Mercado Alternativo Bursátil (MAB)
The Alternative Spanish Equity Market: An opportunity for growth companies

February 2019
WHAT IS THE MAB?

MAB is the Spanish equity market for companies of reduced capitalization which aim to grow, with a special set of regulations, designed specifically for them, and with costs and process tailored to their particular features.

Features:

- Multilateral trading system (MTS) operated by the Spanish stock markets (BME).
- For institutional and private investors.
- It provides financing, visibility, liquidity and valuation.
- With an information and trading regime suited to the peculiarities of this type of companies.

Operations in the MAB started in July 2009. There are currently 40 growth companies and 68 REITs listed on it.
THE MAB FOR GROWTH COMPANIES

¿Why to be listed on an Alternative Market?

- It eases the access to financing for reduced capitalization companies, with the accurate transparency and liquidity for investors, in a European context with a more demanding stock-exchange regulation.
- It provides the company with more visibility and renown, particularly among clients, financial providers and investors.
- It allows to determine an objective valuation based on its results and growth expectations.
- It offers liquidity to shareholders, as it allows to convert money into shares. It does not imply to lose control of the company.
- It helps to make management more professional, to quantify the business turnover and its expectations.
THE MAB FOR GROWTH COMPANIES

What does it imply to be listed on an Alternative Market?

✓ To **explain** the project well and to generate trust.

✓ Some **economic costs**:

  ➢ Main costs correspond to the registered advisors, auditors and legal advisors, which are negotiated individually.

  ➢ Processing of application: fixed amount of 1,500 €

  ➢ Listing costs: fixed fee of 6,000€ plus the 0.05 per thousand above the capitalization of the values to be incorporated.

  ➢ Internal costs to provide the information requested by the Market and in the investors.

✓ Changes in business management and organization to report to the Market and the new shareholders implies to acquire more discipline and to be more self-demanding.

✓ Transparency, which implies to make important information public about the business operations and the concern that the competition gets to know the business model.
Key Figures
(Data up to 31/1/2019)

108 COMPANIES

Growth Companies | REITs
---|---
68 | 40

CAPITALIZATION
11.971 Million €

Growth Companies | REITs
---|---
10,619 | 1,352
Témpore Properties aprueba ampliar su capital en 150 millones para adquirir 850 viviendas

Altia, Catenon y Secuoya, las empresas del MAB con un rating más sólido

25-05-2015 • 14:56

MADRID, 25 MAY. (Web Financial Group).- Según un estudio independiente de Madrid, la firma de análisis financiero especializada en el Mercado Alternativo Bursátil, las compañías del MAB obtuvieron una puntuación promedio de 57,10 sobre una base 100.

Gigas, valor del MAB, se sitúa entre las empresas europeas con mayor crecimiento, según FT

Atrys Health ganadora en los premios Small and MidCap Awards 2018 de la Comisión Europea
**FUNDS RAISED**

**TOTAL CAPITAL INCREASES: 207**

**TOTAL FUNDS RAISED: 2,426 M€**

During **2018, 51 deals** were made (39 in the REITs segment and 12 from Growth Companies) which amounted to **1,185 million €**.
Since 2015 there is a positive trend both in funding and number of companies.
LISTING OF SHARES ISSUED BY GROWTH COMPANIES
Circular MAB 2/2018

★ REQUIREMENTS APPLICABLE TO ISSUING ENTITIES

1. FORMAL
   ▪ Shares issued by PUBLIC LIMITED COMPANIES.
   ▪ Spanish or foreign.
   ▪ Share capital fully paid up and unrestricted transmission.
   ▪ Represented by book entry.
   ▪ Capitalization smaller than 500 million euros.

2. ACCOUNTING STANDARDS
   ▪ EU companies can opt for: IFRS or national accounting standard.
   ▪ Non EU companies: IFRS or US GAAP.

3. ACTIVITY
   ▪ Company that already markets products or services (or relevant preparatory activities).
   ▪ And that obtains significant sales revenues or financial investments for preparatory activities.
LISTING OF SHARES ISSUED BY GROWTH COMPANIES
Circular MAB 2/2018

➢ REQUIREMENTS APPLICABLE TO ISSUING ENTITIES

4. INITIAL INFORMATION

- Informative document filed with MAB, with detailed information about the company, its business and future perspectives.
- Written in Spanish or in a frequently used language in the finance context.

5. DESIGNATION OF REGISTERED ADVISOR + LIQUIDITY AGREEMENT

6. ESTIMATED VALUE OF THE OFFERING OR LISTING ≥ €2,000,000

- In initial and secondary public offerings or private placements.
- For all shares held by shareholders with holdings <5% in the case of listings. An independent valuation is required in such cases.
INFORMATION TO BE PROVIDED BY ISSUING ENTITIES
(CIRCULAR MAB 6/2018)

➢ REGULAR INFORMATION
  ▪ Audited annual financial statements, with a report by the Audit Committee.
  ▪ Half-year financial statements subject to limited review + communication of significant shareholdings

➢ RELEVANT INFORMATION AND OTHER INTERESTS
  ▪ Relevant facts (articles 228 and 323 of the Securities Market Act: and all information that could exert a significant influence on the price).
  ▪ Other interests: significant shareholdings; transactions with directors and senior management; shareholders' agreements and M&A activity

➢ REGISTRATION AND DISSEMINATION OF INFORMATION
  ▪ The information disclosed to the market will be sent to the CNMV and published on the MAB website.
  ▪ The information document for the listing and other information disclosed to the market must be posted on the company's website.
REGISTERED ADVISORS
(Circular MAB 16/2016)

➢ GENERAL DUTIES
  a) Check that the issuer meets the requirements to be able to list its shares on the Market.
  b) Advise issuing entities in the compliance with their obligations and responsibilities.

➢ SPECIFIC FUNCTIONS FOR THE INITIAL ADMISSION OF SECURITIES TO THE MARKET
  a) Analysis of the industry and business model
  b) The “due diligence” process, at least with legal and financial scope
  c) Comfort letter from an auditor on the financial information provided in the DIIM
  d) Report by the issuer included in the DIIM on the working capital
  e) Analysis of the Business Plan which may be included in the DIIM
  f) Analysis of the organizational structure and the company’s internal control system
  g) Analysis and valuation of procedures and means the company disposes of in order to comply with its obligations
REGISTERED ADVISORS
(Circular MAB 16/2016)

SPECIFIC FUNCTIONS ONCE THE COMPANY IS ADMITTED TO THE MARKET

a) Regular contact with the company: advice.

b) Review of the information to be submitted to the MAB. Content and time frames.

c) Annual financial information:
   - Verification of the signature of the accounts and management report by all directors
   - If the auditor’s report contains qualified or adverse opinions, checking of publication of a relevant fact.
   - Checking that the company provides the management report.
   - Provision of a report summarizing all these facts.

d) Advising on the information to be included on the Business Plan.

e) Monitoring of price and trading volumes.

f) Attendance of the company’s Shareholders Meeting.

g) Communication when the Registered Advisor ceases to act as and advisor with sufficient notice, and reasons.

h) Communication about changes in MAB regulations.

i) Assistance and collaboration in preparing the Capital Increase Document.
REGISTERED ADVISORS
(Circular MAB 16/2016)

 OTHER FUNCTIONS
a) Communicate to MAB potential noncompliances
b) Review proposals of trading exclusion agreements

 NONCOMPLIANCES
Written warning
Suspension
De-registration from the Register of Registered Advisors
REGISTERED ADVISORS
(Circular MAB 16/2016)

ABANTE ASESORES DISTRIBUCIÓN, A.V., S.A.
ANALISTAS FINANCIEROS INTERNACIONALES (AFI)
ARCANO VALORES A.V., S.A.
ARMABEX ASESORES REGISTRADOS, S.L.
BANCO SANTANDER, S.A.
DCM ASESORES Dirección y Consultoría de Mercados, S.L.
DELOITTE, S.L.
DIDENDUM EAFI, S.L.U.
EBN BANCO DE NEGOCIOS, S.A.
ÉTICA PATRIMONIOS EAFI, S.L.
GRANT THORNTON, S.L.P.
REGISTERED ADVISORS
(Circular MAB 16/2016)

GVC Gaesco Beka, S.V., S.A.
IMPULSA CAPITAL, S.L.
MERCADOS Y GESTIÓN DE VALORES A.V., S.A.
NORGESTIÓN, S.A.
PKF ATTEST SERVICIOS EMPRESARIALES, S.L.
PMS ASESORES REGISTRADOS, S.L.
PRICE WATERHOUSE COOPERS, ASESORES DE NEGOCIO, S.L.
RENTA 4 Corporate, S.A.
SOLVENTIS, A.V., S.A.
UHY FAY & Co AUDITORES CONSULTORES, S.L.
VGM ADVISORY PARTNERS, S.L.
TRADING REGULATIONS
(CIRCULAR MAB 7/2017)

✓ Trading
  ▪ Technological trading platform SIBE.
  ▪ Trading through prices set at auction (“fixing”) with the possibility of Open Market, depending on the liquidity and spread.
  ▪ The issuer shall subscribe a liquidity contract with a financial intermediary, the Liquidity Provider, who must maintain the position of bids and offers for a minimum cash amount. Objective: boost liquidity and frequency and reduce the volatility external to the market trend.

✓ Settlement
  ▪ Same procedure applicable to operations of securities traded in the Stock Exchange.
www.bolsasymercados.es/mab

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