



EURONEXT SECURITIES

# MANAGEMENT REPORT AND FINANCIAL STATEMENTS

JUNE 2023

/ PORTO

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# MISSION AND BUSINESS AREAS



# 1 INTRODUCTION

## 1.1 Mission

INTERBOLSA- *Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A.* (hereinafter Euronext Securities Porto) is a public limited company whose purpose is the management of settlement systems and centralised securities systems.

The mission of Euronext Securities Porto is to:

- Provide capital market participants, financial institutions and issuers with systems for registration, deposit and custody of securities as well as systems for the settlement of transactions of those same securities;
- To contribute to the development and efficiency of the capital market, namely in the areas of settlement and custody, by providing top quality services and infrastructures that respond safely and reliably to the needs of market agents, thus creating competitive conditions, reducing systemic risks and safeguarding investors' rights.

In carrying out its mission, and in accordance with its corporate purpose and the provisions of Regulation (EU) No. 909/2014 of 23 July (hereinafter abbreviated as CSD Regulation), Euronext Securities Porto pursues a wide range of activities in the following areas:

- Initial registration of securities in a centralised registration system;
- Structuring and administration of Centralised Securities Systems;
- Management of Securities Settlement Systems;
- Non-banking-type ancillary services, of which the most important are: the allocation and management of ISIN codes as the National Numbering Agency, the organisation of the Loan Management System (LMS) and the Investment Funds System (IFS) and the management of links with other central securities depositories (CSD Links).

## 1.2 Strategic Plan "Growth For Impact 2024"

In November 2021, the Euronext Group presented its new strategic plan, called "Growth for Impact 2024", outlining its ambition to build a leading market infrastructure in Europe. This strategic plan was built around five strategic priorities:

- 1 Leveraging the integrated value chain,
- 2 "Pan-Europeanising" of the CSDs,
- 3 Developing the Euronext Group's leadership in Europe,
- 4 Building capacity in sustainable finance and
- 5 Executing value-creating mergers and acquisitions.

Euronext's current strategic plan places renewed emphasis on the CSD area, as an integral part of its mission to connect European economies with global capital markets to accelerate innovation and sustainable growth.

With the new strategy also came a new brand: Euronext Securities, which is now the designation of the four CSDs that make up the Group's current network: Euronext Securities Porto (Interbolsa), Euronext Securities Oslo (Euronext VPS) Euronext Securities Copenhagen (VP Securities) and Euronext Securities Milan (Monte Titoli).

The ambition to "Europeanise" and expand the post-trade business focuses on four key strategic pillars to connect European customers with international markets:

- 1 Expand Euronext Securities' service offering to help issuers and financial institutions streamline their operations, reduce costs and increase efficiency.
- 2 Converge by providing common platforms for the 4 CSDs that will reduce inefficiencies in connecting European economies to global markets.
- 3 Scale up European activities to provide market participants using Euronext's main listing and trading platforms across Europe with more options for issuance, custody and settlement.
- 4 Improve customer experience by making Euronext Securities services easier to access and use across all markets.

## 1.3 Main Areas of Activity

### 1.3.1 Initial Registration, Structuring and Administration of Centralised Securities Systems

As part of the structuring and administration of centralised securities systems (hereinafter, Centralised Securities Systems), Euronext Securities Porto registers the issues and the positions held by financial intermediaries and performs all the necessary procedures for the exercise of rights.

In detail, Euronext Securities Porto provides the following services:

- Registration and control of securities issues represented in dematerialised form;
- Registration and control of securities issues represented in certificated form and their safekeeping;
- Registration of positions held by Financial Intermediaries and other participants in accounts opened on the centralised systems, and which are reflected in the TARGET2-Securities (T2S) platform;
- Carrying out all the necessary procedures for the exercise of ownership rights, namely changes to the share capital of companies, payment of income and redemptions.

The participants in the Centralised Systems are the Issuers, the Financial Intermediaries and other entities that, under the terms of the law and the regulations in force, may become affiliated (custodians), as well as the Bank of Portugal, and Euronext Securities Porto itself, as the controlling entity.

The Centralised System is made up of an interconnected set of accounts through which the creation and transfer of the securities is processed and the quantity of securities in circulation, as well as the rights constituted over them, are monitored.

### 1.3.2 Management of Settlement Systems

Since 29 March 2016, Euronext Securities Porto has provided its settlement service through the T2S platform, operated by the Euro system. Euronext Securities Porto operates the participants' securities accounts and dedicated cash accounts opened on that platform for payments in euro. Payments in non-euro currency not accepted by the T2S platform are processed by sending payment instructions to the foreign currency payment system (SPME) operated by Caixa Geral de Depósitos.

Settlement Systems have the following functions:

- Settlement of transactions carried out on a regulated market or multilateral trading facility;
- Settlement of OTC (Over-The-Counter) transactions;
- Settlement of Free-of-Payment (FOP) transfers;
- Settlement relating to the exercise of rights attached to securities registered or deposited in the Centralised Securities Systems;
- Processing financial settlements on participants' dedicated cash accounts opened on the T2S platform for payments in euros and sending payment instructions to the foreign currency payment system (SPME), operated by Caixa Geral de Depósitos, for payments in non-euro currency.

The participants in the Settlement Systems are the Financial Intermediaries affiliated to Euronext Securities Porto and other entities that, under the terms of the law and the regulations in force, may assume the quality of affiliate, thus ensuring the physical and financial settlement of the operations executed on the regulated market and in the multilateral trading system, as well as the operations executed off-market.

### 1.3.3 Non-Banking-Type Ancillary Services

Euronext Securities Porto provides a set of non-banking services that do not imply credit or liquidity risks, contributing to reinforce the security, efficiency and transparency of the securities markets, including services related to settlement and registration, as well as the administration of the centralised registration system.

## National Numbering Agency

The National Numbering Agency is the entity responsible for assigning ISIN - International Securities Identification Number, CFI - Classification of Financial Instruments and FISN - Financial Instrument Short Name codes.

In this context, Euronext Securities Porto performs the following functions:

- Allocation of ISIN identification codes to all securities and other financial instruments issued in Portugal;
- Allocation of CFI codes (code identifying the type and form of the security) to all securities and financial instruments with an ISIN code;
- Allocation of FISN codes, harmonised abbreviation for the name of the issuer entity and the characteristics of the financial instrument;
- Dissemination at national level, as well as to all members of ANNA - Association of National Numbering Agencies, of the assigned codes;
- Intermediation between national entities and other National Numbering Agencies.

## Investment Funds Service - SFI

Euronext Securities Porto provides its participants with an Investment Fund Management Service (SFI), which provides Financial Intermediaries and Investment Fund Management Companies with the following functionalities:

- The registration and control of investment fund units (open-ended and closed-ended), including ETFs, in whole or fractional quantities;
- The automatic processing of subscriptions and redemptions of open-ended investment fund units, using an order routing mechanism. This functionality allows depositary banks and depositary entities to accompany and monitor the entire subscription and redemption process, namely the financial settlement, whenever this occurs in their cash accounts (DCA).
- Settlement of transactions in investment fund units/ETFs;
- The processing of corporate actions associated with investment fund units/ETFs.

## Links With Other Central Securities Depositories (CSD Links)

The establishment of CSD Links between Euronext Securities Porto, as Investor CSD, and other central securities depositories (Issuer CSD), enables Euronext Securities Porto participants to hold in their accounts financial instruments originally registered in those CSDs, thus allowing the transfer of securities between Euronext Securities Porto participants and participants in those CSDs in real time.

The connections are based on the functionalities of the T2S platform which, through a Euronext Securities Porto securities account (called omnibus account) opened in the foreign CSD, and a mirror account created in Euronext Securities Porto, allows the control of securities in circulation in Portugal. The exercise of rights on securities issued in other depositories is processed by the respective central securities depositories. Euronext Securities Porto guarantees the redistribution by its participants of the cash or securities resulting from the received rights exercises.

On the other hand, the establishment of CSD Links between Euronext Securities Porto, as Issuer CSD, and other Central Securities Depositories (Investor CSDs), allows the participants of those Depositories to hold financial instruments originally registered in Euronext Securities Porto in their accounts, thus allowing the cross-border transfer of these securities, as well as the processing of the rights exercises, through the pan-European T2S platform.

## Provision of Information

Euronext Securities Porto regularly provides statistical, historical and financial information to the Financial Intermediaries, the Issuers, the Portuguese Securities Market Commission, the Bank of Portugal, the European Central Bank, auditors and any other entities requesting it.

## Holders Identification

One of the most important activities of the information management area of Euronext Securities Porto is the provision of a service that allows Issuers of registered securities, issued in dematerialised form or in certificated form and registered in the Centralised Securities Systems, to have access to information regarding the holders of securities issued by them, as well as the quantity held by each holder.

## 1.4 Empowering Sustainable Finance

Euronext's Managing Board and Supervisory Board have fully endorsed ESG as core part of the current strategic plan called "Growth for Impact 2024" which sets out the Group's ambition to build the leading market infrastructure in Europe focuses on a strong integration of ESG measures at the heart of its decision making.

The Group aims to make an impact on its industry and its ecosystem, so as to shape capital markets for future generations. The new sustainability strategy focuses on accelerating climate action both in the Euronext operations and through the role it plays in empowering sustainable finance across all its markets.

As part of the strategic plan, Euronext has announced a "Fit for 1.5°" climate commitment, for its own business, its partners and its clients. It has committed to setting science-based quantitative climate targets by signing the "Business Ambition for 1.5°C", a commitment led by the Science Based Targets initiative.

This plan has a dual ambition:

- To promote safe and transparent financial markets that enable investment in sustainable products and services.
- Within the company itself, to practice sustainable conduct that supports our ecosystem in five areas :
  - **Markets:** Ensure the successful delivery of the products and services that form part of Euronext's ESG commitment "Fit for 1.5".
  - **Environment:** Manage the carbon footprint arising from business travels.
  - **People:** Actively promote a culture of inclusion which celebrates diversity.
  - **Partners:** Support our partners.
  - **Society:** Embark on internal or external climate education actions.

Each key issue has specific KPIs in order to better assess the five different impact areas.

At Euronext Securities, we are dedicated to supporting the ESG agenda of our issuers and the financial community. As part of Euronext's overall ESG strategy, we have developed a comprehensive Issuer Services portfolio, such as general meeting services and shareholder register services, designed with ESG in mind. Our virtual and hybrid solutions enable participation in general meetings remotely, thus reducing the need for travel, while increasing accessibility and engagement. Our solutions allow issuers to digitize many of the processes involved in facilitating a general meeting, thus helping to reduce the consumption of paper and other resources.

Our shareholder identification and shareholder register services provide valuable insights about companies' shareholders. Across our four CSDs we offer a range of solutions to meet the needs

of our clients and in close collaboration with Euronext Corporate Services, which provides companies with value-adding shareholder analysis.

Euronext Securities Porto currently offers holder identification services and is actively working to expand its portfolio in order to offer additional value-added services to its clients.

Euronext Securities Porto employees also engaged in the following activities:

- **Coastal Cleaning Day:** 30 Euronext Porto employees joined to clean Praia da Memória in Matosinhos in collaboration with the Matosinhos City Council, whose technicians also provided information on the importance of these cleaning initiatives, addressing water saving issues as well as the correct way of treating domestic oils.
- **Euronext Blue Challenge:** In the 2022/2023 edition, 6 Euronext employees (both from Porto and Lisboa) volunteered their time to mentor nine teams of students that created impressive mini-companies with viable projects that embrace the Blue Economy and climate change mitigation. At the national level, 24 students and 6 teachers from 6 different schools were involved.

# ACTIVITY REVIEW 1<sup>ST</sup> HALF-YEAR 2023



# 1 ACTIVITY REPORT JANUARY-JUNE 2023

## 1.1 Participants

As of 30 June 2023, Euronext Securities Porto had 30 affiliates in the Centralised Securities Systems and Settlement Systems it manages. It is worth noting that Credit Suisse (Luxembourg), S.A. is ceased being a participant in the systems managed by Euronext Securities Porto as of 20 June 2023.

Clearstream Banking AG (CBF) and Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) participate in the Euronext Securities Porto systems following the establishment of Investor CSD Links with this management entity.

Besides the above mentioned affiliates, the following are also participants in the Systems managed by Euronext Securities Porto: Banco de Portugal, Agência de Gestão da Tesouraria e da Dívida Pública, IGCP, E.P.E, LCH, S.A., OMIClear - Sociedade de Compensação de Mercados de Energia, SGCCC, S.A., Cboe Clear Europe N.V., Euronext Paris, Euronext Lisbon - Sociedade Gestora de Mercados Regulamentados, S.A. and the Comissão do Mercado de Valores Mobiliários (CMVM) as the managing entity of the Investor Compensation Scheme.

It should be noted that, in the context of the Euronext Securities Porto's management of securities settlement systems and its participation in the T2S platform, the participants in the settlement systems managed by Euronext Securities Porto may be either a Directly Connected Party (DCP) or an Indirectly Connected Party (ICP) to the T2S platform, both subject to the supervision and oversight powers set out in the Euronext Securities Porto rules. Participants with an indirect connection to the T2S platform (ICPs) maintain their connection to the local Euronext Securities Porto systems, through the communication channels provided by this management entity, accessing the T2S platform through those same systems. Participants with a direct connection to the T2S platform (DCPs) only maintain technical access to the T2S platform for settlement and related services.

The contractual relationship for participation in Euronext Securities Porto's systems, including participation in the T2S platform, remains solely and exclusively with Euronext Securities Porto.

## 1.2 Centralised Systems

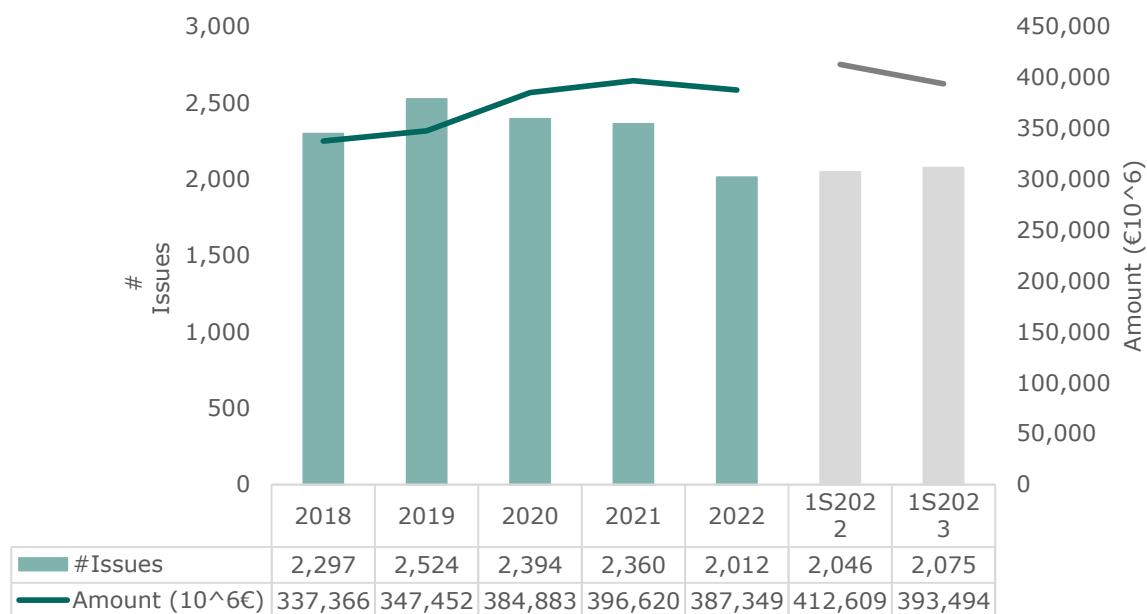
The Centralised System is made up of an interconnected set of accounts through which the creation and transfer of securities is processed and the quantity of securities in circulation, as well as the rights constituted over them, are monitored.

As of 30 June 2023, 2,075 securities issues were registered in the Centralised Securities Systems. In absolute terms, the number of securities issues increased by 29 compared to the 2,046 issues registered at the end of June 2022 (+1.4%).

Registered securities issues were valued at € 393,494 million, compared to € 412,609 million on 30 June 2022 (-4.6%).

In the referred period, 417 warrants and 65 certificates were registered, which are not valued.

### Securities Registered with Euronext Securities Porto



The following table shows the breakdown of issues registered in the systems managed by Euronext Securities Porto, by type of security, as of 30 June 2023 and 2022.

Type of securities	30/06/2023		30/06/2022	
	#Issues	Amount (10^6€)	#Issues	Amount (10^6€)
<b>Shares</b>	<b>414</b>	<b>120,548</b>	<b>416</b>	<b>126,807</b>
<b>Rights</b>	<b>19</b>	<b>152</b>	<b>23</b>	<b>1,397</b>
<b>Debt</b>	<b>722</b>	<b>266,948</b>	<b>704</b>	<b>279,899</b>
Public Debt	<b>29</b>	<b>171,952</b>	<b>34</b>	<b>179,031</b>
<i>Treasury Bonds</i>	25	167,080	28	169,512
<i>Treasury Bills</i>	4	4,872	6	9,519
Private Debt	<b>693</b>	<b>94,996</b>	<b>670</b>	<b>100,868</b>
<i>Bonds (1)</i>	644	93,284	622	98,934
<i>Convertible Securities (2)</i>	3	55	3	139
<i>Commercial Paper</i>	44	1,578	43	1,716
<i>Participation Bonds</i>	2	79	2	79
<b>Other</b>	<b>920</b>	<b>5,846</b>	<b>903</b>	<b>4,506</b>
Fund Shares	432	5,387	323	3,946
Warrants	417	0	502	0
Certificates	65	0	68	0
Structured Values	6	459	10	560
<b>Total Assets Under Custody</b>	<b>2,075</b>	<b>393,494</b>	<b>2,046</b>	<b>412,609</b>

(1) Includes Classic Notes, Cash Notes, Convertible Notes, Notes with Subscription Rights, Participating Notes, Covered Bonds and Securitised Notes

(2) Mandatorily Convertible Securities

The valuation referred to in the table above is based on:

- (a) The nominal value, in the case of debt securities and other securities which are not admitted to trading on a market;
- (b) Market prices provided by the respective management entity, for securities admitted to trading on a market, other than debt securities;
- (c) The value of the units provided by the management entity, for those units which are not admitted to trading on a market;
- (d) The issue value of shares without par value, not admitted to trading on a market, corresponding to the portion of share capital in question.

In the table above, the valuation of issues of warrants, certificates, and other similar values is not shown.

Type of securities	Var. #Issues	Var. %	Var. Amount (10^6€)	Var. %
<b>Shares</b>	<b>-2</b>	<b>-0.5%</b>	<b>- 6,259</b>	<b>-4.9%</b>
<b>Rights</b>	<b>-4</b>	<b>17.4%</b>	<b>-1,245</b>	<b>-89.2%</b>
<b>Debt</b>	<b>18</b>	<b>2.6%</b>	<b>-12,951</b>	<b>-4.6%</b>
Public Debt	<b>-5</b>	<b>-14.7%</b>	<b>-7,079</b>	<b>-3.9%</b>
<i>Treasury Bonds</i>	-3	-10.7%	-2,432	-1.4%
<i>Treasury Bills</i>	-2	-33.3%	-4,647	-48.8%
Private Debt	<b>23</b>	<b>3.4%</b>	<b>-5,872</b>	<b>-5.8%</b>
<i>Bonds (1)</i>	22	3.5%	-5,650	-5.7%
<i>Convertible Securities (2)</i>	0	0	-84	-60.4%
<i>Commercial Paper</i>	1	2.3%	-138	-8%
<i>Participation Bonds</i>	0	0	0	0
<b>Other</b>	<b>17</b>	<b>1.8%</b>	<b>1,340</b>	<b>29.74%</b>
Fund Shares	109	33.7%	1,441	36.5%
Warrants	-85	-16.9%	0	0
Certificates	-3	-4.4%	0	0
Structured Values	-4	-40%	-101	-18%
<b>Total Assets Under Custody</b>	<b>29</b>	<b>1.4%</b>	<b>-19,117</b>	<b>-4.6%</b>

### 1.2.1 Form of Representation of the Securities

Under Portuguese law, securities may be either held in physical form (i.e. on paper), or in dematerialized form (registered in a securities account) depending on the issuer's choice.

Of the total number of securities issues held at Euronext Securities Porto (2,075 issues), 1,727 are represented in dematerialised form and 348 are represented by physical securities, which are immobilised in the Euronext Securities Porto vault.

Of the 348 physical securities issues, 284 represent issues of warrants, and 43 are certificates, whereby each issue is represented by a single certificate.

In percentage terms, 83.2% of registered issues are dematerialised and 16.8% are represented by physical securities.

When registered in the centralized systems of Euronext Securities Porto, securities represented in certificated form are treated as if they were dematerialized and are immobilized in the vault of Euronext Securities Porto.

### 1.2.2 Issue Control

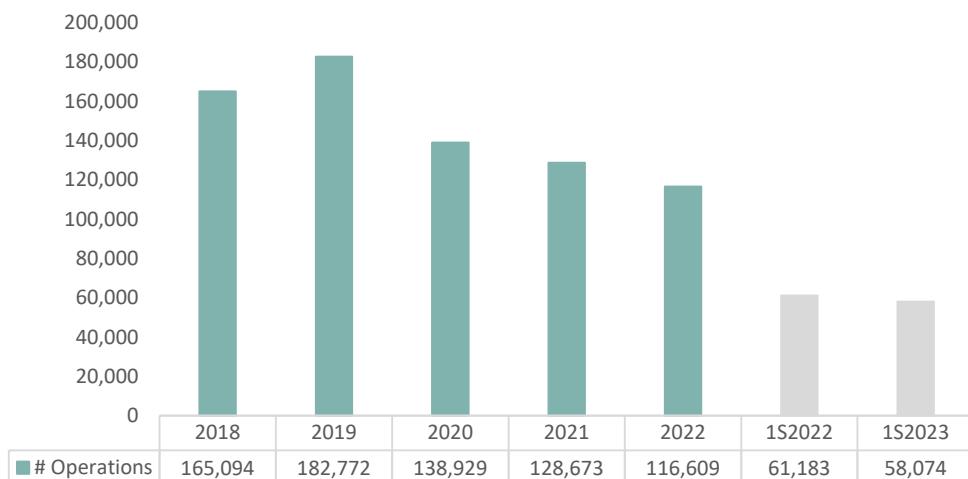
As part of its activity of registration and control of dematerialised issues and deposit, custody and control of certificated securities, Euronext Securities Porto manages, for each form of securities representation, an internal account in which it enters the difference between the quantity of securities issued, of an issue or category, and the quantity of securities registered and/or deposited in the Centralised Systems it manages.

### 1.2.3 Securities Transactions

The systems managed by Euronext Securities Porto also process other securities transactions, namely transfers of securities between accounts of the same participant and between accounts of different participants, for the physical settlement of transactions as for the mere transfer of securities between accounts, instructions relating to restrictions on securities (blocking, reservation, earmarking), instructions relating to the processing of the exercise of rights and instructions relating to operations carried out by Central Banks.

#### Account Movements

In the first semester of 2023, 58,074 securities transfers were made, 3,109 less than in the previous year, representing a decrease of 5.1% compared with the number of account movements made during the same period in 2022.

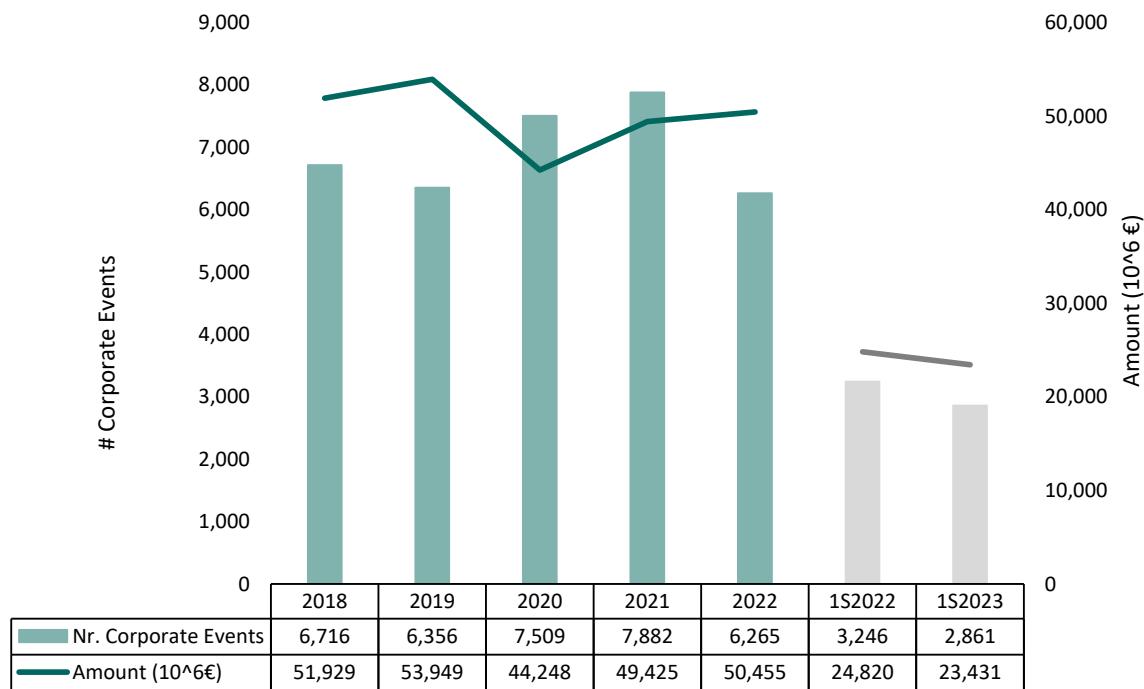


### 1.3 Exercise of Rights of Equity Content and Other Corporate Actions

The exercise of rights and other corporate actions constitutes one of the main activities of the Centralised Systems.

2,861 operations were processed in the first six months of 2023, , representing, in absolute terms, a decrease of 385 operations compared to the same period of 2022 (-11.9%). This decrease is mainly explained by the decrease in the warrants exercises.

The amount processed related to corporate actions decreased to € 23,431 million, compared with € 24,820 million processed in the same period of the previous year, representing a decrease of 5.6% in percentage terms and year-on-year.



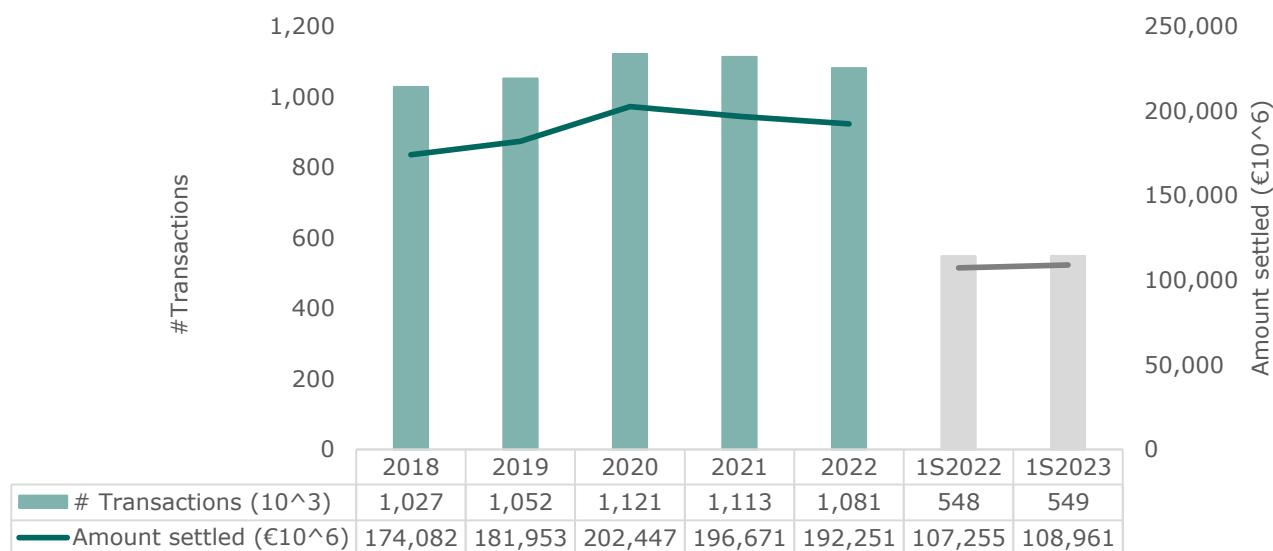
## 1.4 Settlement Systems

Euronext Securities Porto provides the settlement service through the T2S pan-European platform, handling the participants' securities accounts and dedicated cash accounts opened on that platform for payments in euro. Payments in non-euro currencies not accepted by the T2S platform are processed by sending payment instructions to the foreign currency payment system (SPME), operated by Caixa Geral de Depósitos.

### 1.4.1 Settlement in Euros

In the first six months of 2023, 549 thousand transactions were settled for an amount of € 108,961 million, compared to 548 thousand transactions settled in the previous year for an amount of € 107,255 million.

This represents a 0.1% increase in the number of transactions and a 1.6% increase in the settled amount.



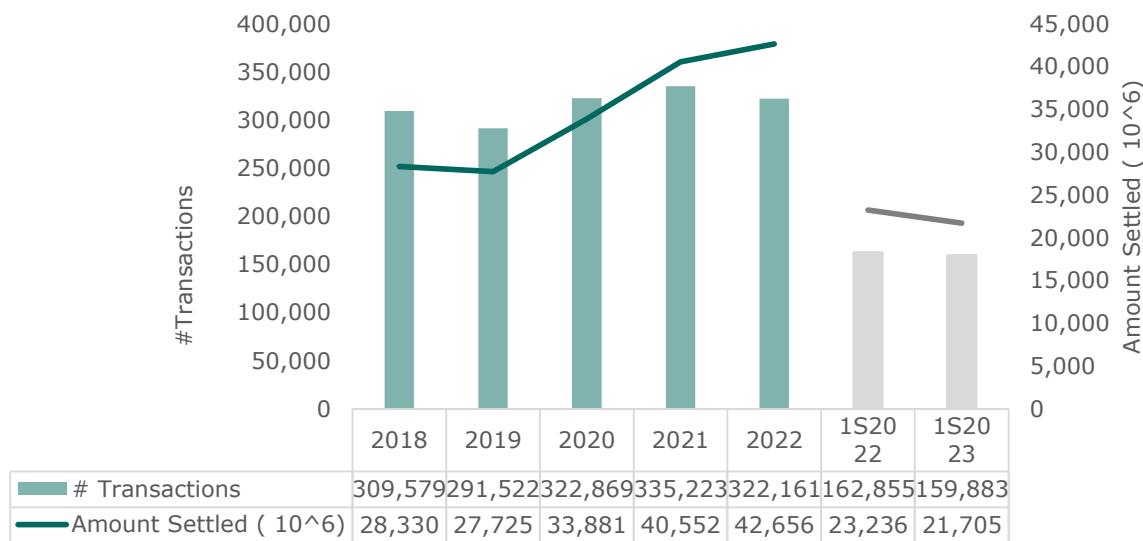
#### 1.4.1.1 Guaranteed and Non-Guaranteed Operations, Carried Out on the Market

In the first six months of 2023, 159,883 operations were settled in markets managed by Euronext Lisbon and in other trading platforms and guaranteed by a central counterparty.

The amount involved in these operations was € 21,705 million, which compares with €23,236 million settled in the previous year.

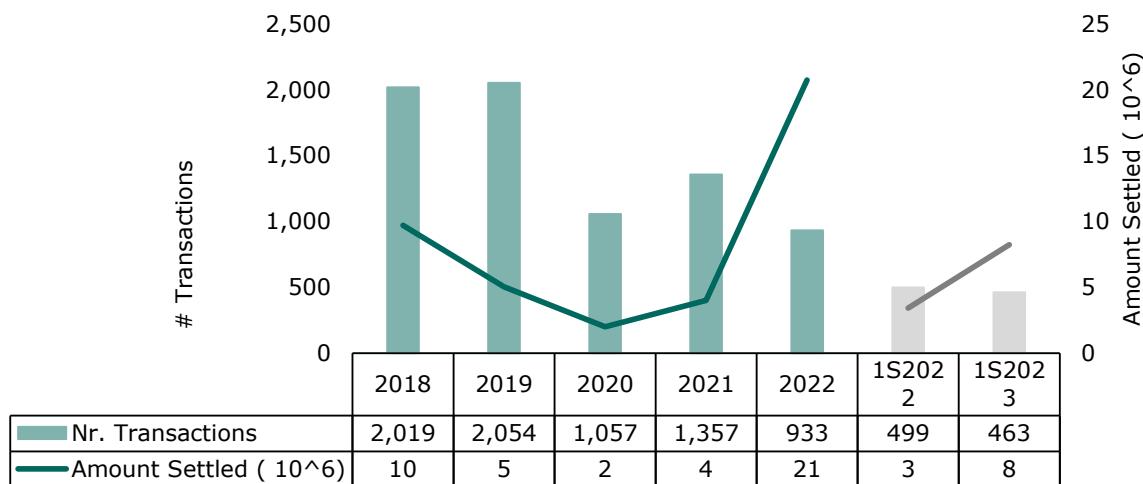
In comparative and year-on-year terms, there was a 1.8% decrease in the number of guaranteed operations settled. This trend was accompanied by the settled amount, which diminished by 6.6%.

#### Guaranteed operations carried out on the market



Instructions relating to operations carried out on markets managed by Euronext Lisbon and on other trading platforms and not guaranteed by a central counterparty decreased to 463, less 36 comparing to the trades settled in the same period of the previous year (-7.2%). On the other hand, the settled amount, reaching € 8 million, recorded a positive trend in the first semester of 2023.

#### Non-Guaranteed Operations Carried Out on the Market

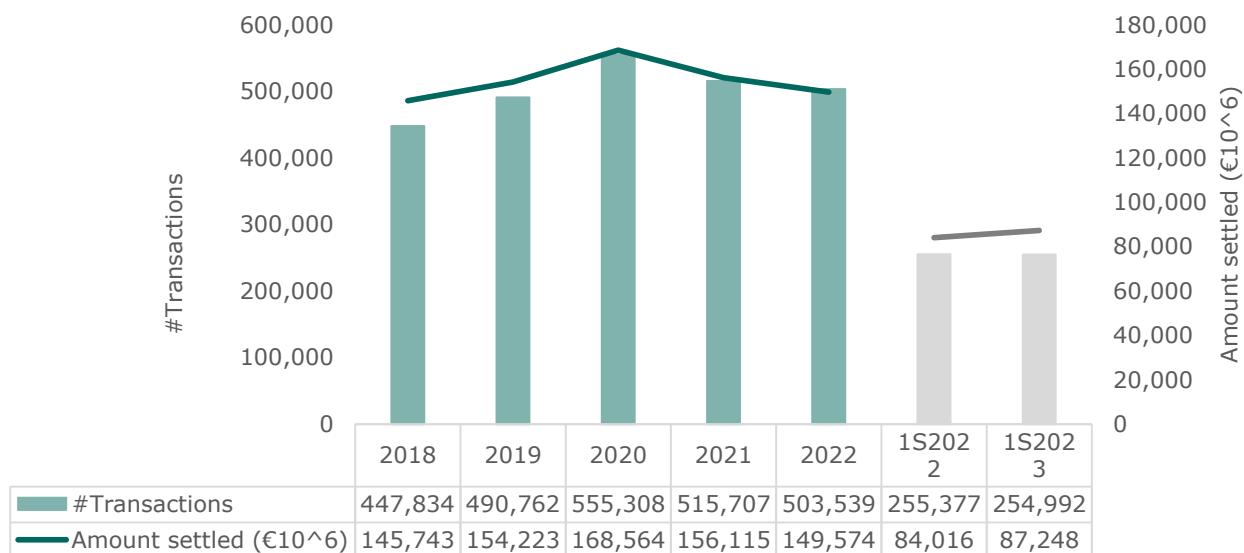


#### 1.4.1.2 Other DVP and FOP Operations Carried Out Over-The-Counter (OTC)

In the first semester of 2023, 254,992 DVP (Delivery versus Payment) operations were settled, related to OTC operations, against 255,377 operations of this type settled in the same period of the previous year (-0.2%).

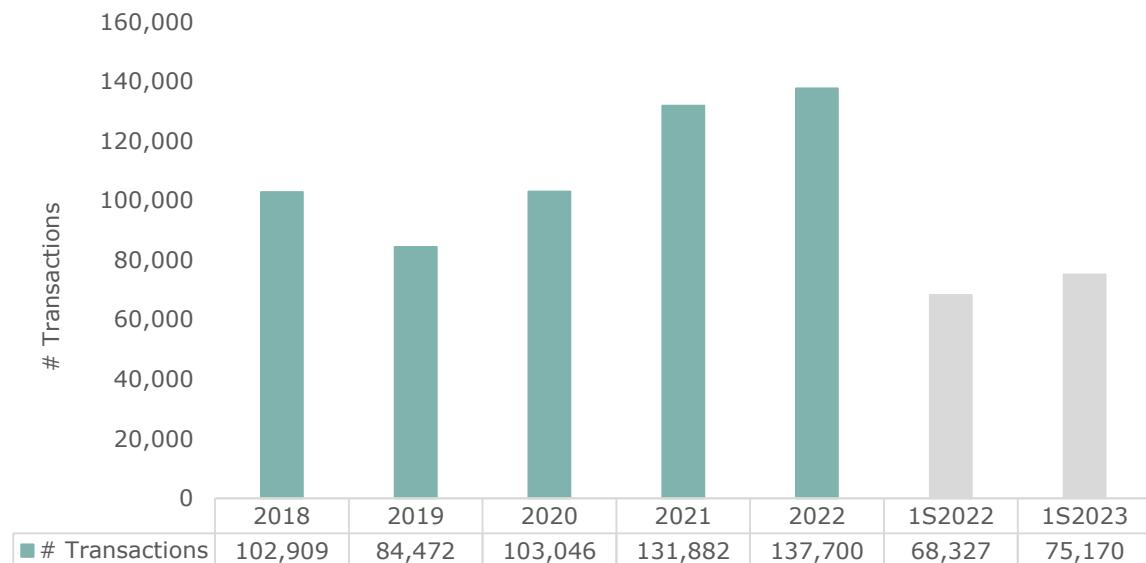
The settled amount in turn increased by 3.8%, from € 84,016 million settled in the first six months of the previous year to € 87,248 million settled in the same period of 2023.

##### DVP Operations



With regard to FOP instructions, the number of off-market operations rose to 75,170, representing, in absolute terms, an increase of 6,843 operations (+10.0%).

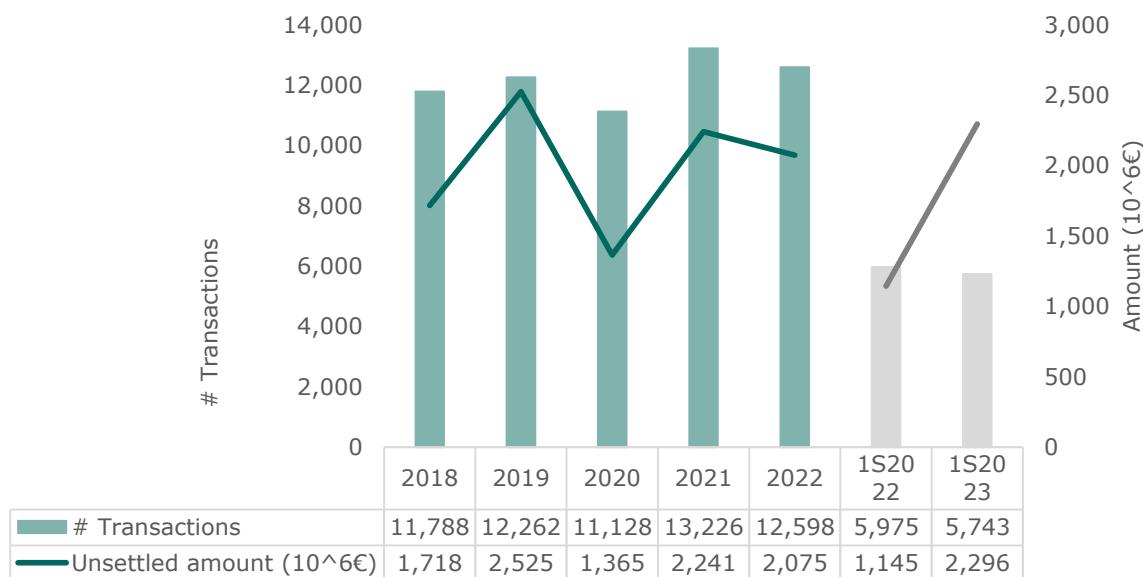
### FOP Operations



### Unsettled Operations

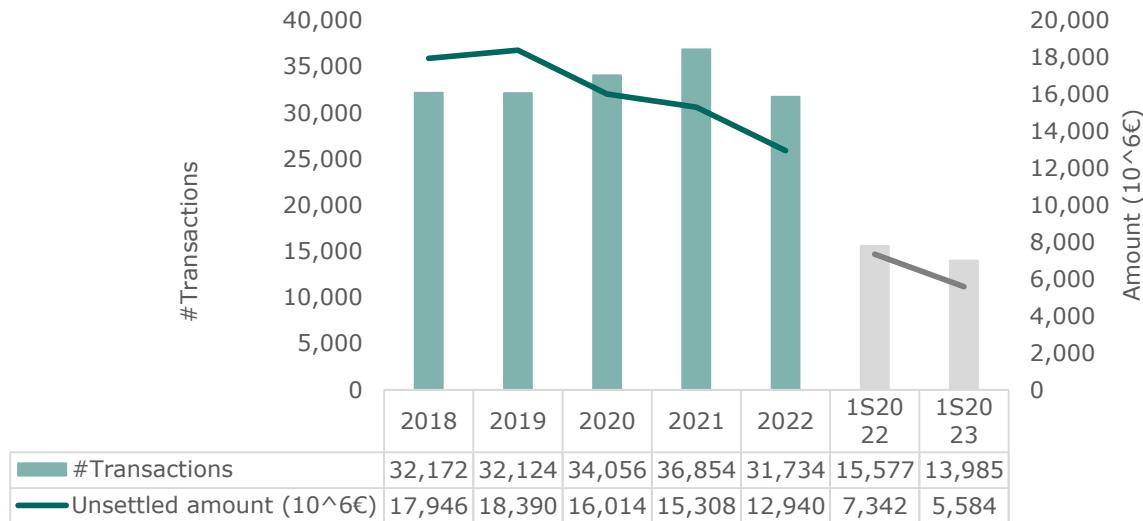
Unsettled operations resulting from guaranteed and non-guaranteed operations carried out in markets managed by Euronext Lisbon and in other trading platforms, amounted to 5,743 operations representing a year-on-year decrease of 3.9%. On the other hand, the amount of unsettled operations increased by 100.5%, from € 1,145 million at the end of the first semester of 2022 to € 2,296 million in the period under analysis.

### Unsettled Operations Carried Out on the Market

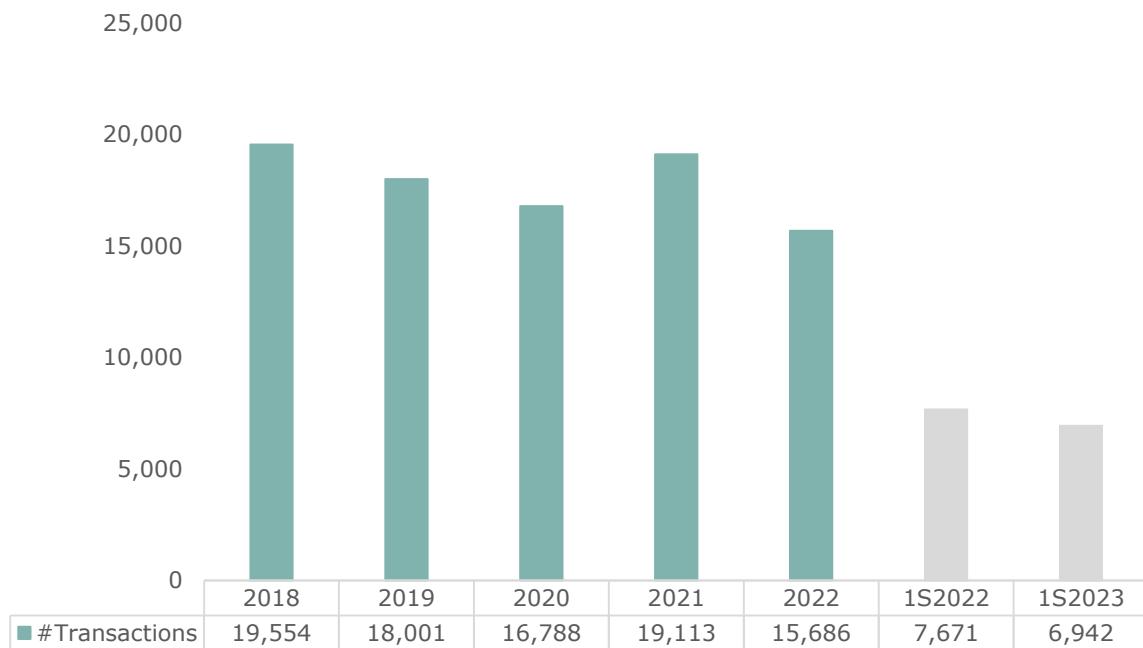


Transactions not settled on the intended settlement date (ISD), resulting from DVP operations carried out through the settlement systems managed by Euronext Securities Porto, showed a decrease of 1,592 less, with the amount involved in these operations decreasing from €7,342 million to €5,584 million (-23.9%).

### Unsettled DVP Operations in ISD



## Unsettled FOP Operations in ISD



In the first semester of 2023, the number of FOP operations not settled on the intended settlement date (ISD), reduced to 6,942, which compares with 7,671 operations not settled in the same period of the previous year (-9.5%).

### 1.4.2 Foreign Currency Settlement

Euronext Securities Porto also manages a settlement system in currencies other than euro, using a commercial bank money type payment system operated by CGD - Caixa Geral de Depósitos, S.A..

Foreign currency settlement instructions that are not eligible for T2S are processed as follows:

- (a) Physical settlement is processed in T2S, conditional on its financial settlement outside T2S;
- (b) Payment instructions, resulting from settlement by the Foreign Currency Settlement System (SLME), are processed by the Foreign Currency Payment System (SPME), operated by Caixa Geral de Depósitos.

This system allows the payment of income and the financial settlement of transactions carried out in the markets managed by Euronext Lisbon and not guaranteed by LCH, S.A. and of OTC transactions. Since September 2019, it also allows the settlement and payment of income

relating to ETFs denominated in currencies other than the euro.

The (SLME) is prepared to process operations in USD, GBP, JPY, CHF, CAD, AUD, CNY, NOK and SEK, and may be extended to other convertible currencies, after an analysis, whenever necessary to meet the needs of the market.

As at the end of June 2023, 14 foreign currency securities issues were registered in the Centralised System (2 less than those registered in the same period of 2022), of which 10 were issued in USD and 2 in JPY, 1 in CNY and 1 in AUD.

The amount of the USD issues amounted to \$ 776 million, with the issue in JPY valued at ¥15,000 million, the issue in AUD valued at A\$ 9 million and the issue of participation units in CNY, as of 30 June 2023, had no amount recorded.[1](#)

## 2 ANCILLARY SERVICES

### 2.1 National Numbering Agency

As part of its duties, Euronext Securities Porto, as the National Numbering Agency, issued 5,300 new codes in the first semester of 2023, which compares with 5,155 codes assigned during the same period of the previous year. 7,947 codes were deactivated. As a result, on 30 June 2023, 10,007 ISIN codes and respective CFI and FISN codes were active.

Fulfilling the objective of disseminating the ISIN and CFI codes assigned by the National Numbering Agency at international level, Euronext Securities Porto provides information to the central database, operated by ASB - ANNA Service Bureau on a daily basis, which allows for all ISIN information to be accessed by all entities that need it, as well as by the national numbering agencies members of ANNA - Association of National Numbering Agencies.

Euronext Securities Porto also promotes the disclosure of the codes assigned by this Agency, maintaining for that purpose the possibility for interested parties to subscribe to a database containing ISIN and CFI information and FISN, with daily or weekly updates.

### 2.2 Information Services

Euronext Securities Porto continues to provide regular statistical, historical and financial information.

In a private area of the Euronext Securities Porto portal, a module is available for Issuers to request information on the identification of the holders for registered securities in the system. Once completed, they receive a file containing the requested information in the same dedicated area.

However, it should be noted that the Centralised Systems manage global accounts, opened by the affiliated Financial Intermediaries, which, at any moment, contain the sum of the individual registration accounts opened by the investors with the Financial Intermediary (custodian/registrar) of their choice. Euronext Securities Porto therefore requests Financial Intermediaries participating in the Systems it manages to disclose the information on the holders of securities that are the subject of the Issuer Entity's request and, after consolidating the received information, sends it to the Issuer Entity.

### 2.3 CSD Links

Euronext Securities Porto has established links with other European CSDs in order to allow its Participants to hold securities issued in foreign depositories in their accounts and to concentrate the custody of domestic and foreign securities in a single account opened with this management

entity.

Therefore, Euronext Securities Porto, as Investor CSD, is a participant in the systems of Euroclear France, Euroclear Nederland and Clearstream Banking AG, thus allowing its participants to hold debt instruments primarily registered in the systems of these European CSDs in their securities accounts. Through the link with Euroclear France, Euronext Securities Porto also has a relayed link with NBB-SSS, the Belgian central securities depository for debt securities.

Euronext Securities Porto, as Issuer CSD, has Clearstream Banking AG (CBF) and Iberclear as participants in its systems, allowing the cross-border transfer of Portuguese securities between the participants of these CSDs and Euronext Securities Porto participants.

# **MANAGEMENT ORGANISATION AND POLICIES**



## 1 SOCIAL BODIES

### General Meeting

**President** Luís Fernando Sampaio Pinto Bandeira

**Secretary** Helena Maria Teixeira Lopes

### Board of Directors

As of 30 June 2023, the composition of the Board of Directors of Euronext Securities Porto was as follows:

#### **Chairman**

Pierre Eric François Davoust

#### **CEO**

Olga Maria Cardoso Jordão

#### **Non-Executive Director**

Isabel Rute Ucha da Silva

#### **Independent Non-Executive Director**

Filomena Raquel da Rocha Rodrigues Pereira de Oliveira (1)

#### **Independent Non-Executive Director**

Joaquim António Pereira Cadete

(1) Filomena Oliveira resigned as an independent non-executive director with effect from 30 June 2023. At the General Meeting held on 24 July 2023, Ricardo Gil Monteiro Lopes de Campos was appointed as an independent non-executive director for the current four-year term (2021-2024).

As of 30 June 2023, the functions of Company Secretary were provided by:

### Company Secretary

Helena Maria Teixeira Lopes

A Statutory Auditor of the Company was appointed for the year of 2023:

### Statutory Auditor

Ernst & Young Audit & Associados - SROC, S.A., represented by Sandra e Sousa Amorim

*Alternate Statutory Auditor* Pedro Jorge Pinto Monteiro da Silva e Paiva

## Risk Monitoring Committees

In accordance with Article 48 of the Commission Delegated Regulation (EU) 2017/392 of 11 November 2016, the Board of Directors of Euronext Securities Porto approved the establishment of the following Risk Monitoring Committees:

### Risk Committee

The Risk Committee is responsible for advising the Board of Directors on the overall current and future risk strategy and tolerance of Euronext Securities Porto.

### Audit Committee

The Audit Committee is responsible for advising the Board of Directors on the performance of the internal audit function of Euronext Securities Porto, which it must oversee.

### Remuneration Committee

The Remuneration Committee is responsible for advising the Board of Directors on the remuneration policy of Euronext Securities Porto, which it must oversee.

## 2 INTERNAL ORGANISATION

The internal organisation of Euronext Securities Porto is based on a functional structure with specialised tasks carried out by the different Departments.

The operational activity of Euronext Securities Porto is divided into two divisions: Central Securities Depository and Information Technology (IT).

The Central Securities Depository manages the centralised securities and settlement systems, thus ensuring the core business of the institution, with IT constituting its main technical and operational support.

The functional activities of a non-operational nature are divided among Human Resources (shared with Euronext Lisbon), Risk, Internal Audit, Finance, Legal, Facilities and Cybersecurity (shared with the Euronext Group).

As of 30 June 2023, Euronext Securities Porto had a total of 42 employees (excluding members of the Board of Directors), distributed across the following areas.

	Employees
Central Securities Depository and National Numbering Agency	12
IT	16
Legal	1
Finance	1
Shared Services Centre	9
Secretariat	1
Client Relationship Management	2

## 3 ADVISORY COMMITTEES

Euronext Securities Porto created two user committees in order to encourage and promote an effective interaction and connection between this management entity and the participants in the settlement systems and centralised securities systems it manages.

The creation of these autonomous consultation groups, comprising the most representative users of the settlement systems and centralised securities systems, is of great practical relevance in the areas that constitute the core business of Euronext Securities Porto.

Euronext Securities Porto also organises Workshops with its participants in order to present to the market specific topics resulting from regulatory or business changes with an impact on the activity developed by its participants, as it was the case for the migration of Euronext Securities Porto systems to the T2S platform, the implementation of the rules imposed by the CSD Regulation and, more recently, workshops specifically dedicated to Settlement Discipline and the Shareholders Directive.

## General Advisory Committee

Pursuant to Article 28 of Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 (CSD Regulation or CSDR for short), central securities depositories (CSDs) establish user committees composed of representatives of issuers and participants in the systems they manage.

In this context, the General Advisory Committee (GAC) of Euronext Securities Porto complies with international guidelines for the establishment of consultation committees composed of users of the systems managed by Central Securities Depositories, as established in the *CSD Regulation* and other international recommendations.

The GAC is called upon to give its opinion on issues and matters relating to the overall activity of Euronext Securities Porto that are of interest to all or a large majority of its users.

## Operational Advisory Committee

The Operational Advisory Committee, which is called upon to give an opinion on essentially operational matters relating to the operation of the Euronext Securities Porto systems, as well as procedures and processes implemented or to be implemented.

Euronext Securities Porto met with its clients on 22 March 2023 to announce changes to be made to its advisory committees later in the year.

## 4 RISK MANAGEMENT

Euronext Securities Porto pays strict and permanent attention to maintaining a prudent risk profile which should be balanced and appropriate for the experience and capacity of the organisation, preserving the basic objectives of solvency, profitability and adequate liquidity.

Euronext Securities Porto has identified the following risks for continuous monitoring purposes:

- (a) **Strategic Risk:** the effect of uncertainty in meeting the strategic and business objectives of Euronext Securities Porto, motivated by adverse economic and political conditions that cause a decrease in the levels of confidence of the financial market stakeholders;
- (b) **Financial Risk:** risks that may affect the way Euronext Securities Porto manages its financial resources as well as its financial results;
- (c) **Compliance Risk:** risk that Euronext Securities Porto may not comply with the established legal or regulatory requirements;

(d) **Operational risk:** risk of losses resulting from deficiencies or failures in internal processes, human resources, systems or resulting from external circumstances.

Euronext Securities Porto as a Central Securities Depository and manager of Centralised Systems and Securities Settlement Systems has an internal control system whose objective is to monitor the risks inherent to its activity, to minimise unforeseen events, to adapt to changes in the economic and competitive environment and to market changes, as well as to control the company's development and growth plans more effectively.

To mitigate the risks inherent to the systems managed by Euronext Securities Porto and consequently to the business, Euronext Securities Porto has rules, contained in regulations, circulars and notices, which describe the procedures governing the Settlement Systems and the Centralised Securities Systems.

Euronext Securities Porto has implemented a Business Continuity Plan aimed at ensuring the permanent operation of its services and systems with the highest level of security, reliability and availability. The Business Continuity Plan is tested annually, both internally and with the different market players.

### Risks and Uncertainties

The new European regulatory framework for post-trade, namely the CSD Regulation, T2S and the European Commission's Capital Markets Union (CMU) initiative, promote efficiency and competition between CSDs.

Thus, the most relevant risk for domestic CSDs is the possibility that issuers may choose any CSD authorised in the European Union to register its issues, with the most competitive regulatory and tax regimes prevailing in that choice.

In addition, market developments and regulatory requirements are creating a strong need for investments in technology and operational developments. With technological innovation now more accessible at reduced cost opportunities arise for new players to enter the market.

In economic terms, the evolution of the national economy and of the Euro Zone should continue to condition the behaviour of the capital markets, following the Ukraine/Russia conflict that began in February 2022 (see note 30 to the Accounts - Subsequent Events).

The political framework in the Eurozone, also appears as a conditioning factor for the further construction of more structural policy solutions for the consolidation of the Eurozone.

## 5 CORPORATE GOVERNANCE PRACTICES SUMMARY

Euronext Securities Porto is governed by the provisions of its Articles of Association, Regulation (EU) No. 909/2014 of 23 July and complementary information (*CSD Regulation*), the Legal

Framework of Central Securities Depositories, approved by Law No. 35/2018 of 20 July, the Securities Code (CVM) and the Commercial Companies Code (CSC), as well as other applicable legislation and regulations.

Euronext Securities Porto is a public limited company, with a share capital of five million five hundred thousand euros, fully paid up in cash and represented by five million five hundred thousand shares, dematerialised, registered, with a nominal value of one euro each. All shares issued by Euronext Securities Porto are ordinary shares and confer the same political and economic rights. Euronext Securities Porto may issue preference shares with or without voting rights, redeemable or not, up to a maximum of fifty per cent of its share capital, as well as issue bonds, convertible or not into shares, as well as other debt securities permitted by law, under the terms and conditions defined by the General Meeting.

The share capital of Euronext Securities Porto is entirely owned by Euronext Lisbon - Sociedade Gestora de Mercados Regulamentados, S.A..

Euronext Securities Porto, as a Central Securities Depository (CSD) and manager of settlement systems and centralised securities systems, is subject to the supervision of the Portuguese Securities Market Commission (CMVM).

In June 2023, following CMVM Regulation no. 5/2018 on "Central Securities Depositories", Euronext Securities Porto, as CSD, prepared and submitted to the CMVM a report on corporate governance practices, which is the subject of an opinion issued by its supervisory body.

In that report, the following was exhaustively evidenced:

- (a) The guiding principles of the society's governance policy;
- (b) A description of the management entity's organisational structure and human resources;
- (c) The exercise of voting rights and shareholder representation rights;
- (d) Shareholder control and transfer of company shares;
- (e) The existing incentive plans for employees and members of the governing bodies;
- (f) Business dealings and operations carried out with members of the corporate bodies;
- (g) The remuneration policy of the governing bodies;
- (h) The internal corporate rules;

It is the understanding of this management entity that good governance practices should be seen and adopted as a fundamental part of corporate life, since they focus on relevant matters related, namely, to

- (a) The accountability of the Board of Directors in the exercise of the direction and control of the company;

- (b) The relevance of the rights of the individuals whose interests are linked to the company's activity (also called "company stakeholders");
- (c) The exercise of voting rights by shareholders and their active participation in general meetings.

In general and in summary, the corporate governance policy implemented by Euronext Securities Porto aims to ensure competent, efficient and transparent management, whose guiding principles are as follows

- (a) Professionalism and competence, both on the part of the Administration and the Workers;
- (b) Transparency, both of the organisation and its decision-making process;
- (c) Accountability, both of the Administration and of the Workers;
- (d) Creation of value, as the primary objective of the Administration and Workers;
- (e) Rigour in managing the various risks underlying the activity pursued;
- (f) Quality, in the pursuit of the activity that is committed to the company;
- (g) Performance and merit, as fundamental criteria of the evaluation policy and remuneration policy of the Workers and the Administration;
- (h) Accurate and timely information, available both to the shareholder(s) and to other persons with a relevant interest in the company.

In conclusion, Euronext Securities Porto believes that its Corporate Governance Policy, whose objective is the adoption of good practices both in terms of established corporate relations and the monitoring of the risks inherent to its activity, contributes to the adaptation of the company to changes in the economic and competitive environment and to changes in the market.

As a result, Euronext Securities Porto is convinced that the corporate governance system it has defined decisively contributes to avoid the practice of acts that may put at risk the regularity of the operation, transparency and credibility of the systems it manages, thus providing the market with an extensive set of necessary and indispensable guarantees regarding their proper functioning.

# **FINANCIAL ANALYSIS 1<sup>ST</sup> HALF-YEAR 2023**



# 1 FINANCIAL ANALYSIS JANUARY-JUNE 2023

## 1.1 Introduction

Euronext Securities Porto adopts the *International Financial Reporting Standards* (IFRS) in the preparation of its financial statements, thus allowing the financial community at large to analyse the financial statements of this management entity on an internationally recognised basis adopted by most European companies, and thus facilitating their interpretation and comparability with similar companies.

## 1.2 Results

The net result of Euronext Securities Porto amounted to € 6.6 million at the end of the first six months of 2023, an increase of 8.0% compared to the result achieved in the same period of the previous year.

Operating results amounted to € 8.9 million, up € 642 thousand compared to the same period of 2022. In percentage terms, this indicator shows a year-on-year increase of 7.7%.

The increase in operating profit was due to the increase in income by 5%, together with the stabilization of costs.

	June 2023	June 2022	Var	values expressed in euro % change
Revenues	13,165,237	12,533,221	632,016	5.0%
Operating Costs	3,985,269	3,999,690	-14,421	-0.4%
<b>EBITDA</b>	<b>9,179,968</b>	<b>8,533,531</b>	<b>646,437</b>	<b>7.6%</b>
Depreciation and Amortisations	196,268	192,244	4,024	2.1%
<b>Operating Results</b>	<b>8,983,700</b>	<b>8,341,288</b>	<b>642,412</b>	<b>7.7%</b>
Financial Results	-4,277	-23,460	19,183	-81.8%
<b>Results before Taxes</b>	<b>8,979,423</b>	<b>8,317,828</b>	<b>661,595</b>	<b>8.0%</b>
Taxes	2,387,510	2,214,273	173,237	7.8%
<b>Net Profit</b>	<b>6,591,913</b>	<b>6,103,555</b>	<b>488,358</b>	<b>8.0%</b>

### 1.3 Income and Gains

At the end of the first six months of the year, the total income of Euronext Securities Porto was €13.2 million, which represents a year-on-year increase of €0.6 million.

#### Distribution of Operating Income

<b>Recipes</b>	<b>30/06/2023</b>	<b>30/06/2022</b>	<b>Var.</b>	values expressed in euros	
				<b>% change</b>	
System Usage	378,730	375,258	3,472	0.9%	
Settlement Systems	889,314	871,856	17,458	2.0%	
Exercise of Rights/Other Events	398,417	319,734	78,683	24.6%	
Value Maintenance	10,768,220	10,238,303	529,917	5.2%	
Registration of Issues	86,154,95	87,355	-1,200	-1.4%	
Cancellation of Issues	61,104	78,215	-17,111	-21.9%	
T2S Information	40,595	42,370	-1,775	-4.2%	
Other Services	463,061	435,502	27,559	6.3%	
<b>Total Services Rendered</b>	<b>13,085,597</b>	<b>12,448,593</b>	<b>637,004</b>	<b>5.1%</b>	
Other Income	79,640	84,628	-4,988	-5.9%	
<b>Total Income</b>	<b>13,165,237</b>	<b>12,533,221</b>	<b>632,016</b>	<b>5.0%</b>	

The total income of Euronext Securities Porto represents a year-on-year increase of 5.0%.

The consequences of the pandemic and the Russian invasion of Ukraine have led to an inflationary spiral in western countries, including Portugal. If the pandemic had already brought about a major shortage of raw materials, the war in Ukraine caused an energy crisis with a consequent increase in energy prices, as well as substantially reducing global food supplies, with significant global impacts in various areas of activity.

In this geopolitical and economic context of inflationary pressure, Euronext Securities Porto decided to change the price list for services provided to financial intermediaries and services provided to issuers. It should be noted that, throughout 2022, Euronext Securities Porto absorbed the increase in costs (suppliers, energy and equipment), but due to the current economic and inflationary environment, it became necessary to share part of these cost increases with our clients. It was therefore decided to update the commissions charged by Euronext securities Porto by 5.9%, which is well below the inflation rate forecast for Portugal by the government and international entities.

It was also decided not to increase the fees for some products or services, such as: settlement of OTC instructions; maintenance and subscription / fund redemption; holder identification and T2S information.

The price change took effect on 1 January 2023.

As a result, and taking the above into account, revenue from the use of systems grew by 0.9% compared to the previous year.

Settlement systems showed an increase in revenue of 2.0%, due to the increase in OTC operations (+7%) and market operations (0.04%) settled in the first half of 2023, compared to the same period last year. As mentioned above, the price charged for OTC instructions was unchanged in 2023.

Revenues generated by the exercise of rights increased by 24.6% year-on-year as a result of the price increase.

Revenue from value maintenance increased by 5.2% (€ 529 thousand). The average value of shares and units under management grew by 1% and 26% respectively, while the average amount of public and private debt contracted by 2%.

Revenues generated by the registration of issues fell by 1.4% and the cancellation of issues fell by € 17 thousand compared to the same period last year, due to the decrease in the registration and cancellation of warrants.

Revenues generated by information made available via the T2S platform fell by 4.2% year on year.

The "Other Services" heading includes all the services provided by Euronext Securities Porto that are not detailed in the previous headings, namely deposits and withdrawals of securities, special management fees for securities, fees charged for managing the National Coding Agency, as well as income generated by Euronext Securities Porto's private communications network and SWIFT communications for connection to the T2S platform. The associated revenues grew by € 28 thousand when compared to the same half of the previous year.

## 1.4 Costs and Losses

Operating costs came to € 4.2 million at the end of the period under review, a figure that represents an absolute decrease of € 10 million, compared with the amount recorded in the same period of the previous year.

### Main Items of the Statement of Financial Position

values expressed in euros

Costs	June 23	June 22	Var.	% change
Personnel Expenses	1,800,775	1,532,529	268,246	17.5%
IT and Communications Costs	683,590	398,560	285,030	71.5%
Consultancy and Professional Services	894,244	1,470,934	-576,690	-39.2%
Equipment and Premises	84,030	104,920	-20,890	-19.9%
Marketing	10,467	13,450	-2,983	-22.2%
Provisions, Adjustments and Impairments	381,160	382,680	-1,520	-0.4%
Other Expenses	131,003	96,615	34,388	35.6
<b>Total Operating Costs</b>	<b>3,985,269</b>	<b>3,999,690</b>	<b>-14,421</b>	<b>-0.4%</b>
Depreciation and Amortisation	196,268	192,244	4,024	2.1%
<b>Total Operating Costs</b>	<b>4,181,537</b>	<b>4,191,933</b>	<b>-10,396</b>	<b>-0.2%</b>

Personnel costs show a year-on-year increase of 17.5%, essentially due to non-recurring costs totalling € 97 thousand assumed in 2023 which had not occurred in 2022, and the increase in remuneration costs due to a higher number of employees and the increased cost of remuneration.

Expenditure on information and communication technologies and on consultancy and professional services has to be analysed as a whole in view of the accounting change for costs incurred with SWIFT and European Central Bank, as explained in notes 8 and 9. These two items taken together show a decrease of € 292 thousand compared to the same period of the previous year. This decrease is due to the reduction in costs incurred with services provided intra Euronext group and the increase in incurred costs that are capitalised.

The item "Other expenses", which includes travel and subsistence costs, vehicle costs, insurance, and other costs, showed an increase of 35.6% justified by increases in insurance, travel, and vehicle costs, despite a significant decrease of 27 thousand in electricity costs.

## 1.5 Equity Structure

Euronext Securities Porto's Net Assets amounted to € 25.8 million on 30 June 2023, representing a decrease of € 4.1 million compared to December 2022. The decrease of € 4.8 million in cash

and cash equivalents and the increase of € 0.5 million in debtors and other assets contributed to this change.

#### **Detail of the Ownership Structure**

	June 2023	December 2022	Var	values expressed in euros Var %
Net Assets	25,844,716	29,900,611	-4,055,895	-13.6%
Net Liabilities	5,329,232	4,328,757	1,000,475	23.1%
Equity	20,515,484	25,571,854	-5,056,370	-19.8%

Liabilities show an increase of 23.1% justified by the estimated amount of IRC (Corporate Income Tax) to be settled, when compared with 31 December 2022, where the three payments on account made in 2022 are already reflected and by the decrease of € 0.5 million in the heading creditors and other liabilities.

Equity amounts to €20.5 million at 30 June 2023, 19.8% less than the amount recorded at 31 December 2022 which is explained by the fact that at 30 June 2023 we only recorded six months of net profit.

## **2 STATEMENT ON THE CONFORMITY OF THE FINANCIAL INFORMATION PRESENTED**

Pursuant to Article 29-J (1,c) of the Securities Code (CVM), we hereby declare that for the semester ended 30 June 2023, to the best of our knowledge, the information in the Financial Statements was prepared in accordance with the applicable accounting standards, giving a true and fair view of the assets and liabilities, the financial position and results of INTERBOLSA - Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A., and that the management report faithfully sets out the evolution of the business, performance and position of this management entity, as well as a description of the main risks and uncertainties facing Euronext Securities Porto.

Porto, 27 September 2023

**The Board of Directors**

Chairman	Pierre Davoust
CEO	Olga Maria Cardoso Jordão
Member	Isabel Rute Ucha da Silva
Member	Joaquim António Pereira Cadete
Member	Ricardo Campos

**Statutory Auditor (n.º 54050)** Miguel Brochado

# **FINANCIAL STATEMENTS AND NOTES**

**Statement of Financial Position as of 30 June 2023 and 31 December 2022**

	Notes	June 23	December 22	Amounts expressed in Euros
Assets				
Tangible fixed assets	15	260,483	319,251	
Intangible assets	16	907,645	598,340	
Right-of-use assets	17	798,112	935,612	
Other financial assets	18	4,300	3,885	
Deferred tax assets	19	36,090	44,442	
Employee benefits	24	577,621	431,000	
Total Non-Current Assets		2,584,251	2,332,530	
Debtors and other assets	20	3,593,264	3,094,307	
Cash and cash equivalents	21	19,667,201	24,473,774	
Total Current Assets		23,260,465	27,568,081	
Total Assets		25,844,716	29,900,611	
Equity				
Issued capital	22	5,500,000	5,500,000	
Legal reserves	23	5,500,000	5,500,000	
Other reserves	23	(351,430)	(509,601)	
Retained earnings	23	3,327,058	3,327,058	
Other equity instruments - <i>Share plan</i>	23	(52,057)	(33,508)	
Net profit result attributable to shareholders		6,591,913	11,787,905	
Equity attributable to Shareholders		20,515,484	25,571,854	
Liabilities				
Obtained financing	25	530,314	668,019	
Total Non-Current Liabilities		530,314	668,019	
Creditors and other liabilities	26	2,138,658	2,667,387	
Obtained financing	25	275,412	274,178	
Calculated corporate income tax (IRC)	11	2,384,848	719,173	
Total Current Liabilities		4,798,918	3,660,738	
Total Liabilities		5,329,232	4,328,757	
Total Equity and Liabilities		25,844,716	29,900,611	

The annex is an integral part of the statement of the financial position as at 30 June 2023.

**Income Statement by Nature and Consolidated Income  
For the six-month periods ending 30 June 2023 and 2022**

	Notes	June 23	June 22	Amounts expressed in Euros
Service rendering				
Settlement, custody and others	3	13,085,597	12,448,593	
Other profits	4	79,640	84,628	
		<u>13,165,237</u>	<u>12,533,221</u>	
<i>Expenses and losses</i>				
Personnel expenses	6	1,800,775	1,532,529	
Amortisations and depreciations	7	196,268	192,244	
IT and communication costs	8	683,590	398,560	
Consulting and professional services	9	894,244	1,470,934	
Premises and related services	10	84,030	104,920	
Adjustments and impairments	5	10,467	13,450	
Other expenses	11	512,163	479,295	
		<u>4,181,537</u>	<u>4,191,933</u>	
Operational result		8,983,700	8,341,288	
Financial gains	12	57	-	
Financial expenses	12	4,334	23,460	
Financial results	12	(4,277)	(23,460)	
Result before taxes		8,979,423	8,317,828	
Tax on profits				
- Current tax	13	2,379,157	2,211,739	
- Deferred tax	13/ 19	8,353	2,534	
Net profits		6,591,913	6,103,555	
Other consolidated income				
Gains and (losses) directly recognised in reserves:				
After-employment benefits – Actuarial deviations	22/24	158,171	1,613,591	
Share plan	23	(18,549)	(97,040)	
		<u>139,622</u>	<u>1,516,551</u>	
Comprehensive income		6,731,535	7,620,105	
Result by basic share – Euro		1.22	1.39	
Result by diluted share – Euro		1.22	1.39	

The annex is an integral part of the statement of the financial position as at 30 June 2023.

**Statement of Cash Flows**  
**for the six-month periods ending 30 June 2023 and 2022**

	Amounts expressed in Euros	
	June 23	June 22
Cash flow from operational activities		
Receiving from customers	14,817,877	14,412,067
Payment to suppliers	(2,838,089)	(2,614,514)
Payment to personnel	(1,077,668)	(904,475)
(Payment) / receiving of income tax	(713,482)	(375,346)
Other receivables / (payments)	(3,082,351)	(2,805,802)
Cash flow from operational activities (1)	<b>7,106,287</b>	<b>7,711,930</b>
Cash flows from investing activities		
Payments related to:		
- Tangible assets	-	(187,641)
- Intangible assets	-	-
- Financial investments	-	-
- Other assets	-	-
Receiving related to:		
- Tangible assets	11,500	-
- Intangible assets	-	-
- Financial investments	-	-
- Other assets	-	-
- Investment grants	-	-
- Interests and similar income	-	-
- Dividends	-	-
Cash flow from investing activities (2)	<b>11,500</b>	<b>(187,641)</b>
Cash flow from financing activities		
Receiving related to:		
- Obtained financings	-	-
- Paying up of capital and other equity instruments	-	-
- Loss coverage	-	-
- Donations and subsidies	8,684	<b>11,148</b>
- Other financing operations	-	-
Payments related to:		
- Amortisation of lease contracts	(140,805)	(175,507)
- Interests and similar expenses	(4,334)	(5,360)
- Dividends	(11,787,905)	(10,861,164)
- Capital reductions and other equity instruments	-	-
- Other financing operations	-	-
Cash flow from financing activities (3)	<b>(11,924,360)</b>	<b>(11,030,883)</b>
Variation of cash and its equivalents (1+2+3)	<b>(4,806,573)</b>	<b>(3,506,594)</b>
Effect of Exchange rate differences	-	-
Cash and its equivalents at the beginning of the period	24,473,774	23,661,147
Cash and its equivalents at the end of the period	<b>19,667,201</b>	<b>20,154,553</b>

The notes form an integral part of the cash flow statement for the period ending 30 June 2023.

**Statement of Changes in Equity  
for the period ending 30 June 2023 and 31 December 2022**

	Total equity	Equity	Legal reserves	Other reserves	Retained earnings	Amounts expressed in Euros Net profit
31 December 2021	23,059,193	5,500,000	5,500,000	(2,129,028)	2,827,058	11,361,164
Consolidated income:						
- Net result for the period	11.787.905	-	-	-	-	11.787.905
- Actuarial (losses) / gains recognised in the period	1.556.000	-	-	1.556.000	-	-
- Share plan	29.919			29.919		
	13.373.824	-	-	1.585.919	-	11.787.905
Distribution of results						
- Dividend distribution	(10,861,164)	-	-	-	500,000	(11,361,164)
	(10.861.164)	-	-	-	-	(11.361.164)
31 December 2022	25.571.854	5.500.000	5.500.000	(543.109)	3.327.058	11.787.905
Consolidated income:						
- Net profit for the period	6.591.913					6.591.913
- Actuarial (losses) / gains recognised in the period	158.171			158.171		
- Share plan	(18.549)			(18.549)		
	7,620,106	-	-	1,516,551	-	6,103,555
Distribution of results						
- Dividend distribution	(11.787.905)					(11.787.905)
	(11.787.905)					(11.787.905)
30 June 2022	20.515.484	5.500.000	5.500.000	(403.487)	3.327.058	6.591.913

The annex is an integral part of the statement of changes in equity as at 30 June 2023

# Notes to the Financial Statements for the six months period ending on 30 June 2023

## 1 INTRODUCTORY NOTE

The transformation of INTERBOLSA - Associação para a Prestação de Serviços às Bolsas de Valores into INTERBOLSA - Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A was formalised by a public deed executed at the 1<sup>st</sup> Notary's Office in Lisbon on 10 February 2000, complying with the deliberation of INTERBOLSA's General Meeting on 20 December 1999 and under the terms set forth in the Decree-Law no. 394/99, of 13 October (currently revoked by Decree-Law no. 357-C/2007, of 31<sup>st</sup> October), and the Ministerial Order no. 1.194-A/99 (Series II), of 8 November.

INTERBOLSA – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A. (hereinafter **Euronext Securities Porto**) is a public limited company, whose share capital is totally held by Euronext Lisbon - Sociedade Gestora de Mercados Regulamentados, S.A. (hereinafter Euronext Lisbon). Euronext Securities Porto is part of the Euronext Group.

In fulfilment of its mission and in accordance with its corporate object and with what is set forth in the Regulation (EU) No. 909/2014 of 23 July (abbreviated as *CSD Regulation*), Euronext Securities Porto carries out a wide range of activities in the following areas: initial registration of securities in a centralised registration system; structuring and administration of Centralised Securities Systems; management of Securities Settlement Systems and non-banking-type ancillary services.

Euronext Securities Porto is registered with the Porto Commercial Registry - 2nd Section under number 502962275.

Euronext Securities Porto is governed by the provisions of its Articles of Association, Regulation (EU) No. 909/2014 of 23 July including any complementary information (*CSD Regulation*), in the Legal Framework of Central Securities Depositories, approved by Law No. 35/2018 of 20 July, the Portuguese Securities Market Code and in the Portuguese Commercial Companies Code, as well as any other applicable legislation and regulations.

On 12 July 2018, the CMVM granted Euronext Securities Porto authorisation to act as a CSD under the *CSD Regulation*.

The financial statements are presented with amounts in euro, rounded to the nearest unit.

The financial statements for the period ending on 30 June 2023 were prepared by the Board of Directors who approved their publication on 20 September 2023.

The Board of Directors believes that these financial statements give a true and fair view of the operations, financial performance and cash flows of Euronext Securities Porto.

## 2 ACCOUNTING POLICIES

The main accounting policies applied in the preparation of the financial statements are described below. These policies were consistently applied to all the years presented, unless otherwise stated.

### 2.1 PRESENTATION BASE

The financial statements of Euronext Securities Porto for the period ending on 30 June 2023 have been prepared in accordance with International Financial Reporting Standards ("IAS/IFRS") issued by the *International Accounting Standards Board* ("IASB") and interpretations issued by the *International Financial Reporting Interpretations Committee* ("IFRIC") or by the former *Standing Interpretations Committee* ("SIC"), adopted by the European Union.

The financial statements have been prepared with the assumption of business continuity from the books and accounting records of the company and under the historical cost convention, modified where applicable by the valuation of financial assets and liabilities (including derivatives) at fair value.

In preparing the financial statements in accordance with IFRS, the Board of Directors resorted to the use of estimates, assumptions and critical judgements with impact on the value of assets and liabilities and the recognition of income and expenses for each reporting period. Although these estimates were based on the best information available at the date of preparation of the financial statements, current and future results may differ from those estimates. The areas involving a higher degree of judgement and estimates are presented in Note 2.22.

Euronext Securities Porto, in the preparation and presentation of the financial statements, declares that it complies, explicitly and without reservation, with the IAS/IFRS standards and their SIC/IFRIC interpretations, approved by the European Union.

### OTHER NOTES

An agreement with the employees of Euronext Securities Porto was concluded in December 2001 which sets out a number of principles to be followed in case of termination of employment contracts at the initiative of this employing entity, as well as a number of conditions that are part of a retirement and pre-retirement scheme, albeit private, both of which were subsequently regulated in July 2002.

## 2.2 CHANGES IN THE ACCOUNTING POLICIES AND REPORTING

The following standards, interpretations, amendments and revisions adopted ("endorsed") by the European Union have mandatory application for the first time in the fiscal year beginning January 1, 2023:

IFRS 17 - Insurance Contracts - applicable in the European Union for annual periods beginning on or after 1 January 2023. IFRS 17 applies to all insurance contracts (i.e. life, non-life, direct insurance and reinsurance), regardless of the type of entities that issue them, as well as some guarantees and some financial instruments with discretionary participation features. Overall, IFRS 17 provides an accounting model for insurance contracts that is more useful and more consistent for issuers. In contrast to the requirements of IFRS 4, which are based on previously adopted local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects.

Amendments to IFRS 17 - Insurance Contracts - Initial application of IFRS 17 and IFRS 9 - Comparative Information - applicable in the European Union in financial years beginning on or after 1 January 2023. This amendment to IFRS 17 relates to the presentation of comparative information for financial assets in the initial application of IFRS 17. The amendment adds a transition option that permits an entity to apply an 'overlay' in classifying a financial asset in the comparative period(s) presented in initial application of IFRS 17. The 'overlay' permits all financial assets, including those held in relation to non-contractual activities within the scope of IFRS 17 to be classified, instrument by instrument, in the comparative period(s) in a manner aligned with how the entity expects those assets to be classified on initial application of IFRS 9.

Amendments to IAS 1 - Disclosure of accounting policies - applicable in the European Union in financial years beginning on or after 1 January 2023. These amendments aim to assist the entity in the disclosure of 'material' accounting policies, previously called 'significant' policies. However due to the absence of this concept in IFRS standards, it was decided to replace it by the concept 'materiality', a concept already known to users of financial statements. In assessing the materiality of accounting policies, the entity has to consider not only the size of the transactions but also other events or conditions and the nature of these.

Amendment to IAS 8 - Defining accounting estimates - applicable in the European Union in annual periods beginning on or after 1 January 2023. The amendment clarifies the distinction between change in accounting estimate, change in accounting policy and correction of errors. Additionally, it clarifies how an entity uses measurement techniques and inputs to develop accounting estimates.

Amendments to IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction - applicable in the European Union in financial years beginning on or after 1 January 2023. The amendment clarifies that payments that settle a liability are tax deductible, however it is a matter of professional judgement whether such deductions are attributable to the liability that is recognised in the financial statements or the related asset. This is important in determining whether there are temporary differences in the initial recognition of the asset or liability. Thus, the initial recognition exception is not applicable to transactions that gave rise to equal taxable and deductible temporary differences. It is only applicable if the recognition of a leasing asset and a leasing liability gives rise to taxable and deductible temporary differences that are not equal. No significant impacts on the financial statements are expected as a result of their adoption.

The following standards, interpretations, amendments and revisions, with mandatory application in the financial year and in future financial years, have not, at the date of approval of these financial statements, been endorsed by the European Union:

The following standards, interpretations, amendments and revisions with mandatory application in future financial years have not yet been adopted ("endorsed") by the European Union, at the date of approval of these financial statements:

Changes to IAS 1 - Presentation of financial statements - Classification of current and non-current liabilities - this amendment aims to clarify the classification of liabilities as current or non-current balances depending on the rights that an entity has to defer its payment, at the end of each reporting period.

The classification of liabilities is not affected by the entity's expectations (the assessment should determine whether a right exists, but should not consider whether the entity will exercise that right), or by events that occur after the reporting date, such as the breach of a covenant.

However, if the right to defer settlement for at least twelve months is subject to meeting certain conditions after the balance sheet date, those criteria do not affect the right to defer settlement for the purpose of classifying a liability as current or non-current.

This amendment also includes a new definition of the "liquidation" of a liability and applies retrospectively.

Amendments to IFRS 16 - Lease Liabilities in Sale and Leaseback Transactions - This amendment specifies the requirements regarding the subsequent measurement of lease liabilities, related to sale and leaseback transactions ("sale & leaseback") that qualify as "sale" in accordance with the principles of IFRS 15, focusing on variable lease payments that do not depend on an index or a rate.

On subsequent measurement, seller-lessees shall determine the "lease payments" and "revised lease payments".

In subsequently measuring lease liabilities, a seller-lessee shall determine "lease payments" and "revised lease payments" such that it does not recognise any gain or loss related to the retained right-of-use. Applying these requirements does not prevent a seller-lessee from recognising, in the income statement, any gain or loss relating to the partial or total 'sale' as required by paragraph 46(a) of IFRS 16.

This amendment applies retrospectively.

These standards have not yet been endorsed by the European Union and therefore have not been applied by the Company for the twelve months ending 30 June 2023. No significant impacts on the financial statements are expected as a result of their adoption.

## **2.1 SEGMENT REPORTING**

A business segment is a group of assets and operations subject to specific risks and returns that are different from those of other business segments.

A geographical segment is a set of assets and operations located in a specific economic environment, subject to risks and returns that are different from those of other segments operating in other economic environments.

Given the nature of the activity and its clients, Euronext Securities Porto focuses on a single business segment - Settlement and Custody - and a single geographic segment - Portugal.

## **2.2 CLASSIFICATION OF THE STATEMENT OF FINANCIAL POSITION**

Achievable assets and liabilities due in less than one year from the date of the statement of financial position are classified as current assets and liabilities, respectively.

## **2.3 CASH FLOW STATEMENT**

The cash flow statement is prepared in accordance with IAS 7, using the direct method.

The caption 'Cash and cash equivalents' includes investments that mature in less than three months and for which the risk of change in value is insignificant.

The cash flow statement is classified into operating, financing and investing activities. Operating activities include cash receipts from customers, payments to suppliers, payments to personnel and other cash flows related with operating activities. Cash flows from financing activities include payments and receipts relating to obtained loans, finance lease contracts and dividend payments.

## **2.4 FINANCIAL ASSETS**

Financial assets are recognized in the Euronext Securities Porto statement of financial position on the trade or contracting date, which is the date on which Euronext Securities Porto commits to acquire or dispose of the asset. At inception, except for trade receivables, financial assets are recognised at fair value plus directly attributable transaction costs, except for assets at fair value through profit or loss where transaction costs are immediately recognised in the income statement. Trade receivables, at inception, are recognised at their transaction price, as defined by IFRS 15.

Financial assets are derecognised when: (i) the contractual rights of Euronext Securities Porto to receive their cash flows expire; (ii) Euronext Securities Porto has substantially transferred all the risks and rewards associated with holding them; or (iii) notwithstanding the fact that it retains part, but not substantially all the risks and rewards associated with holding them, Euronext Securities Porto has transferred control over the assets.

Financial assets and liabilities are offset and shown as a net value when, and only when, Euronext Securities Porto has the right to offset the recognised amounts and intends to settle for the net value. Euronext Securities Porto classifies its financial assets into the following categories: financial assets at fair value through profit or loss, financial assets measured at amortised cost, financial assets at fair value through other comprehensive income. Their classification depends on the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial asset.

#### **FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

This category includes derivative financial instruments and equity instruments that the Group has not classified as financial assets through other comprehensive income at initial recognition. This category also includes all financial instruments whose contractual *cash flows* are not exclusively principal and interest.

Gains and losses resulting from changes in the fair value of assets measured at fair value through profit or loss are recognised in the income statement in the year in which they occur, including interest income and dividends.

#### **FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

Financial assets measured at fair value through other comprehensive income are those that are part of a business model whose objective is achieved through the collection of contractual *cash flows* and the sale of financial assets, whereby these contractual cash flows are solely repayments of principal and payments of interest on the principal amount outstanding.

#### **FINANCIAL ASSETS MEASURED AT AMORTISED COST**

Financial assets measured at amortised cost are those that are part of a business model whose objective is to hold financial assets in order to receive contractual cash flows and these contractual cash flows are solely repayments of principal and payments of interest on the principal amount outstanding. Financial assets measured at amortised cost are those that are part of a business model whose objective is to hold financial assets in order to receive contractual *cash flows*.

### CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months maturity from the balance sheet date, including cash and deposits with banks.

## 2.5 FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial liabilities and equity instruments are classified according to their contractual substance regardless of their legal form. Equity instruments are contracts that evidence a residual interest in the assets of Euronext Securities Porto after deducting the liabilities. The equity instruments issued by Euronext Securities Porto are recorded at the amount received, net of the costs incurred with their issuance. Financial liabilities are derecognised only when extinguished, i.e. when the obligation is settled, cancelled or expired.

Under IFRS 9, financial liabilities are classified as subsequently measured at amortised cost, with the exception of:

- (a) Financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value;
- (b) Financial liabilities arising when a transfer of a financial asset does not meet the conditions for derecognition or when the continuing involvement approach applies;
- (c) Financial guarantee contracts;
- (d) Commitments to grant a loan at a below-market interest rate;
- (e) contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies. Such contingent consideration shall be subsequently measured at fair value, with changes recognised in profit or loss.

The financial liabilities of Euronext Securities Porto include: loans obtained and accounts payable.

### IMPAIRMENT OF FINANCIAL ASSETS

At each statement of financial position date, Euronext Securities Porto analyses and recognises expected losses for its debt securities, loans and receivables. Expected losses are the difference between all the contractual cash flows that are due to an entity in accordance with the contract

and all the cash flows that the entity expects to receive, discounted at the original effective interest rate.

The objective of this impairment policy is to recognize lifetime expected credit losses on financial instruments that have experienced significant increases in credit risk since initial recognition, assessed on an individual or collective basis taking into account all reasonable and supportable information, including that which is forward looking. If, at the reporting date, the credit risk associated with a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance in respect of that financial instrument at an amount equal to 12-month expected credit losses.

For receivables and assets, resulting from contracts under IFRS 15, Euronext Securities Porto adopts the simplified approach when calculating expected credit losses. Therefore, Euronext Securities Porto does not monitor changes in credit risk, recognizing impairment losses based on the expected credit loss at each reporting date. Euronext Securities Porto presents an impairment loss criterion that is based on historical credit losses, adjusted for prospective factors specific to clients and economic environment

## **2.6 FAIR VALUE OF FINANCIAL INSTRUMENTS**

The fair value of a financial instrument is the amount for which it can be exchanged in a normal market transaction between knowledgeable parties willing to make the exchange, without any intention or need to settle, or to enter into a transaction on adverse terms.

The fair value is obtained based on listed market prices or on the prices of Financial Intermediaries operating in active markets, when available. In their absence, the fair value is based on the use of prices of recent transactions carried out under market conditions or, in their absence, using valuation techniques. These valuation techniques include discounted future cash flows considering available observable market data.

## **2.7 RECOGNITION OF COSTS AND REVENUES**

Costs and income are recorded in the period to which they refer regardless of when paid or received, in accordance with the accrual accounting principle. The differences between amounts received and paid and the corresponding revenues and expenses are recorded under Other assets or liabilities depending on whether they are receivable or payable amounts.

Revenue comprises the amounts invoiced for services rendered, net of value added tax, write-offs and discounts.

## **2.8 TANGIBLE FIXED ASSETS**

Property, plant and equipment are stated at acquisition cost less accumulated depreciation and impairment losses. Euronext Securities Porto decided to change the depreciation rates of tangible fixed assets, with reference to 1 January 2006, in accordance with the Euronext Group's practice. Subsequent costs are recognised as tangible fixed assets only if it is probable that future economic benefits will result from them for Euronext Securities Porto. Maintenance and repair costs are recognised as costs as incurred, in accordance with the accrual principle.

Depreciation of tangible fixed assets is calculated on a straight-line basis in accordance with the following periods of expected useful life of the assets:

	Number of years
Buildings	2 to 5
IT equipment	2 to 3
Transport equipment	4
Administrative equipment	2 to 10
Other tangible fixed assets	3 to 10

When there is an indication that an asset may be impaired, IAS 36 requires that its recoverable amount is estimated and impairment loss should be recognised whenever the net book value of the asset exceeds its recoverable amount. Impairment losses are recognised in the income statement.

The recoverable amount is determined as the greater of its fair value less costs to sell and its value in use, the latter being calculated by the present value of the estimated future cash flows obtained from continued use of the asset and its sale at the end of its useful life.

## 2.9 INTANGIBLE ASSETS

Costs incurred with the acquisition of *software* are capitalised, as are the additional expenses incurred by Euronext Securities Porto that are necessary for its implementation. Where the requirements defined in International Accounting Standard 38 - Intangible Assets are met, direct internal costs incurred in *software* development are capitalised as intangible assets. These costs are amortised on a straight-line basis over the expected useful life of these assets (3 years).

Costs directly related to the development of *software* by Euronext Securities Porto, which are expected to generate future economic benefits beyond one year, are recognised as intangible assets. These costs include employee costs directly associated to the projects and are amortised on a straight-line basis over the expected useful life of these assets (3 years).

Software maintenance costs are recognised as costs in the period in which they are incurred.

## 2.10 RIGHTS OF USE AND LEASES

A lease is defined as a contract, or part of a contract, that transfers the right to use an asset (the underlying asset), for a period of time, in exchange for a consideration.

At the inception of each contract, it is assessed and identified whether it is or contains a lease. This evaluation involves judgement call as to whether each contract depends on a specific asset, if Euronext Securities Porto obtains substantially all the economic benefits from the use of that asset and if Euronext Securities Porto has the right to control the use of the asset.

All contracts constituting a lease are accounted for on the basis of a single on-balance sheet model similar to the treatment that IAS 17 establishes for finance leases. At the inception date of the lease, Euronext Securities Porto recognises the liability relating to the lease payments (i.e. the lease liability) and the asset that represents the right to use the underlying asset over the lease term (i.e. the *right-of-use* or ROU).

The interest cost on lease liabilities and depreciation of the ROU are recognised separately. The lease liability is remeasured upon the occurrence of certain events (such as a change in the lease period, a change in the future payments resulting from a change in the benchmark index or in the rate used to determine those payments). This remeasurement of the lease liability is recognised as an adjustment to the ROU.

#### Rights of use of assets

Euronext Securities Porto recognises the right to use the assets at the commencement date of the lease (i.e. the date when the underlying asset is available for use).

The right to use assets is recorded at acquisition cost, less accumulated depreciation and impairment losses and adjusted for any new measurement of the lease liabilities. The cost of the right to use assets includes the recognised value of the lease liability, any direct costs initially incurred and payments already made before the initial date of the lease, less any incentives received.

Unless it is reasonably certain that Euronext Securities Porto will obtain ownership of the leased asset at the end of the lease term, the right to use the assets recognised is depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Rights of use are subject to impairment.

### Lease liabilities

At the lease starting date, Euronext Securities Porto recognises liabilities measured at the present value of future payments to be made up to the end of the lease contract.

Lease payments include fixed payments (including fixed payments in substance), less any incentives receivable, variable payments, dependent on an index or rate, and amounts expected to be paid under residual value guarantees. Lease payments also include the exercise price of a purchase option, if it is reasonably certain that Euronext Securities Porto will exercise the option, and termination penalty payments, if it is reasonably certain that Euronext Securities Porto will terminate the contract.

Variable payments that do not depend on an index or rate are recognised as an expense in the period in which the event giving rise to them occurs.

When calculating the present value of lease payments, Euronext Securities Porto uses the incremental borrowing rate at the inception date of the lease if the implied interest rate is not readily determinable.

After the lease commencement date, the value of the lease liability increases to reflect the accrued interest and reduces by the payments made. Additionally, the carrying value of the lease liability is remeasured if there is a change, such as a change in the lease term, fixed payments or the decision to purchase the underlying asset.

### 2.11 TRANSACTIONS IN FOREIGN CURRENCY

Foreign currency transactions are translated at the exchange rate prevailing on the transaction date. Monetary assets and liabilities denominated in foreign currency that are carried at historical cost are translated into Euros at the exchange rate ruling at the balance sheet date. Exchange differences arising on this translation are recognised in the income statement.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at historical cost are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities expressed in foreign currency recorded at fair value are converted into Euros at the exchange rate in force on the date on which the fair value was determined.

## 2.12 EMPLOYEE BENEFITS

### Euronext Securities Porto Pension Fund

The Euronext Securities Porto Pension Fund was created for an indefinite period of time on 27 December 2001. The Articles of Incorporation were amended on 29 December 2006 and 6 August 2016, to adjust its wording to the changes made to the legal framework of pension funds (Decree-Law no. 12/2006, 20 January, as amended by Decree-Laws no. 180/2007, 9 May, 357-A/2007, 31 October, 18/2013, 6 February, and 124/2015, 7 February). No. 12/2006 of 20 January, as amended by Decree-Laws No. 180/2007 of 9 May, 357-A/2007 of 31 October, 18/2013 of 6 February and 124/2015 of 7 July) by Law No. 147/2015 of 9 September

In 2016, Euronext Securities Porto decided to change the post-retirement benefits of its employees, through the creation of a defined contribution pension plan effective 1 January 2017, and amended the current defined benefit plan as , in the sense that the latter no longer covers new participants, and by reference to 31 December 2016, fixed the length of service provided until that date as well as the pensionable remuneration, maintaining the associated benefits until that date, namely old age, disability and survivor's pension.

The constitutive contract of the Euronext Securities Porto pension fund was amended on 7 December 2017, to reflect the options set out above, with said amendments having been submitted to and approved by the Insurance and Pension Funds Supervisory Authority.

The Fund's sole shareholder is INTERBOLSA - Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A., and the Fund's management entity is BPI Vida e Pensões - Sociedade Gestora de Fundos de Pensões, S.A.

The Euronext Securities Porto Pension Fund aims at guaranteeing the payment of the cash benefits resulting from the above-mentioned pension plans, securing old age, disability (absolute or relative), survivor's pension, regardless of Social Security or any other similar scheme to which the member of the Fund is subject.

The Euronext Securities Porto Pension Fund finances the following pension plans:

- (a) a defined benefit pension plan
- (b) a defined contribution pension plan;

Since by their nature the two pension plans have very different characteristics, namely in terms of the pattern of liabilities and implicit risks, the Fund is made up of three sub-funds to allow for a better match between the assets allocated to finance each plan and the respective liabilities:

- (a) a defined benefit sub-fund, corresponding to the share of the Fund allocated to finance the defined benefit plan;

- (b) A conservative sub-fund and a dynamic sub-fund, corresponding to the share of the Fund allocated to financing the defined contribution plan, differentiated by their potential risk-return ratio.

The funding of the defined benefit plan is entirely under the responsibility of Euronext Securities Porto.

The defined contribution plan is funded by monthly contributions from Euronext Securities Porto in favour of each participant and by voluntary monthly contributions from the participants themselves, calculated, in both cases, on their pensionable salary. The participants may also make extraordinary contributions.

The amounts received by the Management Entity shall be invested in accordance with current legislation and the Investment Policy defined for the Fund in the respective Management Agreement, with the aim of meeting the objectives of greater profitability and security of the investments.

#### **Defined Benefit Plan:**

The calculation of the contributions to be paid by Euronext Securities Porto to the Fund under the defined benefit plan will be updated annually, taking into account the actuarial studies and the pension payment plans that must be met. For each calculation, the following assumptions will be considered as particularly relevant:

- (a) Evolution of the group of participants and beneficiaries;
- (b) Cash-flow discount rate forecast, namely based on the estimated yield, at the end of the year to which the valuation refers, of high quality corporate bonds of a currency and term consistent with the currency and term of the bonds underlying the pension plan.

Whenever necessary Euronext Securities Porto will make extraordinary contributions to the Fund in order to finance the defined benefit plan, namely when its needs so require.

The actuarial study referred to above is prepared by Mercer, Human Resource Consulting, S.A..

The actuarial calculation is made based on the projected unit credit method for retirement due to old age, disability and immediate and deferred survival, having used disability decrements for retirement due to old age and deferred survival, as well as actuarial and financial assumptions in accordance with the parameters required by IAS 19 (Revised).

Current service costs and past service costs, together with the expected return on plan assets less the unwinding of the plan liabilities, are recorded against operating costs.

The net obligation of Euronext Securities Porto regarding the defined benefit pension plan is calculated by estimating the amount of future benefits that each employee should receive in return for the service rendered in the current and prior periods. The benefit is discounted in order to

determine its present value, and the fair value of any plan assets must be deducted. The applied discount rate corresponds to the rate of AAA-rated bonds with a similar maturity on the date of termination of the plan's obligations.

In 2013, and as recommended in IAS 19 Revised (IAS 19 R), Euronext Securities Porto changed the accounting policy for the measurement of gains and losses resulting from differences between the actuarial and financial assumptions used and the values effectively verified with regard to the liabilities and expected income of the pension fund, as well as those resulting from changes in actuarial assumptions (actuarial gains and losses).

Actuarial gains and losses are now recognised under "other reserves" in equity. The application of this change was made retroactively.

Additionally, IAS 19R provides that the financial cost of the funded benefit plan should be calculated by applying the discount rate to the net balance of the estimated liabilities and fair value of plan assets, whether the balance is positive or negative.

Payments to the fund are made annually in accordance with a contribution plan determined in such a way as to ensure the solvency of the fund.

Also, according to IAS 19R the monthly contributions made by Euronext Securities Porto to the defined contribution plan are charged against operating costs.

#### **Defined Contribution Plan**

The contributions of Euronext Securities Porto to the defined contribution plan, started on 1 January 2017, are recognised as an expense in the period to which they relate (when the employees covered by the plan have provided the services that entitle them to the benefits).

### **2.13 FINANCIAL RESULTS**

Interest is recognised in accordance with the accruals principle, considering the effective interest rate method. Interest related to finance leases are recognised considering the effective interest rate method.

### **2.14 TAXES ON PROFITS**

Income tax for the period comprises current tax and deferred tax. Taxes on income are recorded in the statement of comprehensive income, except where they relate to items that are recognised directly in equity. The amount of current tax payable is determined on the basis of the profit before tax, adjusted in accordance with the tax rules in force.

Euronext Securities Porto is taxed under the group taxation regime led by Euronext Lisbon, by authorisation obtained under the provisions of article 69 of the IRC Code. The current tax amount, positive or negative, is calculated by each company included in the Tax Group based on its

individual tax situation. The eventual gain or loss resulting from the group taxation regime is fully recognised by Euronext Lisbon, S.A..

Deferred taxes are recognised using the liability method based on the balance sheet, considering temporary differences resulting from the difference between the tax base of assets and liabilities and their values in the financial statements.

Deferred taxes are calculated using the tax rate that has been enacted or officially announced at the balance sheet date and that is expected to apply when the deferred tax assets are realised or the deferred tax liabilities are settled.

Deferred tax assets are recognised only when it is probable that sufficient taxable profits will be available against which the deferred tax assets can be used, or when taxable temporary differences are recognised and expected to reverse in the same period. At each balance sheet date a review is made of the deferred tax assets recognised, which are reduced whenever their future use is no longer probable.

## **2.15 SHARE-BASED PAYMENT**

Benefits granted to employees under share purchase or share option incentive plans are recognised in accordance with IFRS 2 - Share based payments.

In accordance with IFRS 2, as it is not possible to reliably estimate the fair value of the services received from employees, their value is measured by reference to the fair value of the equity instruments (treasury shares in Euronext NV), in accordance with their share price at the grant date.

This cost is recognised linearly over the period in which the service is provided by employees, under the caption "Staff costs" in the income statement, together with the corresponding increase in "Other equity instruments - Share plan". The accumulated cost recognised at each statement of financial position date reflects the best estimate of the Euronext Group of the number of own shares that will be distributed, weighted by the time elapsed between the acquisition of the shares and their attribution to the employees. The impact in the income statement of each year represents the accumulated cost variation between the beginning and the end of the period.

## **2.16 CAPITAL**

### Legal reserve

Portuguese commercial legislation establishes that at least 5% of the annual net profit must be appropriated to a legal reserve until the latter represents at least 20% of the share capital. This reserve is not distributable, except in case of liquidation, but may be used to absorb losses, after all other reserves are exhausted, and for incorporation in the share capital.

### Reserves for medium-term incentive plans

In accordance with IFRS 2 - "Share based payments", the responsibility with the medium term incentive plans settled through the delivery of own shares is recorded, as a credit entry, under the caption "Other equity instruments - Share based payments", as this reserve is not distributable or can be used to absorb losses.

### Other reserves - Gains and losses recognised directly in reserves

These refer to gains and losses arising from differences between the actuarial and financial assumptions used and the values effectively verified with regard to the liabilities and expected income of the pension fund, as well as those resulting from changes in actuarial assumptions (actuarial gains and losses).

### Other reserves and retained earnings

This caption includes the realised results available for distribution to shareholders and gains through increases in the fair value of financial instruments, financial investments and investment properties which, in accordance with paragraph 2 of art. 32 of the CSC, will only be available for distribution when the elements or rights that gave rise to them are sold, exercised, extinguished or liquidated.

## 2.17 REVENUES

Euronext Securities Porto's revenue is based on the five-step model established by IFRS 15:

- (1) Identification of the contract with the customer;
- (2) Identification of performance obligations;
- (3) Transaction pricing;
- (4) Allocation of the transaction price to performance obligations; and
- (5) Revenue recognition.

Thus, at the beginning of each contract, Euronext Securities Porto assesses the promised services and identifies, as a performance obligation, each promise to transfer to the customer any service. These promises in contracts with customers may be explicit or implicit, provided that such promises create a valid expectation in the customer that the entity will transfer a good or service to the customer, based on published policies, specific statements or customary business practices of the entity.

Revenue recognition occurs at the moment of fulfilment of each performance obligation. Revenue obtained from settlement is recognised when this service is completed while custody revenue is recognised over the period in which it is provided. Revenue comprises the fair value of the services

rendered, net of taxes and discounts received or receivable. Services rendered are recognised in the period to which they relate, in accordance with the accrual accounting principle.

## **2.18 EARNINGS PER SHARE**

Basic earnings per share are calculated by dividing the profit attributable to the company's shareholders by the number of ordinary shares in issue.

## **2.19 PROVISIONS**

Provisions are recognised when:

- (i) there is a present obligation as a result of past events, and it is probable that the settlement of this obligation will require the expenditure of internal resources; and
- (ii) the amount or value of such obligation is reasonably estimable.

When one of the conditions described above is not met, Euronext Securities Porto discloses the events as a contingent liability, unless the possibility of an outflow of funds resulting from this contingency is remote, in which case they are not disclosed.

Provisions for ongoing legal actions against Euronext Securities Porto are made according to risk assessments made by Euronext Securities Porto and its legal advisors, based on success rates.

Restructuring provisions are only recognised when Euronext Securities Porto has a detailed and formalised plan identifying the main features of the programme and after these facts have been communicated to the entities involved.

Provisions for dismantling costs, removal of assets and restoration of the site, are recognised when the assets are installed, according to the best estimates at that date. The amount of the liability recognised reflects the effects of the passage of time, the corresponding financial updating being recognised in the income statement as a financial cost.

Present obligations arising from onerous contracts are recorded and measured as provisions. An onerous contract exists when the Company is an integral part of a contract, whose compliance has associated costs that exceed future economic benefits.

Provisions are reviewed and updated at the date of the statement of financial position to reflect the best estimate, at that time, of the obligation in question.

## **2.20 ACCOUNTING ESTIMATES IN THE APPLICATION OF ACCOUNTING POLICIES**

The IFRS establishes a set of accounting treatments that require the Board of Directors to use the necessary judgement and estimates in applying the most appropriate accounting principles.

The main accounting estimates and judgements used in the application of the accounting principles by Euronext Securities Porto are analysed as follows, in order to improve the

understanding of how their application affects the reported results of Euronext Securities Porto and its disclosure.

Considering that in some situations accounting standards allow for an alternative accounting treatment to the one adopted by the Board of Directors, the results reported by Euronext Securities Porto could be different if a different treatment was chosen. The Board of Directors believes that the adopted criteria are appropriate and that the financial statements present fairly, in all material respects, the financial position of Euronext Securities Porto and its operations.

The alternative outcomes discussed below are presented solely to provide a better understanding of the financial statements and are not intended to suggest that other alternatives or estimates would be more appropriate.

#### **Amortisation/depreciation/amortisation of tangible and intangible assets**

Tangible and intangible fixed assets are depreciated by the straight-line method taking into account the estimated useful life expected to be available for use and this should be reviewed at least annually.

The determination of the amortisation/depreciation method and of the useful lives of assets and determination of the residual value has direct impacts on the amount of amortisation/depreciation to be recognised in the statement of comprehensive income.

Tangible fixed assets and intangible assets are subject to impairment tests when there are facts or circumstances indicating that their net value is not recoverable.

Considering the uncertainties regarding the recoverable amount of tangible and intangible assets, as it is based on the best information available at the date, changes in assumptions can result in impacts in the determination of the level of impairment and, consequently, in the results of the company.

#### **Expected credit losses**

The expected credit losses are based on the evaluation made by the Management of the probability of recovering the balances of accounts receivable, ageing of balances, cancellation of debts and prospective factors specific to clients and economic environment. Certain circumstances and facts may change the estimated impairment losses of accounts receivable in relation to the considered assumptions, namely changes in the economic environment, industry trends, deterioration of the credit situation of major customers and significant defaults. This evaluation process is subject to numerous estimates and judgements. Changes in these estimates may result in the determination of different levels of impairment and consequently different impacts on results.

#### **Taxes on profits**

The determination of the overall amount of income taxes requires certain interpretations and estimates. There are several transactions and calculations for which the determination of taxes payable is uncertain during the normal business cycle.

Other interpretations and estimates could result in a different level of income taxes, current and deferred, recognised in the period.

The Tax Authorities may review the calculation of the tax base made by Euronext Securities Porto for a period of four years. As such, it is possible that there may be corrections to the taxable income, resulting mainly from differences in interpretation of the tax law. However, the Board of Directors of Euronext Securities Porto believes that if there are any corrections, they will not be significant corrections to the income taxes recorded in the financial statements.

#### **Pensions and other employee benefits**

Determining pension liabilities requires the use of assumptions and estimates, including the use of actuarial projections, estimated returns on investments and other factors that can impact on the costs and liabilities of the pension plan.

Changes to these assumptions could have a significant impact on the values determined.

#### **Deferred tax assets**

Deferred tax assets are recognised only when there is the expectation and certainty of future taxable income available to use the temporary differences or when there are deferred tax liabilities whose reversal is expected in the same period in which the deferred tax assets are reversed.

At the end of each period the valuation of deferred tax assets is carried out.

#### **Fair Value Estimate**

The fair value measurement assumes that the asset or liability is exchanged in an orderly transaction between market participants to sell the asset or transfer the liability, at the measurement date, under current market conditions. The fair value measurement is based on the assumption that the transaction to sell the asset or transfer the liability can occur:

- (a) In the main market of the assets and liabilities, or
- (b) In the absence of a principal market, the transaction is assumed to take place in the most advantageous market. This is the one that maximises the amount that would be received on the sale of the asset or minimises the amount that would be paid to transfer the liability, after taking into account transaction costs and transport costs.

Because different entities and different businesses within a single entity may have access to different markets, the principal or most advantageous market for the same asset or liability may

vary from one entity to another, or even between businesses within the same entity, but are assumed to be accessible to Euronext Securities Porto.

The fair value measurement uses assumptions that market participants would use in setting the price of the asset or liability, assuming that market participants would use the asset in a way that maximises its value and use.

Euronext Securities Porto uses valuation techniques which are appropriate to the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities measured at fair value or for which disclosure is mandatory are classified according to a fair value hierarchy, which classifies into three levels the data to be used in the fair value measurement, detailed below:

- (a) Level 1 - Quoted market prices, unadjusted, in active markets for identical assets or liabilities that the entity can access at the measurement date;
- (b) Level 2 - Valuation techniques that use inputs, which are not quoted, are directly or indirectly observable;
- (c) Level 3 - Valuation techniques using inputs not based on observable market data, i.e. based on unobservable data.

The Board of Directors believes that the fair value of the breakdown of financial instruments recorded at amortised cost or registered at the present value of the payments does not differ significantly from their book value , taking into account the contractual conditions of each of these financial instruments.

## **2.21 RISK MANAGEMENT**

Euronext Securities Porto pays strict and permanent attention to maintaining a prudent and balanced risk profile that is appropriate to the experience and capacity of the organisation, preserving the basic objectives of solvency, profitability and adequate liquidity.

Euronext Securities Porto, as the manager of the centralised and settlement systems, has an internal control system whose objective is to monitor the risks inherent to its activity, minimise the unforeseen, adapt to changes in the economic and competitive environment and to changes in the market, as well as to ensure more effective development and growth of the company.

### **Financial risks**

- (a) Exposure to credit risk

There is no significant concentration of credit risk in a single counterparty or group of counterparties. The maximum exposure to credit risk for each class of financial assets is represented by the carrying amounts of the respective assets.

**(b) Exposure to interest rate risk**

Euronext Securities Porto has not constituted any bank loan and its financial investments are made in assets without risk or with reduced risk, such as term deposits with fixed rate and maturity equal to or less than one year. These investments are made with financial institutions of recognised credibility.

Euronext Securities Porto does not use any derivative financial instruments to hedge interest rate or exchange rate risks.

**Settlement and custody risk**

As of 30 June 2023, the valuation of the issues integrated in the Central Securities Depository amounted to 393,494,148,042 euros, as detailed below:

Type	Number of Issues	Valuation (€)
Shares	414	120,548,417,308
Rights	19	151,604,192
Public debt bonds	25	167,080,242,068
Treasury bills	4	4,871,891,401
Private debt bonds	644	93,283,530,163
Convertible securities (VMOC)	3	55,490,128
Commercial paper	44	1,578,150,000
Participation bonds	2	79,103,038
Participation units	432	5,387,107,744
Autonomous Warrants	417	-
Certificates	65	-
Structured securities	6	458,612,000

The valuation referred to in the table above is based on the nominal value<sup>1</sup>, in the case of debt securities and other securities not admitted to trading on a market; market prices provided by the respective management entity, for securities admitted to trading on a market, other than debt securities; The value of the units provided by the management entity, for those units which are not admitted to trading on a market and the issue value of shares without par value, not admitted to trading on a market, corresponding to the portion of share capital in question.

The procedures to alert of the existence of failures in settlement, as well as the implemented internal control procedures, allow for the risks inherent in these operations to be monitored and mitigated.

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<sup>1</sup> In the table above, the valuation of warrants and certificate issues is not shown.

## 2.22 SUBSEQUENT EVENTS

Events occurring after the balance sheet date that provide additional information about conditions that existed at the balance sheet date are reflected in the financial statements. Events occurring after the balance sheet date that provide information on conditions occurring after the balance sheet date, if material, are disclosed in the notes to the financial statements.

### 3 SERVICES RENDERED AND OTHER INCOME

The value of this item is made up of:

	30/06/2023 Euros	30/06/2022 Euros
System Utilisation	378,730	375,258
Settlement Systems	889,314	871,856
Exercise of Rights/Other Events	398,417	319,734
Securities Maintenance	10,768,220	10,238,303
Issue Registration	86,155	87,355
Issue Cancellation	61,104	78,215
T2S Information	40,596	42,370
Other Services	463,061	435,502
	<b>13,085,597</b>	<b>12,448,593</b>

### 4 OTHER INCOME

	30/06/2023 Euros	30/06/2022 Euros
Other Income	59,858	63,303
IT recharges	11,098	10,177
Obtained Subsidies (Job Placement Measure)	8,684	11,148
	<b>79,640</b>	<b>84,628</b>

The Other Income item includes, among others, the income resulting from contracts for the renting of space in the Euronext Securities Porto premises and the contract for IT services to third parties.

The IT recharges item is due to the re-invoicing of costs for various ongoing projects to be capitalised in the Euronext IP & IT Holding BV entity.

In June 2023, Euronext Securities Porto had three applications approved for the Job Internships Programme, managed by the Instituto do Emprego e Formação Profissional (I.E.F.P), covering 7 trainees.

The amounts received were as follows:

Process Number	No. of internships	Amount received  2020	Amount received  2021	Amount received  2022	Amount received  2023	<b>TOTAL</b>
1294/TE/19	3	4,707	11,070	-	-	15,777
0166/TE/20	1	-	2,543	3,813	-	6,356
0180/TE/22	3	-	-	7,334	8,684	16,018
<b>TOTAL</b>	<b>7</b>	<b>4,707</b>	<b>13,613</b>	<b>11,147</b>	<b>8,684</b>	<b>38,151</b>

## 5 IMPAIRMENT LOSSES ARISING FROM EXPECTED CREDIT LOSSES

The movements made were as follows:

	30/06/2023 Euros	30/06/2022 Euros
Opening balance of the asset account "Impairment losses on expected credit losses"	171,000	143,023
Adjustments in accounts receivable for expected credit losses	10,467	13,450
Reversals of adjustments of accounts receivable due to expected credit losses	-	-
Use of adjustments to accounts receivable for expected credit losses	-	-
Closing balance of the asset account "Adjustments to accounts receivable for expected credit losses"	181,467	156,473

## 6 PERSONNEL COSTS

The number of individuals employed by Euronext Securities Porto on 30 June 2023 vs. 2022 (excluding members of the Board of Directors), distributed by department, was as follows:

	30/06/2023 Number	31/12/2022 Number
Settlement and Custody	12	11
Support – Finance Area	1	2
Support – Legal Area	1	1
Support – IT	16	16
Support – Shared Services	9	5
Support – Secretariat	1	1
Support – Client Management	2	3
	42	39

The value of this item is made up of:

	30/06/2023 Euros	30/06/2022 Euros
Remunerations	1,346,934	1,101,442
Mandatory Social Charges	228,734	194,901
Charges with Share Plan Programmes	67,998	62,096
Charges with Pensions and Employee Benefits (Note 20)	120,953	124,838
Training	5,702	19,812
Other Costs	30,454	29,440
	1,800,775	1,532,529

The amount of remuneration received by the Governing Bodies:

	<b>30/06/2023</b> Euros	<b>30/06/2022</b> Euros
Remunerations	156,907	195,000
Mandatory Social Charges	20,091	20,228
Other Costs	421	421
	177,419	215,649

## 7 AMORTISATION AND DEPRECIATION FOR THE YEAR

The value of this item is made up of:

	<b>30/06/2023</b> Euros	<b>30/06/2022</b> Euros
<i>Tangible Fixed Assets:</i>		
LHI - Buildings	441	441
M&E – IT Equipment	51,805	36,037
OFA – Other Tangible Fixed Assets	6,522	6,522
	58,768	43,000
<i>Intangible Assets:</i>		
SW – Software	-	947
Leases – Right of Use	137,500	148,297
	137,500	149,244
	196,268	192,244

## 8 INFORMATION TECHNOLOGY AND COMMUNICATION COSTS

	<b>30/06/2023</b> Euros	<b>30/06/2022</b> Euros
Licences, maintenance and hardware acquisition	28,107	31,676
Licences and software maintenance	320,537	299,415
Costs of and with communications	35,146	59,206
Other Information Technology Expenses	8,018	8,263
Direct costs supported with settlement operations	410,630	-
Information technology and communications costs capitalised	(118,848)	-
	683,590	398,560

The item "Software licenses and maintenance" records the cost of licenses to support the settlement and maintenance systems for securities, as well as the cost of software licenses needed for the operation and security of personal computers used by Euronext Securities Porto employees.

The item "Direct costs supported with settlement operations" results from a change in the accounting of costs incurred with SWIFT providers and the European Central Bank.

## 9 CONSULTANCY AND PROFESSIONAL SERVICES

The value of this item is made up of:

	30/06/2023 Euros	30/06/2022 Euros
Tax and Accounting Consultants	3,150	1,050
Auditing and Statutory Auditing	7,664	5,274
Outsourcing	270,781	664,247
Services provided within the Euronext Group	528,410	734,497
Other consultancy and professional services	274,696	300,806
Capitalised consultancy and professional services	(190,457)	(234,940)
	894,244	1,470,934

Under "Other Consultancy and professional services" is registered, among others, the amount relating to the management and maintenance contract of the private communications network of Euronext Securities Porto (connections between the Euronext Securities Porto system and the systems of its participants).

In the "Outsourcing item" is registered, among others, the amount related with the transaction settlement services carried out through the T2S platform, managed by the European Central Bank. As explained in the previous note, the costs incurred with the European Central Bank are now accounted for under the heading Information and Communication Technology Expenses.

Under services rendered intra Euronext Group is registered

	30/06/2023 Euros	30/06/2022 Euros
<i>Support Services Recharges (ICSA)</i>	409,167	468,477
<i>Shareholder cost reallocations (CSD)</i>	72,890	186,166
<i>Management fee</i>	46,353	78,854
	528,410	734,497

In 2021, the Euronext Group implemented a cost allocation policy shared by the various Group companies. To that end, two new cost allocation policies were created and the management fee policy was updated in 2021.

Thus the following new categories were introduced :

(a) *Support Services Recharges (ICSA – Intercompany Central Services Agreement)*

The Euronext Group has support areas that are shared by all the Group's entities. In order to allocate to each Group entity the costs related to the services that are shared, a cost sharing policy was implemented and its calculation is described below:

- i. Identification of the costs borne by each entity relating to the support areas which provide services to other group entities (such as, for example, the financial, human resources, legal and IT departments, among others);

- ii. Application of a 5% margin;
- iii. Allocation of costs/entity based on a revenue matrix;
- iv. Compare the result of the previous point with the costs accounted for in the entity itself, (in this case Euronext Securities Porto accounts) - plus a margin of 5%;
- v. If the result of point (iv) is positive the entity will receive an invoice and record a cost, if negative the entity will issue an invoice and record an income.

In the case of Euronext Securities Porto, in 2021, the result was negative so the Euronext Group issued an invoice for the amount of € 5,748,402. This result is essentially due to the weight that the costs supported with the IT's department finance department (end user, Infosec, ... ) have (not all IT areas represent transversal costs and enter into this calculation).

*(b) Shareholder cost reallocations (CSD)*

This refers to the re-invoicing of costs incurred on behalf of Euronext NV (parent company of the Euronext Group) and comprises costs such as the costs incurred for members of the Management Bodies as they allocate part of their time to Group tasks, premises, communications, etc.

An allocation key was developed for these costs, with the result being invoiced to Euronext NV.

*(c) Management Fee*

This represents cost sharing with the Executive Bodies of the Euronext Group on the basis of a key allocation based on a revenue matrix.

## 10 FACILITIES AND RELATED SERVICES

The value of this item is made up of:

	30/06/2023 Euros	30/06/2022 Euros
Condominium costs	25,537	16,191
Security	31,156	29,359
Gas, water and electricity	16,538	43,441
Maintenance and cleaning services	13,770	12,363
Other	(2,971)	3,566
	<hr/> 84,030	<hr/> 104,920

## 11 OTHER EXPENSES

The value of this item is made up of:

	30/06/2023 Euros	30/06/2022 Euros
Supervisory fees (CMVM)	381,160	382,680
Vehicle costs	28,961	21,061
Insurance	42,299	30,557
Travel expenses	35,769	20,823
Office and maintenance equipment	1,700	2,695
Membership fees	11,421	10,166
Banking charges	5,172	4,638

Mail	1,406	1,254
Other	4,275	5,421
	512,163	479,295

Portaria n.º 342-B/2016 of 29 December, which amends Portaria 913-I/2003 of 30 August, establishes in its article 2 the supervision fees due by Euronext Securities Porto to CMVM. The calculation of the fee is based:

(a) on the amount settled in the case of the settlement system, whereby the amount to be charged cannot be less than € 1,500 nor more than € 7,500

(b) on the amount of the issues included in the centralised system on the last day of each month in the case of the centralised securities system, whereby the amount to be charged cannot be less than € 45,000 nor more than € 60,000.

Moreover, it is defined that the entity managing both the settlement systems and the centralised securities systems is only subject to the payment of the higher rate. In 2023, Euronext Securities Porto reached the maximum limit established by CMVM, thus paying monthly amount of € 60,000.

Portaria 342-A/2016 of 29 December also authorises the CMVM to proportionally increase the fees, rates or other amounts it charges to market agents under its supervision, in order to meet the cost of the provision to the Competition Authority. In 2022 the amount supported by Euronext Securities Porto for this fee was €24,375 (in 2022 it was € 22,500).

## 12 FINANCIAL INCOME AND EXPENSES

The value of this item is made up of:

	30/06/2023 Euros	30/06/2022 Euros
Other financial income / (expenses) (exchange rate variations)	57	8
Interest expenses with land use rights (Rentals)	(4,334)	(5,360)
Other interest expenses	-	(18,108)
 Financial result	 (4,277)	 (23,460)

## 13 PROVISION FOR INCOME TAXES

Euronext Securities Porto is taxed under the group taxation regime led by Euronext Lisbon, by authorisation obtained under the provisions of article 69 of the IRC Code. The amount of current tax, positive or negative, is calculated for each company included in the Tax Group based on its individual tax situation.

Euronext Securities Porto is subject to Corporate Income Tax at a rate of 21%, plus Municipal Surcharge at a rate of 1.50%, and State Surtax at a rate of 3% on taxable profit between € 1,500,000 euros and € 7,500,000, and 5% on profit above € 7,500,000.

In accordance with current legislation, tax returns are subject to review and correction by the tax authorities for a period of four years (see Note 2.16), except when tax benefits have been granted, or tax inspections, claims or disputes are in progress, in which cases, depending on the circumstances, the periods are extended or suspended.

Thus, tax returns of Euronext Securities Porto for the years 2018 to 2022 may still be subject to review. The Board of Directors believes that any corrections resulting from reviews/inspections of these tax returns by the tax authorities will not have a significant effect on the financial statements.

The income tax charge for the year is analysed as follows:

	30/06/2023 Euros	30/06/2022 Euros
Current tax for the year	2,384,848	2,223,269
Correction of previous years	(5,691)	(11,530)
	2,379,157	2,211,739
Deferred tax (see Note 19)		
Temporary differences	8,353	2,534
Tax Rate Variation	-	-
	8,353	2,534
	2,387,510	2,214,273

	30/06/2023 Euros	30/06/2022 Euros
Profit before tax	8,979,423	8,317,828
Costs not accepted for tax purposes:		
Share-based payment	67,998	62,096
Non-deductible provisions beyond legal limits	-	3,472
Other costs not accepted for tax purposes	3,588	1,558
	71,586	67,126
Deductions from the tax base		

Share-based payment	105,121	76,832
Other deductions from the tax base	5,711	1,000
Deductions from the tax base	(110,832)	(77,832)
Taxable income	8,940,177	8,307,122
Current income tax (1)		
• Taxable amount - Rate 21	1,877,437	1,744,496
• Municipal Surcharge - Rate 1.50%	134,104	124,607
• State Surtax	349,507	318,809
Expenses taxed autonomously (2)	23,800	35,357
Current income tax (1) + (2)	2,384,848	2,223,269

The calculation of the current tax is analysed as follows:

<b>Reconciliation between cost for the year and balance sheet</b>	<b>30/06/2023 Euros</b>	<b>30/06/2022 Euros</b>
Current income tax		
- Initial Balance	719,173	386,876
- Liquidity	713,482	375,346
- Previous years' tax correction	(5,691)	11,530
- Recognition as cost in the year (1) + (2) - (3)	2,384,848	2,223,269
- Less: Payments on account and special payments on account		
- Current balance payable (receivable)	2,384,848	2,223,269

The nominal tax rate and effective tax rate for the twelve months ending 31 December 2023 and 2022 are as follows:

	<b>30/06/2023 Euros</b>	<b>30/06/2022 Euros</b>
Current tax for the period:		
Current tax charged to profit/loss	2,379,157	2,211,739
Deferred tax	8,353	2,534
<b>Total tax recorded in the income statement (1)</b>	<b>2,387,510</b>	<b>2,214,273</b>
<b>Profit before tax (2)</b>	<b>8,979,423</b>	<b>8,317,828</b>
<b>Effective tax rate ((1)/(2))</b>	<b>26.59%</b>	<b>26.62%</b>

## 14 FINANCIAL ASSETS AND LIABILITIES CLASSIFIED IN ACCORDANCE WITH THE CATEGORIES OF IFRS 9 - FINANCIAL INSTRUMENTS

The accounting policies set out in IFRS 9 for financial instruments have been applied to the following items:

	FINANCIAL ASSETS	FINANCIAL DERIVATIVE INSTRUMENTS	A 31/12/2022 FINANCIAL LIABILITIES	TOTAL FINANCIAL ASSETS / LIABILITIES	NON-FINANCIAL ASSETS / LIABILITIES	TOTAL
<b>ASSETS</b>						
Other non-current financial assets (note 18)	3,885	-		3,885	-	3,885
Derivative financial instruments	-	-		-	-	-
Accounts receivable - trade receivables (note 20)	2,716,194	-		2,716.194	-	2,716.194
Customer contract assets	-	-		-	-	-
Accounts receivable - other (note 20)	96.492	-		96.492	-	96.492
Cash and cash equivalents (note 21)	24.473.774	-		24.473.774	-	24.473.774
<b>TOTAL FINANCIAL ASSETS</b>	<b>27.290.345</b>	-		<b>27.290.345</b>	-	<b>27.290.345</b>
<b>LIABILITIES</b>						
Borrowings	-	942,197		942,197	-	942,197
Derivative financial instruments	-	-		-	-	-
Accounts payable - suppliers (note 26)	-	206.043		206.043		206.043
Accounts payable - other	-	-		-	-	-
Accrued expenses (note 26)	-	1.770.158		1.770.158		1.770.158
<b>TOTAL FINANCIAL LIABILITIES</b>		<b>2.918.398</b>		<b>2.918.398</b>		<b>2,918,398</b>

	FINANCIAL ASSETS	FINANCIAL DERIVATIVE INSTRUMENTS	FINANCIAL LIABILITIES	At 30/06/2023 TOTAL FINANCIAL ASSETS / LIABILITIES	NON-FINANCIAL ASSETS / LIABILITIES	TOTAL
<b>ASSETS</b>						
Other non-current financial assets (note 18)	4,300	-		4,300	-	3,885
Derivative Financial Instruments	-	-		-	-	-
Accounts receivable - Customers (note 20)	2,872,593	-		2,872,593	-	2,716,194
Customer contract assets	-	-		-	-	-
Accounts receivable - other (note 20)	96,492	-		96,492	-	96,492
Cash and cash equivalents (note 21)	19,667,201	-		19,667,201	-	24,473,774
<b>TOTAL FINANCIAL ASSETS</b>	<b>22,640,586</b>	-		<b>22,640,586</b>	-	<b>22,640,586</b>
<b>LIABILITIES</b>						
Obtained loans	-	-	805,726	805,726	-	805,726
Derivative financial instruments	-	-	-	-	-	-
Accounts payable - Suppliers (note 26)	-	-	78	78	-	78
Accounts payable - other	-	-	-	-	-	-
Accrued expenses (note 26)	-	-	1,430,361	1,430,361		1,430,361
<b>TOTAL FINANCIAL LIABILITIES</b>	-	-	<b>2,236,165</b>	<b>2,236,165</b>	-	<b>2,236,165</b>

The balances of taxes recoverable and taxes payable, given their nature, were considered as financial instruments not covered by IFRS 7. Also, the caption 'Deferred costs to be recognised' was not included in this note, as the nature of such balances is not within the scope of IFRS 7.

## 15 TANGIBLE FIXED ASSETS

This item is analysed as follows:

	30/06/2023 Euros	31/12/2022 Euros
<i>Cost:</i>		
ART – Art		52,816
F&F – Administrative equipment		75,299
M&E – IT equipment		1,226,001
LHI – Buildings		127,778
TEQ – Transport equipment		59,000
OFA – Other tangible fixed assets		144,415
		<b>1,685,309</b>
<i>Accumulate depreciation:</i>		
For the current financial year		(58,768)
Related to previous years		(1,366,058)
		<b>(1,424,826)</b>
		260,483
		<b>319,251</b>

The movements in "Property, plant and equipment" in the twelve months period ending 31 December 2022 and 2021 are analysed as follows:

	Balance at 31/12/2021	Sales / Write- off	Acquisitions/Endow- ments	Balance at 31/12/2022
<i>Cost:</i>				
ART – Art	52,816	-	-	52,816
F&F – Administrative equipment	75,299	-	-	75,299
M&E – IT equipment	1,032,047	554	194,508	1,226,001
LHI - Buildings	127,778	-	-	127,778
TEQ – Transport equipment	99,900	40,900	-	59,000
OFA – Other tangible fixed assets	144,415	-	-	144,415
	<b>1,532,255</b>	<b>41,454</b>	<b>194,508</b>	<b>1,685,309</b>
<i>Accumulated depreciations:</i>				
ART – Art	-	-	-	-
F&F – Administrative equipment	75,299	-	-	75,299
M&E – IT equipment	925,179	554	94,135	1,018,761
LHI - Buildings	120,353	-	882	121,235
TEQ – Transport equipment	99,900	40,900	-	59,000
OFA – Other tangible fixed assets	78,720	-	13,044	91,763
	<b>1,299,451</b>	<b>41,454</b>	<b>108,061</b>	<b>1,366,058</b>
	<b>232,804</b>	<b>-</b>	<b>86,447</b>	<b>319,251</b>

	<b>Balance at 31/12/2022</b>	<b>Sales / Write- off</b>	<b>Acquisitions/Endow- ments</b>	<b>Balance at 30/06/2023</b>
<i>Cost:</i>				
ART – Art	52,816	-	-	52,816
F&F – Administrative equipment	75,299	-	-	75,299
M&E – IT equipment	1,226,001	-	-	1,226,001
LHI - Buildings	127,778	-	-	127,778
TEQ – Transport equipment	59,000	-	-	59,000
OFA – Other tangible fixed assets	144,415	-	-	144,415
	<b>1,685,309</b>	<b>-</b>	<b>-</b>	<b>1,685,309</b>
<i>Accumulated depreciations:</i>				
ART – Art	-	-	-	75,299
F&F – Administrative equipment	75,299	-	-	75,299
M&E – IT equipment	1,018,761	51,805	-	1,070,566
LHI - Buildings	121,235	441	-	121,676
TEQ – Transport equipment	59,000	-	-	59,000
OFA – Other tangible fixed assets	91,763	6,522	-	98,285
	<b>1,366,058</b>			
	<b>319,251</b>	<b>58,768</b>	<b>-</b>	<b>1,424,826</b>

## 16 INTANGIBLE ASSETS

This item is analysed as follows:

	<b>30/06/2023</b>	<b>31/12/2022</b>
	<b>Euros</b>	<b>Euros</b>
<i>Cost:</i>		
Acquired Software	737,289	737,289
Software developed in-house – T2S	2,129,399	2,129,399
Software developed in-group	907,645	598,340
	<b>3,774,333</b>	<b>3,465,028</b>
<i>Accumulated depreciations:</i>		
For the current financial year	-	947
Related to previous years	2,866,688	2,865,741
	<b>2,866,688</b>	<b>2,866,688</b>
	<b>907,645</b>	<b>598,340</b>

The movements in Intangible Assets, at 31 December 2022 and 2021, are analysed as follows:

	<b>Balance at 31/12/2021</b>	<b>Sales / Write-off</b>	<b>Acquisitions/ Endowments</b>	<b>Balance at 31/12/2022</b>
<i>Cost:</i>				
<i>Acquired Software</i>	737,289	-	-	737,289
<i>Software developed in-house</i>	2,129,399			2,129,399
<i>Software under developed</i>	-	-	598,340	598,340
	2,866,688	-	598,340	3,465,028
<i>Accumulated depreciations:</i>				
<i>Software</i>	736,342	-	947	737,289
<i>Software developed in-house</i>	2,129,399	-	-	2,129,399
	2,865,741	-	947	2,866,688
	947	-	597,393	598,340

	<b>Balance at 31/12/2022</b>	<b>Sales / Write-off</b>	<b>Acquisitions/ Endowments</b>	<b>Balance at 30/06/2023</b>
<i>Cost :</i>				
<i>Acquired Software</i>	737,289	-	-	737,289
<i>Software developed in-house</i>	2,129,399			2,129,399
<i>Software under developed</i>	598,340	-	309,305	907,645
	3,465,028	-	309,305	3,774,334
<i>Accumulated depreciations:</i>				
<i>Software</i>	737,289	-	-	737,289
<i>Software developed in-house</i>	2,129,399	-	-	2,129,399
	2,866,688	-	-	2,866,688
	598,340	-	309,305	907,645

## 17 RIGHT OF USE

As of 30 June 2023, Euronext Securities Porto had two active lease contracts; one for IT equipment and one for the spaces it occupies to carry out its activity.

	<b>Start of amortisation</b>	<b>End of amortisation</b>	<b>Measured on 31/12/2022</b>	<b>Measured on 30/06/2023</b>
IT equipment	01/07/2021	31/12/2025	327,231	272,692
Building	01/09/2021	31/08/2026	608,381	525,420
<b>Total</b>			<b>935,612</b>	<b>798,112</b>

The movements in this item, at 30 June 2023:

	<b>Balance at 31/12/2021</b>	<b>Sales /Write-off</b>	<b>Acquisitions/ Endowments</b>	<b>Balance at 31/12/2022</b>
<i>Cost:</i>				
Buildings	1.148.986	2.229	-	1.151.215
IT equipment	1.114.739	-	451.912	662.827
	2.263.725	2.229	451.912	1.814.042
<i>Accumulated depreciations:</i>				
Buildings	377.232	165.603	-	542.835
IT equipment	471.024	143.019	278.447	335.595
	848.256	308.622	278.447	878.430
	1.415.470	(306.393)	(173.465)	935.612

	<b>Balance at 31/12/2022</b>	<b>Sales /Write-off</b>	<b>Acquisitions/ Endowments</b>	<b>Balance at 30/06/2023</b>
<i>Cost:</i>				
Buildings	1.151.215			1.151.215
IT equipment	662.827			662.827
	1.814.042			1.814.042
<i>Accumulated depreciations:</i>				
Buildings	542.835	82.961		627.795
IT equipment	335.595	54.539		390.135
	878.430	137.500		1.015.930
	935.612	137.500		798.112

## 18 OTHER FINANCIAL ASSETS

This item is analysed as follows:

	<b>30/06/2023 Euros</b>	<b>31/12/2022 Euros</b>
ANNA (1 share)	1,250	1,250
FCT – Work compensation fund	3,050	2,635
	4,300	3,885

The Work Compensation Fund (FCT) is an autonomous fund, with legal personality and financed by the employers. The fund is managed by the Institute for the Management of Social Security Capitalization Funds, I.P. The subscription to the regime established by Law 70/2013 of 30 August

is mandatory for all employers who enter into employment contracts regulated by the Labour Code, from 1 October 2013, with the exceptions provided therein.

The FCT is an individual capitalization fund aimed at partial payment (up to 50%) of the compensation for termination of the employment contract of its employees.

The contributions to be made by employers to the FCT correspond to 0.925% of the basic salary and seniority for each covered employee, whereby these contributions have a capitalisation nature for the employer. The reimbursement will correspond to the amount paid to the fund, individualised by the respective employee faced with the termination of employment contract, plus any gain generated by the capitalization of that amount in the fund.

The financial asset relating to the FCT contributions was measured at fair value and changes in fair value are recognised in the income statement of the period according to the value of the fund units at each reporting date disclosed by the management entity.

## 19 DEFERRED TAX ASSETS AND LIABILITIES

Euronext Securities Porto records in its accounts the tax effect arising from temporary differences between assets and liabilities determined from an accounting perspective and from a tax perspective, which is analysed as follows:

	30/06/2023		31/12/2022	
	Asset Euros	Liability Euros	Asset Euros	Liability Euros
Impairment losses arising from expected credit losses	10,911	-	10,911	-
Share plan - remuneration	160,698	-	186,610	-
	-	197,521	-	
	22.50%	-	22.50%	-
Deferred tax assets / liabilities	36,090	-	44,442	-

The movements in deferred taxes for the six months ending 30 June 2023 are as follows:

	30/06/2023		31/12/2022	
	Asset Euros	Liability Euros	Asset Euros	Liability Euros
Balance at the beginning of the period	44,442	-	29,804	-
Appropriation to retained earnings	-	-	-	-
Appropriation to results for the period	(8,353)	-	14,638	-
Balance at the end of the period	36,090	-	44,442	-

## 20 DEBTORS AND OTHER ASSETS

This item is analysed as follows:

	30/06/2023 Euros	31/12/2022 Euros
Current debtors and other assets		
- Customers	3,054,061	2,887,194
- Other Debtors	96,492	96,492
- Deferrals (expenses to be recognised)	624,179	281,621
Impairment for debtors (See Note 5)	(181,468)	(171,000)
	3,593,264	3,094,307

## 21 CASH AND CASH EQUIVALENTS

This item is analysed as follows:

	30/06/2023 Euros	31/12/2022 Euros
Bank deposits: Demand deposit	19,667,201	24,473,774
	19,667,201	24,473,774

## 22 CAPITAL

The share capital of Euronext Securities Porto, amounting to € 5,500,000 represented by 5,500,000 shares with a nominal value of 1 € each, is fully paid up.

The share capital of Euronext Securities Porto, as of 30 June 2023, is held 100% by Euronext Lisbon - Sociedade Gestora de Mercados Regulamentados, S.A..

Earnings per share (EPS) attributable to the Euronext Securities Porto shareholder are analysed as follows:

	30/06 /2023 Euros	31/12 /2022 Euros
Net result	6,591,913	11,787,905
No. of shares	5,500,000	5,500,000
Earnings per share (Basic)	1.20	2.14

Euronext Securities Porto calculates basic earnings per share using the number of shares issued during the reporting period.

## 23 RESERVES AND RETAINED EARNINGS

This item is analysed as follows:

	30/06/2023	31/12/2022
	Euros	Euros
Legal reserve	5,500,000	5,500,000
Other reserves (Note 24)	(351,430)	(509,601)
Retained earnings	3,327,058	3,327,058
Share plan	(52,057)	(33,508)
	<b>8,423,571</b>	<b>8,283,949</b>

### Legal reserve

The Portuguese Companies Act establishes that at least 5% of the annual net profit must be attributed to a legal reserve, until such reserve represents at least 20% of the share capital. This reserve can only be used to cover losses or to increase the Company's share capital.

### Other reserves

These refer to gains and losses arising from differences between the actuarial and financial assumptions used and the values effectively verified with regard to the liabilities and expected income of the pension fund, as well as those resulting from changes in actuarial assumptions (actuarial gains and losses).

### Retained earnings

These refer to profits generated in previous years and not distributed.

## 24 EMPLOYEE BENEFITS

### Defined benefit plans

By contract dated 27th December 2001, a defined benefit pension fund, named "Fundo de Pensões da Euronext Securities Porto", was set up, with the objective of guaranteeing the payment of retirement, disability and survival pensions, independently from the Social Security.

The aforementioned pension fund, with an indefinite duration, is managed by BPI Vida e Pensões - Companhia de Seguros, S.A. and covers liabilities with effect from the date of incorporation of Euronext Securities Porto.

Euronext Securities Porto changed the defined benefit pension plan, in the sense that the latter no longer covers new participants and fixed by reference to 31 December 2016 the length of service and pensionable remuneration of the fund's participants.

The liabilities arising from the pension fund were determined through an actuarial study prepared by Mercer, Human Resource Consulting, S.A..

The net liability of Euronext Securities Porto with the pension fund is calculated annually on the closing date of accounts, and therefore an estimate made by the above-mentioned entity is presented in this report.

As of 30 June 2023 and 31 December 2022, the number of participants covered by this retirement pension plan was as follows:

	30/06/2023	31/12/2022
Active employees	26	26
Former employees	10	10
Pensioners	12	12
	48	48

As mentioned in Note 2.14, actuarial gains and losses are recognised in the equity caption "other reserves".

Additionally, IAS 19R provides that the financial cost of the funded benefit plan should be calculated by applying the discount rate to the net balance of the estimated liabilities and fair value of plan assets, whether the balance is positive or negative.

The amounts recognised in net profit for the period and comprehensive income in respect of this defined benefit plan were as follows:

	30/06/2023 Euros	31/12/2022 Euros
Cost of the current services		
Net financial cost	(9,000)	15,000
Components of the defined benefit cost recognised in net income for the period	(9,000)	15,000

Remeasurements in the net defined benefit liability:		
- Effect of changes in demographic assumptions		-
- Effect of changes in financial assumptions	(2,360,000)	
- Other adjustments	15,000	
- Return on plan assets	(158,171)	789,000
Components of the cost / (income) of defined benefit recognised in comprehensive income	(158,171)	(1,556,000)
Total cost / (income) components of defined benefit	(167,171)	(1,541,000)

The amount recognised in the Euronext Securities Porto statement of financial position resulting from the obligation of this defined benefit plan is as follows:

	30/06/2023	31/12/2022
Present value of the obligations of the defined benefit plan	5,126,829	5,062,000
Fair value of plan assets	5,725,000	5,493,000
Net liability resulting from the defined benefit plan	(598,171)	(431,000)
Contribution Pension Plan liability	20,550	-
Pension Plans (benefit and contribution) liability	(577,621)	(431,000)

The movements in the present value of the defined benefit plan obligations are analysed as follows:

	30/06/2023	31/12/2022
Obligations of the defined benefits plan - Opening balance	5,062,000	7,412,092
Cost of current services		-
Interest cost	100,000	96,000
Benefits paid	(35,171)	(100,000)
Remeasurements:		
- Effect of changes in demographic assumptions		-
- Effect of changes in financial assumptions		(2,360,000)
- Other adjustments		13,908
Obligations of the defined benefits plan - Closing balance	5,126,829	5,062,000

The movements in the value of plan assets are analysed as follows:

	30/06/2022	31/12/2022
Fair value of plan assets - Opening balance	5,493,000	6,251,000
Financial income	109,000	81,000
Contributions made by Euronext Securities Porto		50,000
Benefits paid	(35,171)	(100,000)
Remeasuring:		
- Return on plan assets	158,171	(789,000)
Fair value of plan assets - Closing balance	5,725,000	5,493,000

The composition of the fair value of the fund's assets is in accordance with the set of guidelines and guiding principles, on the basis of which BPI Vida e Pensões - Sociedade Gestora de Fundos de Pensões, S.A. should conduct and control the management of the Fund.

The comparative analysis of the actuarial assumptions is analysed as follows:

	<b>30/06/2023</b>	<b>31/12/2022</b>
Salary growth rate		
Active	= inflation (2.00%)	= inflation (2.00%)
Acquired rights	= inflation (2.00%)	= inflation (2.00%)
Pension growth rate	2.00%	2.00%
Discount rate	4.00%	4.00%
Inflation rate	2.00%	2.00%
Mortality table	TV88/90	TV88/90
Invalidity table	EVK 80 100%	EVK 80 100%
Retirement Age	66 years	66 years
Decrements used	100% da EKV 1980	100% da EKV 1980

#### DEFINED CONTRIBUTION PLAN

On 1 January 2017 Euronext Securities Porto set up a defined contribution pension plan, as referred to in Note 2.14.

The said pension fund is managed by BPI Vida e Pensões - Sociedade Gestora de Fundos de Pensões, S.A..

As of 30 June 2023, there were 37 participants, with total contributions made to this fund by Euronext Securities Porto and its employees amounting to:

<b>Financial year</b>	<b>Euronext Securities Porto</b>	<b>Contribution/ Participants</b>	<b>TOTAL</b>
2017	233,302	-	233,302
2018	279,841	9,417	289,258
2019	248,846	8,421	257,267
2020	236,725	8,153	244,878
2021	221,298	9,609	230,907
2022	239,169	9,717	248,886
2023	129,953	5,067	135,020
<b>TOTAL</b>	<b>1,589,134</b>	<b>50,384</b>	<b>1,639,518</b>

The value of the fund's assets at 30 June 2023 is € 1million and a half broken down as follows:

	Conservative Sub-fund		Dynamic Sub-fund		TOTAL	
	Value of assets (in thousands of euros)	As % of assets	Value of assets (in thousands of euros)	As % of assets	Value of assets (in thousands of euros)	As % of assets
Shares	134	15.65%	302	45.83%	436	28.78%
Bonds	689	80.49%	330	50.08%	1,019	67.26%
Liquidity	33	3.86%	27	4.10%	60	3.96%
<b>Total</b>	<b>856</b>	<b>100.00%</b>	<b>659</b>	<b>100.00%</b>	<b>1,515</b>	<b>100.00%</b>

## 25 LOANS OBTAINED

As of 30 June 2023 Euronext Securities Porto recorded two new lease contracts.

The movements recorded under this heading on this date are as follows:

	Start date	End date	Obtained financing		
			Total 31/12/2022	Short term 31/12/2022	Long term 31/12/2022
IT equipment	01/07/21	31/12/25	329,679	109,348	220,331
Building	01/09/21	31/08/26	612,518	164,830	447,688
<b>TOTAL</b>			<b>942,197</b>	<b>274,178</b>	<b>668,019</b>

	Start date	End date	Obtained financing		
			Total 30/06/2023	Short term 30/06/2023	Long term 30/06/2023
IT equipment	01/07/21	31/12/25	275,417	109,756	165,661
Building	01/09/21	31/08/26	530,309	165,656	364,653
<b>TOTAL</b>			<b>805,726</b>	<b>275,412</b>	<b>530,314</b>

Interest payments of € 4,334 (€ 11,256 in 2022) will be added to the loan repayments made in the first six months of 2023 in the amount of € 136,471 (€ 316,130 for the whole year of 2022).

## 26 CREDITORS AND OTHER LIABILITIES

This item is analysed as follows:

		30/06/2023	31/12/2022
		Euros	Euros
Suppliers of goods and services		78	206,043
State and Other Public Entities		708,219	691,186
Other		-	-
Accrued expenses		1,430,361	1,770,158
Current creditors		2,138,658	2,667,387

Accrued expenses are analysed as follows:

	<b>30/06/2023</b> Euros	<b>31/12/2022</b> Euros
Estimate for holidays and holiday allowance	376,950	345,465
Bonus estimate	304,500	488,500
Costs incurred but not yet invoiced	748,911	936,193
Other	-	-
	1,430,361	1,770,158

## 27 TRANSACTIONS WITH RELATED PARTIES

The balances of Euronext Securities Porto as of 30 June 2023 with related parties are summarised as follows:

<b>Balance sheet:</b>	<b>30/06/2023</b>	<b>31/12/2022</b>
Current assets:		
Customers:		
Euronext Paris	477	450
Euronext NV	(897)	(900)
Invoices to be issued :		
Euronext IP & IT Holding BV	5,135	
Current liabilities:		
Creditors and other liabilities		
Euronext Technologies SAS	-	24,194
Euronext Paris	-	909
Euronext Amsterdam	-	38,272
Euronext NV	165,115	197,248

Transactions with related parties during the periods ending 30 June 2023 and 31 December 2022 were as follows:

	<b>30/06/2023</b>	<b>31/12/2022</b>
Income and gains:		
Euronext Paris	3,768	
Euronext NV	440	368,671
Expenses and losses: (Note 8)	11,098	5,709
Euronext Amsterdam	482,057	
Euronext Technologies SAS	121,179	1,459,365
Euronext Paris	-	388,273
Euronext NV	46,353	19,170

## 28 CAPITAL MANAGEMENT

Bearing in mind that capital management is understood to be a broader concept than that of "equity" shown in the Balance Sheet, Euronext Securities Porto has set the following objectives in this regard:

- Comply with the capital requirements set out in Regulation (EU) No 909/2014 of 23 July (abbreviated as CSD Regulation);
- Ensure that the business continuity capacity of Euronext Securities Porto is constantly taken into consideration so that a return on investment and shareholder benefits continue to be provided; and
- Maintain a solid capital base to support the development of its activity.

Capital adequacy and regulatory capital utilisation are regularly monitored by Euronext Securities Porto.

The CSD Regulation states in Article 47 that capital, together with retained earnings and reserves, should be proportionate to the risks arising from the CSD's activity.

Capital shall at all times be sufficient to ensure that the CSD has adequate protection against operational, legal, custody, investment and business risks, to enable the CSD to continue to provide services under normal business conditions and to allow for an orderly winding-down or restructuring of the CSD's activities over an appropriate time span of at least six months under a range of stress scenarios.

Euronext Securities Porto complies with the capital requirements set out in Article 47 of Regulation (EU) No 909/2014 of 23 July (abbreviated as CSD Regulation).

Monthly financial information is sent to the CMVM, which enables it to assess compliance with the legal provisions regarding the Euronext Securities Porto's own funds.

The Euronext Group and its subsidiaries, of which Euronext Securities Porto is an integral part, comply with all the established capital requirements to which they are subject.

## 29 CONTINGENT ASSETS AND LIABILITIES

Euronext Securities Porto does not have any disclosable contingent assets or liabilities.

## 30 SUBSEQUENT EVENTS

Up to the date of approval of this document, no other relevant subsequent events have occurred that merit disclosure in this report.

Porto, 27 September 2023

**Certified Accountant (*no. 54050*)**

Miguel Brochado

**The Board of Directors**

Chairman

Pierre Davoust

CEO

Olga Jordão

Member

Isabel Ucha

Member

Joaquim Cadete

Member

Ricardo Campos



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