



MALTA STOCK EXCHANGE PROSPECTS

PROSPECTS MTF NOTICE 10/2020

We would like to draw the attention of all Corporate Advisors to the revised Prospects MTF Rules (“the Rules”). These new and revised Rules, which have been approved by the MFSA and which will be effective as from the date of this Notice, can be accessed from the Exchange’s website via the following link:

<https://borzamalta.com.mt/ProspectsMTF/Documents/Prospects%20MTF%20Rules.pdf>

1. The definition of the Prospects MTF Committee under Section 1.01.02 which read:

“Prospects MTF Committee/ Prospects MTF Admissions Committee - The Committee set up by the Exchange under these Rules”

now reads:

“Prospects MTF Admissions Committee - The Committee set up by the Exchange under these Rules”

In line with the change to the above definition, references to the Prospects MTF Committee have been updated to refer to Prospects MTF Admissions Committee throughout the Rules. Additionally, in line with the amendments under points 2 and 3 below, any text referring to any responsibilities that are now no longer under the remit of the Prospects MTF Admissions Committee, has been updated to make reference to the Exchange.

2. Prospects MTF Rule 2.02.00, which read:

“2.02.00 Prospects MTF Committee

Responsibilities

2.02.01 The Exchange shall set up a Prospects MTF Committee which shall be responsible for:

2.02.01.01 scrutinising all applications for Admission to Prospects MTF;

2.02.01.02 forwarding its recommendations to the Board for the authorisation of Admissibility to Prospects MTF of any Securities or for discontinuing or suspending the listing of any Securities from time to time;

2.02.01.03 considering requests of any applications for voluntary suspension or termination of any Securities; and

2.02.01.04 ensuring compliance of Prospects MTF Companies and Corporate Advisors with their continuing obligations, including any disciplinary procedures and/or sanctions.”

now reads:

“2.02.00 Prospects MTF Admissions Committee

Responsibilities

2.02.01 The Exchange shall set up a Prospects MTF Admissions Committee which shall be responsible for:

2.02.01.01 Pre-application assessments submitted in relation to the Admission to Prospects MTF by prospective issuers;

2.02.01.02 Scrutinising all documents in relation to applications for Admission to Prospects MTF by prospective issuers and forwarding its recommendations to the Board for the authorisation (or refusal) of Admissibility to Prospects MTF of any Securities;

2.02.01.03 Scrutinising all documents in relation to applications for the approval of Corporate Advisors;

2.02.01.04 Considering the discontinuation or suspension of Admitted securities and approved Corporate Advisors; and

2.02.01.05 Considering requests of any applications for voluntary suspension or termination of any Securities.”

3. Prospects MTF Rule 2.02.07 which read:

“The Prospects MTF Committee shall submit its recommendations and approved minutes of relevant proceedings (including any dissenting views thereon), subject to any appeals to the Prospects MTF Tribunal pursuant to Rule 2.04.01 below, to the Board for its consideration on matters related to:

2.02.07.01 Admission of Applicants;

2.02.07.02 Compliance of Prospects MTF Companies and Corporate Advisors with their continuing obligations, including any disciplinary procedures and/or sanctions; and

2.02.07.03 Any application in respect of voluntary suspension or termination of Admission.”

now reads:

“The Prospects MTF Admissions Committee shall submit its recommendations and approved minutes of relevant proceedings (including any dissenting views thereon), to the Board for its consideration on matters related to:

2.02.07.01 Admission of Applicants; and

2.02.07.02 When considered necessary, on other matters such as the discontinuation and suspension of Admitted securities and approved Corporate Advisors.”

References to the Prospects MTF Tribunal have been removed and the Rules mentioned under points 4, 5 and 6 below have been amended accordingly.

4. Prospects MTF Rule 2.01.03, which read:

“Any decision of the Exchange as outlined in Rules 2.01.02.01 and 2.01.02.02 above shall be communicated in writing to the Applicant, Prospects MTF Company and/or the Corporate Advisor giving the reasons for such decision and information as to the right of any such Applicant, Prospects MTF Company and/or Corporate Advisor to refer the matter on an appeal to the Prospects MTF Tribunal as provided for in these Rules.”

now reads:

“Any decision of the Exchange as outlined in Rules 2.01.02.01 and 2.01.02.02 above shall be communicated in writing to the Applicant, Prospects MTF Company and/or the Corporate Advisor giving the reasons for such decision.”

5. Prospects MTF Rule 2.02.07, which read:

“The Prospects MTF Committee shall submit its recommendations and approved minutes of relevant proceedings (including any dissenting views thereon), subject to any appeals to the Prospects MTF Tribunal pursuant to Rule 2.04.01 below, to the Board for its consideration on matters related to:”

now reads:

“The Prospects MTF Admissions Committee shall submit its recommendations and approved minutes of relevant proceedings (including any dissenting views thereon), to the Board for its consideration on matters related to:”

6. Prospects MTF Rule 2.02.08, which read:

“Notwithstanding Rule 2.02.07 above any decision by the Prospects MTF Committee to implement a precautionary temporary suspension of a Prospects MTF Company or Corporate Advisor, shall take effect immediately without prejudice to the Prospects MTF Company and/or Corporate Advisor seeking redress with the Prospects MTF Tribunal pursuant to Rule 2.04.01 below.”

now reads:

“Notwithstanding Rule 2.02.07 above any decision by the Prospects MTF Admissions Committee to implement a precautionary temporary suspension of a Prospects MTF Company or Corporate Advisor, shall take effect immediately.”

7. Under the Contents section, Chapter 4, reference to the Exemption or Deferral from publishing Financial Information (Appendix 4.19) has been **deleted**.

8. Applicant definition under Prospects MTF Rule 1.01.02 which read:

“In the case of an Issuer of securities, a legal person seeking admission on the Regulated Market under Chapter 5 of the Bye-laws of the Exchange or these Rules.

In the case of a Corporate Advisor, an advisor seeking Admission on Prospects MTF under these Rules.”

now reads:

“In the case of an Issuer of securities, a legal person seeking admission on Prospects MTF in line with these Rules.

In the case of a Corporate Advisor, an advisor or a legal person seeking Admission on Prospects MTF under these Rules.”

9. Under the Definitions, Section 1.01.02, a definition for MAR has been added, which reads:

“MAR - Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation).”

10. Under the Definitions, Section 1.01.02, a definition for Prospectus Regulation has been added which reads:

“Prospectus Regulation - Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as may be amended from time to time.”

11. Prospects MTF Rule 2.01.01.01, Equity Securities, which read:

“The aggregate value made up of (i) Equity Securities of the Applicant which are the subject of the Application for Admission to Prospects MTF valued at the issue price and (ii) Equity Securities of the Applicant which have already been admitted to Prospects MTF valued at the latest market price, must not exceed the eight million euro (€8,000,000) threshold.

Such threshold is only applicable at admission stage, as the Market Capitalisation of Issuers may increase and exceed the eight million euro (€8 million) following admission to Prospects MTF.”

now reads:

“The aggregate value made up of (i) Equity Securities of the Applicant which are the subject of the Application for Admission to Prospects MTF valued at the issue price and (ii) Equity Securities of the Applicant which have already been admitted to Prospects MTF valued at the latest market price, must not exceed the eight million euro (€8,000,000) threshold.

Such threshold is only applicable at admission stage, as the Market Capitalisation of Issuers may increase and exceed the eight million euro (€8 million) following admission to Prospects MTF.

Notwithstanding the above the Exchange will carry out a pre-application assessment based on the capital transaction and capital structure being proposed by the prospective issuer.”

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12. Prospects MTF Rule 2.01.01.02, Debt Securities Pre-Application Assessment, which read:

“(b) Security and Collateral

Debt securities shall either:

- (i) be fully secured and backed by tangible assets provided by the Applicant or Guarantor as collateral in respect of the full amount of the principal of the debt issue; or*
- (ii) if not secured or only partially secured by assets provided as collateral in accordance with (i) above, a guarantee has to be provided by a Guarantor, which shall demonstrate financial soundness, in accordance with sub-paragraph (c) below. The acceptability of a mix between collateral and guarantee remains at the discretion of the Exchange;*

Notwithstanding the foregoing, in such cases where the Applicant cannot provide sufficient collateral and/or guarantee, the application to admit a debt security to Prospects MTF may still be considered provided that the Issuer submits the documentation supporting the Applicant’s, and/or where applicable, the Guarantor’s financial soundness in accordance with sub-paragraph (c) below.”

now reads:

“(b) Security and Collateral

Debt securities shall either:

- (i) be fully secured and backed by tangible assets acceptable to the Exchange provided by the Applicant or Guarantor as collateral in respect of the full amount of the principal of the debt issue; or*
- (ii) if not secured or only partially secured by assets provided as collateral in accordance with (i) above, a guarantee has to be provided by a Guarantor, which shall demonstrate financial soundness, in accordance with sub-paragraph (c) below. The acceptability of a mix between collateral and guarantee remains at the discretion of the Exchange;*

Where applicable, the collateral being provided needs to be backed by qualified expert’s valuation acceptable to the Exchange, depending on the type of asset. In case of property valuations, valuation reports need to meet the requirements emanating from Prospects MTF Rule 4.13.00.

Notwithstanding the foregoing, in such cases where the Applicant cannot provide sufficient collateral and/or guarantee, the application to admit a debt security to Prospects MTF may still be considered provided that the Issuer submits the documentation supporting the Applicant’s, and/or where applicable, the Guarantor’s financial soundness in accordance with sub-paragraph (c) below.”

13. Prospects MTF Rule 2.01.02.01, Exchange Discretion, which read:

“2.01.02 In appropriate circumstances, the Exchange may in its discretion:

2.01.02.01 refuse Admission, or where deemed appropriate, suspend or cancel the admission to Prospects MTF, if in its view:

- (a) an Applicant or a Prospects MTF Company and/or a Corporate Advisor is not complying with the Prospects MTF Rules, applicable legislation; and/or*

(b) more generally, an application for Admission or the continuing status of a Prospects MTF Company and/or a Corporate Advisor is not conducive to the maintenance of the good reputation and the best interests of the market and investor protection;”

now reads:

“2.01.02 In appropriate circumstances, the Exchange may in its discretion:

2.01.02.01 refuse Admission, or where deemed appropriate, suspend or cancel the admission to Prospects MTF, if in its view:

(a) an Applicant or a Prospects MTF Company and/or a Corporate Advisor is not complying with the Prospects MTF Rules, applicable legislation; and/or

(b) more generally, an application for Admission or the continuing status of a Prospects MTF Company and/or a Corporate Advisor is not conducive to the maintenance of the good reputation and the best interests of the market and investor protection; and/or

(c) more generally, an application for Admission or the continuing status of a Prospects MTF Company and/or a Corporate Advisor is considered by the Exchange not to be within the policies, risk appetite and best interests of the Exchange.”

14. Under Prospects MTF Rules 2.03.07.02, 2.03.07.03, 3.01.02, 3.01.05, 4.07.02 and 4.12.01 the reference to “Exchange Notice” has been updated to refer to a **“Prospects MTF Notice”**.

15. Prospects MTF Rule 2.07.03, Advertisements, which read:

“An Applicant shall refrain from advertising in any manner, whether directly or indirectly, from the date of the notification submitted under Rule 4.00.02 until it is in receipt of a final written notice of the approval of Admission on Prospects MTF. An Applicant, a Prospects MTF Company or a Corporate Advisor shall also refrain from resorting to any hidden, surreptitious and other indirect forms of advertising which are not strictly compliant with these Rules.”

now reads:

“An Applicant shall refrain from advertising a prospective issue of securities, in any manner, whether directly or indirectly, until it is in receipt of a final written notice of the approval of Admission on Prospects MTF. An Applicant, a Prospects MTF Company or a Corporate Advisor shall also refrain from resorting to any hidden, surreptitious and other indirect forms of advertising which are not strictly compliant with these Rules.”

16. Prospects MTF Rule 3.01.09.02, which read:

“employ, directly contract or in-source, at least two designated qualified persons who shall serve as liaison persons as described hereunder. Such qualified persons shall be able to demonstrate the following:

(a) proven experience in providing corporate finance, corporate governance, legal or accounting consultancy services covering capital structuring, strategy, acquisitions and sale of companies, management consultancy, corporation taxation, preparing for admissions to a public market, investor relations management or generally operating as a public company. Such experience will be documented and capable of being independently referenced in the Corporate Advisors' application and shall include data on past performance of the entities referenced in the experience statement;”

now reads:

“employ, directly contract or in-source, at least two designated qualified persons who shall serve as liaison persons as described hereunder. Such qualified persons shall be able to demonstrate the following:

(a) proven experience in providing corporate finance, corporate governance, legal and accounting consultancy services covering capital structuring, strategy, acquisitions and sale of companies, management consultancy, corporation taxation, preparing for admissions to a public market, investor relations management or generally operating as a public company. Such experience will be documented and capable of being independently referenced in the Corporate Advisors' application and shall include data on past performance of the entities referenced in the experience statement;”

17. Prospects MTF Rule 4.00.01, which read:

“Applications for Admission to Prospects MTF shall consist of the forms and documents included in Appendix 4.1 which shall be submitted to the Exchange within the specified timeframe as outlined in Rule 4.00.02 below.”

now reads:

“Following the satisfactory completion of the Pre-Application Assessment as required under Prospects MTF Rule 2.01.01, the Corporate Advisor is to submit the Formal Application for Admission. The applications for Admission to Prospects MTF shall consist of the forms and documents included in Appendix 4.1.”

18. Prospects MTF Rule 4.00.02, which read:

“An Applicant shall notify the Exchange of its intention to submit an Application for Admission on Prospects MTF at least one (1) month before submitting the Application (Appendix 4.2) and the first draft of the Admission Document or Prospectus.”

has now been completely deleted.

19. Under Prospects MTF Rule 4.01.01.01 (d), Audit Committee, point d.1.4 has been re-numbered to d.2 and a new point d.3 has been added. This part of the rule now reads:

“(d.2) Subject to Rule 4.01.01.01 (d.1) above, where a Prospects MTF Company is unable to set up a duly constituted Audit Committee as set out above, the Exchange shall reserve the right to suspend trading of the Company's securities in accordance with Rule 2.03.07.06 above;

(d.3) Subject to the foregoing provisions, an Audit Committee set up under sub-paragraph (d.1) above shall regulate its own proceedings and meet as often as necessary within its terms of reference, but it shall ensure it invariably as a minimum meets once every three (3) consecutive calendar months.”

20. Under Prospects MTF Rules 4.01.01.01 (g.1), 4.01.03.01.02, 4.13.14 and 6.00.39 the text *“Admissible to Listing”* has been amended to read ***“Admitted to Prospects MTF”***.

21. Prospects MTF Rule 4.03.05.01, which read:

“A Prospects MTF Restricted Person shall be restricted from dealing or in any other way transferring securities of an Applicant or Prospects MTF Company as follows:

4.03.05.01 for two (2) months preceding the publication of an Applicant or Prospects MTF Company’s financial information contained in Table 1 below (or, if shorter, the period from its period end to the time of publication;”

now reads:

“A Prospects MTF Restricted Person shall be restricted from dealing or in any other way transferring securities of an Applicant or Prospects MTF Company as follows:

4.03.05.01 for thirty (30) days immediately preceding the publication of an Applicant or Prospects MTF Company’s financial information contained in Table 1 below (or, if shorter, the period from its period end to the time of publication;”

22. Prospects MTF Rule 4.05.01 which read:

“An Applicant or a Prospects MTF Company shall consider preparing, or shall submit if so requested by the Exchange, a draft supplement to any Admission Document or other market disclosure, in any situation where it has become necessary to disclose any new information that has become available and/or to rectify a material misstatement, error or omission identified in a previously published Admission Document/Prospectus or Announcement. Such supplements shall be submitted to the Exchange for approval prior to publication and obtain the relevant approval for such supplement by the Registrar of Companies under the Companies Act (Cap. 386 of the Laws of Malta), or equivalent approval under any other relevant applicable law.”

now reads

“An Applicant or a Prospects MTF Company shall consider preparing, or shall submit if so requested by the Exchange, a draft supplement to any Admission Document or other market disclosure, in any situation where it has become necessary to disclose any new information that has become available and/or to rectify a material misstatement, error or omission identified in a previously published Admission Document/Prospectus or Announcement. Such supplements shall be submitted to the Exchange for approval prior to publication and obtain, where applicable, approval for such supplement by the Registrar of Companies under the Companies Act (Cap. 386 of the Laws of Malta), or equivalent approval under any other relevant applicable law.”

23. Prospects MTF Rule 4.08.02, which read:

“Upon notification of Exchange approval, a Prospects MTF Company shall promptly upload the Admission Document on the Exchange’s website and subsequent material changes thereto. A Prospects MTF Company shall ensure that there is no direct or indirect disclosure of any information relating to an Admission Document prior to it having been uploaded on the Exchange’s website. Such information shall remain available on the website archive for a minimum period of five (5) years, and such an obligation shall survive any intervening termination of admission to Prospects MTF.”

now reads:

“Upon notification of Exchange approval, the Admission Document and any duly approved Supplement thereto (as contemplated under Rule 4.05.01), are uploaded on the Exchange’s

website. A Prospects MTF Company shall ensure that there is no direct or indirect disclosure of any information relating to an Admission Document prior to it having been uploaded on the Exchange's website. Such information shall remain available on the website archive for a minimum period of five (5) years, and such an obligation shall survive any intervening termination of admission to Prospects MTF.

24. Prospects MTF Rule 4.11.07, which read:

“Where the status of potentially unpublished Inside Information not yet in the public domain, is still uncertain or relates to developments yet to happen, a Prospects MTF Company and its Corporate Advisor may in writing request the Exchange to exempt or defer publication of any such information in the template form set out in Appendix 4.19 In making such a request, a Prospects MTF Company and its Corporate Advisor, shall demonstrate to the satisfaction of the Exchange that such exemption or deferral would not however mislead the market at large, otherwise compromise the interest of the investors or lead to a False Market in the securities.”

now reads:

“Any request by a Prospects MTF Company for an exemption or deferral in disclosure to the public of inside information may only be made to the Competent Authority under MAR, while keeping the Exchange and its Corporate Advisor duly and promptly copied in any said request.”

25. Prospects MTF Rules 4.11.08, 4.11.09, 4.11.10 and 4.11.11, which read:

“4.11.08 In making the request as aforesaid, the Prospects MTF Company and its Corporate Advisor shall also undertake in writing that the exempted or deferred information shall be kept confidential.”

“4.11.09 When a Prospects MTF Company intends to seek an exemption or deferral from publication of potentially unpublished Inside Information, it shall together with its Corporate Advisor immediately apply to the Exchange. Such application shall:

4.11.09.01 be in the template form set out in Appendix 4.19 which shall be completed and uploaded to the Exchange;

4.11.09.02 include an updated list of insiders who have access to such information;

4.11.09.03 not be disseminated to persons who do not need the information;

4.11.09.04 be reserved only for those persons with access to such information understand their legal obligations in connection therewith and understand the sanctions imposed in respect of the abuse and illicit dissemination of that information;

4.11.09.05 immediately publish the information in accordance with these Rules, if it or any of its insiders or advisors, has failed to keep the information confidential.”

“4.11.10 If the Exchange accedes to the Prospects MTF Company's request not to publish potential Inside Information at all or in its due time, the matter should be kept under review and re-assessed as circumstances change from time to time.”

“4.11.11 Irrespective of any pending application as aforesaid, or Exchange decision exempting or deferring publication, a Prospects MTF Company shall immediately publish the information in accordance with these Rules, or issue a company announcement containing the appropriate clarifications for the avoidance of a False Market in the securities.”

have now been completely deleted.

26. Prospects MTF Rule 4.11.12, Table 1 Financial Information No.3, which read:

“Report - Financial Sustainability Forecasts for all Admitted securities, including management assumptions thereon and the financial impact of dividends on such forecasts in the case of Admitted Equity Securities as shown in Appendices 4.7 and 4.8. Such forecasts shall also include changes to major financial commitments.

Frequency - Every accounting reference date and the anniversary thereof or quarterly if the Prospects MTF Company's net cash flow forecast indicates less than twelve (12) months of remaining working capital.

Timeliness - As soon as approved by the Prospects MTF Company's Board of Directors, but not later than the opening of the period to which they relate.”

now reads:

“Report - Financial Sustainability Forecasts for a Prospects MTF Company, and/or the group of which it forms part, and guarantors, if applicable, of Admitted securities issued by a Prospects MTF Company, including management assumptions thereon and the financial impact of dividends on such forecasts in the case of Admitted Equity Securities as shown in Appendices 4.7 and 4.8. Such forecasts shall also include changes to major financial commitments.

Frequency - Every accounting reference period and the anniversary thereof or quarterly if the Prospects MTF Company's net cash flow forecast indicates less than twelve (12) months of remaining working capital.

Timeliness - As soon as approved by the Prospects MTF Company's Board of Directors, but not later than four (4) months after the accounting reference date.”

27. Prospects MTF Rule 4.11.12, Table 1 Financial Information No.5, which read:

“Report - For Debt securities admitted to Prospects MTF, an Annual Report and approved financial statements of any guarantor, including the Auditor's report thereon, as appropriate and in a format approved by the Exchange.

Frequency - Every accounting reference date

Timeliness - As soon as approved by any guarantor, but not later than three (3) months after the accounting reference date”

now reads:

“Report - For Debt securities admitted to Prospects MTF, an Annual Report and approved financial statements of any guarantor of the Prospects MTF Company, including the Auditor's report thereon, as appropriate and in a format approved by the Exchange.

Frequency - Every accounting reference date

Timeliness - As soon as approved by any guarantor of Admitted securities issued by a Prospects MTF Company, but not later than four (4) months after the accounting reference date.”

28. Prospects MTF Rule 4.11.13, Table 2 Other Inside Information No.5, which read:

“Event - Notice of Meetings

Frequency

- a. For each Board of Directors Meeting in which any inside information is proposed to be considered, or adjournments thereof, giving a summary description of such inside information;*
- b. For each Annual or Extraordinary General Meeting, or adjournments thereof, giving a summary description of matters to be considered therein*

Timeliness - Immediately upon determination of date of meeting

Equity - Yes

Bond -Yes”

now reads:

“Event - Notice of Meetings

Frequency

- a. For each Board of Directors Meeting in which any inside information is proposed to be considered, or adjournments thereof, giving a summary description of such inside information;*
- b. For each Annual or Extraordinary General Meeting, or adjournments thereof, giving a summary description of matters to be considered therein;*
- c. For any meeting of holders of admitted debt securities, or adjournments thereof, giving a summary description of matters to be considered therein*

Timeliness - Immediately upon determination of date of meeting

Equity - Yes

Bond -Yes.”

29. Prospects MTF Rule 4.11.31.01 which read:

“issue a Company Announcement in the manner laid down by the preceding Rule;”

now reads:

“issue a Company Announcement in the manner laid down in Rule 4.11.32;”

30. Prospects MTF Rule Appendix 2.1 Prospects MTF Fees, Section 2 which read:

SECTION 2 – COMPANY APPLICATION, INITIAL AND ANNUAL FEES

Company Application Fee for any method of Flotation as defined in the Bye-laws:

- Upon application, Applicants shall pay a non-refundable fee of €5,000.*

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- Upon admission, Issuers shall pay a non-refundable Annual Admission Fee.
- Annually in advance, Issuers shall pay a non-refundable Annual Admission Fee upon anniversary of the admission date.

Admission Fees – Prospects MTF	
All types of Securities	Annual Admission Fee*
Market Capitalisation of Equities or Nominal Value of Fixed Income Securities	
On the first €3,500,000	€3,500
On the next €1,500,000	€5,000
On the next €2,000,000	€7,000
On the excess over €7,000,000	€8,000

**These fees are applicable:*

- As from 1st January 2019 for Securities which have been admitted to Prospects MTF up till 31 December 2018; and
- As from 1st July 2019 for applications submitted after 30th June 2019.

Relevant information:

a) *Market capitalisation for equities:*

- Upon admission, the market capitalisation for equities is calculated on the issue price.
- Subsequently, it is calculated on the average market capitalisation of the previous quarter.

b) *Where specialised, skilled resources are required to support an admission to the Prospects MTF, the Exchange will discuss and agree with the Applicant how to secure these required accredited resources as well as set any potential, additional fees before the start of the admission process as the Exchange may deem fit and appropriate.*

c) *The Annual Admission Fee incorporates the cost of ISIN allocated to the security.*

The above fees are subject to 18% Vat.

For Other Charges namely:

- *Transactions Charges*
- *Central Securities Depository*
- *Clearing and Settlement*
- *Off-market trade validation and reporting system*

same as Regulated Market – Refer to Exchange Notice 1 – Fees and Charges”

now reads:

SECTION 2 – COMPANY APPLICATION, INITIAL AND ANNUAL FEES

Company Application Fee for any method of Flotation as defined in the Bye-laws:

- *Upon application, Applicants shall pay a non-refundable fee of €5,000.*
- *Upon admission, Issuers shall pay a non-refundable Annual Admission Fee.*
- *Annually in advance, Issuers shall pay a non-refundable Annual Admission Fee upon anniversary of the admission date.*

Admission Fees – Prospects MTF	
All types of Securities	Annual Admission Fee
Market Capitalisation of Equities or Nominal Value of Fixed Income Securities	
Up to or less than €3,500,000	€4,900
More than €3,500,000 and up to €5,000,000	€7,000
More than €5,000,000 and up to €8,000,000	€9,800

Relevant information:

- Market capitalisation for equities:*
 - *Upon admission, the market capitalisation for equities is calculated on the issue price.*
 - *Subsequently, it is calculated on the average market capitalisation of the previous quarter.*
- Where specialised, skilled resources are required to support an admission to the Prospects MTF, the Exchange will discuss and agree with the Applicant how to secure these required accredited resources as well as set any potential, additional fees before the start of the admission process as the Exchange may deem fit and appropriate.*
- The Annual Admission Fee incorporates the cost of ISIN allocated to the security.*

The above fees are subject to 18% Vat.

For Other Charges namely:

- *Transactions Charges*
- *Central Securities Depository*
- *Clearing and Settlement*
- *Off-market trade validation and reporting system*

same as Regulated Market – Refer to Exchange Notice 1 – Fees and Charges”

31. Prospects MTF Rule Appendix 3.1 No. 4, which read:

“The Application should be read in conjunction with the Financial Markets Act [Cap. 345 of the Laws of Malta] and any regulations made thereunder and the Prospects MTF Rules issued by the Malta Stock Exchange plc [available on www.smeprospects.com].”

now reads:

“The Application should be read in conjunction with the Financial Markets Act [Cap. 345 of the Laws of Malta] and any regulations made thereunder and the Prospects MTF Rules issued by the Malta Stock Exchange plc which can be accessed via the following link: <https://borzamalta.com.mt/ProspectsMTF/Documents/Prospects%20MTF%20Rules.pdf>”

32. Prospects MTF Rule Appendix 4.3, heading which read:

“COMPANY REQUEST FOR SUSPENSION OR TERMINATION OF ADMISSION”

now reads:

“A) VOLUNTARY SUSPENSION OR TERMINATION OF ADMISSION BY A PROSPECTS MTF COMPANY:”

Additionally, a new section was added as follows:

B) VOLUNTARY SUSPENSION OR RESIGNATION BY AN APPROVED CORPORATE ADVISOR:

- 1. Name of Corporate Advisor;*
- 2. Date of Meeting of the Board of Directors or other equivalent Governing Body of the Corporate Advisor held in terms of these Rules;*
- 3. Result of the Vote taken at the Meeting referred to in paragraph 2 above;*

(Please attach a certified true copy of the minutes of the Meeting when the said vote was taken and the result of the said vote);
- 4. In case of a Corporate Advisor who has Engagements with one or more Prospects MTF Companies the submission of Appendix 3.3 and confirmation that its obligations under Prospects MTF Rule 4.09.01.02 have been fulfilled.*

NAME:

SIGNATURE”

33. Prospects MTF Rule Appendix 4.6 – Accountant’s Report Template No.1 Financial Performance now includes point (x), which reads:

“Summary from the Financial Sustainability Forecasts as required under Appendix 4.7”

34. Prospects MTF Rule Appendix 4.7 – Financial Sustainability Forecasts first paragraph which read:

“An excel spreadsheet based on the Prospects MTF template available from the Exchange's website based on the financial accounting and forecasting principles in Appendix 4.6 the Accountant’s Report Template together with the following representation from the Directors of the Prospects MTF Company co-signed by the Corporate Advisor:”

now reads:

“An excel spreadsheet based on the Prospects MTF template available from the Exchange's website

(https://borzamalta.com.mt/ProspectsMTF/Documents/Financial_Sustainability_Model.xlsx) based on the financial accounting and forecasting principles in Appendix 4.6 the Accountant's Report Template together with the following representation from the Directors of the Prospects MTF Company co-signed by the Corporate Advisor:”

35. Prospects MTF Rule Appendix 4.9 No. 3 which read:

“the Company has established procedures which provide a reasonable basis for its Directors to make proper judgements as to its financial position and Prospects MTF; and”

now reads:

“the Company has established procedures which provide a reasonable basis for its Directors to make proper judgements as to its financial position and prospects; and”

36. Prospects MTF Rule Appendix 4.19 Exemption or Deferral from publishing Financial Information **has been completely deleted.**

Any clarifications required in relation to these Rules are to be forwarded to the Prospects Office by email on prospects@borzamalta.com.mt.

Please be guided accordingly.

PROSPECTS MTF OFFICE

20 May 2020