

# 1. Investment and Funding on the Stock Markets

**+25%**

the growth of shareholder returns from Spanish listed companies, reaching 37.9 billion euros

**26**

new companies that have started trading on the various BME markets and have raised 3.25 billion euros

**+45%**

growth in the amount of capital increases this year, reaching 6.72 billion euros

## 1.1 Indices and Prices

During 2024, a more favorable economic environment seems to have boosted market confidence, despite a highly complex global geostrategic landscape and the anticipation of the effects on the international economy of the economic measures to be implemented by Donald Trump, who was elected the new President of the United States on November 5.

The effect of geopolitical tensions on global economic activity has remained contained, with adjusted inflation rates, declining interest rates, and stable growth expectations worldwide, which are particularly positive for Spain.

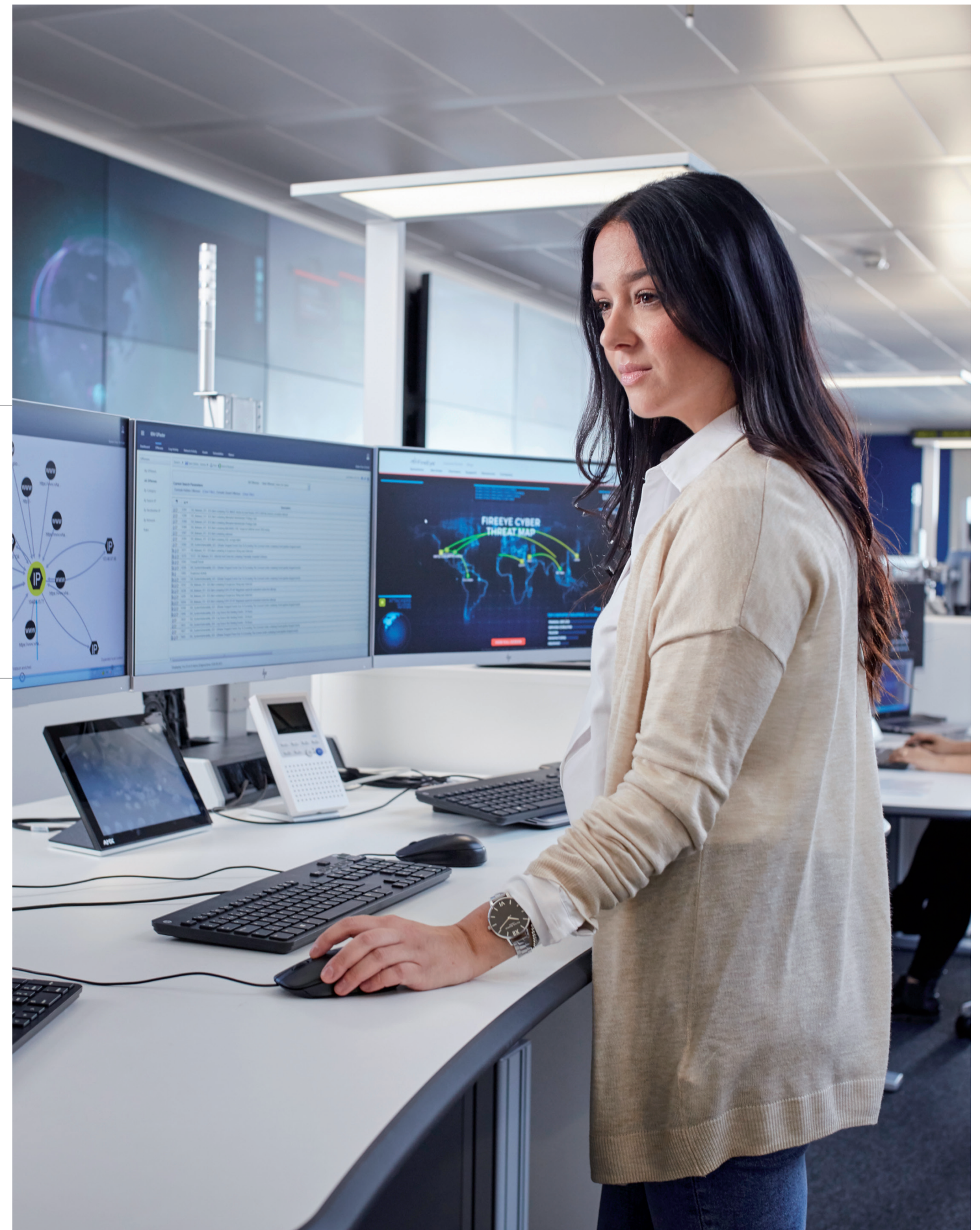
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This is especially noticeable in the equity markets of the United States and Asia, where the strong presence of technology stocks in their indices stands out and has a significant global impact. It is also evident in Spain,

where the IBEX 35® recorded standout performance throughout the year, both in Europe and globally, driven largely by the strength of its major listed banks and the consumer sector. On a national level, the high savings rate of households and the impact of projects related to the Next Generation EU program seem to be acting as drivers of support for employment, consumption, investment, and the financial results of the country's leading companies.

After leading the growth of EU stock markets in 2023 with a 23% increase, the IBEX 35® has stayed near the top of the chart in 2024, climbing by 14.78%. It was the second-best performing stock index among the major European markets. In particular, the IBEX 35® recorded its first five consecutive rising semesters of this century (from June 2022 to December 2024), with a total gain of 44%, equivalent to a 17% annualized return. For its part, the IBEX 35® TR, which includes dividends, is at an all-time high: it came close to 40,500 points and grew by 20% over the year.

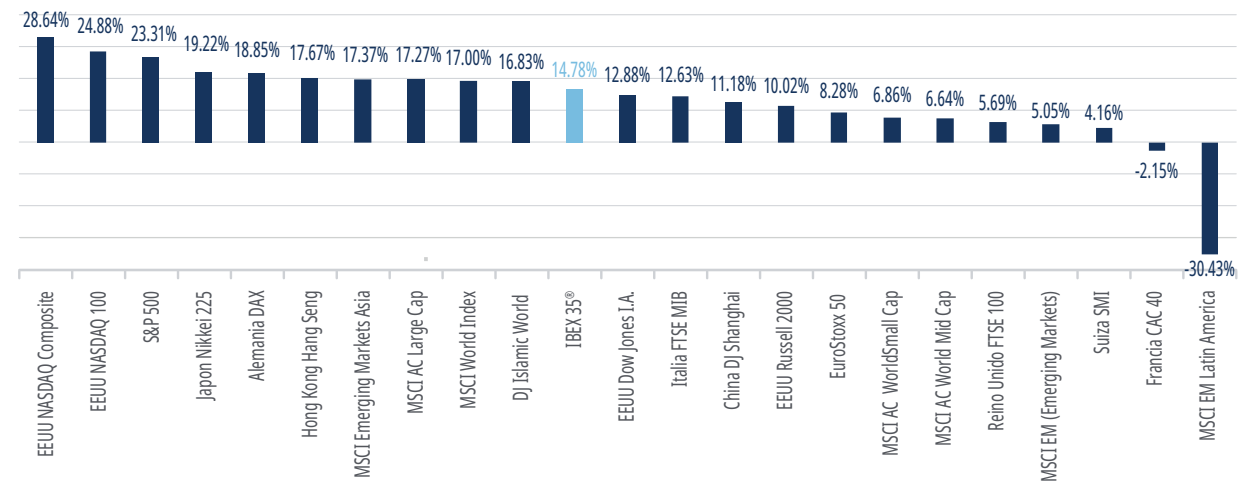
Spain's main stock index performed steadily throughout 2024, with a mostly upward trend that built on the solid growth seen the year before. The main negative alarm bell sounded on August 5, when major global equity





Annual Yield in Some of the World's Main Stock Indices

CHANGE IN 2024. SOURCE: SIX ID.



markets experienced sharp declines and volatility caused by an unexpected rate hike from the Bank of Japan (BoJ) and a disappointing U.S. employment report. The BoJ's decision made yen-denominated borrowing more expensive, prompting investors to unwind their positions. The BoJ's decision made yen-denominated borrowing more expensive, prompting investors to unwind their positions; in less than 10 days, the major global indices had recovered all their losses, and volatility returned to nearly normal levels. In Spain, the IBEX 35® recorded a weekly drop of 6%, from which it fully recovered within a few weeks.

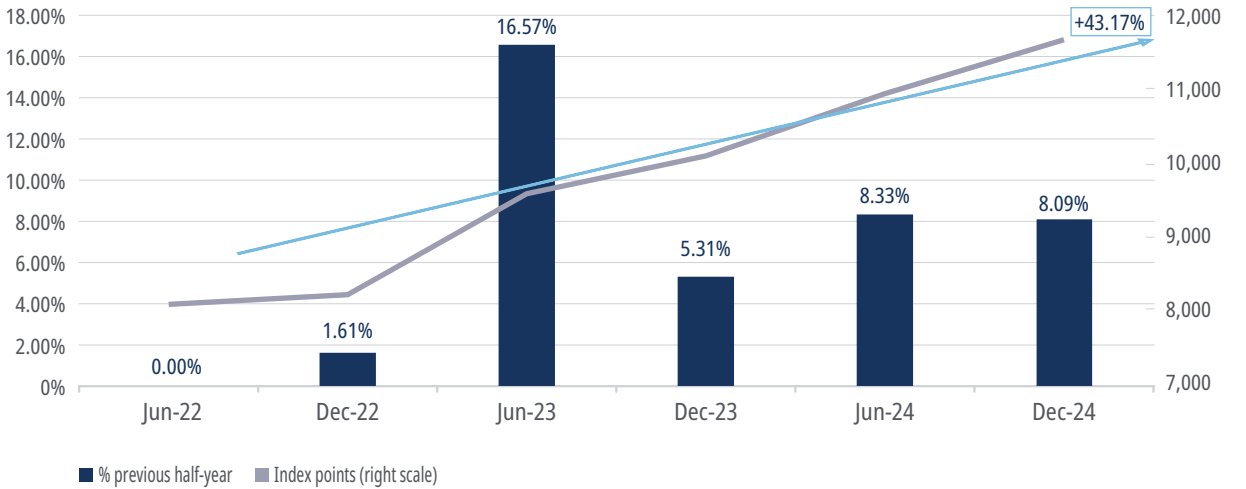
A very positive takeaway from the sustained upward trend of the IBEX 35® in 2024 is that the market's PER (price-to-earnings ratio, or the number of times earnings are reflected in the stock price) closed the year at 9.5

times<sup>1</sup>, nearly 6 points below its historical monthly average over the past 36 years. From an economic theory perspective, this level suggests it could have further upward potential for a longer period. Additionally, the index's recurring growth occurred in a year where annualized volatility was at its lowest levels of this century, matching only those recorded in 2005 and 2019.

From a profitability standpoint, almost all the indices in the IBEX 35® family reached quite positive levels in 2024, especially those made up of the largest-cap companies. Only the Latibex index, made up of Latin American companies listed in euros, experienced an annual decline of nearly 25.5%.

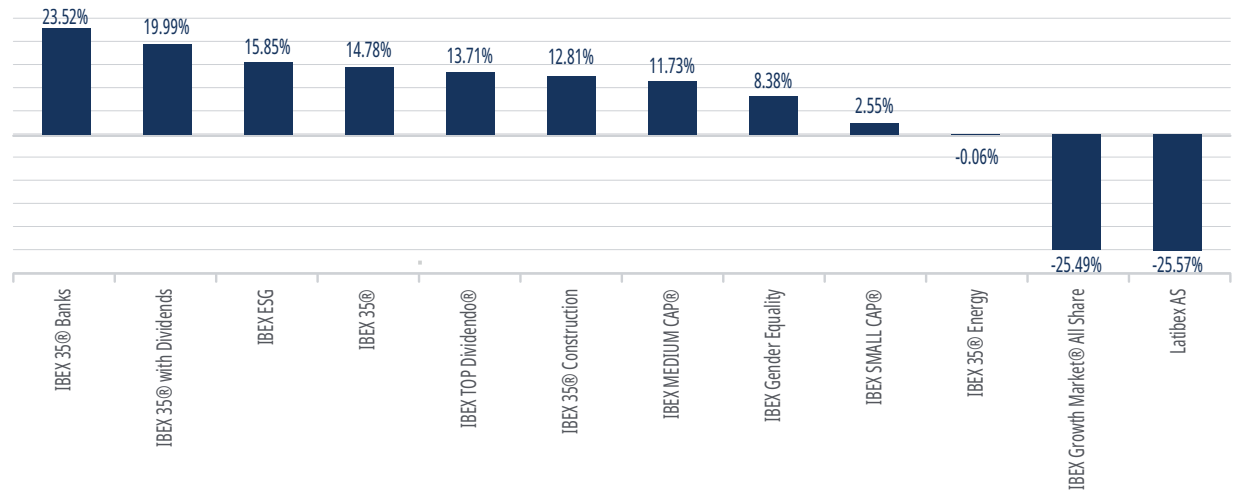
During the year, all the indices recovered well beyond the levels they had prior to the outbreak of the COVID-19

The IBEX 35® has Posted Five Consecutive Semesters of Gains



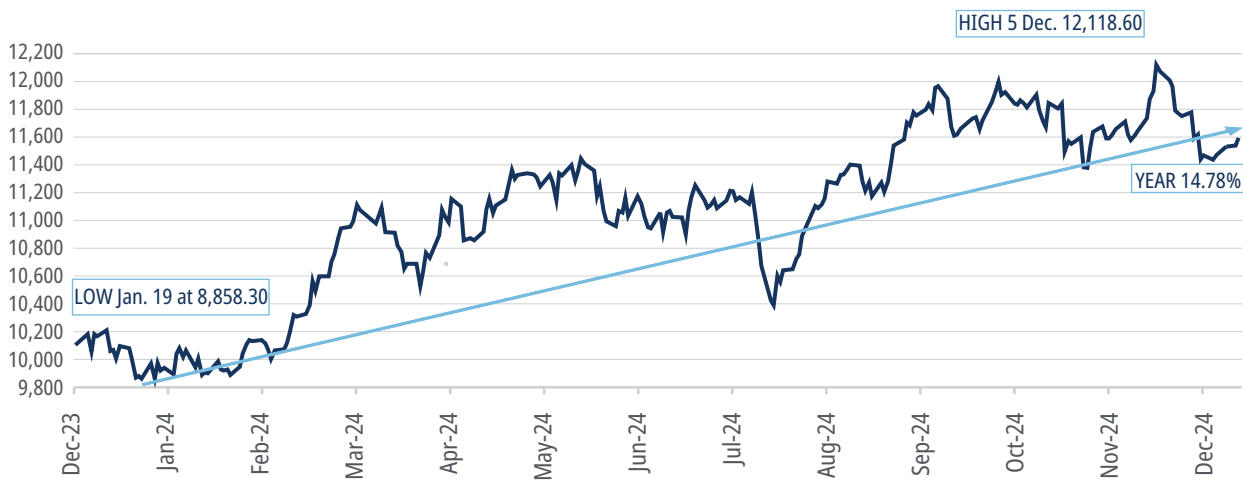
The Main Indices in the IBEX® Family Have Experienced an Overall Increase in 2024

SOURCE: SIX ID.



IBEX 35® in 2024

DAILY DATA. SOURCE: SIX ID.



1) According to MSCI Bluebook, December 2024

pandemic (nearly 5 years ago), with the IBEX 35® up nearly 33% since that time. Over a longer period, 12 years since the financial crisis at the beginning of the last decade, all national stock indices also saw gains by the end of 2024 – the IBEX® Small Cap leading the way with a 165% increase. Taking dividends into account, the IBEX 35® had already tripled by the end of the year, exceeding the lowest level it reached during that time (+219%).

Activity sectors

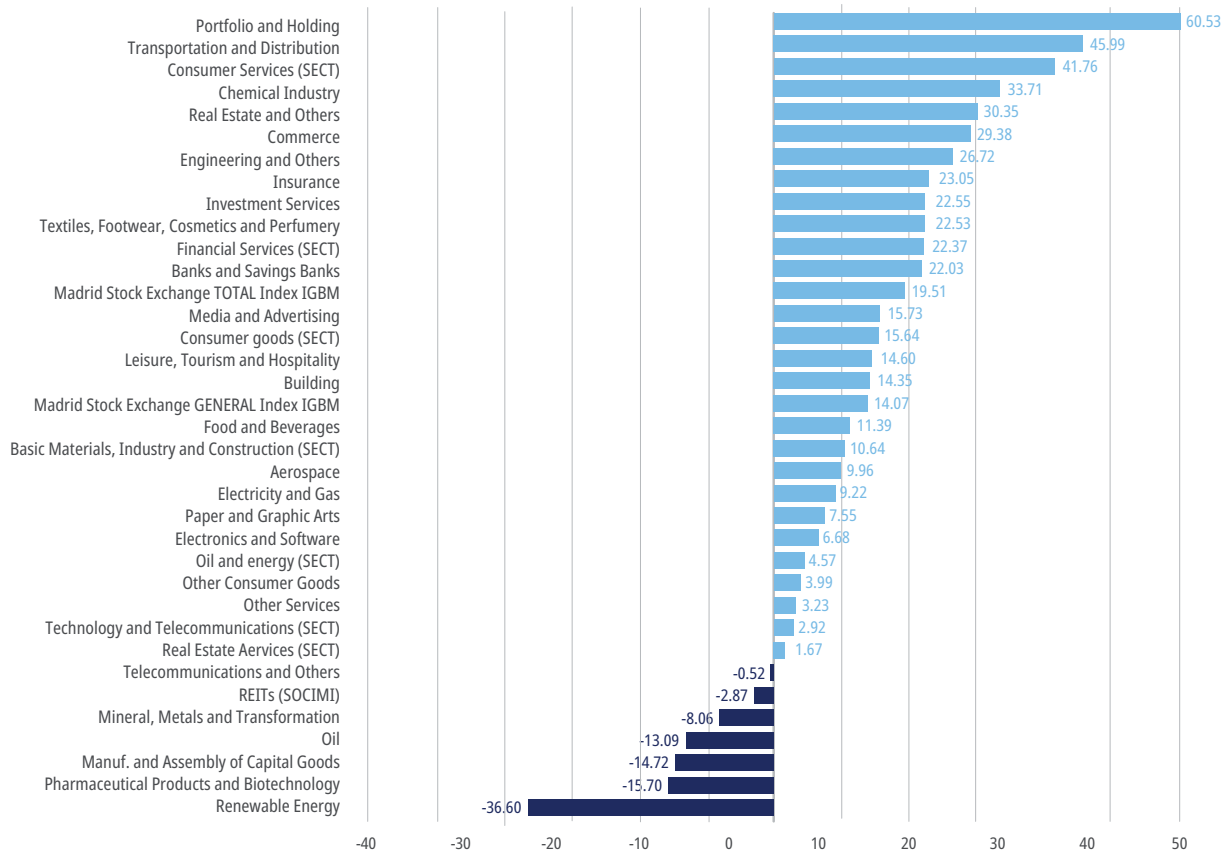
Going back to the analysis of 2024, banks were the global leaders, alongside, mainly, technology companies in the United States. In Spain, the consumer goods sector, particularly the textile subsector, also led the way. Inditex reached nearly 200 billion euros in market value at one point during the year, becoming the first Spanish listed company in history to hit that level of valuation. Inditex's increase in value for the year was 30%.

All 7 economic sectors in which the General Index of the Madrid Stock Exchange is subdivided (the most comprehensive in Spain, with around 110 securities) grew in 2024: ranging from 42% in consumer services to 1.67% in real estate services. Of the 27 subsectors, only 7 saw losses during the period. Fortunately, the combined weight of companies in the sectors that saw the biggest declines (renewable energy with -37%, pharmaceuticals with -15%, and oil with -13%) is not very significant in the overall Spanish stock market.

Banking companies and the textile sector have been very active positive drivers throughout the year. Spanish banking is the group with the highest stock market appreciation over the past 4 years, with a growth of 110%, followed by the textile subsector in second place with an 85% increase.

Annual Change in 2024 in Spanish Stock Market Prices by Sector and Sub-sector of Economic Activity

DATA IN %, AT DEC. 31, 2024. BASED ON SECTOR GROUPING OF THE GENERAL INDEX OF THE MADRID STOCK EXCHANGE (IGBM).



Capitalization

As expected, the upward movement in prices was reflected in the market capitalization, which, by the end of the year, stood at 1.23 trillion euros after growing 2.47% over the year. The reason the nearly 15% increase in prices has not been reflected in market value is because the total market capitalization of foreign-listed stocks on the Spanish stock exchange dropped by 11.79% during the year, due to a 25.26% drop in Latin American stocks (-79.4 billion euros). In contrast, Spanish listed companies saw their market capitalization increase by 12.79% over the year (+89.2 billion euros). Throughout 2024, the barrier of 800 billion euros in domestic market capitalization was surpassed for the first time since 2007 and for the fourth time in history, right at the point in this century when there are fewer Spanish companies listed on the main stock market (129 as of December 31, 2024).

By the end of 2024, the stock market value of Spanish companies had grown by 268 billion euros from the lows of the pandemic (4 years ago). Financial services, led by banks, nearly doubled in value during this period, gaining an additional 105 billion euros, of

which 38.1 billion were achieved in 2024. Meanwhile, the Consumer Goods sector, heavily driven by Inditex, gained 76.1 billion euros (71%) over this period, with 33.1 billion of that achieved in 2024.

Without a doubt, 2024 was a very profitable year for large companies on the stock market. The market capitalization of the companies in the IBEX 35 grew by 12.6%, but the same was not true for those in the IBEX® Medium and IBEX® Small indices, where capitalization decreased by 5.9% and 9.1%, respectively. However, it is worth noting that the weight of companies in these indices in the total market capitalization (excluding Latibex) is around 4%.

Paradoxically, the value of companies listed on BME Growth / Scaleup (whose broader index dropped 1.66% for the year) increased by 13.6% annually, with companies in expansion gaining 1.1 billion euros more and REITs adding 1.4 billion euros. The 18 new REITs and 5 other Expansion Companies added to these segments of the Spanish market in 2024 are linked to these results. At the end of December, BME Growth / Scaleup had 155 companies. This is 16 more than a year ago: 64 expansion companies and 91 REITs.

Variation in the Capitalization of Listed Companies in 2024

	Value at Dec. 31, 2024	Variation in the year		Change since March 2020 (lows beginning of COVID-19 crisis)	
	€ Mn	€ Mn	%	€ Mn	%
Total	1,231,774.5	29,726.8	2.47	501,590.9	68.69
Of which:					
Spanish securities	786,656.6	89,199.2	12.79	267,973.1	51.66
Foreign securities	445,117.9	-59,472.4	-11.79	233,617.8	110.46
Of which Latibex	235,092.4	-79,436.4	-25.26	97,552.1	70.93
BME Growth	21,441.4	2,565.8	13.59	5,941.4	38.33
Growth companies	9,962.0	1,143.4	12.97	7,962.0	398.10
REITs (SOCIMIs) at BME Growth	11,479.4	1,422.3	14.14	-2,020.6	-14.97
MTF Equity (SICAV, SIL and ECR)	18,576.1	2,820.8	17.90	-5,966.7	-24.31

Sectors of activity (without foreign securities)	Value at Dec. 31, 2024	Variation in the year		Change since March 2020 (lows beginning of COVID-19 crisis)	
	€ Mn	€ Mn	%	€ Mn	%
Oil and energy	165,362.6	-581.3	-0.35	41,662.8	33.68
Basic materials, industry and construction	45,406.6	-2,095.4	-4.41	-10,370.9	-18.59
Consumer goods	183,048.1	33,084.1	22.06	76,108.9	71.17
Consumer services	63,194.4	16,760.0	36.09	31,443.3	99.03
Financial services	219,386.4	38,078.5	21.00	104,952.8	91.72
Real estate services	30,249.5	3,404.7	12.68	5,712.8	23.28
Technology and telecommunications	80,009.2	548.6	0.69	18,257.1	29.57

1.2 Trading

The upward movement in stock prices was also reflected in the trading volumes on Spanish stock market platforms, although not to the extent that might have been expected given the consistent increase in the value of major listed stocks over the past two and a half years, along with the excellent dividend payment records achieved during the year.

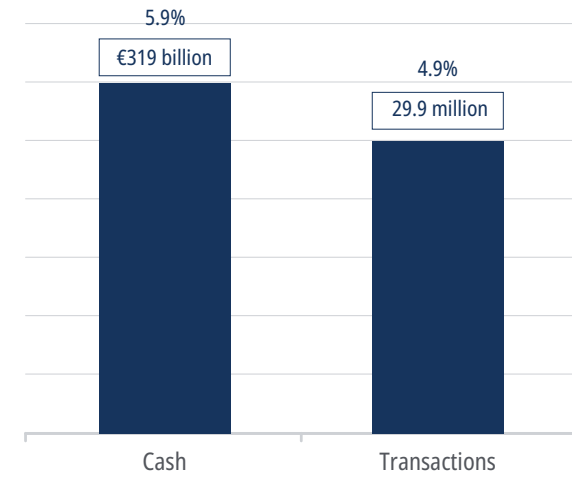
Equity

In 2024, trading volumes on the Spanish stock market were boosted by the IPO of Puig, takeover bids like BBVA's for Banco de Sabadell, and other ongoing corporate operations. Throughout the year, 319 billion euros were traded in stocks on BME platforms, 5.9% more than in 2023. The annual increase in the number of executed transactions was 4.9%, reaching 29.9 million. This is the first increase in annual stock trading volume since 2015. An important detail: With 36 billion euros traded, this May was the best-performing May in the past five years.

In terms of competition among trading platforms authorized to operate with equivalent rules on securities

Growth in Volume of Shares Traded on BME in 2024

YEAR-OVER-YEAR CHANGE COMPARED TO THE SAME PERIOD IN 2023, ACCUMULATED



admitted to trading on the Spanish stock exchange, the platform managed by BME continues to have the largest market share, according to the data provided by LiquidMetrix for BME. Specifically, the share in 2024 was 65.25%, taking into account the total trading carried

out under homogeneous market rules applicable to the Regulated Market and the Multilateral Trading Facilities authorized by the regulations in force.

The trend toward delocalization of trading between different execution venues is a natural part of the competition process driven by European regulation. Both in BME and in the rest of the European regulated markets, the trend in recent years has been a shift in traded volumes of listed stocks toward internalized systems and dark pools.

For Spanish securities, data provided by LiquidMetrix also shows BME as the most liquid execution venue among its various competitors. In 2024, the spread<sup>2</sup> on the first price level of IBEX 35® stocks was 6.47 basis points (bp), 2.70% worse than in 2023. For an order book depth of €25,000, the spread was 8.13 bp, 26.09% better than what was achieved in other trading venues.

In any case, factors such as the Financial Transaction Tax<sup>3</sup> continue to weigh negatively on the trading of Spanish listed securities. This tax makes the main listed companies less attractive than comparable assets in other markets not subject to the tax, while also encouraging the search for alternative investment channels and methods for Spanish stocks. In a context of increasing globalization of investment and the management of highly diversified portfolios, a tax of this type is a significant handicap for the shares of large Spanish listed companies.

The main operational development of the year was the launch of SpainAtMid on December 9, 2024, a new order book for Spanish equities with no pre-transparency. It allows the execution of trades in Spanish market securities at the midpoint of the bid-ask spread on the visible order book. SpainAtMid provides an additional source of liquidity for Spanish securities, allowing large-volume orders to be executed with minimal market impact, supported by the robustness and efficiency of BME's trading system.

Foreign investors continue to be the main drivers of activity on the Spanish stock market. In terms of ownership of listed shares, foreign investors held 49% at the end of 2023, although the growth of this indicator has stalled after many years of continuous increases. Non-financial companies, with 21.9%, and households, with 16.4%, are the next largest groups holding shares.

The share of Spanish institutional investment is 5.9%, well below what would be desirable. BME has proposed urgent measures to the Spanish government to encourage the presence of domestic funds in Spanish listed companies, along with other measures aimed at strongly boosting their growth prospects, improving productivity and enhancing the overall competitiveness of the economy.

ETFs and Warrants

In 2024, exchange traded funds (ETFs) worth 991.50 million euros were traded on the Spanish Stock Exchange. This figure represents a 23.6% drop compared to the same period in 2023. BME's activity in this market segment has been sustained by the 6 references that are currently listed. Together, as of December 31, they had a total asset value of 603 million euros, which is 16.9% higher than the amount recorded on the same date the previous year.

The continued low volatility levels in 2024 have also not been very helpful in boosting activity in the warrants market. The figures have remained close to historic lows, with only one issuer (Société Générale) present in Spain. Warrants trading on the Spanish Stock Exchange has seen an annual decline of 22.5% in traded amounts and 37% in the number of contracts traded in 2024. Throughout the year, 296 million euros were traded.

1.3 Shareholder Remuneration:

Spanish listed companies have continued to maintain record dividend distribution levels in 2024. Throughout the year, 37.5 billion euros were distributed, marking a 24.7% increase compared to 2023 and the fourth consecutive year of growth. Adding the 275 million euros corresponding to issuance premium refunds and another 79 million euros for nominal reductions with reimbursement of contributions, the total return reached 37.9 billion euros – a 25% annual increase.

The amounts mentioned were distributed through 246 dividend payments (147 from companies listed on the Stock Exchange and 99 from BME Growth and MTF Equity), 22 issuance premium refunds and 5 nominal reductions with reimbursement of contributions.

Nine of the dividends were paid in the form of a scrip or option or flexible dividend and shares were distributed for a value of nearly 4.7 billion euros (12.5% of the total).

Publicly traded companies continued to implement share repurchase and subsequent cancellation programs in 2024, supplementing returns from investing in equities. Listed companies have continued the trend seen in the previous year, increasing the pace of share buybacks to reach a valuation of 15.6 billion euros. Although there were fewer transactions than the previous year (19 compared to 31), banks have once again been the main sector leading this activity, accounting for 44% of the redeemed amounts.

By combining both forms of shareholder returns on the Spanish Stock Exchange (dividends and buybacks), the year closed with a total distribution surpassing 53.1 billion euros for the first time in history, a 21.5% increase compared to 2023. The previous record was set in 2014, when total shareholder returns from both concepts amounted to 44.3 billion euros from listed companies.

Once again this year, we would like to focus on the importance of this data for investors. The cumulative yield difference between the IBEX 35® and the IBEX 35® with Dividend in 2024 was 5.2 percentage points, which is nearly one point above the average annual dividend yield offered by the Spanish stock exchange since 1986 (4.2%) and a level that positions it as an international model for this concept among stock exchanges.

By this measure, the financial services sector delivered the highest dividend yield in 2024, adding an extra 7.61% return on top of price gains. It was followed by real estate services (5.49%), oil and energy (5.35%), consumer services (5.31%), basic materials, industry and construction (4.11%), consumer goods (3.68%) and technology and telecommunications (3.47%).

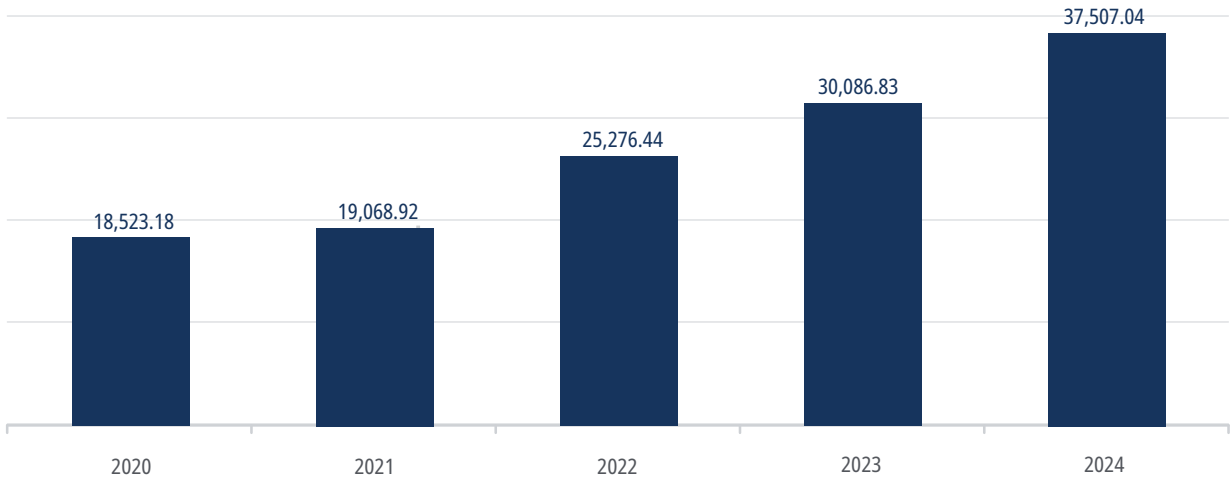
As of December 31, 2024, 57 of the 85 companies included in the main indices of the IBEX 35® family had paid dividends. Of these companies, 31 of them belonged to the IBEX 35® and 16 to the IBEX® Medium. Among all of them, 31 companies distributed enough dividends in 2024 to provide their shareholders with an annual return of more than 4% solely from dividends.

2) The price spread reflects the liquidity of the supply and demand of a listed share and the quality of the execution of the buy and sell operations on the trading platform. In a trading system, the narrower the difference between the purchase and sale prices of securities, and the greater the volume of securities available at each price level, the lower the implicit transaction cost and the greater the ease with which operations are executed.

3) The Financial Transaction Tax is applied to the net purchase of shares of listed Spanish companies with a market capitalization of more than one billion euros at a rate of 0.2% of the transaction amount.

Dividends Paid on the Spanish Stock Exchange

MILLIONS € EFFECTIVE





Dividend Yield on Stocks in 2024

ANNUAL CLOSED AS OF DECEMBER 31, 2024

IBEX 35®			IBEX MEDIUM CAP			IBEX SMALL CAP		
1	Enagas	12.258%	1	Elecnor	42.180%	1	Aedas Homes	13.089%
2	Caixabank	10.327%	2	Atresmedia	10.297%	2	Naturhouse	12.085%
3	Unicaja Banco	8.612%	3	Lar Espana	8.947%	3	Prosegur	8.991%
4	Repsol	7.699%	4	Gestamp Autom.	5.940%	4	Vocento	7.516%
5	Telefonica	7.620%	5	Ence Energia	4.519%	5	Prosegur Cash	7.319%
6	BBVA	7.194%	6	Faes Farma	4.454%	6	Azkoyen	5.828%
7	Bankinter	6.734%	7	Ebro Foods	4.156%	7	Nicolás Correa	3.506%
8	Logista Integ	6.575%	8	Tubacex	3.628%	8	Grp Emp S José	2.885%
9	Acerinox	6.561%	9	CIE Automotive	3.543%	9	Ecoener	1.951%
10	Mapfre	6.353%	10	Global Dominion	3.491%	10	Lab.Reig Jofre	1.606%
11	Redeia Corp	6.061%	11	Viscofan	3.333%			
12	Naturgy Grp	5.988%	12	CAF	3.176%			
13	Banco Sabadell	5.860%	13	Línea Directa	2.543%			
14	Inmob. Colonial	5.217%	14	Almirall	2.234%			
15	Endesa	4.815%	15	Vidrala	1.513%			
16	Acciona	4.497%	16	Melia Hotels	1.270%			
17	Sacyr	4.431%						
18	Banco Santander	4.368%						
19	Iberdrola	4.158%						
20	ACS	4.154%						
21	Aena	3.880%						
22	Inditex	3.102%						
23	Crp Acc Ener Rn	2.737%						
24	Fluidra	2.338%						
25	MERLIN Prop.	1.854%						
26	Amadeus IT	1.818%						
27	ArcelorMittal	1.768%						
28	Laborat Farmac	1.753%						
29	Ferrovial	1.670%						
30	Indra Sistemas	1.464%						
31	Intl. C. Air Gp	0.827%						

1.4 Financing

After weak performance in 2023, investment flows related to market-based financing worldwide gained momentum throughout 2024. The increase in companies turning to the stock markets in the second quarter was followed by a quieter third quarter. However, the prolonged easing of inflationary risks and the decision by central banks to begin lowering interest rates led to a surge in activity toward the end of the year. This was especially true of the Spanish Stock Exchange.

In 2024, BME had one of its best years ever for new listings across its market segments, with 26 companies joining. It was also a strong year for capital raised through share issuances. Measured by capital raised through IPOs, 2024 was also a strong year for BME, with 3.2 billion euros secured from new listings and 6.7 billion euros from capital increases.

On an international scale, according to data provided by the stock exchanges through their International Federation (WFE), 2024 financing results were strong for the United States, mixed for Asia and generally negative for Europe. In this context, the Spanish stock market stands out positively, thanks to one of the largest IPOs in the world (Puig, in May) and a strong and steady reliance on capital increases by its listed companies. In 2024, BME ranked as the 10th largest stock exchange in the world by the value of its new financing flows, with 10.2 billion dollars up to November and a year-on-year growth of 77.5%.

New Listed Companies That Have Been Financed in the Market

In 2024 as a whole, a total of 26 new companies registered on BME's platforms and their shares were listed: 3 on the Spanish Stock Exchange and 23 on BME Growth / Scaleup. Of all of these, 7 were direct admissions and 19 raised funds at the time of their market debut. Of these last 19, with the exception of Puig and COX, all of the others have traded on BME Growth / Scaleup: 5 in the Growth Companies segment and 12 as REITs. The total amount of funds raised by all of them was 3.2 billion euros. Excluding the funds raised by Puig and COX, the amount raised by companies in the BME Growth / Scaleup segment in 2024 was 165 million euros, nearly five times the amount raised in all of 2023. These figures are significantly better than those recorded in 2023, when there were 12 new listings on BME: 2 on the Spanish Stock Exchange and 10 in BME Growth / Scaleup, with a total combined capital of 41.6 million euros raised.

Puig marked the restart of major IPOs on the Spanish Stock Exchange. It was the 13th IPO in the past 50 years based on capital raised, totaling 3 billion euros, after offering 22% of its shares to new investors. In its first 6 months of trading, the stock was already part of the IBEX 35® and accounted for 0.67% of the total trading volume in BME stocks for the year. In the last two months of the year, four other companies went public: Inmocermento, a spinoff of FCC through a direct listing, COX ABG Group, via an IPO raising 86.6 million euros, Alquiler Seguro

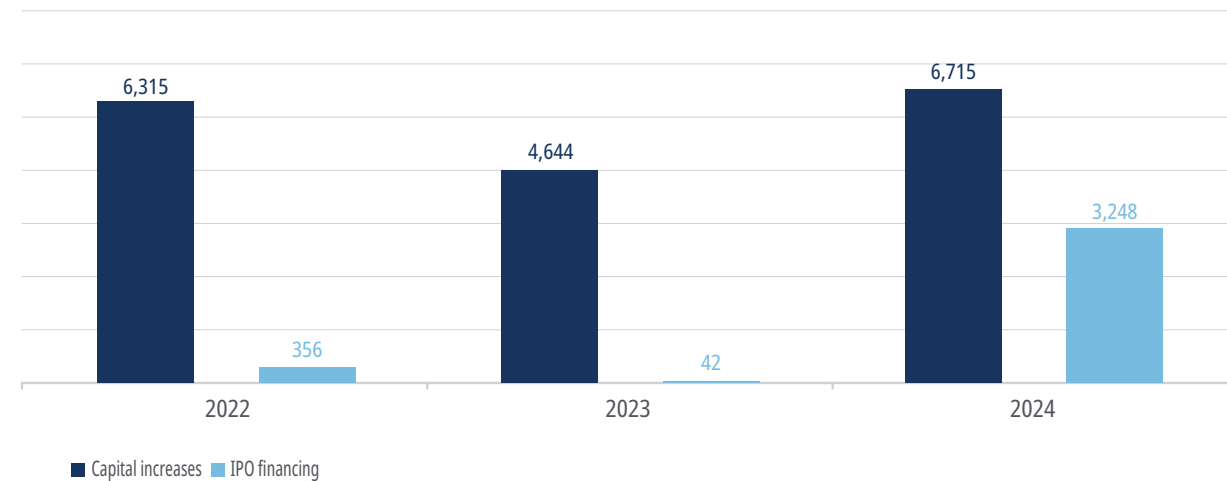
Equity Financing on the Stock Exchanges

JANUARY-NOVEMBER 2024. SOURCE: WFE

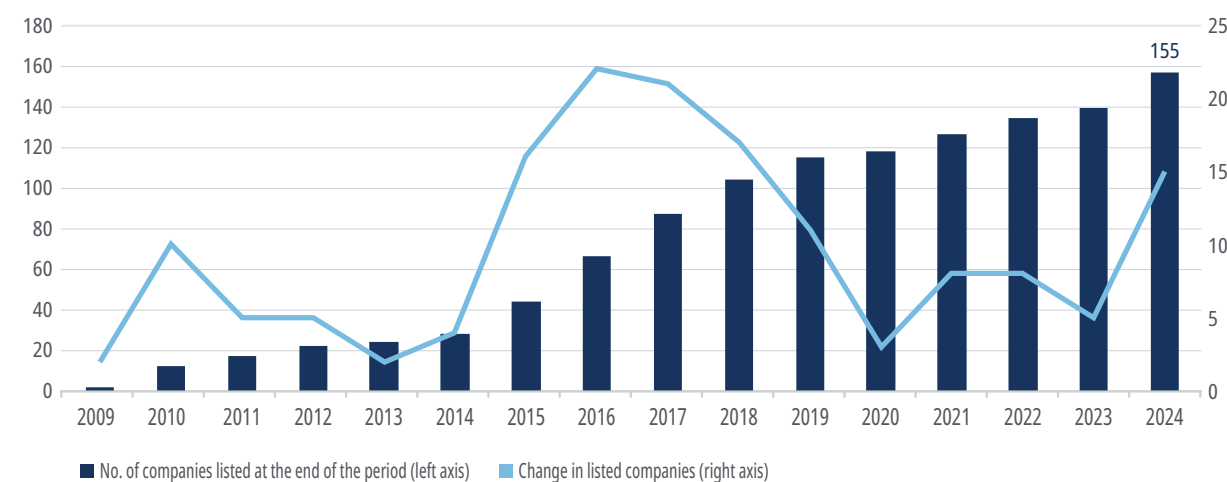
		\$ Mn	% same period 2023
1	NYSE	84,807.00	119.25%
2	National Stock Exchange of India	39,431.50	120.72%
3	Shanghai Stock Exchange	28,683.34	-63.81%
4	Japan Exchange Group	25,249.05	-4.05%
5	Euronext	24,439.42	-13.44%
6	Hong Kong Exchanges and Clearing	21,675.98	29.29%
7	Nasdaq – US	16,214.02	52.44%
8	Shenzhen Stock Exchange	14,595.47	-74.60%
9	TMX Group	13,263.85	-1.41%
10	BME Spanish Exchanges	10,186.89	77.50%
11	Taiwan Stock Exchange	6,657.06	39.18%
12	Hochiminh Stock Exchange	6,635.03	85.78%

## Capital Raising by Listed Companies on BME Platforms

MILLIONS OF €



## Change in Companies Listed on BME Growth



Asset Market (ASAM), a REIT with a direct listing on BME Scaleup, and Santa Ana, a real estate development company focused on Latin America, which raised 1.3 million euros on the BME Growth segment. Galderma's IPO in Switzerland and Puig's listing on the Spanish Stock Exchange combined for 5 billion euros in capital raised through IPOs, making the SIX Group the EU leader in this area for much of 2024.

BME Growth / Scaleup has added a total of 78 new listings since 2020, with 2024 marking the year with the most company debuts in these market segments over the past five years. By the end of the year, a total of 155 companies were listed on BME Growth / Scaleup, the highest number since the market was created in 2009.

The BME Growth / Scaleup platform channeled 644.3 million in new financing to its companies in 2024, including IPOs and capital increases. Last year it amounted to 511.8 and since its launch in 2009, nearly 7.7 billion euros have been raised.

In 2024, the Pre-Market Environment (PME) gained another 3 new companies, along with 4 new entities added to the portfolio of services offered to businesses. This brings the number of professional services companies that are currently members of the EpM to 29. Together with the 3 companies incorporated in 2024, there are now 41 companies that have participated or are participating in the support offered by the EpM, and 9 of them have already made the leap to BME Growth.

## Capital Increases

In 2024, there were a total of 218 capital increases, marking a 50.3% increase compared to the 145 in 2023. The total capital raised during the year reached 6.7 billion euros, up 44.58% from 2023. Of this amount, 479 million euros came from 110 capital increases by companies listed on BME Growth / Scaleup, while another 165.38 million euros came from 37 capital increases carried out by companies in the six months prior to their market debut, which we consider funding raised to go public.

## Takeover Bids, Mergers and Acquisitions

Compared to raising capital in the markets, global mergers and acquisitions activity has seen a greater recovery compared to 2023 figures. By September, the total value of transactions increased by 18.8% compared to the same period last year, reaching 2.34 trillion euros. In Europe, the value of acquisitions reached 329 billion euros in the first nine months of 2024, a 14%

increase compared to the same period in 2023. The technology and energy sectors have been the most active, with several high-profile megadeals reshaping industries across Europe. In other words, large deals have dominated in an environment boosted by the easing of interest rates by major central banks.

Throughout 2024, the Spanish Stock Exchange saw 4 takeover bids that were closed early in the year, along with one that closed in November. Additionally, 13 takeover bids have been announced but have not progressed further, with two of them being rejected by the government.

The stock market landscape in this area has been dominated by BBVA's takeover bid for Banco Sabadell and Brookfield's bid for Grifols. It is worth noting that some of these takeover bids have been competitive, such as Magyar Vagon and Škoda competing for Talgo, Bondalti Ibérica and Essecro in the case of Ercros and TDR Capital and Apollo bidding for Applus.

The number of capital increases has grown by 50.3% this year, and their value has increased by 44.6%.