

BUDAPEST STOCK EXCHANGE AT A GLANCE

EQUITY LISTING, CONTINUED TRADING AND DISCLOSURE



1. LISTING PROCEDURE

The listing documents consist of a listing application and the attached declarations and other documents. The listing documents may be filed in either English or Hungarian language. If the listing process does not involve public offering, it is not compulsory to employ an investment service provider in the transaction.

LISTING REQUIREMENTS

Only tradable securities are eligible for listing, which had been issued in accordance with the laws of the jurisdiction where the registered office of the issuer or the place of issue is located. The issuer must be a publicly held company.

Main elements of the listing documentation

- Listing application containing the most relevant information about the issuer and the securities to be listed
- Stock exchange prospectus approved for public disclosure by the Hungarian supervisory authority (MNB, the central bank of Hungary) or by a relevant authority of any EU member state (the submission of the prospectus is not required in special cases regulated by the law) – an approved prospectus prepared for public offering prior to listing may also be accepted
- The permission of the Hungarian supervision (or the relevant EU authority) allowing the applicant to disclose the prospectus, or the certificate of the existence of such permission
- The issuer's Articles of Association
- Declarations by the issuer (e.g. regarding the submission to the rules of BSE and KELER Group (the KELER Central Depository Ltd. and the KELER CCP Central Counterparty Ltd.)
- Applications for securities to be listed on the Prime Market must be accompanied by documents verifying the fulfilment of the public transaction requirement (this requirement does not apply to the Standard and Xtend Markets)

Exchange prospectus

The prospectus must be approved for publication by the Hungarian supervisory authority, or the relevant authority of any EU member state. The Stock Exchange does not require information in the Exchange Prospectus in excess of the requirements set in the CMA. The Commission Regulation (EC) No 809/2004 stipulates the contents of the prospectus. The prospectus is valid for 12 months, and the securities can be listed within 12 months of the approval of the prospectus. The prospectus drawn up for approval to

the Hungarian supervision must be made in one of the languages approved by the authority (it can be English or Hungarian). If the prospectus is drawn up in a foreign language, a summary must be prepared in Hungarian as well.

According to the CMA, the obligation to publish a prospectus shall not apply to the admission to trading on BSE if the securities have already been admitted to trading on another EEA member state's regulated market and meet the following requirements:

- The securities (or securities of the same class), have been admitted to trading on that other regulated market for more than 18 months;
- The admission to trading on that other regulated market was associated with an approved prospectus made available to the public according to the legal regulations of that other Member State;
- The ongoing obligations for trading on that other regulated market have been fulfilled;
- The person seeking admission of a security to trading on a regulated market makes a summary document available to the public in Hungarian. The contents of the summary document shall comply with the requirements of the CMA. Furthermore, the document shall state where the most recent prospectus can be obtained and where the financial information published by the issuer pursuant to his ongoing disclosure obligations is available.

The summary shall, in a brief manner and in non-technical language, convey the essential characteristics and risks associated with the issuer, any guarantor and the securities.

The issuer or the person seeking the admission of a security to trading on a regulated market shall notify the Hungarian supervision about the main characteristics and quantity of the securities, and about the reasons and the circumstances of the listing.

ISSUERS FROM NON-EU MEMBER STATES

The Hungarian supervision approves the prospectus for public disclosure if it has been drawn up in accordance with EU regulations, and/or international standards (including the IOSCO disclosure standards), and the information in the prospectus is based on the requirements equivalent with those of the CMA.

OTHER DECLARATIONS TO BE SUBMITTED FOR THE COMMENCEMENT OF TRADING

Statements by the KELER Group confirming that the securities are accepted for exchange settlement must be submitted with the application.

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PROCEDURE

BSE may make an announcement stating that an application for listing has been submitted and the listing process has started. The CEO issues a decision on listing within thirty days of the receipt of the application. The listing process is simplified and accelerated by using the application form prepared by the Exchange and by sending the listing documentation for pre-check prior to the official submission.

The Market to which admission is sought (Prime or Standard) and the first trading day are determined by the CEO having regard to the applicant's requests.

2. EXCHANGE MARKETS

Equities may be listed on two different regulated market categories, or on Xtend, the multilateral trading facility operated by the Exchange. The Exchange's segmentation is designed primarily to give investors information to distinguish between listed categories based on various investment criteria. Issuers who entered the market via technical listing may get listed on the Standard Market or on Xtend. On Equities Prime and Standard Markets BSE specifies requirements regarding the size of the securities to be listed (market capitalization), the ownership structure (free float) and the years of operation. The share series on Equities Prime Market are more liquid in general and have a broader investor base. To enter the Prime Market a public transaction must be carried out as well; however, issuers may request a one-year postponement of the transaction in case they comply with all additional listing criteria on this segment.

ADMISSION REQUIREMENTS

	Prime Market rules	Standard Market rules	Xtend Market rules
Market value of the shares to be admitted	At least HUF 5 billion	At least HUF 250 million	No requirement
Free float	At least 25% or HUF 2 billion market cap or at least 500 shareholders	At least 10% or HUF 100 million market cap or at least 100 shareholders	No requirement
Equity class	Common shares only	No requirement	No requirement
Corporate Governance Report	Mandatory at listing	Ongoing requirement	Ongoing requirement
Business years	Three audited years (discretion is possible)	One audited year (discretion is possible)	No requirement
Method of listing	Public transaction*	No public transaction requirement (technical listing)	No public transaction requirement (technical listing)
Reporting in English	Mandatory	Optional	Optional

* With a one-year grace period

3. DISCLOSURE REQUIREMENTS

Listed companies must fulfil their disclosure obligations regulated by the provisions of law and the Exchange regulations. After the implementation of the Transparency Directive in Hungary, Exchange regulations had been aligned with the legal provisions following European standards. After the alignment, only a few more stringent Exchange requirements remained in effect.

In accordance with the Exchange regulations, issuers must fulfil regular, extraordinary, other and corporate governance related reporting requirements.

REGULAR DISCLOSURE OBLIGATIONS

Financial reporting

Listed companies must inform market participants about the course of their business during the year. Issuers under the force of the CMA must comply with the following reporting obligations in accordance with the CMA and the 24/2008 (VIII. 15.) Ministry of Finance Decree:

- Annual report (audited): to be issued within 4 months of the end of the business year
- Half-yearly report (non-audited): to be issued within 3 months of the end of the first six-month-period

Issuers not under the force of the CMA may choose to follow the reporting obligations of their 'home member state' (as defined by the Transparency Directive – Directive 2004/109/EC of the European Parliament and of the Council) after having published a statement in which they inform Hungarian investors about the reporting requirements of that state.

Other regular reporting

Issuers under the force of the CMA must also comply with additional reporting obligations set by the CMA by disclosing:

- The number of voting rights and the actual share capital at the end of each calendar month

EXTRAORDINARY DISCLOSURE OBLIGATIONS

Information capable of directly or indirectly influencing the price or return of the securities or the appreciation of the Issuer, including information regarding major holding, is governed by the rules of extraordinary reporting.

The 24/2008 (VIII. 15.) Ministry of Finance Decree contains guidelines and examples to be followed by issuers (under the force of the CMA) regarding their extraordinary disclosures. Issuers with home member states other than Hungary follow the rules of their jurisdictions.

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OTHER DISCLOSURE OBLIGATIONS

Information important for investors, which is not price-sensitive, belongs to this category (such as the Articles of Association, change of IR contact, etc.).

Other disclosure obligations pertain to all issuers listed on BSE.

Disclosure obligations regarding Corporate Governance

Issuers must issue a Corporate Governance Report along with the publication of their annual report. Corporate governance principles aim to enhance the efficient operation and control of the company ensuring the adherence to the spirit and to the letter of the law with regard to the interest of the shareholders, as well as the rights of the stakeholders.

[Corporate Governance Recommendations](#) published by the BSE deal with questions exceeding the Hungarian legal regulations. Alignment and compliance with the recommendations and process described in the Corporate Governance Recommendations are not mandatory; however, issuers are required to disclose the level of compliance according to the Recommendations (on comply or explain basis).

Disclosure obligations regarding Corporate Governance pertain to all issuers listed on BSE.

Corporate Action Timetable

Issuers with security series in Equities Prime Market shall disclose a corporate action timetable by the first day of their financial year.

4. COST OF BSE LISTING

There is no initial listing fee charged by the BSE for equity listing. The listing maintenance fee (annual fee) is based on the capitalization of the listed equity series. Annual fees range from HUF 1,250,000 to HUF 12,650,000. The listing maintenance fee is paid quarterly. No maintenance fee is payable for the quarter when the listing took place and for the subsequent quarter.

The Exchange's official publication place is its homepage where issuers must publish their Exchange-related announcements. Website publication fees depend on the number and size of files uploaded by the issuer. Publication fees paid vary by issuer. In 2018, the approximate average annual publication fee paid was HUF 440,000 per issuer.

5. LEGAL FRAMEWORK

- Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements (Official Journal of the European Union, 16.6.2004)
- Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonization of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC
- Act CXX of 2001 on the Capital Market (CMA)
- Decree 24/2008. (VIII. 15.) of the Ministry of Finance regarding the disclosure obligations pertaining to publicly offered securities
- The General Terms of Service of the Budapest Stock Exchange Ltd. (Book Two - Regulations on Listing and Continued Trading)

6. CONTACT

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