When Companies Leave the Market

Strengthening Investor Protection in Europe's Delisting Landscape

2025 | BETTER FINANCE & DSW Survey Mapping of National Practices Around Delisting

BETTER FINANCE
The European Federation of Investors and Financial Services Users
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DSW
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A BETTER FINANCE-DSW mapping of national practices around delisting

About BETTER FINANCE

BETTER FINANCE (the European Federation of Investors and Financial Services Users) is the leading voice of individual investors, savers, and users of financial services across Europe. Free from industry influence, BETTER FINANCE advocates at the EU level for fair, transparent, and accountable financial markets. It champions the rights of citizens—as retail investors, pension savers, small shareholders, life insurance policyholders, and borrowers—to ensure that financial policies prioritise people over profit. Through policy engagement, advocacy, and independent research, BETTER FINANCE works to strengthen investor protection, enhance supervision, and promote sustainable finance—aiming to secure fair returns and adequate pensions for all. The federation brings together independent member organisations from across the EU, as well as the UK, Iceland, Norway, and Lebanon.

About DSW

Deutsche Schutzvereinigung für Wertpapierbesitz e.V. (DSW) is Germany's leading association for private investors. Its main goal is to foster the equity culture in Germany and to improve investment skills. Founded in 1947, DSW now has about 30,000 members. DSW represents its members at approximately 700 general meetings per year. Next to the representation of private investors' interests both at general meetings and at a political level, DSW acts as the head office of 7,000 investment clubs in Germany.

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Disclaimer: This joint study is based on a comparative survey of investor associations and publicly available information. The findings are indicative and may reflect limitations in survey responses, data availability, or differing national legal interpretations. To the extent possible, the authors have verified the information presented. This report should therefore be regarded as a discussion-stimulating mapping of delisting frameworks as to how investors perceive safeguards—or lack thereof. Graphs marked "no answer" indicate jurisdictions where reliable data could not be confirmed at the time of publication.

Note: Preliminary results - further validation and data collection are ongoing. Additional jurisdictions will be added in augmented edition as remaining survey responses are received.

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Contents

List of Figures

I. Executive summary

Listing and delisting are the entry and exit doors of public equity markets, yet only the former has meaningfully shaped EU policymaking. Recent reforms — most notably the 2024 Listing Act — focused on easing IPOs and reducing issuers' regulatory burdens as part of Europe's shift toward more market-based financing, notably for SMEs. The 2025 Savings and Investments Union (SIU) agenda extends capital-market development trajectory, placing a growing emphasis on integration, but also on private-market "exit strategies" such as private-equity secondaries and securitisation. However, it still pays no specific attention to the conditions under which listed companies leave public markets.

The conditions under which companies exit public markets — through voluntary delistings, takeover-related or squeeze-outs, next to restructurings, or even relocations and downlisting — remain largely governed by fragmented national rules. Each such exit narrows the transparent, investable universe available to EU households, weakens corporate accountability, and shifts value creation into more opaque private structures that lack the safeguards of regulated markets. This sits uneasily with the objectives of the CMU and SIU, which aim to broaden retail participation and anchor household savings in fair, transparent, and accessible capital markets. A coherent EU framework for market exits would, therefore, close a major blind spot in the current architecture to restore trust.

At the same time, we document what appears to be a sustained contraction of Europe's listed universe, with delistings and downlistings outpacing IPOs. The growing role of private-equity take-privates (including fund-of-funds strategies) and selective relocations of primary listings (both within the EU and to non-EU markets) may each form part of the explanatory puzzle. Taken together, we consider these trends risk hollowing out the public side of Europe's capital markets by limiting ordinary investors' ability to participate directly in the ownership and governance of relevant corporate firms.

A Patchwork of Rules: Divergent Delisting Frameworks Across Europe | Initial Findings

BETTER FINANCE and DSW conducted a preliminary comparative survey of investor organisations to map legal frameworks and recent market practices across eleven jurisdictions (nine EU Member States, plus the UK and Switzerland), with further countries expected to follow in an augmented edition (pending survey completion).

Covering the three main routes to market exit — voluntary delistings, restructuring-related exits, and transaction-based (takeover-driven) delistings that may trigger squeeze-outs — the study examines, for each, the applicable decision-making requirements (including general-meeting approvals and thresholds), the existence and form of compensation (exit offer, buy-out or public tender), valuation standards, and available review mechanisms. The analysis is complemented by illustrative examples of delistings, downlistings, and listing relocations.

The study confirms a highly uneven EU landscape and pinpoints the areas where retail investors report the greatest dissatisfaction.

At the procedural level, issuer-initiated or voluntary delistings are subject to very different shareholder-approval requirements and quorum/majority rules; in many jurisdictions, a general-meeting vote is conditional or not even mandatory; exchanges rules or takeover laws effectively determine outcomes. Further, in some Member States, a voluntary delisting may proceed without an exit or mandatory buy-out offer, contingent on the route taken, raising risks for minority shareholders of being locked into illiquid, non-traded shares.

At the substantive level, we confirm that there is no EU-wide standard on whether or what type of compensation is owed; that is how to ensure and determine a fair price (including in takeover situations) or how valuation should be calculated. Even where squeeze-out thresholds tend to align around 90–95%, valuation methods and the scope for judicial reassessment vary widely. Restructuring-driven exits and squeeze-outs operate through distinct legal routes, yet both add further layers of divergence: restructuring processes follow separate company-law rules and show similar inconsistencies in compensation safeguards and review mechanisms. Across both pathways, survey responses and case examples point to risks of under-compensation and to limited, costly, or, in some cases, no access to effective redress.

Restoring Confidence: Delisting Protections Matter

What matters is not only the possibility of investing in listed companies, but also the conditions under which issuers can leave the public market. When delistings or restructurings occur without genuine shareholder involvement, without a clear right to fair compensation, or without accessible review mechanisms, minority shareholders may bear disproportionate losses.

This undermines confidence in public markets, depresses the willingness of households to provide equity capital, and fuels perceptions that majority owners and private-equity buyers can extract value at the expense of smaller investors.

From an individual investor's perspective, a minimum EU-level "floor" of protection is therefore essential. Those minority investor safeguards shall ensure:

- meaningful shareholder participation in voluntary exits;
- fair, transparent and independently reviewable valuation standards for all compensation types; and
- effective, affordable and timely remedies to contest inadequate offers or abusive structures.

Strengthening rights and predictability for minority shareholders' interests would not only correct the current imbalance between entry and exit regimes, but it would also support the SIU's objective to mobilise private savings into capital markets by making public equity a more trusted and resilient long-term investment channel.

Closing the Exit-side Gap: EU Harmonisation

Our mapping study stresses that delisting and restructuring frameworks should become a core component of EU capital-markets integration by complementing the existing harmonisation of IPOs and of ongoing disclosure. Drawing on the survey evidence from retail investor organisations, we call for four main directions of travels for EU-level action:

1. **Harmonised core safeguards for voluntary delistings**; mandatory general-meeting approval for market withdrawals; minimum quorum/majority standards that ensure genuinely representative decisions; and especially an obligation to offer minority shareholders an exit offer at a fair price (buy out under clear rules).
2. **EU-wide principles for compensation and valuation**; a common approach to determining fair (or expropriation-level) compensation, combining market-based and fundamental valuation where appropriate; clear disclosure of valuation inputs and methods; and alignment of valuation rules across delistings, restructuring and squeeze-out procedures to prevent arbitrage.
3. **Effective and accessible redress mechanisms**: guaranteed judicial or independent review of compensation adequacy in all Member States; procedures that are procedurally simple, time-bound, and affordable for private investors; safeguards against "loopholes" — such as delisting or downlisting routes that allow issuers to exit regulated markets without a mandatory exit (buy-out) or adequate compensation when required.
4. **Further monitoring, supervision and CMU/SIU alignment:** with regular monitoring of delisting, downlisting and relocation trends, including impacts on retail investors' protection, overall liquidity, and EU indices; greater supervisory convergence to prevent regulatory arbitrage; and integration of delisting standards into the broader CMU/SIU agenda.

Only by matching efforts to "make listings attractive again" with genuinely enforceable delisting and exit-side protections, can the EU close the long-overlooked gap in the public financial-market lifecycle. Doing so would further affirm public markets as a stable, transparent and trusted route for European households' long-term equity savings. In parallel, it would provide companies with a clearer and more predictable listing-and-delisting rulebook (while tackling listing shopping). It is all the more essential to prevent manoeuvres that sidestep investor-protection standards precisely when those safeguards are most at risk and corporate accountability faces dilution.

Overall, we call for simplification agenda to move in step with harmonisation, ensuring clarity and anchoring reforms in best practices and accountability. An EU framework should offer cross-border legal certainty and market clarity for both issuers and investors, while guaranteeing meaningful engagement and equal representation to all stakeholders — most notably minority shareholders.

II. Introduction

Two Sides of the Markets: Europe's IPOs — Delistings Imbalance

Listing and delisting are the entry and the exit doors of public equity markets — yet only the former has captured policymakers' attention. For years, EU policy has focussed on facilitating listings, promoting initial public offerings (IPOs) as a cornerstone of Europe's shift toward market-based financing. The EU Listing Act, adopted in 2024, introduced measures to simplify market entry admission procedures and reduce regulatory burdens for issuers, many of them initially targeted at SMEs.[1] By contrast, the conditions under which companies exit public markets remain a quasi-blind spot, leaving the full market cycle unaddressed.[2] Little convergence exists in this area: delisting rules continue to be governed almost entirely by fragmented national frameworks. Similarly, the renewed European Commission's 2025 Savings and Investments Union (SIU)[3] agenda maintains this imbalance. While the SIU seeks deeper capital-market integration, it simultaneously prioritises the expansion of private-market "exit strategies" – from private-equity secondary trading to securitisation – yet again overlooks the rules and safeguards that apply when issuers leave public exchange.

These ungoverned issuer departures matter. Every delisting shrinks the transparent, investable universe available to European savers, erodes corporate accountability, and removes firms from the supervisory and disclosure framework designed to protect investors. As millions of EU citizens hold direct equity stakes, ensuring fair and orderly public-market exits is essential for maintaining trust in capital markets.

The regulatory framework governing delisting-related events — whether voluntary or transaction-driven (e.g. takeovers or mergers) — lacks both clarity and regulatory arsenal at EU level despite the myriad of existing legislative instruments. No coherent EU-wide regime exists: applicable rules may stem from corporate law, securities law, exchange rulebooks or takeover legislation, yet with little to no harmonised standard. Crucially, the Shareholder Rights Directive II does not address market exits, leaving a structural gap in investor engagement precisely at the point where rights and accountability risk being

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[1] See: European Union, "Regulation (EU) 2024/2809 amending Regulations (EU) 2017/1129, (EU) No 596/2014 and (EU) No 600/2014 to make public capital markets in the Union more attractive for companies and to facilitate access to capital for small and medium-sized enterprises," *Official Journal of the European Union*, L series, 2024.
On retail investor perspectives, see: BETTER FINANCE, "Position Paper | Listing Act Review – EC Package Proposal, May-June 2023: https://betterfinance.eu/publication/listing-act-review-ec-package-proposal/.

[2] Back in 2021, the need for clearer, harmonised delisting rules had already been flagged, calling EU legislators to review national delisting regimes and strengthen minority-shareholder safeguards: Technical Expert Stakeholder Group (TESG) on SMEs, "Empowering EU Capital Markets for SMEs: Making Listing Cool Again," European Commission, May 2021; https://finance.ec.europa.eu/document/download/ebb1a257-9ef2-4416-87b5-a1235157c351_en?filename=210525-report-tesg-cmu-smes_en.pdf.

[3] European Commission, "Savings and Investments Union Strategy to Enhance Financial Opportunities for EU Citizens and Businesses." *Communication*, DG FISMA, 19 March 2025 https://finance.ec.europa.eu/publications/savings-and-investments-union-strategy-enhance-financial-opportunities-eu-citizens-and-businesses_en.

dismantled.[4] This results in national regulators and exchanges or venue-specific rulebooks applying divergent approaches when listing conditions evolve (for example, free float, liquidity or capitalisation criteria). This underscores both the complexity of delisting-related procedures and the need for clearer, more consistent safeguards. Further, some jurisdictions may require remediation or permit continued listing, whereas others transfer issuers to a different trading segment (downlisting) rather than delisting outright. Yet, none of these pathways are harmonised across Member States, leaving outcomes uncertain and investor protections uneven.[5]

For minority shareholders, the consequences of a market withdrawal are significant: liquidity often collapses, compensation may prove inadequate to reflect the company's future development, and information and participation rights are frequently curtailed. Ensuring fair treatment for minority investors must, therefore, be upheld across the full market cycle; from entry through to exit.

Market Entry vs Market Exit: A Structural Shift

These delisting-related concerns are not merely theoretical — but reflected in the structural contraction of Europe's listed markets. Recent data show a widespread and persistent delisting phenomenon across European exchanges. Between 2010 and 2022, the EU lost nearly 15% of its listed companies, falling from about 7,400 to just over 6,300.[6] Over the more recent 2019–2023 period, Euronext provides an illustrative example, having recorded 355 delistings, with the number of delisting operations increasing at an annualised rate of around 8.5%. In 2023 alone, it registered 110 delistings, representing roughly €467 billion in market capitalisation withdrawn from public markets. This contraction extends across the wider European market (including the EU, the UK, Switzerland, and the EEA), where more than 1,600 companies were delisted between 2015 and 2024, following M&A and take-private transactions worth about $2.6 trillion, of which roughly $1 trillion involved acquisitions by private or unlisted firms (around 40%).[7]

By contrast, only about 130 European companies moved their primary listing to the United States, representing roughly 2% of all listed firms and 4% of total European market capitalisation[8] — albeit including a few 'high-profile cases' often perceived as

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[4] See - Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement; https://eur-lex.europa.eu/eli/dir/2017/828/oj/eng.

[5] These resulting actions mostly remain governed by exchange rulebooks and/or national law, as well as NCAs discretion. In the EU, these decisions may also be shaped (directly or indirectly) by admission and market-integrity criteria, such as those stemming from the Listing Directive or MiFID II requirements.

[6] Francesco Baldi, Massimiliano Parco, and Valerio Mancini, *"The Delisting Phenomenon in Europe: Dynamics, Stakeholders, and Implications for Capital Markets,"* (Rome: Rome Business School - Divulgative Research Centre, 2025), https://romebusinessschool.com/blog/the-delisting-phenomenon-in-europe-dynamics-stakeholders-and-implications-for-capital-markets/

[7] New Financial, "A Reality Check on International Listings" (New Financial Report, April 2025), https://www.newfinancial.org/reports/a-reality-check-on-international-listings

[8] New Financial (2025) notes that European firms migrating their primary listing to the United States underperformed the European market by roughly 9 %, indicating relocation offers no guarantee of better performance. Instead, firms seem driven by search for higher initial valuations, deep er investor pools, and greater analyst coverage – rather than by proven long-term market or regulatory advantages.

symptomatic. This limited outflow contrasts sharply with the over 1,000 take-private transactions identified over the last 10 years, confirming that Europe's shrinking public markets result mainly from domestic mergers and acquisitions rather than an outward "listing exodus" to foreign markets.[9]

Next to these take-private operations, downlistings transfers from regulated markets to alternative SME segments are also increasingly frequent[10], whereas intra-EU relocation or re-listing appear less common.[11]

Shrinking Public Markets, Shifting Capital Formation — Implications

Yet new listings have not kept pace. In both 2023 and 2024, only 57 new equity listings occurred across Europe, even as total capital raised more than doubled to €14.6 billion.[12] This remains historically weak: European exchanges hosted over 400 IPOs in 2017, and 2024 proceeds barely reached one third of the decade's average.[13] While issuance *volumes* have partly recovered, market exits still far outnumber new entrants. This signals that, despite a partial rebound in deal values, new market entries remain far too scarce to offset sustained delisting activity — leaving Europe's capital markets structurally imbalanced between market entry and exit.

As it stands, Europe's investable universe is shrinking. Public markets are increasingly concentrated around large-caps, while many mid-sized firms either delist and turn to private equity, downlist to alternative segments, or relocate their listing within or outside the EU. Capital formation is therefore progressively shifting away from fully regulated exchanges — towards private markets with lower transparency and suitability for retail investors, or to alternative venues offering reduced access and liquidity.

From Listed to Lost

As fewer listings mean fewer opportunities for citizens to participate in corporate growth, each delisting narrows access to Europe's productive economy and weakens transparency, liquidity, and accountability. This dynamic runs counter to the ambitions of the CMU and SIU, which seek to anchor household savings in transparent public markets. Yet the continued rise in delistings, take-private transactions and relocations to non-EU exchanges is shrinking the public investment space precisely at the moment policy aims to expand it. In parallel, a shift toward private markets is becoming more

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[9] New Financial, "A Reality Check on International Listings" (New Financial Report, April 2025), https://www.newfinancial.org/reports/a-reality-check-on-international-listings

[10] Note: Issuers may also opt for downlisting to retain market presence while avoiding the stricter reporting obligations of regulated markets, shifting instead to lighter MTF regimes such as SMEs' Growth Markets. Intended to ease SME access to capital, it may have encouraged this trend, reinforced under the Listing Act, risking greater market segmentation and weaker transparency reporting and thus investor protection.

[11] Studies show that intra-EU relocations remain limited in number, while our survey reflects instances of regulatory or tax arbitrage with other governance considerations, such as company control of insiders.

[12] PwC, "*European IPO Market Rebounds in 2024 with Proceeds More Than Doubling Year-on-Year*," PwC Press Release, June 2024, https://www.pwc.co.uk/press-room/press-releases/research-commentary/2024/european-ipo-market-rebounds-in-2024-with-proceeds-more-than-dou.html.

[13] By contrast, IPO activity in the United States has rebounded robustly (2024 issuance up more than 50 % year-on-year) indicating Europe's shortfall as structural rather than cyclical (cf. PwC's, New Financial).

visible, as persistently low IPO activity may push more issuers — particularly innovative companies and small or mid-caps — toward private equity and alternative financing routes.[14] These are sophisticated, inherently illiquid markets that lack the safeguards of regulated exchanges. The growth of feeder structures and fund-of-funds mobilising substantial capital to acquire and delist public companies further accelerates the migration of value creation away from transparent public markets into opaque private ones. This creates a paradox: Europe is actively building harmonised pathways out of public ownership through expanding private-market channels. The implications for retail investors are tangible. Private-equity vehicles are rarely suitable for broad participation: they offer weaker oversight, reduced transparency and more constrained rights.

In fine, a balanced system requires clear and equitable exit conditions. Public and private markets can and should coexist, but transitions between them — especially through delistings, take-privates or relocations — must rely on transparent valuation standards, meaningful procedural safeguards and effective remedies for minority shareholders. Strengthening the resilience of public markets is essential to sustain investor trust and ensure that CMU and SIU objectives are achieved not only at market entry, but also at market exit.

Assessing a Patchwork of Rules | Mapping Jurisdictions

Against this background, our survey of retail investor organisations examines the extent of legal and procedural divergence across key European jurisdictions, mapping how voluntary, takeover-based and restructuring-driven delistings are governed, how squeeze-outs are triggered, and where safeguards for minority shareholders may prove insufficient or inconsistent. For each main routes, we identify the applicable decision-making framework and procedural process, the treatment of compensation and valuation, and, where relevant, the availability of judicial or administrative remedies. We also report illustrative cases of delistings, downlistings, and listing relocations that reveal procedural shortcomings in several jurisdictions.

Our mapping is grounded in a survey of 11 jurisdictions[15] — gathering responses from 9 EU countries, as well as the United Kingdom and Switzerland:

- Austria (AT)
- Belgium (BE)
- Denmark (DK)
- Germany (DE)
- Latvia (LV)
- Luxembourg (LU)
- Portugal (PT)

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[14] As part of the SIU agenda (*see infra*), this may be further illustrated by a forthcoming "28th Regime" proposal from the European commission; see BETTER FINANCE, "Open Feedback on the 28th Regime for Companies," 2025 – signalling a focus on private "innovative" unlisted firms, risking shifting policy toward private-equity routes instead of tackling IPO and listing fragmentation; https://betterfinance.eu/publication/consultation-commission-28-regime-corporate-legal-framework/

[15] Additional jurisdictions will be added in a forthcoming augmented edition (2026).

- Sweden (SE)
- Switzerland (CH)
- The Netherlands (NL)
- United Kingdom (UK)

We noted that delistings in Europe arise through various legal frameworks, including company or securities laws, takeover or restructuring regulations, or market operator or supervisory discretion.[16] In practice, delistings-related events can emerge through the main below pathways[17]:

- **Voluntary delistings**, stemming from a corporate decision to withdraw from the market. These are primarily grounded in company law and stock-exchange rules, and represent the main context in which shareholders may exercise meaningful oversight. Where foreseen, a general-meeting vote may also trigger an obligation to provide a buyout offer, yet the exact conditions differ markedly across Member States.

- **Transaction-driven delisting events**, notably those resulting arise mainly in takeover contexts under the EU Takeover Bids Directive (2004/25/EC), alongside restructuring-related exits under the Preventive Restructuring Directive (EU) 2019/1023. Once a controlling threshold is met, a squeeze-out may follow, enabling the offeror to compel remaining shareholders to sell, after which delisting can be requested. Minority investors hold an associated sell-out right, yet valuation methods, minimum-price rules, timelines and review options can differ widely across jurisdictions.

Taken together, the varied legal foundations governing delisting events (company law, securities law, takeover regimes, restructuring frameworks, and stock-exchange rulebooks) illustrate how different procedural safeguards operate, and consequently, how they produce divergent outcomes for minority investors.

Our mapping assesses where these protections remain coherent and to uncover where they fall short within the EU's fragmented landscape, viewed from the perspective of European minority shareholders.

[16] See also *supra* (introduction). For detailed analysis: Rüdiger Veil, *Delisting of Stock Corporations: Legal Fragmentation, Competition and Harmonisation Strategies* (Oxford: Hart Publishing, 2025), pp. 17–35

[17] Notwithstanding other specific delisting mechanisms: including breaches of listing conditions or exchange-driven removals, supervisory intervention – as well as related downlistings, or de facto exits specific corporate reorganisations (e.g., mergers or conversions). All these scenarios also account for fragmented national rules that generate inconsistent safeguards for minority shareholders across the EU.

III. Legal Framework for Voluntary Delisting in Europe

While delistings are deemed legally permitted in all the countries examined, we exposed that clear and harmonised provisions governing (voluntary) delisting are largely absent. Unlike the well-defined EU framework for IPOs — underpinned by the Prospectus Regulation (Regulation — EU — 2017/1129), the Market Abuse Regulation, and the Transparency Directives — most rules for withdrawing from public markets remain almost entirely within the remit of national law. This section aims to showcase said divergent national procedures by exploring what uneven safeguards lead to inconsistent levels of shareholder protection across Europe.

1. The Path to Voluntary Delisting — Shareholder Participation

The starting point for analysing any voluntary delisting is to determine whether, and to what extent, a market withdrawal initiated by the management board or a controlling shareholder requires formal approval by the general meeting. Such AGM-vote requirement typically stems from company law (and are reflected in issuers' statutes), which define whether shareholder consent is necessary. Further rules may also specify the majority or quorum needed for a delisting resolution.

Voluntary delistings of issuers are therefore the main context in which shareholder approval serves as a key safeguard for minority investors: voting on a delisting at the general meeting remains a cornerstone of corporate accountability, ensuring that market exits undergo collective shareholder scrutiny rather than unilateral decisions by management or controlling owners. Where delistings proceed without minority involvement (removing their ability to contest the rationale), investors lose meaningful influence over decisions that directly affect the tradability, liquidity, and value of their holdings.

For this reason, broad and effective shareholder participation remains a critical metric when assessing the fairness and legitimacy of national delisting frameworks.

Surveyed Countries | Requirement of shareholder approval for a delisting

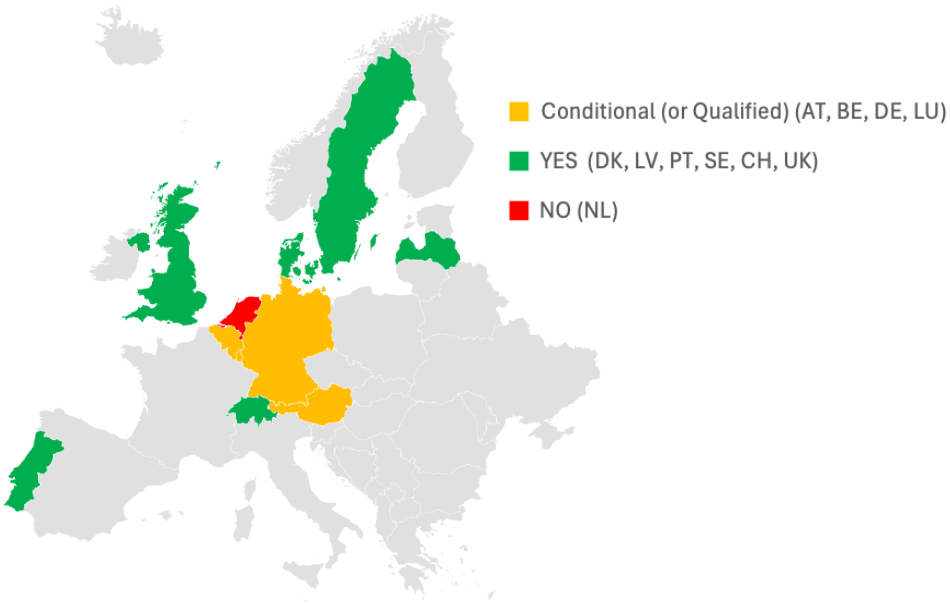

Figure 1: Requirement of Shareholder Approval Resolution (GM) — Voluntary Delisting

In many jurisdictions surveyed, a shareholder vote is required to initiate a voluntary delisting, typically through a resolution adopted at an extraordinary general meeting. However, five notable exceptions stand out: Austria, Germany, the Netherlands, Belgium, and Luxembourg — where there is either no statutory requirement for shareholder approval or such approval applies only under specific conditions. These cases illustrate differing approaches grounded in procedural design or supervisory practice leading to market exit plans.

Austria applies two alternative mechanisms for voluntary delistings from the regulated market, which determines whether an AGM vote is required. The approval can be obtained either directly through a general-meeting resolution passed by at least 75% of the votes cast, or indirectly through a notarised request by shareholders holding more than 75% of the voting share capital, in which case no general meeting is required.

In Germany, companies may stipulate a delisting approval requirement in their articles of association. However, this option is rarely used in practice and most listed firms proceed without accounting for minority shareholder's voice. Rather, issuers argue that the applicable exchange rules would supersede a broad shareholder approval.

In the Netherlands, the procedural design does not formally foresee voluntary delistings, which therefore remain exceptional.[18] Delisting is not treated as a corporate-governance matter and there is no requirement for a shareholders' vote. Instead, it is governed through discretionary exchange rules, under regulatory oversight. In practice, Dutch law

[18] https://cms.law/en/int/expert-guides/cms-expert-guide-to-international-ecm-listings/netherlands

treats delisting as a procedural consequence of takeover law[19], rendering standalone voluntary delistings impractical by design; the takeover (and subsequent squeeze-out) process effectively functions as the principal safeguard for minority shareholders.

A similar pattern arises in Belgium, though resulting from supervisory practice rather than statutory design. While Belgian law does not generally mandate a shareholder vote for delisting from a regulated market, delistings typically occur without such a vote because the FSMA will not authorise a delisting unless a prior squeeze-out has taken place, ensuring compensation for minority shareholders. The only statutory exception is the 'simplified delisting' regime for very low free-float situations, where a delisting does require shareholder approval (an extremely rare situation).[20]

Finally, Luxembourg follows an intermediate model based on disclosure and a pro-acted process rather than a standalone statutory requirement for shareholder approval of delisting. A vote arises only indirectly, when the delisting is part of a broader corporate transaction or structural change (such as a merger, conversion, cross-border reorganisation), or any amendment to the articles of association that implicitly prepares or facilitates the delisting.[21] In those cases, issuers are required to provide advance disclosure of the intended delisting as part of the corporate process. Outside these scenarios, the decision to delist typically rests with the Luxembourg Stock Exchange under CSSF supervision, which may oppose the delisting if minority shareholders have not been offered a fair exit opportunity.

[19] Note: in NL, takeover must follow a public offer in which the bidder acquires at least 95 % of the shares, thereby gaining control to initiate a statutory squeeze-out and request delisting. However, deviations below the 95 % threshold have been reported (with transactions proceeding at 80 % or even 67 % acceptance) in cases involving complex legal or transactional constructions, such as *pre-wired asset sales*, *statutory mergers*, or *dual-track restructurings*.

[20] https://cms.law/en/int/expert-guides/cms-expert-guide-to-public-takeovers/belgium ; https://resourcehub.bakermckenzie.com/en/resources/global-public-ma-guide/europe-middle-east-and-africa/belgium/topics/delisting

[21] See Marcus Peter and Kate Yu Rao, iclg - "Luxembourg," in *Mergers & Acquisitions 2025*, 19th ed. (Global Legal Group, 2025), https://gsk-lux.com/wp-content/uploads/2025/02/MA25_Chapter-16_Luxembourg.pdf

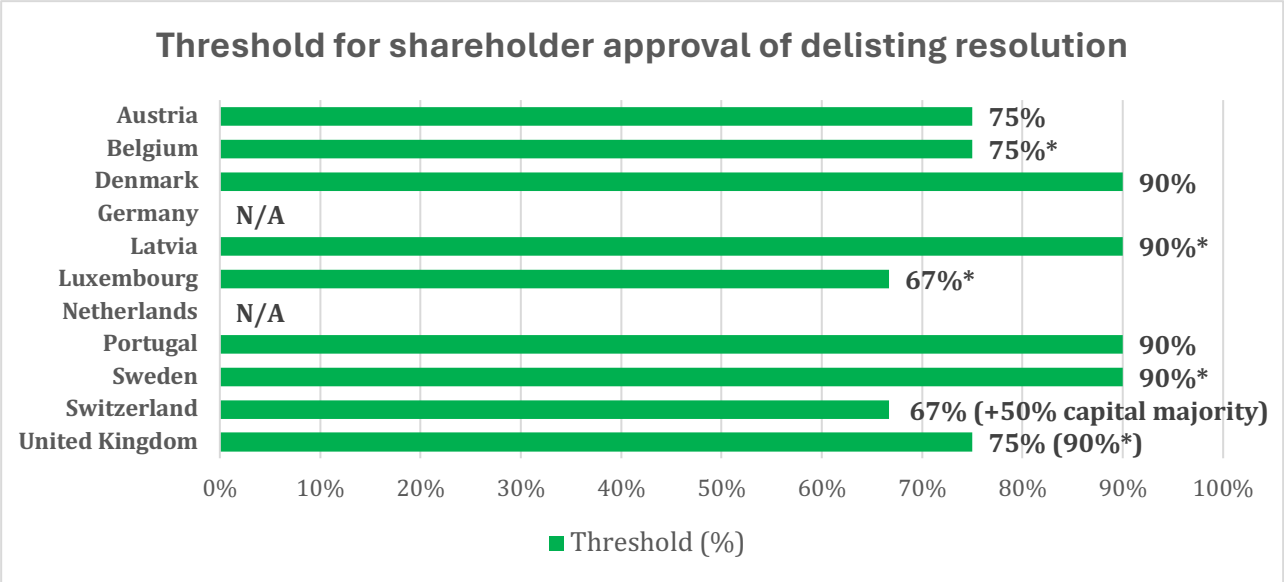

Figure 2: Shareholder Approval Threshold — voluntary delisting

** Shareholder-approval requirements may also apply for specific cases: low free-float regimes; tied to another corporate transaction (e.g. a merger), or equate rules of delisting following a takeover/squeeze-out (see below)*

Initial differences become more apparent when examining the procedural type of thresholds applicable to delisting decisions across Europe when the general meeting is statutory — namely, the quorum on one hand (minimum attendance, or the share capital represented to deliberate) and the approval threshold on the other (majority of votes required to adopt the resolution). These key elements vary considerably across jurisdictions, shaping how inclusive or restrictive the decision-making process is for shareholders.

From a shareholder-protection standpoint, quorum rules carry considerable weight because they determine whether far-reaching ownership changes genuinely reflect a representative majority. Without such safeguards, resolutions may be passed with limited participation, allowing small groups to impose structural changes at the expense of broader investor interests.

In most jurisdictions, however, the law does not prescribe a standalone quorum beyond valid convocation. A duly convened meeting is typically deemed valid, with resolutions adopted solely based on the voting majority of those present or represented.

This is for example the case in Austria, where a voluntary delisting may be approved either through a general-meeting resolution passed by 75% of votes cast (the standard corporate-law supermajority), unless shareholders holding over 75% of the voting share capital use the legal alternative option to request a delisting directly (through notarised application). If both thresholds mirror the classic corporate-law majorities, the latter route enables controlling shareholders to delist unilaterally, excluding minority investors from the decision-making process.

Compared to that, Belgium applies a significantly stricter model, yet typically in the specific context of its “simplified delisting procedure” under the Belgian Act of 21

November 2017. This regime applies to companies with a small free float (below 0.5% or €1,000,000). In such cases, an AGM vote is mandatory.[22] A dual threshold applies first; the first general meeting must represent at least 50% of the share capital, and a 75% majority of the represented capital is then required to approve the delisting. If the 50% attendance is not reached, a second meeting may proceed without a quorum.

For Luxembourg, a broadly similar dual threshold structure applies, though triggered under different conditions. As noted earlier, a shareholder vote typically arises only when the delisting is embedded within a corporate transaction requiring approval (e.g. a merger, conversion, or other status change preparing or announcing the delisting). In such cases, the first general meeting must represent at least 50% of the share capital, and resolutions require a two-thirds majority of the votes represented.

Another illustrative example arises in Portugal: a quorum based solely on the votes represented at the meeting is not sufficient; instead, 90% of all voting rights in the share capital (not only those present) must approve the delisting resolution.

In Switzerland, by contrast, a dual condition applies: the resolution must obtain both a two-thirds majority of votes cast and a majority of the nominal value of the represented share capital — setting one of the highest and most balanced thresholds among the surveyed jurisdictions in terms of minority-shareholder protection.

In all surveyed jurisdictions, the majority shareholder is entitled to participate in the vote on a delisting proposal — a legitimate right reflecting their ownership stake. Nevertheless, the wide divergences in approval thresholds, quorum requirements and supervisory involvement highlight the need for robust safeguards and transparency for minority shareholders, who are particularly exposed in voluntary delistings. (Cross-border) could increase where no takeover bid, no mandatory exit right, or no harmonised valuation standard applies, depending on the procedure used and the applicable national rules.

This is why, to address these risks, minority shareholders should also retain a meaningful ability to oppose a delisting likely to harm their interests, especially in cross-border contexts where investors may confront unfamiliar legal regimes, weaker remedies or limited access to information. In fine, problematic situations may arise where the offer price is manifestly inadequate or a buy-out is not required, where governance conflicts surface, liquidity and information rights are materially diminished, or the transaction structure exerts de facto pressure on minority holders.

[22] https://resourcehub.bakermckenzie.com/en/resources/global-public-ma-guide/europe-middle-east-and-africa/belgium/topics/delisting.

Quorum & Shareholder-Approval Threshold (voluntary delisting) | Overview Table

COUNTRY	GM APPROVAL REQUIRED FOR DELISTING?	QUORUM (ATTENDANCE)	APPROVAL THRESHOLD (VOTES)
AUSTRIA	Conditional: GM approval required, unless at least 75% (controlling) shareholders request delisting (notarised process).	Standard GM rules (valid convening)	If AGM vote: **75%** of votes cast (*plus other conditions: ≥3-year of listing; delisting offer required;* supervisory board approval)
BELGIUM	Conditional: No (*follows takeover*); Yes* for rare 'simplified cases' (dual threshold)	**50%** of share capital at 1st GM; no quorum at 2nd GM	If AGM vote ('simplified case): **75%** of represented votes
DENMARK	Yes	No fixed attendance %; measured on represented capital	**90%** of votes and represented capital
GERMANY	No statutory GM approval	N/A	**Not applicable**; mandatory public offer/buy-out (or takeover)
LATVIA	Yes	*Not specified*	(≈ 90%)**
LUXEMBOURG	Often No* *(Yes — if affecting statutes: pro-acted event, e.g. merger/event disclaiming delisting*)	**50%** of share capital at 1st EGM (none at 2nd)	If AGM vote: **66.67% (2/3)** of represented votes
NETHERLANDS	No — (*typically follows a takeover*)	N/A	**Not applicable**; exchange-based discretion. Delisting should typically follow a takeover, once an offeror holds ≥95% of shares
PORTUGAL	Yes	Not applicable (rule covers *total* voting rights, not attendance)	**90%** of all voting rights in share capital
SWEDEN	Yes (*self-regulatory rule*)	No minimum representation	**90%** of votes cast and shares represented
SWITZERLAND	Yes, dual test	Majority of nominal value of represented share capital	**66.67% (2/3)** of votes cast (and above capital majority)
UNITED KINGDOM	Yes	No fixed statutory quorum beyond valid convening	**75%** of votes cast (special resolution), where in practice ≤ 10% opposition tolerated (i.e.: 90% support)

** Foreseen in certain conditions | ** based on survey responses only; subject to further legal confirmation*

Figure 3: Mandatory Quorum & Shareholder Approval Threshold

2. Compensation and Legal Protection Following a Delisting

In turn, the process of a (voluntary) delisting of a company from a regulated market raises critical questions about compensation entitlements (exit offer) of shareholders and the legal remedies available to protect their interests. Across Europe, compensation levels and procedural safeguards vary significantly, reflecting national differences in corporate and securities law and differing views on how to balance the protection of minority investors with the autonomy companies enjoy in structuring and executing their public-market exits.

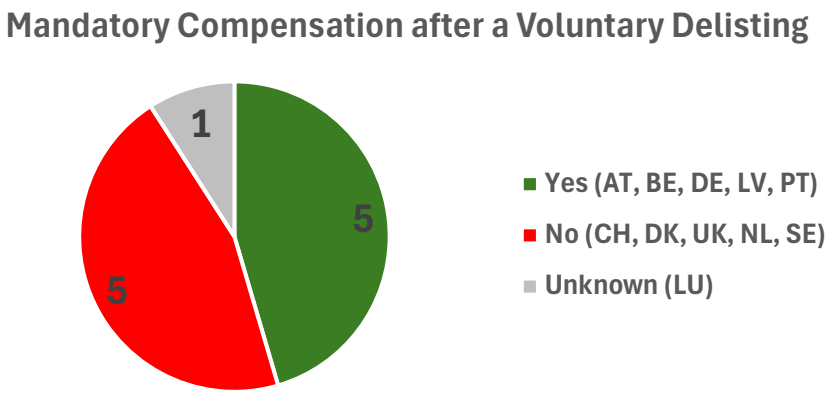

Figure 4: Compensation (mandatory offer) after a voluntary Delisting

2.1 Varying Approaches to Compensation after a Delisting

Survey responses indicate that private investors experience significant variation across Europe in both the approach to, and perceived fairness of, compensation offered in voluntary delistings. In this context, compensation typically refers to the exit offer or buy-out price proposed for minority shareholders' remaining shares, which may or may not include a premium. What stands out is that, in voluntary delistings, there is no EU-level obligation to provide such an offer at a fair price, nor any harmonised requirement to apply consistent valuation methods or premiums. In many Member States, no guaranteed bid or buy-out right applies: whether an offer is made, and how its adequacy is assessed, often depends on discretionary exchange practice rather than statutory or binding law.

This absence of a uniform legal obligation to provide a verifiable cash-exit mechanism has far-reaching implications for investor protection and market integrity. Where no mandatory exit offer is required (and all the more where no AGM vote is needed), minority shareholders risk becoming effectively unduly stranded with unlisted, illiquid shares, as tradability is lost (limited secondary-market options), potentially conditioning any future exit largely at the majority's discretion.

Some jurisdictions encourage or even require public buyouts when controlling shareholders initiate a delisting, but such mechanisms remain discretionary and unevenly applied. The lack of harmonised protocols, valuation criteria, and review

standards across the EU exposes minority shareholders to divergent practices depending on the listing venue and national supervisory approach.

As a result, minority shareholders may have no guaranteed right to a fair cash exit or premium reflecting the company's intrinsic value when trading ceases. Our mapping confirms that individual investors across EU Member States face unequal levels of protection despite operating within what should nominally be a single, integrated capital market.

2.2 Divergent Valuation Methods across Member States

Further differences emerge regarding the calculation of compensation for remaining shareholders in case of market withdrawal. Across Member States, both the intrinsic value of the company (as would be determined in the event of liquidation) and the market price of the shares can serve as reference points. Thus, compensation may rely either on market-based indicators (such as recent average share prices) or on independent expert valuations reflecting the underlying value of the shares.

In Latvia, for example, the asset book value often serves as the basis for compensation.

In Germany the average share price over the last six months preceding the delisting announcement is decisive for the offer. Conditional on exceptional cases (such as when the market price is deemed unrepresentative), a full company valuation is required under § 39 BörsG.

In Austria, a voluntary delisting requires a mandatory public delisting offer (§ 38 BörseG), priced at least at the volume-weighted six-month average (and not below the five-day pre-announcement average), with an upward adjustment shall this fall clearly below the company's actual value.

In Portugal, the compensation is determined through an independent assessment (subject to CMVM approval) and may consider the highest price paid by the offeror over a prescribed period, but not automatically the last market price or the last three-month average.

In Belgium, no statutory valuation rule seems to apply to voluntary delistings, besides regulatory oversight and exchange rules; usually including a premium. In practice, it should typically follow a prior buy-out (or takeover bid) for which a market-based price test applies. When a voluntary buy-out/takeover bid reaches 90% acceptance, the offer price is generally deemed fair and tested, forming the basis for the subsequent delisting. In merger-based exits, the valuation must be confirmed by an independent expert.

Overview of Delisting Compensation Valuation | Selected EU Jurisdictions

Country	**Compensation Basis** (of share offer price) — Exit offer voluntary delisting
Latvia	Asset book value
Portugal	Independent assessment (CMVM approval); may consider the highest price paid by the offeror over a reference period; Not automatically the last share price or the 3-month average.
Belgium	No statutory rules for voluntary delistings (board/controlling shareholder may initiate request under FSMA/Euronext oversight). In practice, delisting normally follows a prior squeeze-out, or equivalent buy-out offer as a market 'minimum price test'. In takeover-related squeeze-outs, the offer price must meet the equitable-price standard**,** often includes a premium or follows the minimum-price test (highest price paid by bidder over the relevant look-back period). For merger-based exits, the valuation must be confirmed by an independent expert under Belgian company law.
Germany	At least the six-month average share price prior to the delisting offer announcement; exceptionally a full company valuation required if price deemed not representative of actual market value (§ 39 BörsG).
Austria	The offer price must be at least equal to the volume-weighted average market price over the last six months, and it may not be lower than the volume-weighted average of the last five trading days preceding the announcement of the intended delisting (§ 27e VII–VIII UEbG). If the resulting price is clearly below the company's actual value, the offer must be adjusted upward to reflect an appropriate price.

For investors, both valuation approaches have advantages and disadvantages. On the one hand, relying on the asset book value (especially for growth companies with patents and other intellectual property rights) can serve as a conservative reference point in delisting or liquidation scenarios, providing investors some assurance that the compensation reflects at least the recoverable worth of identified assets. However, the book-value approach presents difficulties in valuation because it may fail to capture the economic reality of intangible and growth-oriented assets — such as patents, brands, or intellectual property's worth. It may also be affected by accounting adjustments, write-downs, or unrecognised hidden reserves. On the other hand, the stock market price as a pure indicator reflects current investor expectations and liquidity condition, but may

diverge substantially from the actual intrinsic value of the company. It can also (or have already) be influenced by the timing or announcement of the delisting offer itself, either due to information leaks or market expectation — anticipating change in control or reduced trading prospects. According to our survey, minority shareholders may be disadvantaged where book-value (balance-sheet-based) approaches understate underlying value or where market-price references fail to ensure a fair and verifiable compensation level.

Unfortunately, not only the valuation methodology of compensation remains inconsistent, it is also frequently non-transparent and incomprehensible for investors across Europe.

2.3 Legal Remedies and Paths for Review

When shareholders consider that compensation has been omitted in a voluntary delisting, or that the proposed *exit offer* (delisting buy-out) is inadequate, some national frameworks allow them to seek legal or judicial review of the compensation amount. In most jurisdictions, these review mechanisms focus exclusively on assessing the adequacy of the valuation underlying the exit offer, rather than challenging the delisting decision itself.

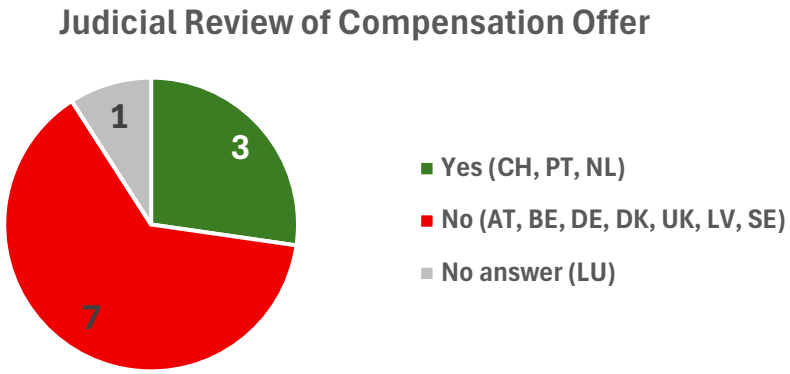

Figure 5: Judicial Review of Compensation Offer (voluntary delisting)

Based on the survey results, a minority of jurisdictions provide shareholders with what is deemed an *explicit* judicial path to contest the compensation offered in delisting procedures. There are no judicial review options for delisting compensation in seven countries, while only three countries provide such remedies — albeit through different routes and varied degrees of certainty. Specifically, Austria, Belgium, Denmark, Latvia, the United Kingdom and Sweden do not seem to offer a clear court-based review mechanism for challenging a voluntary delisting price. In Germany, the possibility of judicial review appears only partial (only valid for challenging the adequacy of compensation) and is subject to ongoing reforms. By contrast, Portugal, the Netherlands and Switzerland do provide a clear pathway for judicial review of compensation, according to investors.

For example, in Austria, judicial review before the commercial register court is available only for "cold" (non-voluntary) delistings, where the court verifies compliance with §38 BörseG. Voluntary delistings instead undergo review solely by the Vienna Stock Exchange, but with no equivalent judicial venues for minority shareholders.

The German case is also worth noting, as forthcoming reforms would, for the first time, allow minority shareholders to seek judicial review of the consideration in delisting offers through the *Spruchverfahren,* enabling courts' reassessment to adjust the adequacy of the offer price in delisting cases (under §39 BörsG and a so-called "exceptional-circumstances" provision). In practice, however, access to such review is likely to remain demanding, as shareholders must meet the statutory standing and timing requirements and demonstrate that the market price was fundamentally unrepresentative. Recent developments may thus both create greater certainty while also introducing new imbalances under the draft *Standortfördergesetz* Bill (September 2025) which seeks to refine the existing judicial framework. While maintaining the six-month average share price as the default valuation basis (as discussed above), the reform would broaden and specify the situations in which a full company valuation must replace the market price when it is deemed unrepresentative. At the same time, it introduces new exemptions: no delisting compensation offer would be required where the issuer continues trading on an SME growth market (downlisting) or where insolvency proceedings have been opened, whereas delistings from an SME growth market would, in future, fall within the scope of the delisting regulation. Thus, although the reform may strengthen valuation safeguards, notably by clarifying recourse options, the new exemptions risk leaving minority shareholders without effective protection nor actual remedy — resulting in a partial and uneven judicial review framework.

3. Impact on the Stock Price

An empirical study from Germany shows that the mere announcement of a delisting offer negatively affects the stock price.[23] The announcement triggers significant selling pressure, causing prices to fall and underperform the general market trend. Even if the operational business and earnings power are unaffected by the delisting announcement, shareholders suffer from economic disadvantages.

These disadvantages, in the form of a discount on the stock price, also adversely impact the compensation offer in some countries (e.g. Germany).[24] For example, when at least the average stock price of the last six months prior to the delisting must be offered, this price — although already determined before the official disclosure — may already reflect market expectations or earlier information advantages of certain shareholders, resulting in structural lower valuations.

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[23] Martin Weimann, "Ertragswert und Börsenwert Empirische Daten zur Preisfindung beim Delisting", 2020 (Germany)
[24] Section 39 BörsG, Sections 35 ff. WpÜG in Germany

After a successful delisting, higher trading costs in the over-the-counter market and reduced disclosure obligations as well as reduced liquidity represent additional disadvantages for shareholders.

4. Delisting in Practice — Examples from Surveyed Countries

The majority of the surveyed countries have identified notable cases of delisting in the past five years.

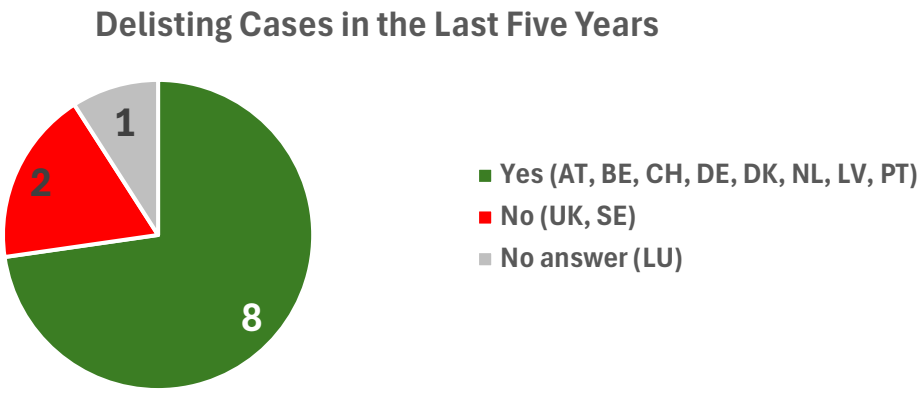


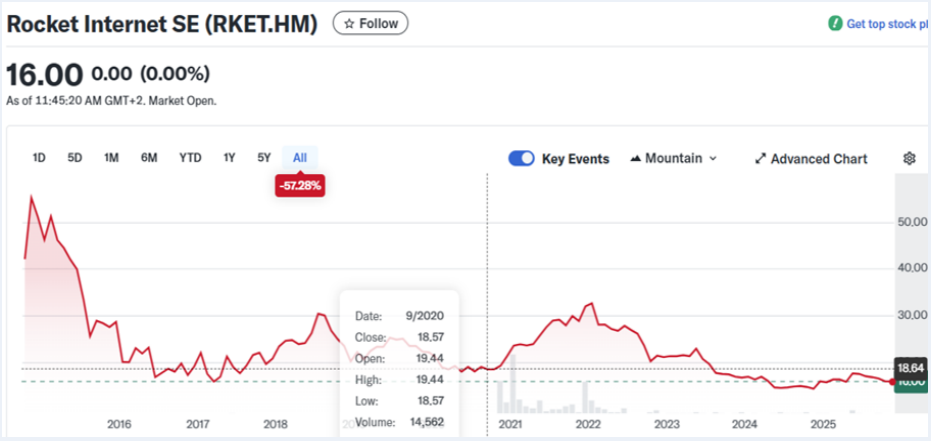
Figure 6: Delisting Cases in the Last Five Years

These perceptions are supported by research from Baldi, Parco and Mancini[25], according to which the Paris stock exchange recorded 22 delistings on the Main Market in 2023, removing over €404 billion market capitalisation and by that, surpassing the 2019 peak of €392 billion. Milan saw the highest number of transactions: 24 delistings in total, 16 of which involved SMEs.[26] In Germany, examples from the past show that the stock price fell following the announcement of the delisting and that the average price over the last six months was far from the value of the shares realised by the majority shareholders after the delisting.

[25] https://romebusinessschool.com/blog/the-delisting-phenomenon-in-europe-dynamics-stakeholders-and-implications-for-capital-markets/.
[26] See also: *introduction*

The Rocket Internet case in Germany (2020)

In September 2020, Rocket Internet announced its intention to delist from the Frankfurt Stock Exchange, combining this decision with a so-called "delisting self-tender offer" to minority shareholders at €18.57 per share — an amount derived from the six-month average market price, which was still deeply depressed by the COVID-19 downturn.



Source: Yahoo Finance

Figure 7: Price Development of Rocket Internet SE

Importantly, this was not a classic takeover offer, but a buyback orchestrated by the company itself, approved by an extraordinary general meeting, and designed to enable a swift withdrawal from public trading and organisational restructuring.

BETTER FINANCE's member organisation DSW sharply criticised the move, as the offer significantly understated the company's actual net asset value and resulted in a massive wealth transfer to controlling shareholders, estimated at roughly €200 million. In December 2021, and thus just over a year after the delisting, Global Founders bought out the hedge fund Elliott for €35.00 per share. Global Founders is the investment vehicle of the Rocket Internet founder and CEO, Oliver Samwer. If the transaction had taken place within twelve months after the delisting, Global Founders would have had to pay the same price to all other former shareholders as well.

DSW noted that the absence of an independent valuation process and the exclusive reliance on retrospective market prices meant that individual investors received far less than the true economic worth of their shares. The case highlighted the risks of the current German framework, which allows such transactions without robust minority protection or effective judicial review.

<u>Other examples reported:</u>

- Switzerland, the delistings of ONE Swiss bank SA (2024) and Swiss Steel Holding AG (2025) have occurred in recent years. No public buyout or mandatory compensation was offered to minority shareholders within the delisting process, as Swiss listing rules permit voluntary withdrawal once regulatory approval is obtained.

- In Austria, Ottakringer Getränke AG was delisted as of December 31, 2023. Investor protection advocates criticised that the valuation for shareholder compensation took place at a time when the stock was at a low point following the COVID-19 pandemic and the resulting restrictions on the hospitality sector.
- In the Netherlands, Accell Group N.V. was delisted in 2022, and the delisting of Just Eat Takeaway N.V. is planned for November 17, 2025.
- In Belgium, Alyrick B.V. acquired 100% of Smartphoto Group N.V., leading to a delisting as of July 9, 2025. Furthermore, Garden S.à r.l. acquired 100% of Greenyard, and the shares were delisted on September 4, 2025.
- In Sweden, Karo Pharma AB's delisting was implemented in 2022. After gaining over 93% control, the acquirer initiated compulsory redemption of the remaining minority shares at the same price.

From an individual investor perspective, the reasons for withdrawal from the stock market are predominantly cited by the survey respondents as follows:

1. Too much regulation (i.e. transparency regulations, disclosure obligations)
2. Rise of private equity (taking private)
3. No need for public capital
4. Costs of a (double) stock exchange listing

According to a recent study, approximately 150 delistings have taken place in Germany alone since September 2015. The majority of these (90 cases) involved unregulated delistings on the open market. In the regulated market, 46 delistings and 14 cases of downlisting were observed.[27]

From the issuer's perspective, considerations for withdrawing from the stock exchange perspective, were primarily driven by the following factors:

1. Cost and effort reduction
2. Regulatory (reporting) obligations
3. Lack of incentive to have future access to the capital market
4. Release of management resources
5. Strategic flexibility and long-term orientation

Both our survey of individual investor organisations and the referenced study indicate a clear convergence in explaining delisting trends: regulatory and cost burdens remain key structural deterrents to maintaining a listing, while limited perceived benefits of continued market access reinforce companies' incentives to withdraw from public markets.

[27] Bassemir, M., Z. Novotny-Farkas und P. Röder (2025): Der Rückzug vom Kapitalmarkt: Eine deskriptive Analyse von Delistings in Deutschland. Der Betrieb 40/41, S. 2449-2458.

Excessive administrative effort in implementing regulation can be a meaningful obstacle for listed companies, especially smaller issuers that face fixed compliance costs and fragmented national practices across the EU. However, transparency and disclosure remain essential pillars of fair and efficient markets because investors rely on timely, comprehensive and comparable information on price risk and allocate capital. EU policy explicitly reinforces this, e.g. through the rollout of the European Single Access Point (ESAP) to improve access and usability of disclosures EU-wide. From an individual investor's perspective, the goal should not be "less transparency," but "smarter transparency": information that genuinely improves price discovery and accountability without imposing disproportionate burdens that deter listings or encourage exits.

The surveyed individual investor organisations predominantly assume a correlation between how delisting is regulated and their frequency in practice. This relationship is further illustrated with concrete examples in the examination of squeeze-outs.

5. Downlisting and Relocation

5.1 Downlistings

Besides a complete withdrawal as a delisting from a regulated market, issuers may also pursue a downlisting — that is, transferring from a more strictly regulated segment of a regulated market to a lighter trading venue. This typically involves moving to an SME Growth Market or another Multilateral Trading Facility (MTF); both of which are recognised as trading venues in EU law (MiFID II), yet lack stringent regulated markets requirements. Some issuers may even transfer to exchange-regulated "Open Market" or "non-regulated market" segments, sitting outside the MiFID II definition of trading venues altogether. Overall, alternative platforms operate under lighter to significantly lighter admission and ongoing-obligation regimes, offering lower transparency and reduced liquidity, with corresponding implications for minority-shareholder protection.

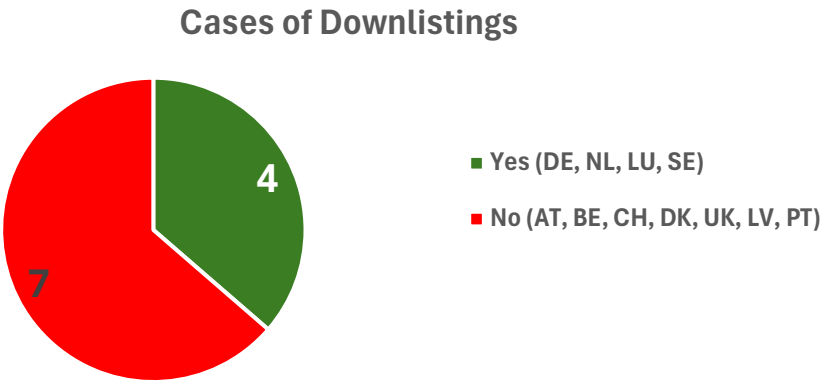


Figure 8: Reported Cases of Downlistings

Our survey respondents identified only a few notable instances of downlisting. Such cases appear far less frequent than delistings and are often associated with broader

restructuring measures or strategic realignments. Importantly, respondents also reported downlistings in situations where takeover thresholds were not met, serving as a *de facto* alternative to full acquisition and allowing controlling shareholders to reduce regulatory obligations and, in turn, diminish transparency and oversight for minority shareholders (without triggering squeeze-out protections). This aligns with the main factors motivating companies to pursue a downlisting — notably, lower compliance and reporting costs, and less stringent transparency requirements. However, such moves may also be influenced by differences in governance or shareholder-rights frameworks across market segments. Overall, downlisting is not yet perceived as a major concern by most respondents, likely due to its currently limited role in market dynamics.

However, this limited downlisting trend may evolve, notably following the implementation of the EU Listing Act (2024), which enhances flexibility for issuers to move between market segments, particularly between regulated markets and MTFs/SME Growth Markets[28]. The latter entail simplified disclosure and approval requirements and will notably further permit flexible share classes with differentiated voting rights across the EU. While not intended to promote "exits" from main markets, these reforms could inadvertently make downlisting a pragmatic option for certain issuers seeking lighter compliance regimes and reduced shareholder engagement, potentially diminishing transparency and overall oversight for investors.

5.2 Relocation of Primary Listings within the EU

By contrast, it is reported to be relatively more common for companies to relocate their primary listing from one EU Member State to another. Our survey identifies several concrete examples of such relocation across the surveyed jurisdictions.

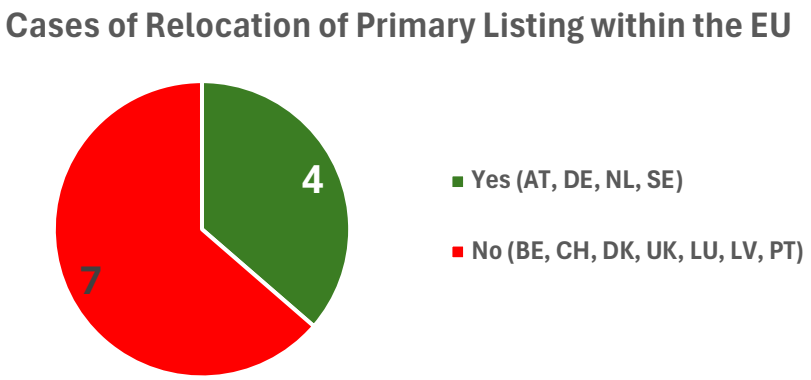


Figure 9: Reported Cases of Relocation of Primary Listings within the EU

In Austria, the merger of the Austrian Intercell AG and the French Vivalis SA in 2013 resulted in the creation of the new company Valneva SE, which is listed on Euronext Paris.

[28] Gaia Balp, "Downlisting and the Attractiveness of EU Public Equity Markets", Bocconi Legal Studies Research Paper No. 5064376 (June 07, 2024), http://dx.doi.org/10.2139/ssrn.5064376

The companies Exor N.V. (2022, previously listed in Milan, Italy) and Ferrovial SE (2023, previously listed in Spain) have relocated their primary listings to Amsterdam.

In 2014, the German travel company TUI AG merged with the British TUI Travel PLC, subsequently relocating its primary listing to London. In 2024, TUI AG abandoned its London listing and returned to Frankfurt, Germany.

According to our study, the main factors driving these (intra-EU) relocations include regulatory and tax arbitrage opportunities, higher liquidity on alternative exchanges, and greater valuation potential. In addition, differences in corporate governance regimes and investor engagement practices may influence relocation decisions, particularly where companies perceive fewer constraints from minority shareholder oversight. These dynamics reflect persistent fragmentation within EU capital markets and underline the need for further regulatory harmonisation and supervisory convergence. When companies abandon their listing in the home country, shareholders may also face higher transaction costs and reduced access to timely market disclosures. Some respondents noted a slight decline in transparency and weaker investor oversight following relocation; however, beyond those potential detriments, no significant or direct adverse effects from intra-EU relocations were reported within the scope of the survey.

5.3 Relocation of Primary Listings to Non-EU Markets

Alongside the broader trend of companies going private, respondents pointed to a number of 'high-profile' EU listings transfers to non-European markets that we report on.

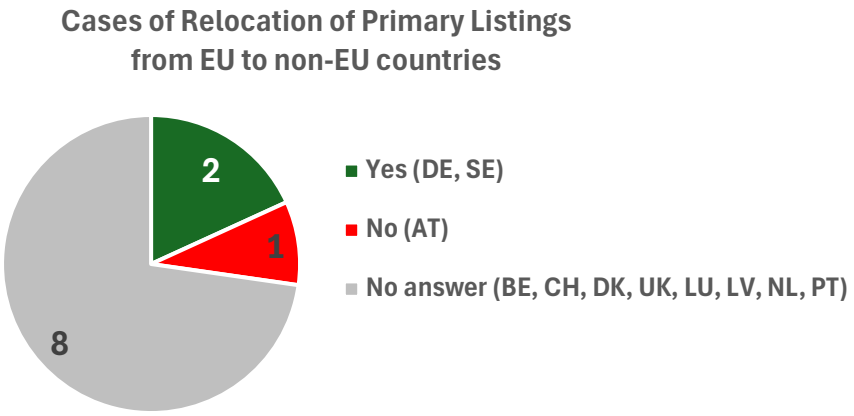


Figure 10: Reported Cases of Relocation of Primary Listing from EU to non-EU countries

A prominent example from Germany is Linde plc, which completed its delisting from the Frankfurt Stock Exchange on March 2, 2023, and is now primarily listed on the New York Stock Exchange (NYSE). One of the main reasons for this was cost savings compared to the previous dual listing, and a strategic shift toward the deeper liquidity and larger investor base of the U.S. market. According to the company, this move reduced administrative burdens and better aligned Linde with its global shareholder base.

Similarly, Millicom International Cellular S.A., incorporated and headquartered in Luxembourg, has long maintained its primary trading line outside the EU. From the early 2000s until 2019, its main trading instrument consisted of Swedish Depository Receipts

(SDRs) listed on Nasdaq Stockholm. In 2019, Millicom introduced a dual listing by launching its ordinary shares on the Nasdaq Stock Market (U.S.), while maintaining the SDRs as a secondary line. In 2025, Millicom announced plans to consolidate its listing by delisting the SDRs from Nasdaq Stockholm and retaining only its U.S. listing.

From the perspective of EU shareholders, such relocations to non-EU markets entail a material shift in the legal and supervisory framework governing their rights and protections, with direct implications for their effective exercise, as for example, voting at general meetings in non-EU markets is at best cumbersome if not impossible for individual investors. At the broader level of the EU's capital markets, these moves erode market depth and integration, undermining the Capital Markets Union's objective of anchoring Europe's largest issuers within transparent and accessible EU venues capable of attracting and retaining liquidity. Each transfer of a major issuer to a non-EU exchange carries significant consequences: it not only reduces liquidity on European trading venues but also weakens EU equity indices as a whole and limits opportunities for EU households and institutional investors to participate directly in the ownership and governance structures of globally relevant firms.

IV. Framework for Restructuring in Europe

1. Fundamentals of Restructuring

The EU Directive 2019/1023 on Restructuring and Insolvency ("Restructuring Directive") has been transposed in all surveyed Member States[29], establishing a common framework for early intervention in corporate distress. It aims to enable viable firms to restructure at a pre-insolvency stage, notably through *debtor-in-possession* procedures, *stays of enforcement*, court-approved restructuring plans that can be imposed on dissenting creditor or shareholder groups ("*cross-class cram-down*").

While this framework appears to function broadly as intended, our survey indicates that investors in some Member States face practical and procedural challenges in its application; creating heightened risks for minority shareholders and private investors, albeit with varying severity across jurisdictions. We report on illustrative cases below.

[29] https://www.insol-europe.org/tracker-eu-directive-on-restructuring-and-insolvency

Legal Excursus: Germany's StaRUG Framework — Implications for Shareholders

In Germany, the StaRUG (Act on the Stabilisation and Restructuring Framework for Companies) provides a pre-insolvency framework enabling comprehensive balance-sheet restructuring measures. These may include a capital reduction (potentially down to zero) followed by a capital increase, a debt-to-equity swap, and the exclusion of subscription rights for existing minority shareholders. In the context of listed companies, such measures can be negotiated and implemented within a court-approved restructuring plan, which allows creditor majorities to override dissenting shareholders. This framework grants management and senior creditors wide discretion to reallocate value and control in early-stage distress situations (pre-insolvency settings).

This setup raises several investor-protection concerns:

- First, the exclusion of subscription rights during recapitalisation does not merely risk permanent dilution; combined with a capital reduction to zero and a targeted capital increase, it can eliminate free-float investors entirely — even where the company remains viable post-restructuring. Existing shareholders are thereby denied any proportionate opportunity to maintain their stake, as new equity is allocated on terms negotiated with a narrow set of stakeholders, potentially transferring the entire future upside away from the pre-restructuring investor base.
- Second, minorities have limited influence over the design and timing of the restructuring plan: proceedings may advance on tight timetables, often amid information asymmetries preventing dispersed investors from assessing valuation assumptions, alternative recapitalisation options (e.g. less dilutive capital structures), or the proportionality of wiping out equity in full.
- Third, the combined mechanism of a capital reduction to zero followed by a selective capital increase (frequently anchored by a controlling or new strategic investor) can operate as a transfer of enterprise value — without an appraisal remedy or an equivalent safeguard ensuring fair compensation for minority shareholders.

In practice, this sequence amounts to a de facto expropriation risk for free-float shareholders: 1) Equity can be extinguished on the basis of non-transparent restructuring valuations (difficult for outsiders to verify); 2) Access to the "new" equity is contractually gated or economically prohibitive; and 3) Any subsequent turnaround gains thus accrue primarily to the new subscriber group rather than to the original (pre-restructuring) shareholder base.

In addition to the above-mentioned significant criticism from Germany, Austria has reported practical challenges in implementing the Restructuring Directive. Although the Directive leaves the appointment of a restructuring practitioner largely to national discretion, Austrian law makes such appointments mandatory in nearly all cases. In practice, however, qualified professionals are scarce, and no liability insurance coverage

applies. As a result, appeal rights against restructuring plans cannot always be effectively exercised, limiting judicial oversight and stakeholder protection.

In Portugal, the implementation appears to have worked better. The national legal framework (*Processo Especial de Revitalizacao*, PER) allows companies in financial distress, but not yet insolvent, to negotiate a restructuring plan with creditors under court supervision, with the court maintaining temporary authority over enforcement actions.

Across the surveyed countries, multiple features of preventive restructuring regimes can, in practice, place minority shareholders at heightened risk of uncompensated value transfers, particularly in cases where equity is wiped out and new capital is allocated without subscription rights; the incidence and severity of these outcomes vary across jurisdictions and case types.

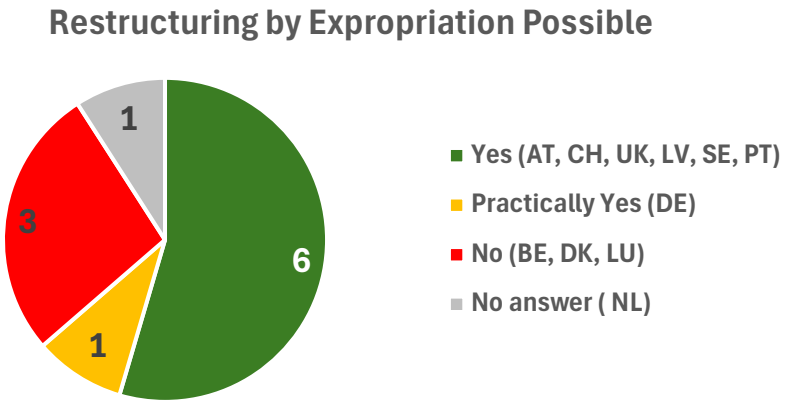


Figure 11: Restructuring by Expropriation Possible

Therefore, the Restructuring Directive should be reviewed to determine whether minority-shareholder detriment stems primarily from the Directive's core architecture or from divergent national transpositions, court practices, and market capacity constraints (e.g. practitioner availability, timelines, information standards). An EU-level impact assessment would be appropriate to evaluate the Directive's effects on equity holders in listed and SME contexts, quantify outcomes under plans with excluded subscription rights, and benchmark procedural safeguards and remedies across Member States.

2. Compensation and Legal Protection in the Event of a Restructuring

Looking into the necessity of compensation payments for expropriated shareholders in restructuring cases, as well as the methods used to calculate such compensation and the judicial review thereof, it becomes evident from our survey responses that none of these aspects are uniformly regulated across Europe and the surveyed Member States.

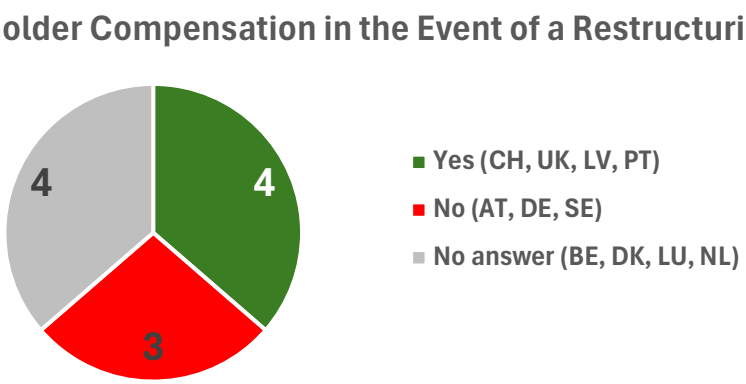


Figure 12: Shareholder Compensation in the Event of a Restructuring

As regards the fragmented treatment of shareholder compensation in restructuring cases across Europe, only four jurisdictions surveyed (CH, UK, LV, PT) explicitly foresee compensation mechanisms for expropriated shareholders, while three (AT, DE, SE) do not. For the remaining four (BE, DK, LU, NL), the absence of available data may again suggest a lack of clear statutory provision or limited transparency or access in national practice. Overall, the picture underscores a lack of harmonisation and predictability in how minority shareholders are treated when equity is cancelled or diluted during restructuring processes. On the specific issues arising from divergent calculation methods and the lack of transparency; these mirror those discussed in the section on delisting compensation above — we therefore refer to the preceding section.

Turning to the question of judicial review in restructuring cases, such oversight is not guaranteed across all jurisdictions. The Directive merely requires that a confirmation of a restructuring plan — especially one that affects the rights of creditors or equity holders — be carried out by a judicial or administrative authority to ensure proportionality and access to an effective remedy. As highlighted previously, for minority shareholders, the lack of consistent judicial review across Member States poses a systemic vulnerability. Where national law does not provide an accessible or suspensive remedy, minority investors risk losing their ownership stake or voting influence — even if the valuation of their shares is contested. This uncertainty creates unequal legal protection within the EU's internal market and may deter participation by individual and institutional investors in listed companies exposed to restructuring risk.

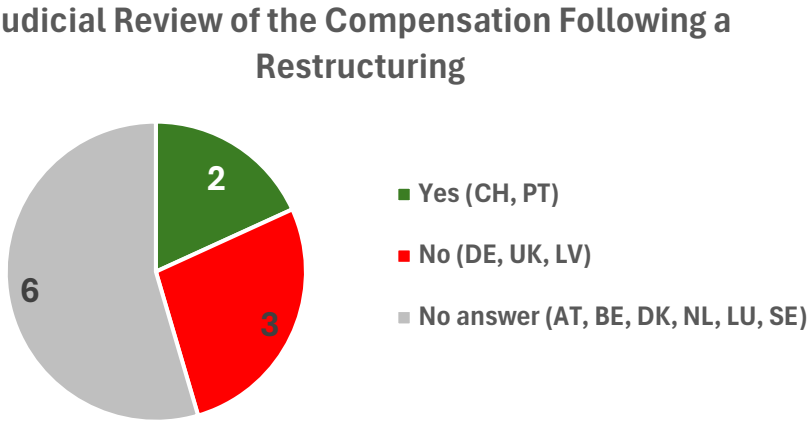


Figure 13: Judicial Review of the Compensation Following a Restructuring

According to investors, there is a perceived lack of effective judicial review of compensation following restructurings across Europe. Only Switzerland and Portugal appear to offer a clear route to challenge valuation outcomes, while Germany, the UK and Latvia provide none. In the remaining jurisdictions, investors report that remedies are either unclear or practically inaccessible. Restructuring events that lead to delisting are therefore perceived as particularly risky for minority shareholders, as valuations are often creditor- or court-driven, opaque, and thus difficult to contest.

3. Court-Approved Restructuring

The majority of organisations replying to the survey identified the problems in cases of court-approved restructuring without a shareholder vote at the general meeting as follows:

1. The threshold for a court to appoint an independent expert is relatively high.
2. There is an erosion of shareholder rights and corporate democracy due to a lack of transparency and due to legal uncertainty.
3. Minority shareholders only have appeal rights against the court approval, and the costs of legal representation are prohibitive.
4. The expropriation of minority shareholders contradicts the principle of effective property protection and constitutes unjustified unequal treatment.

4. Restructuring in Practice — Examples from the surveyed countries

German Cases: Leoni & Varta | Implications for Minority Shareholders

Leoni AG and Varta AG are recent high-profile examples illustrating the risks faced by minority shareholders under the current German restructuring and company law framework.

- Leoni, a major automotive supplier, underwent a court-confirmed restructuring under the StaRUG framework in 2023. The plan involved a capital reduction to zero — effectively extinguishing existing shareholders — followed by a capital increase subscribed exclusively by a new anchor investor. Minority shareholders had no practical means to participate in the recapitalisation and received no compensation, as the complete loss of value was justified by restructuring valuations approved within the StaRUG plan. The process unfolded under tight deadlines, with court confirmation replacing any substantive appraisal remedy. For minority shareholders, this resulted in a total loss of investment and no realistic avenue for redress.
- In the Varta case (2024–25), similar mechanisms were activated under StaRUG proceedings. Facing financial distress, Varta executed a restructuring that triggered a capital reduction to zero, a debt-equity swap, and an allocation of new shares primarily to a selected creditor group. As with Leoni, the process allowed creditor majorities to override dissenting shareholders' interests, leaving minorities with limited grounds to contest the outcome or claim a fair-value exit. The Federal Constitutional Court declined to admit a constitutional complaint, effectively confirming that, under StaRUG, there is no requirement for a separate shareholder vote or guaranteed minimum compensation for equity extinguished through a confirmed restructuring plan.

⇨ **Both cases demonstrate how the current German framework enables the complete exclusion of minority shareholders in listed companies without compensation, based solely on valuations negotiated between management and creditor majorities**.

Swiss Case: Credit Suisse AG

In March 2023, following the rapid deterioration of Credit Suisse's financial stability, an emergency merger with UBS AG was ordered and implemented under the supervision of the Swiss regulator FINMA, based on emergency powers granted by the Swiss Federal Council. This resulted in Credit Suisse's delisting from the SIX Swiss Exchange and the NYSE, as UBS assumed all business and legal responsibilities. Credit Suisse shareholders had no possibility of intervening in the process and saw the majority of their capital effectively wiped out, receiving only one UBS share for every 22.48 Credit Suisse shares. In parallel, approximately CHF 16 billion in AT1 bonds were written down entirely, exposing significant risks to both equity and bond investors.

⇨ **This case illustrates how emergency-driven delistings and state interventions can sideline shareholder protections, override due-process safeguards, while also disrupt the established creditor hierarchies (bondholders). In systemic crises scenarios, minority investors (equity and bondholders) are the most vulnerable and are left with minimal recourse**.

Dutch Case: Steinhoff International Holdings N.V.

In 2017, Steinhoff faced a major accounting scandal that erased around 95% of its market value (about €17-18 billion at that time). In March 2023, the company initiated a restructuring plan under Dutch law (the WHOA framework), involving transferring both economic and voting control to creditors. Under the plan, creditors received 80% of the economic interest and 100% of the voting rights in a new holding company, while existing shareholders retained only 20% of the economic rights and lost all governance influence. The plan was approved by the Amsterdam District Court in May 2023, representing a major 'debt-for-equity swap' that effectively eliminated shareholder control and severely diluted their financial stake. Steinhoff was subsequently delisted from all major exchanges in October 2023, leaving shareholders with a near-total loss.

⇨ **This case is yet again illustrative of a broader concern: restructuring mechanisms designed to preserve viable firms can, in practice, enable complete transfer of both the value and control from dispersed investors to concentrated creditors, without proper judicial or procedural safeguards**. By lacking calibrations to listed-company contexts, the preventive framework risks functioning as creditor-driven expropriation tools; circumventing both market/corporate-governance accountability protection and the equal protection and representation of minority shareholders.

V. Squeeze-Outs: Takeover and Restructuring

1. The Path to Squeeze-Out

The possibility of a squeeze-out of minority shareholders exists in all surveyed countries, with thresholds mostly ranging between 90% and 95% ownership. Across EU Member States, this convergence stems from the EU Takeover Bids Directive (2004/25/EC), which grants a bidder who has successfully completed a public takeover bid (public tender offer) the right to compel remaining minority shareholders to sell their shares once said 'controlling threshold' is reached. The rationale of this mechanism is to allow the acquirer to achieve full ownership and operational control of the company, thereby avoiding the inefficiencies of residual minority holdings.

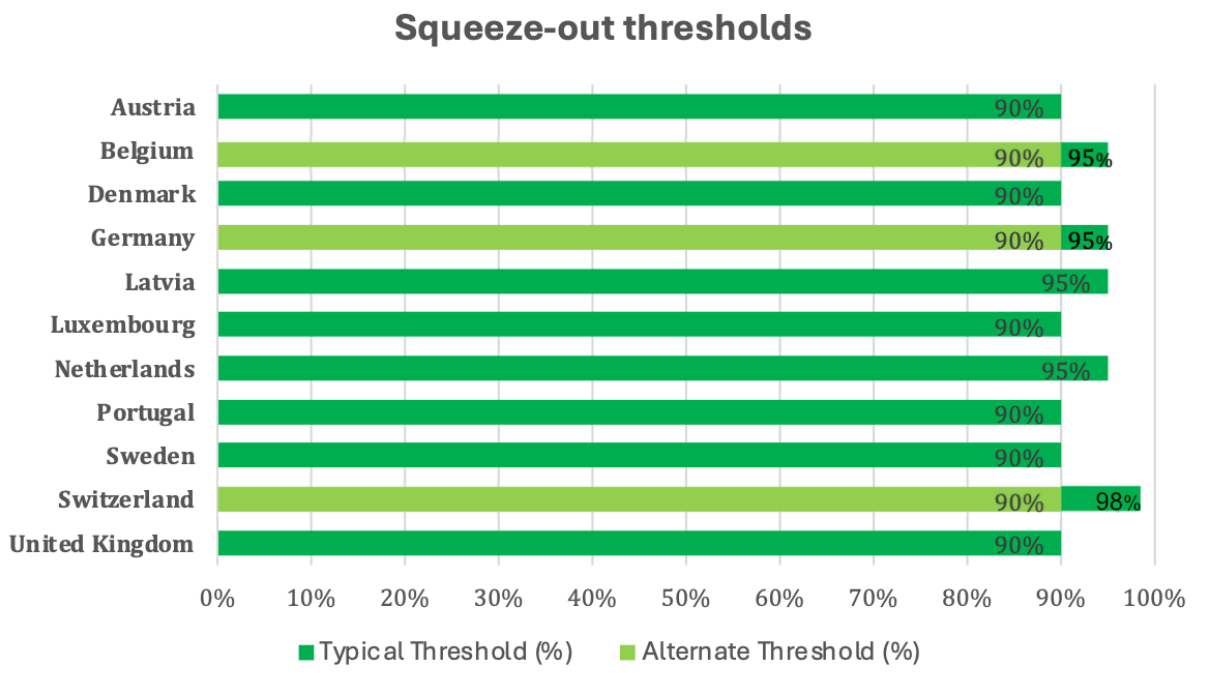


Figure 14: Squeeze-out Thresholds

**Typical threshold: most takeover cases/Alternate thresholds: may apply to specific cases (merger-based squeeze-outs, or operate as voluntary bid or "success thresholds") — depending on national systems (see bellow in-text).*

Importantly, not all squeeze-outs arise from a takeover bid. Across jurisdictions, distinctions may exist between takeover-based squeeze-outs (triggered following a successful public offer) and merger- or restructuring-based squeeze-outs. These mechanisms may rely on different tests of control, voting thresholds, legal bases, valuation rules and review mechanisms, forming distinct pathways within the broader M&A landscape.

The EU Takeover Bids Directive (2004/25/EC) deliberately leaves flexibility to Member States in defining the squeeze-out threshold, allowing it to be based either on voting rights or on capital ownership (share capital). National takeover laws transposing the Directive therefore exist alongside separate company law frameworks for mergers or

restructurings, and those conversions or reorganisations that can be used as 'alternative routes' to achieve similar economic take-private outcomes.

EU Member States illustrate the diversity of application: in Germany, a merger-based squeeze-out can occur at 90% ownership, whereas a takeover-related squeeze-out requires 95%.

Belgium's two-tier logic presents a different underlying rationale. The statutory squeeze-out threshold is always 95% of all voting securities (and regardless of whether the context is a takeover or a merger). The alternate 90% figure instead relates to voluntary takeover bids, operating solely as a "market-test" success price threshold; whereby an offer is presumed fair as long as 90% of the securities targeted by the bid are tendered. Meeting this 90% "success threshold" thus enables a simplified squeeze-out procedure, provided the bidder ultimately reaches the overarching 95% ownership threshold.

By contrast, in most other EU Member States (including Austria, Denmark, Latvia, Luxembourg, the Netherlands, Portugal, and Sweden), a unified squeeze-out threshold generally applies — typically between 90% and 95% of the voting rights or share capital, reflecting the typical range foreseen under the EU Takeover Bids Directive.

Among the two non-EU jurisdictions, Switzerland applies a notably higher 98% threshold for squeeze-outs following a public takeover bid, while also permitting a 90% squeeze-out via a merger (under the Swiss Merger Act). By contrast, the United Kingdom broadly follows the EU norm at a unique 90% takeover squeeze out threshold.

2. Compensation and Legal Protection in the Event of a Squeeze-Out

In the event of a takeover-related squeeze-out, minority shareholders are, in principle, entitled to compensation for their shares. Under Article 15 of the EU Takeover Bids Directive (2004/25/EC), the compensation must be offered at an "equitable price," which is normally presumed to be the price offered during the preceding takeover bid (public tender offer).

According to the survey, European respondents confirmed that compensation is indeed mandatory, yet not all show satisfaction in its adequacy. In such scenarios, although calculation methods for determining the offer price (as well as the available judicial safeguards) differ significantly across jurisdictions.

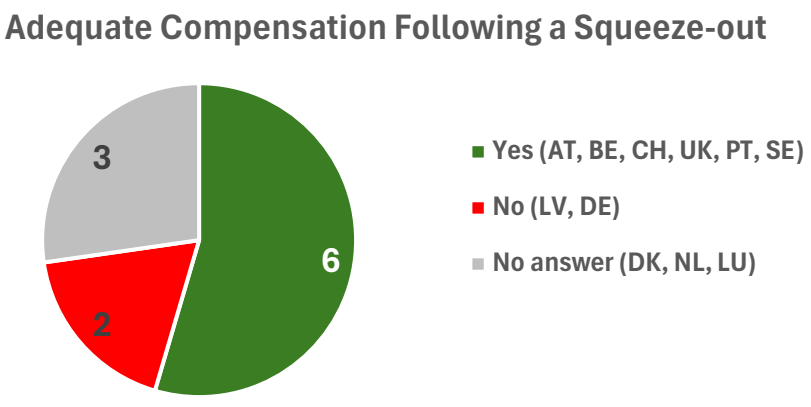


Figure 15: Adequate Compensation Following a Squeeze-out

When asked about the adequacy of compensation following a squeeze-out, survey respondents from seven out of eleven surveyed jurisdictions indicated satisfaction with their existing mechanisms, while Latvia explicitly reported dissatisfaction with the fairness of the compensation process). In Germany, court practice paints a more critical picture of the adequacy of squeeze-out compensation. Empirical studies of German appraisal proceedings (*Spruchverfahren*), show that courts grant a cash top-up in the vast majority of cases, with one comprehensive analysis finding that in roughly 80% of all squeeze-out and other restructuring cases that undergo judicial review, courts increase the compensation originally offered to minority shareholders.[30]

In practice, however, valuation methods in squeeze-out cases vary considerably, reflecting similar inconsistencies to those observed in voluntary delisting compensation. The main approaches typically rely on discounted cash flow (DCF) models, market-based indicators (such as the average share price over a defined reference period), and independent expert appraisals. Moreover, survey responses indicate that national practices also diverge as to whether valuations should account for pre-announcement share prices, control premiums, or post-offer adjustments. These variations reflect significant discrepancies in how "fair" or "equitable" value is determined (and consequently perceived by retail investors) across jurisdictions.

[30] https://www.jura.fu-berlin.de/en/forschung/fuels/Output/Working-Papers/FUELS_WP-How-not-to-administer-a-liability-rule-2020.pdf

Calculation Methods by Country (following a Squeeze-Out/Takeover Context)	
Country	**Calculation Method (summary)**
Austria	Fair price based on six- or twelve-month average share price and DCF valuation where liquidity is low; supervised by the Takeover Commission.
Belgium	Price initially proposed by the company's board or offeror (or typically reflects the highest price paid in the past 12 months); market tested price process, and final approval by FSMA.
Denmark	Fair market value determined by an independent expert approved by the Danish Business Authority (and court contestability)
Germany	Valuation based on earnings-value method (IDW S1); adequacy may be court challenged under the *Spruchverfahren*
Latvia	Price reflecting 'fair market value', determined by "independent expert"; may be approved by the FCMC
Luxembourg	Equitable price normally aligned with the preceding takeover offer; confirmed by the CSSF; judicial review available
Netherlands	Fair value determined by court-appointed independent experts under the Dutch Civil Code; should reflect 'full market value'
Portugal	Price equal at least the highest one paid in the prior 12 months — or a fair value confirmed by an independent expert approved by the CMVM
Sweden	Fair price first proposed by majority shareholder after determined by arbitration board under the Companies Act (especially if contested).
Switzerland	Company valuation (DCF or comparables) reviewed by independent experts; minority shareholders may contest in court.
United Kingdom	Offer amount in the preceding takeover bid presumed fair; minority shareholders may apply to court within six weeks to contest adequacy

Figure 16: Calculation methods for Compensation Following a Squeeze-out

The survey once again highlights the significant potential for improvement regarding the judicial reviewability of the adequacy of a compensation offer after a squeeze-out. Despite the existence of legal mechanisms like the "*Spruchverfahren*" in Germany[31], which allows minority shareholders to challenge the compensation amount in court, the practical effectiveness and fairness of these procedures continue to raise concerns.

[31] The German "Spruchverfahren" is a judicial review process that minority shareholders, who are being squeezed out of a company, can use to contest the adequacy of the cash compensation offered for their shares. Independent experts assess whether the proposed compensation reflects fair market value. If the court determines the initial offer was too low, it can order an increase, forcing the main shareholder to pay higher compensation.

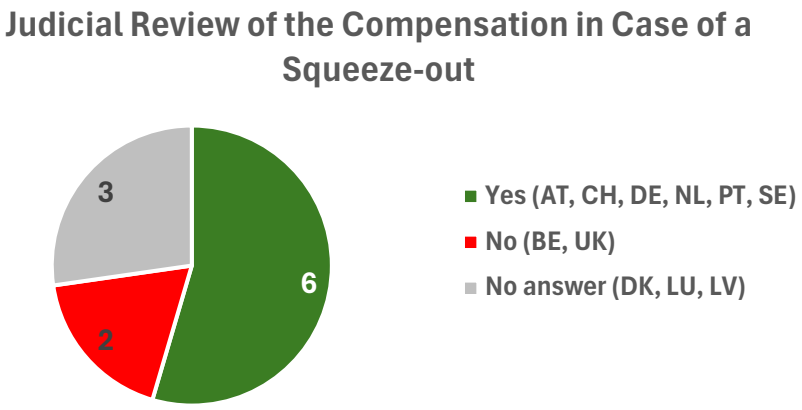


Figure 17: Judicial Review of the Compensation in Case of a Squeeze-out

According to investors, the avenues to contest compensation in squeeze-out situations are uneven, often opaque, and not easily accessible. Only a limited number of jurisdictions offer what is perceived as a clear judicial review mechanism; in others, review is either absent or purely theoretical. Where formal procedures exist, structural barriers are still reported, including delays, costs, and information asymmetries, limiting their practical usefulness to minority shareholders.

In Germany, for example, '*Spruchverfahren'* often takes many years until a final decision, creating long periods of uncertainty about whether, and in what amount, additional compensation will be paid. A core design feature is that courts can only increase, not reduce, the offered compensation, which gives appraisal litigation an "option value" that controllers must price in. Paradoxically, this may encourage majority shareholders to initially offer less than fair value, shifting the burden onto minority shareholders to litigate for an adequate price ex post. Even where courts appoint independent experts, investors depend heavily on technical assessments they cannot easily verify or challenge, which can undermine perceived fairness and trust.

In Belgium, according to the FSMA, most of its decisions (including approval of a takeover or squeeze-out prospectus) can be challenged before the Market Court, a specialised chamber of the Brussels Court of Appeal. This has implications since such prospectus would contain the independent expert's valuation. Therefore, an appeal against the FSMA's approval indirectly enables minority shareholders to challenge a valuation by challenging the judicial review of the FSMA's decision. However, the Market Court cannot recalculate the valuation; it may only annul the FSMA's approval in cases of procedural error or manifestly unreasonable assessment.

3. Squeeze-Outs in Practice — Examples from Surveyed Countries

Our survey also identified recent real-world applications of squeeze-out procedures. The two selected examples below illustrate how national frameworks are used in practice and where challenges for minority shareholders may surface.

- In 2020, Switzerland witnessed a squeeze-out involving the energy company Alpiq Holding AG. The board of directors proposed a squeeze-out merger between Alpiq Holding Ltd. and Alpha 2020 Ltd., aiming for 100% control by the anchor

shareholders, including Schweizer Kraftwerksbeteiligungs-AG (SKBAG), the Consortium of Swiss Minority Shareholders (KSM), and EOS Holding SA. The squeeze-out merger was put to vote at the Annual General Meeting on June 24, 2020, and received approval from more than 90% of all shares registered in the commercial register, fulfilling the legal threshold for the merger. The procedure was successfully completed. However, there were also legal disputes and compensation claims related to the amount of the payout, which did not prevent the squeeze-out from going forward.

- In Latvia, after receiving approval from the Latvian Competition Authority in 2022, a takeover occurred in the pharmaceutical industry. The company JSC Olainfarm subsequently carried out a squeeze-out, with the main shareholder, JSC AB City, pushing minority shareholders out of the company. JSC AB City acquired decisive control over JSC Olainfarm, and to address competition concerns, JSC Olainfarm was required to divest certain assets. Following the squeeze-out, JSC AB City consolidated its ownership, completing the process of removing minority shareholders from the company's ownership structure.

VI. Protection of employee shareholders

According to our survey, there are no special protective regulations for employees who participate in employee stock purchase plans. In the event of a delisting, restructuring, or squeeze-out, they are not privileged. This appears appropriate in light of the principle of equal treatment of all shareholders. From the perspective of investor protection, shares conferring special rights — such as multiple voting rights or veto powers (golden shares) — should be rejected. We advocate for the equal standing of all shareholders and, against this background, consider that there is no justification for special protection for a certain group of shareholders or shares at this level.

VII. Implications for the Legitimate Interests of Individual Investors

Overall, our survey showed significant and persistent divergences remain between Member States in the realm of delisting events. Foremost, shareholder approval at a general meeting is not universally required as a corporate process in voluntary delisting cases. As a result, minority shareholders are at the mercy of the majority shareholders' decisions, often lacking a structured opportunity to advocate for their position or question the management and supervisory boards critically at a general meeting.[32] Furthermore, the disadvantage of investors is even more flagrant, since there is no uniform EU-level obligation for compensation in the case of voluntary delisting. This is

[32] When such provision exists, models are confined to voluntary delisting (not for restructuring or takeover bases); ranging from no statutory vote at all, to purely indirect or discretionary involvement, to varied majorities (or dual threshold) across European jurisdiction (see *supra*).

detrimental, as our investigation and recent capital market research reveal that the sole announcement of a delisting can negatively impact stock prices.[33] On a positive note, the thresholds for squeeze-outs have been harmonised under the EU Directive 2004/25/EC on takeover bids and provision of 'fair and equitable' price compensation exist; even though merger-based alternatives and higher national thresholds or national regulatory process can result in different outcomes. These disadvantages for minority shareholders and bondholders alike extend into corporate restructuring, where consequences can be far more severe; particularly when a de facto expropriation occurs.[34] In particular, emergency-driven delistings or state interventions can sideline shareholder protections, override due-process safeguards, and disrupt established creditor hierarchies.

Finally, the methodology for calculating compensation — where compensation is offered at all — remains problematic. A lack of transparency and insufficient information on key influencing factors systematically disadvantage minority shareholders, notably due to inconsistencies in valuation (ranging from reference periods for market prices, control premiums, expert valuations or book-value approaches). Moreover, those are rarely explained in a way private investors can verify or are often challenging to contest, when possible.

To continue, effective legal protection for minority shareholders is not guaranteed across jurisdictions. In some Member States, there is no judicial review possibility regarding (missing or inadequate) compensation offers. In others, judicial review is possible but substantively very limited, and truly independent company valuations are rare; instead, valuations often rely on board-commissioned experts, supervisory oversight, stock-exchange rulebooks, or a combination of these, which may not provide a sufficiently impartial safeguard for minority investors.

Taken together, this complex and fragmented landscape underscores the urgent need for harmonised regulatory frameworks and improved shareholder protections across the EU, to ensure fairness and efficiency in capital markets and to protect vulnerable investors effectively.

VIII. Recommendations for Increased Fairness and Transparency

1. Harmonisation in the Core Area

We underlined that listing rules of companies have incrementally been harmonised at EU level. By the same logic, the framework governing delistings events (including downlisting) should also evolve toward harmonised standards.

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[33] This pattern is confirmed by empirical evidence reported by investor organisations, notably from Germany (*see supra*).

[34] As reported in several Member States where preventive restructuring plans can dilute or even cancel equity without subscription rights, compensation consideration, or any effective shareholder consultation.

First, significantly divergent levels of minority shareholder protection across Member States risk creating regulatory arbitrage. This enables companies to exploit these differences by opting for jurisdictions with weaker safeguards, ultimately undermining investor protection, distorting competition, harming the investment climate, and weakening overall market confidence. Such disparities also fragment the integrity and functioning of the single capital market.[35]

Second, without minimum EU-level safeguards, the divergences are not abstract: across voluntary delistings, restructuring-driven exits, and takeover-related squeeze-outs, downlistings to lighter venues, our mapping shows that minority shareholders frequently face limited involvement, inconsistent or non-existent compensation rights, and uneven access to judicial review.[36] Therefore, a robust solution should aim to bring together capital-market law (providing baseline transparency and fair exit conditions), and corporate law (rules establishing clear procedural rights, such as mandatory shareholder approval of delisting), while integrating standardised compensation mechanisms.

Evidence shows that shareholder approval for voluntary delisting is not a universal requirement in the EU, or operates only through scattered or indirect rules, leaving minority shareholders in some Member States with little or no real say in this critical decision. Therefore, a key reform should be to make shareholder consent a binding corporate-law requirement, ensuring that all shareholders, including minorities, have meaningful decision-making authority over a company's exit from the public market.

Based on Article 50(2)(g) TFEU and Article 114 TFEU, the EU has the competence to adopt appropriate provisions for the protection of shareholders. These provisions provide a robust legal basis for harmonised standards that safeguard shareholder rights and ensure a level playing field in the context of public market exits. Such harmonisation would not only prevent harmful regulatory competition but also enhance investor confidence and reinforce the attractiveness of EU capital markets as a whole.

2. Improvement of Transparency and Comprehensibility

To improve investor confidence and to encourage private wealth accumulation through capital markets, compensation in the event of a delisting must be based on valuation rules that are transparent, independent, and comprehensible. Therefore, there is a dire need for the implementation of a uniform European framework for valuation. Such a framework would help ensure that minority shareholders across all Member States are treated fairly, irrespective of national market practices. Crucially, compensation offers should be not only transparent but also subject to judicial review to guarantee both procedural fairness and substantive adequacy.

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[35] See for example (supra): Delisting and relocation of Exor N.V. and Ferrovial S.E.; Italy/the Netherlands; and also: voluntary delistings may proceed without any general-meeting vote in Germany, the Netherlands or most Belgian and Luxembourgish cases; whereas Portugal, Sweden and Switzerland require approval.

[36] For example: diverging valuation bases from six-month market-price references in Germany and Austria to book-value approaches in Latvia, or the lack of explicit delisting-compensation right in several MS.

Without independent review mechanisms, there remains a significant risk that the legitimate interests of minority shareholders can be overlooked or undervalued, especially if there is potential for collusion between majority owners and creditors. The aim is not to burden companies unnecessarily, but to provide a robust, confidence-building framework that protects the interests of all investors while supporting efficient, attractive EU capital markets. Any such judicial review procedures should be accessible, affordable and timely for individual investors.

In addition, the European Commission should consider implementing a regular monitoring mechanism to track delistings, downlistings and listing relocations, assess their impact on market depth and private investors, and evaluate how information, compensation and exit rules are applied in practice.[37] Such monitoring should go hand in hand with stronger supervisory convergence to detect regulatory arbitrage and ensure that harmonised delisting and valuation standards are enforced consistently across Member States.

IX. Conclusions

It is essential that EU delisting and restructuring frameworks strike a balanced approach that accommodates the legitimate interests of both majority and minority shareholders, while responsive oversight and periodic adjustments preserve fairness and market stability. The EU should commit to a regime of transparent, fair, and inclusive delisting standards, supported by regular benchmarking against international best practices to safeguard the long-term attractiveness and competitiveness of its public markets.

We underline that the coexistence of public markets with private-market financing must be anchored in the strength of the public-market ecosystem itself; private markets should not become a substitute for, or a retrenchment from, well-functioning public markets. Millions of European citizens invest directly in listed companies, making public markets the primary and most transparent channel through which households participate in the economy. Against this backdrop, the rise in downlistings and voluntary delistings is concerning. In some Member States, a voluntary delisting may not always trigger an exit offer or statutory buy-out right, leaving minority shareholders at risk of holding shares in an unlisted or non-traded company with minimal liquidity and no guaranteed exit. This effectively exposes retail investors to conditions akin to private markets, but without the negotiated protections that accompany formal take-private transactions. Private equity is inherently illiquid, intermediated, and suited to investors who can bear long holding periods and opaque pricing; retail investors should not be pushed into such environments without a clear exit mechanism. The ongoing delisting-

[37] EU supervisors should be empowered to systematic tracking of clusters of delistings and take-private transactions to have a consolidated view and assess delisting market evolutions, including downlistings and relocation.

related trends therefore requires policy attention[38], and any widening of retail access to private equity must remain cautious given these structural risks.

As our survey mapping shows, for minority shareholders, vulnerabilities in market exits arise due to lack of meaningful participation rights, clear guarantees of fair compensation, or accessible avenues for review. Predictable and equitable exit conditions are therefore essential to reinforce trust in public markets and sustain households' willingness to provide long-term equity capital channelled towards liquid markets. Robust safeguards are thus indispensable to close the current gap between entry and exit rules: it is a prerequisite for a coherent Capital Markets Union, where individual investors should benefit from harmonised procedures.

At the same time, the renewed push for deeper capital-market integration in trading and post-trading should be taken further. This includes exploring concrete options, such as a single EU entry point for listings and even a coherent European listing segment operating under a genuinely single rulebook (for example, via a "European stock exchange"). Such harmonisation would go beyond the 2024 Listing Act's limited simplifications, which eased some burdens but also introduced flexibilities (e.g.: multiple share classes) that may effectively reinforce uneven shareholder treatment. There is, in fact, broad recognition that fragmented listing requirements and market infrastructures continue to dilute liquidity, distort competition, and enable regulatory arbitrage, thereby potentially reinforcing the structural drift towards private-market financing.

Overall, while strengthening harmonisation and increasing issuers' visibility at the IPO stage is essential, addressing only the entry side of the market cycle cannot by itself reverse the decline in listings. Our recommendations therefore call for equivalent coherence on the exit side: harmonised delisting rules, fair-price standards, and common procedural safeguards. Ultimately, such measures should serve a dual objective: providing issuers with clear and consistent compliance expectations that limit regulatory arbitrage and reinforce corporate accountability, while strengthening investor and stakeholder trust through transparent, reviewable, and equitable exit conditions across the EU — especially for minority shareholders.

[38] See supra (introduction): '*Two Sides of the Markets: Europe's IPO – Delisting Imbalance*'.

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