OPENING SPEECH

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Hello,

Welcome to the eighteenth session of the Foro Medcap.

This year is special since we can finally hold it in person again after two difficult years. To focus on the positive, the pandemic helped test our technology and drastically improve it so that the forum could also be held remotely with a high level of quality, and we even exceeded the attendance levels of prior years.

This year, more than 150 investors from 14 countries have already registered to gain in-depth knowledge of over 100 listed companies: 68 in our main stock market and 43 in BME Growth. To this end, we have already scheduled over 1,000 one-on-one meetings, among other activities.

As we kick off this forum today, I am joined by Fernando Ruiz – CEO of Deloitte Spain – and Thomas Zeeb – Global Head of Exchanges at SIX. Later, we also have a keynote address by Antonio Garamendi, President of CEOE. Thank you all so much for coming.

Today's forum is starting off in a tough context for companies. Tough because in addition to the final throes of the global pandemic, we also have the negative impacts from the war in Ukraine, supply chain disruptions, the energy crisis, a scenario of hyperinflation and a swift departure from the expansionary monetary policy that the central banks in the developed world have followed for several years.

It is also encouraging, though. Because the latest data on profits, turnover, and greater financial solvency of companies means they are in better shape to face these sustainability and growth challenges over the next few years.

It is also encouraging since in this process – where financing is a decisive component, especially for smaller companies – access to the capital markets is more favourable and dynamic than ever. In recent years, the securities markets have allowed companies to become less dependent on bank loans and to raise
funds mainly by issuing equities or debt, which has favoured a more diversified financing structure and fallen more into line with the recommendations of organisations such as the IMF or those drafted within the Capital Market Union as well as the provision of financial aid under the Next Generation EU fund programme.

We are also at a particularly sensitive moment for companies from a regulatory perspective. We will soon have a new Spanish Securities Markets Law and another new law for start-ups.

Both laws include actions aimed at improving the business environment and increasing the size and productivity of companies in Spain in order to lower certain barriers that hinder their development. These actions are part of the initiatives to strengthen SMEs that were set out in the Spanish government’s Recovery, Transformation and Resilience Plan. In this context, the tools, measures, and platforms deployed within the Spanish stock exchange serve as reference points. The objective of this forum is to boost the liquidity and financing capacity of smaller companies. And one of the key instruments for achieving this is to also increase transparency and improve relations with investors.

In 2021, new investment flows and equity financing provided to these companies through the markets – including IPOs and capital increases – totalled 23.94 billion euros, or 49% more than in 2020. We saw 19 new companies list their shares on the market. Of them, 3 joined via the stock exchange platform and 16 via BME Growth – the SME Growth market.

One-third of the way into 2022, these political and economic events have interrupted some corporate or expansion plans that required financing in the form of shares. Tighter interest rates are also making financing more expensive and have already led to some contraction in activity. This uncertainty further highlights the importance of transparency and of venues such as this forum, which help bring investors and companies together in order to learn first-hand about the concerns and expectations of each of them.
That said, three companies have already joined BME Growth in 2022, and a fourth one will do so in the next few days. With this in mind, the Foro Medcap is also a meeting point for keep up to speed on the latest projects and corporate vision of many key Spanish companies. It is a great opportunity for investors to gain more in-depth knowledge of companies that they are less familiar with due to their size. To this end, the forum has scheduled many one-on-one meetings and discovery meeting sessions based on the demand of companies and investors.

The significance of the Foro Medcap is also borne out by another milestone we are about to reach. During the event, the official nominations for the European Small and Mid-Cap Awards will be announced by BME, the aim of which is to promote best practices and encourage more SMEs to access capital markets via IPOs. This is a joint initiative of the Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs of the European Commission, European Issuers and the Federation of European Securities Exchanges (FESE). We invite you to share this exciting moment with us in person.

As we have said, the market needs visibility, transparency, and dissemination – three of the main goals of this forum since it was first held. Everyone benefits from enabling market players to harness these characteristics in an efficient and concentrated format. That is how the hundreds of participants involved over the next few days see it. And each year, we at BME work towards that goal. We hope to achieve it. Thank you.