of a holding equal to or greater than 2% of the Company's share capital; and (ii) have been re-elected for more than two terms, continuously or interspersed.



## E. Executive Board of Directors

E	Executive Board of Directors
Guarantee	The liability of the executive directors of Companies with shares admitted to trading on a regulated market shall be guaranteed by one of the forms accepted by law, in an amount no lower than €250k.

## F. Supervisory Board

F	Supervisory Board
Composition	The Supervisory Board of Companies with shares admitted to trading on a regulated market must be composed by a majority of <b>independent</b> members and must include, at least, one member who has a university degree appropriate to the performance of his/her duties and knowledge of auditing or accounting and who is independent*. The president of the supervisory board must be independent.
Guarantee	The liability of the members of the Supervisory Board of Companies with shares admitted to trading on a regulated market shall be guaranteed by one of the forms accepted by law, in an amount no lower than €250k.
Competency	The Supervisory Board of Companies with shares admitted to trading on a regulated market must certify whether the report on corporate governance structure and practices disclosed includes the necessary elements. For more information on this subject see Chapter 5. Life as a company with securities admitted to trading.
Committees of the and Supervisory Board	The Supervisory Board of Companies with shares admitted to trading on a regulated market must set up a committee for financial matters composed by a majority of independent members.

\*To be independent, the members must not be associated with any specific interest group of the Company or be under any circumstances likely to affect their exemption from analysis or decision. Particularly, to assure their independence,

members cannot (i) hold or act on behalf of holders of a holding equal to or greater than 2% of the Company's share capital; and (ii) have been re-elected for more than two terms, continuously or interspersed.

## G. Company Secretary

G	Company Secretary
Appointment	Companies with shares admitted to trading on a regulated market must appoint a Secretary and an alternate to exercise the competences foreseen in the law. The Secretary should be a person with a university degree appropriate to the performance of his/her role or a solicitor and may not carry out this role in more than seven companies (except if included in the same group of companies).

Companies with shares admitted to trading on a regulated market may also have to adapt their organizational structure and functioning to assure the existing legal requirements regarding:

### Balanced representation between women and men on the management and supervisory bodies

The proportion of members of each gender newly appointed to the management and supervisory bodies should not be less than 33,3%. This threshold must be met in relation to all directors, executive and non-executive, comprising the management bodies for listed companies.

Listed Companies are also required to drawn up and disclose on their websites an annual plan in order to achieve effective and equal gender treatment and opportunities, promoting the elimination of discrimination on the grounds of gender and fostering conciliation between personal, family and professional life.

## Remuneration of the members of the Board and supervisory bodies

Companies with shares admitted to trading on a regulated market, should remunerate the members of the management and supervisory bodies in accordance with a remuneration policy.

The remuneration committee or, when no such committee has been appointed, the Board of Directors, submit a remuneration policy proposal for the approval of the General Shareholders Meeting, at least every four years or whenever a material change occurs in the current remuneration policy.

The remuneration policy needs to be clear and understandable and should:

Explain how it contributes to the Company's business strategy, to its long-term interests and to its sustainability;

Explain how the employment and remuneration conditions of the Company's employees were taken into account when the policy was established

Describe the different components of fixed and variable remuneration;

Explain all bonuses and other benefits, regardless of their form, which may be granted, and indicate the respective proportion;

Indicate the duration of the contracts or agreements with the Directors, applicable notice periods, termination clauses and payments related to termination;

Indication of the main characteristics of the supplementary pension or early retirement schemes.

Additionally, Portuguese Companies with shares admitted to trading on a regulated market include a report on corporate governance structure and practices in their Annual Accounts. The existing Corporate Governance Code is part of a self-regulatory approach based on the "comply or explain" principle, according to which companies are expected to follow the Code's recommendations but have the possibility to deviate from one or more of these recommendations, in some specific circumstances, provided that they set out in their corporate governance report, the circumstances, or reasons for this deviating practice.

Some of these rules and recommendations require companies to make choices that can or should be made explicit in their articles of association. Additionally, new processes/systems may need to be set up to follow those recommendations.

Recommended reading: 5. Life as a company with securities admitted to trading.

### Articles of association review

To request admission of shares to trade on the stock exchange, both regulated market and multilateral trading facilities “MTFs”, your Company may need to revise the articles of association to accommodate adaptations to corporate governance, to remove any statutory limits on share transferability and to consider other statutory changes such as foreseeing:

Different categories of shares (ordinary shares and preferred shares without voting rights or shares with plural voting rights).

Rules in accordance with the best market practices, such as to identify, manage and mitigate conflicts of interest or to regulating transactions with related parties.

Rules conferring greater flexibility to the decision-making process, namely to the financing of the Company, such as granting power to the management body to decide on capital increases.

### Review of internal functioning and organization

Your Company should also anticipate the rules applicable to listed companies to allocate the necessary resources and put in place the internal compliance functions, processes and systems necessary to guarantee the compliance with those rules.

Recommended reading: 5. Life as a company with securities admitted to trading.

### 3.1.1.2.1.3. ADAPT FINANCIAL ACCOUNTS, IF NECESSARY

Depending on the market your Company wishes to list its shares, different rules on accounting standards apply.

For example, a listed Company on a regulated market, such as Euronext Lisbon, is required to report financial accounts in compliance with the accounting standards accepted at European level, corresponding to IAS/IFRS or accounting standards considered equivalent to IFRS by the European Commission.

The Company will therefore have to consider the requirements and costs related to adoption of these accounting standards. You might require assistance for converting national accounting standards into IFRS from certified accountants, although the recent trend has been a gradual convergence between the requirements. Although IFRS can be more complex, it presents the advantage of comparability with companies at European level, which promotes Company notoriety towards international and Institutional Investors. Hence, if you need to convert your accounts you can easily be assisted by a professional and this conversion will enable you to benefit from the advantages stated.

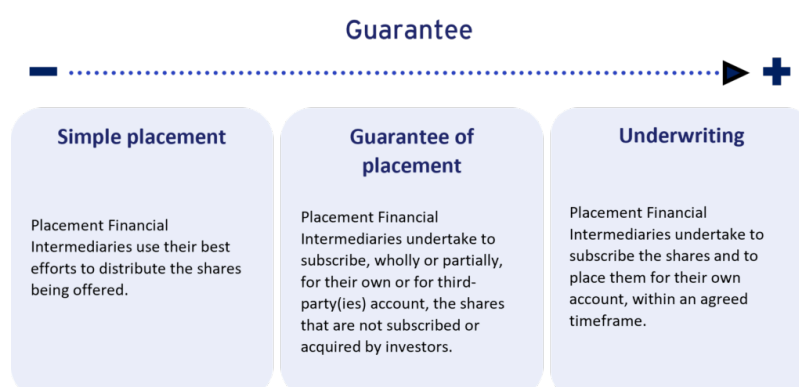
Differently, a Company listed on Euronext Growth and Euronext Access has the choice of reporting its accounts in accordance with IFRS, or accounting standards considered equivalent to IFRS by the European Commission, or with the accounting standards applicable in Portugal (i.e. SNC).

### 3.1.1.2.1.4. NEGOTIATION AGREEMENTS WITH ADVISORS AND PLACEMENT FINANCIAL INTERMEDIARIES

At the beginning of the IPO journey the Company's management meets with potential IPO partners that may be appointed to support the IPO process and the Company on the life after becoming listed. Negotiations of the agreements with the selected financial and legal advisors and the auditors could extend over this period.

Moreover, your Company may appoint one or more Placement Financial Intermediaries that will be in charge for the distribution of the offered shares and will negotiate and enter with such Placement Financial Intermediary(ies) a placement agreement to regulate the terms and conditions of the distribution services.

Please check below for further information on the different types of placement agreements.



The negotiation of a placement agreement should be start early in the IPO preparation phase. Signing must occur prior to the approval of the Prospectus by the Regulator in case of a public offer.

#### **3.1.1.2.1.5. INTERNAL DECISION-MAKING PROCESS**

The decision to go public and related decisions during the IPO journey require the prior approval of corporate resolutions, such as:

Appointment of the Company's advisors

Decision to submit the listing application

Decision to increase the share capital

Decision of allocation of shares to the public offering and/or to the Private Placement

Pricing Decision

The Board of Directors is generally responsible for the entire IPO process and for the approval of the corporate decisions, except the share capital increase that requires the approval of the General Meeting (unless the Board is entitled by the Company's by-laws to do so).

#### **3.1.1.2.1.6. ENGAGEMENT WITH THE REGULATOR, THE STOCK EXCHANGE AND THE CENTRAL SECURITIES DEPOSITORY**

The applications for the Prospectus approval by the Regulator (in Portugal, the CMVM), for the listing approval by the Stock Market Operator (in Portugal, Euronext Lisbon) as well as for the registration of the Company's shares with the Central Securities Depository (in Portugal, Euronext Securities Porto) should be filed with a set of legal and financial documents set out in the applicable laws and regulations.

It is recommended that the Company, and its advisors, engage with these entities (Regulator, Stock Market Operator and Central Securities Depository) in an early stage of the IPO journey for a smooth and timely approval procedure.

### **3.1.1.2.2. Due Diligence**

A due diligence process is desirable to be performed, including scrutiny of the Company's financial, commercial, legal, accounting, tax and other affairs. This due diligence is conducted by the Company with the assistance of legal counsels.

This process is intended to provide deep knowledge of the Company, allowing it to correct any issue before the offering of its shares and supporting it with strengthening of its business and corporate governance practices, as well as ensuring that the required information about the Company will be disclosed in the Prospectus (for further information see the below section '3.1.1.2.3. Prospectus'). Throughout the IPO process, additional due diligence sessions may be planned at each key milestone to ensure that the information disclosed is up to date.

#### **Why should a Due Diligence be performed in the context of an IPO?**

The purpose of conducting a Due Diligence process in the context of an IPO is to:

Ensure that any risks and/or contingencies (both reputational or economically) that were identified in the Due Diligence process are addressed/mitigated before the Offer;

Select/identify the information that must be part of the Prospectus, to give the reader an accurate view of the potential investment, without misleading or deceptive statements or omissions;

Test the assurance and accuracy of the information that will be included in the Prospectus. As a best practice, all information included in the Prospectus should be tied to a source document that was duly analysed during the Due Diligence and confirmed by the management of the Company and its external advisers (legal, accounting and any others as appropriate).

### 3.1.1.2.3. Prospectus

If you decide to proceed with a Public Offering of shares addressed to the general public and/or apply for the admission of the offered shares to a regulated market you will have to prepare and disclose to the public a Prospectus approved by the Regulator, drafted in accordance with the EU Prospectus Regulation.

A Prospectus will not be required for a Public Offer if:

Its total consideration is lower than € 8 000 000, or

Each share has a denomination of, at least, € 100 000.

The Prospectus is a legal document, which provides to potential investors and other stakeholders (e.g. analysts) all relevant information that may affect the investment decision. The Prospectus includes legal, financial (both historical and prospective financial information) and commercial information with content adapted to the Company's profile and shares.

This document enables investors to clearly assess the Company's patrimony, financial situation, results, and prospects. The Prospectus must be complete, understandable, and consistent. Once approved by the Regulator, it will be published prior to the offer of the shares or admission to trading.

The Prospectus may be drafted as a single document or as separate documents, dividing the required into:

## Summary\*

The summary should be drawn up in a standardised format and in a concise manner, using simple language to make it easier to understand.

The summary should contain i) key information regarding the risks of the Issuer and the shares that are being offered, ii) the offer's terms and conditions and the reasons for the offer and the allocation of revenues.

\*The summary may not be required.

## Registration Document

Document presenting the Issuer, its sector and business activities, including risk factors, assets and liabilities, accounting and financial information, management and corporate governance, among others. It contains information that will subsequently be shared with investors and analysts, ensuring fair and equal diffusion to all parties.

## Equities Note

Document prepared by the Company and its advisors, defining the main terms of the transaction and information on the shares to be offered and/or subject to the request for admission to trading, including the number of shares to be issued, the price range, a timetable for the subscription period, and the use of proceeds.

### What is an EU Growth Prospectus?

Considering the specificities of the different types of securities, issuers, offers and admissions, the EU Prospectus Regulation foresees different types of Prospectus, such as the EU Growth Prospectus. This is a simplified Prospectus for certain Companies, with limited number of pages and less information, reducing the administrative burden of the process and associated costs, making it easier for these companies to access the capital markets. The EU Growth Prospectus may be used regardless of the market segment in which the IPO will take place.



## In what context can a company choose to draw up an EU Growth Prospectus?

Companies which comply with the guidelines below can opt for the simplified EU Growth Prospectus, provided that they do not have shares admitted to trading on a regulated market:

Companies which can be classified as SMEs, i.e. according to their last annual or consolidated accounts, they meet at least two of the following three criteria:

- an average headcount under 250;
- total assets recorded in the Balance Sheet do not exceed €43m;
- annual net turnover does not exceed €50m.

Companies, other than SMEs, whose shares are traded or are to be traded on an SME growth market, provided that those companies had an average market capitalisation of less than €500m on the basis of end-year quotes for the three calendar years prior.

Companies, with the exception of those referred to above, whose shares total consideration in the EU does not exceed €20m calculated over a period of 12 months, and provided that such companies have no shares traded on an MTF and have an average number of employees during the previous financial year which does not exceed 499.

### What is EU passporting of Prospectus?

As EU Prospectus rules are similar in all Member States, once a Prospectus has been approved in one EU member state, it is valid throughout the EU (passport for the prospectus). This represents an important simplification for Companies since it allows Companies to launch offers or admit to trading instruments in several EU countries, resorting to the same Prospectus, provided that the Company requests the Regulator approving the Prospectus to send it (passport) to the Regulators of the relevant Member States.

### What is CMVM's approach?

CMVM recognizes that streamlining the conditions for issuers to access financing through capital markets, together with ensuring high quality standards for information to be provided to investors, generate mutual trust and are a key element for the development of the Portuguese capital markets..

In the context of public offers or admission to trading processes, CMVM assumes as a priority the commitment with specific approval dates and the agility in the times of analysis of prospectus, recognizing the importance of calendars' predictability as an essential condition for the smooth running of operations.

## Predictability & Timeline

- Interactions and approval according to a calendar previously agreed with the issuer;
- Clear comments and understandings (in writing) – focus on the crucial information for investors;
- Quick reactions to drafts (commitment and track record [\[link\]](#)).

CMVM assumes the Issuer's commitment to complete reactions, for the benefit of the procedure.

## Availability & Agility

- Kick off meeting (if requested) before preparing and submitting the prospectus and additional meetings (as needed);
- Credible and responsive process, coupled with timely informal interactions.

### Prospectus process

#### 1. Preparation of the Document

The Prospectus must include complete, true, updated, clear, objective and lawful information regarding, for example:

The description of the Company, including its business overview and strategy;

Governance structure;

The economic and financial position of the Company;

The characteristics of the offer, the corresponding obligations and the associated rights;

If intended by the Company (not mandatory), the prospect may include estimates regarding operating and financial activities and prospective financial information for the Company.

CMVM is available to clarify any queries during the drafting procedure of the Prospectus.

#### What information needs to be included in the Prospectus?

## Business Description

The Prospectus provides a history of the business going back to its founding, with a timeline of key-events across time, containing details about the company's foundation and strategy.

The Company's main economic activities are also described in the Prospectus, informing potential investors about the goods and services it offers, as well as any recent changes to its business model.

## Risk Factors

The Prospectus must disclose all material risk factors that may affect the Company and its shares. These risk factors are usually identified during the Due Diligence process that is carried out as part of the preparation of the transaction.

## Issuer's financial data

The Prospectus must include the Annual Accounts for the last three, or two, financial years, depends on the chosen market (newly incorporated Companies will only have to report the periods since incorporation).

All historical financial information must be audited and certified by a Chartered Accountant. Additionally, in

case there is a material change (usually a transaction), additional financial information must be disclosed, namely, on how that event affected the financial position of the Company.

## Deal Structure

A summary of the issuer's present capital structure and how the new issuance will influence it may be provided if the issuer is an established business that has previously issued securities. For instance, investors may be curious about the company's debt level in order to understand how their investment would affect the structure and the projected rate of return.

## Management Profile

The presentation of the executive management of the firm is also included in the Prospectus. It describes the management team's background, training, and credentials that make them a suitable match for the business. Investors require confirmation that the company's management are qualified to protect their capital.

## Profit forecast

Although not mandatory, it is usually recommended (in some cases, it may even be mandatory if the estimate has already been disclosed) to include in the Prospectus, as this is relevant information for

investors, prospective financial information in the form of a profit forecast.

## Tax information

The Prospectus must include a warning that the tax laws of the investor's Member State and the Issuer's Member State of incorporation may affect the income received on the shares.

Additionally, the Prospectus shall include proper information in the case that the proposed investment originates a special tax regime, as for example in the case of equity investments which give investors favorable tax treatment.

## Offer price and intended use of the proceeds

It is allowed not to mention, in the prospectus, the final offer price and/or the final number of shares offered to the public, provided that:

- The Prospectus discloses the criteria, and/or the conditions applicable in the determining the offer price and quantity of shares or, the maximum price and amount of shares to be offered; or
- Acquisitions or subscriptions may be withdrawn for a period of no less than two working days following disclosure of the final offer price and the amount of shares offered.

As soon as the final offer price and the final number of shares offered are determined, they must be notified to the CMVM and disclosed.

Since the issuance of financial instruments aims to mobilize capital to, for example, finance a large Company's investment (e.g. expand its operations to other geographies, acquire technology, produce a new product line), the Prospectus is required to include considerations about the intended use of the

proceeds of the operation.

### Language

Public Offers' Prospectuses in Portugal are generally drafted in Portuguese, although it is very common to be drafted in English, with a Portuguese version of the Summary, if necessary.

## 2. Submission and request for approval

Companies should meet, early in the process, with the Regulator to present the main features of the offering and to agree on an indicative timetable for the Prospectus approval procedure. These interactions are extremely important to ensure a smooth procedure and to agree on the calendar for informal and updated versions of the draft Prospectus to be submitted to the CMVM as explained above in "What is CMVM approach?".

## What is the timing for the Prospectus approval?

Preliminary calendars are usually agreed upon with the CMVM so that the Company has some idea of when it can expect the competent authority to approve the Prospectus. The timing between the submission of the first draft and final approval (thus including intermediate versions, review from CMVM of each version and other interactions) may take around 4 weeks.

CMVM has disclosed and will periodically continue to disclose the timeline of its reactions in the context of prospectus approval procedures, aligned with its public commitment with fast, predictable, and transparent procedure, ensuring that the in-depth revision process takes into account the companies financing needs and market opportunities.

Below you can find data on the average timeline for CMVM reaction to the multiple versions of Prospectus supplements and securitization transactions:

	Average reaction times Working days		
	2019	2020	2021
<b>Total average time of reaction to 1st versions of Prospectus/supplements</b>	<b>4</b>	<b>5.6</b>	<b>4.6</b>
Total average time of reaction to subsequent versions	2.5	2.4	2
Prospectus of Public Distribution Offers (all versions)	2.1	2.6	2.5
Base Prospectuses (all versions)	2.3	3.9	2.3
Admission Prospectus (all versions)	1.8	3.2	3.6
Supplements (all versions)	1.1	2.5	0.6
Securitisation transactions	-	-	3.5

### 3. Review

The CMVM conducts a thorough review to verify the adequacy of the Prospectus with the legal requirements relating to its content and form, particularly by examining the completeness, comprehensibility and consistency of the content, and to ensure that the Prospectus contains all the information needed for investors to make an informed decision.

This review period starts when a first draft of the Prospectus is presented. Afterwards, through an interactive and streamlined process, the Prospectus is revised and a final version is submitted for CMVM's approval, in accordance with the calendar and the Company's needs..

### 4. Approval

The approval of the Prospectus implies the verification of the completeness, coherence and understandability of the information contained in the Prospectus. The CMVM will ensure that all the information contained in the Prospectus meets the minimum requirements to ensure that investors are able to make informed decisions about the Company's shares.

Once the CMVM grants final approval, the prospectus is published on the CMVMC website. All approved Prospects are disclosed on CMVM's website, which allows you to check examples before you start preparing the Prospectus.

## 5. Publication

Once approved, the Prospectus must be made available to the public at a reasonable time in advance of, and at the latest at the beginning of, the offer to the public or the admission to trading of the shares involved. Check the button below to find out where the Prospectus must be published.

### Where must the Prospectus be published?

The Prospectus must be made available to the public in electronic form on any of the following websites:

- a)** the website of the Issuer, the offeror or the person asking for admission to trading on a regulated market;
- b)** the website of the Placement Financial Intermediaries placing or selling the shares, including paying agents;
- c)** the website of the Stock Market Operator where the admission to trading is pursued;
- d)** the website of the Regulator who has approved the Prospectus.

The Prospectus must be published on a dedicated section of the Company's website which is easily accessible to the public. It must be downloadable, printable and in searchable electronic format that cannot be modified.

#### Validity

The Prospectus for a Public Offering for distribution remains valid for a 12-month period from the date of its approval by the CMVM, and provided the Prospectus is updated, accordingly with any supplements that may be required.

#### Supplements

It may occur that in the time between the approval of the Prospectus and the time when trading on a regulated market begins it occurs, or is detected, a new event, a material mistake, or a material inaccuracy relating to the information included in a Prospectus, which may affect the valuation of the shares.



In these cases, the Company must issue a supplement to the Prospectus with the relevant information and request approval of the document from CMVM. The supplement approval process takes into account the fact that it arises at the specific time where CMVM's fast reaction is of utmost importance to mitigate the potential disruption of such event. Therefore, supplements are approved very quickly after the emergence of a triggering event, allowing investors who have already presented subscription orders the right to withdraw them.

Investors who accepted the offer prior to the disclosure of the supplement have the right to withdraw their acceptance within not less than three working days following the disclosure of the supplement, provided that the significant new factor, material mistake or material inaccuracy arose or was noted before the closing of the offer period. That period may be extended by the Company. The final date to exercise the right of withdrawal must be stated in the supplement.

### 3.1.1.2.4. Listing application

In order for a Company's shares to be admitted to trading, a request for the listing of the shares must be submitted to the Stock Market Operator. In Portugal, the operator is Euronext Lisbon, who will verify compliance with the general requirements for admission to trading.

Recommended reading: 3.1.1.1.2. Eligibility Criteria.

In case of listing in Portuguese markets, to kick-off the admission to trading process, the Company first meets with Euronext Lisbon to present the listing project and agree on the respective timetable.

The Company must appoint a Listing Agent (Euronext Lisbon) and a Listing Sponsor (Euronext Growth and Euronext Access) who will assist and guide the Company with the admission to trading and also help the Company to prepare the application form and all the documentation that must be submitted to Euronext Lisbon.

At the same time as the proceedings above, the Company needs to register its shares with the Portuguese Centralised System of Registration of Securities managed by Euronext Securities Porto.

#### Decision

Euronext will decide on the application for admission to listing within a maximum period of 30 trading days (1 month for Euronext Growth and Euronext Access) after receiving the required documentation, unless agreed otherwise by the applicant Company and Euronext Lisbon.

In the event of a Public Offering of shares, the admission to trading shall become effective only after the assessment of results and settlement of the offering.

### 3.1.1.2.5. Marketing and Communication Planning

*Marketing and Communication strategy throughout the IPO process is crucial as it enables the Company to manage investor relations, generate interest and mitigate perceived uncertainty.*

In the context of an IPO, it is of paramount importance that the Company, with the assistance of its advisors, diligently defines how to present and promote the offer to potential investors.

While the Prospectus is being drafted, a marketing strategy is designed to create investor interest and momentum. The Company and its advisors draw up a presentation to use in meetings with investors and equity research analysts, which includes exclusively contents presented in the Prospectus but in a more focused manner and directed to the target investors of such meetings.

The core marketing documents, such as the slideshow, the IPO website, press releases and other communication materials, may all be adjusted throughout the preparation phase of the IPO process. Documents comprising advertising content are subject to prior approval by the CMVM.

The marketing strategy has a great impact in managing investor relations; generating interest and mitigating perceived uncertainty.

It should be highlighted that material information provided, directly or indirectly, by the Company to Institutional Investors or special categories of investors, including information disseminated at meetings, as well as information provided to financial analysts shall be disclosed to all investors to whom the offer is addressed.

Until the offer is made public, all the parties involved in its preparation need to:

- Restrict the disclosure of offer related information to the extent necessary to fulfilling the offer's objectives and warn the addressees as to the privileged nature of the information.

- Limit the use of undisclosed information to purposes related to the preparation of the offer.

As from the moment the offer is made public, all the parties involved in releasing information regarding the offer need to:

- Observe and comply with the quality of information principles;

- Ensure the information provided is consistent with the Prospectus;

- Clarify their relationship(s) with the Company or their interest in the offer.

Additionally, when conducting pre-offering marketing activities, all the parties involved in the Offer need to assure the compliance with the EU Market Abuse Regulation ("MAR") in what respects disclosure of inside information the context of a market sounding.

Recommended reading: 5. Life as a company with securities admitted to trading.

### 3.1.1.2.6. Early-look meetings with investors

It may be necessary, considering the offer structure, to prepare the Company's Management for any meetings with investors (either internally or through a communication agency or other advisors).

These one-on-one confidential early-look meetings between Management and targeted investors aim to introduce the Company, explain its business model, measure the initial market sentiment on the Company's equity story, ask for the investors' feedback on several matters, the IPO and the share price, to understand how the market will assess and value the Company, and, most importantly, to measure the adhesion by investors.

These early-look meetings allow an early assessment of the potential success of the IPO. Based on the potential interest noticed at these meetings, which are spread out over time, the Company may adjust its IPO project, and can postpone or even exit the process without a substantial financial commitment at this stage.

If the meetings generate a formal commitment of acceptance of the Offer, this information will appear in the Prospectus.

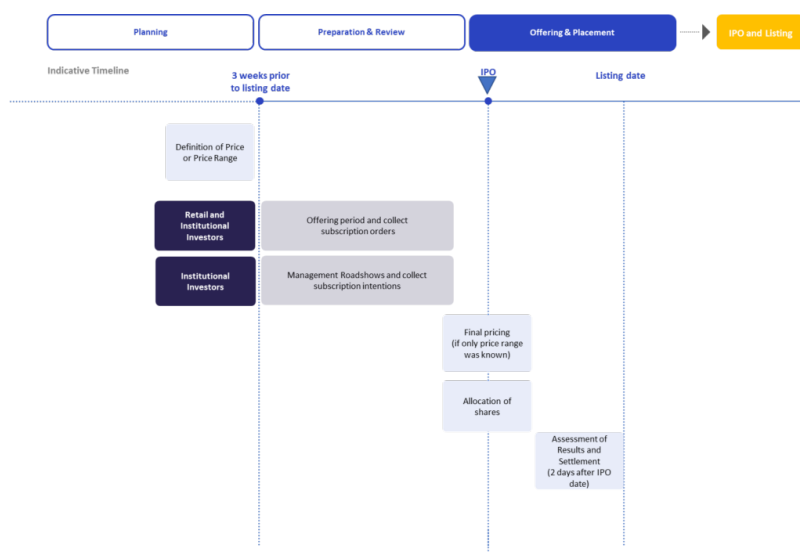
### 3.1.1.2.7. Meetings with Equity Research Analysts

While the Prospectus is being drafted, the Company and its advisors may prepare a management presentation of the Company with equity research analysts to collect additional information. This feedback also allows the advisors to measure market sentiment and subsequently to define, together with the Company's Board, the share price range.

## 3.1.1.3 Offering and placement

Last updated: September 16, 2022

Following the publication of the Prospectus, the public offer period begins and, if a Private Placement is also being held, the order book opens to collect orders from the Institutional Investors. This normally takes between 2 and 3 weeks.



Management Roadshow

Pricing

Placement of the Offering

Allocation of shares

Assessment of Results, Settlement and Listing

### 3.1.1.3.1. Management roadshow

The Management roadshow refers to a series of sales presentations pitched by the Company's Management together with the Financial Advisor(s) and Placement Financial Intermediary(ies) to a wide range of potential Institutional Investors, allowing them to have a closer contact with the Company and, ultimately, to lead them to participate in the IPO.

#### Roadshow Events

Roadshow events are key to the level of participation in an IPO and are held across different locations, at a national and international level, considering the investors they aim to target.

The goal is to present to investors the Company's Management and their strategic vision, the Company's strengths and growth perspectives, and address concerns expressed by investors and analysts during the previous stages.

Topics usually addressed on the roadshow events are the following:

The background and history of the Company;

Information about the Management of the Company;

Strategic Plan;

Business Plan;

Investment Plan;

Historical financial performance analysis;

IPO rationale and intended goals.

Traditionally roadshows are held in a format of live meetings that take place in physical venues, but in the last years it is becoming more and more common to hold part of the roadshow presentations online through online videos and podcasts. At the end of each session there is always a Q&A session where investors' representatives have the freedom to ask general questions about the Company and the IPO process.

### 3.1.1.3.2. Pricing

#### 3.1.1.3.2.1. COMPANY VALUATION

Different techniques are used to determine the fair value of the Company's equity. The main methodologies for valuing the Company are the income approach and the market approach.

The **income approach** determines the value of the Company based on future cash-flows that the business is expected to generate, discounted at a discount rate which represents the opportunity cost of capital, whether using a dividend discount model or a discounted cash flow model.

The **market approach** values the Company based on trading multiples derived from publicly traded companies that are comparable to the Company – **Guideline Public Company Valuation Method\***. Ideally, the guideline comparable public companies selected for analysis compete in the same industry (national or abroad) but when such publicly-traded companies do not exist (or when only a small number of them exist), other companies with similar underlying characteristics. Exact comparability is not required under this method of valuation, although closer comparables are preferred.

\*The Guideline Public Company Valuation Method consists on identifying comparable public companies (peers), adjusting the guideline public company multiples for differences in the size and risk of these companies compared to the Company,

and then applying the adjusted pricing multiples from the representative companies.

No model is more reliable than the other and in some cases the valuation can be performed by considering a combination of different models. Companies are advised to indicate the valuation method(s) used in the Prospectus.

On the basis of this valuation, and also taking into account the market sentiment that was collected in the early looking meetings with investors (and equity research analysts), a fixed price or price range will be determined.

The price range sometimes reflects a discount to the closing price of the shares on the first days of market trading.

### **3.1.1.3.2. PRICE DETERMINATION**

There are two main ways to define the Offer price, namely (i) Fixed Price Method; and (ii) Book Building Method.

If the Fixed Price method is applied, the number of shares to be offered and the Offer price is set out in the Prospectus and thus is known in advance by all agents.

The Book Building method is a price discovery mechanism, in which Institutional Investors (only) are presented with a range of acceptable prices and invited by the Placement Financial Intermediary(ies) to bid for the acquisition of a certain number of shares and state at the price they are willing to pay. The Company considers this information, notably the aggregating of demand as well as the weighted average of the prices proposed, to decide on the final price. The Book Building method is used at Private Placements, in which the level of demand and allocation of shares is discretionary.

When the IPO comprises two separate offers, although interconnected between them: a Public Offer and a Private Placement, the most common practice, in Portugal and in other jurisdictions, is to set a price range for the Public Offer, where investors do not participate in the price-setting process and give orders of acceptance considering that the final offer price may be set in the highest range. Meanwhile, the Book Building method is used for the Private Placement with Institutional Investors. The final price for both is thus obtained through the book building method. The allocation of shares to Institutional Investors in a public offer, if investors' demand exceeds the quantity of shares being offered, shares will be allocated on a pro-rata basis considering the orders transmitted by the Investors under that offer.

The principle of fair and equal treatment of investors applies to all offers, i.e. final offer price must be the same for all investors of the same class.

### **3.1.1.3.3. Placement of the Public Offering**

#### **3.1.1.3.3.1. INVESTORS TARGETED BY THE OFFERING**

The Prospectus must include a clear definition of the breakdown of the offer between investor types.

It is common that the Offering comprises a Public Offering and a Private Placement directed to Institutional Investors, which allows:

Having shareholders with different profiles and investing objectives promotes smooth development of the share price;  
 Enhancing liquidity by having a relevant number of investors trading with different perspectives;  
 Diversifying the investor base, which provides additional guarantees of investors ability to refinance the company.  
 Additionally, in order to promote employee ownership and streamlined incentives between managers, shareholders and stakeholders, the Company may grant their employees, in parallel with the IPO process, the opportunity to subscribe for Company shares.

When no distinction is made between different categories of investors and/or no allotment of shares is reserved for a specific category of investors in a Public Offering, the Company must ensure that the Public Offering is effectively open to all investors on the same terms and conditions without distinction or discrimination and the shares are allocated in an equitable manner.

### **3.1.1.3.3.2. OFFERING PERIOD**

The length of the period is very flexible and varies greatly from one transaction to another.

In many IPOs, the offering period ranges from around 2 to 3 weeks and starts on the day following the publication of the Prospectus (or a few days later). Under certain conditions, depending on the investors' demand and other market conditions, the term of the offer may be extended, subject to CMVM's authorization.

### **3.1.1.3.3.3. ACCEPTANCE OF THE OFFER**

Investors' acceptance of the public offering is done by an order addressed to any financial intermediary legally authorized to render the service of the reception, transmission or execution of orders on third party's behalf.

Such acceptance orders may be revoked up to five days before the end of the offer period, or within a shorter timeframe, whenever stated in the Prospectus.

#### **Opening of the order book**

When a Private Placement offer targeted to Institutional Investors is being carried out (together or not with a Public Offer) and the Book Building method is used for the IPO price definition, the Placement Financial Intermediary(ies) opens the order book and starts receiving preliminary orders from the Institutional Investors. These orders will include the number of shares they wish to acquire and the price they are willing to pay within the pre-defined range.

### **3.1.1.3.3.4. REVISION OF THE OFFER**

Until two days before the end of the public offer period and subject to the CMVM's authorisation, the offeror may review the terms and conditions of the offer, provided they are not less favourable, in global terms, to investors.

#### **What are the effects of the offer revision?**

Revision of the offer may lead to extensions of the respective time periods, decided upon by the CMVM either on its own initiative or at the request of the offeror.

Statements of offer acceptance prior to amendment are considered effective for the modified offer. Nonetheless, the referred acceptance can be revoked.

The amendment should be immediately disclosed by the same means used for the prospectus disclosure.

### **3.1.1.3.5. MODIFICATION, REVOCATION AND WITHDRAWAL OF THE OFFER**

In case of unexpected and substantial change of circumstances, the offeror may modify or revoke the offer, subject to the CMVM's authorisation.

Whenever the CMVM identifies that the offer contains any irreversible illegality or breach of regulation, it will order the offer's withdrawal.

The revocation and the withdrawal of the offer are published by the CMVM, at the offeror's expense, by the same means used to disclose the Prospectus.

The revocation and withdrawal of the offer determines the ineffectiveness of the offer (being returned or unlocked what has already been paid).

### **3.1.1.3.6. OFFER SUSPENSION**

The CMVM will suspend the offer when any reparable illegality or violation of regulation is discovered. The defects that caused suspension need to be corrected in maximum 10 working days. Afterwards, if no correction is made, the CMVM will order the offer's withdrawal.

If the offer is suspended, investors may withdraw their acceptance orders until the fifth day following the suspension.

## **3.1.1.3.4. Allocation of SHARES**

### **General principles**

The shares are allocated to (each class of) investors in accordance with the principle of fair and equal treatment of investors.

The Prospectus should contain information on how the shares will be allocated in the event of oversubscription. As a general rule, the allotment method in the Public Offer should be made on a pro-rata basis, but other methods may be chosen, subject to the CMVM's approval.

### **Over-allotment option**

An overallotment option may be provided in the placement agreement, allowing Placement Financial Intermediary(ies), on behalf of the Company and selling shareholders, to accept orders of acquisition of more shares than the initially set. This option generally lasts for 30 calendar days after the closing of the offer and may not exceed a number of shares representing 15% of the amount of the Public Offering. The possibility of increasing the size of the offer up must be



disclosed to the CMVM and included in the Prospectus.

### 3.1.1.3.5. Assessment of Results, Settlement and Listing

At the end of the offer period, the final number of shares is allocated to the Public Offering and to the Private Placement, if the offering comprises both.

On the following day, the results of the Public Offering are assessed, by a financial intermediary or by the market operator.

The Company must register the share capital increase with the commercial registry office, a formality necessary for the settlement of the offer.

The settlement occurs with the payment to the Company (and selling shareholders if applicable) of the proceeds of the offering vs. the delivery of shares to investors (made through the credit of their shares accounts by the Financial Intermediaries through which the subscription/acquisition orders were processed).

Only after the settlement, the shares will be effectively admitted to trading on the stock market.

## 3.1.2. Simplified Scope IPO Process (IPO without Prospectus)

Last updated: September 16, 2022

This Section was prepared to show potential Issuers that an IPO – with a Public Offering covered by one of the exemptions from preparing and disclosing a Prospectus or with a Private Placement – followed by and admission to trading on an MTF – can be, comparatively, a simple process and potentially requires less changes in the Company.

**The IPO process is developed in 3 phases, the Planning, the Preparation and The Offering and Placement phases, previous to the IPO and Listing on an MTF.**

## IPO &amp; Listing

## Planning

## Preparation &amp; Review

## Offering &amp; Placement

## 3.1.2.1. Planning

Last updated: September 22, 2022

Even though the Company must prepare itself to become a public Company, given the more simplicity of the process and the lower requirements applicable to the admission to trading on an MTF market, the planning phase will mostly focus firstly on assuring the IPO is the best option for obtaining the intended financing and, if so, assuring the Company's shares will generate interest from investors.

Please refer to section '3.1.1.1. Planning' for further information regarding the considerations of the planning phase of an IPO.

## 3.1.2.1.1. Eligibility criteria

When choosing one of the MTFs for admission to trading, there are no requirements regarding:

The time the Company has been operating

The composition of the management and supervision boards

Market capitalization

Additionally, the free float (i.e. dispersion of shares amongst the public) requirements for MTFs are much lower when compared with the regulated market, which facilitates the admission to trading, as well as makes it easier to maintain higher control stakes in the Company.

**Requirements to listing on the MTF's markets operated by Euronext are the following:**

	Euronext Access	Euronext Access+	Euronext Growth
<b>Free Float (dispersion of shares amongst the public)</b>	Not applicable	€1m	€2.5m

Despite the above, Companies must have into account that lower free floats will often imply lower liquidity of the shares. Accordingly, to guarantee investors' appetite for the Company's shares the Offer size (and correspondent free float) must be carefully chosen.

### 3.1.2.1.2. Financial Accounts

When choosing an MTF for the admission to trading, you won't need to adapt your financial accounts to a different accounting standard.

**Requirements to listing on the MTS's markets operated by Euronext are the following:**

	Euronext Access	Euronext Access+	Euronext Growth
<b>Financial Statements (Euronext)</b>	2 years  (if relevant, and no requirement for audited accounts)	2 years  (incl. audited annual accounts of the last financial year)	2 years  (audited annual accounts, unless the fiscal year ended more than 9 months before the admission to trading date - interim accounts)

### 3.1.2.1.3. Appointment of Advisors

When choosing the MTF markets your Company and/or selling shareholders will only need to hire a Listing Sponsor – mandatory for the MTFs operated by Euronext – that will help to navigate the IPO process and assist you with the interactions with the Stock Market Operator.

Nevertheless, advisors may be very helpful and beneficial to assist the Company in the IPO process, develop marketing efforts for the distribution of the shares, including organizing roadshows of the Company's management with investors. The scope of the job of the advisors and, at the limit, the need to hire advisors (other than the Listing Sponsor) will depend on your Company's internal legal and finance capabilities and resources, the size of the offering and the level of marketing efforts required.

Recommended reading: 3.1.1.1.3. Appointment of advisors – information on the considerations that must be made before appointing advisers.

### 3.1.2.2. Preparation

Last updated: September 16, 2022

#### 3.1.2.2.1. Adapt corporate governance structure and internal compliance functions

The Company has to adopt the legal type of a public limited Company (local designation “Sociedade Anónima” or “S.A.”), to be able to execute the IPO.

Differently from the admission to trading on a regulated market, admission to trading on an MTF generally will not demand specific corporate governance requirements. In any case, a review of the Company's articles of association as well as of the Company's internal function and organization is advisable.

Recommended reading: 3.1.1.2.1.2. Adapt corporate governance structure and internal compliance functions.

#### 3.1.2.2.2. Information document

If an MTF is chosen for the listing of the Company's shares, and the offering of shares is preceded by a Private Placement or by a Public Offering that does not require the disclosure of an EU Prospectus, in accordance with one of the exemptions presented in section '3.1.0. The Road to Equity trading', your Company and/or the selling shareholders will only be required to prepare an Information Document which is much concise and less detailed than a Prospectus (see section '3.1.1.2.3. Prospectus').

##### What is an Information Document?

The Information Document is significantly more concise and flexible than a Prospectus, with the aim to reach a balance between simplifying access to finance for SMEs and protecting investors, by ensuring accurate and sufficient information.

The document must be written in comprehensible language with accurate, fair, clear and non-misleading content and must include the necessary information to allow investors to make their investment decisions, such as the Company's assets and liabilities, financial position, profit and losses, and prospects of the Company as well as the shareholders rights.

For Euronext markets, the information contents are specified in Appendix III of the Euronext Growth Rulebook and Appendix IV of the Euronext Access Rulebook.

### Language

As to Euronext MTFs, the Information Document is accepted in English or in Portuguese.

### Approval

The Information Document is approved by Euronext, if an Euronext MTF is chosen for the admission to trading, which will be responsible for reviewing the document's completeness, consistency and comprehensibility.

### Publication

Once approved, the Information Document must be published in accordance with the rules of the Stock Market Operator.

## 3.1.2.2.3. Other preparation considerations

The Due Diligence (see section '3.1.1.2.2. Due Diligence') will, in principle, only be required, in case there is either a formal underwriting of the Company's newly issued shares by one or more Placement Financial Intermediary(ies) or some sort of offering/roadshow to Institutional Investors.

Early engagement of the Company and its advisors with the Stock Market Operator is crucial to discuss the application of the eligibility criteria for listing and of the listing rules, the suitability for listing, identify any issues that require adjustments or clarifications and jointly agree on a timetable for the process of admission to trading.

Recommended reading: 3.1.1.2.4. Listing application.

## 3.1.2.2.4. Marketing

The main difference when compared to an Offer with Prospectus is that in an offer with no Prospectus it will not be required for the Company to get the Regulator's approval for the advertising materials to be used.

Although it is common to have some publicity and promotion of the issue towards investors, including a roadshow directed towards Institutional Investors, it is up to the Company to define how it wants to publicize the issue to the market.

Recommended reading: 3.1.1.2.5. Marketing and Communication Planning; 3.1.1.2.6. Early-look meetings with investors

### 3.1.2.3. Offering and placement

Last updated: September 16, 2022

#### 3.1.2.3.1. Management Roadshow

The Management roadshow refers to a series of sales presentations pitched by the Company's Management together with the Financial Advisor(s) and Placement Financial Intermediary(ies) to a wide range of potential Institutional Investors, allowing them to have a closer contact with the Company and, ultimately, to lead them to participate in the IPO.

The Company, with the goal of attracting a large number of investors, may negotiate the offer directly with a limited number of Institutional Investors already identified, or promote a roadshow.

Recommended reading: 3.1.1.3.1. Management roadshow.

#### 3.1.2.3.2. Pricing

The pricing of an IPO followed by listing on an MTF follows similar principles to those followed by listing on a regulated market, i.e. a Fixed Price Method, Book Building Method (when it involves a private placement) or a Partial Book Building Method (when the issuance encompasses a public offer and a private placement simultaneously).

Recommended reading: 3.1.1.3.2.2. Price determination.

### 3.1.2.3.3. Placement of the Offering

The Information Document and the offer process are not directly subject to the legal rules applicable to Public Offers, being applicable the rules established in the Information Document itself.

From recent practical experience in Portugal, the information documents tend to reflect, in a simplified manner, rules regarding the term and acceptance of the offer, a summary information on the Company, the destination of the proceeds of the offer as well as the risk factors of investing in the shares offered reproducing, in a very summarized manner, the essential contents of a Prospectus, allowing investors to have access to the information necessary to make an investment decision.

The CMVM has no direct supervision over the offer nor the authority to approve the Information Document. . However, the CMVM will become responsible for supervising the Company, the trading of shares, and its distribution to Retail Investors, , once the offer has been completed and the shares are trading on the MTF. Therefore, in order to protect the market and potential investors, it is common that the CMVM is consulted before and during the offering process. Eventually, the Information Document may even be published on the CMVM's website, at the Company's request, although there is no obligation to do so.

### 3.1.2.3.4. Allocation of shares

The allocation of shares to investors in an IPO followed by listing on an MTF also follows similar principles to those of an IPO followed by listing on the regulated market. The shares are allocated to (each class of) investors in accordance with the principle of fair and equal treatment of investors.

Recommended reading: 3.1.1.3.4. Allocation of shares.

### 3.1.2.3.5. Assessment of Results, Settlement and Listing

At the end of the offer period, the results of the offering are assessed by a financial intermediary or by the Stock Market Operator.

The Company must register the share capital increase with the commercial registry office, a formality necessary for the settlement of the offer.

The settlement occurs with the payment to the Company (and potential selling shareholders) of the proceeds of the offering and the issuance and delivery of shares to the investors (made through the credit of their shares accounts by the Placement Financial Intermediary(ies) through which the subscription/acquisition orders were processed).

The shares will only be effectively admitted to trading on the MTF following the settlement of transaction.

### 3.1.3. IPO Costs

Last updated: January 11, 2023

Although it has significant advantages for the Company, the IPO process will involve costs that must be considered.

The total direct cost of the operation varies greatly depending on the size of the fundraising, the market capitalisation of the Company, the context, and the choice of advisors.

The direct costs comprise the fees due to the various advisors, including the Placement Financial Intermediary(ies), the Stock Market Operator and the Regulator, as well as marketing costs (road shows, media publications, etc.).

Furthermore, indirect costs, such as internal structuring and management time dedicated to the IPO process should not be underestimated.

Based on financial information available from Portuguese listed companies, the average total cost of an IPO tends to be within the range of 3% – 7% of the total amount of funds raised.

Typically, the larger the offering, the higher the costs in absolute terms. Nevertheless, in relative terms, usually they represent a much smaller proportion of the value of the offer proceeds compared with small-sized offerings.

**The main direct costs of IPO process (not considering here the marketing costs) are as follows:**

#### 1. Financial advisory and Placement fees

The financial advisory and placement fees are one of the largest fees of an IPO and are negotiated case by case between the parties. The commissions charged depend on the offering size, the type of securities being offered, the nature of the placement/underwriting commitment (if any), the Company's business nature and state of development and the current market condition. Often this commission involves a fixed fee as well as a success fee dependent on the amount raised.



## 2. Other Advisory fees

### Legal advisory fees

Legal fees are costs incurred for the provision of assisting services to the Company in any required internal restructuring, conducting the legal due diligence, preparing/reviewing of all legal documents required for the IPO, including the Prospectus or Information Document, drafting and reviewing of contracts, such as the underwriting agreement (if applicable). Once more, the fees will vary depending on the complexity of the Public Offering, the Company structure, level of restructuring required and documentation necessary.

### Auditing and accounting fees

Auditing and accounting fees are incurred for the audit service of the Company's financial statements required to be included in the Prospectus, the auditors' review of the related documents, and comfort letters to support underwriters. The costs will vary depending on the additional information required to be audited, the nature of the existing accounting issues and whether financial forecasts and pro forma financial statements will be needed.

### Advertising / PR fees

The Company may also hire a PR/IR adviser with experience in guaranteeing appropriate communication with the media and retail investors, who charges fees that may vary depending on the types of investors the Company is looking to attract. These fees may relate to publication and announcements needed for compliance with legal obligations, but can also include a strong advertising campaign across different press and media channels, to attract the largest possible number of potential investors.

## 3. CMVM Fees

The CMVM charges fees for the appraisal of the documentation subject to its approval:

Prospectus in the form of a single document: €10,000, increased by 0.15‰ of the value of the issue and/or sale made, with the collection not exceeding €100,000.

Prospectuses in the form of separate documents:

☐ €5,000 for the registration document for shares and

☐ €1,500 for the securities note, for shares increased by 0.1‰ of the value of the issue, with the collection not exceeding €50,000.

Addendum to the Prospectus, in the value of €1,500;

Publicity for advertising campaigns with up to 4 pieces, in the amount of €1,000, to which an additional €150 is added for each piece and or renewal of the request for approval.

The fixed fees referred above shall be paid upon request for appraisal of the documentation.

## 4. Stock Market Operator fees

The Company that applies for admission to trading of its shares shall be charged fees by the Stock Market Operator according to the conditions of the exchange.

### Admission fees (Euronext)

Euronext charges the following initial admission fees for shares:

Access	Regulated and Growth														
<ul style="list-style-type: none"> <li>A fixed fee of €6,000</li> <li>A variable fee of 0.125% per € of Market capitalisation</li> <li>Maximum fee: €300 000</li> </ul>	<p>A fixed fee of €15 000</p> <p>Following variable fees for each tranche of market capitalisation:</p> <table> <tr> <td>[0 – 50]€ million</td><td>0,066%</td></tr> <tr> <td>[50 – 100]€ million</td><td>0,061%</td></tr> <tr> <td>[100 – 200]€ million</td><td>0,055%</td></tr> <tr> <td>[200 – 500]€ million</td><td>0,044%</td></tr> <tr> <td>[500 – 1000]€ million</td><td>0,033%</td></tr> <tr> <td>[1,000 – 5,000]€ million</td><td>0,022%</td></tr> <tr> <td>[5,000 and above]€ million</td><td>0,011%</td></tr> </table> <p>Maximum fee: €2,500 000</p>	[0 – 50]€ million	0,066%	[50 – 100]€ million	0,061%	[100 – 200]€ million	0,055%	[200 – 500]€ million	0,044%	[500 – 1000]€ million	0,033%	[1,000 – 5,000]€ million	0,022%	[5,000 and above]€ million	0,011%
[0 – 50]€ million	0,066%														
[50 – 100]€ million	0,061%														
[100 – 200]€ million	0,055%														
[200 – 500]€ million	0,044%														
[500 – 1000]€ million	0,033%														
[1,000 – 5,000]€ million	0,022%														
[5,000 and above]€ million	0,011%														

Check more detailed fees charged by Euronext [here](#).

### Registration fee (Euronext Securities Porto)

The fees charged for each registration of securities in the centralized securities system, for each issue or series of securities are:

[1 – 20] registrations/year	€ 264,75
[21 – 100] registrations/year	€ 158,85
[101 - on] registrations/year	€ 52,95

Check more detailed fees charged by Interbolsa [here](#).

## 3.1.1 Full Scope IPO Process

### 3.1.1.1. Planning

Last updated: September 23, 2022

Your company is on the rise, and to reach your full potential, you consider an IPO as your next step. But is your Company prepared to operate effectively as a public company?

Successful IPO candidates will begin the transformation process well in advance. Companies that outperformed the market after an IPO often start planning to begin functioning like a public Company typically 6 to 12 months before finalizing the process of going public.

The length of this period (which, in certain cases, can even be shorter) depends on several aspects, in particular, the stage of the Company's development, the governance and internal organization it has already in place. That is also very important on the long run, considering sustainability of the company and its business model.

to any specific caption)

### IPO Structure and main features

The IPO Planning should set the groundwork for a successful IPO. During this period companies will try to assure the IPO is the best option, identify gating issues upfront and implement changes to enhance corporate governance and transparency

as a public company.

## Eligibility

### criteria

To access the stock market, companies must meet a number of preliminary requirements for admission to listing and

## Appointment of

### advisors

The process of going public, through an IPO, requires close collaboration with financial advisors, legal advisors, auditor, among others. Knowing the roles that the several advisors play and the right questions to ask them will help in selecting the best IPO team.

### 3.1.1.1.1. IPO Structure and main features

#### 3.1.1.1.1.1. STRATEGIC OPTIONS

*After considering and evaluating the alternatives, does an IPO come up as the right strategy to achieve your goals?*

Even if an IPO is the final goal and your favored approach to raise capital, you should consider other financing options that could serve as attractive alternatives to a public listing in terms of shareholder and corporate goals.

A detailed evaluation of the suitability and viability of M&A, a private equity investment or other alternative transactions should always be considered when assessing whether to pursue an IPO. These alternatives and a comparative analysis between them are available in section '2.1. How can your company finance its funding needs?'.

With all the possible alternatives for raising capital, you'll need a clear understanding of what's required, how long the process will take, how much it'll cost, and if routes will need to be performed simultaneously.

#### What are the different ways of listing?

As a rule, the admission to trading of the shares is preceded by an offer for subscription of shares, carried out through a Public Offering and/or through a Private Placement.

While the former is addressed to all investors, opening to the public the possibility to subscribe the Company's shares prior to their admission to trading, the Private Placement is addressed to a selected group of investors and institutions and negotiated in a confidential manner, this being a private alternative to raise capital.

A possible consequence of Private Placements is the lower liquidity of the shares because they remain in the ownership of a restricted number of investors.

#### TIP

1. In the same Offer, the Company/its shareholders may decide to offer both newly issued shares and pre-existing shares. This way you may assure the funding required for the business, as well as liquidity for the existing shareholders (as well as reducing the concentration of risk of their individual assets).

2. The Company may undertake both a Public Offering and a Private Placement simultaneously. This approach enables the Company to benefit from both formats, namely from the increased exposure of the Public Offering and the attraction of reference Institutional Investors arising from the Private Placement. For further information please see sections 3.1.1.3.3.1. Investors targeted by the Offering, 3.1.1.3.2. Pricing and 3.1.1.3.4. Allocation of shares.

When the eligibility criteria to be admitted to trading are fulfilled, notably in what regards the level of free float of the Company's shares, (please refer to section '3.1.1.2. Eligibility Criteria'), the Company may opt to apply for a direct listing. With a direct listing, the Company shares are simply made available for trading on the Stock Exchange (without an IPO or a private placement being carried out).

#### 3.1.1.1.2. IPO READINESS ASSESSMENT

By taking a disciplined approach to the planning of the offering and listing process, companies may save time and money while also reducing risks. Companies should become aware of the obligations that applies as a public company before, during and after an IPO. Going public requires Management's readiness and commitment to consider the existing shareholders, new potential investors as well as the market expectations when implementing the Company's strategy.

Prior to any IPO, it is recommended that the Company's management, with the help of specialized advisors, conducts an assessment to preemptively maximize the probability of a smooth and successful transaction.

#### Are you prepared?

Once you've made the decision to take your business public, you'll need to plan out all the actions involved. Preparing and planning ahead of time are essential and cannot be overstated. To be ready to begin implementation when the IPO window of opportunity opens, changes to the business, organization, and corporate culture may be required..

### What is the scope and process of the IPO Readiness Assessment?

An IPO Readiness Assessment is intended to assist your Company in successfully transitioning from a private to a public corporation. The existing shareholders and the Company's management will want to understand more what it takes to strive in the capital markets.

It typically starts with a reflection covering all areas specific to the IPO case: strategy, structures, taxes, financials, internal systems and functions, leadership, and the planned timeline.

In this process, your Company should identify and discuss the gaps between its current status and IPO target ready status, the strategic funding considerations, develop a target structure and an IPO base case in line with its objectives, define the strategy, work streams and a road map. Your Company should also estimate the timelines and the resources required to fill the gaps and achieve IPO readiness.

This assessment may include discussions on the following matters:



### Pre-IPO enhancement

Have you evaluated which pre-IPO transactions could enhance the offering's value?

Most companies undertook pre-IPO strategic transactions, which are powerful tools for accelerating the development of the business.

A successful M&A track record may enhance your ability to achieve critical mass. If a Company can demonstrate that a joint venture partnership or acquisition has already been completed, it adds credibility to a Company's growth plans.

Some of the inherent benefits of pre-IPO deals would have been to strengthen the business, increase revenues, add scale or size to the Company, enhance growth by expanding into new markets. These actions can enhance the Company's credibility with potential investors and the market (e.g. including analysts).

## IPO destination

### Have you chosen the right stock exchange and listing option?

You will be able to determine the regulatory standards that your Company will have to satisfy after choosing the stock exchange and the listing segment. Your Company's internal structures must be reviewed and prepared for the applicable regulations in the run-up to going public. These actions are necessary to preserve a listed Company's profile and fulfill investors and regulatory obligations. The determination of an acceptable capital market strategy and the development of internal capital market competences are critical steps in this phase.

Global IPO trends show that the majority of Companies list on their domestic stock exchanges, although they may sell shares abroad, simultaneously or exclusively.

It is therefore recommended that the Company develops a destination assessment to support a structured way to assess these factors, from different IPO stakeholder perspectives. Considerations in the decision of where to list may cover:

The strategic fit regarding new stakeholders

Prestige of the marketplace

Investor base and attention

The liquidity of the stock exchange

The level of regulatory requirements

Speed of approval process

Initial flotation and ongoing post-IPO costs

## IPO alternative strategy

### Do you have an alternative financing strategy to execute instead of an IPO?

Even after the preparation is complete, it is still not possible to ensure that the equity market circumstances will be optimal.

Given capital markets volatility and unpredictability (because there are no certainties about the future – e.g., interest rates, economic growth), in case a phase of decreasing prices of the Companies and/or investors' interest, it may be advisable to hold off the IPO until the markets improve. It is also critical that you have the flexibility to implement alternative financing options in the event that the IPO does not proceed on schedule and needs to be postponed.

### **How can you prepare and run a multitrack process?**

Many of preparation processes that apply to an IPO will also be useful for alternative equity funding sources as both have a very high correlation when it comes to value drivers.

Considering that the various financing pathways are, significantly, complementary, a dual or multitrack method can be implemented without necessarily increasing the costs of the preparation process in a significant manner. The preparation of a document on the positioning of the company as an attractive investment, detailing the successes and milestones achieved (hereinafter “equity story”), is the first component shared by alternative equity funding sources.

Any investor, whether strategic, financial, or retail, will want to know why they should, or should not, invest their money into your Company. The financial information to be disclosed will be a second common component for any equity funding process. You should be able to provide reliable financial information that gives potential investors a clear view on the Company's historical financial performance and future financial prospects. The Company may greatly expand its strategic alternatives and negotiation power while lowering execution risk by diversifying its strategy and having multiple funding alternatives.

## **IPO internal project resourcing**

### **Is the management team experienced?**

Building a strong team begins at the top, with the right executive team with the correct incentives in place well before the IPO. Data shows that when evaluating a new offering, the quality of management was the most important non-financial criteria for the great majority of Institutional Investors.

Investors frequently state that they back individuals rather than plans, hence, before the IPO, the correct management team must be in place.

Your internal IPO project management team must be able to collaborate effectively and have the necessary expertise, abilities, and incentives to successfully complete the IPO transaction and run a public business.

## **Corporate governance**

### **Has your Company a robust corporate governance that inspire stakeholder confidence?**



Finding, appointing, and grooming a qualified board of directors takes time and effort. Your Company will need to implement best-practice corporate governance rules and reporting practices that safeguard the interests of the Company's stakeholders.

Corporate governance policies that safeguard stakeholders interests are critical for the success of any Company. This will entail collaborating with your legal counsel on all aspects of Company governance and, adherence to regulatory requirements.

A good and sustainable corporate governance policies, including an adequate balance of qualified and diverse Board members, a strong supervision body, and transparency of related-party transactions, is critical and increasingly required by stakeholders from all companies, not only from listed companies.

### **What are the most challenging corporate governance topics your Company needs to address in the IPO process?**

Adjustments to the Management and Supervisory Boards structure and composition may often be part of the IPO. Investors expect your Company to have a balance of qualified executive and non-executive directors, preferentially with an adequate number of independent directors, with a good mix of skills and gender diversity as well as qualified experts to carry out effective supervisory roles. Further, for the regulated market, specific requirements in terms of independence of the governing bodies members must be mandatorily met as explained in section 3.1.1.2.1.2. Adapt corporate governance structure and internal compliance functions.

It is advisable that the structure and composition of the Company's bodies is considered at an early stage, considering that recruitment processes may take time and recruiting experienced independent Board members can be time consuming. The Board(s) internal regulations should also be carefully considered.

Companies should design a management remuneration system which is sensible and resilient enough to endure public scrutiny. The compensation structure should enhance the Company's profitability while also rewarding managers who achieve their objectives, including non-financial goals, that are necessary for the Company's long-term sustainability. Further, for the regulated market, specific requirements in terms of the remuneration of the governing bodies members must be mandatorily met as explained in section 3.1.1.2.1.2. Adapt corporate governance structure and internal compliance functions.

Amendments to existing or implementing new incentive plans based on key drivers and measures for increasing shareholder value, while aligned with environmental, social and governance key performance indicators may be considered, being also an important part to help ensuring retention of existing key personnel. An employee stock option plan may be a particularly appealing aspect of the Company's executive compensation package.

For more detailed information, please refer to section 3.1.1.2.1.2. Adapt corporate governance structure and internal compliance functions.

## **Tax Considerations**

### Why does tax planning need to be a priority throughout the IPO process?

Each Company undergoing an IPO will have distinct needs and goals when it comes to building its new legal and tax structure. Although there is no one-size-fits-all approach, there are a few essential areas that all businesses should address. In particular, it is highly advisable to investigate the tax feasibility of the desired IPO structure under the law, to mitigate tax contingencies early on and avoid unwanted surprises.

Additionally, the Company must be prepared to provide tax documents and the information needed to identify tax risks and contingencies. If material tax risks are identified during a tax due diligence, these will most likely have to be included in the Prospectus.

Tax issues may influence the structure of an IPO and, in many cases, the way commercial agreements are undertaken.

Often, corporate reorganizations intended to simplify or optimize the present corporate structure (such as spin-offs of businesses), or other actions to prepare the firm for the IPO will be necessary (for example changes to or increases in share capital). Such reorganizations or adjustments must be carefully evaluated since they may have major tax implications for the Company or its shareholders and they may take time to implement, thus, they must be identified early in the process to guarantee that they can be completed before the IPO.

In addition, to assure the Company's incentive plans will have the desired outcome, their tax implication should also be assessed.

## Finance function

### Look at your Company's finance organization through the lens of the public markets

The process of becoming listed often requires a considerable shift in the focus of the finance function. There is a need for additional external reporting and disclosure of financial information, as well as the possibility of changing accounting reporting requirements.

Thus, the structure of the finance function is a priority. Accounting standards used to publish financial statements, frequency of reporting, e.g., half-year reporting, timeliness of financial close, new and expanded financial disclosures to investors and analysts are all possible areas of change.

The following things should be considered as the firm builds a plan to begin its IPO journey and overcome the challenges:

Does your finance team have the balance and diversity of skills required?

Are accounting procedures and policies documented and properly disseminated?

Is the public disclosure aligned with the way management runs the Company and the equity story?

Have auditor independence matters been fixed? Have audit timetables and procedures been implemented to align with the initial offering timeline and information that have to be disclosed?

## Internal controls

### Have financial, accounting, operational and IT processes, systems and controls been reassessed?

Continuous and broad testing of internal control systems has become a way of life for public companies. An effective risk-taking culture can only thrive within a solid framework of cost-effective internal controls.

Financial analysis and reporting are made easier by adaptable IT systems. IT will be crucial in assisting your Company in swiftly capturing, organizing, and analyzing key business information, allowing for speedy financial analysis and reporting. The current IT environment and infrastructure should be evaluated to see if they are in line with the Company's business goals. Because high-growth businesses are always changing, your information systems must be able to support an environment that encourages adaptation, creativity, and cooperation in a fast moving and changing environment.

Additionally, enhancing internal controls can help you meet changing accounting, tax, legal and procedural requirements deemed necessary. Historically, the top two reported internal control deficiencies contributing to a material weakness were related to the competency and training of accounting resources and inadequate accounting documentation, policy or procedures. Dealing with such significant accounting issues early is a critical success factor to an IPO.

## Risk Management and compliance

### How should your Company reassess its risk management?

As the listing process inevitably creates new stakeholders to the Company, it is recommended that prior to the listing process the Company performs a thorough assessment of the risk and compliance implications that correspond to the expectations of its new stakeholders, such as the regulator, investors and analysts. Risk and compliance management practices that are effective can greatly lessen the risks of any surprises which should start at the top of the management team, reason why it is so important to consider adequate independent non-executive directors.

This risk assessment should be a continuous, systematic process for identifying and evaluating any potential future occurrences — whether within the Company or in the external environment — that could have an impact on the organization's capacity to achieve its goals. The organization's capabilities that are key for effective risk management are:

Manage market expectations (both positive and negative);

Establish realistic and medium and long-term financial objectives;

Predict/forecast and respond to regulatory developments as well as commercial risks in a timely and effective manner.

Furthermore, just as essential as the quality of the Company's corporate governance, including its response to compliance concerns, is the management's ability to explain the Company's risk management policies and practices.

A common practice is to carry out a comparison between the risk mitigation measures of your Company and the ones that listed companies in the same industry have in place.

Regarding the need to make these risk assessment processes more regular and continuous, it is worth to mention that most industries' market leaders are commonly the companies with the most developed risk management practices.

## Maintenance of control

### Does an IPO affect the current shareholders control?

Existing Shareholders (pre-IPO) don't need to renounce to the Company's control to take the Company public. Even in the case shareholders consider selling more than 50% of the share capital of the Company (which is not required when listing the company), there are still measures that may maintain their controlling position over the Company.

The following options, among others, may help current shareholders maintaining the control:

## Plural voting shares

Listed Companies and Companies that wish to list their shares are allowed to issue shares with special plural voting rights, up to a limit of 5 votes per share. This is perhaps the most appropriate solution for Companies whose shareholders are concerned about losing control with the disposal of more than 50% of the Company's share capital, without the risks associated with non-voting preferred shares.

## Non-voting preferred shares

Companies may issue shares that do not have voting rights, but grant special rights, namely a priority dividend. Non-voting preferred shares allow capturing financing without changing the controlling shareholder structure of the company. However, they carry an increased risk in their use, since if the priority dividend is not paid in full during two consecutive fiscal years, these shares will grant their holders voting rights on the same terms as ordinary shares.

### TIP

Experience shows that “best in class” companies that go through an IPO process, usually implement internal processes that are “public company alike” before going through the offering process, e.g. putting in place adequate reporting systems and governance structures.

This exercise highlights areas that may need attention and enable the company to mitigate risks in the early stages of the process.



### 3.1.1.1.2. Eligibility criteria

You should have to consider the eligibility criteria of the markets your Company is considering listing its shares.

While most of the eligibility criteria for admission to listing on a regulated market are common to all regulated markets operated in the European Union, Stock Market Operators have more flexibility to define, in their respective rules, the eligibility criteria of each MTF operated by them.

Companies may list their shares directly on the regulated market or, in certain cases, start their path by an admission to trading on an MTF and, at a later stage, when they are at a more developed stage, request the admission to trading on a regulated market.

If your Company chooses to request the admission to trading on a Portuguese regulated market or MTFs, the requirements for admission on each market are shown below:

Legend	
	Obligations derived from Portuguese and UE legislation enforced by CMVM
	Obligations derived from Euronext rules enforced by Euronext

Issuer

	MTFs			Regulated Market
	Euronext Access	Euronext Access+	Euronext Growth	Euronext
<b>Form of the Company</b>	Only companies that have adopted the form of a public limited Company (SA), are allowed to have their shares listed on the stock exchange.			
<b>Company's incorporation</b>	Shall be incorporated and validly operate according to its respective national law			
<b>Company's economic and financial position</b>	n.a.		Shall demonstrate that its economic and financial position is adequate considering the nature of securities to be listed and the respective market	
<b>Company's operations</b>	n.a.	n.a.	n.a.	Shall be operationally in business for at least three years, except with CMVM's authorization
<b>Company's Board of Directors</b>	n.a.			Members of the Board of Directors must have satisfactory expertise regarding the Rules and applicable laws and regulations
<b>Market Capitalisation</b>	n.a.	n.a.	n.a.	≥ €1 million (when not available for calculation, the Company's equity ≥ €1 million)

## Offered shares

	MTFs			Regulated Market
	Euronext Access	Euronext Access+	Euronext Growth	Euronext
<b>General</b>	The shares have been validly issued and that their contents and forms of representation are according to the respective applicable legislation; listed shares are freely negotiable and transferable			
<b>Free Float (dispersion of shares amongst the public)</b>	Not applicable	€1m	€2.5m	>25% market cap or >5% market cap if at least €5m
<b>Share issue value</b>	≥ par value (nominal value of a single common share as set by a corporation's charter) (in the case of shares without par value, ≥ issue value)			

## Offer process

	MTFs			Regulated Market
	Euronext Access	Euronext Access+	Euronext Growth	Euronext
<b>Intermediary accredited by Euronext</b>	Listing Sponsor			Listing Agent
<b>Presentation Document</b>	Public Offer => €8m: EU Prospectus Public Offer below these amounts or for an admission through Private Placement or Direct Listing: Information Document			EU Prospectus (simpler and more concise if no Public Offer)

## Financial information

	MTFs			Regulated Market
	Euronext Access	Euronext Access+	Euronext Growth	Euronext
<b>Company's financial statements</b>	2 years  (if relevant, and no requirement for audited accounts)	2 years  (incl. audited annual accounts of the last financial year)	2 years  (audited annual accounts, unless the fiscal year ended more than 9 months before the admission to trading date - interim accounts)	The Company shall disclose its audited annual accounts and financial reports for the 3 years prior applying for admission (or 2 for SMEs), except with CMVM's authorization
<b>Accounting Standards</b>	IFRS or local GAAP			IFRS

### 3.1.1.1.3. Appointment of advisors

#### Do you know who to ask for assistance?

Besides the Company's management, advisors will typically have a crucial role in the IPO process, by assisting with preparation of the documentation for the IPO, ensuring that all the eligibility criteria is fulfilled, managing the marketing and sale of the Company's shares and dedicating time to the analysis on how to "position" the Company to achieve a successful offering. Therefore, an experienced and motivated team will increase the likelihood of an orderly and professional offering process and a positive reception from investors.

#### What factors should companies consider when selecting advisors?

##### Track Record

Has the advisor been involved in successful IPO processes? Does the (legal) advisor have a deep knowledge and practical experience in capital markets operations and law enforcement?

##### Reputation and Experience

Can the advisor provide specific advice and research on the industry? Does the advisor have strong relationships with investors from the Company's sector? Is the advisor considered credible in capital markets?

##### Analyst Coverage

Do financial analysts (research) know the sector of activity and comparable companies (national and international)?

### **Distribution Strength**

Does the advisor have strong distribution channels with retail and institutional investors? How effective is its retail sales force and its institutional sales force? Does the advisor act at regional, national or international level?

### **Commitment to the Company**

Will the advisor give priority to the Company's IPO process?

### **Aftermarket Support**

Will the advisor continue to advise the Company as a public company and, when applicable, present it to potential investors?

The Company must dialogue with potential advisor candidates to measure how well they understand both the capital markets environment, the Company and its respective industry, and the aspects that investors will focus on in deciding whether to invest.



**TIP**

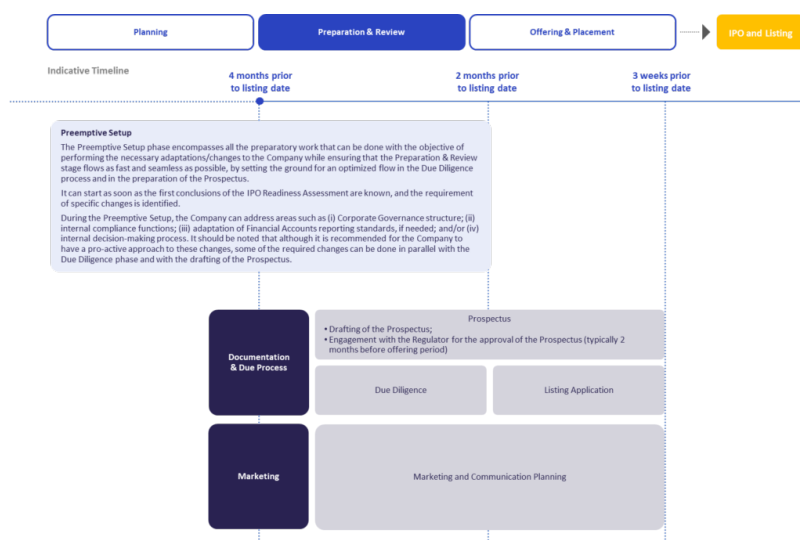
Advisors will certainly not want to commit significant time and resources if they are not confident that the offering will be successfully completed. The number of the advisors approached depends partly on the attractiveness of your offering. If it is large and likely to attract larger firms, you may decide to approach three or four financial advisors. It is important, though, to inform potential advisors that you are approaching others.

### 3.1.1.2 Preparation

Last updated: September 22, 2022

The preparation phase may take between 6 to 3 months before finalizing the process of going public. The length of this period depends on several aspects, in particular, the stage of the Company's development, the governance and internal organization it has already in place.

What are the necessary preparation steps you need to take?



Preemptive setup

Due Diligence

Prospectus

Listing application

Marketing and Communication Planning

Early-look meetings with investors

Meetings with Equity Research Analysts

### 3.1.1.2.1. Preemptive setup

#### 3.1.1.2.1.1. KICK-OFF MEETING

Once all members of the IPO team have been selected, the kick-off meeting brings them together to agree on:

Their roles and responsibilities;

The offering's nature and structure, namely, whether it will be made through the issuance of new shares or also comprises a sale of existing shares; will be comprise a public offering and/or also a private placement or will target investors resident in Portugal or abroad and in which jurisdictions;

Coordination of responsibilities for drafting sections of the Prospectus;

The timetable for the whole process.

#### 3.1.1.2.1.2. ADAPT CORPORATE GOVERNANCE STRUCTURE AND INTERNAL COMPLIANCE FUNCTIONS

**How efficient, compliant and accountable is your Company?**

##### Legal form of the Company

It has to be a public limited Company (in Portugal designated as "Sociedade Anónima" or "S.A."). If this is not case, your Company will have to change its legal form before the IPO.

## Corporate Governance structure

Companies with shares admitted to trading on the stock market may adopt any of the 3 types of management and supervision structure for public limited companies. Any of the structures is admissible and on the Portuguese market there are listed companies with the various modalities.



Further information on the corporate governance requirements applicable to Companies with shares admitted to trading on a regulated market is presented upon mouse click of the boxes below.

Many of these corporate governance requirements are not specific for Companies with shares admitted to trading on a regulated market as they also apply to Companies with a large dimension\*.

\*Companies, that according to their last annual or consolidated accounts, meet at least two of the following three criteria for two consecutive years:

- an average headcount over 250;
- total assets recorded in the Balance Sheet exceed €20m;
- annual net turnover exceeds €40m.

### A. General Shareholder Meetings

A	General Meetings
Table of the General Meeting	<p>Members of the table of the General meeting of Companies with shares admitted to trading on a regulated market must be independent. To be independent, a member must not be associated with any specific interest group of the company or being under any circumstances likely to affect his exemption from analysis or decision. In particular, a member cannot (a) hold or act on behalf of holders of a qualifying holding equal to or greater than 2% of the Company's share capital; and (b) has been re-elected for more than two terms, continuously or interspersed.</p>
Shareholders' General Meetings	<p>The General Meetings of <u>Companies with shares</u> admitted to trading on a regulated market must be convened at least 21 days prior to the meeting (instead of one month for companies not listed). Specific information items must be included in the convening notice and made available for shareholders consultation together with the convening notice.</p>

## B. Board of Directors

B	Board of Directors
Guarantee	<p>The <u>liability of the directors of</u> Companies with shares admitted to trading on a regulated market shall be guaranteed by one of the forms accepted by law, in an amount no lower than €250k.</p>

## C. Audit Board

C Audit Board	
Composition	The Audit Board of Companies with shares admitted to trading on a regulated market must be composed by a majority of independent* members and must include, at least, one member who has a university degree appropriate to the performance of his/her duties and knowledge of auditing or accounting and who is independent. The president must be independent.
Guarantee	The liability of the members of the Audit Board of Companies with shares admitted to trading on a regulated market shall be guaranteed by one of the forms accepted by law, in an amount no lower than €250k.
Competency	The Chartered Auditor or the Audit Board of Companies with shares admitted to trading on a regulated market, must certify whether the report on corporate governance structure and practices disclosed includes the necessary elements. For more information on this subject see Chapter 5. Life as a company with securities admitted to trading.

\*To be independent, the members must not be associated with any specific interest group of the Company or be under any circumstances likely to affect their exemption from analysis or decision. Particularly, to assure their independence, members cannot (i) hold or act on behalf of holders of a holding equal to or greater than 2% of the Company's share capital; and (ii) have been re-elected for more than two terms, continuously or interspersed.

## D. Audit Committee

D Audit committee	
Composition	The Audit Committee of Companies with shares admitted to trading on a regulated market must be composed by a majority of independent members and must include, at least, one member who has a university degree appropriate to the performance of his/her duties and knowledge of auditing or accounting and who is independent*. The president must be independent.
Competency	The Audit Committee of Companies with shares admitted to trading on a regulated market, must certify whether the report on corporate governance structure and practices disclosed includes the necessary elements. For more information on this subject see Chapter 5. Life as a company with securities admitted to trading.

\*To be independent, the members must not be associated with any specific interest group of the Company or be under any circumstances likely to affect their exemption from analysis or decision. Particularly, to assure their independence, members cannot (i) hold or act on behalf of holders of a holding equal to or greater than 2% of the Company's share capital; and (ii) have been re-elected for more than two terms, continuously or interspersed.

## E. Executive Board of Directors

E	Executive Board of Directors
Guarantee	The liability of the executive directors of Companies with shares admitted to trading on a regulated market shall be guaranteed by one of the forms accepted by law, in an amount no lower than €250k.

## F. Supervisory Board

F	Supervisory Board
Composition	The Supervisory Board of Companies with shares admitted to trading on a regulated market must be composed by a majority of <b>independent</b> members and must include, at least, one member who has a university degree appropriate to the performance of his/her duties and knowledge of auditing or accounting and who is independent*. The president of the supervisory board must be independent.
Guarantee	The liability of the members of the Supervisory Board of Companies with shares admitted to trading on a regulated market shall be guaranteed by one of the forms accepted by law, in an amount no lower than €250k.
Competency	The Supervisory Board of Companies with shares admitted to trading on a regulated market must certify whether the report on corporate governance structure and practices disclosed includes the necessary elements. For more information on this subject see Chapter 5. Life as a company with securities admitted to trading.
Committees of the and Supervisory Board	The Supervisory Board of Companies with shares admitted to trading on a regulated market must set up a committee for financial matters composed by a majority of independent members.

\*To be independent, the members must not be associated with any specific interest group of the Company or be under any circumstances likely to affect their exemption from analysis or decision. Particularly, to assure their independence,

members cannot (i) hold or act on behalf of holders of a holding equal to or greater than 2% of the Company's share capital; and (ii) have been re-elected for more than two terms, continuously or interspersed.

## G. Company Secretary

G	Company Secretary
Appointment	Companies with shares admitted to trading on a regulated market must appoint a Secretary and an alternate to exercise the competences foreseen in the law. The Secretary should be a person with a university degree appropriate to the performance of his/her role or a solicitor and may not carry out this role in more than seven companies (except if included in the same group of companies).

Companies with shares admitted to trading on a regulated market may also have to adapt their organizational structure and functioning to assure the existing legal requirements regarding:

### Balanced representation between women and men on the management and supervisory bodies

The proportion of members of each gender newly appointed to the management and supervisory bodies should not be less than 33,3%. This threshold must be met in relation to all directors, executive and non-executive, comprising the management bodies for listed companies.

Listed Companies are also required to drawn up and disclose on their websites an annual plan in order to achieve effective and equal gender treatment and opportunities, promoting the elimination of discrimination on the grounds of gender and fostering conciliation between personal, family and professional life.

## Remuneration of the members of the Board and supervisory bodies

Companies with shares admitted to trading on a regulated market, should remunerate the members of the management and supervisory bodies in accordance with a remuneration policy.

The remuneration committee or, when no such committee has been appointed, the Board of Directors, submit a remuneration policy proposal for the approval of the General Shareholders Meeting, at least every four years or whenever a material change occurs in the current remuneration policy.

The remuneration policy needs to be clear and understandable and should:

Explain how it contributes to the Company's business strategy, to its long-term interests and to its sustainability;

Explain how the employment and remuneration conditions of the Company's employees were taken into account when the policy was established

Describe the different components of fixed and variable remuneration;

Explain all bonuses and other benefits, regardless of their form, which may be granted, and indicate the respective proportion;

Indicate the duration of the contracts or agreements with the Directors, applicable notice periods, termination clauses and payments related to termination;

Indication of the main characteristics of the supplementary pension or early retirement schemes.

Additionally, Portuguese Companies with shares admitted to trading on a regulated market include a report on corporate governance structure and practices in their Annual Accounts. The existing Corporate Governance Code is part of a self-regulatory approach based on the "comply or explain" principle, according to which companies are expected to follow the Code's recommendations but have the possibility to deviate from one or more of these recommendations, in some specific circumstances, provided that they set out in their corporate governance report, the circumstances, or reasons for this deviating practice.



Some of these rules and recommendations require companies to make choices that can or should be made explicit in their articles of association. Additionally, new processes/systems may need to be set up to follow those recommendations.

Recommended reading: 5. Life as a company with securities admitted to trading.

### Articles of association review

To request admission of shares to trade on the stock exchange, both regulated market and multilateral trading facilities “MTFs”, your Company may need to revise the articles of association to accommodate adaptations to corporate governance, to remove any statutory limits on share transferability and to consider other statutory changes such as foreseeing:

Different categories of shares (ordinary shares and preferred shares without voting rights or shares with plural voting rights).

Rules in accordance with the best market practices, such as to identify, manage and mitigate conflicts of interest or to regulating transactions with related parties.

Rules conferring greater flexibility to the decision-making process, namely to the financing of the Company, such as granting power to the management body to decide on capital increases.

### Review of internal functioning and organization

Your Company should also anticipate the rules applicable to listed companies to allocate the necessary resources and put in place the internal compliance functions, processes and systems necessary to guarantee the compliance with those rules.

Recommended reading: 5. Life as a company with securities admitted to trading.

### 3.1.1.2.1.3. ADAPT FINANCIAL ACCOUNTS, IF NECESSARY

Depending on the market your Company wishes to list its shares, different rules on accounting standards apply.

For example, a listed Company on a regulated market, such as Euronext Lisbon, is required to report financial accounts in compliance with the accounting standards accepted at European level, corresponding to IAS/IFRS or accounting standards considered equivalent to IFRS by the European Commission.

The Company will therefore have to consider the requirements and costs related to adoption of these accounting standards. You might require assistance for converting national accounting standards into IFRS from certified accountants, although the recent trend has been a gradual convergence between the requirements. Although IFRS can be more complex, it presents the advantage of comparability with companies at European level, which promotes Company notoriety towards international and Institutional Investors. Hence, if you need to convert your accounts you can easily be assisted by a professional and this conversion will enable you to benefit from the advantages stated.

Differently, a Company listed on Euronext Growth and Euronext Access has the choice of reporting its accounts in accordance with IFRS, or accounting standards considered equivalent to IFRS by the European Commission, or with the accounting standards applicable in Portugal (i.e. SNC).

### 3.1.1.2.1.4. NEGOTIATION AGREEMENTS WITH ADVISORS AND PLACEMENT FINANCIAL INTERMEDIARIES

At the beginning of the IPO journey the Company's management meets with potential IPO partners that may be appointed to support the IPO process and the Company on the life after becoming listed. Negotiations of the agreements with the selected financial and legal advisors and the auditors could extend over this period.

Moreover, your Company may appoint one or more Placement Financial Intermediaries that will be in charge for the distribution of the offered shares and will negotiate and enter with such Placement Financial Intermediary(ies) a placement agreement to regulate the terms and conditions of the distribution services.

Please check below for further information on the different types of placement agreements.



The negotiation of a placement agreement should be start early in the IPO preparation phase. Signing must occur prior to the approval of the Prospectus by the Regulator in case of a public offer.

#### **3.1.1.2.1.5. INTERNAL DECISION-MAKING PROCESS**

The decision to go public and related decisions during the IPO journey require the prior approval of corporate resolutions, such as:

Appointment of the Company's advisors

Decision to submit the listing application

Decision to increase the share capital

Decision of allocation of shares to the public offering and/or to the Private Placement

Pricing Decision

The Board of Directors is generally responsible for the entire IPO process and for the approval of the corporate decisions, except the share capital increase that requires the approval of the General Meeting (unless the Board is entitled by the Company's by-laws to do so).

#### **3.1.1.2.1.6. ENGAGEMENT WITH THE REGULATOR, THE STOCK EXCHANGE AND THE CENTRAL SECURITIES DEPOSITORY**

The applications for the Prospectus approval by the Regulator (in Portugal, the CMVM), for the listing approval by the Stock Market Operator (in Portugal, Euronext Lisbon) as well as for the registration of the Company's shares with the Central Securities Depository (in Portugal, Euronext Securities Porto) should be filed with a set of legal and financial documents set out in the applicable laws and regulations.

It is recommended that the Company, and its advisors, engage with these entities (Regulator, Stock Market Operator and Central Securities Depository) in an early stage of the IPO journey for a smooth and timely approval procedure.

### **3.1.1.2.2. Due Diligence**

A due diligence process is desirable to be performed, including scrutiny of the Company's financial, commercial, legal, accounting, tax and other affairs. This due diligence is conducted by the Company with the assistance of legal counsels.

This process is intended to provide deep knowledge of the Company, allowing it to correct any issue before the offering of its shares and supporting it with strengthening of its business and corporate governance practices, as well as ensuring that the required information about the Company will be disclosed in the Prospectus (for further information see the below section '3.1.1.2.3. Prospectus'). Throughout the IPO process, additional due diligence sessions may be planned at each key milestone to ensure that the information disclosed is up to date.

#### **Why should a Due Diligence be performed in the context of an IPO?**

The purpose of conducting a Due Diligence process in the context of an IPO is to:

Ensure that any risks and/or contingencies (both reputational or economically) that were identified in the Due Diligence process are addressed/mitigated before the Offer;

Select/identify the information that must be part of the Prospectus, to give the reader an accurate view of the potential investment, without misleading or deceptive statements or omissions;

Test the assurance and accuracy of the information that will be included in the Prospectus. As a best practice, all information included in the Prospectus should be tied to a source document that was duly analysed during the Due Diligence and confirmed by the management of the Company and its external advisers (legal, accounting and any others as appropriate).

### 3.1.1.2.3. Prospectus

If you decide to proceed with a Public Offering of shares addressed to the general public and/or apply for the admission of the offered shares to a regulated market you will have to prepare and disclose to the public a Prospectus approved by the Regulator, drafted in accordance with the EU Prospectus Regulation.

A Prospectus will not be required for a Public Offer if:

Its total consideration is lower than € 8 000 000, or

Each share has a denomination of, at least, € 100 000.

The Prospectus is a legal document, which provides to potential investors and other stakeholders (e.g. analysts) all relevant information that may affect the investment decision. The Prospectus includes legal, financial (both historical and prospective financial information) and commercial information with content adapted to the Company's profile and shares.

This document enables investors to clearly assess the Company's patrimony, financial situation, results, and prospects. The Prospectus must be complete, understandable, and consistent. Once approved by the Regulator, it will be published prior to the offer of the shares or admission to trading.

The Prospectus may be drafted as a single document or as separate documents, dividing the required into:

## Summary\*

The summary should be drawn up in a standardised format and in a concise manner, using simple language to make it easier to understand.

The summary should contain i) key information regarding the risks of the Issuer and the shares that are being offered, ii) the offer's terms and conditions and the reasons for the offer and the allocation of revenues.

\*The summary may not be required.

## Registration Document

Document presenting the Issuer, its sector and business activities, including risk factors, assets and liabilities, accounting and financial information, management and corporate governance, among others. It contains information that will subsequently be shared with investors and analysts, ensuring fair and equal diffusion to all parties.

## Equities Note

Document prepared by the Company and its advisors, defining the main terms of the transaction and information on the shares to be offered and/or subject to the request for admission to trading, including the number of shares to be issued, the price range, a timetable for the subscription period, and the use of proceeds.

### What is an EU Growth Prospectus?

Considering the specificities of the different types of securities, issuers, offers and admissions, the EU Prospectus Regulation foresees different types of Prospectus, such as the EU Growth Prospectus. This is a simplified Prospectus for certain Companies, with limited number of pages and less information, reducing the administrative burden of the process and associated costs, making it easier for these companies to access the capital markets. The EU Growth Prospectus may be used regardless of the market segment in which the IPO will take place.

## In what context can a company choose to draw up an EU Growth Prospectus?

Companies which comply with the guidelines below can opt for the simplified EU Growth Prospectus, provided that they do not have shares admitted to trading on a regulated market:

Companies which can be classified as SMEs, i.e. according to their last annual or consolidated accounts, they meet at least two of the following three criteria:

- an average headcount under 250;
- total assets recorded in the Balance Sheet do not exceed €43m;
- annual net turnover does not exceed €50m.

Companies, other than SMEs, whose shares are traded or are to be traded on an SME growth market, provided that those companies had an average market capitalisation of less than €500m on the basis of end-year quotes for the three calendar years prior.

Companies, with the exception of those referred to above, whose shares total consideration in the EU does not exceed €20m calculated over a period of 12 months, and provided that such companies have no shares traded on an MTF and have an average number of employees during the previous financial year which does not exceed 499.

### What is EU passporting of Prospectus?

As EU Prospectus rules are similar in all Member States, once a Prospectus has been approved in one EU member state, it is valid throughout the EU (passport for the prospectus). This represents an important simplification for Companies since it allows Companies to launch offers or admit to trading instruments in several EU countries, resorting to the same Prospectus, provided that the Company requests the Regulator approving the Prospectus to send it (passport) to the Regulators of the relevant Member States.

### What is CMVM's approach?

CMVM recognizes that streamlining the conditions for issuers to access financing through capital markets, together with ensuring high quality standards for information to be provided to investors, generate mutual trust and are a key element for the development of the Portuguese capital markets..

In the context of public offers or admission to trading processes, CMVM assumes as a priority the commitment with specific approval dates and the agility in the times of analysis of prospectus, recognizing the importance of calendars' predictability as an essential condition for the smooth running of operations.

## Predictability & Timeline

- Interactions and approval according to a calendar previously agreed with the issuer;
- Clear comments and understandings (in writing) – focus on the crucial information for investors;
- Quick reactions to drafts (commitment and track record [\[link\]](#)).

CMVM assumes the Issuer's commitment to complete reactions, for the benefit of the procedure.

## Availability & Agility

- Kick off meeting (if requested) before preparing and submitting the prospectus and additional meetings (as needed);
- Credible and responsive process, coupled with timely informal interactions.

### Prospectus process

#### 1. Preparation of the Document

The Prospectus must include complete, true, updated, clear, objective and lawful information regarding, for example:

The description of the Company, including its business overview and strategy;

Governance structure;

The economic and financial position of the Company;

The characteristics of the offer, the corresponding obligations and the associated rights;

If intended by the Company (not mandatory), the prospect may include estimates regarding operating and financial activities and prospective financial information for the Company.

CMVM is available to clarify any queries during the drafting procedure of the Prospectus.

#### What information needs to be included in the Prospectus?

## Business Description

The Prospectus provides a history of the business going back to its founding, with a timeline of key-events across time, containing details about the company's foundation and strategy.

The Company's main economic activities are also described in the Prospectus, informing potential investors about the goods and services it offers, as well as any recent changes to its business model.

## Risk Factors

The Prospectus must disclose all material risk factors that may affect the Company and its shares. These risk factors are usually identified during the Due Diligence process that is carried out as part of the preparation of the transaction.

## Issuer's financial data

The Prospectus must include the Annual Accounts for the last three, or two, financial years, depends on the chosen market (newly incorporated Companies will only have to report the periods since incorporation).

All historical financial information must be audited and certified by a Chartered Accountant. Additionally, in



case there is a material change (usually a transaction), additional financial information must be disclosed, namely, on how that event affected the financial position of the Company.

## Deal Structure

A summary of the issuer's present capital structure and how the new issuance will influence it may be provided if the issuer is an established business that has previously issued securities. For instance, investors may be curious about the company's debt level in order to understand how their investment would affect the structure and the projected rate of return.

## Management Profile

The presentation of the executive management of the firm is also included in the Prospectus. It describes the management team's background, training, and credentials that make them a suitable match for the business. Investors require confirmation that the company's management are qualified to protect their capital.

## Profit forecast

Although not mandatory, it is usually recommended (in some cases, it may even be mandatory if the estimate has already been disclosed) to include in the Prospectus, as this is relevant information for

investors, prospective financial information in the form of a profit forecast.

## Tax information

The Prospectus must include a warning that the tax laws of the investor's Member State and the Issuer's Member State of incorporation may affect the income received on the shares.

Additionally, the Prospectus shall include proper information in the case that the proposed investment originates a special tax regime, as for example in the case of equity investments which give investors favorable tax treatment.

## Offer price and intended use of the proceeds

It is allowed not to mention, in the prospectus, the final offer price and/or the final number of shares offered to the public, provided that:

- The Prospectus discloses the criteria, and/or the conditions applicable in the determining the offer price and quantity of shares or, the maximum price and amount of shares to be offered; or
- Acquisitions or subscriptions may be withdrawn for a period of no less than two working days following disclosure of the final offer price and the amount of shares offered.

As soon as the final offer price and the final number of shares offered are determined, they must be notified to the CMVM and disclosed.

Since the issuance of financial instruments aims to mobilize capital to, for example, finance a large Company's investment (e.g. expand its operations to other geographies, acquire technology, produce a new product line), the Prospectus is required to include considerations about the intended use of the

proceeds of the operation.

### Language

Public Offers' Prospectuses in Portugal are generally drafted in Portuguese, although it is very common to be drafted in English, with a Portuguese version of the Summary, if necessary.

## 2. Submission and request for approval

Companies should meet, early in the process, with the Regulator to present the main features of the offering and to agree on an indicative timetable for the Prospectus approval procedure. These interactions are extremely important to ensure a smooth procedure and to agree on the calendar for informal and updated versions of the draft Prospectus to be submitted to the CMVM as explained above in "What is CMVM approach?".

## What is the timing for the Prospectus approval?

Preliminary calendars are usually agreed upon with the CMVM so that the Company has some idea of when it can expect the competent authority to approve the Prospectus. The timing between the submission of the first draft and final approval (thus including intermediate versions, review from CMVM of each version and other interactions) may take around 4 weeks.

CMVM has disclosed and will periodically continue to disclose the timeline of its reactions in the context of prospectus approval procedures, aligned with its public commitment with fast, predictable, and transparent procedure, ensuring that the in-depth revision process takes into account the companies financing needs and market opportunities.

Below you can find data on the average timeline for CMVM reaction to the multiple versions of Prospectus supplements and securitization transactions:

	Average reaction times Working days		
	2019	2020	2021
<b>Total average time of reaction to 1st versions of Prospectus/supplements</b>	<b>4</b>	<b>5.6</b>	<b>4.6</b>
Total average time of reaction to subsequent versions	2.5	2.4	2
Prospectus of Public Distribution Offers (all versions)	2.1	2.6	2.5
Base Prospectuses (all versions)	2.3	3.9	2.3
Admission Prospectus (all versions)	1.8	3.2	3.6
Supplements (all versions)	1.1	2.5	0.6
Securitisation transactions	-	-	3.5

### 3. Review

The CMVM conducts a thorough review to verify the adequacy of the Prospectus with the legal requirements relating to its content and form, particularly by examining the completeness, comprehensibility and consistency of the content, and to ensure that the Prospectus contains all the information needed for investors to make an informed decision.

This review period starts when a first draft of the Prospectus is presented. Afterwards, through an interactive and streamlined process, the Prospectus is revised and a final version is submitted for CMVM's approval, in accordance with the calendar and the Company's needs..

### 4. Approval

The approval of the Prospectus implies the verification of the completeness, coherence and understandability of the information contained in the Prospectus. The CMVM will ensure that all the information contained in the Prospectus meets the minimum requirements to ensure that investors are able to make informed decisions about the Company's shares.

Once the CMVM grants final approval, the prospectus is published on the CMVMC website. All approved Prospects are disclosed on CMVM's website, which allows you to check examples before you start preparing the Prospectus.

## 5. Publication

Once approved, the Prospectus must be made available to the public at a reasonable time in advance of, and at the latest at the beginning of, the offer to the public or the admission to trading of the shares involved. Check the button below to find out where the Prospectus must be published.

### Where must the Prospectus be published?

The Prospectus must be made available to the public in electronic form on any of the following websites:

- a)** the website of the Issuer, the offeror or the person asking for admission to trading on a regulated market;
- b)** the website of the Placement Financial Intermediaries placing or selling the shares, including paying agents;
- c)** the website of the Stock Market Operator where the admission to trading is pursued;
- d)** the website of the Regulator who has approved the Prospectus.

The Prospectus must be published on a dedicated section of the Company's website which is easily accessible to the public. It must be downloadable, printable and in searchable electronic format that cannot be modified.

#### Validity

The Prospectus for a Public Offering for distribution remains valid for a 12-month period from the date of its approval by the CMVM, and provided the Prospectus is updated, accordingly with any supplements that may be required.

#### Supplements

It may occur that in the time between the approval of the Prospectus and the time when trading on a regulated market begins it occurs, or is detected, a new event, a material mistake, or a material inaccuracy relating to the information included in a Prospectus, which may affect the valuation of the shares.

In these cases, the Company must issue a supplement to the Prospectus with the relevant information and request approval of the document from CMVM. The supplement approval process takes into account the fact that it arises at the specific time where CMVM's fast reaction is of utmost importance to mitigate the potential disruption of such event. Therefore, supplements are approved very quickly after the emergence of a triggering event, allowing investors who have already presented subscription orders the right to withdraw them.

Investors who accepted the offer prior to the disclosure of the supplement have the right to withdraw their acceptance within not less than three working days following the disclosure of the supplement, provided that the significant new factor, material mistake or material inaccuracy arose or was noted before the closing of the offer period. That period may be extended by the Company. The final date to exercise the right of withdrawal must be stated in the supplement.

### 3.1.1.2.4. Listing application

In order for a Company's shares to be admitted to trading, a request for the listing of the shares must be submitted to the Stock Market Operator. In Portugal, the operator is Euronext Lisbon, who will verify compliance with the general requirements for admission to trading.

Recommended reading: 3.1.1.1.2. Eligibility Criteria.

In case of listing in Portuguese markets, to kick-off the admission to trading process, the Company first meets with Euronext Lisbon to present the listing project and agree on the respective timetable.

The Company must appoint a Listing Agent (Euronext Lisbon) and a Listing Sponsor (Euronext Growth and Euronext Access) who will assist and guide the Company with the admission to trading and also help the Company to prepare the application form and all the documentation that must be submitted to Euronext Lisbon.

At the same time as the proceedings above, the Company needs to register its shares with the Portuguese Centralised System of Registration of Securities managed by Euronext Securities Porto.

#### Decision

Euronext will decide on the application for admission to listing within a maximum period of 30 trading days (1 month for Euronext Growth and Euronext Access) after receiving the required documentation, unless agreed otherwise by the applicant Company and Euronext Lisbon.

In the event of a Public Offering of shares, the admission to trading shall become effective only after the assessment of results and settlement of the offering.

### 3.1.1.2.5. Marketing and Communication Planning

*Marketing and Communication strategy throughout the IPO process is crucial as it enables the Company to manage investor relations, generate interest and mitigate perceived uncertainty.*

In the context of an IPO, it is of paramount importance that the Company, with the assistance of its advisors, diligently defines how to present and promote the offer to potential investors.

While the Prospectus is being drafted, a marketing strategy is designed to create investor interest and momentum. The Company and its advisors draw up a presentation to use in meetings with investors and equity research analysts, which includes exclusively contents presented in the Prospectus but in a more focused manner and directed to the target investors of such meetings.

The core marketing documents, such as the slideshow, the IPO website, press releases and other communication materials, may all be adjusted throughout the preparation phase of the IPO process. Documents comprising advertising content are subject to prior approval by the CMVM.

The marketing strategy has a great impact in managing investor relations; generating interest and mitigating perceived uncertainty.

It should be highlighted that material information provided, directly or indirectly, by the Company to Institutional Investors or special categories of investors, including information disseminated at meetings, as well as information provided to financial analysts shall be disclosed to all investors to whom the offer is addressed.

Until the offer is made public, all the parties involved in its preparation need to:

Restrict the disclosure of offer related information to the extent necessary to fulfilling the offer's objectives and warn the addressees as to the privileged nature of the information.

Limit the use of undisclosed information to purposes related to the preparation of the offer.

As from the moment the offer is made public, all the parties involved in releasing information regarding the offer need to:

Observe and comply with the quality of information principles;

Ensure the information provided is consistent with the Prospectus;

Clarify their relationship(s) with the Company or their interest in the offer.

Additionally, when conducting pre-offering marketing activities, all the parties involved in the Offer need to assure the compliance with the EU Market Abuse Regulation ("MAR") in what respects disclosure of inside information the context of a market sounding.

Recommended reading: 5. Life as a company with securities admitted to trading.

### 3.1.1.2.6. Early-look meetings with investors

It may be necessary, considering the offer structure, to prepare the Company's Management for any meetings with investors (either internally or through a communication agency or other advisors).

These one-on-one confidential early-look meetings between Management and targeted investors aim to introduce the Company, explain its business model, measure the initial market sentiment on the Company's equity story, ask for the investors' feedback on several matters, , the IPO and the share price, to understand how the market will assess and value the Company, and, most importantly, to measure the adhesion by investors.

These early-look meetings allow an early assessment of the potential success of the IPO. Based on the potential interest noticed at these meetings, which are spread out over time, the Company may adjust its IPO project, and can postpone or even exit the process without a substantial financial commitment at this stage.

If the meetings generate a formal commitment of acceptance of the Offer, this information will appear in the Prospectus.

### 3.1.1.2.7. Meetings with Equity Research Analysts

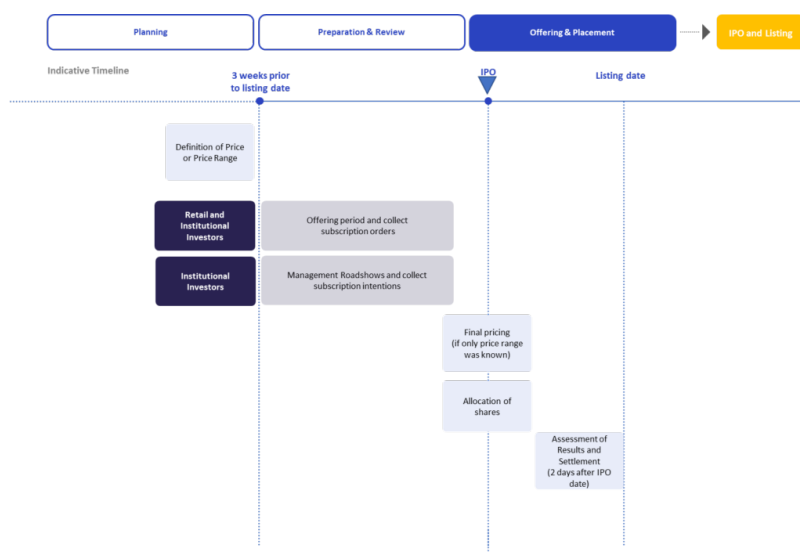
While the Prospectus is being drafted, the Company and its advisors may prepare a management presentation of the Company with equity research analysts to collect additional information. This feedback also allows the advisors to measure market sentiment and subsequently to define, together with the Company's Board, the share price range.

## 3.1.1.3 Offering and placement

Last updated: September 16, 2022

Following the publication of the Prospectus, the public offer period begins and, if a Private Placement is also being held, the order book opens to collect orders from the Institutional Investors. This normally takes between 2 and 3 weeks.





Management Roadshow

Pricing

Placement of the Offering

Allocation of shares

Assessment of Results, Settlement and Listing

### 3.1.1.3.1. Management roadshow

The Management roadshow refers to a series of sales presentations pitched by the Company's Management together with the Financial Advisor(s) and Placement Financial Intermediary(ies) to a wide range of potential Institutional Investors, allowing them to have a closer contact with the Company and, ultimately, to lead them to participate in the IPO.

#### Roadshow Events

Roadshow events are key to the level of participation in an IPO and are held across different locations, at a national and international level, considering the investors they aim to target.

The goal is to present to investors the Company's Management and their strategic vision, the Company's strengths and growth perspectives, and address concerns expressed by investors and analysts during the previous stages.

Topics usually addressed on the roadshow events are the following:

The background and history of the Company;

Information about the Management of the Company;

Strategic Plan;

Business Plan;

Investment Plan;

Historical financial performance analysis;

IPO rationale and intended goals.

Traditionally roadshows are held in a format of live meetings that take place in physical venues, but in the last years it is becoming more and more common to hold part of the roadshow presentations online through online videos and podcasts. At the end of each session there is always a Q&A session where investors' representatives have the freedom to ask general questions about the Company and the IPO process.

### 3.1.1.3.2. Pricing

#### 3.1.1.3.2.1. COMPANY VALUATION

Different techniques are used to determine the fair value of the Company's equity. The main methodologies for valuing the Company are the income approach and the market approach.

The **income approach** determines the value of the Company based on future cash-flows that the business is expected to generate, discounted at a discount rate which represents the opportunity cost of capital, whether using a dividend discount model or a discounted cash flow model.

The **market approach** values the Company based on trading multiples derived from publicly traded companies that are comparable to the Company – **Guideline Public Company Valuation Method\***. Ideally, the guideline comparable public companies selected for analysis compete in the same industry (national or abroad) but when such publicly-traded companies do not exist (or when only a small number of them exist), other companies with similar underlying characteristics. Exact comparability is not required under this method of valuation, although closer comparables are preferred.

\*The Guideline Public Company Valuation Method consists on identifying comparable public companies (peers), adjusting the guideline public company multiples for differences in the size and risk of these companies compared to the Company,

and then applying the adjusted pricing multiples from the representative companies.

No model is more reliable than the other and in some cases the valuation can be performed by considering a combination of different models. Companies are advised to indicate the valuation method(s) used in the Prospectus.

On the basis of this valuation, and also taking into account the market sentiment that was collected in the early looking meetings with investors (and equity research analysts), a fixed price or price range will be determined.

The price range sometimes reflects a discount to the closing price of the shares on the first days of market trading.

### **3.1.1.3.2. PRICE DETERMINATION**

There are two main ways to define the Offer price, namely (i) Fixed Price Method; and (ii) Book Building Method.

If the Fixed Price method is applied, the number of shares to be offered and the Offer price is set out in the Prospectus and thus is known in advance by all agents.

The Book Building method is a price discovery mechanism, in which Institutional Investors (only) are presented with a range of acceptable prices and invited by the Placement Financial Intermediary(ies) to bid for the acquisition of a certain number of shares and state at the price they are willing to pay. The Company considers this information, notably the aggregating of demand as well as the weighted average of the prices proposed, to decide on the final price. The Book Building method is used at Private Placements, in which the level of demand and allocation of shares is discretionary.

When the IPO comprises two separate offers, although interconnected between them: a Public Offer and a Private Placement, the most common practice, in Portugal and in other jurisdictions, is to set a price range for the Public Offer, where investors do not participate in the price-setting process and give orders of acceptance considering that the final offer price may be set in the highest range. Meanwhile, the Book Building method is used for the Private Placement with Institutional Investors. The final price for both is thus obtained through the book building method. The allocation of shares to Institutional Investors in a public offer, if investors' demand exceeds the quantity of shares being offered, shares will be allocated on a pro-rata basis considering the orders transmitted by the Investors under that offer.

The principle of fair and equal treatment of investors applies to all offers, i.e. final offer price must be the same for all investors of the same class.

### **3.1.1.3.3. Placement of the Public Offering**

#### **3.1.1.3.3.1. INVESTORS TARGETED BY THE OFFERING**

The Prospectus must include a clear definition of the breakdown of the offer between investor types.

It is common that the Offering comprises a Public Offering and a Private Placement directed to Institutional Investors, which allows:

Having shareholders with different profiles and investing objectives promotes smooth development of the share price;  
Enhancing liquidity by having a relevant number of investors trading with different perspectives;  
Diversifying the investor base, which provides additional guarantees of investors ability to refinance the company.  
Additionally, in order to promote employee ownership and streamlined incentives between managers, shareholders and stakeholders, the Company may grant their employees, in parallel with the IPO process, the opportunity to subscribe for Company shares.

When no distinction is made between different categories of investors and/or no allotment of shares is reserved for a specific category of investors in a Public Offering, the Company must ensure that the Public Offering is effectively open to all investors on the same terms and conditions without distinction or discrimination and the shares are allocated in an equitable manner.

### **3.1.1.3.3.2. OFFERING PERIOD**

The length of the period is very flexible and varies greatly from one transaction to another.

In many IPOs, the offering period ranges from around 2 to 3 weeks and starts on the day following the publication of the Prospectus (or a few days later). Under certain conditions, depending on the investors' demand and other market conditions, the term of the offer may be extended, subject to CMVM's authorization.

### **3.1.1.3.3.3. ACCEPTANCE OF THE OFFER**

Investors' acceptance of the public offering is done by an order addressed to any financial intermediary legally authorized to render the service of the reception, transmission or execution of orders on third party's behalf.

Such acceptance orders may be revoked up to five days before the end of the offer period, or within a shorter timeframe, whenever stated in the Prospectus.

#### **Opening of the order book**

When a Private Placement offer targeted to Institutional Investors is being carried out (together or not with a Public Offer) and the Book Building method is used for the IPO price definition, the Placement Financial Intermediary(ies) opens the order book and starts receiving preliminary orders from the Institutional Investors. These orders will include the number of shares they wish to acquire and the price they are willing to pay within the pre-defined range.

### **3.1.1.3.3.4. REVISION OF THE OFFER**

Until two days before the end of the public offer period and subject to the CMVM's authorisation, the offeror may review the terms and conditions of the offer, provided they are not less favourable, in global terms, to investors.

#### **What are the effects of the offer revision?**

Revision of the offer may lead to extensions of the respective time periods, decided upon by the CMVM either on its own initiative or at the request of the offeror.

Statements of offer acceptance prior to amendment are considered effective for the modified offer. Nonetheless, the referred acceptance can be revoked.

The amendment should be immediately disclosed by the same means used for the prospectus disclosure.

### **3.1.1.3.5. MODIFICATION, REVOCATION AND WITHDRAWAL OF THE OFFER**

In case of unexpected and substantial change of circumstances, the offeror may modify or revoke the offer, subject to the CMVM's authorisation.

Whenever the CMVM identifies that the offer contains any irreversible illegality or breach of regulation, it will order the offer's withdrawal.

The revocation and the withdrawal of the offer are published by the CMVM, at the offeror's expense, by the same means used to disclose the Prospectus.

The revocation and withdrawal of the offer determines the ineffectiveness of the offer (being returned or unlocked what has already been paid).

### **3.1.1.3.6. OFFER SUSPENSION**

The CMVM will suspend the offer when any reparable illegality or violation of regulation is discovered. The defects that caused suspension need to be corrected in maximum 10 working days. Afterwards, if no correction is made, the CMVM will order the offer's withdrawal.

If the offer is suspended, investors may withdraw their acceptance orders until the fifth day following the suspension.

## **3.1.1.3.4. Allocation of SHARES**

### **General principles**

The shares are allocated to (each class of) investors in accordance with the principle of fair and equal treatment of investors.

The Prospectus should contain information on how the shares will be allocated in the event of oversubscription. As a general rule, the allotment method in the Public Offer should be made on a pro-rata basis, but other methods may be chosen, subject to the CMVM's approval.

### **Over-allotment option**

An overallotment option may be provided in the placement agreement, allowing Placement Financial Intermediary(ies), on behalf of the Company and selling shareholders, to accept orders of acquisition of more shares than the initially set. This option generally lasts for 30 calendar days after the closing of the offer and may not exceed a number of shares representing 15% of the amount of the Public Offering. The possibility of increasing the size of the offer up must be

disclosed to the CMVM and included in the Prospectus.

### 3.1.1.3.5. Assessment of Results, Settlement and Listing

At the end of the offer period, the final number of shares is allocated to the Public Offering and to the Private Placement, if the offering comprises both.

On the following day, the results of the Public Offering are assessed, by a financial intermediary or by the market operator.

The Company must register the share capital increase with the commercial registry office, a formality necessary for the settlement of the offer.

The settlement occurs with the payment to the Company (and selling shareholders if applicable) of the proceeds of the offering vs. the delivery of shares to investors (made through the credit of their shares accounts by the Financial Intermediaries through which the subscription/acquisition orders were processed).

Only after the settlement, the shares will be effectively admitted to trading on the stock market.

## 3.1.2 Simplified Scope IPO Process

### 3.1.2.1. Planning

Last updated: September 22, 2022

Even though the Company must prepare itself to become a public Company, given the more simplicity of the process and the lower requirements applicable to the admission to trading on an MTF market, the planning phase will mostly focus firstly on assuring the IPO is the best option for obtaining the intended financing and, if so, assuring the Company's shares will generate interest from investors.

Please refer to section '3.1.1.1. Planning' for further information regarding the considerations of the planning phase of an IPO.

#### 3.1.2.1.1. Eligibility criteria

When choosing one of the MTFs for admission to trading, there are no requirements regarding:

The time the Company has been operating

The composition of the management and supervision boards

### Market capitalization

Additionally, the free float (i.e. dispersion of shares amongst the public) requirements for MTFs are much lower when compared with the regulated market, which facilitates the admission to trading, as well as makes it easier to maintain higher control stakes in the Company.

**Requirements to listing on the MTF's markets operated by Euronext are the following:**

	Euronext Access	Euronext Access+	Euronext Growth
<b>Free Float (dispersion of shares amongst the public)</b>	Not applicable	€1m	€2.5m

Despite the above, Companies must have into account that lower free floats will often imply lower liquidity of the shares. Accordingly, to guarantee investors' appetite for the Company's shares the Offer size (and correspondent free float) must be carefully chosen.

### 3.1.2.1.2. Financial Accounts

When choosing an MTF for the admission to trading, you won't need to adapt your financial accounts to a different accounting standard.

**Requirements to listing on the MTS's markets operated by Euronext are the following:**

	Euronext Access	Euronext Access+	Euronext Growth
<b>Financial Statements (Euronext)</b>	2 years  (if relevant, and no requirement for audited accounts)	2 years  (incl. audited annual accounts of the last financial year)	2 years  (audited annual accounts, unless the fiscal year ended more than 9 months before the admission to trading date - interim accounts)

### 3.1.2.1.3. Appointment of Advisors

When choosing the MTF markets your Company and/or selling shareholders will only need to hire a Listing Sponsor – mandatory for the MTFs operated by Euronext – that will help to navigate the IPO process and assist you with the interactions with the Stock Market Operator.

Nevertheless, advisors may be very helpful and beneficial to assist the Company in the IPO process, develop marketing efforts for the distribution of the shares, including organizing roadshows of the Company's management with investors. The scope of the job of the advisors and, at the limit, the need to hire advisors (other than the Listing Sponsor) will depend on your Company's internal legal and finance capabilities and resources, the size of the offering and the level of marketing efforts required.

Recommended reading: 3.1.1.1.3. Appointment of advisors – information on the considerations that must be made before appointing advisers.

### 3.1.2.2. Preparation

Last updated: September 16, 2022

#### 3.1.2.2.1. Adapt corporate governance structure and internal compliance functions

The Company has to adopt the legal type of a public limited Company (local designation "Sociedade Anónima" or "S.A."), to be able to execute the IPO.

Differently from the admission to trading on a regulated market, admission to trading on an MTF generally will not demand specific corporate governance requirements. In any case, a review of the Company's articles of association as well as of the Company's internal function and organization is advisable.

Recommended reading: 3.1.1.2.1.2. Adapt corporate governance structure and internal compliance functions.

#### 3.1.2.2.2. Information document

If an MTF is chosen for the listing of the Company's shares, and the offering of shares is preceded by a Private Placement or by a Public Offering that does not require the disclosure of an EU Prospectus, in accordance with one of the exemptions presented in section '3.1.0. The Road to Equity trading', your Company and/or the selling shareholders will only be required



to prepare an Information Document which is much concise and less detailed than a Prospectus (see section '3.1.1.2.3. Prospectus').

### **What is an Information Document?**

The Information Document is significantly more concise and flexible than a Prospectus, with the aim to reach a balance between simplifying access to finance for SMEs and protecting investors, by ensuring accurate and sufficient information.

The document must be written in comprehensible language with accurate, fair, clear and non-misleading content and must include the necessary information to allow investors to make their investment decisions, such as the Company's assets and liabilities, financial position, profit and losses, and prospects of the Company as well as the shareholders rights.

For Euronext markets, the information contents are specified in Appendix III of the Euronext Growth Rulebook and Appendix IV of the Euronext Access Rulebook.

### **Language**

As to Euronext MTFs, the Information Document is accepted in English or in Portuguese.

### **Approval**

The Information Document is approved by Euronext, if an Euronext MTF is chosen for the admission to trading, which will be responsible for reviewing the document's completeness, consistency and comprehensibility.

### **Publication**

Once approved, the Information Document must be published in accordance with the rules of the Stock Market Operator.

## **3.1.2.2.3. Other preparation considerations**

The Due Diligence (see section '3.1.1.2.2. Due Diligence') will, in principle, only be required, in case there is either a formal underwriting of the Company's newly issued shares by one or more Placement Financial Intermediary(ies) or some sort of offering/roadshow to Institutional Investors.

Early engagement of the Company and its advisors with the Stock Market Operator is crucial to discuss the application of the eligibility criteria for listing and of the listing rules, the suitability for listing, identify any issues that require adjustments or clarifications and jointly agree on a timetable for the process of admission to trading.

Recommended reading: 3.1.1.2.4. Listing application.

### 3.1.2.2.4. Marketing

The main difference when compared to an Offer with Prospectus is that in an offer with no Prospectus it will not be required for the Company to get the Regulator's approval for the advertising materials to be used.

Although it is common to have some publicity and promotion of the issue towards investors, including a roadshow directed towards Institutional Investors, it is up to the Company to define how it wants to publicize the issue to the market.

Recommended reading: 3.1.1.2.5. Marketing and Communication Planning; 3.1.1.2.6. Early-look meetings with investors

## 3.1.2.3. Offering and placement

Last updated: September 16, 2022

### 3.1.2.3.1. Management Roadshow

The Management roadshow refers to a series of sales presentations pitched by the Company's Management together with the Financial Advisor(s) and Placement Financial Intermediary(ies) to a wide range of potential Institutional Investors, allowing them to have a closer contact with the Company and, ultimately, to lead them to participate in the IPO.

The Company, with the goal of attracting a large number of investors, may negotiate the offer directly with a limited number of Institutional Investors already identified, or promote a roadshow.

Recommended reading: 3.1.1.3.1. Management roadshow.

### 3.1.2.3.2. Pricing

The pricing of an IPO followed by listing on an MTF follows similar principles to those followed by listing on a regulated market, i.e. a Fixed Price Method, Book Building Method (when it involves a private placement) or a Partial Book Building Method (when the issuance encompasses a public offer and a private placement simultaneously).

Recommended reading: 3.1.1.3.2.2. Price determination.

### 3.1.2.3.3. Placement of the Offering

The Information Document and the offer process are not directly subject to the legal rules applicable to Public Offers, being applicable the rules established in the Information Document itself.

From recent practical experience in Portugal, the information documents tend to reflect, in a simplified manner, rules regarding the term and acceptance of the offer, a summary information on the Company, the destination of the proceeds of the offer as well as the risk factors of investing in the shares offered reproducing, in a very summarized manner, the essential contents of a Prospectus, allowing investors to have access to the information necessary to make an investment decision.

The CMVM has no direct supervision over the offer nor the authority to approve the Information Document. . However, the CMVM will become responsible for supervising the Company, the trading of shares, and its distribution to Retail Investors, , once the offer has been completed and the shares are trading on the MTF. Therefore, in order to protect the market and potential investors, it is common that the CMVM is consulted before and during the offering process. Eventually, the Information Document may even be published on the CMVM's website, at the Company's request, although there is no obligation to do so.

### 3.1.2.3.4. Allocation of shares

The allocation of shares to investors in an IPO followed by listing on an MTF also follows similar principles to those of an IPO followed by listing on the regulated market. The shares are allocated to (each class of) investors in accordance with the principle of fair and equal treatment of investors.

Recommended reading: 3.1.1.3.4. Allocation of shares.

### 3.1.2.3.5. Assessment of Results, Settlement and Listing

At the end of the offer period, the results of the offering are assessed by a financial intermediary or by the Stock Market Operator.

The Company must register the share capital increase with the commercial registry office, a formality necessary for the settlement of the offer.

The settlement occurs with the payment to the Company (and potential selling shareholders) of the proceeds of the offering and the issuance and delivery of shares to the investors (made through the credit of their shares accounts by the Placement Financial Intermediary(ies) through which the subscription/acquisition orders were processed).

The shares will only be effectively admitted to trading on the MTF following the settlement of transaction.

## 3.2. Secondary public offerings / Rights Issues

### 3.2.1. Planning

Last updated: September 16, 2022

*A Company after its IPO can raise, with less effort, additional equity capital through a secondary public offering (SPO, follow-on offering) for the purpose of raising capital for new projects or for recapitalising the Company.*

Similarly, to the IPO process, an SPO is developed in the same 3 phases as an IPO, namely Planning, Preparation & Review, Offering & Placement.

A comprehensive timeline detailing main events during the process is presented here.

The SPO planning phase takes considerably less time and efforts when compared to an IPO. When planning for an SPO, the Company is already public and, therefore, it already has made all the efforts to change its corporate structure, processes, and systems to comply with all the obligation related with being public. Nonetheless, to assure success of the offer, companies still need to have an attractive equity story and a clear corporate strategy backing the decision to proceed with an SPO.

Even if the process is simpler than an IPO, your Company will have to assure all the obligations arising from the SPO are met, and for that it may need assistance of specialized advisors to assure the preparation of the offering documentation as well as to managing the marketing and sale of the Company's shares to investors. For further information on the considerations that must be made before appointing advisers please see '3.1.1.1.3. Appointment of advisors'.

## 3.2.2. Preparation

Last updated: September 16, 2022

### 3.2.2.1. Setup

#### 3.2.2.1.1. INTERNAL DECISION-MAKING PROCESS

##### Capital Increase

The launch of an SPO must be preceded by a Company's resolution of share capital increase approved by the General Meeting, unless the Board of Directors is authorised by the Company's by-laws to resolve on share capital increases up to a limit therein foreseen.

The Company's resolution can provide that in the event the share capital increase is not fully subscribed, the value of the increase will be limited to the subscriptions collected, otherwise the share capital increase will be considered without effect.

##### Legal right of pre-emption in the capital increase by new cash contributions

Company's shareholders, on the date of the resolution of share capital increase, are entitled to subscribe to the new shares with preference in relation to the other investors, except if their pre-emption rights are suppressed or limited because the corporate interest so justifies (such as the entrance of a strategic partner for the Company).

Shareholders that decide not to take up their subscription rights can sell them to other investors (in the stock market or over the counter).

#### 3.2.2.1.2. NEGOTIATION AGREEMENTS AND APPOINTMENT OF PLACEMENT FINANCIAL INTERMEDIARIES

Similarly to what happens in an IPO process, the Company may decide to appoint advisors to assist on the preparation of the Prospectus and the placement of the offering. For further information on the appointing process and types of agreements please refer to section '3.1.1.2.1.4. Negotiation agreements with advisors and Placement Financial Intermediaries'.

#### 3.2.2.1.3. ENGAGEMENT WITH THE REGULATOR, THE STOCK EXCHANGE AND CSD

Similarly to an IPO, it is recommended that the Company, and its advisors, engage, at an early stage of the SPO, with the following entities to agree on the calendar and filing of the required documentation:

- (i) CMVM, for the approval procedure of the Prospectus;
- (ii) Euronext, for the admission of the newly issued shares; and
- (iii) Euronext Securities, for the exercise of the subscription rights and other procedures of the share capital increase.

### 3.2.2.2. Due Dilligence

Although not mandatory, the Company and/or the Placement Financial Intermediary(ies) may wish to perform a Due Diligence process to assure the completeness, reliability and accuracy of all the information that will be included in the Prospectus and assure that all the obligations arising from the SPO are being met. Nonetheless, given the Company is already public and has to disclose to the market all relevant information, typically these Due Diligence processes are less cumbersome and time consuming. Please refer to the section '3.1.1.2.2. Due Diligence' for additional information.

In an absence of a Due Diligence process, the minimum requirement is a reliance letter issued by the auditor or certified accountant, regarding the reported financial information and the (financial) information to be included in the Prospectus.

### 3.2.2.3. Prospectus / information document

SPOs must be preceded by the disclosure of a Prospectus or an Information Document, in order to ensure sufficient transparency and investor protection, under the same terms better detailed in sections '3.1.1.2.3. Prospectus' and '3.1.2.2.2. Information document'.

Certain SPOs shall be exempted from the obligation to publish a listing Prospectus, if the shares being admitted to trading are fungible with other shares already admitted to trading on a regulated market provided that they represent, over a period of 12 months, less than 20 % of the number of shares already admitted to trading on such market.

The EU Prospectus Regulation allows Companies to choose to draw up a simplified Prospectus for secondary offerings, which aims to facilitate fundraising on capital markets, reducing the cost of capital and avoid imposing unnecessary burdens on Companies.

#### **When can a company choose to draw up a simplified Prospectus for secondary issuances?**

The following companies may decide to draw up a simplified Prospectus when making a Public Offer of shares:

Companies whose shares have been admitted to trading on a regulated market or an SME growth market continuously for at least the last 18 months and who issue shares fungible with existing shares which have been previously issued;

Companies whose shares have been admitted to trading on a regulated market or an SME growth market continuously for at least the last 18 months and who issue non-equity shares or shares giving access to shares fungible with the existing shares of the issuer already admitted to trading;

Companies whose shares have been offered to the public and admitted to trading on an SME growth market continuously for at least two years, and who have fully complied with reporting and disclosure obligations throughout the period of being admitted to trading, and who seek admission to trading on a regulated market of securities fungible with existing securities which have been previously issued.

### 3.2.2.4. Marketing

The first communication to the market regarding the decision to proceed with the capital increase and the correspondent offering will occur with the release of the convening notice for the General meeting to resolve on the capital increase.

Further Communications and Marketing efforts need to be performed under the same rules for the IPO as presented in section '3.1.1.2.5. Marketing and Communication Planning'.

However, being a public Company already known to the market and with a lot of information available, the marketing efforts for the offering will depend mostly on who the recipients of the offer are, the size of the offering as well of the interest that the public may have on the Company.

### 3.2.3. Offering and Placement

Last updated: September 9, 2022

In a rights issue, the offering and placement begin following the disclosure of the Prospectus and the release of the notice for the exercise of subscription rights of the new shares to be issued.

The offering period normally takes 2 to 3 weeks, considering the period of no less than 15 days that is legally granted to shareholders for the exercise of their subscription rights. The subscription right is granted for each share held by the shareholders. The Company defines the number of new shares that each shareholder may subscribe. Accordingly, shareholders will have the right to subscribe new shares proportionally to the number of shares they hold at the beginning of the offer period.

During the offering, the shareholders may subscribe the new shares or sell their pre-emptive rights privately or in the stock exchange.

Due to the offering being limited to shareholders and holders of subscription rights, management roadshows are less frequent and less expensive in comparison with those of the IPOs. Nonetheless, the Company may find it valuable to proceed with the roadshow, depending on the size of the offering, to boost investors' interest.

Recommended reading: 3.1.1.3.1 Management roadshow.

### 3.2.3.1. Pricing

Differently from an IPO, in a Secondary Offer the Company's shares already have a known market price. Rights issues normally allow the subscription at a lower price than the share price in the market, to encourage investors to exercise their rights of subscription of new shares.

### 3.2.3.2. Allocation of the new shares

The new shares are distributed among the holders of subscription rights in the Offer as follows:

Pursuant to the exercise of subscription rights, each shareholder is entitled to subscribe the number of new shares that results from the application of the factor to the number of subscription rights held by such shareholder (or holder of subscription rights) at the moment of subscription and which it has declared its intention to exercise; and

The new shares not subscribed for are to be allotted to holders of subscription rights that have expressed their intention to subscribe for more new shares than those they are proportionally entitled to subscribe for pursuant to their subscription rights, pro rata to their exercise of such rights.

### 3.2.3.3. Assessment of Results, Settlement and Listing

At the end of the offer's period, the results are immediately assessed and disclosed, either by the Financial Intermediary assembling all the acceptance statements, or in a stock exchange special public session of the market.

Prior to Admission to trading, the Company needs to proceed with the registration of the share capital increase with the competent commercial registry office, a formality necessary for the settlement of the offer.

The shares will only be effectively admitted to trading on the stock market once the commercial register and the settlement have been finalized.



### 3.2.4. SPO Costs



Last updated: January 12, 2023

*When comparing to an IPO, an SPO will be a less demanding process for all for all those involved in the operation and the Company incurs in less costs.*

The same type of costs that arise in an IPO also may arise in an SPO. Nonetheless, usually those costs are smaller in an SPO given the efforts required for the planning, preparation and marketing will be typically less.

Based on financial information available from Portuguese listed companies, the average total cost of an SPO tends to be within the interval of 1% – 5% of the total amount of funds raised during the offer.

Typically, the larger the offering, the higher the costs in absolute terms. Nevertheless, in relative terms, usually they represent a much smaller proportion of the value of the offer proceeds compared with small-sized offerings.

Recommended reading: 3.1.3. IPO Costs main costs of SPO process (except Euronext fees that are described below).

### Euronext fees

The Company that applies for admission to trading of its shares shall pay any fees charged by Euronext, in accordance with the conditions defined.

The Stock Market Operator, Euronext, charges the following subsequent admission fees for shares:

All Markets	
Following variable fees for each tranche of amount admitted:	
[0 – 10]€ million	0.105%
[10 – 100]€ million	0.043%
[100 – 250]€ million	0.038%
[250 – 500]€ million	0.032%
[500 – 1,000]€ million	0.027%
[1,000 – and above]€ million	0.021%
Minimum fee: €600	
Maximum fee: €1,500k	

Check more detailed fees charged by Euronext [here](#).

The fees charged for the processing of exercise of issue rights is fixed in 529,50€. Check more detailed fees charged by Euronext Securities here.

## 3.3. Delisting

### 3.3.1. Voluntary exclusion from trading

Last updated: September 12, 2022

Delisting is the process in which the Company's shares are removed from the exchange listings. Delisting can be broadly classified as:

Voluntary exclusion of trading – When initiated by the Company or its shareholder(s);

Exclusion of trading further to a squeeze-out procedure;

Exclusion of trading determined by the Stock Market Operator – When the Company fails to comply with listing rules and such failure cannot be remedied, unless this measure would be likely to cause damages on the interests of the investors or on the regular functioning of the market.

Just as an IPO may be a natural step in the lifecycle of a Company, under occasional circumstances delisting may also be a rational choice at a certain stage of companies' life. Being listed is not a definitive condition and the law foresees mechanisms for delisting as presented below.

Additionally, under specific circumstances the Regulator or the Stock Market Operator may force the exclusion from trading of shares. Nonetheless, in most cases the Company has the opportunity to solve the problem and revert the involuntary delisting process altogether.

The reasons that support the decision of voluntary delisting are discretionary and will depend on the specific context of the Company. However, the most common rationale for voluntary delisting is the need to make room for profound reorganization of the Company (usually following a change in shareholder structure and/or control).

#### Requisites for voluntary exclusion from trading

The Company of shares admitted to trading on the regulated market or an MTF market in Portugal can apply to CMVM for the delisting of its shares. Delisting has to be decided:

At a General Meeting by a majority of not less than 90% of the voting rights; and

If applicable, at meetings of the holders of special shares admitted to trading on a regulated market in Portugal or traded on an MTF and of other securities conferring the right to subscribe or acquire shares by a majority of not less than 90% of the securities concerned.

For this purpose, the application for voluntary delisting must be submitted to CMVM within 20 days of the date of the aforementioned deliberations.

In addition, for delisting to occur, the Company is required to acquire, or appoint a shareholder or third party who undertakes to acquire, within three months of the approval by the CMVM of the voluntary delisting, the shares held at the date of the General Meeting by the shareholders who did not vote in favour of the delisting.

## **What is the price to pay to acquire the shares held by the shareholders who did not vote in favour of the delisting?**

This acquisition of the shares must be made for a consideration in cash calculated in accordance with the paragraphs below, with reference to the date of disclosure of the convening notice the General Meeting. Additionally, such consideration must be secured by a bank guarantee or cash deposit made at a credit institution.

The price to be paid for the shares cannot be less than the highest of the following amounts:

- a) The highest price paid by the offeror or by any related parties for the acquisition of shares, or which the offeror or any of those persons has undertaken to pay, in the six months immediately preceding the date of publication of the convening notice;
- b) The average weighted market price of those shares during the same period.

The delisting is effective as from the publication of the CMVM's favourable decision.

### **Confidentiality obligations**

Public interests related with the integrity of the market require that the preparation process of exiting the market should be kept strictly confidential and restricted to a limited circle of people until being publicly disclosed and observe market abuse rules.

Please refer to section '5. Life as a Company with securities admitted to trading', in particular the section related with 'Market Abuse Regulation' for further information on this subject.

### **3.3.2. Exclusion of trading further to a squeeze-out**

Last updated: September 12, 2022

In the event that, further to a takeover bid of a Company with shares admitted to trading on a regulated market in Portugal, the offeror acquires 90% or more of the voting rights in such company, the law establishes its right to acquire the remaining shares, implementing a squeeze-out procedure. This squeeze-out right shall be exercised within three months as of the assessment of the results of the takeover bid' and the consideration to be paid shall comply with the minimum

legally required and be in cash.

Following a squeeze-out of the remaining shares, the Company's shares and any securities granting the right to acquire them will be immediately excluded from trading on the regulated market.

### 3.3.3. Exclusion from trading determined by the Stock Market Operator

Last updated: August 30, 2022

Euronext may exclude the Company's shares listed on its markets at its own initiative, or upon CMVM request, in extreme situations foreseen in the law, namely failure to comply with listing rules or laws and regulations, considering investor protection and market integrity.

The decision of exclusion normally will be preceded by several interactions between the Company and the Stock Market Operator and, if required, the CMVM.

### 3.3.4. Delisting Costs

Last updated: January 12, 2023

#### **Euronext fees**

Companies must pay a delisting fee to delist (voluntarily or not) any class of its shares from a Euronext Market:

Euronext Access €5,000

Euronext Growth/Euronext €10,000

#### **Redemption or cancellation of shares**

Cancellation means any annulment or reduction of the quantity of held in the issuing account.

The fee due for the redemption or cancellation of shares is charged immediately after the event, whenever it implies the cancellation of the shares issue in the Centralised Securities System or whenever occurs the extinction of the Company, namely by a merger, demerger, dissolution or liquidation of the Company.

Number of operations per year	Fee/operation
From 1 to 20	€ 264,75
From 21 to 100	€ 158,85
From 101 on	€ 52,95