

Final Report

Technical advice on Minimum Information Content for Prospectus Exemption



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Acronyms and definitions

Accounting Directive	Directive 2013/34/ EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EC and 83/349/EEC
APM	Alternative Performance Measures
APM Guidelines	ESMA Guidelines on Alternative Performance Measures (ESMA/2015/1415, 5 October 2015)
Audit Directive	Directive 2014/56/EU of the European Parliament and Council of 16 April 2014 amending Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts
Audit Regulation	Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC
CESR	Committee of European Securities Regulators
CMU	Capital Markets Union
Commission	European Commission
Commission Regulation	Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements
Consultation Paper	Consultation Paper on draft technical advice on minimum information content for prospectus exemption (ESMA31-62-962)
ESMA	European Securities and Markets Authority



Exempted Documents	Documents referred to in points (f) and (g) of paragraph 4 and points (e) and (f) of the first subparagraph of paragraph 5 of Article 1 of the Prospectus Regulation
International Financial Reporting standards / IFRS	International Financial Reporting Standards (IFRS) as adopted in the EU pursuant to Regulation (EC) No 1606/2002 on the application of international accounting standards
IPO	Initial Public Offer
ISIN	International Securities Identification Number
KPI	Key Performance Indicators
LEI	Legal Entity Identifier
M&A	Memorandum and Articles of Association
Market Abuse Regulation / MAR	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC
Merger and Division Directive	Directive (EU) 2017/1132 of the European Parliament and of the Council of 14 June 2017 relating to certain aspects of company law
Prospectus Directive / PD	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC
Prospectus Regulation / PR	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC



Recipient Company	Company receiving contributions as a result of the division as provided by Articles 136 and 155 of Directive (EU) 2017/1132
Second Commission Delegated Regulation	Commission Delegated Regulation (EU) 2016/301 of 30 November 2015 supplementing Directive 2003/71 of the European Parliament and of the Council with regard to Regulatory Technical Standards for approval and publication of the prospectus and dissemination of advertisements and amending Commission Regulation (EC) No 809/2004
Spun-off	Company being divided following a division as prescribed in Article 136 of Directive (EU) 2017/1132
Takeover Bids Directive or TOD	Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids

1. Executive summary

Reasons for publication

The Prospectus Regulation was published in the Official Journal of the European Union on 30 June 2017 and entered into force 20 days after its publication, on 20 July 2017. The regulation requires the European Commission ('Commission') to adopt delegated acts in a number of areas.

On 28 February 2017, ESMA received a request from the Commission for technical advice, including in relation to the minimum information content of documents describing a merger, division or takeover which is necessary to apply an exemption from the obligation to publish a prospectus. The latest version of the Commission's Request is dated 26 January 2018. ESMA published a Consultation Paper on 13 July 2018. This Final Report is the follow-up to this Consultation Paper.¹

Content

This Final Report is organised in two sections as well as a number of annexes.

Section 2 is an introductory section providing background information regarding ESMA's mandate and the elements that were taken into consideration for the development of the technical advice.

Section 3 summarises the feedback received from stakeholders to ESMA's Consultation Paper and ESMA's responses to the input provided. It furthermore explains whether and how this feedback was taken into account in ESMA's final technical advice.

Annex I includes a list of the respondents, grouped by category, Annex II contains the Commission mandate to ESMA for the technical advice and Annex III provides a cost-benefit analysis. Finally, Annex IV contains ESMA's technical advice together with the full list of the appendices that are included in the technical advice.

Next steps

This Final Report will be delivered to the Commission and published on ESMA's website.

¹ https://www.esma.europa.eu/sites/default/files/library/esma31-62-962_consultation_paper_on_minimum_information_content_for_prospectus_exemption.pdf

2. Introduction

2.1. Background

1. Regulation (EU) 2017/1129 of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC ('the Prospectus Regulation' or 'PR') was published in the Official Journal of the European Union on 30 June 2017.
2. As set out in the Prospectus Regulation, the European Commission ('the Commission') is obliged to adopt delegated acts in a number of areas after entry into force of the Prospectus Regulation. The Commission has requested ESMA to deliver its technical advice by 31 March 2018 (Part I), 31 March 2019 (first point of Part II) and 31 August 2020 (second point of Part II). In accordance with this timetable, ESMA has delivered its technical advice concerning Part I of the mandate. The Commission has requested ESMA to deliver the first point of Part II of its technical advice by 31 March 2019.
3. This final report sets out ESMA's technical advice in relation to the first point of Part II of the technical advice regarding the minimum information content for prospectus exemption.

2.2. Mandate

4. On 28 February 2017 ESMA received a formal request from the Commission to provide technical advice on delegated acts concerning the Prospectus Regulation (the 'mandate', full text presented in Annex II).
5. The mandate received was structured in two parts, with Part I focusing on the format and content of prospectuses, including the EU Growth prospectus, together with the criteria for scrutiny and review of prospectuses and the procedures for their approval.
6. Part II covers:
 - technical advice on the minimum information content of documents describing a merger, division or takeover which is necessary to apply an exemption from the obligation to publish an approved prospectus (Article 1 (7) of the PR);
 - technical advice regarding the general equivalence criteria that should be applied in respect of the information requirements imposed by third countries (Article 29 (3) of the PR).
7. This final report solely addresses the first point of Part II of the mandate concerning the technical advice requested in connection with Article 1 (7) of the PR. It does not cover the advice regarding the general equivalence criteria that should be applied in respect

of the information requirements imposed by third countries (Article 29 (3) of the PR) which ESMA will address in a separate consultation paper and final report.

8. The Commission's mandate invites ESMA to provide technical advice on the minimum information content of the documents referred to in points (f) and (g) of paragraph 4 and points (e) and (f) of the first subparagraph of paragraph 5 of Article 1 of the PR, taking into account recital 16 of the PR and in particular to define how the impact of the transaction on the issuer should be presented in such documents. Under points (f) and (g) of paragraph 4 and points (e) and (f) of the first subparagraph of paragraph 5 of Article 1 of the PR, the document that should be published for the exemption to apply should contain information on the transaction and its impact on the issuer.
9. The mandate also sets out a number of principles which ESMA is invited to consider when developing its advice. In particular, ESMA has been asked to provide advice that takes into account the Lamfalussy principles and the need to ensure the proper functioning of the internal market and improve the conditions of its functioning, particularly as regards the financial markets and a high level of investor protection. The Commission also asks that the advice be clear, coherent, comprehensive and proportional. The advice should also be justified by evidence, including a cost-benefit analysis where a range of technical options are available.

2.3. General remarks

10. On 13 July 2018 ESMA published a Consultation Paper containing draft technical advice in order to seek the views of stakeholders on the proposed technical advice. The consultation on the first point of Part II of the technical advice regarding the minimum information content for prospectus exemption closed on 6 October 2018. ESMA received responses from only 5 entities. None of the entities responding to the consultation represented the interests and views of investors. The views of the SMSG were sought; however, ESMA did not receive a formal response from the SMSG. ESMA considers that the scarce feedback on its technical advice represents a limitation to ESMA's work, as the input does not necessarily cover a broad spectrum of potentially involved/affected stakeholders.
11. ESMA understands that respondents to the consultation paper, in particular issuers and banking associations' representatives, would have preferred a proposal providing for higher alleviation compared to the current regime of the prospectus. However, in ESMA's understanding offers of securities to the public or admissions to trading on regulated market connected to takeovers, mergers or divisions are transactions which are usually very complex and are likely to have a significant impact on issuers' financial conditions and corporate governance. Therefore, ESMA maintains its view that there is limited room for alleviations compared to the general prospectus regime without adversely impacting investor protection.

12. In addition, ESMA highlights that in July 2018 a letter² was addressed to the Commission laying out its investor protection concerns regarding the use of these exemptions. In this letter, ESMA underlined that the exemptions could lead to backdoor listings and that the lack of a solid legal framework applicable to the Exempted Document could prevent issuers from taking full advantage of these exemptions.
13. ESMA notes that the PR is silent on the means and timing of publication of the Exempted Document. Therefore, if Member States do not take actions at national level to impose additional requirements to address these elements, NCAs may not know when and where an Exempted Document is published. Consequently, their ability to act, without delay in cases of non-compliance with the content set out in the Commission's Delegated Act may be compromised.
14. Taking into account the limited feedback received and in particular the absence of responses from investors and investors' associations as well as the lack of specific evidence to ease ESMA's concerns of investor protection, ESMA considers that it does not have a sufficient basis to significantly change the approach in its technical advice. However, ESMA is of the view that if amendments were introduced in the PR, it would be possible for the delegated acts to include further alleviations. In this respect, as mentioned in its July 2018 letter, ESMA invites the Commission to consider specific amendments to the PR in order to clarify the scope of the exemption and ensure that the Exempted Document is fit for purpose.
15. The technical advice was prepared taking into consideration the Prospectus Regulation as published in the official journal of the European Union in 30.06.2017. However, ESMA is aware that on 6 March 2019 a political agreement was reached by the European Parliament and Member States regarding the SME Listing Package which includes amendments to the Prospectus Regulation. In ESMA's view, the approval of the proposed amendments to the Prospectus Regulation could require adaptation of its technical advice to account for the new prospectus rules.
16. ESMA invites the Commission to seek additional feedback when developing their delegated act, in particular from investors, in order to fully understand the concerns and information needs of market participants in case of public offers / admissions to trading on a regulated market in connection with a takeover, merger or division.
17. As regards the feedback received, ESMA notes that the amount of responses to individual questions varied. A detailed list of the respondents, grouped by category, is provided in Annex I. The answers to the consultation are available on ESMA's website. ESMA welcomes the input provided and is appreciative of all the contributions received.

² https://www.esma.europa.eu/sites/default/files/library/esma31-59-995_draft_letter_to_ec_pr_l1.pdf

18. This Final Report provides an overview of the responses to each question and presents the changes to the draft technical advice setting out the reasoning for such amendments in light of the feedback received.

3. Summary of feedback and amendments to the technical advice

19. Following the analysis of the responses to the Consultation Paper on the Minimum Information Content for Prospectus Exemption,³ this section addresses the responses received to the consultation questions.

3.1. General remarks

20. The Consultation Paper on Minimum Information Content for a Prospectus Exemption included two general questions⁴ regarding the content of the Exempted Document and its expected use. In addition, when responding to the specific questions, some respondents provided general comments on various topics that were touched upon in the Consultation Paper. Taking into account the nature, the recurrence and the content of such comments, and in order to avoid unnecessary repetition, ESMA decided to address them simultaneously in this section.
21. Section 3.2 addresses the specific comments received with respect to the questions included in the consultation paper. Questions regarding costs and benefits are addressed as part of the Cost and Benefit Analysis prepared by ESMA for the purpose of this technical advice (Annex III).⁵

Stakeholder feedback⁶

Banking	Investment services	Investor associations	Issuer associations	Issuers	Legal and accountancy	Regulated markets, exchanges and trading systems	Others
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³ https://www.esma.europa.eu/sites/default/files/library/esma31-62-962_consultation_paper_on_minimum_information_content_for_prospectus_exemption.pdf.

⁴ Questions 22 and 23 of the Consultation Paper.

⁵ Question 11, Question 13, Question 15, Question 19, Question 21, Question 23.

⁶ The information in the below table applies to responses provided to both consultation questions (22 and 23).

1	0	0	2	0	2	0	0
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22. ESMA received five responses containing general remarks regarding the content of the exempted document and the approach followed by ESMA when preparing this technical advice. Two of these responses (from issuers' associations) are identical.
23. One respondent representing legal firms welcomed the fact that the exempted document will provide a European harmonised approach regarding the content of documents used for the purpose of public offers/admissions to trading on regulated markets connected with takeovers, mergers or divisions. However, this respondent also noted that the Exempted Document provides for few alleviations when compared with a prospectus; therefore, this respondent was of the view that issuers will not make use of these exemptions and most likely opt for a voluntary prospectus.
24. Another respondent from the legal sector provided only comments in relation to the situation where all entities involved in the transactions, namely the issuer and target in the context of a takeover, are already admitted to trading on a regulated market or an SME Growth Market. In this respondent's view, the content of the Exempted Document could be simplified to exclusively include information on the takeover, merger or division and its impact on the issuer. This stakeholder considered that the inclusion of the information required in Appendices I and III would not be necessary, as such information should already be available to the market.
25. A representative from the banking sector noted that issuers will always opt for a prospectus given the uncertainty that will surround the Exempted Document. This respondent indicated that, as proposed by ESMA, the technical advice does not create an incentive for issuers to use the Exempted Document because its content is not significantly alleviated compared to a prospectus. This respondent also questioned whether the requirements set out in the Exempted Document would not be better placed in the Takeover or Merger and Division Directive.
26. Finally, representatives from issuers' associations did not support ESMA's approach in relation to the content of the Exempted document. In their view, the starting point should be the information required by the Takeover and Merger and Division Directives. This information should be made public by issuers in case of a takeover by way of exchange offer, a merger or a division, supplemented where necessary by additional information regarding the transaction and its impact in order to allow shareholders of the companies concerned to make an informed decision. These respondents provided a proposal for the minimum content of the Exempted Document under which the information provided to the market would be different depending on the disclosure items required in the aforementioned directives.

ESMA's response

27. ESMA agrees that the content of the Exempted Document will ensure a harmonised approach in all jurisdictions with regard to the information provided to investors when

takeovers, mergers and divisions are connected with public offers of securities or admissions to trading on regulated markets. Under the PD regime, the equivalence of documents to be published instead of a prospectus is assessed at national level. Therefore, different outcomes may arise depending on the underlying transactions and the assessment of the competent authority. This is particularly relevant when the takeover, merger or division has a cross-border element because the issuer may be required to prepare different documents to comply with the requirements of the competent authorities in all the jurisdictions where the offer takes place. This obligation may also be detrimental to investor protection as the information that will be provided to investors may be different depending on their location. As such, ESMA believes that the Exempted Document will bring transparency to the market regarding the information that needs to be disclosed in the context of public offers/admissions to trading connected with takeovers, divisions or mergers in particular when these transactions have a cross-border element as, in this case, a single document, complying with the requirements set out in the Commission Delegated Act, would need to be published.

28. With regard to the comments asking for reduced disclosure requirements, ESMA notes that the content of the Exempted Document already provides for alleviations compared to the regular prospectus regime. ESMA's technical advice sets out a simplified framework, which is easier to use, and an alleviated disclosure regime. In particular, ESMA proposes only four appendices which are tailored to the transactions under the scope of these exemptions. In addition, the technical advice does not propose the production of a summary, a further alleviation compared with a prospectus.
29. Nevertheless, ESMA takes note of the comments to the consultation and proposes a number of extra alleviations which will apply in situations when the issuer is already admitted to trading on a regulated market (please refer to Question 12).
30. However, ESMA is of the view that limiting the content of the Exempted Document to the impact and description of the takeover, merger or division as requested by some respondents would be detrimental to investor protection, even when the issuer has already securities admitted to trading on a regulated market. ESMA observes that the disclosure obligations of issuers with securities admitted to trading on regulated market vary depending on the type and denomination amount of these securities. For instance, issuers with only debt securities with a denomination above EUR 100 000 that are admitted to trading on regulated markets are not required to publish financial information in accordance with the Transparency Directive.⁷ Therefore, if financial information of the issuer would not be required in the Exempted Document, investors would not have information regarding the financial condition of the issuer whose securities are being offered.

⁷ Please refer to Article 8 of the Transparency Directive.

31. As regards the comments on the starting point of ESMA's technical advice, the exemptions provided for in points (f) and (g) of paragraph 4 and points (e) and (f) of the first subparagraph of paragraph 5 of Article 1 of the PR, are directly related to the disclosure requirements that apply to a prospectus. Therefore, ESMA believes that an analysis of the prospectus disclosure requirements is the appropriate starting point to assess which disclosure items may be alleviated or need to be adjusted to the specificities of such transactions. ESMA points out that the Takeover Bids and Merger and Divisions Directives are minimum harmonisation directives and thus have been transposed differently across Member States. In addition, there is very little overlap between the requirements in both Directives and neither of them deals with the information that should be included in the context of public offers or admission to trading on a regulated market.
32. In response to the stakeholder suggesting to use the Takeover Bids and Mergers and Divisions Directives as the starting point of the content of the Exempted Document, ESMA wishes to add that this approach would result in the application of a different regime depending on the type of the transaction because the relevant directives are not necessarily aligned. ESMA considers that irrespective of whether a transaction is a takeover or merger investors should obtain similar information that would allow them to assess the economic rationale and risks associated with the transaction.
33. ESMA is of view that, from a purely economic perspective, there are no significant differences in terms of information needs in the case of takeovers or mergers. In both cases there is a combination of businesses and economic activities of two or more companies. ESMA does not believe that the outcome of its technical advice should be different depending on which directive would apply to a specific transaction (e.g. the TOD or the Mergers and Divisions Directive)
34. ESMA understands the concerns of issuers regarding the legal uncertainty on the use of the Exempted Document, including the fact that this document will not be scrutinised and approved by a competent authority under Article 20 of the PR. ESMA has communicated these concerns to the Commission.⁸ Nevertheless, as these matters fall outside ESMA's mandate, they cannot be addressed in this technical advice.
35. ESMA will not comment on the suggestions regarding potential amendments of the Takeover Bids and the Merger and Division Directives as this is not within its mandate. However, ESMA is of the view that if a takeover, merger or division is not connected with a public offer and/or admission to trading of securities, issuers should not be required to provide the information set out in the Exempted Document.
36. However, ESMA considers that when investors are being offered securities in exchange of their shareholdings in another company, they should have a solid understanding of

⁸ https://www.esma.europa.eu/sites/default/files/library/esma31-59-995_draft_letter_to_ec_pr_l1.pdf

the economic rationale behind the transaction, the economic characteristics of the issuer of the securities and the impact that the transaction may have on their financial capacity to distribute dividends or pay interest. In this regard, the extra information in the Exempted Document should allow them to decide whether to accept or refuse the offer, if any. This information would also be relevant for investors in order to decide whether they should maintain their holdings, buy or sell the securities if the securities are admitted to trading on a regulated market. Therefore, in its technical advice, ESMA aims to ensure that investors have all the information that is necessary to enable an informed decision.

37. Lastly, the technical advice took into account that some disclosure items are overlapping with the disclosure requirements included in the Takeover Bids and Merger and Division Directives. Being mindful of this and in order to avoid duplication of information, the technical advice explicitly allows incorporation by reference in the Exempted Document of the information prepared for the purpose of such directives.

3.2. Feedback on questions

Question 1: Are the definitions proposed to be carried over to the new regime, and new definitions proposed adequate? Should any additional definitions be added? Please provide your reasoning.

Stakeholder feedback

Banking	Investment services	Investor associations	Issuer associations	Issuers	Legal and accountancy	Regulated markets, exchanges and trading systems	Others
			2				

38. ESMA received two responses concerning the definitions included in ESMA's draft technical advice. These two responses are identical.
39. There was general agreement with these definitions and the need to carry them into ESMA's technical advice.

ESMA's response

40. ESMA's appreciates the support of financial market participants regarding the definitions in its technical advice and clarifies that any changes to the wording of the definitions is

due to adjustments undertaken to align with the wording used in the Delegated Act published by the European Commission.⁹

Question 2: Do you agree to include a definition of a reverse acquisition as defined in IFRS 3 Business Combinations as endorsed by the EU into the technical advice (including in the situations where IFRS are not applicable). If not, please provide your reasoning.

Question 3: Do you agree that a more comprehensive disclosure regime should apply if the takeover, merger or division transaction falls within the concept of reverse acquisition? If not, please provide your reasoning.

Questions 2 and 3 were analysed together as there are overlaps in the feedback received and in the ESMA response related to these two questions.

Stakeholder feedback

Banking	Investment services	Investor associations	Issuer associations	Issuers	Legal and accountancy	Regulated markets, exchanges and trading systems	Others
1			2				

41. ESMA received three responses concerning the definition of reverse acquisitions and the need to require more comprehensive information whenever these transactions occur in the context of takeovers, mergers or divisions. Two out of the three responses are identical.
42. Respondents believed that it was not necessary to include a definition of reverse acquisition and in their view, ESMA's technical advice should be neutral in this regard. Respondents further emphasised that:
 - The mandate does not refer explicitly to reverse acquisitions and therefore, ESMA may be overstepping its mandate.
 - Reverse acquisitions should not require a more comprehensive disclosure regime, as this is not foreseen in the PR.

⁹ https://ec.europa.eu/info/law/better-regulation/initiatives/ares-2018-2169999_en

- The disclosure required by the TOD or the Mergers and Divisions Directive should be sufficient to provide an understanding of the transactions to the shareholders of the companies.

ESMA's response

43. ESMA takes note of the comments received. However, ESMA strongly believes that the inclusion of a definition of reverse acquisition in the technical advice is key in terms of investor protection. The Exempted Document will not be subject to approval by the competent authority pursuant to Article 20 of the PR. Therefore, NCAs will not be able to identify reverse acquisitions and require adjusted information in a prospectus or equivalent document in order to capture the specific features and risks that these transactions would normally entail. Therefore, the definition of reverse acquisition that is included in the technical advice enables issuers to identify whether the takeover, merger or division falls within that concept and adapt accordingly the content of the Exempted Document.
44. While the PR is silent on the concept of reverse acquisition, there is ample evidence¹⁰ that such transactions can and do occur in the context of mergers or takeovers. In fact, these transactions are already defined in the European Legislation,¹¹ and thus ESMA cannot ignore the financial and corporate governance implications that they have for investors.
45. Finally, ESMA notes that transactions under the scope of the exemption may not only affect shareholders of the companies involved in a takeover, merger or division. In the situation where the exempted document is used for the purpose of the admission to trading on a regulated market, other investors not involved in the offer such as those buying the securities in the secondary market may be affected and should get access to the information that is necessary to take their investment decisions.

¹⁰ EY International GAAP 2017, Vol 1, Chapter 9 pages 644-657; Insights into IFRS 2018/19, Vol. 1, page 255; Deloitte IGAAP 2018 Vol A: A guide to IFRS reporting Part 2, Chapter 12 pages 2185-2188.

¹¹ Paragraph B19 of IFRS 3 Business Combinations in Commission Regulation (EC) No 1126/2008 of 3 November 2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council.

Question 4: Do you agree to include an overarching principle guiding the content of the Exempted Document as included in Article B in L2 provisions? If not, please provide your reasoning.

Stakeholder feedback

Banking	Investment services	Investor associations	Issuer associations	Issuers	Legal and accountancy	Regulated markets, exchanges and trading systems	Others
			2		1		

46. ESMA received two responses concerning the overarching principle included in ESMA's draft technical advice. These responses were identical.

47. Furthermore, the following comments were made:

- The Exempted Document is not a prospectus and therefore, the principles applicable to a prospectus should not apply to the Exempted Document. In this regard, the Exempted Document should not require issuers to disclose the same information that is included in a prospectus.
- The Commission's mandate to ESMA emphasised that the exemptions provided by PR Article 1 represent an alleviation compared to the corresponding exemptions of the Prospectus Directive

48. Finally one respondent noted that because the overarching principle differs slightly from the one in the Prospectus Regulation this might create uncertainty in the market regarding the liability attached to the Exempted Document.

ESMA's response

49. ESMA appreciates the points raised against the inclusion of the principle of materiality in the operative provisions of the technical advice. While these operative provisions do not fully address ESMA's investor protection concerns, ESMA points out that the transactions that will be presented in an Exempted Document are usually complex and are likely to have specific features that may not be disclosed in the information items required in the relevant appendices.

50. In this regard, ESMA maintains its view that the application of an overarching principle of materiality is key in order to provide investors with the information that would be material in each case. In the absence of counterevidence, ESMA believes that the inclusion of an overarching principle of materiality would provide sufficient comfort to investors that the minimum content of the Exempted Document would provide material

information regarding the financial condition of the issuer, the rights attaching to the securities, and the takeover, merger or division and its impact on the issuer.

51. ESMA also notes that the materiality test included in Article B of the ESMA Technical Advice may also be used by issuers to omit information in case they consider that some information is not material or pertinent. This provides issuers with sufficient flexibility to tailor the information in the appendixes to the specificities of the relevant transactions.
52. Nevertheless, ESMA took note of the comments to the consultation regarding the differences between the materiality tests included in Articles 6 and 14 of the Prospectus Regulation, namely that the materiality test included in Article 14 is alleviated when compared with Article 6. In this regard, ESMA decided to replicate these regimes into the technical advice in order to introduce further alleviations.
53. Finally, ESMA shares the concerns of respondents regarding the legal uncertainty surrounding the use of the Exempted Document with regard to the liability regime attaching to its content. As outlined in ESMA’s letter to the Commission, the lack of a robust legal framework may prevent issuers from taking advantage of the use of the Exempted Document.

Question 5: Do you agree to carry over the criteria included in Article 14 (1) of the PR into ESMA Technical Advice in order to prescribe the use of the Minimum Information Content Simplified disclosure regime for the Issuer Section? If not, please provide your reasoning.

Stakeholder feedback

Banking	Investment services	Investor associations	Issuer associations	Issuers	Legal and accountancy	Regulated markets, exchanges and trading systems	Others
0	0	0	2	0	1	0	0

54. ESMA received three responses concerning the principles setting out the criteria for the use of the simplified disclosure regime as included in the ESMA’s draft technical advice. Two out of the three responses coming from issuer’s associations are identical.
55. A respondent representing legal firms was supportive of the suggestion to carry over such criteria into ESMA’s Technical Advice in order to prescribe the use of the simplified disclosure regime for the Issuer Section (Appendix II).
56. While issuers’ representatives agreed that companies with securities admitted to trading on regulated markets should have a lighter regime compared to companies which are

not required to publish ongoing information to the market in accordance with the Transparency Directive, they nevertheless believed that the requirements set out in ESMA’s technical advice should be substantially alleviated in comparison to a regular prospectus.

ESMA’s response

- 57. ESMA welcomes the support in relation to its proposal to set out two distinct disclosure regimes depending on whether the issuer already has securities admitted to trading on regulated market or not. To this end, ESMA considers that the criteria set out in Article 14 of the Prospectus Regulation for a simplified disclosure regime are fit for purpose. Therefore ESMA proposes to replicate them in its technical advice.
- 58. ESMA appreciates concerns raised by issuers’ representatives regarding the lack of alleviations set out in Appendix I¹² of the technical advice and intends to address them in its response under Question 12 of this feedback statement.

Question 6: Do you agree to carry over the provision included in Article 19 of the PR in relation to incorporation by reference into the ESMA Technical Advice? If not, please provide your reasoning.

Question 7: Do you agree the issuers should be able to incorporate by reference the information required by Takeover Directive or Merger and Division Directive into the Exempted Document? If not, please provide your reasoning.

Questions 6 and 7 were analysed together as there are overlaps in the feedback received and in the ESMA response related to these two questions.

Stakeholder feedback

Banking	Investment services	Investor associations	Issuer associations	Issuers		Legal and accountancy	Regulated markets, exchanges and trading systems	Others
1			2			1		

- 59. ESMA received four responses regarding the incorporation by reference regime proposed in ESMA’s draft technical advice. Two of these responses coming from issuer’s associations are identical.

¹² Minimum Information Content Simplified Disclosure Regime for the Issuer Section.

60. Representatives of issuers and legal firms pointed out the positive elements of incorporation by reference and were in favour of extending this facility to other documents that are not included in the list proposed by ESMA.
61. A different view was put forward by a banking association, indicating that incorporation by reference was only useful if ESMA maintained the current approach on the content of the Exempted Document. However, in case of modifications to the technical advice which would result to keeping the takeover document ‘as a simple document’, this stakeholder considered that there would be no need to carry over the concept of incorporation by reference.

ESMA’s response

62. ESMA welcomes the support for its proposal. Following the feedback received ESMA decided to keep the provision enabling incorporation by reference. In addition, ESMA is extending the list of documents that may be incorporated by reference to all those documents that are relevant to a takeover, merger or division and are made available at the same time or before the publication of the Exempted Document.
63. With respect to the comment from the banking association regarding the limited usefulness of incorporation by reference, ESMA notes that, as already explained, it believes that providing issuers with this tool will enable them to include information already prepared and disclosed for other purposes and avoid duplication or repetition of information. Therefore, ESMA intends to maintain such proposal.

Question 8: Do you agree to carry over the provisions included in Article 27 of the PR in relation to language into the Technical Advice without including a summary of the Exempted Document? If not, please provide your reasoning.

Stakeholder feedback

Banking	Investment services	Investor associations	Issuer associations	Issuers	Legal and accountancy	Regulated markets, exchanges and trading systems	Others
			1		1		

64. ESMA received two responses concerning the language regime as proposed in ESMA’s draft technical advice.
65. While a representative of legal firms agreed with the proposal, a representative of issuers’ association was of the view that each member state had their own provisions regarding language requirements and therefore there was no need for additional requirements.

ESMA's response

66. ESMA takes note of the comments in favour and against the inclusion of language requirements into its technical advice. ESMA points out that without such provisions, issuers would have difficulties to incorporate by reference documents that are prepared in a language customary in the sphere of international finance (e.g. English). This is of particular relevance when takeover, merger or divisions have a cross-border element or one of the companies involved in the transactions prepares information in different languages from the language required in the Member State where the offer takes place.
67. The inclusion of a language regime in the ESMA technical advice ensures a harmonised approach on this issue at European level. ESMA notes that both the TOD and Merger and Division Directives are silent regarding the language regime to be used; therefore, Members States may have imposed different language rules to the information to be published in accordance with those directives.
68. Having in mind that in accordance with the PR, public offers and/ admissions to trading on regulated markets that are connected to takeovers, mergers and divisions require only the publication of a single Exempted Document in all MS where the offer/admission takes place, ESMA considers that providing clarity on the language regime of the Exempted Document is necessary to ensure its use across the Union.
69. While ESMA believes that the provisions concerning language remain key to ensure the use of the Exempted Document by issuers, it also notes that this is only valid if the definitions of home and host competent authority as included in Article 2 of PR apply to the Exempted Document. ESMA points out that Article E of the ESMA Technical Advice refers to these definitions.

Question 9: Do you agree that the Exempted Document should not require the publication of a summary translated into the language of the competent authority (including in cross-border transactions directed at retail investors)? If not, please provide your reasoning.

Stakeholder feedback

Banking	Investment services	Investor associations	Issuer associations	Issuers	Legal and accountancy	Regulated markets, exchanges and trading systems	Others
1			2		1		

70. ESMA received four responses to Question 9. Two of these responses coming from issuers' associations were identical.

71. All respondents agreed with ESMA’s proposal and rationale set out in the consultation and were in favour of not requiring the inclusion of a summary in the Exempted Document.

ESMA’s response

72. ESMA appreciates the support for ESMA’s proposal regarding the summary. As such, the technical advice will not propose the mandatory inclusion of a summary in the Exempted Document.

Question 10: Do you agree with Article F of this technical advice concerning Complex financial history and significant financial commitment into the technical advice? If not, please provide your reasoning.

Stakeholder feedback

Banking	Investment services	Investor associations	Issuer associations	Issuers	Legal and accountancy	Regulated markets, exchanges and trading systems	Others
1			2		1		

73. ESMA received four responses regarding ESMA’s proposal to carry over the complex financial history and significant financial commitment provisions into the Exempted Document. Two of the responses coming from issuer’s associations were identical.

74. All respondents agreed with ESMA’s proposal in the Consultation Paper regarding complex financial history and significant financial commitment. However, while one respondent noted that this information may not be available in the context of hostile takeovers, another respondent considered that pro forma information may overlap with the requirements set out by national laws transposing the TOD or Mergers and Divisions directive.

ESMA’s response

75. ESMA appreciates the overall support for ESMA’s proposal on the inclusion of provisions relating to complex financial history and financial commitments in its technical advice.

76. With regard to the comments on the access to information in the context of hostile takeovers (e.g. pro forma statements), ESMA notes that Article F (3) of the technical advice already provides a relief in situations where the issuer is unable to include pro forma information in the Exempted Document. In this case, issuers should set out which

information they are unable to provide and explain the reasons for not being able to do so.

77. In relation to the point that national provisions transposing the TOD or the Merger and Divisions Directive may overlap with the requirements set out in Appendix IV¹³ (which sets out the requirement for pro forma information), ESMA acknowledges that this is possible considering that these directives are of minimum harmonisation. Member States may have imposed more stringent disclosure obligations compared to the ones set out in the European Directives. However, ESMA points out that this matter cannot be addressed in the technical advice as it falls outside ESMA's mandate.

Appendix I – Minimum Information Content Simplified Disclosure Regime for the Issuer Section

Question 12: Do you agree with the proposal relating to the Minimum Information Content Simplified Disclosure Regime on Issuer Information Section set out in Appendix I for the Exempted Document (when the issuer has already securities admitted to regulated market or SME Growth Market? If not, which items of information do you believe may be deleted or included? Please provide your reasoning.

Stakeholder feedback

Banking	Investment services	Investor associations	Issuer associations	Issuers	Legal and accountancy	Regulated markets, exchanges and trading systems	Others
1			2				

78. ESMA received three responses regarding its proposal on Appendix I¹⁴. Two responses from issuer's associations were identical.
79. With regard to Appendix I, respondents acknowledged that when the securities of the issuer are already admitted to trading on a regulated market more alleviations could be provided. In this respect, they were generally against the mandatory disclosure in the Exempted Document of financial information, business overview, trend information, profit forecast or estimates as these would have already been disclosed by the issuer. In addition, respondents considered that the technical advice should not mandate

¹³ Minimum Information Content Description and Impact of Takeover, Merger and Division.

¹⁴ Minimum Information Content Simplified Disclosure Regime for the Issuer Section.

information concerning the persons responsible for the Exempted Document, nor information regarding management bodies or related party transactions.

ESMA's response

80. On the basis of the feedback received, ESMA is of the view that further alleviations may be provided where the issuer fulfils the criteria for use of Appendix I as set out in Article C of the draft technical advice. ESMA believes that the removal of the following disclosure items from this appendix would have limited impact on investor protection because this information should already be available to the market:
- Item 12 (Additional Information);
 - Item 13 (Regulatory Disclosure); and
 - Item 14 (Material Contracts).
81. With respect to Item 13 (Regulatory Disclosure), ESMA proposes that issuers are not required to summarise the information provided to the market in accordance with the Market Abuse Regulation provided that a reference to the website/place where MAR disclosures can be found is included in item 15 (Documents Available). As regards item 14 (Material Contracts), ESMA considers that it would be better placed in Appendix IV and should be limited to those contracts which are affected by the takeover, merger or division.
82. ESMA notes that the information regarding the business overview of the issuer, investments, trends or related party transactions – which is required in this appendix relates to information to be provided since the end of the period covered by the latest published audited financial statements. These requirements aim to ensure that investors have up-to-date financial information, considering that neither the Takeover Bids Directive nor the Merger and Divisions Directive require this information.
83. ESMA highlights that, even in the situation where the issuer has securities already admitted to trading on a regulated market, up-to-date financial information might not have been published before the transaction takes place. For instance, if a transaction takes place before August¹⁵ of a given year, issuers may not have yet published half-yearly financial reports in accordance with the Transparency Directive.¹⁶ As such, the absence of financial information requirements in the appendices of the Exempted Document, could lead to a situation where investors (shareholders or not) may not have access to up-to-date financial data that would enable them to take an informed decision about the merits and risks underlying these transactions.

¹⁵ Assuming that the year-end is 31 December.

¹⁶ ESMA notes that quarter information is not longer required by the transparency directive and that the deadline for half-yearly financial reports is due to 31 August.

84. In this respect, ESMA notes that item 11.1 of Appendix I does not set out additional disclosure obligations to issuers eligible to apply the simplified regime of the Exempted Document, but rather ensures that the most recent financial statements are included in the document. Where information, such as trends, related party transactions, business overview, etc. is already available in the market, issuers may incorporate such information by reference as allowed by Article D of ESMA technical advice.

Appendix II – Minimum Information Content Issuer Section

Question 14: Do you agree with the proposal relating to the Minimum Information Content Issuer Section as set out in Appendix II for the Exempted Document (when the issuer is not admitted to trading on a regulated market or to an SME Growth Market)? If not, which items of information do you believe may be deleted or included? Please provide your reasoning.

Stakeholder feedback

Banking	Investment services	Investor associations	Issuer associations	Issuers	Legal and accountancy	Regulated markets, exchanges and trading systems	Others
1			2				

85. ESMA received three responses regarding ESMA’s proposal on Appendix II.¹⁷ The two responses from issuer’s associations are identical.

86. Respondents to the consultation did not support the requirement to include Appendix II in the Exempted Document when the issuer is not admitted to trading on a regulated market or SME Growth Market. Respondents however, did not provide explanations or feedback regarding ESMA’s concerns on backdoor listings or reverse acquisitions.

ESMA’s response

87. Although ESMA takes notes of the comments received, it also points out that its investor protection concerns were not addressed by respondents. It therefore remains convinced that the current scope of the exemptions may lead to situations where issuers with no securities admitted to trading on regulated market may be admitted to trading on a regulated market without an approved and scrutinised prospectus.

¹⁷ Minimum Information Content Issuer Section.

88. As outlined in the Consultation Paper and ESMA’s letter to the Commission, ESMA believes that these situations go in the opposite direction of the overarching principle set out in the PR, namely “to guarantee a high level of consumer and investor protection”.¹⁸
89. Consequently, in the absence of changes in Level 1 that would prevent the possibility of backdoor listings, ESMA proposes to include Appendix II in its final technical advice without modifications. This appendix which is aligned with the content of an IPO prospectus ensures that a similar level of information is provided to investors when the issuer is not known to the market before the takeover, merger or division takes place.
90. ESMA highlights, however, that in the case of an IPO prospectus, NCAs have the responsibility to scrutinise and approve the prospectus pursuant to Article 20 of the PR. This gives an extra assurance regarding the completeness, comprehensibility and consistency of the information contained in the prospectus, which investors may not obtain in the case of the Exempted Document.

Appendix III – Minimum Information Content Securities Section

Question 16: Do you agree with the proposal relating to the Minimum Information Content Securities Section for the Exempted Document? If not, which items of information do you believe may be deleted or included? Please provide your reasoning.

Question 18: Do you agree that Minimum Information Content Securities Section should include information items concerning non-equity securities issuances connected with takeovers, mergers and divisions? If not, please provide your reasoning.

Questions 16 and 18 were analysed together as there are overlaps in the feedback received and in the ESMA response related to these two questions.

Stakeholder feedback

Banking	Investment services	Investor associations	Issuer associations	Issuers	Legal and accountancy	Regulated markets, exchanges and trading systems	Others
1			2				

¹⁸ Recital 4 of the PR.

91. ESMA received three responses regarding ESMA's proposal on Appendix III¹⁹. The two responses from issuer's associations are identical.
92. Respondents to the consultation were in favour of the proposal to include Appendix III in the Exempted Document. Respondents, however, did not provide specific feedback on which disclosure items should, in their views, be removed.
93. While issuers' representatives agreed that Appendix III should also consider offers and/or admissions to trading on regulated market of securities other than shares, they only mentioned that they believed that the required disclosure on tax might not be relevant. In addition, they indicated that description of the rights attached to the securities would not be necessary in the case where the securities offered/admitted to trading are of the same class of the securities already listed.
94. On the other hand, representatives of the banking sector were of the view that Appendix III should not require information on non-equity securities that are issued in connection with takeovers, mergers and divisions. In their view, issuances and admissions to trading on regulated markets of these types of securities should fall within the relevant regime of the PR.

ESMA's response

95. ESMA notes there is no delimitation in Level 1 on the securities that may be offered or allotted in connection with takeovers, mergers or divisions. Therefore, ESMA considers that in the absence of such delimitation, the technical advice should take into consideration that all types securities (e.g. shares, debt securities or depository receipts or a mix of all) could potentially be offered/ or admitted to trading on a regulated market in the context of takeovers, mergers or divisions. Consequently, ESMA is of the view that the content of Appendix II should not be significantly changed.
96. However, taking into account the feedback to the consultation, ESMA slightly modified the wording of a number of information items in this appendix with the aim of alleviating the disclosure requirements when the securities offered are fungible with other securities already admitted to trading on regulated market. Therefore, where an issuer offers shares that are fungible with shares already admitted to trading on a regulated market, it may not need to prepare and disclose all the information required in this appendix regarding those shares (such as rights attached to shares or information regarding taxes).
97. However, in the situation where the issuer has no securities admitted to trading on regulated market or if those securities are not fungible with the securities already

¹⁹ Minimum Information Content Securities Section.

admitted to trading on regulated market, issuers should disclose all the relevant information as set out in Appendix III.

98. Finally, ESMA outlines that when the disclosure items included in this appendix are not relevant, issuers may omit this information in the Exempted Document as indicated in Article B of ESMA technical advice.

Question 17: Do you believe that information concerning placing and underwriting is necessary in the context of offers to public connected with takeovers, mergers or divisions? If yes, please provide your reasoning.

Stakeholder feedback

Banking	Investment services	Investor associations	Issuer associations	Issuers	Legal and accountancy	Regulated markets, exchanges and trading systems	Others
1			2		1		

99. ESMA received four responses regarding ESMA’s request for information on the need to include information in Appendix III²⁰ regarding placing and underwriting.
100. All respondents except one believed that information concerning placing and underwriting is not relevant in the context of offers of securities to the public connected with takeovers, mergers and divisions.
101. One respondent noted that this information could be relevant if the takeover is funded by a share issuance, but that share issuance is not (exclusively) directed at the shareholders of the target company.

ESMA’s response

102. ESMA takes notes of the responses to this question and understands that stakeholders do not see the need to require information on placing and underwriting. Therefore, ESMA is minded not to propose the inclusion of this information in Appendix III.
103. ESMA highlights that, as noted in the Consultation Paper and in the letter to the Commission, it is not entirely clear which type of securities may be offered or admitted to trading on a regulated market when using these exemptions and who may be the addressees of such offers (e.g. if investors other than shareholders of the target

²⁰ Minimum Information Content Securities Section.

company may also be addressees). Therefore, ESMA acknowledges that in certain cases information regarding placing and underwriting may be necessary.

104. However, ESMA expects these cases to be very few as most offers should be primarily directed to existing shareholders of the companies involved in takeovers, mergers of divisions. ESMA also notes that where information regarding placing and underwriting is relevant, issuers should include it on the basis of the overarching principle of materiality which should guide the inclusion of the information in the Exempted Document.

Appendix IV – Minimum Information Content Description and Impact of Takeover, Merger and Division

Question 20: Do you agree with the proposal relating to the Minimum Information Content on Description and Impact of the Takeover, Merger or Division Section? If not, which items of information do you believe may be deleted or included? Please provide your reasoning.

Stakeholder feedback

Banking	Investment services	Investor associations	Issuer associations	Issuers	Legal and accountancy	Regulated markets, exchanges and trading systems	Others
1			2				

105. ESMA received three responses regarding its proposal on Appendix IV – Minimum Information Content Description and Impact of Takeover, Merger and Division. The two responses from issuers’ associations are identical.

106. Respondents were of the view that some of the disclosure items included in Appendix IV²¹ are already required by the Takeover and the Mergers and Divisions Directives. Therefore, they believed that this appendix should be significantly alleviated. In this respect, respondents suggested that the disclosure requirements in this annex could be simplified, notably by removing the disclosure items regarding the financial condition of the (to be) acquired company/merged company, information on capital resources, auditing of financial information and information on trends and legal and arbitration proceedings.

²¹ Information Content Description and Impact of Takeover, Merger and Division.

107. A respondent representing the banking sector noted that the Merger and Divisions Directive already requires information on the impact of the transaction on the issuer and therefore, in their view, it would not be necessary to include such information in ESMA's technical advice.

ESMA's response

108. ESMA takes notes of the comments received; however, it points out the following:

- According to the mandate provided by the Commission, ESMA should define the minimum information content for the description of the transaction and its impact on the issuer. Therefore, ESMA does not see much room to amend its technical advice, as it considers that the information required in this appendix is key to describe the impact of the transaction as explicitly required in its mandate.
- ESMA notes that where the information required in this appendix is already available because it was prepared in order to comply with the requirements included in the Takeover Directive or the Mergers and Divisions Directive, issuers may incorporate by reference the relevant documents in order to satisfy the disclosure requirements.
- Finally, ESMA notes that the financial information required in this appendix is particularly relevant if the companies involved in a takeover, merger or division prepare their financial statements under different accounting frameworks (e.g. in accordance with the national provisions transposing the Accounting Directive or third country issuers). In this case, this information is important for investors in order to understand the financial impact of these transactions on the issuer's financial condition. Where the financial information of the (to be) acquired company/ (to be) merged or divided company is already prepared in accordance with the same accounting framework of the issuer (for instance when both the issuer and the target company are already admitted to trading on regulated market) and it is already available to the market, the issuer may also incorporate this information by reference in order to comply with the requirement set out in Appendix IV.

Question 22: Taking into consideration the scope of the exemption as described in this Consultation Paper, would you consider that the Technical Advice provides investors with useful and relevant information when an offer of securities to the public or admission to trading on regulated market is connected with a takeover, merger or division? Please provide your reasoning.

Stakeholder feedback

Banking	Investment services	Investor associations	Issuer associations	Issuers	Legal and accountancy	Regulated markets, exchanges and trading systems	Others
1	0	0	2	0	0	0	0

Question 23: Taking into consideration that the Exempted Document will not be subject to scrutiny and approval pursuant to Article 20 of the PR, in which cases would you consider that issuers may opt for a voluntary prospectus instead of publishing an Exempted Document? Please provide your reasoning.

Stakeholder feedback

Banking	Investment services	Investor associations	Issuer associations	Issuers	Legal and accountancy	Regulated markets, exchanges and trading systems	Others
0	0	0	0	0	2	0	0

Questions 22 and 23 were analysed together with general feedback as there are overlaps (i) in the feedback received and the general comments to the Consultation Paper and (ii) in the ESMA response on these two questions and the general remarks.

109. There were three responses to question 22 and two responses to question 23 in the Consultation Paper. Given that many of the responses to these questions are similar to those which were summarised at the outset of this paper (section 3.1) under the heading ‘General comments to the draft guidelines contained in the Consultation Paper’, please refer to the ESMA responses in that part of the paper.

ESMA’s response

110. Please see section 3.1.

Annex I: List of respondents

	Banking
1	European Savings and Retail Banking Group
	Issuer associations
2	AFEP
3	European Issuers
	Legal and accountancy
4	De Brauw Blackstone Westbroek
5	Joint Working Party of the Law Society and City of London Law Society



Annex II: Request for technical advice

REQUEST TO ESMA FOR TECHNICAL ADVICE ON POSSIBLE DELEGATED ACTS CONCERNING THE REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON THE PROSPECTUS TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING ON A REGULATED MARKET

(UPDATED 26.01.2018)

With this mandate to ESMA, the Commission seeks ESMA's technical advice on possible delegated acts to supplement certain elements of the Regulation of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (the "**Regulation**")¹. These delegated acts should be adopted in accordance with Article 290 of the Treaty of the Functioning of the European Union (TFEU).

The Commission reserves the right to revise and/or supplement this mandate. The technical advice received on the basis of this mandate should not prejudice the Commission's final policy decision.

The mandate follows the Communication from the Commission to the European Parliament and the Council – Implementation of Article 290 of the Treaty on the Functioning of the European Union (the "**290 Communication**")², the Regulation of the European Parliament and the Council establishing a European Securities and Markets Authority (the "**ESMA Regulation**")³, and the Interinstitutional Agreement between the European Parliament, the Council of the European Union and the European Commission on better law-making (the "**Interinstitutional Agreement**")⁴.

This request for technical advice will be made available on DG FISMA's website once it has been sent to ESMA.

The formal mandate consists of two parts.

Part I

The technical advice for the following delegated acts should be received by the Commission within 13 months following the receipt of this mandate:

¹ Reference is made to the text approved by the European Parliament on 5 April 2017 and adopted by the Council on 16 May 2017 (<http://data.consilium.europa.eu/doc/document/PE-63-2016-INIT/en/pdf>).

² Communication of 9.12.2009. COM (2009) 673 final.

³ Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC. OJ L331/84, 15.12.2010, p.84.

⁴ Interinstitutional Agreement between the European Parliament, the Council of the European Union and the European Commission on Better Law-Making, OJ L123/1, 12.05.2016, p.1.

a) The measures specifying the criteria for the scrutiny and review of the universal registration document and any amendments thereto, and the procedures for the approval and filing of those documents as well as the conditions under which the status of frequent issuer is lost (Article 9(14) of the Regulation);

b) The measures specifying the format of the prospectus, the base prospectus and the final terms, and the schedules defining the specific information which must be included in a prospectus, including LEIs and ISINs (Article 13(1) of the Regulation);

c) The measures setting out the schedule defining the minimum information contained in the universal registration document (Article 13(2) of the Regulation);

d) The measures specifying the reduced information to be included in the schedules applicable under the simplified disclosure regime for secondary issuances (Article 14(3) of the Regulation);

e) The measures specifying the reduced content and standardised format and sequence for the EU Growth prospectus, as well as the reduced content and standardised format of its specific summary (Article 15(2) of the Regulation);

f) The measures specifying the criteria for the scrutiny of prospectuses, in particular the completeness, comprehensibility and consistency of the information contained therein, and the procedures for the approval of the prospectus (Article 20(11) of the Regulation).

Part II

The technical advice for the following delegated acts should be received by the Commission within 25 months for point g) and 30 months for point h) following the receipt of this mandate:

g) The measures setting out the minimum information content of the documents referred to in points (f) and (g) of paragraph 4 and points (e) and (f) of the first subparagraph of paragraph 5 of Article 1 (documents containing minimum information describing a takeover by way of exchange offer, a merger or a division) (Article 1(7) of the Regulation);

h) The measures establishing general equivalence criteria, based on the requirements laid down in Articles 6, 7, 8 and 13 (equivalence of information requirements imposed by third countries) (Article 29(3) of the Regulation).

The European Parliament and the Council have been duly informed about this mandate.

The powers of the Commission to adopt delegated acts are subject to Article 44 of the PR.

1. CONTEXT

1.1 Scope

On 30 November 2015, the Commission published its proposal for a Regulation on the prospectus to be published when securities are offered to the public or admitted to trading. On 7 December 2016 the European Parliament and the Council reached political agreement on a compromise text of the Regulation. This compromise text was endorsed by the COREPER on 20 December 2016 and approved by the ECON Committee of the European Parliament on 25 January 2017.

The main objectives of the Regulation are to reduce the administrative burden for issuers when drawing up a prospectus, in particular for SMEs, frequent issuers of securities and secondary issuances; to make the prospectus a more relevant disclosure tool for potential investors, especially when investing in SMEs; and to avoid overlaps between the EU prospectus and other EU disclosure rules.

Certain elements of the Regulation need to be further specified in delegated acts to be adopted by the Commission no later than 18 months after the entry into force of the Regulation.

The Regulation emphasizes a number of high level principles and objectives the Commission should take into account when exercising its delegated powers, in particular as regards investor protection, transparency in financial markets, proportionality, innovation in financial markets, reduction of administrative burden and cost and easier access to capital markets for issuers, including SMEs⁵.

1.2 Principles that ESMA should take into account

In developing its technical advice, ESMA should take account of the following principles:

- **Lamfalussy:** The principles set out in the de Larosière Report and the Lamfalussy Report and mentioned in the Stockholm Resolution of 23 March 2001.
- **Internal Market:** The need to ensure the proper functioning of the internal market and to improve the conditions of its functioning, in particular with regards to the financial markets, and a high level of investor protection.
- **Proportionality:** The technical advice should not go beyond what is necessary to achieve the objectives of the Regulation. It should be simple and avoid creating divergent practices by national competent authorities in the application of the Regulation.
- **Comprehensive:** ESMA should provide comprehensive advice on all subject matters covered by the mandate regarding the delegated powers included in the Regulation.
- **Coherent:** While preparing its advice, ESMA should ensure coherence within the wider regulatory framework of the Union.

⁵ See Recital 83.

- **Autonomy in working methods:** ESMA will determine its own working methods, including the roles of ESMA staff or internal committees. Nevertheless, horizontal questions should be dealt with in such a way as to ensure coherence between different strands of work being carried out by ESMA.
- **Consultation:** ESMA is invited to consult market participants (practitioners, consumers and end-users) in an open and transparent manner. ESMA should provide advice which takes account of different opinions expressed by the market participants during their consultation. ESMA should provide a feed-back statement on the consultation justifying its choices vis-à-vis the main arguments raised during the consultation.
- **Evidenced and justified:**
ESMA should justify its advice by identifying, where relevant, a range of technical options and undertaking an evidenced assessment of the costs and benefits of each. The results of this assessment should be submitted alongside the advice to assist the Commission in preparing its delegated acts. Where administrative burdens and compliance costs on the side of the industry could be significant, ESMA should where possible quantify these costs.

ESMA should provide sufficient factual data backing the analyses and gathered during its assessment. To meet the objectives of this mandate, it is important that the presentation of the advice produced by ESMA makes maximum use of the data gathered and enables all stakeholders to understand the overall impact of the possible delegated acts.

ESMA should provide comprehensive technical analysis on the subject matters described below, covered by the delegated powers included in the relevant provisions of the Regulation, in the corresponding recitals as well as in the relevant Commission's request included in this mandate.

- **Clarity:** The technical advice carried out should contain sufficient and detailed explanations for the assessment done, and be presented in an easily understandable language respecting current legal terminology used in the field of securities markets and company law at European level.
- **Advice, not legislation:** ESMA should provide the Commission with a clear and structured text, accompanied by sufficient and detailed explanations for the advice given, and which is presented in an easily understandable language respecting current terminology used in the field of securities markets in the Union.
- **Responsive:** ESMA should address to the Commission any question it might have concerning the clarification on the text of the Regulation, which it should consider of relevance to the preparation of its technical advice.

2. PROCEDURE

The Commission requests the technical advice of ESMA for the purpose of the preparation of the delegated acts to be adopted pursuant to the legislative act and described in section 3 of this mandate.

The Commission reserves the right to revise and/or supplement this mandate if needed. The technical advice received on the basis of this mandate should not prejudice the Commission's final decision.

The mandate follows the Communication from the Commission to the European Parliament and the Council – Implementation of Article 290 of the Treaty on the Functioning of the European Union (the "**290 Communication**"), the Regulation of the European Parliament and the Council establishing a European Securities and Markets Authority (the "**ESMA Regulation**"), and the Interinstitutional Agreement between the European Parliament, the Council of the European Union and the European Commission on better law-making (the "**Interinstitutional Agreement**").

The European Parliament and the Council have been duly informed about this mandate.

After the delivery of the technical advice by ESMA, in accordance with the Annex to the Interinstitutional Agreement, signed on 13 April 2016, the Commission will continue to consult experts designated by the Member States in the preparation of draft delegated acts.

In accordance with the Annex to the Interinstitutional Agreement, the Commission services will state the conclusions they have drawn from the discussions of any meeting with Member States' experts on draft delegated acts, including how they will take the experts' views into consideration and how they intend to proceed. When they consider this necessary, the European Parliament and the Council may each send experts to these meetings.

The powers of the Commission to adopt delegated acts are subject to Article 44 of the PR.

When preparing and drawing up the delegated act, the Commission will ensure a timely and simultaneous transmission of all documents, including the draft acts, to the European Parliament and the Council at the same time as Member States' experts.

As soon as the Commission adopts delegated acts, it will simultaneously notify to the European Parliament and the Council.

3. ISSUES ON WHICH ESMA IS INVITED TO PROVIDE TECHNICAL ADVICE

3.1 The format of the prospectus, the base prospectus and the final terms, and the schedules defining the specific information which must be included in a prospectus (Article 13(1) of the Regulation)

Since Directive 2003/71/EC (the Prospectus Directive) will be repealed when the PR comes into application, so will Regulation (EU) No 809/2004 and all the schedules and building blocks it contains. It is therefore necessary to establish a new and complete set of disclosure schedules for different types of securities and issuers.

ESMA is invited to reassess whether the information items currently required in the existing schedules and building blocks are still fit for purpose, provide benefits to investors that are commensurate with their associated cost, or whether they should be deleted. ESMA should also reassess the general order of presentation of the information items, based on the experience gained by competent authorities.

- ESMA is invited to provide technical advice on the format of the prospectus and the schedules defining the specific information which must be disclosed in a prospectus.
- ESMA should follow the "building block approach" established by Regulation (EU) No 809/2004, distinguishing between the schedules for registration documents and those for securities notes, as well as any other appropriate building blocks.
- Specific schedules should be established for different types of securities (shares, non-equity securities with a denomination per unit above or below 100 000 EUR, asset-backed securities, depositary receipts on shares, units or shares of closed-ended collective investment undertakings). In a spirit of simplification, ESMA could explore ways to streamline these schedules in order to reduce the overall number of annexes compared to those currently included in Regulation (EU) No 809/2004.
- ESMA should evaluate whether specific schedules should be established for certain types of issuers such as issuers with a complex financial history, issuers which have made a significant financial commitment, or so-called "specialist issuers". If ESMA concludes that specific schedules are needed for some or all of such types of issuer, it should provide technical advice accordingly.
- ESMA is invited to carry forward the disclosure items currently required by Regulation (EU) No 809/2004 into the new schedules only once it has verified that they represent an appropriate balance between investor protection and cost to the issuers. For example, when disclosed in a prospectus, profit forecasts or estimates (Items 13.2 of Annexes I and X, 9.2 of Annex IV, and 8.2 of Annex XI of Regulation (EU) No 809/2004) must currently be accompanied by a report prepared by independent accountants or auditors stating that in the opinion of the independent accountants or auditors the forecast or estimate has been properly compiled on the basis stated and that the basis of accounting used for the profit forecast or estimate is consistent with the accounting policies of the issuer. ESMA is invited to consider the effects of repealing such requirement by assessing the benefits of such report to investors against the cost this entails for issuers to have them produced.
- When drafting the required minimum information items of the prospectus schedules, ESMA should ensure consistency and adequate alignment with the disclosure requirements of other pieces of EU legislation, like Directive 2004/109/EC (TD) and

Directive 2013/34/EU⁶, so that issuers may easily incorporate by reference in their prospectus all or parts of the content of documents required under those acts (e.g. management reports, corporate governance statements, remuneration reports). In this respect, ESMA is asked to revisit the drafting of the section on the operating and financial review to ensure that the corresponding contents of the issuer's management report drawn up under Directive 2004/109/EC can easily be incorporated by reference in that section of the prospectus.

- ESMA is also invited to provide technical advice on the format of the base prospectus and the final terms. In that context, ESMA should preserve the flexibility of the base prospectus regime and aim to considerably decrease compliance costs for issuers using base prospectuses.
- To ensure a consistent application of the Regulation across the Union, ESMA is asked to carry forward in its advice the principles currently laid out in Regulation (EU) No 809/2004 whereby issuers are entitled to include additional information going beyond the information items of the schedules and building blocks, while competent authorities may not require that a prospectus contain information items which are not included in such schedules and building blocks.

3.2 The schedule defining the minimum information contained in the universal registration document (Article 13(2) of the Regulation)

The universal registration document (URD) is designed as an optional shelf registration for companies that expect to frequently issue securities ("frequent issuers"). It is based on the premise that an issuer that draws up, every year, a complete registration document in the form of a URD should benefit from a fast-track approval (5 working days, instead of 10) when the competent authority approves a prospectus consisting of separate documents.

The logic behind the URD is to grant procedural alleviations to those issuers that intend to have frequent recourse to capital markets and choose to commit to draw up a URD every year. In exchange, those issuers will be able to swiftly seize market opportunities.

A URD functions as a registration document that can be used by issuers to offer securities, irrespective of their type (shares, debt, derivatives) or of the nature of the issuer (large company or SME). It follows that the content of a URD must be aligned with the disclosure standard for a share registration document and should be similar, in terms of the range of information

⁶ Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182, 29.6.2013, p. 19).

covered, to what would be required in the context of an initial public offering on a regulated market.

A URD should be a comprehensive source of reference for investors, consolidating in one single document all information investors may need to know about a particular issuer, and avoiding duplicative disclosures by issuers. The Regulation allows frequent issuers to use the URD as a medium to publish the periodic information required by Directive 2004/109/EC (Transparency Directive).

- ESMA is invited to provide technical advice on the schedule defining the minimum information to be contained in the URD, taking into account recitals 39 to 45 of the Regulation. ESMA should base its work on the disclosure standard appropriate for a share registration document.
- When establishing the schedule defining the content of the URD, ESMA is asked to ensure that the information items that correspond to the content of the annual financial report and half-yearly financial report required under the Transparency Directive (historical financial information, operating and financial review, corporate governance) are drafted in a way that is aligned as much as possible with the relevant parts of Directive 2004/109/EC and Directive 2013/34/EU, enabling frequent issuers to incorporate such information by reference or to disclose them directly in the URD according to the arrangements set out in Article 9(12) and (13) of the Regulation.

3.3 The reduced information to be included in the schedules applicable under the simplified disclosure regime for secondary issuances (Article 14(3) of the Regulation)

A new alleviated prospectus regime will apply for issuers which have had securities admitted to trading on a regulated market or an SME growth market continuously for at least 18 months. When proceeding with a secondary issuance, such issuers will have the option to draw up a simplified prospectus taking into account the information they have already disclosed to the market on an ongoing basis under Regulation (EU) No 596/2014 (MAR)⁷, and where applicable, under Directive 2004/109/EC (TD) or the market rules of the SME growth market.

Issuers who opt to draw up this simplified prospectus are subject to a distinct "disclosure test", set out in Article 14(2) of the Regulation. This article defines the reduced information they are expected to disclose and clarifies that the simplified prospectus should be an autonomous

⁷ Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC Text with EEA relevance

document enabling investors to make an informed investment decision based on a more limited and focused set of relevant information. Recital 48 highlights that the rationale for simplifying the content of the prospectus: information already made available to investors by the issuer under its ongoing disclosure obligations (MAR and TD) need not be repeated in the prospectus.

- ESMA is invited to provide technical advice on the schedules applicable under the simplified disclosure regime for secondary issuances, taking into account recitals 48 to 50 of the Regulation. ESMA should develop specific draft schedules for both registration documents and securities notes, at least for shares and debt securities. When defining the information items of these schedules, ESMA shall take into account ongoing disclosure requirements of TD and MAR that would enable investors to have access to such items elsewhere than in a prospectus.
- ESMA is invited to clarify what form the concise summary of the relevant information disclosed under Regulation (EU) No 596/2014 (MAR) over the past 12 months⁸ should take in order for issuers to adequately inform their potential investors in a relevant and cost-efficient way, without merely repeating the contents of previous disclosures made under MAR.

3.4 The content, format and sequence of the EU Growth prospectus including its specific summary (Article 15(2) of the Regulation)

The EU growth prospectus is designed for offers of securities by three types of issuers: SMEs, companies traded on SME growth markets as long as their market capitalization does not exceed 500M€ and unlisted companies with less than 499 employees that raise below 20M€⁹ (jointly referred to as "SMEs and midcaps"). The EU growth prospectus is optional and cannot be used for an admission to trading on a regulated market.

The EU growth prospectus aims at facilitating access to financing on capital markets and reducing the administrative costs of raising capital for SMEs and midcaps. Its information content should be reduced compared to the prospectus used by issuers admitted to regulated markets, without compromising investor protection.

- ESMA is invited to identify the minimum disclosure requirements of the EU growth prospectus and to define the order of presentation of such disclosures (referred to as "sequence" in Article 15(2)).
- ESMA should adopt a "bottom-up approach" and avoid taking the existing Annexes of Regulation (EC) No 809/2004 as a starting point. This means that the exercise should not

⁸ Referred to in letter (c) of the second subparagraph of Article 14(3) of the Regulation

⁹ As defined in Regulation (EU) 2015/1017 on the European Fund for Strategic Investments.

consist in identifying information which could be omitted from a full prospectus. Instead, ESMA should devise a new, substantially alleviated standard of disclosure from scratch without being guided by the content and format of the prospectus which applies to issuers on regulated markets. In particular, ESMA should take as a benchmark the content of admission documents required by markets where the prospectus obligation does not apply, e.g. the rules of MTFs that cater for SMEs and midcaps.

- When calibrating the content of the EU growth prospectus, ESMA should aim to ensure that SMEs and midcaps are obliged to disclose sufficient information on their strategy and prospects to allow investors to take an investment decision. ESMA should not propose information items which would imply high costs for SMEs with only a low corresponding added value for investors (e.g. items involving statements by independent accountants or auditors).
- There should be a tangible difference between the reduced content of the EU growth prospectus and the content of the prospectus which applies to issuers on regulated markets.
- ESMA should develop specific draft schedules for both registration documents and securities notes, based on the high-level outlines featured in Annexes IV and V of the Regulation. Schedules should be developed at least for shares, debt and derivatives.
- ESMA should develop the minimum disclosure requirements for the EU Growth prospectus, following a standardized sequence.
- To make it easy for SMEs and midcaps to draw up an EU growth prospectus, ESMA should aim to create schedules and headings that allow SMEs to prepare their prospectus with no or little external advice, if they wish to do so.
- ESMA is also invited to advise the Commission on the content and standardized format applying to the specific summary of an EU growth prospectus. Such content should be a considerably shorter version of the summary set out in Article 7, and should not include the key information corresponding to disclosure items which are not required in the EU growth prospectus.

3.5 The criteria for the scrutiny of prospectuses and URDs and the procedures for their approval (Articles 9(14) and 20(11) of the Regulation)

The decision of the competent authority to approve a prospectus involves analysis of, and changes to, the draft prospectus on the part of the issuer to ensure that the prospectus meets the requirement of completeness, consistency and comprehensibility.

The reform of the EU prospectus regime aims to create a single rulebook that ensures a coherent implementation throughout the EU. The practices of competent authorities concerning scrutiny and approval should be aligned so as to avoid supervisory forum shopping.

A swift and efficient scrutiny of prospectuses is conducive to facilitating fundraising on capital markets, allowing issuers to seize market windows speedily.

- ESMA is invited to provide technical advice on the criteria for the scrutiny of prospectuses, in particular the completeness, comprehensibility and consistency of the information contained therein, and the procedures for the approval of the prospectus.
- ESMA's technical advice is expected to accommodate a proportionate approach by competent authorities in the scrutiny of prospectuses based on the specific circumstances of the issuer and the issuance.
- Commission Delegated Regulation (EU) 2016/301 of 30 November 2015 specifies the requirements regarding the procedures for approval of prospectuses. Since that Regulation will cease to apply when the new PR comes into application, ESMA is invited to incorporate the content of that Regulation, bearing in mind that some of the requirements of that Regulation have already been introduced in the PR.
- With respect to scrutiny and approval, ESMA is invited to provide technical advice that is the same for both URDs and prospectuses. This is without prejudice to ESMA's technical advice on the procedures for the filing and (ex-post) review of URDs and on the conditions where the status of frequent issuer is lost.

3.6 The procedures for the filing of the URD, the criteria for the review of the URD and the conditions under which the status of frequent issuer is lost (Article 9(14) of the Regulation)

After a frequent issuer has had a URD approved by a competent authority for two consecutive financial years, subsequent URDs may be filed with the competent authority without prior approval. Following such filing, the competent authority may, at any time, review the contents of a filed URD and of any amendments thereto. The Regulation acknowledges that it is up to competent authorities to decide if and when such ex-post review should be carried out. As indicated in Recital 40, each competent authority may decide the frequency of such review taking into account its assessment of the risks of the issuer, the quality of its past disclosures, or the length of time elapsed since a filed URD has been last reviewed.

In essence, the scrutiny and the review of a URD should involve the same kind of work from a competent authority (checking the completeness, the consistency and the comprehensibility of the information given in the universal registration document and amendments thereto), the only difference being that scrutiny occurs ex ante, before the approval of a URD, whilst a

review occurs ex post, following the filing of a URD and subject to a decision of the competent authority to conduct such a review.

The status of frequent issuer is gained from the moment an issuer submits its first URD for approval to the competent authority. Yet, due to the conditions set out in Article 9(11) of the Regulation, such status may be challenged at various points in time thereafter. Indeed, upon each filing or submission for approval of a URD, and every time an application for approval of a prospectus consisting of separate documents (including a URD) is made, the provision of certain statements and, where applicable, amendments to the URD will be required for such a frequent issuer to keep its status and benefit from the fast-track approval.

- ESMA is invited to provide technical advice on the procedures for the filing and the criteria for the review of the URD and the conditions under which the status of frequent issuer is lost.
- In doing so, ESMA should take into account the fact that the objectives and criteria of the ex-post review of URD are aligned with those of an ex-ante scrutiny and relate to the completeness, the consistency and the comprehensibility of the information provided by the issuer.

3.7 The minimum information content of documents describing a merger or a takeover by way of exchange offer (Article 1(7) of the Regulation)

Points (f) and (g) of Article 1(4) and points (e) and (f) of the first subparagraph of Article 1(5) of the Regulation grant a prospectus exemption where the following securities are either offered to the public or admitted to trading on a regulated market (or both):

- securities offered in connection with a **takeover** by means of an exchange offer,
- securities offered, allotted or to be allotted in connection with a **merger or division**.

Such an exemption is conditional on a document being made available to the public containing information "*describing the transaction and its impact on the issuer*".

This represents an alleviation compared to the corresponding exemptions of Directive 2003/71/EC – set out in points (b) and (c) of Article 4(1) and points (c) and (d) of Article 4(2) of that Directive – where the precondition to be fulfilled was that a document be available containing information "*which is regarded by the competent authority as being equivalent to that of a prospectus*".

The Commission notes that the information provided to the public in the context of takeovers and mergers, as well as the way such information is controlled by competent authorities, is prescribed in national corporate laws, including laws implementing Directive 2004/25/EC on

takeover bids¹⁰. The implementing measures to be taken by the Commission in that field under the empowerment of Article 1(7) are therefore not intended to interfere with these laws, and their focus should be limited to ensuring a minimum harmonisation of these documents for the purpose of applying the exemption granted in points (f) & (g) of Article 1(4) and points (e) & (f) of the first subparagraph of Article 1(5) of the Regulation, without prejudice to the ability of national laws to require more information from issuers involved in takeovers and mergers for other purposes (including supplying adequate information to existing shareholders in the context of a vote in an annual general meeting).

- ESMA is invited to provide technical advice on the minimum information content of the documents referred to in points (f) and (g) of paragraph 4 and points (e) and (f) of the first subparagraph of paragraph 5 of Article 1, taking into account recital 16 of the Regulation. In particular, ESMA is invited to define how the impact of the transaction on the issuer should be presented in such documents.

3.8 General equivalence criteria for prospectuses drawn up under the laws of third countries (Article 29(3) of the Regulation)

Issuers domiciled in a third country may only carry out an offer of securities to the public or an admission to trading on a regulated market in the EU using a prospectus drawn up under the laws of that third country provided that the Commission has taken a decision stating that the information requirements contained in the laws of such third country are equivalent to the information requirements of the PR (an "equivalence decision").

Such issuers can then elect a home Member State, among those allowed under Article 2 (m) (ii) and (iii) of the Regulation. Provided it has concluded cooperation arrangements with the relevant supervisory authorities of the third country, the competent authority of this home Member State can then approve the prospectus drawn up under the laws of that third country. Such a prospectus is subject to the language rules of the Regulation and can benefit from the EU passport.

An equivalence decision by the Commission must rely on general equivalence criteria based on the requirements of the Regulation applying to the general disclosure test (Article 6), the

¹⁰ Article 6(2) of that Directive requires the initiator of a bid to submit to its competent authority "an offer document containing the information necessary to enable the holders of the offeree company's securities to reach a properly informed decision on the bid", before making such offer document public. Such an offer document may be subject to the prior approval of the competent authority. Article 6(3) of that Directive prescribes a minimum content for such offer document.

summary (Article 7), the base prospectus (Article 8) and the minimum information and format of registration documents and securities notes (Article 13).

- ESMA is invited to provide technical advice on general equivalence criteria to guide future assessments of national laws of third countries in relation to disclosures when securities are either offered to the public or when an admission to trading on a regulated market is sought. These criteria should reflect the requirements laid down in Articles 6, 7, 8 and 13 of the PR.
- As regards the general equivalence criteria reflecting Article 13 of the Regulation, the Commission does not expect ESMA to proceed schedule by schedule. Instead, ESMA should focus on the minimum content and format of prospectuses for equity securities and for non-equity securities (potentially distinguishing between debt and derivatives).

4. INDICATIVE TIMETABLE

This mandate takes into consideration the expected date of application of the Regulation, that ESMA needs enough time to prepare its technical advice, and that the Commission needs to adopt the delegated acts in accordance with Article 290 of the TFEU. The powers of the Commission to adopt delegated acts are subject to Article 44 of the Regulation.

The delegated acts provided for by the Regulation and addressed under **points 3.1 to 3.6** of this mandate should be adopted no later than 18 months following the entry into force of the Regulation. Therefore the deadline set to ESMA to deliver the technical advice is **thirteen (13) months** after the date of receipt of this mandate, i.e. 31 March 2018.

The Regulation does not envisage any deadline for the adoption of the delegated acts addressed under **points 3.7 and 3.8** of this mandate. Therefore, the Commission asks ESMA to deliver its technical advice on these two items:

- by **31 March 2019** for the delegated act referred to under **points 3.7** (i.e. twenty five (25) months after the date of receipt of this mandate);
- by **31 August 2019** for the delegated act referred to under **points 3.8** (i.e. thirty (30) months after the date of receipt of this mandate).

Indicative timetable for the delegated acts referred to in points 3.1 to 3.6

Deadline	Action
20 July 2017	Date of entry into force of the Regulation (twentieth day following that of its publication in the Official Journal of the European Union)
March 2018 (13 months after date of receipt of the request)	ESMA provides its technical advice on points 3.1 to 3.6 .
Until June 2018	Preparation of the draft delegated acts by Commission services on the basis of the technical advice by ESMA. The Commission will consult with experts appointed by the Member States within the Expert Group of the European Securities Committee (EG ESC) on the draft delegated acts.
Until October 2018	Translation and adoption procedure of draft delegated acts.
Until April 2019	Objection period for the European Parliament and the Council (three months which can be extended by another three months)
June 2019 (24 months after entry into force)	Date of application of the PR and delegated acts.

Annex III: Cost-benefit analysis

Executive Summary

Reasons for publication

Regulation (EU) 2017/1129 was published in the Official Journal of the European Union on 30 June 2017 and entered into force on 20 July 2017. Under points (f) and (g) of Art. 1(4) and points (e) and (f) of Art. 1(5) of the Regulation (PR), an exemption from prospectus obligations is granted to issuers whose securities are offered to the public or admitted to trading on a regulated market (or both), either in connection with a takeover, by means of an exchange offer, or in connection with a merger or a division. This exemption is conditional on a document containing information describing the transaction and its impact on the issuer being available to the public.

In a request received from the Commission on 28 February 2017, ESMA was asked to provide technical advice on the minimum information content of the documents referred to in points (f) and (g) of paragraph 4 and points (e) and (f) of the first subparagraph of paragraph 5 of Article 1 of the PR, taking into account recital 16 of the PR and in particular to define how the impact of the transaction on the issuer should be presented in such documents. In the request, ESMA was also asked to provide a cost-benefit analysis.

The technical advice should be submitted to the European Commission by 31 March 2019.

The cost-benefit analysis ('CBA') aims to provide the reader with an overview of findings with regard to the potential impacts of the proposed draft RTS.

Contents

Section 2 introduces the CBA by describing ESMA's mandates and explaining the nature of the CBA along with its structure. Section 3 analyses the costs and benefits connected with the technical advice.

2. Introduction

The CBA aims at assessing the impact of the Technical Advice on different stakeholders, taking into consideration the feedback provided in the course of the consultation. The problem identification as well as the market/regulatory failure analysis have been performed by the Commission at Level 1 and therefore do not need to be replicated in this context.

The mandate assigned to ESMA is analysed making reference to a baseline scenario under which only Level 1 text would apply. Therefore, the costs and benefits identified and assessed are those at the margin that might be caused by the way ESMA exercises its mandate.

The mandate also sets out a number of principles which ESMA is invited to take account of when developing its advice. ESMA has been asked to provide advice that takes into account the Lamfalussy principles and the need to ensure the proper functioning of the internal market and improve the conditions of its functioning, particularly as regards the financial markets and a high level of investor protection. The Commission also asks that the advice be clear, coherent, comprehensive and proportional and include a cost-benefit analysis.

The PR exemptions provided for in the PR aim at revising current national regimes granting equivalence to a prospectus. Under the Prospectus Regulation the content of the exempted document constitutes an upper limit to the information that can be required at national level in order to apply the relevant exemption. It should be flagged however that national requirements on the disclosure of exchange offers for mergers or takeovers, as prescribed by domestic laws including laws implementing the Takeover Directive, are not affected and therefore are not considered for the purpose of the below assessment.

In order to set out the content of the exempted document, ESMA has attempted to strike a balance between the opportunity to ensure a sufficient level of disclosure to the public, thereby guaranteeing investor protection, and the general aim of the exempted document to provide simplification and cost alleviation to issuers.

The CBA is mostly qualitative in nature. In order to support ESMA's choices with precise cost assessments, ESMA endeavoured to obtain quantitative information from market participants responding to the public consultation. This information is not easily available through NCAs, nor is there any readily accessible public dataset that might allow for a systematic analysis of the effects of ESMA intervention. The information gathered through the consultation was, however, exclusively qualitative.

3. Analysis of proposed measures

3.1. Summary of consultation responses

Consultation feedback on the costs and benefits¹¹ related to ESMA's proposed advice was not only of a qualitative nature but also rather limited in content. The few respondents to this section of the consultation paper indicated that they would have preferred a proposal that would represent a higher alleviation compared to the current regime of the prospectus. Respondents indicated that costs associated to the preparation of the Exempted Document would be substantial in terms of time and resources involved in the transactions. Furthermore, it was argued that a sufficient level of disclosure on these transactions is provided already by national legislation implementing either the Takeover Directive or the Merger and Division Directive.

ESMA notes that not only the exemption may lead to backdoor listings but that offers of securities to the public or admissions to trading on regulated markets connected to takeovers, mergers and divisions are events that may entail a significant level of complexity and may be extremely impactful in issuers' financial conditions and corporate governance.

As such, ESMA's conclusion is that – at least in the context of transactions between an unlisted and listed company – the compliance costs associated with higher disclosure are lower than the investor protection benefits descending from strengthened investor protection. With regard to transactions exclusively involving listed companies, ESMA has identified lower investor protection risks (and associated costs), allowing for a lightened disclosure regime.

The following section starts by identifying the policy objective of and the possible options to the technical advice following which it analyses the costs and benefits of both options, thereby providing background for ESMA's decision to follow Option 2.

¹¹ Question 11, Question 13, Question 15, Question 19, Question 21, Question 23

3.1.1. Technical options

Policy Objective	To draw up a list of minimum information items that should be included in the Exempted Document.
Option 1	Establish the content of the Exempted Document broadly based on the information to be made available under Directive 2004/25/EC and Directive (EU) 2017/1132
Option 2	Establish the content of the Exempted Document leveraging on the prospectus content and regulatory framework provided for by Regulation (EU) 2017/1129 and relevant delegated acts
Preferred option	Option 2 was chosen because of the investor protection benefits connected to disclosing the transaction and its impact on the issuer in a more thorough way.

3.1.2. Cost-benefit analysis

Option 1	Establish the content of the Exempted Document broadly based on the information to be made available under Directive 2004/25/EC and Directive (EU) 2017/1132
Benefits	This option allows to reach in full the general goal to alleviate the prospectus regime
Compliance costs	Compliance costs for the issuers are minimised under this option as the information provided to the public would be minimal.
Costs to other stakeholders	<p>Information available to investors would be fairly limited and would not cover the specific securities offered (debt vs. equity) nor the information on the entities involved in the transactions, especially in terms of comparative information before and after the transaction</p> <p>As an indirect effect, this might lead to lower investment appetite for these transactions and/or in firms not taking advantage of the exemption and seek regular prospectus approval instead.</p> <p>As a further potential indirect consequence coming from this approach, Member States might require that additional information is disclosed under the national provisions on takeovers, mergers and</p>

	divisions implementing the relevant minimum harmonisation directives. This would in turn hamper the level playing field goal pursued by the PR.
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Option 2	Establish the content of the Exempted Document leveraging on the prospectus content and regulatory framework provided for by Regulation (EU) 2017/1129 and relevant delegated acts
Benefits	<p>Investors have access to a broader set of information and therefore potential shareholders of the new company are in a better position to consider the merits of the offer to the public / admission to trading. Thorough disclosure of pro-forma allows to fully analyse the effects of the transaction and the combined entity.</p> <p>Lower information asymmetry can in turn increase risk appetite for these transactions.</p>
Compliance costs	<p>Compliance costs for issuers would be higher than in option 1, both in case of transactions involving two listed companies and when one of the two companies is unlisted, and are comparable to the general cost of producing a prospectus</p> <p>However, this cost is mitigated by several factors including: i) the possibility to incorporate by reference any information that has already been already published, ii) the absence of a summary, iii) a proportionate content based on the type of transaction.</p>
Costs to other stakeholders	-



Annex IV: Technical advice

Technical advice on the minimum information content for a prospectus exemption

On the basis of the considerations presented in the Final Report, ESMA provides the following technical advice in a prospectus exemption. ESMA has not drafted recitals as these will depend on the advice that is adopted.

Article A: Definitions

For the purposes of this Regulation, the following definitions shall apply in addition to those laid down in Regulation (EU) 2017/1129:

- (a) 'profit estimate' means a profit forecast for a financial period which has expired and for which results have not yet been published;
- (b) 'profit forecast' means a statement that expressly or by implication indicates a figure or a minimum or maximum figure for the likely level of profits or losses for the current financial period and/or financial periods subsequent to that period, or contains data from which a calculation of such a figure for future profits or losses can be made, even if no particular figure is mentioned and the word 'profit' is not used;
- (c) 'appendix' means a list of minimum information requirements adapted to the particular nature of the different types of issuers and/or the different securities involved;
- (d) 'reverse acquisition' means takeover/merger/division where the entity that issues securities (the legal acquirer) is identified as the acquiree for accounting purposes as set out in paragraph B19 of IFRS 3 *Business Combinations* as endorsed by the EU;
- (e) 'Exempted Document' means Documents referred to in points (f) and (g) of paragraph 4 and points (e) and (f) of the first subparagraph of paragraph 5 of Article 1 of the Prospectus Regulation;
- (f) '(To be) acquired company' means a company, the securities of which are the subject of bid pursuant the national laws transposing Directive 2004/25/EC;
- (g) '(To be) merged company' means a company being acquired pursuant the national laws transposing Directive (EU) 2017/1132 of the European Parliament and of the Council of 14 June 2017 relating to certain aspects of company law;
- (h) 'Company being divided' means company being divided pursuant national laws transposing Directive (EU) 2017/1132 of the European Parliament and of the Council of 14 June 2017 relating to certain aspects of company law;

- (i) 'Recipient Company' means the company (ies) receiving contributions as a result of the division pursuant national laws transposing Directive (EU) 2017/1132 of the European Parliament and of the Council of 14 June 2017 relating to certain aspects of company law.

The Commission should introduce operative provisions, in order to facilitate use of the appendices to be set out in delegated acts as well as to ensure the delegated is fit for purpose. The use of the appendices is dependent on whether the issuer is already admitted to trading on a regulated market or to an SME Growth Market in the following form:

Article B: The Exempted Document

The Exempted Document

1. The Exempted Document shall contain the necessary information which is material to an investor for making an informed assessment of:

- (a) the assets and liabilities, profits and losses, financial position, and prospects of the issuer;
- (b) the rights attaching to the securities; and
- (c) the takeover/merger/division and its impact on the issuer.

That information may vary depending on any of the following:

- (a) the nature of the issuer;
- (b) the type of securities;
- (c) the takeover/merger/division which the issuer has entered into;

2. The information in an Exempted Document shall be written and presented in an easily analysable, concise and comprehensible form, taking into account the factors set out in the second subparagraph of paragraph 1.

3. The Exempted Document shall be composed of the Minimum Information Content Issuer Section, Minimum Information Content Securities Section and Minimum Information Content Description and Impact of the Takeover/Merger/Division Section. The Minimum Information Content Issuer Section shall contain the information relating to the issuer. The Minimum Information Content Securities Section shall contain the information concerning the securities offered to the public or to be admitted to trading on a regulated market. The Minimum Information Content Description and Impact of the Takeover/Merger/Division Section shall include information concerning the takeover, merger or division and its impact on the issuer.

4. Where the takeover, merger or division constitutes a reverse acquisition, the information required in the Minimum Information Content Issuer Section in Appendix II should refer to the acquirer from an accounting perspective as set out in paragraph B19 of IFRS 3 *Business Combinations* as endorsed by the EU. The information required in Appendix IV pertaining to the (be) acquired/ (to be) merged company or the company being divided should refer to the acquiree from the accounting perspective as set out in paragraph B19 of IFRS 3 *Business Combinations* as endorsed by the EU.

5. By the way of derogation from paragraph 1, where a disclosure item included in the appendices is not material or pertinent, it may be omitted provided that an explanation is included in the Exempted Document.

Article C: Minimum Information Content for simplified disclosure regime for the Issuer Section

1. In order to use the simplified disclosure regime for the Minimum Information Content Issuer Section set out in Appendix I, the issuer shall fulfil the following criteria:

(a) issuers whose securities have been admitted to trading on a regulated market or an SME growth market continuously for at least the last 18 months and who issue securities fungible with existing securities which have been previously issued;

(b) issuers whose equity securities have been admitted to trading on a regulated market or an SME growth market continuously for at least the last 18 months and who issue non-equity securities;

(c) offerors of securities admitted to trading on a regulated market or an SME growth market continuously for at least the last 18 months.

2. By way of derogation from Article B(1), the simplified Exempted Document shall contain the relevant reduced information which is necessary to enable investors to understand:

(a) the prospects of the issuer and the significant changes in the business and the financial position of the issuer since the end of the last financial year, if any;

(b) the rights attaching to the securities;

(c) the description of the takeover/merger/division and its impact on the issuer.

The information contained in the simplified Exempted Document shall be written and presented in an easily analysable, concise and comprehensible form and shall enable investors to make an informed investment decision. It shall also take into account the regulated information that has already been disclosed to the public pursuant to Directive 2004/109/EC, where applicable, and Regulation (EU) No 596/2014.

3. Where the issuer does not fulfil the criteria set out in paragraph 1 or where the takeover, merger or division constitutes a reverse acquisition the issuer should use Appendix II in relation to the Minimum Information Content Issuer Section.

Article D: Incorporation by reference

1. Information may be incorporated by reference in an Exempted Document where it has been previously or simultaneously published electronically in accordance with Article 21 (2) of Regulation (EU) 2017/1129, drawn up in a language fulfilling the requirements of Article E and where it is contained in one of the following documents:

- (a) documents which have been approved by a competent authority, or filed with it, in accordance with Regulation (EU) 2017/1129 or Directive 2003/71/EC;
- (b) documents required by the national laws transposing Directive 2004/25/EC of the European Parliament and of the Council and Directive (EU) 2017/1132 of the European Parliament and of the Council;
- (c) regulated information;
- (d) annual and interim financial information;
- (e) audit reports and financial statements;
- (f) management reports as referred to in Chapter 5 of Directive 2013/34/EU of the European Parliament and of the Council (1);
- (g) corporate governance statements as referred to in Article 20 of Directive 2013/34/EU;
- (h) reports on the determination of the value of an asset or a company;
- (i) remuneration reports as referred to in Article 9b of Directive 2007/36/EC of the European Parliament and of the Council (2);
- (j) annual reports or any disclosure of information required under Articles 22 and 23 of Directive 2011/61/EU of the European Parliament and of the Council (3);
- (k) memorandum and articles of association
- (l) documents relevant to the takeover, merger and division required by national law.

Such information shall be the most recent available to the issuer or the (to be) acquired/ (to be) merged company or company being divided.

2. Where only certain parts of a document are incorporated by reference, a statement shall be included in the Exempted Document that the non-incorporated parts are either not relevant for the investor or covered elsewhere in the Exempted Document.

3. When incorporating information by reference, issuers, offerors or persons asking for admission to trading on a regulated market shall ensure accessibility of the information. In particular, a cross-reference list shall be provided in the Exempted Document in order to enable investors to identify easily specific items of information, and the Exempted Document shall contain hyperlinks to all documents containing information which is incorporated by reference.

Article E: Use of Language

1. Where an offer of securities to the public is made or admission to trading on a regulated market is sought only in the home Member State, the Exempted Document shall be drawn up in a language accepted by the competent authority of the home Member State.

2. Where an offer of securities to the public is made or admission to trading on a regulated market is sought in one or more Member States excluding the home Member State, the Exempted Document shall be drawn up either in a language accepted by the competent authorities of those Member States or in a language customary in the sphere of international finance, at the choice of the issuer, the offeror or the person asking for admission to trading on a regulated market.

3. Where an offer of securities to the public is made or an admission to trading on a regulated market is sought in more than one Member State including the home Member State, the Exempted Document shall be drawn up in a language accepted by the competent authority of the home Member State, and shall also be made available either in a language accepted by the competent authorities of each host Member State or in a language customary in the sphere of international finance, at the choice of the issuer, the offeror, or the person asking for admission to trading on a regulated market.

Article F: Complex financial history and significant financial commitment

1. Where the issuer of equity securities has a complex financial history or has made a significant financial commitment, additional information relating to an entity other than the issuer shall be included in the Exempted Document in accordance with paragraph 2.

2. The additional information relating to an entity other than the issuer shall contain the following:

(a) all relevant information items referred to in Appendix IV Minimum Information Content Description and Impact of the Takeover/Merger/Division Section.

(b) all relevant information referred to the Appendices that would be relevant for that entity if it were the issuer of the equity security.

Such additional information shall be preceded by an introductory explanatory paragraph that states in clear terms the purpose of including that information in the Exempted Document.

Where the issuer has made a significant financial commitment, the additional information shall specify the anticipated effects of the takeover/merger/division that the issuer has agreed to undertake in the issuer or in the issuer's business.

3. Where there is a complex financial history or significant financial commitment the issuer shall include information relating to an entity other than the issuer in order to satisfy the obligation laid down in Article B (1), based on the following factors:

(a) The nature of the securities;

(b) The nature and range of information already included in the Exempted Document, and the existence of financial information relating to an entity other than the issuer in a form that might be included in a Exempted Document without modification;

(c) The facts of the case, including the economic substance of the transactions by which the issuer has acquired or disposed of its business undertaking or any part of it, and the specific nature of that undertaking;

4. For the purposes of paragraph 1, an issuer shall be considered as having a complex financial history where all of the following conditions are fulfilled:

(a) at the time of drawing up the Exempted Document, the information contained therein in accordance with the Appendixes relevant for that Exempted Document does not represent the issuer's undertaking accurately;

(b) the inaccuracy referred to in point (a) affects the ability of investors to make an informed assessment as referred to in Article B(1) and Article C(2);

(c) additional information, including financial information, relating to an entity other than the issuer is needed for investors to make an informed assessment as referred to in Article B(1) and Article C(2).

5. For the purposes of paragraph 1, a significant financial commitment is a binding agreement to undertake a transaction that is likely to give rise to a variation of more than 25 % relative to one or more indicators of the size of the issuer's business.

6. Where the issuer is unable to provide the information required in paragraph 1, it should include a statement in the Exempted Document of this fact including the reasons why this information cannot be provided.

ITEM	APPENDIX I – MINIMUM INFORMATION CONTENT SIMPLIFIED DISCLOSURE REGIME FOR THE ISSUER SECTION TAKEOVER/MERGER/DIVISION
	<i>IN CASE OF DEPOSITORY RECEIPTS, FOR THE PURPOSE OF THIS APPENDIX THE ISSUER IS THE ISSUER OF THE UNDERLYING SHARES</i>
Section 1	PERSONS RESPONSIBLE, THIRD PARTY INFORMATION AND EXPERTS' REPORTS
Item 1.1	Details of all persons responsible for the information or any part of it given in the Exempted Document with, in the latter case, an indication of such parts. In the case of natural persons including members of the issuer's administrative, management or supervisory bodies indicate the name and function of the person; in case of legal persons indicate the name and registered office.
Item 1.2	<p>A declaration by those responsible for the Exempted Document that, having taken all reasonable care to ensure that the information contained in the Exempted Document is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import. The responsibility statement shall also specify the relevant provisions at national level which are applicable and the extent of responsibility or liability.</p> <p>Where applicable, declaration by those responsible for certain parts of the Exempted Document that, having taken all reasonable care to ensure that, the information contained in the part of the Exempted Document for which they are responsible is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.</p> <p>No disclaimers or other text may be included in the Exempted Document that contradicts or otherwise places limitations on the declaration.</p>
Item 1.3	<p>Where a statement or report attributed to a person as an expert is included in the Exempted Document, provide the following in relation to that person:</p> <ul style="list-style-type: none"> • name, • business address, • qualifications • material interest, if any, in the issuer <p>If the report has been produced at the issuer's request a statement to the effect must be included together, with the consent of the person who has</p>

	authorised the contents of that part of the Exempted Document for the purpose of the public offer and/or admission to trading.
Item 1.4	Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, identify the source(s) of the information.
Item 1.5	A statement that the Exempted Document does not constitute a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, therefore it was not subject to scrutiny and approval by the relevant competent authority as set out in Article 20 of Regulation 2017/1129.
Section 2	STATUTORY AUDITORS
Item 2.1	Names and addresses of issuer's auditors for the period covered by the <u>historic financial information</u> (together with their membership details of a professional body).
Section 3	RISK FACTORS
Item 3.1	<p>A description of the material risks that are specific to the issuer, in a limited number of categories, in a section headed 'Issuer Risk Factors'.</p> <p>In each category, the most material risk factors, in the assessment undertaken by the issuer, offeror or person asking for admission to trading on a regulated market, taking into account the negative impact on the issuer and the probability of their occurrence, shall be set out first.</p> <p>The information concerning the risk factors shall take into account the anticipated the impacts that a takeover, merger or division may have on the issuer's activities, governance structure and/or financial information.</p> <p>The risk shall be corroborated by the content of the Exempted Document.</p>
Item 3.2	<p>A description of the material risks that are specific to the securities being offered and/or admitted to trading, in a limited number of categories, in a section headed 'Securities Risk Factors'.</p> <p>Risks to be disclosed shall include:</p> <ul style="list-style-type: none"> those resulting from the level of subordination of a security and the impact on the expected size or timing of payments to holders of the securities under bankruptcy, or any other similar procedure, including, where relevant, the insolvency of a credit institution or its resolution or restructuring in accordance with Directive 2014/59/EU (BRRD); and

	<ul style="list-style-type: none"> in cases where the securities are guaranteed, the specific and material risks related to the guarantor to the extent they are relevant to its ability to fulfil its commitment under the guarantee. <p>The information concerning the risks factors shall take into account the anticipated impact that a takeover, a merger or a division may have on the securities offered or object of the admission to trading on regulated market.</p> <p>In each category the most material risks, in the assessment of the issuer, offeror or person asking for admission to trading on a regulated market, taking into account their impact on the issuer and the securities and the probability of their occurrence, shall be mentioned first.</p> <p>The risks shall be corroborated by the content of the Exempted Document.</p>
Item 3.3	<p>A description of the material risks that are specific to the takeover, merger or division transaction in a limited number of categories, in a section headed 'Transaction's Risk Factors'.</p> <p>In each category the most material risk factors, in the assessment of the issuer taking into account the negative impact on the issuer and the probability of their occurrence, shall be mentioned first.</p> <p>The risk factors shall be corroborated by the content of the Exempted Document.</p>
Section 4	INFORMATION ABOUT THE ISSUER
Item 4.1	The legal and commercial name of the issuer
Item 4.4	The domicile and legal form of the issuer, Legal Entity Identifier, the legislation under which the issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the issuer, if any, with a disclaimer that the information on the website does not form part of the Exempted Document unless that information is incorporated by reference into the Exempted Document.
Section 5	BUSINESS OVERVIEW
Item 5.1	<p>A brief description of:</p> <ul style="list-style-type: none"> the key principal activities of the issuer; of any significant changes impacting the issuer' operations and principal activities since the end of the period covered by the latest published audited financial statements, including the following: <ol style="list-style-type: none"> an indication of any significant new products and services that have been introduced;

	<p>2) the status of the development of new products or services has been publicly disclosed ;,</p> <p>3) any material changes in the issuer's regulatory environment since the period covered by the latest published audited financial statements.</p>
Item 5.2	Investments
Item 5.2.1	A description of the issuer's material investments made since the date of the last published financial statements and which are in progress and / or for which firm commitments have already been made, together with the anticipated source of funds.
Section 6	TREND INFORMATION
Item 6.1	<p>A description of :</p> <ul style="list-style-type: none"> • the most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the Minimum Information Content Issuer Section, • any significant change in the financial performance of the group since the end of the last financial period for which financial information has been published to the date of the Minimum Information Content on Issuer Section, or provide an appropriate negative statement. • Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year.
Section 7	PROFIT FORECASTS OR ESTIMATES
Item 7.1 (equity or depository receipts)	Where an issuer or the offeror has published a profit forecast or a profit estimate (which is still outstanding and valid) on the issuer or the combined entity resulting from a takeover, merger, that forecast or estimate shall be included in the Exempted Document. If a profit forecast or profit estimate has been published and is still outstanding, but no longer valid (for example as a result of the takeover, merger or division), then provide a statement to that effect and an explanation of why such forecast or estimate is no longer valid. Such an invalid forecast or estimate is not subject to the requirements in items 7.3 to 7.4.
Item 7.2 (non-equity securities)	Where an issuer chooses to include a profit forecast or a profit estimate (which is still outstanding and valid) that forecast or estimate included in the Exempted Document must contain the information set out in items 7.3 and 7.4. If a profit forecast or profit estimate has been published and is still outstanding, but no longer valid, then provide a statement to that

	<p>effect and an explanation of why such profit forecast or estimate is no longer valid. Such an invalid forecast or estimate is not subject to the requirements in items 7.3 to 7.4.</p> <p>Inclusion of the profit forecast or estimate shall be at the discretion of the issuer. Where such a forecast or estimate is included, the Exempted Document shall contain the information set out in items 7.3 and 7.4.</p>
Item 7.3	<p>Where an issuer chooses to include a new profit forecast or a new profit estimate, or where the issuer includes a previously published profit forecast or a previously published profit estimate pursuant to point 7.1, the profit forecast or estimate shall be clear and unambiguous and contain a statement setting out the principal assumptions upon which the issuer has based its forecast, or estimate.</p> <p>The forecast or estimate shall comply with the following principles:</p> <ul style="list-style-type: none"> • there must be a clear distinction between assumptions about factors which the members of the administrative, management or supervisory bodies can influence and assumptions about factors which are exclusively outside the influence of the members of the administrative, management or supervisory bodies; • the assumptions must be reasonable, readily understandable by investors, specific and precise and not relate to the general accuracy of the estimates underlying the forecast; • in the case of a forecast, the assumptions shall draw the investor's attention to those uncertain factors which could materially change the outcome of the forecast.
Item 7.4	<p>The Exempted Document shall include a statement that the profit forecast or estimate has been compiled on the basis stated and prepared on a basis which is both:</p> <ul style="list-style-type: none"> (a) comparable with the historic financial information (b) consistent with the issuer's accounting policies.
Section 8	ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES
Item 8.1	<p>Names, business addresses and functions within the issuer of the following persons and an indication of the principal activities performed by them independent of that issuer where these are significant with respect to that issuer:</p> <ul style="list-style-type: none"> a) members of the administrative, management or supervisory bodies and b) partners with unlimited liability, in the case of a limited partnership with a share capital.

	<p>The nature of any family relationship between any of those persons. In so far as is known to the issuer, potential material impacts of the takeover, merger and division on the corporate governance, including future changes in the persons referred to in the first subparagraph and committee's composition.</p> <p>To the extent not already disclosed, and in the case of new members of the administrative, management or supervisory bodies of the issuer (since the date of the latest audited annual financial statements) and of each person mentioned in point (b) of the first subparagraph the following information:</p> <ul style="list-style-type: none"> a) the names of all companies and partnerships of which such person has been a member of the administrative, management or supervisory bodies or partner at any time in the previous five years, indicating whether or not the individual is still a member of the administrative, management or supervisory bodies or partner. It is not necessary to list all the subsidiaries of an issuer of which the person is also a member of the administrative, management or supervisory bodies; b) details of any convictions in relation to fraudulent offences for at least the previous five years; c) details of any bankruptcies, receiverships, liquidations or companies put into administration in respect of those persons described in (a) and (b) of the first subparagraph and third subparagraph who was acted in one or more of those capacities for at least the previous five years; d) details of any official public incrimination and/or sanctions of such person by statutory or regulatory authorities (including designated professional bodies) and whether such person has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years. <p>If there is no such information to be disclosed, a statement to that effect is to be made.</p>
Item 8.2.	<p>Potential conflicts of interest between any duties carried out on behalf of the issuer by the persons referred to in item 8.1 and their private interests or other duties must be clearly stated. In the event that there are no such conflicts a statement to that effect must be made.</p> <p>Any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any person referred to in item 8.1 was selected as a member of the administrative, management or supervisory bodies or member of senior management.</p> <p>Details of any restrictions agreed by the persons referred to in item 8.1 on the disposal within a certain period of time of their holdings in the issuer's securities.</p>

Section 9	MAJOR SHAREHOLDERS
	EQUITY SECURITIES OR DEPOSITORY RECEIPTS
Item 9.1	In so far as is known to the issuer, the name of any person other than a member of the administrative, management or supervisory bodies who, directly or indirectly, has an interest in the issuer's capital or voting rights which is notifiable under the issuer's national law, together with the amount of each such person's interest, as of the date of the Exempted Document or, if there are no such persons, an appropriate negative statement.
Item 9.2	Whether the issuer's major shareholders have different voting rights, or an appropriate negative statement.
Item 9.3	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control and describe the measures in place to ensure that such control is not abused.
Item 9.4	A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer.
Item 9.5	Where applicable, and to the extent known by the issuer, any potential changes in the issuer's shareholdings as a result of the takeover, merger or division.
Section 10	RELATED PARTY TRANSACTIONS
	EQUITY SECURITIES OR DEPOSITORY RECEIPTS
Item 10.1	<p>To the extent not covered elsewhere in the Exempted Document, details of related party transactions (which for these purposes are those set out in the Standards adopted according to the Regulation (EC) No 1606/2002), that the issuer has entered into since the date of the last financial statements, must be disclosed in accordance with the respective standard adopted according to Regulation (EC) No 1606/2002 if applicable.</p> <p>If such standards do not apply to the issuer the following information must be disclosed:</p> <p>a) The nature and extent of any transactions which are — as a single transaction or in their entirety — material to the issuer. Where such related party transactions are not concluded at arm's length provide an explanation of why these transactions were not concluded at arm's length. In the case of outstanding</p>

	<p>loans including guarantees of any kind indicate the amount outstanding.</p> <p>b) The amount or the percentage to which related party transactions form part of the turnover of the issuer.</p>
Section 11	FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS, AND LOSSES
Item 11.1	<p>Financial statements</p> <p>Financial statements (annual and half-yearly) as required to be published over the 12 months prior to the publication of the Exempted Document.</p> <p>Where both annual and half-yearly financial statements have been published, only the annual statements shall be required where they postdate the half-yearly financial statements.</p>
Item 11.2	Auditing of annual financial information
Item 11.2.1	<p><u>Audit report</u></p> <p>The annual financial statements must be independently audited. The audit report shall be prepared in accordance with the Audit Directive 2014/56/EU of the European Parliament and Council and Regulation (EU) No 537/2014 of the European Parliament and of the Council.¹</p> <p>Where the Directive 2014/56/EU and Regulation (EU) No 537/2014 do not apply:</p> <ul style="list-style-type: none"> (a) the annual financial statements must be audited or reported on as to whether or not, for the purposes of the Exempted Document, it gives a true and fair view in accordance with auditing standards applicable in a Member State or an equivalent standard. Otherwise, the following information must be included in the Exempted Document: <ul style="list-style-type: none"> i. a prominent statement disclosing which auditing standards have been applied; ii. an explanation of any significant departures from International Standards on Auditing. <p>If audit reports on the annual financial statements contain qualifications, modifications of opinion, or disclaimers or an emphasis of matter, such qualifications, modifications, disclaimers or emphasis of matter must be reproduced in full and the reasons given.</p>

¹ Directive 2014/56/EU of the European Parliament and Council of 16 April 2014 amending Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts.

Item 11.2.2	Indication of other information in the Exempted Document which has been audited by the auditors.
Item 11.2.3	Where financial information in the Exempted Document is not extracted from the issuer's audited financial statements state the source of the data and state that the data is not audited.
Item 11.3.	<p>Legal and arbitration proceedings</p> <p>Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate statement that such proceedings exist.</p>
Item 11.4.	<p>Significant change in the issuer's financial position</p> <p>A description of any significant change in the financial position of the group which has occurred since the end of the last financial period for which either audited financial statements or interim financial information have been published, or provide an appropriate statement that no such change exists.</p>
Item 11.5.	<p>Dividend policy</p> <p>A description of the issuer's policy on dividend distributions and any restrictions thereon.</p>
Item 11.5.1.	The amount of the dividend per share for the last financial year adjusted, where the number of shares in the issuer has changed, to make it comparable.
Section 12	DOCUMENTS AVAILABLE
Item 12.1	<p>Information where the following documents, where applicable, can be inspected in the 12 months following the publication of the Exempted Document:</p> <ul style="list-style-type: none"> (a) the up to date memorandum and articles of association of the issuer; (b) all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the issuer's request any part of which is included or referred to in the Exempted Document; (c) all reports, letters, and other documents, valuations and statements not covered in a, b and in other specific items which are included or referred to in Appendix IV of the Exempted Document, prepared in accordance with the Directive (EU)

	<p>2017/1132 of the European Parliament and of the Council or with Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids.</p> <p>(d) information disclosed under Regulation (EU) No 596/2014 over the last 12 months which remains relevant as at the date of the Exempted Document.</p> <p>An indication of the website on which the documents may be inspected.</p>
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ITEM	APPENDIX II - MINIMUM INFORMATION CONTENT ISSUER SECTION TAKEOVER/MERGER/DIVISION
	<p><i>IN CASE OF DEPOSITORY RECEIPTS, FOR THE PURPOSE OF THIS APPENDIX THE ISSUER IS THE ISSUER OF THE UNDERLYING SHARES</i></p>
Section 1	<p>PERSONS RESPONSIBLE, THIRD PARTY INFORMATION, EXPERTS' REPORTS</p>
Item 1.1	<p>Details of all persons responsible for the information or any parts of it, given in the registration document with, in the latter case, an indication of such parts. In the case of natural persons, including members of the issuer's administrative, management or supervisory bodies, indicate the name and function of the person; in the case of legal persons indicate the name and registered office.</p>
Item 1.2	<p>A declaration by those responsible for the Exempted Document or as the case may be for certain parts of the Exempted Document that, having taken all reasonable care to ensure that, the information contained in the Exempted Document is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import. The responsibility statement shall also specify the relevant provisions at national level which are applicable and the extent of responsibility or liability.</p> <p>Where applicable, a declaration by those responsible for certain parts of the Exempted Document that, having taken all reasonable care to ensure that, the information contained in that part of the Exempted Document for which they are responsible is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.</p> <p>No disclaimers or other text may be included in the Exempted Document that contradicts or otherwise places limitations on the declaration.</p>
Item 1.3	<p>Where a statement or report attributed to a person as an expert, is included in the registration document, provide the following details for that person:</p> <ul style="list-style-type: none"> (a) name; (b) business address; (c) qualifications; (d) material interest if any in the issuer. <p>If the report has been produced at the issuer's request, a statement to that effect must be included together with the consent of the person who</p>

	has authorised the contents of that part of the registration document for the purpose of the Exempted Document.
Item 1.4	Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, identify the source(s) of the information.
Item 1.5	A statement that the Exempted Document does not constitute a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, therefore it was not subject to scrutiny and approval by the relevant competent authority as set out in Article 20 of Regulation 2017/1129.
Section 2	STATUTORY AUDITORS
Item 2.1	Names and addresses of the issuer's auditors for the period covered by the historical financial information (together with their membership in a professional body).
Item 2.2	If auditors have resigned, been removed or not been re-appointed during the period covered by the historical financial information, indicate details if material.
Section 3	RISK FACTORS
Item 3.1	<p>A description of the material risks that are specific to the issuer, in a limited number of categories, in a section headed 'Risk Factors'.</p> <p>In each category the most material risks, in the assessment undertaken by the issuer, offeror or person asking for admission to trading on a regulated market, taking into account their impact on the issuer and the probability of their occurrence, shall be mentioned first. The risks shall be corroborated by the content of the Exempted Document.</p> <p>The information concerning the risks factors should take into account the impacts that a takeover, merger or division may have on the issuer's activities, governance structure and/or financial information.</p> <p>The risk factors shall be corroborated by the content of the Exempted Document.</p>
Item 3.2	<p>A description of the material risks that are specific to the securities being offered and/or admitted to trading, in a limited number of categories, in a section headed 'Risk Factors'.</p> <p>Risks to be disclosed shall include:</p>

	<ul style="list-style-type: none"> those resulting from the level of subordination of a security and the impact on the expected size or timing of payments to holders of the securities under bankruptcy, or any other similar procedure, including, where relevant, the insolvency of a credit institution or its resolution or restructuring in accordance with Directive 2014/59/EU (BRRD); and in cases where the securities are guaranteed, the specific and material risks related to the guarantor to the extent they are relevant to its ability to fulfil its commitment under the guarantee. <p>In each category the most material risks, in the assessment of the issuer, offeror or person asking for admission to trading on a regulated market, taking into account their impact on the issuer and the securities and the probability of their occurrence, shall be mentioned first. The risks shall be corroborated by the content of the Exempted Document.</p>
Item 3.3	<p>A description of the material risks that are specific to the takeover, merger or division transaction in a limited number of categories, in a section headed 'Takeover, Merger or Division Risk Factors'.</p> <p>In each category the most material risk factors, in the assessment of the issuer taking into account the negative impact on the issuer and the probability of their occurrence, shall be mentioned first.</p> <p>The risk factors shall be corroborated by the content of the Exempted Document.</p>
Section 4	INFORMATION ABOUT THE ISSUER
Item 4.1	The legal and commercial name of the issuer.
Item 4.2	The place of registration of the issuer, its registration number and Legal Entity Identifier ('LEI').
Item 4.3	The date of incorporation and the length of life of the issuer, except where indefinite.
Item 4.4	The domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the issuer, if any, with a disclaimer that the information on the website does not form part of the Exempted Document.
Section 5	BUSINESS OVERVIEW
Item 5.1	Principal activities
Item 5.1.1	A description of, and key factors relating to, the nature of the issuer's operations and its principal activities, stating the main categories of

	products sold and/or services performed for each financial year for the period covered by the historical financial information;
Item 5.1.2	An indication of any significant new products and/or services that have been introduced and, to the extent the development of new products or services has been publicly disclosed, give the status of their development.
Item 5.2	Principal markets A description of the principal markets in which the issuer competes, including a breakdown of total revenues by operating segment and geographic market for each financial year for the period covered by the historical financial information.
Item 5.3	The important events in the development of the issuer's business.
Item 5.4	Strategy and objectives A description of the issuer's business strategy and objectives (both financial and non-financial (if any)). This description shall take into account the issuer's future challenges and prospects.
Item 5.5	If material to the issuer's business or profitability, summary information regarding the extent to which the issuer is dependent, on patents or licences, industrial, commercial or financial contracts or new manufacturing processes.
Item 5.6	The basis for any statements made by the issuer regarding its, the (to be) acquired, merged competitive position.
Item 5.7	Investments
Item 5.7.1	A description, (including the amount) of the issuer's material investments for each financial year for the period covered by the historical financial information up to the date of the Exempted Document.
Item 5.7.2	A description of any material investments of the issuer that are in progress or for which firm commitments have already been made, including the geographic distribution of these investments (home and abroad) and the method of financing (internal or external).
Item 5.7.3	To the extent not covered elsewhere in the Minimum Information Content Issuer Section, information relating to the joint ventures and undertakings in which the issuer holds a proportion of the capital likely

	to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses.
Item 5.7.4	A description of any environmental issues that may affect the issuer's utilisation of the tangible fixed assets.
Item 6	ORGANISATIONAL STRUCTURE
Item 6.1	If the issuer is part of a group, a brief description of the group and the issuer's position within the group. This may be in the form of, or accompanied by, a diagram of the organisational structure if this helps to clarify the structure.
Item 6.2	To the extent not covered elsewhere in the Minimum Information Content Issuer Section a list of the issuer's significant subsidiaries, including name, country of incorporation or residence, proportion of ownership interest and, if different, proportion of voting power held.
Item 7	OPERATING AND FINANCIAL REVIEW
Item 7.1	Financial condition
Item 7.1.1	<p>To the extent not covered elsewhere in the Exempted Document and to the extent necessary for an understanding of the issuer's business as a whole, a fair review of the development and performance of the issuer's business and of its position for each year and interim period for which historical financial information is required, including the causes of material changes.</p> <p>The review shall be a balanced and comprehensive analysis of the development and performance of the issuer's business and of its position, consistent with the size and complexity of the business.</p> <p>To the extent necessary for an understanding of the issuer's development, performance or position, the analysis shall include both financial and, where appropriate, non-financial Key Performance Indicators relevant to the particular business. The analysis shall, where appropriate, include references to, and additional explanations of, amounts reported in the annual financial statements.</p>
Item 7.1.2	<p>To the extent not covered elsewhere in the Exempted Document and to the extent necessary for an understanding of the issuer's business as a whole, the review shall also give an indication of :</p> <ul style="list-style-type: none"> a) the issuer's likely future development; b) activities in the field of research and development.

	Item 7.1 concerning the issuer may be satisfied through the inclusion of the management report referred to in Articles 19 and 29 of Directive 2013/34/EU.
Item 7.2	Operating results
Item 7.2.1	Information regarding significant factors, including unusual or infrequent events or new developments, materially affecting the issuer's income from operations, indicating the extent to which income was so affected.
Item 7.2.2	Where the historical financial information disclose material changes in net sales or revenues, provide a narrative discussion of the reasons for such changes.
Section 8	CAPITAL RESOURCES
Item 8.1	Information concerning the issuer's capital resources (both short term and long term).
Item 8.2	An explanation of the sources and amounts of and a narrative description of the issuer's cash flows.
Item 8.3	Information on the borrowing requirements and funding structure of the issuer.
Item 8.4	Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the issuer's operations.
Item 8.5	Information regarding the anticipated sources of funds needed to fulfil commitments referred to in items 5.7.2.
Section 9	REGULATORY ENVIRONMENT
Item 9.1	A description of the regulatory environment that the issuer operates in and that may materially affect its business, together with information regarding any governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the issuer's operations.
Section 10	TREND INFORMATION
Item 10.1	A description of: <ul style="list-style-type: none"> the most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the Exempted Document;

	<ul style="list-style-type: none"> any significant change in the financial performance of the group since the end of the last financial period for which financial information has been published to the date of the Exempted Document, or provide an appropriate negative statement.
Item 10.2	Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year.
Section 11	PROFIT FORECASTS OR ESTIMATES
Item 11.1	Where an issuer has published a profit forecast or a profit estimate (which is still outstanding and valid) on the issuer and/or the combined entity resulting from a takeover, merger or division, that forecast or estimate shall be included in the Exempted Document. If a profit forecast or profit estimate has been published and is still outstanding, but no longer valid (for example as a result of the acquisition), then provide a statement to that effect and an explanation of why such forecast or estimate is no longer valid. Such an invalid forecast or estimate is not subject to the requirements in items 11.2 to 11.3.
Item 11.2	<p>Where an issuer chooses to include a new profit forecast or a new profit estimate, or where the issuer includes a previously published profit forecast or a previously published profit estimate pursuant to point 11.1, the profit forecast or estimate shall be clear and unambiguous and contain a statement setting out the principal assumptions upon which the issuer has based its forecast, or estimate.</p> <p>The forecast or estimate shall comply with the following principles:</p> <ul style="list-style-type: none"> there must be a clear distinction between assumptions about factors which the members of the administrative, management or supervisory bodies can influence and assumptions about factors which are exclusively outside the influence of the members of the administrative, management or supervisory bodies; the assumptions must be reasonable, readily understandable by investors, specific and precise and not relate to the general accuracy of the estimates underlying the forecast; and in the case of a forecast, the assumptions shall draw the investor's attention to those uncertain factors which could materially change the outcome of the forecast.
Item 11.3	The Exempted Document shall include a statement that the profit forecast or estimate has been compiled on the basis stated and prepared on a basis i) comparable with the historical financial information and ii) consistent with the issuer's accounting policies.

Section 12	ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT
Item 12.1	<p>Names, business addresses and functions within the issuer of the following persons and an indication of the principal activities performed by them independent of that issuer where these are significant with respect to that issuer:</p> <ul style="list-style-type: none"> a) members of the administrative, management or supervisory bodies; b) partners with unlimited liability, in the case of a limited partnership with a share capital; c) founders, if the issuer has been established for fewer than five years; d) any senior manager who is relevant to establishing that the issuer has the appropriate expertise and experience for the management of the issuer's business. <p>In the case of each member of the administrative, management or supervisory bodies of the issuer and of each person referred to in points (a) to (d) of the first subparagraph, details of the nature of any family relationship between any of those persons.</p> <p>In the case of each member of the administrative, management or supervisory bodies of the issuer and of each person mentioned in points (b) and (d) of the first subparagraph, details of that person's relevant management expertise and experience and the following information:</p> <ul style="list-style-type: none"> a) the names of all companies and partnerships of which such person has been a member of the administrative, management or supervisory bodies or partner at any time in the previous five years, indicating whether or not the individual is still a member of the administrative, management or supervisory bodies or partner. It is not necessary to list all the subsidiaries of an issuer of which the person is also a member of the administrative, management or supervisory bodies; b) details of any convictions in relation to fraudulent offences for at least the previous five years; c) details of any bankruptcies, receiverships, liquidations or companies put into administration in respect to those persons described in (a) and (d) of the first subparagraph who was acted in one or more of those capacities for at least the previous five years; d) details of any official public incrimination and/or sanctions of such person by statutory or regulatory authorities (including designated professional bodies) and whether they have ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer

	<p>or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.</p> <p>If there is no such information to be disclosed, a statement to that effect is to be made.</p>
Item 12.2	<p>Administrative, management and supervisory bodies and senior management conflicts of interests</p> <p>Potential conflicts of interests between any duties to the issuer, of the persons referred to in item 12.1., and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, a statement to that effect must be made.</p> <p>Any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any person referred to in item 12.1 was selected as a member of the administrative, management or supervisory bodies or member of senior management.</p> <p>Details of any restrictions agreed by the persons referred to in item 12.1 on the disposal within a certain period of time of their holdings in the issuer's securities.</p>
Section 13	REMUNERATION AND BENEFITS
	In relation to the last full financial year for those persons referred to in point (a) and (d) of the first subparagraph of item 12.1:
13.1	<p>The amount of remuneration paid (including any contingent or deferred compensation), and benefits in kind granted to such persons by the issuer and its subsidiaries for services in all capacities to the issuer and its subsidiaries by any person.</p> <p>That information must be provided on an individual basis unless individual disclosure is not required in the issuer's home country and is not otherwise publicly disclosed by the issuer.</p>
13.2	The total amounts set aside or accrued by the issuer or its subsidiaries to provide pension, retirement or similar benefits.
Section 14	BOARD PRACTICES
	In relation to the issuer's last completed financial year, and unless otherwise specified, with respect to those persons referred to in point (a) of the first subparagraph of 12.1:
Item 14.1	Date of expiration of the current term of office, if applicable, and the period during which the person has served in that office.
Item 14.2	Information about members of the administrative, management or supervisory bodies' service contracts with the issuer or any of its

	subsidiaries providing for benefits upon termination of employment, or an appropriate statement to that effect that no such benefits exist.
Item 14.3	Information about the issuer's audit committee and remuneration committee, including the names of committee members and a summary of the terms of reference under which the committee operates.
Item 14.4	A statement as to whether or not the issuer complies with the corporate governance regime(s) applicable to the issuer. In the event that the issuer does not comply with such a regime, a statement to that effect must be included together with an explanation regarding why the issuer does not comply with such regime.
Item 14.5	In so far as is known to the issuer, potential material impacts of the takeover, merger or division on the corporate governance, including future changes in the board and committees composition referred to in 12.1 and 12.2 (in so far as this has been already decided by the board and/or shareholders meeting)
Section 15	EMPLOYEES
Item 15.1	Either the number of employees at the end of the period or the average for each financial year for the period covered by the historical financial information up to the date of the Exempted Document (and changes in such numbers, if material) and, if possible and material, a breakdown of persons employed by main category of activity and geographic location. If the issuer employs a significant number of temporary employees, include disclosure of the number of temporary employees on average during the most recent financial year.
Item 15.2	Shareholdings and stock options With respect to each person referred to in points (a) and (d) of the first subparagraph of item 12.1 provide information as to their share ownership and any options over such shares in the issuer as of the most recent practicable date.
Item 15.3	Description of any arrangements for involving the employees in the capital of the issuer.
Section 16	MAJOR SHAREHOLDERS
Item 16.1	In so far as is known to the issuer, the name of any person other than a member of the administrative, management or supervisory bodies who, directly or indirectly, has an interest in the issuer's capital or voting rights which is notifiable under the issuer's national law, together with the

	amount of each such person's interest, as at the date of the Exempted Document, or, if there are no such persons, an appropriate statement to that effect that no such person exists.
Item 16.2	Whether the issuer's major shareholders have different voting rights, or an appropriate negative statement.
Item 16.3	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control and describe the measures in place to ensure that such control is not abused.
Item 16.4	A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer.
Item 16.5	Where applicable, and to the extent known by the issuer, any potential changes in the issuer's shareholdings as a result of the takeover, merger or division.
Section 17	RELATED PARTY TRANSACTIONS
Section 17.1	<p>To the extent not covered elsewhere in the Exempted Document, details of related party transactions (which for these purposes are those set out in the Standards adopted according to the Regulation (EC) No 1606/2002 of the European Parliament and of the Council), that the issuer has entered into during the period covered by the historical financial statements information and up to the date of the Exempted Document, must be disclosed in accordance with the respective standard adopted according to Regulation (EC) No 1606/2002 if applicable.</p> <p>If such standards do not apply to the issuer the following information must be disclosed:</p> <ul style="list-style-type: none"> a) the nature and extent of any transactions which are — as a single transaction or in their entirety — material to the issuer. Where such related party transactions are not concluded at arm's length provide an explanation of why these transactions were not concluded at arm's length. In the case of outstanding loans including guarantees of any kind indicate the amount outstanding; b) the amount or the percentage to which related party transactions form part of the turnover of the issuer.
Section 18	FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES

Item 18.1	Historical financial information
Item 18.1.1	Audited historical financial information covering the latest three financial years (or such shorter period as the issuer has been in operation) and the audit report in respect of each year.
Item 18.1.2	<p>Change of accounting reference date</p> <p>If the issuer has changed its accounting reference date during the period for which historic financial information are required, the audited historical financial information shall cover at least 36 months, or the entire period for which the issuer has been in operation, whichever is shorter.</p>
Item 18.1.3	<p>Accounting standards</p> <p>The financial information must be prepared according to International Financial Reporting Standards (IFRS) as endorsed in the EU based on Regulation (EC) No 1606/2002.</p> <p>If Regulation (EC) No 1606/2002 is not applicable, the financial information must be prepared in accordance with:</p> <ul style="list-style-type: none"> (a) a Member State's national accounting standards for issuers from the EEA, as required by Directive 2013/34/EU; (b) a third country's national accounting standards equivalent to Regulation (EC) No 1606/2002 for third country issuers. If such third country's national accounting standards are not equivalent to Regulation (EC) No 1606/2002, the financial information shall be restated in compliance with that Regulation.
Item 18.1.4	<p>Change of accounting framework</p> <p>The last audited historical financial information, containing comparative information for the previous year, must be presented and prepared in a form consistent with the accounting standards framework that will be adopted in the issuer's next published annual financial statements having regard to accounting standards and policies and legislation applicable to such annual financial statements.</p> <p>Changes within the accounting framework applicable to an issuer do not require the audited financial statements to be restated solely for the purposes of the Exempted Document. However, if the issuer intends to adopt a new accounting standards framework in its next published financial statements, at least one complete set of financial statements, (as defined by IAS 1 Presentation of Financial Statements as set out in Regulation (EC) No 1606/2002), including comparatives, must be presented in a form consistent with that which will be adopted in the issuer's next published annual financial statements, having regard to accounting standards and policies and legislation applicable to such annual financial statements.</p>

Item 18.1.5	<p>Where the—audited financial information is prepared according to national accounting standards, they must include at least the following:</p> <ul style="list-style-type: none"> a) The balance sheet; b) The income statement; c) a statement showing either all changes in equity or changes in equity other than those arising from capital transaction with owners and distributions to owners; d) The cash flow statement; e) The accounting policies and explanatory notes.
Item 18.1.6	<p><u>Consolidated financial statements</u></p> <p>If the issuer prepares both stand-alone and consolidated financial statements, include at least the consolidated financial statements in the Exempted document.</p>
Item 18.1.7	<p>Age of Financial Information</p> <p>The balance sheet date of the last year of audited financial information may not be older than one of the following:</p> <ul style="list-style-type: none"> a) 18 months from the date of the Exempted Document if the issuer includes audited interim financial statements in the Exempted Document; b) 16 months from the date of the Exempted Document if the issuer includes unaudited interim financial statements in the Exempted Document.
Item 18.2	<p>Interim and other financial information</p>
Item 18.2.1	<p>If the issuer has published quarterly or half yearly financial information since the date of its last audited financial statements, these must be included in the Exempted Document. If the quarterly or half yearly financial information has been audited or reviewed, the audit or review report must also be included. If the quarterly or half yearly financial information is unaudited or has not been reviewed state that fact.</p> <p>If the Exempted Document is dated more than nine months after the date of the last audited financial statement, it must contain interim financial information, which may be unaudited (in which case that fact must be stated) covering at least the first six months of the financial year.</p> <p>Interim financial information should be prepared in accordance with the requirements of Regulation (EC) No 1606/2002.</p>

	For issuers not subject to Regulation (EC) No 1606/2002, the interim financial information must include comparative statements for the same period in the prior financial year, except that the requirement for comparative balance sheet information may be satisfied by presenting the year's end balance sheet in accordance with the applicable financial reporting framework.
Item 18.3	Auditing of historical annual financial statements
Item 18.3.1	<p>The historical annual financial statements must be independently audited. The audit report shall be prepared in accordance with Directive 2014/56/EU of the European Parliament and Council and Regulation (EU) No 537/2014 of the European Parliament and of the Council.</p> <p>Where Directive 2014/56/EU and Regulation (EU) No 537/2014 do not apply;</p> <ul style="list-style-type: none"> • the historical annual financial information must be audited or reported on as to whether or not, for the purposes of the Exempted Document, it gives a true and fair view in accordance with auditing standards applicable in a Member State or an equivalent standard. • if audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications, modifications of opinion, or disclaimers or an emphasis of matter, such qualifications, modifications, disclaimers or emphasis of matter must be reproduced in full and the reasons given.
Item 18.3.2	Indication of other information in the Exempted Document which has been audited by the auditors.
Item 18.3.3	Where financial information in the Exempted Document is not extracted from the issuer's audited financial statements state the source of the information and state that the information is unaudited.
Item 18.4	Dividend policy
Item 18.4.1	A description of the issuer's policy on dividend distributions and any restrictions thereon. If the issuer has no such policy, include an appropriate negative statement.
Item 18.4.2	The amount of the dividend per share for each financial year for the period covered by the historical financial information adjusted, where the number of shares in the issuer has changed, to make it comparable.
Item 18.5	Legal and arbitration proceedings
Item 18.5.1	Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of

	which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate statement that no such proceedings exist.
Item 18.6	Significant change in the issuer's financial position
Item 18.6.1	A description of any significant change in the financial position of the group which has occurred since the end of the last financial period for which either audited financial statements or interim financial information have been published, or provide an appropriate statement that no such change in financial position exists.
Section 19	ADDITIONAL INFORMATION
Item 19.1	Share capital The information in items 19.1.1 to 19.1.7 in the historical financial information as of the date of the most recent balance sheet:
Item 19.1.1	The amount of issued capital, and for each class of share capital: <ul style="list-style-type: none"> a) the total of the issuer's authorised share capital; b) the number of shares issued and fully paid and issued but not fully paid; c) the par value per share, or that the shares have no par value; and d) a reconciliation of the number of shares outstanding at the beginning and end of the year. <p>If more than 10% of capital has been paid for with assets other than cash within the period covered by the historical financial information, state that fact.</p>
Item 19.1.2	If there are shares not representing capital, state the number and main characteristics of such shares.
Item 19.1.3	The number, book value and face value of shares in the issuer held by or on behalf of the issuer itself or by subsidiaries of the issuer.
Item 19.1.4	The amount of any convertible securities, exchangeable securities or securities with warrants, with an indication of the conditions governing and the procedures for conversion, exchange or subscription.
Item 19.1.5	Information about and terms of any acquisition rights and or obligations over authorised but unissued capital or an undertaking to increase the capital.

Item 19.1.6	Information about any capital of any member of the group which is under option or agreed conditionally or unconditionally to be put under option and details of such options including those persons to whom such options relate.
Item 19.1.7	A history of share capital, highlighting information about any changes, for the period covered by the historical financial information.
Item 19.2	Memorandum and Articles of Association
Item 19.2.1	The register and the entry number therein, if applicable, and a brief description of the issuer's objects and purposes and where they can be found in the up to date memorandum and articles of association.
Item 19.2.2	Where there is more than one class of existing shares, a description of the rights, preferences and restrictions attaching to each class.
Item 19.2.3	A brief description of any provision of the issuer's articles of association, statutes, charter or bylaws that would have an effect of delaying, deferring or preventing a change in control of the issuer.
Section 20	MATERIAL CONTRACTS
Item 20.1	<p>A summary of each material contract, other than contracts entered into in the ordinary course of business, to which the issuer or any member of the group is a party, for the two years immediately preceding publication of the Exempted Document.</p> <p>A summary of any other contract (not being a contract entered into in the ordinary course of business) entered into by any member of the group which contains any provision under which any member of the group has any obligation or entitlement which is material to the group as at the date of the Exempted Document.</p>
Section 21	DOCUMENTS AVAILABLE
Item 21.1	<p>Information where the following documents, where applicable, can be inspected in the 12 months following the publication of the Exempted Document:</p> <ol style="list-style-type: none"> a) The <u>up to date</u> memorandum and articles of association of the issuer; b) All reports, letters, and other documents, valuations and statements prepared by any expert at the issuer's request any part of which is included or referred to in the Exempted Document. c) All reports, letters, and other documents, valuations and statements not covered in a, b and in other specific items which are included or referred to in Appendix IV of the Exempted Document, prepared in accordance with the Directive (EU)



	<p>2017/1132 of the European Parliament and of the Council or with Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids.</p> <p>An indication <u>of the website on which</u> the documents may be inspected.</p>
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ITEM	APPENDIX III - MINIMUM INFORMATION CONTENT SECURITIES SECTION TAKEOVER/MERGER/DIVISION
Section 1	ESSENTIAL INFORMATION
Item 1.1	<p>Interest of natural and legal persons involved in the issue/offer</p> <p>A description of any interest, including conflicting ones that is material to the issue/offer, detailing the persons involved and the nature of the interest.</p>
	EQUITY SECURITIES OR DEPOSITORY RECEIPTS
Item 1.2.1 (equity securities or depository receipts)	<p>Reasons for the offer to the public or for the admission to trading in connection with a takeover, merger or division.</p> <p>If the issuer is aware that the anticipated proceeds will not be sufficient to fund all the proposed uses, then state the amount and sources of other funds needed. Details must be given with regard to the use of the proceeds, in particular when they are being used to acquire assets, other than in the ordinary course of business, to finance announced acquisitions of other business, or to discharge, reduce or retire indebtedness.</p>
Item 1.2.2 (equity securities or depository receipts)	<p>Working capital statement</p> <p>Statement by the issuer (or in case in Depository Receipts, issuer of the underlying securities) that, in its opinion, the working capital is sufficient for the issuer's present requirements (or in case in Depository Receipts, issuer of the underlying securities) or, if not, how it proposes to provide the additional working capital needed.</p>
Item 1.2.3 (equity securities or depository receipts)	<p>Capitalisation and indebtedness</p> <p>A statement of capitalisation and indebtedness of the issuer (or in case in Depository Receipts, issuer of the underlying securities) (distinguishing between guaranteed and unguaranteed, collateralised and non-collateralised loans) as of a date no earlier than 90 days prior to the date of the Exempted Document.</p> <p>A statement of capitalisation and indebtedness of the (to be) acquired/ (to be) merged company (distinguishing between guaranteed and unguaranteed, collateralised and non-collateralised loans) as of a date no earlier than 90 days prior to the date of the Exempted Document.</p> <p>The term "indebtedness" also includes indirect and contingent indebtedness.</p> <p>In the case of material changes in the capitalisation and indebtedness position of the issuer (or in case in Depository Receipts, issuer of the underlying securities) within the 90 day period <u>additional information</u></p>

	<p>shall be given through the presentation of a narrative description of such changes_or through the updating of those figures.</p> <p>In the case of material changes in the capitalisation and indebtedness position of the (to be) acquired/ (to be) merged company within the 90 day period _additional information shall be given through the presentation of a narrative description of such changes_or through the updating of those figures.</p>
	NON- EQUITY SECURITIES
Item 1.3.1 (non-equity securities)	<p>Reasons for the offer to the public or for the admission to trading.</p> <p>Where applicable and if the issuer is aware that the anticipated proceeds will not be sufficient to fund all the proposed uses, state the amount and sources of other funds needed.</p>
Section 2	INFORMATION CONCERNING THE SECURITIES TO BE OFFERED/ADMITTED TO TRADING
Item 2.1	A description of the type, class and amount of the securities being offered and/or admitted to trading (in the case of Depository Receipts, the underlying shares), including the International Security Identification Number ('ISIN').
Item 2.2	Currency of the securities issue (in the case of Depository Receipts, the underlying shares).
Item 2.3	In the case the new issues are not fungible with securities already admitted to trading on regulated market (in the case of Depository Receipts, if new underlying shares are being created for the issue of the depository receipts and are not fungible with securities already admitted to trading on regulated market), a statement of the resolutions, authorisations and approvals by virtue of which the securities have been or will be created and/or issued.
Item 2.4	Where the securities are not fungible with securities already admitted to trading on regulated market, a description of any restrictions on the free transferability of the securities (in the case of Depository Receipts, the underlying shares).
Item 2.5	Where the securities are not fungible with securities already admitted to trading on regulated market, an indication whether the securities (in the case of Depository Receipts, the underlying shares) are in registered form or bearer form and whether the securities are in certificated form or book-entry form. In the latter case, name and address of the entity in charge of keeping the records.
Item 2.6	Where the securities are not fungible with securities already admitted to trading on regulated market, a warning that the tax legislation of the investor's Member State and of the issuer's Member State of

	<p>incorporation may have an impact on the income received from the securities.</p> <p>Information on the taxation treatment of the securities where the proposed investment attracts a tax regime specific to that type of investment.</p>
Item 2.7	If different from the issuer, the identity and contact details of the offeror, of the securities and/or the person asking for admission to trading, including legal entity identifier ('LEI') where the offeror has legal personality.
EQUITY SECURITIES OR DEPOSITORY RECEIPTS	
Item 2.8 (equity securities and depository receipts)	<p>Where the securities are not fungible with securities already admitted to trading on regulated market, a description of the rights attached to the securities (in the case of Depository Receipts, the underlying shares), including any limitations of those rights, and procedure for the exercise of those rights.</p> <p>(a) Dividend rights:</p> <ol style="list-style-type: none"> i. Fixed date(s) on which the entitlement arises, ii. Time limit after which entitlement to dividend lapses and an indication of the person in whose favour the lapse operates, iii. Dividend restrictions and procedures for non-resident holders, iv. Rate of dividend or method of its calculation, periodicity and cumulative or non-cumulative nature of payments. <p>(b) Voting rights.</p> <p>(c) Pre-emption rights in offers for subscription of securities of the same class.</p> <p>(d) Right to share in the issuer's profits.</p> <p>(e) Rights to share in any surplus in the event of liquidation.</p> <p>(f) Redemption provisions.</p> <p>(g) Conversion provisions.</p>
Item 2.9 (equity securities and depository receipts)	Where the securities are not fungible with securities already admitted to trading on regulated market, a statement on the existence of national legislation on takeovers applicable to the issuer and the possibility for frustrating measures if any.
Item 2.10 (equity securities and depository receipts)	An indication of public takeover bids by third parties in respect of the issuer's equity, which have occurred during the last financial year and the current financial year. The price or exchange terms attaching to such offers and the outcome thereof must be stated.

	NON EQUITY SECURITIES
Item 2.11 (non-equity securities)	The relative seniority of the securities in the issuer's capital structure in the event of insolvency, including, where applicable, information on the level of subordination of the securities and the potential impact on the investment in the event of a resolution under Directive 2014/59/EU.
Item 2.12 (non-equity securities)	A description of the rights attached to the securities, including any limitations of those rights.
Item 2.13 (non-equity securities)	<ul style="list-style-type: none"> (a) The nominal interest rate, and (b) Provisions relating to interest payable: (c) the date from which interest becomes payable and the due dates for interest. (d) the time limit on the validity of claims to interest and repayment of principal <p>Where the rate is not fixed:</p> <ul style="list-style-type: none"> (a) a statement setting out the type of underlying; (b) description of the underlying on which it is based and of the method used to relate the two; (c) an indication where information about the past and the further performance of the underlying and its volatility can be obtained; (d) a description of any market disruption or settlement disruption events that affect the underlying; (e) any Adjustment rules with relation to events concerning the underlying; (f) the name of the calculation agent; (g) if the security has a derivative component in the interest payment, provide a clear and comprehensive explanation to help investors understand how the value of the underlying instrument(s), especially under the circumstances when the risks are most evident.
Item 2.14 (non-equity securities)	<ul style="list-style-type: none"> (a) Maturity date (b) Arrangements for the amortisation of the loan, including the repayment procedures.

	Where advance amortisation is contemplated, on the initiative of the issuer or of the holder, it shall be described, stipulating amortisation terms and conditions.
Item 2.15 (non-equity securities)	(a) An indication of yield. (b) Describe the method whereby that yield is calculated in summary form.
Item 2.16 (non-equity securities)	Representation of debt securities holders including an identification of the organisation representing the investors and provisions applying to such representation. Indication of the website where the public may have free access to the contracts relating to these forms of representation.
Item 2.17 (non-equity securities)	Where there is no offer, the issue date of the securities.
	DEPOSITORY RECEIPTS
Item 2.18 (depository receipts)	If different from the issuer of the underlying shares, Name, registered office, Legal Entity Identifier and principal administrative establishment if different from the registered office of the issuer of the depository receipts.
Item 2.19 (depository receipts)	If different from the issuer of the underlying shares, date of incorporation and length of life of the issuer of the issuer of the depository receipts, except where indefinite.
Item 2.20 (depository receipts)	If different from the issuer, Legislation under which the issuer of the issuer of the depository receipts operates and legal form which it has adopted under that legislation.
Item 2.21 (depository receipts)	Indicate the number of shares represented by each depository receipts
Item 2.22 (depository receipts)	The issue date of the underlying shares if new underlying shares are being created for the issue of depository receipts and they are not in existence at the time of issue of the depository receipts.
Item 2.23 (depository receipts or)	Where applicable, the potential impact on the investment in the event of resolution under the Directive 2014/59/EU (BRRD).

Item 2.24 (depository receipts)	A description of the type and class of depository receipts being offered and / or admitted to trading
Item 2.25 (equity securities and depository receipts)	Legislation under which the depository receipts have been created.
Item 2.26 (depository receipts)	An indication whether the depository receipts are in registered or bearer form and whether the depository receipts are in certificated or book-entry form. In the latter case, include the name and address of the entity in charge of keeping the records.
Item 2.27 (depository receipts)	Currency of the depository receipts;
Item 2.28 (depository receipts)	Describe the rights attaching to the depository receipts, including any limitations of these attached to the depository receipts and the procedure if any for the exercise of these rights.
Item 2.29 (depository receipts)	<p>If the dividend rights attaching to depository receipts are different from the dividend rights disclosed in relation to the underlying shares , disclose the following about dividend rights:</p> <ul style="list-style-type: none"> • fixed date(s) on which the entitlement arises; • time limit after which entitlement to dividend lapses and an indication of the person in whose favour the lapse operates; • dividend restrictions and procedures for non-resident holders; • rate of dividend or method of its calculation, periodicity and cumulative or non-cumulative nature of payments.
Item 2.30 (depository receipts)	<p>If the voting rights attaching to the depository receipts are different from the voting rights disclosed in relation to the underlying shares, disclose the following about those rights:</p> <ul style="list-style-type: none"> • voting rights; • pre-emption rights in offers for subscription of securities of the same class; • right to share in the issuer's profits; • rights to share in any surplus in the event of liquidation; • redemption provisions;

	<ul style="list-style-type: none"> • conversion provisions.
Item 2.31 (depository receipts)	Where the underlying shares are not fungible with shares already admitted to trading on regulated market, describe the exercise of and benefit from rights attaching to the underlying shares. In particular voting rights, the conditions on which the issuer of the depository receipts may exercise such rights, and measures envisaged to obtain the instructions of the depository receipt holders – and the right to share in profits and any liquidation surplus which are not passed on to the holder of the depository receipt.
Item 2.32 (depository receipts)	The expected issue date of the depository receipts.
Item 2.33 (depository receipts)	A description of any restrictions on the free transferability of the depository receipts.
Item 2.34 (depository receipts)	<p>A warning that the tax legislation of the investor's Member State and of the issuer's Member State of incorporation may have an impact on the income received from the depository receipts.</p> <p>Information on the taxation treatment of the depository receipts where the proposed investment attracts a tax regime specific to that type of investment.</p>
Item 2.35 (depository receipts)	Bank or other guarantees attached to the depository receipts and intended to underwrite the issuer's obligations.
Item 2.36 (depository receipts)	Possibility of obtaining the delivery of the depository receipts into original shares and procedure for such delivery.
Section 3	TERMS AND CONDITIONS OF THE OFFER
Item 3.1	Conditions, offer statistics, expected timetable and action required to apply for the offer/allotment
Item 3.1.1	Conditions to which the offer is subject.
Item 3.1.2	The time period, including where applicable any possible amendments, during which the offer or allotment will be open and a description of the application process together with the issue date of new securities.
Item 3.1.3.	Details of the minimum and/or maximum amount of application

Item 3.1.4.	Method and time limits for paying up the securities and for delivery of the securities.
Item 3.1.5.	A full description of the manner and date in which results of the offer are to be made public.
Item 3.1.6.	An indication of as to whether or not, when and under which circumstances investors have a withdrawal right as well as the procedure for its exercise and how the value of the shares or depository receipts is to be determined for the exercise of such right.
EQUITY SECURITIES OR DEPOSITORY RECEIPTS	
Item 3.1.7 (equity securities or depository receipts)	Total amount of the issue/offer Where in the case of the takeover, the amount of the issue/offer is not fixed, an indication of the amount of securities to be offered (if available) and a description of the arrangements and time for announcing to the public the definitive amount of the offer.
Item 3.1.8. (equity securities or depository receipts)	An indication of when, and under which circumstances, the offer may be revoked or suspended and whether revocation can occur after dealing has begun.
NON-EQUITY SECURITIES	
Item 3.1.9. (non-equity securities)	Total amount of the issue/offer; If in the case of the takeover, the amount of the issue/offer is not fixed, an indication of the amount of securities to be offered (if available) and a description of the arrangements and time for announcing to the public the definitive amount of the offer. Where the maximum amount of securities to be offered cannot be provided in the Exempted Document, the latter shall specify that acceptances of the purchase or subscription of securities may be withdrawn for not less than two working days after the amount of securities to be offered to the public has been filed.
Item 3.2	Acceptance of offer
EQUITY SECURITIES OR DEPOSITORY RECEIPTS	
Item 3.2.1. (equity securities or depository receipts)	To the extent known to the issuer, an indication of whether major shareholders or members of the issuer's management, supervisory or administrative bodies intended to accept the offer, or whether any person with more than five per cent of the issuer's share capital intends to accept the offer.

Section 4	ADMISSION TO TRADING AND DEALING ARRANGEMENTS
Item 4.1	An indication as to whether the securities offered/issued are or will be the object of an application for admission to trading, with a view to their distribution in a regulated market, other equivalent third country markets or an SME Growth Market with indication of the markets in question. If known, the earliest dates on which the securities will be admitted to trading.
Item 4.2	All the regulated markets equivalent third country markets or SME Growth Markets on which, to the knowledge of the issuer, securities of the same class of the securities (e.g. depository receipts and underlying securities) to be offered or admitted to trading are already admitted to trading.
	EQUITY SECURITIES OR DEPOSITORY RECEIPTS
Item 4.3	If simultaneously or almost simultaneously with the application for admission of the securities (including depository receipts) to a regulated market, securities (including underlying shares in the case of depository receipts) of the same class are subscribed for or placed privately or if securities of other classes are created for public or private placing, give details of the nature of such operations and of the number, characteristics and price of the securities to which they relate.
Item 4.4	Details of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment.
Item 4.5	Details of any stabilisation in line with items 3.5.1 to 3.5.6: in case of an admission to trading on a regulated market, third country market, SME Growth Market or MTF where an issuer or a selling shareholder has granted an over- allotment option or it is otherwise proposed that price stabilising activities may be entered into in connection with an offer:
Item 4.5.1	The fact that stabilisation may be undertaken, that there is no assurance that it will be undertaken and that it may be stopped at any time.
Item 4.5.1.1	The fact that stabilisation transactions aim at supporting the market price of the securities during the stabilisation period.
Item 4.5.2	The beginning and the end of the period during which stabilisation may occur,
Item 4.5.3	The identity of the stabilisation manager for each relevant jurisdiction unless this is not known at the time of publication,
Item 4.5.4	The fact that stabilisation transactions may result in a market price that is higher than would otherwise prevail.

Item 4.5.5	The place where the stabilisation may be undertaken including, where relevant, the name of the trading venue(s).
	NON-EQUITY SECURITIES
Item 4.6 (non-equity securities)	The issue price of the securities.
Item 4.7 (non-equity securities)	An estimate of the total expenses related to the admission to trading.
Section 5	SELLING SECURITIES HOLDERS
	EQUITY SECURITIES OR DEPOSITORY RECEIPTS
Item 5.1 (equity securities and depository receipts)	Name and business address of the person or entity offering to sell the securities (in the case of Depository Receipts, the underlying shares), the nature of any position office or other material relationship that the selling persons has had within the past three years with the issuer or any of its predecessors or affiliates.
Item 5.2 (equity securities and depository receipts)	The number and class of securities being offered by each of the selling security holders.
Item 5.3 (equity securities and depository receipts)	Where a major shareholder is selling the securities, the size of its shareholding both before and immediately after the issuance.
Item 5.4 (equity securities and depository receipts)	<p>Lock-up agreements</p> <p>The parties involved.</p> <p>Content and exceptions of the agreement.</p> <p>Indication of the period of the lock up.</p>

Section 6	EXPENSE OF THE ISSUE/OFFER
	EQUITY SECURITIES OR DEPOSITORY RECEIPTS
Item 6.1 (equity securities and depository receipts)	The total net proceeds and an estimate of the total expenses of the issue/offer.
Section 7	DILUTION
	EQUITY SECURITIES OR DEPOSITORY RECEIPTS
Item 7.1 (equity securities and depository receipts)	A comparison of the net asset value per share as of the date of the latest balance sheet before the takeover, merger or division (selling offer and / or capital increase) and the issue price per share within that takeover, merger or division
Item 7.2 (equity securities and depository receipts)	An indication of the dilution (including the dilution in voting rights) that existing shareholders of the issuer will experience as a result of the offer should be presented.
Item 7.3 (depository receipts)	Additional information where there is a simultaneous or almost simultaneous offer or admission to trading of the same class of underlying shares as those underlying shares over which the depository receipts are being issued.
Item 7.4 (depository receipts)	To the extent known to the issuer of the depository receipts, indicate whether major shareholders, members of the administrative, management or supervisory bodies intended to subscribe in the offer, or whether any person intends to subscribe for more than five per cent of the offer.
Section 8	ADDITIONAL INFORMATION
Item 8.1.	If advisors connected with an issue are mentioned in the Exempted Document, a statement of the capacity in which the advisors have acted.
Item 8.2.	Credit ratings assigned to the securities at the request or with the cooperation of the issuer in the rating process. A brief explanation of the meaning of the ratings if this has previously been published by the rating provider.

ITEM	APPENDIX IV – MINIMUM INFORMATION CONTENT DESCRIPTION AND IMPACT TAKEOVER/ MERGER/DIVISION SECTION
1	DESCRIPTION OF THE TAKEOVER/MERGER/DIVISION
1.1	Purpose and objectives of the Takeover, Merger or Division
1.1.1	Purpose of the takeover, merger or division for the offeror/issuer and its shareholders
1.1.2	Purpose of the takeover, merger or division for the (to be) acquired/ (to be) merged company or company being divided and its shareholders.
1.1.3	Description of any anticipated synergies
1.2	Conditions of the Takeover, Merger or Division
1.2.1	<p>A description of the takeover, merger or division shall include information on the procedures, terms, and legal basis of the takeover, merger or division, the national law applicable.</p> <p>In cases of mergers and divisions, the Exempted Document shall contain the information required by Articles 91 (2) and 137 (2) of the Merger and Division Directive or indication where this information may be inspected.</p>
1.2.2	Where applicable, any conditions to which the effectiveness of the takeover/merger/division is subjected to.
1.2.3	Where applicable, any information on break-up fees which may be payable if the takeover/merger/division does not proceed.
1.2.4	Indications of any notifications and/or requests for authorisations required by the applicable regulations that the takeover, merger or division is subject to.
1.2.5	The addressees of the offer or allotment of the securities connected with takeover, merger or division.
1.2.6	Where applicable, the securities, the class or classes of securities for which the bid is made.
1.2.7	Timetable of the takeover, merger, division.

1.3	Consideration
1.3.1	The consideration offered for each security or class of securities in particular the share exchange ratio and the amount of any cash payment.
1.3.2	Information concerning any contingent consideration agreed in the context of the takeover, merger or division (e.g. any obligation of the acquirer to transfer additional securities or cash to the former owners of the acquiree if future events occur or conditions are met).
1.3.3	The valuation methods and the assumptions employed to determine the consideration offered for each security or class of securities in particular regarding the exchange ratio.
1.3.4	Indication of any appraisals/reports prepared by independent experts and information where these reports may be inspected In case of mergers and divisions, the Exempted Document shall contain the information required by Articles 96 and 142 of the Merger and Division Directive or indication where this information may be inspected.
2	IMPACT OF THE TAKEOVER/MERGER/DIVISION ON THE ISSUER
2.1	Information about the (to be) acquired, (to be) merged company or company being divided
2.1.1	Where applicable, the legal and commercial name of (to be) acquired company, or the (to be) merged company, or the company being divided.
2.1.2	The domicile and legal form of the (to be) acquired company, or the (to be) merged company or the company being divided, Legal Entity Identifier, the applicable legislation under which the (to be) acquired company, or the (to be) merged company, or the company being divided operates, its country of incorporation, and the address, telephone number of its registered office (or principal place of business if different from its registered office) and website with a disclaimer that the information on the website does not form part of the Exempted Document.
2.2	Business Overview of the Acquired/Merged Company or the Assets and Liabilities Transferred to a Recipient Company in a context of a Division
2.2.1	To the extent not covered elsewhere in the Exempted Document, where applicable, brief description of: (a) the nature of the (to be) acquired/ (to be) merged company's operations and its principal activities, stating the main categories of products sold and/or services performed in last financial year; and

	<p>(b) an indication of any significant changes in the products and/or services as a result of the takeover/merger/division.</p> <p>In case of divisions and where applicable, the description shall refer to assets, liabilities and any underlying activities and operations connected with the division.</p>
2.2.2	<p>To the extent not covered elsewhere in the Exempted Document, where applicable, a brief description of the principal markets in which the (to be) acquired/(to be) merged company compete including a breakdown of total revenues by operating segment and geographic market for the last financial year.</p> <p>In case of divisions, the description shall refer to the principal markets where the main assets and liabilities are located.</p>
2.3	Investments/ disinvestments
2.3.1	<p>A description of the (to be) acquired/ (to be) merged company's material investments made since the date of the last published financial statements and which are in progress and / or for which firm commitments have already been made, together with the anticipated source of funds.</p> <p>Information on any material cancelation of future investments previously communicated by the issuer or by the (to be) acquired/ (to be) merged company or company being divided.</p> <p>In so far as is known by the issuer, information on material disinvestments of the issuer and/or to be) acquired/ (to be) merged company such as material sales of subsidiaries or major line of business (after the takeover/merger or division becomes effective).</p>
2.4	Operating and Financial Review of the Acquired/Merged Company or the Assets and Liabilities Transferred to a Recipient Company in a context of a Division
2.4.1	Financial condition
2.4.1.1	<p>To the extent not covered elsewhere in the Exempted Document and to the extent necessary for an understanding of the (to be) acquired / (to be) merged company's business as a whole, a fair review of the development and performance of the (to be) acquired / (to be) merged company business and of its position for the last financial year and, where applicable, interim period, including the causes of material changes.</p> <p>The review shall be a balanced and comprehensive analysis of the development and performance of the (to be) acquired / (to be) merged</p>

	<p>company business and of its position, consistent with the size and complexity of the business.</p> <p>To the extent necessary for an understanding of the (to be) acquired / (to be) merged company's development, performance or position, the analysis shall include both financial and, where appropriate, non-financial Key Performance Indicators relevant to the particular business. The analysis shall, where appropriate, include references to, and additional explanations of, amounts reported in the annual financial statements.</p> <p>In case of divisions, the information required in the subparagraphs above shall refer to the assets and liabilities transferred as a result of a division if these constitute a segment or a separate business unit.</p> <p>The financial information included in this disclosure item must be prepared in a manner consistent with the applicable financial reporting framework and accounting policies adopted by the issuer in its last or next financial statements.</p>
2.4.1.2	<p>To the extent not covered elsewhere in the Exempted Document and to the extent necessary for an understanding of the issuer's business as a whole, the review shall also give an indication of:</p> <ul style="list-style-type: none"> c) the (to be) acquired/ (to be) merged company's likely future development; d) activities in the field of research and development. <p>Where applicable, item 2.3.1 and 2.3.2 concerning the (to be) acquired/ (to be) merged company may be satisfied through the inclusion of the management report referred to in Articles 19 and 29 of Directive 2013/34/EU.</p>
2.4.2.	<p>Operating results</p>
2.4.2.1	<p>To the extent not covered elsewhere in the Exempted Document, information regarding significant factors, including unusual or infrequent events or new developments, materially affecting the (to be) acquired/ (to be) merged company's income from operations, indicating the extent to which income was so affected.</p> <p>In case of divisions, the information required in the first subparagraph shall refer to the assets and liabilities transferred as a result of the division if these constitute a segment or separate business unit.</p> <p>The financial information included in this disclosure item must be prepared in a manner consistent with the applicable financial reporting framework and accounting policies adopted by the issuer in its last or next financial statements.</p>

2.5	Capital resources
2.5.1	<p>Where applicable, an explanation of the sources and amounts of and a narrative description of the (to be) acquired/ (to be) merged company's cash flows.</p> <p>In case of divisions, the information required in the first subparagraph shall refer to cash flows originated from the assets and liabilities transferred as a result of the division if these constitute a segment or separate business unit.</p>
2.5.2	<p>Where applicable, information on the borrowing requirements and funding structure of the (to be) acquired/ (to be) merged company.</p> <p>In case of divisions, the information required in the first paragraph shall refer to the assets and liabilities transferred as a result of the division if these constitute a segment or a business unit.</p>
2.6	Auditing of historical annual financial statements
2.6.1	<p>Where applicable, if audit reports on the historical financial information of the (to be) acquired company/ (to be) merged company or the company being divided included in the Exempted Document contain qualifications, modifications of opinion, disclaimers or an emphasis of matter, such qualifications, modifications, disclaimers or emphasis of matter must be reproduced in full and the reasons given.</p>
2.7	Trend information
2.7.1	<p>A description of:</p> <ul style="list-style-type: none"> • The most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the Exempted Document; • Any significant change in the financial performance of the group of (to be) acquired/ (to be) merged company since the end of the last financial period for which financial information has been published to the date of the Exempted Document, or provide an appropriate negative statement. <p>In case of divisions, the information required above shall refer to trends concerning the assets and liabilities transferred as a result of a division if these constitute a business segment or a separate business unit.</p>

2.8	Related party transactions and conflict of interests
2.8.1	<p>Details of related party transactions (which for these purposes are those set out in the Standards adopted according to the Regulation (EC) No 1606/2002), that the (to be) acquired/ (to be) merged company has entered into during the period covered by its last historical financial statements information and up to the date of the Exempted Document, must be disclosed in accordance with the respective standard adopted according to Regulation (EC) No 1606/2002 if applicable.</p> <p>If such standards do not apply to the issuer the following information must be disclosed:</p> <ul style="list-style-type: none"> a) The nature and extent of any transactions which are — as a single transaction or in their entirety — material to the issuer. Where such related party transactions are not concluded at arm’s length provide an explanation of why these transactions were not concluded at arm’s length. In the case of outstanding loans including guarantees of any kind indicate the amount outstanding; b) The amount or the percentage to which related party transactions form part of the turnover of the issuer. <p>Where applicable, information concerning details of related party transactions that the (to be) acquired/ (to be) merged company has entered into shall include details on technical and commercial agreements signed between the (to be) acquired/ (to be) merged company and the issuer.</p> <p>In case of divisions, details (if any) of related party transactions shall include information about the nature of the future relationship between the spun-off company and the issuer.</p>
2.8.2	<p>To the extent not covered elsewhere in the Exempted Document, details on any material conflict of interests that the issuer, the (to be) acquired/merged company or the company being divided and any of its shareholders may have in connection with the takeover, merger or division.</p>
2.9	Legal and arbitration proceedings
2.9.1	<p>To the extent known, information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on the (to be) acquired/ (to be) merged company/group and/or group’s (including the) financial position or profitability, or provide an appropriate negative statement.</p> <p>In case of divisions, the information on legal and arbitration proceedings should refer to the assets and liabilities object of the division.</p>

2.10	Strategy and objectives
2.10.1	<p>The issuer shall provide a brief description of its intentions with regards to the future business following the takeover, merger, or division in so far as how the issuer operating activities are/will be affected.</p> <p>Where applicable, this information shall include a description of the business prospects, any restructuring and/or reorganization; details of the plans drawn up by the companies participating in the takeover merger or division, with particular reference to which part of these plans is due to be implemented in whole or in part in the next 12 months.</p>
2.11	MATERIAL CONTRACTS
2.11.1	<p>Where not previously disclosed elsewhere, a brief summary of all material contracts of the issuer, the (to be) acquired company/ (to be) merged company or the company being divided, that are affected by the takeover, merger or division.</p>
3.	PRO FORMA FINANCIAL INFORMATION
3.1	<p>Pro forma financial information</p> <p>In the case of a significant gross change, a description of how the takeover, merger or division might have affected the assets and liabilities and earnings of the issuer, had the takeover, merger or division been undertaken at the commencement of the period being reported on or at the date reported. This pro forma financial information is to be presented as set out in items 4 to 6 and must include the information indicated therein.</p> <p>This requirement will normally be satisfied by the inclusion of pro forma financial information.</p> <p>Pro forma financial information must be accompanied by a report prepared by independent accountants or auditors.</p>
3.2	<p>Where pro forma financial information is not applicable, the issuer shall provide narrative and financial information about the material impacts that the merger, takeover, division will have in the issuer's financial statements. This narrative and financial information does not require auditing.</p> <p>The narrative and financial information must be prepared in a manner consistent with the applicable financial reporting framework and accounting policies adopted by the issuer in its last or next financial statements. Where this information is audited, this indication shall be given as well as information about the auditor.</p>

4.	CONTENTS OF PRO FORMA FINANCIAL INFORMATION
	<p>Pro-forma financial information shall consist of</p> <p>(a) an introduction setting out:</p> <ol style="list-style-type: none"> 1. the purpose to which the pro forma financial information has been prepared, including a description of the takeover, merger and division or significant commitment and businesses or entities involved, 2. the period and/or date covered by the pro forma financial information and 3. an explanation that it illustrates the impact of the takeover, merger or division as if the takeover, merger or division had been undertaken at an earlier date selected for purposes of the illustration, and that this hypothetical compilation may differ from the entity's actual financial position or results <p>(b) profit and loss account, a balance sheet or both, depending on the circumstances presented in a columnar format composed of:</p> <ol style="list-style-type: none"> 1. historical unadjusted information; 2. accounting policies adjustments, if necessary; 3. pro forma adjustments; and 4. resulting pro forma financial information in the final column; <p>(c) accompanying notes explaining</p> <ol style="list-style-type: none"> 1. the sources from which the unadjusted financial information has been extracted and whether or not an audit or review report on the source has been published; 2. the basis upon which the pro forma financial information is prepared; 3. source and explanation for each adjustment; and 4. whether each adjustment in respect of a pro forma profit and loss statement is expected to have a continuing impact on the issuer or not. <p>(d) If applicable, the financial information and/or interim financial information of the (to be) acquired businesses or entity (ies) used in the preparation of the pro-forma information must be included in the Exempted Document. Similarly, in the case of a division, the financial information of the company being divided should be included.</p>

5.	PRINCIPLES IN PREPARING AND PRESENTING PRO FORMA FINANCIAL INFORMATION
5.1	<p>Pro forma financial information shall be labelled as such to distinguish it from historical financial information.</p> <p>The pro forma financial information must be prepared in a manner consistent with the applicable financial reporting framework and accounting policies adopted by the issuer in its last or next financial statements:</p>
5.2	<p>Pro forma information may only be published in respect of:</p> <ul style="list-style-type: none"> (a) the last completed financial-year and/or (b) the most recent interim period for which relevant unadjusted information has been published or are included in the Exempted Document.
5.3	<p>Pro forma adjustments must:</p> <ul style="list-style-type: none"> (a) be clearly shown and explained; (b) present all significant effects directly attributable to the takeover, merger or division; and (c) be factually supportable.
6.	REQUIREMENTS FOR ADDITIONAL INFORMATION
	<p>The Exempted Document shall include a report prepared by the independent accountants or auditors stating that in their opinion:</p> <ul style="list-style-type: none"> - the pro forma financial information has been properly compiled on the basis stated and - that basis is consistent with the accounting policies of the issuer.