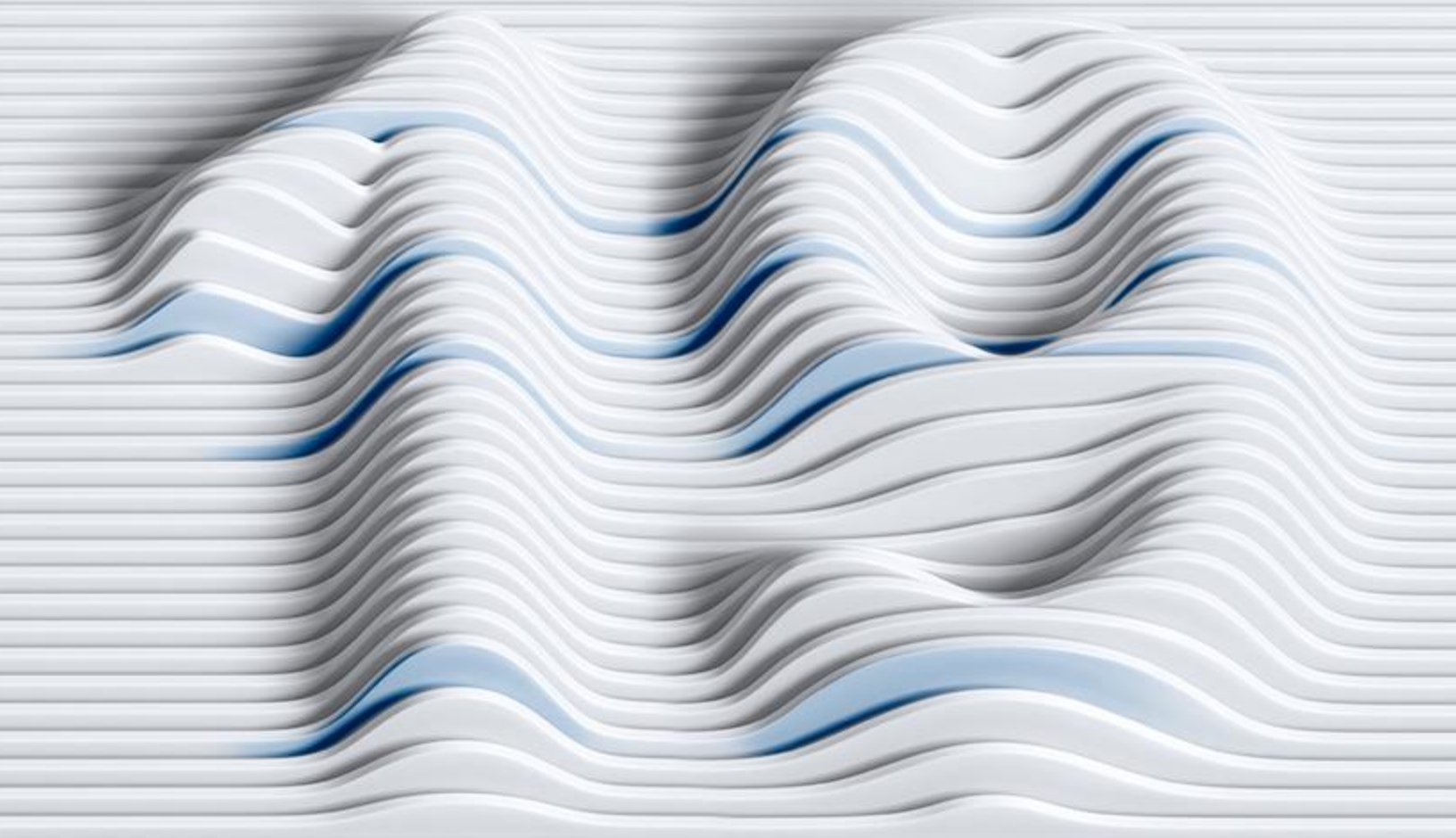

BUSINESS PERFORMANCE

Fourth quarter and FY 2019



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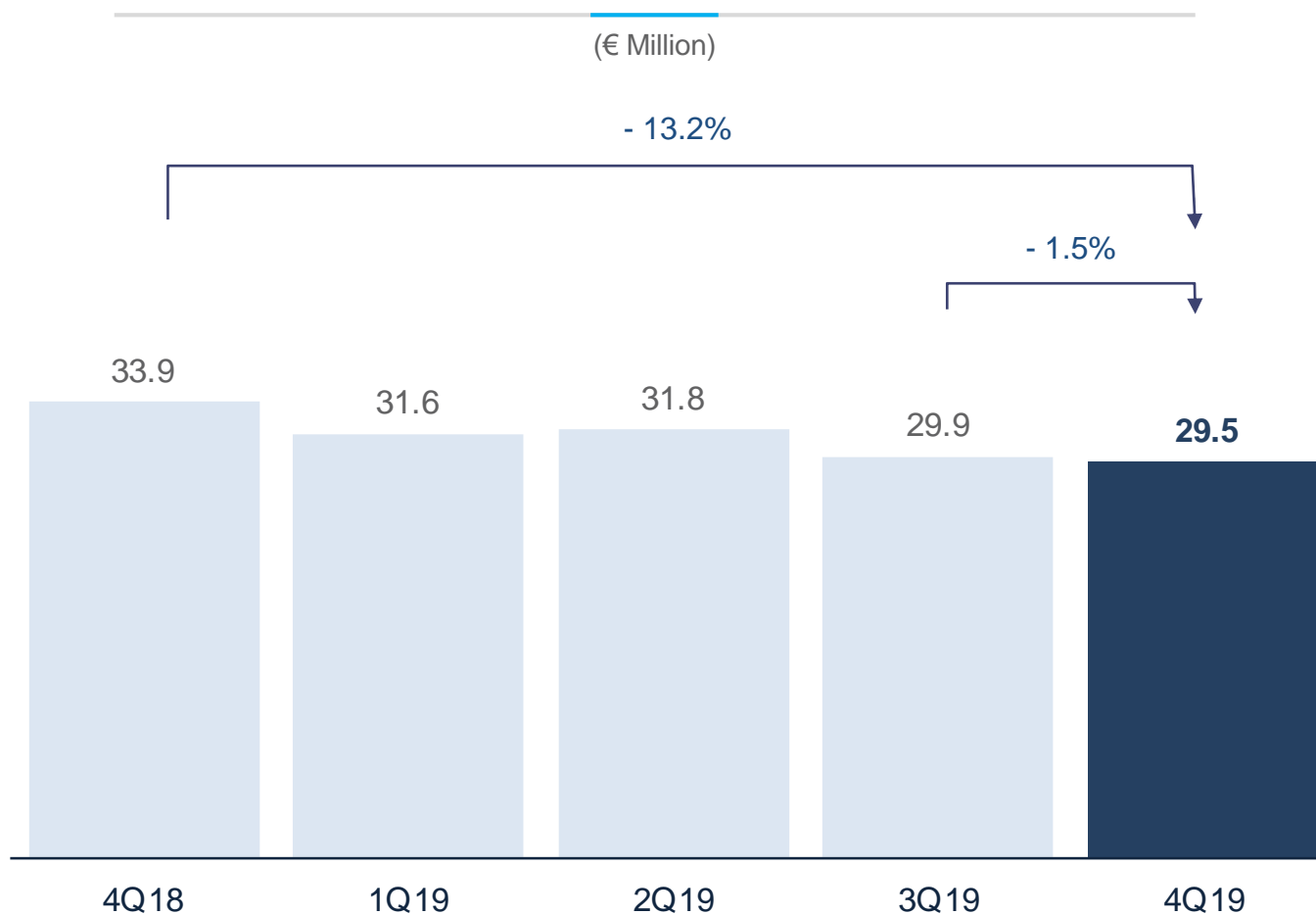
Business drivers

Structural framework



RESULTS

Net profit



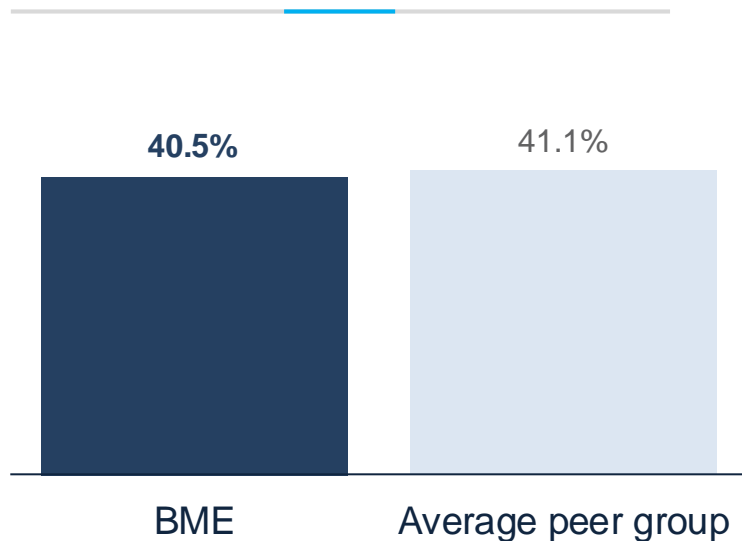
Quarterly data for 2018 has been restated to include the impact of IFRS 15.



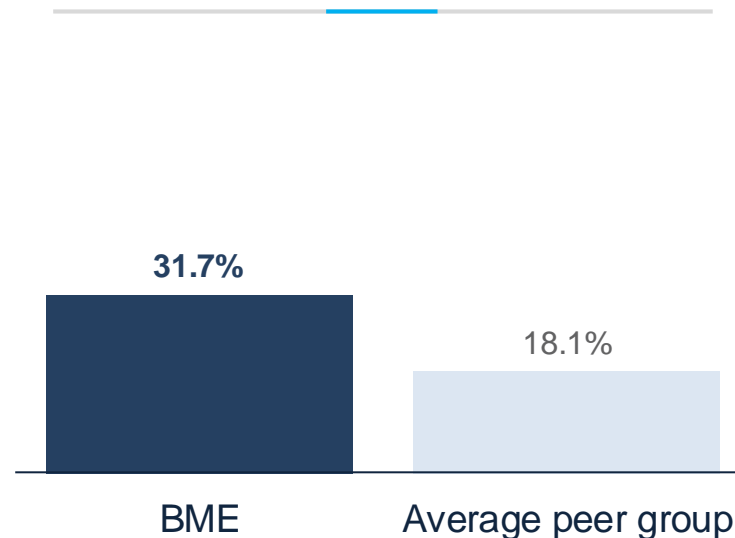
RESULTS

Key ratios vs. benchmark

Efficiency



ROE

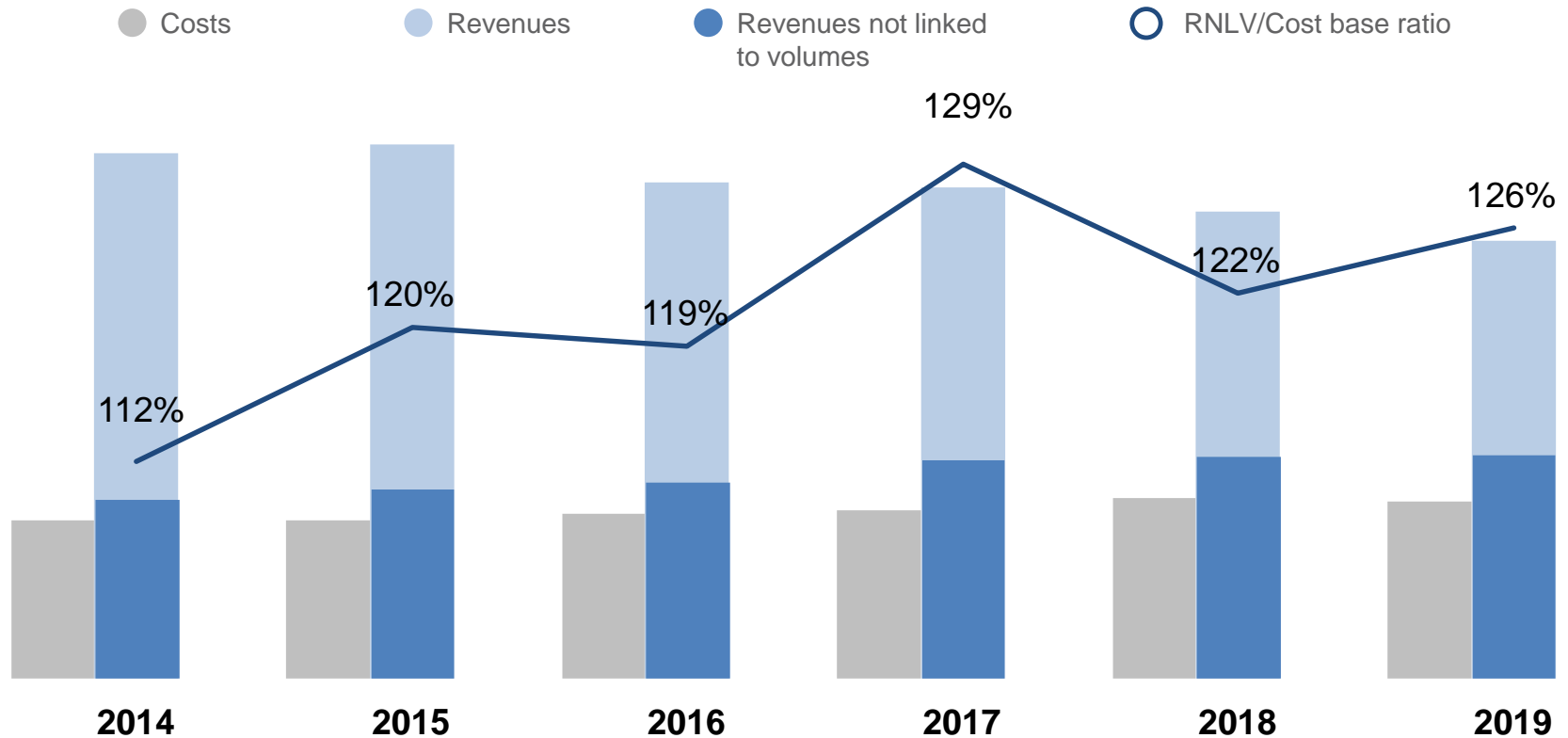


BME's data as of 31/12/2019

Average peer Group has been calculated using latest results published and do not take into account goodwill impairment charges

RESULTS

Solid operating leverage



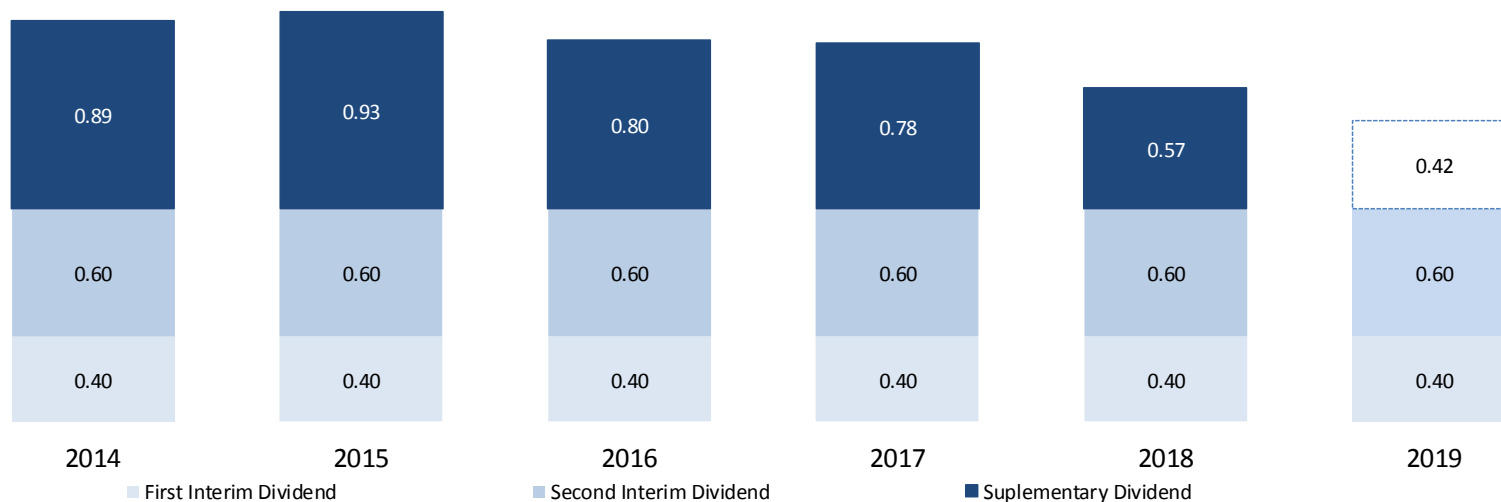
2018 data has been restated to include the impact of IFRS 15.



RESULTS

Dividends: Maximizing shareholders' returns

Payout ratio	96%	93%	93%	96%	96%	96%
DPS (€/share)	1.89	1.93	1.80	1.78	1.57	1.42



Payout ratio
 Supplementary dividend proposal: 0.42€/share (8 May 2020)

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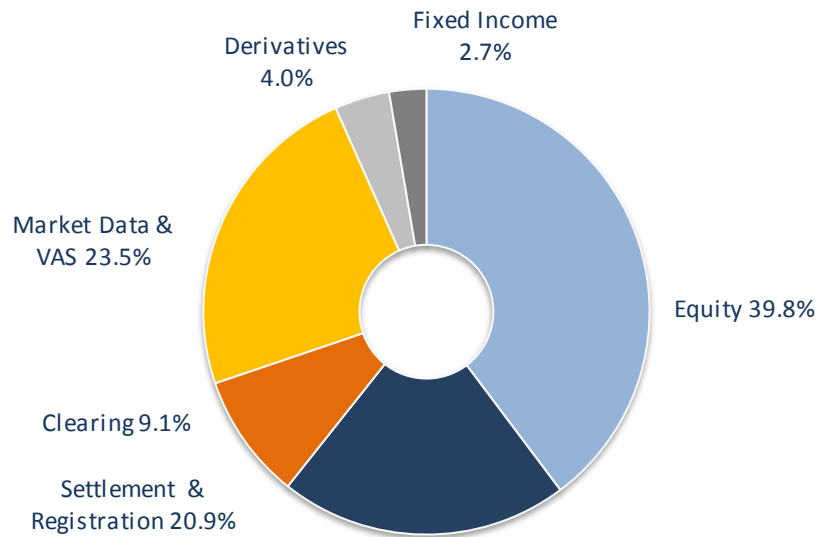


BUSINESS UNITS EVOLUTION

Business units

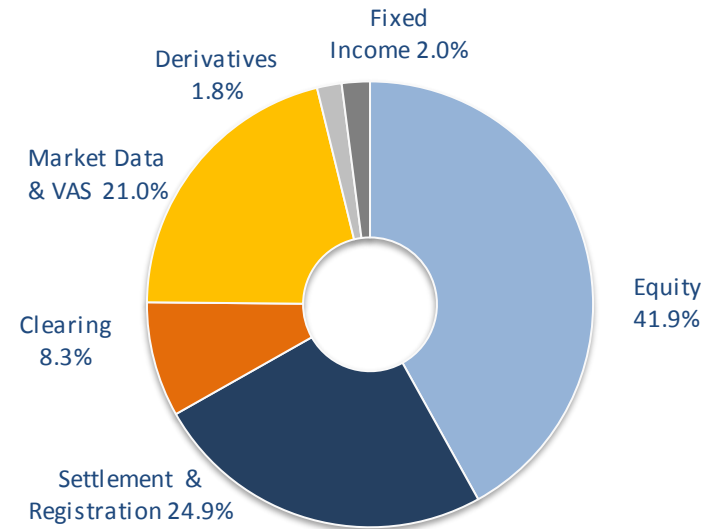
Consolidated net revenues

FY 2019 - %



EBITDA

FY 2019 - %



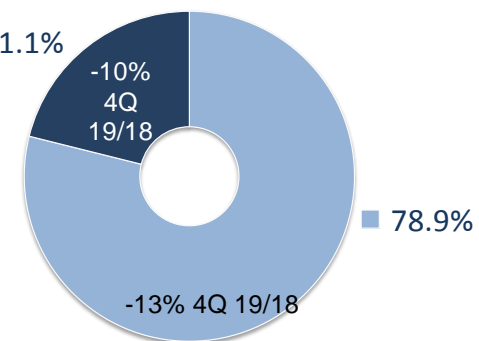


BUSINESS UNITS EVOLUTION

Equity Market

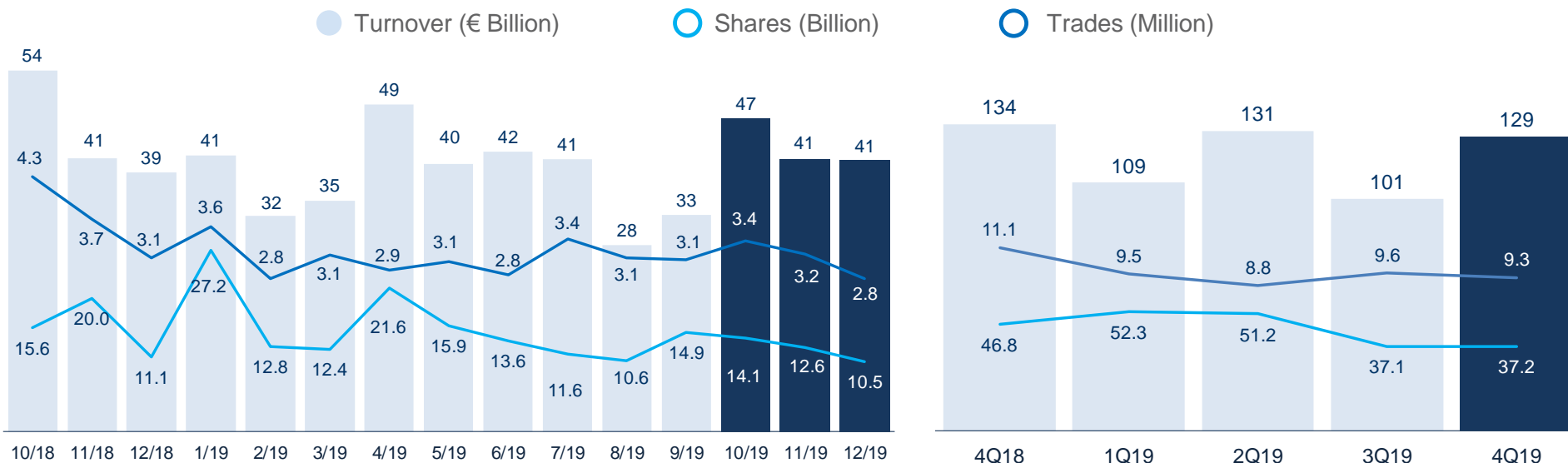
Thousand €	4Q 2019	4Q 2018	%	FY 2019	FY 2018	%
Net Revenue	27,735	31,644	-12.4%	111,999	129,673	-13.6%
Operating Costs	(10,117)	(10,599)	-4.5%	(38,250)	(40,777)	-6.2%
EBITDA	17,618	21,045	-16.3%	73,749	88,896	-17.0%

Net revenues



- Per trade and regarding characteristics of the orders
- Listing and other services

Equity (Turnover, number of trades and number of shares traded)

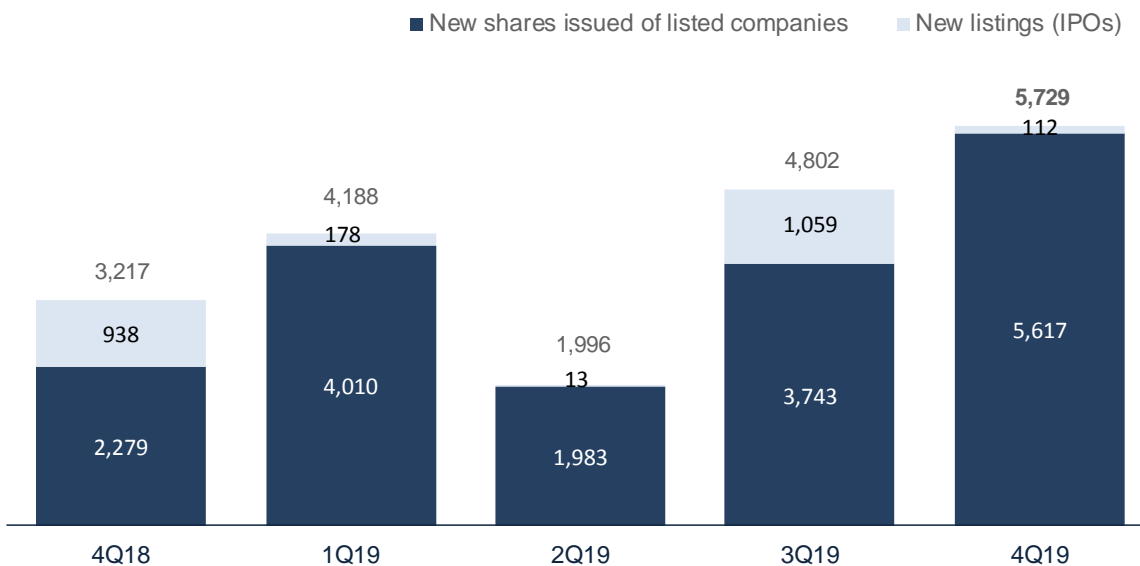


2018 data has been restated to include the impact of IFRS 15.
The sum of monthly data may not match quarterly data due to rounding differences.

BUSINESS UNITS EVOLUTION

Equity Market

Listing activity



- Investment flows channelled to the Stock Exchange reached €16.7 billion for 2019 (+ 9.8% YoY).
- The MAB, with 21 admissions, has been the most active market in listing (6 in the fourth quarter). Of these, 17 have been REITs and another 4 of the growth company segment.
- The admission of Grenergy was a listing from the MAB to the Exchange.

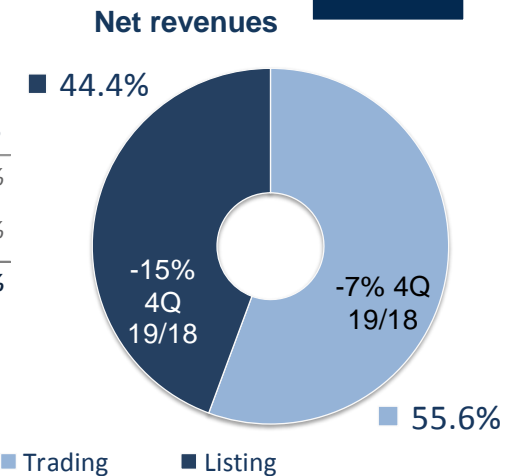
Source: FESE (Federation of European Stock Exchanges)



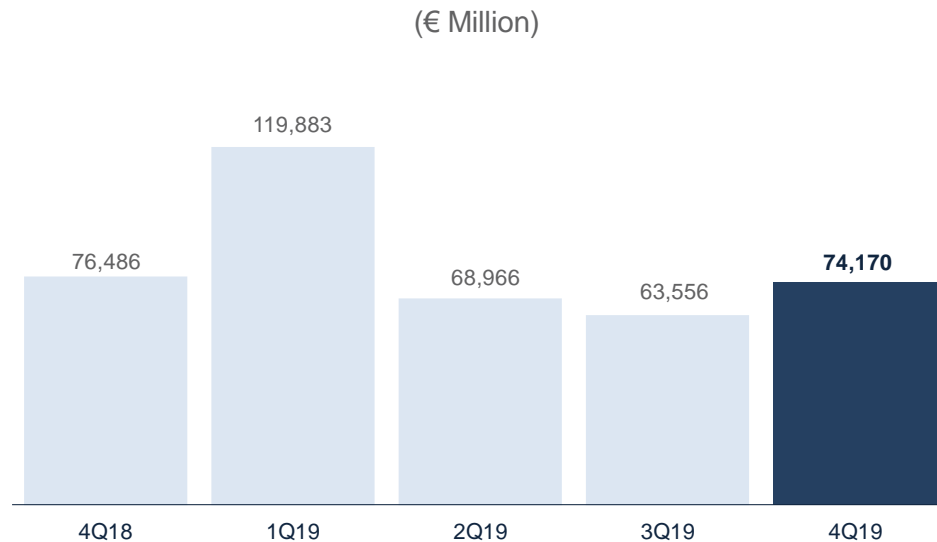
BUSINESS UNITS EVOLUTION

Fixed Income

Thousand €	4Q 2019	4Q 2018	%	FY 2019	FY 2018	%
Net Revenue	1,732	1,933	-10.4%	7,568	7,878	-3.9%
Operating Costs	(995)	(1,133)	-12.2%	(3,987)	(4,652)	-14.3%
EBITDA	737	800	-7.9%	3,581	3,226	11.0%



AIAF. Volume admitted



- Admissions of Private Fixed Income grew by 48.6% in 2019. Repatriation of issues of companies such as Endesa and Ferrovial.
- Annual increase of 63.1% in the Fixed Income negotiation promoted by the Spanish Public Debt and of the European Union.
- Spain in the top 10 of the world ranking of sustainable bonds. The issuance of green, social and sustainable bonds increased annually by 30% to 9,756 million euros.

BUSINESS UNITS EVOLUTION

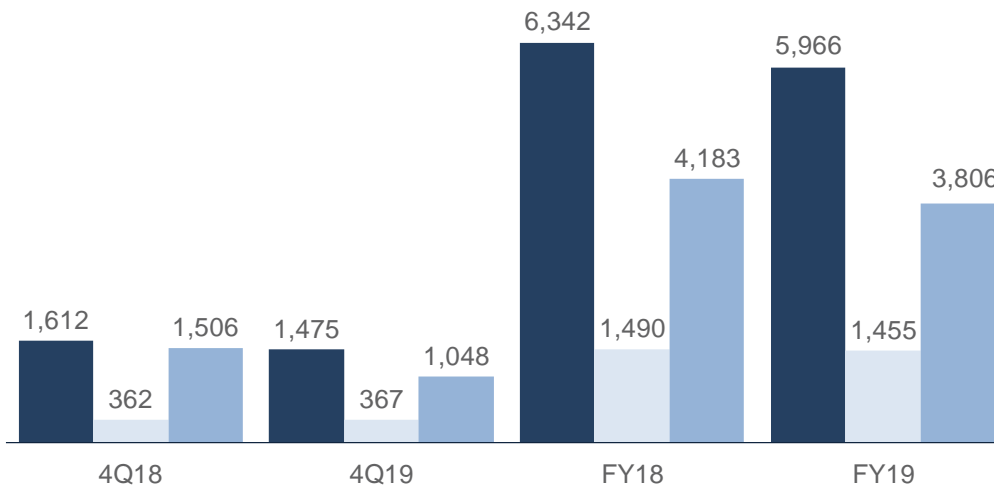
Derivatives

Thousand €	4Q 2019	4Q 2018	%	FY 2019	FY 2018	%
Net Revenue	2,815	2,904	-3.1%	11,221	11,189	0.3%
Operating Costs	(2,362)	(2,010)	17.5%	(8,079)	(7,520)	7.4%
EBITDA	453	894	-49.3%	3,142	3,669	-14.4%

Index derivatives contracts traded

(Thousand contracts)

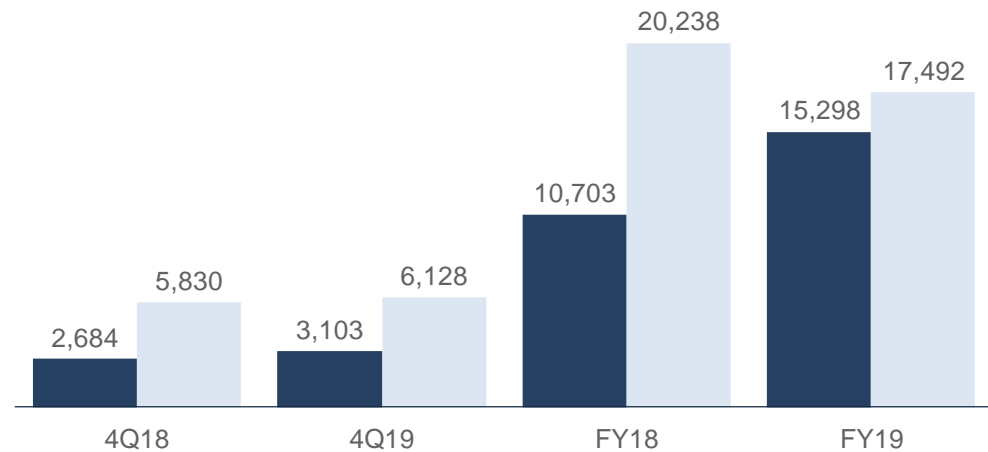
● Futures IBEX 35® ● Futures Mini and Micro IBEX® ● Options IBEX 35®



Stock derivatives contracts traded

(Thousand contracts)

● Stock Futures ● Stock Options



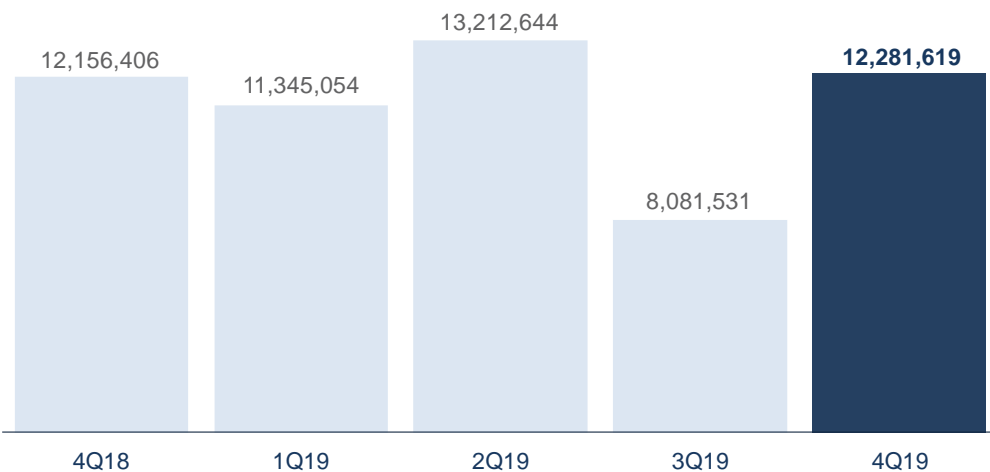
BUSINESS UNITS EVOLUTION

Clearing

<i>Thousand €</i>	4Q 2019	4Q 2018	%	FY 2019	FY 2018	%
Net Revenue	6,780	6,631	2.2%	25,688	26,244	-2.1%
Operating Costs	(2,769)	(2,727)	1.5%	(11,020)	(10,315)	6.8%
EBITDA	4,011	3,904	2.7%	14,668	15,929	-7.9%

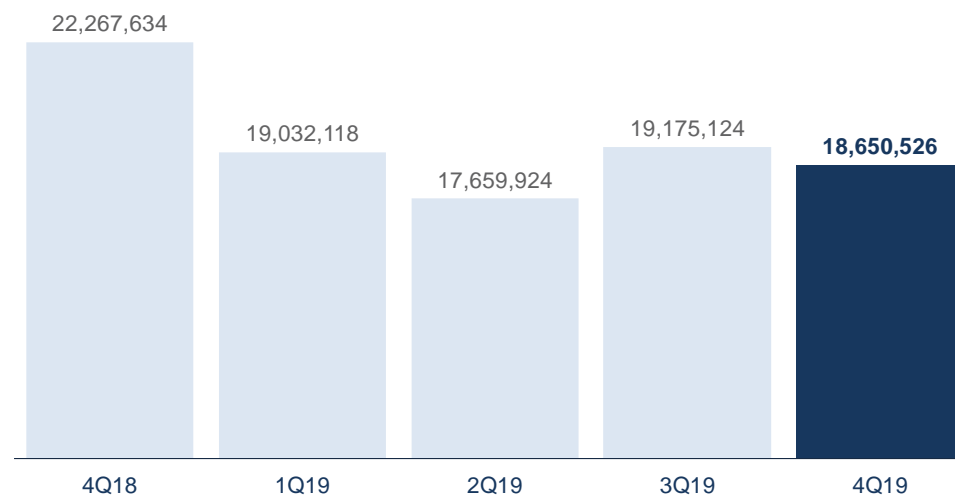
Financial Derivatives

(Number of contracts)



Number of equity transactions cleared

(Number of transactions)

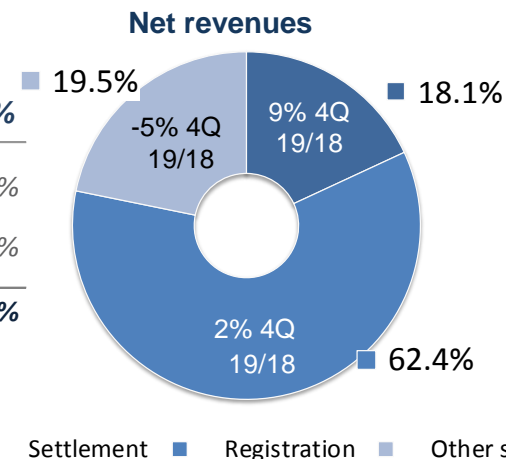




BUSINESS UNITS EVOLUTION

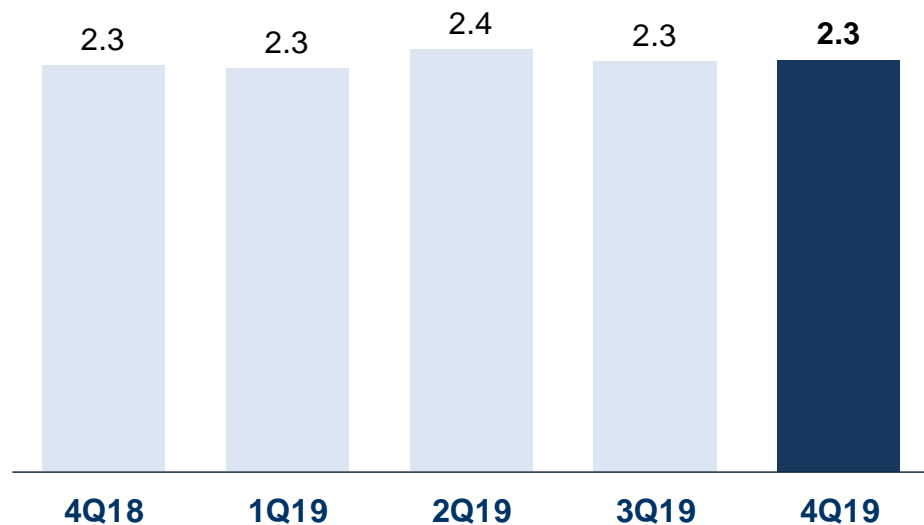
Settlement & Registration

Thousand €	4Q 2019	4Q 2018	%	FY 2019	FY 2018	%
Net Revenue	14,722	14,482	1.7%	58,934	58,974	-0.1%
Operating Costs	(3,963)	(4,976)	-20.4%	(15,214)	(16,556)	-8.1%
EBITDA	10,759	9,506	13.2%	43,720	42,418	3.1%



Settlement: Number of trades settled

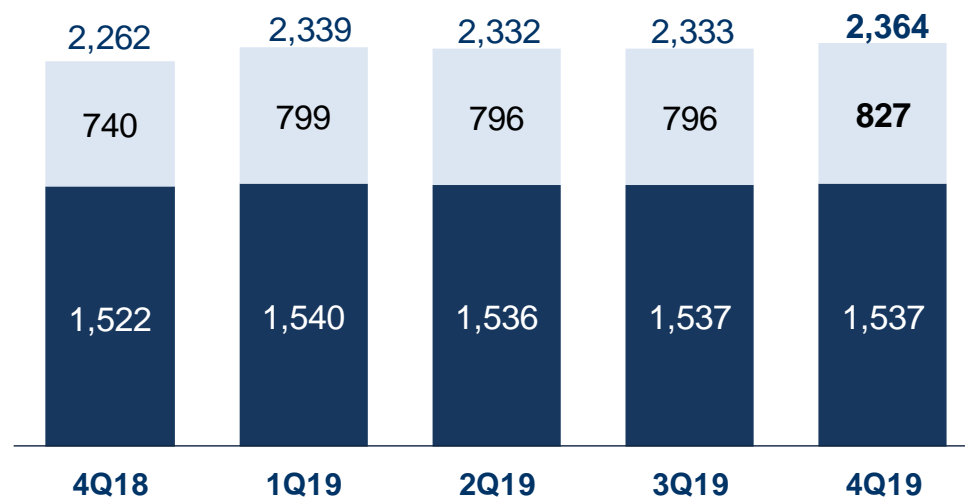
(Million of trades)



Securities under custody: Volume registered

(€ Billion)

● Par Value registered in FI ● Market value registered in Equity



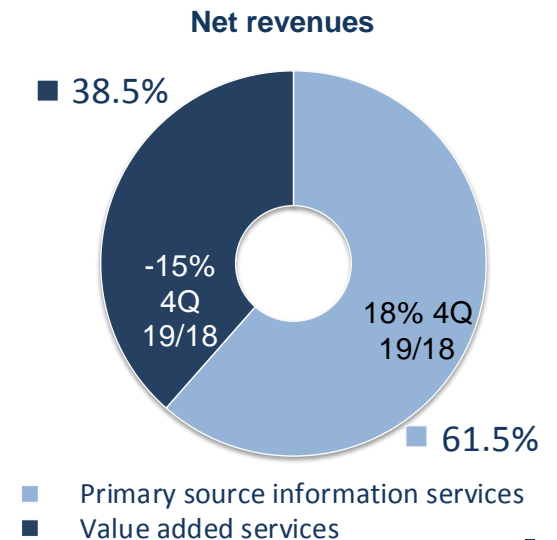
BUSINESS UNITS EVOLUTION

Market Data & VAS

<i>Thousand €</i>	4Q 2019	4Q 2018	%	FY 2019	FY 2018	%
Net Revenue	17,479	17,043	2.6%	66,300	66,705	-0.6%
Primary source information services	10,747	9,130	17.7%	38,797	39,029	-0.6%
Value added services	6,732	7,913	-14.9%	27,503	27,676	-0.6%
Operating Costs	(8,198)	(7,809)	5.0%	(29,320)	(25,723)	14.0%
EBITDA	9,281	9,234	0.5%	36,980	40,982	-9.8%

Market Data

- 3.7% increase in the number of clients
- 5.8% decrease in the number of end users
- Dissemination of information generated via xRolling



BUSINESS UNITS EVOLUTION

Market Data & VAS

Value Added Services

- Strategic refocus aligned with client needs
- Efficiency plan based on digital transformation
- Committed to innovation: DLT/ Analytics/ AI

Information Services

- *Online broker clients*
- *Migration to more efficient technology platforms*

Market Access & Trading Infrastructure

- *Fixed income Colombia*
- *Trading platform in Bolivia*

RegTech Solutions

- *TCA & BE*
- *Analysis of new KYC service*
- *Hub of services linked to regulatory compliance*

Wealthtech Solutions

- *Openworkplace in Costa Rica & Grupo Euro Caja Rural España*
- *Projects under development in Mexico & Chile*

Infraestructure Services

- *Good performance in Highway service*

Innovation & Labs

- *AI: investment algorithms*
- *DLT pledge*
- *DLT Lab & SofIA Lab*

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Net revenues

<i>Thousands of €</i>	4Q 2019	4Q 2018	%	FY 2019	FY 2018	%
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Fixed income	1,732	1,933	-10.4%	7,568	7,878	-3.9%
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FINANCIALS

EBITDA

<i>Thousands of €</i>	4Q 2019	4Q 2018	%	FY 2019	FY 2018	%
Equity	17,618	21,045	-16.3%	73,749	88,896	-17.0%
Fixed income	737	800	-7.9%	3,581	3,226	11.0%
Derivatives	453	894	-49.3%	3,142	3,669	-14.4%
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Market Data & VAS	9,281	9,234	0.5%	36,980	40,982	-9.8%

FINANCIALS

Balance sheet

<i>Thousands of €</i>	31-dec-19	31-dec-18
Goodwill	87,725	87,725
Other non-current assets	110,017	90,813
Cash and cash equivalents	251,438	270,336
Current financial assets	7,219	6,247
Non-Group current financial assets	12,352,165	13,876,242
Other current assets	77,116	78,965
Total assets	12,885,680	14,410,328
Owners' Equity	382,844	399,210
External Partners	809	410
Non-current liabilities	61,670	40,233
Current liabilities	12,440,357	13,970,475
Total equity and liabilities	12,885,680	14,410,328

FINANCIALS

P&L

<i>Thousands of €</i>	4Q 2019	4Q 2018	%	FY 2019	FY 2018	%
Net Revenue	72,797	77,645	-6.2%	285,392	304,156	-6.2%
Expenses	(31,285)	(30,518)	2.5%	(115,451)	(118,090)	-2.2%
EBITDA	41,512	47,127	-11.9%	169,941	186,066	-8.7%
EBIT	39,121	44,209	-11.5%	160,492	177,231	-9.4%
Financial results	(445)	(202)	120.3%	(503)	206	-344.2%
Share of profit (loss) of associates	(337)	282	-219.5%	1,934	2,389	-19.0%
EBT	38,339	44,289	-13.4%	161,923	179,826	-10.0%
Net Profit	29,460	33,931	-13.2%	122,756	136,288	-9.9%

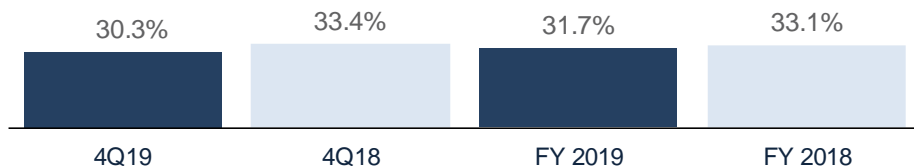


FINANCIALS

Efficiency & profitability

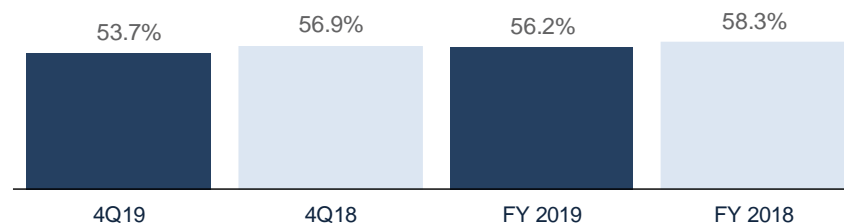
ROE evolution

(% ROE)



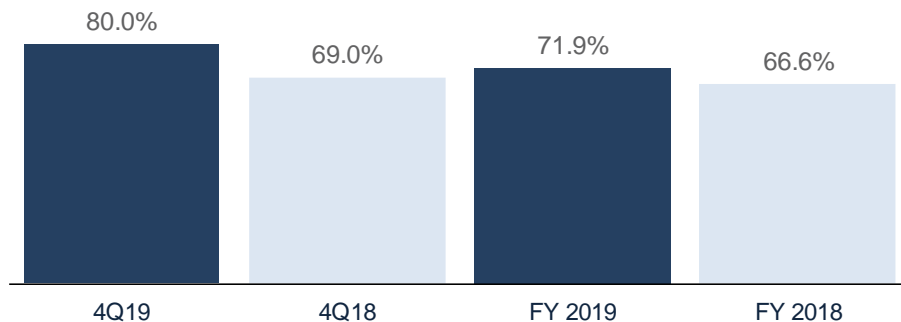
EBIT/ Net revenues ratio evolution

(% EBIT/ Net revenues)



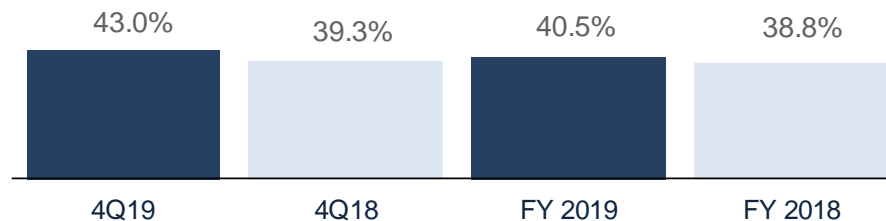
Cost/ EBIT ratio evolution

(% Cost/ EBIT)



Efficiency ratio evolution

(% Efficiency)



2018 data has been restated to include the impact of IFRS 15.

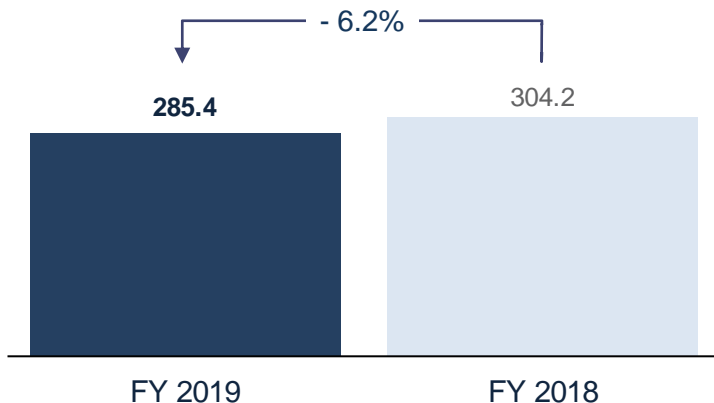


FINANCIALS

P&L – Main figures vs. FY 2018

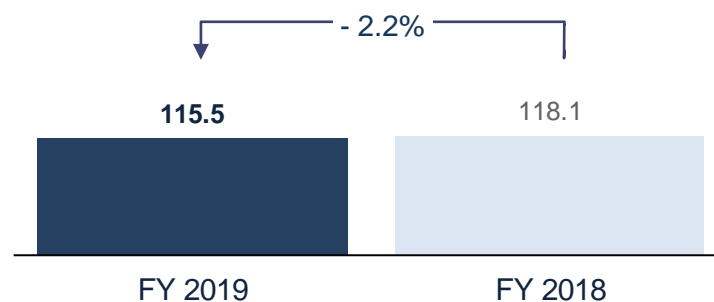
Net revenues

(€ Mill)



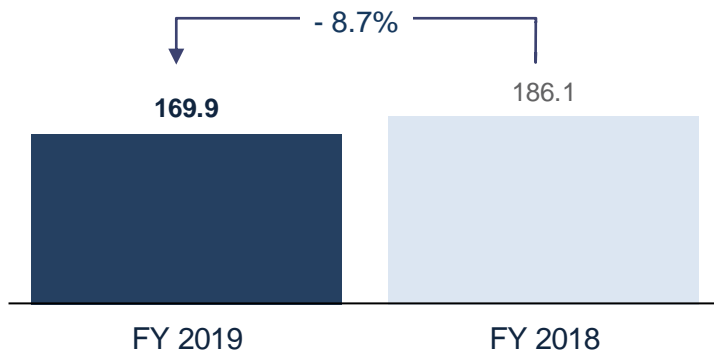
Costs

(€ Mill)



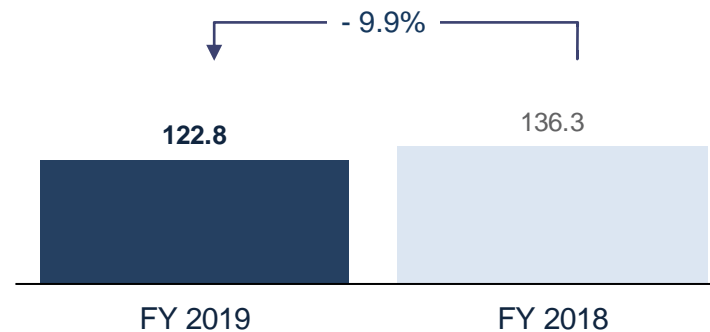
EBITDA

(€ Mill)



Net profit

(€ Mill)



2018 net revenues, EBITDA and net profit have been restated to include the impact of IFRS 15.

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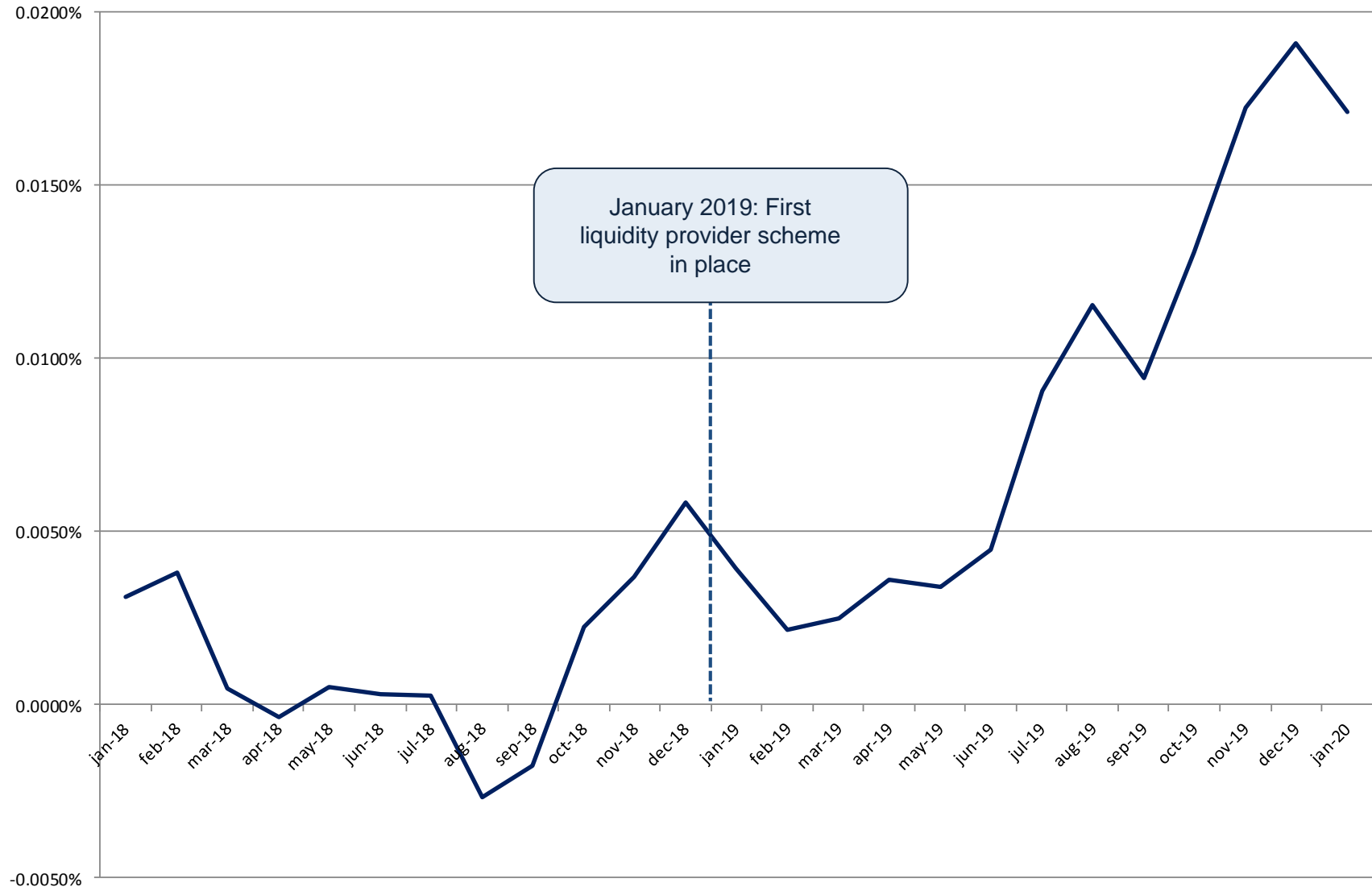
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BUSINESS DRIVERS

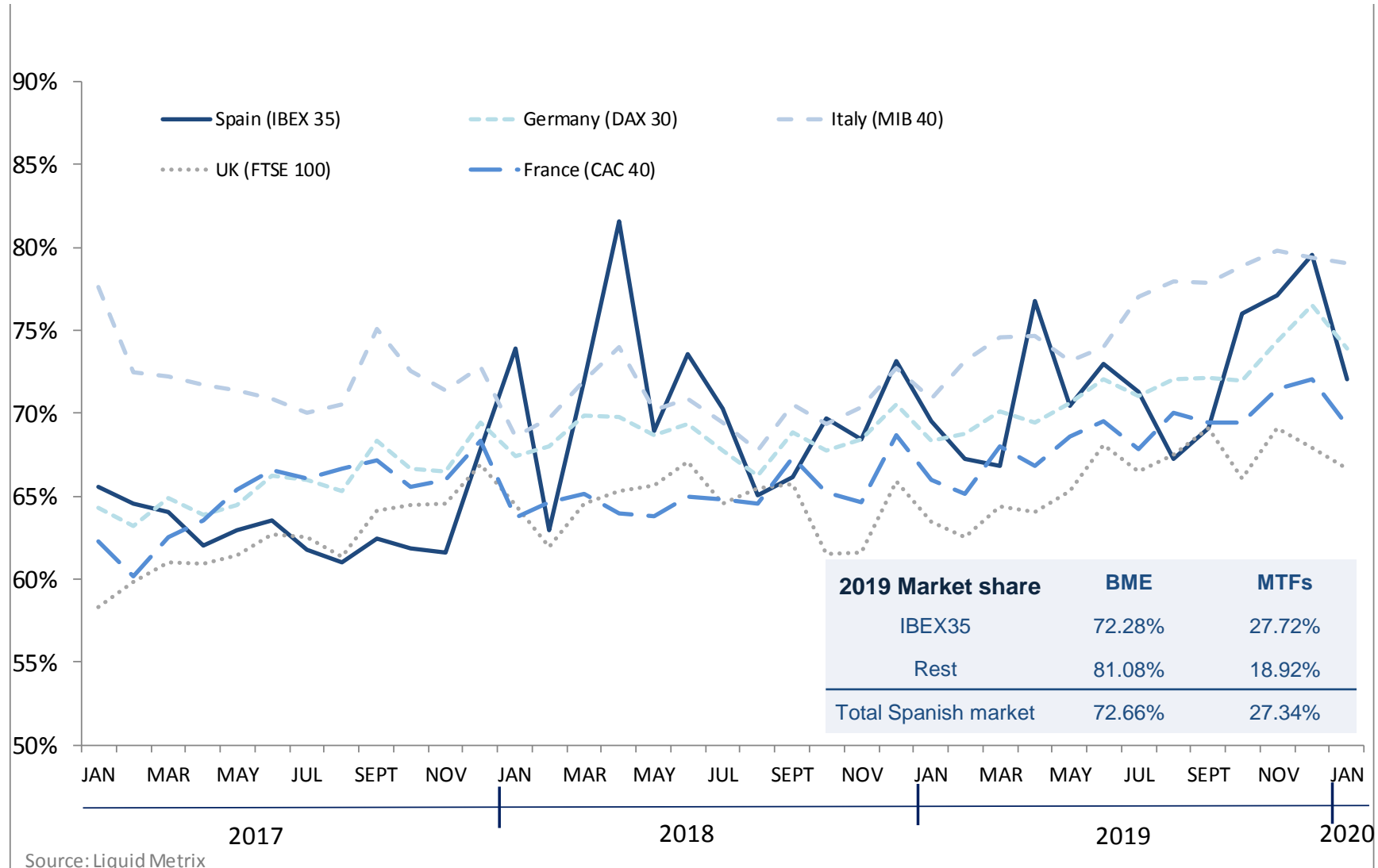
Spread differential between BME and Chi-X (January 2018-2020)





BUSINESS DRIVERS

Equity market share development in main European exchanges



Source: Liquid Metrix

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STRUCTURAL FRAMEWORK

“The Capital Markets Union (CMU) is a key initiative to foster financial integration and resilience.”
– The FESE Blueprint “Capital Markets Union by 2024”

Main initiatives proposed in the CMU are framed under six key themes:

CMU key themes:

BME´s Market Developments alongside CMU:

1	Financing for innovation, start-ups, and non-listed companies	Pre-market environment Equity Alternative Market (MAB) Fixed Income Alternative Market (MARF) REITs Market segment (SOCIMIs)
2	Making it easier for companies to enter and raise capital on public markets	
3	Investing for the long-term, infrastructure, and sustainable investment	FTSE4GOOD IBEX®, Green, Social & Sustainable Fixed Income Issuances
4	Fostering retail and institutional investment	Liquidity provider schemes. Quality of spreads and best market impact for Spanish stocks. High dividend payments of Spanish issuers
5	Leveraging banking capacity to support the wider economy	Market: the place for issuers to diversify financing and strengthen balance sheets
6	Facilitating cross-border investing	Cross-Border Services: Single point of access for custody and settlement services in foreign markets Foreign Public Debt trading Clearing of repo trades on European sovereign debt

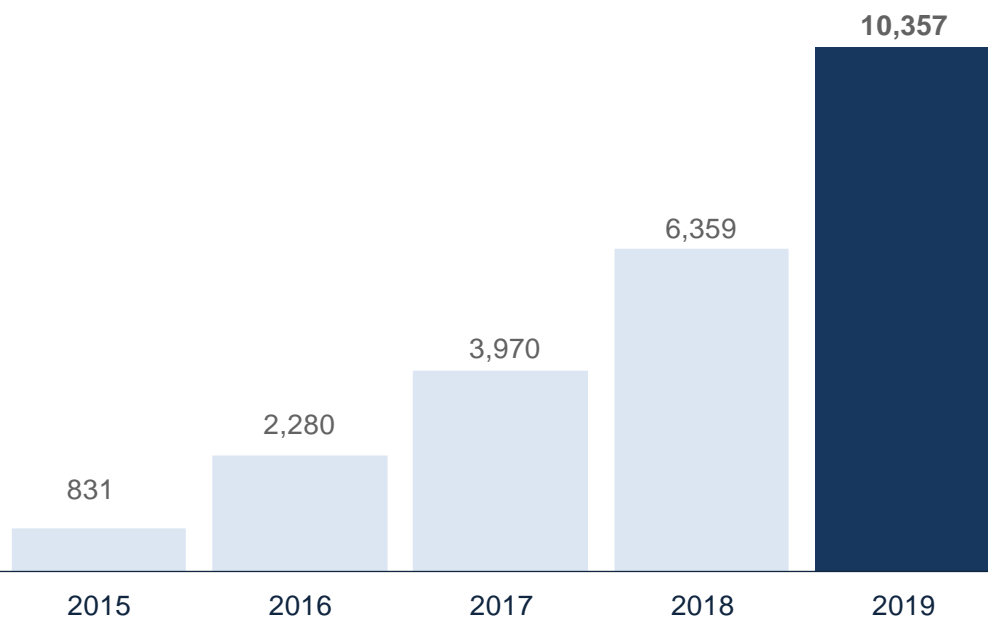


STRUCTURAL FRAMEWORK

Financing for innovation, start-ups, and non-listed companies. Making it easier for companies to enter and raise capital on public markets

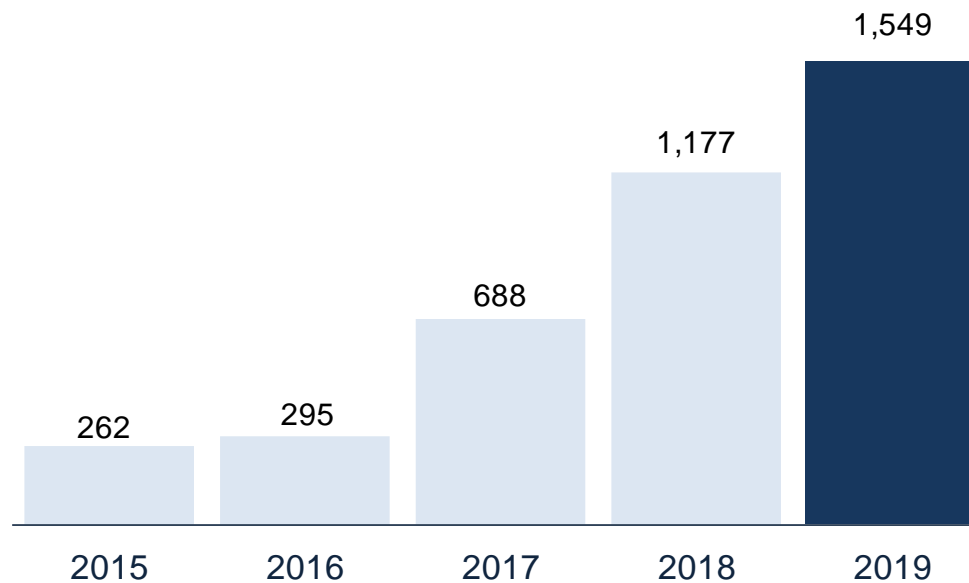
FIXED INCOME ALTERNATIVE MARKET (MARF)

Volume admitted to listing
(€ Million)



EQUITY ALTERNATIVE MARKET (MAB)

Capital increases
(€ Million)



Source: BME 2019 Annual market report

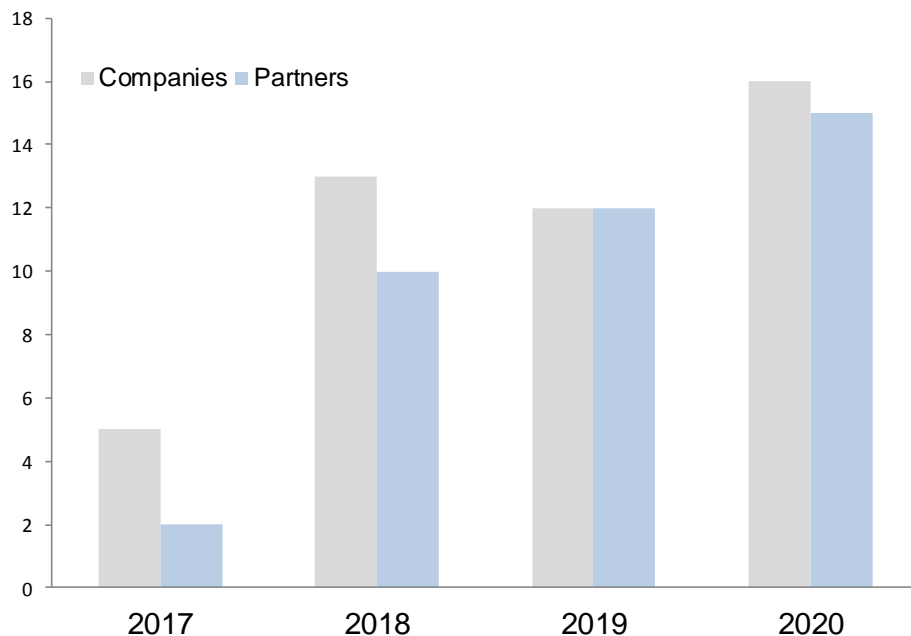


STRUCTURAL FRAMEWORK

Financing for innovation, start-ups, and non-listed companies. Making it easier for companies to enter and raise capital on public markets

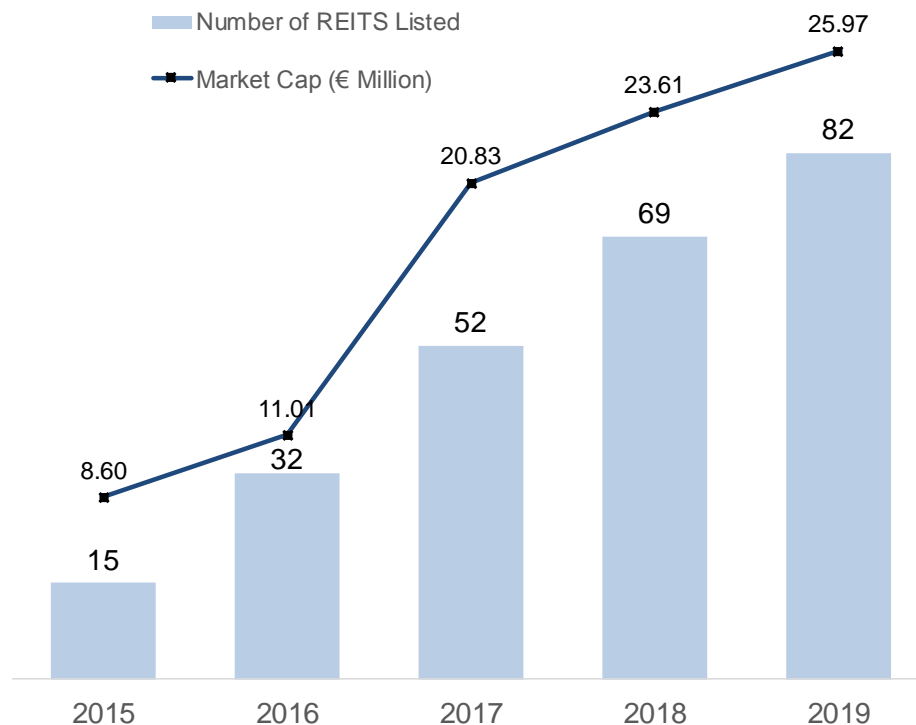
PRE-MARKET ENVIRONMENT

- Ecosystem organised by BME that connects companies, investors and market professionals.



Source: BME

REITs SEGMENT



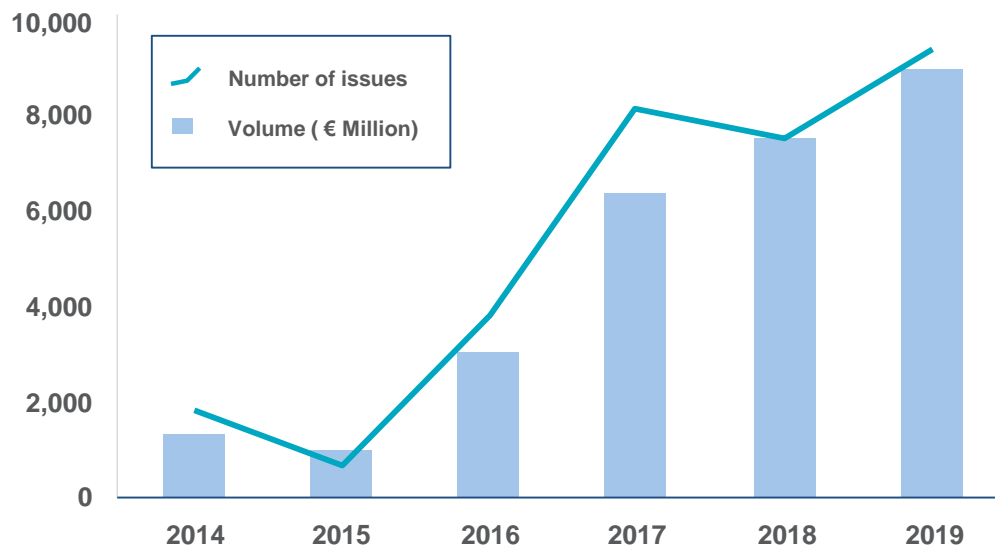
Source: BME 2019 Annual market report



STRUCTURAL FRAMEWORK

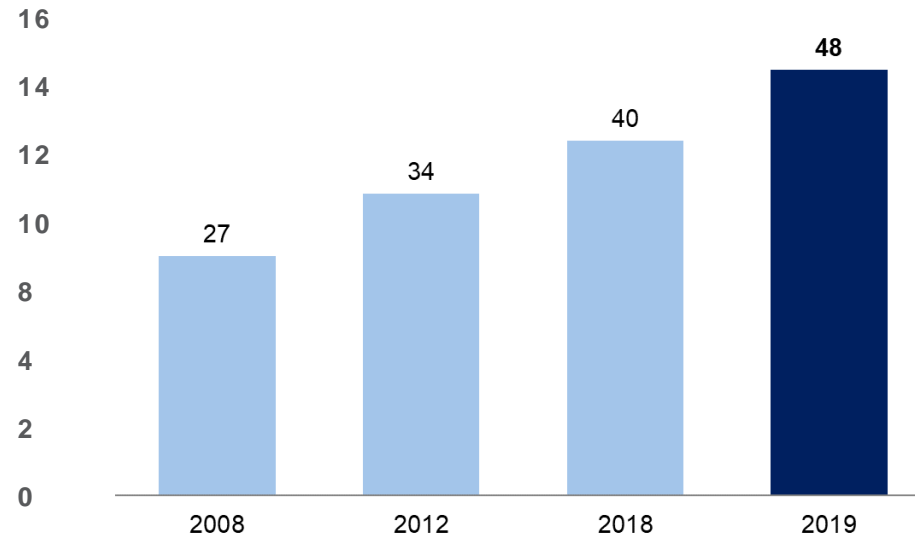
Investing for the long-term, infrastructure, and sustainable investment

Green, Social and Sustainable Spanish Issues



Until October 2019. Source: Bloomberg, AFI.

FTSE4GOOD Constituents



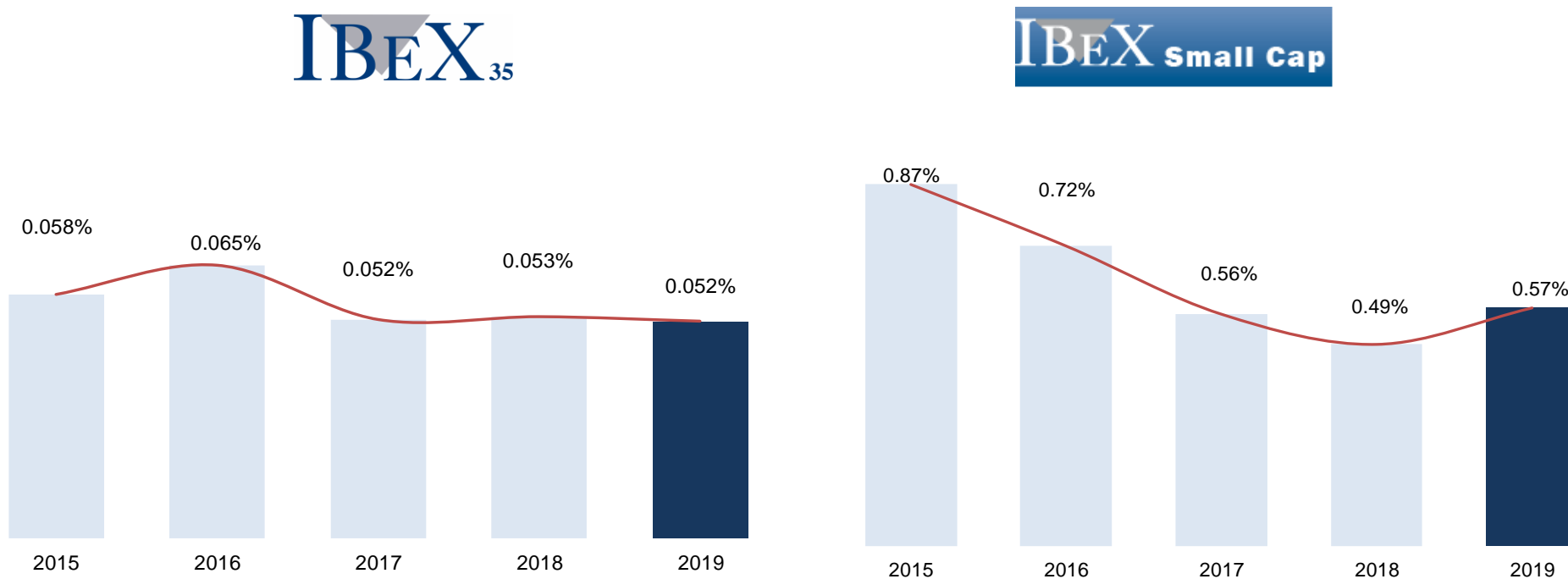
Source: BME 2019 Annual market report

STRUCTURAL FRAMEWORK

Fostering retail and institutional investment

Quality of spreads and best market impact for Spanish stocks

IBEX® 35/ Small Cap bid-ask spread

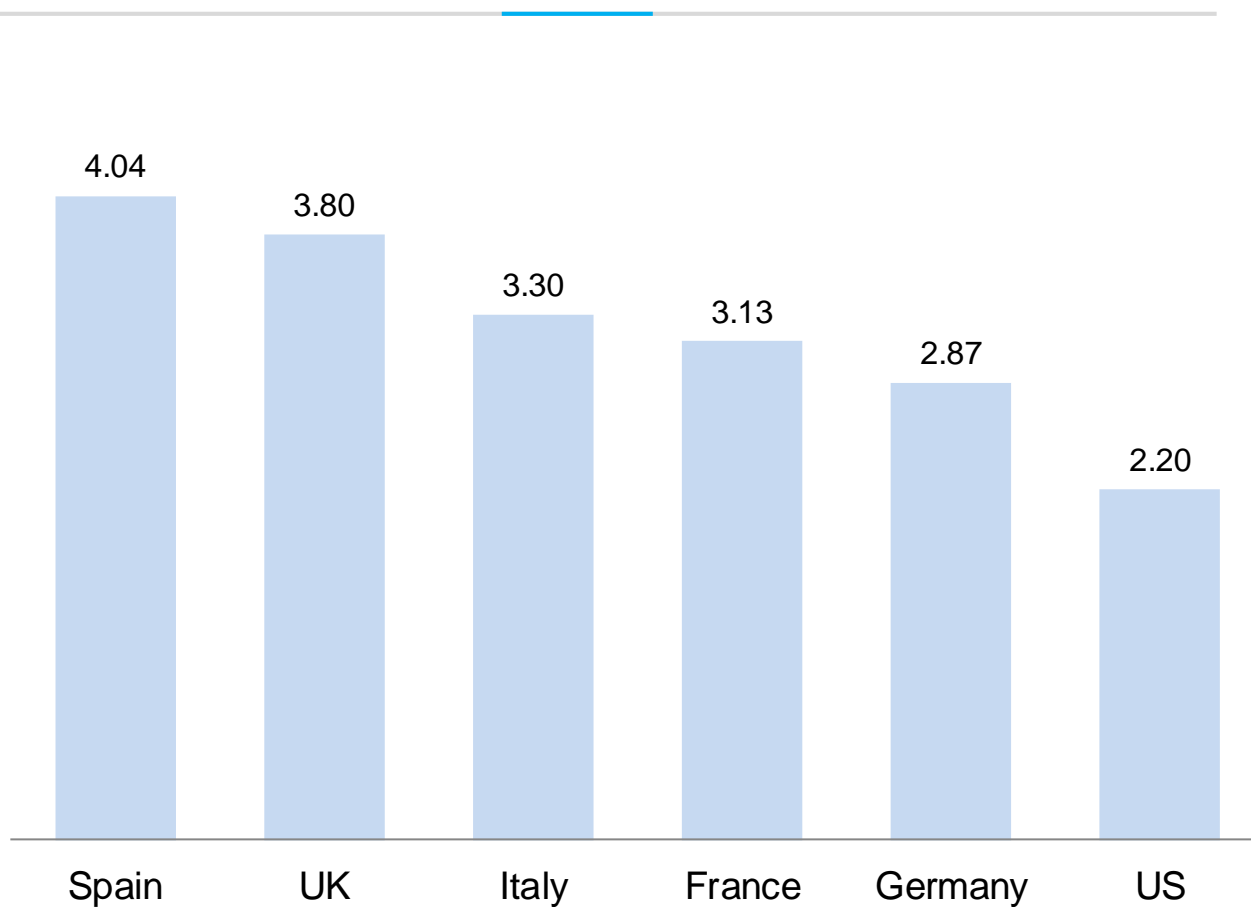


Source: BME Dec.19 Monthly market report

STRUCTURAL FRAMEWORK

Fostering retail and institutional investment

Average monthly dividend yield of last 32 years (%)



Source: Morgan Stanley Cap. Int (November 2019)

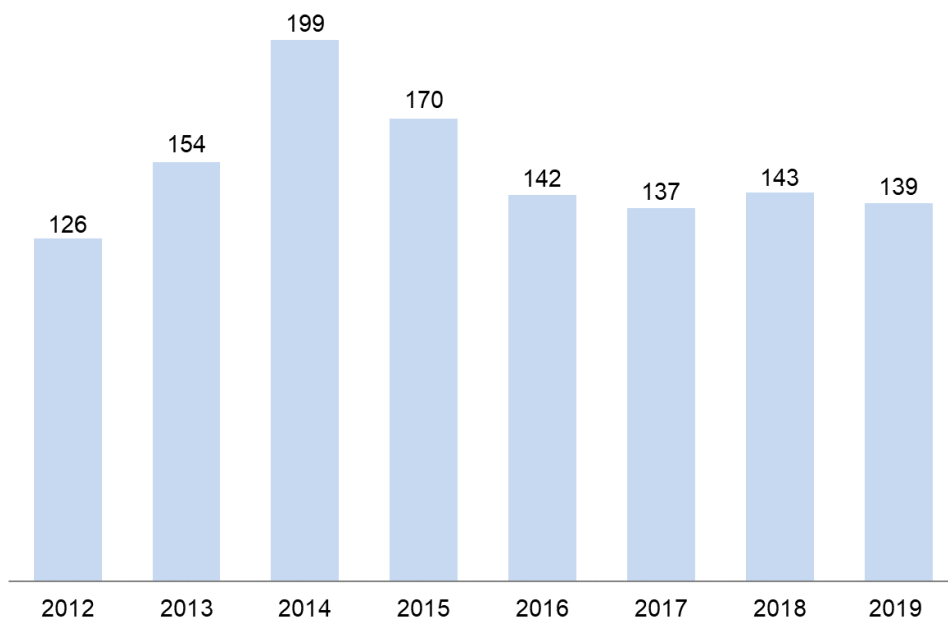


STRUCTURAL FRAMEWORK

Market: the place for issuers to diversify financing and strengthen balance sheets

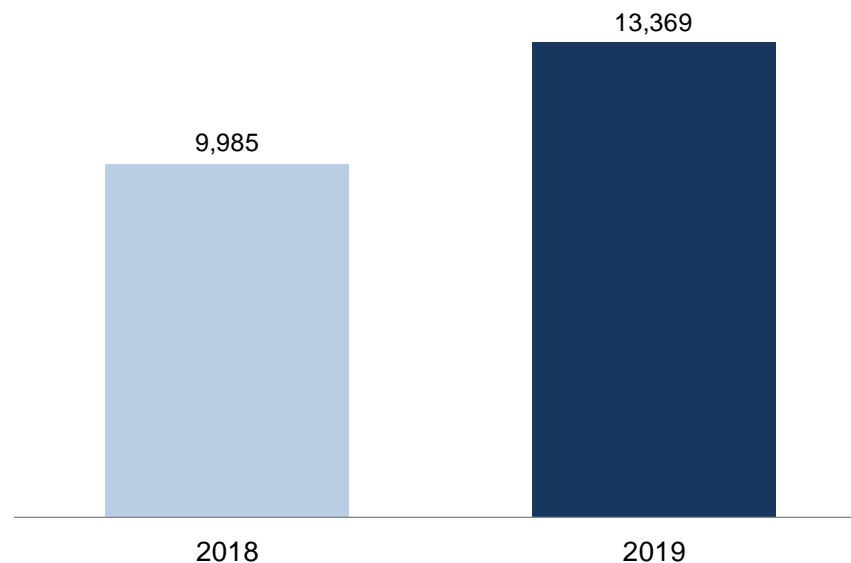
Financing operations through the Exchange (shares)

Number of operations



Capital increases

€ Million



Source: BME 2019 Annual market report

STRUCTURAL FRAMEWORK

Facilitating cross-border investing

CROSS-BORDER SERVICES (CBS)

- The Cross-Border Services (CBS) project was launched on 17 December 2018, with an initial offering that includes securities issued in Germany, France, Italy, the Netherlands and Austria.
- CBS comprises settlement and custody services, grouped under the areas of Corporate Actions, Proxy Voting and Tax Reclaim. In this way any service demanded by an Iberclear participant involving domestic and international securities can be covered.
- The Portuguese market joined Cross-Border Services (CBS) in March 2019.
- More than €10 billion of assets in custody after its first year of operation.

FOREIGN PUBLIC DEBT TRADING

- In 2018, €5.60 trillion of foreign government debt issues were admitted to trading. These included all government debt issues from Germany, France, the Netherlands, Belgium, Italy, Austria, Portugal, Ireland and the European Stability Mechanism (ESM).
- During 2019, €517.2 billion of additional foreign government debt issues have been admitted to trading.

CLEARING OF REPO TRADES ON EUROPEAN SOVEREIGN DEBT

- In 2019 BME Clearing starts clearing repo trades on European sovereign debt.



Q&A