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From: General Secretariat of the Council

To: Permanent Representatives' Committee (Part 2)

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Subject: Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulation (EU) 2017/1129 as regards the EU Recovery prospectus and targeted adjustments for financial intermediaries to help the recovery from the COVID-19 pandemic
- Mandate for negotiations with the European Parliament

Delegations will find below the Presidency compromise text on the above-mentioned Commission proposal.

2020/0155 (COD)

Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulation (EU) 2017/1129 as regards the EU Recovery prospectus and targeted adjustments for financial intermediaries and Directive 2004/109/EC as regards the use of the single electronic reporting format for annual financial reports, to help the recovery from the COVID-19 pandemic

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 50 and 114 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee,

Acting in accordance with the ordinary legislative procedure,

Whereas:

(1) The COVID-19 pandemic is severely affecting people, companies, healthcare systems and the economies of Member States. The Commission, in its Communication to the European Parliament, the European Council, the Council, the European economic and social committee and the Committee of the regions of 27 May 2020 entitled ‘Europe's moment: Repair and Prepare for the Next Generation’¹ stressed that liquidity and access to finance will be a continued challenge in the months to come. It is therefore crucial to support the recovery from the severe economic shock caused by the COVID-19 pandemic by introducing targeted amendments to existing pieces of financial legislation. This package of measures is adopted under the label “Capital Markets Recovery Package”.

(2) Regulation (EU) 2017/1129 of the European Parliament and of the Council² lays down requirements for the drawing up, approval and distribution of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market in the Union. As part of the measures to help issuers to recover from the economic shock resulting from the COVID-19 pandemic, targeted amendments to the prospectus regime are necessary. Such amendments should enable issuers and financial intermediaries to reduce costs and free up resources for the recovery phase in the immediate aftermath of the crisis. The amendments should remain in line with the overarching objectives of Regulation (EU) 2017/1129 to foster fund raising through capital markets, ensure investor protection and drive supervisory convergence throughout the Member States.

¹ COM/2020/456 final of 27.5.2020.

² 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 (OJ L 168, 30.6.2017, p. 12).

(3) Credit institutions have been active in the recovery to support companies that needed financing and are expected to be a fundamental pillar of the recovery. Regulation (EU) 2017/1129 entitles credit institutions to an exemption from the obligation to publish a prospectus in case of an offer or admission to trading on a regulated market of certain non-equity securities issued in a continuous or repeated manner up to an aggregated amount of EUR 75 million in a 12 month-period. That exemption threshold should be increased for a limited period of time in order to foster fundraising for credit institutions and bring them a breathing space to support their clients in the real economy. As that measure is limited to the recovery phase, it should therefore be available for a limited time period of 18 months.

(4) In order to swiftly address the severe economic impact of the COVID-19 pandemic, it is important to introduce measures to facilitate investments in the real economy, allow for a rapid recapitalisation of companies in the Union and enable issuers to tap into public markets at an early stage in the recovery process. In order to achieve those objectives, it is appropriate to create a new short-form prospectus ('EU Recovery prospectus') that is easy to produce for issuers, easy to understand for investors who want to finance them and easy to scrutinise and approve for competent authorities.

(5) Companies that have had shares admitted to trading on a regulated market or traded on an SME Growth market continuously for at least the last 18 months before the offer of shares or admission to trading, should have complied with periodic and ongoing disclosure requirements under Regulation (EU) No 596/2014 of the European Parliament and the Council³, Directive 2004/109/EC of the European Parliament and of the Council⁴ or, for issuers on SME Growth markets, under Commission Delegated Regulation (EU) 2017/565⁵. Hence, many of the required content of a prospectus will already be publicly available and investors will be trading on the basis of that information. Therefore, the EU Recovery prospectus should only be used for secondary issuances of shares and should only focus on essential information that investors need to make informed investment decisions. The EU recovery prospectus facilitates equity funding and thereby allows companies to rapidly recapitalise. The EU recovery prospectus should not enable issuers to move from an SME Growth market to a regulated market.

(6) In order to be an efficient tool for issuers, the EU Recovery prospectus should be a single document of limited size, allow for incorporation by reference, and benefit from the passport for pan-European offers of securities to the public or admissions to trading on a regulated market.

³ 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 (OJ L 173, 12.6.2014, p. 1).

⁴ Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC (OJ L 390, 31.12.2004, p. 38).

⁵ Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive (OJ L 87, 31.3.2017, p. 1).

(7) The EU Recovery prospectus should include a short-form summary as a useful source of information for investors, in particular retail investors. That summary should be a self-contained part of the EU Recovery prospectus and should focus on key information that would enable investors to decide which offers and admissions to trading of securities to study further by reviewing the EU Recovery prospectus as a whole to take their decision.

(7a) Since the EU Recovery prospectus would provide significantly less information than a simplified prospectus under the simplified disclosure regime for secondary issuances, it should not be possible for issuers to use it for highly dilutive issuances of shares with a significant impact on the issuer's capital structure, prospects and financial situation. The use of the EU Recovery prospectus should therefore be limited to offers comprising no more than 90% of outstanding capital, expressed as the ratio between the number of shares offered and the total number of shares before the issuance.

(8) In order to collect data that supports the assessment of the EU Recovery prospectus regime, the EU Recovery prospectus should be included in the ESMA storage mechanism. To limit the administrative burden for changing that mechanism, the EU Recovery prospectus could use the same data as that defined for the secondary issuance prospectus set out in Article 14 of Regulation (EU) 2017/1129, provided that the two types of prospectuses remain clearly differentiated.

(9) The EU Recovery prospectus should complement the other forms of prospectuses laid down in Regulation (EU) 2017/1129 in view of different types of securities, issuers, offers and admissions. Therefore, unless explicitly stated otherwise, all references to 'prospectus' under Regulation (EU) 2017/1129 should be understood as referring to all different forms of prospectuses, including the EU Recovery prospectus laid down in this Regulation.

(10) Regulation (EU) 2017/1129 requires financial intermediaries to inform investors of the possibility of a supplement and, under certain circumstances, to contact investors on the same day that a supplement is published. The scope of investors to contact as well as the deadline to contact them can raise difficulties. In order to provide relief and free up resources for financial intermediaries while maintaining a high level of investor protection, a more proportionate regime should be laid down. Such regime should specify which investors should be contacted by financial intermediaries when a supplement is published and extend the deadline to contact those investors.

(11) As the EU Recovery prospectus is limited to the recovery phase, the regime of this prospectus should expire 18 months after the date of application of this Regulation. In order to ensure the continuity of EU Recovery prospectuses, the ones approved before the expiration of the regime should benefit from a grandfathering provision.

(12) The Commission should, before 21 July 2022, present a report to the European Parliament and the Council on the application of this Regulation, accompanied where appropriate by a legislative proposal. This review should incorporate in its assessment whether the disclosure regime for EU Recovery prospectuses is appropriate to meet the objectives pursued by this Regulation. The assessment should include the question whether the EU Recovery prospectus strikes a proper balance between investor protection and the reduction of administrative burden for the issuer.

(12a) Directive 2004/109/EC of the European Parliament and of the Council⁶, as last amended by Directive 2013/50/EU of the European Parliament and of the Council⁷, has introduced the requirement for issuers whose securities are admitted to trading on a regulated market situated or operating within a Member State to prepare and disclose their annual financial reports in a single electronic reporting format, starting from financial years beginning on or after 1 January 2020. That single electronic reporting format has been specified in Commission Delegated Regulation (EU) 2019/815⁸. Considering that the preparation of annual financial reports using the single electronic reporting format requires the allocation of additional human and financial resources, in particular during the first year of preparation, and considering the issuers' resources constraints due to the COVID-19 pandemic, Member States should be allowed to postpone the application of the requirement to prepare and disclose annual financial reports using that format by one year. To exercise that option, Member States should not be required to take measures at EU level other than to notify the Commission of their intention to allow for such postponement.

(13) Regulation (EU) 2017/1129 should therefore be amended accordingly,

HAVE ADOPTED THIS REGULATION:

⁶ OJ L 390, 31.12.2004, p. 38–57

⁷ OJ L 294, 6.11.2013, p. 13–27

⁸ OJ L 143, 29.5.2019, p. 1–792

Article 1
Amendments to Regulation (EU) 2017/1129

Regulation (EU) 2017/1129 is amended as follows:

(1) in Article 1(4), the following point (l) is added:

“(l) from [date of application of this Regulation] to [18 months from the date of application of this Regulation] non-equity securities issued in a continuous or repeated manner by a credit institution, where the total aggregated consideration in the Union for the securities offered is less than EUR 150 000 000 per credit institution calculated over a period of 12 months, provided that those securities:

(i) are not subordinated, convertible or exchangeable; and

(ii) do not give a right to subscribe for or acquire other types of securities and are not linked to a derivative instrument.”;

(1a) in Article 1(5), the following point (k) is added:

“(k) from [date of application of this Regulation] to [18 months from the date of application of this Regulation] non-equity securities issued in a continuous or repeated manner by a credit institution, where the total aggregated consideration in the Union for the securities offered is less than EUR 150 000 000 per credit institution calculated over a period of 12 months, provided that those securities:

(i) are not subordinated, convertible or exchangeable; and

(ii) do not give a right to subscribe for or acquire other types of securities and are not linked to a derivative instrument.”;

(2) in the first subparagraph of Article 6(1), the introductory sentence is replaced by the following:

“1. Without prejudice to Articles 14(2), 14a(2) and 18(1), a prospectus shall contain the necessary information which is material to an investor for making an informed assessment of.”;

(3) in Article 7, the following paragraph 12a is added:

“12a. By way of derogation from paragraphs 3 to 12, an EU Recovery prospectus drawn up in accordance with Article 14a shall include a summary in accordance with this paragraph.

The summary of an EU Recovery prospectus shall be drawn up as a short document written in a concise manner and of a maximum length of two sides of A4-sized paper when printed.

The summary shall not contain cross-references to other parts of the prospectus or incorporate information by reference and shall be:

- (a) presented and laid out in a way that is easy to read, using characters of readable size;
- (b) written in a language and a style that facilitate the understanding of the information, in particular, in a language that is clear, non-technical, concise and comprehensible for investors.
- (c) made up of the following four sections:
 - (i) an introduction, containing warnings as referred to in paragraph 5 of this Article;
 - (ii) key information on the issuer;
 - (iii) key information on the securities;
 - (iv) key information on the offer of securities to the public or the admission to trading on a regulated market or both.”;

(4) the following Article 14a is added :

“Article 14a
EU Recovery prospectus

1. The following issuers may choose to draw up an EU Recovery prospectus under the simplified regime set out in this Article in case of an offer of shares to the public or an admission to trading of shares on a regulated market:

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

(b) issuers whose shares have already been traded on an SME Growth market continuously for at least the last 18 months, provided that a prospectus has been published for the offer of those shares, and who issue shares fungible with existing shares which have been previously issued.

Issuers may only draw up an EU Recovery prospectus provided that the number of shares intended to be offered represents, together with the number of shares already offered via an EU Recovery prospectus over a period of 12 months, less than 90% of the number of shares already admitted to trading on a regulated market or an SME Growth market, as the case may be, on the date of approval of the EU; the period of 12 months shall begin on the date of approval of the EU Recovery prospectus.

2. By way of derogation from Article 6(1), and without prejudice to Article 18(1), the EU Recovery prospectus shall contain the relevant reduced information which is necessary to enable investors to understand:

(c) the prospects of the issuer and the significant changes in the financial position of the issuer that have occurred since the end of the last financial year, if any, and the strategy of the issuer in the context of the Covid-19-crisis;

(d) the essential information on the shares, including the rights attached to them, the reasons for the issuance and its impact on the issuer, including on the overall capital structure of the issuer, and the use of proceeds.

The information contained in the EU Recovery prospectus 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, Regulation (EU) No 596/2014 and, where applicable, information referred to in Commission Delegated Regulation (EU) 2017/565.

The EU Recovery prospectus shall be a single document containing the minimum information laid down in Annex Va. It shall have a maximum length of 30 sides of A4-sized paper when printed and shall be presented and laid out in a way that is easy to read, using characters of readable size.

Information incorporated by reference in accordance with Article 19 and the summary shall not be taken into account as regards the maximum length of 30 sides of A4-sized paper referred to in the third subparagraph of this paragraph.

Issuers may decide the order in which the information referred to in Annex Va is set out in the EU Recovery prospectus.”;

(5) in Article 20, the following paragraph 6a is added:

“6a. By way of derogation from paragraphs 2 and 4, the time limits set out in the first subparagraph of paragraph 2 and in paragraph 4 shall be reduced to seven working days for an EU Recovery prospectus drawn up in accordance with Article 14a. The issuer shall inform the competent authority at least five working days before the date envisaged for the submission of an application for approval.”;

(6) in Article 21, the following paragraph 5a is added:

“5a. An EU Recovery prospectus drawn up in accordance with Article 14a shall be classified in the storage mechanism referred to in paragraph 6 of this Article. The data used for the classification of prospectuses drawn up in accordance with Article 14 may be used for the classification of EU Recovery prospectuses drawn up in accordance with Article 14a, provided that the two types of prospectuses are differentiated in that storage mechanism.”;

(7) Article 23 is amended as follows:

(a) in paragraph 2, the first subparagraph is replaced by the following:

“2. Where the prospectus relates to an offer of securities to the public, investors who have already agreed to purchase or subscribe for the securities before the supplement is published shall have the right, exercisable within three working days after the publication of the supplement, to withdraw their acceptances, provided that the significant new factor, material mistake or material inaccuracy referred to in paragraph 1 arose or was noted before the closing of the offer period or the delivery of the securities, whichever occurs first. That period may be extended by the issuer or the offeror. The final date of the right of withdrawal shall be stated in the supplement.”;

(b) in paragraph 3, the first and second subparagraphs are replaced by the following:

“3. Where investors purchase or subscribe securities through a financial intermediary between the time when the prospectus for those securities is approved and the closing of the initial offer period, that financial intermediary shall inform those investors of the possibility of a supplement being published, where and when it would be published and that the financial intermediary would assist them in exercising their right to withdraw acceptances in such case.

Where the investors referred to in the first subparagraph of this paragraph have the right of withdrawal referred to in paragraph 2, the financial intermediary shall contact those investors within one working day after the publication of the supplement.”;

(8) the following Article 46a is inserted:

“Article 46a

Time limitation of the EU Recovery prospectus

The regime set out in Article 14a expires on [18 months from the date of application of this Regulation].

EU Recovery Prospectuses drawn up in accordance with Article 14a and approved between [date of application of this Regulation] and [18 months after the date of application of this Regulation] shall continue to be governed in accordance with this Regulation until the end of their validity or until twelve months have elapsed after [18 months after date of application of this Regulation], whichever occurs first.”

(9) in Article 48, paragraph 2 is replaced by the following:

“2. The report shall assess, inter alia, whether the prospectus summary, the disclosure regimes set out in Articles 14, 14a and 15 and the universal registration document referred to in Article 9 remain appropriate in light of their pursued objectives. In particular, the report shall include the following:

(a) the number of EU Growth prospectuses of persons in each of the four categories referred to in points (a) to (d) of Article 15(1) and an analysis of the evolution of each such number and of the trends in the choice of trading venues by the persons entitled to use the EU Growth prospectus;

(b) an analysis of whether the EU Growth prospectus strikes a proper balance between investor protection and the reduction of administrative burdens for the persons entitled to use it;

(c) the number of EU Recovery prospectuses approved and an analysis of the evolution of such number;

(d) the cost of preparing and having an EU Recovery prospectus approved compared to the costs for the preparation and approval of other types of prospectuses, together with an indication of the overall financial savings achieved;

(e) an analysis of whether the EU Recovery prospectus strikes a proper balance between investor protection and the reduction of administrative burden for the persons entitled to use it.”;

(10) the text set out in the Annex to this Regulation is inserted as Annex Va.

Article 1a

Amendment to Directive 2004/109/EC

In Article 4(7) the first subparagraph is replaced by the following:

“7. For financial years beginning on or after 1 January 2020, all annual financial reports shall be prepared in a single electronic reporting format provided that a cost-benefit analysis has been undertaken by the European Supervisory Authority (European Securities and Markets Authority) (ESMA) established by Regulation (EU) No 1095/2010 of the European Parliament and of the Council⁹). However, Member States may allow issuers to apply this requirement for financial years beginning on or after 1 January 2021. Member States shall notify the Commission of their intention to allow such delay by [DD-MM-YYYY].”

⁹ *OJ L 331, 15.12.2010, p. 84*

Article 2

Entry into force and application

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the European Parliament

For the Council

The President

The President

2020/0155 (COD)

ANNEX to the REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulation (EU) 2017/1129 as regards the EU Recovery prospectus and targeted adjustments for financial intermediaries to help the recovery from the COVID-19 pandemic

“ANNEX Va

MINIMUM INFORMATION TO BE INCLUDED IN THE EU RECOVERY PROSPECTUS

I. Summary

The EU Recovery prospectus shall include a summary drawn up in accordance with Article 7(12a).

II. Name of the issuer, country of incorporation, link to the issuer’s website

The purpose is to identify the company issuing shares, including its legal entity identifier (‘LEI’), its legal and commercial name, its country of incorporation and the website where investors can find information on the company’s business operations, the products it makes or the services it provides, the principal markets where it competes, its major shareholders, the composition of its administrative, management and supervisory bodies and of its senior management and, where applicable, information incorporated by reference (with a disclaimer that the information on the website does not form part of the prospectus unless that information is incorporated by reference into the prospectus).

III. Responsibility statement and Information on the Competent Authority

1. Responsibility Statement

The purpose is to identify the persons responsible for drawing up the EU Recovery prospectus and to include a declaration by them that, to the best of their knowledge, the information contained in the EU Recovery prospectus is in accordance with the facts and that the EU Recovery prospectus makes no omission likely to affect its import.

Where applicable, the statement shall contain information sourced from third parties, including the source(s) of that information, and statements or reports attributed to a person as an expert and the following details of that person:

(a) name;

(b) business address;

(c) qualifications; and

(d) material interest (if any) in the issuer.

2. Information on the Competent Authority

The issuer shall indicate the competent authority that has approved the EU Recovery prospectus, specify that such approval is not an endorsement of the issuer or the quality of the shares to which this prospectus relates, that the competent authority only approved the EU Recovery prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by this Regulation and specify that the EU Recovery prospectus has been drawn up in accordance with Article 14a.

IV. Risk factors

A description of the material risks that are specific to the issuer and the shares being offered to the public and/or admitted to trading on a regulated market, in a limited number of categories, in a section headed ‘Risk Factors’.

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 the negative impact on the issuer as well as the shares being offered to the public and/or admitted to trading on a regulated market; and, the probability of their occurrence, shall be set out first. The risks shall be corroborated by the content of the EU Recovery prospectus.

V. Financial statements

The EU Recovery prospectus shall include the financial statements (annual and half-yearly) published over the 12 months prior to the approval of the EU Recovery prospectus. 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.

The annual financial statements must be independently audited. The audit report shall be prepared in accordance with Directive 2006/43/EC of the European Parliament and of the Council¹⁰ and Regulation (EU) No 537/2014 of the European Parliament and of the Council¹¹.

Where Directive 2006/43/EC and Regulation (EU) No 537/2014 do not apply, the annual financial statements must be audited or reported on as to whether or not, for the purposes of the EU Recovery prospectus, they give 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 EU Recovery prospectus:

- (a) a prominent statement disclosing which auditing standards have been applied;
- (b) an explanation of any significant departures from International Standards on Auditing;

Where audit reports on the annual financial statements have been refused by the statutory auditors or where they contain qualifications, modifications of opinion, disclaimers or an emphasis of matter, the reason must be given, and such qualifications, modifications, disclaimers or emphasis of matter must be reproduced in full.

¹⁰ Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC (OJ L 157, 9.6.2006, p. 87).

¹¹ 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 (OJ L 158, 27.5.2014, p. 77).

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, shall also be included, or an appropriate negative statement shall be included.

Where applicable, pro forma information shall also be included.

VI. Trend information

The purpose is to include a description of:

- (a) 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 EU Recovery prospectus;
- (b) 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;
- (c) information on the strategy of the issuer in the context of the Covid-19-crisis.

VII. Terms and conditions of the offer, firm commitments and intentions to subscribe and key features of the underwriting and placement agreements.

The purpose is to set out the offer price, the number of shares offered, the amount of the issue/offer, the conditions to which the offer is subject, the procedure for the exercise of any right of pre-emption.

To the extent known to the issuer, present information on whether major shareholders or members of the issuer's management, supervisory or administrative bodies intend to subscribe in the offer, or whether any person intends to subscribe for more than 5 % of the offer.

Present any firm commitments to subscribe for more than 5 % of the offer and all material features of the underwriting and placement agreements (name and address of entities agreeing to underwrite or place the issue on a firm commitment basis or under 'best efforts' arrangements, quotas).

VIII. Essential information on the shares and on their subscription

The purpose is to provide the international security identification number ('ISIN') and other essential information about the shares including the rights attached to them and to provide information about where the shares can be subscribed as well as on the time period, including any possible amendments, during which the offer will be open and a description of the application process together with the issue date of new shares.

IX. Reasons for the offer and use of proceeds

The purpose is to provide information on the reasons for the offer and, where applicable, the estimated net amount of the proceeds broken into each principal intended use and presented in order of priority of such uses.

Where the issuer is aware that the anticipated proceeds will not be sufficient to fund all the proposed uses, it shall state the amount and sources of other funds needed. Details shall also be given with regard to the use of the proceeds, including where proceeds 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.

X. Working capital statement

Statement by the issuer that, in its opinion the working capital is sufficient for the issuer's present requirements or, if not, how the issuer proposes to provide the additional working capital needed.

XI. Capitalisation and indebtedness

A statement of capitalisation and indebtedness (distinguishing between guaranteed and unguaranteed, secured and unsecured indebtedness) as of a date no earlier than 90 days prior to the date of the document. The term ‘indebtedness’ also includes indirect and contingent indebtedness.

In the case of material changes in the capitalisation and indebtedness position of the issuer 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.

XII. Conflicts of interest

The purpose is to provide information about any interests, including conflicts of interest related to the issuance, detailing the persons involved and the nature of the interests.

XIII. Dilution and shareholding after the issuance

The purpose is to present a comparison of participation in share capital and voting rights for existing shareholders before and after the capital increase resulting from the public offer, with the assumptions that existing shareholders either do not subscribe for the new shares, or do take up their entitlement.

XIV. Documents available

A statement that for the term of the prospectus the following documents, where applicable, can be inspected:

- (a) the up to date 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 EU Recovery prospectus.

An indication of the website on which the documents may be inspected."
