SIX + BME
Combining local vertically-integrated champions to create a Top-3 European market infrastructure group
18 November 2019
Key transaction terms

**Purchase price**
- All-cash offer at €34.00 per share
- Implying total equity value of c. €2,843m\(^1\) (c. CHF3,108m\(^2\))

**Premium**
- 47.6% over BME’s 6-month VWAP\(^3\)
- 44.1% over BME’s 3-month VWAP\(^3\)
- 33.9% over last closing price\(^3\)

**Transaction structure**
- Voluntary tender offer for 100% of the share capital of BME
- Closing of the transaction is subject to achieving an acceptance level of at least 50% plus one share

**Financing**
- Financing through a combination of existing cash resources and access to capital markets
- Fully underwritten bridge facility provided by Credit Suisse with a guarantee to be issued to the CNMV
- The acquisition financing will preserve a strong investment grade rating for the newly combined group

**Regulatory oversight**
- Domestic regulatory (CNMV) oversight over BME to remain in place
- BME will be managed in the best interests of the Spanish and broader European financial markets, systems and infrastructures

**Timing**
- Request for authorisation of the offer (including prospectus) has been filed
- Transaction is subject to certain conditions including, among others, the merger control clearance and the authorization for SIX to become a major shareholder of BME (CNMV, CNMC, Spanish Government)
- Closing of the transaction expected in H1 2020

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1. Based on total shares of 83,615,558
2. Based on a CHF / € exchange rate of 0.9146 as at 15 November 2019
3. As at 15 November 2019
New Top-3 European market infrastructure services leader

1. Top-3 European & Top-10 Global exchange group\(^1\)
2. Diversified group with global reach
3. Complementary vertically-integrated groups enhancing respective domestic market strengths
4. Significant benefits for each partner’s ecosystem
5. Increased combined future strategic optionality and flexibility

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\(^1\) Ranking based on selected indicators i.e. total revenues (2018), market capitalization of listed companies (Sep 2019) and financial information revenues (2018)
The backbone of the Swiss financial center

A central infrastructure provider in Europe’s 2nd largest financial centre

- A central infrastructure provider, and the backbone of the Swiss financial center (2nd largest in Europe, just after London) with an international footprint
- Amongst Europe’s leading exchanges with c.CHF 5bn daily turnover and over 130 members
- Operates Switzerland’s fully-integrated exchange value chain from pre-trade to post-trade, with an international Financial Information business providing data and value-added services for banks, wealth and asset-managers
- Well diversified across four business units: Securities & Exchanges, Financial Information, Banking Services and Innovation & Digital
- Created, grown and currently owned by seasoned local and global financial institutions (around 125 national and international banks)
- At the forefront of innovation with SIX Digital Exchange; SIX’s project to establish a fully-integrated issuance, trading, settlement and custody infrastructure for digital assets

Switzerland is one of the most attractive economies in Europe

- One of the most competitive economies in the world with sound public finances
- Home to two of the top 10 financial centres in Europe – Zurich and Geneva
- Sixth highest R&D expenditure globally (c.3% of GDP)
- Largest cross-border financial centre globally with USD 2.3tn cross-border AuM
- Home to 8 of the 200 most valuable companies in the world
- Low unemployment and highly developed service sector

Switzerland has one of the highest GDP per capita in the world

(GDP per capita 2018 in €k)

<table>
<thead>
<tr>
<th>Country</th>
<th>GDP per Capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>Luxembourg</td>
<td>97.4</td>
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<tr>
<td>Switzerland</td>
<td>70.6</td>
</tr>
<tr>
<td>Norway</td>
<td>69.5</td>
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<tr>
<td>Ireland</td>
<td>67.1</td>
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<tr>
<td>Iceland</td>
<td>65.1</td>
</tr>
<tr>
<td>Qatar</td>
<td>57.4</td>
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<tr>
<td>Singapore</td>
<td>54.4</td>
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<tr>
<td>United States</td>
<td>53.2</td>
</tr>
<tr>
<td>Denmark</td>
<td>51.6</td>
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<tr>
<td>Australia</td>
<td>48.1</td>
</tr>
<tr>
<td>Spain</td>
<td>25.9</td>
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</tbody>
</table>

Switzerland is home to two of the top 10 financial centres in Europe

(The Global Financial Centres Index 2019 Score)

<table>
<thead>
<tr>
<th>City</th>
<th>Score</th>
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</thead>
<tbody>
<tr>
<td>London</td>
<td>773</td>
</tr>
<tr>
<td>Zurich</td>
<td>734</td>
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<tr>
<td>Frankfurt</td>
<td>733</td>
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<tr>
<td>Paris</td>
<td>728</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>708</td>
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<tr>
<td>Geneva</td>
<td>706</td>
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<tr>
<td>Edinburgh</td>
<td>701</td>
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<tr>
<td>Amsterdam</td>
<td>675</td>
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<tr>
<td>Dublin</td>
<td>674</td>
</tr>
<tr>
<td>Monaco</td>
<td>669</td>
</tr>
<tr>
<td>Madrid</td>
<td>661</td>
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</tbody>
</table>
Cornerstone of the Spanish markets infrastructure

Vertically-integrated local champion

- The operator of all stock markets and official financial systems in Spain
- Bringing together the exchanges of Madrid, Barcelona, Bilbao and Valencia it is the platform of reference for transactions related to the shares of Spanish listed companies
- Vertically-integrated and diversified; organized in six business units: Equity, Derivatives, Fixed income, Clearing, Settlement & Registration and Market Data & VAS
- Amongst Europe’s leading exchange venues: one of the main exchange traded fixed income in Europe, no. 1 by listed companies & no. 7 by Equity Market in EMEA and a strong position in the derivatives market in Europe
- Benefiting from high market penetration across both retail as well as the largest local and international financial market participants
- Actively expanding its international footprint in Europe and also Latin America

Spanish macro has shown a remarkable recovery since the 2007 crisis

- High GDP growth expectation compared to EU average and peers
- Employment gaining momentum supported by positive evolution of service sector
- Increasing net lending capacity vs. rest of the world
- Significant reduction in unemployment to 13.8% from 26.3% in 2013
- National deleveraging progressing, combining growth with a current account surplus
- Historic lows in avg. cost of debt outstanding (2.35%) and cost at issuance (0.33)

Spain is Europe’s fifth largest economy

(GDP 2018 in €bn)

Spain among fastest-growing economies in Europe

(Real GDP growth avg. 2019 and 2020)

1 World Federation of Exchanges as at 30 September 2019
2 FY 2018 figure
3 FY 2018 volume domestic shares / domestic capitalization
4 Euromonitor 2019
5 Ministry of Finance, Government of Spain
Top-3 European & Top-10 Global exchange group

### Total revenues (FY2018, in €bn)
1. Deutsche Börse: 2.8
2. London Stock Exchange: 2.4
3. Euronext: 1.3
4. Warsaw Stock Exchange: 0.7
5. Nasdaq Nordic & Baltics: 0.1

### Market capitalization of listed companies (As at September 2019, €bn)
1. Euronext: 4,324
2. London Stock Exchange: 3,512
3. Deutsche Börse: 2,249
4. Nasdaq Nordic & Baltics: 1,744
5. Warsaw Stock Exchange: 1,319

### Financial Information & Data revenues (FY2018, in €m)
1. London Stock Exchange: 951
2. Euronext: 433
3. Deutsche Börse: 226
4. Euronext: 154
5. Warsaw Stock Exchange: 11

**Source:** Company disclosure, FactSet as at 15 November 2019, World Federation of Exchanges as at 30 September 2019

**Note:**
- Data converted to € with average 2018 exchange rate or as at 30 September 2019.
- Rankings covering selected and predefined exchanges groups narrowed to European players (ex. Russia) as per the World Federation of Exchanges (unless stated otherwise).
- 1 Refers to net revenue.
- Global pro forma ranking only includes listed venues and SIX.
- 3 As per Euronext Investor Day presentation dated 11 October 2019; pro-forma of Commcise, Euronext Dublin and Oslo Børs VPS for the full year with an average EUR/NOK at 9.5975 over 2018.
- 4 Pro forma acquisition of Oslo Børs.
- 5 Not adjusted for any pending acquisitions.
Diversified group with global reach

Balanced business mix covering the full value chain

Switzerland and Spain as key pillars of a global player

Note: Business and geographic based on group revenues 2018 for BME and total operating income 2018 for SIX. Financials converted to € based on CHF / € average FX rate of 0.8660 over the period
1 Pro forma reflecting continuing operations
2 Including corporate & other as well as any netting effect from adjustments for discontinued operations

3 Including derivatives business
4 Illustrative estimate only
### Complementary vertically-integrated groups enhancing respective domestic market strengths

<table>
<thead>
<tr>
<th>Listings &amp; Cash</th>
<th>Derivatives</th>
<th>Clearing</th>
<th>Settlement &amp; Custody</th>
<th>Information Services</th>
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<tbody>
<tr>
<td><strong>Equities</strong></td>
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<tr>
<td>Corporate Equity</td>
<td>Stock options and futures</td>
<td>SIX x-clear</td>
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<tr>
<td>Equity Index</td>
<td>Index derivatives</td>
<td>SIX x-clear</td>
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<tr>
<td>ETF</td>
<td>Dividend derivatives</td>
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<td>Warrants</td>
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<tr>
<td><strong>Fixed Income</strong></td>
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<tr>
<td>Corporate Bond</td>
<td>Bond futures</td>
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<tr>
<td>Wholesale Bond</td>
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<tr>
<td>Commercial paper</td>
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<tr>
<td>Mortgage bond, ABS</td>
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<tr>
<td><strong>Foreign Exchange</strong></td>
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<tr>
<td><strong>Commodities</strong></td>
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<tr>
<td>Agriculture Options</td>
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<td>Electricity Swaps</td>
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- Cultural & business fit: vertically-integrated domestic exchange groups focused on domestic economies
- Full service diversified product offering
- BME and SIX ecosystems, market structures, entities and regulations maintained and preserved

Derivatives clearing services offered by SIX x-clear for Standardized Exchange Traded derivatives and tailor-made derivatives through Oslo Connect.
### Significant benefits for each partner’s ecosystem

**Focus on investment & innovation**
- Technology investments
- More innovation for the domestic markets
- Blockchain and DLT solutions

**Expansion of current offering**
- New fixed income products
- New derivatives products & capabilities
- New services (indices, value added services)
- Cross-collateral management

**Unlocking benefits of extended global reach**
- Potential future go-to European hub for Swiss asset managers
- Increased appeal for LatAm and MEA partnerships across all services
- Access to SIX global network and reach

**Unlocking benefits of extended global reach**
- EU trading and clearing solutions
- EU and cross-border CSD services
- Access to talent pool
- Access to BME’s emerging and growth markets network and reach
<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>Investment in and maintenance of local infrastructures</th>
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<tbody>
<tr>
<td></td>
<td>2</td>
<td>Opportunity to unlock full EU potential of local clearing capabilities</td>
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<td></td>
<td>3</td>
<td>Combined group to leverage innovation hubs in Spain</td>
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<td>4</td>
<td>Attracting new investors to Spanish market and infrastructures</td>
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<td></td>
<td>5</td>
<td>Enhanced products and services offering for Spanish market participants</td>
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<td></td>
<td>6</td>
<td>Enhanced Spanish banking infrastructure digitalization solutions</td>
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</tbody>
</table>
### Improved flexibility to deploy more capital on new projects and ventures

### Improved capabilities to further commercialise domestic know-how and services internationally

### New international partner of choice for further diversification

### Combination creates a new global consolidation platform with enhanced ability to capture larger strategic opportunities

### Larger, more diversified and international platform poised for accelerated future organic and inorganic growth
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