

Inauguration StartUp ole - Madrid Stock Exchange

Good morning Alberto Onetti, Chairman of Mind The Bridge and creator of the Scaleup Summit, this extremely interesting and necessary initiative.

Dear friends, welcome to BME, welcome to the Madrid Stock Exchange. I'd like to thank the organisation and in particular Alberto, its alma mater, for choosing this venue for the event. We're proud to host, for the first time in Spain, the Scaleup Summit, a benchmark meeting for entrepreneurship, a world in which we also participate.

The choice is by no means coincidental, in fact, it is full of meaning. The Stock Exchange has always been the home of financing for companies, it has lived up to expectations placed on projects, it has embraced innovation to succeed and has always supplied strong information to support investment decisions. The Spanish Stock Exchange has been doing this for almost two centuries. That is why BME wants to support initiatives like this, which are necessary to drive the entire entrepreneurial ecosystem. And we want to do this with our sights on the long term, just as good investors do.

The past few years have been good for the entrepreneurial ecosystem. In 2018, investment in startups in Spain was estimated to have been in excess of 1.2 billion, almost 50% more than the previous year, and this pace has been maintained in 2019. Investment in venture capital funds in the first half of the year alone was over 360 million, according to ASCRI. And what is more interesting, investment in middle market transactions, the next development phase of companies, was well over 800 million in the same period. Investment rounds improve in number and size and are allowing our entrepreneurs to be increasingly international, larger and more competitive.

Spain is growing rapidly in investment and innovation. It has good infrastructure, an excellent quality of life and a wealth of talent available at a good price: it's a good place for entrepreneurs. This is borne out by the growth of investments of international private equity funds at all levels, increasingly committed to the development of our country's innovative sectors. In the first half of 2019, these funds accounted for 82% of the 4 billion euros invested. The entrepreneurial hubs of Madrid and Barcelona have spread to other cities, such as Valencia and Málaga.

However, funding for this growth is still insufficient for everyone's needs and it particularly seems to be less in the more mature phases, so that very few companies are able to benefit from stock exchange finance. At BME we have tried to alleviate this problem by working on solutions tailored to the needs of each company. We have therefore launched two markets specialising in small- and medium-sized enterprises: MARF, BME's Fixed Income market, which has been successful with medium-sized companies, and MAB, BME's Growth Market, for equities.

MAB, which will soon be 10 years old, has channelled 4 billion euros to 125 companies with a combined size of over 13 billion euros. In 2019 alone, more than 1.2 billion euros were raised through over 70 capital increases.

The most recent additions (Holaluz and Izertis), just a few days ago, once again show that if there are good projects, there is no lack of investors who provide the necessary funding and who are also willing to help the venture capital funds that are shareholders succeed. Few could have imagined the tremendous growth that some of these companies have enjoyed by being listed on the MAB. Several have already moved onto the main market (main board) and are even part of the IBEX 35, Spain's blue chip index. Being a listed company opens the door to financing to be able to grow and become a sector leader. It also lends companies credibility and a brand image that multiplies the company's growth potential. For customers, suppliers, potential partners and the financial institutions themselves, these listed companies are at a superior level.

Becoming a listed company, however, is not easy. In the first place, companies, mostly family-owned ones, are reluctant to admit other shareholders. They must also comply with stricter transparency rules which necessitate an adequate structure in all areas of the company, not just financial. In order to take advantage of the full potential of the securities markets many companies must undergo certain changes. These are not necessarily complex but this transformation cannot happen overnight.

BME has recently launched a programme called Pre Market Environment to help with this transformation and make it more gradual. This initiative offers companies the support they need to help them comply with the regulations required to start trading. The open and collaborative nature of the Environment encourages the participation of capital market investors, consultants and professionals, which interact with companies in an enriching ecosystem for all. We now have 12 companies in the programme and 10 partners actively collaborating on this project. We hope that many of the Scaleups here today will join this initiative, which, in parallel to an exclusive training programme, provides practical training on how markets operate and increases networking opportunities with new investors.

The mission that unites Bolsas y Mercados Españoles and the Scaleup Summit is to give visibility to all these companies and accompany them in their growth towards their stock market listing. I trust that in these two days we will be able to move forward in the right direction.

Thank you very much.