Stibbe

Equity capital markets insights

2024

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1 Introduction

This Stibbe ECM Insights Guide offers an overview of recent developments in the equity capital markets in the Netherlands, highlighting the key trends and legal developments.

Despite a period of subdued activity in the Dutch capital markets, marked by companies' reluctance to pursue listings, Euronext Amsterdam continues to be a preferred listing venue with a strong track record of successful IPOs.

While 2024 did not see the uptick in market activity that some hoped for, the outlook remains promising, as many companies have deferred their plans to pursue a listing. Many companies that postponed their listing plans are now gearing up, resulting in a robust pipeline of potential IPOs in the coming year.

In addition, significant legal developments, such as the EU Listing Act, may impact the Dutch capital markets landscape by alleviating prospectus requirements for follow-on offerings. In a broader context, the new reporting standards introduced by the Corporate Sustainability Reporting Directive (**CSRD**) will impact the annual reporting of listed companies going forward.

The outlook for Dutch capital markets in 2025 appears promising, driven by a pipeline of potential new issuers and a more relaxed framework for follow-on offerings.

> The Dutch capital markets show promise for 2025, with a pipeline of potential IPOs and legal developments paving the way for growth.

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2 ECM deals

2.1 Overview of primary capital markets transactions on Euronext Amsterdam in 2023-2024

Issuer	Jurisdiction issuer	Listing date	Deal type	Market cap at listing	Overallot-ment option	Offer size in % of issued share capital
DSM-Firmenich AG	Switzerland	18/04/2023	Direct Listing after Merger of Equals	€17 billion	n/a	n/a
Ferrovial SE	The Netherlands	16/06/2023	Direct Listing	€21 billion	n/a	n/a
Global Inter-Connection Group Limited	Guernsey	07/07/2023	De-SPAC	£457 million	n/a	n/a
QEV (SPEAR Investments I BV)	The Netherlands	03/10/2023	De-SPAC	€221 million	n/a	n/a
Theon Interna-tional Plc	Cyprus	07/02/2024	IPO	€700 million	Up to 10%- Partially exer-cised: 2.16%	20.43%
CVC Capital Partners plc	Jersey	26/04/2024	IPO	€14 billion	Up to 15% - Exercised in full	16.3%
The London Tunnels PLC	England & Wales	27/06/2024	Direct Listing	£131 million	n/a	n/a
Havas N.V.	The Netherlands	16/12/2024	Direct Listing	€1.77 billion	n/a	n/a

The Dutch capital markets experienced a period of subdued activity in 2023 and 2024, especially in comparison to previous years. A notable trend of new listings in the past five years, but in particular in the past two years, is the predominance of non-Dutch companies listing in Amsterdam, whereas domestic issuers have been noticeably absent. This development highlights Euronext Amsterdam's appeal as an attractive platform for international companies.

Another noteworthy trend is the relative scarcity of traditional IPOs, where new or existing shares are offered to investors. Instead, the market has witnessed a higher proportion of direct listings without an offering component. Whereas the two IPOs during this period involved an offer of shares to institutional investors, neither contained a retail component. The tail end of the SPAC hype from 2021 was still evident, with two de-SPAC transactions occurring during this period.

2.2 Equity capital raises on Euronext Amsterdam in 2023-2024

Issuer	Date	Type	Offer size	Offer size in % of issued share capital
DSM-Firmenich AG	25/05/2023	ABB	€733 million	2.6%
Vivoryon Therapeutics N.V.	26/05/2023	ABB	€25 million	7.4%
Sif Holding N.V.	05/07/2023	Rights Offering	€49.5 million	17%
Accsys Technologies PLC	24/11/2023	ABB	€13.2 million	8.7%
Ebusco Holding N.V.	14/12/2023	ABB	€25 million	8.5%
Ebusco Holding N.V.	19/12/2023	Convertible Bond Placement	€34.2 million	9.2%
Avantium N.V.	09/02/2024	Rights Offering	€70 million	62.5%
Lucas Bols N.V.	12/03/2024	Private Placement	€20 million	7.4%
Envipco Holding N.V.	12/03/2024	Private Placement	€26 million	11.6%
ONWARD Medical N.V.	25/03/2024	ABB and Public Offering	€20 million	14.7%
NX Filtration N.V.	27/03/2024	Private Placement	€25.5 million	15.7%
Pharming Group N.V.	18/04/2024	Convertible Bond Placement	€100 million	11.9%
CTP N.V.	17/09/2024	ABB and Private Placement	€300 million	4%
The London Tunnels PLC	Between 09/07/2024 and 13/12/2024	Placements of new shares	Approximately £7.8 million	5.6%
NEPI Rockcastle N.V.	18/10/2024	Private Placement	€300 million	6.2%
ONWARD Medical N.V.	28/10/2024	Private Placement	€50 million	28.9%
IMCD N.V.	13/11/2024	ABB	€300 million	3.7%
Ebusco Holding N.V.	21/11/2024	Rights Offering	€36 million	300%
Avantium N.V.	05/12/2024	ABB	€11.2 million	8%

The equity capital raises by companies listed on Euronext Amsterdam in the 2023-2024 season were, for the large majority, undocumented deals such as accelerated bookbuild offerings (**ABBs**) and private placements. The three rights offerings during this period, and a few larger private placements and public offerings, were conducted with an approved prospectus.

In the three rights offerings we saw a noticeable shift in underwriting practices, with the issuers moving away from traditional underwriting by one or more banks. Specifically, SIF Group's rights offering was fully underwritten by its majority shareholder Egeria and Avantium's offering was underwritten by a consortium of banks and certain other debt providers. Ebusco's rights offering was not underwritten.

This period also saw a number of ABBs, which are favoured for their speed and efficiency. These capital raises were below 20% of pre-deal share capital to avoid a prospectus requirement. The EU Listing Act has increased this threshold to 30% and introduces the possibility to do an unlimited capital raise and public offer if a summary document is published, which could result in larger secondary capital raisings in the future.

The capital raises in 2023-2024 were predominantly conducted by smaller companies. There was limited activity from issuers in the large Euronext indices, with only two from large-cap index AEX (DSM-Firmenich and IMCD) and one from mid-cap index AMX (CTP). The other capital raises were initiated by companies from small-cap index AScX and companies not included in Euronext's three main equity indices.

3 Key trends

3.1 ‘Cold feet’ in 2024 resulting in a full IPO pipeline for 2025?

After a strong start to the Dutch IPO market in the first two years of this decade, the market slowed down during the last two years, resulting in only a limited number of new listings on Euronext Amsterdam. Towards the end of 2023, market participants expected the Dutch IPO market to come back to life in 2024. Although the first few months of 2024 looked promising with the IPOs of Theon and CVC, 2024 did not turn out to be the stellar year that some had expected. The remainder of the year saw limited IPO activity on Euronext Amsterdam, with the listing of The London Tunnels at the end of June and the listing of Havas in December.

> Now that the US elections are over and the ECB has decided to reduce interest rates, we are cautiously optimistic for a resurgence of the Dutch IPO market in 2025.

The reasons for the slowdown of the IPO market are diffuse. The recent macroeconomic landscape, including the elections in the US and economic conditions, geopolitical tensions, the high interest rates imposed by the European Central Bank, and increased market volatility, have rendered market conditions less than ideal for issuers to pursue a successful listing on a European stock exchange.

As a consequence, various companies contemplating an IPO have postponed their plans, resulting in a pipeline of companies potentially aiming for a listing in 2025. Now that the US elections are over and the European Central Bank has decided to reduce interest rates, we are cautiously optimistic for a resurgence of the Dutch IPO market in 2025.

As 2024 draws to a close, we expect that it is only a matter of time before market conditions and broader economic conditions are sufficiently favourable for issuers to go public.

3.2 Euronext Amsterdam remains popular

Euronext Amsterdam continues to be a popular listing venue, even during periods of low IPO activity. Notably, in 2024, the Dutch stock exchange attracted a number of international companies, such as Theon, CVC and The London Tunnels, which opted for Amsterdam over other listing venues. Euronext Amsterdam has traditionally been a listing venue of choice for Dutch domestic companies as well as globally operating leading businesses. Euronext offers global liquidity, including access to major institutional investors, and has one of the biggest trading market shares in Europe.

As Euronext Amsterdam is part of the larger Euronext group, operating multiple exchanges in Europe, issuers listed on Euronext Amsterdam benefit from access to a broad and interconnected market network. This integration facilitates greater liquidity and visibility, making it easier for companies to attract investment. Additionally, Euronext Amsterdam is considered to be a ‘neutral’ exchange and has a broad international base with investors from the US, the UK and continental Europe.

Another key factor contributing to the popularity of Euronext Amsterdam is its robust yet pragmatic regulatory framework. The Netherlands is known for its stable and transparent legal and regulatory environment, which is conducive to business operations and investor protection. With the Dutch Authority for the Financial Markets (the **AFM**) as the competent regulator for Euronext Amsterdam, a smooth and professional listing process is facilitated as the AFM is perceived as an experienced, reliable and pragmatic regulator. In addition, Euronext Amsterdam allows for a flexible governance structure, with dual share class structures and other voting and corporate control mechanisms being widely accepted and supported by Dutch law.

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Additionally, the exchange's diverse sector representation and strong track record of successful IPOs contribute to its attractiveness. Euronext Amsterdam hosts a wide range of companies from various industries, including technology, healthcare, finance, and consumer goods. This diversity not only provides investors with ample opportunities for portfolio diversification but also demonstrates the exchange's ability to support companies across different sectors.

3.3 The SPAC wave is over

In 2021, Euronext Amsterdam saw a surge of SPAC listings, as sponsors and investors sought opportunities amid favourable market conditions. These SPACs, which typically had a two-year window to complete a business combination subject to potential extensions, saw deadlines looming in 2023 and 2024. Only a few business combinations materialised and in 2024, amid rising interest rates and economic uncertainty, we saw many SPACs opting to return their capital to shareholders and liquidate. The trend underscores a marked end to the recent SPAC trend on Euronext Amsterdam.

3.4 ESG disclosure in prospectuses

In a world where sustainability takes centre stage, companies are under increasing pressure to comply with new sustainability standards and disclosure requirements regarding the environmental, social and governance (**ESG**) aspects of their businesses. In 2023, the Corporate Sustainability Reporting Directive (**CSRD**) entered into force, followed by the entry into force of the Corporate Sustainability Due Diligence Directive (**CSDDD**) in 2024. The CSRD and, to a lesser extent, the CSDDD impose ESG-related disclosure requirements on EU companies. Consequently, numerous issuers will be required to comply with the disclosure requirements of the CSRD and CSDDD when preparing their annual reports. However, there is currently no specific regulation governing ESG disclosure requirements for equity prospectuses, leaving issuers uncertain about the required extent of disclosure.

The only guidance currently available to issuers regarding prospectus disclosure of ESG-related aspects is the general guidance provided by the European Securities and Markets Authority (**ESMA**). In short, ESMA reiterates the general rule that an issuer should include in a prospectus the necessary information that is material for an investor to make an informed assessment, meaning that issuers should assess whether, and to what extent, ESG-related information is considered material for investors.

With the announcement of the EU Listing Act, it was anticipated that issuers might receive more comprehensive guidance on the sustainability disclosure requirements to be included in equity prospectuses. Although the recitals to the EU Listing Act emphasise the importance of sustainability information in relation to investment decisions, the EU Listing Act itself does not impose substantive ESG disclosure requirements. For the disclosure of sustainability information in equity prospectuses, the EU Listing Act refers to ESG-related information required by other EU legislation. Sustainability statements published during the periods under review should be incorporated by reference in the prospectus. While the EU Listing Act stipulates certain requirements for the disclosure of ESG information for non-equity securities, the same does not apply to equity securities. As a result, it is still not entirely clear to what extent ESG-related information should be disclosed in equity prospectuses. For the time being, issuers must rely on the broader requirement of whether the information qualifies as material information to investors, along with the requirement that sustainability statements published during the periods under review should be incorporated by reference in the prospectus.

4 Legal developments

4.1 The EU Listing Act

On 4 December 2024, the EU Listing Act entered into force, introducing significant reforms to streamline the EU's public capital markets and enhance their attractiveness. Key amendments include changes to the Prospectus Regulation and the Market Abuse Regulation (**MAR**), aimed at reducing the regulatory burden on issuers while safeguarding investor protection. The majority of these changes have applied since 4 December 2024, with a few changes applying as from March or June 2026.

> One of the major changes is the introduction of a new prospectus exemption for follow-on offerings and listings of securities that are fungible with securities listed for at least 18 months.

Expanded Prospectus Exemptions

One of the major changes is the introduction of a new prospectus exemption for follow-on offerings and listings of securities that are fungible with securities listed for at least 18 months. This exemption cannot be used in connection with a takeover by means of an exchange offer, a merger or a division, and it is not available to issuers subject to insolvency or restructuring proceedings. The exemption facilitates an offer and admission to trading of an unlimited number of shares by listed companies, without a prospectus being required. However, when using this exemption, issuers must publish a short form information document of up to 11 pages. This document does not need to be approved by the regulator.

Another significant change is the expansion of existing prospectus exemptions. The existing 'sub-20' exemption, which allowed issuers to list up to 20% of new securities fungible with those already admitted on a regulated market without a prospectus, has been increased to 30%. This revised 'sub-30' exemption applies not only to admission to trading, but also to offers to the public, provided that the issuer is not subject to insolvency or restructuring proceedings. While no prospectus is required under this exemption, issuers must publish a short form information document (see above) when using this exemption for an offer to the public.

EU Follow-On Prospectus

The EU Listing Act also introduces the EU Follow-on prospectus, a simplified alternative to the traditional prospectus, limited to 50 pages for equity transactions. From March 2026 onwards, this prospectus can be used by issuers whose securities have been listed for at least 18 months and may prove useful for issuers that, for example, cannot use a prospectus exemption because the new securities are not fungible with those already listed. The EU Follow-on prospectus must be approved by the regulator and can be used for both follow-on offerings and offerings of new types of securities. This new prospectus format can be a helpful addition to the issuer's toolbox, as it can be used in scenarios where a short form information document does not suffice, without the burden of a full-fledged regular prospectus.

Changes to Inside Information Disclosure and Insider Trading Rules

Issuers will no longer be required to immediately disclose intermediate steps in protracted pro-

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cesses (such as M&A transactions) that qualify as inside information. Only the final event or circumstance must be disclosed as soon as possible after it has occurred, provided that confidentiality of the intermediate steps can be ensured. This change will apply as from June 2026 and aims to reduce the administrative burden on issuers while ensuring that insider trading prohibitions remain in place. The EU Commission has been empowered to adopt a delegated act setting out a list of what constitutes a final event that triggers the disclosure obligation.

> Issuers will no longer be required to immediately disclose intermediate steps in protracted processes (such as M&A transactions) that qualify as inside information.

Furthermore, the EU Listing Act introduces a change to one of the requirements for delay of disclosure of inside information. As from June 2026, instead of it being required that the "delayed disclosure does not mislead the public", it will be required that "the inside information is not in contrast with the latest public announcement of the issuer".

The exemptions to the prohibition of managers carrying out transactions during a closed period have also been expanded and the annual reporting threshold for transactions undertaken by managers has been increased from €5,000 to €20,000.

4.2 Capital Markets Union

The Capital Markets Union (**CMU**) is an initiative launched by the EU in 2015 to create a unified, integrated capital market across all EU Member States. By reducing market fragmentation, the CMU aims to develop a single market where capital and investment can flow smoothly throughout the EU, benefiting consumers, investors and businesses, irrespective of their location. The EU Listing Act is part of the CMU initiative. However, despite this progress, the main consensus is that much work remains as national interests, regulatory differences and diverse business cultures across the EU have slowed down the development of the CMU.

In November 2024, Christine Lagarde, president of the European Central Bank (**ECB**), therefore urged EU leaders to accelerate the CMU's implementation, stressing that a more unified financing infrastructure and regulatory framework can help drive innovation by expanding access to both public and private funding. Lagarde's call aligns with the latest insights from former ECB president Mario Draghi's recent report on EU competitiveness, which warns that the EU is falling behind when it comes to competing with China and the US. The report emphasises that tackling the fragmentation of the single market is essential to strengthen the EU's position as a global competitive force. Moreover, Draghi emphasised during an EU Summit organised in Budapest in November 2024 that the CMU's goal of boosting competitiveness has taken on even more urgency following Donald Trump's victory in the US elections and his promises to raise tariffs.

In addition, in its effort to advance the European CMU, Euronext has expressed its intention to create a US-style single prospectus. This move comes in response to the growing concerns about the EU's underperforming capital markets and aims to harmonise listing information across its seven stock exchanges by standardising the key investor information. Such a single template, similar to the US S-1 document, could also encourage other jurisdictions to follow suit.

4.3 Risk Management Statement (VOR)

The Dutch Corporate Governance Code (**DCGC**) is expected to be revised to introduce a requirement for listed companies to include a risk management statement (*Verklaring omtrent Risicobeheersing* – **VOR**) in their management report. The proposal expands the current requirement in the DCGC to include an “in control” statement in the management report on the functioning of the company’s internal risk management and control systems by requiring listed companies to address the level of certainty that their internal controls provide to managing their operational, compliance, and reporting risks. In addition, listed companies must assess the effectiveness of these internal controls and declare that their systems offer a “reasonable level of assurance” that their financial and sustainability reports are materially accurate, in line with the CSRD. A key objective of the VOR is to enhance transparency for stakeholders by providing assurance on risk control. The self-regulatory approach of the VOR underscores the DCGC’s commitment to transparent governance without imposing a fixed framework, allowing listed companies to adapt the VOR to fit in their specific contexts.

> Listed companies with more than 500 employees must publish their first sustainability report in 2025, covering the financial year of 2024.

The new VOR requirement is intended to apply to management reports relating to the financial years commencing on or after 1 January 2025. However, this is contingent on final integration into the DCGC and applicable legislation, and it is not yet clear when this will occur.

4.4 CSRD Sustainability Reporting

Listed companies with more than 500 employees must publish their first sustainability report in 2025, covering the financial year of 2024. The sustainability report must be prepared in accordance with the Corporate Sustainability Reporting Directive (**CSRD**) and the European Sustainability Reporting Standards (**ESRS**). The ESRS consist of cross-cutting standards that must be reported on by all companies, and certain topical standards in the areas of Environment (E), Social (S) and Governance (G). Companies are required to report only on the topical standards that are material to the company from either a financial or an impact perspective, based on a double materiality analysis.

The ESRS reporting requirements are extensive, and result in a large number of disclosure requirements and data points that companies must identify, process and report. The preparation of the sustainability report can therefore be a time-consuming and labour-intensive process, which may require significant resources across the organisation.

Regulators such as the AFM and investor organisations such as Eumedion have announced that sustainability reporting will be one of their main focus points in 2025, so the upcoming sustainability reports are expected to be closely examined and scrutinised. Although not legally required, Eumedion has also requested listed companies to submit the sustainability report to the annual shareholders meeting for a non-binding advisory vote.

5 Recap

Wrapping up, it is clear that the Dutch capital markets have experienced a period marked by both caution and resilience. Macroeconomic challenges, such as high interest rates, geopolitical tensions and market volatility, have impacted the current capital markets landscape, prompting issuers to adopt a more cautious stance. Yet, amidst these challenges, Euronext Amsterdam continues to be a popular listing venue, especially for international companies.

Looking forward, regulatory changes coupled with market stabilisation are likely to foster a more favourable listing environment. With a promising pipeline of new issuers, we are cautiously optimistic that we will see an increase in IPO activity in the Netherlands in the coming year.

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