VOLUNTARY ESAP TEMPLATE FOR SMES AND START-UPS

Assessment of a possible initiative to improve the presentation and availability of key information on fast growing, innovative SMEs and start-ups

Vienna, 3 December 2025

EFRAG
financial reporting

DISCLAIMER

The views expressed in this presentation are those of the presenter, except where indicated otherwise. EFRAG positions, as approved by the EFRAG FRB, are published as comment letters, discussion or position papers, or in any other form considered appropriate in the circumstances

OVERVIEW

- WHAT IS EFRAG
- BACKGROUND OF THE PROJECT
- EUROPEAN SINGLE ACCESS POINT (ESAP)
- EFRAG'S ROLE
- EFRAG'S PRELIMINARY PROJECT PLAN
- EFRAG'S METHODOLOGY
- PRELIMINARY FEEDBACK RESULTS
- QUESTIONS

WHAT IS EFRAG

EFRAG is a non-for profit organisation serving the public interest.

EFRAG's activities are organised in two pillars:

- **Financial Reporting Pillar**
- **Sustainability Reporting Pillar**

EFRAG is active both influencing the IASB standards and in developing draft ESRS as the technical advisor to the European Commission (as requested by EC).

Under Financial Reporting Pillar:

- ensures that the European views are properly considered in the IASB's standard-setting process and in related international debates;
- provides advice to the EC on whether newly issued or amended IFRS Accounting Standards meet the criteria of the IAS Regulation for endorsement;
- performs other activities at request of the EC (providing opinion,

BACKGROUND OF THE PROJECT

March 2024 Eurogroup report highlighted the following:

- Europe is at risk of falling behind globally in competitiveness, growth, and prosperity.
- EU needs a capital market that can direct both domestic savings and foreign capital into innovative companies, enabling them to become engines of long-term growth and global leadership in new industries.
- The robust banking sector currently carries the bulk of financing needs for businesses, however, to meet substantial future financial needs, market-based funding opportunities must become more widely and readily available in Europe.
- Capital Markets Union (CMU) progress has been made, but the EU still lacks a deep and well-functioning market for risk capital, especially for start-ups and scale-ups.

EFRAG

BACKGROUND OF THE PROJECT

One of the priority areas for action identified by [March 2024 Eurogroup report] is:

"develop a competitive, streamlined and smart regulatory system, allowing funds to be better channelled into innovative EU businesses, with greater liquidity, risk taking and risk sharing together with higher resilience and financial stability"

Within many axes of future actions under this area:

To further harmonise accounting frameworks in a targeted manner to enhance cross-border comparability of available information on companies, without increasing administrative burden, to allow in particular SMEs and other non-listed firms to better benefit from the new European Single Access Point (ESAP) and thus facilitate

European Commission Potential Initiative:

- ✓ voluntary template
- ✓ available on ESAP
- ✓ containing key information about the company
- ✓ serving as a 'business card' of an SME or start-up
- ✓ facilitating investors' screening process
- ✓ enhancing cross-border comparability

EUROPEAN SINGLE ACCESS POINT (ESAP)

Regulation (EU) 2023/2859 aims to further integrate EU financial services and capital markets by providing easy centralised electronic access to public information about entities.

The regulation does so by mandating the European Securities and Markets Authority (ESMA) to establish and operate a European single access point (ESAP) by 10 July 2027.

The access point will contain the following data, which will be collated by specific collection bodies:

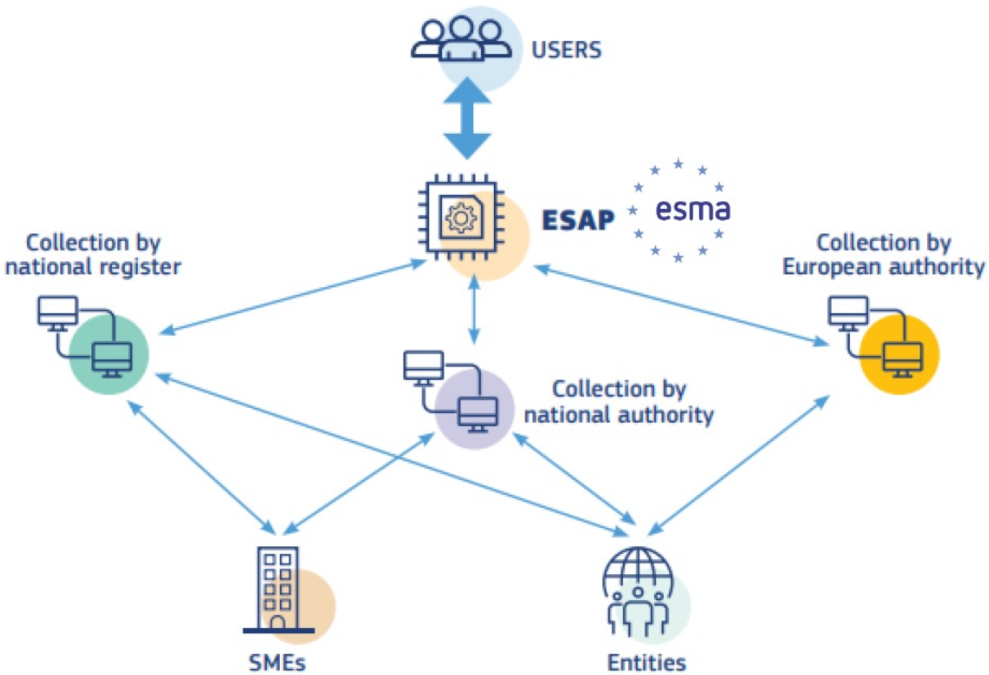
- information required by existing EU law (the Annex lists the 19 regulations and 16 directives) and any subsequent legally binding acts;
- information submitted voluntarily.

The access point must contain at least the following functions (not limited to):

- a web portal with a user-friendly interface, search function, information viewer, in all official EU languages and machine translation service;
- a download service, including large quantities of data;
- specific distinction for the information submitted voluntarily

EFRAG

EUROPEAN SINGLE ACCESS POINT (ESAP)



For explanatory purposes, the ESAP can be broadly compared to the SEC's [EDGAR platform] in that their aim is to centralise and provide free public access to financial and corporate filings.

Extract from https://finance.ec.europa.eu/system/files/2021-11/211125-capital-markets-union-package-esap-factsheet_en.pdf

EFRAG

EFRAG'S ROLE

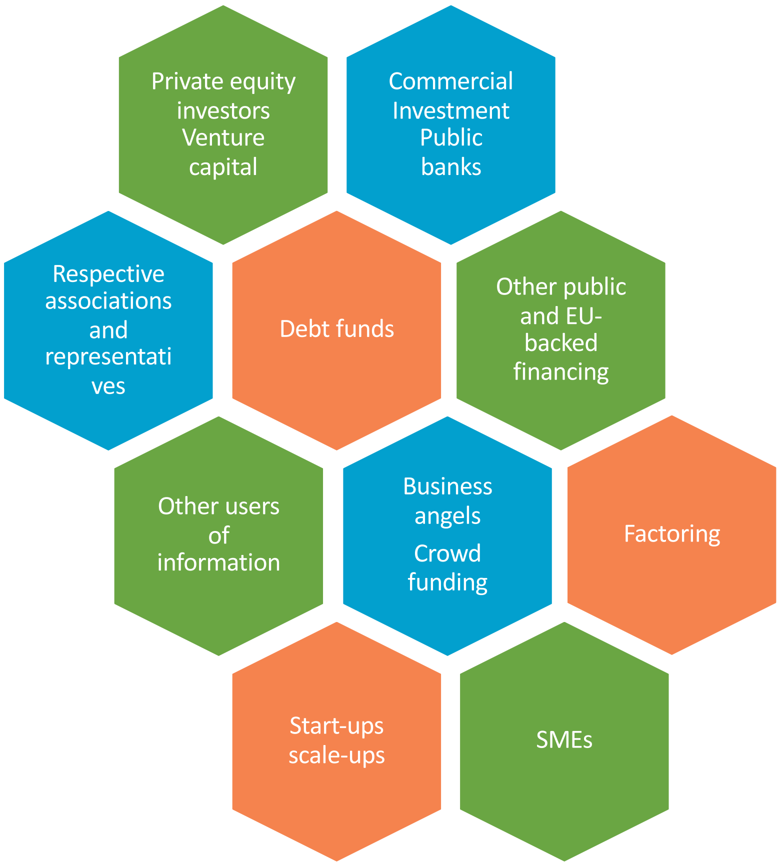
According to the European Commission's letter, EFRAG's role is:

To assess though a survey or a stakeholders' consultation	To ensure that	Consider relevant stakeholders
Interest in a **voluntary** targeted template with key information	Interoperability with existing global reporting standards is not undermined	Innovative, fast-growing SMEs and start-ups
Possible content and structure of such a template	Template represents a real added value for companies	Other non-listed companies
Possible additional costs and administrative burden for SMEs		Investors
Impact on market competitiveness		Banks
		Other finance providers

EFRAG'S PRELIMIARY PROJECT PLAN

- **October - December 2025**: Semi-structured interviews, targeted outreaches and surveys
- **December 2025**: Processing and analysing the feedback received from surveys and various outreaches
- **January 2026**: Drafting of the summary reports and the Draft Assessment
- **March/ May 2026**: Publication of the Draft Assessment for public consultation
- **May/ June 2026**: Analysing the feedback and finalising the drafting of the Final Assessment

EFRAG'S METHODOLOGY



- Desktop research related to the financing needs and access to finance for SMEs and start-ups in the EU
- Semi-structured interviews, mainly on a one-on-one basis, but in some cases with focus groups
- Short survey dedicated to SMEs and start-ups
- Short survey dedicated to investors and other potential users
- Interviews covering various stakeholders, including but not limited to the ones outlined to the left
- Interviews covering different georgraphical areas of the EU

PRELIMINARY FEEDBACK RESULTS

Identification of financing needs

Innovative & fast growing company life cycle

- Pre-seed / seed period for start-ups: primary financing is generally from own / family / network resources (e.g. local business angels), usually within the same region, unless significant capital requirements in specific industries and / or specific projects.
- Scale-up phase: requiring significant resources, which may be difficult to gather within any given country in the EU. Pool of investors may be particularly relevant at this stage.
- Established SME: generally no issues securing bank loan – 5%* faced difficulties obtaining a loan. Loans used primarily for fixed investment, inventory and working capital*.

Geographical considerations

- Some countries have domestic databases and networks of investors large enough to enable financing at least until certain stage (e.g France).
- Other countries rely more on EU-wide financing (e.g. Cyprus, Poland)

* Q3 2025 ECB SAFE report

Difficulties identified

- Cultural aspect – preference for low-risk investments (type real estate).
- Projects requiring significant investments (above what any single average investor could provide).
- Valuations being higher and easier / faster to raise financing in the USA.
- Different tax laws in the EU countries.
- Institutional funds (ex. pension funds) not investing in the SMEs.
- Bank loans are generally given to local SMEs, cross-border lending is seldom.
- Technology Transfer Offices & Knowledge Transfer Offices at university level / incubators sometimes taking significant share of capital and /or requiring significant repayments in early stages of start-up.

PRELIMINARY FEEDBACK RESULTS

Potential use of the voluntary template

Pre-seed / seed

Scaling up

Rounds A,B,C etc

Established SME

Venture capital / Business Angels

- may be useful as an additional source of information
- but investment pipeline is generally already filled with start-ups proactively reaching out

Private equity / larger venture capital / corporates

- may be useful as an additional source of information
- but some countries have developed domestic network , cross-border investments are less relevant
- might need to have a pool of investors for scales-up
- M&A for Corporates, search of EU suppliers or specific technology for vertical integration

Banks / Insurance / Pension Funds

- not seen as primary users, however, may be

Main concerns / questions

Balancing:

- access to information / confidentiality
- voluntary nature of template / quality (and thus relevance) of the database for investors
- availability of timely information / reliance of the information (presumably non-audited)

Concerns:

- competition with already existing country-based databases and with commercial dedicated platforms (e.g. Pitchbook, Dealroom etc)
- voluntary information (presumably non-audited) provided on the official ESMA regulated platform

QUESTIONS

- Are there domestic databases that facilitate the investor-SME connection in your country?
- Is cross-border financing present or widespread in your country?

Follow us

35 Square de Meeûs, B-1000 Brussels
info@efrag.org - www.efrag.org

EFRAG is co-funded by the European Union through the Single Market Programme in which the EEA-EFTA countries (Norway, Iceland and Liechtenstein), as well as Kosovo participate. Any views and opinions expressed are however those of the presenter only and do not necessarily reflect those of the European Union, the European Commission or of countries that participate in the Single Market Programme. Neither the European Union, the European Commission nor countries participating in the Single market Programme can be held responsible for them.

THANK YOU

EFRAG
Financial reporting