

AMENDMENT TO CIRCULAR 1/2020 OF 30 JULY ON REQUIREMENTS AND PROCEDURES APPLICABLE TO ADMISSION AND EXCLUSION FROM TRADING IN THE BME GROWTH SEGMENT OF BME MTF EQUITY AND TO CIRCULAR 3/2020 OF 30 JULY ON INFORMATION TO BE PROVIDED BY COMPANIES ADMITTED TO TRADING IN THE BME GROWTH SEGMENT OF BME MTF EQUITY

Following the experience accumulated since the entry into force in 2020 of the new BME MTF Equity market regulation and, more specifically, the regulation of BME Growth's BME MTF Equity trading segment, and in accordance with the amendments made to its Regulations to bring them into line with the new Securities Market Act following the latest amendment with the Royal Legislative Decree 34/2020 of 17 November, it is also necessary, for the same reason, to amend Circulars 1/2020 and 3/2020, both of 30 July, in order to adapt the capitalisation requirements to be met by companies applying for admission.

In addition, and in order to strengthen transparency in the market, it is intended to improve certain aspects related to the initial and periodic financial information of incorporated companies. On the one hand, the market regulations are aligned with the information required by ESMA on the pro forma financial information contained in the document for admission (Prospectus or Information Document for Admission to the Market) and, more specifically, with the content on this matter in the Annex 20 of the Commission Delegated Regulation 2019/980 of 14 March 2019. On the other hand, a new obligation to present consolidated financial information has been introduced, applicable in the case of companies which, being the parent company of another group of companies, are not legally obliged to file it as they belong to an unlisted parent company with which they, in turn, consolidate. Finally, it is clarified that the half-yearly financial information should include comparative figures for the same period of the previous year.

Accordingly, the Board of Directors of Bolsas y Mercados Españoles, Sistemas de Negociación, S.A. approves the amendment to Circulars 1/2020 and 3/2020, both of 30 July, as detailed in this Circular.

1. AMENDMENT TO SECTION TWO, 1.4, OF CIRCULAR 1/2020 OF 30 JULY ON REQUIREMENTS AND PROCEDURES APPLICABLE TO ADMISSION AND EXCLUSION FROM TRADING IN THE BME GROWTH SEGMENT OF BME MTF EQUITY

Section Two, 1.4, of the above-mentioned Circular 1/2020 of 30 July shall be amended to read as follows:

“1.4 Companies applying for admission to trading must have a capitalisation not exceeding one billion euros, or any other limit established by the applicable regulations.

In the case of listing of shares issued by REITs, capitalisation may exceed one billion euros, or any other limit set by the applicable regulations, provided that compliance with the requirements for application of the exemption under Article 77(3) of the consolidated text of the Spanish Securities Market Act and its implementing regulations is demonstrated on the date of application for listing.

2. INCLUSION OF A NEW SUB-PARAGRAPH IN SECTION 2.12.4 OF THE ANNEX TO CIRCULAR 1/2020 OF 30 JULY ON REQUIREMENTS AND PROCEDURES APPLICABLE TO ADMISSION AND EXCLUSION FROM TRADING IN THE BME GROWTH SEGMENT OF BME MTF EQUITY

A new sub-paragraph shall be added in Section 2.12.4 of the Annex to the aforementioned Circular 1/2020 of 30 July, which now reads as follows:

“2.12.4. Pro forma financial information. In the case of a significant gross change, a description of how the transaction might have affected the assets, liabilities and the result of the issuer. The information to be published must relate to the latest published fiscal year (or, as the case may be, the most recent interim period for which information has been published or is included in the Prospectus or Document) with a report prepared by independent auditors.”

3. AMENDMENT TO SECTION TWO, 2.1(a) OF CIRCULAR 3/2020 ON INFORMATION TO BE PROVIDED BY COMPANIES ADMITTED TO TRADING IN THE BME GROWTH SEGMENT OF BME MTF EQUITY

Section Two, 2.1(a) of Circular 3/2020 of 30 July shall be amended to read as follows:

"2.1. Regular information

(a) Half-yearly information

The issuer shall send the Market for publication a half-yearly financial report covering the first six months of each year. This half-yearly information shall be equivalent to interim financial statements for the consolidated group or, in the absence of such, the individual financial statements for the entity, subject to at least a limited review by their auditor, with comparative figures for the same period of the previous fiscal year, unless the requirement for comparative balance sheet information may be satisfied by presenting the final balance sheet for the year and shall include a reference to significant events during the six-month period. When the issuer prepares consolidated annual accounts, in addition to the consolidated interim financial statements, it must also send the Market selected individual financial information for the company with comparative figures (including, as a minimum, a profit and loss account and balance sheet). The issuer must present consolidated financial information as the parent company of another group of companies regardless of whether it belongs to another parent company in which it consolidates. The Market Coordination and Admission Committee may waive this obligation if it considers it appropriate.

The half-yearly financial report must be sent to the Market within four months of the end of the first half of each year.

The issuers may not under any circumstances send an abbreviated balance sheet, statement of changes in equity or profit and loss account.

Should the auditor's limited review report contain any qualified or adverse opinions or disclaimers of opinion, the issuer must disclose the reasons for these, the steps to be taken and the time frame.

Entities that have included business forecasts in their public documentation of admission to trading or that have disseminated business forecasts after their admission shall include in their half-yearly information an update of these forecasts and information on their degree of compliance.

The issuing entity shall communicate to the Market a list of those shareholders of which it is aware with a direct or indirect holding equal to or greater than 5%, on a half-yearly basis. The deadline for sending this information shall be ten days from the end of the half-year period."

4. AMENDMENT TO SECTION TWO, 2.1(b) OF CIRCULAR 3/2020 ON INFORMATION TO BE PROVIDED BY COMPANIES ADMITTED TO TRADING IN THE BME GROWTH SEGMENT OF BME MTF EQUITY

Section Two, 2.1(b) of Circular 3/2020 of 30 July now reads as follows:

“(b) Annual information

Issuers shall, as soon as possible and not later than four months following the closure of the accounting year, send the Market the audited individual annual accounts of the company and, where applicable, of the consolidated group, in the format detailed in the Circular on requirements and procedures applicable to admission and exclusion from trading in the BME Growth segment of BME MTF Equity. They shall also send the corresponding Management Report. The issuer must present consolidated financial information as the parent company of another group of companies regardless of whether it belongs to another parent company in which it consolidates. The Market Coordination and Admission Committee may waive this obligation if it deems it appropriate. Additionally, it shall provide separate information on the organisational structure and internal control system of the company for compliance with the reporting obligations established by the Market.

The issuers may not under any circumstances send an abbreviated balance sheet, statement of changes in equity or profit and loss account.

The issuer shall report any lack of signature of the annual accounts or management report by any members of the Board of Directors, with a written explanation of the reasons for this.

Should the auditor’s report contain any qualified or adverse opinions or disclaimers of opinion, the issuer must disclose the reasons for these, the steps to be taken and the time frame.

The Registered Advisor shall obtain from the issuer or expert third parties the reports necessary to clarify the circumstances indicated in the previous two paragraphs.

Issuers that included business forecasts in their prospectuses at the time of listing, or which subsequently released such forecasts, shall include updates on the degree to which these forecasts are being met, when filing their annual accounts.

Similarly, REITs and comparable foreign companies must publish the results of a valuation of their real estate assets on an annual basis. This valuation must be carried out by an independent expert applying internationally recognised criteria, identifying the expert and the valuation method used. This information must be made public within the same time limit as provided for the remaining annual information.”

5. Date of application

This Circular shall apply from the day of its publication.

Madrid, 22 July 2022

THE MANAGING DIRECTOR
Jesús González Nieto-Márquez