



**Burza cenných  
papírů Praha**

# **Consolidated Annual Report 2023**

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**Prague Stock Exchange (Burza cenných papírů Praha,  
a.s.)**



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## Company profile

The Prague Stock Exchange (Burza cenných papírů Praha, a.s.; PSE) is the largest and oldest securities market operator in the Czech Republic.

**Significance for investors:** On the stock exchange, investors may buy and sell securities for profit at any time. And why do investors choose the PSE? Among other reasons, for high dividends or its knowledge of local companies.

**Significance for companies:** Listing on the stock exchange provides companies with additional capital that they can use to finance investments, research or, for example, to penetrate other markets. The PSE offers several markets suitable for different types of companies – from the elite Prime Market for large companies to the START Market for smaller and innovative companies.

By law, the PSE is a joint-stock company. Its largest shareholder is Wiener Börse AG, which holds 99.543% of the shares. Trading takes place through licensed traders who are also members of the exchange. Trading results and other information are published on the website [www.pse.cz](http://www.pse.cz) and disseminated via information agencies or the media.

The PSE, together with its subsidiaries, forms the PX Group. Apart from the exchange, the most important of the Group's companies is the Central Securities Depository, a.s. (CSD). The CSD occupies a dominant position in the settlement of securities transactions on the Czech capital market, keeps a central register of book-entry securities issued in the Czech Republic, assigns an internationally uniform legal entity identifier (LEI) to legal entities and an international securities identification number (ISIN) to investment instruments.

POWER EXCHANGE CENTRAL EUROPE, a.s. (PXE), one-third of which is owned by the stock exchange, also works closely with the PX Group. PXE is a trading platform for electricity and natural gas trading and, as part of the EEX Group, develops products and services in the Central and Southeastern European region. It also offers electricity and natural gas purchases to end customers.

The PSE also works closely with the Vienna Stock Exchange (Wiener Börse AG), which is its majority owner.

**History:** Efforts to establish a stock exchange date back to the time of Maria Theresa, but success was not achieved until 1871. The period of greatest growth was the interwar period, when the Prague Stock Exchange surpassed the Vienna Stock Exchange in importance. However, this period of prosperity was interrupted by the advent of the Second World War, which spelled the end of trading for the Prague Stock Exchange for more than 60 years. The rich and successful tradition could only be resumed after the fall of Communism, when on 6 April 1993 the first trades took place on the floor of the exchange and the Prague Stock Exchange began to write its modern history.



# Report of the Stock Exchange Chamber on business activities and assets

## Introduction

Dear Capital Market Fans,

The year 2023 would be no less turbulent in the capital market than was the "war year" of 2022. High inflation, ongoing high energy prices and a generally uncertain investment environment in the CEE markets also took a toll on investor and issuer activity on the stock exchange. The year 2023 brought a decline in the volume of stock exchange trades to the level of 2020, i.e. to CZK 123.5 billion, mirroring the fate of the vast majority of other European markets. Investors, on the other hand, could be satisfied with the fact that our main index PX-TR gained 28% in 2023.

During the year, important projects were completed, such as the transformation of SPAC into the eventual company, Footshop, which is now traded on the main market. Equally important was the first company transition (the Slovak company Gevorkyan) from the START Market to the Prime Market. As of the date of this writing, a second company – Primoco – has transitioned from the START Market to the Prime Market. The START Market is proving to be a very viable project. In 2023, we also introduced the calculation of a special PX-START Index.

We are pleased once again to provide you with the Central Securities Depository's view of the past year 2023 and also give you a glimpse into the year ahead. As you will see in the following chapters of the annual report, the past year was again successful in terms of growth in the value of new issues, the volume of settled trades and the number of transactions, which enabled the CSD to once again achieve excellent financial results and thus make a major contribution to the outstanding consolidated results.

The first-ever issue of euro-denominated Treasury bills took place at the beginning of the year. A total of EUR 4.5 billion of these bills was issued in 2023. This instrument – new to the Czech capital market – is actually the result of our efforts of past years, when in 2022 the linking of the Central Securities Depository to the foreign depository Euroclear Bank (Belgium) was approved by the European Central Bank (ECB) and the Central Bank of Belgium (NBB) as eligible for credit operations towards the Eurosystem.

In addition, during the year we completed the standard connection to the Short-Term Bond System operated by the Czech National Bank and offered the possibility to trade crown treasury bills on the exchange and settle them in the central depository.

In May, we hosted the World Conference of Central Depositories (WFC 2023) and for three days Prague became the centre of global post-trading. We managed the event extremely well and, for me personally, it was a once-in-a-lifetime experience. The size of this event is demonstrated by the presence of more than 300 participants from all over the world and also by the fact that it will be at least 10 years before such a conference returns to Europe.

Towards the end of the year, in response to the legislative approval of a long-term investment product, we introduced a new type of account called "DIP" for participants in the central and downstream records, for which it is mandatory to indicate the custodian. I wonder how many of these accounts will be opened in 2024.



The biggest project last year, however, was the preparation of the DLT settlement system according to the European DLT Pilot Regulation. We want to take advantage of the opportunities given by the new legislation and test DLT technology on a greenfield site to create a register primarily intended for illiquid, not yet booked, securities, along with the possibility of direct access of security owners to central depository records. The project is subject to authorisation by the CNB and ESMA, yet we hope to start operations no later than the first half of 2024. I believe the DLT platform could be absolutely ideal, for example, for employee shares, whose new tax treatment was approved at the end of the year.

Our main goal for 2024 is to continue to be a reliable partner for our members, participants, issuers and other clients and to provide flawless service, wherever possible, at all times. Sub-objectives are then to complete and launch the DLT settlement system, implement the European standardisation of corporate actions (SCoRE), in the first wave for bonds, and advance the digitisation and interconnection of individual services in our My Depository portal.

Let us conclude by wishing us all every strength for 2024 to achieve our common goal of improving the functioning of the Czech capital market.

**Petr Kobic**, Chief Executive Officer and Chairman of the Exchange Chamber of the Prague Stock Exchange

**Ondřej Dusílek**, Chief Executive Officer of the Central Securities Depository and Member of the Stock Exchange



## Key data

	2018	2019	2020	2021	2022	2023
Number of exchange days	249	250	250	251	252	250
<b>SHARES</b>						
Total trading volume (BCZK)	142.55	108.78	125.31	140.48	166.17	123.45
Average daily volume (MZCK)	572.49	435.12	501.23	559.66	659.41	493.78
Market capitalisation (BCZK)	21,261.96	22,054.22	13,502.7	15,659.2	16,585.2	18,647.70
Number of issues (year-end)	53	54	55	55	59	61
PX Index	986.56	1,115.63	1,027.14	1,426.03	1,201.73	1,414.02
PX-TR Index	1,766.18	2,109.39	2,004.54	2,915.25	2,650.72	3,395.89
PX-TRnet Index	-	1,753.63	1,655.76	2,384.78	2,137.94	2,697.59
PX-GLOB Index	1,342.44	1,498.28	1,407.57	1,904.32	1,602.83	1,875.49
PX-START Index	-	-	-	-	-	-
<b>BONDS</b>						
Total trading volume (BCZK)	9.27	11.92	8.64	7.75	6.96	9.97
Number of issues (year-end)	112	118	105	110	110	126
<b>STRUCTURED PRODUCTS</b>						
Total trading volume (MCZK)	132.39	195.46	481.98	350.90	416.76	299.95
Number of issues (year-end)	72	84	73	91	95	107
<b>INVESTMENT SHARES AND INVESTMENT FUND UNITS</b>						
Total trading volume (MCZK)	42.86	33.76	16.55	6,155.00	7,332.06	7,547.77
Number of issues (year-end)	38	36	32	36	34	39



## Non-consolidated financial performance (in accordance with CAS)

In the current financial year 2023, the Prague Stock Exchange (PSE) achieved revenues for its own services in the amount of CZK 301,765 thousand (2022: CZK 290,343 thousand). Their structure is as follows:

(in TCZK)	2023	2022
Stock exchange fees	46,356	48,627
Services related to settlement of securities	49,039	52,984
Stock exchange information	37,698	44,141
Services for Central Securities Depository Prague	148,432	127,303
Services for POWER EXCHANGE CENTRAL EUROPE, a.s.	9,274	8,057
Other services	10,966	9,231
<b>Revenue from own services</b>	<b>301,765</b>	<b>290,343</b>

Growth in revenues from own services by 3.9% (CZK 11,422 thousand) was due to a 16.6% (CZK 21,129 thousand) increase in revenues from services for the Central Securities Depository to CZK 148,432 thousand (2022: CZK 127,303 thousand).

Operating profit decreased by 2.7% (CZK 4,084 thousand) to CZK 145,685 thousand (2022: CZK 149,769 thousand). Profit from financial operations increased by 0.3% (CZK 535 thousand) to CZK 163,662 thousand. In the current period of 2023, the Company reported a total profit after tax of CZK 279,645 thousand (2022: CZK 283,778 thousand).



Total Company assets as of 31 December 2023 amounted to CZK 425,057 thousand (2022: CZK 425,328 thousand). Their structure is as follows:

<b>(in TCZK)</b>	<b>2023</b>	<b>2022</b>
Fixed assets (net)	132,540	131,935
Receivables and other current assets (net)	52,747	57,431
Cash (net)	239,770	235,962
<b>Total assets</b>	<b>425,057</b>	<b>425,328</b>

Fixed assets include financial fixed assets representing the Company's shareholdings in business corporations in the amount of CZK 122,446 thousand (2022: CZK 122,446 thousand). In the current period, the General Meeting of the Company on 17 May 2023 decided to pay a profit share of CZK 1,071 per share (total paid out CZK 283,757 thousand). The average employee headcount was 31.3 in 2023 (2022: 31.7).

*Other information:*

*The Company acts in accordance with all applicable laws and regulations in its labour relations. It enables its employees to continuously improve their professional qualifications and language skills. The Company did not identify any matter that would limit or prevent it from continuing in its activities in the foreseeable future. In the area of research and development, the Company carried out activities that met the definition of applied research or experimental development and also contained an evaluable element of novelty and clarification of research or technical uncertainty. The Company did not acquire any of its own shares in the period. The Company's activities are environmentally friendly in nature and therefore no special activities are undertaken in this area. The Company does not have a foreign branch or foreign business establishment. The Company actively limits and manages credit risk arising from the settlement of securities and derivatives transactions and liquidity risk, which is the risk that the Company will not have sufficient ready resources to meet its obligations. The Company's risk management objectives and methods, including its policy for hedging all major types of transactions, are further described in the Notes to the Consolidated Financial Statements. Where significant events representing events that occurred after the balance sheet date occurred between the balance sheet date and the date of the financial statements, the effects of those events are described in the notes to the financial statements but are not recognised in the financial statements. Significant subsequent events that would affect the financial statements as at 31 December 2023 and are known to management are disclosed in the Notes to the Financial Statements.*





## Consolidated financial performance (in accordance with IFRS as adopted by the EU)

In the current period of 2023, the Group achieved consolidated revenues of CZK 659,602 thousand (2022: CZK 643,659 thousand). Their structure is as follows:

(in TCZK)	2023	2022
Exchange trading fees	24,135	28,661
Administrative fees	22,221	19,967
Stock exchange information	37,432	43,833
Revenue from the settlement of trades	112,319	114,207
Fee for issue registration and related services	138,160	127,683
Fee for custody services	274,221	259,970
Other CSD Prague services	38,154	38,470
Other revenue from rendered services	12,960	10,868
<b>Revenue</b>	<b>659,602</b>	<b>643,659</b>

Revenues increased by 2.5% (CZK 15,943 thousand) compared to the previous period. The positive impact on revenues was mainly due to the fee for record keeping and related services, which increased by 5.5% (CZK 14,251 thousand), and fees for issue registration and related services, which increased by 8.2% (CZK 10,477 thousand). The Group reported a full profit after tax of CZK 300,941 thousand in 2023 (2022: CZK 288,895 thousand), an increase of 4.2% (CZK 12,046 thousand) compared to 2022.

The Group's total assets as of 31 December 2023 amounted to CZK 917,173 thousand (2022: CZK 937,793 thousand). Their structure is as follows:

(in TCZK)	2023	2022
Total fixed assets (net)	196,583	182,820
Receivables and other current assets (net)	87,832	86,886
Short-term financial assets (net)	632,758	668,087
<b>Total assets</b>	<b>917,173</b>	<b>937,793</b>

Average recalculated headcount in 2023 was 77.8 (2022: 77.2).

*Other information:*

*In labour relations, the Company complies with all applicable laws and regulations.*



## Activities in 2023

### Trading

As of 31 December 2023, the following number of issues was admitted to trading on the exchange:

- 17 share issues on the Prime Market and Standard Market
- 13 share issues on the START Market
- 31 share issues on the Free Market
- 39 issues of collective investment securities
- 128 issues of bonds and stripped coupons
- 107 issues of investment certificates and warrants

### Significant changes affecting trading and traded issues:

- 13 June 2023 – Interactive Brokers (an automated global electronic broker) today announced that Interactive Brokers clients worldwide can trade stocks on the Prague Stock Exchange. Shares traded on the Prague Stock Exchange become part of the market offerings on the Interactive Brokers platform, which serves clients in more than 200 countries and provides investors with access to more than 150 global markets.
- 1 August 2023 – Footshop completed its listing through a merger with WOOD SPAC One and became a publicly traded company on 1 August. This successfully completed the first SPAC (Special Purpose Acquisition Company) transaction in Central Europe. Footshop operates shops in Prague, Budapest and Bucharest.
- 1 September 2023 – Shares from the START Market will be traded in a continuous mode (previously a separate auction) and are now traded without a minimum number of units (previously set lots), so they have the same regime as the issuance of shares from other markets of the Prague Stock Exchange (Prime, Standard and Free).
- 23 October 2023 – Commencement of trading in the shares of W.A.G Payment Solutions, Plc (EUROWAG) on the stock exchange, Free Market. Trading will be in CZK and under the acronym WAG PAYMENT (ISIN GB00BLGXWY71), ticker WPS. The issue was floated by WOOD & Company, a member of the WOOD & Company exchange.
- 21 December 2023 – GEVORKYAN, a.s. (SK1000025322) moves from the unregulated START Market to the regulated Prime Market.

### Market maker and liquidity provider activities

#### a) Shares

For 2023, the list of market makers for equities remains unchanged from 2022 (BH Securities, Equilor Investment, Erste Group Bank, Fio banka, J&T banka, Patria Finance, Raiffeisen Bank International, SAB, WOOD & Company). Two issues have been newly listed. First, is an accepted issue of WAG PAYMENT (ISIN GB00BLGXWY71), with J&T BANKA and Wood & Company as market makers. Following the transfer of the GEVORKYAN issue (SK1000025322) from the START Market to the



Prime Market, four members of the exchange – BH Securities, Fio banka, J&T BANKA and Patria Finance – have applied for listing.

b) Bonds

For 2023, the list of market makers for bonds remained unchanged compared to 2022, with one market maker (J&T Bank). As of 31 December 2023, a total of 25 share issues was listed.

c) Structured products

In 2023, three companies (Erste Group Bank, Raiffeisen Bank International and Wood & Company) were liquidity providers for structured products (warrants and certificates). A total of 107 issues was listed.

## Indices

On 18 December 2023, the Stock Exchange launched the calculation of the new PX-START Index (ISIN CZ0160000035). All stocks traded on the START Market are included in the base of this index. As of 31 December 2023, there were 14 issues. The PX-START Index is designed as a dividend index. The frequency of calculation is once a day, always after the close of trading. The initial value of the index was set at 1,000 points on 2 January 2020. Historical values for the period 2 January 2020 – 18 December 2023 were back-calculated.

The other stock market indices have not seen any changes in the calculation rules.

- PX – calculation on a continuous basis, selected issues of regulated and unregulated market included, price index
- PX-TR – calculation on a continuous basis, selected issues of regulated and unregulated market are included, dividend payment is taken into account
- PX-TRNET – calculation on an ongoing basis, selected regulated and unregulated issues are included, dividend payments net of income tax are taken into account
- PX-GLOB – calculation is once a day, all issues of the regulated market and selected issues of the unregulated market are included

All stock market indices have seen relatively significant increases in value during 2023. The PX Index increased by 17.67%, the PX-TR Index increased by 28.11%, the PX-TRnet Index increased by +26.18% and the PX-GLOB Index increased by 17.01%.

## START Market

The START Market has been traded in continuous mode since 1 September 2023.

In 2023, there were 2 public offerings, including one new subscription and one re-subscription. On 1 August 2023, mmcité entered the START Market, placing 1 million shares on the market in a public offering. Demand for the company's shares exceeded supply. The issue was oversubscribed by more than 128%, meaning some investors were shorted as part of the allocation. A minority stake was also purchased – through an IPO fund – by Národní rozvoj banka, a.s. A re-subscription took place in June 2023 for Pilulka Lékárny, which raised new capital of CZK 67.35 million from investors.



At the end of 2023, GEVORKYAN, a.s. became the first company to transition from the START Market to the Prime Market, and started trading its shares on the Prime Market on 21 December 2023.

### START Market overview at 31 December 2023

Total number of issuers	Number of newly announced public offers	Number of transitions to the regulated market *	Total achieved volume in public offers of new issues	Total value of stock exchange trades in 2023	Market capitalisation	Freefloat
13	2	1	CZK 227 million	CZK 449 million	CZK 8,845 million	22%

\* On 21 December 2023, GEVORKYAN transitioned to the Prime Market. Its data are not included in the overview.

### Over of individual subscriptions in 2023

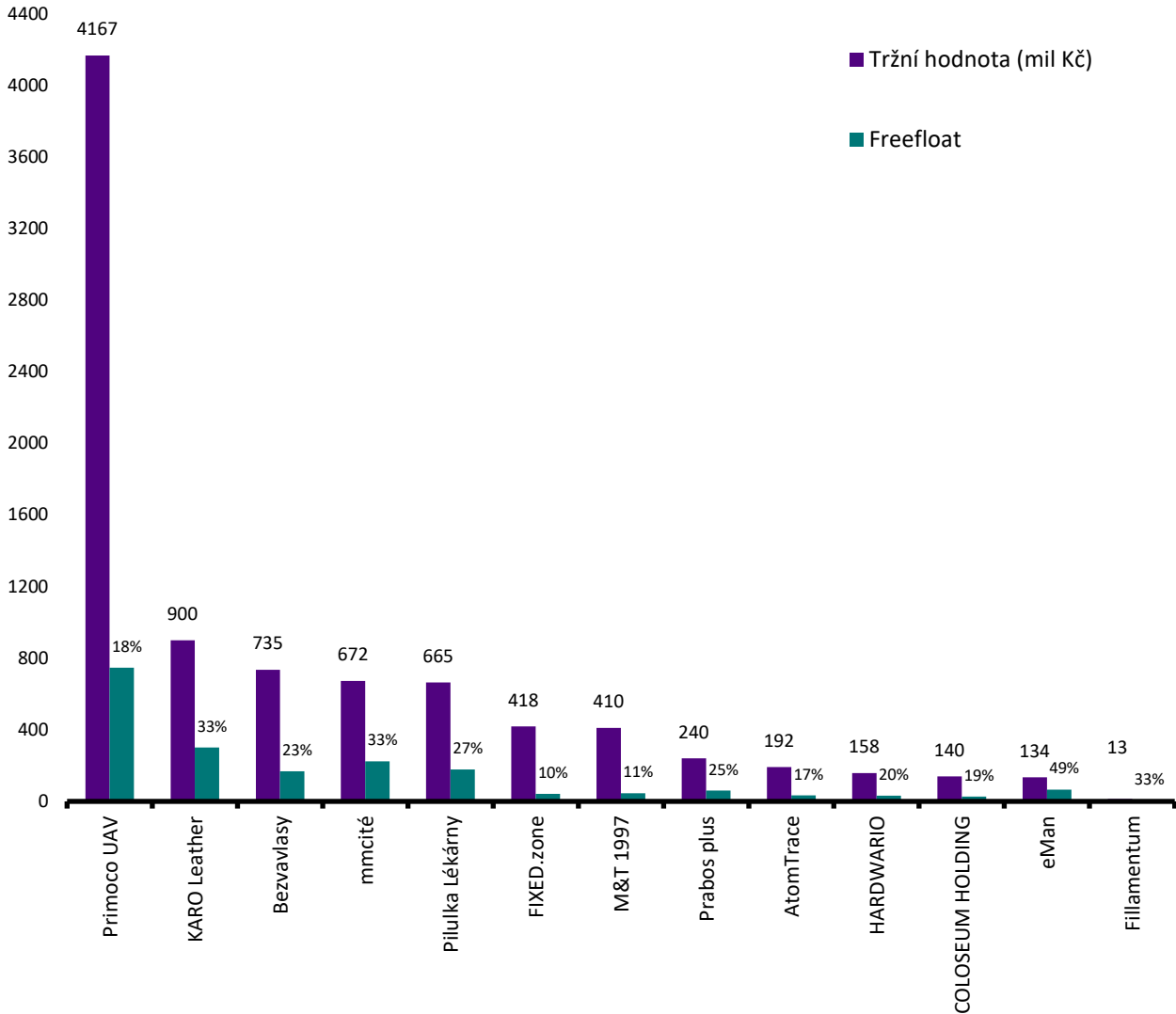
Issuer name	Date of subscription in START-Public Offer system	Public offer volume	Price per share in the public offer	Company market value at subscription date	Total freefloat
<b>Pilulka Lékárny a.s.</b>	22 June 2023	CZK 67 million	CZK 450	CZK 1,202 million	27%
<b>mmcité a.s.</b>	26 July 2023	CZK 160 million	CZK 160	CZK 480 million	33%

\* re-subscription

To further enhance transparency and access to information for investors, the exchange has started publishing financial data for companies traded on the START Market. The balance sheet, income statement and selected financial ratios of individual issuers are published on the exchange's website. The data can be downloaded in XLSX format and used for further processing.



## Overview of START Market issuers as of 31 December 2023



[Legenda: Market valuation (MCZK), Freefloat]

The exchange's website continues to publish the basic disclosure obligations of START Market issuers. The information is stored in a clear calendar of disclosure obligations, which also lists the dates of START Days.

Since there were already 14 companies in the market in 2023, both START Days were two days in 2024. The Spring START Day was held on 15 and 16 May 2023. The Spring START Day began with a press conference on the 5-year anniversary of the START Market, and then the existing issuers reported their 2022 annual results in turn. The company mncité introduced itself to investors at the start of the second day of the Spring START Day. During the Autumn START Day, which took place on 9 and 10 October 2023, only reporting by existing issuers took place.



The START Days 2024 dates have been set as follows: the Spring START Day will take place on 4 and 5 June 2024, and the Autumn START Day on 5 and 6 November 2024.

### Change in share prices on the START Market as of 31 December 2023

Issuer	Public offer date	Price per share of public offer	Per-share closing price	Change in share price	Total dividends per share
Fillamentum	15. 05. 2018	CZK 825	CZK 100	-88%	CZK 0
Prabos plus	15. 05. 2018	CZK 400	CZK 240	-40%	CZK 47
Primoco UAV	02. 10. 2018	CZK 250	CZK 885	+254%	CZK 0
AtomTrace	27. 11. 2018	CZK 50	CZK 44	-12%	CZK 0
KARO Leather	22. 10. 2019	CZK 40	CZK 180	+350%	CZK 0
eMan	31. 08. 2020	CZK 51	CZK 68.50	+34%	CZK 0
Pilulka Lékárny	20. 10. 2020	CZK 424	CZK 246	-42%	CZK 0
FIXED.zone	02. 11. 2021	CZK 222	CZK 188	-15%	CZK 3
M&T 1997	21. 06. 2022	CZK 30,000	CZK 32,000	+6,7%	CZK 1,250
COLOSEUM HOLDING	19. 07. 2022	CZK 246	CZK 162	-34%	CZK 0
Bezavlasý	01. 09. 2022	CZK 490	CZK 735	50%	CZK 0
HARDWARIO	18. 10. 2022	CZK 17	CZK 11	-35%	CZK 0
mmcité	26. 07. 2023	CZK 160	CZK 224	+40%	CZK 0

### PX-START Index

In response to demand from investors and exchange members, as well as the growing number of issues on the START Market, the Exchange introduced the PX-START Index on 18 December 2023. The initial value of the index was set at 1,000 points as of 2 January 2020. It is a dividend index with a calculation frequency of once a day after the close of trading. Only issues from the START Market can be included in the PX-START Index. The inclusion of a new issue will take place quarterly, on the days of the regular database update. If, on the other hand, an issue is delisted from trading on the exchange, it will be removed from the PX-START Index immediately. In the event of a transfer to a regulated market, the issue will be delisted from the PX-START Index at the next regular basis update.

Date	Closing value
2 January 2020	1,000 points
2 January 2023	1,260 points
18 December 2023	1,408 points
29 December 2023	1,447 points



**Annual evaluation 1 January – 31 December 2023**

16.78%

**Evaluation since the calculation started**

44.70%

## Member affairs

There were no changes involving exchange members compared to the previous year.

Alphabetical list of exchange members as of 31 December 2023 – a total of 17 trading members + 2 members by law:

BH Securities a.s.

CYRRUS, a.s.

Česká spořitelna, a.s.

Československá obchodní banka, a. s.

Erste Group Bank AG

Equilor Investment Ltd.

Fio banka, a.s.

J&T BANKA, a.s.



Komerční banka, a.s.

Patria Finance, a.s.

PPF banka a.s.

Raiffeisenbank a.s.

Raiffeisen Bank International AG

SAB o.c.p., a.s.

Société Générale S.A.

UniCredit Bank Czech Republic and Slovakia, a.s.

WOOD & Company Financial Services, a.s.

By law, the Czech National Bank and the Ministry of Finance of the Czech Republic.





## Report on relations

In accordance with Section 82 of Act No. 90/2012 Coll., on Corporations and Cooperatives (Act on Business Corporations), wording effective until 31 December 2023 ("BCA"), the Stock Exchange Chamber of **Burza cenných papírů Praha, a.s.** has prepared this report on relations between

the controlling entity **Wiener Börse AG**, with its registered office in 1010 Wien, Wallnerstraße 8, recorded in the Commercial Register maintained by the Commercial Court in Vienna (Handelsgericht Wien) under file No. FN 161826f ("the Controlling Entity" or "WBAG")

and

the controlled entity **Burza cenných papírů Praha, a.s.**, with its registered office in Praha 1, Rybná 14/682, identification No. 471 15 629, recorded in the Commercial Register maintained by the Municipal Court in Prague, section B, insert 1773 (the "Controlled Entity" or "PSE")

for the 2023 accounting period.

**The structure of relations** between the above entities is characterised by the amount of the participation interest which the Controlling Entity holds in the Controlled Entity; the participation interest was 99.54% as at the year-end.

This report does not include any description of relations of the Controlled Entity with its subsidiaries. The list of subsidiaries and companies in which the Controlled Entity exercised its influence is as follows:

- **Energy Clearing Counterparty, a.s.**, with its registered office in Praha 1, Rybná 682/14, identification No. 284 416 81
- **Centrální depozitář cenných papírů, a.s.**, with its registered office in Praha 1, Rybná 682/14, identification No. 250 81 489

Relations between these companies and the Controlled Entity are described in the reports on relations of the individual companies listed herein.

Pursuant to Section 82 (2) (b) and (c) of BCA, **control is exercised** through a share in the voting rights in accordance with Section 75 (1, 2) of BCA. No holding agreement, joint venture agreement, agreement to exercise voting rights or another similar agreement have been concluded. The Controlled Entity can be considered an independent and highly autonomous company which is a controlled entity by definition and whose principal activity is stipulated by law.

### Overview of acts and agreements

The report also includes:

- a) information indicating the acts performed in the 2023 accounting period at the instigation or in the interest of the Controlling Entity or entities controlled by the Controlling Entity where such acts concern assets with a value exceeding 10% of the Controlled Entity's equity identified from the last financial statements (Section 82 (2) (d) of BCA; and
- b) an overview of agreements concluded between the Controlled Entity and the Controlling Entity or between controlled entities (Section 82 (2) (e) of BCA).



Concerning a), the general meeting of 17 May 2023 approved BCPP's financial statements for 2022 and a motion for distribution of 2022 profit, together with part of retained earnings, in the amount of CZK 283,932 thousand by paying a share in profit of CZK 1,071 per share. No other acts pursuant to Section 82 (2) (d) of BCA were performed in the 2023 accounting period.

Concerning b), contracts and agreements concluded under Section 82 (2) (e) of BCA

The following agreements defined the relations between the Controlling Entity and the Controlled Entity in the 2023 accounting period:

Date of agreement	Name of agreement	Description of performance
11 February 2009	Confirmation - free use of the PSE data transmitted via Thomson Reuters	Bilateral agreement on the use of data to calculate the index
1 July 2009	FRAMEWORK AGREEMENT - INDEX LICENSING BUSINESS, as amended by Index Licensing Cooperation dated 9 March 2020	Framework contract to sell the indices
18 August 2009	Data Vending Cooperation Agreement, as amended by Amendment No. 7 dated 6 September 2022	Cooperation in vending data
1 August 2011	Agreement on opening of account in securities central register and provision of related services	Opening and maintaining a securities property account in CDCP
23 December 2011	MASTER FRAMEWORK AGREEMENT ("MFA"), as amended by Amendment No. 7 dated 23 February 2022	Framework contract for migration of technical trading system to the XETRA single business system
23 December 2011	Supplement Agreement for TTR Services, as amended by Amendment No. 1 dated 19 May 2017, Supplement Agreement for Remote Member Services, Supplement Agreement for Market Maintenance Services, as amended by Amendment No. 3 dated 23 December 2019, Supplement Agreement for Index Services, Supplement Agreement for Connectivity Services, Supplement Agreement for Exchange Services	Supplement agreements for PSE services in connection with MFA above
30 October 2012	Agreement on Market Maintenance Service, as amended by Amendment No. 3 dated 23 December 2019	Supplement agreement relating to MFA above specifying initial configuration of XETRA
6 August 2013	Mutual Agreement on Providing Authority to conclude cross-membership agreements with CESEEG members, as amended by Amendment No. 2 dated 13 July 2020	Agreement authorising the other stock exchange to make membership at partner stock exchange
11 May 2016	Master Framework Agreement (web services), as amended by Side Letter No. 3 dated 14 June 2019	Framework agreement on cooperation upon website implementation and operation, terminated as of 30 September 2019
4 May 2020	Supplement Agreement on Market Parameter Maintenance in the Trading System	Supplement agreement relating to MFA, regulating maintenance of market



		parameter for ensuring smooth batch processing
20 November 2023	Implementation Proposal - Request for Change PSE Price Equity Index Start Market	MTF index for market START

### **Assessment of advantages and disadvantages arising from relations within the group of companies**

The benefit of the relations within the group for the Controlled Entity is the possibility to participate in the synergies of interconnection of stock exchanges regarding the IT expenses, coordinated procedures for data vending, and mutual sharing of the expertise. We are not aware of any disadvantages and risks.

The report is to be attached to the annual report pursuant to a special legal regulation (Section 84 (2) of BCA). The report will be reviewed by the Supervisory Board pursuant to Section 83 (1) of BCA.

Prague, 7 March 2024

Petr Kobic

Chairman of the Exchange Chamber

Ondřej Dušilek

Member of the Exchange Chamber



**FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2023**

<b>Corporation Name:</b>	<b>Burza cenných papírů Praha, a.s.</b>
<b>Registered Office:</b>	<b>Prague 1, Rybná 14/682</b>
<b>Legal Form:</b>	<b>Joint Stock Company</b>
<b>Business Identification Number:</b>	<b>471 15 629</b>
<b>Date of Preparation:</b>	<b>7 March 2024</b>

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		As at 31/ 12/ 2023			As at 31/ 12/ 2022
		Gross	Allowances	Net	Net
<b>BALANCE SHEET</b>					
<b>Long-form</b>					
as at 31 December 2023 (in CZK thousands)					
					Burza cenných papírů Praha, a.s. Business Identification Number: 471 15 629  Rybná 14/682 110 05 Praha 1
<b>TOTAL ASSETS</b>	<b>001</b>	<b>465,953</b>	<b>(40,896)</b>	<b>425,057</b>	<b>425,328</b>
<b>B. Fixed assets</b>	<b>003</b>	<b>173,302</b>	<b>(40,762)</b>	<b>132,540</b>	<b>131,935</b>
<b>B.I. Intangible fixed assets</b>	<b>004</b>	<b>9,073</b>	<b>(7,041)</b>	<b>2,032</b>	<b>980</b>
<b>B.I.2. Valuable rights</b>	<b>006</b>	<b>7,820</b>	<b>(6,964)</b>	<b>856</b>	<b>980</b>
B.I.2.1. Software	007	7,820	(6,964)	856	980
B.I.4. Other intangible fixed assets	010	1,253	(77)	1,176	0
<b>B.I.5. Advances granted for intangible fixed assets and intangible fixed assets in progress</b>	<b>011</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
B.I.5.2. Intangible fixed assets in progress	013	0	0	0	0
<b>B.II. Tangible fixed assets</b>	<b>014</b>	<b>37,783</b>	<b>(29,721)</b>	<b>8,062</b>	<b>8,509</b>
B.II.2. Movable assets and sets of movable assets	018	37,783	(29,721)	8,062	8,295
<b>B.II.5 Advances granted for tangible fixed assets and tangible fixed assets in progress</b>	<b>024</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>214</b>
B.II.5.2. Tangible fixed assets in progress	026	0	0	0	214
<b>B.III. Long-term investments</b>	<b>027</b>	<b>126,446</b>	<b>(4,000)</b>	<b>122,446</b>	<b>122,446</b>
B.III.1. Interests – controlled or controlling entity	028	110,446	(4,000)	106,446	106,446
B.III.3. Interests – significant influence	030	16,000	0	16,000	16,000
<b>B.III.7. Other long-term investments</b>	<b>034</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
B.III.7.1. Miscellaneous long-term investments	035	0	0	0	0
<b>C. Current assets</b>	<b>037</b>	<b>274,364</b>	<b>(134)</b>	<b>274,230</b>	<b>280,706</b>
<b>C.II. Receivables</b>	<b>046</b>	<b>34,594</b>	<b>(134)</b>	<b>34,460</b>	<b>44,744</b>
<b>C.II.1. Long-term receivables</b>	<b>047</b>	<b>307</b>	<b>0</b>	<b>307</b>	<b>393</b>
C.II.1.4. Deferred tax asset	051	227	0	227	313
<b>C.II.1.5. Other receivables</b>	<b>052</b>	<b>80</b>	<b>0</b>	<b>80</b>	<b>80</b>
C.II.1.5.2. Long-term advances granted	054	80	0	80	80
<b>C.II.2. Short-term receivables</b>	<b>057</b>	<b>34,287</b>	<b>(134)</b>	<b>34,153</b>	<b>44,351</b>
C.II.2.1. Trade receivables	058	19,652	(134)	19,518	16,990
<b>C.II.2.4. Other receivables</b>	<b>061</b>	<b>14,635</b>	<b>0</b>	<b>14,635</b>	<b>27,361</b>
C.II.2.4.1. Receivables from partners	062	1,359	0	1,359	44
C.II.2.4.3. Due from government – tax receivables	064	2,519	0	2,519	2,111
C.II.2.4.4. Short-term advances granted	065	20	0	20	538
C.II.2.4.5. Unbilled revenue	066	9,244	0	9,244	22,317
C.II.2.4.6. Miscellaneous receivables	067	1,493	0	1,493	2,351
<b>C.IV. Cash</b>	<b>075</b>	<b>239,770</b>	<b>0</b>	<b>239,770</b>	<b>235,962</b>
C.IV.1. Cash in hand	076	29	0	29	44
C.IV.2. Cash at bank	077	239,741	0	239,741	235,918
<b>D. Prepaid expenses and accrued income</b>	<b>078</b>	<b>18,287</b>	<b>0</b>	<b>18,287</b>	<b>12,687</b>
D.1. Prepaid expenses	079	18,285	0	18,285	12,686
D.3. Accrued income	081	2	0	2	1



		As at 31/ 12/ 2023	As at 31/ 12/ 2022
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>082</b>	<b>425,057</b>	<b>425,328</b>
<b>A. Equity</b>	<b>083</b>	<b>379,991</b>	<b>384,103</b>
<b>A.I. Basic capital</b>	<b>084</b>	<b>100,171</b>	<b>100,171</b>
A.I.1. Registered capital	085	100,721	100,721
A.I.2. Own ownership interests (-)	086	(550)	(550)
<b>A.IV. Profit (loss) brought forward (+/-)</b>	<b>099</b>	<b>175</b>	<b>154</b>
A.IV.1. Retained earnings (+/-)	100	175	154
<b>A.V. Profit (loss) for the year (+/-)</b>	<b>102</b>	<b>279,645</b>	<b>283,778</b>
<b>B.+ C. PROVISIONS AND LIABILITIES</b>	<b>104</b>	<b>41,337</b>	<b>37,676</b>
<b>B. Provisions</b>	<b>105</b>	<b>7,557</b>	<b>9,634</b>
B.2. Provision for corporate income tax	107	5,739	7,800
B.4. Other provisions	109	1,818	1,834
<b>C. Liabilities</b>	<b>110</b>	<b>33,780</b>	<b>28,042</b>
<b>C.II. Current liabilities</b>	<b>126</b>	<b>33,780</b>	<b>28,042</b>
C.II.2. Liabilities to credit institutions	130	6	5
C.II.4. Trade payables	132	7,995	4,221
C.II.6. Liabilities – controlled or controlling entity	134	73	648
<b>C.II.8. Other liabilities</b>	<b>136</b>	<b>25,706</b>	<b>23,168</b>
C.II.8.1. Liabilities to partners	137	2,071	561
C.II.8.3. Liabilities to employees	139	12,822	12,870
C.II.8.4. Liabilities arising from social security and health insurance	140	5,904	5,392
C.II.8.5. Due to government – taxes and subsidies	141	3,664	3,636
C.II.8.6. Unbilled deliveries	142	975	439
C.II.8.7. Miscellaneous liabilities	143	270	270
<b>D. Accruals and deferred income</b>	<b>147</b>	<b>3,729</b>	<b>3,549</b>
D.1. Accruals	148	29	341
D.2. Deferred income	149	3,700	3,208

<b>INCOME STATEMENT</b>		<b>Burza cenných papírů Praha, a.s.</b>	
<b>By category</b>		<b>Business Identification Number: 471 156 29</b>	
for the year ended 31 December 2023 (in CZK thousands)		Rybná 14/682 110 05 Praha 1	
		Year ended 31/ 12/ 2023	Year ended 31/ 12/ 2022
I. Revenue from sale of finished products and services	001	301,765	290,343
A. Production-related consumption	003	70,068	64,736
A.2. Consumption of material and energy	005	2,317	1,442
A.3. Services	006	67,751	63,294
D. Personnel expenses	009	75,979	67,895
D.1. Wages and salaries	010	56,189	51,126
D.2. Social security and health insurance costs and other costs	011	19,790	16,769
D.2.1 Social security and health insurance costs	012	16,705	14,301
D.2.2. Other costs	013	3,085	2,468
E. Value adjustments in respect of operating activities	014	5,264	4,576
E.1. Value adjustments in respect of intangible and tangible fixed assets	015	5,265	4,577
E.1.1. Value adjustments in respect of intangible and tangible fixed assets - permanent	016	5,265	4,577
E.3. Value adjustments in respect of receivables	019	(1)	(1)
III. Other operating income	020	68	25
III.3. Miscellaneous operating income	023	68	25
F. Other operating expenses	024	4,837	3,392
F.3. Taxes and charges relating to operations	027	97	105
F.4. Provisions relating to operations and prepaid expenses (specific-purpose expenses)	028	(16)	(220)
F.5. Miscellaneous operating expenses	029	4,756	3,507
<b>* Profit or loss on operating activities (+/-)</b>	<b>030</b>	<b>145,685</b>	<b>149,769</b>
IV. Income from long-term investments - interests	031	152,200	157,200
IV.1. Income from interests in subsidiaries or parents	032	152,200	157,200
VI. Interest receivable and similar income	039	9,616	6,365
VI.1. Interest receivable and similar income - subsidiaries or parents	040	0	100
VI.2. Other interest receivable and similar income	041	9,616	6,265
VII. Other finance income	046	2,928	361
K. Other finance cost	047	1,082	799
<b>* Profit or loss on financial activities (+/-)</b>	<b>048</b>	<b>163,662</b>	<b>163,127</b>
<b>** Profit or loss before taxation (+/-)</b>	<b>049</b>	<b>309,347</b>	<b>312,896</b>
L. Income tax	050	29,702	29,118
L.1. Income tax due	051	29,615	28,502
L.2. Income tax deferred (+/-)	052	87	616
<b>** Profit or loss after taxation (+/-)</b>	<b>053</b>	<b>279,645</b>	<b>283,778</b>
<b>*** Profit or loss for the year (+/-)</b>	<b>055</b>	<b>279,645</b>	<b>283,778</b>
Net turnover	056	466,577	454,294

<b>CASH FLOW STATEMENT</b>		<b>Burza cenných papírů Praha, a.s.</b>	
		<b>Business Identification</b>	
		<b>Number: 471 156 29</b>	
for the year ended 31 December 2023 (in CZK thousands)		Rybná 14/682 110 05 Praha 1	
		<b>Year ended 31 /12/ 2023</b>	<b>Year ended 31 /12/ 2022</b>
<b>P. Cash and cash equivalents at beginning of year</b>	<b>1</b>	<b>235,962</b>	<b>207,242</b>
<b>Cash flows from operating activities</b>	<b>2</b>		
Z. Profit or loss on ordinary activities before taxation (+/-)	3	309,347	312,896
A.1. Adjustments to reconcile profit or loss to net cash provided by or used in operating activities	4	(157,063)	(159,328)
A.1.1. Depreciation and amortization of fixed assets (+), except for net book value of fixed assets sold, and amortization of gain or loss on revaluation of acquired property and goodwill (+/-)	5	5,265	4,577
A.1.2. Change in allowances and provisions	6	(17)	(221)
A.1.4. Income from share of profit (-)	8	(152,200)	(157,200)
A.1.5. Net interest payable (+), except for interest capitalized into fixed assts, and net interest receivable (-)	9	(9,616)	(6,365)
A.1.6. Adjustments for other non-cash movements	10	(496)	(119)
<b>A.* Net cash from operating activities before taxation, changes in working capital and extraordinary items</b>	<b>11</b>	<b>152,283</b>	<b>153,568</b>
A.2. Change in non-cash components of working capital	12	11,011	1,332
A.2.1. Change in receivables from operating activities (+/-), in prepaid expenses and accrued income and in unbilled revenue	13	4,751	670
A.2.2. Change in current liabilities from operating activities (+/-), in accruals and deferred income and in unbilled deliveries	14	6,260	662
<b>A.** Net cash from operating activities before taxation, interest paid and extraordinary items</b>	<b>17</b>	<b>163,295</b>	<b>154,900</b>
A.4. Interest received (+)	19	9,616	6,365
A.5. Income tax paid, incl. tax for additional tax assessments for prior years (-)	20	(31,676)	(25,572)
A.7. Shares of profit received (+)	21	152,200	157,200
<b>A.*** Net cash provided by (used in) operating activities</b>	<b>22</b>	<b>293,434</b>	<b>292,893</b>
<b>Cash flows from investing activities</b>	<b>23</b>		
B.1. Purchase of fixed assets	24	(5,869)	(14,329)
<b>B.*** Net cash provided by (used in) investing activities</b>	<b>27</b>	<b>(5,870)</b>	<b>(14,329)</b>
<b>Cash flows from financing activities</b>	<b>28</b>		
C.2. Effect of changes in equity on cash and cash equivalents	30	(283,757)	(249,844)
C.2.6. Profit shares paid out, incl. paid withholding tax related to these claims and incl. financial settlement with the partners of a general commercial partnership and the general partners of limited partnerships (-)	36	(283,757)	(249,844)
<b>C.*** Net cash provided by (used in) financing activities</b>	<b>37</b>	<b>(283,757)</b>	<b>(249,844)</b>
<b>F. Net increase (decrease) in cash</b>	<b>38</b>	<b>3,808</b>	<b>28,720</b>
<b>R. Cash and cash equivalents at end of year</b>	<b>39</b>	<b>239,770</b>	<b>235,962</b>

<b>STATEMENT OF CHANGES IN EQUITY</b>		<b>Burza cenných papírů Praha, a.s.</b>			
for the year ended 31 December 2023 (in CZK thousands)		<b>Business Identification Number: 471 15 629</b>			
					Rybná 14/682 110 05 Praha 1
	<b>Registered capital</b>	<b>Own shares (own ownership interests)</b>	<b>Retained earnings</b>	<b>Profit (loss) for the year (+/-)</b>	<b>Total equity</b>
<b>Balance at 31/ 12/ 2021</b>	<b>100,721</b>	<b>(550)</b>	<b>313</b>	<b>249,685</b>	<b>350,169</b>
Dividends paid	0	0	0	(249,844)	(249,844)
Purchase of own shares	0	0	0	0	0
Transfer to retained earnings			(159)	159	0
Profit (loss) for the year (+/-)	0	0	0	283,778	283,778
<b>Balance at 31/ 12/ 2022</b>	<b>100,721</b>	<b>(550)</b>	<b>154</b>	<b>283,778</b>	<b>384,103</b>
Dividends paid	0	0	0	(283,757)	(283,757)
Purchase of own shares	0	0	0	0	0
Transfer to retained earnings	0	0	21	(21)	0
Profit (loss) for the year (+/-)	0	0	0	279,645	279,645
<b>Balance at 31/ 12/ 2023</b>	<b>100,721</b>	<b>(550)</b>	<b>175</b>	<b>279,645</b>	<b>379,991</b>

## **1 GENERAL INFORMATION**

### **1.1 Incorporation and description of the corporation**

Burza cenných papírů Praha, a.s. (henceforth the “Company” or “BCPP”), with its registered office at Rybná 14/682, Prague 1, was incorporated by means of a Memorandum of Association dated 24 July 1992 by twelve Czechoslovak banks and five brokerage firms.

The Company was registered in the Commercial Register maintained by the Municipal Court in Prague, under section B, insert 1773 on 24 November 1992.

The principal activity of the Company is to organize the trading of financial instruments in compliance with generally binding legal regulations, the rules and regulations of the stock exchange and the authorization to operate issued by decision No. 102/58294/92 of 16 October 1992 of the Ministry of Finance of the Czech Republic, as amended, based on a decision of the Ministry of Finance of the Czech Republic, the Securities Committee and the Czech National Bank.

On 23 December 2016, the Company's shares changed from paper to book-entry form. Total number of shareholders is four.

### **1.2 Year-on-year changes and amendments to the Commercial Register**

In the course of 2023, there was no change in the structure of the Exchange Chamber and Supervisory Board.

The Company has conformed to Act No. 90/2012 Coll., on Corporations and Cooperatives, as a whole in accordance with Section 777 (5) of the Act.

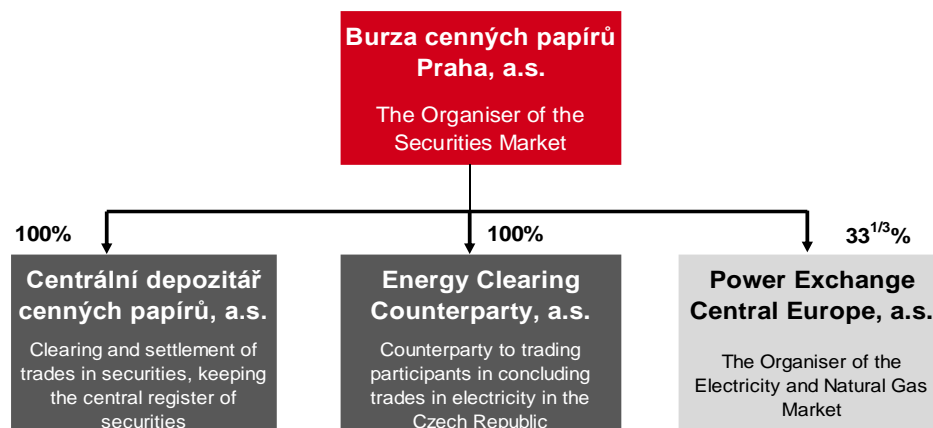
### **1.3 Organizational structure of the Company**

The following units report directly to the CEO:

- Legal Department;
- Compliance and Internal Control;
- Internal Audit and Security Department;
- Secretariat of Chief Executive Officer and mail room;
- Trading and Securities Department;
- Information Technological Development and Operation Department;
- Software Development Department;
- Finance and Administration Department;
- External Communication Department.

## 1.4 BCPP Group identification

### Structure as at 31 December 2023



The majority owner of Burza cenných papírů Praha, a.s. is Wiener Börse AG, holding 99.543% of the Company's shares as 31 December 2023 (2022: 99.543%).

#### 1.4.1 Centrální depozitář cenných papírů, a.s.

Centrální depozitář cenných papírů, a.s. (formerly "UNIVYC, a.s."), with its registered office at Rybná 14, Praha 1, was recorded in the Commercial Register on 8 October 1996. It was established by the conversion of Burzovní registr cenných papírů, s.r.o., becoming its legal successor. The sole shareholder is Burza cenných papírů Praha, a.s. UNIVYC, a.s. asked the capital market regulator to grant a license to organize a central depository of securities pursuant to Section 100 of Act No. 256/2004 Coll., on Business Activities on the Capital Market. UNIVYC, a.s. received the license based on a decision of the Czech National Bank of 14 August 2009 and subsequently changed its name to Centrální depozitář cenných papírů, a.s. ("CDCP").

The activity of central depository under the CNB license was started on 2 July 2010. At this date the transfer of records of dematerialized and immobilized securities from Středisko cenných papírů was successfully completed. On 21 December 2018, the license came into force to pursue the activities of a central depository under the harmonized European regulation implemented by the CSDR. From this day, the activities of the CDCP and its participants are also subject to the provisions of the Act on Business Activities on the Capital Market, as amended.

The basic business activities of the central depository are operation of the system for stock exchange and OTC trade settlement, lending of securities, administration of collateral funds, custody and administration of investment securities, managing of central records of dematerialized securities issued in the Czech Republic and assignment of identification codes (ISIN) to investment instruments. The central depository operates on a participation principle and it provides its services related to administration of securities evidence as well as trade settlement through the participants. The central depository also provides services for securities issuers.

#### 1.4.2 Energy Clearing Counterparty, a.s.

Energy Clearing Counterparty, a.s. ("EnCC"), with its registered office at Rybná 682/14, Praha 1, was incorporated by means of a Founding Contract dated 18 July 2008 and recorded in the Commercial Register on 6 August 2008.

On 1 January 2014, EnCC assumed the assets and liabilities of the dissolved companies: Central Counterparty, a.s. ("CCP") and Central Clearing Counterparty, a.s. ("CCC"), including rights and obligations from labor-law relations, becoming the universal legal successor of the dissolved companies.

The company's business activities are the lease of real estate, residential and non-residential premises and electricity trading.

#### 1.4.3 POWER EXCHANGE CENTRAL EUROPE, a.s.

Energetická burza Praha, with its registered office at Rybná 682/14 Praha 1, was established by means of a Founding Contract on 8 January 2007. On 1 July 2009, Energetická burza Praha converted into joint-stock company POWER EXCHANGE CENTRAL EUROPE, a.s. ("PXE").

This company obtained a license from the Czech National Bank (the "CNB") to organize commodity derivatives market on 4 February 2009. Pursuant to Amendment to Act No. 230/2008 Coll., on Business Activities on the Capital Market, adopted in 2008, commodity derivatives that are regularly traded in an organized market are considered investment instruments and, consequently, any entity organizing a market with these instruments is subject to the CNB's supervision and requires the CNB's license. The license allows PXE to organize a derivatives market with physical settlement but also to list products with financial settlement.

In January 2016 BCCP, CDCP and EnCC signed an agreement with European Energy Exchange AG ("EEX"), based on which EEX acquired 66.67% of PXE's shares.

As at 22 July 2021, Power Exchange Central Europe Poland, Sp.z.o.o. ("PXE PL") was established; its aim is to develop the commodity trading in Poland. The sole shareholder of the company is PXE.

#### 1.5 Exchange Chamber and Supervisory Board as at 31 December 2023

	Position	Name
<b>Exchange Chamber</b>	Chairman	Petr Kobic
	Vice-chairman	Christoph Boschan
	Member	Ondřej Dusílek
	Member	David Kučera
	Member	Andrea Herrmann
<b>Supervisory Board</b>	Member	Jan Vedral
	Member	Jan Sýkora
	Member	Martin Novák
	Member	Helena Čacká

## 2 ACCOUNTING POLICIES

### 2.1 Basic principles of financial statements preparation

The financial statements have been prepared based on the books of accounts maintained in compliance with the Act on Accounting and relevant regulations and decrees effective in the Czech Republic. The financial statements for the year ended 31 December 2022 have been prepared assuming that the Company will continue as a going concern.

These financial statements have been prepared in compliance with Decree of the Czech Ministry of Finance No. 500/2002 Coll., implementing certain provisions of Act No. 563/1991 Coll. on Accounting, as amended, for entities that are entrepreneurs using the double-entry bookkeeping system.

All figures are presented in thousands of Czech crowns ("CZK thousands"), unless indicated otherwise.

These financial statements are not consolidated.

The consolidated financial statements of the narrowest group of entities to which the Company as a consolidated entity belongs are prepared by Burza cenných papírů Praha, a.s., with its registered office at Rybná 14/682, Praha 1. The consolidated financial statements are available at the consolidating entity's registered office.

The consolidated financial statements of the widest group of entities to which the Company as a consolidated entity belongs are prepared by Wiener Börse AG, with its registered office at Wallnerstraße 8, A-1010 Vienna. The consolidated financial statements are available at the consolidating entity's registered office.

#### Explanation Added for Translation into English

These financial statements are presented on the basis of accounting principles and standards generally accepted in the Czech Republic. Certain accounting practices applied by the Company that conform with generally accepted accounting principles and standards in the Czech Republic may not conform with generally accepted accounting principles in other countries.

### 2.2 Tangible fixed assets

Tangible assets with a useful life of more than one year and a cost exceeding CZK 80 thousand per unit are treated as tangible fixed assets; tangible assets with a cost exceeding CZK 40 thousand per unit are treated as low-value tangible assets and depreciated over the useful life of the asset.

Purchased tangible fixed assets are recorded at their acquisition cost, which includes purchase price and other costs directly tied to the acquisition process.

Tangible assets with a useful life of more than one year and a cost not exceeding CZK 40 thousand per unit for 2023 are not disclosed in the balance sheet but are expensed in the year of their acquisition and carried in a subsidiary ledger.

Tangible fixed assets are depreciated on a straight-line basis over their estimated useful lives as follows:

Asset category	Accounting depreciation
Computer equipment	3-5 years
Furniture and fixtures	5-10 years
Low-value tangible assets	2-3 years

#### Establishment of allowances

When the carrying amount of an asset exceeds its estimated recoverable amount, the asset is written down to its recoverable amount through an allowance.

Repair and maintenance expenditures relating to tangible fixed assets are expensed as incurred. Technical improvement of tangible fixed assets is capitalized.



### 2.3 Intangible fixed assets

Intangible assets with a useful life of more than one year and a cost exceeding CZK 40 thousand per unit are treated as intangible fixed assets.

Purchased intangible fixed assets are recorded at their acquisition cost, which includes purchase price and other costs directly tied to the acquisition process.

Intangible assets with a useful life of more than one year and a cost not exceeding CZK 40 thousand per unit are not disclosed in the balance sheet but are expensed in the year of their acquisition and carried in a subsidiary ledger.

Intangible fixed assets are amortized on a straight-line basis over their estimated useful lives as follows:

Asset category	Accounting amortization
Software	3 years
Other intangible fixed assets	3 years
Low-value intangible assets	2-3 years

#### Establishment of allowances

When the carrying amount of an asset exceeds its estimated recoverable amount, the asset is written down to its recoverable amount through an allowance.

### 2.4 Investments in subsidiaries and associates

Investments in subsidiaries represent enterprises that are controlled by the Company ("the subsidiary").

Investments in associates represent enterprises over which the Company has significant influence, i.e. the power to participate in financial and operating policy decisions, but not control ("the associate").

Investments in subsidiaries and associates are recorded at cost less an allowance for potential impairment. Cost includes expenses directly incurred in connection with the acquisition, such as fees and commissions paid to brokers and advisors.

### 2.5 Cash and cash equivalents

Cash and cash equivalents include cash in hand, valuables and cash at bank, including overdrawn amounts of current or overdraft facilities.

Cash equivalents are short-term, highly liquid investments that can be easily and readily exchanged for a known amount of cash and no significant changes in value over time are expected. Cash equivalents are, for example, deposits with a maturity of three months or less from the date of acquisition and liquid securities traded in public markets.

### 2.6 Foreign currency translation

Transactions denominated in a foreign currency are translated and recorded at the prevailing exchange rate published by the Czech National Bank as at the transaction date.

Cash, receivables and liabilities balances denominated in foreign currencies have been translated at the exchange rate published by the Czech National Bank as at the balance sheet date. All exchange gains and losses on cash, receivables and liabilities balances are recorded in the income statement.

### 2.7 Receivables

Receivables are stated at nominal value less an allowance against doubtful amounts. An allowance against doubtful receivables is created on the basis of an ageing analysis and individual assessment of the debtor's solvency. Receivables from related parties are not provided for. Bad debts are written off after the bankruptcy proceedings of the debtor.

## **2.8 Liabilities**

Long-term liabilities and current liabilities are carried at their nominal values. Amounts resulting from the revaluation of financial derivatives at fair value are shown in other payables.

Long-term liabilities and current liabilities to credit institutions are recorded at their nominal values. Any portion of long-term debt which is due within one year of the balance sheet date is classified as short-term debt.

## **2.9 Provisions**

Provisions are recognized when the Company has a present obligation, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. The Company management prepared these estimates and predictions based on all available relevant information. These estimates and assumptions are based on information available as at the date of the financial statements and may differ from actual results.

## **2.10 Income tax**

Income tax for the period comprises current tax and the change in deferred tax. Current tax comprises an estimate of tax payable calculated based on the taxable income, having the tax rate valid as at first day of the accounting period, and any adjustments to taxes for previous periods.

## **2.11 Deferred tax**

Deferred tax is recognized on all temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Deferred tax assets are recognized if it is probable that sufficient future taxable profit will be available against which the assets can be utilized.

## **2.12 Own shares (own ownership interests)**

The transferability of shares is restricted as they may be transferred to third parties only after the approval of the Exchange Chamber members in attendance. Approval is subject to the consent of a two-thirds majority of the Exchange Chamber members in attendance. The Company is obligated to repurchase its own shares if the Exchange Chamber does not approve the transfer to a third party.

Repurchased own shares are stated at cost as a deduction from the registered capital.

## **2.13 Related parties**

The Company's related parties are considered to be the following:

- shareholders, of which the Company is a subsidiary or an associate, directly or indirectly, and other subsidiaries and associates of these shareholders;
- members of the Exchange Chamber and Supervisory Board, management, parent companies and parties close to such members, including entities in which they have a controlling or significant influence; and/or
- subsidiaries and associates.

Material transactions and outstanding balances with related parties are disclosed in Notes 3.5.6, 3.9.7 and 3.19.

## **2.14 Revenue recognition**

Sales are recognized when services are rendered and are recognized net of discounts and VAT on an accrual basis.

### **2.15 Leases**

The Company uses assets acquired under operating leases. The costs of assets held under operating leases are not capitalized as part of the cost of the fixed assets. Lease payments are recognized as an expense on a straight-line basis over the lease term. Future lease payments not yet due are disclosed in the notes but not recognized in the balance sheet.

### **2.16 Supplementary retirement insurance and life insurance**

The Company makes contributions on behalf of its employees to supplementary pension schemes operated by independent pension funds and to employees' life insurance schemes.

### **2.17 Group registration for VAT**

The companies Burza cenných papírů Praha, a.s., POWER EXCHANGE CENTRAL EUROPE, a.s., and Centrální depozitář cenných papírů, a.s. (henceforth the "VAT Group") established a group with effect from 1 January 2009 for the purposes of registration for value added tax under Act No. 235/2004 Coll., as amended. Energy Clearing Counterparty, a.s. joined the VAT Group as at 1 January 2011. All the companies within the VAT Group have a joint tax identification number.

As at 1 January 2023, the VAT Group used an advance VAT coefficient of 100% (1 January 2022: 100%) to claim VAT deduction on input for the whole VAT Group for 2023. In the VAT return for December 2023 the Company calculated a settlement coefficient for 2023, amounting to 90% and representing an advance VAT coefficient for 2024. The difference between the deduction claimed on the basis of advance coefficient during the whole calendar year and the VAT deduction calculated on the basis of settlement coefficient is CZK 1,348 thousand (2022: CZK 0).

The VAT return is submitted for the VAT Group by its representing member, i.e. BCPP. Other VAT Group members recognize parts of their own tax liability, or VAT excess, falling on them and recognize a payable to, or a receivable from, BCPP in their books of accounts.

### **2.18 Use of estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. The Company management believes that the applied estimates and assumptions will not significantly differ from actual figures in subsequent accounting periods.

### **2.19 Subsequent events**

The effects of events that occurred between the balance sheet date and the date of the financial statements preparation are recognized in the financial statements provided these events provide additional evidence about conditions that existed at the date of the balance sheet.

If material events reflecting the facts occurring after the balance sheet date happened between the balance sheet date and the date of the financial statements preparation the consequences of these events are disclosed in the notes to the financial statements but not recognized in the financial statements.

### **2.20 Change in accounting policies and procedures**

In connection with the impact of war in Ukraine, started by Russia on 24 February 2022, the Company reported no significantly increased costs or revenues.

The Company did not change any accounting policies and procedures in 2023 or 2022.

**3 ADDITIONAL INFORMATION ON THE BALANCE SHEET AND THE INCOME STATEMENT****3.1 Fixed assets****3.1.1 Intangible fixed assets**

(in CZK thousands)

Acquisition cost	Software	Other intangible FA	Intangible FA in progress	Total
<b>Balance as at 31 December 2021</b>	<b>39,432</b>	<b>386</b>	<b>288</b>	<b>40,106</b>
Additions	577	0	0	577
Disposals	(22,385)	0	(288)	(22,673)
<b>Balance as at 31 December 2022</b>	<b>17,624</b>	<b>386</b>	<b>0</b>	<b>18,010</b>
Additions	548	1,253	0	1,801
Disposals	(10,352)	(386)	0	(10,738)
<b>Balance as at 31 December 2023</b>	<b>7,820</b>	<b>1,253</b>	<b>0</b>	<b>9,073</b>

(in CZK thousands)

Accumulated amortization	Software	Other intangible FA	Intangible FA in progress	Total
<b>Balance as at 31 December 2021</b>	<b>37,997</b>	<b>386</b>	<b>0</b>	<b>38,383</b>
Additions	1,032	0	0	1,032
Disposals	(22,385)	0	0	(22,385)
<b>Balance as at 31 December 2022</b>	<b>16,644</b>	<b>386</b>	<b>0</b>	<b>17,030</b>
Additions	672	77	0	749
Disposals	(10,352)	(386)	0	(10,738)
<b>Balance as at 31 December 2023</b>	<b>6,964</b>	<b>77</b>	<b>0</b>	<b>7,041</b>

(in CZK thousands)

Net book value	Software	Other intangible FA	Intangible FA in progress	Total
Balance as at 1 January 2022	1,435	0	288	<b>1,723</b>
Balance as at 31 December 2022	980	0	0	<b>980</b>
Balance as at 31 December 2023	856	1,176	0	<b>2,032</b>

Additions to intangible fixed assets in the amount of CZK 1,801 thousand (2022: CZK 577 thousand) are represented by the creation of BCPP logo and modification of DMS application (electronic registration of received invoices). Disposals of intangible fixed assets in the amount to CZK 10,738 thousand (2022: CZK 22,673 thousand) are mainly represented by the disposal of obsolete software.

Amortization of intangible fixed assets charged to expense was as follows:

(in CZK thousands)

	Amortization
<b>2023</b>	749
<b>2022</b>	1,032

In 2023 and 2022 no allowances against intangible fixed assets were created.

Intangible fixed assets of CZK 760 thousand (2022: CZK 784 thousand) were carried in a subsidiary ledger.

**3.1.2 Tangible fixed assets**

(in CZK thousands)

Acquisition cost	Computer equipment	Furniture and fixtures	Vehicles	Low-value tangible assets	Tangible fixed assets in progress	Total
<b>Balance as at 31 December 2021</b>	<b>18,748</b>	<b>5,929</b>	<b>0</b>	<b>3,325</b>	<b>0</b>	<b>28,002</b>
Additions	6,407	0	1,419	0	214	8,040
Disposals	(882)	(101)	0	(599)	0	(1,582)
<b>Balance as at 31 December 2022</b>	<b>24,273</b>	<b>5,828</b>	<b>1,419</b>	<b>2,726</b>	<b>214</b>	<b>34,460</b>
Additions	3,591	80	0	611	0	4,282
Disposals	(255)	(80)	0	(410)	(214)	(959)
<b>Balance as at 31 December 2023</b>	<b>27,609</b>	<b>5,828</b>	<b>1,419</b>	<b>2,927</b>	<b>0</b>	<b>37,783</b>

(in CZK thousands)

Accumulated depreciation	Computer equipment	Furniture and fixtures	Vehicles	Low-value tangible assets	Tangible fixed assets in progress	Total
<b>Balance as at 31 December 2021</b>	<b>15,004</b>	<b>5,725</b>	<b>0</b>	<b>3,259</b>	<b>0</b>	<b>23,988</b>
Additions	3,313	109	67	56	0	3,545
Disposals	(882)	(101)	0	(599)	0	(1,582)
<b>Balance as at 31 December 2022</b>	<b>17,435</b>	<b>5,733</b>	<b>67</b>	<b>2,716</b>	<b>0</b>	<b>25,951</b>
Additions	3,775	135	473	132	0	4,515
Disposals	(255)	(80)	0	(410)	0	(745)
<b>Balance as at 31 December 2023</b>	<b>20,955</b>	<b>5,788</b>	<b>540</b>	<b>2,438</b>	<b>0</b>	<b>29,721</b>

(in CZK thousands)

Net book value	Computer equipment	Furniture and fixtures	Vehicles	Low-value tangible assets	Tangible fixed assets in progress	Total
Balance as at 1 January 2022	3,744	204	0	66	0	4,014
Balance as at 31 December 2022	6,838	95	1,352	10	214	8,509
Balance as at 31 December 2023	6,654	40	879	489	0	8,062

Additions to tangible fixed assets in the amount of CZK 4,282 thousand (2022: CZK 8,040 thousand) are represented by the acquisition of Storage IBM FS5200, Cisco Switch and the acquisition of Lenovo ThinkSystem SR645 V3 Server for semi offline.

Disposals of tangible fixed assets amounted to CZK 959 thousand (2022: CZK 1,582 thousand). Disposals represented the disposal of HP DL20 servers, notebooks and low-value tangible assets.

Depreciation of tangible fixed assets charged to expense, including the carrying amount of liquidated assets, was as follows:

(in CZK thousands)

	Depreciation
<b>2023</b>	<b>4,515</b>
<b>2022</b>	<b>3,545</b>

The total value of low-value tangible assets, which are not reflected in the accompanying balance sheet and are carried in a subsidiary ledger, was CZK 6,272 thousand as at 31 December 2023 (2022: CZK 5,964 thousand).

In 2023 and 2022 no allowances against tangible fixed assets were created, and none of the assets is pledged as collateral.

### 3.2 Leased assets

As at 31 December 2023, the Company has cars under operating leases. The aggregate amount of lease payments, excluding VAT, made in 2023 was CZK 1,496 thousand (2022: 1,800 thousand). The Company resides in the rented premises. Total lease payments relating to these premises (including back office premises) were CZK 10,082 thousand (2022: CZK 9,578 thousand).

The Company has the following commitments in respect of operating leases:

	(in CZK thousands)	
	Balance as at 31 December 2023	Balance as at 31 December 2022
Due within one year	12,158	11,594
Due after one year but within five years	6,720	16,869
More than five years	0	316
<b>Total</b>	<b>18,878</b>	<b>28,779</b>

### 3.3 Long-term investments

The Company is the sole shareholder of Centrální depozitář cenných papírů a.s. and Energy Clearing Counterparty a.s. and has a one-third ownership interest in POWER EXCHANGE CENTRAL EUROPE, a.s.

	(in CZK thousands)		
Name and legal form	Centrální depozitář cenných papírů, a.s. <sup>1)</sup>	POWER EXCHANGE CENTRAL EUROPE, a.s.	Energy Clearing Counterparty, a.s. <sup>2)</sup>
Registered office	Praha 1, Rybná 682/14	Praha 1, Rybná 682/14	Praha 1, Rybná 682/14
Percentage of ownership	100.00	33.33	100.00
Total assets	567,004	49,466	17,593
Equity	484,374	33,105	10,297
Basic capital and capital funds	100,000	48,000	8,180
Reserves from profit	210,000	0	0
Retained earnings/ Accumulated loss	92	(11,781)	2,069
Profit/loss for the current year	174,282	(3,098)	48
Acquisition cost of share / interest	90,100	16,000	20,346
Dividends received during the year	152,200	0	0

<sup>1)</sup> Centrální depozitář cenných papírů a.s. is the legal successor of Burzovní registr cenných papírů, s.r.o. In 1996 and 1999, the registered capital of Centrální depozitář cenných papírů a.s. was increased using the retained profits of Burzovní registr cenných papírů, s.r.o. and Centrální depozitář cenných papírů a.s.

<sup>2)</sup> In 2014, Energy Clearing Counterparty, a.s. merged with CCP and CCC. The registered capital of CCP of CZK 3,000 thousand, the registered capital of CCC of CZK 2,000 thousand and other capital funds of CCC of CZK 7,166 thousand have become an integral part of the company's long-term investments. Energy Clearing Counterparty offset these amounts against accumulated losses.

	(in CZK thousands)			
Acquisition cost	Balance as at 31 December 2022	Additions	Disposals	Balance as at 31 December 2023
Centrální depozitář cenných papírů, a.s.	90,100	0	0	90,100
POWER EXCHANGE CENTRAL EUROPE, a.s.	16,000	0	0	16,000
Energy Clearing Counterparty, a.s.	20,346	0	0	20,346
<b>Total</b>	<b>126,446</b>	<b>0</b>	<b>0</b>	<b>126,446</b>

Allowance	(in CZK thousands)			
	Balance as at 31 December 2022	Additions	Disposals	Balance as at 31 December 2023
Energy Clearing Counterparty, a.s.	4,000	0	0	4,000
<b>Total</b>	<b>4,000</b>	<b>0</b>	<b>0</b>	<b>4,000</b>

Net value	(in CZK thousands)			
	Balance as at 31 December 2022	Additions	Disposals	Balance as at 31 December 2023
Centrální depozitář cenných papírů, a.s.	90,100	0	0	90,100
POWER EXCHANGE CENTRAL EUROPE, a.s.	16,000	0	0	16,000
Energy Clearing Counterparty, a.s.	16,346	0	0	16,346
<b>Total</b>	<b>122,446</b>	<b>0</b>	<b>0</b>	<b>122,446</b>

The Company does not have any long-term financial assets pledged as collateral.

### 3.4 Short-term financial assets

Short-term financial assets	(in CZK thousands)	
	Balance as at 31 December 2023	Balance as at 31 December 2022
<b>Cash, of which:</b>	<b>29</b>	<b>44</b>
- cash in hand	29	42
- valuables	0	2
<b>Bank accounts, of which:</b>	<b>239,741</b>	<b>235,918</b>
- current accounts	239,741	235,918
<b>Total short-term financial assets</b>	<b>239,770</b>	<b>235,962</b>

### 3.5 Receivables

#### 3.5.1 Trade receivables

	(in CZK thousands)	
	Balance as at 31 December 2023	Balance as at 31 December 2022
<b>Short-term</b>		
- trade receivables (customers)	19,632	17,125
- other trade receivables	20	0
<b>Total trade receivables</b>	<b>19,652</b>	<b>17,125</b>
- allowances	(134)	(135)
<b>Total</b>	<b>19,518</b>	<b>16,990</b>

**3.5.2 Ageing of trade receivables**

(in CZK thousands)

Year	Category	Due	Past due date					Total
			1 – 90 days	91 – 180 days	181 – 365 days	1 - 2 years	2 and more years	
2023	Short-term	19,518	0	0	0	0	0	<b>19,652</b>
	Allowances	0	0	0	0	0	(134)	<b>(134)</b>
	<b>Total</b>	<b>19,518</b>						<b>19,518</b>
2022	Short-term	16,990	0	0	0	0	135	<b>17,125</b>
	Allowances	0	0	0	0	0	(135)	<b>(135)</b>
	<b>Total</b>	<b>16,990</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>16,990</b>

Unpaid trade receivables are not secured. The Company has receivables which are more than five years after maturity amounting to CZK 134 thousand (2022: CZK 135 thousand). These receivables are covered by allowances of 100%.

**3.5.3 Allowances against receivables**

(in CZK thousands)

Allowances against receivables	2023	2022
Balance as at 1 January	134	135
Release	0	0
<b>Balance as at 31 December</b>	<b>134</b>	<b>135</b>

**3.5.4 Due from government - tax receivables**

(in CZK thousands)

	Balance as at 31 December 2023	Balance as at 31 December 2022
Value added tax	2,519	2,111
<b>Total</b>	<b>2,519</b>	<b>2,111</b>

In December 2023, the VAT clearing in the VAT Group amounted to CZK 1,993 thousand (2022: CZK 1,810 thousand). The receivable was further divided among the VAT Group members (Notes 3.5.6 and 3.9.7). The item also includes the right to VAT deduction of CZK 526 thousand (2022: CZK 301 thousand) that will be exercised in January 2024. It concerns payments received in 2023 where the date of making taxable supplies was determined for January 2024.

**3.5.5 Unbilled revenue**

(in CZK thousands)

	Balance as at 31 December 2023	Balance as at 31 December 2022
Not invoiced estimates - cleaning	0	270
Not invoiced stock exchange information	9,244	22,047
Not invoiced lease-related services	0	0
<b>Total</b>	<b>9,244</b>	<b>22,317</b>

The amount of unbilled revenue is mainly comprised of not-invoiced services related to selling of exchange information in the amount of CZK 9,244 thousand (2022: CZK 22,047 thousand). In 2023 the method of invoicing changed from half-yearly to quarter-yearly frequency; as a result, unbilled revenue for 2023 was created in a lower amount.



**3.5.6 Receivables from group companies**

(in CZK thousands)

Name of the company	Balance as at 31 December 2023	Balance as at 31 December 2022
<b>Short-term trade receivables</b>		
Centrální depozitář cenných papírů, a.s.	16,476	14,383
POWER EXCHANGE CENTRAL EUROPE, a.s.	58	21
Energy Clearing Counterparty, a.s.	2	3
Wiener Börse AG (fellow subsidiary)	326	368
<b>Total</b>	<b>16,862</b>	<b>14,775</b>

(in CZK thousands)

Name of the company	Balance as at 31 December 2023	Balance as at 31 December 2022
<b>Unbilled revenue</b>		
Centrální depozitář cenných papírů, a.s.	0	229
POWER EXCHANGE CENTRAL EUROPE, a.s.	0	35
Energy Clearing Counterparty, a.s.	0	6
Wiener Börse AG (fellow subsidiary)	9,244	22,047
<b>Total</b>	<b>9,244</b>	<b>22,317</b>

No receivables from group companies are overdue.

**3.6 Prepaid expenses and accrued income**

(in CZK thousands)

	Balance as at 31 December 2023	Balance as at 31 December 2022
IT	8,185	5,660
Rental, incl. related services	7,664	5,499
Insurance	294	246
Other	2,142	1,281
<b>Prepaid expenses</b>	<b>18,285</b>	<b>12,686</b>
Other	2	1
<b>Accrued income</b>	<b>2</b>	<b>1</b>
<b>Total prepaid expenses and</b>	<b>18,287</b>	<b>12,687</b>

**3.7 Total equity****3.7.1 Registered capital**

The Company's registered capital recorded in the Commercial Register as at 31 December 2023 of CZK 100,721 thousand (2022: CZK 100,721 thousand) is divided into 265,056 registered shares with a nominal value of CZK 380 per share (2022: CZK 380).

**3.7.2 Profit for the year 2022 distribution and planned distribution of profit for the year 2023**

Profit for 2022 of CZK 283,778 thousand was approved and distributed based on the decision of the General Meeting held on 17 May 2023. The total profit distribution was CZK 283,757 thousand and the amount of CZK 21 thousand was distributed to retained earnings of previous years.

The Company plans to distribute profit for 2023 in the amount of CZK 279,645 thousand as profit share.

### 3.8 Provisions

	(in CZK thousands)	
	Provision for corporate income tax	Other provisions
<b>Balance as at 1 January 2023</b>	<b>7,800</b>	<b>1,834</b>
Utilization	(7,800)	(1,834)
Additions	5,739	1,818
<b>Balance as at 31 December 2023</b>	<b>5,739</b>	<b>1,818</b>

	(in CZK thousands)	
	2023	2022
Provision for corporate income tax	5,739	7,800
Other provisions	1,818	1,834
<b>Balance as at 31 December</b>	<b>7,557</b>	<b>9,634</b>

In 2023, the Company paid advances for corporate income tax including previous year additional tax of CZK 25,482 thousand (2022: CZK 25,572 thousand). The tax liability for 2023 amounted to CZK 31,220 thousand (2022: CZK 30,196 thousand). The final provision is CZK 5,739 thousand (2022: CZK 7,800 thousand).

As at 31 December 2023, a provision was recognized for untaken vacation of employees in the amount of CZK 1,818 thousand (2022: CZK 1,834 thousand).

### 3.9 Liabilities

#### 3.9.1 Trade payables

	(in CZK thousands)	
Short-term trade payables and received advances	Balance as at 31 December 2023	Balance as at 31 December 2022
Short-term		
- trade payables (suppliers)	7,995	4,221
<b>Total trade payables</b>	<b>7,995</b>	<b>4,221</b>

None of trade payables is past due or secured.

#### 3.9.2 Liabilities – controlled or controlling entity

As at 31 December 2023, the Company had a liability to EnCC of CZK 73 thousand (2022: CZK 648 thousand), due to signed agreement on provision of compensation payments.

#### 3.9.3 Liabilities to employees

As at 31 December 2023, the Company had liabilities to employees of CZK 12,822 thousand (2022: CZK 12,870 thousand).

#### 3.9.4 Liabilities arising from social security and health insurance

As at 31 December 2023, social security and health insurance liabilities amounted to CZK 5,904 thousand (2022: CZK 5,392 thousand), of which CZK 3,448 thousand (2022: CZK 2,954 thousand) were social security liabilities and CZK 2,456 thousand (2022: CZK 2,438 thousand) were health insurance liabilities.

None of these liabilities is past due.

**3.9.5 Due to government – taxes and subsidies**

	(in CZK thousands)	
	Balance as at 31 December 2023	Balance as at 31 December 2022
Other direct taxes	3,664	3,636
Value added tax	0	0
<b>Total</b>	<b>3,664</b>	<b>3,636</b>

In 2023 a receivable from government arose from a VAT settlement (see Note 3.5.4.).

As at 31 December 2023, the Company had a payable arising from the taxation of employees' wages of CZK 3,664 thousand (2022: CZK 3,636 thousand). None of these liabilities is past due.

**3.9.6 Unbilled deliveries**

Unbilled deliveries of CZK 975 thousand (2022: CZK 439 thousand) include estimated unbilled services related to 2023 and estimated employee bonuses of CZK 755 thousand (2022: CZK 0 thousand), including estimated social and health insurance.

**3.9.7 Liabilities to group companies**

	(in CZK thousands)	
Name of the company	Balance as at 31 December 2023	Balance as at 31 December 2022
<b>Short-term trade payables</b>		
Centrální depozitář cenných papírů, a.s.	18	16
Wiener Börse AG	0	0
<b>Total short-term trade payables</b>	<b>18</b>	<b>16</b>

	(in CZK thousands)	
Name of the company	Balance as at 31 December 2023	Balance as at 31 December 2022
<b>Liabilities – controlled or controlling entity</b>		
Energy Clearing Counterparty, a.s.	73	648
<b>Total liabilities – controlled or controlling entity</b>	<b>73</b>	<b>648</b>

	(in CZK thousands)	
Name of the company	Balance as at 31 December 2023	Balance as at 31 December 2022
<b>Liabilities to partners</b>		
Centrální depozitář cenných papírů, a.s.	1,870	436
POWER EXCHANGE CENTRAL EUROPE, a.s.	201	125
Energy Clearing Counterparty, a.s.	0	0
<b>Total liabilities to partners</b>	<b>2,071</b>	<b>561</b>

Liabilities to partners comprise payables relating to VAT.

	(in CZK thousands)	
Name of the company	Balance as at 31 December 2023	Balance as at 31 December 2022
<b>Deferred income</b>		
Centrální depozitář cenných papírů, a.s.	2,468	846
POWER EXCHANGE CENTRAL EUROPE, a.s.	61	111
Energy Clearing Counterparty, a.s.	10	18
<b>Total deferred income</b>	<b>2,539</b>	<b>975</b>

Deferred incomes are created due to the increased rent.

**3.10 Accruals and deferred income**

	(in CZK thousands)	
	Balance as at 31 December 2023	Balance as at 31 December 2022
<b>Accruals</b>	<b>29</b>	<b>341</b>
Other	29	341
<b>Deferred income</b>	<b>3,700</b>	<b>3,208</b>
Rental and related services	2,539	976
Interest from term deposits	1,161	2,232
<b>Total accruals and deferred income</b>	<b>3,729</b>	<b>3,549</b>

**3.11 Deferred tax**

The deferred tax asset is comprised of the following items arisen from temporary differences:

	(in CZK thousands)	
	Balance as at 31 December 2023	Balance as at 31 December 2022
<b>Deferred tax</b>		
Difference between net book value of fixed assets for accounting and tax purposes	(195)	(35)
Provisions	382	348
Social and health insurance	40	0
<b>Deferred tax asset (+) / liability (-)</b>	<b>227</b>	<b>313</b>
<b>Revenue (+) / expense (-) from change of deferred tax asset</b>	<b>(87)</b>	<b>(616)</b>

The deferred tax as at 31 December 2023 is calculated at the tax rate of 21% (the tax rate for 2024 and later) depending on the period in which the reversal of temporary differences is expected.

The deferred tax as at 31 December 2022 was calculated at the tax rate of 19%.

**3.12 Income tax on ordinary activity**

Reconciliation of income tax expense and the profit reported in the income statement is as follows:

	(in CZK thousands)	
	2023	2022
Profit before tax	309,347	312,896
Theoretical tax at a tax rate of 19% (2022: 19%)	58,776	59,450
Tax effect of tax non-deductible expenses	1,572	784
Tax effect of income not subject to tax	(29,127)	(30,038)
<b>Total tax</b>	<b>31,221</b>	<b>30,196</b>
Refund of tax of prior years	(1,606)	(1,694)
<b>Current tax</b>	<b>29,615</b>	<b>28,502</b>
Change in deferred tax	87	616
<b>Total income tax on ordinary activity</b>	<b>29,702</b>	<b>29,118</b>

	(in CZK thousands)	
	2023	2022
<b>Total tax</b>	<b>31,221</b>	<b>30,196</b>
Income tax prepayment made	25,482	22,396
<b>Income Tax Receivable (-) / Provision (+)</b>	<b>5,739</b>	<b>7,800</b>

In 2023, the Company paid advances for corporate income tax including previous year additional tax of CZK 25,482 thousand (2022: CZK 22,396 thousand).

**3.13 Revenues on ordinary activity by principal activity**

(in CZK thousands)

	2023			2022		
	Domestic	Foreign	Total	Domestic	Foreign	Total
<b>Stock exchange fees</b>	<b>39,116</b>	<b>7,240</b>	<b>46,356</b>	<b>42,150</b>	<b>6,477</b>	<b>48,627</b>
Annual trading fees	6,440	1,840	8,280	6,440	1,687	8,127
Listing fees	12,926	1,015	13,941	10,820	1,020	11,840
Trading fees	19,749	4,385	24,134	24,890	3,770	28,660
Services relating to settlement	49,039	0	49,039	52,984	0	52,984
Stock exchange information	3	37,695	37,698	2	44,139	44,141
Services for PXE	9,275	0	9,275	8,057	0	8,057
Services for CDCP - securities register	148,432	0	148,432	127,303	0	127,303
Other	10,966	0	10,966	9,231	0	9,231
<b>Total revenues</b>	<b>256,830</b>	<b>44,935</b>	<b>301,765</b>	<b>239,727</b>	<b>50,616</b>	<b>290,343</b>

**3.14 Cost of services**

(in CZK thousands)

	2023	2022
Repairs and maintenance	1054	840
Travel expenses	518	363
Representation costs	732	587
Rental and services	17,640	15,039
Operating leases	1,738	2,081
Advisory and legal services	13,333	13,562
Audit	2,090	2,090
Promotion	4,910	4,322
IT services	20,709	19,422
Training, workshops, conferences	534	326
Other services	4,493	4,662
<b>Total services</b>	<b>67,751</b>	<b>63,294</b>

**3.15 Other operating income**

(in CZK thousands)

	2023	2022
Contractual fines and late charges	45	0
VAT coefficient impact	0	25
Other operating income	23	0
<b>Total other operating income</b>	<b>68</b>	<b>25</b>

**3.16 Other operating expenses**

(in CZK thousands)

	2023	2022
Gifts	354	530
Insurance premiums	519	509
Write-off of receivables	0	0
VAT coefficient impact	1,353	0
Membership payments to associations	611	565
Other operating expenses	1,919	1,903
<b>Total other operating expenses</b>	<b>4,756</b>	<b>3,507</b>

**3.17 Finance income**

(in CZK thousands)

	2023	2022
<b>Income from long-term investments – interests</b>	<b>152,200</b>	<b>157,200</b>
- dividends received from subsidiaries (CDCP)	152,200	157,200
- dividends received from associates (PXE)	0	0
<b>Other finance income</b>	<b>2,928</b>	<b>361</b>
- foreign exchange gains	2,928	361
<b>Interest receivable and similar income</b>	<b>9,616</b>	<b>6,365</b>
- bank accounts	9,616	6,265
- loans to subsidiaries	0	100
<b>Total finance income</b>	<b>164,744</b>	<b>163,926</b>

**3.18 Finance cost**

(in CZK thousands)

	2023	2022
<b>Other finance cost</b>	<b>1,082</b>	<b>799</b>
- foreign exchange losses	988	619
- other bank fees	76	169
- bank guarantees	18	11
<b>Total finance cost</b>	<b>1,082</b>	<b>799</b>

**3.19 Related party transactions****3.19.1 Revenues from related party transactions**

2023 (in CZK thousands)

Entity	Relation to the Company	Sales of services	Finance income	Total
Centrální depozitář cenných papírů, a.s.	subsidiary	194,079	152,202	<b>346,281</b>
Energy Clearing Counterparty, a.s.	subsidiary	177	0	<b>177</b>
POWER EXCHANGE CENTRAL EUROPE, a.s.	associate	10,609	0	<b>10,609</b>
Wiener Börse AG	parent company	37,695	63	<b>37,758</b>
<b>Total revenues</b>		<b>242,560</b>	<b>152,265</b>	<b>394,825</b>

2022 (in CZK thousands)

Entity	Relation to the Company	Sales of services	Finance income	Total
Centrální depozitář cenných papírů, a.s.	subsidiary	171,047	157,208	<b>328,255</b>
Energy Clearing Counterparty, a.s.	subsidiary	153	100	<b>253</b>
POWER EXCHANGE CENTRAL EUROPE, a.s.	associate	9,215	1	<b>9,216</b>
Wiener Börse AG	parent company	44,139	152	<b>44,291</b>
<b>Total revenues</b>		<b>224,554</b>	<b>157,461</b>	<b>382,015</b>

In addition to technical and other support services under contracts signed in compliance with the analysis of transfer prices, the Company provides to related parties other services as follows:

- cooperation in selling information and the PX index;
- rent of non-residential premises including services related to rent;
- rent of phone lines.

Finance income also includes the disbursements of a profit share, see Note 3.17.

**3.19.2 Costs incurred in related party transactions**

**2023** (in CZK thousands)

Entity	Relation to the Company	Services	Operating expenses	Finance cost	Total
Centrální depozitář cenných papírů, a.s.	subsidiary	198	0	37	235
Energy Clearing Counterparty, a.s.	subsidiary	73	0	1	74
POWER EXCHANGE CENTRAL EUROPE, a.s.	associate	0	0	5	5
Wiener Börse AG	parent company	11,204	95	331	11,630
<b>Total cost</b>		<b>11,475</b>	<b>95</b>	<b>374</b>	<b>11,944</b>

**2022** (in CZK thousands)

Entity	Relation to the Company	Services	Operating expenses	Finance cost	Total
Centrální depozitář cenných papírů, a.s.	subsidiary	201	0	8	209
Energy Clearing Counterparty, a.s.	subsidiary	648	0	250	898
POWER EXCHANGE CENTRAL EUROPE, a.s.	associate	0	0	2	2
Wiener Börse AG	parent company	10,509	109	59	10,677
<b>Total cost</b>		<b>11,358</b>	<b>109</b>	<b>319</b>	<b>11,786</b>

In addition to fulfillment under contracts signed in compliance with the analysis of transfer prices, the Company received also services relating to the trading system.

**4 EMPLOYEES, MANAGEMENT AND STATUTORY BODIES****4.1 Personnel expenses and number of employees (without benefits to members of the Company's statutory bodies)**

The following table summarizes the average number of employees (expressed in full-time equivalents) and members of management of the Company for the years 2023 and 2022:

**2023**

	Headcount	Total personnel expenses (in CZK thousands)
Employees	26	49,898
Management	6	20,604
<b>Total</b>	<b>32</b>	<b>70,502</b>

**2022**

	Headcount	Total personnel expenses (in CZK thousands)
Employees	26	43,889
Management	6	19,126
<b>Total</b>	<b>32</b>	<b>63,015</b>

Personnel expenses relating to employees and executives do not include fulfillment provided to members of the Company's bodies, contributions to employees' pension and life insurance schemes and other social benefits.

In accordance with employee benefit policies, the Company contributes to employees' pension and life insurance schemes and provides other social benefits totaling CZK 3,085 thousand (2022: CZK 2,468 thousand).

The management includes the CEO and directors of departments. Personnel expenses include also social and health insurance.

## 4.2 Loans, borrowings and other benefits provided to members of the Company's bodies

In 2023 and 2022, total personnel expenses and other fulfilment provided to the members of the Exchange Chamber and the Company management were as follows:

(in CZK thousands)			
2023	Exchange Chamber	Management	Total
Remuneration provided to statutory bodies members	2,391	0	2,391
Life insurance and supplementary pension insurance contributions	0	299	299
Cars available also for personal purposes	0	934	934

2022	Exchange Chamber	Management	Total
Remuneration provided to statutory bodies members	2,411	0	2,411
Life insurance and supplementary pension insurance contributions	0	295	295
Cars available also for personal purposes	0	918	918

Amounts correspond with Company's internal supporting documentation and regulations. Cars to be used for private purposes represent non-cash benefits provided to the management.

The Supervisory Board members did not receive any bonuses in 2023 and 2022.

The Company does not record any payables relating to pension liabilities agreed with former members of management, supervisory and administrative bodies.

## 4.3 Contingent liabilities

### 4.3.1 Bank guarantees

The Company has a bank guarantee provided by Komerční banka, a.s. as at 31 December 2023 amounting to CZK 3,900 thousand (2022: CZK 3,300 thousand) for rent purposes in favor of VIG FUND uzavřený investiční fond, a.s.

The Company guaranteed for trading activities of its subsidiaries within the Group of CZK 123,625 thousand (2022: CZK 130,575 thousand).

### 4.3.2 Legal disputes

As at 31 December 2023, the Company was not involved in any legal disputes, the outcome of which would significantly impact the Company's financial statements.

## 4.4 Exchange arbitration court

A permanent arbitration court (Burzovní rozhodčí soud, the "BRS") has been established as an independent body to settle by independent arbitrators disputes arising from investment instruments trading pursuant to Act No. 216/1994 Coll. on Arbitration Proceedings and on Exercise of Arbitration Awards, and pursuant to the BRS arbitration proceeding rules.

The BRS is established by the Exchange Chamber. The BRS resides at the premises where the Company has its registered office.

(in CZK thousands)		
BRS results	2023	2022
Revenues	0	0
Expenses	25	3
<b>Profit</b>	<b>(25)</b>	<b>(3)</b>
Financial assets	1,410	1,413
Liabilities (advances received)	0	0



## 5 SUBSEQUENT EVENTS

The Company's management is not aware of any events that have occurred since the balance sheet date that would have any material impact on the financial statements for the year ended 31 December 2023.

Prague, 7 March 2024

Statutory body signature:

Name: Petr Kobic

Position: CEO and Chairman of the Exchange Chamber

Signature:   
.....

Name: Ondřej Dusílek

Position: Member of the Exchange Chamber

Signature:   
.....



(Translation of a report originally issued in Czech - see Note 2 to the financial statements.)

## INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Burza cenných papírů Praha, a.s.:

### *Opinion*

We have audited the accompanying financial statements of Burza cenných papírů Praha, a.s. (the Company) prepared in accordance with accounting principles generally accepted in the Czech Republic, which comprise the balance sheet as at 31 December 2023, and the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a material accounting policy information. For details of the Company, see Note 1 to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with accounting principles generally accepted in the Czech Republic.

### *Basis for Opinion*

We conducted our audit in accordance with the Act on Auditors and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application clauses. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Other Information*

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the financial statements and auditor's report thereon. The Board of Directors is responsible for the other information.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law or regulation, in particular, whether the other information complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- The other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- The other information is prepared in compliance with applicable law or regulation.

In addition, our responsibility is to report, based on the knowledge and understanding of the Company obtained in the audit, on whether the other information contains any material misstatement. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement.

#### *Responsibilities of the Company's Board of Directors and Supervisory Board for the Financial Statements*

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the Czech Republic and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with above regulations will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the above law or regulation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors and the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young Audit, s.r.o.  
License No. 401



Roman Hauptfleisch, Auditor  
License No. 2009

7 March 2024  
Prague, Czech Republic



**CONSOLIDATED FINANCIAL STATEMENTS 2023**  
**PREPARED IN ACCORDANCE WITH**  
**INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EU**

<b>Name of the Company:</b>	<b>Burza cenných papírů Praha, a.s.</b>
<b>Registered Office:</b>	<b>Prague 1, Rybná 14/682</b>
<b>Legal Form:</b>	<b>Joint Stock Company</b>
<b>Identification number:</b>	<b>471 15 629</b>
<b>Date of Preparation:</b>	<b>7 March 2024</b>

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR 2023**

	Note	2023 TCZK	2022 TCZK
Revenues	5.1	659,602	643,659
Services	5.2	(99,822)	(91,725)
Employee benefit expenses	5.3	(176,880)	(157,117)
Depreciation and amortization expenses	5.4	(26,982)	(34,846)
Change in provisions and allowances for receivables		134	756
Other operating income	5.5	8,475	9,341
Other operating expenses	5.6	(22,605)	(16,956)
<b>Profit from operating activities</b>		<b>341,922</b>	<b>353,112</b>
Financial income	5.7	36,611	33,983
Financial expense	5.8	(5,701)	(11,559)
Share of profit of associates	5.10	(1,024)	(15,399)
<b>Net financial income</b>		<b>29,886</b>	<b>7,025</b>
<b>Profit before income tax</b>		<b>371,808</b>	<b>360,137</b>
Income tax expense	5.9	(70,867)	(71,242)
<b>Profit from continuing operations</b>		<b>300,941</b>	<b>288,895</b>
Attributable to:			
<i>Equity holders of the parent</i>		299,567	287,576
<i>Non-controlling interests</i>		1,374	1,319
		<b>300,941</b>	<b>288,895</b>
<b>Other comprehensive income for the period</b>		<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>		<b>300,941</b>	<b>288,895</b>
Attributable to:			
<i>Equity holders of the parent</i>		299,567	287,576
<i>Non-controlling interests</i>		1,374	1,319
		<b>300,941</b>	<b>288,895</b>

The Notes form an integral part of these consolidated financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023**

	Note	31.12.2023 TCZK	31.12.2022 TCZK
<b>NON-CURRENT ASSETS</b>			
Property and equipment	6.1	18,260	15,066
Intangible assets	6.2	23,714	7,585
Right-of-use assets	6.3	18,354	23,869
Investments in associated companies	6.4	34,934	35,958
Long-term receivables and loans		96	96
Deferred tax receivable	6.10	2,155	1,616
Financial assets at amortized cost	6.5	99,070	98,630
<b>Total non-current assets</b>		<b>196,583</b>	<b>182,820</b>
<b>CURRENT ASSETS</b>			
Trade receivables and other receivables	6.6	63,517	68,213
Other assets	6.7	24,315	18,673
Cash and short-term deposits	6.8	632,758	668,087
<b>Total current assets</b>		<b>720,590</b>	<b>754,973</b>
<b>TOTAL ASSETS</b>		<b>917,173</b>	<b>937,793</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	6.9.1	100,262	100,262
Treasury shares	6.9.2	(550)	(550)
Other funds	6.9.3	218,896	194,010
Retained earnings		463,973	471,753
Equity attributable to equity holders of the parent		782,581	765,475
Non-controlling interests		3,591	3,513
<b>Total shareholders' equity</b>		<b>786,172</b>	<b>768,988</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term lease liabilities	6.11	6,705	13,367
<b>Total non-current liabilities</b>		<b>6,705</b>	<b>13,367</b>
<b>CURRENT LIABILITIES</b>			
Trade payables	6.12	23,460	17,252
Employee benefit payable	6.13	57,968	54,108
Lease liabilities	6.11	12,414	11,533
Other current liabilities	6.14	25,512	25,086
Income tax payable	5.9	4,921	8,253
Current bank loans	6.15	21	39,206
<b>Total current liabilities</b>		<b>124,296</b>	<b>155,438</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>917,173</b>	<b>937,793</b>

The Notes form an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR 2023

						(in TCZK)	
	Share capital	Treasury shares	Other funds	Retained earnings	Total Equity attributable to equity holders of the parent	Non-controlling interests	Total Equity
<b>Balance at 31 December 2021</b>	<b>100,262</b>	<b>(550)</b>	<b>169,124</b>	<b>457,766</b>	<b>726,602</b>	<b>3,335</b>	<b>729,937</b>
<b>Comprehensive income</b>							
Profit	0	0	0	287,576	287,576	1,319	288,895
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>287,576</b>	<b>287,576</b>	<b>1,319</b>	<b>288,895</b>
<b>Transactions with owners of the Company</b>							
Dividends	0	0	0	(248,807)	(248,807)	(1,037)	(249,844)
Additions to funds	0	0	24,886	(24,886)	0	0	0
Changes in majority share	0	0	0	104	104	(104)	0
<b>Total transactions with owners of the Company</b>	<b>0</b>	<b>0</b>	<b>24,886</b>	<b>(273,589)</b>	<b>(248,703)</b>	<b>(1,141)</b>	<b>(249,844)</b>
<b>Balance at 31 December 2022</b>	<b>100,262</b>	<b>(550)</b>	<b>194,010</b>	<b>471,753</b>	<b>765,475</b>	<b>3,513</b>	<b>768,988</b>
<b>Comprehensive income</b>							
Profit	0	0	0	299,567	299,567	1,374	300,941
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>299,567</b>	<b>299,567</b>	<b>1,374</b>	<b>300,941</b>
<b>Transactions with owners of the Company</b>							
Dividends	0	0	0	(282,579)	(282,579)	(1,178)	(283,757)
Additions to funds	0	0	24,886	(24,886)	0	0	0
Changes in majority share	0	0	0	118	118	(118)	0
<b>Total transactions with owners of the Company</b>	<b>0</b>	<b>0</b>	<b>24,886</b>	<b>(307,347)</b>	<b>(282,461)</b>	<b>(1,296)</b>	<b>(283,757)</b>
<b>Balance at 31 December 2023</b>	<b>100,262</b>	<b>(550)</b>	<b>218,896</b>	<b>463,973</b>	<b>782,581</b>	<b>3,591</b>	<b>786,172</b>

The Notes form an integral part of these consolidated financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR 2023**

	Note	31.12.2023 TCZK	31.12.2022 TCZK
<b>Profit for the period</b>		<b>300,941</b>	<b>288,895</b>
<b>Adjustments for non-cash transactions:</b>			
Income tax	5.9	70,867	71,242
Depreciation of property and equipment	6.1	8,620	7,936
Amortization of intangible assets	6.2	4,184	14,816
Depreciation of right-of-use	6.3	14,175	12,094
Share of profit of associates	5.10	1,024	15,399
Change in allowances for receivables	6.6	(238)	(450)
Change in provisions		105	(307)
Interest income	5.7	(29,931)	(24,902)
Interest expense including leases	5.8	686	535
<b>Net operating cash flow before taxation and interest</b>		<b>370,433</b>	<b>385,258</b>
(Increase)/decrease in accounts receivable and other assets		(707)	11,900
Increase/(decrease) in accounts payable and other liabilities		10,389	(16,614)
Change in other financial assets	6.8	21,514	(43,246)
Interest received	5.7	29,931	24,902
Interest paid	5.8	(31)	(54)
Income tax paid		(74,738)	(75,881)
<b>Net cash flow from operating activities</b>		<b>356,791</b>	<b>286,265</b>
Acquisition of tangible fixed assets	6.1	(11,814)	(13,711)
Acquisition of intangible fixed assets	6.2	(20,313)	(6,938)
Contribution to equity of associates	6.4	0	(6,000)
<b>Net cash flow from investing activities</b>		<b>(32,127)</b>	<b>(26,649)</b>
Financial lease payments	6.3	(15,097)	(12,901)
Loans repayments	6.15	(39,206)	(3,564)
Loan drawings	6.15	21	39,206
Dividends paid and payments made from funds		(283,757)	(249,844)
<b>Net cash flow from financing activities</b>		<b>(338,039)</b>	<b>(227,103)</b>
<b>Net increase/decrease in cash and cash equivalents</b>		<b>(13,375)</b>	<b>32,513</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>428,471</b>	<b>395,958</b>
<b>Cash and cash equivalents at the end of the year</b>	8	<b>415,096</b>	<b>428,471</b>

The Notes form an integral part of these consolidated financial statements.

## 1 GENERAL INFORMATION

The principal operations of Burza cenných papírů Praha, a.s. (the “Company” or the “Prague Stock Exchange”) and its subsidiaries (together the “Group”) include:

- the principal activity of the Company is to organise the trading of financial instruments in compliance with generally binding legal regulations, the rules and regulations of the stock exchange and the authorisation to operate issued by decision no. 102/58294/92 of 16 October 1992 of the Ministry of Finance of the Czech Republic as amended based on a decision of the Ministry of Finance of the Czech Republic, the Securities Committee and the Czech National Bank (hereinafter “CNB”)
- managing the central records of dematerialized securities issued in the Czech Republic in accordance with Article 100 (1), (2) No. 256/2004, of the Act on the Capital Market,
- selected activities in accordance with Article 100 (3) No. 256/2004, of Act on the Capital Market;
- settlement of stock exchange trades; settlement of securities trades;
- settlement of derivative trades;
- evidence of securities accounts performed on behalf of the members of Centrální depozitář cenných papírů, a.s. (hereinafter “CSD” or the “Central securities depository Prague”)
- services of central counterparty which is operated by Energy Clearing Counterparty (hereinafter “EnCC”)

Burza cenných papírů Praha, a.s., having its registered office at Rybná 14/682, Prague 1, was incorporated by a Memorandum of Association dated 24 July 1992 by twelve Czechoslovak banks and five brokerage firms. The Company was entered into the Commercial Register maintained by the Municipal Court in Prague, section B, and insert 1773, on 24 November 1992.

The consolidated financial statements for the consolidated Group have been prepared using the full consolidation method for subsidiaries and the equity consolidation method for associated companies.

The consolidated Group includes the following companies:

Company name	Classification	ID No.	% equity interest	
			2023	2022
Burza cenných papírů Praha, a.s.	Parent company	471 15 629	100.00%	100.00%
Centrální depozitář cenných papírů, a.s.	Subsidiary	250 81 489	100.00%	100.00%
Energy Clearing Counterparty, a.s.	Subsidiary	284 41 681	100.00%	100.00%
POWER EXCHANGE CENTRAL EUROPE, a.s.	Associate	278 65 444	33.33%	33.33%

All companies stated above have their registered office at: Praha 1, Rybná 682/14, PSČ 110 05.

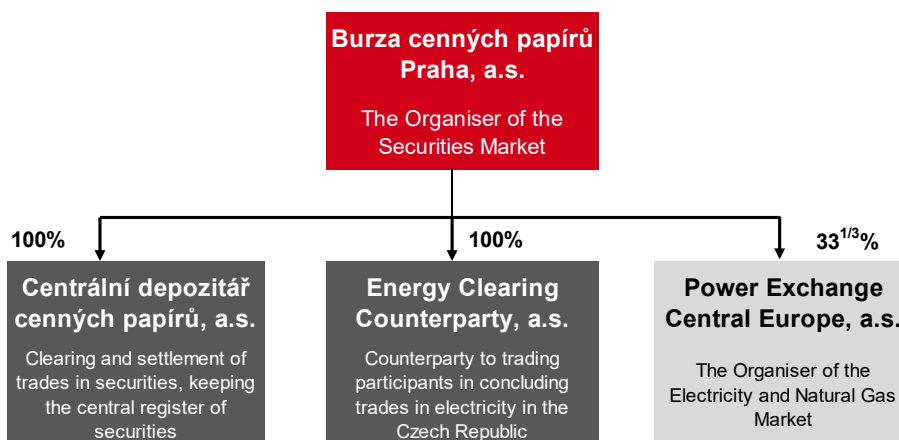
The companies are in compliance with Act No. 90/2012 on Commercial Companies and Cooperatives (the Act on Corporations) as a whole by proceeding according to Section 777 (5) of this Act.

### **Associate classification**

From 1 January 2016 POWER EXCHANGE CENTRAL EUROPE, a.s. (hereinafter “PXE”) is reported as an investment in an associated company in the consolidated financial statements.

PXE established the company Power Exchange Central Europe Poland, Sp. z o.o. (hereinafter “PXE PL”) which was registered at National Register Court in Poland on July 22, 2021. PXE PL is owned by PXE in 100 % and operates activities on the Polish market.

Structure of the Consolidated Group as at 31 December 2023



The majority owner of the consolidated group is Wiener Börse AG, which holds a 99.543% share as at 31 December 2023 (2022: 99.543%).

Wiener Börse AG operates the stock market in Vienna and is owned by various Austrian banks, insurance companies and industrial companies. The business is based on four cornerstones: securities trading and listing, market data, index calculation and IT services. The stock exchange group operates the market data hub for Central and Eastern European (hereinafter “CEE”) markets and has established itself in the calculation of indices for the region. It cooperates with over ten exchanges in CEE.

## **2 BASIS FOR PREPARATION OF FINANCIAL STATEMENTS**

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union (the “EU”).

The consolidated financial statements are prepared on an accrual basis of accounting, whereby the effects of transactions and other events are recognized when they occur and are reported in the financial statements of the periods to which they relate, considering the going concern assumption.

The consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments, debt and equity financial assets that have been measured at fair value. The carrying values of recognized assets and liabilities that are designated as hedged items in fair value hedges that would otherwise be carried at amortized cost are adjusted to recognise changes in the fair values attributable to the risks that are being hedged in effective hedge relationships.

The accounting policies have been consistently applied by all entities in the Group.

The presentation of consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of the Group’s accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and their reported amounts of income and expenses during the reporting period (see Note 4 for further discussion). Actual results could differ from those estimates.

The financial statements were authorized for issue by the Exchange Chamber and are subject to the approval of the shareholders annual general meeting.

### **Explanation Added for Translation into English**

These consolidated financial statements have been prepared in Czech and in English. In all matters of interpretation of information, views or opinions, the Czech version of the consolidated financial statements takes precedence over the English version.



### **3 SUMMARY OF MATERIAL ACCOUNTING POLICIES**

#### **3.1 Principles of consolidation**

The consolidated financial statements include the financial statements of the Company and the financial statements of all companies in which the Company exercises controlling (subsidiaries) and substantial (associated companies) influence.

An investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are fully consolidated from the date on which control commences until the date on which control ceases.

Associates are entities in which the Company has significant influence, but not control, over financial and operating policies and which are not subsidiaries. Associates are consolidated under the equity method from the date on which the Company acquires substantial influence.

All inter-group balances and transactions, including inter-group profits, are eliminated on consolidation. Where necessary, the accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

#### **3.2 Subsidiaries**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls and investee if, and only if, the Group has (1) power over the investee, (2) exposure, or rights, to variable returns from its involvement with the investee, (3) the ability to use its power over the investee to affect its returns. Generally, there is a presumption that a majority of voting rights results in control.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

#### **3.3 Functional currency**

The consolidated financial statements are presented in Czech crowns, which is the functional currency of all companies in the Group. All financial information is presented in thousands of Czech crowns ("TCZK"), unless stated otherwise.

#### **3.4 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- 1) In the principal market for the asset or liability, or
- 2) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group determines the policies and procedures for both recurring and non-recurring fair value measurements. At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. The Group also compares the change in the fair value of each asset and liability with relevant external sources to be determine whether the change is reasonable.

### **3.5 Cash and cash equivalents**

Cash comprises cash in hand and cash in transit.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment purposes.

### **3.6 Cash flow**

The cash flow statement comprises changes in cash and cash equivalents from operating activity, investment activity and financial activity and is prepared using the indirect method.

### **3.7 Financial assets**

The Group classifies its financial assets in the following category:

- 1) Financial assets at amortized cost (hereinafter "AC") – debt instruments

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit and loss are initially recognized at fair value, and transaction costs are expensed in the statement of comprehensive income.

In order for a financial asset to be classified and measured at amortized cost or fair value through comprehensive income, it needs to give rise to cash flows that are „solely payments of principal and interest (SPPI)“ on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrumental level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flow, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or where the Group has transferred substantially all risks and rewards of ownership.

Financial assets are primarily derecognized when:

- 1) The rights to receive cash flows from the asset have expired Or
- 2) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a „pass-through“ arrangement:

either a) the Group has transferred substantially all the risks and rewards of the asset, or b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

### **3.7.1 Financial assets at amortized cost (hereinafter “AC”) – debt instruments**

The Group measures financial assets at amortized cost if both of the following conditions are met:

- 1) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- 2) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortized cost are subsequently measured using the effective interest rate (hereinafter “EIR”) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The effective interest rate method is a method of calculating the amortized cost of a financial asset or liability and of respective interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net recognized value of the financial asset or liability. Group calculates the effective interest rate by estimating future cash flows, considering all contractual terms, but not considering any future credit losses. The calculation includes all fees paid or received between contractual parties that are an integral part of the effective interest rate, including transaction costs and other premiums or discounts.

The financial assets at amortized cost include trade receivables and loans to associated companies as well as deposits on central bank accounts or other bank accounts and Czech government bonds or treasury bills.

## **3.8 Financial liabilities**

The Group classifies its financial liabilities in the following categories:

- 1) Financial liabilities at fair value through profit or loss And
- 2) Loans, borrowings and payables

The classification of financial liabilities at initial recognition is at fair value and in the case of loans, borrowings and payables, net of directly attributable transaction costs.

### **3.8.1 Financial liabilities at fair value through profit or loss**

This category includes financial liabilities held for trading and financial assets designated upon initial recognition at fair value through profit or loss.

Financial liabilities are classified as held for trading if:

- it is acquired or incurred principally for the purpose of selling or repurchasing in the near term;
- on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking;
- it is a derivative (except for derivative that is an effective hedging instrument).

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

### **3.8.2 Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

Financial liabilities are derecognized when they are extinguished – that is, when the obligation is discharged, cancelled or expires.

### 3.9 Property and equipment / Intangible Assets

Property and equipment / intangible assets are stated at historical cost less depreciation / amortization. Depreciation / amortization is calculated on a straight-line basis to write off the cost of each asset to its residual value over its estimated useful lives. The estimated useful lives of significant classes of assets are set out below:

Description	Depreciation/amortization period in years
IT Equipment	3-5
Furniture and fixtures	3-10
Software	3
Other intangible assets	3-5

Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to other operating expenses during the financial period in which they are incurred.

The residual values and useful lives of assets are reviewed, and adjusted if appropriate, as at each balance sheet date. Assets that are subject to depreciation / amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs of disposal and value in use.

### 3.10 Leases

The Group assesses at contract inception whether a contract contains a lease. That is, if the contract conveys the right to control the use of an identified asset for a time period in exchange for consideration.

For lease contract affecting the current financial statements the Group is only in the position of a lessee.

Where the Group is a lessee it applies a single recognition and measurement approach for all leases including short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### 3.10.1 Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Description	Depreciation/amortization period in years
Office premises	6
Motor vehicles	3-5

The right-of-use assets are also subject to impairment, see the Note 3.13.

### **3.10.2 Lease liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date unless the interest rate implicit in the lease is readily determinable.

### **3.11 Investments in associated companies**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The Group accounts for investments in associates over the period of their existence using the equity method. On acquisition investments in associates are stated at acquisition cost, which may include:

- monetary amount of provided consideration,
- fair value of provided non-monetary performance,
- fair value of an equity investment.

Over the period of significant influence the initial cost of an investment in associates is adjusted by the Group's share of the net assets of the associated company.

Investments in associates are tested for impairment on a continuous basis, using the discounted cash flow method. Where an impairment of an investment in associates is identified, an allowance is established. The cost of an investment is reported in "Investments in associated companies". Changes in the value of associated companies are reported in "Share of profit of associates".

### **3.12 Impairment of financial assets**

#### **3.12.1 Overview of the ECL principles**

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract (incl. effect of any prepayment or extension options, if any) and all the cash flows that the Group expects to receive (i.e. reflecting the cash shortfalls due to the credit risk), discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (12mECL). This approach is applied also for assets that are of low credit risk as at the balance sheet date. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL or LTECL).

Based on the above process, the Group sorts its debt instruments into Stage 1, Stage 2, Stage 3, as described below:

- Stage 1: When debt instruments are first recognised, the Group recognises an allowance based on 12mECL.
- Stage 2: When debt instruments has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECL.
- Stage 3: Debt instruments considered credit-impaired the Group records an allowance for the LTECL.

### 3.12.2 The Calculation of ECL

The Group calculates ECL based on a four probability-weighted scenario to measure the expected cash shortfalls, discounted at an approximation to the EIR.

$$ECL = PD * LGD * EAD * D_t * FLI$$

- PD The *Probability of Default* is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period.
- EAD The *Exposure at Default* is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date
- LD The *Loss Given Default* is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive.
- FLI The *Forward-Looking Information* as economic inputs, such as GDP growth, unemployment rates, central bank base rates and house price indices are considered for a calculation of ECL.
- Dt The *Discount factor*.

#### **Trade receivables and contract assets**

For trade receivables and contract assets, the Group applies a simplified approach in calculation ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

#### **Other debt instruments**

The Group's financial assets at amortized costs comprise the Czech government bonds or treasury bills that are in the top investment category by the Moody's (2023: Aa3) and S&P (2023: AA). Therefore, these debt instruments are considered to be low credit risk investments. It is a Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets are written off either partially or in their entirety only when the Group has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount.

The Group recognizes the lifetime expected credit losses for credit-impaired financial assets if the probability of default is set at 100%. The expected cash shortfalls are discounted by the original effective interest rate or its approximation.

### **3.13 Impairment of non-financial assets**

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Where the carrying amount of a non-financial asset stated at net book value is greater than its estimated recoverable amount, an impairment loss is recorded to bring the asset's carrying amount to its recoverable amount. The recoverable amount is the greater of the following amounts:

- the market value which can be recovered from the sale of an asset under normal conditions, net of selling costs (fair value less costs of disposal);
- or the estimated future economic benefits arising from the use of the asset (value in use).

The largest components of the Group's assets are periodically tested for impairment and temporary impairments are provisioned under "Other net operating income/(expenses)" of the statement of comprehensive income. Any subsequent increase in the carrying amount arising from the reversal of an impairment must not exceed the carrying amount that would have been determined (net of amortization or accumulated amortization) had no impairment loss been recognized for the asset in prior years.

### **3.14 Revenue recognition**

The Group adopted a five-step model to determine when to recognise revenue and at what amount. The new model specifies that revenue should be recognised when (or as) an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled. Depending on whether certain criteria are met, revenue is recognised:

- over time, in a manner that depicts the entity's performance; or
- at a point in time when control of the goods or services is transferred to the customer.

The Group implemented the unified principle-based five-step model applicable to all customer agreements:

- identifies contract (contracts) with customer,
- identifies the performance obligation arising from the contract,
- defines the transaction price,
- allocates the transaction price to individual performance obligations,
- requires income recognition when fulfilling the obligation arising from the contract.

The Group has all revenues which have one promised good or service with no options granted to customers and are based on a fixed amount – fixed amount per time period, fixed amount per transaction.

There are no parts of the consideration from customers which are received more than 12 months prior or after the transfer of service to the customers and therefore the Group does not identify any significant financial components.

The revenues arising from contract have only one performance obligation – therefore the whole transaction price will be allocated to this performance obligation.

#### **3.14.1 Principal versus agent considerations**

The Group determines the nature of its promise if another entity is involved in providing goods or services to the customer and can be present in the transaction either as an agent or a principal. The Group does not act as an agent in any transaction in 2023 and in 2022.

#### **3.14.2 Revenue streams**

The administrative fees (for membership and quotation), exchange information, fee for records maintenance, connection fee, license fees for exchange trading and other services which are represented by revenues for rent services are recognized over-time. These revenues are measured using the output method. The revenues from trading on stock exchange, upfront listing fee, revenues from settlement of trades are recognized at point in time when the transaction is executed.

### **Fee for registration of issues and related services**

The Group provides services related to the registration of issues based on the contract which is concluded with the issuer. The contract is comprised of performance obligation which is distinct within the context of the contract. The satisfaction of performance obligation is at a point in time OR over time depending on it when issuer simultaneously receives and consumes the benefits provided by the Group.

- The Group recognizes the revenue for registration of issues at a point in time if the issue is sold to the third side immediately.
- The Group recognizes the revenue for registration of issues over time if the issue is not sold to the third side and is kept on the issuer's own account.

The Group uses an input method in measuring progress of the service which is related to the registration of issues because there is a direct relationship between the Group's effort (i.e., based on the labour hours incurred) and the transfer of this service to the customer.

The Group expects that the remaining performance obligations related to the registration of new issues will be satisfied by one year.

As the Group's business activities focus on one business and geographical segment, the Group does not provide a segment analysis of its results of operations in the financial statements.

### **3.15 Current and deferred income tax**

The Group is subject to income tax in the Czech Republic. Income tax for the period comprises current tax and the change in deferred tax. Current tax comprises an estimate of tax payable calculated based on the taxable income, using the tax rate valid as at the first day of the accounting period, and any adjustments to taxes payable for previous periods.

The management of the Group assessed available information about future taxable profits and other potential sources of deferred tax asset utilization.

In 2023, the Group reported a deferred tax assets mainly arising from temporary differences in fixed assets which will affect the corporate income tax base in future periods.

The income tax presented in the statement of comprehensive income comprises the current year tax charge, adjusted for deferred taxation effects. Current tax comprises the tax payable calculated on the basis of the taxable income for the year, using the tax rates valid at the balance sheet date, and any adjustment of the tax payable for previous years.

Deferred tax is provided using the balance sheet liability method on all temporary differences between the carrying amounts for financial reporting purposes and the amounts used for taxation purposes.

The estimated value of tax losses expected to be available for utilization against future taxable income and tax deductible temporary differences are offset against the deferred tax liability within the same legal tax unit to the extent that the legal unit has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Deferred tax assets including tax losses brought forward are recognized where it is probable that future taxable profit will be available against which the temporary differences can be utilized.

### **3.16 Provisions**

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as interest expense.



### **3.17 Foreign currency translation**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency").

At each balance sheet date:

- Cash and other monetary items denominated in foreign currencies are translated into CZK at the Czech National Bank ("CNB") mid-rate applicable as at the balance sheet date;
- Non-monetary items denominated in foreign currencies and stated at historical cost are translated into CZK at the CNB mid-rate applicable as at the transaction date; and
- Non-cash items denominated in foreign currencies and measured at fair value are translated into CZK at the CNB mid-rate applicable as at the date on which the fair value was determined.

Income and expenses denominated in foreign currencies are recorded in Czech crowns at the exchange rate prevailing as at the date of the transaction.

Gains or losses arising from movements in exchange rates after the date of the transaction are recognized in "Net financial income/(expense)".

### **3.18 Share capital and treasury shares**

Ordinary shares are classified as equity. Where the Group purchases its own treasury shares or obtains rights to purchase share capital, the consideration paid, including any attributable transaction costs, is deducted from total shareholders' equity as treasury shares until they are redeemed /cancelled. Where such shares are subsequently sold or reissued, any consideration received is added to the shareholders' equity as "Treasury shares".

### **3.19 Clearing fund and collateral fund**

#### **3.19.1 Clearing fund**

The purpose of the CDCP Clearing fund (hereinafter "CLF") is to accumulate assets (financial contributions from Prague Stock Exchange members (hereinafter "PSE") to cover liabilities and risks resulting from the trades settled through Prague Stock Exchange by clearing and non-clearing members. Deposits to CLF are placed in a separate bank and property account in the name of Centrální depozitář cenných papírů, a.s.

Financial resources are allocated for the settlement of liabilities from trading by PSE members, especially to cover fees for unsatisfied liabilities of PSE members and trade settlement (settlement between the trade and substitute trade, or more precisely settlement of exchange rate differences).

The Group records financial resources of CLF in off-balance sheet accounts because the Group acts only as an agent of the account with no obligation other than to administer the fund on behalf of the PSE members.

Revenues from financial assets held through CLF are not part of the Company's revenues. Revenues and expenses of CLF are distributed among individual members in compliance with agreed rules.

#### **3.19.2 Collateral fund**

In relation to stock exchange trades in securities the Collateral fund that guarantee securities trades has been recognized through Centrální depozitář cenných papírů, a.s. The Collateral Fund holds cash collateral that has been deposited by participants who have borrowed securities lent by other participants.

The Group records these funds in financial assets and correspondingly in liabilities to members in the association.

### **3.20 Bank guarantees**

The guarantees are initially measured at their fair value (being typically the present value of the guaranty fee) and subsequently measured at the higher of expected credit losses and the initially recognized amount less cumulative income recognized in line with IFRS 9. Financial guarantees are recognized as off-balance financial instrument.

### **3.21 Changes in the accounting policies and disclosures**

During the current accounting period, the Group adopted all new and amended standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB which relate to its line of business, are applicable to the accounting period beginning on 1 January 2023 and were adopted by the European Union.

#### **Other accepted standards and interpretations issued and effective for the current accounting period, where the Group does not expect significant impact:**

- IFRS 17 Insurance Contracts - Initial Application of IFRS 17 and IFRS 9 (Comparative information) and Amendments
- IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (Amendments)
- IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (Amendments)
- IAS 12 Income taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments)
- IAS 12 Income taxes: International Tax Reform - Pillar Two Model Rules (Amendments)

#### **Other accepted standards and interpretations issued but not effective for the current accounting period, where the Group does not expect significant impact:**

Standards adopted by EU and effective after 1 January 2024:

- IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)
- IFRS 16: Lease Liability in a Sale and Leaseback (Amendments)

Standards not yet adopted by EU:

- Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosure - Supplier Finance Arrangements (Amendments)

#### **4 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLICATION OF ACCOUNTING POLICIES**

The Group makes judgments, estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### **4.1 Provision for expected credit losses of trade receivables**

The Group uses the provision matrix approach to calculate impairment for trade receivables. In the provision matrix approach, impairment is calculated as a current amount of receivables in a predetermined Days Past Due bucket, multiplied by the historical loss rate associated with that time bucket and adjusted for forward looking information.

The Group analyzes the historical loss rates as the ratio, for each time bucket, of receivables that reached 365 Days Past Due to all receivables already paid that were in the given or any of the following time buckets. The analysis is based on data for 3 previous years and is updated yearly.

The calculated ratio shows the historical probability that the given receivable will migrate to the 365 days past due time bucket. Once the receivable is over 365 days past due, the receivable is subject to 100% impairment allowance. This ratio therefore represents the expected loss rate on receivables in the given time bucket and is used as the loss allowance coefficient.

Forward looking information component is equal to 1 since the receivables have high recoverability, therefore the Group does not expect the FLI to have a significant effect on the amount of loss allowance.

##### **4.2 Provision for expected credit losses of cash, long-term financial assets and guarantees**

These assets contain current account balances and guarantees at commercial banks and funds deposited at Czech National Bank due to the capital requirement according to the CSDR as well as Czech government bonds or treasury bills. These balances are subject to the general impairment model.

Elements of the ECL models that are considered accounting judgements and estimates include:

- The 12-month Probability of Default (PD) which is used for assets without a significant increase in credit risk since initial recognition and Lifetime PD for other assets. The Group assumes there will never be a significant increase in credit risk on these assets since the counterparties are investment-grade rated financial or government institutions, therefore the Group applies the “low credit risk exemption”.
- Determination of associations between macroeconomic scenarios and economic inputs and its effect on PDs, EAD and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings to derive the economic inputs into the ECL models

The Group does not expect FLI to have an impact on the value of loss allowance, therefore FLI component equals 1.

##### **4.3 Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

#### **4.4 Method used to recognize the fee for registration of issues**

If the registered issue is not sold to the third side and is kept on the issuer's own account, the Group recognises revenue over the time by use of an input method to measure a Group's progress towards complete satisfaction of a performance obligation which is based on the labour hours expended. The Group recognizes the revenue for registration of issue proportionally to the Group's progress in satisfying the performance obligation. This proportion is given by the labour hours expended. The unrecognised part of revenue is deferred and recognized as the revenue when the issue is sold to the third side.

#### **4.5 Leases**

##### **Lease term**

The Group has several car leases contracts and a lease contract of office premises. All contracts include extension and termination options. The Group applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that are within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g. a significant change in the market rental rate).

##### **Estimating the incremental borrowing rate**

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR is 0.6 % (2022: 0.6 %) for a lease contract of office premises and 8.14 % (2022: 9.0 %) for car leases contracts.

**5 ADDITIONAL INFORMATION ON COMPREHENSIVE INCOME****5.1 Revenues**

Group's revenues were indirectly influenced by the war in Ukraine in 2023 which was caused by uncertainty and volatility in capital markets. However, the impact on the revenues is insignificant.

	2023		2022	
	Volume TCZK	Structure %	Volume TCZK	Structure %
Revenues from trading on stock exchange	<b>24,135</b>	<b>3.7%</b>	<b>28,661</b>	<b>4.5%</b>
Shares	21,010	3.2%	26,381	4.1%
Debt securities	1,871	0.3%	1,259	0.2%
Structured products	1,254	0.2%	1,021	0.2%
Administrative fees (for membership and quotation)	22,221	3.4%	19,967	3.1%
Exchange information	37,432	5.7%	43,833	6.8%
Revenues from CSD services (excluding settlement)	450,535	68.3%	426,123	66.2%
Fee for registration of issues and related services	138,160	20.9%	127,683	19.8%
Fee for records maintenance	274,221	41.6%	259,970	40.4%
Other services CSD	38,154	5.8%	38,470	6.0%
Revenues from settlement of trades	112,319	17.0%	114,207	17.8%
License fees for exchange trading	266	0.0%	307	0.0%
Other revenues	12,694	1.9%	10,561	1.6%
<b>Total</b>	<b>659,602</b>	<b>100.0%</b>	<b>643,659</b>	<b>100.0%</b>

The Group cooperates with Wiener Börse AG in selling exchange data. The services provided by the Group to Wiener Börse AG are described in detail in Note 10.

The Group recognizes following deferred income which are related to the IFRS 15:

	(in TCZK)	
	As at 31 December 2023	As at 31 December 2022
Deferred income for registration of new issues – IFRS 15	6,083	4,058

The Group expects that the remaining performance obligations related to the registration of new issues will be satisfied by one year.

**5.2 Services**

	(in TCZK)	
	2023	2022
Services related to rental premises	(3,534)	(3,914)
Taxes and fees	(261)	(308)
IT maintenance services and repairs of assets	(34,980)	(30,199)
Costs of usage of technical trading system XETRA	(11,204)	(10,510)
Data links and connections	(3,718)	(2,864)
Securities administration services	(8,136)	(7,674)
Communication fees (telecommunication, mail, transport)	(808)	(864)
Information services	(1,812)	(1,915)
Marketing and advertisement	(7,253)	(6,862)
Market development	(651)	(675)
Advisory and tax services	(19,353)	(18,698)
Statutory audit services	(3,009)	(3,009)
Travelling expenses	(938)	(571)
Lease (cars) – non-tax cost	(380)	(562)
Training	(1,345)	(1,107)
Other services	(2,440)	(1,993)
<b>Total</b>	<b>(99,822)</b>	<b>(91,725)</b>

The most significant expenses of the Group are represented by services associated with operation and maintenance of intangible assets that are used for running the trade system and database of records. In 2023 these expenses amounted TCZK 34,980 (2022: TCZK 30,199).

**5.3 Employee benefit expenses**

	(in TCZK)	
	2023	2022
Salaries	(131,775)	(118,881)
Statutory social and health insurance	(37,455)	(32,131)
Other employee expenses	(7,650)	(6,105)
<b>Total</b>	<b>(176,880)</b>	<b>(157,117)</b>

The Group provides monetary remuneration to the members of the Exchange Chambers, Boards of Directors and Supervisory Boards for the fulfilment of their functions.

Accordingly, the members of the Exchange Chambers, Boards of Directors and Supervisory Boards obtained remuneration in the amount of TCZK 16,715 (2022: TCZK 16,243).

**5.4 Depreciation and amortization expenses**

	(in TCZK)	
	2023	2022
Depreciation of tangible fixed assets (Note 6.1)	(8,622)	(7,936)
Amortization of intangible fixed assets (Note 6.2)	(4,184)	(14,816)
Amortization of right-of-use assets (Note 6.3)	(14,176)	(12,094)
<b>Total</b>	<b>(26,982)</b>	<b>(34,846)</b>

**5.5 Other operating income**

	(in TCZK)	
	<b>2023</b>	<b>2022</b>
Data services	7,384	7,334
Fees for suspended and unsettled trades	17	471
Operating revenues to associated company	267	699
VAT coefficient	0	86
Other operating revenues	807	751
<b>Total</b>	<b>8,475</b>	<b>9,341</b>

**5.6 Other operating expenses**

	(in TCZK)	
	<b>2023</b>	<b>2022</b>
Material consumption	(5,255)	(3,514)
Cleaning services	(796)	(644)
Members' fees	(1,150)	(1,176)
Liability insurance and property insurance	(1,825)	(1,803)
Representation costs	(1,930)	(1,743)
Fee for operating of legal person identification	(3,520)	(3,594)
Non-deductible VAT	(2,818)	0
Receivable write-offs	(647)	(307)
Other operating expenses	(4,664)	(4,175)
<b>Total</b>	<b>(22,605)</b>	<b>(16,956)</b>

**5.7 Financial income**

	(in TCZK)	
	<b>2023</b>	<b>2022</b>
Interest income from instruments AC (using EIR)	29,931	24,903
Foreign exchange rate differences	6,680	9,080
Other financial revenues	0	0
<b>Total</b>	<b>36,611</b>	<b>33,983</b>

**5.8 Financial expenses**

	(in TCZK)	
	<b>2023</b>	<b>2022</b>
Interest expenses on debts and borrowings (using EIR)	(31)	(54)
Interest expenses from lease liabilities	(655)	(481)
Foreign exchange rate differences	(4,161)	(9,747)
Other financial expenses (banking fees)	(854)	(1,277)
<b>Total</b>	<b>(5,701)</b>	<b>(11,559)</b>

**5.9 Income tax expenses**

	(in TCZK)	
	2023	2022
Income tax payable – current period	(74,168)	(74,248)
Additional corporate income tax payment/(refund) - previous year	2,762	2,978
Deferred tax (Note 6.10)	539	28
<b>Total</b>	<b>(70,867)</b>	<b>(71,242)</b>

	(in TCZK)	
	2023	2022
Income tax payable – current period	(74,168)	(74,248)
Income tax advance payments	69,247	65,995
<b>Total</b>	<b>(4,921)</b>	<b>(8,253)</b>

The tax on the Group's profit before tax represents the theoretical amount that would arise using the basic tax rate as follows:

	(in TCZK)	
	2023	2022
<b>Profit before tax</b>	<b>371,808</b>	<b>360,137</b>
Theoretical tax calculated at a tax rate of 19% (2022: 19%)	70,644	68,426
Non-taxable revenues	(254)	(996)
Non-taxable share of profit of associates	194	2,926
Permanent expenses not deductible for tax purposes	3,045	3,864
<b>Total income tax from operations</b>	<b>73,629</b>	<b>74,220</b>
Correction of prior year tax	(2,762)	(2,978)
<b>Total income tax expenses</b>	<b>70,867</b>	<b>71,242</b>
<b>Effective income tax</b>	<b>19.1%</b>	<b>19.8%</b>

**5.10 Share of profit of associates**

A share of profit of POWER EXCHANGE CENTRAL EUROPE, a.s. (the associated company), in which the Company holds a 33.33% interest as at 31 December 2023, amounted to loss TCZK 1,024 (2022: loss TCZK 6,075). As of 31 December 2023 the Group tested the investment for impairment by applying the discounted cash flow method. Consequently, it created no allowance to this investment in 2023 (2022: TCZK 9,324).

	(in TCZK)	
	2023	2022
<b>Ownership in %</b>	<b>33.33 %</b>	<b>33.33 %</b>
Group's share of profit/loss of associates	(1,024)	(6,075)
An allowance to the investments	0	(9,324)
<b>Group's share of profit of associates</b>	<b>(1,024)</b>	<b>(15,399)</b>

Additional information is disclosed in the Note 6.4.



**6 ADDITIONAL INFORMATION ON CONSOLIDATED STATEMENT OF FINANCIAL POSITION****6.1 Property and Equipment**

(in TCZK)

Carrying amount	IT Equipment	Fixtures and fittings	Motor vehicles	Tang. Fixed assets under constr.	Total
<b>As at 1 January 2022</b>	<b>37,730</b>	<b>8,329</b>	<b>0</b>	<b>0</b>	<b>46,059</b>
Additions	12,077	0	1,419	215	13,711
Disposals	(2,618)	(101)	0	0	(2,719)
<b>As at 31 December 2022</b>	<b>47,189</b>	<b>8,228</b>	<b>1,419</b>	<b>215</b>	<b>57,051</b>
Additions	7,583	3,602	845	0	12,030
Disposals	(1,096)	(177)	0	-215	(1,488)
<b>As at 31 December 2023</b>	<b>53,676</b>	<b>11,653</b>	<b>2,264</b>	<b>0</b>	<b>67,593</b>

(in TCZK)

Accumulated depreciation	IT Equipment	Fixtures and fittings	Motor Vehicles	Tang. Fixed assets under constr.	Total
<b>As at 1 January 2022</b>	<b>28,895</b>	<b>7,873</b>	<b>0</b>	<b>0</b>	<b>36,768</b>
Additions	7,606	263	67	0	7,936
Disposals	(2,618)	(101)	0	0	(2,719)
<b>As at 31 December 2022</b>	<b>33,883</b>	<b>8,035</b>	<b>67</b>	<b>0</b>	<b>41,985</b>
Additions	7,613	536	473	0	8,622
Disposals	(1,096)	(178)	0	0	(1,274)
<b>As at 31 December 2023</b>	<b>40,400</b>	<b>8,393</b>	<b>540</b>	<b>0</b>	<b>49,333</b>

(in TCZK)

Net book value	IT Equipment	Fixtures and fittings	Motor vehicles	Tang. Fixed assets under constr.	Total
As at 1 January 2022	8,835	456	0	0	9,291
As at 31 December 2022	13,306	193	1,352	215	15,066
As at 31 December 2023	13,276	3,260	1,724	0	18,260

Property and equipment of the Group predominantly include computers necessary to secure trading, central securities register and data store.

Additions to tangible fixed assets of TCZK 12,030 (2022: TCZK 13,711) represent a purchase of computer/IT related to IT security and office equipment.

**6.2 Intangible fixed assets**

(in TCZK)

Carrying amount	Software	Others	Intang. Fixed assets under constr.	Total
<b>As at 1 January 2022</b>	<b>205,488</b>	<b>227,042</b>	<b>288</b>	<b>432,818</b>
Additions	3,793	0	3,145	6,938
Disposals	(163,575)	(226,655)	0	(390,230)
<b>As at 31 December 2022</b>	<b>45,706</b>	<b>387</b>	<b>3,433</b>	<b>49,526</b>
Additions	21,543	2,203	0	23,746
Disposals	(10,920)	(387)	(3,433)	(14,740)
<b>As at 31 December 2023</b>	<b>56,329</b>	<b>2,203</b>	<b>0</b>	<b>58,532</b>

(in TCZK)

Accumulated amortization	Software	Others	Intang. Fixed assets under constr.	Total
<b>As at 1 January 2022</b>	<b>201,331</b>	<b>216,024</b>	<b>0</b>	<b>417,355</b>
Additions	3,798	11,018	0	14,816
Disposals	(163,575)	(226,655)	0	(390,230)
<b>As at 31 December 2022</b>	<b>41,554</b>	<b>387</b>	<b>0</b>	<b>41,941</b>
Additions	4,041	143	0	4,184
Disposals	(10,920)	(387)	0	(11,307)
<b>As at 31 December 2023</b>	<b>34,675</b>	<b>143</b>	<b>0</b>	<b>34,818</b>

(in TCZK)

Net book value	Software	Others	Intang. Fixed assets under constr.	Total
As at 1 January 2022	4,157	11,018	288	15,463
As at 31 December 2022	4,152	0	3,433	7,585
As at 31 December 2023	21,654	2,060	0	23,714

The most significant items of intangible assets of the Group were the purchased records database and the purchase of software licenses associated with the activities of the central securities depository. The Group spent TCZK 400,766 on the purchase of these assets in 2011 and 2010. Net book value of the records database as of 31 December 2023 is CZK 0 (2022: TCZK 0). The Group decided to dispose of the intangible assets related to the records database in 2022, the activities are operated on new technologies.

The remaining part of intangible assets consists of information systems, other computer programs for automatic application testing, applicational virtualization and computer programs necessary to secure the continuity of stock trading and settlement of transactions with investment instruments.

Additions to intangible assets in the amount of TCZK 23,746 (2022: TCZK 6,938) are mainly represented by purchases of security software and distributed ledger technology (DLT).

**6.3 Leases**

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

(in TCZK)

Carrying amount	Office Premises	Motor vehicles.	Total
<b>As at 1 January 2022</b>	<b>55,045</b>	<b>6,736</b>	<b>61,780</b>
Additions	1,316	5,295	6,611
Disposals	0	(7,919)	(7,919)
<b>As at 31 December 2022</b>	<b>56,361</b>	<b>4,111</b>	<b>60,472</b>
Additions	4,719	3,941	8,660
Disposals	(3,796)	(1,029)	(4,825)
<b>As at 31 December 2023</b>	<b>57,284</b>	<b>7,023</b>	<b>64,307</b>

(in TCZK)

Accumulated depreciation	Office Premises	Motor vehicles.	Total
<b>As at 1 January 2022</b>	<b>26,200</b>	<b>2,656</b>	<b>28,856</b>
Additions	9,280	2,814	12,094
Disposals	0	(4,348)	(4,348)
<b>As at 31 December 2022</b>	<b>35,480</b>	<b>1,123</b>	<b>36,603</b>
Additions	11,502	2,673	14,175
Disposals	(3,796)	(1,029)	(4,825)
<b>As at 31 December 2023</b>	<b>43,186</b>	<b>2,767</b>	<b>45,953</b>

(in TCZK)

Net book value	Office Premises	Motor vehicles	Total
As at 1 January 2022	28,845	4,079	32,924
As at 31 December 2022	20,881	2,988	23,869
As at 31 December 2023	14,098	4,256	18,354

The Group does not apply the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases. There are not any variable lease payments, the office premises lease is only increased by consumer price index every year.

The following are the amounts recognised in profit or loss:

(in TCZK)

2023	Office Premises	Motor vehicles.	Total
Depreciation expense of right-of-use	(11,502)	(2,673)	(14,175)
Interest expense on lease liabilities	(314)	(341)	(655)
Deferred tax	(69)	19	(50)
<b>Total amount recognised in profit or loss</b>	<b>(11,885)</b>	<b>(2,995)</b>	<b>(14,880)</b>

(in TCZK)

2022	Office Premises	Motor vehicles.	Total
Depreciation expense of right-of-use	(9,280)	(2,814)	(12,094)
Interest expense on lease liabilities	(250)	(231)	(481)
Deferred tax	(57)	(5)	(62)
<b>Total amount recognised in profit or loss</b>	<b>(9,587)</b>	<b>(3,050)</b>	<b>(12,637)</b>

Total financial lease payments were TCZK 15,097 in 2023 (2022: TCZK 12,901)

As at 31 December 2023, the Group does not have any agreement to make a Contract for lease of a vehicle which would result in a contractual penalty.

Additional information is disclosed in the Note 7.

**6.4 Investments in associated companies**

On 1 January 2016, the Company lost control over POWER EXCHANGE CENTRAL EUROPE, a.s. As a result, the Company recorded PXE as a 33.33% investment in an associate in its consolidated financial statements. The majority stake is held by European Energy Exchange (hereinafter "EEX") and amounts to 66.67%.

	(in TCZK)	
	As at 31 December 2023	As at 31 December 2022
<b>Ownership in %</b>	<b>33.33 %</b>	<b>33.33 %</b>
Property and equipment	29	11
Intangible assets	8,109	6,071
Investment in subsidiary	28	28
Right-of-use	1,350	2,223
Deferred tax assets	2,585	511
Long-term receivables and loans	23	23
<b>Non-current assets</b>	<b>12,124</b>	<b>8,867</b>
Income tax receivable	309	3,596
Trade and other receivables	18,415	8,247
Other assets	493	390
Cash and cash equivalents	19,486	31,132
<b>Current assets</b>	<b>38,703</b>	<b>43,365</b>
Deferred tax liabilities	0	0
Long-term liabilities from leasing	(226)	(1,055)
<b>Non-current liabilities</b>	<b>(226)</b>	<b>(1,055)</b>
Trade liabilities	(3,197)	(2,072)
Provisions	(815)	(816)
Other current liabilities	(4,001)	(4,201)
Employee benefit payable	(9,527)	(7,956)
<b>Total current liabilities</b>	<b>(17,540)</b>	<b>(15,045)</b>
Total net assets (100%)	33,061	36,132
Total net assets (33.33%; 2022: 33.33%)	11,020	12,044
Original cost of investments in associates to fair value	41,730	41,730
Cumulative impairment allowance	(17,816)	(17,816)
<b>Carrying amount of investments in associates</b>	<b>34,934</b>	<b>35,958</b>
Total income	59,506	52,611
Total profit/loss for the period (100%)	(3,071)	(18,224)
<b>Group's share of profit/loss</b>	<b>(1,024)</b>	<b>(6,075)</b>

**6.4.1 Impairment testing of investments in associates**

As at 31 December 2023 the Group's investment in an associate stated at fair value was tested for impairment using the discounted cash flow method.

	(in TCZK)	
	2023	2022
<b>As at 1 January</b>	<b>35,958</b>	<b>45,358</b>
Share of profit of associates without contribution to equity	(1,024)	(6,075)
Contribution to equity of associates	0	6,000
Allowance for equity investments (DCF method)	0	(9,325)
<b>As at 31 December</b>	<b>34,934</b>	<b>35,958</b>

The fair value of an investment in an associate as at 1 January 2016 was determined at TCZK 51,819 based on the sale of a 66.67% participation interest to EEX. The fair value was decreased by 15% owing to the fact that the sold participation interest included a premium surcharge for a controlling interest in PXE.

The Group discovered that after including a share of loss of an associate of TCZK 1,024, the recoverable amount of the appropriate investment did not change as of 31 December 2023 after testing the investment by the discounted cash flow method. The cumulative impairment allowance is TCZK 17,816 as of 31 December 2023 (2022: TCZK 17,816). The Group used the associate's budgeted cash flows to calculate discounted cash flows. The discounted factor was determined using the weighted average cost of capital of PXE.

## 6.5 Financial assets at amortized costs

The Group purchased the Czech government bonds CZGB 0,25 02/10/27, ISIN CZ0001005037, in a total nominal value of TCZK 50,000 with a maturity on February 10, 2027 and the Czech government bonds CZGB 1,25 02/14/25, ISIN CZ0001005870, in a total nominal value of TCZK 50,000 with a maturity on February 14, 2025.

The Czech government bonds are presented as long-term financial assets at amortized cost.

	(in TCZK)	
	As at 31 December 2023	As at 31 December 2022
Czech government bonds	99,070	98,630
<b>Total financial assets at amortized costs</b>	<b>99,070</b>	<b>98,630</b>

	(in TCZK)	
	2023	2022
<b>Financial assets at AC as at 1 January</b>	<b>98,630</b>	<b>98,197</b>
Interest income incl. amortisation (using EIR)	440	433
<b>Financial assets at AC as at 31 December</b>	<b>99,070</b>	<b>98,630</b>

The Group is going to hold Czech government bonds with the purpose to collect contractual cash flows.

Additional information is disclosed in the Note 6.8.

## 6.6 Trade and other receivables

	(in TCZK)	
	As at 31 December 2023	As at 31 December 2022
Trade receivables	52,903	44,030
<i>physical settlement of trades with electric energy</i>	3,963	524
<i>trade receivables</i>	48,940	43,506
Adjustments to trade receivables	(3,446)	(3,685)
<b>Total net receivables</b>	<b>49,457</b>	<b>40,345</b>
Estimated receivables	9,263	22,122
Short-term advances	28	680
Receivables from employees	71	43
Other financial assets	1,784	2,385
<b>Financial assets</b>	<b>60,603</b>	<b>65,575</b>
Receivable from state ensuing from excessive VAT deduction	2,914	2,638
<b>Non-financial assets</b>	<b>2,914</b>	<b>2,638</b>
<b>Total trade and other receivables</b>	<b>63,517</b>	<b>68,213</b>

Trade receivables mainly represent fee receivables ensuing from activities of stock exchange members, participants in the settlement of investment instruments, electricity and gas traders at the commodity exchange and fees for services for members of the central securities depository.

Estimated receivables comprise estimates for un-invoiced services associated with the sale of exchange data.

Impairment allowance can be analysed as follows:

	(in TCZK)	
	2023	2022
<b>Balance as at 1 January</b>	<b>3,685</b>	<b>4,135</b>
Additions	868	899
Receivable write-offs	(647)	(307)
Release	(460)	(1,042)
<b>Balance as at 31 December</b>	<b>3,446</b>	<b>3,685</b>

Additional information is disclosed in the Note 7.

## 6.7 Other assets

	(in TCZK)	
	As at 31 December 2023	As at 31 December 2022
Prepayments	24,315	18,673
<b>Non-financial assets</b>	<b>24,315</b>	<b>18,673</b>
<b>Total</b>	<b>24,315</b>	<b>18,673</b>

The Group prepayments comprise mainly of prepayments for service support and IT systems operation, prepayments for depository and administration of securities records evidence and insurance.

## 6.8 Cash and short-term deposits

	(in TCZK)	
	As at 31 December 2023	As at 31 December 2022
Cash in hand	61	103
Cash at bank	532,697	667,984
<b>Cash and cash deposits</b>	<b>532,758</b>	<b>668,087</b>
Short-term deposits – treasury bills	100,000	0
<b>Cash and short-term deposits</b>	<b>632,758</b>	<b>668,087</b>

The Company held treasury bills SPP CNB 4T 5,4 05/01/2024 ISIN CZ0001007199 of TCZK 100,000 as at 31 December 2023 (2022: TCZK 0). The cash at the bank in the amount of 115,930 has a restriction on the use of cash due to holding a capital requirement of the company Central Securities Depository Prague. The cash at the bank in the amount of TCZK 1,732 has a restriction on the use of cash due to holding a margin requirement of the company Energy Clearing Counterparty, a.s.

	(in TCZK)	
	As at 31 December 2023	As at 31 December 2022
Cash and cash equivalents with no limited availability	415,096	428,471
Treasury bills – a restriction on the use	100,000	0
Unicredit Bank Germany, AG – a restriction on the use	1,732	53,246
Česká národní banka – a restriction on the use	115,930	186,370
<b>Cash and short-term deposits</b>	<b>632,758</b>	<b>668,087</b>

According to the CSDR regulation, CSD is obliged to meet the capital requirement which is a requirement for the CSDR licence. The capital requirement must be kept in liquid assets throughout the term of the CSDR licence and is not presented in cash equivalents. The amount is TCZK 315,000 as of December 31, 2023 (2022: TCZK 285,000) and is distributed into following financial instruments:

	(in TCZK)	
	As at 31 December 2023	As at 31 December 2022
Czech government bonds (Note 6.5)	99,070	98,630
Treasury bills	100,000	0
<b>Balances at bank accounts</b>	<b>115,930</b>	<b>186,370</b>
Česká národní banka	115,930	186,370
<b>Limited disposal accounts – CSDR licence</b>	<b>315,000</b>	<b>285,000</b>

The changes in cash and short-term deposits which have a restriction on the use are represented in the cash flow statement in the line "Change in other financial assets".

Additional information is disclosed in the Note 6.5.

## 6.9 Share capital and shareholders' fund

### 6.9.1 Share capital

The balance of the Company's share capital recorded in the Commercial Register comprises of 265 056 registered common shares with a nominal value of CZK 380 per share as at 31 December 2023 (2022: 380 CZK). The share capital was fully paid. The shareholder has right to participate on profit, attend and vote on the general meeting, request explanation and make proposals and counter-proposals. No special rights are assigned to these primary shares.

### 6.9.2 Treasury shares

The transferability of the Company's shares is restricted as they may be transferred to third parties solely subject to the prior approval of the Exchange Chamber. The approval is subject to the consent of a qualified two-thirds majority of the Exchange Chamber members in attendance. In addition, the Company is obligated to repurchase its treasury shares where the Exchange Chamber does not agree with their transfer to another person.

In 2023, the Company held treasury shares with an acquisition price of TCZK 550 (2022: TCZK 550) which is 0.042 % of the total share on share capital.

### 6.9.3 Other funds

	(in TCZK)	
	As at 31 December 2023	As at 31 December 2022
Other capital funds	9,900	9,900
Reserve fund	210,000	185,000
<b>Total</b>	<b>219,900</b>	<b>194,900</b>

Other capital contributions represent a portion of the registered capital of the subsidiary Centrální depozitář cenných papírů, a.s. of TCZK 9,900, increased in the past accounting periods using retained profits.

## 6.10 Deferred tax

The Group recognizes a deferred tax receivable as at 31 December 2023 in the amount of TCZK 2,155 (2022: TCZK 1,616). Deferred income tax receivable is attributable to the following items arising from temporary differences:

	(in TCZK)	
	As at 31 December 2023	As at 31 December 2022
Property, equipment and intangible assets	(425)	(78)
Provisions	2,027	1,429
Leasing	145	196
Others	408	69
<b>Deferred tax liability ( - ) / receivable ( + )</b>	<b>2,155</b>	<b>1,616</b>

	(in TCZK)	
	2023	2022
<b>As at 1 January</b>	<b>1,616</b>	<b>1,588</b>
Tax charge per the statement of comprehensive income	539	28
<b>As at 31 December</b>	<b>2,155</b>	<b>1,616</b>

Deferred income tax is recognized on all temporary differences between the accounting and tax carrying amount of an asset or liability using the tax rates that have been enacted and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

A deferred tax liability primarily relates to the difference between the periods of accounting and tax amortization of intangible fixed assets.

Deferred tax as at 31 December 2023 is calculated using an applicable tax rate of 19 % (tax rate 21 % for 2024 and following years), depending on the period in which temporary differences are expected to be reversed.

The Group records a deferred tax liability in any case and it only claims receivables that are expected to be applied in a future period.

#### 6.11 Lease liabilities

	Interest rate in %	Maturity	As at 31 December 2023	As at 31 December 2022
Lease liabilities	0.6-8.1	2024	12,414	11,533
Long-term lease liabilities	0.6-8.1	2025-2026	6,705	13,367
<b>Total</b>			<b>19,119</b>	<b>24,900</b>

Additional information is disclosed in the Note 6.3 and 7 .

#### 6.12 Trade payables

	As at 31 December 2023	As at 31 December 2022
Trade payables from electricity trading	7,132	6,023
Other trade payables	16,328	11,229
<b>Total</b>	<b>23,460</b>	<b>17,252</b>

Trade payables from electricity trading are represented by liabilities from physical settlement of electric energy supplies from Energy Clearing Counterparty, a.s.

No trade payables were overdue as of 31 December 2023.

Additional information is disclosed in the Note 7.

#### 6.13 Employee benefit payable

As at 31 December 2023 payables to employees include salaries for December 2023 including social security and health insurance premiums of TCZK 45,520 (2022: TCZK 43,720).

In addition, the Group reported estimated payables relating to the payment of bonuses (including social security and health insurance) of TCZK 8,880 (2022: TCZK 6,925) and payables related to the untaken vacation of TCZK 3,568 (2022: TCZK 3,463).



**6.14 Other liabilities**

	(in TCZK)	
	As at 31 December 2023	As at 31 December 2022
Payables to associated company	201	125
Accrued expenses	108	1,140
Estimated payables	834	707
Other payables	384	595
<b>Financial liabilities</b>	<b>1,527</b>	<b>2,567</b>
Other tax liabilities	8,868	8,627
Deferred revenues	15,116	13,893
<b>Non-financial liabilities</b>	<b>23,984</b>	<b>22,519</b>
<b>Total other liabilities</b>	<b>25,512</b>	<b>25,086</b>

Payables of TCZK 384 (2022: TCZK 595) comprise primarily of payables to shareholders in arising from distribution of securities.

Other tax liabilities of TCZK 8,868 (2022: TCZK 8,627) primarily relate to income tax on employment. Deferred revenues in amount of TCZK 15,116 (2022: TCZK 13,893) relate to revenues from services provided by the Group such as the assignment of the Legal Entity Identifier (LEI) to legal entities and services for a registration of new issues.

Additional information is disclosed in the Note 7.

**6.15 Bank loans and guarantees**

Since 2013 the Group has a general agreement with UniCredit Bank Czech Republic and Slovakia, a.s. (hereinafter "Unicredit Bank") for using a bank overdraft up to the amount of TEUR 5,000 (2022: TEUR 5,000).

In 2023, the Group did not have an active overdraft facility of TCZK 10,000 (2022: TCZK 10,000) with Komerční banka, a.s. (hereinafter "KB").

As at 31 December 2023, the Group also has concluded a Contract for provision of a bank guarantee of TCZK 3,900 (2022: TCZK 3,300) with KB.

	Limit		Limit	Interest rate	Maturity	2023	2023
	in mil.		in TCZK	in %		in TCZK	in TEUR
Bank overdraft Unicredit Bank	5.0	EUR	123,625	1M EURIBOR+1.00	On demand	0	0
			<b>123,625</b>			<b>0</b>	<b>0</b>
Bank guarantee KB	3.9	CZK	3,900	0.50	28.02.2024	0	0
			<b>3,900</b>			<b>0</b>	<b>0</b>
<b>Total</b>			<b>127,525</b>			<b>0</b>	<b>0</b>

	Limit		Limit	Interest rate	Maturity	2022	2022
	in mil.		in TCZK	in %		in TCZK	in TEUR
Bank overdraft Unicredit Bank	5.0	EUR	120,575	1M EURIBOR+1.00	On demand	39,192	1,625
Bank overdraft KB	10.0	CZK	10,000	PRIBOR ON+0.75	On demand	0	0
			<b>130,575</b>			<b>39,192</b>	<b>1,625</b>
Bank guarantee KB	3.3	CZK	3,300	0.50	28.02.2022	0	0
			<b>3,300</b>			<b>0</b>	<b>0</b>
<b>Total</b>			<b>133,875</b>			<b>39,192</b>	<b>1,625</b>

The Group uses credit cards with a maximum limit of TCZK 200. As of 31 December 2023, the Group drew a credit limit in a value of TCZK 21 (2022: TCZK 14).

Additional information is disclosed in the Note 7 and 7.1 Management of credit risk.

**7 ADDITIONAL INFORMATION ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES****7.1 Management of credit risk**

The Group actively reduces the credit risk that arises mainly on the settlement of trades in securities and derivatives. In order to reduce the credit risk, the market participants are obliged to contribute to the collateral fund and give to the Group direct debit authorization for their current accounts. The Group assessed the concentration of risk with respect to the business activities and concluded it to be low. The Group has access to a sufficient variety of sources of funding.

The Group uses services of several financial institutions so the risk which is related to the cash on bank accounts is reduced. The Group actively monitors the rating of the banks it has deposits with and prohibits deposits with banks below the Investment grade rating.

The Group invests only on quoted debt securities with very low credit risk that are government bonds or treasury bills and are graded in the top investment category.

**Maximum exposure to credit risk and the quality of assets**

The Group concludes the financial guarantee contracts and credit limits for the period of one year and they can be prolonged automatically. The maximal credit risk exposure relating to financial guarantee contracts at the maximum amount the Group could have to pay if the guarantee is called on is TCZK 3,900 (2022: TCZK 3,300). The maximal credit risk exposure relating to credit limit contracts at the maximum amount the Group could have to pay is TCZK 123,625 (2022: TCZK 130,575).

	(in TCZK)	
	As at 31 December 2023	As at 31 December 2022
Long-term receivables	96	96
Long-term financial assets at AC	99,070	98,630
Trade receivables	49,457	40,345
Other financial assets	11,145	25,230
Cash and short-term deposits	632,758	668,087
<b>Total</b>	<b>792,526</b>	<b>832,388</b>

**Quality of financial assets which are not overdue or impaired**

	(in TCZK)					
2023	AAA	AA- / AA+	A- / A+	BBB+	No rating	Total
<b>Financial Assets</b>						
Long-term receivables	0	0	0	0	96	96
Long-term financial assets at AC	0	99,070	0	0	0	99,070
Trade receivables	0	0	0	0	49,457	49,457
Other financial assets	0	0	0	0	11,145	11,145
Cash and short-term deposits	0	280,435	348,164	4,098	61	632,758
<b>Total</b>	<b>0</b>	<b>379,505</b>	<b>348,164</b>	<b>4,098</b>	<b>60,759</b>	<b>792,526</b>
Bank guarantee	0	0	3,900	0	0	3,900
<b>Total</b>	<b>0</b>	<b>0</b>	<b>3,900</b>	<b>0</b>	<b>0</b>	<b>3,900</b>

							(in TCZK)
2022	AAA	AA- / AA+	A- / A+	BBB	No rating	Total	
<b>Financial Assets</b>							
Long-term receivables	0	0	0	0	96	96	
Long-term financial assets at AC	0	98,630	0	0	0	98,630	
Trade receivables	0	0	0	0	40,345	40,345	
Other financial assets	0	0	0	0	25,230	25,230	
Cash and short-term deposits	0	285,421	322,647	59,916	103	668,087	
<b>Total</b>	<b>0</b>	<b>384,051</b>	<b>322,647</b>	<b>59,916</b>	<b>65,774</b>	<b>832,388</b>	
Bank guarantee	0	0	3,300	0	0	3,300	
<b>Total</b>	<b>0</b>	<b>0</b>	<b>3,300</b>	<b>0</b>	<b>0</b>	<b>3,300</b>	

The Group deposited its financial assets in the following banks and with the following rating and participation:

Financial institution	2023	2022
Česká národní banka	AA-	AA-
Komerční banka, a.s.	A	A
Česká spořitelna, a.s.	A	A
UniCredit Bank Czech Republic and Slovakia, a.s. <sup>1</sup>	BBB+	BBB+
UniCredit Bank AG	BBB+	BBB+
Clearstream Banking S.A.	AA	AA
Euroclear Bank S.A.	AA	AA

The ratings are taken from the company Standard & Poor's

### Trade receivables

Trade receivables arise mainly from fees for services that the Group provides to the participants of trade and settlement and to other parties. The Company does not have any minimum criteria for credit risk management of its participants. All participants are treated equally and are generally accepted as highly credible counterparties if they were granted a banking licence by CNB or are subject to the supervision of CNB.

The Group is using so called "low credit risk" exception that allows for not tracking the changes in the credit risk since initial recognition, but directly recognizing the 12mECL. The Group applies this approach for financial institutions with rating AAA – BBB+. There were no exposures outside this rating as at 31 December 2023 or for the year then ended.

### Collectively impaired financial assets

Historical loss rate associated with a time bucket and adjusted for forward looking information:

Company	Due	Up to 30 DPD	Up to 60 DPD	Up to 90 DPD	Up to 120 DPD	Up to 365 DPD	More than 365 DPD
PSE	0.03%	0.24%	0.78%	0.88%	0.88%	0.88%	100.00%
CSD	0.69%	8.72%	27.99%	34.78%	38.57%	41.01%	100.00%
EnCC	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Grand Total</b>	<b>0.47%</b>	<b>5.17%</b>	<b>16.62%</b>	<b>19.81%</b>	<b>20.96%</b>	<b>21.65%</b>	<b>100.00%</b>

Gross trade receivables:

									(in TCZK)
Company	Due	Up to 30 DPD	Up to 60 DPD	Up to 90 DPD	Up to 120 DPD	Up to 365 DPD	More than 365 DPD	Total	
PSE	2,812	208	0	0	0	0	134	3,154	
CSD	42,189	122	41	189	37	496	2,713	45,787	
EnCC	3,963	0	0	0	0	0	0	3,963	
<b>Gross Balances in 2023</b>	<b>48,964</b>	<b>330</b>	<b>41</b>	<b>189</b>	<b>37</b>	<b>496</b>	<b>2,847</b>	<b>52,904</b>	
<b>Gross Balances in 2022</b>	<b>40,153</b>	<b>105</b>	<b>53</b>	<b>84</b>	<b>21</b>	<b>420</b>	<b>3,194</b>	<b>44,030</b>	

<sup>1</sup> Rating not available, presented is rating of parent company UniCredit Bank Austria, AG

Impairments:

								(in TCZK)
Company	Due	Up to 30 DPD	Up to 60 DPD	Up to 90 DPD	Up to 120 DPD	Up to 365 DPD	More than 365 DPD	Total
PSE	1	1	0	0	0	0	134	136
CSD	292	11	11	66	14	203	2,713	3,310
EnCC	0	0	0	0	0	0	0	0
<b>Impairments in 2023</b>	<b>293</b>	<b>12</b>	<b>11</b>	<b>66</b>	<b>14</b>	<b>203</b>	<b>2,847</b>	<b>3,446</b>
<b>Impairments in 2022</b>	<b>258</b>	<b>9</b>	<b>15</b>	<b>29</b>	<b>8</b>	<b>172</b>	<b>3,194</b>	<b>3,685</b>

At 31 December 2023 the Group recognized an impairment loss on trade receivables in a value of TCZK 3,446 (2022: TCZK 3,685); court action is underway for their enforcement and the likelihood of payment is minimal.

At 31 December 2023 the Group recognize an impairment loss on cash, long-term financial assets and bank guarantees in a value of TCZK 736 (2022: TCZK 1,186).

At 31 December 2023 the financial instruments are classified as Stage 1 for ECL measurement purposes.

#### **Overdue financial assets, not impaired**

						(in TCZK)
Year	Ageing structure – overdue financial assets, not impaired					Total
	up to 60 days	up to 90 days	up to 180 days	up to 365s days	more than 1 year	
<b>2023</b>	162	189	125	168	0	644
<b>2022</b>	146	84	164	121	0	515

The Group records overdue and not impaired receivables in the amount of TCZK 644 as at 31 December 2023 (2022: TCZK 515). The Group did not recognize impairments on off-balance items as at 31 December 2023.

## **7.2 Management of liquidity risk associated with financial instruments**

Liquidity risk is the risk that an entity will have difficulties in paying its financial liabilities.

The Group is exposed to limited liquidity risk since it is financed mainly by its shareholders' equity. The Group uses an overdraft denominated in EUR (Note 6.15) to cover the lack of financial resources blocked by a settlement of energy trades on the power exchange.

Considering the fact that most financial assets and liabilities are non-interest-bearing and are recognized in the nominal value, the actual residual maturity corresponds to the timing of the expected future cash flows.

The table below summarizes the liquidity risk. The table includes assets and liabilities of the Group in carrying values classified by expected maturity.

(in TCZK)

2023	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	From 1 to 5 years	Unspecified	Total
<b>Assets</b>							
Tangible assets	0	0	0	0	0	18,260	18,260
Intangible assets	0	0	0	0	0	23,714	23,714
Right-of-use assets	0	0	0	0	0	18,354	18,354
Investment associates	0	0	0	0	0	34,934	34,934
Long-term receivables and loans	0	0	0	0	96	0	96
Deferred tax receivable	0	0	0	0	0	2,155	2,155
Financial assets at AC	0	0	0	0	0	99,070	99,070
Trade receivables and other receivables	49,244	14,273	0	0	0	0	63,517
Other assets	0	0	0	0	0	24,315	24,315
Cash and short-term deposits	415,097	1,731	0	0	0	215,930	632,758
<b>Total assets</b>	<b>464,341</b>	<b>16,004</b>	<b>0</b>	<b>0</b>	<b>96</b>	<b>436,732</b>	<b>917,173</b>
<b>Liabilities</b>							
Long-term liabilities from leasing	0	0	0	0	6,705	0	6,705
Trade payables	23,460	0	0	0	0	0	23,460
Employee benefit payable	49,088	0	8,880	0	0	0	57,968
Lease liabilities	1,035	2,069	3,103	6,207	0	0	12,414
Other liabilities	25,512	0	0	0	0	0	25,512
Income tax payable	0	0	4,921	0	0	0	4,921
Short-term bank loans	21	0	0	0	0	0	21
<b>Total liabilities</b>	<b>99,116</b>	<b>2,069</b>	<b>16,904</b>	<b>6,207</b>	<b>6,705</b>	<b>0</b>	<b>131,001</b>
<b>Liquidity excess at 31.12.2023</b>	<b>365,225</b>	<b>13,935</b>	<b>(16,904)</b>	<b>(6,207)</b>	<b>(6,609)</b>	<b>436,732</b>	<b>786,172</b>

(in TCZK)

2022	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	From 1 to 5 years	Unspecified	Total
<b>Assets</b>							
Tangible assets	0	0	0	0	0	15,066	15,066
Intangible assets	0	0	0	0	0	7,585	7,585
Right-of-use assets	0	0	0	0	0	23,869	23,869
Investment associates	0	0	0	0	0	35,958	35,958
Long-term receivables and loans	0	0	0	0	96	0	96
Deferred tax receivable	0	0	0	0	0	1,616	1,616
Financial assets at AC	0	0	0	0	0	98,630	98,630
Trade receivables and other receivables	42,232	25,981	0	0	0	0	68,213
Other assets	0	0	0	0	0	18,673	18,673
Cash and short-term deposits	428,471	53,246	0	0	0	186,370	668,087
<b>Total assets</b>	<b>470,703</b>	<b>79,227</b>	<b>0</b>	<b>0</b>	<b>96</b>	<b>387,767</b>	<b>937,793</b>
<b>Liabilities</b>							
Long-term liabilities from leasing	0	0	0	0	13,367	0	13,367
Trade payables	17,251	0	0	0	0	0	17,251
Employee benefit payable	47,183	0	6,925	0	0	0	54,108
Lease liabilities	961	1,922	2,883	5,767	0	0	11,533
Other liabilities	25,086	0	0	0	0	0	25,086
Income tax payable	0	0	8,253	0	0	0	8,253
Short-term bank loans	39,206	0	0	0	0	0	39,206
<b>Total liabilities</b>	<b>129,687</b>	<b>1,922</b>	<b>18,061</b>	<b>5,767</b>	<b>13,367</b>	<b>0</b>	<b>168,804</b>
<b>Liquidity excess at 31.12.2022</b>	<b>341,016</b>	<b>77,305</b>	<b>(18,061)</b>	<b>(5,767)</b>	<b>(13,271)</b>	<b>387,767</b>	<b>768,989</b>

The table below summarises the maturity profile of the Group's financial assets and liabilities based on contractual payments:

(in TCZK)

2023	On demand	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	From 1 year and more	Total
<b>Financial Assets</b>							
Long-term financial assets at AC	0	0	0	0	0	100,750	100,750
Cash and short-term deposits	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100,750</b>	<b>100,750</b>
<b>Financial Liabilities</b>							
Long-term lease liabilities	0	0	0	0	0	6,705	6,705
Lease liabilities	0	1,034	2,069	3,103	6,208	0	12,414
Short-term bank loans	0	0	0	0	0	0	0
Bank guarantees	3,900	0	0	0	0	0	3,900
<b>Total</b>	<b>3,900</b>	<b>1,034</b>	<b>2,069</b>	<b>3,103</b>	<b>6,208</b>	<b>6,705</b>	<b>23,019</b>

(in TCZK)

2022	On demand	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	From 1 year and more	Total
<b>Financial Assets</b>							
Long-term financial assets at AC	0	0	0	0	0	100,750	100,750
Cash and short-term deposits	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100,750</b>	<b>100,750</b>
<b>Financial Liabilities</b>							
Long-term lease liabilities	0	0	0	0	0	13,367	13,367
Lease liabilities	0	961	1,922	2,883	5,767	0	11,533
Short-term bank loans	39,192	0	0	0	0	0	39,192
Bank guarantees	3,300	0	0	0	0	0	3,300
<b>Total</b>	<b>42,492</b>	<b>961</b>	<b>1,922</b>	<b>2,883</b>	<b>5,767</b>	<b>13,367</b>	<b>67,392</b>

### 7.3 Changes in liabilities arising from financing activities

(in TCZK)

	As at 1 January 2023	Cash Flow	Foreign Exchange Movement	New Leases	Other	As at 31 December 2023
Long-term lease liabilities	13,367	0	0	3,571	(10,233)	6,705
Lease liabilities	11,533	(15,097)	0	5,089	10,888	12,414
Current bank loans	39,206	(39,185)	0	0	0	21
<b>Total liabilities from financing activities</b>	<b>64,106</b>	<b>(54,282)</b>	<b>0</b>	<b>8,660</b>	<b>655</b>	<b>19,140</b>

(in TCZK)

	As at 1 January 2022	Cash Flow	Foreign Exchange Movement	New Leases	Other	As at 31 December 2022
Long-term lease liabilities	22,412	0	0	4,261	(13,306)	13,367
Lease liabilities	11,868	(12,901)	0	2,350	10,217	11,533
Current bank loans	3,564	35,642	0	0	0	39,206
<b>Total liabilities from financing activities</b>	<b>37,844</b>	<b>22,741</b>	<b>0</b>	<b>6,611</b>	<b>(3,089)</b>	<b>64,106</b>

The "Other" column includes the effect of reclassification of non-current lease liabilities to current due to the passage of time and the effect of accrued but not yet paid interest on lease liabilities.

## 7.4 Management of market risk associated with financial instruments

### 7.4.1 Foreign currency risk

The Group is exposed to foreign currency risk because of the excessive value added tax deducted in connection with electrical energy trading with participants who pay value added tax outside the Czech Republic. This results in a time discrepancy of cash flows and currencies between receiving the VAT tax refund in Czech crowns and meeting its obligations regarding payments to electricity suppliers in a foreign currency, i.e. in EUR.

The Group uses mainly EUR and USD as a foreign currency. The Group's exposure to foreign currency changes for all other currencies is not material.

For internal risk management, the Group defined two scenarios of possible EUR currency trends in 2023. The first scenario assumes an increase in the rate (depreciation of CZK) by 5 % and the second assumes a decrease in the rate (appreciation of CZK) by 7 %.

#### Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in EUR and USD exchange rates, with all other variables held constant.

Period	Change in EUR rate	(in TCZK)
		Effect on profit before tax
2023	5.0 %	12,972
	-7.0 %	(18,161)
2022	5.0 %	1,993
	-7.0 %	(2,790)

Period	Change in USD rate	(in TCZK)
		Effect on profit before tax
2023	5.0 %	(1)
	-7.0 %	2
2022	5.0 %	(42)
	-7.0 %	59

### 7.4.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rates at overdraft loans and bank guarantees. The bank guarantees are in fixed rates of interest and the overdraft loans are in fixed and variable interest.

#### Interest rate sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in interest rates of loans and bank guarantees. With all other variables held constant, the Group's profit before taxes affected through the impact on the impact on floating rate borrowings, as follows:

Period	Increase/decrease in basis points	(in TCZK)
		Effect on profit before tax
2023	50 b.p.	(618)
	-60 b.p.	742
2022	50 b.p.	(603)
	-60 b.p.	723

Period	Increase/decrease in basis points	(in TCZK)
		Effect on profit before tax
2023	50 b.p.	0
	-60 b.p.	0
2022	50 b.p.	(50)
	-60 b.p.	60

## 7.5 Fair values

Fair value of reported items is very near to their carrying value as these assets and liabilities are with short maturities, with exception of long-term advances received and long-term receivables, whose amount is insignificant within the Group's financial assets and liabilities.

Fair value of other long-term assets is equal to their carrying value as the other long-term financial assets represent financial proceeds held on the bank accounts under market conditions. The fair value of financial assets at amortization costs is based on price quotations at the reporting date.

The Group does not use the significant unobservable inputs in the fair value measurements categorized within Level 3 of the fair value hierarchy as the fair value of reported items is very near to their carrying value.

Set out below is a comparison of the carrying amounts and fair values of the Group's financial instruments:

	(in TCZK)			
	As at 31 December 2023		As at 31 December 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Long-term receivables and loans	96	96	96	96
Financial assets at amortized cost	99,070	92,868	98,630	87,050
Trade receivable	49,457	49,457	40,345	40,345
Other financial assets	11,145	11,145	25,230	25,230
Cash and short-term deposits	632,758	632,758	668,087	668,087
<b>Total</b>	<b>792,526</b>	<b>786,324</b>	<b>832,388</b>	<b>820,808</b>
<b>Financial liabilities</b>				
Long-term lease liabilities	6,705	6,705	13,367	13,367
Trade payables	23,460	23,460	17,251	17,251
Lease liabilities	12,414	12,414	11,533	11,533
Other financial liabilities	1,527	1,527	2,567	2,567
Current bank loans	21	21	39,206	39,206
<b>Total</b>	<b>44,127</b>	<b>44,127</b>	<b>83,924</b>	<b>83,924</b>

The following table provides the fair value measurement hierarchy of the Group's financial assets and financial liabilities.

2023	(in TCZK)			
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Long-term receivables and loans	0	0	96	96
Financial assets at amortized cost	92,868	0	0	92,868
Trade receivable	0	0	49,457	49,457
Other financial assets	0	0	11,145	11,145
Cash and short-term deposits	0	632,758	0	632,758
<b>Total</b>	<b>92,868</b>	<b>632,758</b>	<b>60,698</b>	<b>786,324</b>
<b>Financial liabilities</b>				
Long-term lease liabilities	0	6,705	0	6,705
Trade payables	0	0	23,460	23,460
Lease liabilities	0	12,414	0	12,414
Other financial liabilities	0	0	1,527	1,527
Current bank loans	0	21	0	21
<b>Total</b>	<b>0</b>	<b>19,140</b>	<b>24,987</b>	<b>44,127</b>



(in TCZK)				
2022	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Long-term receivables and loans	0	0	96	96
Financial assets at amortized cost	87,050	0	0	87,050
Trade receivable	0	0	40,345	40,345
Other financial assets	0	0	25,230	25,230
Cash and short-term deposits	0	668,087	0	668,087
<b>Total</b>	<b>87,050</b>	<b>668,087</b>	<b>65,671</b>	<b>820,808</b>
<b>Financial liabilities</b>				
Long-term lease liabilities	0	13,367	0	13,367
Trade payables	0	0	17,251	17,251
Lease liabilities	0	11,533	0	11,533
Other financial liabilities	0	0	2,567	2,567
Current bank loans	0	39,206	0	39,206
<b>Total</b>	<b>0</b>	<b>64,106</b>	<b>19,818</b>	<b>83,924</b>

There were no transfers between Level 1, Level 2 and Level 3 during 2023 and 2022.

## 7.6 Capital Management

The Group uses the definition of financial capital maintenance. A profit is earned only if the amount of net assets at the end of a period exceeds the amount at the beginning of the period, excluding any inflows from or outflows to owners, such as contributions and distributions.

Individual items included in equity are presented in the Statement of changes in equity.

The capital management objectives of the Group are as follows:

- to be in compliance with the laws of the Czech Republic; Act No. 90/2012, Coll. on commercial companies and cooperatives (Law on Commercial Corporations);
- to ensure the ability of the Group to meet the conditions of a going concern so as to generate profit from the investments of shareholders and in favor of stakeholders;
- to maintain a strong capital position that would help to develop the business.

The primary business objective of the Group is to ensure smooth execution of exchange trades and their settlement. For the purposes of effective settlement and reducing credit risk (settlement risk), the Group accepts financial contributions from market participants to the Collateral Fund, the Clearing Fund and fees for services provided.

The dividend policy is the main tool for the capital management.

The planned dividend for 2023 for the Group shareholders amounts to CZK 1,055 per share (2022: CZK 1,071 per share).

**7.7 Financial Instruments: Disclosures**

The Group's consolidated financial statements for the year ended 31 December 2023 were prepared in accordance with the standard IFRS 7 – Financial Instruments: Disclosures.

Pursuant to IFRS 9 – Financial Instruments: Classification, the Group classifies financial instruments into the categories set out below.

**Financial instruments by class and category as at 31 December 2023:**

(in TCZK)

Categories	Debt instruments at amortized costs	Financial assets at FVTPL	Financial liabilities at amortized costs	Financial liabilities FVTPL
<b>Classes</b>				
Long-term receivables	96	0	0	0
Long-term financial assets	99,070	0	0	0
Trade receivables	49,457	0	0	0
Other financial assets	11,145	0	0	0
Cash and short-term deposits	632,758	0	0	0
Long term lease liabilities	0	0	6,705	0
Trade payables	0	0	23,460	0
Lease liabilities	0	0	12,414	0
Other financial liabilities	0	0	1,527	0
Short-term bank loans	0	0	21	0
<b>Total</b>	<b>792,526</b>	<b>0</b>	<b>44,127</b>	<b>0</b>

**Financial instruments by class and category as at 31 December 2022:**

(in TCZK)

Categories	Debt instruments at amortized costs	Financial assets at FVTPL	Financial liabilities at amortized costs	Financial liabilities FVTPL
<b>Classes</b>				
Long-term receivables	96	0	0	0
Long-term financial assets	98,630	0	0	0
Trade receivables	40,345	0	0	0
Other financial assets	25,230	0	0	0
Cash and short-term deposits	668,087	0	0	0
Long term lease liabilities	0	0	13,367	0
Trade payables	0	0	17,251	0
Lease liabilities	0	0	11,533	0
Other financial liabilities	0	0	2,567	0
Short-term bank loans	0	0	39,206	0
<b>Total</b>	<b>832,388</b>	<b>0</b>	<b>83,924</b>	<b>0</b>

## 8 ADDITIONAL INFORMATION ON CONSOLIDATED CASH FLOW STATEMENT

The Group presents the following balances with maturity of less than three months since the date of an initial recognition for the purpose of the cash flow statement:

	(in TCZK)	
	As at 31 December 2023	As at 31 December 2022
Cash and bank accounts	415,096	428,471
Treasury bills	0	0
<b>Total cash and cash equivalents</b>	<b>415,096</b>	<b>428,471</b>

The Company held treasury bills SPP CNB 4T 5,4 05/01/2024 ISIN CZ0001007199 of TCZK 100,000 as at 31 December 2023 (2022: TCZK 0). The cash at the bank in the amount of 115,930 has a restriction on the use of cash due to holding a capital requirement of the company Central Securities Depository Prague. The cash at the bank in the amount of TCZK 1,732 (2022: TCZK 53,246) has a restriction on the use of cash due to holding a margin requirement of the company Energy Clearing Counterparty, a.s.

Additional information is disclosed in the Note 6.8.

## 9 CLEARING FUND ASSETS AND LIABILITIES

The clearing fund assets and liabilities are recognized in the off-balance sheet.

(in TCZK)			
<b>2023</b>			
Bank accounts	17,433		
- current account	17,433		
- term account	0		
Fixed income securities held to maturity	0	Liabilities to members of CLF	17,433
<b>Total assets</b>	<b>17,433</b>	<b>Total liabilities</b>	<b>17,433</b>

(in TCZK)			
<b>2022</b>			
Bank accounts	16,497		
- current account	16,497		
- term account	0		
Fixed income securities held to maturity	0	Liabilities to members of CLF	16,497
<b>Total assets</b>	<b>16,497</b>	<b>Total liabilities</b>	<b>16,497</b>

The current account includes the interest in the value of TCZK 398 as of 31 December 2023 (2022: TCZK 403).

**10 RELATED PARTIES**

Wiener Börse AG is the majority shareholder of the Group. Wiener Börse AG owns as at 31 December 2023:

- 99.543% (2022: 99.543 %) share of Burza cenných papírů Praha, a.s.

Wiener Börse AG merged all of its rights and obligations as a transferring company to the sole shareholder CEESEG AG valid from January 1, 2020 by transferring its assets as a whole. CEESEG AG was renamed to Wiener Börse AG.

The Group recognizes the following transactions with Wiener Börse AG:

(in TCZK)		
Revenues/Expenses	2023	2022
Agreement on information sale cooperation	37,429	43,832
Agreement regarding index trading	266	308
Other revenues	61	61
<b>Total revenues</b>	<b>37,756</b>	<b>44,201</b>
Agreement on technical trading system XETRA	11,097	10,510
Others	1,282	1,022
<b>Total expenses</b>	<b>12,379</b>	<b>11,532</b>

(in TCZK)		
Receivables/Payables	As at 31 December 2023	As at 31 December 2022
Agreement on information sale cooperation	9,244	22,047
Agreement regarding index trading	266	308
Other receivables	60	60
<b>Trade receivables</b>	<b>9,570</b>	<b>22,415</b>

The Group recognised the following transactions with PXE (the associate):

(in TCZK)		
Receivables/Payables	2023	2022
Trade receivables	185	214
Estimated receivables	19	75
<b>Total receivables</b>	<b>204</b>	<b>289</b>
VAT payables	201	124
Deferred revenues	62	111
Estimated payables	0	0
<b>Total payables</b>	<b>263</b>	<b>235</b>

(in TCZK)		
Revenues/Expenses	2023	2022
FX losses	7	5
<b>Total expenses</b>	<b>7</b>	<b>5</b>
Fees for support services	9,275	8,057
Other operating revenues	1,080	1,535
Rent	1,332	1,158
FX gains	5	4
<b>Total revenues</b>	<b>11,692</b>	<b>10,754</b>

The terms of the transactions with the related party reflects the market prices. The transactions with key management personnel are in note 5.3 .

## 11 SUBSEQUENT EVENTS

No events have occurred since the balance sheet date that would have any material impact on the financial statements as at 31 December 2023.

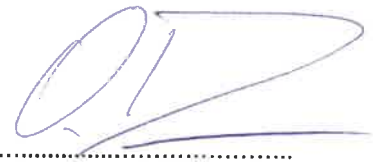
Prague, 7 March 2024

Exchange Chamber's signature:



Petr Kobic

Chairmen of the Exchange Chamber



Ondřej Dušílek

Member of the Exchange Chamber



(Translation of a report originally issued in Czech - see Note 2 to the consolidated financial statements.)

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Burza cenných papírů Praha, a.s.:

### *Opinion*

We have audited the accompanying consolidated financial statements of Burza cenných papírů Praha, a.s. (hereinafter also the "Company") and its subsidiaries (the "Group") prepared in accordance with IFRS Accounting Standards as adopted by the European Union, which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a material accounting policy information. For details of the Group, see Note 1 to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

### *Basis for Opinion*

We conducted our audit in accordance with the Act on Auditors and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application clauses. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Other Information*

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the consolidated Annual Report other than the consolidated financial statements and auditor's report thereon. The Board of Directors is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law or regulation, in particular, whether the other information complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- The other information describing the facts that are also presented in the consolidated financial statements is, in all material respects, consistent with the consolidated financial statements; and
- The other information is prepared in compliance with applicable law or regulation.



In addition, our responsibility is to report, based on the knowledge and understanding of the Group obtained in the audit, on whether the other information contains any material misstatement. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement.

#### *Responsibilities of the Company's Board of Directors and Supervisory Board for the Consolidated Financial Statements*

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as adopted by the European Union and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Group's financial reporting process.

#### *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with above regulations will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the above law or regulation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Company.



- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors and the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young Audit, s.r.o.  
License No. 401



Roman Hauptfleisch, Auditor  
License No. 2009

7 March 2024  
Prague, Czech Republic








## Contact information

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