

# PRESENTATION OF THE ANNUAL REPORT

**Juan Flames**  
**CEO of BME**

**17 December 2024**

Thank you, Javier:

Good afternoon, everyone, and thank you very much for joining us at this traditional Christmas event that has been held here at the Stock Exchange for more than 30 years. It is an honor to appear before you for the first time to take stock of a year that has been positive for the markets.

Javier has just commented on the main figures of the year and I would like to highlight **three important references** among all of them:

- So far in 2024, **trading volume has grown by 6%**.
- **3 IPOs have been carried out (and 21 more in BME Growth and BME Scaleup)**, and
- The amount of **capital increases has grown by 32%**, while the funds raised in IPOs exceeded 3.2 billion, 80 times the volume of the previous year.

These figures show that BME, as manager of Spanish market infrastructures, is fulfilling its main function as a generator of financing and, therefore, of stability for the Spanish economy.

A good year for the stock market and **good prospects for 2025**, as the tailwinds are blowing, making us optimistic about the coming months:

In a scenario of gradual declines in interest rates in the USA and Europe, **Spain's economic growth forecasts are an extra incentive for taking positions in our market**. Spain will be the fastest growing country in the EU in 2024, with a forecast that could exceed 3%. It will also **once again be among the economies with the highest GDP growth among developed countries in 2025**, with a forecast of 2.3% according to the OECD.

This 2.3% rate puts us 2 tenths of a point above the growth estimates for the United States, more than half a point above the United Kingdom and 2 points above Germany, which was on the verge of recession in 2024 and for which growth is forecast to be close to zero in 2025.

The macro outlook therefore offers a good base for the Spanish stock market, both for cyclical and growth stocks, and in all sectors of the Spanish stock market.

This is also shown by the more classic stock market ratios, such as the **PER, which is below 10 times**, according to MSCI data, compared to the almost 30 times offered by Wall Street. To this should be added a dividend **yield of 4.5%**, almost two points higher than that offered by 10-year Treasury bonds.

In addition to these undoubtedly positive factors for investors, the Spanish market also shows an additional attraction for companies in an environment in which **regulation seems to be starting to work in favor of IPOs**.

The recent announcement by **the CNMV that it will speed up the approval of prospectuses prior to the distribution of shares** in an IPO is a great opportunity for companies that are considering going public to do so with greater confidence. As you know, BME is working intensively with the regulator on this and other measures with which we hope to increase the rate of incorporation of companies into the stock market ecosystem in the coming years.

This is BME's firm commitment and it is also one of my priorities in my position at the helm of the company.

As I said, this is not an isolated initiative. We are working intensively in all business areas on a series of projects to make the Spanish capital market more attractive and competitive, as we explained at the beginning of the year in the presentation of BME's White Paper. This document proposes 56 lines of action, mainly fiscal and regulatory, and is very much in line with other reports such as Letta, Draghi or the one recently published by the CNMV and prepared by the OECD.

As market infrastructure managers, we continue to innovate and are already deploying measures that do not depend on the regulator. Among them, I would like to highlight the recent launch of **SpainAtMid**, a new non-pre-transparency order book aimed at making Spanish equities trading more attractive. SpainAtMid is a state-of-the-art order book that allows the execution of trades in Spanish market securities at the mid-point of the visible book's bid-ask spread.

SpainAtMid will provide an additional source of liquidity for Spanish securities, through which large-volume trades can be crossed with minimal market impact, but with the robustness and efficiency of BME's trading system and instant interaction with BME's visible book.

This mechanism already exists in the Swiss Stock Exchange and has boosted the activity of its equities trading platform. This is yet another example of **the power offered to the Spanish market by being part of SIX**, the third largest European operator and the tenth largest in the world.

This is just one example of the projects we will be focusing on at BME in the coming months, in addition to various initiatives for the adaptation of

the Mica and Dora regulations, the internationalization of Iberclear's services and the advances for settlement in T+1, among others.

As you can see, we do not stop and we hope to continue making good headlines. The media play an essential role in the functioning of the markets as one of the most valuable tools for the financial education of citizens and professionals in the sector. We have valued this at the stock exchange since our origins at the beginning of the 19th century.

I would like to emphasize that it is everyone's job - including yours - to give greater impetus to our markets in order to place them at the levels that correspond to us as the fifth largest European economy and the fourteenth largest economy in the world.

I would therefore like to thank you, on my own behalf and on behalf of BME, for the daily work that you carry out with such tenacity, rigor and commitment, and I hope that you continue to feel at home at the Stock Exchange.

Finally, I would like to wish you a Merry Christmas. A wish that I would like to extend to your families and friends, to those colleagues who have not been able to join us today, and to the media for whom you work and their readers.

Here's to a New Year full of joy and success for everyone!

Thank you very much.