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Public offerings and listings of equity securities in Luxembourg

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Contents

Foreword

The present brochure has been drafted with the purpose to provide a comprehensive overview for issuers of equity securities who would like to make a public offer and obtain an admission to trading of their equity securities on one of the markets operated by the Luxembourg Stock Exchange. It consists of three main chapters which deal with the most important aspects both in terms of public offer, listing and ongoing disclosure obligations and which will hopefully provide the reader with many useful insights.

The first chapter – *IPOs in Luxembourg* - provides an overview with respect to the main aspects which need to be taken into account when making a public offer of equity securities in Luxembourg and describes the current listing possibilities the Luxembourg Stock Exchange offers. It furthermore contains detailed information on the requirements which need to be complied with in order to achieve such listings and provides a summary of the listing costs the particular listings will trigger.

The second chapter – *Treatment of Regulation Information under the Transparency Law/ FIRST/FNS/e-RIIS* - goes on to deal with the obligations issuers of equity securities who have obtained a listing on the regulated market of the Luxembourg Stock Exchange must comply with under the Luxembourg Transparency Law. In this respect, we primarily focus on the various technical aspects which the disclosure of regulated information under Luxembourg law entails.

The third chapter – *Disclosure obligations under the ROI and the Market Abuse Regulation* - has been drafted in order to provide a detailed description of the disclosure obligations set out in the Rules and Regulations of the Luxembourg Stock Exchange. These disclosure rules also apply to issuers whose securities have been admitted to trading on the Luxembourg Stock Exchange and thus need to be taken into account in addition to the disclosure rules under the Luxembourg Transparency Law.

And finally we have included as an annex an up-to-date discussion of legal developments involving special purpose acquisition vehicles (SPACs) in Luxembourg as this topic also entails many public offer and listing related aspects.

We hope that you will find much useful information in this brochure.

In any event please feel always free to reach out to us with any questions or comments you might wish to discuss in more detail.

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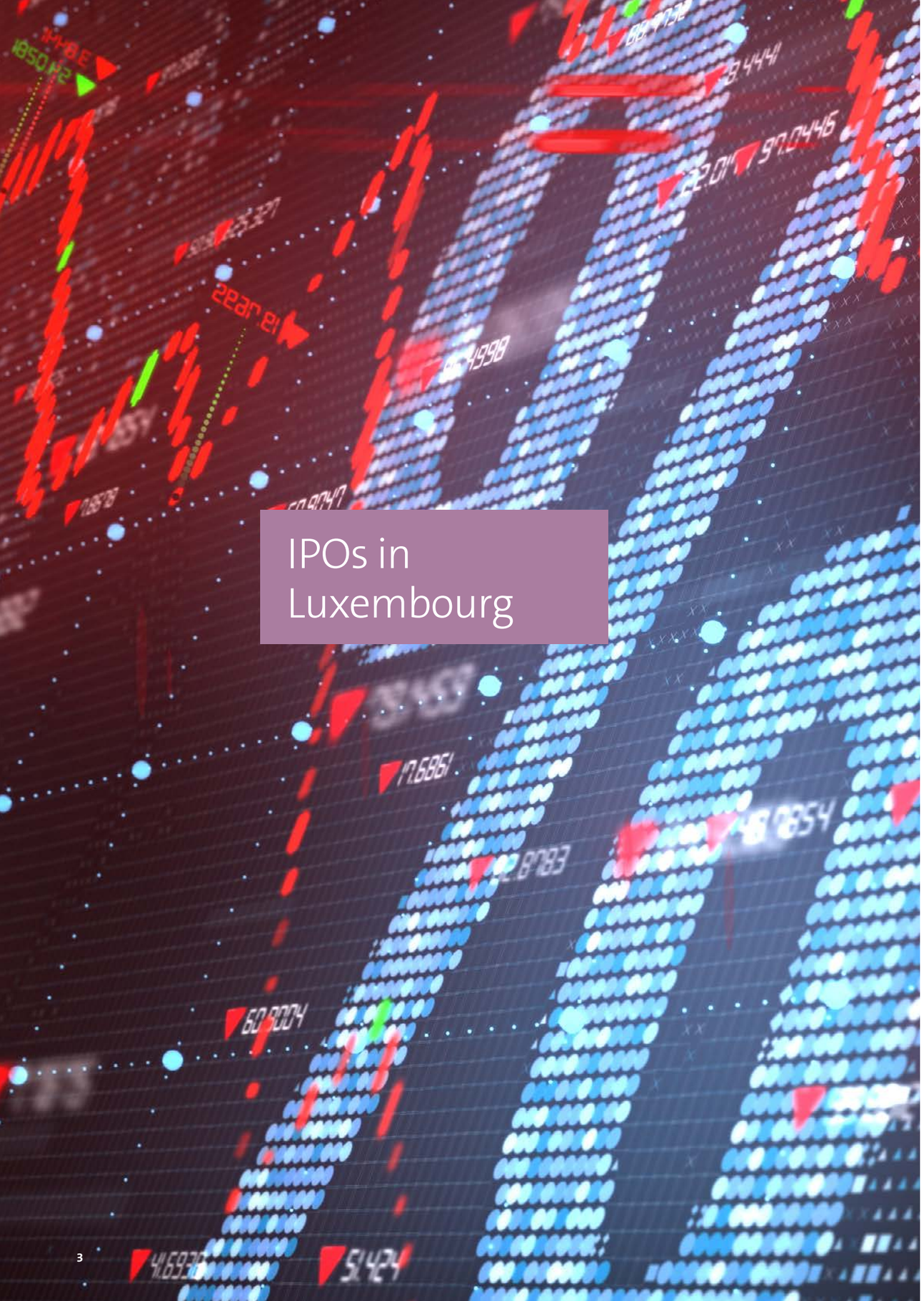


IPOs in Luxembourg

Public offers of equity securities in Luxembourg

In accordance with Regulation (EU) 2017/1129 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 (the "**Prospectus Regulation**") and the Luxembourg law of 16 July 2019 on prospectuses for securities (the "**Luxembourg Prospectus Law**"), no offer of transferable securities may be made to the public in Luxembourg without the prior publication of a prospectus approved by the Commission de Surveillance du Secteur Financier (the "**CSSF**").

TWO DIFFERENT REGIMES APPLICABLE IN LUXEMBOURG

Generally speaking, two different regimes apply in Luxembourg. Part II of the Luxembourg Prospectus Law transposes the rules of the Prospectus Regulation into Luxembourg law while Part III, Chapter 1, of the Luxembourg Prospectus Law is applicable to so-called alleviated prospectuses. This type of prospectus must be published in the context of public offers of securities not covered by the Prospectus Regulation constituting a second, national prospectus framework.

Public offer prospectuses approved under the Prospectus Regulation can benefit from the European passport for securities whereas alleviated offer prospectuses can be used for public offers in Luxembourg only.

Both the content and format of a Prospectus Regulation compliant prospectus are determined by the different annexes of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 (the "Prospectus Content Regulation"). In contrast, alleviated prospectuses can either be drawn up in accordance with the Prospectus Content Regulation or pursuant to the Rules and Regulations of the Luxembourg Stock Exchange (the "ROI").

PUBLIC OFFER PROSPECTUS PUBLICATION EXEMPTIONS

In the context of specific offers issuers can be exempted from the obligation to publish a prospectus or alleviated prospectus.

With respect to prospectuses to be approved under the Prospectus Regulation the relevant set of exemptions are found in article 1 (4) of the regulation. For instance, among others, an offer of securities which is only addressed to qualified investors does not trigger the obligation to publish an approved offering prospectus. Likewise, if only shares issued in substitution for shares of the same class already issued are offered to the public no prospectus publication obligation arises either, provided the issuing of such new shares does not involve any increase in the issued capital.

In this respect, it is important to note that the Prospectus Regulation contains a second set of exemptions in its article 1 (5) which only applies to admissions to trading on a regulated market. These two sets need to be distinguished and can only be applied in accordance with the relevant purpose of the prospectus (i.e. article 1 (4) for public offers and article 1 (5) for admissions to trading).

PUBLIC OFFER PROCEDURE

The public offer can only be initiated after the approval and publication of the public offer prospectus. In most instances, the maximum number of shares to be offered and the maximum price are included in the prospectus. However, the actual number of shares which has been allocated to investors and the final offer price is only disclosed at the end of the offering as frequently such disclosure is not possible until the completion of the book-building process.

Frequently, an IPO entails the issuance of new shares to investors (primary offering) and the offer for sale of existing shares which are held by one or more selling shareholders agreeing to take part in the offering to investors (secondary offering). IPOs exclusively constituting a primary issuance are usually preferred where the issuer foremost intends to obtain a maximum amount of new capital. On the other hand relatively large secondary offers are often made for divesting purposes.

MARKETING OF THE PUBLIC OFFER

Usually, the issuer and the relevant financial institutions appointed by the issuer market the offering by way of press advertisements, road shows or particular meetings with potential investors. Pursuant to article 22 of the Prospectus Regulation advertisements have to comply with specific requirements. This means that such advertisements must be clear as to them having been drafted for advertisement purposes. Furthermore, they must state that a prospectus has been or will be published and provide information as to where investors can obtain it. Generally speaking, the information in the advertisements must not be misleading. It must always be consistent with the information set out in the prospectus. In this respect, it is very important that prior to the publication of the prospectus, no communication be made by any party that could constitute a public offering since as per the general rule no public offer is allowed before the publication of the approved prospectus.

INSIDE INFORMATION IN THE CONTEXT OF AN IPO

Furthermore, during the public offering process inside information rules must always be taken into account if the offer is made by an issuer that has already obtained the admission to trading of securities on a regulated market or an MTF. Compliance with such rules will affect the manner in which potential investors can be addressed in the context of roadshows and potential investor meetings. In this respect, the rules as regards market soundings set forth in Regulation (EU) No 596/2014 of 16 April 2014 on market abuse (the "Market Abuse Regulation") must in particular be respected.

REQUIRED TIMING FOR THE PROSPECTUS APPROVAL

As the overall time frame required for an IPO depends on a large number of factors it is difficult to predict the exact time required to finalise the IPO.

With respect to the review of the prospectus by the CSSF in case of a Luxembourg incorporated equity issuer, the Prospectus Regulation provides the CSSF with up to 20 working days to send the first set of comments as set out in article 20 of the Prospectus Regulation. The CSSF, however, endeavours to revert with so-called preliminary comments within a few working days in case of major issues with the first draft prospectus whereas a more detailed set of comments is normally provided in less than 20 working days. Subsequent reviews and the corresponding sets of comments are usually provided in less time. However, it is important to note that all prospectus submissions with the CSSF must be made via a dedicated submission portal which is called e-Prospectus and which can only be accessed through the use of a LuxTrust product.

PROSPECTUSES APPROVED BY THE LUXEMBOURG STOCK EXCHANGE

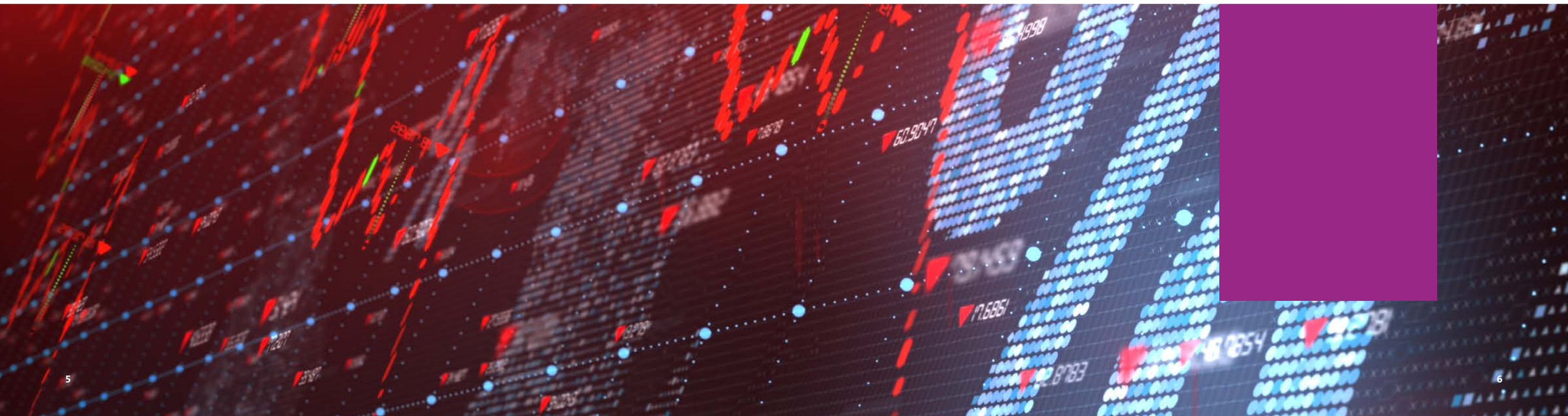
As further explained in the following chapter in specific instances the Luxembourg Stock Exchange (the "LuxSE") is the relevant approval authority and not the CSSF.

Where the prospectus is approved by the LuxSE (for an alleviated listing prospectus on the regulated market or an admission to trading on the Euro MTF), the review time is usually faster than the one applied by the CSSF. In this respect, the LuxSE has indicated on its website that it will ensure it reverts with comments within three working days.

RESPONSIBILITY OF THE PROSPECTUS AND UNDERWRITING

The issuer, the offeror or the person asking for admission to trading on a regulated market is responsible for the contents of the prospectus. In this respect, the responsible persons must be clearly identified in the prospectus. It is worthwhile noting that so far under Luxembourg law there is no framework pursuant to which liability for the prospectus contents could completely be placed on the shareholders selling their securities in a secondary offering.

A placement agreement is usually concluded with the financial institutions providing their services in the offer and, as the case may be, with the relevant selling shareholders. Such agreement usually includes specific representations and warranties to be given by the issuer and, if applicable, the selling shareholders.



Luxembourg Corporate Law Aspects

CORPORATE FORM

A common form for issuers intending to make a public offer of equity securities or to achieve a listing on a stock exchange is the Luxembourg public limited liability company (SA). As an alternative the Luxembourg partnership limited by shares with a double shareholder (general partner and limited partner) structure (SCA) is used a lot as well when it comes to incorporating future listed issuers.

DIFFERENT TYPES OF SHARES

In former times most public offerings of equity securities in Luxembourg by a Luxembourg company involved the issuance of shares in global bearer form. In practice this meant that global share certificates representing the entire issuance of the shares were issued. Subsequently, such certificates were deposited with a depositary for admission into the relevant clearing systems.

This tendency came to a halt by the introduction of the Luxembourg Law of 28 July 2014 on the immobilisation of bearer shares and units (the "Bearer Shares Immobilisation Law"). The main reason for this is that the Bearer Shares Immobilisation Law imposes the appointment of a Luxembourg depositary with whom all bearer shares must be deposited.

However, the deposit of the global bearer shares for many IPOs is usually made with a depositary that is a member of, and thus connected to, the relevant clearing system of the market on which the shares are intended to be admitted to trading. In a lot of cases such a market is, however, situated outside of Luxembourg.

Consequently, the majority of Luxembourg issuers now prefer to issue dematerialised shares governed by the Luxembourg Law of 6 April 2013 on dematerialised securities (the "Dematerialised Securities Law"). Pursuant to the Dematerialised Securities Law, the shares need to be registered in a so-called issuance account for the Luxembourg issuer's shares of the same class which is held with a specific liquidation body. Usually, LuxCSD SA, a securities settlement system owned by the Luxembourg Central Bank and Clearstream International, is used as the liquidation body for Luxembourg issuers.

Pursuant to the Dematerialised Securities Law, dematerialised shares are only represented by a record in a securities account. Ownership of the shares is established by registration in such securities account. This is why the securities account held with the liquidation body in which the dematerialised shares are recorded conclusively determines the identification of the dematerialised shares as well as the quantity issued and any changes to the issued amount going forward.

Finally, shares in registered form can also be issued by a Luxembourg company. In accordance with Luxembourg company law rules, the issuer must keep a register in which the holders of the shares are registered. However, as is often the case, in the context of shares cleared through clearing systems, the relevant clearing system or person acting for the account of the clearing system is entered into the register.

MANAGEMENT BODIES

Under Luxembourg company law SAs can be set up both as one-tier (board of directors) or two-tier (management board and supervisory board) entities. This allows for increased flexibility in adjusting to specific transactional and corporate needs.

In a one-tier SA the board of directors is the main corporate body to manage the general business activities of the entity and to represent it, except for the powers expressly reserved to the general meeting of shareholders by the Luxembourg law of 10 August 1915 on commercial companies (the "Luxembourg Companies Law") or the articles of incorporation.

This structure is similar to that of an SCA. The SCA's managers also have a wide array of powers when it comes to conducting the SCA's business activities and to representing it. Such powers are however again subject to the rights expressly reserved to the general meeting of shareholders by the Luxembourg Companies Law or the articles of association

In a two-tier SA, the supervisory board supervises the management board and can provide it with specific authorisations in particular contexts. Generally speaking, it must, however, not intervene in the management of the SA. This is also reflected by the fact that the members of the management board cannot be members of the supervisory board at the same time.

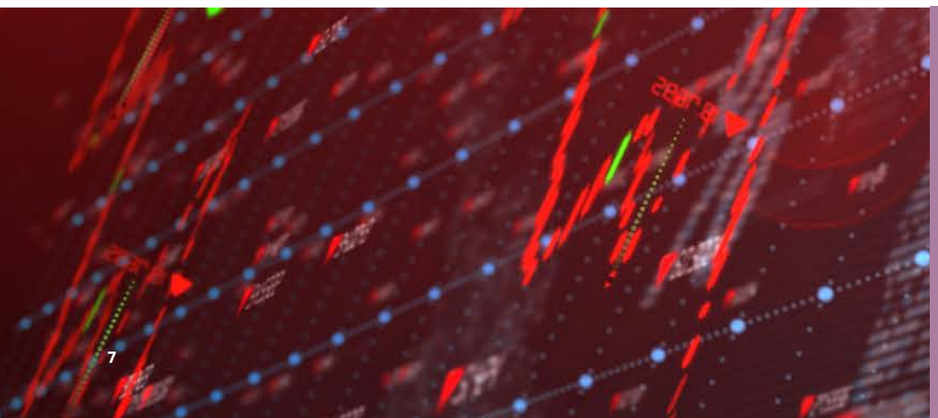
THE X PRINCIPLES OF CORPORATE GOVERNANCE ISSUED BY THE LUXSE

The LuxSE issued a corporate good governance framework- The X Principles of Corporate Governance of the Luxembourg Stock Exchange (fourth edition – revised version of December 2017) (the "X Principles") which generally apply to all companies incorporated in Luxembourg which have obtained the admission of trading of their shares on the Regulated Market operated by the LuxSE. The X Principles consist of three types of rules: the compulsory principles (comply), the recommendations (comply or explain) and the lines of conduct which are indicative only and not compulsory.

The X Principles may also be used as a reference framework for other companies for which the X Principles are not obligatory – for instance, with regards to any company incorporated outside of Luxembourg the shares of which have been admitted to trading on the Regulated Market of the LuxSE or any company incorporated in Luxembourg with shares admitted to trading on a foreign regulated market.

LUXEMBOURG SHAREHOLDERS' RIGHTS LAW

Finally it should be noted that a Luxembourg incorporated share issuer the shares of which have been admitted to trading on a regulated market must comply with the Luxembourg law of 24 May 2011 on the exercise of shareholders' rights with respect to shareholder meetings of listed companies (the "Shareholders' Rights Law"). This law contains specific additional rules, in particular in the context of the general meetings of shareholders (including the convening and voting procedures), that regulated market listed issuers of shares need to comply with. These rules apply in addition to similar rules set out in article 16 of the Luxembourg law of 11 January 2008 on transparency requirements (the "**Luxembourg Transparency Law"**)



Regulated Market versus Euro MTF Market

The LuxSE operates two main markets, a regulated market designated as the "Luxembourg Stock Exchange" (the "Regulated Market") and a multilateral trading facility designated as "Euro MTF" (the "Euro MTF Market").

THE EURO MTF MARKET

The Euro MTF Market is primarily used by issuers that exclusively wish to list on a multilateral trading facility. It is not covered by the scope of some EU regulations including (i) the 1606/2002/EU Regulation on the application of international accounting standards (IAS), (ii) the Prospectus Regulation and (iii) the 2004/109/EC Transparency Directive.

Consequently, issuers whose securities have only been admitted to trading on the Euro MTF Market are not subject to the obligations set out in the Luxembourg Transparency Law. Post-listing ongoing disclosure obligations with respect to Euro MTF Market listings only arise under the rules of the ROI and the Market Abuse Regulation.

This means that issuers having securities admitted to trading on the Euro MTF Market are usually subject to less costly and less stringent requirements for financial reporting.

The structure and contents of an Euro MTF Market prospectus must comply with the relevant appendixes of the ROI and the competent approval authority is the LuxSE and not the CSSF.

With respect to information required in the Euro MTF Market prospectus in accordance with the ROI, the following must be covered:

- Information concerning the persons responsible for the prospectus and the auditing of accounts;
- Risk factors;
- Information concerning the admission to trading and the shares for the admission of which application is being made;
- General information about the issuer and its capital;
- Information concerning the issuer's activities;
- Information concerning the issuer's assets and liabilities, financial position and profits and losses (accounts, subsidiaries...);
- Information concerning administration, management and supervision; and
- Audited annual accounts for the latest three financial years, as well as if applicable interim financial information, will normally be required. The last year of the audited financial information may not be older than 18 months. Furthermore, if the issuer has published financial information since the date of its last audited financial statements, these must be included or incorporated by reference in the prospectus as well.

Finally, it is important to note that issuers who have obtained an approved Euro MTF prospectus can only use it for the purposes of the admission to trading on the Euro MTF Market. There is no passporting procedure (similar to the one under the Prospectus Regulation) which could be used for listings on any other MTFs in the EEA. Furthermore, the Euro MTF prospectus is a mere listing document and can never be used for public offer purposes. Listings on the Euro MTF Market are therefore customarily combined with private placements if securities are also to be offered to investors in the context of the listing.

THE REGULATED MARKET

In contrast, the prospectus for securities to be admitted to trading on the Regulated Market must comply with the content requirements of both the Prospectus Regulation and the Prospectus Content Regulation and in the case of a Luxembourg incorporated issuer of shares must be approved by the CSSF.

With respect to post-listing ongoing disclosure obligations it must be noted that Luxembourg incorporated issuers of shares admitted to trading on an EEA regulated market automatically fall under the scope of the Luxembourg Transparency Law as their home Member State for transparency purposes is invariably Luxembourg. You can find more information on this in the second chapter of this brochure.

Furthermore, it should not be forgotten that in relation to both markets the Market Abuse Regulation is applicable, among other things, as regards any obligation to publish inside information.

Furthermore, the LuxSE launched in 2016 the LGX (Luxembourg Green Exchange) which is a dedicated platform applicable to both markets and on which sustainable securities can be admitted to trading. This is in particular of interest to issuers seeking to contribute to financing a low-carbon and more inclusive type of economy.

Finally, since 2018 the LuxSE has also offered the possibility to have securities admitted to trading on professional segments on both markets. These segments are interesting for issuers intending to target professional investors only. Admitted securities will not be accessible for retail investors.

LISTING PROCESS FOR THE REGULATED MARKET AND THE EURO MTF MARKET

The different phases of a listing can be summarised as follows:

Step 1: Planning, including compilation of the requested financial information;

Step 2: Preparation of the prospectus pursuant to either the Prospectus Content Regulation for the Regulated Market or the ROI for the Euro MTF Market;

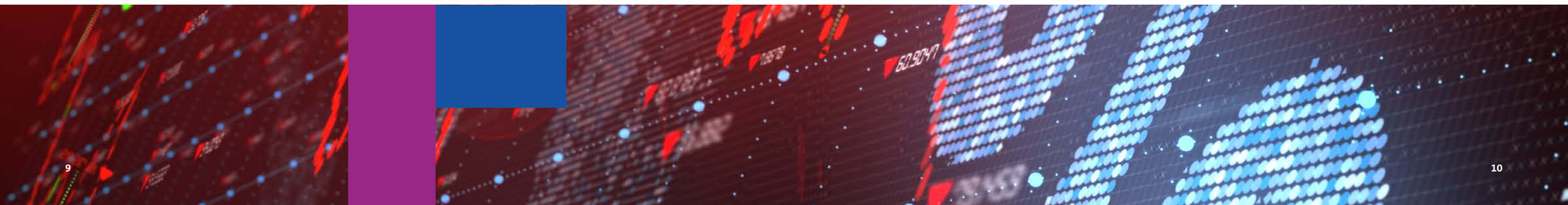
Step 3: Finalisation and submission for approval of the prospectus to the relevant competent authority (the LuxSE for the Euro MTF Market prospectus and the CSSF for the Regulated Market provided Luxembourg is/ can be chosen as the issuer's home Member State for prospectus purposes)1;

Step 4: Listing and admission to trading (administrative procedure to be undertaken with the LuxSE); and

Step 5: Post- listing – ongoing disclosure requirements consisting primarily of communication and publication obligations.

The following table summarizes the requirements for the listing of shares on the two markets operated by the LuxSE.

1. Luxembourg incorporated issuers of shares to be admitted to trading on a regulated market or to be offered to the public automatically have Luxembourg as home Member state under the Prospectus Regulation.



The following table summarizes the requirements for the listing of shares on the two markets operated by the LuxSE.

	REGULATED MARKET/EURO MTF MARKET
Competent authority to decide on the application for listing and admission to trading	LuxSE
Number of shares	All shares of the same type/ class must be listed
Negotiability of the shares	Freely transferable
Minimum distribution to the public (free float)	Applicable, sufficient distribution among the public must be ensured
Minimum market value of the issuer	€1,000,000
Operating history	Three financial years
Clearing and settlement	Yes (via systems recognised by the LuxSE)

ONGOING AND PERIODIC REPORTING AND DISCLOSURE OBLIGATIONS FOR THE REGULATED MARKET AND THE EURO MTF MARKET

Once the admission to trading has been obtained, issuers are subject to specific requirements for information disclosure.

	REGULATED MARKET	EURO MTF MARKET
Disclosure obligations		
Information relating to securities and corporate events	As soon as possible, but before the events affecting the securities or relating to corporate matters take place	As soon as possible, but before the events affecting the securities or relating to corporate matters take place
All information deemed useful for the protection of bondholders and for the due and proper operation of the market	As soon as possible	As soon as possible
Publication of inside information (subject to certain conditions, publication may be delayed)	Promptly pursuant to the rules set out in the Market Abuse Regulation	Promptly pursuant to the rules set out in the Market Abuse Regulation
Reporting obligations		
Publication of annual financial reports	Within four months after year-end (IFRS or equivalent)	Within the timeframe permitted under national legislation (national GAAP or IFRS or equivalent)
Publication of half-yearly reports (IFRS or equivalent)	Within three months after half-year (IFRS or equivalent)	Applicable, within four months after the end of the first half year except if not required by the issuer's applicable national legislation

Focus on the main listing requirements for equity securities

SUFFICIENT DISTRIBUTION AMONG THE PUBLIC

Under the ROI a sufficient distribution of the shares to the public of one or more Member States must be achieved at the time of the admission to the official list at the latest. A sufficient distribution is considered to have arisen if up to at least 25 per cent of the subscribed capital represented by the relevant shares has been distributed to the public. However, in specific cases on account of the extent of the distribution to the public of a high number of shares the proper operation of the market can already be ensured with a lower percentage. Such scenarios are assessed by the LuxSE on a case-by-case basis.

However, this condition does not apply where the securities are to be distributed through the Regulated Market or the Euro MTF Market. In this case, the admission to the official list can also be granted if the LuxSE takes the view that sufficient distribution through the Regulated Market or the Euro MTF Market will take place within a short time frame. Furthermore, if the shares are also admitted to the official list of one or more third countries, the LuxSE may accept their admission to trading when a sufficient distribution to the public has been achieved in the third country or countries of the original listing.

This sufficient distribution requirement means that the holding of a single investor who is merely accompanied by a small number of other investors, each holding a comparably insignificant portion of the issued capital, usually cannot be regarded as being sufficient. In contrast, the distribution of the shares among a rather low number of investors who, however, each hold a reasonable part of the subscribed share capital might prove sufficient to the LuxSE depending on the idiosyncrasies of the case.

As regards the LuxSE SOL there are no such sufficient distribution requirements.

MINIMUM SHARE CAPITAL OF THE ISSUER

The minimum share capital, must be at least €1 million or the equivalent value in any other currency unless the LuxSE is otherwise convinced that an adequate market for the shares is likely to develop.

FREE NEGOTIABILITY

Furthermore, shares to be admitted to trading must be freely transferable. Consequently, selling restrictions or lock-up arrangements will often prove to be problematic.

NUMBER OF SECURITIES

A general rule is that the admission to trading must extend to all the shares of the same category which have been issued. However, the issuance of larger blocks of shares, which are not negotiable during a particular period, provided such issuance is not likely to prejudice the holders of the shares for which admission to trading is sought and the public is adequately informed thereof, is not covered by this rule.

ACCOUNTING HISTORY OF THE ISSUER

Finally, it is to be noted that the issuer must have published annual accounts for the last three financial years pursuant to the law of the place of its incorporation. However, an exemption can be obtained if the LuxSE is satisfied that the investors have the necessary information to be able to make a well-founded opinion on the issuer and on the shares. In such a case the LuxSE requires the issuer to publish quarterly reports over the period during which the issuer benefits from the waiver.

Listings on the securities official list (SOL) operated by the LuxSE without admission to trading

The LuxSE, as an alternative to Regulated Market and Euro MTF Listings, also offers issuers the possibility to merely register their equity and debt securities on the LuxSE Official List without any admission to trading on either of its markets. Securities listed in this manner will be included in a particular section of the Official List, the so-called Securities Official List (SOL) section. The LuxSE refers to such section as the **"LuxSE SOL"**..

This sole listing alternative has primarily been designed for issuers which seek a certain level of visibility but for which admission to trading is not a prerequisite and therefore would not like to go through the ordinary prospectus approval and listing/admission to trading procedure which at times can be quite onerous. Furthermore, such issuers if they do not require an ordinary admission to trading should also appreciate the fact that they do not have to comply with the full disclosure and publication obligation regime which applies in regulated market and Euro MTF listing scenarios.

GENERAL ADVANTAGES OF A LISTING ON THE LUXSE SOL

As mentioned, listings on the LuxSE SOL do not trigger the application of the disclosure and publication regime under Transparency Directive, the Market Abuse Regulation or the ROI. The reason for this is the fact that inscriptions on the LuxSE SOL are exclusively governed by a specific rulebook of the Luxembourg Stock Exchange and the Grand-Ducal Regulation of 30 May 2018 which implements Directive 2001/34/ EC establishing the existence of the official list (the "Rulebook"). Consequently, only the provisions in the Rulebook as regards the requirements for listing and any on-going disclosure or notification obligations are applicable. This leads to the application of a simplified registration/listing and on-going disclosure regime.

Despite the lack of admission to trading issuers can, however, provide an indicative price for their securities. This shouldenhance investor visibility. Furthermore, a listing on the LuxSE SOL also enables the issuer to obtain a green bond listing on the LGX.

LISTING PROCEDURE FOR AN LUXSE SOL LISTING

Information notice instead of a prospectus

Instead of submitting a prospectus which complies with the provisions set out in both the Prospectus Regulation and the Prospectus Content Regulation for any admission to trading on the Regulated Market or a prospectus conforming to the rules set out in the ROI for the Euro MTF Market, the issuer only needs to provide an information notice in English, French or German which has to include minimum details about the securities and the issuer (the "SOL Information Notice"). However, the issuer is allowed to provide a more extended document such as a prospectus, offering circular or any other more extensive type of listing particular should this be preferable for commercial reasons. The SOL Information Notice must be submitted to the LuxSE for approval and must have been established in accordance with the applicable information elements set out in Schedule 1 to the Rulebook.

LISTING OF SECURITY TOKENS ON THE LUXSE SOL

The LuxSE also admits the listing of distributed ledger technology financial instruments (security tokens) on the LuxSE SOL. Security tokens are financial instruments that are issued and exist on a distributed ledger, allowing for a fully digital issuance process (the **"DLT Financial Instruments"**).

This means, however, that such financial instruments cannot be admitted to trading on either the Regulated Market or on the Euro MTF Market. With respect to a LuxSE SOL listing of DLT Financial Instruments the LuxSE has published specific guidelines setting out the eligibility criteria and listing requirements (the "DLT Guidelines"). This means that issuers intending to list their crypto-assets on the LuxSE SOL will need to comply with both the DLT Guidelines and the Rulebook.

The LuxSE in a first phase only considers applications for the registration of DLT Financial Instruments that fulfil the following cumulative criteria:

- Debt instruments offered exclusively to qualified investors within the meaning of the Prospectus Regulation or which have been issued in a denomination per unit that amounts to at least €100,000;
- Issuers having previously issued securities in capital markets or applicants having a proven track record in capital markets transactions; and
- Pricing in fiat currency.

The DLT Guidelines set out seven specific information items that will need to be covered in the SOL Information Notice when DLT Financial Instruments are to be listed on the LuxSE SOL.

There are however two specific points that are in particular worth focusing on:

CONTINGENCY PROCEDURE IN CASE OF FAILURE

The issuer must provide a confirmation that a contingency procedure in case of a failure in the distributed ledger technology system that is being used has been put in place which allows for the identification of the holders of the DLT Financial Instruments. In this respect a responsibility and liability statement should be included in the SOL Information Notice.

DLT FINANCIAL INSTRUMENTS MUST QUALIFY AS SECURITIES

Finally, it is important to note that LuxSE SOL listings of DLT Financial Instruments will only be accepted if the DLT Financial Instruments qualify as securities under the law under which the instruments in question have been issued. In this respect, the DLT Guidelines refer to section 2(ii) and (iii) of the Rulebook. This means that under the relevant law the DLT Financial Instruments would need to qualify as bonds or other debt securities which have either been issued by a company or a state, its regional or local authorities or by an international public body. In cases of doubt, the LuxSE might require the submission of an independent legal opinion to be provided by the issuer.

ONGOING DISCLOSURE OBLIGATIONS WITH RESPECT TO A LUXSE SOL LISTING

Ongoing disclosure obligations with respect to listings on the LuxSE SOL pursuant to section 6 of the Rulebook

As discussed the ongoing disclosure regime is simplified in comparison to Regulated Market and Euro MTF Market listings. In particular, this means that no specific publication obligations as for instance the type of obligations set out in chapter 10 of the ROI apply. Consequently, the issuer is not required to provide any periodic reporting such as the publication of any annual or half-yearly financial reports. In light of this the issuer primarily only has to comply with the following two obligations:

Securities events pursuant to item 6.2 of the Rulebook

The issuer must communicate to the LuxSE in advance any information relating to events affecting the securities inscribed on the LuxSE SOL. Such securities events are listed in item 6.2 of the Rulebook (each a "Securities Event"). The list is however not conclusive. This obligation reflects the main communication obligation applicable to Euro MTF listed issuers set out in chapter 9 of the ROI.

This provision does not constitute a publication obligation and therefore does usually not require the publication of any notices. It is already sufficient if the information in question is provided to the LuxSE in advance of the securities event arising by way of an email summarising the securities event. Any particular documents which would, however, facilitate a better understanding on the part of the LuxSE with respect to the Securities Event can be attached to the email for further information purposes on a voluntary basis.

Disclosure of other securities related information pursuant to item 6.3 of the Rulebook

Furthermore, the issuer must disclose to the LuxSE all information concerning the listed securities, including but not limited to, important changes in activities or any modifications to the articles of association and notices of meetings for security holders. Such obligation always arises whenever the issuer is required to make public and/or file specific securities related information pursuant to other rules and regulations (for instance in accordance with the laws applicable to the issuer and the securities). Such information must be communicated to the LuxSE by way of email as is done with respect to any information to be disclosed under item 6.2 of the Rulebook.

Listing costs

The main documents to be applied in the context of the costs triggered by Regulated Market or Euro MTF listings are the LuxSE brochure "Fees for listing services", in an edition dated January 2023 as well as the Grand-ducal Regulation of 23 December 2022 relating to the fees to be levied by the Commission de Surveillance du Secteur Financier (the "CSSF Fees Regulation").

The following overview reflects the rules in effect as at the date of this memorandum and only relates to the admission to trading of equity securities.

GENERAL DISTINCTION BETWEEN THREE DIFFERENT TYPES OF LISTING FEES (APPROVAL, LISTING AND MAINTENANCE FEES)

The LuxSE generally distinguishes between three different types of listing fees. These fees are the so-called approval fee, the listing fee and the maintenance fee.

Approval fee

The approval fee is only triggered in case a prospectus is approved by the LuxSE. Consequently, the approval fee will only have to be paid in the context of a listing on the Euro MTF given that for any Regulated Market listing on the LuxSE the prospectus is either approved by the CSSF or any other competent EEA prospectus approval authority and passported into Luxembourg after its approval. All these fees are so-called one-off fees and are therefore only paid once (at the start of the listing).

For a first listing of equity securities of an issuer for which the LuxSE has never approved any prospectus before the

approval fee amounts to €3,000. Any subsequent prospectus approval in a stand-alone context will trigger a reduced fee of €1,500.

Listing fee

In addition to the approval fee the issuer will have to pay a listing fee. Such listing fee is €3,000 for any first listing (this means that the issuer in question has not had obtained any listing on the LuxSE before). Any subsequent listing or any listing of additional securities fungible with those of a previous listing however only triggers a reduced fee of €1,500.

Maintenance fee

Finally, in addition to the approval fee (if applicable) and the listing fee (always applicable) a maintenance fee will have to be paid. The maintenance fee depends on the relevant quotation line.

MAINTENANCE FEE	QUOTATION LINE	PER YEAR
	First line	2,600
	Second line	1,950
	Third line	1,300
	Fourth line	650
	Subsequent line	650

OAM storage system fees

OAM STORAGE SYSTEM FEES

With respect to Regulated Market listings on the LuxSE issuers for whom the CSSF is the competent authority for transparency purposes under the Luxembourg Transparency Law need to be registered with the officially appointed mechanism operated by the LuxSE (the "OAM") in order to be able to store regulated information in compliance with the Luxembourg Transparency Law.

In fact, such regulated information needs to be processed whenever it arises in a threefold manner. It must be published in accordance with effective dissemination means, be stored with the OAM and be filed with the CSSF. In this respect, the LuxSE provides issuers on its website with an electronic disclosure tool which is called "FIRST". Issuers which have access to this system can easily disseminate, store with the OAM and file with the CSSF any such regulated information by accessing/using this tool.

In this respect, the issuer in order to gain registration to "FIRST" needs to enter in specific contractual documentation with the LuxSE and pay a set-up fee of €500. Furthermore, an annual fee of another €750 must be paid.

The publication/storage/filing of any document via "FIRST" will additionally trigger a service fee of €250 each time a document is effectively uploaded into the system.

Publication of non-regulated information on the website of the LuxSE

Any non-regulated information (i.e. information which is primarily published in relation to securities admitted to trading on the Euro MTF Market) can be done by way of using the general news service provided by the LuxSE. In this respect, the relevant LuxSE subscription form together with the notice to be published on the website of the LuxSE is sent to ost@luxse.com. Any such publication will trigger a publication cost of €500. An administrative fee of €100 is added to all manually executed submissions.

Prospectus approval fees for Regulated Market listings

In the context of a prospectus approved by the CSSF for an admission to trading on the Regulated Market no LuxSE approval fee will arise, as discussed above. In this respect, the applicable prospectus approval fees stem from the application of the CSSF Fees Regulation given that the CSSF was the competent approval authority.

The fees for a prospectus for a Regulated Market listing of shares will arise to 0.11 per cent of the value in EUR of the total amount offered to the public or of the total amount for which admission to trading on a regulated market is requested. This percentage shall be applied on the higher of the two amounts indicated above, with a minimum lump sum fee of EUR 24,750 and a maximum lump sum fee of EUR 220,000

Any supplement to such a share prospectus will trigger an approval fee of €1,650.

As a prospectus can also be divided into a registration document and a securities notes any such document can be approved separately and in such a case the following costs will be caused: Registration document (€13,750), and 0.11 per cent of the value in EUR of the total amount offered to the public or of the total amount for which admission to trading on a regulated market is requested for the securities note. This percentage shall be applied on the higher of the two amounts indicated above, with a minimum lump sum fee of EUR 11,000 and a maximum lump sum fee of EUR 206,250.

Lump sum to be paid in the context of the CSSF transparency supervision

As referred to above, any issuer for whom Luxembourg is the home Member State for the purposes of the Luxembourg Transparency Law is subject to the ongoing supervision of the CSSF. As discussed, this is always the case of issuers of shares which have been incorporated under Luxembourg law and the shares of which have been admitted to trading on a regulated market in Luxembourg or elsewhere in the EEA.

In this respect, any issuer of shares must pay to the CSSF an annual lump sum consisting of a fixed amount of EUR 30,000 and a variable amount based on the issuer's market capitalisation as further set out in item XVIII 1) of the CSSF Fees Regulation.

Treatment of Regulated Information under the Luxembourg Transparency Law/ FIRST/FNS/e-RIIS

The Luxembourg Transparency Law

The Luxembourg Transparency Law, supplemented by the Grand-ducal Regulation of 11 January 2008 on transparency requirements for issuers (the "Transparency Regulation"), provides a framework of obligations with respect to issuers for which Luxembourg is the transparency home Member State.

These issuers are required to disclose ad-hoc and periodic information, defined as "Regulated Information". Regulated Information notably includes periodic financial reports, information to be provided in relation to major holdings, inside information as well as notifications to be provided by persons discharging managerial responsibilities (a "PDMR") or other persons associated with such PDMRs

WHAT IS THE SCOPE OF THE LUXEMBOURG TRANSPARENCY LAW?

Generally speaking, an issuer can only fall under the scope of the Luxembourg Transparency Law if the issuer has issued securities which have been admitted to trading on a regulated market. A regulated market is a market as defined under article 4 (1) (14) of Directive 2004/39/ EC. A multilateral trading facility, in other words a domestic market, such as the Euro MTF Market, is not sufficient for such purposes.

CAN FUNDS FALL UNDER THE SCOPE OF THE LUXEMBOURG TRANSPARENCY LAW?

Yes. However, the Luxembourg Transparency Law is not applicable to units issued by collective investment undertakings other than the closed-ended type, or to units acquired or disposed of in such collective investment undertakings (article 2 (2) of the Luxembourg Transparency Law).

This slightly complicated wording simply means that only closed-ended funds, i.e. funds where the securities holder cannot request that their securities be redeemed, fall under the scope of the Luxembourg Transparency Law.

DOES THE ISSUER NEED TO HAVE LUXEMBOURG AS ITS TRANSPARENCY HOME MEMBER STATE TO FALL UNDER THE SCOPE OF THE LUXEMBOURG TRANSPARENCY LAW?

Yes. In addition to there being a listing on a regulated market the issuer must have (chosen) Luxembourg as home Member State under the Luxembourg Transparency Law.

This is the key concept and without Luxembourg being the home Member State for a specific issuer that issuer cannot fall under its scope.

WHAT IS THE SPECIFIC SITUATION OF ISSUERS OF SHARES UNDER THE LUXEMBOURG TRANSPARENCY LAW?

Issuers of equity securities always have their EEA Member State of incorporation as their transparency home Member State. Strictly speaking, they cannot choose their home Member State as its allocation is automatic. There is no other option for such issuers.

This means that a Luxembourg issuer whose shares have been admitted to trading on a regulated market in the EEA always has Luxembourg as its home Member State and thus falls under the Luxembourg Transparency Law.

Should such issuer also have listings of debt securities on one or several EEA regulated markets these listings are not decisive.

WHAT NEEDS TO BE DONE WITH THE CHOICE OF TRANSPARENCY HOME MEMBER STATE?

It is important to note that the choice of a transparency home Member State and the automatic allocation of an EEA Member State (in the case of equity as described above) qualifies as Regulated Information within the meaning of the Luxembourg Transparency Law and therefore must be treated in a threefold manner: (1) publication (effective dissemination means), (2) storage with the OAM (officially appointed mechanism) operated by the LuxSE and (3) filing with the e-RIIS portal of the CSSF.

WHAT ABOUT THE HOME MEMBER STATE CONCEPT UNDER THE PROSPECTUS REGULATION? DOES IT HAVE AN IMPACT?

No. Both analyses are different and completely separate topics. This means that an issuer can have Luxembourg as its transparency home Member State and choose another EEA home member state for the approval of a particular prospectus (for a specific listing). There is no automatic correlation even if the prospectus is required for the listing on which the choice of transparency home Member State will be based as far as debt securities are concerned.

However, with respect to the admission to trading of shares the rules under the Prospectus Regulation are identical to the ones under the Luxembourg Transparency Law. In other words, this means that the relevant share prospectus, even for regulated market listings in an EEA Member State other than Luxembourg, the CSSF is the only competent approval authority.

Disclosure and filing obligations under the Luxembourg Transparency Law

WHAT ARE THE MAIN OBLIGATIONS UNDER THE LUXEMBOURG TRANSPARENCY LAW?

As mentioned, an issuer falling under the scope of the Luxembourg Transparency Law must disclose Regulated Information in accordance with the relevant deadlines established by the Luxembourg Transparency Law.

In accordance with article 1(1) point (10) of the Luxembourg Transparency Law "Regulated Information" is all the information which issuers are required to disclose under the Luxembourg Transparency Law and under articles 17 and 19 of the Market Abuse Regulation.

Among others, these are

- Annual financial reports and half-yearly financial reports;
- Shareholder notifications;
- Acquisitions or disposals of own shares;
- Disclosure of the total number of voting rights and capital;
- Changes in the rights of holders of shares and securities other than shares;
- Inside Information;
- PDMR notifications.2

The list is not exhaustive and a thorough analysis of both the Luxembourg Transparency Law and the Market Abuse Regulation must be made on a case-by-case basis.

2. Articles 16 and 17 of the Luxembourg Transparency Law do not qualify as regulated information.

WHAT DOES DISCLOSURE OF REGULATED INFORMATION UNDER THE LUXEMBOURG TRANSPARENCY LAW ENTAIL?

Any time regulated information arises such information must be treated in a threefold manner, i.e. three obligations arise. These are:

1. Effective dissemination;
2. Storage on the OAM (officially appointed mechanism operated by the LuxSE); and
3. Filing with the CSSF.

All three obligations must be complied with at the same time.

WHAT DOES EFFECTIVE DISSEMINATION OF REGULATED INFORMATION MEAN?

Issuers are required to disclose Regulated Information in a manner ensuring fast access to such information on a non-discriminatory basis. Therefore, issuers must use such media as may reasonably be relied upon for the effective dissemination of information to the public in all Member States.

In this respect it is important to note that the mere availability of Regulated Information (e.g. on the issuer's website), which means that investors must actively seek it out, is not sufficient for the purposes of the Luxembourg Transparency Law. Therefore, dissemination must involve the active distribution of information from the issuers to the media, with a view to reaching investors.

The media that can be used in this respect are companies specialised in the dissemination of Regulated Information.

The following companies have indicated dissemination channels which fulfil article 13(2) of the Transparency Regulation and which the CSSF refers to on its website.

- Actusnews
- Business Wire
- EQS Group AG
- Modular Finance AB
- Notified
- PR Newswire
- Pressetext Nachrichtenagentur GmbH
- Société de la Bourse de Luxembourg, S.A (LuxSE)
- Tensid S.A.

In Luxembourg issuers mainly use the FIRST system operated by the LuxSE via which the required publication of Regulated Information can be effected.

WHAT DOES STORAGE OF REGULATED INFORMATION WITH AN OFFICIALLY APPOINTED MECHANISM MEAN?

Article 20 of the Luxembourg Transparency Law introduces, among others, the obligation for the issuer to make available its regulated information to an Officially Appointed Mechanism (the "OAM"). The OAM in Luxembourg is operated by the Luxembourg Stock Exchange and can be accessed via https://www.bourse.lu/oam.

When storing regulated information on the OAM, the issuer must ensure that:

1. Regulated information is stored on the OAM at the time of its dissemination and at the latest at the end of the day of the dissemination of the regulated information.

2. When storing and using the features of the OAM website, the regulated information is correctly indexed in the OAM system.

In this respect, new issuers are required to use the FIRST system offered by the LuxSE which provides the necessary platform through which such storages can be effected.

WHAT DOES FILING OF REGULATED INFORMATION MEAN?

Article 18(1) of the Luxembourg Transparency Law provides that the issuers whose securities are admitted to trading on a regulated market and where Luxembourg is the home Member State are required to file all Regulated Information with the CSSF at the time of its publication.

Furthermore, shareholders of issuers whose shares have been admitted to trading on a regulated market and for which Luxembourg is the home Member State for transparency purposes must also file information they are required to notify to the issuer in accordance with Articles 8, 9, 11, 12 and 12a with the CSSF.

Since 30 May 2022, entities and persons subject to the Luxembourg Transparency Law and Market Abuse Regulation have been required to fulfil their filing obligation through a new web portal which is called e-RIIS (electronic Reporting of Information concerning Issuers of Securities).

Dissemination and storage of Regulated Information via FIRST and publication of financial information via FNS

HOW IS REGULATED INFORMATION DISSEMINATED AND STORED WITH THE OAM IN LUXEMBOURG?

The LuxSE offers a specific news service tool which is called FIRST and which serves as a platform for the dissemination, storage and filing of regulated information.

This means that through FIRST issuers can simultaneously disseminate, store with the OAM and file with the CSSF their Regulated Information. By using FIRST all three obligations which apply to Regulated Information can be complied with in one go. Consequently, through the use of FIRST no separate filings of Regulated Information via the CSSF filing system, the e-RIIS Portal are necessary.

More information on the administrative steps and documents which need to be submitted to the LuxSE in order to register with the FIRST tool can be found on https://www.bourse.lu/first.

AS THE E-RIIS PORTAL FOR FILINGS OF REGULATED INFORMATION OPERATED BY THE CSSF CAN ONLY BE USED BY REGISTERED USERS DOES THIS HAVE AN IMPACT ON THE USE OF FIRST?

The introduction of the e-RIIS Portal has not changed the operation of FIRST and filings can still be done via FIRST without having to create specific user accounts for which LuxTrust identification is needed. This means that even persons who do not have a registered user account for a specific issuer or notifying person can do the filing of Regulated Information via FIRST.

However, it is important to note once the CSSF filing via First has been done (i.e. once FIRST has submitted the filing with the CSSF) any questions or correspondence done by the CSSF with respect to the filing (e.g. if the information was incomplete) can only be accessed via the e-RIIS Portal by a person having a user account and through the use of a LuxTrust product.

WHAT IS THE FNS SERVICE OPERATED BY THE LUXSE AND HOW DOES IF DIFFER FROM FIRST?

FNS (Financial News Service) is a second news dissemination system operated by the LuxSE. It differs from FIRST to the extent that through this system only publications of notices can be done.

In this respect two types of notices can be published through FNS:

1. Regulated Information notices; and
2. other notices.

All notices are published on the website of the LuxSE and simultaneously distributed to data vendors and media via the FNS Service.

The service can be used both by issuers who are subject to the Transparency Directive and those who are not. In general such issuers include:

- Issuers whose securities are listed on the Euro MTF (with respect to disclosure obligations covered by the Rules and Regulations of LuxSE (ROI)).
- Issuers whose securities have been admitted to trading on the regulated market operated by the LuxSE but whose transparency home Member State is an EEA Member State other than Luxembourg.
- In this respect, it is worthwhile noting that publications from investment funds are also published on the designated website of Fundsquare, a subsidiary of the LuxSE.
- Notices or press releases received after the market closes are published before the market opening of the next trading day.
- Listed or unlisted investment funds.

HOW IS A NOTICE OR PRESS RELEASE PUBLISHED VIA FNS?

The publication of a notice or press release is rather straightforward. The LuxSE has published two different publication forms which are to be used depending on the type of information. These can be found under https://www.bourse.lu/fns.

They are:

- Subscription form for of Regulated Information; and
- Subscription form for of other information.

All relevant information required in the respective subscription form must be completed and the form needs to be signed.

Subsequently, the respective subscription form together with the notice or press release in pdf is sent to ost@luxse.com.

Filing of Regulated Information with the CSSF via the e-RIIS Portal

The CSSF implemented on 4 March 2022 the mandatory use of a new reporting portal for the purpose of filing Regulated Information under the Luxembourg Transparency Law as well as, among others, PDMR notifications and inside information under the Market Abuse Regulation (the "e-RIIS Portal").

HOW IS REGULATED INFORMATION FILED VIA THE E-RIIS PORTAL?

In order to log into the portal, a LuxTrust certificate (i.e. an identification tool) is required. In this respect various identification options are accepted by the CSSF. A physical token, smartcard or a mobile app (among others) can be used in order to connect with the e-RIIS Portal and certify one's identity ("who you are") and authenticate oneself ("how do you prove who you are?"). When choosing the most appropriate LuxTrust device, one should take into account the identification process (online or face-to-face) and the delivery time of the different products.

Subsequently, once a LuxTrust device has been obtained a CSSF e-RIIS account (the "e-RIIS Account") needs to be created by the submitting person through which the reporting of the relevant information will be done. The CSSF also refers to such e-RIIS Accounts as "User Accounts". Any natural person filing information on behalf of the issuer needs to have their own e-RIIS Account in order to allow for the person(s) to be able to submit information/documents and receive communications from the CSSF. In this respect, it is important to note that, although LuxTrust offers products for individuals and for professionals (i.e. a product issued for a specific individual person but which relates to a particular corporate entity, e.g. the issuer or relevant shareholder), several employees cannot share a single LuxTrust product, i.e. a company-related certificate.

Luxembourg residents who already have a LuxTrust identification tool (such as a token, smartcard or mobile app etc.) should, however, not encounter any difficulties and can continue to use such devices in order to connect to the e-RIIS Portal.

Persons located outside of Luxembourg in most instances will not yet have a LuxTrust device. For such foreign-based persons the possibility to obtain an identification tool online by contacting LuxTrust (the process of which involves an identity verification procedure during a video call) exists. In order to obtain access to the e-RIIS Portal the easiest approach for users located abroad would be to acquire the LuxTrust mobile app and to download it on their mobile as this tool would avoid the necessity of having a physical object like a token or a particular identification card, for which use often a card reader might also be necessary, sent abroad from Luxembourg.

ARE THERE ANY SPECIFIC VALIDATION ASPECTS TO BE TAKEN INTO ACCOUNT?

Any e-RIIS Account must be assigned to one or more so-called reporting entities. Reporting entities consist of (1) issuers of securities and (2) holders of securities and can be existing reporting entities or new reporting entities still to be created. Existing reporting entities are all the issuers which are subject to the Luxembourg Transparency Law. However, for entities or persons other than issuers subject to the Luxembourg Transparency Law the status of reporting entity must still be created in the e-RIIS Portal. While several e-RIIS Accounts can be assigned to one single reporting entity an e-RIIS Account can be assigned to different reporting entities as well.

These "new" reporting entities are mainly (1) shareholders subject to shareholders' notifications under the Luxembourg Transparency Law, (2) issuers who must comply with the filing obligations as regards inside information under the Market Abuse Regulation without such information qualifying as regulated information under the Luxembourg Transparency Law (i.e. in the case of an Euro MTF listing only) or (3) PDMRs and persons closely associated with them with respect to (a) issuers subject to the Luxembourg Transparency Law and the Market Abuse Regulation or (b) issuers who are only subject to the latter. In this respect, it is important to note that in case of filings for an issuer of securities, which is not subject to the Luxembourg Transparency Law, the creation of the new reporting entity must be validated by the CSSF before any filings can be done.

However, in both cases, i.e. in the case of an existing reporting entity or a new reporting entity, the first e-RIIS Account assigned to a reporting entity must always be validated by the CSSF and is assigned the role of a so-called Super User. Such Super User going forward is allowed to make any additional assignments of other e-RIIS Accounts to the relevant reporting entity without any specific validation having to be effected in that respect. From a practical perspective this means that a reporting entity can have several users effecting filings for the entity with the Super User being the first and main user registered and the only one to be validated by the CSSF.

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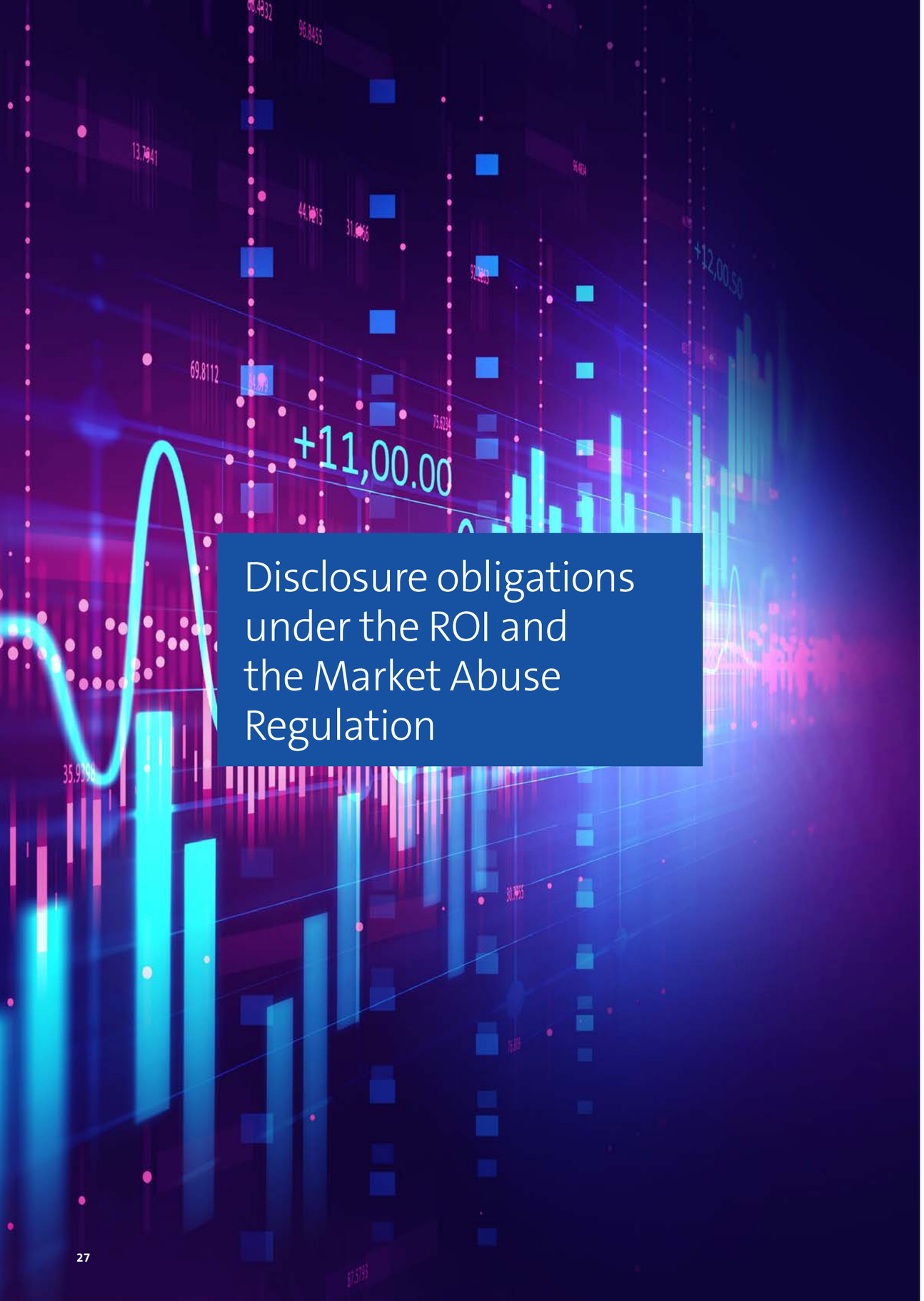


Disclosure obligations under the ROI and the Market Abuse Regulation

Communication obligations pursuant to chapter 9 of the ROI applicable to both listings on the Regulated Market and the Euro MTF Market

In addition to the relevant national framework of disclosure rules based on the Transparency Directive any listing both on the Regulated Market and the Euro MTF Market also triggers the application of chapter 9 of the ROI and the Market Abuse Regulation.

Chapter 9 of the ROI primarily consists of a number of communication obligations vis-à-vis the LuxSE which issuers, irrespective of their transparency home Member State, must comply with. These communication obligations however also apply to any listings on the Euro MTF Market. Furthermore, the ROI contains a series of publication obligations which are set out in chapter 10 of the ROI and which only apply to Euro MTF Market listed issuers. This ROI specific publication framework replaces the disclosure framework of the Transparency Directive as listings on a multilateral trading facility such as the Euro MTF Market do not fall under the scope of the Transparency Directive.

In this respect, it is important to note that a communication obligation in contrast to a publication obligation is already complied with when the issuer provides the information in question to the LuxSE by way of an email using the following address: ost@bourse.lu. Such communication obligation does not entail any duty to inform the market as a whole and therefore need only be fulfilled vis-à-vis the LuxSE.

SECURITIES EVENTS PURSUANT TO ITEMS 903/904 OF THE ROI

Pursuant to items 903/904 of the ROI an issuer of securities which have been admitted to trading on either the regulated market or the Euro MTF must communicate as early as possible to the LuxSE any information relating to events affecting the securities that the LuxSE deems necessary to facilitate the due and proper operation of the market. Such information must be communicated to the LuxSE in advance of the securities or corporate event so that the LuxSE can take appropriate technical measures. Item 904 contains a non-conclusive list of such securities events which trigger a communication obligation.

Amendments affecting the rights of holders of the equity securities

For instance, among other events, any amendments affecting the respective rights of the different categories of shares, depositary receipts, equity linked securities or debt securities must be communicated to the LuxSE.

Business combination or split of the issuer

Any business combination or split of the issuer or any change of the name of the issuer will have to be communicated to the LuxSE as well.

Distributions under the equity securities and default scenarios

Likewise, as regards payments under the equity securities admitted to trading specific information such as the announcement of any distribution as well as the payment and detachment of dividends or interest must be communicated to the LuxSE.

The same applies to payment default scenarios and in a more general manner any decision relating to any bankruptcy, insolvency or cessation of payments.

Price-sensitive information

As regards the advent of price sensitive information it is important to note that such price sensitive information in addition to any further obligations pursuant to the Market Abuse Regulation also constitutes a securities event and therefore triggers a communication obligation pursuant to items 903/904 of the ROI.

DISCLOSURE OF INFORMATION PURSUANT TO ITEMS 906/907 OF THE ROI

Furthermore, an issuer whose securities have been admitted to trading on the Regulated Market must communicate to the LuxSE at the latest at the requisite moment for making public and filing such information all information concerning the securities in question admitted and which the issuer has to make public under both Luxembourg or European Union law or regulations. The reason for this provision is to be seen in the fact that the LuxSE requires its issuers to provide it with any information the issuer in question has also had to publish according to rules and regulations other than the ROI.

REGULATED INFORMATION

All Regulated Information the issuer must file with the competent transparency supervisory authority determined according to the definition of home Member State in article 2 (1) (i) of the Transparency Directive must be communicated to the LuxSE. This means that any Regulated Information the issuer is required to file with the competent authority under the law of its home Member State for transparency purposes implementing the Transparency Directive must be communicated to the LuxSE in addition to the required disclosure under that law.

However, Luxembourg incorporated issuers of equity securities are exempted from this obligation as they are required to file any Regulated Information via the OAM (item 907 (i) second sentence of the ROI).

Important changes in activities or any modifications made to the articles of association

Furthermore, an issuer whose securities have been admitted to trading on the Regulated Market and on the Euro MTF Market must communicate important changes or any modifications to its articles of association to the LuxSE.

Notices of meetings for holders of securities

Likewise, notices for meetings of security holders must also be communicated to the LuxSE.

OTHER USEFUL INFORMATION FOR INVESTOR PROTECTION PURSUANT TO ITEM 908 OF THE ROI

It must also be noted that pursuant to item 908 of the ROI the issuer once its debt securities have been listed and admitted to trading on the Regulated Market may be required in specific situations to communicate to the LuxSE all other information that the LuxSE deems useful for the protection of investors or for the due and proper operation of the market. Furthermore, the LuxSE can require the issuer to publish specific information to the market (mainly by way of a publication on the website of the LuxSE) whenever investor protection or the due and proper operation of the market demands such publication.

Publication obligations pursuant to chapter 10 of the ROI appliable to listings on the Euro MTF Market

Chapter 10 of the ROI provides a set of supplementary provisions for issuers whose securities have been admitted to trading on the Euro MTF Market. The two main rules to be applied with respect to issuers of equity securities are items 1001 and 1002.

Publication obligations pursuant to item 1001 of the ROI

Item 1001 of the ROI sets forth a couple of publication obligations for issuers of equity securities.

Any issuer of equity securities which have been admitted to trading on the Euro MTF Market must:

1. promptly publish any amendments to the rights attached to the different categories of such equity securities (it should be noted in that respect that the LuxSE takes the view that such publication must clearly show all modifications to such rights. It is therefore, highly recommended to publish a redline/ compare version in such a context);
2. inform the public, as soon as it comes to its notice, of changes to the structure of the major holdings of its capital as compared to the capital structure that was previously made public in this respect, If applicable the issuer must inform the public in Luxembourg at the latest within nine calendar days whenever it comes to the issuer's notice that an acquisition or disposal by a natural person or legal entity of a number of shares has been made and the holding as a result thereof becomes higher or lower than 10%, 20%, 1/3, 50% and 2/3 of the total voting rights;
3. promptly publish in Luxembourg all the necessary communications to the holders of the equity securities and in particular those relating to the allotment and payment of dividends, operations of new share issues as well as operations concerning bonus shares, subscription, renunciation and conversion.

Publication of ongoing/annual financial information (annual and half-yearly financial reports) pursuant to item 1002 of the ROI

1. **Annual financial report:** As far as the publication of ongoing financial information is concerned every issuer of equity securities admitted to trading on the Euro MTF Market must publish as soon as possible its latest annual accounts and its latest management report prepared in accordance with its national legislation. These accounts must be subject to independent verification by at least one auditor. If the issuer prepares both non-consolidated and consolidated accounts the issuer is authorized to only make the consolidated accounts available to the public.
2. **Half-yearly financial report:** Furthermore, the issuer must make available to the public within four months of the end of the first half-year a half-yearly report on its activities and its results, except if the national legislation applicable to the issuer does not stipulate this. In exceptional, duly justified cases, the LuxSE may extend the publication time limit.

Such half-yearly financial report must comprise figures and a statement relating to the issuer's activities and results during the six months under consideration.

The figures presented in a tabular form shall at least indicate the following:

- the net turnover;
- the result before or after the deduction of taxes.

The explanatory statement shall include any significant information enabling investors to make an informed assessment of the company's activities and results, together with an indication of any special factor which has influenced those activities and those results during the relevant period and enable a comparison to be made with the corresponding period of the previous financial year. It must also as far as possible refer to the issuer's likely future development in the current financial year.

Furthermore, it should be noted that when an issuer of equity securities prepares consolidated annual accounts it is authorized to only disclose to the public its half-yearly financial report in a consolidated form. If accounting information has been verified or is subject to an auditor's review, the opinion granted, by the latter, and if applicable, any qualifications, are to be reproduced in full.

Means of publication pursuant to item 1005 of the ROI

The information to be published pursuant to items 1001/1002 of the ROI must be made public by the use of media reliable for the effective dissemination of information to the public in Luxembourg. This requirement is met if, for instance, the information is published by way of a press release which is posted on the website of the LuxSE (www.bourse.lu).

Obligations applicable to issuers of equity securities under the Market Abuse Regulation

The listing and admission to trading on both the Regulated Market and the Euro MTF Market of equity securities also trigger the application of specific provisions under the Market Abuse Regulation.

Strictly speaking, there is no concept of home Member State under the Market Abuse Regulation and thus the CSSF is in most instances the competent authority for listings located in Luxembourg.

Under the Market Abuse Regulation, the three main applicable obligations, among others, relate to (1) the disclosure of inside information, (2) the establishment of insider lists and (3) the publication of PDMR notifications (manager's transactions).

As previously discussed, the issuer's obligation to disclose both inside information under article 17 of the Market Abuse Regulation and PDMR notifications pursuant to article 19 of the Market Abuse Regulation qualify as Regulated Information under the Luxembourg Transparency Law.

This means that such information must be published in accordance with effective dissemination means, stored with the OAM and filed with the CSSF as is the case with any other periodic and ad-hoc information under the Luxembourg Transparency Law.

DISCLOSURE OF INSIDE INFORMATION (ARTICLE 17 OF THE MARKET ABUSE REGULATION)

Under the Market Abuse Regulation issuers who have securities admitted to trading on a regulated market or on an MTF must publish inside information (price-sensitive information) whenever such information arises.

Consequently, issuers of securities which have been admitted to trading on the Regulated Market or on the Euro MTF Market must monitor whether inside information which directly concerns them arises and publish such information without undue delay according to the required means of publication pursuant to article 17 (1) of the Market Abuse Regulation. Under specific circumstances it is, however, possible to delay the publication of inside information if the requirements for such delay which are set out in article 17 (4) of the Market Abuse Regulation are met. Generally speaking, this can, among others, be the case if the immediate disclosure of the inside information is likely to prejudice the legitimate interests of the issuer and if such delay is not likely to mislead the public. A case-by-case analysis must always be carried out in such situations.

Furthermore, it is must be noted that the issuer must also post and maintain the inside information for at least five years on its website

ESTABLISHMENTS OF INSIDER LISTS (ARTICLE 18 OF THE MARKET ABUSE REGULATION)

An issuer whose equity securities have been admitted to trading on the Regulated Market or on the Euro MTF Market must also draw up a list of people with access to inside information and who are employees or otherwise perform tasks through which they have access to inside information. Articles 18 (3) and 18 (4) of the Market Abuse Regulation set out the information required for the list and when updates of such list must be made.

The insider list must be kept for at least five years and provided to the competent authority as soon as possible on request.

Should the issuer outsource the maintenance of its insider list to a third party the issuer will remain fully responsible for compliance with its obligations under article 18 of the Market Abuse Regulation.

MANAGERS' TRANSACTIONS (PDMR NOTIFICATIONS PURSUANT TO ARTICLE 19 OF THE MARKET ABUSE REGULATION)

Furthermore, persons discharging managerial responsibilities (PDMRs) and persons closely associated with them must notify the issuer and the CSSF, in the case of a Luxembourg incorporated issuer, of transactions conducted on their own account relating to shares and debt instruments (or related derivatives or other financial instruments) of the issuer.

However, a threshold of EUR 5,000 for transactions to be notified is set out in article 19 (8) of the Market Abuse Regulation. The total amount of the transactions in one calendar year must reach this amount before any subsequent transaction need to be notified to the issuer and the CSSF. This means that records will need to be kept in order to establish when the threshold is reached and in order to inform the issuer's PDMRs accordingly. In practice, some issuers prefer to require their PDMRs and the persons closely associated therewith to effect notifications in all cases irrespective of the afore¬mentioned threshold in accordance with their own corporate framework of corporate rules of conduct regarding such PDMRs.

The notification must be made promptly and no later than three business days after the date of the transaction. The notification must furthermore include the information set out in article 19(6) of the Market Abuse Regulation.

The issuer must in turn publish the information contained in the notification promptly and in any event within three business days of the date of the transaction (i.e. the same period which the PDMRs or the persons closely associated with them must use). Therefore, in practice most issuers ask their PDMRs to provide the relevant information within two business days of the transaction in order to be able to make that information public within the three business days.

As regards the issuer's obligation to publish the information it must be noted that for such publication effective dissemination means must be used (as is the case of inside information publications). In practice, this is the case if the issuer in question publishes the information on the website of the LuxSE (i.e. using the LuxSE's news service system). Furthermore, as PDMR notifications qualify as Regulated Information under the Luxembourg Transparency Law such information must also be stored with the OAM and be filed with the CSSF.

Appendices

Appendix I:
Reproduction of Chapter 9 of the ROI

901 Admission of Newly Issued Securities of the Same Category

If supplementary Securities are issued which belong to the same category as Securities already admitted to trading, the Issuer must apply for admission to trading for these supplementary Securities. This application must be received at the latest one year after their issue or at the point when they become freely negotiable.

902 Equal Treatment

The Issuer must ensure equal treatment of all shareholders and holders of Shares or Units who are in identical situations and also between all the holders of debt securities issued within the same issue as far the rights attached to these Securities are concerned.

903 Securities Events

Without prejudice to the other continuous obligations imposed by National Regulations, the Issuer shall communicate as early as possible to the Luxembourg Stock Exchange any information relating to events affecting the Securities admitted to trading that it deems necessary to facilitate the due and proper operation of the market. Such information must be communicated to the Luxembourg Stock Exchange in advance of the Securities or corporate event in such a way that it can take appropriate technical measures.

904 Open List of Information Required

The information referred to in Rule 903 includes, but is not limited to:

(i) Amendments affecting the respective rights of different categories of shares, Depositary Receipts, equity linked Securities or debt securities.

(ii) Any issue or subscription of Securities, in particular if it is accompanied by subscription rights and preferential periods, except for Issuers who are a UCI.

(iii) Any business combination or split of the Issuer.

(iv) Any change of transfer or paying agent.

(v) Announcement of any distribution.

(vi) Payment and detachment of dividends or interest.

(vii) Coupons being declared without value.

(viii) The redemption of debt securities in particular before the due date.

(ix) Change of name of the Issuer.

(x) Any payment default and in a more general manner, any decision relating to any bankruptcy, insolvency or cessation of payments.

(xi) Any other event or information which, on the date of its publication by the Issuer or on its behalf, is likely to influence the price of the Security.

(xii) Any suspension from trading at the request of the Issuer on other trading venue of its issued Securities or any linked financial instruments.

905 Depository Receipts

In the case of Depositary Receipts, including Securities conferring on their holders the right to acquire other Securities, the information mentioned in Rule 903 includes, but is not limited to:

(i) Information affecting the respective rights relating to the different categories of Securities;

(ii) Corporate events of the Issuer of underlying securities.

906 Disclosure of Information to the Luxembourg Stock Exchange

The Issuer shall communicate to the Luxembourg Stock Exchange at the latest at the requisite moment for making public and filing such information, all information concerning the Securities admitted and the Issuer that it has to make public, under National Regulations and the European Union Law. None of the obligations exempts the Issuer from providing the same information to the competent authorities.

907 Open List of Information Required

The information referred to in Rule 906 includes, but is not limited to:

(i) All the regulated information which must be filed by an Issuer with the competent authority determined according to the definition of the Home Member State in Article 2(1) (i) of the Transparency Directive. Such communication is not required if the Issuer (or a filing entity acting on its behalf) files the regulated information with the Officially Appointed Mechanism (OAM) service operated by the Luxembourg Stock Exchange.

(ii) Important changes in activities or any modifications made to the articles of association.

908 Other Useful Information for Investor Protection

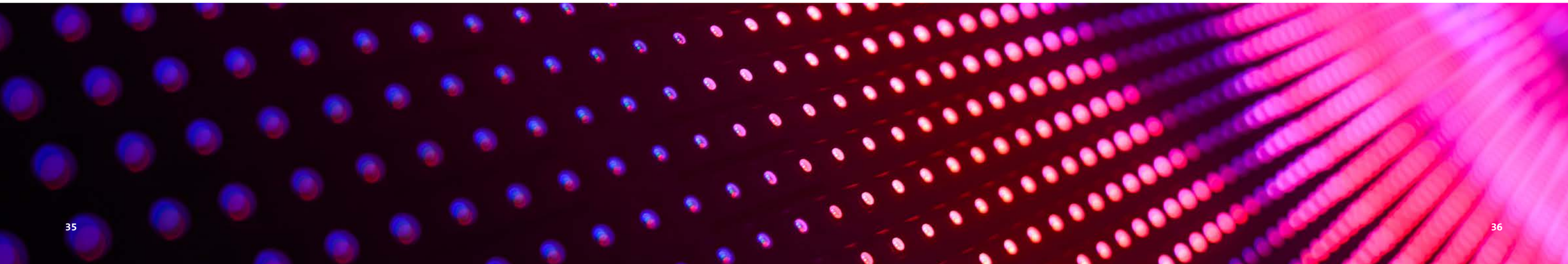
An Issuer whose Securities are admitted to trading shall communicate to the Luxembourg Stock Exchange all other information that it deems useful for the protection of investors or for the due and proper operation of the market. Whenever investor protection or the due and proper operation of the market demands it, the Issuer may be required by the Luxembourg Stock Exchange to publish certain information in the form and timescales that seem appropriate to it. If the Issuer does not comply with this request, the Luxembourg Stock Exchange may, after having heard the Issuer, proceed itself with the publication of this information at the expense of the Issuer and disclose the disregard of the Issuer in respect of the obligations to which it is bound.

909 Equivalent Information

Every Issuer whose Securities are admitted to trading on a Securities Market of the Luxembourg Stock Exchange shall ensure in Luxembourg the provision of equivalent information to that made available to the market of any other stock exchange(s) situated or operating outside the Member States of the European Union, to the extent that this information may be important for evaluating the securities in question.

910 LEI

An Issuer shall take all necessary measures to ensure its LEI is valid and updated and shall transmit it to the Luxembourg Stock Exchange as long as its financial instruments are admitted to trading on a Securities Market of the Luxembourg Stock Exchange.



Appendix II:
Special Focus on SPACs in Luxembourg

Since 2020 all across the United States and Europe special purpose acquisition companies (SPACs) have become a considerable alternative to traditional IPOs gaining much interest from investors and market participants alike. Luxembourg is not an exception to this trend and recently several SPACs have been set up and successfully listed. The first SPAC to be set up was Lakestar SPAC 1 SE in February 2021. Other SPACs that followed were 468 SPAC I SE and OboTech Acquisition SE. More recently, a business combination between Alvotech Holding S.A. and Oaktree Acquisition Corp. II SPAC was achieved. Furthermore, on 16 August 2022 the Commission de Surveillance du Secteur Financier (CSSF) granted a derogation from the requirement to launch a takeover bid for the shares of Odyssey Acquisition S.A. as a result of the subscription of newly issued shares as at 22 April 2022 in the context of the business consummation between Odyssey Acquisition S.A. and BenevolentAI Limited[3]

Luxembourg's attractive regulatory corporate and listing law frameworks have turned the country into a major potential which is likely to become one of Europe's preferred destinations for such projects

What exactly is a SPAC and how is it structured?

Generally speaking, SPACs are blank check companies which are set up in order to raise the necessary funding with respect to the acquisition of a future, not yet identified, target company in a reverse merger. They provide private companies with a means to access public markets and offer investors an opportunity to embark on joint investments with more experienced sponsors and market participants.

Usually, a SPAC can only use a restricted timeframe during which the target company is to be identified and its acquisition to be completed (such timeframe in many instances ranging between 18 and 24 months). If the SPAC is unable to complete the acquisition of an appropriate target company by the applicable deadline, the funds that have been raised from investors must be returned to the investors. Typically, the investors also have the right to redeem the shares they acquired in the preceding IPO and have their original investments paid back to them prior to the acquisition taking place should they not approve of the target company selected and prefer to exit the structure.

Although SPACs are often structured similar to private equity funds they do not fall under the scope of Directive 2011/61/EU on alternative investment fund managers as they have been set up with the aim to become a fully operating company or at least a holding company of a group including the target company once the acquisition of the target company has been fully consummated. Given the fact that they do not impose any limitations and requirements on the profiles of the investors in most instances any individual or legal entity can buy shares.

3. ISIN: LU2355630455, Euronext Amsterdam regulated market listing;

Furthermore, frequently target companies can negotiate specific fixed lock-in prices of their stock with the sponsors of the SPAC. Thus, target companies may succeed in avoiding possible value decreases that a classic IPO can cause, in particular in times of market uncertainty. Also, there is often the possibility to negotiate the sale price of the target company to a SPAC. In this respect investors can decide whether or not to exit the structure and withdraw their capital before the acquisition occurs. If such a situation arises the sponsors of the SPAC may however nonetheless agree to fund any cash shortfalls at closing so that the acquisition can still go ahead. This makes SPAC investments considerably investor-friendly.

Given that the SPAC, despite being a shell company, is a corporate entity with legal personality it is generally allowed to have its shares or units admitted to trading on a public stock exchange, thus enabling investors to benefit from all the advantages in terms of trading and information disclosure which are offered by listed companies.

What corporate law framework applies to SPACs?

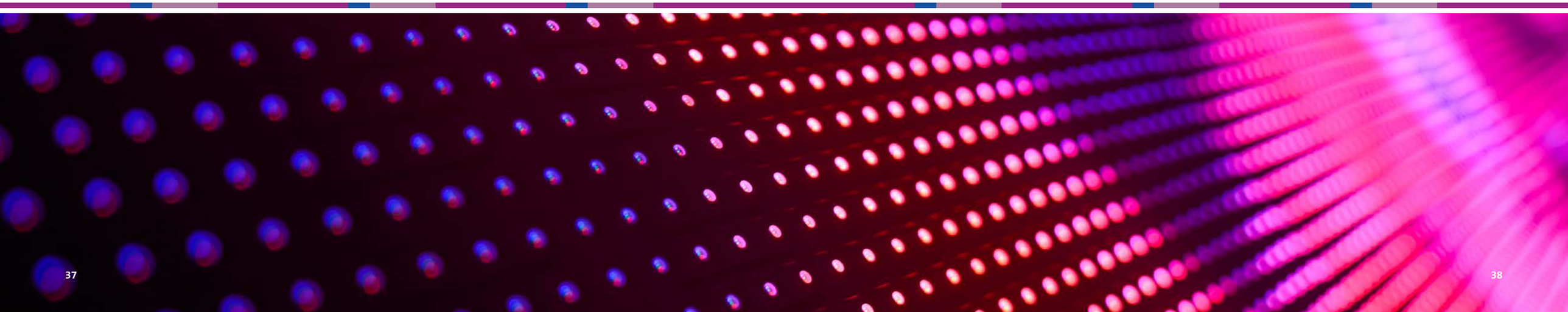
Luxembourg corporate law allows SPACs to adopt various legal forms such as a European company (société européenne), a public limited company (société anonyme) or a limited stock partnership (société en commandite par actions). In this respect it is fair to say that the legal form of the public limited company (société anonyme) has proven particularly popular as it has relatively low incorporation costs (the minimum share capital at the incorporation being EUR 30,000). Furthermore, it can relatively easily be merged with a target company which has been set up under the laws of another EU Member State and converted into a European company to be governed either by Luxembourg law or by the law of the target company subsequent to the acquisition of the target.

Another major advantage of Luxembourg law with respect to the set-up of SPACs is its flexibility to make adjustments based on the specific context of the project. Thus, it is generally possible to create different classes of shares such as ordinary, preferential and redeemable shares to which different financial and voting rights are attached. In this respect, voting and non-voting shares can be issued which are to be held by different investor types. Along the same lines the articles of association of a SPAC usually contain the possibility to issue redeemable shares allowing investors that do not wish to continue with their investments to redeem the shares they hold.

Likewise, the powers and tasks given to the management body of the SPAC can be adapted and restricted to specific decision-making topics and provided with different representation rules within the general Luxembourg corporate law framework, taking into account specific constraints and idiosyncrasies of the envisaged target company merger.

Are there specific issues that might occur in the context of the listing of a SPAC?

Since a SPAC is ultimately a legal entity which does not differ that much from other operating companies in terms of its corporate structure no particular, i.e. SPAC specific, listing and prospectus approval regime applies to it. Consequently, in order to obtain a listing on the Luxembourg Stock Exchange a prospectus must be produced and approved by the relevant competent approval authority under general Luxembourg prospectus rules.



In this respect, two main market venues are offered by the Luxembourg Stock Exchange, i.e. the regulated market and the Euro MTF market. An admission to trading on the regulated market requires the prior approval by the CSSF of a prospectus compliant with Regulation (EU) 2017/1129 (the "Prospectus Regulation") provided Luxembourg is indeed the SPAC's home Member State for prospectus purposes. Once approved such a prospectus can also be passported into another EEA Member State for the purposes of a listing on such EEA Member State's regulated market.

A listing on the Euro MTF, being a Luxembourg multilateral trading facility, only triggers the application of the Rules and

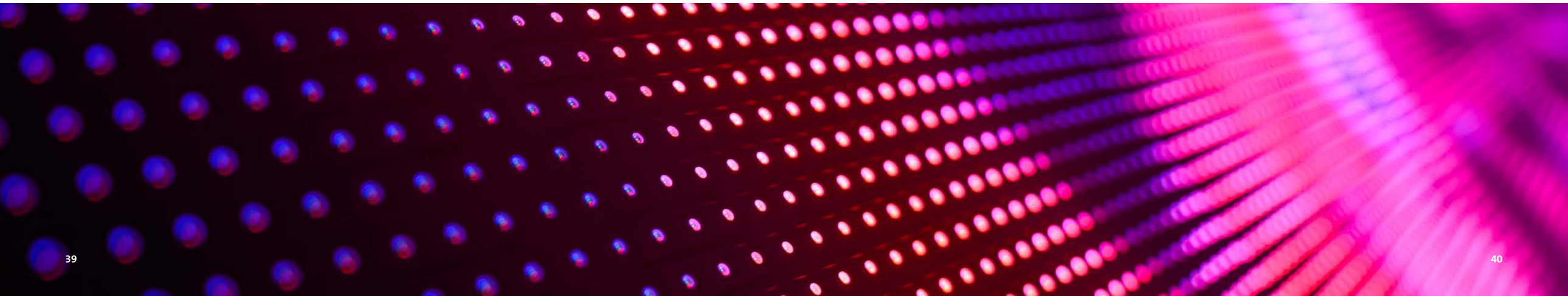
Regulations of the Luxembourg Stock Exchange (the "ROI"). The competent approval authority for such an Euro MTF listing is the Luxembourg Stock Exchange and not the CSSF.

However, in the context of an IPO conducted by a SPAC a prospectus under the Prospectus Regulation will have to be approved for the purposes of making a public offer in Luxembourg. The publication of such a public offer prospectus is required prior to the IPO taking place in non-exempt offer scenarios, i.e. in situations in which the offeror of the securities cannot benefit from an exemption from the obligation to publish an approved prospectus.4 Such a public offer prospectus will need to set out the terms and conditions of the offer as well as the main characteristics of the securities which are to be offered to the public. Furthermore, the total amount of the offer, the number of securities offered, the price of each security or the minimum subscription amount per investor must be specifically referred to in the prospectus. Also the investment scope and all parameters to be applied with respect to the identification and acquisition process of the future target company must be sufficiently described.5

Once listed on a regulated market of the Luxembourg Stock Exchange, the SPAC will be subject to all applicable rules, in particular under Regulation (EU) No 596/2014 on market abuse (the "**Market Abuse Regulation"**), the Luxembourg law of 11 January 2008 on transparency requirements (the **"Luxembourg Transparency Law**")6 and the ROI. With respect to a listing on the Euro MTF in addition to the Market Abuse Regulation in terms of disclosure requirements only the rules set out in the ROI will be applicable as such issuers are not subject to the Luxembourg Transparency Law.

Should it be intended to list the target company and not the SPAC, once the reverse merger has been consummated, it is important to note that the question under what conditions such listing can be obtained will require a separate analysis given that the newly acquired company and not the SPAC would be the issuer in such a case.

4. These exemptions are set out in article 1 (4) of the Prospectus Regulation.
5. The main framework applicable with respect to the content of the prospectus is Commission Delegated Regulation (EU) 2019/980 of 14 March 2019.
6. The Luxembourg Transparency Law is applicable to issuers whose home Member State for transparency purposes is Luxembourg. Luxembourg incorporated issuers of shares which have been admitted to trading on a regulated market (which need not necessarily be the one operated by the Luxembourg Stock Exchange) automatically have Luxembourg as transparency home Member State. Such issuers cannot choose between the competent supervisory authorities of several EEA listing venues



Does the Luxembourg Stock Exchange provide any specific guidance on the listing of SPACs?

In August 2021 the Luxembourg Stock Exchange published a framework with the objective to provide guidance to sponsors and other professional intermediaries in the context of a listing of securities issued by SPACs on its markets (the **"SPAC Guidelines"**).

The SPAC Guidelines are foremost recommendations that SPAC issuers should take into account when structuring their listing project and therefore are not of an obligatory nature. These recommendations are the following ones:

1. Funds raised by SPACs should be placed in an escrow account with a regulated financial institution and issuers shall document an order of priority for outgoing payments.
2. The issuer should grant redemption rights to the SPAC shareholders and describe the conditions under which the rights can be exercised.
3. The majority of the shareholders should approve the business combination with the target company in a general meeting (de-SPAC process) and the issuer shall provide the shareholders with the information necessary to make an informed decision about the exercise of their redemption rights.
4. In the prospectus accompanying the admission to trading, the issuer should describe its business strategy to deliver insights on the target industries and geographies where it seeks acquisition opportunities.
5. The timeframe for the consummation of the business combination shall be defined and limited in time.

The Luxembourg Stock Exchange emphasizes that the SPAC Guidelines are not to be understood as an exhaustive or mandatory list of features that any SPAC would need to comply with in order to obtain a listing on the Luxembourg Stock Exchange. Deviations from these recommendations in specific cases might therefore be possible.

Consequently, as part of its general review and approval process, the Luxembourg Stock Exchange reserves the right to consider any other feature of a SPAC (e.g. management lock-up periods, sponsor commitments or remuneration mechanisms) when assessing a listing request or approving an Euro MTF prospectus.

Are there any issues that could arise under Luxembourg takeover rules in case the SPAC has been admitted to trading on a regulated market?

In case the shares issued by the SPAC have been admitted to trading on a regulated market and provided new shares are to be issued within the context of the merger of the target company which will be subscribed by specific shareholders of the SPAC, such as the sponsors acting in concert, an obligation to launch a takeover bid under the Luxembourg law of 19 May 2006 on takeover bids (the "Luxembourg Takeover Law") can arise.

The Luxembourg Takeover Law establishes a framework for both mandatory and voluntary takeover bids. Generally speaking, it is applicable to Luxembourg incorporated issuers of securities carrying voting rights which have been admitted to trading on a regulated market. Consequently, listings on multilateral trading facilities such as the Luxembourg Euro MTF market are not sufficient. Furthermore, it is not applicable to open-ended funds (i.e. issuers which operate on the principle of risk-spreading and the units of which can be repurchased or redeemed at the holders' request).

a) Obligation to launch a bid

Pursuant to article 5 (1) of the Luxembourg Takeover Law a mandatory bid must be made whenever a natural or legal person as a result of his/her acquisition or the acquisition by persons acting in concert with that person obtains securities of a target company which, added to any existing holdings of those securities, directly or indirectly provide a specific percentage of voting rights in the target company giving that person control of the target company.

Control over the target is obtained if the relevant person(s) hold(s) a percentage of 33 1/3% of voting rights in the target company. Generally speaking, the acquisition of such a controlling holding needs to occur during the time of listing. Therefore, usually issuers which are already controlled by a certain shareholder or shareholders acting in concert at the time the relevant securities were first admitted to trading on a regulated market cannot become the target of a mandatory bid. The reason for this is that in such a case control had already been established before the admission to trading took place.

b) Persons acting in concert

Control is often times not acquired alone but by persons acting in concert. Under the Luxembourg Takeover Law persons acting in concert mean natural or legal persons who cooperate with the offeror or the target company on the basis of an agreement, either express or tacit, either oral or written and which is aimed at acquiring control of the target company. Dogmatically speaking, any person acting in concert is also under the general obligation to launch a mandatory bid and therefore any derogation granted from the obligation by the CSSF must be addressed and granted to all persons involved (i.e. main offeror and persons acting in concert). In a SPAC context sponsors might qualify depending on the features of the case as such persons acting in concert.

c) Derogation from the obligation to launch a takeover bid

However, in specific contexts a derogation from the obligation to launch a takeover bid can be obtained from the CSSF.

Such a derogation was granted in March 2022 in the context of the acquisition of a company incorporated under German law[7] by a Luxembourg incorporated special purpose acquisition company[8] and as mentioned in the first paragraph above in August 2022 in the context of the business combination between Odyssey Acquisition S.A. and BenevolentAI Limited.

The derogations were granted in accordance with article 4 (5) of the Luxembourg Takeover Law to the persons subscribing to newly issued shares by the SPACs and acting in concert as they temporarily acquired control of the SPACs. The shares issued by the SPACs had been admitted to trading on the regulated market of the Frankfurt Stock Exchange and Euronext Amsterdam, respectively, and the CSSF was the competent authority with respect to the granting of any derogation under the Luxembourg Takeover Law in both cases pursuant to article 4 (2) e) of the Luxembourg Takeover Law.

7. HomeToGo GmbH.
8. Lakestar SPAC I SE (renamed HomeToGo SE) ISIN:LU2290523658).

In both contexts the CSSF's decision was based on the argumentation that the shareholders of the SPAC during the process of the business acquisition and combination had the possibility to make an informed decision as to whether or not they should stay in the structure. According to the CSSF this was in particular reflected by the fact that the business combination was submitted for approval in the context of the extraordinary general meeting of shareholders of the SPAC and the possibility of an unlimited exit for shareholders not approving the proposed acquisition of the target company. Thus the CSSF came to the conclusion that the interests of the minority shareholders had been sufficiently taken into account and protected so that the application of article 5 (1) of the Luxembourg Takeover Law was not necessary.

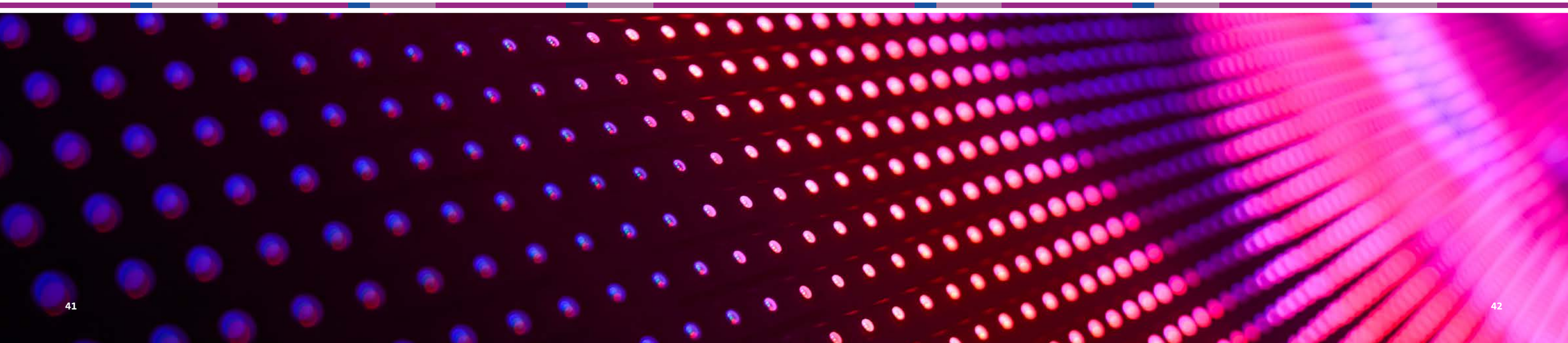
Despite the listings having been obtained on the Frankfurt Stock Exchange and Euronext Amsterdam the CSSF was also the competent authority for the granting of such a derogation as the contexts described were a situation of shared supervision pursuant to article 4 (4) of the Luxembourg Takeover Law.

Generally speaking this means that whenever the securities issued by a Luxembourg incorporated target company have been admitted to trading on an EEA regulated market other than the one operated by the Luxembourg Stock Exchange the competent supervisory authority with respect to any takeover bid is not the CSSF but the supervisory authority of the EEA Member State where the regulated market is located. Consequently, the takeover framework applicable in that EEA Member State is the main legal framework under which any bid would have to be launched.

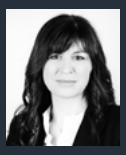
However, in such cross-border contexts according to article 4 (2) e) of the Luxembourg Takeover Law matters relating to the information to be provided to the employees of the target company and all matters relating to company law, in particular the percentage of voting rights which confers control and any derogation from the obligation to launch a bid as well as any squeeze-out and sell-out procedures, among others, are governed by the Luxembourg Takeover Law. On the other hand most procedural aspects of the takeover bid will, however, be governed by the laws of the EEA Member State where the listing has been obtained. This includes aspects such as the offer price, the contents of the offer document, the disclosure of the bid etc.

Favourable outlook for the future

Investment banks and sponsors but also retail investors looking for new investment opportunities are very likely to welcome the increasing interest to set up SPACs in Luxembourg. In particular, the accessibility of the CSSF and it deal-specific experience, as referred-to above, as well as the straight-forward and investor-friendly listing framework provided by the Luxembourg Stock Exchange will undoubtedly prove to be a great asset of Luxembourg and should be likely to further increase its position as major business centre in Europe.



Key contacts



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