



EURONEXT SECURITIES

## ANNUAL REPORT 2021

### VP SECURITIES A/S

NICOLAI EIGTVEDS GADE 8

DK-1402 COPENHAGEN K

CVR NO. 21599336

The Annual General Meeting  
adopted the annual report on  
28 February 2022



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: 01.01.2021 - 31.12.2021  
Phone number: +45 4358 8888  
Website: www.vp.dk

### **Board of Directors**

Pierre Eric Francois Davoust, Chairman  
Eric Bey  
Jan Walther Andersen  
Hans René Stockner  
Jesper H. V. Lauritsen (elected by the employees)  
René Paludan (elected by the employees)

### **Executive Management**

Niels Hjort Rotendahl, CEO

### **Auditor**

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

### **Disclaimer**

The information contained in any of VP Securities A/S' publications does not constitute legal advice. VP Securities A/S is not responsible for any errors and omissions in the presented material, nor does VP Securities A/S assume any liability for the completeness and accuracy of the information.  
VP Securities A/S cannot be held liable for any use of the presented information.

## CONTENTS

1.	MANAGEMENT COMMENTARY .....	4
2.	MANAGEMENT STATEMENT .....	9
3.	THE INDEPENDENT AUDITOR'S REPORT .....	10
4.	ACCOUNTING POLICIES APPLIED.....	13
5.	INCOME STATEMENT - 1 JANUARY TO 31 DECEMBER 2021.....	18
6.	BALANCE SHEET – ASSETS - AS AT 31 DECEMBER 2021.....	19
7.	BALANCE SHEET – LIABILITIES - AS AT 31 DECEMBER 2021.....	20
8.	EQUITY STATEMENT – AS AT 31 DECEMBER 2021.....	21
9.	NOTES – FINANCIAL STATEMENT.....	22

## 1. MANAGEMENT COMMENTARY

### Financial highlights

DKK 1,000	2021	2020	2019 *	2018	2017
<b>Key figures</b>					
Net turnover	553 114	504 177	425 841	423 581	438 436
Operating result	182 468	134 331	38 374	124 203	160 684
Profit/loss on financial items	-3 891	2 114	-5 973	1 678	5 684
Profit for the year	139 232	105 453	23 561	98 324	130 034
Total assets	697 697	841 057	747 903	737 404	636 085
Intangible fixed assets	98 282	129 712	128 574	244 036	188 663
Investment Property, plant and equipment	2 567	7 608	1 596	2 380	6 348
Equity	587 353	686 880	595 187	633 438	535 114
<b>Key ratios</b>					
Gross margin (per cent)	74	74	66	70	71
Net margin (per cent)	25	21	6	23	30
Solvency ratio (per cent)	84	82	80	86	84
Capital surplus (per cent) **	10	10	50	47	-

\* Part of the historical Key figures, Key ratios and Other KPI's for the period 2017-2019 are affected by changes in Accounting Policies implemented in 2020. However, only corresponding figures for 2019 have been adjusted in this overview. See annual report for 2020, page 17, for more information.

\*\* After payment of proposed dividend.

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

### 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 secure issuance, clearing & 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

2021 was a busy year during which VP completed the vast majority of tasks associated with its integration to the Euronext group. Alongside the integration tasks, VP delivered a very strong financial performance based on positive market development in general and by reaching its business targets as outlined in the beginning of the year.

### Integration highlights:

- Delivered on synergies as announced to the market in summer 2020 on the back of the acquisition
- Completed a comprehensive “Organisational refit” programme (including an outsourcing program)

### Business highlights:

- Supporting +160 companies with virtual general meetings
- Significant growth in issuances denominated in foreign currencies (EUR and SEK)
- First time acting as Issuing Agent for a C25 company
- Major changes in custody market leading to more custodians connecting directly to the CSDs.
- Implementing final stage of the Harmonised Settlement Model to align with European standards
- New branding, from VP Securities to Euronext Securities

### Market highlights:

- The total market value of the securities book-entered at VP at the end of 2021 amounted to DKK 12,200 billion, which is about DKK 1,351 billion higher than at the end of 2020, corresponding to an increase of 12 per cent.
- The number of securities instructions completed rose to 50.7 million in 2020. This is 5.7 million higher than in 2020, corresponding to an increase of 13 per cent.
- By the end of 2021, the number of custody accounts held at VP was 3.6 million – up from 3.2 million by the end of 2020.

## Financial review

### *Income Statement*

The revenues for 2021 amounted to DKK 553.1 million compared to DKK 504.2 million in 2020, driven by an underlying growth in our core business, where the revenue within core CSD Services has grown from DKK 461.6 million to DKK 510.2 million. The main drivers were an increasing number of transactions settled and increased asset values especially within the asset classes, equities and investment funds.

The cost base increased to DKK 307.6 million from DKK 298.7 million in 2020.

The operating result amounted to DKK 182.5 million versus DKK 134.3 million in 2020. The increase is primarily due to an increase in the revenues of DKK 48.9 million.

Tax on ordinary profit was DKK 39.3 million against DKK 31.0 million, whereof the change in deferred tax amounted to DKK -15,2 million. The deferred tax item emerges from timing differences between the taxable and the accounting depreciations on intangible assets.

The profit for the year amounts to DKK 139.2 million where the profit last year was DKK 105.5 million.

#### *Balance sheet as per 31 December 2021*

As per 31 December 2021, VP's balance sheet was DKK 697.7 million compared to DKK 841.1 million as per 31 December 2020.

Current assets decreased in 2021 to DKK 559.0 from DKK 644.3 million in 2020, whereof Other securities and investments decreased by DKK 79.0 million and Liquid funds decreased by DKK 6.7 million. The decrease relates primarily to distribution of dividend.

Equity, including the statutory non-distributable reserve, decreased to DKK 587.4 million compared to DKK 686.9 million as per end of 2020. The decrease attributes to the net result and the distribution of DKK 242.9 million in dividend.

The statutory non-distributable reserve as per 31 December 2021 was unchanged DKK 61.2 million. This is due to, pursuant to Section 213(2) of the Danish Financial Services Act, the interest rate was 0 per cent throughout 2021.

Current liabilities decreased from DKK 80.8 million to DKK 73.3 million as per end of 2021.

### **Capital surplus and dividend**

As of 31 December 2021 the capital base of VP Securities amounted to DKK 509.8 million and the required capital was calculated to DKK 322.4 million. Hence, the capital surplus as per 31 December 2021 is DKK 187.3 million corresponding to 58 per cent.

It is suggested to payout dividend of DKK 155.1 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 2021 annual report.

### **Outlook**

For 2022, VP Securities expect the main business drivers to be on par with 2021 while COVID 19 pandemic may still create uncertainty.

VP expect a lower cost base in 2022 as a consequence of the synergies delivered since 2020

In sum, we expect our performance to improve compared to 2021.

## Particular risks

The key risk categories VP currently faces are:

- *Operational risks*, includes cybercrime or cyberattacks directly on VP or via suppliers, IT infrastructural incidents, including incidents and system failures at external suppliers and business dependencies, legal and reputational risks, such as compliance and ethical risks, and other operational risks – for example direct or indirect human errors.
- *Strategic risks*, includes risk related to the commercial ability to meet market demands as competition within VP's business areas accelerate, "insourcing" activities by clients, more far-reaching legislation and supervision by authorities due to, for example, scandals in the financial sector, increasing capital requirements, and macroeconomic and geopolitical development.
- *Financial risks*, including liquidity and credit risk.

## 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 2021 Universal Registration Document" chapter 3 and 4 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 six are male and none are female. Four of the Directors are elected by the Annual General Meeting. VP Securities has set the goal that 40% of the Directors elected by the Annual General Meeting should be female within 2019. In 2020, VP Securities was acquired by Euronext, and the number of Directors are elected by the Annual General Meeting has since been reduced. As part of the integration with Euronext, VP Securities will in 2022 align its policy and targets on diversity with Euronext.

VP believes that diversity in the Board of Directors is a key element to ensuring sufficient knowledge, professional expertise and experience to undertake VP's activities and the related risks thus supporting VP 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 2021, the Management team consisted of six executives, of whom four are male and two are female. During 2021, the gender distribution has increased from 20%/80% to 33%/67%.

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

Euronext fully recognises that it is also by recruiting, developing and retaining women in the Euronext workforce, and in the wider business community, that we will be able to promote more women to senior positions. All our people practices support this objective. In general Euronext commits to ensuring an inclusive environment for all forms of diversity by:

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

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

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

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

<https://www.vp.dk/Legal-Framework/Processing-of-Personal-Data>

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

### **Events after the 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.

### **Treasury shares**

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



## 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 2021.

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

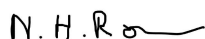
In our opinion, the Financial Statements give a true and fair view of the company's assets, liabilities and financial position as at 31 December 2021 and of the result of the company's activities, as well as the cash flows for the financial year from 1 January to 31 December 2021.

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.

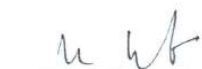
Copenhagen, 10 February 2022

### Executive Management



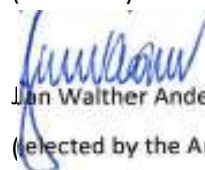
Niels Hjort Rotendahl, CEO

### Board of Directors



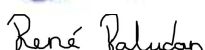
Pierre Eric Francios Davoust, Chairman

(elected by the Annual General Meeting)



Jan Walther Andersen

(elected by the Annual General Meeting)



René Paludan

(elected by the employees)



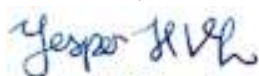
Eric Bey

(elected by the Annual General Meeting)



Hans René Stockner

(elected by the Annual General Meeting)



Jesper H. V. Lauritsen

(elected by the employees)

---

### 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 2021, 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 2021 and of the results of the Company's operations and cash flows for the financial year from 1 January to 31 December 2021 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, 10 February 2022  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Thomas Hjortkær 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 2021 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**

Revenue 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 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 2021

DKK 1,000	Note	2021	2020
Revenue	1	553 114	504 177
Other external cost		-143 380	-130 046
<b>Gross profit</b>		<b>409 734</b>	<b>374 131</b>
Payroll costs	2, 4	-164 217	-168 629
Depreciation, amortisation and write-downs	3	-63 049	-71 172
<b>Operating result</b>		<b>182 468</b>	<b>134 331</b>
Other financial income	5	3 077	4 706
Other financial costs	6	-6 968	-2 591
<b>Result from ordinary activities before tax</b>		<b>178 577</b>	<b>136 446</b>
Tax on ordinary profit	7	-39 345	-30 992
<b>Profit for the year</b>		<b>139 232</b>	<b>105 453</b>
<b>Proposed appropriation of profit</b>			
Profit for the year		139 232	105 453
Proposed dividend		-155 071	-242 914
<b>Profit carried forward</b>		<b>-15 839</b>	<b>-137 461</b>

## 6. BALANCE SHEET – ASSETS - AS AT 31 DECEMBER 2021

DKK 1,000	Note	2021	2020
Internal development projects	8	77 600	102 979
Other development projects	8	20 683	26 734
<b>Intangible fixed assets</b>		<b>98 282</b>	<b>129 712</b>
Production plant and machinery	9	7 430	8 172
Other equipment, process materials, fixtures and fittings	9	353	726
Leasehold improvements	9	-	1 066
Right-of-Use assets	9	32 672	57 078
<b>Property, plant and equipment</b>		<b>40 455</b>	<b>67 041</b>
<b>Fixed assets</b>		<b>138 738</b>	<b>196 754</b>
Receivables from sales and services		61 380	52 975
Other receivables		8 423	7 866
Prepayments	10	10 558	19 161
<b>Receivables</b>		<b>80 360</b>	<b>80 002</b>
<b>Other securities and investments</b>		<b>313 173</b>	<b>392 220</b>
<b>Liquid funds</b>		<b>165 426</b>	<b>172 080</b>
<b>Current assets</b>		<b>558 959</b>	<b>644 303</b>
<b>Total assets</b>		<b>697 697</b>	<b>841 057</b>

## 7. BALANCE SHEET – LIABILITIES - AS AT 31 DECEMBER 2021

DKK 1,000	Note	2021	2020
Corporate capital	14	40 000	40 000
Other statutory reserves		61 176	61 176
Reserve for internal IT-development projects		60 528	80 324
Profit/loss carried forward		270 578	262 466
Proposed dividend		155 071	242 914
<b>Equity and non-distributional reserve</b>		<b>587 353</b>	<b>686 880</b>
Deferred tax	11	7 381	28 108
Lease liabilities	12	29 636	45 251
<b>Long-term debt commitments</b>		<b>37 017</b>	<b>73 359</b>
Lease liabilities	12	3 217	12 083
Suppliers of goods and services		887	6 622
Corporate tax payable		20 300	3 666
Other debt commitments		48 923	58 447
<b>Short-term debt commitments</b>		<b>73 327</b>	<b>80 818</b>
<b>Debt</b>		<b>110 344</b>	<b>154 177</b>
<b>Total liabilities</b>		<b>697 697</b>	<b>841 057</b>

Other notes:

13 Contingent liabilities

15 Related parties

## 8. EQUITY STATEMENT – AS AT 31 DECEMBER 2021

	Corporate capital	Other statutory reserves *	Reserve for internal IT-development projects	Profit / loss carried forward	Dividend	Totals
<b>Equity at 31-12-2019</b>	<b>40 000</b>	<b>61 176</b>	<b>165 932</b>	<b>360 513</b>	<b>13 777</b>	<b>641 398</b>
Change in Accounting Policies 2015-19			-82 716	36 505		-46 211
<b>Equity at 31-12-2019, adjusted</b>	<b>40 000</b>	<b>61 176</b>	<b>83 216</b>	<b>397 018</b>	<b>13 777</b>	<b>595 187</b>
<b>Equity at 01-01-2020, adjusted</b>	<b>40 000</b>	<b>61 176</b>	<b>83 216</b>	<b>397 018</b>	<b>13 777</b>	<b>595 187</b>
Dividend paid					-13 760	-13 760
Other equity regulation				17	-17	-
Proposed dividend					242 914	242 914
Profit carried forward			-2 891	-134 570		-137 461
<b>Equity at 31-12-2020, adjusted</b>	<b>40 000</b>	<b>61 176</b>	<b>80 325</b>	<b>262 465</b>	<b>242 914</b>	<b>686 880</b>
<b>Equity at 01-01-2021, adjusted</b>	<b>40 000</b>	<b>61 176</b>	<b>80 325</b>	<b>262 465</b>	<b>242 914</b>	<b>686 880</b>
Dividend paid					-239 094	-239 094
Other equity regulation				3 820	-3 820	-
Long term incentive plan				335		335
Proposed dividend					155 071	155 071
Profit carried forward			-19 797	3 958		-15 839
<b>Equity at 31-12-2021</b>	<b>40 000</b>	<b>61 176</b>	<b>60 528</b>	<b>270 578</b>	<b>155 071</b>	<b>587 353</b>

### \* 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 2021 financial year. As the interest rate pursuant to Section 213(2) of the Danish Financial Business Act was 0 per cent in both the first and second half of 2021 there is thus no adjustment in respect of 2021.

## 9. NOTES – FINANCIAL STATEMENT

DKK 1,000	2021	2020
<b>1. Revenue</b>		
CSD & Securities Services	510 175	461 589
Issuer Services	42 939	42 588
	<b>553 114</b>	<b>504 177</b>
<b>2. Payroll costs</b>		
Wages and salaries	147 518	165 614
Pensions	10 207	11 606
Other social security costs	20 532	20 707
Capitalisation of salaries	-14 041	-29 298
	<b>164 217</b>	<b>168 629</b>
Of which total remuneration paid to the Board of Directors and the Executive Management	6 084	8 963
<b>Average number of full-time employees</b>	<b>173</b>	<b>190</b>

Directors and 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.

	2021	2020
<b>3. Depreciation, amortisation and write-downs</b>		
Amortisation of intangible assets	47 453	55 407
Depreciation of property, plant and equipment	15 596	15 765
	<b>63 049</b>	<b>71 172</b>
<b>4. Fees for auditors elected by the Annual General Meeting</b>		
<i>Fees to Deloitte</i>		1 669
<i>Fees to EY</i>	1 237	
Statutory audit	1 131	405
Tax, VAT and other duty services	106	22
Other services	-	1 134
Adjustment previous years		108
	<b>1 237</b>	<b>1 669</b>
<b>5. Other financial income</b>		
Other interests receivable	2 827	4 236
Fair value adjustments, unrealised	206	236
Other financial income	44	234
	<b>3 077</b>	<b>4 706</b>
<b>6. Other financial costs</b>		
Other interests payable	1 041	1 253
Fair value adjustments, realised	1 865	2 701
Fair value adjustments, unrealised	3 637	-1 937
Other financial costs	425	574
	<b>6 968</b>	<b>2 591</b>
<b>7. Tax on ordinary profit</b>		
Current tax	54 597	30 158
Change in deferred tax	-15 248	284
Adjustment previous years	-4	551
	<b>39 345</b>	<b>30 992</b>

**8. Intangible fixed assets**

DKK 1,000	Other development projects	System development projects
Costs, beginning of the year	50 019	237 978
Additions	407	15 616
<b>Cost, end of the year</b>	<b>50 426</b>	<b>253 594</b>
Depreciations, amortisations and write-downs, beginning of the year	-23 285	-134 999
Depreciations and amortisations, for the year	-6 458	-40 996
<b>Depreciations, amortisations and write-downs, end of the year</b>	<b>-29 743</b>	<b>-175 995</b>
<b>Carrying amount, end of the year</b>	<b>20 683</b>	<b>77 600</b>

Development projects comprises salaries and other costs which relates to development of IT systems. Development projects are amortised 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	22 470	14 351	4 606	69 085
Additions	2 567	-	-	31 915
Modifications				-45 471
<b>Cost, end of the year</b>	<b>25 037</b>	<b>14 351</b>	<b>4 606</b>	<b>55 529</b>
Depreciations, amortisations and write-downs, beginning of the year	-14 298	-13 625	-3 542	-12 007
Depreciations and amortisations, for the year	-3 308	-373	-1 064	-10 850
<b>Depreciations, amortisations and write-downs, end of the year</b>	<b>-17 606</b>	<b>-13 999</b>	<b>-4 606</b>	<b>-22 857</b>
<b>Carrying amount, end of the year</b>	<b>7 431</b>	<b>353</b>	<b>-</b>	<b>32 672</b>

**10. Prepayments**

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

	2021	2020
<b>11. Deferred tax</b>		
Intangible fixed assets	-10 919	-28 532
Property, plant and equipment	686	424
Leasing	40	
Provisions	2 812	
	<b>-7 381</b>	<b>-28 108</b>



**12. Lease liabilities**

The lease liabilities cover the managerial estimate on the accounting of the company's property lease. At the end of 2021, VP Securities has two lease agreements. One lease agreement ends 31 January 2022. The other lease comes into force 1 February 2022 and ends 31 July 2028. However, VP Securities got access to the premises 15 December 2021.

*Maturity of lease liabilities:*

Within 1 year	-3 217
Within 2 to 5 years	-26 434
After 5 years	-3 202
	<b>-32 852</b>

**13. Contingent liabilities**

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

**14. 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 2021, 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%.

**15. Related parties**

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

Transactions between VP Securities, Euronext N.V. and other entities in the Euronext Group is shown below.

The transactions 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.