



**EURONEXT SECURITIES**

# **MANAGEMENT REPORT AND FINANCIAL STATEMENTS**

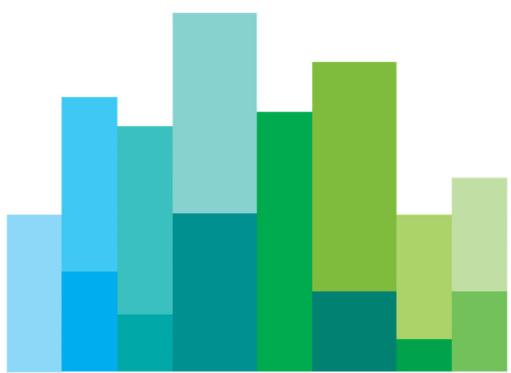
**Q3 2023**

**/ 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 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.

Euronext has reviewed its mission and ambitions in order to ensure a more sustainable society and a more favourable environment for future generations, paying particular attention to the impact of its activity.

The "Growth for Impact 2024" plan focuses on the firm integration of ESG measures at the heart of its decision-making. In June 2022, Euronext announced its support for the "Fit for 1.5°" commitment, linked to the Paris Agreement and aimed at reducing greenhouse gas emissions.

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.

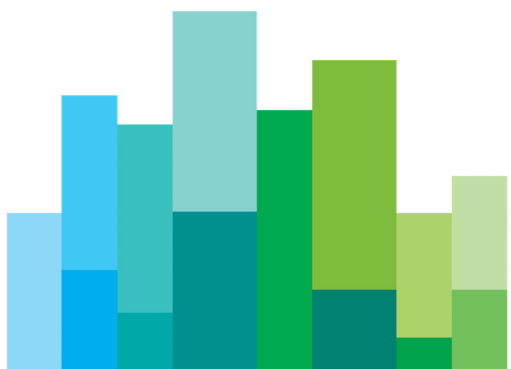
Our shareholder identification and shareholder register services provide valuable insights about companies' shareholders. Across our four CSDs we offer a range of solutions to meet the needs of our clients and in close collaboration with Euronext Corporate Services, which provides companies with value-adding 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 activity:

- **Euronext Blue Challenge:** Euronext is currently launching the 23-24 edition of the Blue Challenge Program. Six teams of students will develop, with the support and guidance of Euronext mentors, projects that aim to contribute to solving or mitigate problems caused by climate change or that contribute to boosting the Blue Economy. The programme aims to expose beneficiaries to the fundamentals of the blue economy, climate change, and financial literacy

# ACTIVITY REVIEW Q3 2023



## 1 ACTIVITY REPORT Q32023

### 1.1 Participants

As of 30 September 2023, Euronext Securities Porto had 30 affiliates in the Centralised Securities Systems and Settlement Systems it manages. The number of affiliates remains the same compared to the first half of 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, SGCCCC, 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

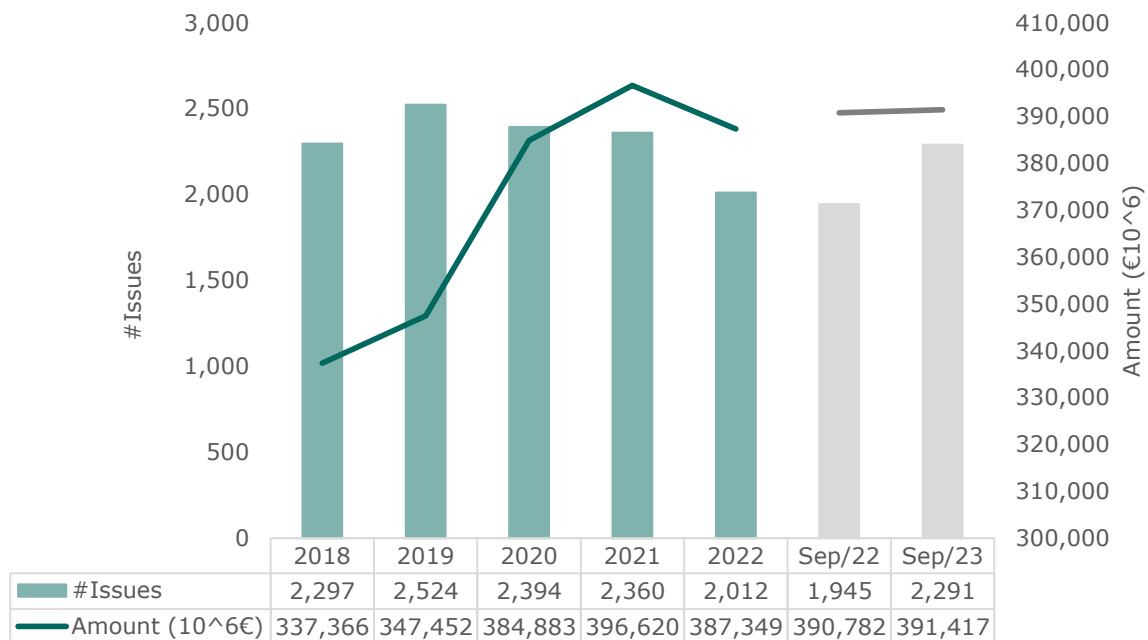
The Centralised System is made up of an interconnected set of accounts through which the creation and transfer of securities is processed and the quantity of securities in circulation, as well as the rights constituted over them, are monitored.

As of 30 September 2023, 2,291 securities issues were registered in the Centralised Securities Systems. In absolute terms, the number of securities issues increased by 346 compared to the 1,945 issues registered at the end of September 2022 (+17.8%).

Registered securities issues were valued at € 391,417 million, compared to € 390,782 million on 30 September 2022 (+0.2%).

In the referred period, 594 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 September 2023 and 2022.

Type of securities	30/09/2023		30/09/2022	
	#Issues	Amount (10 <sup>6</sup> €)	#Issues	Amount (10 <sup>6</sup> €)
<b>Shares</b>	<b>409</b>	<b>117,012</b>	<b>415</b>	<b>112,079</b>
<b>Rights</b>	<b>20</b>	<b>152</b>	<b>21</b>	<b>1,394</b>
<b>Debt</b>	<b>740</b>	<b>268,294</b>	<b>705</b>	<b>272,624</b>
Public Debt	<b>28</b>	<b>171,304</b>	<b>32</b>	<b>177,269</b>
<i>Treasury Bonds</i>	25	168,214	27	169,562
<i>Treasury Bills</i>	3	3,091	5	7,707
Private Debt	<b>712</b>	<b>96,990</b>	<b>673</b>	<b>95,355</b>
<i>Bonds (1)</i>	661	95,415	632	93,824
<i>Convertible Securities (2)</i>	3	55	3	55
<i>Commercial Paper</i>	46	1,440	36	1,396
<i>Participation Bonds</i>	2	79	2	79
<b>Other</b>	<b>1,122</b>	<b>5,959</b>	<b>804</b>	<b>4,686</b>
Fund Shares	458	5,531	351	4,129
Warrants	594	0	386	0
Certificates	65	0	58	0
Structured Values	5	428	9	558
<b>Total Assets Under Custody</b>	<b>2,291</b>	<b>391,417</b>	<b>1,945</b>	<b>390,782</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 <sup>6</sup> €)	Var. %
<b>Shares</b>	<b>-6</b>	<b>-1.4%</b>	<b>4,934</b>	<b>4.4%</b>
<b>Rights</b>	<b>-1</b>	<b>-4.8%</b>	<b>-1,242</b>	<b>-89.1%</b>
<b>Debt</b>	<b>35</b>	<b>5.0%</b>	<b>-4,330</b>	<b>-1.6%</b>
Public Debt	<b>-4</b>	<b>-12.5%</b>	<b>-5,964</b>	<b>-3.4%</b>
<i>Treasury Bonds</i>	-2	-7.4%	-1,348	-0.8%
<i>Treasury Bills</i>	-2	-40.0%	-4,616	-59.9%
Private Debt	<b>39</b>	<b>5.8%</b>	<b>1,635</b>	<b>1.7%</b>
<i>Bonds (1)</i>	29	4.6%	1,591	1.7%
<i>Convertible Securities (2)</i>	0	0.0%	0	0.0%
<i>Commercial Paper</i>	10	27.8%	44	3.1%
<i>Participation Bonds</i>	0	0.0%	0	0.0%
<b>Other</b>	<b>318</b>	<b>39.6%</b>	<b>1,273</b>	<b>27.2%</b>
Fund Shares	107	30.5%	1,402	34.0%
Warrants	208	53.9%	0	-
Certificates	7	12.1%	0	-
Structured Values	-4	-44.4%	-130	-23.2%
<b>Total Assets Under Custody</b>	<b>346</b>	<b>17.8%</b>	<b>634</b>	<b>0.2%</b>

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

(2) Mandatorily Convertible Securities

### 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 (2,291 issues), 1,966 are represented in dematerialised form and 325 are represented by physical securities, which are immobilised in the Euronext Securities Porto vault.

Of the 325 physical securities issues, 262 represent issues of warrants, and 43 are certificates, whereby each issue is represented by a single certificate.

In percentage terms, 85.8% of registered issues are dematerialised and 14.2% 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



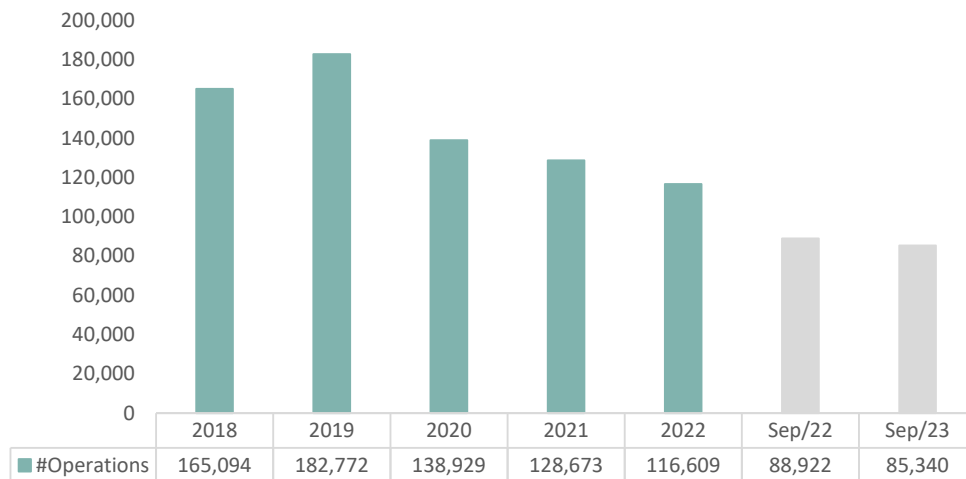
securities representation, an internal account in which it enters the difference between the quantity of securities issued, of an issue or category, and the quantity of securities registered and/or deposited in the Centralised Systems it manages.

### 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 third quarter of 2023, 85,340 securities transfers were made, 3,582 less than in the previous year, representing a decrease of 4% compared with the number of account movements made during the same period in 2022.

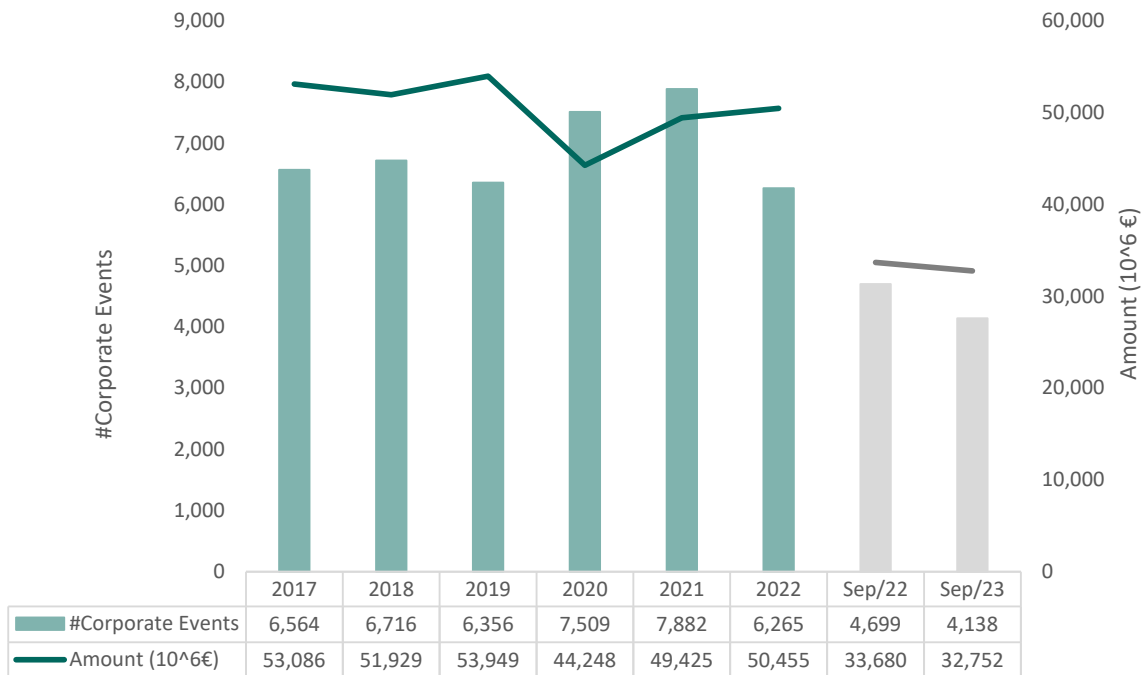


### 1.3 Exercise of Rights of Equity Content and Other Corporate Actions

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

4,138 operations were processed in the third quarter of 2023, representing, in absolute terms, a decrease of 561 operations compared to the same period of 2022 (-11.9%). This decrease is mainly explained by the decrease in the warrants exercise.

The amount processed related to corporate actions decreased to € 32,752 million, compared with € 33,680 million processed in the same period of the previous year, representing a decrease of 2.8% in percentage terms and year-on-year.



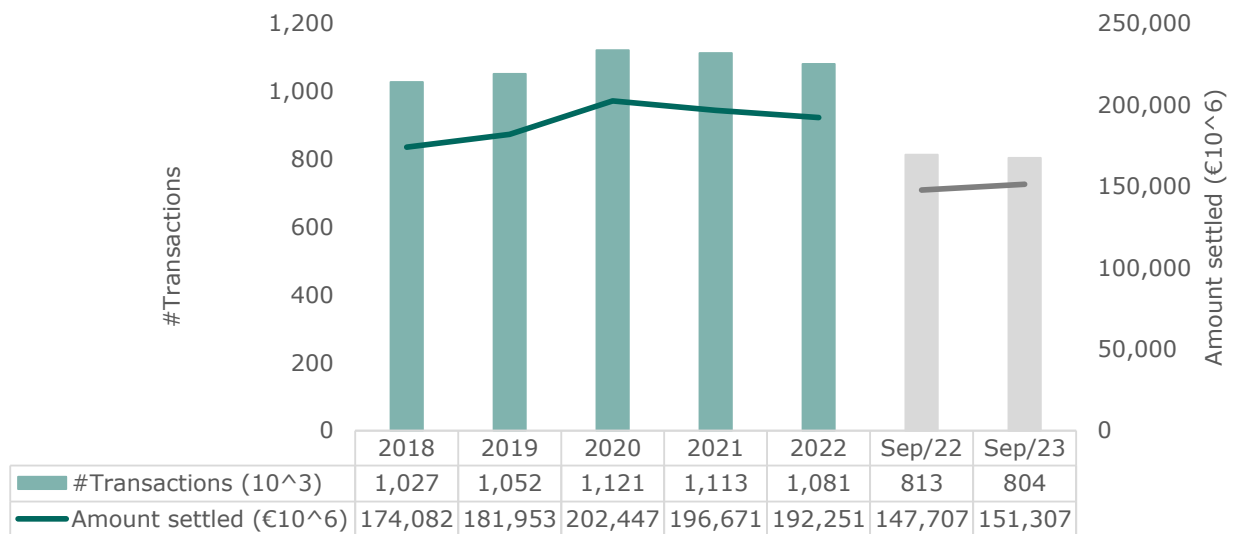
## 1.4 Settlement Systems

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 third quarter of 2023, 804 thousand transactions were settled for an amount of € 151,307 million, compared to 813 thousand transactions settled in the previous year for an amount of € 147,707 million.

This represents a 1.1% decrease in the number of transactions and a 2.4% increase in the settled amount.



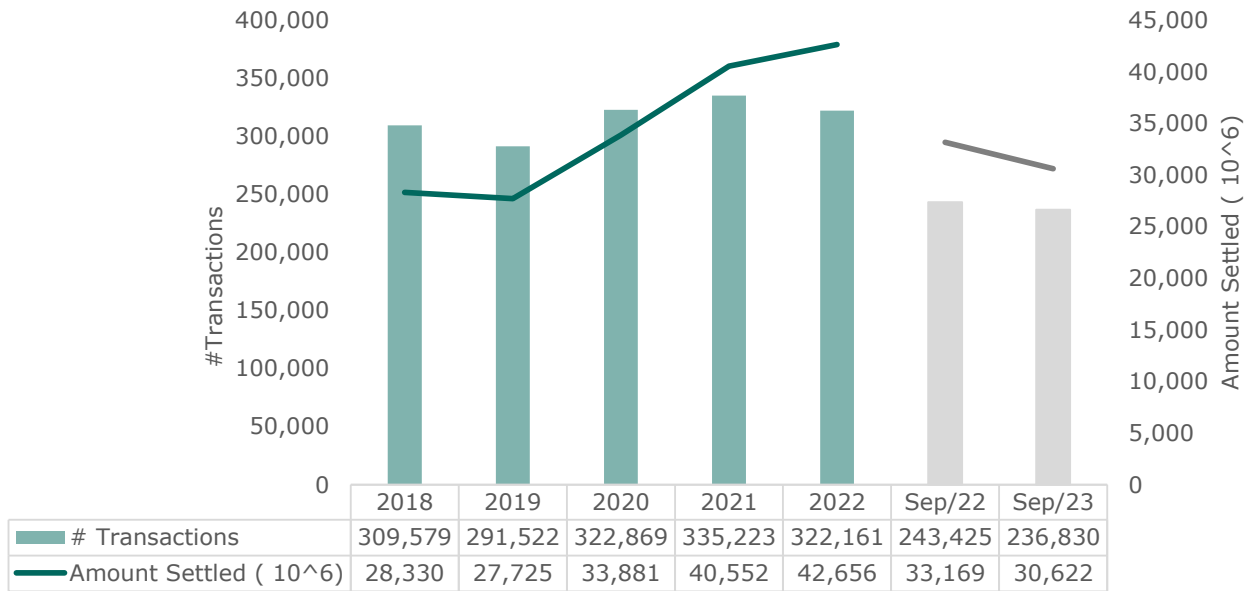
#### 1.4.1.1 Guaranteed and Non-Guaranteed Operations, Carried Out on the Market

In the third quarter of 2023, 236,830 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 € 30,622 million, which compares with €33,169 million settled in the previous year.

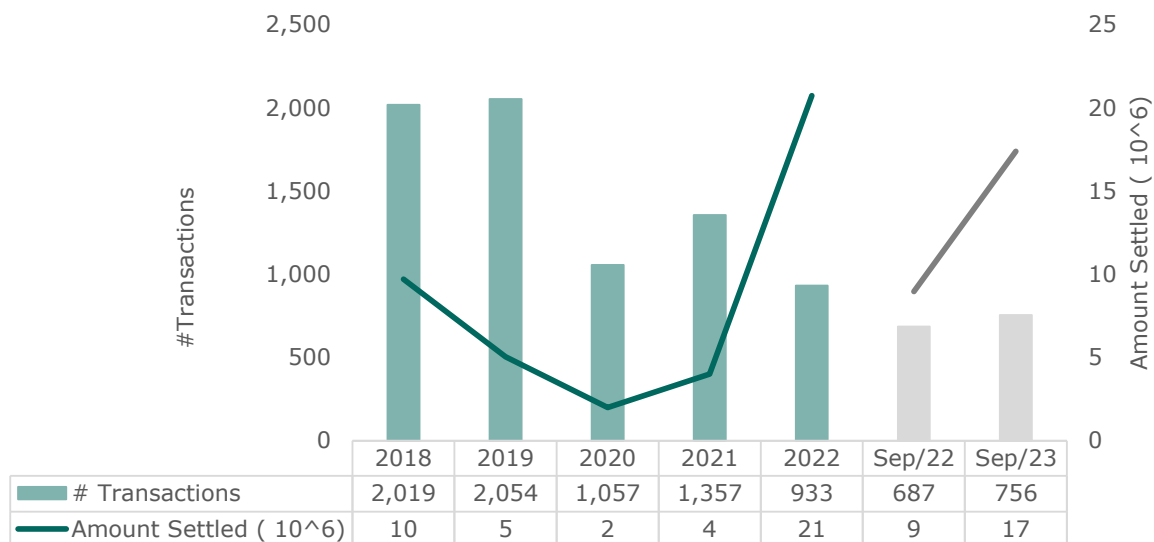
In comparative and year-on-year terms, there was a 2.7% decrease in the number of guaranteed operations settled. This trend was accompanied by the settled amount, which diminished by 7.7%.

### 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 increased to 756, 69 more comparing to the trades settled in the same period of the previous year (+10.0%). Also, the settled amount, reaching € 17 million, recorded a positive trend in the first nine months of 2023.

### Non-guaranteed operations carried out on the market

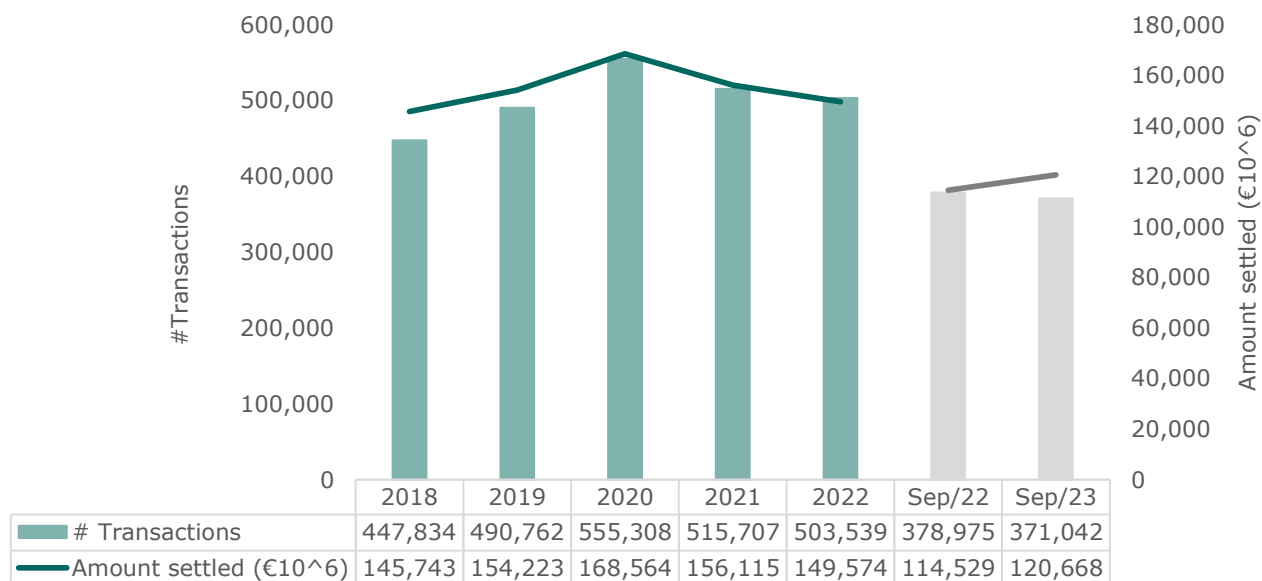


#### 1.4.1.2 Other DVP and FOP Operations Carried Out Over-The-Counter (OTC)

In third quarter of 2023, 371,042 DVP (Delivery versus Payment) operations were settled, related to OTC operations, against 378,975 operations of this type settled in the same period of the previous year (-2.1%).

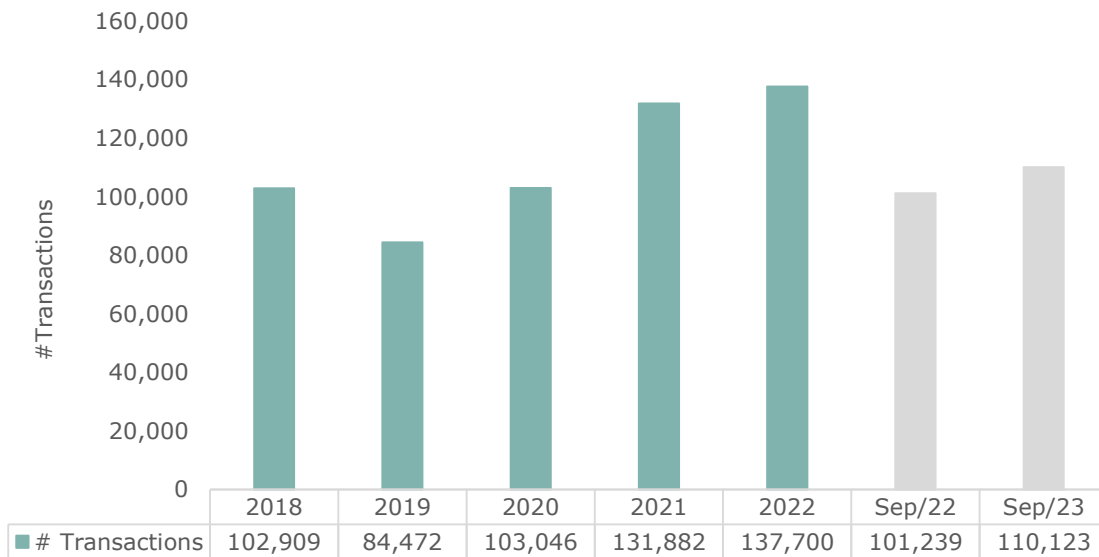
The settled amount in turn increased by 5.4%, from € 114,529 million settled in the third quarter of the previous year to € 120,668 million settled in the same period of 2023.

#### DVP Operations



With regard to FOP instructions, the number of off-market operations rose to 110,123, representing, in absolute terms, an increase of 8,884 operations (+8.8%).

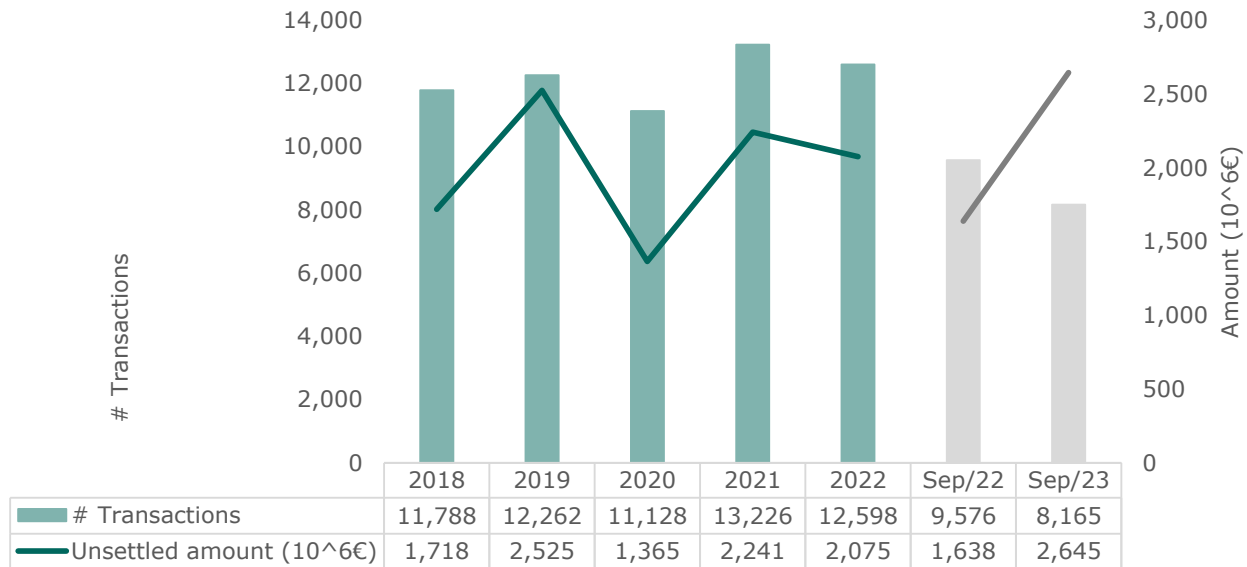
### FOP Operations



### Unsettled Operations

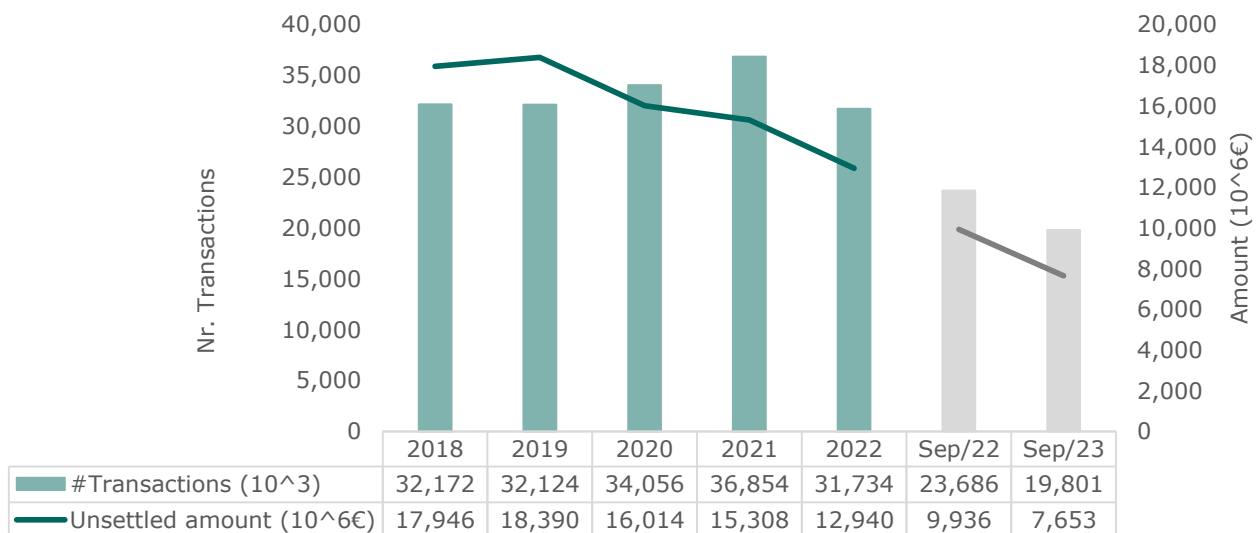
Unsettled operations resulting from guaranteed and non-guaranteed operations carried out in markets managed by Euronext Lisbon and in other trading platforms, amounted to 8,165 operations representing a year-on-year decrease of 14.7%. On the other hand, the number of unsettled operations increased by 61.4%, from € 1,638 million at the end of the third quarter of 2022 to € 2,645 million in the period under analysis.

### Unsettled Operations Carried Out on the Market

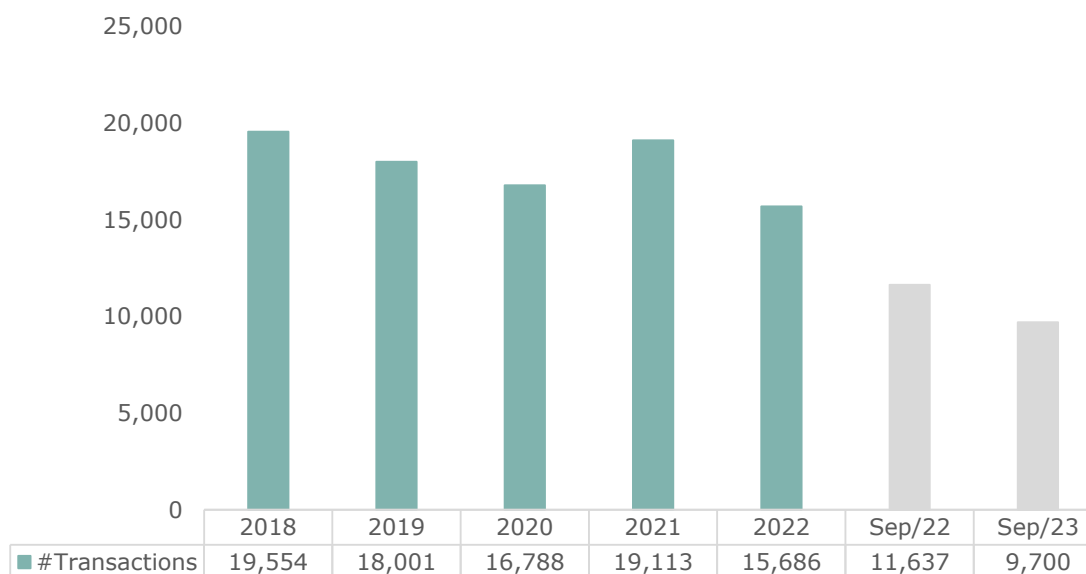


Transactions not settled on the intended settlement date (ISD), resulting from DVP operations carried out through the settlement systems managed by Euronext Securities Porto, showed a decrease of 3,885, with the amount involved in these operations decreasing from €9,936 million to €7,653 million (-23.0%).

### Unsettled DVP Operations in ISD



### Unsettled FOP Operations in ISD



In the third quarter of 2023, the number of FOP operations not settled on the intended settlement date (ISD), reduced to 9,700, which compares with 11,637 operations not settled in the same period of the previous year (-16.6%).

#### 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 September 2023, 13 foreign currency securities issues were registered in the Centralised System (the same as those registered in the same period of 2022), of which 9 were issued in USD and 2 in JPY, 1 in AUD and 1 in CNY.

The amount of the USD issues amounted to \$ 686 million, with the issue in JPY valued at ¥15,000 million, the issue in AUD valued at A\$ 51 million and the issue of participation units in CNY, as of 30 September 2023, had no amount recorded.

## 2 ANCILLARY SERVICES

### 2.1 National Numbering Agency

As part of its duties, Euronext Securities Porto, as the National Numbering Agency, issued 8,543 new codes in the third quarter of 2023, which compares with 7,845 codes assigned during the same period of the previous year. 4,028 codes were deactivated. As a result, on 30 September 2023, 2,559 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.

# ORGANISATION



## 1 SOCIAL BODIES

### General Meeting

**President** Luís Fernando Sampaio Pinto Bandeira

**Secretary** Helena Maria Teixeira Lopes

### Board of Directors

As of 30 September 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

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

Ricardo Gil Monteiro Lopes de Campos

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

### Company Secretary

Helena Maria Teixeira Lopes

### 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.

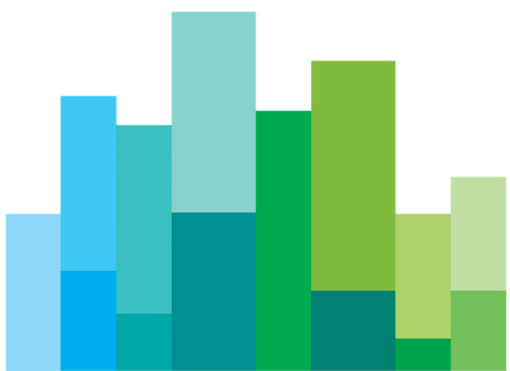
## 2 INTERNAL ORGANISATION

As of 30 September 2023, Euronext Securities Porto had a total of 37 employees (excluding members of the Board of Directors), distributed across the following areas.

	Employees
Central Securities Depository and National Numbering Agency	9
IT	16
Legal	1
Finance	2
Shared Services Centre	8
Client Relationship Management	1

Human Resources area is shared with Euronext Lisbon and the Risk, Internal Audit, Financial, Legal, Facilities and Cybersecurity areas are shared with the Euronext Group.

# FINANCIAL ANALYSIS Q3 2023



# 1 FINANCIAL ANALYSIS Q32023

## 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 € 9.7 million at the end of the first 9 months of 2023, an increase of 7.6% compared to the result achieved in the same period of the previous year.

Operating results amounted to € 13.2 million, up € 954 thousand compared to the same period of 2022. In percentage terms, this indicator shows a year-on-year increase of 7.5%.

The increase in operating profit was due to the increase in income of € 876 thousand, along with the decrease in operating costs (-0.4%) and the decrease in amortization and depreciation costs by 7.7%.

	values expressed in euros			
	September 2023	September 2022	Variance	% change
Revenues	19,600,158	18,723,352	876,806	4.7%
Operating Costs	6,107,817	6,129,396	-21,579	-0.4%
<b>EBITDA</b>	<b>13,492,341</b>	<b>12,593,956</b>	<b>898,385</b>	<b>7.1%</b>
Depreciation and Amortisations	291,735	316,031	-24,296	-7.7%
<b>Operating Results</b>	<b>13,200,605</b>	<b>12,277,925</b>	<b>922,680</b>	<b>7.5%</b>
Financial Results	-2,418	-33,578	31,160	-92.8%
<b>Results before Taxes</b>	<b>13,198,187</b>	<b>12,244,347</b>	<b>953,840</b>	<b>7.8%</b>
Taxes	3,513,673	3,247,400	266,273	8.2%
<b>Net Profit</b>	<b>9,684,514</b>	<b>8,996,947</b>	<b>687,567</b>	<b>7.6%</b>



### 1.3 Income and Gains

At the end of the first 9 months of the year, the total income of Euronext Securities Porto was €19.6 million, which represents a year-on-year increase of 4.7%. This increase is essentially explained by the increase in revenues generated by the value maintenance, which grew by €779 thousand, following the growth in average values under management compared to the same period of the previous year.

#### Distribution of Operating Income

values expressed in euros

Recipes	30/09/2023	30/09/2022	Variance	% change
System Usage	567,785	557,912	9,873	1.8%
Settlement Systems	1,307,689	1,293,034	14,655	1.1%
Exercise of Rights/Other Events	552,700	456,083	96,617	21.2%
Value Maintenance	16,164,178	15,385,624	778,554	5.1%
Registration of Issues	113,530	128,045	-14,515	-11.3%
Cancellation of Issues	76,352	113,565	-37,213	-32.8%
T2S Information	59,577	44,861	14,716	32.8%
Other Services	650,123	637,359	12,764	2.0%
<b>Total Services Rendered</b>	<b>19,491,934</b>	<b>18,616,483</b>	<b>875,451</b>	<b>4.7%</b>
Other Income	108,224	106,869	1,355	1.3%
<b>Total Income</b>	<b>19,600,158</b>	<b>18,723,352</b>	<b>876,806</b>	<b>4.7%</b>

Revenues generated by settlement systems increased by 1.1%, justified by the increase in prices, along with the increase in OTC transactions (+0.2%) despite the reduction in market transactions (-2.7%) settled in 2023, compared to the same period of the previous year.

Revenues generated from the exercise of rights increased by 21.2% year-on-year, justified by the increase in prices as well as the increase in operations related to the processing of interest payments.

Revenues generated from the registration and cancellation of issuances decreased by 11.3% and 32.8%, respectively, as a result of the decrease in issuances of warrants registered in a centralised system.

Revenues generated by information made available via the T2S platform grew by €32.8% year-on-year, following an increase in T2S enquiries.

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 € 13 thousand (+2.0%) when compared to the same half of the previous year.

## 1.4 Costs and Losses

Operating costs came to € 6.4 million at the end of the period under review, a figure that represents an absolute decrease of € 46 million, compared with the amount recorded in the same period of the previous year. This variation is mainly explained by the increase in personnel expenses and other costs, despite a decrease in IT costs and consultancy and professional services.

### Main Items of the Statement of Financial Position

values expressed in euros

Costs	30/09/2023	30/09/2022	Variance	% change
Personnel Expenses	2,716,400	2,345,917	370,483	15.79%
IT and Communications Costs	1,075,955	603,822	472,133	78.19%
Consultancy and Professional Services	1,401,922	2,239,336	-837,414	-37.40%
Equipment and Premises	125,047	167,633	-42,586	-25.40%
Supervisory fees	10,467	19,899	-9,432	100.00%
Provisions, Adjustments and Impairments	0	5,018	-5,018	-100.00%
Other Expenses	778,026	747,771	30,255	4.05%
<b>Total Operating Costs</b>	<b>6,107,817</b>	<b>6,129,396</b>	<b>-21,579</b>	<b>-0.35%</b>
Depreciation and Amortisation	291,735	316,031	-24,296	-7.69%
<b>Total Operating Costs</b>	<b>6,399,553</b>	<b>6,445,427</b>	<b>-45,874</b>	<b>-0.71%</b>

Personnel costs show a year-on-year increase of 15.8%, essentially due to non-recurring costs and the increase in remuneration costs due to a higher number of employees.

The item "Other Expenses", showed an increase of € 30 million justified by increases in insurance, and travel expenses.

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. These two items taken together show a decrease of € 365 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, minus € 433 thousand, and the increase in cost incurred by the CA4U project.

The costs incurred for intra-Euronext group services are as follows:

Intragroup costs	30/09/2023	30/09/2022	Variance
<i>Support Services Recharges (ICSA) (a)</i>	613,751	829,284	-215,533
<i>Shareholder cost reallocations (CSD) (b)</i>	109,335	325,610	-216,275
<i>Management fee (c)</i>	69,530	70,987	-1,457
<b>Total</b>	<b>792,616</b>	<b>1,225,880</b>	<b>-433,264</b>

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

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

- i. Identification of the costs incurred by each entity related to the support areas that provide services to other entities in the group (such as the financial, human resources, legal, IT, 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, accounting at Euronext Securities Porto) - plus a 5% margin;
- v. If the result of point (iv) is positive, the entity will receive an invoice and account for it a cost, if it is negative, the entity will issue an invoice and record a profit.

(b) Shareholder cost reallocations (CSD)

It refers to re-invoicing of costs incurred on behalf of Euronext NV (parent company of the Euronext Group). Costs such as; the costs incurred with the members of the Management Bodies, since they allocate part of their time to Group tasks; facilities, communications, ....

For this purpose, an allocation key was developed for these costs, and the result was invoiced to Euronext NV.

(c) Management Fee

Sharing of costs incurred with the Executive Bodies of the Euronext Group on the basis of an allocation key based on a revenue matrix.

## 1.5 Equity Structure

Euronext Securities Porto's Net Assets amounted to € 27.938 million on 30 September 2023. Liabilities shows a total of €4,023 and Equity amounts to € 23,915.

### Detail of the Ownership Structure

	30/09/2023	31/12/2022	Variance	Var.%
Net Assets	27,938,158	29,900,611	-1,962,453	-6.56%
Net Liabilities	4,023,353	4,328,757	-305,405	-7.06%
Equity	23,914,805	25,571,854	-1,657,049	-6.48%

values expressed in euros

Liabilities show a decrease of 7.06% justified by the decrease in the financing obtained, minus € 247 thousand.

The assets registered a decrease of 6.56%, mainly justified by the variation in cash and short-term deposits.

Equity amounts to €24 million as of 30 September 2023, 6.48% less than the amount recorded as of 31 December 2022 which is explained by the comparison between the net income for the period (9 months vs 12 months) and by an increase of € 459 thousand in other reserves – actuarial gains and losses due to the change in the discount rate from 4% to 4.6% applied to Euronext Securities' guaranteed benefit pension fund.

Porto, 5 December 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

<b>Statutory Auditor (n.º 54050)</b>	Miguel Brochado
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# FINANCIAL STATEMENTS



## Statement of Financial Position as of 30 September 2023 and 31 December 2022

	Amounts expressed in euros	
	September 23	December 22
<b>Assets</b>		
Tangible fixed assets	253,144	319,251
Intangible assets	1,060,605	598,340
Right-of-use assets	729,362	935,612
Other financial assets	4,967	3,885
Deferred tax assets	104,039	44,442
Employee benefits	899,319	431,000
<b>Total Non-Current Assets</b>	<b>3,051,437</b>	<b>2,332,530</b>
Debtors and other assets	3,286,369	3,094,307
Cash and cash equivalents	21,600,352	24,473,774
<b>Total Current Assets</b>	<b>24,886,721</b>	<b>27,568,081</b>
<b>Total Assets</b>	<b>27,938,158</b>	<b>29,900,611</b>
<b>Equity</b>		
Issued capital	5,500,000	5,500,000
Legal reserves	5,500,000	5,500,000
Other reserves	(50,282)	(509,601)
Retained earnings	3,327,058	3,327,058
Other equity instruments - <i>Share plan</i>	(46,485)	(33,508)
Net profit result attributable to shareholders	9,684,514	11,787,905
<b>Equity attributable to Shareholders</b>	<b>23,914,805</b>	<b>25,571,854</b>
<b>Liabilities</b>		
Employee benefits	-	-
Obtained financing	461,202	668,019
Deferred tax liabilities	-	-
<b>Total Non-Current Liabilities</b>	<b>461,202</b>	<b>668,019</b>
Creditors and other liabilities	2,664,991	2,667,387
Obtained financing	233,996	274,178
Calculated corporate income tax (IRC)	663,164	719,173
<b>Total Current Liabilities</b>	<b>3,562,150</b>	<b>3,660,738</b>
<b>Total Liabilities</b>	<b>4,023,353</b>	<b>4,328,757</b>
<b>Total Equity and Liabilities</b>	<b>27,938,158</b>	<b>29,900,611</b>



### Income Statement by Nature and Consolidated Income For the nine-month periods ending 30 September 2023 and 2022

	Amounts expressed in euros	
	September 23	September 22
Service rendering		
Settlement, custody and others	19,491,934	18,616,483
Other profits	108,224	106,869
	19,600,158	18,723,352
<i>Expenses and losses</i>		
Personnel expenses	2,716,400	2,345,917
Amortisations and depreciations	291,735	316,031
IT and communication costs	1,075,955	603,822
Consulting and professional services	1,401,922	2,239,336
Premises and related services	125,047	167,633
Marketing	-	5,018
Adjustments and impairments	10,467	19,889
Other expenses	778,026	747,774
	6,399,553	6,445,427
Operational result	13,200,605	12,277,925
Financial gains	4,227	8
Financial expenses	6,645	33,586
Financial results	(2,418)	(33,578)
Result before taxes	13,198,187	12,244,347
Tax on profits		
- Current tax	3,573,269	3,252,092
- Deferred tax	(59,596)	(4,692)
Net profits	9,684,514	8,996,947
Other consolidated income		
Gains and (losses) directly recognised in reserves:		
After-employment benefits – Actuarial deviations	459,319	1,613,591
Share plan	(12,977)	(100,488)
	446,342	1,513,103
Comprehensive income	10,130,857	10,510,050
Result by basic share – euros	1.76	1.64
Result by diluted share – euros	1.76	1.64

## Statement of Cash Flows for the nine-month periods ending 30 September 2023 and 2022

Amounts expressed in euros

	September 23	September 22
Cash flow from operational activities		
Receiving from customers	22,473,642	21,778,891
Payment to suppliers	(3,736,748)	(4,063,400)
Payment to personnel	(1,445,676)	(1,211,662)
(Payment) / receiving of income tax	17,291,218	16,503,829
Other receivables / (payments)	(3,629,279)	(2,743,528)
Cash flow from operational activities (1)	<b>9,129,543</b>	<b>9,781,068</b>
Cash flows from investing activities		
Payments related to:		
- Tangible assets	(28,263)	(239,245)
- 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	4,227	-
- Dividends	-	-
Cash flow from investing activities (2)	<b>(12,537)</b>	<b>(239,245)</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	11,148
- Other financing operations	-	-
Payments related to:		
- Amortisation of lease contracts	(204,963)	(245,727)
- Interests and similar expenses	(6,245)	(8,834)
- Dividends	(11,787,905)	(10,861,164)
- Capital reductions and other equity instruments	-	-
- Other financing operations	-	-
Cash flow from financing activities (3)	<b>(11,990,429)</b>	<b>(11,104,577)</b>
Variation of cash and its equivalents (1+2+3)	<b>(2,873,422)</b>	<b>(1,562,754)</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>21,600,352</b>	<b>22,098,393</b>

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

	Amounts expressed in euros					
	<b>Total equity</b>	<b>Equity</b>	<b>Legal reserves</b>	<b>Other reserves</b>	<b>Retained earnings</b>	<b>Net profit</b>
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	9,684,514	-	-	-	-	9,684,514
- Actuarial (losses) / gains recognised in the period	459,319	-	-	459,319	-	-
- Share plan	(12,977)	-	-	(12,977)	-	-
	10,130,856	-	-	446,342	-	9,684,514
Distribution of results						
- Dividend distribution	(11,787,905)	-	-	-	-	(11,787,905)
	(11,787,905)	-	-	-	-	(11,787,905)
30 September 2022	23,914,805	5,500,000	5,500,000	(97,767)	3,327,058	9,684,514

Porto, 5 December 2023

### The Board of Directors

Chairman	Pierre Eric François Davoust
CEO	Olga Maria Cardoso Jordão
Member	Isabel Rute Ucha da Silva
Member	Ricardo Gil Monteiro Lopes de Campos
Member	Joaquim António Pereira Cadete
Certified Accountant (n.º 54050)	Miguel Brochado



**EURONEXT SECURITIES**

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