

Terms of Reference for the Stock Exchanges

European Small and Mid-Cap Awards 2025

Contents

1. Introduction.....	3
2. Operating Structure	4
2.1 Awards Secretariat	4
2.2 Pre-selection	4
2.3 Independent Jury.....	4
2.4 SME Week.....	4
3. Awards Categories	4
4. Eligibility Criteria	5
5. Selection Criteria	5
Star of Innovation	5
International Star.....	5
Rising Star	6
Star of Sustainability.....	6
6. Rules	6
7. Awards Ceremony	7
8. Timeline	8

1. Introduction

The European Small and Mid-Cap Awards, established in 2013 by the European Commission, European Issuers and the Federation of European Securities Exchanges (FESE) highlights the best European small and mid-caps that have gained access to capital markets via an Initial Public Offering (IPO). The Awards highlight the benefits of equity financing and encourage smaller companies to consider this financing option. Equity market financing plays a key role in the creation of jobs and growth and in the overall competitiveness of a company.

This document is designed to provide you with detailed information on how to participate in the European Small and Mid-Cap Awards. While participation is expected to deliver important benefits to the companies, investors and markets served by the stock exchanges by promoting a company segment crucial to economic growth, it does require an investment of resources and compliance with the rules described in this document. Therefore, each stock exchange is free to decide whether to participate.

The fact that an exchange has (or is planning to introduce) an existing award for SMEs does not prevent an exchange from participating in the European Small and Mid-Cap Awards, as long as the exchange keeps its branding/public relations separate from the European Small and Mid-Cap Awards and otherwise complies with the rules set out in this document.

It should be noted that each licensed stock exchange within the EU Member States and countries with an official EU candidate status (as well as the UK) can put forward nominations to the Awards. Stock exchange groups with exchanges in multiple countries can nominate up to four companies per licensed entity (one nomination per Awards category) and suggest candidates for the Special Mention.

Your role as a participating stock exchange will be to:

- Inform the Awards Secretariat (explained hereunder) in writing of your participation in the Awards;
- Identify nominees among small and mid-caps listed at your stock exchange that comply with the Eligibility Criteria (explained hereunder);
- Seek formal agreement from the small and mid-cap companies for their nomination to the Awards and ask permission for company information to be shared with the Awards Secretariat, Steering Committee, the European Commission and the Awards Jury;
- Evaluate/score nominees according to the Selection Criteria (explained hereunder); and
- Submit one winner (a company can be nominated for only one category, not for multiple) per category via the enclosed application form to the Awards Secretariat.

It should be noted that each participating stock exchange is free to create its own selection procedures, so long as this supports the framework of the European Awards. We kindly ask each participating exchange to notify the Awards Secretariat of any additional selection procedures used and to provide clarification on these procedures if needed.

2. Operating Structure

2.1 Awards Secretariat

The Awards Secretariat will receive the nominations and answer questions in close collaboration with the Federation of European Securities Exchanges (FESE) and the European Commission. The secretariat will be managed by EuropeanIssuers and can be reached through secretariat@europeanissuers.eu.

2.2 Pre-selection

The Jury will evaluate all the nominees and agree on a short-list of three nominees for each category and the winner of the Special Mention.

The selection process is summarised below:

1. Nominees should be sent to secretariat@europeanissuers.eu before or on Monday 2nd June;
2. Nominees meeting the eligibility criteria will be taken forward for evaluation by the Jury;
3. The Jury will meet by mid-June to agree on a total of 12 short-listed nominees and the eventual winners and runners-up within each category and on the winner of the Special Mention.

2.3 Independent Jury

A high-level Jury (selected by the European Commission) - representing the fields of academia, capital markets, the investment community, the business community and financial media with a majority from a geographically representative sub-set of European countries - will be responsible for selecting the winners of the European Small and Mid-Cap Awards. The Jury will apply the following principles in its selection process:

- The companies that meet the criteria the best will be selected for each category.
- To ensure the promotional effect of the Awards, the Jury will strive to ensure that the three companies chosen for each category come from at least two different exchanges, and that the 12 companies that form the short list come from at least 7 different countries. Where possible, greater diversity will be sought.

2.4 SME Week

The Awards will be hosted by the European Commission as part of the SME Assembly in Copenhagen, Denmark. It will be featured alongside their longstanding awards European Enterprise Promotion Awards. All participants wishing to attend the Awards will receive a pass to the SME Assembly (all events).

3. Awards Categories

The European Small and Mid-Cap Awards will consist of four categories and a Special Mention:

- **Star of Innovation**
- **International Star**
- **Rising star**
- **Star of Sustainability**
- **Special Mention**

4. Eligibility Criteria

Who can take part in the 'European Small and Mid-Cap Awards' Competition?

- Companies that meet the definition of small or mid-cap with a market capitalisation of at most €1 billion at the date of Initial Public Offering (IPO);
- Companies nominated by a participating stock exchange within the EU 27 Member States and
- Companies that were publicly listed on a Regulated Market or MTF operated by one of the participating exchanges between 01.01.2023 and 31.12.2024 only. Companies should demonstrate sufficient liquidity, defined as an average daily trading value during the evaluation period (01.01.2023 to 31.12.2024) of:
 - For Small-Cap Companies: At least 0.5% of their free float market capitalization
 - For Mid-Cap Companies: At least 0.2% of their free float market capitalization

These calculations will be based on verifiable exchange data from a recognized source within the EU 27 Member States / participating stock exchanges. Dual listing is allowed if it involves fundraising.

- Companies that have not won the first place in any of the four categories in the Small and Mid-Cap Awards 2024. To the extent possible, exchanges are encouraged to put forward companies that have not been shortlisted in 2024; however, having been short-listed (without having won the first place) does not disqualify a company from being nominated again.

5. Selection Criteria

Winning companies in all four categories should be **profitable** in the long run, both in terms of share price and underlying company fundamentals, demonstrate accurate and **timely disclosure** of corporate information to shareholders and regulatory bodies, sharing any recently reported information that may affect the material standing of the company, and adhering to **corporate governance** and benefiting their broader stakeholders. To this end, the evaluation panel will take into consideration each nominee's corporate reputation and standing within its community and markets.

Unlike in previous editions, where the Star of the Year was a separate category, this year, the **Star of 2025** will be awarded to the best overall entry selected from the applications submitted to the four categories: Star of Innovation, International Star, Rising Star, and Star of Sustainability.

Data collected under the headings marked * should refer to the date of floatation and compare to the data of 31.12.2024.

Star of Innovation

- True Innovation in product, service or business model
- Company's plans to improve and scale-up the innovation
- Role of innovation development in company's business strategy
- Corporate information and financing strategy (capital raising via equity, bonds, other alternative instruments)
- Market share, sales, employment and long-term profit growth*
- Share price performance with a long-term perspective*
- Overall reputation: how is the company viewed by peers/analysts/other companies?

International Star

- Geographic diversification beyond the EU Single Market through e.g. the establishment of subsidiaries, partnerships, or production facilities abroad
- Sound internationalisation strategy
- Market share, sales, employment and long-term profits attributable to international activity*
- Share price performance with a long-term perspective*
- Overall reputation: how is the company viewed by peers/analysts/other companies?

Rising Star

- Strong performance within the subgroup of SMEs with up to €200m capitalisation in relation to growth in market share, sales, employment and long-term growth
- Share price performance with a long-term perspective*
- Corporate information
- Overall reputation: how is the company viewed by peers/analysts/other companies?

Star of Sustainability

- Corporate citizenship and good governance: active incorporation of ESG issues - encompassing climate, labour and wellbeing, and corporate governance concerns - into company policies and practices, including disclosures; demonstrable commitment to The Ten Principles of the UN Global Compact.
- Development of ESG friendly solutions and/or issuance of sustainable finance instruments (e.g. green, social, or sustainability-linked bonds) to support its sustainability goals and deliver concrete impact
- Market share, sales, employment and long-term profit growth*
- Share price performance with a long-term perspective*
- Overall reputation: how is the company viewed by peers/analysts/other companies?

Special Mention

This award recognises the nominee (initiative, individual or company) for their significant support and contributions, or for their efforts in addressing the issues and proposals that small and mid-cap companies encounter when accessing public financing.

Nominations could also be made for specific policy initiatives or representatives, an initiative supporting SMEs, or an outstanding report in this field.

Nominations for this category can be submitted by multiple stakeholders, including exchanges, companies, policy makers, and others, but excluding initiatives managed by exchanges.

Nominations may be submitted by intermediaries such as SME Listing Partners or Advisers who support companies on their journey.

6. Rules

The rules governing the application procedure are outlined below:

1. Participation for companies in the European Small and Mid-Cap Awards is free of charge.
2. Stock exchanges must select nominees according to the Eligibility and Selection Criteria highlighted as per points 4 and 5 of this document. The selection process and methodology followed should be available for review by the EC on request.
3. The deadline for clarifications and queries to be addressed to the Awards Secretariat is **Monday 12th May 2025**.
4. Nominations (one per 4 open category, per licensed stock exchange) must be submitted to the Awards Secretariat by e-mail (secretariat@europeanissuers.eu) by participating stock exchanges before the deadline of Monday 2nd June 2025) - please see section 7 on timeline.
5. Nominations must be submitted **exclusively in English and using the application form** downloadable on the Awards website (www.europeansmallandmidcapawards.eu). One application should be submitted for each nominated company.
6. Only fully completed application forms will be accepted. Additional material or accompanying documents will not be accepted after the deadline.
7. Stock exchanges should evaluate, on the basis of their companies, for which of the categories they wish to submit an application. It is recommended, but not mandatory, to submit a nominee for each award category.

8. Each stock exchange may submit only one application per award category.
9. The Jury reserves the right, if deemed appropriate, to reassign a nomination to another category with the agreement of the stock exchange that has submitted the nomination. All decisions rendered by the Jury will be final.

6.1 Selection Process by each stock exchange / other organisations

After the identification of nominees listed at your stock exchange that comply with the Eligibility Criteria, the stock exchange / the appointed organisation for your country should evaluate/score nominees according to the above-mentioned Selection Criteria.

6.2 Nominations

All nominees should be sent, directly and confidentially, using the application form to the Awards Secretariat by the respective participating stock exchange or the appointed organisation. Acknowledgement of receipt will be sent by return e-mail to the stock exchanges and nominated companies. The Application Package should be complete and may also include any other useful information, in English, which may support the application.

Upon receiving the nominations from the stock exchanges, the Awards Secretariat will crosscheck each application against the established Eligibility Criteria. Those applications meeting the Eligibility Criteria will be taken forward to the Jury.

6.3 Jury Report

Once the Jury has made its final selection it will be asked to produce a short text explaining its decision, which, if requested can be shared with the stock exchanges. Stock exchanges will also be informed of when this information can be made publicly available (to ensure coherent marketing and ensure confidentiality until the end of the Awards ceremony in November 2025). Following the drafting of the Jury report, the Awards Secretariat will contact the participating stock exchanges and shortlisted companies to inform them about their selection and invite them to attend the Awards Ceremony.

The following are the currently planned public communication milestones, other activities/actions might be added and will be announced accordingly:

April 2025	Launch of the 2025 Awards
Monday 2 nd June 2025	Deadline for submission of nominations
Mid of June	Jury Meeting organised by the European Commission
July 2025	Save the Date Email and congratulations to all companies nominated (include list of all companies).
Last week of July	Email to confirmed participants
Beginning of September	Second Save the Date & Announcement of the Shortlist. The registrations will be <u>open</u> .
10 th - 12 th November 2025	Announcement of the winners at the ceremony in November in Copenhagen, Denmark (exact date tbc).
End-November	Post-event press action and public campaign

7. Awards Ceremony

The winners in each of the four categories and the Special Mention will be announced in Copenhagen, Denmark during the European Commission's SME Assembly (10th - 12th November 2025) exact date for the Awards will be communicated.

The SME Assembly will also be host to the European Commission's annual European Enterprise Promotion Awards which promotes entrepreneurship and small businesses at the national, regional and local level. The European Small and Mid-Cap Awards will be promoted alongside these Awards.

The Awards Ceremony will be an event with high-level participation of the European Commission, stock exchanges and listed companies. The event will be organised by the European Commission in conjunction with the FESE and EuropeanIssuers. The winning companies, the exchanges, and all runners-up of the four categories and the Special Mention will be invited to attend the SME Assembly, in particular the Awards ceremony.

In addition to high-level participation coming from both the public and the private sectors, the SME Assembly is open to the media; they will also be invited to attend the Awards Ceremony. A professional photographer will be on-site to capture images of the Awards Ceremony to be distributed to the press including dailies, weekly magazines and online press.

Information about the Awards will be released in print and online media including social networks throughout the Awards Competition and Ceremony. Exclusive interviews (with the agreement of the companies involved) will be facilitated wherever possible and press releases will be distributed to reach an increased number of media outlets throughout Europe.

The recognised concept and success of the winners and short-listed nominees will be promoted through press agencies and additional media. Particular attention will be paid to the media in the countries where the winners and short-listed nominees come from.

We recommend that exchanges keep the Awards Secretariat informed of any public relations activity in relation to the exchanges' own awards to ensure that promotional activity for the forthcoming European Awards is aligned with the activity, if any, of the participating exchange.

Promotion of the European Small and Mid-Cap Awards will be coordinated by the Awards Secretariat in collaboration with the Federation of European Securities Exchanges and the European Commission. We therefore **kindly ask exchanges to refrain from undertaking any press/public relations activity in relation to the companies that have become short-listed until the short list is made public in September**. However, participating stock exchanges are free to undertake press/public relations activity in relation to their own awards at the same time as the promotion of the European Awards.

8. Timeline

April 2025	April - May 2025	Monday 2 nd June 2025	June 2025	Mid June-July 2025	September until November 2025	11 November 2025
Kick off Competition	Collecting applications from stock exchanges and screening eligibility	Deadline for applications	Preparation of all documents for the Jury Providing the Jury with all supporting materials	Jury Meeting to take place Communication with short-listed companies (without telling them which place they have won in the ranking)	FESE and EuropeanIssuers continue communication and answer queries on attendance at the ceremony Regular interviews/updates in the media for each category spread over weeks in the autumn	Awards Ceremony Press release to announce the winners