

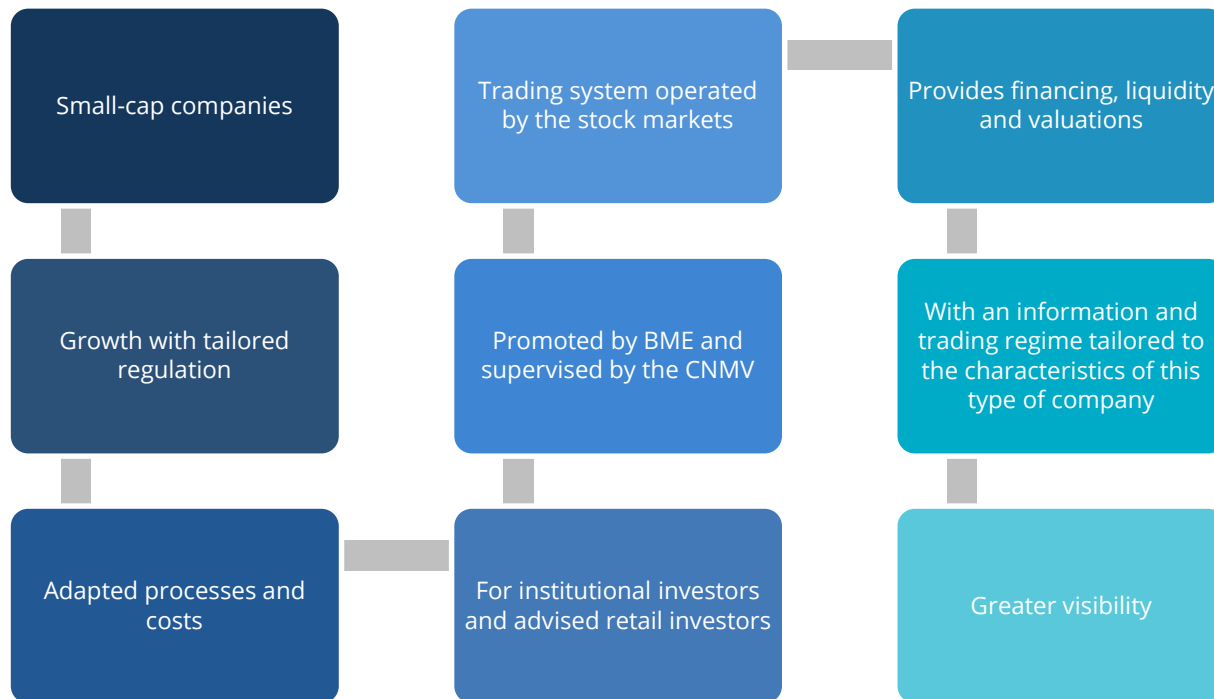
BME Growth

The Stock Exchange for SMEs



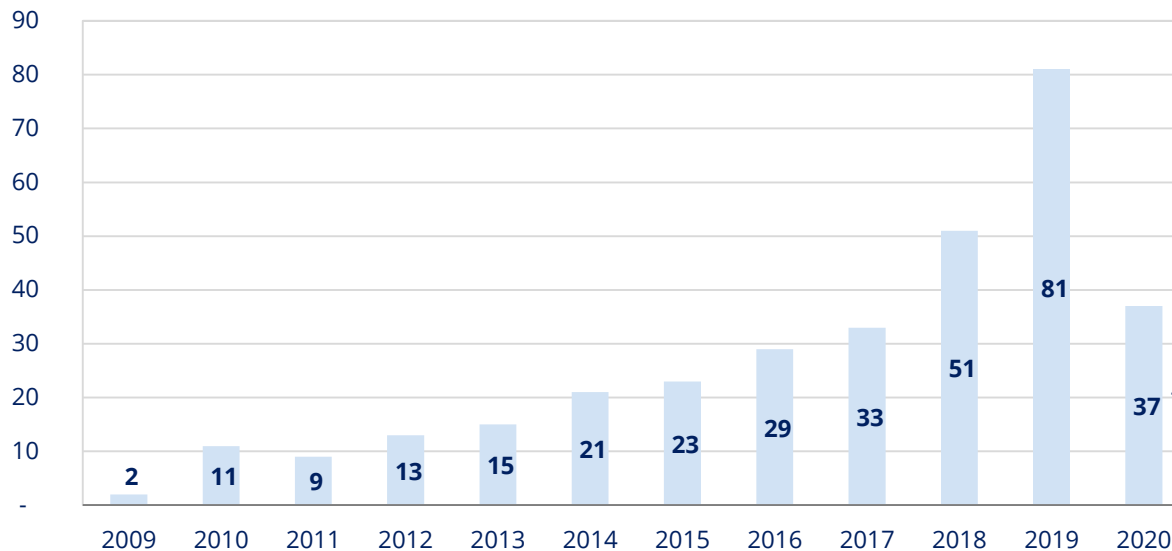
1. BME Growth: concepts, advantages and requirements

Concept: main characteristics



Advantages - financing

Number of capital increases

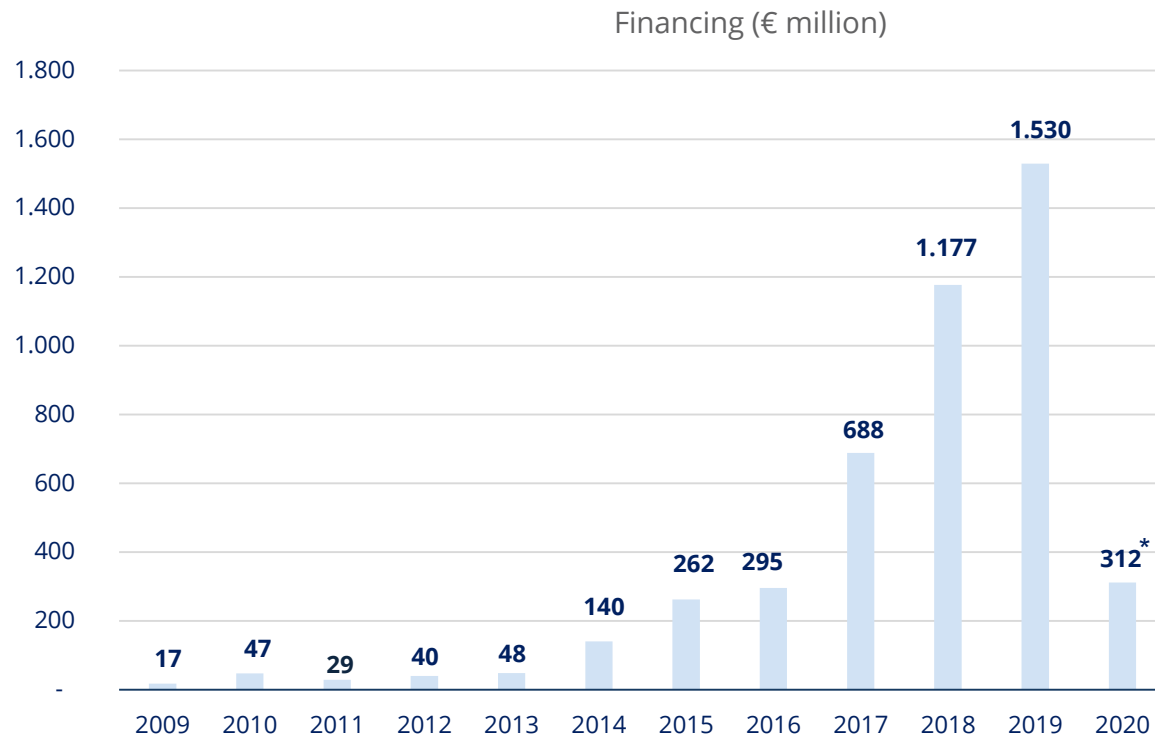


325 capital increases since inception
to August 31, 2020

*Figures at 31 August 2020

There were **325 capital increases** between 2009 and August 2020, raising **€4,586 million in financing**.

Advantages - financing



€4,586 million since inception to August 31, 2020

*Figures at 31 August 2020

Advantages - financing

“

It enables us to strengthen the company to expand our activity to new markets and new countries with greater stability and commitment, and to reinforce our commercial resources in countries where we already operate and the technical structure of the Spanish parent. ”

GIGAS HOSTING

“

BME Growth works as a recurring financing window supporting the various phases of expansion in listed companies. ”

MABIA

Advantages – profile

ENERGY

HolaLuz to debut on the stock market valued at 160 million



Izertis finalises details of its IPO with roadshows in cities around Spain

BUSINESS

Kompuestos announces seven million investment in biodegradable plastics

- The company started this Wednesday at the opening bell on the Madrid Stock Exchange
- The investment will take place over the next 12 months, according to its chairman

REAL STATE >

A dividend machine: REITs distribute 1,400 million

COMPANIES ANALYSIS / GIGAS

Renta 4 starts coverage of GIGAS Hosting

PUBLISHED ON 11 OCTOBER 2019 JUAN SAINZ DE LOS TERREROS

Good news for investors in companies like GIGAS Hosting and good news for microcaps in Spain as more and more analysts are covering these companies.

CONSTRUCTION AND REAL ESTATE

The Millenium REIT approves a €400 million capital increase

Atrys Health increases its capital by 35 million and buys Itms

- The company's capitalisation will exceed 190 million as it prepares to join the Continuous Market

Advantages – profile

“*BME Growth is a very good market in which to mature as a listed company. Listing in this market is more than just opening up a new financing channel, as it forces companies to become more serious and enhance their fundamentals and team.*”

LLEIDA.NET

“*The visibility that BME Growth can give you to attract institutional investors can be useful for expanding your shareholder base with minority investors through a kind of pull effect.*”

ADL BIONATUR

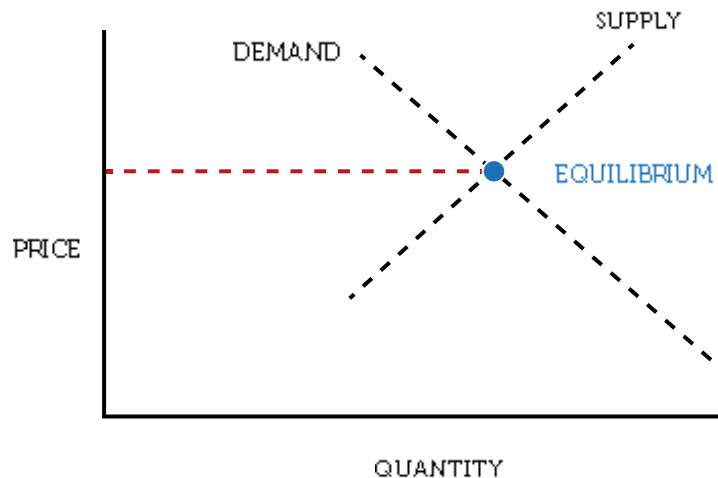
“*By joining BME Growth, we are presenting ourselves to the market, which can get to know the company from within, boosting our credibility in the face of large companies.*”

TIER1 TECHNOLOGY



Advantages – objective company valuations

- The shares of companies listed on BME Growth have a permanent market value, which is provided by investors.
- The price is formed from the combination (matching) of purchase and sell orders (the law of supply and demand).



Advantages – objective company valuations

- Importance for inorganic growth (M&A)

“BME Growth offers you a platform to acquire other companies **and pay part of the price in shares**, which is impossible if the company is private. This is one of the things that sets being listed on BME Growth apart, enabling faster growth through an instrument that is only available if you are a listed company.”

ATRYX HEALTH

Advantages - liquidity

Companies listed on a market enjoy the possibility of much higher liquidity than if they were not listed.

However, this liquidity is not immediate in any of the alternative markets for SMEs, due to the nature of the ecosystem.



*Figures at 31 August 2020

Advantages - liquidity

But there are circumstances that can help listed SMEs **obtain greater liquidity through BME Growth**. For example:

- Efforts to raise visibility, such as proactivity in relations with investors and analysts, road shows and corporate communication.
- Maintaining a generous spread of shareholding (without losing control).
- Awareness of the size of the company.
- Help from specialists: liquidity provider, communication consultants, financial advisors to attract investors.
- "Anchor" shareholders and investors who help attract other investors.

And it is easier to generate liquidity and attract new investors if **the business is performing positively**

Advantages - liquidity

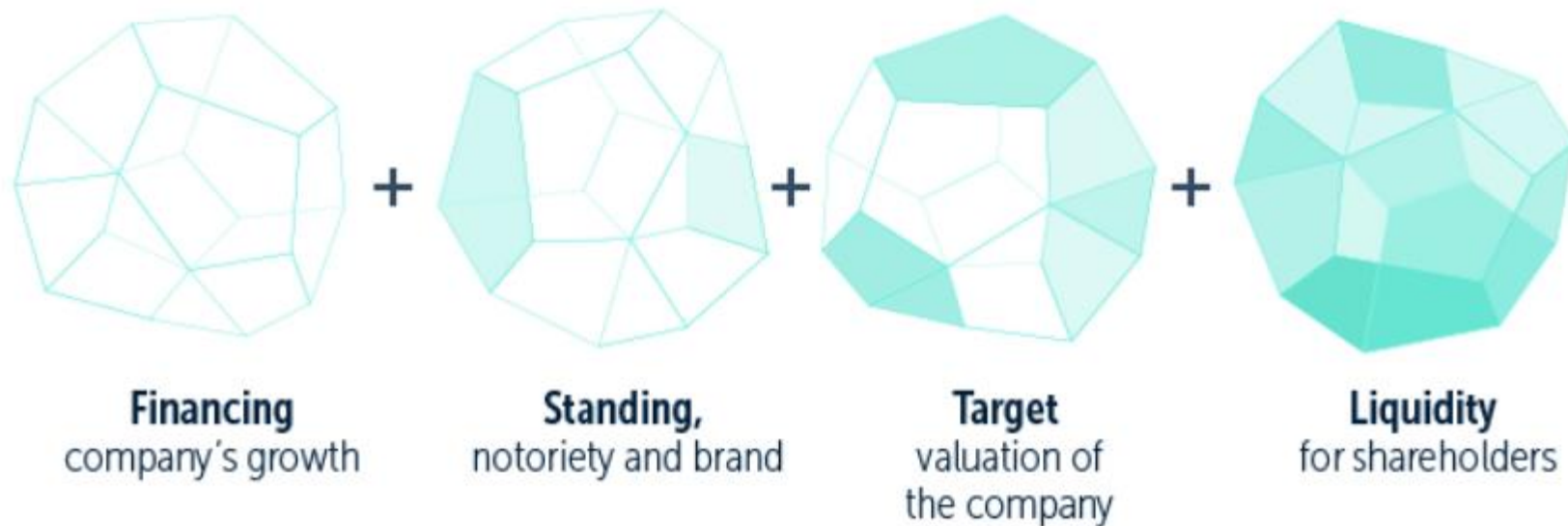
“ *One of the myths of small companies is lack of liquidity, which doesn't mean they are less profitable. In fact, historically, they are more profitable than blue chips. If the company is good, you have no problem when you want to get out of it - someone will always buy it from you: market counterparties, the company's treasury stock, management ... good things are always in demand.* ”

Lola Solana
*(Head of Small Caps & ESG Equity Funds.
Santander Asset Management)*

“ *Liquidity is sometimes overvalued. The prices of "large caps" often reflect much weaker macroeconomic performance than will turn out to be the case, because they are so liquid. But investors in small securities do so out of conviction and are less likely to overreact.* ”

Nicolás Fernández
(Head of Analysis at Banco Sabadell)

Advantages - conclusions



Requirements: Listing on BME Growth

FORMAL



- Public limited companies.
- Share capital fully subscribed and paid up.
- Shares represented by book entries.

ACCOUNTING STANDARDS



- Audited financial information.
- EU company: IFRS or national accounting standards.
- Non-EU Member State: IFRS or US GAAP.

CORPORATE GOVERNANCE



- Guaranteed transparency of the board of directors in the face of potential conflicts of interest, publishing any conflicts and actions that arise.
- Audit Committee.

Requirements: Listing on BME Growth

INITIAL DOCUMENTATION



- Informative Document for Admission or EU Growth prospectus.
- Due diligence: legal and financial.

SPECIALISTS



- Registered advisor.
- Liquidity provider.
- Placement bank for shares in the case of initial sale or subscription offers.

FREE FLOAT



- The lower of: 25% of the company's capital; or the sum of all minority shareholders holding capital with a value of 2 million euros.
- Minority shareholders (<5%) with no ties to majority shareholders.

Requirements: Listing on BME Growth - specialists

REGISTERED ADVISOR

All companies must have a designated Registered Advisor at all times.

- To verify and advise the company on compliance with the listing requirements.
- To review the information submitted by the company during listing and subsequently assist the company in meeting its information requirements.
- To handle questions from BME Growth on the issuer, its activity, compliance, etc.

List of Registered Advisors:

https://www.bmegrowth.es/ing/BME-Growth/Registered-Advisors.aspx#ss_list

LIQUIDITY PROVIDER

All companies must have a designated Liquidity Provider at all times.

This is a stock market intermediary with which the company signs a liquidity provision agreement.

The Liquidity Provider offers purchase and sell positions during market sessions to ensure constant liquidity for the stock.

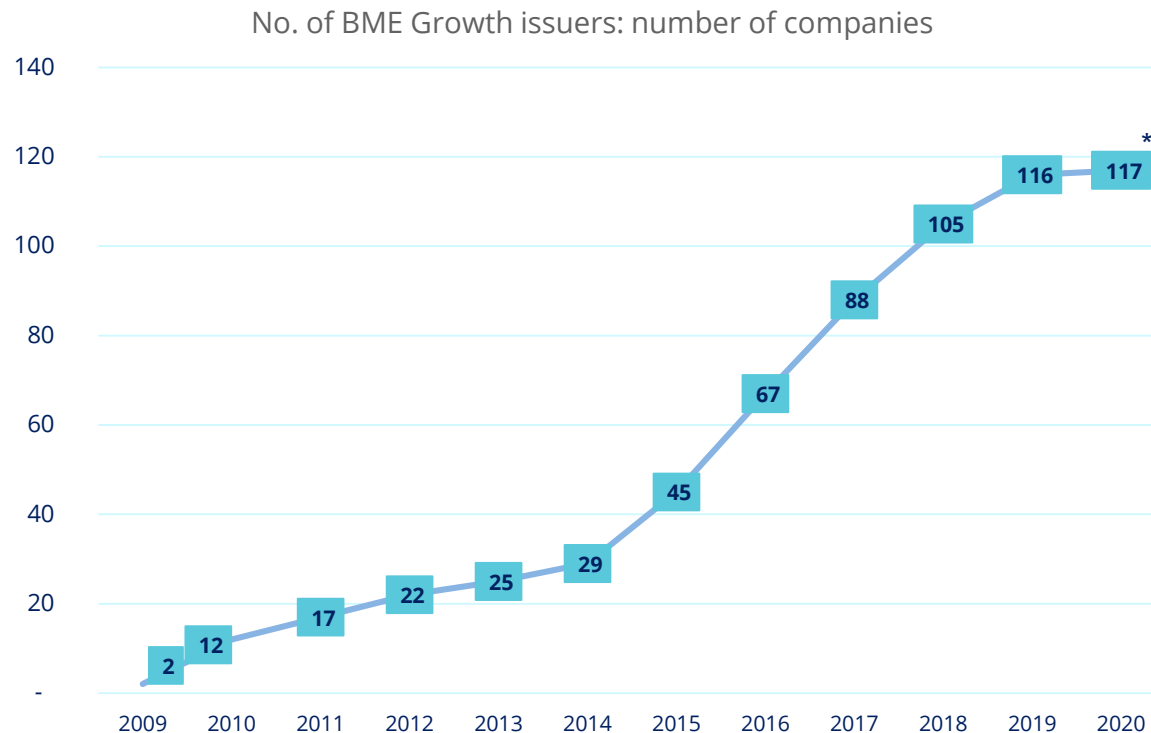
The objective of liquidity provision contracts is to guarantee liquidity for transactions, ensure sufficient trading frequency and reduce price fluctuations not caused by market trends.

List of Liquidity Providers

<https://www.bmegrowth.es/ing/BME-Growth/ProvedoresLiquidez.aspx>

2. Issuers BME Growth: development, companies and sectors

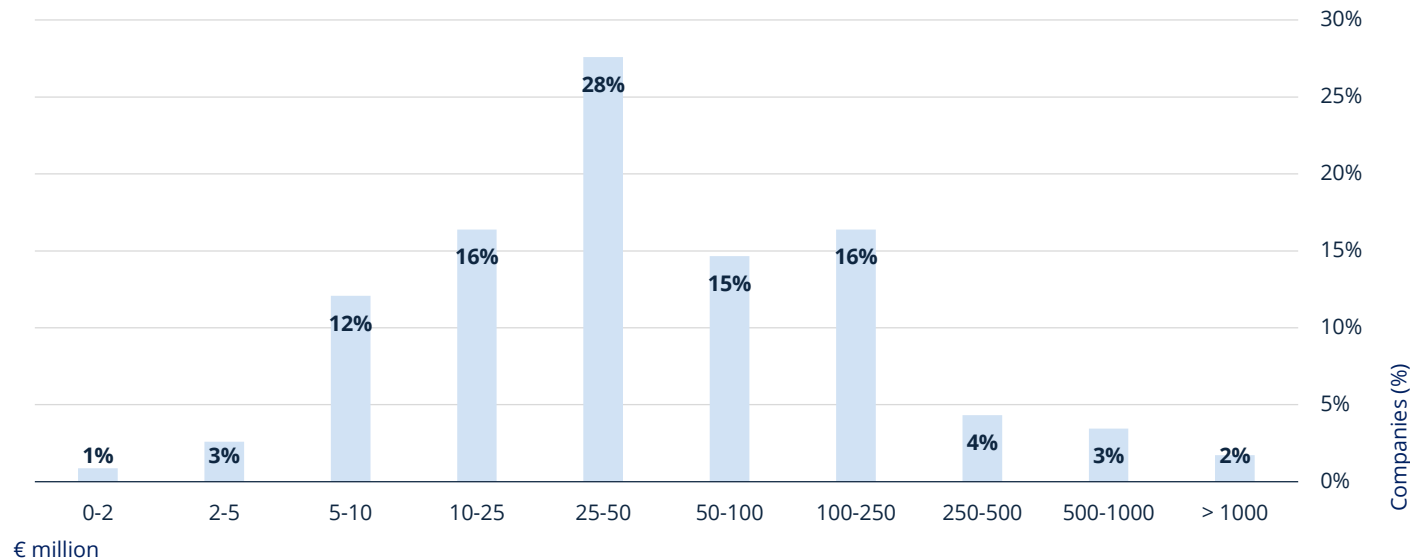
Issuers: BME Growth in figures



*Figures at 31 August 2020

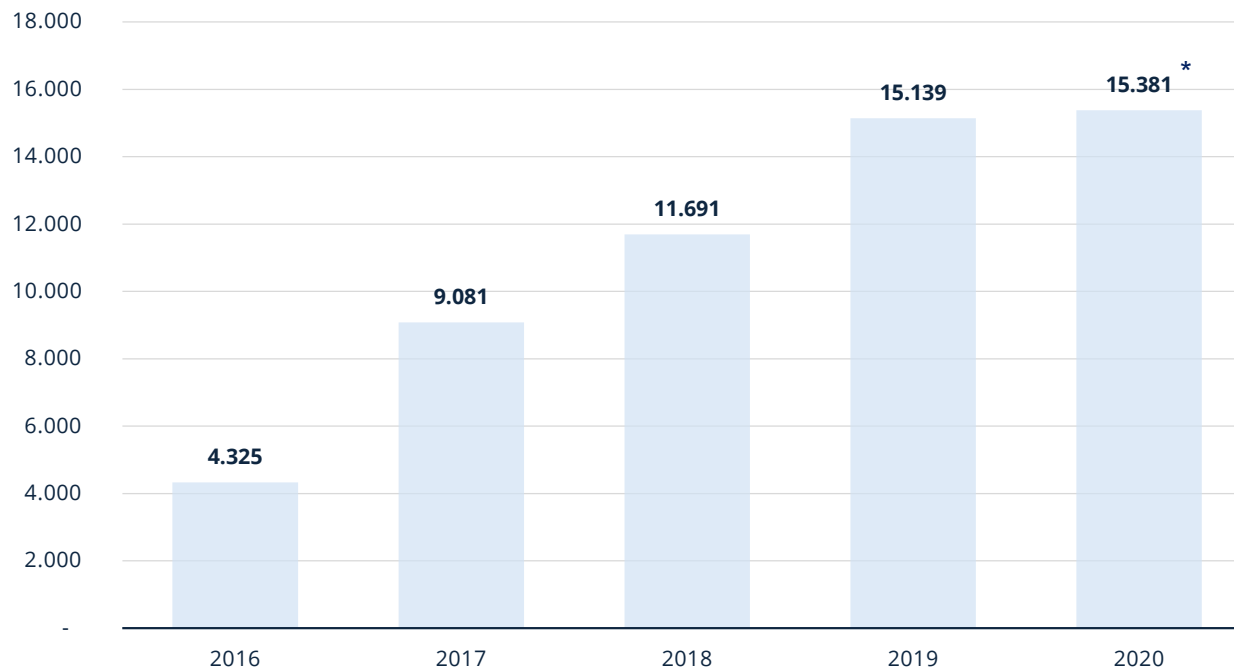
Issuers: BME Growth in figures

Distribution by market capitalisation (figures at 31 August 2020)



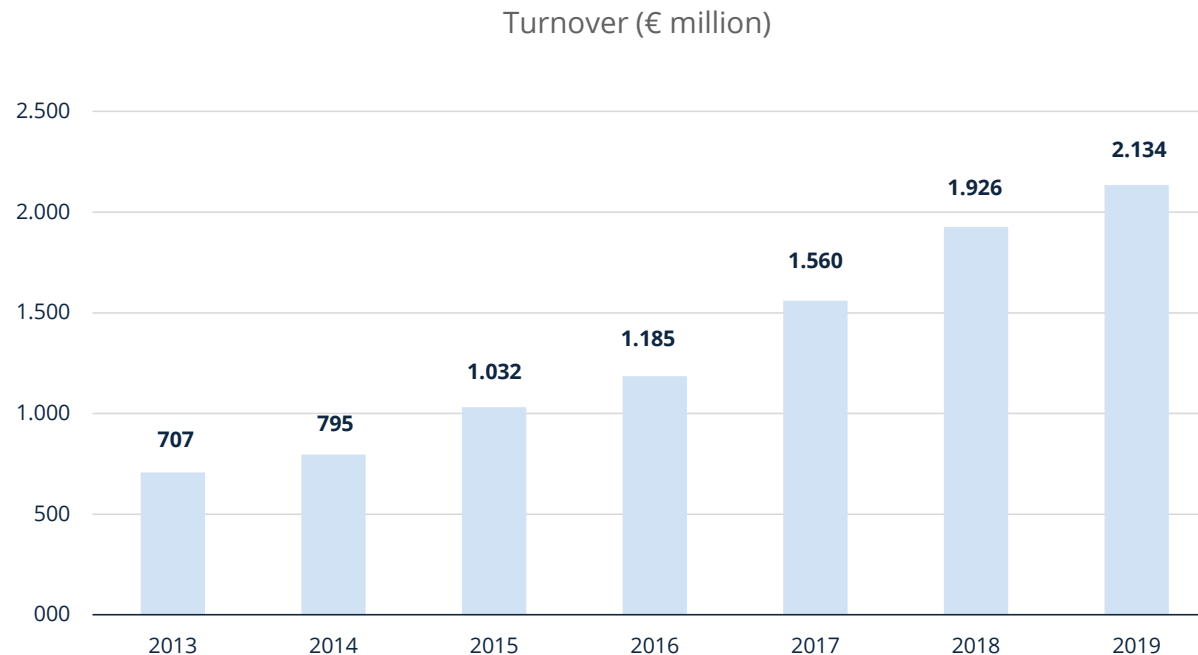
Issuers: BME Growth in figures

BME Growth - aggregate capitalisation (€ million)

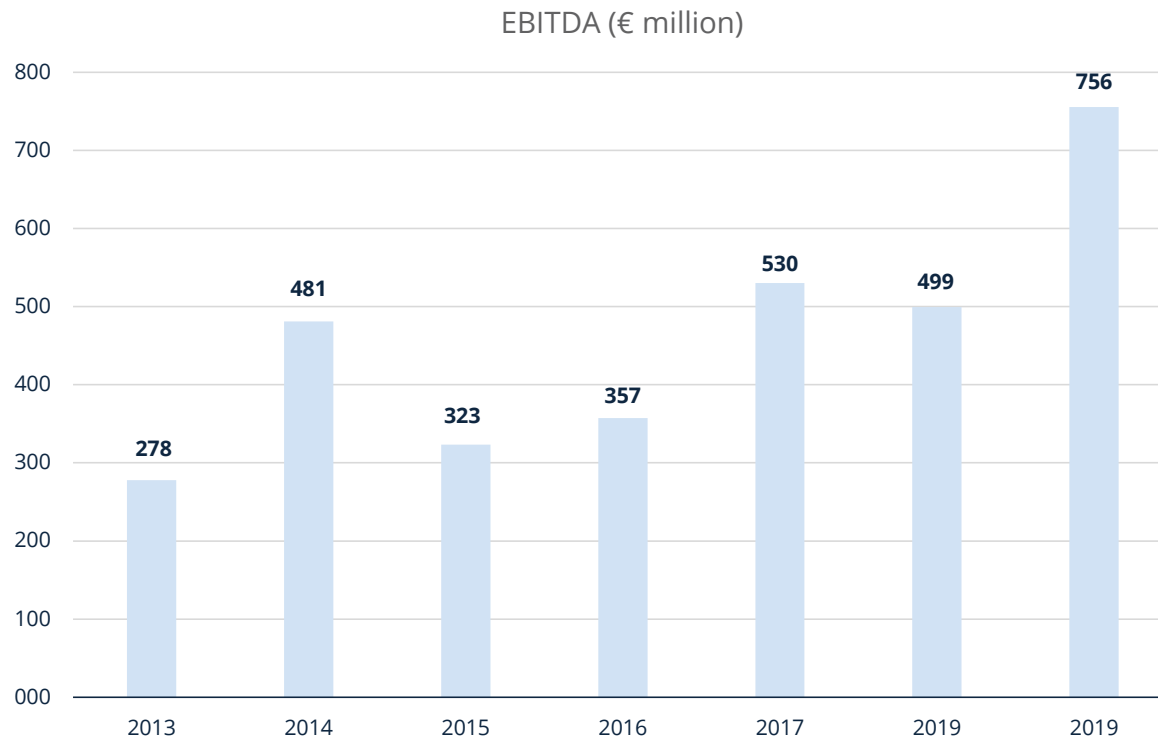


*Figures at 31 August 2020

BME Growth companies are growing...



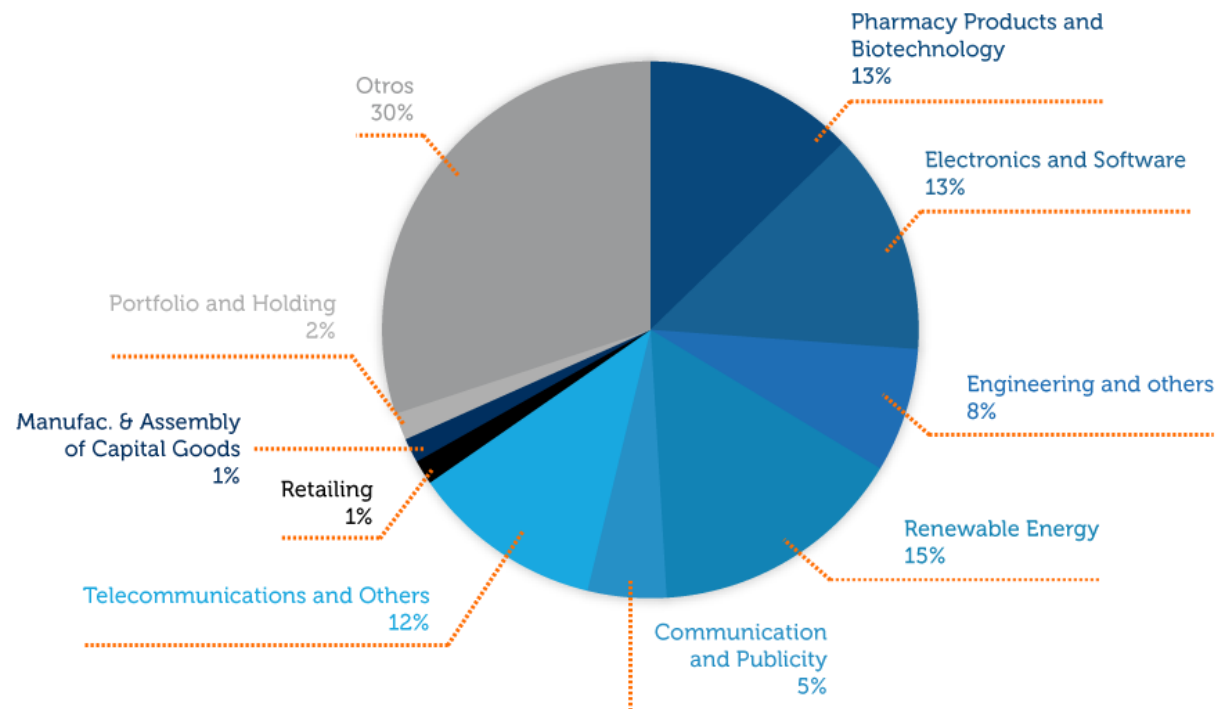
...increasing their EBITDA...



...and generating jobs



BME Growth issuers in figures



*Figures as of August 31, 2020

41% of the market is currently in **four sectors** (pharmaceutical and biotechnological products, electronics and software, renewable energies and engineering).

The **REIT** sector also has considerable weight in BME Growth. There are currently **78** of these companies.

3. Conclusions

BME Growth conclusions

- BME Growth is a market whose characteristics can multiply the value of a company through access to the stock market. It finances capital for growth and to lead consolidation in the sector (the MASMÓVIL case).
- It facilitates access to investors, new clients and other sources of funds due to the higher profile the company gains.
- It requires a very proactive attitude from issuers, given their nature (SMEs). This attitude optimises the liquidity characteristic of the markets.
- It requires the company's organisation chart and governance structure to be made more professional, to produce the information investors require.
- BME Growth offers additional services that help raise issuers' profiles, such as the MedCap Forum, meetings with international investors and industry events.
- To get ready: **PRE-MARKET ENVIRONMENT**. Training programme and showcase for investors aimed at start-ups and established companies that want to list 2-3 years from now.
- BME Growth could be described as a market that falls between private equity and regulated markets for investors. A long-term vision is key.
- The "opening bell" is just the beginning: it is the start of the issuer's "second business".

BME Growth

Plaza de la Lealtad 1, 28014, Madrid
bmegrowth@grupobme.es
www.bmegrowth.es