

## BETTER FINANCE's feedback on a Simplified prospectus for companies and investors in Europe

**BETTER FINANCE**, the European Federation of Investors and Financial Services Users, is the dedicated representative of financial services users at European level. It counts about fifty national and international members and sub-member organizations in turn comprising about 4.5 million individual members. Our organization acts as an independent financial expertise centre to the direct benefit of the European financial services users (shareholders, other investors, savers, pension fund participants, life insurance policy holders, borrowers, etc.) and other stakeholders of the European financial services who are independent from the financial industry. As such its activities are supported by the European Commission since 2012.

**BETTER FINANCE** is the most involved European end user and civil society organisation in the EU Authorities' financial advisory groups, with experts participating in the Securities & Markets, the Banking, the Occupational Pensions and Insurance and Reinsurance Stakeholder Groups of the European Supervisory Authorities; as well as in the European Commission's Financial Services User Group (FSUG), and in the European Financial Reporting advisory Group (EFRAG). Its national members also participate in national financial regulators and supervisors bodies when possible.

For further details please see our website: <http://betterfinance.eu/>

BETTER FINANCE welcomes this opportunity to comment on the European Commission's roadmap on a "Simplified prospectus for companies and investors in Europe". BETTER FINANCE already had the opportunity to share its position regarding the content of the Prospectus, the EU growth Prospectus and their respective summaries<sup>1</sup>.

As representative of individual investors and savers, we believe that the main concern is to ensure that the Prospectus, the EU Growth Prospectus and their respective Summary prospectuses must reflect a true picture of the company's financial health and prospects.

The historical financial information must be clearly presented in the **Prospectus Summary** (and the Summary of the EU Growth Prospectus) in a standardized and therefore comparable way in order to

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<sup>1</sup> See BETTER FINANCE' answer to the Consultation Paper on draft RTS under the new Prospectus Regulation (ESMA) [http://betterfinance.eu/fileadmin/user\\_upload/documents/Position\\_Papers/Securities\\_Market/en/BETTER\\_FINANCE\\_s\\_response\\_consultation\\_paper\\_on\\_draft\\_rts\\_under\\_prospectus\\_regulation\\_FINAL.pdf](http://betterfinance.eu/fileadmin/user_upload/documents/Position_Papers/Securities_Market/en/BETTER_FINANCE_s_response_consultation_paper_on_draft_rts_under_prospectus_regulation_FINAL.pdf) ; See BETTER FINANCE's answer to the Consultation Paper on EU Growth (ESMA)prospectus [http://betterfinance.eu/fileadmin/user\\_upload/documents/Position\\_Papers/Securities\\_Market/en/BETTER\\_FINANCE\\_s\\_Response\\_form\\_consultation\\_paper\\_on\\_eu\\_growth\\_prospectus\\_2\\_FINAL.pdf](http://betterfinance.eu/fileadmin/user_upload/documents/Position_Papers/Securities_Market/en/BETTER_FINANCE_s_Response_form_consultation_paper_on_eu_growth_prospectus_2_FINAL.pdf) ; See BETTER FINANCE's answer to the Consultation Paper on format and content of the prospectus [http://betterfinance.eu/fileadmin/user\\_upload/documents/Position\\_Papers/Securities\\_Market/en/BETTER\\_FINANCE\\_s\\_response\\_consultation\\_paper\\_on\\_format\\_and\\_content\\_of\\_the\\_prospectus\\_1\\_FINAL.pdf](http://betterfinance.eu/fileadmin/user_upload/documents/Position_Papers/Securities_Market/en/BETTER_FINANCE_s_response_consultation_paper_on_format_and_content_of_the_prospectus_1_FINAL.pdf)

give to the potential investor a clear view of the financial information to allow him/her to make an informed investment decision.

We believe that the following information must be included in the Summary:

- the total revenue (at least for the last 5 years or since the inception if shorter)
- the Net earnings/losses (at least for the last 5 years or since the inception if shorter)
- the Net earnings per share (undiluted) (at least for the last 5 years or since the inception if shorter)
- Total assets
- Total liabilities
- Shareholders' equity
- Gross dividend, and
- End of the year closing price of the share on its main market of listing are also important information for investors (at least for the last 5 years or since the inception if shorter)