

## **TO THE COMISIÓN NACIONAL DEL MERCADO DE VALORES**

Pursuant to article 226 of the Spanish Securities Market Act, we hereby inform the Spanish National Securities Commission (CNMV) that on the date hereof, SIX Group, A.G. (“**SIX**”) the parent company of the group that manages the Swiss market infrastructure and financial systems, has made public the application for the authorisation of a tender offer for the acquisition of 100 per cent of the shares in BME, offering a price of EUR 34 per share (the “**Offer**”), subject to a minimum acceptance condition of 50 per cent plus one share in BME and receiving all legally required authorizations. The terms of the Offer are described in the corresponding previous announcement published today, supplemented with the press release that has been published simultaneously (jointly the “**Transaction**”).

The Offer has been preceded by discussions between representatives of SIX and BME including a presentation by SIX to the Board of Directors of BME of its industrial project for the future management of the markets, systems and infrastructures currently managed by BME, as well as certain commitments that it is ready to assume in relation to BME and the Spanish authorities with the purpose of preserving the integrity and stability of such markets, systems and infrastructures. These conversations concluded on the date hereof with the receipt of a letter setting forth the terms on which basis SIX proposed to launch its Offer, and which are summarised in the press release published today by SIX pursuant to a relevant fact on the website of the National Securities Market Commission.

The Board of Directors, being advised by Morgan Stanley as financial advisors and by Latham & Watkins LLP as legal advisor has reviewed the abovementioned Previous Announcement and the press release attached and, although it will give its opinion at the time of the approval of the mandatory report referred to in article 24 of Royal Decree 1066/2007 of 27 July on takeover bids, it unanimously states the following.

The transaction proposed by SIX has two components: the economic terms of the Offer and, on the other hand, the industrial plan of the combined business that would result from the Transaction, should it succeed, and in particular everything related to the future management of the markets, systems and infrastructures attributed to BME.

On the first aspect, the Board of Directors notes that the economic Offer of SIX, of EUR 34 per BME share (from which any dividends paid by the Company after the date hereof will be deducted), implies a premium of approximately 34 per cent over the closing price of last Friday 15 November and of 44 and 48 per cent over the weighted average value of the last three and six months, respectively. Considering the above, and notwithstanding the uniqueness of the assets and businesses that are managed by BME, in a preliminary analysis, and without prejudice that competing offers may materialise, the Board of Directors,

being advised by Morgan Stanley (which has taken into account the views of BME on its own business), considers that the initially mentioned price may reasonably reflect the current value, from a financial point of view of the businesses that are currently managed by BME.

On the other hand, the Board of Directors has favourably assessed the commitments that SIX has made to BME and that SIX has stated that it will make to the Spanish authorities. BME considers that these commitments are essential to guarantee that the integrity and stability of the Spanish markets, systems and infrastructures will be preserved, which, as SIX has committed to, will be managed in their best interests and, with full respect of the applicable Spanish and international regulations, as well as subject to adequate corporate governance standards. Amongst the undertakings, the following are particularly noteworthy:

- Measures shall be taken to ensure that those functions which are intrinsic to BME's regulated subsidiaries (as well as such personnel and technology necessary for their functioning) shall be maintained in Spain, on the terms resulting from the authorisation procedure before the CNMV and the Spanish government.
- The plan of SIX is to use BME as platform to grow and increase the presence of the combined business in the European Union.
- SIX will keep the current brands of BME and BME's current business activities, headquarters, office locations and its strategy in Spain for at least during a transitional period of 4 years.
- BME Clearing and Iberclear to have the necessary regulatory capital required to carry out their business in accordance with applicable legislation and any additional regulatory capital levels that may be required by the CNMV and/or any other competent authority. In any event, BME Clearing and Iberclear to be fully capitalised as required to comply with their legal obligations.
- The plan of SIX is for BME to be the business hub and interconnection of the SIX Group with the Latin American markets.
- SIX considers that BME's business will be kept with a sufficient degree of independence from SIX.
- Over a period of three years, and after discussing it with regulators, SIX will select optimal platforms for an efficient and customer-oriented service.
- Registered office of the regulated entities not to be relocated outside of Spain unless authorized by the CNMV.

The Board of Directors has undertaken to sign a break-up fee agreement for an amount of 0.50 per cent of the cash of the transaction, which would have to be paid if the offer does not succeed as a consequence of a competing offer being approved and settled.

In light of the above, the Board of Directors has qualified the Offer and the Transaction as amicable, provided that the Board reserves its final opinion until the time it becomes aware of all its terms and conditions, and in particular until the time in which it can value to its full

extent the consequences that the industrial plan proposed by SIX would have for the integrity and stability of the Spanish markets and infrastructures managed by BME.

Luis María Cazorla Prieto  
General Secretary and Secretary to the Board  
Madrid, 18 November 2019