



OPENING SPEECH

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Good morning,

Also from my side, a very warm welcome on behalf of SIX and thank you for joining us here for this edition of the Foro Medcap. It is an honor for all of us at SIX to play an active part in shaping our industry here in Spain through this Forum.

As you may already know, SIX is the third largest Exchange group in Europe and one of the leading Groups across the world. The acquisition of BME almost two years ago has only enhanced this position.

Both of our organisations have long histories and profound expertise in their respective markets. This gives us key insights into how best to partner– and grow with – our small and medium enterprises as the engines of our local economies.

As the Exchange group for Spain, we are well aware of our responsibility to ensure that small and medium enterprises find the means to finance their growth ambitions while ensuring that the core values of transparency, sources of capital and liquidity are fully managed. **In other words, our job is to create an environment where investors can place their trust in our companies and invest in them on a sustained, and sustainable, basis.**

The Forum

Small and medium-sized Spanish companies are at the heart of this Forum. Firms that aim high, focusing on global markets and their offerings to bigger audiences by broadening their appeal and targeting greater returns for their shareholders.

This is why today's forum is structured around our listed companies and we have arranged for them to meet with international and local investors who are keen to invest their capital in growth and expansion-oriented projects. ***Currently, nearly 65% of the aggregate turnover of Spanish listed companies comes from abroad, while foreign investors own 50% of the shares of these companies.***

To a great extent, most of these companies are now multinationals that have managed to gain markets, size and productivity thanks to being listed, a fact that has given them worldwide relationships and access to organisations at all corporate levels. These companies are part of the growth elite of the country and their contribution to GDP and employment generation in a direct and indirect way is substantial, and very important.

We are proud to be associated with such organisations. And proud that we – in no small way – make it possible for such value to be created.

Switzerland

Historically, Switzerland also has extensive experience in these successful business trajectories. Many of the world's leading multinationals are listed on SIX and this, among other things, means that the country is considered a leader in investment and development in innovation, a key differentiator when it comes to addressing the industry-wide challenges of digitization and sustainability that appear to be defining our future.

Foro Medcap and BME Initiatives

The Foro Medcap is one more tool that is focused on growing businesses through increasing their visibility and by offering direct contact with investors. Promoting such visibility and the involvement of more investors in companies listed on the exchange has been a core objective behind many of the major and minor initiatives that BME has launched in recent years.

Lighthouse

One of these initiatives, which is very directly related to providing information to the investment community, is Lighthouse, an independent analysis service for companies that are not covered by traditional analysts.

So far, in nearly 4 years, Lighthouse has produced just over 170 reports and provided analysis on 20 companies admitted to BME Growth or directly listed on the stock exchange. This work has been publicly recognized by the European Commission.

Regulation

When it comes to establishing meaningful, pragmatic and compliant regulation, we have also not been idle.

The MiFID II Directive marked the separation of costs between analysis itself and the procurement and sales operations. In the past, this was viewed as a single block.

European Union regulators have taken these consequences into account, have gauged the negative effects of the Directive, and have made some modifications to try to alleviate the situation while maintaining the main objective of the regulation in force – ***Investor protection. With the Quick Fix rule, which will be approved shortly, it will no longer be necessary to comply with unbundling when the analysis refers to issuers whose market capitalization does not exceed 1 billion euros.***

In recent years, the European authorities, through the lines of action set out in the Capital Markets Union and, more recently, in the conditions for aid to companies provided under the European Economic Recovery and Transformation Fund Program, have in many ways expressly recognized the importance of relying on the stock markets to achieve integration, sustainability and growth objectives in a more robust manner.

Regulated Exchange vs Venture Capital

The corporate financing power of regulated securities markets is indisputable, especially in terms of raising equity by companies, but not only. Regardless of the vigor of the venture capital ecosystem in recent years, the financing data of the Spanish stock market is indisputable and offers insights into the increase in business size that it supports.

In **2021** alone, financing in the form of equity capital at BME reached €24 billion, of which €3 billion was related to 19 new companies incorporated in the market and another €21 billion was raised in almost 100 capital increases of already admitted companies.

Despite it being the second best year in its history, **venture capital** in Spain channeled only around €7.6 billion of new investment in 2021.

In the first 4 months of **2022**, a year so affected by uncertainties and a good number of deferrals of financing operations, the Spanish stock market has already channeled 1.3 billion euros of financing to companies admitted to trading. This channeling of resources has taken the form of around fifty transactions which have benefited 34 companies, 14 on the stock exchange and 20 on BME Growth, four of which are new additions to the market.

In the almost 14 years of BME Growth, 325 billion euros of new capital have been channeled through BME's financing platforms, of which 34 billion euros are related to 48 new incorporations on the Stock Exchange and 165 to BME Growth.

During this period, only around 4,500 Venture Capital operations were carried out in Spain, involving an investment of close to 50 billion euros.

BME Growth

BME Growth is one of the most successful platforms on the Spanish stock exchange for promoting small and medium-sized companies. Since its creation in 2009, it has incorporated 165 companies and has executed 461 corporate capital raising operations

that have raised 5.9 billion euros in new investment. It currently has 127 listed companies with a market value of close to 20 billion euros. Just over a third of these companies will be present at the Forum in the coming days.

Switzerland and Spain together

Now that Switzerland and Spain have joined forces to strengthen their entrepreneurial ecosystems through efficient, innovative, and global market tools, I would like to use this meeting to say that a well-functioning public capital market for SMEs is also of great importance for Switzerland. On February 11, Switzerland's equivalent of the BME Growth market, called **Sparks**, registered its first debut of Xlife Sciences, a company specializing in biotechnology projects in the field of healthcare.

The Spanish stock market has also recorded notable successes in recent years in terms of debt issuance financing. The Mercado Alternativo de Renta Fija (MARF) has surpassed 100 issuers in a decade and in terms of sustainable issues is achieving important activity figures. Over the next few days my team has allowed for time to also talk about the opportunities in this space.

Market infrastructures are, without a doubt, critical to a nation's healthy economic and financial development. The promotion and development of markets, products, indices or initiatives such as this Forum to get more investors and companies of all sizes to join together in their shared objectives of profitability, solvency and growth, are an essential part of our day-to-day work.

The Future and Digitalisation

I would not like to end without mentioning that the future of corporate financing and investment is already being laid out today in the world of digital assets and services.

Through our SIX Digital Exchange – SDX – SIX has established itself as a leading player in the field of new mechanisms for financing and exchange through digital assets.

In 2018, with the creation of SIX Digital Exchange (SDX), we set ourselves the goal of launching a fully integrated trading, settlement and custody infrastructure for digital assets based on DLT technology. In September 2021, we achieved this goal by obtaining the appropriate licenses (Exchange and CSD) to operate in Switzerland. In November, it once again took on a pioneering role with the issuance of a tokenized bond, as well as its admission to trading and placement on the market, making it the

first issuance of a digital bond on a regulated market infrastructure. ***And this journey, which affects us all, is just beginning.***

In this context, BME also presented its Digital Assets Marketplace for the controlled test space (sandbox) for the digital transformation of the financial system, promoted by the Ministry of Economic Affairs and Digital Transformation.

The project consists of the creation of a Marketplace, inspired by the STO (Security Token Offerings) model, that will make it easier for small and medium-sized companies to raise financing through the issuance of tokens representing participative loans. The Marketplace would be mainly aimed at channeling the financing of Limited Liability Companies (SL) which, in addition to their size, due to their status as SLs, lack financing alternatives other than banks.

Looking Ahead – The Global Economy

Difficult times are ahead for the global economy, but there is hope for important changes that will affect the structure in which companies operate. In Spain, in a few months we will have a new ***Securities Market Law***, another one on startups for the ***promotion of the ecosystem for emerging companies***, and the ***Law for the Creation and Growth of Companies*** in parliamentary procedure, which are in addition to the ***amendments to the Companies Law*** that were approved recently and the ***Law for the Promotion of Long-Term Investment*** that came into force a year ago.

All these regulations share some common elements, such as rules to promote the size and lengthen the life of companies. In many cases, by encouraging and simplifying their incorporation into the stock markets, and by promoting the approach of investors to the companies they select in a broader and more stable way.

These are rules that converge over time and in many cases are required by Europe to ensure that the aid provided through funds channeled within the framework of the Plan for the Transformation, Growth and Resilience of our economy has a more powerful and lasting effect.

Summary

Throughout all of this, we are proud to be your partner in managing and defining our core function of bringing investors and companies together, both now and in the future, and in the face of numerous challenges over the coming years. We, SIX and BME, are committed to you all, and to doing this for the long term.

The Foro MEDCAP is an important forum for building out this partnership and working closely together to face these challenges. I hope that you will all find it as valuable an experience as we do.

Thank you very much and enjoy the Forum.