



Foro Medcap in Madrid

Date: 28 May, 2024

Time: 09:30 am

Location: Madrid

Welcome

Good morning!

- Welcome everyone, and thank you for joining us today here in Madrid.
- At SIX, apart from offering investors and companies a platform for listing and trading, we also provide them with a platform for discussion and networking.
- And what better place for this than the trading floor of BME Exchange, with so much business and stock market history behind it.
- Over the next few minutes, I would like to address some key topics closely connected with this gathering.
- First, I will explain why corporate access meetings, such as the Foro Medcap, are so important to us and how we bring company representatives and investors together.
- I will then deep dive into the connecting thread of the event that starts today: the advantages of investing in small and medium caps and the markets specifically designed for them.
- I will then also support my point with some findings from a White Paper recently published by BME, which contains measures aimed at promoting the participation of Spanish companies in the securities markets.
- Let's start with the underlying goal of the event that is about to start: providing investors with access to the representatives of listed companies, in this case, of small and medium caps.

Promoting Corporate Access

- Our objective with gatherings like this is to increase the visibility of the medium and small capitalization companies listed on BME and to provide analysts and investors with direct access to their management.
- In return, this effort could lead to increased liquidity and funding capacity.



- Although the Foro Medcap is our flagship corporate access event for small and medium-sized companies in Spain, we organize other initiatives to bring investors into contact with the management of our companies listed in Spain in cities such as Paris, Frankfurt, Geneva and New York.
- Now that we've seen how through corporate access we bring together company representatives and investors around small and medium capitalization stocks, let me briefly explain the advantages of investing in these assets.

Advantages of Investing in Small and Medium Caps

- Of course, the Spanish stock exchange lists large corporations that are international leaders and enjoy access to national and international investors, liquidity, and the security of our market.
- Just a few weeks ago Puig made its debut on the stock market. Together with Galderma, which joined SIX Swiss Exchange in late March, they make the world's two biggest IPOs so far this year and the largest in Spain since 2015. Other large companies have announced their intention to debut on the market, so we expect 2024 to be a good year in this respect.
- But it is also important to look at small and medium-cap companies with often innovative business models that are sometimes not sufficiently well known.
- Their presence on the stock market is positive for the enterprises themselves, for the economy as a whole and, of course, for investors, who can diversify their portfolios thanks to these stocks.
- With them, fund managers and investors of all types can broaden their investment universe significantly. More choice means more opportunities to beat the market.
- Small-cap companies also give investors access to sectors and areas of activity with lower presence on the main indices.
- I am talking, for example, about technology and digitalization, so crucial for the current and future economy, but also the renewable energy sector.
- In Spain our SME segment, BME Growth, offers great sectoral diversity, and technology and renewable energy, the green and digital economy towards which we are heading, play a significant role.
- These are companies strongly oriented to growth and which tomorrow may become the blue chips that will set the pace for the Ibex 35 in the future.



- At SIX, we are well aware of our responsibility to ensure that small and medium enterprises find the means to finance their growth while ensuring that the core values of transparency, sources of capital, and liquidity are fully managed.
- That's why complementary to BME Growth in Spain we also run an SME segment on the Swiss stock exchange with Sparks.
- It is important for growth companies to know that the stock market is also open to them, and can provide visibility, access to national and international investors and further financing capacities.
- This key aspect, broadening access to market-based sources of financing for companies at each stage of their development is one of our priorities at SIX.
- Let me tell you about the why and how.

Access to Financial Markets

- Facilitating market access is a priority for us because it gives listed companies a significant boost in terms of liquidity, financing, visibility and reputation.
- The benefits of a listing may sometimes be eclipsed by the supposedly major hurdles of going public.
- That's why we assist companies along their different levels of growth, from the very moment when they are thinking of joining the market.
- This early stage is when the Pre-Market Environment in Spain comes into its own, providing training and guidance to companies on the securities markets.
- Similarly, in Switzerland the Sparks IPO Academy is a fast-track program that prepares companies for a potential IPO on the Swiss stock exchange's Sparks segment.
- We also provide specific ad hoc market segments for the following steps upwards, such as BME Scaleup in Spain, specifically designed for scale-ups.
- I've described why fostering market access for companies of all sizes is important to us and how we materialize our efforts into specific initiatives. However, our efforts don't end there.

Measures to Improve Access to Capital Markets

- At the beginning of the year, we outlined a series of measures in a White Paper to promote the participation of Spanish companies in the securities markets.
- Among these, we call for a simplification of the listing process.
- The White Paper also encourages the participation of retail investors and the creation of SME investment products or vehicles, in line with the objectives of the Capital Markets Union.
- In the report, we promote the listing of alternative collective investment vehicles on regulated capital markets or MTFs.
- We also propose a series of regulatory and fiscal measures to make our MTFs, BME Growth, and MARF, more attractive.
- Another important aspect covered by the White Paper refers to the visibility of small and medium companies. Here, we are in favor of greater research coverage for these securities.
- In this respect, following the implementation of the European MiFID II directive, analysts' coverage of smaller enterprises was dramatically reduced.
- The problem with non-covered securities is universal: it is estimated that between 30% and 40% of listed stocks worldwide are not covered at all by research firms.
- Thanks to initiatives such as Stage in Switzerland and Lighthouse in Spain, we provide equity research on poorly covered stocks.
- Through Stage in Switzerland, we help small and medium-sized listed companies to improve their visibility with research reports prepared by our partners, who then distribute them to a large number of capital market participants.
- In Spain, Lighthouse is a fundamental analysis service aimed at the Equity market, through which research coverage is provided for those listed securities that are not followed by financial firms.
- Undoubtedly, it is necessary to increase the visibility of these companies for many reasons, all of them beneficial for the Spanish economy, the investment community and the companies themselves.
- Events such as the Foro Medcap pursue this objective.
- These and any measures aimed at strengthening the role of financial markets in their decisive role of channelling financing to companies will undoubtedly be positive for the Spanish economy as a whole.



- I am now approaching the last part of my address. I've talked about corporate access and discussed the advantages of investing in small and medium caps.
- I've also looked at how broadening market access for these stocks is mutually beneficial for these companies, for investors and the economy as a whole.
- And now, before I finish, I would like to briefly summarize the main topics that will be discussed during this outstanding Foro Medcap that is about to begin.

The Panels

- During the next three days, the speakers will discuss how the Spanish economy is facing its growth challenges.
- They will also analyze how access to securities markets for more companies and investors is critical for financing the growth of our companies and the country as a whole.
- Of course, sustainability will also have its place in this Forum and last, but not least, we'll discuss how after two years with very few IPOs in Europe, investors and investment banks are once again looking to the stock market.

Closing

- As you can see, a very interesting three-day event lies ahead of us and I encourage you all to follow it closely, interact and share your views on all these topics, which are shaping today's corporate agenda.
- And now, before I finish, I'd like to give the floor to Paula Conthe, Secretary General of the Treasury.
Thank you very much!