

Consultation on Aquis Support Services



Introduction

Aquis' objective is to operate a dynamic growth stock exchange where early-stage companies have access to growth and scale-up capital and can benefit from support through every stage of their development.

Recognising the challenges faced by growth companies, we look to support entrepreneurship, reduce costs and facilitate appropriate risk without compromising suitable disclosure and due process.

Key examples of this approach include:

Regulatory Costs

The fees for engaging an AQSE Corporate Adviser ("Corporate Adviser") at IPO and on retainer are typically lower than other markets due to efficiencies integrated into the Aquis admission process and the accessibility of the Regulation and Business Development teams within Aquis. This is combined with an approach which places regulatory responsibility on the board of admitted companies rather than Corporate Advisers, reducing an adviser's risk exposure and the fees they may typically require to balance this risk.

Market Abuse Regulation

The Aquis Growth Market Rulebooks do not seek to duplicate market abuse regulations ("MAR") by introducing alternative definitions of insider information and disclosure. The rules simply require admitted companies to comply with MAR, which also allows admitted companies to benefit from the various exemptions under MAR that are available to SMEs.

The Admission Document

The Aquis admission document disclosure requirements have been streamlined to eliminate excessive disclosure burdens, for example, applicants are expected to target a two-page limit for the strategy, performance and business environment descriptions, there is no requirement to fully summarise articles of association (change of control provisions only) and only two years of audited financials are required. Significantly, Aquis has established a templated "back end" to standardise the document and deployed technology to facilitate document management with the Aquis ID product offering through Scribestar.

Reverse takeovers and class tests

Aquis does not apply class tests to determine significant transactions or trigger reverse takeovers, which can be costly and disproportionate for early-stage companies seeking to deliver shareholder value. Instead, an admission document is only required where an acquisition results in a "fundamental change" to the business, which significantly reduces potential costs and time and allows growing companies to be more agile.

Accounting Standards

The Aquis Rulebooks allows admitted companies to report under UK GAAP in addition to IFRS and other approved international standards, reducing the burden of mandatory reconciliation.

Admission requirements for second lines of securities and dual-class share structures

Aquis does not require the publication of a new admission document for the admission to trading of a second lines of securities unless any rights and/or risks attaching to that second line are materially different to the primary security.

Related Party Transactions

Aquis' related party rules apply to transactions that are other than in the ordinary course of business, taking into account size, incident, terms and conditions. In such circumstances, it is necessary for the independent directors to make a fair and reasonable statement without a mandated requirement to consult an adviser. Furthermore, exemptions are available such as granting of options, grant of credit on normal commercial terms, director indemnities and others – mirroring the Main Market Listing Rule 8 Annex 1.

Further Innovation – Aquis Support Services

Aquis is pleased to consult on a further new innovation available to companies admitted to the Aquis Growth Market - the introduction of Aquis Support Services as an alternative to the retained Corporate Adviser.

The role of the Corporate Adviser has been an element of the Aquis Stock Exchange regulatory framework, both at admission and on an ongoing basis. Corporate Advisers have a regulatory duty to Aquis to oversee the admission process including confirmations to Aquis of the applicant's suitability and providing advice to admitted companies on their ongoing compliance with the Aquis Growth Market Rulebooks.

While this framework has been effective, some of our admitted companies have asked us to consider whether the scope and responsibilities of the Corporate Adviser following admission remain appropriate and is the right mechanism to best support admitted companies with their ongoing obligations.

Aquis has considered these views and, in response, proposes to allow admitted companies to either retain a Corporate Adviser or utilise a new offering facilitated by Aquis called "Support Services".

In order to implement the new product offering and choice to issuers, the Aquis Growth Market Rulebooks will be amended to allow for an admitted company to elect to retain a Corporate Adviser on an ongoing basis or alternatively utilise the Aquis Support Services. Marked up versions of the Access and Apex rulebooks to incorporate these changes are included as appendices to this paper.

What does the proposed Support Services offering include?

Admitted companies electing to utilise Support Services will receive direct support from a law firm participating in the offering.

Admitted companies using the service will enter into an engagement letter with the law firm that defines the scope of services to be provided. Services would include matters such as:

- provision of guidance and advice to a company and its directors on the Aquis Growth Market Rulebooks and other regulations applicable to a company admitted to a UK SME growth market;

- liaising with Aquis Regulation in relation to any request for the suspension, restoration or withdrawal of a company's securities, or admission of new securities of the same class already admitted to trading;
- reviewing a company's regulatory announcements and providing support and advice in respect of the company's obligations to ensure that announcements are not misleading, false or deceptive and do not omit anything likely to affect the import of the information;
- liaising with Aquis Regulation in relation to:
 - a. requests for the suspension, restoration or cancellation of trading in the company's securities on the Aquis Growth Market;
 - b. enquiries in relation to any unusual movements in the share price of the company; and
 - c. a breach or potential breach of the Aquis Growth Market Rules.

It is important to recognise that the Aquis Support Service offering is not intended to replace the legal advice provided by a company's existing law firm. The advice and support available under the Support Service offering is primarily intended to aid admitted companies in their engagement with Aquis.

When will a company need to engage a Corporate Adviser?

It is proposed that Corporate Advisers will remain essential in new applications for admission to trading on the Aquis Growth Market.

Aquis may also require an admitted company to appoint a Corporate Adviser where it appears that there has been, or may be, a breach of the Aquis Growth Market Rulebooks.

What will be the fees for the Support Service?

Aquis proposes to charge companies that elect to utilise the Support Services a fixed annual fee. This fee would be in addition to the usual annual admission fee.

The quantum of the fee is subject to engagement with key stakeholders; however, Aquis' objective is to establish a competitive benchmark for a service that delivers value.

Can a company's existing or preferred law firm provide the services?

Aquis intends to nominate preferred firm(s) to provide this service. Aquis sees advantage in being able to negotiate competitive rates from preferred firm(s) and would be able to set and monitor service standards as well as ensuring a consistent application of the Aquis rules and policies.

Aquis believes this is the best model to facilitate the delivery of high-quality services to the benefit of the market as a whole.

When would a company need to engage a Corporate Adviser?

A company would still need to engage a Corporate Adviser where:

- (1) it is required to submit an admission document in connection with an application for admission of securities to Aquis; or
- (2) it is required to make an announcement or request a suspension in connection with a reverse takeover; or
- (3) because it appears to Aquis that there is, or there may be, a breach of the Aquis Growth Market rules by the company.

Questions

- (1) Please provide your views on the Support Service offering.
- (2) Is the proposed scope of the Support Service offering appropriate, correct and sufficiently clear? If not, what improvements or changes do you feel are necessary?
- (3) Do you support the model of Aquis identifying and offering a law firm to provide the Support Services to admitted companies?
- (4) Are there other changes to the Corporate Adviser regime that you would like us to consider?

Ongoing admission eligibility requirements

In order to be eligible for admission to the Aquis Growth Market, issuers must satisfy certain eligibility criteria set out at Chapter 2 of the Aquis Growth Market Rulebooks.

However, the eligibility criteria are relevant not only at the time of application, but on an ongoing basis in order for an admitted company to remain suitable for admission. In order to better reflect this requirement, it is proposed that the criteria set out at Chapter 2 of the Rulebooks be clarified so that the eligibility requirements must be met on a continuous basis in order to remain eligible for admission, unless otherwise stated.

The proposed amendments to effect this proposal are noted in the mark-up of the Access and Apex rulebooks appended to this paper.

Questions

- (5) Please provide your views on the application of the admission eligibility on an ongoing basis.

Other amendments

A number of other minor amendments are proposed to the Aquis Growth Market Rulebooks to clarify terminology and aid understanding. The minor amendments are noted in the mark-up.

Next steps

We look forward to receiving your comments. We ask that responses are directed to: aqsebusinessdevelopment@aquis.eu by no later than 31 October 2025.

