

# Listing convertibles on TISE

Issuing convertible bonds can be an attractive way for companies to raise capital and TISE is an increasingly popular listing venue for these debt instruments due to our straightforward and cost-effective approach.

## Key benefits

- » Speed of listing
- » Pragmatic requirements
- » Cost-effective

## Why convertibles?

Convertible bonds are debt securities, typically convertible loan notes or loans with warrants, which can be converted into a predetermined amount of the underlying company's equity at certain defined times during their lifespan.

A company may find it attractive to issue convertible bonds for a number of reasons. These might include one or more of the following:

- They delay the dilution of the share capital compared to equity capital raising, where the latter can be interpreted by the market as a sign that the company's share price is overvalued
- They are usually less dilutive than raising funds through equity due to the premium applied to the conversion price or the warrant exercise price
- They provide certainty of pricing and funding as the loans can be agreed in advance of a major contract win or acquisition
- Their characteristics, such as the protection on the downside but the participation in the upside, potentially attracts different types of investors than might otherwise participate
- Investor groups tend to be experienced institutions or Family Offices who can understand and support a business issuing such securities
- Voting control stays in the hands of the shareholders [at least until conversion], which can be especially appealing to founders of businesses such as Small and Medium sized Enterprises [SMEs]
- The competitive terms for both the interest rate and conversion pricing means that the funding can be cheaper than might be achieved through either solely equity or non-convertible debt issuances
- On conversion, the loan is extinguished which means that there are no ongoing debt obligations

## Why listed?

Convertibles might be listed for a number of reasons, including to demonstrate governance and transparency, increase exposure and visibility, provide a price and create a market.

They will also often be listed on a recognised stock exchange to widen the potential pool of investors so that it includes institutions such as pension funds. For example, the UK tax authority, Her Majesty's Revenue & Customs (HMRC), deems TISE to be a Recognised Stock Exchange for the purposes of investment by Self-Invested Personal Pensions (SIPPs) and Individual Savings Accounts (ISAs). This recognition also means that products listed on TISE may be able to avail of the Quoted Eurobond Exemption (QEE).

## Why TISE?

TISE is increasingly seen as the exchange of choice for listing convertible bonds because we not only fulfil the requirements of being a recognised stock exchange but we have a pragmatic admissions process which provides for speedy and cost-effective listings.

This is proving attractive to a growing number of companies who are choosing to list convertible bonds on TISE. These are from a wide variety of sectors, including banking, construction, energy, food retailing, mobile telecommunications and property.

They have included some of the major trading companies which have equity listed on the Main Market of the London Stock Exchange (LSE). Growth companies which have equity quoted on AIM have also chosen to list convertible bonds on TISE.

These companies have chosen to list their convertibles on TISE due to the fact that we have a pragmatic admissions process. For example, we are able to take into consideration documentation which has been supplied for an equity listing. This approach allows for speedier and more cost-effective listings compared to other exchanges.

## Why TISE?

- » Responsive approach
- » Competitive pricing
- » Global standards
- » Wide international recognition
- » Premier locations

## TISE key credentials

- » Total market value: > £350bn
- » Listed securities: ~ 3,000
- » International marketplace
- » Globally recognisable clients
- » Growing product range

## Products

- » Trading companies
- » Debt
- » Investment vehicles
- » SPACs
- » **TISE GREEN**

## Contact

Robbie Andrade  
robbie.andrade@tisegroup.com

Ben Snook  
ben.snook@tisegroup.com

Compiled: January 2019

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The International Stock  
Exchange Group Limited

**Registered Office**  
PO Box 623, Helvetia Court,  
Block B, 3rd Floor,  
Les Echelons, St Peter Port,  
Guernsey, GY1 1AR  
T: +44 (0) 1481 753000

**Jersey**  
No.3 The Forum,  
Grenville Street,  
St Helier,  
Jersey, JE4 4UF  
T: +44 (0) 1534 737151

**Isle of Man**  
Merchants House,  
24 North Quay,  
Douglas,  
Isle of Man, IM1 4LE  
T: +44 (0) 1624 675907

follow @tisegroup  
follow us on LinkedIn

E: [info@tisegroup.com](mailto:info@tisegroup.com)  
[www.tisegroup.com](http://www.tisegroup.com)

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