

## Chapter 10

# Equity shares (commercial companies): contents of circulars



## Reverse takeover circulars – non-financial information

The following table identifies (by reference to certain paragraphs of Annex 1 of the *PR Regulation*) the additional information required to be included in a *reverse takeover circular* relating to the *listed company* and the undertaking the subject of the transaction.

Information	Listed company	Undertaking which is the subject of the transaction
Annex 1 item 3.1 – Risk factors	*	*
Annex 1 Section 10 – Trend information	*	*
Annex 1 item 17.1 – Related party transactions	*	
Annex 1 item 18.6.1 – Legal and arbitration proceedings	*	*
Annex 1 item 18.7.1 – Significant change in the issuer's financial position	*	*
Annex 1 item 20.1 – Material contracts	*	*
Annex 1 item 21.1 – Documents available	*	

The information required by this annex must be presented as follows:

- (1) the information required by Annex 1 item 20.1 (Material contracts), Annex 1 item 18.6.1 (Legal and arbitration proceedings) and Annex 1 item 10.1(b) (Trend information) must be presented in separate statements for the *listed company* and its *subsidiary undertakings* and for the undertaking, business or assets to be acquired;
- (2) where the information required by Annex 1 item 18.7.1 (Significant changes in the issuer's financial position) is included for both the *listed company* and the undertaking the subject of the transaction, it must be presented in separate statements for the *listed company* and its *subsidiary undertakings* and for the undertaking, business or assets to be acquired;
- (3) the information required by Annex 1 items 10.1(a) and 10.2 (Trend information) must be presented in a single statement for the *listed company* and its *subsidiary undertakings* (on the basis that the acquisition has taken place).

In determining what information is required to be included by virtue of Annex 1 item 20.1 (Material contracts) if a *prospectus* or *listing particulars* are not required, regard should be had to whether information about that provision is information which *securities* holders of the *issuer* would reasonably require for the purpose of making a properly informed assessment about the way in which to exercise the voting rights attached to their *securities* or the way in which to take any other action required of them related to the subject matter of the *circular*.

The information required by this annex is modified as follows:

- (1) Information required by Annex 1 item 17.1 (Related party transactions);
  - (a) need only be given if it is relevant to the transaction; and

- (b) need not be given if it has already been published before the *circular* is sent.
- (2) Information required by Annex 1 item 3.1 (Risk factors) should be provided only in respect of those risk factors which:
- (a) are material risk factors to the proposed transaction;
  - (b) will be material new risk factors to the *group* as a result of the proposed transaction; or
  - (c) are existing material risk factors to the *group* which will be impacted by the proposed transaction.
- (3) Information required by Annex 1 item 18.7.1 (Significant change in the issuer's financial position) need only be given for the undertaking which is the subject of the transaction if information required by ■ UKLR 10 Annex 1 1.1R(1) and ■ (3) has been included in the *reverse takeover circular*.
- (4) Information required by Annex 1 item 21.1 (Documents available) must include a copy of the sale and purchase agreement (or equivalent document) if applicable. The *issuer* must indicate where the sale and purchase agreement (or equivalent document) is available for physical or electronic inspection.