

CHAPTER 1

Investment and financing in the stock market



+41%

It is the annual gain for the IBEX 35® up to November. The Spanish stock market leads growth among the world's major markets and the index reaches its all-time high.



+19%

growth in the equity turnover, reaching euros.



+ €38 billion

in dividends have been paid to shareholders of companies listed on BME, the second-highest figure in history.



+80%

growth in the amount of capital raised this year, to 10.9 billion euros, the highest in 4 years.

1.1 Indices and Prices

The year 2025 has been marked by growth in the stock market sector, especially in the valuation of listed companies and the dynamism of the transactional market. There has been growth in key activity indicators such as stock prices, associated volatility, indices, market capitalization, trading of shares, shareholder returns through dividends and financing obtained by companies through capital increases throughout the year. This string of positive results has crystallized into the achievement of some symbolic and significant records. It has been a very positive year for stock market investment and quite good for corporate financing of listed companies through capital increases.

The growing and progressive increase in positive growth of the Spanish economy compared to Europe, sustained for more than two years and endorsed by the outlook expressed by expert reports, has been reflected in the performance of the Spanish Stock Exchange in recent years, culminating in 2025 with its strong leadership in the world in terms of profitability. Undoubtedly, the strong results of the main listed companies and the moderate tone of interest rates in a context of "controlled" inflation help to explain the significant upward movement of a stock exchange dominated in particular by banks, which in 2025, we can consider on both a Spanish and global scale as the biggest beneficiaries of the current situation after many years of major adjustments and restructuring.

The IBEX 35® ended November at 16,371.60 points, 41.20% above the figure recorded in December 2024. These are particularly high values with many positive interpretations from different perspectives. Firstly, it is a revaluation that puts the Spanish Stock Exchange at the top of profitability among the major stock markets in the world. It is followed by the Italian FTSE MIB with 26.83% annually and in third place the Nikkei 225 with 25.97%.

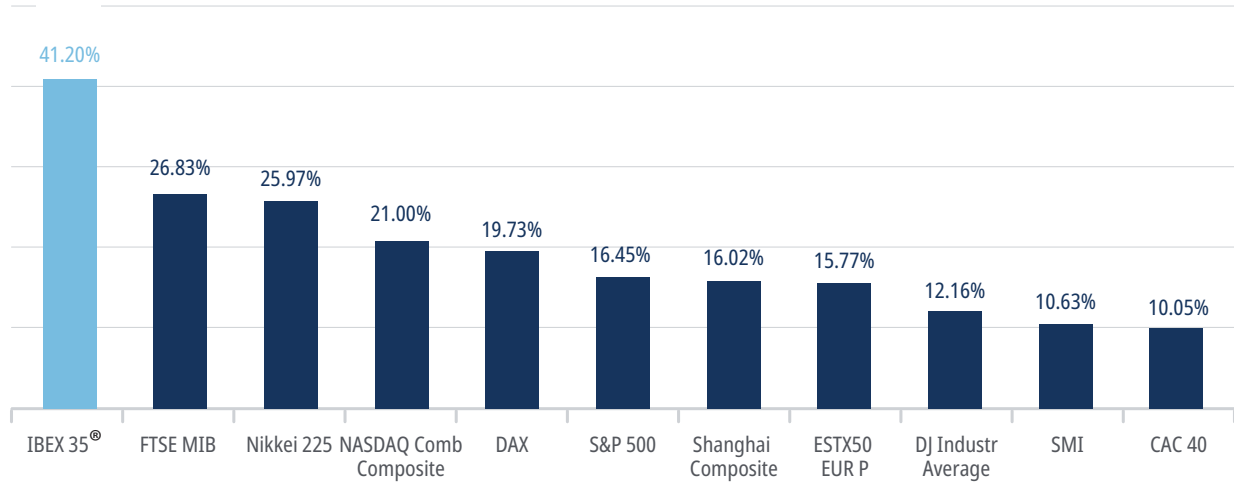
Secondly, the value of the IBEX 35® is at an all-time high after surpassing the maximum levels of its nearly 40-year history, reached in 2007. Furthermore, it is the largest increase in a calendar year for the IBEX 35® so far this century. A special and positive feature of the strong revaluation experienced by the Stock Exchange is that, unlike previous historical occasions, it has occurred in a fairly controlled market risk scenario, with a moderate level of stress, according to the calculations of the CNMV.

The annualized volatility of the IBEX 35® at the end of November was only 3 points above one year ago at 16.44%, which implies a Sharpe ratio (return obtained from volatility/risk assumed) of 2.51. Furthermore, the level of volatility reached is 7.7 points below the average annual volatility sustained by the IBEX 35® since its launch in 1992.

The evolution of the IBEX 35® in 2025 has been consistently increasing. The crisis triggered by the US government's announcement of a broad tariff program with particularly high rates for all sectors and worldwide

THE SPANISH STOCK EXCHANGE, THE WORLD'S TOP EXCHANGE FOR RETURNS

PERCENTAGE YEAR-ON-YEAR CHANGE AS OF NOVEMBER 30, 2025. SOURCE: SIX ID.



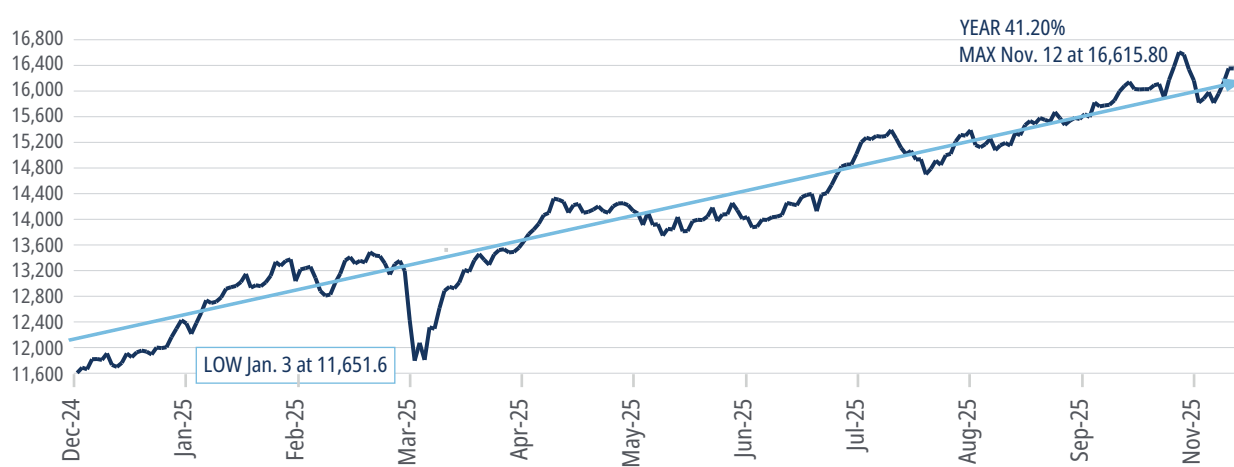
generated widespread panic that saw the index contract by 11% between April 3 and 5. However, calm returned to the prices fairly quickly and by April 23rd the levels abruptly lost a couple of weeks earlier had already been recovered.

With the growth achieved this year by the IBEX 35®, the Spanish Stock Exchange not only leads the growth in profitability in 2025 but also over the 3-year period, in which the stock market indicator has doubled its value, appreciating by 97.73% (27.52% annually), increasing to 125.23% if we include the dividends distributed, adding an annual return of 5.7% to an investment in the IBEX 35® in the 2022-2025 period.

The IBEX 35® has now recorded seven consecutive semesters of gains. This has never been seen before in its history, just as it is almost unheard of for all the indicators in the IBEX® family to be positive for the same year. Whether themed, sectoral or by company size, they have all seen growth. The one that does the least is the one corresponding to growth markets, the IBEX Growth Market® All Share, which is up 7.99% year-to-date through November. Next comes the IBEX Medium Cap® index of mid-cap companies, which experienced growth of 13.98%. This is followed by the BME Growth short index (15 companies) which grew by 16.54% through November. The IBEX® indices linked to sustainability, such as the IBEX Gender Equality® or the IBEX ESG®, also climbed 33.40% and 39.71%, respectively, during the period.

IBEX 35® IN 2025

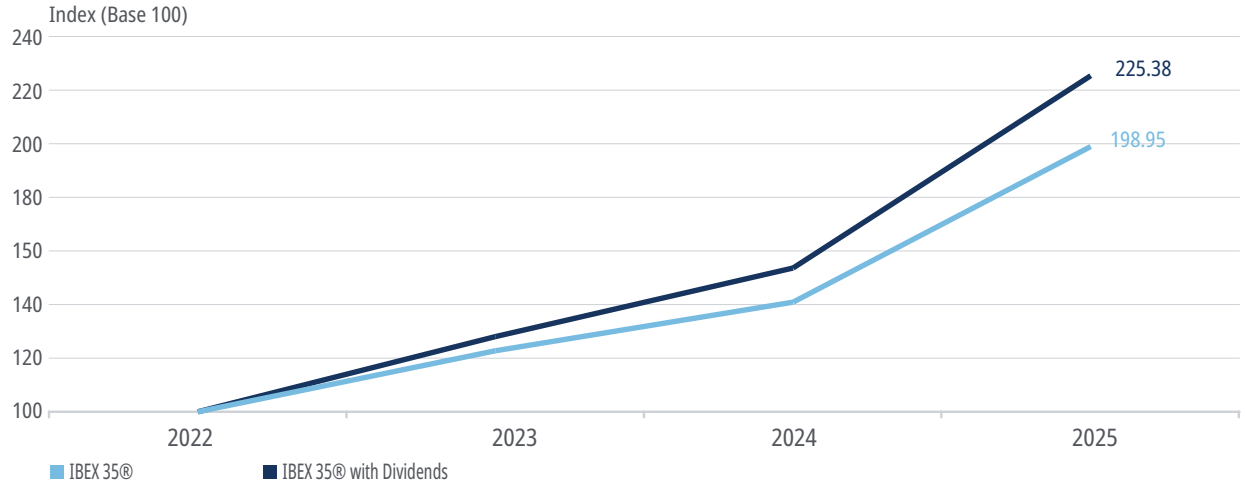
DAILY DATA. SOURCE: SIX ID.



1) The IBEX Gender Equality® includes companies in the General Index of the Madrid Stock Exchange (IGBM) that, at the time of the annual review, have between 25% and 75% female representation on their Board of Directors and between 15% and 85% in senior management.

THE IBEX 35® BETWEEN 2022 AND 2025

BASE=100 DECEMBER 31, 2022. SOURCE: SIX ID, PREPARED IN HOUSE.



Another very positive read of the sustained upward trend of the IBEX 35® in 2025 is that the market's P/E ratio (the number of times earnings are reflected in the share price) closes the year at 13 times, 2.3 points below its historical monthly average of the last 37 years and 3.5 points higher than the value it presented in December 2024. The P/E ratio of the Spanish Stock Exchange is the lowest among its European competitor markets, and all of them show levels that do not point to an overvaluation of listed companies in Europe. If anything, the Price/Book Value (P/BV) ratio for stock exchanges in Europe is the only indicator that points slightly in that direction after exceeding its historical average value in recent months after many years significantly below it. The situation is very different for the stock markets in the United States where, according to the same expert source consulted, the current P/E ratio stands at 28.2 times, more than double that of Spain and 7.3 points above its historical average. Its P/BV ratio, which reaches a value of 5.6 times in November 2025, is also almost double the average figure it has historically presented.

One of the unique features that support the strong trajectory of the IBEX 35® and, in general, of the stock market indicators in Spain over the past three years, is precisely its sectoral composition, with banks, energy, consumer staples, and construction holding significant weight in the overall activity and progress of the Stock Exchange. New technologies have increased their participation in the Spanish Stock Exchange and the number of companies in this sector is much higher than it was a few years ago; however, their size is very small measured as the market value of the companies, which means that their impact on the evolution of the prices of the major indices is still small today. This is not quite the case in Growth Markets where, although the companies are not particularly large, they are joined by others that

are small in size. In these markets (and without taking into account the SOCIMIs) we find that more than half of the 62 companies belong to the Electronics and Software, Renewable Energies, Biotechnology or Engineering sectors. Together, they account for 30% of the 9 billion euros that capitalize what we call Growth Companies.

The IBEX 35® Banks index has grown by 96.20% up to November, well above the overall market and also doubling the growth of European bank stock prices (54.74% according to the STOXX Europe 600 Banks) or global ones (49.18% according to the FTSE 350 Banks World). Meanwhile, the IBEX 35® Energy index has risen by 31.44% and the IBEX 35® Construction index by 50.28%.

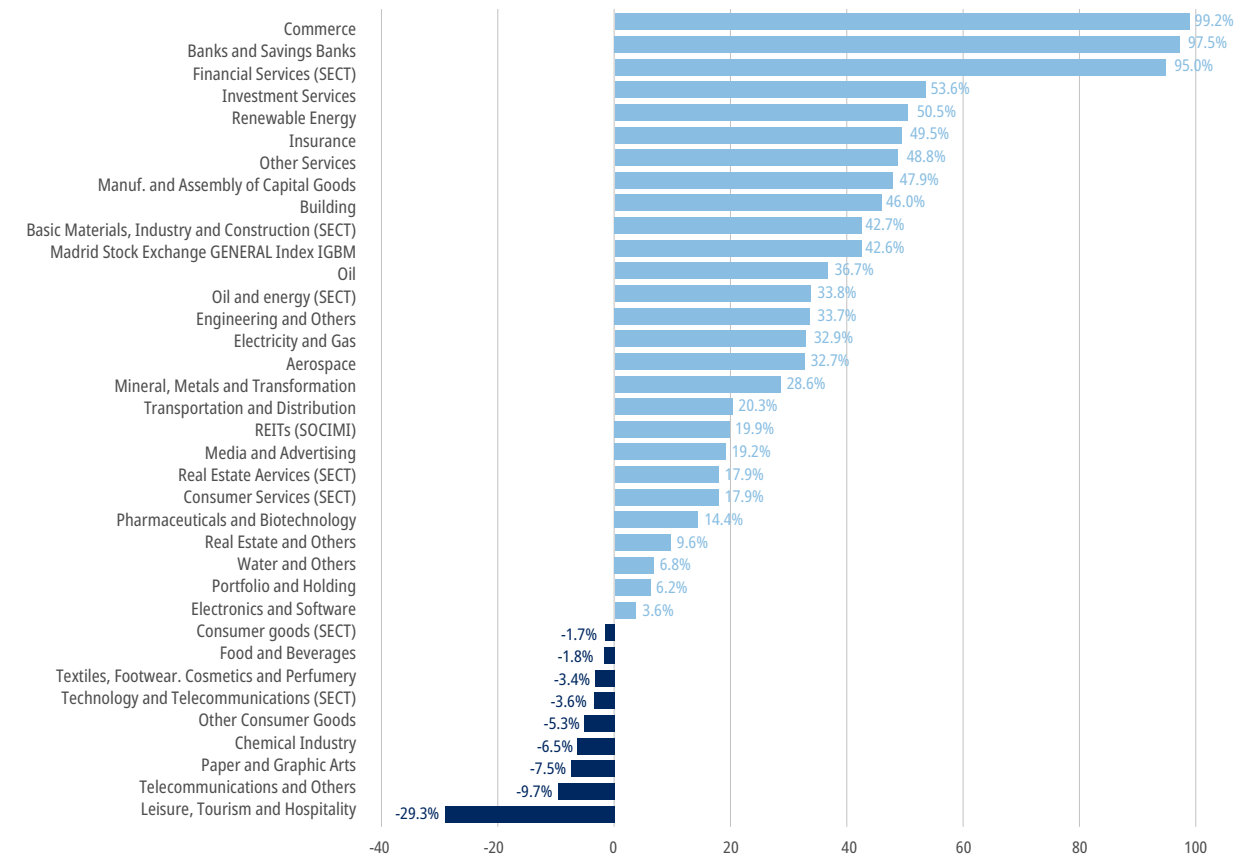
The consistent rise of the Spanish Stock Exchange in 2025 has a very broad sectoral base. Both concepts, consistency and diversification, are revealed in the behavior of the Madrid Stock Exchange General Index (IGBM), which currently comprises a total of 110 securities: the 35 on the IBEX 35® and a further 75 from the total of 144 companies that are currently admitted to trading on the Spanish Stock Exchange (not taking into account the 154 Growth Markets segment). The annual rise of this index has been 42.60% and that of the same indicator including the reinvestment of dividends is 48.33%, a difference of almost 6 percentage points that indicates the recurring and high dividend yield of the Spanish Stock Exchange, especially in the last 15 years.

One piece of data that perfectly illustrates the relevance of the growth in aggregate stock prices in Spain in 2025 is the following. A stock market year today consists of about 255 sessions. If we analyze the daily price of the IGBM over the last 60 years, we can extract approximately 14,400 periods of 255 sessions and

2) According to MSCI Bluebook November 2025

ANNUAL CHANGE IN 2025 IN SPANISH STOCK MARKET PRICES BY SECTOR AND SUB-SECTOR OF ECONOMIC ACTIVITY

DATA IN % AS OF NOVEMBER 30, 2025. BASED ON THE SECTOR GROUPINGS OF THE MADRID STOCK EXCHANGE GENERAL INDEX (IGBM). SOURCE: BME.



calculate the "annual" return of the index at the end of each of those periods. By doing this, we can see that the average annual return of the Spanish Stock Exchange since 1964 has been 10% and the most repeated value (the mode, in statistical terms) is 5.4%. In other words, the return via IGBM prices this year (excluding dividends) exceeds that historical average by almost 30 percentage points and the most frequent annual return of 5.4% by 24 percentage points.

As could hardly be otherwise, the strong upward trend in prices has translated into growth in the value of companies listed on the Spanish Stock Exchange (capitalization) which, in aggregate terms, reached the highest amount in its history in November with 1,536,139.53 million euros and annual growth of 24.71%, equivalent to an increase of 304,365.03 million euros. This amount is supported by the listing of 801 companies, of which 144 belong to the Stock Exchange and contribute 97.16% of total capitalization. The number of Expanding Companies and REITs admitted to trading on BME as at November 30 was 154, with a combined value of 22,112 million euros, 4.27% up on 11 months ago.

Up to November, 14 new companies have joined the Stock Exchange and the BME Growth Markets. Together they represent a market capitalization of 7,026 million euros. The three companies that have debuted on the

Stock Exchange have a combined market capitalization of approximately 5,836 million euros. Conversely, in the first 11 months of 2025, 27 companies with a market capitalization of 62,396 million euros left our market. Two of these belonged to LATIBEX and were large companies, with a combined market capitalization of 52 billion euros, and 10 SICAVs worth 219 million euros were also included; however, the 5 that have left the main market, excluding Lar España, which went on to trade in the Growth Markets, were worth 7,990 million euros. Therefore, revitalizing the stock market is key to ensuring a better future for the country's economy. In 2025, BME launched Easy Access, a step coordinated with the CNMV to facilitate the approach and incorporation of more companies into the Stock Exchange, and which is based on the relaxation of some of the rules and obligations that made the final decision of companies to achieve the status of a listed company more uncertain.

For the first time in its history, the Spanish Stock Exchange has 5 companies that exceed the 100 billion euro market capitalization mark. Following them, and excluding LATIBEX companies and SICAVs from the calculation, there are 22 companies with a value exceeding 10 billion euros, with CaixaBank being the first in this group with 68 billion euros at the close of November 2025. Next, there are 44 companies listed with a market capitalization above 1 billion euros.

VARIATION IN THE CAPITALIZATION OF LISTED COMPANIES IN 2025

SOURCE: BME.

	Value as at 30 Nov. 2025	Variation in the year	Value at Dec. 31, 2024
	EUR mn	EUR mn	%
Total	1,536,139.5	304,365.0	24.71%
Of which:			
Spanish securities	1,044,623.7	257,967.1	32.79%
Foreign securities	491,515.9	46,398.0	10.42%
Of which Latibex	212,070.4	-23,022.0	-9.79%
Growth Markets	21,999.0	557.7	2.60%
Growth companies	9,251.8	-710.1	-7.13%
REITs (SOCIMIs)	12,860.2	1,380.8	12.03%
MTF Equity (SICAV, SIL and ECR)	20,455.4	1,879.3	10.12%

Sectors of activity (without foreign securities)	Value as at 30 Nov. 2025	Variation in the year	Value at Dec. 31, 2024
	EUR mn	EUR mn	%
Oil and Energy	223,533.6	58,171.0	35.18%
Basic Materials, Industry and Construction	65,625.4	20,218.8	44.53%
Consumer Goods	180,216.8	-2,831.3	-1.55%
Consumer Services	72,745.7	9,551.3	15.11%
Financial services	390,409.9	171,023.5	77.96%
Real estate services	33,834.4	3,584.9	11.85%
Technology and Telecommunications	78,257.9	-1,751.3	-2.19%

1.2 Equity turnover

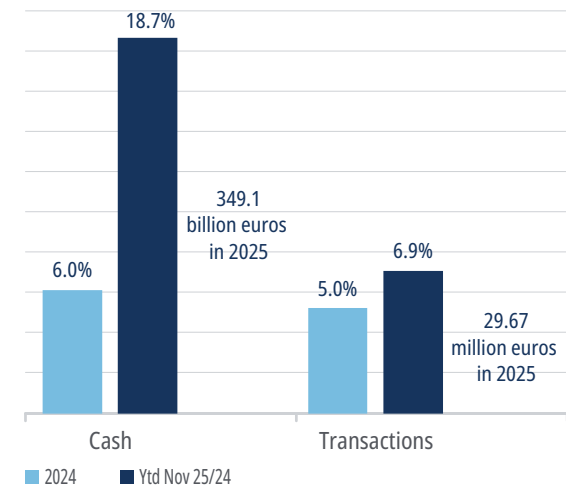
Another stock market activity indicator that has joined the growth in 2025 is the trading of shares and other listed equity products. The upward movement of prices has decisively contributed to recording an increase in the amount of stock trading, marking in this chapter the second consecutive year of growth after 8 years of continuous declines between 2016 and 2023.

Through November, 319,127 million euros were traded in stocks on BME platforms, 5.9% more than the same period in 2024. The annual increase in the number of executed transactions was 4.9% (to 29.7 million). The average daily trading volume of shares reached 1.5 billion euros this year, something that had not been seen since 2020.

Apart from the growth in share prices, this increase in share trading is also driven by improvements in the market model such as the introduction of SpainAtMid last December; this new non-pre-transparency order book for Spanish equities allows the execution of transactions in Spanish market securities at the midpoint of the bid-ask spread of the visible order book.

EQUITY TURNOVER ON BME GROWS FOR THE SECOND CONSECUTIVE YEAR

CHANGE IN THE ANNUAL CASH AMOUNT. SOURCE: SIX DATA



Part of the growth in the volume traded in shares can be attributed to increased participation of small investors in trading. According to the CNMV in its latest Market Bulletin published in October, retail investors accounted for 8.1% of all share purchase transactions and 11.6% of

all share sales transactions. This rise has also occurred in institutional investment with an increase in the number of funds, assets and participants in funds that include Spanish listed equities, which has a positive impact on the amounts traded on BME platforms.

Foreign investors continue to be the main drivers of activity on the Spanish stock market. In terms of ownership of listed shares, they held 48.7% of them at the end of 2024, although this percentage has decreased for the second consecutive year, so it is worth analyzing the reasons. Non-financial companies, with 21.6%, and households, with 15.8%, are the next largest groups holding shares.

In terms of competition between trading platforms authorized to operate with equivalent rules on equity securities admitted to trading on the Spanish Stock Exchange, the one managed by BME continues to have the largest share according to the available data. Specifically, the share in 2025 has been 51.74% up to November. The solvency of BME's market model is reinforced by the high liquidity maintained in the IBEX 35® securities where the bid-ask spread is at 0.046% during 2025, which is its lowest level in several years. However, as has happened in other regulated European markets, the trading share is progressively lower each year and worsens further when the comparison is made including trading systems that do not incorporate transparency rules. BME has been warning about the danger this trend poses to the quality and efficiency of stock markets for some time.

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. This process has continued this year, and European regulators are now beginning to take seriously the threat that this increased "opacity" in trading (the exact opposite of what was sought when MiFID regulation was introduced) will end up harming one of the basic principles of the existence of stock exchanges as regulated markets: Quality in price formation.

Factors such as the Financial Transactions Tax⁴ continue to negatively impact the trading of Spanish listed securities, as they reduce the attractiveness of major listed companies compared to comparable assets in other markets not subject to the tax, and also encourage the search for alternative ways and formulas of investing in Spanish shares. In a context of widespread globalization of investment and the management of highly diversified portfolios, a tax of this type represents a significant handicap for the shares of large listed Spanish companies.

In turn, through November, exchange-traded funds (ETFs) were traded on the Spanish stock exchange for an amount of 1,015 million euros. This figure represents a 11.6% increase compared to the same period in 2024. BME's activity in this market segment was sustained by the 6 references listed. Together, at November 30, they had a total asset value of 1.074 million euros, which is 83% higher than the amount recorded on the same date the previous year.

The behavior of volatility throughout 2025 has helped to give a slight boost to warrants market activity. Warrant trading on the Spanish Stock Exchange has experienced an annual increase of 7.38% in effective amounts and 18.68% in the number of securities traded up to November. During the year, 296.47 million euros have been effectively contracted. The figures, however, remain close to historic lows with only one issuer (Société Générale) present in Spain.

1.3 Shareholder Remuneration

Spanish listed companies continue to break dividend distribution records for another year. In 2025, 37,711.55 million euros were distributed up to November, 9.86% up on the same period in 2024 and the fifth consecutive year of growth. Adding the 812 million euros corresponding to issuance premium refunds and another 177 million euros for nominal reductions with reimbursement of contributions, the total return reached 38.760,43 billion euros, up by 11.8% year on year.

The amounts discussed have materialized through 221 dividend payments (116 from listed companies and 105 in the Growth Markets and MTF Equity), 29 premium returns and 8 nominal reductions with return of contributions.

Five 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 2.275 billion euros (6.0% of the total).

Publicly traded companies continued to implement share repurchase and subsequent cancellation programs in 2025, supplementing returns from investing in equities. Listed companies have continued to maintain a high rate of share write-offs, achieving a valuation of 10,507 million euros between January and November 2025. This is 22.6% down on the same period in 2024, a record year in this regard. Fifteen listed companies in 20 tranches have implemented share amortization plans until November 2025.

Adding together both remuneration items in the Spanish Stock Exchange (dividends and amortizations), we are talking about 48,218.55 million euros of remuneration; this figure is value practically equal to the amount paid for these two concepts between January and November in 2024. These figures are very important in a context where traditionally, the dividend alone is already particularly impressive.

It is important to highlight all this data for investors. The cumulative return difference between the IBEX 35® and the IBEX 35® with Dividends in 2025, up to November, has been 5.49 percentage points, that is, about 1.5

points above the average dividend yield offered by the Spanish Stock Exchange since 1986 (4.0%) and a level that positions it as an international benchmark for this concept among the Stock Exchanges.

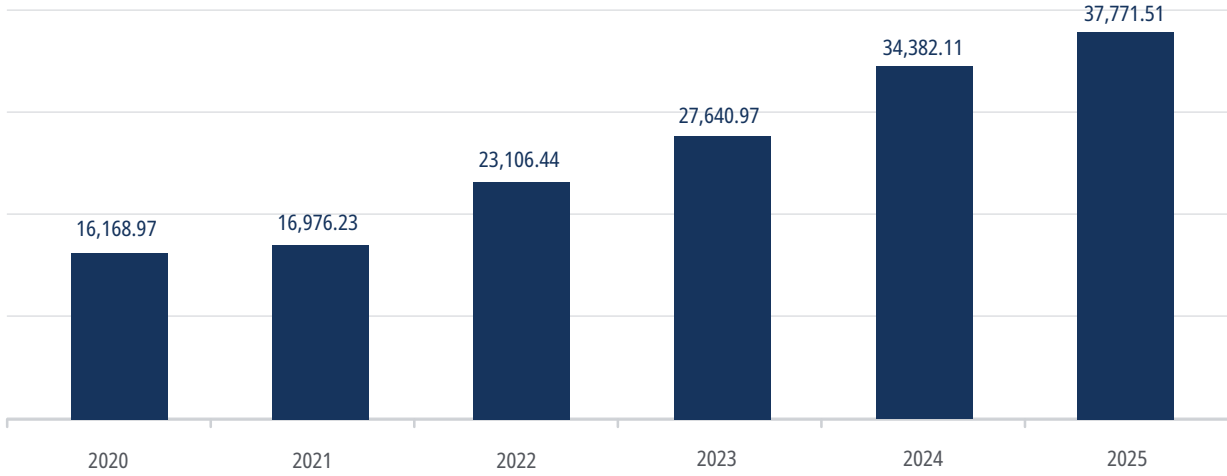
This comes in a record year for returns obtained directly from prices, which is particularly positive for the investment world. A couple of facts serve to better illustrate what has been said and to emphasize the long-term value of the dividend. In 3 years the IBEX 35® has risen the equivalent of 27.52% annually and the IBEX 35® with Dividends 33.26%. In 18 years, the time it took to reach its former all-time high, the IBEX 35® would not have obtained any return, but the IBEX 35® with Dividends in that same period would have given the investor the equivalent of 5.08% for each of the 18 years that passed.

By sector, companies listed under Financial Services would have offered the highest dividend yield in 2025 (8.87% dividend yield on top of the amount raised on price variations), followed by the Oil and Energy sector (6.5%), Real Estate Services (5.93%), Consumer Services (4.52%), Basic Materials, Industry and Construction (4.14%) and Consumer Goods (3.34%).

As of November 30, 55 of the 85 companies included in one of the main indices of the IBEX 35® family had distributed dividends. Of these, 32 belonged to the IBEX 35®, 14 to the IBEX Medium Cap® and 9 to the IBEX Small Cap®. Among all of them, 23 companies distributed enough dividends in 2025 to provide their shareholders with an annual return of more than 4% solely from dividends.

DIVIDENDS PAID ON THE SPANISH STOCK EXCHANGE

BETWEEN JANUARY AND NOVEMBER OF EACH YEAR. MILLIONS OF EUROS. SOURCE: BME.



3) 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.

4) The Financial Transactions Tax taxes the net purchase of shares of Spanish companies admitted to trading and with a capitalization above one billion euros at 0.2% of the transaction amount.

1.4 Financing

BME has recorded a good year in 2025 in terms of new additions to one of its market segments (14 companies), of which 4 have been IPOs and have managed to raise 1,388 million euros up to November. It has also been a positive year in terms of financing raised through capital increases, with 10,902.60 million euros obtained by listed companies through this method.

According to data provided by the Stock Exchanges through their International Federation (WFE), the results in this financing chapter for 2025 have been good for the United States and Asia, although somewhat negative for Europe. Despite this context, the Spanish Stock Exchange manages to stand out positively thanks to registering one of the largest IPOs in Europe (Cirsá, in July) and a generous and stable use of capital increases by its listed companies. In 2025, BME will be among the top ten stock exchanges in the world, and the first in Europe, in terms of the value of its new flows of financing, with US\$13,092 million through September.

New listed companies that have joined the Spanish Stock Exchange

Through November, a total of 14 new companies have registered their shares on the stock exchange: 3 on the Stock Exchange and 11 on the BME Growth/Scaleup Markets. It should be noted that Izertis, listed on BME Growth until recently, made the leap to the Stock Exchange, thus demonstrating the sustained growth of companies in the Spanish capital markets. Of those mentioned above, 10 were direct admissions and 4

raised funding at the time of their market debut. In turn, of those financed, except for HBX Group and Cirsá Enterprises, the rest carried out their operations in the Growth Markets: One of them in the SOCIMI segment and the other in the technology and telecommunications segment. The total amount of funds raised by all of them came to 1,388 million euros. The amount raised by companies in the BME Growth and Scaleup segments in 2025 stood at 6.72 million euros.

At the European level, both the exit of HBX Group in the first quarter of 2025 and the incorporation of Cirsá into the Spanish Stock Exchange in the third quarter of the year are significant, the latter being the third largest in Europe during that quarter, valued at 453 million euros. It is only surpassed by the IPO of SMG (Swiss Marketplace Group), which originated from private capital, in Switzerland. This was the largest in Europe in the third quarter of the year, valued at 967 million euros. Collectively, the SIX Group has raised just over €1.4 billion in funding through IPOs between July and September 2025 alone, which for much of 2025 has made the SIX Group the EU leader in this area.

In 2025, the Pre-Market Environment (PME) gained another 14 new companies, along with 4 new entities added to the portfolio of services offered to businesses. This brings the total number of professional services companies that are currently members of EpM to 32. Likewise, with the 14 companies incorporated in 2025, there are now 53 that have participated or are participating in the support offered by EpM and 9 of them have already made the leap to Growth Markets.

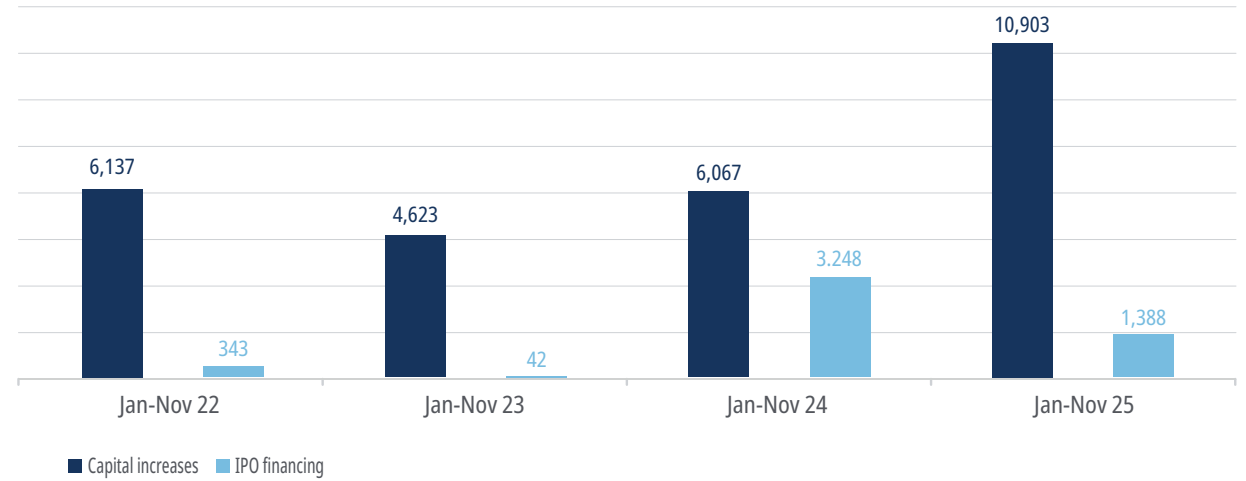
CAPITAL INVESTMENT ON THE STOCK EXCHANGES

JANUARY-OCTOBER 2025. SOURCE: WFE

	\$ Mn
1 New York Stock Exchange	597,943.00
2 Shanghai Stock Exchange	119,462.43
3 Hong Kong Exchanges and Clearing	56,877.75
4 National Stock Exchange of India	24,406.33
5 Japan Stock Exchange	19,337.88
6 Hochiminh Stock Exchange	15,371.81
7 Bombay Stock Exchange	13,325.36
8 BME, SIX	13,092.77
9 Shenzhen Stock Exchange	12,361.46
10 Nasdaq	11,826.77
11 Toronto Stock Exchange	11,474.77
12 Euronext	11,029.60
13 Nasdaq Nordic and Baltics	6,180.52
14 Saudi Stock Exchange	6,140.54
15 Australian Stock Exchange	5,915.30

CAPITAL RAISING BY LISTED COMPANIES ON BME PLATFORMS

MILLIONS OF EUROS. SOURCE: BME



Capital increases

Regarding capital increases, a total of 144 operations were carried out up to November, 50 in the Continuous Market and 94 in the Growth Markets. Spanish listed companies increased their capital by the sum of 10,902.61 million euros through November, 79.71% more than in the same period of 2024 and the highest figure over the past 4 years. From this amount, 10,318.02 million euros correspond to capital increases carried out by companies listed on the main segment of the Spanish stock exchange and 584.58 million euros come from capital increases carried out by companies admitted to trading on BME Growth and Scaleup.

Takeover Bids, Mergers and Acquisitions

In contrast to capital raising in the markets, global mergers and acquisitions recovered more importantly than in 2024. In September 2025, the highest volume since September 2021 was achieved, up by 32% to US\$3.4 trillion, with most transactions in the US and the technology sector.

Focusing our analysis on Europe, the value of acquisitions came to \$295 billion in the first nine months of 2025, the third most dynamic period in the last 4 years. Unlike in

2024, the energy sector has lost prominence in 2025, being replaced by the healthcare sector. In contrast, the trend from the previous year continues in the technology sector, reflecting the dynamics observed in the US, which continues to lead the rankings with large deals that continue to dominate in an environment favored by the relaxation of interest rates by the main central banks.

Throughout 2025, 10 takeover bids were completed on the Spanish Stock Exchange, of which 4 were delisting takeovers, 4 were acquisition takeovers and 2 were self tenders.

The year was marked by the conclusion of the hostile takeover bid launched by BBVA on Banco Sabadell on May 24, 2024, when BBVA announced its intention to acquire 100% of Sabadell's capital through a mixed offer (shares and cash). After months of procedures, the operation obtained regulatory and governmental authorizations in 2025, and the CNMV approved the prospectus on September 5, 2025, opening the acceptance period between September 8 and October 7, 2025. The offer achieved 25.33% of the voting rights, below the required minimum of 50% and also below the 30% threshold that would allow a second cash offer, which led to the declaration of the takeover bid as null and void on October 16, 2025.