

ANNUAL REPORT 2023

VP SECURITIES A/S

NICOLAI EIGTVEDS GADE 8

DK-1402 COPENHAGEN K

CVR NO. 21599336

The Annual General Meeting
adopted the annual report on
26 April 2024

Steen Jensen

Chairperson of the meeting

Entity

VP Securities A/S
Nicolai Eigtveds Gade 8
DK-1402 Copenhagen K

CVR: 21599336

Year of foundation: 1980
Registered office: Copenhagen
Financial year: 01.01.2023 - 31.12.2023
Phone number: +45 4358 8888
Website: www.vp.dk

Board of Directors

Pierre Eric Francois Davoust, Chairman
Simone Erlinde Huis in 't Veld
Jan Walther Andersen
Hans René Stockner
Jesper H. V. Lauritsen (elected by the employees)
Amra Besic Pedersen (elected by the employees)

Executive Management

Niels Hjort Rotendahl, CEO

Auditor

EY Godkendt Revisionspartnerselskab
Dirch Passers Allé 36
2000 Frederiksberg
CVR: 30700228

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1. MANAGEMENT COMMENTARY

Financial highlights

DKK 1,000	2023	2022	2021	2020	2019 *
Key figures					
Net turnover	568.049	542.769	553.114	504.177	425.841
Operating result	259.985	242.411	182.468	134.331	38.374
Profit/loss on financial items	12.514	-18.498	-3.891	2.114	-5.973
Profit for the year	212.523	174.426	139.232	105.453	23.561
Total assets	765.199	721.525	697.697	841.057	747.903
Intangible fixed assets	150.385	113.810	98.283	129.712	128.574
Investment Property, plant and equipment	5.916	5.733	2.567	7.608	1.596
Equity	641.541	609.170	587.353	686.880	595.187
Key ratios					
Gross margin (per cent)	76	75	74	74	66
Net margin (per cent)	37	32	25	21	6
Solvency ratio (per cent)	84	84	84	82	80
Capital surplus (per cent)	10	10	10	10	50

* Part of the historical Key figures, Key ratios and Other KPI's for 2019 are affected by changes in Accounting Policies implemented in 2020. Therefore corresponding figures for 2019 have been adjusted in this overview. See annual report for 2020, page 17, for more information.

Financial highlights are defined and calculated in accordance with the current version of Recommendations & Ratios" issued by the CFA Society Denmark.

Gross margin (per cent):	$\text{Gross profit} \times 100 / \text{Revenue}$
Net margin (per cent):	$\text{Profit for the year} \times 100 / \text{Revenue}$
Solvency ratio (per cent):	$\text{Equity} \times 100 / \text{Total assets}$
Capital surplus (per cent):	$(\text{Equity} - \text{Systems developed and Systems under development} - \text{proposed dividend}) / \text{Capital requirement}$

Primary activities

In August 2020, VP Securities A/S (VP) became part of Euronext, the leading pan-European market infrastructure connecting European economies to global capital markets to accelerate innovation and sustainable growth. With the acquisition of Borsa Italiana that followed in 2021, Euronext now owns and operates four central securities depositories (CSDs).

As the Copenhagen-based central securities depository, licensed under CSDR and with access to T2S, VP is an integrated part of the Danish and European financial ecosystem. Hence, VP forms an important part of the financial infrastructure. Its range of services include issuance, settlement and safekeeping of securities to facilitate the requirements of the financial industry in an efficient and reliable manner. In addition to CSD services, VP also offers ancillary services such as Issuing Agent Services, facilitation of Annual General Meetings (AGMs) and Asset Services.

Development in activities

- The total market value of the securities book-entered at VP at the end of 2023 amounted to DKK 11,810 billion, which is about DKK 1,080 billion higher than at the end of 2022, corresponding to an increase of 10 per cent.
- The number of securities instructions completed reached 41.9 million in 2023. This is 3.7 million lower than in 2022, corresponding to a decrease of 8 per cent.
- By the end of 2023, the number of custody accounts held at VP was 3.7 million – equivalent to the number of custody accounts held at VP by the end of 2022.

Financial review

Income Statement

The revenues for 2023 amounted to DKK 568 million compared to DKK 543 million in 2022. Revenue within core CSD Services increased from DKK 500 million to DKK 521 million. The main driver was an increase in asset values.

The cost base counted for DKK 275 million in 2023 compared to DKK 270 million in 2022, with a small increase mainly due to an increase in other external costs.

The operating result amounted to DKK 260 million versus DKK 242 million in 2022. The increase is primarily due to the increase of revenues.

Financial items (positive with DKK 13 million in 2023), are affected by fair value adjustments on the bond portfolio. The bond portfolio was reduced during 2022, but with an again more favorable market for bonds in 2023, the bond portfolio has increased during 2023.

The profit for the year amounts to DKK 213 million where the profit last year was DKK 174 million.

Actual performance in 2023 (DKK 213 million) was improved compared to expectations for 2023 (profit in the interval DKK 150 to 200 million), mainly due to higher assets values than expected which generated revenues higher than expected.

Balance sheet as per 31 December 2023

As per 31 December 2023, VP's balance sheet was DKK 765 million compared to DKK 722 million as per 31 December 2022.

Current assets increased in 2023 to DKK 580 million from DKK 570 million in 2022, where of other securities and investments increased by DKK 110 million and liquid funds decreased by DKK 107 million.

Equity, including the statutory non-distributable reserve, increased to DKK 642 million compared to DKK 609 million as per end of 2022. The increase of DKK 32 million attributes to the net result for 2023 and the distribution of DKK 183 million in dividend.

The statutory non-distributable reserve as per 31 December 2023 was increased with DKK 0.5 million to DKK 62 million. This is due to, pursuant to Section 213(2) of the Danish Financial Services Act, the interest rate being 1 per cent throughout 2023.

Capital surplus and dividend

As of 31 December 2023 the capital base of VP Securities (equity with the deduction for systems developed and systems under development) amounted to DKK 504 million and the required capital was calculated to DKK 307 million. Hence, the capital surplus as per 31 December 2023 is DKK 197 million corresponding to 64 per cent.

It is proposed to payout dividend of DKK 166 million, leaving a capital surplus at 10 per cent on top of required capital.

Uncertainty relating to recognition and measurement

No special uncertainties are considered for recognition and measurement in connection with the 2023 annual report.

Outlook

For 2024, VP expects assets values to align with 2023. Performance is expected to be on par with 2023 (profit in the interval DKK 150 to 200 million).

Particular risks

The key risk categories VP currently faces are:

- Operational risks, includes risk of loss resulting from inadequate or failed IT infrastructural systems at VP or external suppliers and network dependencies or processes due to direct or indirect human errors. Compliance risk due to misalignment with industry laws and regulations, internal policies. External events affecting operational stability including physical security, information security and cyberthreats.
- Strategic risks, includes risk related to the commercial ability to meet market demands as competition within domestic and international business areas accelerate, stakeholder perception and attrition, market structure evolution and "insourcing" activities by clients, extended legislation and supervision by authorities due to events in the financial sector and macroeconomic and geopolitical development.

- Financial risks, , including risk related to claims, fines, or changes to capital requirements.

Statutory report on corporate social responsibility (cf Danish Financial Statements Act § 99a)

VP Securities is fully owned by Euronext N.V. and we refer to “Euronext 2023 Universal Registration Document” chapter 3 for information on corporate social responsibility

<https://www.euronext.com/en/investor-relations/financial-information/financial-reports>

Gender distribution in management (cf Danish Financial Statements Act § 99b)

The Company's Board of Directors consists of six persons, of whom four are male and two are female. Four of the Directors are elected by the Annual General Meeting of whom one is female, thus equal gender distribution has been achieved.

ES CPH believes that diversity in the Board of Directors is a key element to ensuring sufficient knowledge, professional expertise and experience to undertake ES CPH's activities and the related risks thus supporting ES CPH in a commercial and competitive market situation.

Diversity in the Board of Directors comprises knowledge, professional expertise, experience, sector background, gender, independence as well as other significant variations in the composition of the Board of Directors. This also include the achievement of results, international experience, and knowledge of the capital market infrastructure, including CSD market insight and regulatory insight, experience from transformation management, intercultural competence, and basic managerial skills.

At the end of 2023, the leadership team* consisted of 12 executives of whom four are female and eight are male equivalent to 33% of female leaders, thus equal gender distribution has been achieved.

		2023	2024	2025	2026	2027
Top managerial position (Board of Directors)	Total number of members (elected by the general meeting)	4				
	Underrepresented gender in pct.	25%				
	Target figure in pct.	40%*				
	Year for fulfilment of target figure	2023				
Other Managerial positions (1 and 2)	Total number of members	12				
	Underrepresented gender in pct.	33%				
	Target figure in pct.	40%*				
	Year for fulfilment of target figure	2023				

**The target for the gender balance in the Other Management Levels is a distribution between men and women, where the under-represented gender represents at least 40% or the number closest to 40% without exceeding 40%.*

ES-CPH is a part of the Euronext Group. For all of its recruitments across the Group, while complying with local legislation and regulation, Euronext Group seeks to select the best candidates based on merit and objective criteria and take into consideration the benefits of a diverse talent pool.

ES-CPH believes that it is also by recruiting, developing and retaining women in the Euronext workforce and in the wider business community, that ES-CPH will be able to promote more women to senior and leadership positions. The HR function supports this objective. Further, in 2023 Euronext Group continued its commitment to ensure an inclusive environment for all forms of diversity by:

- promoting diversity and inclusion both internally and in the wider community through training, communication, and ESG initiatives
- attracting, retaining and developing a diverse array of talents by continuously improving its recruitment, development and retention
- complying with the legislation and regulations applicable to Euronext in all locations where Euronext is present and conducts business.

Gender distribution is covered by ES-CPH Diversity Policy approved by the Board of Directors.

* The leadership team consists of two levels. The first level of management is the Executive Board (CEO). The second level of management includes managers with personnel responsibilities, who report directly to the first level of management. In this respect, "personnel responsibilities" only exist in relation to employees of the same legal entity in which the manager is employed.

Policy on data ethics (cf Danish Financial Statements Act § 99d)

VP Securities holds a license to operate as a central securities depository. As a central securities depository, VP keeps records of holders of the securities (for instance shares, bonds and investment fund units) issued by VP, and VP settles (i.e. transfer from one securities account to another) securities transactions. This means that VP holds information on all holders of securities accounts with VP, and if it is a private individual who is registered as the account holder, VP holds personal data on such individual.

The policy on how VP Securities processes personal data is available on:

<https://www.euronext.com/en/post-trade/euronext-securities/copenhagen/legal-framework/personal-data-protection>

VP Securities does not have a specific policy on data ethics. VP Securities only collects, uses or shares data for purposes as required from the applicable laws and regulations. Should the collection and processing of data change in the future, VP will evaluate whether it would be considered necessary to establish such a policy.

Treasury shares

The company holds 630 own shares each nominal DKK 1,000 corresponding to 1.57% of the total share capital.

Events after the balance sheet data

From the balance sheet date, up to now, there have not been any circumstances that adversely affect the assessment of the annual report.

2. MANAGEMENT STATEMENT

The Board of Directors and the Executive Management have as of today's date considered and approved the Annual Report of VP Securities A/S for the financial year from 1 January to 31 December 2023.

The Annual Report is prepared and presented in accordance with the provisions of the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the company's assets, liabilities and financial position as at 31 December 2023 and of the result of the company's activities, as well as the cash flows for the financial year from 1 January to 31 December 2023.

In our opinion, the Management's Review presents a true and fair account of the matters covered by the Review.

We recommend the Annual Report for approval by the Annual General Meeting.

Copenhagen, 19 April 2024

Executive Management

Niels Hjort Rotendahl, CEO

DocuSigned by:

Niels Hjort Rotendahl

Board of Directors

DocuSigned by:

Pierre Davoust

Pierre Eric Francios Davoust, Chairman

DocuSigned by:

Simone Huis in 't Veld

Simone Erlinde Huis in 't Veld

DocuSigned by:

Jan Walther Andersen

Jan Walther Andersen

DocuSigned by:

Rene Stockner

Hans René Stockner

DocuSigned by:

Amra Besic Pedersen

Amra Besic Pedersen

DocuSigned by:

Jesper H.V. Lauritsen

Jesper H. V. Lauritsen

3. THE INDEPENDENT AUDITOR'S REPORT

To the shareholder of VP Securities A/S

Opinion

We have audited the financial statements of VP Securities A/S for the financial year from 1 January to 31 December 2023, which comprise accounting policies applied, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations and cash flows for the financial year from 1 January to 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management 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, Management 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 in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 ISAs and additional requirements applicable in Denmark 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 the financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance 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.

Statement on the management commentary

Management is responsible for the Management commentary.

Our opinion on the financial statements does not cover the Management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the Management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management commentary.

Copenhagen, 19 April 2024

EY Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28



Thomas Hjortkjær Petersen

State Authorised

Public Accountant

mne33748



Bjørn Würtz Rosendal

State Authorised

Public Accountant

mne40039

4. ACCOUNTING POLICIES APPLIED

The annual report of VP Securities A/S for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Presentation currency

The financial statements are presented in Danish Kroner (DKK'000)

General information on recognition and measurement

Assets are recognised in the balance sheet when, as a result of a prior event, it is likely that future economic benefits will accrue, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when, as a result of a prior event, the company has a legal or actual obligation and it is likely that future financial benefits will divest from the company, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement after initial recognition is as described for each accounting item below.

On recognition and measurement, account is taken of foreseeable risks and losses occurring before the Annual Report is presented and which confirm or refute conditions existing on the balance sheet date.

Income is recognised in the income statement as and when it is earned, while costs are recognised as the amounts concerning the financial year.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income Statement

Revenue from the sale of services

The Company has chosen IFRS 15 as interpretation for revenue recognition.

Revenue related to the provision of CSD services, corresponding to the invoiced sales for the year under review is recognised in the income statement, once services have been rendered to the buyer.

Revenue is measured at the fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue

Other external costs

Other external costs include activity-dependent costs, costs of IT operations, costs of consulting services, audit and supervisory costs, facility management and office costs.

Payroll costs

Payroll costs comprise wages and salaries plus social security costs, pensions, etc., for the staff.

Depreciation, amortisation and write-downs

Depreciation, amortisation and write-down of property, plant and equipment and intangible assets consist of the depreciation and amortisation for the financial year, compiled according to the assets' residual values and the expected economic lifetime. Write-downs as a consequence of impairment tests, or due to gains or losses on the divestment of the assets, are also included here.

Other financial income

Other financial income comprises interest receivable, net capital gains in respect of securities, foreign exchange transactions, as well as refunds under the tax prepayment scheme, interest on lease liabilities, etc.

Other financial costs

Other financial costs comprise interest payable, net capital losses in respect of securities, debt commitments and foreign exchange transactions, as well as interest payable under the tax prepayment scheme, etc.

Tax

Tax for the year (comprising actual tax for the year and change in deferred tax for the year) is recognised in the income statement to the extent that it is directly attributable to profit for the year, or recognised directly in equity to the extent that it is attributable to items pertaining directly to equity.

Balance Sheet**Intellectual property rights, etc.**

Other intangible assets comprise ongoing and completed IT development projects and software.

IT development projects are recognised as intangible assets provided that such projects relate to clearly defined, identifiable products and processes, where the degree of technical utilisation, adequate resources and a potential future market or development opportunity within the business can be demonstrated, and where the intention is to produce, market or use the product or process in question. Other development costs are recognised as costs in the income statement at the time they are incurred.

The cost price of development projects comprises salaries and other cost, which are directly attributable to the development projects.

Completed development projects are depreciated on a straight-line basis over the anticipated useful life. The depreciation period is 3-5 years.

Development projects, including current projects, are written down to their recovery value where this is below the book value.

Software licenses are measured at cost after deduction of accumulated depreciation, amortisation and write-downs. Software licenses are depreciated over maximum three years and are written down to the recovery value if this is below the book value.

Property, plant and equipment

Leasehold improvements, technical plant and machinery and other equipment, operating plant and fixtures and fittings are measured at cost less accumulated depreciation and write-downs. Sites, art objects or other assets of which the value cannot depreciate as a consequence of use and wear are not subject to depreciation.

Cost price includes acquisition price, costs directly associated with the acquisition, as well as costs for preparation of the asset until it is ready to be taken into use.

The basis for depreciation is the cost price less the expected residual value when the asset ceases to be used. Depreciation takes place on a straight-line basis, according to the following expected economic lives:

- Production plant and machinery – 3-10 years.
- Other plant, operating equipment and fixtures and fittings – 3-10 years.
- Leasehold improvements – 5-10 years.

Property, plant and equipment are written down to their recovery value where this is below the book value.

Gains and losses on the disposal of property, plant and equipment are calculated as the difference between the sales prices less sales costs on the one hand, and the accounting value at the time of the sale on the other.

Gains or losses are recognised in the income statement together with depreciation, amortisation and write-downs or under other operating income, should the sales price exceed the original cost price.

Right-of-Use

The Right-of-Use asset cover the value of the right to use the rented premises for a period estimated by the management. At the initial recognition equal to the Lease liability for the same asset.

Receivables

Receivables are, in accordance with the principles in IFRS 9, recognised at amortised cost price, which usually corresponds to face value, less write-downs to compensate for anticipated losses.

Deferred tax

Deferred tax is calculated on all provisional differences between the values of assets and liabilities in the internal accounts and tax accounts respectively, whereby the value for tax purposes of the assets is obtained based on the planned use of the individual asset.

Deferred tax assets, including the tax value of deductible losses that can be carried forward, are recognised in the balance sheet at the anticipated realisable value of the asset, either by being offset against the deferred tax liability or as net tax assets.

Receivable and payable corporate tax

The current tax liability or tax receivable is recognised in the balance sheet as tax calculated on the taxable profit for the year, adjusted for tax paid on account.

Prepayments

Prepayments recognised under assets include defrayed costs relating to the subsequent financial year.

Prepayments are measured at cost.

Securities and investments

Securities recognised under current assets include listed shares and bonds measured at their officially listed values on the balance sheet date (fair value hierarchy level 1). Both realised and unrealised capital gains and losses are recognised in the income statement under financial items.

Equity**Reserve for development costs**

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development costs are amortised or no longer part of the Company's operations. This is done by a transfer directly to the distributable reserves under equity.

Treasury shares

Acquisition and selling prices of treasury shares and dividends from the same are recognised directly in profit carried forward under equity. Gains or losses from sales are thus not included in the income statement. Capital reduction from cancellation of treasury shares reduces the share capital by an amount corresponding to the face value of the Treasury shares.

Dividend

Dividend is recognised as a debt commitment at the time of its adoption by the annual general meeting. The proposed dividend for the financial year under review is shown as a separate item under equity.

Liabilities

Liabilities are measured at amortised cost price which usually corresponds to face value.

Leasing obligations

Leasing liabilities relating to operational leasing agreements are recognised in the income statement on a straight-line basis during the term of the lease. Lease liabilities related to the rent of premises are recognized in the balance based on management estimates for the period of rental and the rental costs.

Cash flow statement

With reference to the Danish Financial Statements Act § 86 (4), VP Securities does not present a cash flow statement.

5. INCOME STATEMENT - 1 JANUARY TO 31 DECEMBER 2023

DKK 1,000	Note	2023	2022
Revenue	1	568 049	542 769
Other external cost	4	-138 826	-135 158
Gross profit		429 222	407 610
Payroll costs	2	-136 785	-135 075
Depreciation, amortisation and write-downs	3	-32 453	-30 124
Operating result		259 985	242 411
Other financial income	5	15 056	3 228
Other financial costs	6	-2 542	-21 726
Result from ordinary activities before tax		272 499	223 913
Tax on ordinary profit	7	-59 976	-49 488
Profit for the year		212 523	174 426
Proposed appropriation of profit			
Profit for the year		212 523	174 426
Proposed dividend		-166 243	-182 775
Profit carried forward		46 280	-8 349

6. BALANCE SHEET – ASSETS - AS AT 31 DECEMBER 2023

DKK 1,000	Note	2023	2022
Systems under development	8	101.725	49.650
Systems developed	8	35.777	47.872
Purchased software	8	12.883	16.288
Intangible fixed assets		150.385	113.810
Production plant and machinery	9	7.991	7.006
Other equipment, process materials, fixtures and fittings	9	2.055	1.730
Leasehold improvements	9	1.145	1.161
Right-of-Use assets	9	23.599	27.414
Property, plant and equipment		34.790	37.310
Fixed assets		185.175	151.120
Receivables from sales and services		64.146	69.431
Other receivables		15.376	4.736
Prepayments	10	7.687	6.401
Receivables		87.209	80.569
Other securities and investments		303.774	193.671
Liquid funds		189.041	296.164
Current assets		580.024	570.405
Total assets		765.199	721.525

7. BALANCE SHEET – LIABILITIES - AS AT 31 DECEMBER 2023

DKK 1,000	Note	2023	2022
Corporate capital	15	40 000	40 000
Other statutory reserves		61 653	61 176
Reserve for internal IT-development projects		107 251	76 067
Profit/loss carried forward		266 393	249 152
Proposed dividend		166 243	182 775
Equity and non-distributional reserve		641 541	609 170
Deferred tax	11	8 743	12 587
Lease liabilities	12	20 510	24 612
Long-term debt commitments		29 253	37 199
Lease liabilities	12	5 255	5 298
Suppliers of goods and services		240	1 369
Corporate tax payable		144	-546
Other debt commitments		88 766	69 035
Short-term debt commitments		94 405	75 155
Debt		123 658	112 354
Total equity and liabilities		765 199	721 525

Other notes:

13 Contingent liabilities

14 Distribution of profit

16 Related parties

17 Events after the balance sheet date

8. EQUITY STATEMENT – AS AT 31 DECEMBER 2023

	Corporate capital	Other statutory reserves *	Reserve for internal IT-development projects	Profit / loss carried forward	Dividend	Totals
Equity at 01-01-2022	40 000	61 176	37 949	293 157	155 071	587 353
Dividend paid					-152 629	-152 629
Other equity regulation**				2 442	-2 442	-
Long term incentive plan				21		21
Proposed dividend					182 775	182 775
Profit carried forward			38 118	-46 467		-8 349
Equity at 31-12-2022	40 000	61 176	76 067	249 153	182 775	609 171
Equity at 01-01-2023	40 000	61 176	76 067	249 153	182 775	609 171
Dividend paid					-179 896	-179 896
Other equity regulation**				2 879	-2 879	-
Long term incentive plan				-257		-257
Regulation of statutory reserve		477		-477		-
Proposed dividend					166 243	166 243
Profit carried forward			31 185	15 095		46 280
Equity at 31-12-2023	40 000	61 653	107 251	266 393	166 243	641 541

* Statutory allocation to non-distributable reserve

The conversion of the private foundation Værdipapircentralen into VP Securities A/S, a limited liability company, required the establishment of a non-distributable reserve corresponding to the value of the assets contributed by the private foundation after deduction of the contributed liabilities. Pursuant to the Danish Securities Trading Act, VP Securities A/S must allocate 10 per cent of the profit for the year which has not been used to cover any losses from previous years to the non-distributable reserve. This allocation may not, however, exceed the yield on the non-distributable reserve, which corresponds to the interest rate calculated in accordance with Section 213(2) of the Danish Financial Business Act, less a pro rata share of the corporation tax for the year. The latter rule of limitation is to be used for the 2023 financial year. As the interest rate pursuant to Section 213(2) of the Danish Financial Business Act was 1 per cent in both the first and second half of 2023, the statutory reserve is (corporation tax taken into account) increased with DKK 477k.

** Other equity regulation relates to own shares dividend

9. NOTES – FINANCIAL STATEMENT

DKK 1,000	2023	2022
1. Revenue		
CSD & Securities Services	521.253	500.408
Issuer Services	46.796	42.361
	568.049	542.769
2. Payroll costs		
Wages and salaries	116.917	112.546
Pensions	21.364	20.242
Other social security costs	17.570	16.301
Capitalisation of salaries	-19.066	-14.014
	136.785	135.075
Of which total remuneration paid to the Board of Directors and the Executive Management	4.301	4.917
Average number of full-time employees	142	135

Certain employees of the Euronext Group benefited from Restricted Stock Units (“RSUs”) granted by Euronext N.V. under the LTI Plans on their applicable grant dates. RSUs granted under LTI Plans cliff-vest after 3 years, subject to continued employment and a ‘positive EBITDA’ performance condition.

In addition to these RSUs granted to all participants in the LTI Plans, Performance RSUs have been awarded to members of the Managing Board and Senior Leadership team. The vesting of these Performance RSUs is subject to two performance conditions:

- 50% of the performance RSUs vests subject to a Total Shareholder Return (“TSR”) condition;
- 50% of the performance RSUs vests subject to an EBITDA1-based performance condition.

The Executive Management (CEO) are subject to an ordinary notice of termination of 12 months.

	2023	2022
3. Depreciation, amortisation and write-downs		
Amortisation of intangible assets	18 799	21 246
Write-down of intangible assets	3 964	
Depreciation of property, plant and equipment	9 690	8 878
	32 453	30 124
4. Fees for auditors elected by the Annual General Meeting		
Statutory audit	750	1 050
Tax, VAT and other duty services	63	63
	813	1 113
5. Other financial income		
Other interests receivable	12 039	3 184
Fair value adjustments, realised	567	-
Fair value adjustments, unrealised	2 399	-
Other financial income	52	44
	15 057	3 228
6. Other financial costs		
Other interests payable	1 629	2 365
Fair value adjustments, realised	-	14 751
Fair value adjustments, unrealised	174	4 124
Other financial costs	739	485
	2 542	21 726
7. Tax on ordinary profit		
Current tax	63 812	44 282
Change in deferred tax	-3 844	5 206
Adjustment previous years	8	-
	59 976	49 488

8. Intangible fixed assets

DKK 1,000	Systems under development	Systems developed	Purchased software
Costs, beginning of the year	49 650	240 717	50 426
Additions	55 808	3 461	68
Disposals	-3 733	-83	-4 005
Cost, end of the year	101 725	244 096	46 489
Depreciations, amortisations and write-downs, beginning of the year	-	-192 846	-34 138
Depreciations and amortisations, for the year		-15 556	-3 242
Write-downs for the year	-3 733		-231
Disposals	3 733	83	4 005
Depreciations, amortisations and write-downs, end of the year	-	-208 319	-33 606
Carrying amount, end of the year	101 725	35 777	12 883

Development projects comprises salaries and other costs which relates to development of IT systems. Development projects are amortized over 3-5 years. Management has not identified any indication of impairment in relation to the development projects.

9. Property, plant and equipment

DKK 1,000	Production, plant and machinery	Other equipment process material, fixtures and fittings	Leasehold improvements	Right-Of-Use assets
Costs, beginning of the year	27 856	15 598	4 357	55 720
Additions	5 167	525	224	1 254
Disposals	-12 233	-		-16 805
Cost, end of the year	20 790	16 123	4 581	40 168
Depreciations, amortisations and write-downs, beginning of the year	-20 850	-13 868	-3 196	-28 306
Depreciations and amortisations, for the year	-4 182	-200	-239	-5 069
Disposals	12 233	-		16 805
Depreciations, amortisations and write-downs, end of the year	-12 799	-14 068	-3 435	-16 569
Carrying amount, end of the year	7 991	2 055	1 145	23 599

10. Prepayments

The prepayments and accruals primarily comprise accrued prepaid salaries and costs relating to multi-year contracts with suppliers.

	2023	2022
11. Deferred tax		
Intangible fixed assets	-11.170	-14.115
Property, plant and equipment	1.036	592
Leasing	477	549
Provisions	914	387
	-8.743	-12.587

12. Lease liabilities

The lease liabilities cover the managerial estimate on the accounting of the company's property lease. At the end of 2023, VP Securities has one lease agreement.

Maturity of lease liabilities:

Within 1 year	-5.255
Within 2 to 5 years	-20.510
After 5 years	-
	-25.765

13. Contingent liabilities

VP Securities has issued a bank guarantee of DKK 2.75 million related to a property lease agreement.

	2023	2022
14. Distribution of profit		
<i>Proposed distribution of profit/loss</i>		
Proposed dividend	166 243	182 775
Reserve for internal IT-development projects	31 185	38 118
Profit / loss carried forward	15 095	-46 467
	212 523	174 426

15. Share capital

The share capital consists of 40.000 shares each of nominal DKK 1.000 leading to a share capital of DKK 40.000.000. No shares have specific rights. As per 31. December 2023, the parent company Euronext N.V. holds 39.370 shares corresponding to 98.43%, while the company holds 630 own shares corresponding to 1.57%.

16. Related parties

Control

Euronext N.V., Beursplein 5, 1012 JW Amsterdam, The Netherlands, exercises the control over VP Securities A/S.

The consolidated financial statement of Euronext N.V. may be obtained from the Company on <https://www.euronext.com/en/investor-relations/financial-information/financial-reports>

Related party transactions

Transactions between VP Securities, Euronext N.V. and other entities in the Euronext Group are part of the ordinary course of the business, and are based on agreements that are at arm's length. In case entities within the Euronext Group have been using or will use services offered by VP Securities these will be charged at market price or cost.

Related parties comprise also members of the Board of Directors and the Executive Management (CEO), their close family members and companies in which these persons have significant influence. Remuneration to the Board of Directors and the Executive Management is disclosed in Note 2.

17. Events after balance sheet date

From the balance sheet date, up to now, there have not been any circumstances that adversely affect the assessment of the annual report.