

BUSINESS PERFORMANCE

Fourth quarter and FY2019

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2019

- The net result obtained by Bolsas y Mercados Españoles (BME) in 2019 reached €122.8 million, 9.9% less than in 2018. The net result in the fourth quarter reached €29.5 million, 13.2% less than that obtained in the same period of the previous year.
 - Net revenue year-to-date amounted to €285.4 million and to €72.8 million in the quarter. Compared to the previous year they were down 6.2% year-to-date and in the quarter.
 - Total operating costs in the year decreased 2.2% compared to 2018.
- Investment flows channelled to the Stock Exchange in the form of capital increases totalled €15.4 billion in 2019, 42.4% more than the previous year.
- During 2019, 21 new companies were admitted in the MAB, 6 of them in the fourth quarter. REITs stood out once again with 17 new admissions in the year.
- Fixed income trading on BME's platforms during 2019 increased 63.1%. The total volume issued on the MARF was €10.4 billion in the year, up 62.9% compared to the previous year. The outstanding balance at the year-end stood at €5.1 billion, 54.0% more than a year ago.
- Issues of green, social and sustainable bonds increased to €9.8 billion in 2019, 30.0% more than the previous year, placing Spain in the top 10 in the world ranking for sustainable bonds.
- The clearing activity in energy derivatives (electricity and natural gas) increased 93.4% in 2019 to 26.6 TWh. The position interest at the end of the year was 9.6 TWh, 48.4% more than a year earlier.
- BME received an "A-" rating with a stable outlook, granted by S&P Global Ratings, the risk rating agency. This rating places the company in investment grade and is a result of the low level of debt, the strong operational efficiency, the vertical integration of the business value chain and the solid liquidity position.
- On 18 November 2019, the Swiss company Six Group, AG, the manager of the Swiss Stock Exchange, submitted a voluntary takeover bid for all BME shares, representing 100% of the share capital, at an initial price of €34 per share, from which the dividends that BME has distributed and distributes prior to the settlement date of the Bid will be deducted. On 29 November 2019, the National Securities Market Commission communicated the admission to processing of the Bid.

Financial Statements

BOLSAS Y MERCADOS ESPAÑOLES, SOCIEDAD HOLDING DE MERCADOS Y SISTEMAS FINANCIEROS, S.A. AND SUBSIDIARIES COMPRISING THE BOLSAS Y MERCADOS ESPAÑOLES GROUP	4Q19	4Q18*	Δ	FY19	FY18	Δ
	(Th. Eur.)	(Th. Eur.)	%	(Th. Eur.)	(Th. Eur.)	%
CONSOLIDATED PROFIT AND LOSS ACCOUNTS						
Operating Income	75,870	79,861	-5.0%	296,839	312,928	-5.1%
Revenue	73,853	76,394	-3.3%	291,168	307,359	-5.3%
Other operating income	768	1,183	-35.1%	1,962	2,354	-16.7%
Own work capitalised	1,249	2,284	-45.3%	3,709	3,215	15.4%
Variable direct cost of operations	(3,073)	(2,216)	38.7%	(11,447)	(8,772)	30.5%
Net Revenue	72,797	77,645	-6.2%	285,392	304,156	-6.2%
Operating Expenses	(31,285)	(30,518)	2.5%	(115,451)	(118,090)	-2.2%
Employee benefits expense	(19,698)	(19,169)	2.8%	(73,135)	(75,952)	-3.7%
Other operating costs- external services	(11,432)	(11,160)	2.4%	(41,362)	(41,478)	-0.3%
Taxes	(155)	(189)	-18.0%	(954)	(660)	44.5%
Earnings before interest, taxes, net impairment losses and depreciation	41,512	47,127	-11.9%	169,941	186,066	-8.7%
Amortisation	(2,391)	(1,970)	21.4%	(9,473)	(7,902)	19.9%
Depreciation	0	(948)	-100.0%	24	(933)	-102.6%
Earnings before interest and taxes	39,121	44,209	-11.5%	160,492	177,231	-9.4%
Net financial income	(445)	(202)	120.3%	(503)	206	-344.2%
Share of profit (loss) of associates	(337)	282	-219.5%	1,934	2,389	-19.0%
Profit before tax	38,339	44,289	-13.4%	161,923	179,826	-10.0%
Income tax expense	(9,033)	(10,398)	-13.1%	(39,450)	(43,724)	-9.8%
Consolidated profit for the period	29,306	33,891	-13.5%	122,473	136,102	-10.0%
Profit attributable to non-controlling interests	(154)	(40)	285.0%	(283)	(186)	52.2%
Profit attributable to owners of the parent	29,460	33,931	-13.2%	122,756	136,288	-9.9%
Earnings per share	0.36	0.41	-12.9%	1.48	1.64	-9.7%

Note: Balances obtained from the audited consolidated financial statements.

(*) The information presented for the fourth quarter of 2018 corresponds to proforma data in which the effects derived from the first application of IFRS 15 have been reflected, as if it had occurred since January 1, 2018. Therefore, the information corresponding to 2018 differs from the public information presented in 2018 in the quarter. The recording and impacts of the application of IFRS 15 were described in Q4 2018.

The net result obtained by Bolsas y Mercados Españoles (BME) in 2019 reached €122.8 million, 9.9% less than in 2018. The net result in the fourth quarter reached €29.5 million, 13.2% less than that obtained in the same period of the previous year.

Net revenue year-to-date amounted to €285.4 million and to €72.8 million in the quarter. Compared to the previous year they were down 6.2% year-to-date and in the quarter.

Total operating costs in the year decreased 2.2% to €115.5 million and increased in the quarter by 2.5% to €31.3 million compared to the previous year.

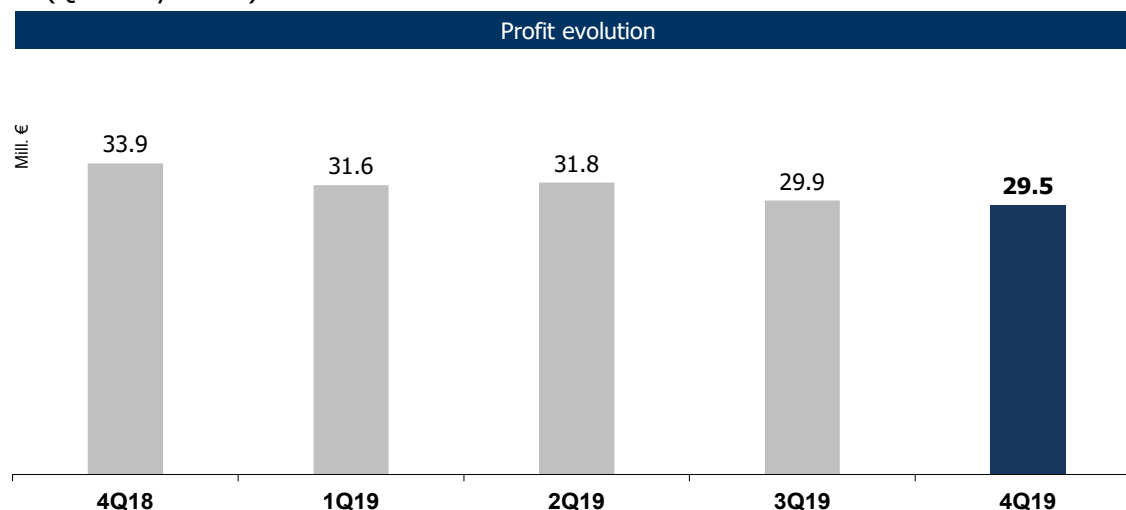
The accumulated EBITDA in the year fell by 8.7% compared to the same period of 2018. The EBITDA in the fourth quarter was €41.5 million, falling 11.9% compared to the previous year.

The earnings per share amounted to €1.48 in the year and to €0.36 in the quarter, both falling 9.7% and 12.9% respectively compared to the previous year.

As a result of the entry into force of IFRS 16, the costs related to leasing contracts, previously recognised as operating costs (€468 thousand in the fourth quarter and €1,872 thousand for the year to date), were recognised as of 1 January 2019 as a combination of depreciation of fixed assets (€356 thousand in the fourth quarter and €1,424 thousand for the year to date) and financial costs (€131 thousand in the fourth quarter and €524 thousand for the year to date) with their corresponding impact on the EBITDA, pre-tax profit(loss) (€-19 thousand in the fourth quarter and €-76 thousand for the year to date) and consolidated profit(loss) for the year (€-14 thousand in the fourth quarter and €-56 thousand for the year to date).

In 2019, BME received an “A-” rating with a stable outlook, granted by S&P Global Ratings, the risk rating agency. This rating places the company in investment grade and is a result of the low level of debt, the strong operational efficiency, the vertical integration of the business value chain and the solid liquidity position.

BME: Profit attributable to The Group (Quarterly series)



Note: The information presented for the fourth quarter of 2018 corresponds to proforma data in which the effects derived from the first application of IFRS 15 have been reflected, as if it had occurred since January 1, 2018. Therefore, the information corresponding to 2018 differs from the public information presented in 2018 in the quarter. The recording and impacts of the application of IFRS 15 were described in Q4 2018.

Financial Statements

BOLSAS Y MERCADOS ESPAÑOLES, SOCIEDAD HOLDING DE MERCADOS Y SISTEMAS FINANCIEROS, S.A. AND SUBSIDIARIES COMPRISING THE BOLSAS Y MERCADOS ESPAÑOLES GROUP	as of 31/12/2019	as of 31/12/2018	Δ
CONSOLIDATED BALANCE SHEETS AT CLOSING DATES	(Th. Eur.)	(Th. Eur.)	%
NON-CURRENT ASSETS	197,742	178,538	10.8%
Goodwill	87,725	87,725	0.0%
Other intangible assets	12,240	13,485	-9.2%
Property, plant and equipment	57,967	42,280	37.1%
Non-current financial assets	25,577	20,810	22.9%
Deferred tax assets	14,233	14,238	0.0%
CURRENT ASSETS	12,687,938	14,231,790	-10.8%
Trade and other receivables	74,519	77,055	-3.3%
Current financial assets	7,219	6,247	15.6%
Other current financial assets- non Group	12,352,165	13,876,242	-11.0%
Other current assets	2,597	1,910	36.0%
Cash and cash equivalents	251,438	270,336	-7.0%
TOTAL ASSETS	12,885,680	14,410,328	-10.6%
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	382,844	399,210	-4.1%
Capital	250,847	250,847	0.0%
Reserves	102,606	102,682	-0.1%
Parent company shares or equity holdings	(19,207)	(15,407)	24.7%
Profit/(loss) for the period	122,756	136,288	-9.9%
Interim dividend	(82,852)	(83,078)	-0.3%
Other equity instruments	4,159	5,427	-23.4%
Valuation adjustments	4,535	2,451	85.0%
Non-controlling interests	809	410	97.3%
NON-CURRENT LIABILITIES	61,670	40,233	53.3%
Non-current provisions	20,149	18,685	7.8%
Non-current financial liabilities	20,937	0	-
Deferred tax liabilities	5,909	5,191	13.8%
Other non-current liabilities	14,675	16,357	-10.3%
CURRENT LIABILITIES	12,440,357	13,970,475	-11.0%
Current financial liabilities	1,440	0	-
Other current financial liabilities- non Group	12,352,156	13,876,230	-11.0%
Trade and other payables	80,490	87,140	-7.6%
Other current liabilities	6,271	7,105	-11.7%
TOTAL LIABILITIES	12,502,027	14,010,708	-10.8%
TOTAL EQUITY AND LIABILITIES	12,885,680	14,410,328	-10.6%

Note: Balances obtained from the audited consolidated financial statements.

The group includes as a balance of assets and liabilities the amounts related to:

- Guarantees received from participants
- Financial instruments in which it acts as central counterparty
- Receivables balance (payables) on settlement of daily operations with options and futures
- Receivables balance (payables) of cash withheld for settlement

These amounts increase, for the same amount, the balances of the accounts "Other current financial assets- non Group" in the assets of the balance sheet and "Other current financial liabilities - non Group" in the liabilities of the balance sheet. This presentation criterion has no impact on income or equity.

BOLSAS Y MERCADOS ESPAÑOLES, SOCIEDAD HOLDING DE MERCADOS Y SISTEMAS FINANCIEROS, S.A. AND SUBSIDIARIES COMPRISING THE BOLSAS Y MERCADOS ESPAÑOLES GROUP	FY19	FY18	Δ
CONSOLIDATED CASH FLOW STATEMENT	(Th. Eur.)	(Th. Eur.)	%
Profit before tax	161,923	179,826	-10.0%
Adjustments to profit	7,817	11,682	-33.1%
Changes in working capital	(17,814)	(15,824)	12.6%
Trade and other receivables	2,536	3,218	-21.2%
Current financial assets excluding non-Group current financial assets	(684)	203	-436.9%
Trade and other payables	(16,351)	(17,090)	-4.3%
Other current liabilities	(834)	(37)	2,154.1%
Other non-current assets and liabilities	(2,481)	(2,118)	17.1%
Other amounts received/ (paid) in operating activities	(40,912)	(45,040)	-9.2%
Net cash flows from operating activities	111,014	130,644	-15.0%
Net cash flows from investing activities	(2,190)	8,087	-127.1%
Net cash flows from financing activities	(127,722)	(144,134)	-11.4%
Net increase/(decrease) in cash and cash equivalents	(18,898)	(5,403)	249.8%
Total cash and cash equivalents at beginning of year	270,336	275,739	-2.0%
Total cash and cash equivalents at period end	251,438	270,336	-7.0%

Note: Balances obtained from the audited consolidated financial statements.

Note: For the purpose of clear presentation of changes in working capital, cash flows from Other current financial assets and liabilities - non Group are included in the consolidated cash flow statement by its net amount.

BOLSAS Y MERCADOS ESPAÑOLES, SOCIEDAD HOLDING DE MERCADOS Y SISTEMAS FINANCIEROS, S.A. AND SUBSIDIARIES COMPRISING THE BOLSAS Y MERCADOS ESPAÑOLES GROUP	as of 31/12/2019	as of 31/12/2018
CHANGE IN SHAREHOLDERS' EQUITY	(Th. Eur.)	(Th. Eur.)
Equity attributable to owners of the parent Opening balance	399,210	430,147
Distribution of dividends	(130,107)	(147,897)
Transactions with parent company shares and equity holdings	(5,189)	(4,267)
Acquisitions / (disposals) of non-controlling interests	0	(175)
Equity-settled share-based payments	121	(388)
Adjustments for changes in accounting criteria	(4,542)	(16,993)
Total recognised income and expense	123,351	138,783
Profit for the year	122,756	136,288
Measurement of financial instruments	2,869	365
Actuarial gains and losses and other adjustments	(1,235)	2,681
Translation differences	(68)	(2)
Tax effect	(971)	(549)
Equity attributable to owners of the parent Closing balance	382,844	399,210

Note: Balances obtained from the audited consolidated financial statements.

HIGHLIGHTS

■ The IBEX 35® revalued by 11.7% in the 2019. The total capitalisation of the companies admitted to trading on the markets managed by BME as at 31 December 2019 rose to €1.11 trillion, 11.6% more than the previous year as a result of rising prices and capital increases.

In 2019, 21 new companies joined the MAB, 6 of them doing so in the fourth quarter. REITs once again stood out with 17 additions which at the end of the year made 78 companies that traded in the Alternative Stock Market. In December, the renewable energy company Grenergy, which until then was traded in the MAB, was admitted to the market of the Spanish Stock Exchange.

The financing and investment flows channelled to the Stock Exchange in the form of capital increases totalled €15.4 billion in 2019, 42.4% more than the previous year due to the strong drive in capital increases made by listed companies to finance new projects.

■ Trading in Fixed Income on BME Platforms increased by 63.1% in 2019 compared to the previous year, mainly driven by Spanish Government Debt and other Treasuries belonging to the European Union, whose issues were admitted to the market during the year. The total balance of outstanding Spanish issues in BME's fixed income markets at the end of December 2019 amounted to €1.55 trillion.

Bolsas y Mercados Españoles (Quarterly Overview)	4Q19	4Q18	Δ	FY19	FY18	Δ
Equity						
Trading						
Turnover (€ Mill.)	128,602	134,126	-4.1%	469,928	588,921	-20.2%
Number of trades	9,325,444	11,134,282	-16.2%	37,260,363	44,313,585	-15.9%
Number of shares (Million)	37,155	46,765	-20.5%	177,767	153,526	15.8%
Average amount per trade (Euros)	13,790	12,046	14.5%	12,612	13,290	-5.1%
Listing (€ Mill.)						
Market Capitalisation				1,105,662	990,867	11.6%
Investment Flows channelled through Exchange	5,729	3,217	78.1%	16,715	15,224	9.8%
Fixed Income						
Trading						
Turnover (€ Mill.)	64,461	56,224	14.7%	334,422	205,059	63.1%
Number of Operations	9,383	9,442	-0.6%	43,611	45,376	-3.9%
Listing						
AIAF volume admitted (nominal € Mill.)	74,170	76,486	-3.0%	326,575	311,991	4.7%
Public Debt	42,300	49,517	-14.6%	202,183	228,881	-11.7%
Corporate Fixed Income	28,903	25,016	15.5%	114,035	76,751	48.6%
MARF	2,967	1,953	51.9%	10,357	6,359	62.9%
Derivatives						
Futures (number of contracts)						
Index Futures	1,894,541	2,008,717	-5.7%	7,565,663	7,906,185	-4.3%
Stock Futures	3,211,193	2,811,744	14.2%	16,056,727	11,175,006	43.7%
Options (number of contracts)						
Index Options	1,047,918	1,505,893	-30.4%	3,806,355	4,183,154	-9.0%
Stock Options	6,127,967	5,830,052	5.1%	17,492,103	20,237,873	-13.6%
Open interest (number of contracts)				8,003,045	8,305,964	-3.6%
Clearing						
Financial Derivatives (number of contracts)	12,281,619	12,156,406	1.0%	44,920,848	43,502,218	3.3%
Energy Derivatives (Volume MWh)	7,719,797	4,663,789	65.5%	26,646,872	13,776,521	93.4%
Repo (Turnover Mill. Eur.)	50,512	38,608	30.8%	182,724	155,637	17.4%
Interest Rates Derivatives (Notional value reg. € Mill.)	75	82	-8.5%	196	147	33.3%
Equity (Transactions cleared)	18,650,526	22,267,634	-16.2%	74,517,692	88,624,170	-15.9%
Settlement & Registration						
Operations settled	2,330,249	2,294,685	1.5%	9,308,651	9,165,147	1.6%
Turnover settled (€ Billion daily avg.)				92.9	77.1	20.5%
Volume registered - end of period- (€ Billion)				2,363.9	2,261.8	4.5%

Admissions to the Private Fixed Income price increased by 48.6% over the year as a whole. Of particular note was the repatriation of issues by large Spanish companies such as Endesa or Ferrovial.

The Alternative Fixed Income Market (MARF) reinforced itself as a financing mechanism for small and medium-sized businesses. A total of 78 companies, six of them Portuguese, have issued fixed-income securities in this market since its launch by BME in October 2013. The total volume issued during 2019 stands at €10.4 billion, up 62.9% on previous year. The balance of outstanding issues at the year-end stood at €5.1 billion, 54,0% more than a year ago.

Issues of green, social and sustainable bonds increased to €9.8 billion in 2019, 30.0% more than the previous year, placing Spain in the top 10 in the world ranking for sustainable bonds. The BME markets have admitted not only issuances from large companies such as ADIF and Bankinter but also from smaller companies such as Grenergy, which issued stock through the MARF in October.

- The total volume of Financial Derivatives contracts traded in BME during 2019 increased by 3.3% compared to the previous year to 44.9 million contracts in an environment of reduced volatility.

Trading in stock futures grew by 42.9% in 2019. Derivative products as hedges for dividend payments of the IBEX 35® and individual shares also grew 104.8% and 60.8% respectively over the year.

In the MEFFPower energy derivatives market, the volume of Megawatt hours (MWh) represented in the contracts traded increased 114% in 2019. The open interest at the end of the year grew 63.2% compared to the previous year, with 8.9 million MWh registered.

- At BME Clearing, the clearing activity in energy derivatives (electricity and natural gas) increased 93.4% in 2019 to 26.6 TWh. Open interest at year-end was 9.6 TWh, 48.4% more than the previous year.

- The Iberclear Cross-Border Services (CBS) project, which offers entities a single point of access to both settlement services and custodian services in foreign markets, exceeded €10 billion of assets in custody after its first year of operation

- The Innovation Labs of BME launched their first products related to Artificial Intelligence (AI) and Blockchain (DLT). The first case is SOFIA, an investment algorithm software, and the second is a pledge constitution service based on a blockchain platform that has managed to reduce processes by 80%.

- The total number of contracts registered with active positions in REGIS-TR at the end of 2019 stood at 5.4 million. REGIS-TR UK was recognised by the Financial Conduct Authority (FCA), under the Temporary Registration Regime for Transaction Repositories and is authorised to operate once BREXIT occurs.

- On 30 December 2019, the company paid out its second interim dividend against the results for 2019 for the amount of €0.60 per share, gross (€0.486 per share, net). The Board of Directors' proposals to be put before shareholders at the next General Shareholders' Meeting include issuance of a final dividend of €0.42, gross, which, if approved, will be paid out to shareholders on 8 May 2020. Shareholders registered in the Shareholder Register on 7 May 2020 (the record date) will be entitled to receive this dividend, with the ex-date being 6 May.

On 18 November 2019, the Swiss company Six Group, AG, the manager of the Swiss Stock Exchange, submitted a voluntary takeover bid for all BME shares, representing 100% of the share capital, at an initial price of €34 per share, from which the dividends that BME has distributed and distributes prior to the settlement date of the Bid will be deducted.

On that same date, BME informed the National Securities Market Commission that the Board of Directors of the Company, at its meeting held on 17 November 2019, had "qualified the Bid and Transaction as friendly, although it reserves the right to make a final opinion until such time as it is aware of all its terms and conditions, and in particular until such time as it can fully assess the consequences that the industrial plan proposed by SIX may have on the integrity and stability of markets, systems and infrastructures managed by BME".

On 29 November 2019, the National Securities Market Commission communicated the admission to processing, in accordance with the provisions of Royal Decree 1066/2007 of 27 July on the regime for takeover bids for securities, of the authorisation request submitted by Six Group, A.G. In the same communication it was stated that under the provisions of the aforementioned Royal Decree the National Securities Market Commission "will not authorise the takeover bid until the mandatory authorisation of the Government is obtained".

KEY PERFORMANCE INDICATORS

In 2019, the indicator that measures the degree of coverage of the company's total costs with revenue that do not depend on the performance of trading volumes (INLV) reached a value of 126%, four percentage points above that recorded for the previous year. It reflects the efforts being made to diversify by the company's various business lines.

BME monitors and compares its performance to other companies in the sector using two additional indicators: the efficiency ratio, which measures operating costs over total net revenue, and the return on equity (ROE).

The efficiency ratio in Q4 2019 performed unfavourably to stand at 43.0%, an increase of 3.7 percentage points compared to

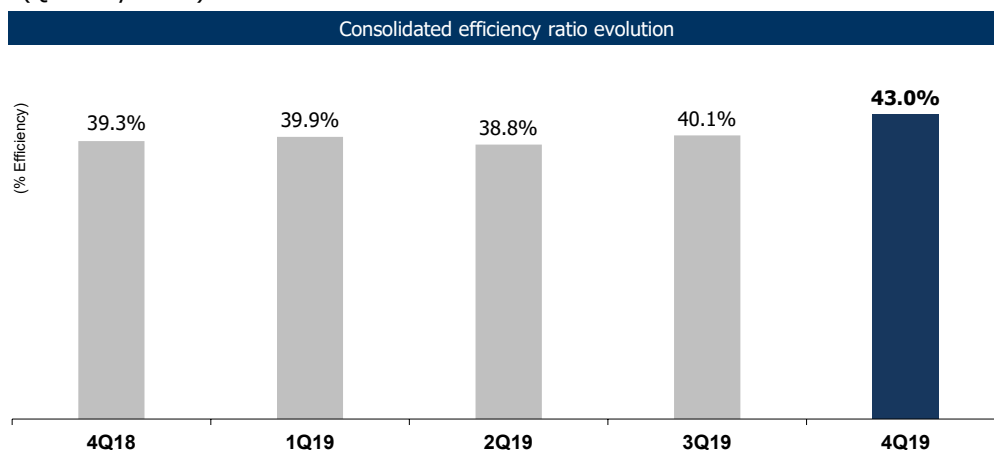
the same quarter of the previous year. The lower the value, the better the indicator. For 2019 as a whole, this unfavourable performance levelled out with an increase of 1.7 percentage points of the ratio to 40.5%.

However, the return on equity (ROE) fell 3.1 percentage points in Q4 2019 to 30.3%. For the year 2019, the value of the ratio stood at 31.7% compared to the 33.1% at the end of the previous year. The difference with regard to the average value of comparable companies in the sector exceeds 13.6 percentage points in favour of BME for the whole year.

Bolsas y Mercados Españoles Group (KPIs)	4Q19	4Q18*	FY19	FY18
RNLV/Cost base ratio			126%	122%
Efficiency ratio (%)	43.0%	39.3%	40.5%	38.8%
ROE (%)	30.3%	33.4%	31.7%	33.1%

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BME efficiency ratio (Quarterly series)*



(*) Quarterly comparative data calculated using net revenues

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Staff

Bolsas y Mercados Españoles (Staff)	4Q19	4Q18	FY19	FY18
Average number of staff	799	823	805	803
Employees as at balance sheet date	796	825	796	825

(*) Includes employees from companies that make up the consolidation perimeter of the Group with the exception of the subsidiaries BME Soporte Local Colombia, S.A.S. and LATAM Exchanges Data, Inc. and those integrated by the equity method of accounting Regis-TR, S.A., Regis-TR UK, Ltd. and LATAM Exchanges Data México, S.A. from C.V.

SHARE PERFORMANCE

The fourth quarter of 2019 was marked by the announcement of the takeover bid by Six Group, AG, at an initial price of €34.0 per share, adjusted to take into account for the dividends that BME has already distributed and will distribute prior to the settlement date of the Bid. The announcement of the Bid had an impact on BME shares in terms of both price and volume.

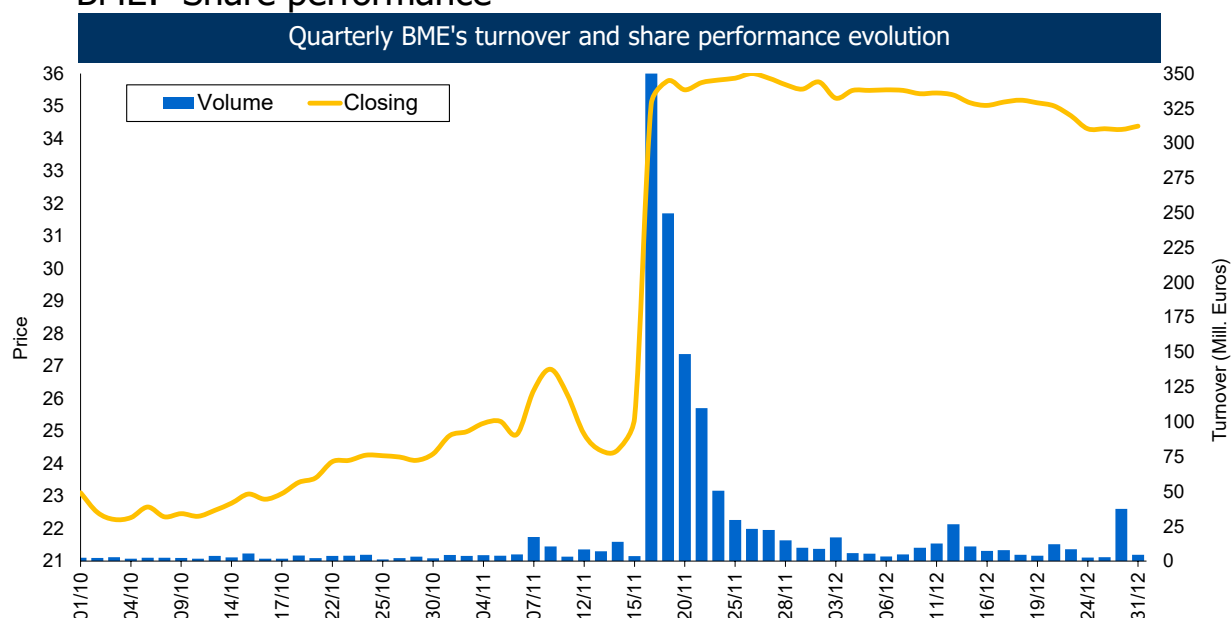
The revaluation of the BME share price for the quarter reached 48.3%, a better performance than that recorded by the IBEX 35®, which was up 3.3% for the period to stand at 9,549.2 points. For the whole of the year, the BME share price appreciated 41.4% compared to the 11.8% increase of the reference index.

The total return for the BME shareholder during the fourth quarter, considering the reinvestment of dividends, reached 50.9% and 49.7% if we consider the year as a whole.

The average daily cash volume for the quarter increased by 437.5% and trades by 88% year-on-year, whereas the number of securities traded increased 321.6% to 40.9 million shares.

Taking the year as a whole, the cash volume, securities and trades increased year-on-year by 87.8%, 73.7% and 11.8%, respectively.

BME: Share performance



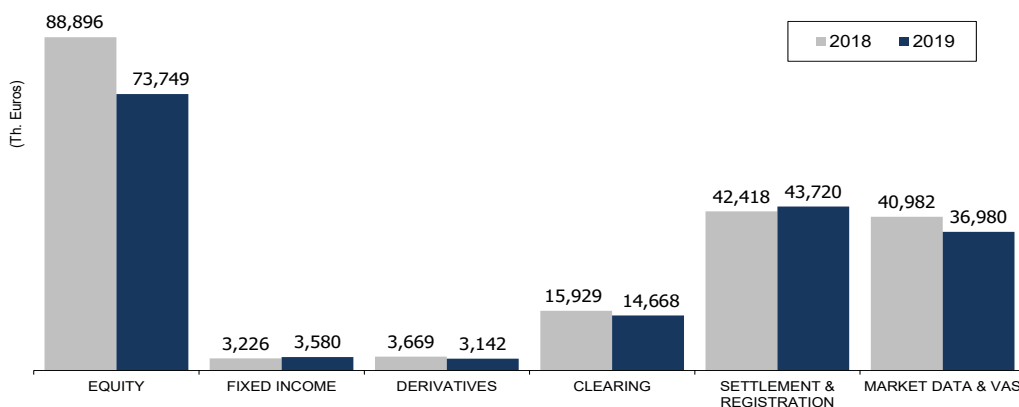
Bolsas y Mercados Españoles (Share performance)	4Q/19	4Q18	Δ	FY19	FY18	Δ
BME's share performance						
Higher quote	36.00	28.60	25.9%	36.00	30.20	19.2%
Lower quote	22.10	23.82	-7.2%	20.50	23.82	-13.9%
Average quote	29.26	26.00	12.5%	25.19	27.63	-8.8%
Closing quote				34.38	24.32	41.4%
BME's trading daily turnover (Mill. Euros)						
Higher daily turnover	377.8	13.9	2,618.0%	377.8	15.9	2,276.1%
Lower daily turnover	1.2	1.6	-25.0%	0.9	0.8	12.5%
Average daily turnover	21.5	4.0	437.5%	7.7	4.1	87.8%
BME's shares trading (Mill. Shares)	40.9	9.7	321.6%	65.5	37.7	73.7%
BME's number of trades	97,547	51,892	88.0%	203,107	181,605	11.8%

Business Units Quarter Overview

Bolsas y Mercados Españoles (Business Units FY19) (Thousands of Euros)	Equity	Fixed Income	Derivatives	Clearing	Settlement & Registration	Market Data & VAS
Net Revenues	111,999	7,568	11,221	25,688	58,934	66,300
Operating Costs	(38,250)	(3,987)	(8,079)	(11,020)	(15,214)	(29,320)
EBITDA	73,749	3,581	3,142	14,668	43,720	36,980

Key Investment Highlights Key Financial Business Units overview

EBITDA evolution by Business Unit (9M19)



Bolsas y Mercados Españoles	Net Revenues					
Business Units Net Revenues (Thousands of Euros)	4Q19	4Q18*	Δ	FY19	FY18	Δ
Equity	27,735	31,644	-12.4%	111,999	129,673	-13.6%
Fixed Income	1,732	1,933	-10.4%	7,568	7,878	-3.9%
Derivatives	2,815	2,904	-3.1%	11,221	11,189	0.3%
Clearing	6,780	6,631	2.2%	25,688	26,244	-2.1%
Settlement & Registration	14,722	14,482	1.7%	58,934	58,974	-0.1%
Market Data & VAS	17,479	17,043	2.6%	66,300	66,705	-0.6%
Total	71,263	74,637	-4.5%	281,710	300,663	-6.3%
Corporate Unit	7,746	11,583	-33.1%	26,938	25,298	6.5%
Consolidation adjustments	(6,212)	(8,575)	-27.6%	(23,256)	(21,805)	6.7%
Consolidated	72,797	77,645	-6.2%	285,392	304,156	-6.2%

Bolsas y Mercados Españoles	EBITDA					
Business Units EBITDA (Thousands of Euros)	4Q19	4Q18*	Δ	FY19	FY18	Δ
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%
Clearing	4,011	3,904	2.7%	14,668	15,929	-7.9%
Settlement & Registration	10,759	9,506	13.2%	43,720	42,418	3.1%
Market Data & VAS	9,281	9,234	0.5%	36,980	40,982	-9.8%
Total	42,859	45,383	-5.6%	175,840	195,120	-9.9%
Corporate unit	(1,347)	1,744	-177.2%	(5,899)	(9,054)	-34.8%
Consolidation adjustments						
Consolidated	41,512	47,127	-11.9%	169,941	186,066	-8.7%

(*) The information presented for the fourth quarter of 2018 corresponds to proforma data in which the effects derived from the first application of IFRS 15 have been reflected, as if it had occurred since January 1, 2018. Therefore, the information corresponding to 2018 differs from the public information presented in 2018 in the quarter. The recording and impacts of the application of IFRS 15 were described in Q4 2018.

EQUITY

The Equity unit closed 2019 with annual revenues from trading totalling €88,376 thousand and €23,623 thousand in Listing and other services, figures that fell by 15.7% and 4.9% compared to 2018. In the quarter, trading income decreased less than in the year (-13.0%) while listing and other services decreased more (-9.7%).

The combination of both items yielded total net revenue in the unit of €111,999 thousand for 2019, a decrease of 13.6% compared to the previous year. Of the total net revenue for the year, 78.9% came from the trading of equity instruments, and 21.2% from Listing and other services.

Operating costs for the unit fell 6.2% in the year and 4.5% in the quarter compared to the previous year. The EBITDA year-to-

date amounted to €73,749 thousand and to €17,618 thousand in the fourth quarter, with decreases of 17.0% and 16.3% respectively.

The combination of regulatory and macroeconomic factors marked the course of the equity markets in 2019. The addition of an expansionary monetary policy with more demanding regulatory requirements produced a strong contrast between the behaviour of equities in terms of prices and volumes. Subsequently, although the IBEX 35® revalued 11.7%, this appreciation did not transfer positively to the traded volumes, reflecting the complexity of the economic, regulatory and competitive scenario for trading, the main source of revenue for this business area.

Bolsas y Mercados Españoles (Equity Business Unit Income) (Th. Eur.)	4Q19	4Q18*	Δ	FY19	FY18	Δ
Net Revenues	27,735	31,644	-12.4%	111,999	129,673	-13.6%
Per transaction and regarding characteristics of the orders	21,883	25,163	-13.0%	88,376	104,831	-15.7%
Listing and other services	5,852	6,481	-9.7%	23,623	24,842	-4.9%
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%

Note: As detailed on page 5 and deriving from the entry into force of IFRS 16, in the fourth quarter and accumulated for 2019 certain lease expenses for the amount of €468 thousand and €1,872 thousand have ceased to be recognised as operating costs (€1,857 thousand and € 465 thousand were recognised as operating costs by the unit in the third quarter and accumulated for 2018 fiscal year).

(*) The information presented for the fourth quarter of 2018 corresponds to proforma data in which the effects derived from the first application of IFRS 15 have been reflected, as if it had occurred since January 1, 2018. Therefore, the information corresponding to 2018 differs from the public information presented in 2018 in the quarter. The recording and impacts of the application of IFRS 15 were described in Q4 2018.

Bolsas y Mercados Españoles (Equity Business Unit Activity)	4Q19	4Q18	Δ	FY19	FY18	Δ
TRADING (Mill. Euros)	128,602	134,126	-4.1%	469,928	588,921	-20.2%
Equity						
Turnover (Mill. Euros)	128,078	133,340	-3.9%	467,916	585,439	-20.1%
Of securities with 0,3 bps trading fee	84,515	88,852	-4.9%	302,697	383,086	-21.0%
Rest of securities	43,563	44,488	-2.1%	165,219	202,353	-18.4%
Number of trades	9,291,544	11,091,055	-16.2%	37,126,627	44,138,522	-15.9%
Average amount per trade (Euros)	13,784	12,022	14.7%	12,603	13,264	-5.0%
Exchange Traded Funds (ETFs)						
Turnover (Mill. Euros)	461	633	-27.2%	1,720	3,026	-43.2%
Number of trades	15,861	19,165	-17.2%	61,254	86,712	-29.4%
Warrants						
Turnover (Mill. Euros)	63	153	-58.8%	292	456	-36.0%
Number of Trades	18,039	24,062	-25.0%	72,482	88,351	-18.0%
Number of shares (Mill. Shares)	37,155	46,765	-20.5%	177,767	153,526	15.8%
LISTING						
Number of Companies listed				2,875	3,015	-4.6%
Market Capitalisation listed (Mill.Euros)				1,105,662	990,867	11.6%
Investment Flows channeled through Exchange (Mill. Euros)						
New listed companies	112	938	-88.1%	1,362	4,446	-69.4%
Already listed companies	5,617	2,279	146.5%	15,353	10,778	42.4%

Note: Turnover breakdown reported in 2018 was not correct and has been amended in this report.

In 2019, €469.9 billion were traded in Equity products, 20.2% less than in 2018. In the last quarter the decrease in the volume traded was 4.1%, the best relative variation in data of the last 8 quarters. The annual decrease in traded volume in shares was smaller than that experienced in ETFs and warrants.

The capitalisation of companies admitted to trading on markets managed by BME at 31 December 2019 reached €1.11 trillion, 11.6% more year-on-year.

Investment flows channelled to the Stock Exchange reached an amount of €16.7 billion for 2019, exceeding the total channelled a year earlier by 9.8%. Of this amount, the flows channelled in already listed shares totalled €15.4 billion, 42.4% more than in 2018 thanks to the capital increases (€5.6 billion in Q4 2019), underlining the importance of the market for listed companies as a way to diversify their sources of financing.

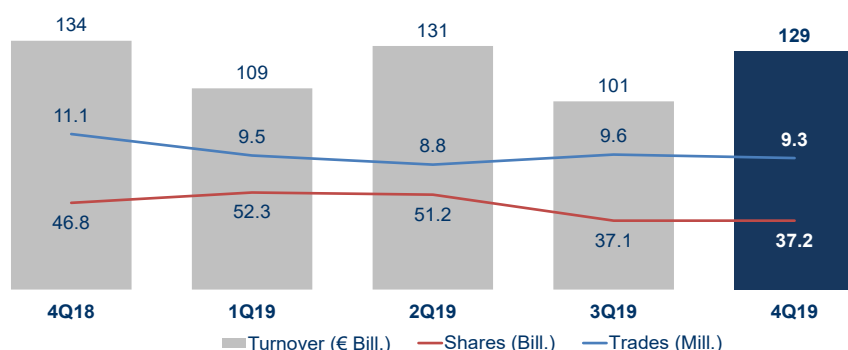
The growth in financing by listed companies offset the fall experienced in flows associated with IPOs, which showed a decrease of 69.4% to €1.4 billion. The economic and market conditions did not create a favourable framework to encourage companies to float themselves on the market and several of them postponed their plans for a time when they observe that there is a better investor predisposition.

The MAB was the most active market in admitting new companies in 2019 with 21 admissions (6 of them in the fourth quarter). 17 were REITs and the other 4 were in the growth company segment. By the end of 2019 there were 78 REITs listed in the MAB registers.

In December, the renewable energy company Grenergy, which until then was traded in the MAB, was admitted to the market of the Spanish Stock Exchange.

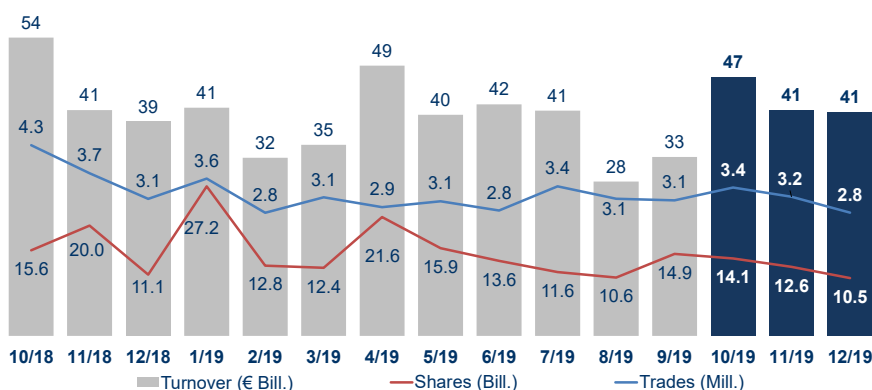
Equity Business unit Activity Overview

Turnover, trades and Shares traded (Quarterly basis)



Equity Business unit Activity Overview

Turnover, Trades and Shares (Monthly basis)



Note: The sum of monthly data may not match quarterly data due to rounding differences.

FIXED INCOME

The entry into force of the MIFID II regulation, also applicable to Fixed Income, generalised the use of electronic platforms in Europe for trading and compliance with transparency and reporting obligations. The BME Fixed Income Unit focused on positioning itself and improving its competitiveness in this new environment.

Of particular note for the whole of 2019 was the 63.1% increase in trading in Fixed Income on BME Platforms, especially in Spanish Public Debt and that of other Treasuries belonging to the European Union, whose issues were admitted to the market during the year. Trading grew by 14.7% over the quarter, compared to the same period of the previous year.

Total admissions to trading on the regulated Market showed a growth over the year of 4.7%, with very different behaviours. Private Fixed Income grew by 48.6% and Public Debt fell by 11.7% as a result of the reduction of the public deficit. The repatriation of issues of large Spanish companies such as Endesa or Ferrovial and the return to the Debt markets of some Autonomous Communities such as the Balearic Islands, Andalusia, Asturias or Castilla-León is also worthy of mention. Overall, the total outstanding balance at the end of the year amounted to €1.55 trillion, representing an increase of 2.1% for the year.

The activity in Fixed Income generated a total net revenue for the unit of €7,568 thousand, of which €1,732 thousand

corresponded to the fourth quarter, presenting decreases compared to the previous year of 3.9% and 10.4%, respectively. Revenue from trading grew 1.1% while that for listing fell 10.0% as a result of the adaptation of admission rates to the European competitive environment. The EBITDA of the Fixed Income Business Unit increased by 11.0% in 2019 to €3,581 thousand. Total operating costs for the unit were down by 14.3%.

The Alternative Fixed Income Market (MARF) reinforced itself as a financing mechanism for small and medium-sized businesses. A total of 78 companies, six of them Portuguese, have issued fixed-income securities in this market since its launch by BME in October 2013. The total volume issued on the MARF in Q4 2019 totalled €3.0 billion and the accumulated total for the year at €10.4 billion, up 51.9% and 62.9% on the previous year, respectively. The outstanding balance at the year-end stood at €5.1 billion, 54.0% more than a year ago.

Issues of green, social and sustainable bonds increased to €9.8 billion in 2019, 30% more than the previous year, placing Spain in the top 10 in the world ranking for sustainable bonds. The BME markets have admitted not only issuances from large companies such as ADIF and Bankinter but also from smaller companies such as Grenergy, which issued stock through the MARF in October.

Bolsas y Mercados Españoles (Fixed Income Business Unit Income) (Th. Eur.)	4Q19	4Q18*	Δ	FY19	FY18	Δ
Net Revenues	1,732	1,933	-10.4%	7,568	7,878	-3.9%
Trading	963	1,032	-6.7%	4,336	4,287	1.1%
Listing	769	901	-14.7%	3,232	3,591	-10.0%
Operating Costs	(995)	(1,133)	-12.2%	(3,987)	(4,652)	-14.3%
EBITDA	737	800	-7.9%	3,581	3,226	11.0%

(*) The information presented for the fourth quarter of 2018 corresponds to proforma data in which the effects derived from the first application of IFRS 15 have been reflected, as if it had occurred since January 1, 2018. Therefore, the information corresponding to 2018 differs from the public information presented in 2018 in the quarter. The recording and impacts of the application of IFRS 15 were described in Q4 2018.

Bolsas y Mercados Españoles (Fixed Income Unit Activity Overview)	4Q19	4Q18	Δ	FY19	FY18	Δ
TRADING (Mill. Euros)	64,461	56,224	14.7%	334,422	205,059	63.1%
Public Debt	64,400	56,174	14.6%	334,157	204,673	63.3%
Private Fixed Income	61	50	22.0%	265	386	-31.3%
Total Operations	9,383	9,442	-0.6%	43,611	45,376	-3.9%
LISTING (Mill. Euros)						
Volume admitted (nominal)	74,170	76,486	-3.0%	326,575	311,991	4.7%
Public Debt	42,300	49,517	-14.6%	202,183	228,881	-11.7%
Private Fixed Income	28,903	25,016	15.5%	114,035	76,751	48.6%
MARF	2,967	1,953	51.9%	10,357	6,359	62.9%

Note: During 2019, €517.2 billion of foreign government debt issues have been admitted to trading which have not been included in the figures corresponding to Public Debt.

DERIVATIVES

The total volume of Financial Derivatives contracts traded in BME during 2019 increased by 3.3% compared to the previous year to stand at 44.9 million contracts. The total annual revenue of the unit remained extremely stable compared to the previous year at €11,221 thousand.

In 2019 the reduced level of volatility of the previous two years remained unchanged. According to the VIBEX® index, the daily average implied volatility in 2019 was 13.7% with a drop of 1.3 points compared to the previous year. The annual volatility peaks occurred during the month of August, but were less intense than in previous years. The average volatility for 2019 is 10 percentage points lower than the historical average of the VIBEX® since 2008.

Within this context, market volumes were mixed with a sharp increase in stock futures and dividend hedging products, while IBEX 35® options and futures decreased. Trading in stock futures grew by 15.6% during the quarter and 42.9% for the year and products related to IBEX 35® dividend payment hedges and individual shares also grew 104.8% and 60.8% respectively. IBEX 35® Futures and Options fell by 5.9% and 9.0% respectively over the year, in line with the fall in similar products in the rest of Europe.

The energy market was very active during the fourth quarter and during 2019 in Spain, subsequently, the contracts traded in the BME derivatives market provided adequate coverage for the operators. The volume of megawatt hours (MWh) traded through energy derivative contracts on MEFFPower in the fourth quarter was up 67.7% year-on-year, with contracts maturing quarterly showing a noteworthy increase of 153.6%. For the whole of 2019, trading increased 114.0%.

Although the unit's net revenue for the year was stable at €11,221 thousand, the increase in operating costs related to the development of new underlying assets led to a drop in the EBITDA for the year of 14.4%. The EBITDA of the fourth quarter presented a more pronounced decrease as a result of the decrease in net revenue of 3.1% compared to the previous year, together with a greater one-off intensity of work on the new derivative products based on xRolling® FX currencies launched in the same year. It is expected that 2020 will see the admission of new market members, liquidity providers, as well as distributors of the contracts traded between the end users.

Bolsas y Mercados Españoles (Derivatives Business Unit Income) (Th. Eur.)	4Q19	4Q18	Δ	FY19	FY18	Δ
Net Revenues	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%

Bolsas y Mercados Españoles (Derivatives Business Unit Activity Overview)	4Q19	4Q18	Δ	FY19	FY18	Δ
Financial Derivatives (number of contracts)	12,281,619	12,156,406	1.0%	44,920,848	43,502,218	3.3%
Index Derivatives (number of contracts)						
IBEX 35® Index Futures	1,475,185	1,611,803	-8.5%	5,965,905	6,342,478	-5.9%
Micro & Mini IBEX 35® Index Futures	366,528	361,752	1.3%	1,454,921	1,490,237	-2.4%
IBEX 35® Div Impact Futures	52,827	34,672	52.4%	144,831	70,725	104.8%
IBEX® Sectorial Futures	1	490	-99.8%	6	2,745	-99.8%
IBEX 35® Index Options	1,047,918	1,505,893	-30.4%	3,806,355	4,183,154	-9.0%
Open Interest				658,682	875,216	-24.7%
Total notional value (Mill.Euros)	151,013	160,977	-6.2%	594,387	661,981	-10.2%
Equity Derivatives (number of contracts)						
Equity Futures	3,103,189	2,683,936	15.6%	15,298,027	10,703,192	42.9%
Equity dividend Futures	108,004	127,808	-15.5%	758,700	471,814	60.8%
Equity Options	6,127,967	5,830,052	5.1%	17,492,103	20,237,873	-13.6%
Open Interest				7,344,363	7,430,748	-1.2%
Total notional value (Mill.Euros)	6,439	5,985	7.6%	22,584	21,263	6.2%
Energy Derivatives- Electricity (MWh)	7,657,602	4,566,739	67.7%	26,413,034	12,343,048	114.0%
Number of Trades	891,400	987,330	-9.7%	3,477,262	3,709,764	-6.3%

CLEARING

Total revenues of the BME Clearing unit amounted to €25,688 thousand for the whole of 2019, showing a fall of 2.1%. Operating costs grew by 6.8% due to the new developments related to the clearing house activity for currency derivatives and repos. EBITDA for the year fell 7.9%.

The total net revenue in the quarter reached €6,780 thousand, an increase of 2.2% compared to the same period of the previous year due to the push in equity derivatives, energy products and repo trades, which offset the drop in equity and derivatives activity on the IBEX 35®. EBITDA for the quarter increased by 2.7% and operating costs by 1.5%, with costs levelling out compared to previous quarters.

The unit's activity includes the clearing of spot equity transactions traded on systems managed by BME, the clearing and settlement of all financial, currency and electricity derivatives traded or registered on the Exchange and the MEFF as well as natural gas derivatives, the clearing of repos with fixed income securities (swaps or repos on Spanish government debt and other countries of the EU), and the clearing and settlement of interest rate derivatives.

44.9 million derivative contracts were cleared on indices and individual shares and dividend hedges in 2019, 3.3% more

than those cleared in 2018. The joint open interest in financial derivatives at the end of December was 8.0 millions with a decrease of 3.6% year-on-year.

The clearing activity in energy derivatives (electricity and natural gas) increased prominently over the year. The volume cleared in 2019 amounted to 26.6 TWh, 93.4% more than in the previous year, and the position interest at the end of the year was 9.6 TWh, 48.4% more than a year earlier.

In the equity segment, 74.5 million trades were processed in 2019, 15.9% less than in 2018, for a cash volume of €931.0 billion.

Trades in fixed-income securities (repos) were cleared in the amount of €182.7 billion, up 17.4%. During Q4 2019, BME Clearing began to offer repo clearing services for the sovereign debt of several European countries (Italy, Portugal, Germany, France, the Netherlands and Austria) as well as the trades registered in Spanish sovereign debt.

Trades in interest rate derivatives in 2019 had a notional value of €196 million, with an open interest at the end of the year of €588 million.

Bolsas y Mercados Españoles (Clearing Business Unit Income) (Th. Eur.)	4Q19	4Q18	Δ	FY19	FY18	Δ
Net Revenues	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%

Bolsas y Mercados Españoles (Clearing Business Unit Activity Overview)	4Q19	4Q18	Δ	FY19	FY18	Δ
Financial Derivatives						
Index Derivatives (number of contracts)	2,942,459	3,514,610	-16.3%	11,372,018	12,089,339	-5.9%
Equity Derivatives (number of contracts)	9,339,160	8,641,796	8.1%	33,548,830	31,412,879	6.8%
Open Interest (number of contracts)				8,003,045	8,305,964	-3.6%
Energy Derivatives (Electricity and Natural Gas)						
Volume (MWh)	7,719,797	4,663,789	65.5%	26,646,872	13,776,521	93.4%
Open Interest (MWh)				9,622,284	6,484,239	48.4%
Repo						
Turnover (€ Mill.)	50,512	38,608	30.8%	182,724	155,637	17.4%
Number of Operations	472	536	-11.9%	1,893	2,145	-11.7%
Interest Rates Derivatives						
Notional value registered (€ Mill.)	75	82	-8.5%	196	147	33.4%
Open Interest (€ Mill.)				588	463	27.0%
Equity						
Number of transactions cleared	18,650,526	22,267,634	-16.2%	74,517,692	88,624,170	-15.9%
Equity turnover cleared (€ Mill.)	255,614	263,585	-3.0%	931,048	1,135,729	-18.0%

SETTLEMENT & REGISTRATION

In 2019 Iberclear obtained the licence from the regulator so that it could continue to provide its services in accordance with the requirements established in the Regulation on improving securities settlement in the European Union, also known as the CSD Regulation. This fact and the efficient adaptation to the new regulatory environment formed by the migration of the Spanish Securities Settlement and Clearing System to Target2 Securities (T2S) are the main business continuity milestones in this area and also for BME, where in 2019 the businesses channelling funds accounted for 20.7% of the Group's total revenue and 25.7% of the EBITDA.

In 2019 the Settlement and Registration accounts stabilised in comparative terms with the previous year and revenues experienced an almost flat performance. Turning to costs, there was an important decrease of 8.1% for the year overall and 20.4% during the fourth quarter, compared to the same periods in 2018.

Subsequently, annual costs amounted to €15,214 thousand and revenue, after falling 0.1%, to stand at €58,934 thousand resulting in an EBITDA of €43,720 thousand, 3.1% higher than in 2018.

The main contribution to revenue lies in the registration activities that contributed €36,302 thousand over the year, representing 61.6% of the Unit's total revenue. The volume recorded at the end of 2019 increased to €2.36 trillion, compared to €2.26 trillion recorded over the same period of the previous

year, representing a 4.5% increase. Of this volume, the cash recorded in Equities presented an increase of 11.7% in 2019 compared to 2018, around €827 billion.

In the fourth quarter, revenue from the Registration activities totalled €9,192 thousand, 1.9% more than in the last three months of 2018.

The most favourable relative behaviour with respect to the previous year within the Unit was that of the settlement operation which generated revenues that were up 2.4% for the year and 8.6% for the quarter. These businesses represented 17% of the Unit's revenues for the year to stand at €10,046 thousand.

The total accumulated number of settled trades in 2019 exceeded 9.3 million, 1.6% more than those settled at the end of the previous year and for an average daily cash volume of €92.9 billion, an increase of 20.5% more. 2,330,249 trades were settled during the last quarter of 2019, representing an increase of 1.5% compared to last year.

In 2019 Iberclear continued to increase the range of cross-border settlement and custodian services to its settlement participants, both independently and in partnership with specialised entities. The Cross-Border Services (CBS) project, which began just over six months ago and is operational for the most important EU countries, has already reached €10 billion of assets in custody.

Bolsas y Mercados Españoles (Settlement Business Unit Income) (Th. Eur.)	4Q19	4Q18	Δ	FY19	FY18	Δ
Net Revenues	14,722	14,482	1.7%	58,934	58,974	-0.1%
Settlement	2,662	2,452	8.6%	10,046	9,809	2.4%
Registration	9,192	9,023	1.9%	36,302	36,650	-0.9%
Other services	2,868	3,007	-4.6%	12,586	12,515	0.6%
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%

Bolsas y Mercados Españoles (Settlement Business Unit Activity Overview)	4Q19	4Q18	Δ	FY19	FY18	Δ
Operations settled	2,330,249	2,294,685	1.5%	9,308,651	9,165,147	1.6%
Turnover settled (€ Billion daily avg.)				92.9	77.1	20.5%
Volume registered - end of period- (€ Billion)				2,363.9	2,261.8	4.5%
Nominal Registered in Fixed Income				1,537.4	1,521.9	1.0%
Market Cap registered in Equity				826.5	739.9	11.7%

MARKET DATA & VAS

The Unit underwent many internal changes in 2019 that have crystallised in a refocusing of the businesses based on the consolidation of the traditional services offered (basically related to products, information platforms and market access) and, in parallel, the creation of new products and services from its BME Inntech division to boost growth.

Primary Information Services

In the last quarter of 2019, the average number of users subscribed to the different levels of information decreased by 5.8% compared to the previous year. This decrease was offset by an increase in the total number of customers and direct connections, 3.7% and 1.8% respectively.

The customer base of the “End of Day” family of information products at the year-end increased 8.3% compared to the same period of 2018. The number of customers of regulatory services provided through of the APA also grew, with an increased channelling of information from Systematic Internalisers.

Colocation and Proximity services also recorded a positive behaviour.

Net revenue increased in the fourth quarter by 17.7% for all primary information services to stand at €10,747 thousand, bringing total net revenue for the year to €38,797 thousand, 0.6% lower than in 2018.

The dissemination of the trades carried out in the MEFF Energy Derivatives segment through the BME Data Feed has been incorporated into the primary information services. Turning to development, progress is being made in the incorporation of indices for public debt yield for future marketing actions, as well as the calculation and dissemination of the “Fair Value” of the private fixed-income assets listed on BME.

Value Added Services

With regard to value added services, which are closely linked to innovation processes, in 2019 the unit obtained revenue of €6,732 thousand in the fourth quarter and an accumulated revenue for the year of €27,503 thousand, showing decreases of 14.9% and 0.6%, respectively compared to 2018.

This section follows several strategic lines. One is to enhance the hub of regulatory solutions (RegTech Solutions) whereby customers are assisted in their regulatory compliance, digitisation and efficiency processes. This area saw the increased marketing of the Best Execution & Transaction Cost Analysis service, showing a growth of 20% of the customer base. Likewise, work is being carried out on the analysis of a new version of the SICAM service and new services are being looked into to be added to the strategic line.

Another of the strategic lines in which it is investing is that of Innovation Labs with the Artificial Intelligence and DLT laboratories. The SOFIA product has been successfully launched: Investment Algorithms that have been positively received by the sector. Similarly, the DLT Lab has launched a pledging service on the Be DLT blockchain platform which has reduced the pledge certification process by 80%.

BME Inntech’s Wealthtech Department was awarded several projects to implement the Openworkplace solution while intensively working on the positioning of BME Inntech in Latin America.

As a result of this dual approach, the year ended with revenues of €66,300 thousand (-0.6% compared to 2018) and €17,479 thousand in the fourth quarter, registering an increase of 2.6% year-on-year.

Consolidated operating costs in the year increased by 14.0% to €29,320 thousand as a result of the reorganisation of the unit and the start-up of several projects. The increase of costs was lower in the fourth quarter, 5.0% year-on-year. After allocating operating costs, the EBITDA for the year as a whole totalled €36,980 thousand, down 9.8%. The EBITDA in the quarter improved by 0.5% compared to the previous year to stand at €9,281 thousand.

Bolsas y Mercados Españoles (Market Data & VAS - Information Business Unit Income) (Th. Eur.)	4Q19	4Q18	Δ	FY19	FY18	Δ
Net Revenues	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%