Group level, the company aims at a ratio of net debt to EBITDA of no more than 1.75, and a ratio of free funds from operations to net debt of at least 50 per cent.

**Overall assessment by the Executive Board**

The Executive Board of Deutsche Börse AG believes that the Group continues to be very well positioned in terms of international competition, thanks to its comprehensive offering along the securities trading value chain and its innovative strength. Against this backdrop, the Executive Board expects to see a positive trend in the Group’s results of operations over the long term. The purpose of the measures as part of the growth strategy is to further accelerate the Group’s growth. In this context, the Group aims to act in a more agile and effective manner, and with increased client focus, to turn Deutsche Börse into the global market infrastructure provider of choice, being top-ranked in all its activities. Looking at the economic and regulatory framework over the forecast period, uncertainty persists concerning capital market participants’ behaviour; therefore, it is impossible to come up with a concrete forecast for cyclical growth in net revenue. Nonetheless, Deutsche Börse Group endeavours to further expand its structural growth areas, and to increase their contribution to net revenue again by at least 5 per cent. In terms of net profit for the period attributable to Deutsche Börse AG shareholders, the Executive Board expects growth (excluding non-recurring effects) of around €1.20 billion in the forecast period. Overall, the Executive Board assumes on this basis that cash flow from operating activities will be clearly positive and that, as in previous years, the liquidity base will be sound. The overall assessment by the Executive Board is valid as at the publication date for this combined management report.

**Deutsche Börse AG (disclosures based on the HGB)**

The annual financial statements of Deutsche Börse AG are prepared in accordance with the provisions of the German Commercial Code (Handelsgesetzbuch, HGB) and the supplementary provisions of the German Stock Corporation Act (Aktiengesetz, AktG) and are the underlying basis for the explanations that follow.

**Business and operating environment**

**General position**

Deutsche Börse AG is the parent company of Deutsche Börse Group. The parent company’s business activities include first and foremost the cash and derivatives markets, which are reflected in the Eurex (financial derivatives) and Xetra (cash equities) segments, as well as the data and index businesses. Deutsche Börse AG also operates essential parts of Deutsche Börse Group’s information technology. The development of Deutsche Börse Group’s Clearstream (post-trading) segment is reflected in Deutsche Börse AG’s business development, primarily due to the profit and loss transfer agreement with Clearstream Holding AG. Deutsche Börse Group’s IFS (investment fund services) and GSF (collateral management) segments, in contrast, play a lesser role for Deutsche Börse AG. Nonetheless, Deutsche Börse AG’s business and operating environment is essentially the same as that of Deutsche Börse Group; this is described in the “Macroeconomic and sector-specific environment” section.
Deutsche Börse AG’s course of business in the reporting period

Deutsche Börse AG’s revenues have increased by 1.9 per cent in the 2019 financial year, coming in below the company’s expectations. Total costs (staff costs, amortisation of intangible assets and depreciation of property, plant and equipment and other operating expenses) decreased by 4 per cent. Our volume of new business has risen by just under 55.2 per cent over the same period of the previous year. Deutsche Börse AG’s Executive Board considers the company’s performance during the 2019 financial year as satisfactory.

Results of operations of Deutsche Börse AG

Deutsche Börse AG’s net revenue rose by 1.9 per cent in 2019 to €1,423.5 million (2018: €1,396.5 million). At €854.5 million (2018: €836.6 million), the largest contribution to revenue came from the Eurex (financial derivatives) segment. The breakdown of revenue by company segment is provided in the "Sales revenue by segment" table.

For more information on the development of the Eurex (financial derivatives) segment, please refer to the "Eurex (financial derivatives) segment" section.

The revenue contributed by the EEX (commodities) and 360T (foreign exchange) segments is generated mainly by IT services. Therefore, the explanations in the "EEX (commodities) segment" and "360T (foreign exchange) segment" sections relate only indirectly to Deutsche Börse AG. The earnings situation of the Data and Qontigo (index business) segments is shown in the "Data segment" and "Qontigo (index business) segment" sections. It is worth noting that the business development of the STOXX Ltd. subsidiary does not directly impact upon the business performance of Deutsche Börse AG. An explanation of the business development in the Xetra (cash equities) segment can largely be found in the "Xetra (cash equities) segment" section. Revenues attributable to the Clearstream (post-trading), IFS...
(investment fund services) and GSF (collateral management) segments result from the IT services Deutsche Börse AG provides to companies belonging to the Clearstream Holding subgroup.

Other operating income decreased to €36.3 million during the year under review (2018: €54.3 million).

The company's total costs of €884.6 million were down 4 per cent year-on-year (2018: €921.2 million). For a breakdown, please refer to the table "Overview of total costs". Staff costs were down by 17.5 per cent year-on-year during the year under review, to €248.6 million (2018: €301.5 million). The decline in staff costs is mainly due to the restructuring programme and streamlining of the management structure. Furthermore, additions to pension provisions decreased by €9.8 million, which was due to changed framework conditions. The staff numbers increased from an average of 1,437 in the prior year to 1,472 in the 2019 financial year.

Amortisation of intangible assets and depreciation of property, plant and equipment increased to a total of €59.1 million in the year under review (2018: €57.8 million).

Other operating expenses were up 2.7 per cent year-on-year, to €576.9 million (2018: €561.9 million).

Deutsche Börse Group's result from equity investments for the 2019 financial year totalled €542.9 million (2018: €242.3 million) and, among others, consisted of dividend income of €305.7 million (2018: €90.6 million), income from the transfer of profits in the amount of €228.1 million (2018: €152.7 million) and a loss absorption from profit and loss transfer agreements of €3.9 million.

Earnings before interest, tax, depreciation and amortisation (EBITDA) increased to €1,181.2 million (2018: €831.2 million). Net profit for the period amounted to €825.9 million, representing an increase of 55.2 per cent (2018: €532.2 million).

**Development of profitability**

Deutsche Börse AG's return on equity expresses the ratio of net income after taxes to average equity available to the company during the course of 2019. Return on equity increased from 21 per cent in 2018 to 29.9 per cent in the year under review.

**Financial position of Deutsche Börse AG**

As at the reporting date, cash and cash equivalents amounted to €849.3 million (2018: €716.5 million) and included bank deposits on current accounts as well as term deposits and other short-term deposits.

Deutsche Börse AG has external credit lines available of €605.0 million (2018: €605.0 million), which were not yet drawn upon as at 31 December 2019. Moreover, the company has a Commercial Paper programme in place, which allows for flexible and short-term financings of up to €2.5 billion, in various currencies. At the end of the year, there was no Commercial Paper outstanding.

Through a Group-wide cash-pooling system, Deutsche Börse AG ensures an optimum allocation of liquidity throughout Deutsche Börse Group; in this way, the parent entity makes sure that all subsidiaries are in a position to honour their payment obligations at any time.

Deutsche Börse AG has issued three corporate bonds with a nominal value of €600 million each and one corporate bond with a nominal value of €500 million. For more details concerning these bonds, please refer to the "Financial position" section.
In the 2019 financial year, Deutsche Börse AG generated cash flow from operating activities of €945.1 million (2018: €642.3 million), mainly thanks to higher net profit.

Cash flow from investing activities amounted to €495.0 million (2018: €444.1 million). This increase is strongly correlated with the capital reduction of Eurex Global AG (€442.3 million) and STOXX Ltd. (€50.1 million). In addition, the Index Business was spun off into Qontigo Index GmbH (€14.0 million).

Cash flow from financing activities amounted to €–486.1 million in the year under review (2018: €–807.8 million). In the 2019 financial year, Deutsche Börse AG distributed €495 million in dividends for the year 2018. Cash and cash equivalents amounted to €47.3 million on the 31 December 2019 reporting date (2018: €–906.6 million) and consisted of liquid funds of €849.3 million (2018: €716.5 million), less cash-pooling liabilities of €801.9 million (2018: €1,623.1 million).

<table>
<thead>
<tr>
<th>Overview of total costs</th>
<th>2019</th>
<th>2018</th>
<th>Change</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff costs</td>
<td>248.6</td>
<td>301.5</td>
<td>– 17.5</td>
<td>– 17.5</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>59.1</td>
<td>57.8</td>
<td>2.3</td>
<td>2.3</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>576.9</td>
<td>561.9</td>
<td>2.7</td>
<td>2.7</td>
</tr>
<tr>
<td>Total</td>
<td>884.6</td>
<td>921.2</td>
<td>– 4.0</td>
<td>– 4.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flow statement (condensed)</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities</td>
<td>945.0</td>
<td>642.3</td>
</tr>
<tr>
<td>Cashflow from investing activities</td>
<td>495.0</td>
<td>–444.1</td>
</tr>
<tr>
<td>Cashflow from financing activities</td>
<td>–486.1</td>
<td>–807.8</td>
</tr>
<tr>
<td>Cash and cash equivalents as at 31 December</td>
<td>47.3</td>
<td>–906.6</td>
</tr>
</tbody>
</table>

**Net assets of Deutsche Börse AG**

As at 31 December 2019, the non-current assets of Deutsche Börse AG amounted to €5,349.8 million (2018: €5,892.9 million). At €5,007.5 million, most of the non-current assets was attributable to shares in affiliated companies (2018: €5,520.9 million), mainly from the investment in Clearstream Holding AG, in 360 Treasury Systems AG, in Eurex Frankfurt AG as well as the investment in Qontigo GmbH.

Deutsche Börse AG's investments in intangible assets and property, plant and equipment totalled €60.4 million during the year under review (2018: €56.1 million). This rise was related to payments on account for construction in progress in various locations. Depreciation and amortisation in 2019 amounted to €59.2 million (2018: €57.8 million).

Receivables from and liabilities to affiliated companies include settlements for intra-Group services and amounts invested by Deutsche Börse AG within the scope of cash-pooling arrangements. Apart from settlements for intra-Group services, receivables from affiliated companies are largely due from Qontigo GmbH and Qontigo Index GmbH. This is on account of the spin-off of the Index Business into Qontigo Index GmbH and the associated establishment of Qontigo GmbH. In total, these items amount to €80.4 million. Liabilities to affiliated companies resulted mainly from cash-pooling amounting to €801.9 million (2018: €1,623.1 million) and trade liabilities in the amount of €46.1 million (2018: €43.9 million).
Working capital amounted to €–903.5 million in 2019 (2018: €–1,652.9 million). The change was mainly attributable to a decrease in liabilities from cash pooling.

### Non-current assets (condensed)

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangible assets</td>
<td>108.5</td>
<td>117.9</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>85.6</td>
<td>74.9</td>
</tr>
<tr>
<td>Financial assets</td>
<td>5,155.7</td>
<td>5,700.1</td>
</tr>
<tr>
<td><strong>Non-current assets as at 31 December</strong></td>
<td><strong>5,349.8</strong></td>
<td><strong>5,892.9</strong></td>
</tr>
</tbody>
</table>

### Employees per country/region

<table>
<thead>
<tr>
<th>Country</th>
<th>31 Dec 2019</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>1,484</td>
<td>98.0</td>
</tr>
<tr>
<td>Great Britain</td>
<td>20</td>
<td>1.3</td>
</tr>
<tr>
<td>France</td>
<td>5</td>
<td>0.3</td>
</tr>
<tr>
<td>Other European countries</td>
<td>4</td>
<td>0.3</td>
</tr>
<tr>
<td>Asia</td>
<td>2</td>
<td>0.1</td>
</tr>
<tr>
<td><strong>Total Deutsche Börse AG</strong></td>
<td><strong>1,515</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

**Deutsche Börse AG employees**

The number of employees at Deutsche Börse AG rose by 74 in the reporting year and totalled 1,515 as at 31 December 2019 (31 December 2018: 1,469 employees). The average number of employees at Deutsche Börse AG for the 2019 financial year was 1,472 (2018: 1,437).

During the 2019 financial year, 93 employees left Deutsche Börse AG, resulting in a staff turnover rate of 6 per cent.

On 31 December 2019, Deutsche Börse AG had employees at six locations around the world. Information on the countries, regions, the employees’ age structure and length of service are provided in the tables that follow.

As at 31 December 2019, 77 per cent of Deutsche Börse AG’s employees were graduates. The ratio is based on the number of employees holding a degree from a university, college or vocational academy, as well as the employees who have completed degrees abroad. In 2019, the company invested an average of 4.0 days in training per employee.
Remuneration report of Deutsche Börse AG

The principles governing the structure and design of the remuneration system at Deutsche Börse AG are the same as those for Deutsche Börse Group. Therefore, please refer to the remuneration report for Deutsche Börse Group.

Corporate governance statement in accordance with section 289f HGB

The corporate governance statement in accordance with section 289f HGB corresponds to that of Deutsche Börse Group. Therefore, please refer to the “Combined corporate governance statement and corporate governance report” section.

Opportunities and risks facing Deutsche Börse AG

The opportunities and risks facing Deutsche Börse AG, as well as the measures and processes for dealing with these opportunities and risks, are essentially the same as those for Deutsche Börse Group. Therefore, please refer to the risk report and the report on opportunities of Deutsche Börse Group. In principle, Deutsche Börse AG participates in the opportunities and risks of its equity investments and subsidiaries in proportion to the size of its shareholding. Risks that could potentially threaten the existence of the Eurex Clearing AG subsidiary would also have had a direct influence on Deutsche Börse AG based on a letter of comfort issued by Deutsche Börse AG. As of the reporting date, there were no risks jeopardising the company’s existence. Further information on the letter of comfort issued to Eurex Clearing AG is available in the “Other financial obligations and transactions not included in the balance sheet” section in the notes to the annual financial statements of Deutsche Börse AG.

The description of the internal control system (ICS), required by section 289 (4) of the HGB, is provided in the “Group management” section.

Report on expected developments at Deutsche Börse AG

The expected developments in Deutsche Börse AG’s business are largely subject to the same factors as those influencing Deutsche Börse Group. The relevant disclosures and quantitative information on Deutsche Börse AG are provided in the report on expected developments.
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