



**ATHEXGROUP**  
Athens Exchange Group

# Corporate Bond Market on ATHEX Do you know that...?

December 2018

Issuer Support Division

## ... 31 Bonds are listed & traded today on ATHEX

### Today:

- The following bonds are listed and traded in the Regulated Market of ATHEX:
  - **8** Common Corporate Bonds (HOUSEMARKET S.A., OPAP S.A., MYTILINEOS HOLDINGS S.A., SYSTEMS SUNLIGHT S.A, TERNA ENERGY S.A., GEK TERNA HOLDING REAL ESTATE CONSTRUCTION S.A., CORAL A.E., B&F COMMERCIAL & GARMENT INDUSTRIES S.A.)
  - **1** Convertible Corporate Bonds (FORTHNET S.A.)
  - **21** Government Bonds
- The following bonds are admitted and traded in the Alternative Market of ATHEX
  - **3** Common Corporate Bonds (MLS Multimedia S.A. 2 common bonds, DELTA TECHNIKI S.A.)

Since 2016 **12 corporate bonds** were issued with total issue value ~ **972 mln €**

## ...all types of Corporate Bonds are eligible for listing

The listing of all types of corporate bonds is supported such as :

- ✓ Corporate Bonds issued by companies operating under Greek and Foreign law (e.g. English law)
  
- ✓ All categories of corporate bonds:
  - common
  - with convertible bonds
  - with exchangeable bonds
  - with the right to participate in gains
  - with special characteristics (callable, puttable, amortised, etc.)
  - syndicated

## ... the characteristics of convertible corporate bonds are

- ✓ Fixed or floating rate giving the right to the bond holder to convert the bonds into new shares.
- ✓ If during the life of the bond, the current share price reaches or exceeds the issue price of the bond, the bondholder may convert the bond and to benefit from any capital gains
- ✓ Structured in a way that serves the cash flow and financial needs of the company.
- ✓ The law provides a right of preference in the acquisition of convertible bonds to existing shareholders or if there are particular reasons issued with the abolishment of pre-emption rights, usually for financial institutions or institutional investor.
- ✓ When converting into shares leads to a company's share capital increase.
- ✓ The yield of a bond moves between the performance of a fixed or floating security performance and dividend yield of the stock.
- ✓ The shares offered at premium to the share market price, in contrast to the share capital increase which offered a discount.

## ...the characteristics of exchangeable corporate bonds are

- ✓ Fixed or floating rate
- ✓ Entitles the bondholder to exchange his counterpart with existing shares in the issuing company or other than the issuer which he holds in his portfolio (often subsidiary).
- ✓ The exchangeable bond is issued in exchange price increased over the current market value of the underlying stock.
- ✓ The exchange can be done at any time during the duration of the bond in accordance with the terms of the loan.
- ✓ The interest rate is usually fixed and lower than the interest rate of common bonds.

## ...other categories of corporate bonds are

### ✓ **Common bond**

- The simplest form of corporate bond issued by a private contract between the issuer and the bondholders and gives bondholders the right to receive interest at specified intervals.

### ✓ **Bond with the right to participate in gains**

- In this type of corporate bond, in addition to the interest paid, a right is given to bondholders to receive a percentage on company profits remaining after distribution of the first dividend.

### ✓ **Mortgage bond**

- Corporate bond which is granted in favor of the bondholders secured by a mortgage on real estate (effective for any type of bond loan).

### ✓ **Syndicated bond**

- Corporate bond given by banks group (consortium) working together to finance the issuing company in which each lender undertakes a certain stake of the total issue.

# ... corporate bonds can be listed in both the Regulated and the Alternative Market of ATHEX

Possibility of Public Offering or Private Placement of corporate bonds in the:

## ✓ **Regulated Market**

- Based on key listing rules and information that apply to all EU Member States (Prospectus Directive)
- Issuance of Prospectus approved by the Hellenic Capital Market Commission (HCMC)
- Supervision by the HCMC

## ✓ **Alternative Market**

- Simplified admission process by issuing an Information Document for Private Placement or an Information Memorandum for Public Offering up to 5 million Euros
- Flexible criteria for admission and maintenance
- Supervision and market rules are exclusively determined by the Athens Stock Exchange

## ... harmonized European listing rules apply on ATHEX Regulated Market

Corporate bonds are listed for trading on ATHEX subject to the **general prerequisites** set forth below being met:

- ✓ Approval by the HCMC and publication of Prospectus (subject to being required under the applicable provisions of Law 3401/2005).
- ✓ Bonds must be freely negotiable.
- ✓ Mandatory compliance with Corporate Governance principles.
- ✓ In particular with regard to **convertible** and **exchangeable bonds and bonds with warrants**, these shall be admitted solely subject to the underlying transferable securities having been previously listed on a regulated market or being listed at the same time.
- ✓ Dematerialized foreign bonds (or paper foreign bonds following their dematerialization) may be admitted to trading.



## ...for the Alternative Market of ATHEX there is a particularly attractive framework

Corporate Bonds are admitted to trading on the ATHEX Alternative Market (EN.A.) subject to the **general prerequisites** set forth below being met:

- ✓ In the case of a Private Placement the publication of an Information Memorandum will be sufficient according to the EN.A. Market Rules (Resolution No3), while for a Public Offer of up to 5 million Euros an Information Document has to be drafted, the content of which is specified in HCMC Resolution 12/697/10.11.2014.
- ✓ Bonds must be freely negotiable.
- ✓ There is no minimum issue amount.
- ✓ In particular with regard to **convertible** and **exchangeable bonds with warrants**, these shall be admitted solely subject to the underlying transferable securities having been previously listed on a regulated or alternative market or being listed at the same time.
- ✓ Dematerialized foreign bonds (or paper foreign bonds following their dematerialization) may be admitted to trading.

...for the Listing/Admission to trading there is simple and standardized procedure

Issuer <u>with</u> listed shares	Issuers <u>without</u> listed shares
Submission of application for bond listing on ATHEX and of all necessary supporting documents	
	Issuer suitability evaluation
Investor Information Prospectus or Information Document / Memorandum (as appropriate)	
HCMC approval of the Prospectus content (where required)	
Public Offering or Private Placement	
Approval of listing on the Regulated Market / admission in the Alternative Market	

... ATHEX fees are highly competitive

Listing of Corporate Bonds on the Regulated Market	Admission of Corporate Bonds in the Alternative market
Listing fee <b>EUR 3,000</b> regardless of the issue amount	Admission fee <b>EUR 1,500</b> regardless of the issue amount
Dematerialized Securities System (DSS) registration fees <b>0.025%</b> on the issue value (the minimum and maximum fees are EUR 3,000 and EUR 10,000 respectively)	
Annual fee for keeping bonds in the DSS <b>EUR 1,000</b>	

## ... ATHEX Group provides a full spectrum of services to Corporate Bonds Issuers

ATHEX Group provides a full set of services to corporate bonds issuers;

- ✓ regarding **listing** on the Regulated Market or **admission to trading** on the Alternative Market of ATHEX and, at the same time, **trading, clearing, settlement and registration**.
- ✓ regarding **registration** in the ATHEX Group electronic records, in dematerialized format.
- ✓ regarding the **full support for disseminating corporate announcements through the 'HERMES' electronic messaging system**
- ✓ to **daily update the bondholders file** sent either to the issuer or to the representative of bondholders.
- ✓ to **fully support corporate transactions** through custodians.

## ... ATHEX Group covers all types of corporate actions

The services available to all issuers include automated full services in support of corporate actions and payments. These include:

- ✓ coupon payment
- ✓ corporate bond repayment
- ✓ partial early corporate bond repayment
- ✓ full early corporate bond repayment
- ✓ exchange offers
- ✓ Bondholder GM support
- ✓ supply of Bondholders record on a daily basis (AxiaLine)
- ✓ provision of records with transfer deeds (AxiaLine)
- ✓ conversion of convertible bonds into listed stocks
- ✓ procedure for the conversion/exchange of bonds with listed stocks
- ✓ other services provided include paper bond dematerialization and issue of ISIN, CFI & FISN codes.

## ... corporate bonds offer a series of advantages to the issuing companies

- ✓ An alternative form of funding
- ✓ Medium and long-term capital security
- ✓ Better repayment planning tailored to the cash flows and the company's financial planning.
- ✓ Access to Greek and foreign investors through the Athens Exchange.
- ✓ Improved balance sheet structure where use is made to repay short-term borrowing.
- ✓ The company attracts new investors without necessarily having a shareholding relationship.
- ✓ Possibility of non repayment of the loan with cash (e.g. Bond loans with convertible bonds).
- ✓ Flexibility in the issuance of the corporate bond. Cries authorization from the GM to the BoD that the issuance of the bond loan be direct when the conditions in the money markets allow it.
- ✓ Possibility to repay the loan either early (callable bond), or gradually with scheduled amortization instalments (amortised bond), as long as there is relative provision in the terms of the bond issue.
- ✓ Competitive fees regarding the listing of bonds, bond holders record keeping and corporate actions service.

## ... advantages for bond holders are

- ✓ Alternative form of investment for the diversification of a portfolio
- ✓ Expand of investment options
- ✓ Ensuring higher interest rate relative to bank deposits
- ✓ Receipt of cash flow at regular intervals
- ✓ Default maximum participation time to maturity of the bond
- ✓ Possibility to purchase / sell the bonds at any time in the Secondary Market of the Athens Exchange
- ✓ Participation in market with specific transparency rules
- ✓ Possibility of early redemption of the bonds at a predetermined price if provided in the loan terms (puttable bond)
- ✓ Easy to monitor their portfolios through the appearance of securities in the account held by each investor in Dematerializes Securities System (DSS)
- ✓ Safety on the respect of bonds in dematerialized form in the electronic files of Greek Central Securities Depository

## ... listed Corporate Bonds since 2016

Company	Issue amount (in mil. €)	Interest rate	Duration	Type	Issue date	Market
B&F COMMERCIAL & GARMENT INDUSTRIES S.A.	25	4,95%	5 years	Common	26/06/2018	Regulated
CORAL A.E.	90	3,00%	5 years	Common	11/05/2018	Regulated
GEK TERNA S.A.	120	3,95%	7 years	Common	04/04/2018	Regulated
DELTA TECHNIKI S.A.	6,5	5,50%	7 years + 1 year option for extension	Common	22/12/2017	ENA
MLS MULTIMEDIA S.A.	6	5,30%	5 years	Common	31/08/2017	ENA
TERNA ENERGY S.A.	60	3,85%	5 years	Common	21/07/2017	Regulated
MYTILINEOS S.A.	300	3,10%	5 years	Common	27/06/2017	Regulated
SYSTEMS SUNLIGHT S.A.	50	4,25%	5 years	Common	20/06/2017	Regulated
OPAP S.A.	200	3,50%	5 years	Common	21/03/2017	Regulated
FORTHNET S.A.	70,1	1,00%	9 years	Convertible	11/10/2016	Regulated
HOUSEMARKET S.A.	40	5,00%	5 years	Common	04/10/2016	Regulated
MLS MULTIMEDIA S.A.	4	5,30%	4 years +1 year option for extension	Common	11/07/2016	ENA
<b>Total</b>	<b>971,6</b>					