



BUDAPEST STOCK EXCHANGE PLC.

# » ANNUAL REPORT

FOR THE BUSINESS YEAR ENDING 31<sup>ST</sup> DECEMBER 2024

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MANAGEMENT REPORT AND FINANCIAL STATEMENTS

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# EXECUTIVE SUMMARY

## FOR THE YEAR 2024

We are pleased to present the 2024 Annual Report of the Budapest Stock Exchange, which shows a stock exchange that is efficiently managed, successfully developing capital markets and exploiting growth opportunities.

Despite the challenges of the economic and geopolitical environment, the BSE remains a stable and dominant player in the region's capital markets. Over the past year, the Exchange continued to implement its long-term strategy, with another financially successful year in 2024. Several new companies came onto the floor, and the equity market and the bond market grew in size. In addition, several new initiatives to develop the capital market and strengthen the capital market ecosystem were launched during 2024.

US and European capital markets showed more stable growth in their stock indices in the second half of the year, while Asian markets ended the year with a mixed performance. Among our region's stock markets, the Budapest Stock Exchange stood out with an index performance of over thirty percent.

Over the past two years, the BUX index has risen by more than eighty percent and the BUMIX index, which includes shares of small and medium-sized companies, by more than ninety percent. By the end of this year, Hungarian equity holdings had grown to HUF 2,700 billion, a five-fold increase compared to the end of 2015, while international investors have also increased their share of trading volume, reaching sixty percent in 2024.

With the listing of Gránit Bank in 2024, the largest public listing in the history of the last 25 years was achieved. In addition, a number of companies already listed on the stock exchange raised capital on the BSE's regulated market for equities. Kermann IT Solutions' ordinary share and Delta Technologies' interest-bearing share were listed on the MTF market for small and medium-sized enterprises, bringing the number of issuers on the Xtend market to 21.

In total, bond capitalisation increased by 4.8 percent by the end of the year, thanks to government bonds. The number of green bonds also continued to rise, to 36, as sustainability considerations gained ground and the volume of green investments increased.

Overall, regulated equity market capitalisation rose by HUF 2 949 billion and Xtend market capitalisation by HUF 5.3 billion during the year, setting another historic record: by the end of the year, total equity market capitalisation had reached a record level of HUF 18 000 billion, the highest in the history of the BSE.

Since the Magyar Nemzeti Bank became the majority shareholder at the end of 2015, 38 new share issuers have been listed on the stock exchange, which, together with the additional capital increases of the existing share issuers, represented an additional share issue of around HUF 2 800 billion. Over this period, equity capitalisation has almost tripled and the value of the corporate bond market has increased by a factor of seven. Equity market turnover was able to grow significantly in 2024, with a daily average of HUF 11.8 billion, a 24.5 percent increase compared to the previous year.

In February 2024, the Budapest Stock Exchange, in cooperation with OTP, launched the Central European Blue Chip Net Return Index (CETOP NTR), which comprises the leading companies from seven countries in the region. Shortly after the launch of the index, a

popular ETF product was built that can be traded on BSE, allowing investors to gain exposure to the region in a simple and cost-effective way.

An important milestone for the mid-cap sector during the year was that, building on the successes and experience of the past period, the Stock Exchange has renewed its mid-cap services under the name BSE Mentor from spring 2024: it provides knowledge, financing and community to help domestic companies to develop. The Exchange is now in contact with nearly 600 domestic companies, which are regular guests at BSE's professional conferences and workshops. Also last year, in order to increase the competitiveness of medium-sized enterprises and support their sustainable development, the Exchange concluded strategic cooperation agreements with several leading banks: Erste Bank Hungary Ltd., MBH Bank Plc., OTP Bank Plc., Raiffeisen Bank Ltd. and UniCredit Bank Hungary Ltd. In December 2024, BSE also signed a strategic cooperation agreement with the Budapest Chamber of Commerce and Industry (BKIK) and the Hungarian Chamber of Commerce and Industry (MKIK) to support the domestic and international market development of Hungarian SMEs and to facilitate their access to the stock exchange.

In the field of sustainability, in sync with the related regulatory changes in Hungary and the European Union, the BSE has also continued its work of recent years to promote ESG thinking in Hungary and thus to steer companies towards sustainable operations. As a key milestone in this effort, the Exchange presented its second Sustainability Report for the year 2024 and published its updated Sustainability Reporting Guidelines for 2024, which are of key importance to capital market participants.

The year was also a successful one from a business perspective: the Exchange's EBITDA was HUF 1 382 million and the net profit including the KELER Group's BSE share of profit amounted to HUF 5 839 million; operating and free cash generation grew 16,7 and 8,7 percent respectively, year-on-year.

The Budapest Stock Exchange remains committed to enhancing the role of the Hungarian capital market and, through it, the country's competitiveness, supporting the financing of domestic companies through the stock exchange and the growth of domestic households. We believe that a stable regulatory environment, continuous innovation and close cooperation with market participants contribute to sustainable economic growth.

Barnabás Virág  
Budapest Stock Exchange  
Chairman

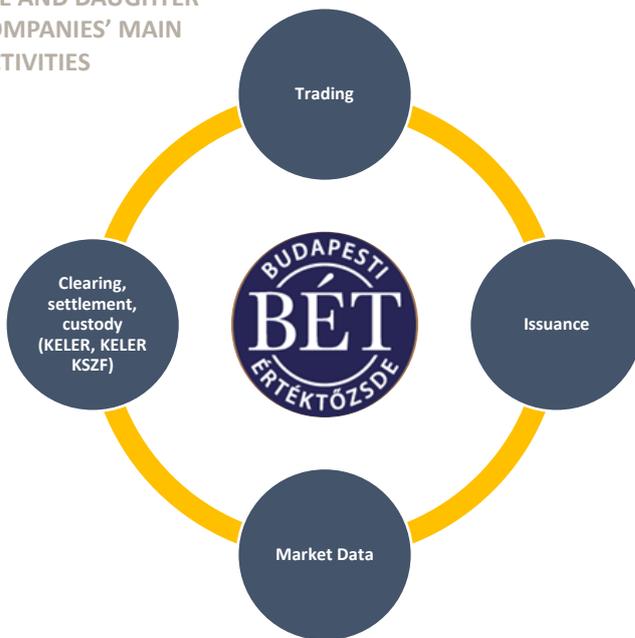
Richárd Végh  
Budapest Stock Exchange  
CEO

# BUDAPEST STOCK EXCHANGE – AN INTRODUCTION

## OUR MAIN OBJECTIVES AND OPERATION

The Budapest Stock Exchange (BSE), as the central player in the domestic money and capital market, provides financial resources to economic players and a wide range of investment instruments to investors. The main objective of the Stock Exchange is to increase the role of the capital market and thereby strengthen the competitiveness of the Hungarian economy, ensure the prosperity of the Hungarian population and the capital supply of the corporate sector, and continuously develop its financial culture.

BSE AND DAUGHTER COMPANIES' MAIN ACTIVITIES



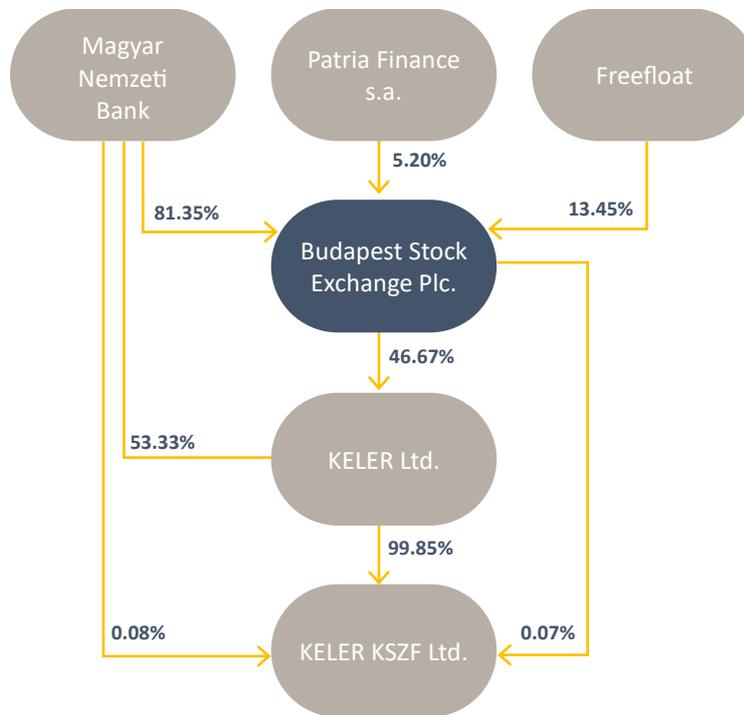
Over the past three decades, the Budapest Stock Exchange has become one of the most innovative markets in the region, pioneering the introduction of options and futures trading, the first exchange-traded fund in the region, and one of the first in Europe to use the clearing security of the central counterparty service, with the cooperation of KELER.

Today, the BSE offers investors a wide range of products. In addition to long-established domestic equities and debt securities, the range includes investment funds and structured products, as well as foreign equities. In addition to equity futures and options, its derivatives market is Europe's largest foreign exchange market and the only commodities market in the Central and Eastern European region.

The BSE's mission is to increase the role of capital markets in Hungary, helping companies to grow and become more competitive, while ensuring the prosperity of households, for whom the BSE enjoys a high level of confidence as a central player. In addition, together with its affiliated companies KELER and KELER KSZF (KELER Group), it ensures the operation of a strong capital market infrastructure.

On 20 November 2015, the Magyar Nemzeti Bank entered into a sale and purchase agreement with the former owner of the Budapest Stock Exchange, the Austrian CEESEG AG and Österreichische Kontrollbank AG. As a result of the transaction, the MNB became a qualified majority shareholder of BSE.

**BUDAPEST STOCK EXCHANGE'S AND IT'S RELATED COMPANIES' OWNERSHIP STRUCTURE AS OF 31<sup>ST</sup> DECEMBER 2024.**



## STRATEGY OF THE BUDAPEST STOCK EXCHANGE

At the end of 2020, the BSE drew up a new strategy for the period 2021-2025, building on the results of the previous five-year period. The BSE is currently implementing this strategy, adapting to a dynamically changing economic environment.

Although the role of the capital markets in the Hungarian economy is low, even by the standards of its development, in recent years there has been a growing demand for capital market financing, new asset classes have emerged and, thanks to these processes, which have also been catalysed by the BSE, the Exchange has made significant progress in strengthening the ecosphere and developing new products. Despite the uncertain geopolitical and macroeconomic factors, the BSE's position in this market is strong and could be a major beneficiary of future capital market growth.

At the same time, BSE also faces challenges: economies of scale are one of the main drivers of the consolidation processes seen in the sector, and the current size of the Hungarian capital markets poses a strong constraint to the shift of the business model towards data solutions and technological innovation.

Within the value chain, value creation is continuously shifting towards information technology, data, energy market products, and central clearing and depository activities, causing a relative devaluation of the primary and secondary market business model, furthermore competitive pressures have increased too in the area.

However, these risks are also opportunities: the current underdevelopment presents the potential for significant organic growth. The BSE is placing greater emphasis on regional cooperation; several exchanges are in a similar situation, which could generate both revenue and cost synergies. As part of this, in November 2024, seven regional stock exchanges and the EBRD signed a non-binding cooperation agreement aimed at creating closer cooperation between regional capital markets.

## THE MAIN PILLARS OF THE FIVE-YEAR STRATEGY 2021–2025

### STOCK EXCHANGE ON THE STOCK EXCHANGE

In addition to the many positive effects of listing (efficiency, transparency, broad ownership, fundraising opportunities, marketing element), the BSE listing is also a milestone in the realisation of the strategic objectives of owners, as the main owner, the MNB, intends to reduce its ownership in BSE in the future and, given the right market conditions, plans to attract new investors and make them interested in the success of the Hungarian and regional capital markets.

### NEW BUSINESS LINES AND SERVICES

In the development of indices and other new Exchange services (e.g. data services), the Exchange will focus on developing new products or offering new services in line with the needs of capital market participants, both for equities and bonds. In view of its role in the Central and Eastern European region, such products include the launch of the CETOP NTR Index and ETF or the Mentor Programme, which is designed to support the development and financing of companies, given the focus on the SME sector.

### FURTHER INCREASING THE ROLE OF THE CAPITAL MARKET IN THE HUNGARIAN ECONOMY – CONTINUING ON THE PATH ALREADY STARTED

Increasing the primary market is key. We expect that large corporates with a Hungarian decision centre will also make greater use of capital market solutions to financially underpin their strategic decisions. In addition to boosting the equity market, the development of the Hungarian corporate bond market is also key, while increasing non-equity trading revenues is also a priority.

### REGIONAL AND INDUSTRY COOPERATION

The consolidation processes among European infrastructure providers and the increasing economic weight of the region mark an inescapable strategic point for the Budapest Stock Exchange, which should address the various types of cooperation opportunities in the CEE region.

### IT – INNOVATION AND SECURITY

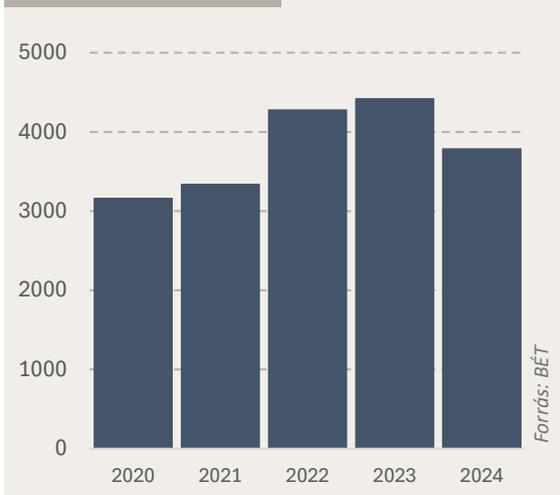
The strategic objective of the BSE's IT strategy is twofold: it is equally important to support the implementation of the business strategy and to meet the regulatory requirements of IT. In order to manage these two objectives in an appropriate manner, we are already striving to select hardware and software solutions in the area of basic infrastructure that support IT operations in a reliable and automated, yet secure manner. In order to ensure the high availability required by the organisation's market-critical infrastructure role and the corresponding high quality requirements, BSE has continued to design and build its IT infrastructure using IT solutions from market-leading vendors.

## OUR KEY BUSINESS FIGURES

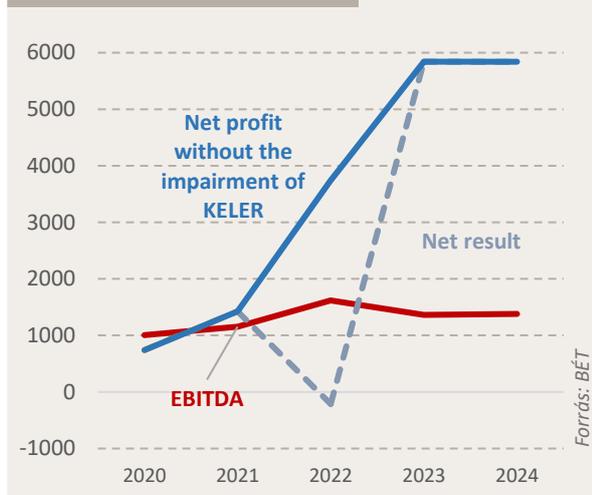
### MAIN INDICATORS OF THE BUDAPEST STOCK EXCHANGE FOR 2024

- Equity market capitalisation at 31 December: HUF 17 837 billion
- Average daily turnover in the spot market: HUF 11.82 billion
- Number of issuing companies at the end of the year, for all markets: 155
- Net result, including KELLER Group's BSE result: 5,839 million HUF
- EBITDA: 1 382 million HUF
- Revenue at the end of December: 3 728 million HUF
- Total annual revenue: 3 792 million HUF
- Total adjusted revenue excluding subsidies: 3 792 million HUF
- Total operating expenses: 2 406 million HUF
- Total expenses excluding of subsidies: 2 406 million HUF
- Operating cash flow: 1 201 million HUF
- Free cash flow (excluding dividends received): 1 219 million HUF

BSE revenues and other income, 2020–2024 million HUF\*



A BÉT performance indicators, 2020–2024 million HUF



\*It is important to point out that until 2023, both total revenue and total operating expenditure include the so-called GINOP and SME subsidies granted to domestic SMEs with the assistance of the BSE. These EU subsidies provided the financial backing for mentoring programmes run by the BSE, mainly for listed or other domestic companies. Examples of such programmes include ESG training, ELITE corporate training and support for preparing for listing on the stock exchange. By financing these programmes for companies from GINOP and KMR grants, the BSE has been able to include these items in both its income and expenditure lines, in the same amount. These programmes were closed in 2023 and no related expenditure or revenue incurred in 2024. As regards income and expenditure in 2023, after eliminating the income and expenditure relating to subsidies, as shown above, the BSE's adjusted income and operating expenditure relating to its business activities are as follows.

**MAIN RESULTS OF BSE, Q1–Q4 (HUF MILLION)**

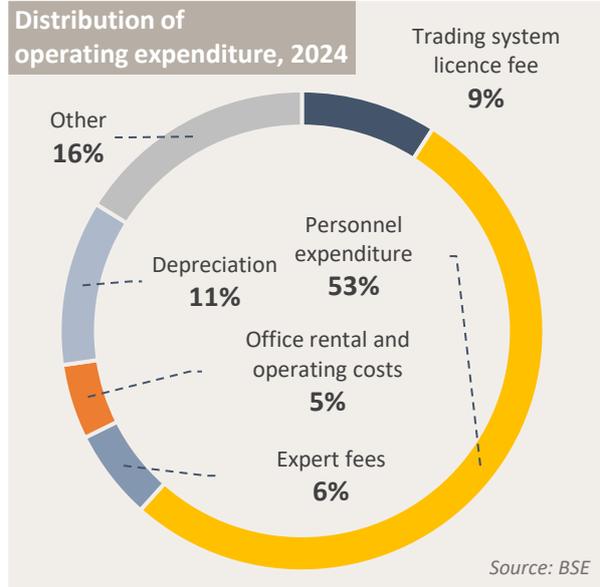
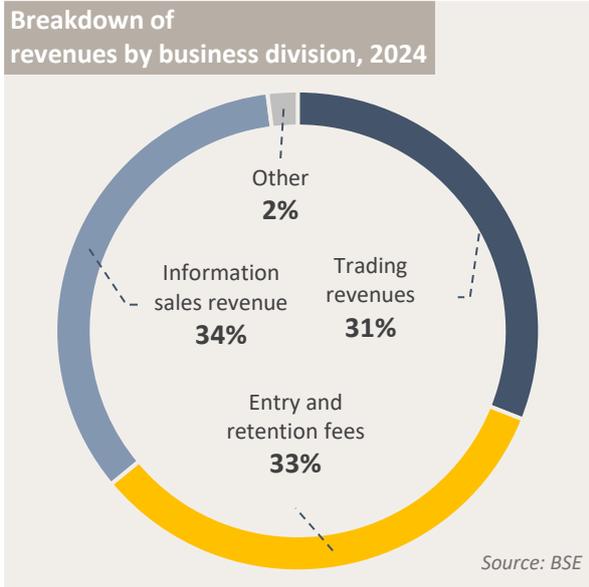
DESCRIPTION	2024	2023	CHANGE
<b>Revenues</b>	3 792	4 427	-14%
<b>Revenues excluding grants and subsidies (adjusted revenues)</b>	<b>3 792</b>	<b>3 699</b>	<b>+3%</b>
of which Revenues from Trading fees	1 160	1 024	+13%
of which Revenues from Listing fees	1 265	1 168	+8%
of which Revenues from sale of information	1 279	1 358	-6%
<b>Operating expenses excluding depreciation</b>	<b>-2 406</b>	<b>-3 066</b>	<b>-22%</b>
<b>Operating expenses excluding grants and subsidies (adjusted)</b>	<b>-2 406</b>	<b>-2 338</b>	<b>+3%</b>
from this Expenses for material costs	-4	-4	0%
from this Expenses of services used	-813	-847	-4%
from this Personnel costs	-1 418	-1 342	+6%
from this Expenses arising from miscellaneous other costs	-171	-131	+31%
from this Other expenses	0	-14	
Impairment and reversals	-4	1	
<b>EBITDA</b>	<b>1 382</b>	<b>1 362</b>	<b>+1%</b>
<b>EBITDA/Sales revenue</b>	<b>37,1%</b>	<b>38,1%</b>	<b>-3%</b>
Depreciation, amortization	-311	-332	-6%
<b>EBIT</b>	<b>1 071</b>	<b>1 030</b>	<b>+4%</b>
KELER Group's profit (loss) attributable to BSE	4 747	5 128	-7%
Profit or loss of financial transactions	372	304	+22%
Income tax, business tax, innovation contribution	-351	-621	-43%
<b>Net profit or loss</b>	<b>5 839</b>	<b>5 841</b>	

**ADJUSTED FREE CASH FLOW\* (MILLION HUF)**

NAME	2024	2023	CHANGE
Operating cash flow excluding grants and subsidies, (adjusted)*	1 201	1 029	+16,7%
Free cash flow* excluding grants and subsidies, (adjusted), excluding dividends received	1 219	1 121	+8,7%
Free cash flow* without subsidies (adjusted)	4 490	1 522	+195%

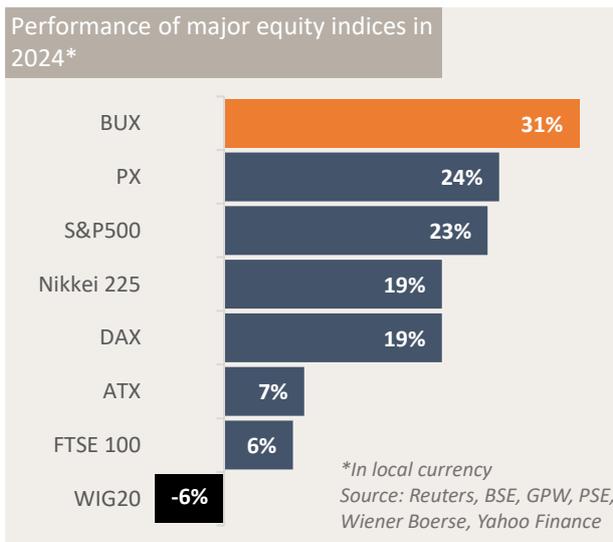
\* Indicator not including dividends paid

In the BSE's three main divisions, trading revenues generated HUF1 160 million, listing and maintenance fees generated HUF 1 265 million and information sales revenues generated HUF 1 279 million. In the area of costs and expenses, personnel expenses amounted to HUF 1 418 million, trading system licence fees amounted to HUF 245 million and expert fees amounted to HUF 161 million.



## MARKET TRENDS

In recent years, the Russian-Ukrainian war and the energy crisis in Europe have shaped the risks and therefore market trends, with implications for 2024. A significant fall in inflation, interest rate cuts and the avoidance of a global economic recession have made for a strong year for stock markets, while geopolitical tensions have increased volatility as investors have begun to return to equity markets. Overall, the domestic stock market had an exceptionally good year in terms of return.



Most of the major stock indices surveyed have all risen over the past year. It is important to note that the BUX stock index has outperformed the regional indices, rising by more than 30% in two consecutive years: 38% in 2023 and 31% in 2024 compared to the previous year. The index has shown steady growth throughout the past year, breaking records on several occasions. The index reached its highest value on 12 December 2024, when it closed at 80 540.07 points, an increase of 32.9 percent compared to the previous year. It is also worth mentioning the new stock indices launched by the BSE in 2024, which also performed well, recording a similar performance to the BUX in 2024: the Central European Blue Chip Net Return Index (CETOP NTR) closed December at 1 582.99 points, while the XTEND index of small and medium-sized companies closed December at 1 446.01 points, with a 12.7 percent increase for the former and 21.3 percent for

the latter.

# DETAILED SUMMARY OF OUR BUSINESS OPERATIONS IN 2024

## TRADING DIVISION

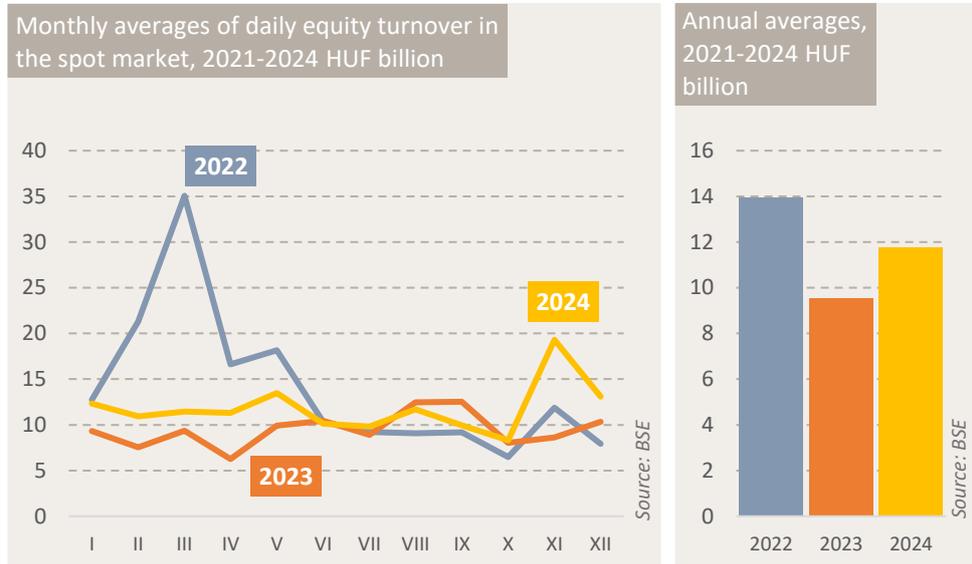
The equity market segment is the most dominant segment of the Budapest Stock Exchange, accounting for almost 90 percent of trading revenues each year. Equity market revenue was up 21 percent compared to 2023, while underperforming by 16 percent compared to an outstanding 2022. The equity market remains one of the most concentrated markets by international standards, with the three blue chip companies accounting for the vast majority of turnover.

The second largest trading revenue is generated by derivatives; this segment generated 33 percent higher revenue in 2024 compared to the previous year, but despite the significant increase, it underperformed 2022 by 29 percent. Trading revenues generated a total of 1160 million forints in 2024; this is 16 percent lower than the outstanding 2022, but 21 percent higher than 2023.

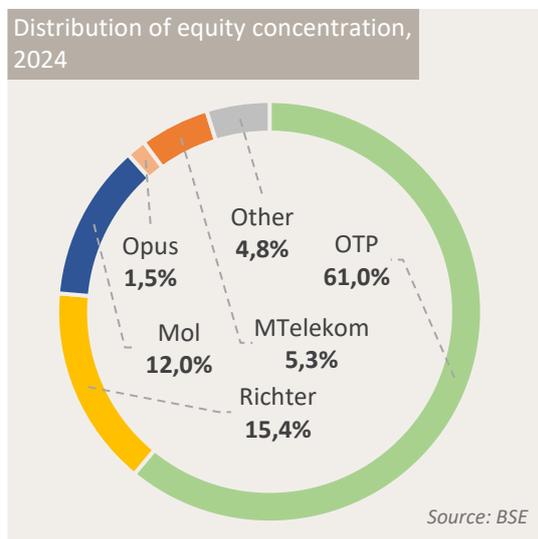


## EQUITY MARKET

Equity market turnover increased significantly in 2024, with an average daily amount of HUF 11.8 billion (excluding fixed and LIS transactions), a 24.5 percent increase compared to the previous year.

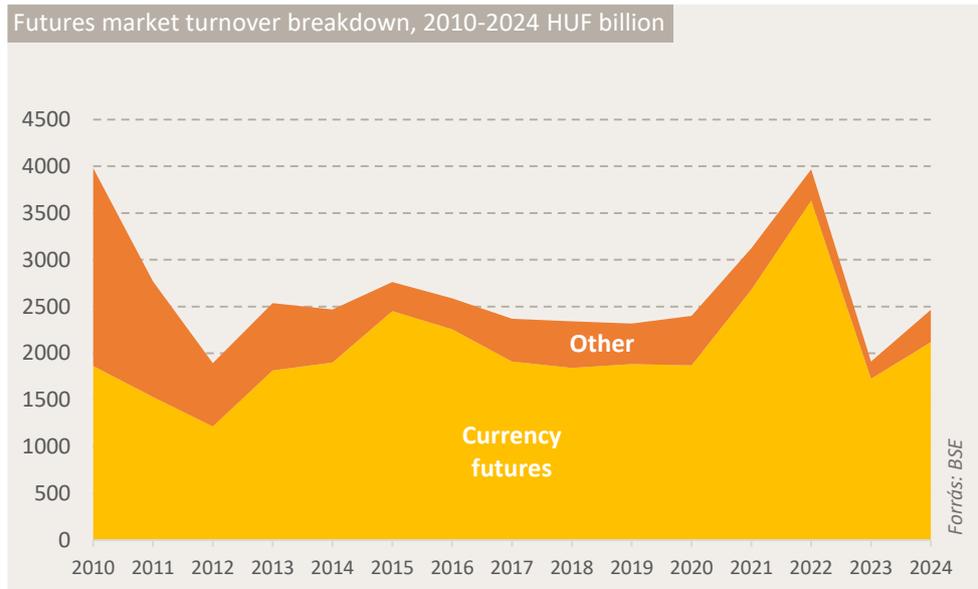


The turnover of small and mid-cap stocks increased, leading to a slight decrease in the turnover concentration of the domestic stock market in 2024. The three blue chip stocks accounted for 88.4% of total turnover, more than 3 percentage points lower than the previous year. The main reason for this is, among other things, the significant increase in turnover of MTelekom.

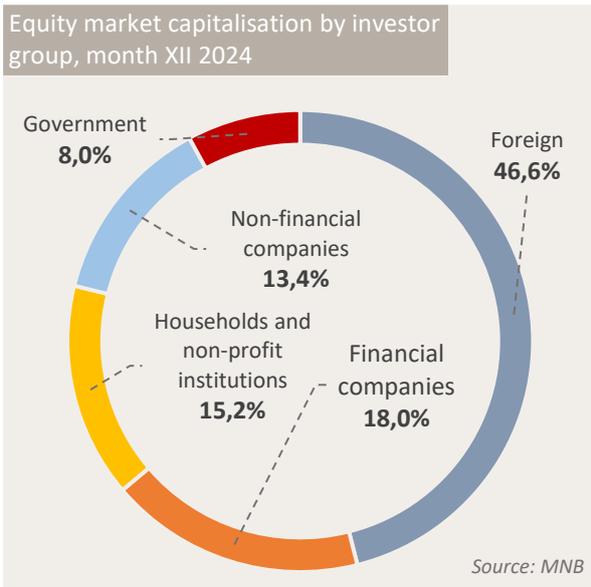


## FUTURES MARKET

On a year-on-year basis, the futures market turnover in exchange rate terms grew by 29 percent in 2024, driven by a 22.6 percent increase in the turnover of the futures currencies that drive the futures market. Compared to 2022, the decline in futures market turnover is still significant at 38 percent, but the picture is encouraging compared to 2023. Other derivatives also saw an increase, with the turnover value of currency options and equity futures more than doubling, but still a small fraction of the total derivatives market turnover.



The Budapest Stock Exchange is an open market, easily accessible to foreign investors, as evidenced by their 58.8 percent share of turnover and 46.6 percent of shareholdings. At the same time, the role of retail investors is also prominent, with almost a quarter of turnover on the BSE attributable to retail investors in 2024.



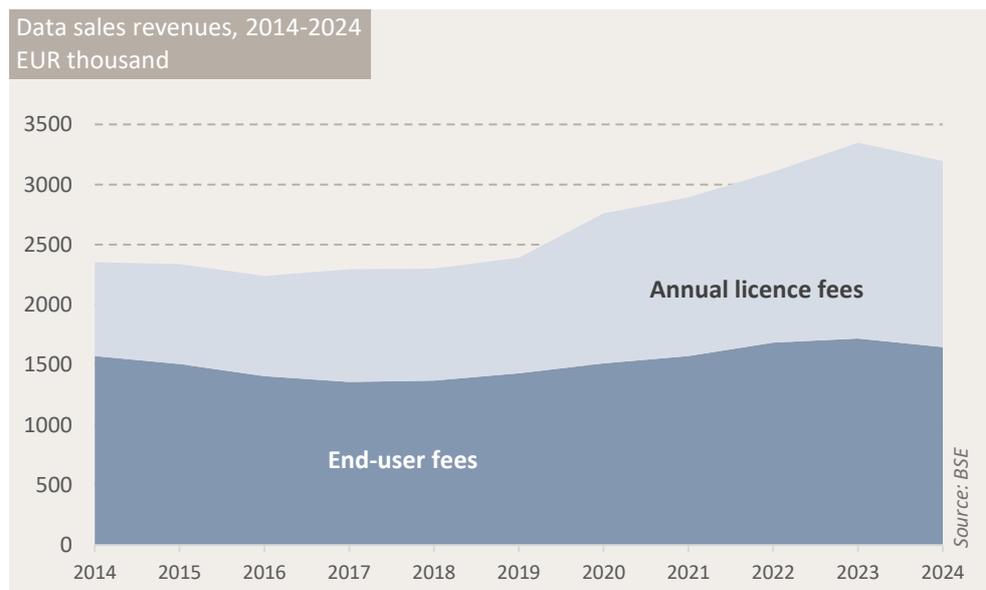
## DATA SALES

Data related to listed companies and stock exchange trading, in short stock exchange data, are of high value to the various capital market participants. The sale of this data is an important source of revenue for all stock exchanges, including the Budapest Stock Exchange. For the use of the data, the BSE charges a licence fee to end users (typically professional or retail stock exchange traders) through various fee packages involving investment and information service providers, and also charges fees for the use of data in the IT systems of the investment services sector (non-display subscriptions).

Data sales revenues currently account for 34% of the BSE's total revenues, and their share is increasing slightly year on year. Inflationary developments in the euro zone and in Hungary in recent years have justified a review of data sales pricing. In line with market practice, the tariffs were increased at the beginning of the next calendar year, in January 2023, by an average of 10%.

During the financial year, the positive trend of several years continued, with a small further increase in the number of partners contracted for annual licences. As volatility and trading volumes moderated, the number of monthly end-users continued the downward trend observed since September 2022. Overall, data sales revenues were in line with plans.

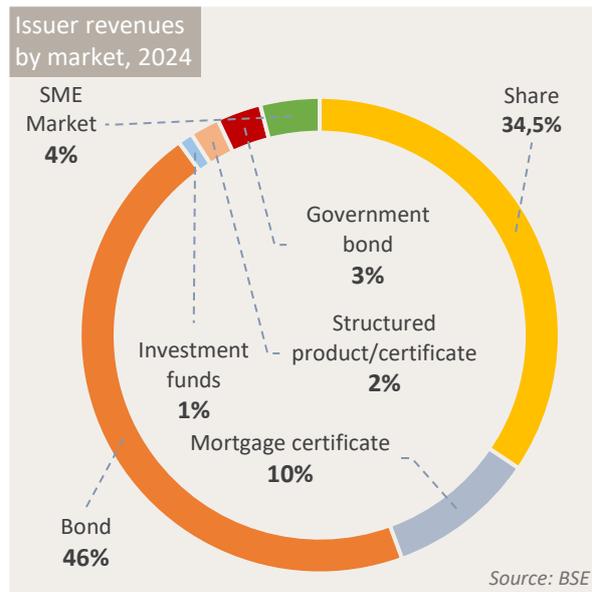
In August 2023, the Amsterdam-based joint venture EuroCTP BV was set up by the members of FESE, including BSE, with the aim of eventually winning the concession for a future European consolidated data provider.



## ISSUER SERVICES

The primary markets of the Budapest Stock Exchange provide the opportunity for companies of all sizes, mainly Hungarian, to raise funds to grow. The BSE operates market segments specialising in equities, bonds and small and medium-sized enterprises. The Exchange's revenues from issuers consist partly of listing fees payable on admission to trading and partly of quarterly maintenance fees, depending on the capitalisation of the securities portfolio and, in the case of debt securities, their total nominal value.

In 2024, issuer maintenance fees paid by equity issuers accounted for 34.5 percent of total issuer revenues (up from 33 percent in 2023), while the share of revenues from bonds was 46 percent (up from 47 percent in the previous year).



## EQUITY MARKET

In terms of issuer activity, 2024 is a positive year. In the regulated market, Gloster and Gránit Bank were new entrants. Gránit Bank, which entered at the end of the year, completed the largest IPO in recent years, worth HUF 17 billion. The company entered the Premium category with an IPO capitalisation of HUF 262 billion.

In addition to new listings on the regulated market, several listed companies raised significant capital. Among these, Shopper Park raised HUF 9.15 billion, but AutoWallis and Amixa also raised significant capital.

### BSE STOCK MARKET LISTINGS AND FUND RAISES, 2019–2024

MARKET	INDICATORS	2020	2021	2022	2023	2024
REGULATED MARKET	Value of transactions (HUF billion)*	14,5	32,6	1891,8	105,5	312
	Number of transactions (pcs)	9	15	13	10	6
	Issuers concerned	<ul style="list-style-type: none"> <li>• AutoWallis</li> <li>• Nordtelekom</li> <li>• Nutex</li> <li>• Pensum</li> <li>• SunDell</li> </ul>	<ul style="list-style-type: none"> <li>• 4iG</li> <li>• AutoWallis</li> <li>• Delta</li> <li>• EHEP</li> <li>• ENEFI</li> <li>• Elsőbbbségi</li> <li>• Eprolius</li> <li>• FuturAqua</li> <li>• Megakrán</li> <li>• Nutex</li> <li>• SET Group</li> <li>• Sundell</li> </ul>	<ul style="list-style-type: none"> <li>• 4iG</li> <li>• Alteo</li> <li>• Amixa</li> <li>• AutoWallis</li> <li>• Delta</li> <li>• DM-KER</li> <li>• eSense</li> <li>• FuturAqua</li> <li>• Masterplast</li> <li>• MKB</li> <li>• Sundell</li> <li>• UBM</li> <li>• VIG</li> </ul>	<ul style="list-style-type: none"> <li>• AutoWallis</li> <li>• BSE</li> <li>• Biggeorge REIT</li> <li>• Civita Group</li> <li>• FuturAqua</li> <li>• MBH</li> <li>• SET Group</li> <li>• Shopper Park Plus</li> </ul>	<ul style="list-style-type: none"> <li>• Amixa</li> <li>• AutoWallis</li> <li>• Gloster</li> <li>• Gránit Bank</li> <li>• Shopper Park</li> </ul>
XTENDMARKET	Transaction value (HUF billion)*	8	6,5	24,3	21,8	10,4
	Number of transactions (pcs)	3	6	23	8	4
	Issuers concerned	<ul style="list-style-type: none"> <li>• Cybergastro</li> <li>• DM-KER</li> <li>• Gloster</li> </ul>	<ul style="list-style-type: none"> <li>• Épduferr</li> <li>• Gloster</li> <li>• NAP</li> <li>• OXO</li> <li>• Polyduct</li> </ul>	<ul style="list-style-type: none"> <li>• Astrasun</li> <li>• Biggeorge</li> <li>• CDSys</li> <li>• Cybergastro</li> <li>• Energy Investment</li> <li>• Épduferr</li> <li>• EU-Solar</li> <li>• Gloster</li> <li>• Goodwill Pharma</li> <li>• Multihome</li> <li>• NAP</li> <li>• Naturland</li> <li>• Navigator</li> <li>• OXO</li> <li>• Valberg</li> <li>• ViVeTech</li> </ul>	<ul style="list-style-type: none"> <li>• Chameleon Smart Home</li> <li>• Energy Investment</li> <li>• Gloster</li> <li>• Goodwill Pharma</li> <li>• STRT Holding</li> <li>• Vertikal Group</li> </ul>	<ul style="list-style-type: none"> <li>• Chome</li> <li>• Delta</li> <li>• Kermann</li> <li>• Navigator</li> <li>• OXO</li> <li>• STRT</li> <li>• Vertikal</li> </ul>

\*At transaction price

Source: BSE

In 2024, 1 new issuer, Kermann IT Solutions' ordinary share and Delta Technologies' interest-bearing share, already listed on the regulated market, were listed on the Xtend SME MTF market. There were also 6 additional capital increases, with the listing of new shares in OXO Technologies, Navigator Investment, Vertikal Group and STRT Holding.

## DEBT SECURITIES MARKET

In the debt securities market in 2024, listing activity was mixed. Overall, 95 new corporate bonds were listed on the regulated market. The largest volume of bond listings on BSE was by Exim, but commercial banks were also active. Overall, the capitalisation of the Exchange's debt securities market increased by 4.8% year-on-year, thanks to an increase in the capitalisation of the government bond market, while the capitalisation of the corporate bond portfolio decreased by 5.6%.

For the mortgage bond market, there was a 6.2 percent decrease in 2024. There were 9 new listings and a further 10 delistings; the total capitalisation of the issued stock exceeded HUF 1 780 billion.

The capitalisation of the HUF government bond market increased by more than 4.5 percent compared to 2023 in the regulated market, reaching HUF 27,856 billion, with 13 new government bond issues and 285 new issues. Including the euro-denominated government bonds launched on Xbond, HUF 33 497 billion of government bonds with a capitalisation of HUF 33 497 billion can be traded on the exchange, an increase of 6.8 percent.

The market for certificates has expanded substantially compared to 2023, with 226 new certificates launched, an increase of more than 30 percent compared to the previous year.

There was no activity on the BSE Xbond market in 2024, with only minor capital redemptions by issuers during the year.

The rise of sustainability and the increasing volume of green investments also helped to increase the number of green corporate bonds on the stock exchange. At the end of 2024, 36 green securities (corporate bonds, mortgage bonds, government bonds, ETFs and Xbond corporate bonds) were traded; in addition to green corporate bonds and mortgage bonds, new green government bonds were introduced.

### BSE DEBT MARKET CAPITALISATION\* AND XBOND LISTINGS, 2020–2024

NAME	2020	2021	2022	2023	2024
Government securities (HUF billion)	19 993	21 254	24 797	26 653	27 856
Xbond government bonds (HUF bn)	–	3 262	4 222	4 700	5 641
Corporate bonds (HUF billion)	704	1 141	1 677	2 650	2 501
Mortgage bonds (Ft billion)	1 785	1 723	2 011	1 898	1 780
Xbond bonds (Ft billion)	598	1 618	2 813	2 802	2 801
Number of Xbond bonds (number)	31	84	116	116	115
Number of Xbond issuers (pcs)	28	66	92	92	91
Green securities on BSE (number)**	2	20	29	34	36

\*Year-end closing price and EUR/Ft exchange rate; \*\*Bonds, mortgage bonds, government bonds and Xbond market Source: BSE

Overall, 2024 was a successful year from an issuer perspective, with not only a significant increase in stock market capitalisation in both equities and debt securities, but also a further increase in the number of publicly traded companies.

## FURTHER EXPANSION IN THE BSE XTEND MARKET

A key element of the Exchange's strategy is the development of the capital market ecosystem among medium-sized companies. To this end, in 2017, the BSE created a new market for medium-sized companies, BSE Xtend, which aims to broaden the range of potential issuers and investors towards small and medium-sized companies.

In 2024, two new companies were admitted to the Xtend market: the IT company Kermann IT Solutions and the interest-bearing shares of Delta, also active in the IT sector.

## INFORMATION TECHNOLOGY AND DIGITALISATION

Like the operating model of international and domestic financial and capital market service providers and institutions, BSE's business operations - including the services it provides to our market partners - rely predominantly on various IT solutions.

As a consequence, one of the most important aspects is of course the continuous and reliable availability of these systems. In addition to operation and security, however, it is also necessary to ensure that these business IT applications are also developed in terms of functionality, in order to meet current user requirements, security and other standards.

As in every year, ensuring the high availability and strict regulatory requirements required by the critical infrastructure role of central market operations will be a key focus in 2024.

Trading on BSE is basically conducted on two central trading systems: the Frankfurt T7 (formerly Xetra), provided and operated by WBAG and DBAG, and the MMTS systems, further developed and operated by BSE (technically, there are two of the latter: MMTS1, which serves the OTC auction activity, and MMTS2, which serves the exchange-traded derivatives market).

The availability ratio in 2024 was 100% for spot, derivatives and auction markets.

MAIN AREAS OF IT DEVELOPMENT IN 2024

<b>Strengthening IT security</b>	The growing importance of cybersecurity means that we are constantly improving our IT security capabilities and the BSE's security system. We plan to continue to focus on strengthening our IT security infrastructures and applications, as well as on training our experts and maintaining IT security awareness among our staff.
<b>Modernisation, compliance with international trends</b>	For the derivatives market and auction trading systems, we are already providing a trading interface based on the international standard Financial Information eXchange (FIX®) Protocol (for "machine" connectivity), which will facilitate the technical connectivity for new partners joining the system, and will allow our existing partners (typically active in other markets) to migrate to an internationally market-compliant IT solution.
<b>Improving "data-driven" operations, improving data communication</b>	<p>The BSE is constantly working to ensure that, as far as possible, all business data is stored in central databases and then made available and analysable for all business lines or stakeholders (essentially by integrating the data warehouse infrastructure), thus avoiding the creation of data silos which generally undermine business operational efficiency.</p> <p>Data warehousing and BI developments (analysis, reporting, including mandatory reporting and data provision required by regulators) will continue to play a key role in BSE's IT development activities in 2024.</p>
<b>Optimising business processes, automation</b>	<p>The annual improvement plan also included as a high priority changes to increase the digitalisation of our existing internal business processes and tasks, to replace manual work, and thereby increase operational efficiency and reduce operational risk.</p> <p>In 2024 we embarked on a comprehensive IT project, which is expected to be completed in 2025. As part of this, we will implement solutions in our operations that will put information flows between different systems on a high-availability, state-of-the-art technology basis. The project will also improve the resilience of the IT architecture to minimise the impact of even major changes, saving significant development costs.</p>
<b>Innovative technologies (AI)</b>	<p>The BSE is currently analysing how generative artificial intelligence (AI) solutions based on large language models, which have "burst onto the market" in the last few years, can be effectively exploited and integrated, and what added value they can bring to operations.</p> <p>First, we will look at general, office workflows; an important aspect is that information security in general, and data security in particular, should not be compromised (reduced) if the BSE were to introduce this type of solution.</p>

# A DEVELOPING CAPITAL MARKET ECOSYSTEM

## ECOSYSTEM BUILDING, IN PARTNERSHIP WITH DOMESTIC CAPITAL MARKET PLAYERS

We believe that the domestic stock market can grow and become even more successful on the basis of a healthy ecosystem. Furthermore, new issuers can enter the public market if there is a vibrant middle class and as many companies as possible can reach this stage of development. Since 2016, one of the cornerstones of BSE's strategy has therefore been to build a well-functioning capital market ecosystem, in which the Exchange, as a neutral central player, acts as a facilitator.

This strategic objective is served by a number of initiatives launched by BSE since 2016, which have become well-known and successful: the BSE50 publication and community, the launch of the international ELITE business development programme, BSE Xmatch, which helps private companies raise capital, the creation of the BSE Xtend and Xbond markets, and the community of Nominated Advisors (NOMADs), which support the public floatation of medium-sized companies. This effort has been supported very effectively by the various support elements of the Mentor Programme, which will run from 2017 to 2023. In recent years, the BSE has welcomed a number of issuers on its mid-cap markets, BSE Xtend and BSE Xbond, as well as in the Standard category of its main market, who have also used these services to successfully achieve this level of success.

Over the years, more than 500 companies have joined the BSE ecosystem and around 100 investors and advisors have helped the community.

In 2024, in addition to continuing the above initiatives, which have already proved their worth, BSE has launched new ones:

- provided a unified framework for services for medium-sized enterprises with the new BSE Mentor umbrella brand and expanded BSE's corporate training activities;
- through banking partnerships, we are also effectively targeting the SME client base of large domestic banks with these services;
- and by launching the Investor Club, we are also bringing the domestic wealthy private investor community closer to the successful domestic companies that are listed on BSE.

In addition to the above initiatives, BSE managers and staff in the acquisitions area hold hundreds of meetings each year with the heads and representatives of listed companies, investors, potential issuers, banks, consultants, regulators, professional organisations, educational institutions and foreign stock exchange organisations. In addition to presenting BSE's market development plans and strategy, the meetings also focus on feedback from market participants and their development needs.

An important element of the partnership network are the NOMADs, designated advisors, who provide capital market knowledge and corporate finance expertise to help domestic medium-sized companies, in addition to managing the listing process, during the public operation. The NOMADs currently consist of 19 NOMADs, of which Whiteless Rock Consultancy Ltd. was welcomed as a new NOMAD in 2024.

## THE BSE MENTOR IS LAUNCHED

Building on the successes and experience of recent years, from March 2024 the Exchange will offer its services for medium-sized companies under the name of BSE Mentor, a new, unified and transparent framework: it will provide knowledge, financing and community to help domestic companies develop.

The corporate base of the BSE Mentor community is made up primarily of the 450 or so companies identified in the course of the compilation of BSE50 publications, but market players are also increasingly recommending vibrant companies that are eager to grow to the attention of the Exchange.

Under the BSE Mentor scheme, members of the community receive support in key areas for their further development. The key to successful business operations is long-term strategy planning, which is implemented on a day-to-day basis through quality corporate governance. To achieve this, it is essential to broaden financing and communicate growth plans within the company and to external partners and investors. The knowledge, experience and contacts available in the BSE Mentor community help medium-sized domestic companies to implement their plans.

One of the biggest new features of BSE Mentor is that the Exchange's domestic business development training is now available free of charge to all companies in the BSE community. Several times a year, SMEs can take part in half-day modules on complex strategic topics, as well as a number of shorter, interactive workshops on a topical issue.

The year 2024 has already begun with a great deal of interest in BSE Mentor education events. The Exchange offered a total of four complex, half-day educational events for interested business leaders: in March, we explored corporate governance, in May ESG, in September financing and in December, we explored the topic of going public with the help of leading experts and business leaders from the domestic economy. In addition, shorter workshops were held in April on corporate maturity and in October on innovation. The events were attended by more than 100 representatives from around 70 companies, the vast majority of whom were committed visitors and participated in several of our events.

In addition to the new BSE Mentor umbrella brand, the tried and tested former brands that distinguish the various services were retained: the BSE50 publication and Club, the ELITE programme, BSE Xmatch, NOMADs and, of course, BSE Xtend and BSE Xbond.

## SEARCH FOR IPO-READY COMPANIES - BSE50

In order to continuously expand the capital market ecosystem, the priority task of the BSE's acquisition area is to identify, in a quantitative manner, among the players in the domestic SME sector, domestically owned and managed companies with good growth potential, with whom it then actively maintains contact, familiarising them with current market trends and capital market processes, and presenting the educational and fundraising opportunities available to them.

The primary channel for identifying and making initial contact with the target companies is the BSE50. We have published "BSE50 - Fifty Hungarian companies' success stories" every year since 2016, providing an opportunity and exposure to the business community for companies that have achieved outstanding results in their operations. The BSE50 companies are outstanding performers in their industry and have the growth potential to secure long-term growth, whether it is through expansion abroad, raising funds, listing on the stock exchange or developing their companies.

This is the ninth edition of the 2024 edition of the success stories, with nearly 450 companies already featured in the publication. This group of companies forms the community of

companies that can participate in the annual conference held at the time of publication and in the BSE50 Club events, which are also held annually.

BSE 2024 presented its latest publication in November at the BSE50 conference, a major corporate summit that has become a tradition. The event was attended by prominent figures from the domestic business community, representatives of the newly launched 50 companies and nearly 400 companies from previous years, as well as banking, investment and advisory players from the capital markets ecosystem. The launch of the new BSE50 publication was again complemented by a conference under the motto "Growth - contradictions and dilemmas".

The BSE50 Clubs are organised by the Stock Exchange to bring together the existing community of BSE50 companies. At these private events, business and professional leaders from medium-sized companies and listed companies with strong growth potential present current market developments, which participants can later discuss in a relaxed atmosphere and gain new contacts. In June 2024, OTP Bank hosted a BSE50 Club event focusing on artificial intelligence and innovation.

## ELITE - INTERNATIONAL BUSINESS DEVELOPMENT, RENEWING COOPERATION

In 2024, the BSE will renew its partnership with ELITE, a member of the Euronext group of stock exchanges, which provides multi-faceted support for growth-oriented companies. The aim of the partnership is to ensure that domestic SMEs continue to have access to ELITE's unique pan-European community, advanced business development training and unique financing solutions.

ELITE, launched in 2012 by Borsa Italiana and now part of the Euronext exchange group, provides a community for European SMEs, helping them to grow and access funding channels. ELITE aims to help businesses access finance, knowledge and contacts, thus laying the foundations for their long-term and sustainable growth. ELITE provides unique services and solutions, above all education and mentoring, to help companies strategise and exploit their business opportunities.

## COOPERATION WITH BANKS AND CHAMBERS

In the course of BSE 2024, in order to increase the competitiveness of medium-sized companies and support their sustainable development, the Bank has signed strategic cooperation agreements with Erste Bank Hungary Ltd., MBH Bank Plc., OTP Bank Plc., Raiffeisen Bank Ltd. and UniCredit Bank Hungary Ltd.

The new partnerships aim to make capital market financing opportunities and the necessary expertise and advisory support more easily available to the banks' SME clients. The initiative is designed to strengthen the market presence and promote the long-term growth of companies.

As part of the programme, we will offer medium-sized and emerging companies seeking to go public the opportunity to benefit from expert and financial support in the listing process. The BSE, together with its partner banks, provides support to applicant companies on the basis of individually assessed support agreements. The amount of support for an applicant company is between HUF 5 and 5 million, for which a support agreement must be concluded separately with the BSE and with the bank. In order to be eligible for the BSE subsidy, the applicant company must actually be listed on the stock exchange by 1 December 2025.

In addition to the support for listing, exclusive educational, professional and networking events will be organised with the partner banks for interested SME customers of the bank concerned.

In December 2024, the Stock Exchange also signed a strategic cooperation agreement with the Budapest Chamber of Commerce and Industry (BKIK) and the Hungarian Chamber of Commerce and Industry (MKIK) to support the domestic and international market development of Hungarian SMEs and to facilitate their listing on the stock exchange. Through the agreement, the three institutions will work more closely together to help SMEs strengthen their financing position, increase their competitiveness and thus set them on a sustainable growth path.

In order to achieve the objectives of the agreement, the parties will organise forums and mentoring programmes for SMEs, including support for their international presence. In this cooperation, BSE, BKIK and MKIK will share economic information, statistics and develop proposals for capital markets and business development, and encourage the expansion of business contacts.

## BSE INVESTOR CLUB

For a developing, thriving capital market that plays an appropriate role in the functioning of the national economy, it is not enough to help the corporate layer: the other players in the capital market must be addressed in the same way, and communication, trust and cooperation between them must be fostered. In the spirit of this conviction, BSE 2024 launched the BSE Investor Club in October 2024: an exclusive, private investor event that provides an opportunity for domestic private investors, BSE issuers and other capital market players to network, exchange information and deepen mutual trust.

The opening event, held on 15 October, attracted considerable interest, with participants hearing not only the thoughts of leading capital market analysts and investors, but also mid-cap stories from the heads of BSE issuers. The technical programme was followed by networking opportunities.

# BRAND BUILDING, COMMUNICATION

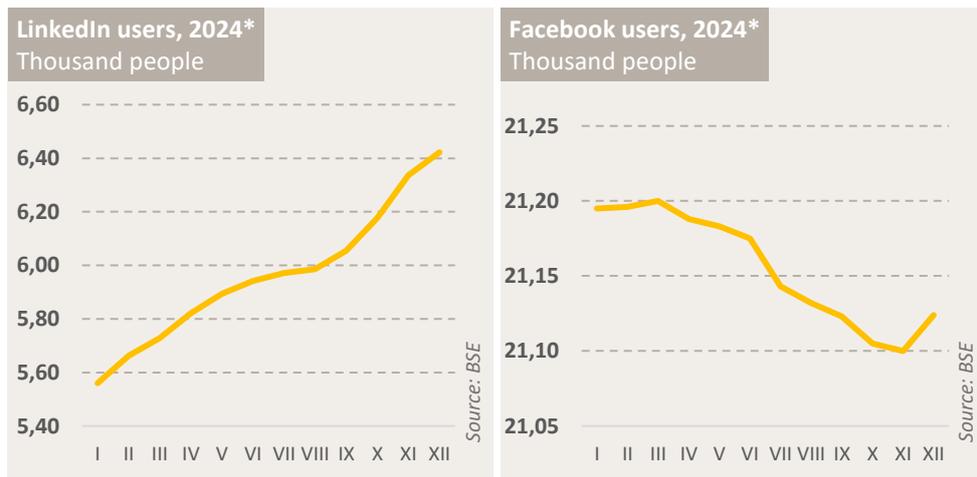
## INTENSIVE PRESS COMMUNICATION, FURTHER STRENGTHENING SOCIAL MEDIA PRESENCE

As in previous years, the BSE's communications in 2024 will again be guided by the stock exchange's central role in the Hungarian capital market and economy. The themes included the expansion of the capital market ecosystem, initiatives by medium-sized companies, the promotion of shares as a form of investment and the development of financial awareness. The BSE's events and programmes continued to be widely publicised in the online, print and electronic media, reinforcing the professional position and image of the Exchange.

Media interest in the BSE is reflected in the fact that the number of press mentions exceeded 11,500 in 2024. In the Exchange's press communications, the development of market turnover, the expansion of the issuer base, the key events organised by the Exchange itself, and domestic and international cooperation received the most attention. BSE executives regularly gave statements to the press, gave interviews and also appeared on television, radio and podcast programmes.

The BSE continued to strengthen its presence on social media. The number of followers on LinkedIn, its main professional platform, exceeded 6,400, representing an organic increase of 17.3 percent compared to the previous year. The Facebook page, which is aimed at reaching the general public, has a following of over 21,000.

On X (formerly Twitter), which strengthens the BSE's international communication, an increasing number of returning visitors joined the follower base almost every month. The BSE's YouTube channel has also remained active, with content related to educational and professional conferences proving particularly popular.



*\*The decrease in the number of followers in spring and summer, and the subsequent increase, can be explained by seasonal fluctuations, changes in the Facebook algorithm and changes in content consumption habits.*

## EVENTS - MORE THAN 50 PROFESSIONAL EVENTS, NEARLY 100 PROFESSIONAL PRESENTATIONS

The BSE has always attached great importance to cultivating personal contacts, providing advice and organising programmes on capital market topics. In 2024, we held more than 50 professional events and almost 100 professional presentations, where we met with our current and future partners, investors, issuers, and the managers and representatives of companies already listed on the stock exchange. In addition to the BSE Legek, BSE50 and BSE50 Club, which are well-known to capital market players, we launched our BSE Mentor programme in 2024, which provides capital market knowledge for medium-sized companies. The aim of this series of programmes is to support the growth of domestic companies by providing them with knowledge and financing opportunities, as well as providing a community.

In the autumn, the BSE Investor Club debuted, offering regular meeting opportunities for market players - SMEs, institutional investors, advisors and private investors. The events provide an opportunity to discuss current capital market issues, investment opportunities and challenges. In January, the BSE bell rang for the first time on the occasion of BSE's 160th anniversary, and throughout the year we organised symbolic trading launch bells for several companies. Gloster also celebrated the fact that its papers were upgraded from the Xtend to the Standard category. Delta rang the BSE bell to mark the launch of a new series of shares, Kermann IT Solutions Plc. rang the bell to mark the launch of Xtend, and OTP rang the bell to mark the launch of its new product, the OTP CETOP ETF. In addition, four jubilee bells were rung (AutoWallis, PannErgy, 4iG, Richter Gedeon) and the BSE's iconic bell was rung at the signing of several important cooperation agreements. It is of paramount importance to the Exchange that future generations have the right economic and capital market skills, and throughout the year we have therefore continued to welcome groups of students from secondary schools and higher education institutions both in Hungary and beyond our borders.

# MARKET AND PRODUCT DEVELOPMENT

## ANALYSIS AND MARKET-MAKING PROGRAMME

The BSE launched its analysis and market-making programme in December 2017 to support the shares of small and medium-sized companies. The primary objective of the programme is to provide liquidity and regular high-quality valuations for the securities involved, with a view to developing a more efficient stock market. On the service provider side, analyst/market makers that are members of the BSE's equities section are eligible to participate in the programme in 2024.

A new player has been added to the market maker side. Concorde Securities Ltd. is the market maker for Gránit Bank, which joined the BSE in December 2024. It is important to note that at the end of the year, the BSE Board decided to extend the programme for a further 3 years, thus supporting the improvement of market liquidity for smaller securities.

### PROGRAMME PARTICIPANTS FROM 2025 ONWARDS

INVESTMENT SERVICE PROVIDERS	ANALYZED SHARE	MARKET-MAKED SHARE
<b>Concorde Securities Ltd</b>	<ul style="list-style-type: none"> <li>• ANY Biztonsági Nyomda</li> <li>• AutoWallis</li> <li>• CIG Pannónia</li> <li>• Duna House</li> <li>• Waberer's</li> <li>• Wizz Air</li> </ul>	<ul style="list-style-type: none"> <li>• BSE</li> <li>• Gránit Bank</li> </ul>
<b>Equilor Investment Ltd.</b>	<ul style="list-style-type: none"> <li>• OPUS Global</li> </ul>	
<b>MBH Bank Plc.</b>	<ul style="list-style-type: none"> <li>• Alteo</li> <li>• Masterplast</li> </ul>	<ul style="list-style-type: none"> <li>• Alteo</li> <li>• Duna House</li> <li>• Masterplast</li> </ul>
<b>OTP Bank. Plc.</b>	<ul style="list-style-type: none"> <li>• PannErgy</li> </ul>	<ul style="list-style-type: none"> <li>• ANY Biztonsági Nyomda</li> <li>• AutWallis</li> <li>• Gloster</li> <li>• Graphisoft Park SE</li> <li>• PannErgy</li> <li>• Waberer's</li> </ul>
<b>Wood &amp; Company Financial Services a.s</b>	<ul style="list-style-type: none"> <li>• Graphisoft Park SE</li> </ul>	

Source: BSE

## REAL-TIME CETOP INDEX AND PRODUCTS BASED ON IT

In February 2024, the Budapest Stock Exchange launched the Central European Blue Chip Net Return Index (CETOP NTR), which comprises leading companies from seven countries in the region. The index aims to serve as a real-time benchmark for investors, allowing them to track the performance of Central European markets. The index includes companies with the highest liquidity and market capitalisation from the stock exchanges of Budapest, Bucharest, Ljubljana, Bratislava, Prague, Warsaw and Zagreb, with a maximum of seven companies per stock exchange.

Subsequently, in April 2024, the BSE and the OTP Group jointly launched the OTP CETOP ETF, an exchange-traded fund that directly tracks the CETOP NTR index. The ETF offers investors the opportunity to invest in the most important companies in the Central European region in a simple and cost-effective way, without the need for in-depth local knowledge. The fund has been launched on the BSE with a nominal value of €10 and units can be bought and sold continuously during trading hours. The fund currently has a net asset value of close to €30 million.

In 2024, the BSE has further expanded the CETOP product range with the new CETOP index futures contract, which offers the opportunity to implement investment strategies based on blue chip Central European equities on the derivatives markets.

The launch of the OTP CETOP ETF and the CETOP futures products is a significant step in the development of the domestic capital market, as they will help to increase investor interest in Central European markets and contribute to enhancing the liquidity and visibility of the region's stock markets.

## INTERNATIONAL INITIATIVES

The Budapest Stock Exchange has been actively participating in the work of certain professional committees of the Federation of European Stock Exchanges (FESE) since 1999 and has been a full member of the Federation since 2015. This membership facilitates the development of cooperation with other member exchanges and provides useful international experience, helping the domestic capital market to develop along European guidelines.

In 2024, the BSE continued to hold a number of face-to-face meetings with capital market investors in Europe and even the Far East, and also held several online meetings with global and regional fund managers interested in the Hungarian market. We have also sponsored investor conferences organised by leading investment service providers, which have also resulted in numerous meetings between domestic issuers and international investors.

At the end of the year, the BSE signed an agreement with six other regional stock exchanges and the EBRD to develop the capital markets in Central Europe, deepen their cooperation and pool resources.

# SUSTAINABILITY – ESG DEVELOPMENT AND SOCIAL RESPONSIBILITY (CSR)

## THE KEY ROLE OF SUSTAINABILITY, REGULATORY DEVELOPMENTS

Despite geopolitical uncertainties, the transformation of supply chains and inflationary pressures, sustainability has remained one of the most dominant trends in capital markets. Expectations for sustainable business operations have continued to grow, with economic actors increasingly adopting ESG (Environmental, Social, Governance) strategies.

The ESG approach has continued to gain ground in 2024, and expectations on companies have continued to grow, both from investors and regulators. The European Union's regulatory framework continues to evolve: the SFDR (Sustainable Finance Disclosure Regulation) will be fully applicable from 2023, while the details of the regulation continue to be refined.

The CSRD (Corporate Sustainability Reporting Directive), which will affect issuers, will start mandatory reporting for large companies in 2024 and will gradually extend to medium-sized companies in the coming years. Harmonisation of reporting standards is key to ensure that ESG aspects are presented to the market in a transparent and comparable way.

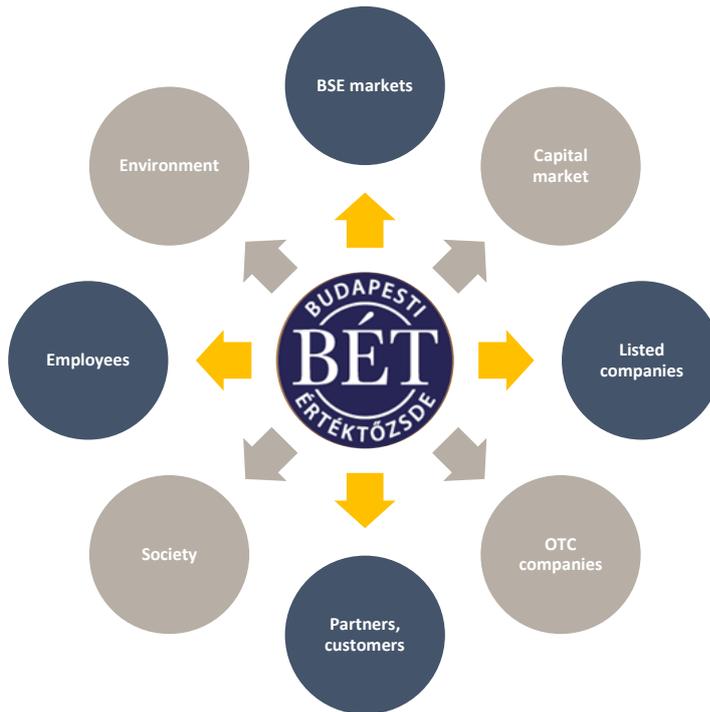
Hungarian legislation has also made progress in this area: the ESG Regulation, which will enter into force in December 2023, will ensure the implementation of EU legislation in Hungary, while also covering the sustainability due diligence of suppliers. This latter aspect is also a key element of the CSDD (Corporate Sustainability Due Diligence) Directive.

Global ESG regulation continues to tighten, particularly in the UK, the US and developed markets in Asia. Regionally differing standards pose challenges for investors and companies, while contributing to more sustainable markets.

The Taxonomy Regulation, which aims to lay down a common definition of sustainable activities, will be further refined in 2024, with the addition of new implementing rules. The dynamic evolution of the ESG regulatory environment will force operators to continuously adapt to changing expectations, ensuring transparent and sustainable business practices.

## BSE'S SUSTAINABILITY STRATEGY

Sustainability is an increasingly prominent focus area in the Exchange's strategy. In this context, the BSE sees its task as being to catalyse the green transition as a central player on the capital market and to actively contribute to the implementation of global sustainability goals, their adaptation on the capital market and the creation of the necessary tools and infrastructure. In addition, as a company, it seeks to integrate the principles of sustainable business operations into its strategy and activities. The BSE's ESG ambitions and its impact on sustainable development are therefore characterised by a specific dual role, which also defines its strategic objectives.



On the one hand, as an economic operator, it has a direct impact on its living environment and its stakeholders, just like any other market player. In this context, it considers its primary task to be to assess these impacts, to assess and mitigate any negative impacts and, in the case of a positive environmental contribution, to increase them.

On the other hand, BSE is a central capital market institution, infrastructure provider and ecosystem builder, and as such it has a strong indirect impact on its environment: it manages, guides and educates the players on the markets it operates, and it has an impact on the Hungarian capital market, on non-listed companies and, through them, on the economy, society and the environment. In some areas, the latter indirect role may even be stronger than the direct effects of its own operations.

The ESG approach on the Exchange started years ago, with the adoption of corporate governance best practice and the development of recommendations, and since then the BSE has taken a number of steps in this direction, both in terms of market developments and its own operations. The Exchange has translated these efforts into a structured form and an action plan with specific objectives, by drawing up its ESG Strategy 2023-2025. This action plan is called the ADEPT Strategy.

**THE PILLARS OF THE ADEPT STRATEGY**

<b>A</b>	<b>Adaptation</b>	Assessing and adapting to the impacts of climate change and societal challenges.
<b>D</b>	<b>Dedication</b>	A long-term commitment to achieving sustainable goals.
<b>E</b>	<b>Education</b>	Progressively prepare market actors for the green transition and sustainable development by creating an ESG knowledge centre to support companies.
<b>P</b>	<b>Proactivity</b>	Creating market infrastructures and business tools to support adaptation.
<b>T</b>	<b>Transparency</b>	Ensuring transparency in markets, supporting corporate ESG reporting.

**COMMUNITY BUILDING**

In recent years, the BSE has developed close professional partnerships and joined initiatives in order to better understand ESG issues (assessing risks and exploiting opportunities). The aim of these initiatives is to develop the role and best practices of stock exchanges and other market players in ESG development, to coordinate their activities and to create a supportive regulatory framework. BSE 2024 has played an active role in these partnerships.

In 2019, the Stock Exchange joined the UN Sustainable Stock Exchanges Initiative, the principles of which are the guiding principles for its sustainability activities. The BSE is also actively involved in the Sustainability Working Group of the Federation of European Securities Exchanges (FESE), where it supports lobbying activities aimed at developing a sustainability regulatory framework. In 2024, BSE also continued its participation in the Business Council for Sustainable Development in Hungary (BCSDH), and worked closely with the KÖVET Association, the German-Hungarian Chamber of Industry and Commerce, the Sustainability Section of the Hungarian Economic Association (MKT), the ministries and the MNB. The aim of the joint projects is to provide support to domestic small and medium-sized enterprises to enable them to effectively meet the requirements of sustainable business operations.

In 2024, the Stock Exchange presented at several prestigious conferences on ESG (e.g. Oeconomus ESG Conference; ESG Conferences of Ludovika University of Public Service and University of Debrecen; Klasszis ESG Conference). In addition, it organised several sustainability events to support the development of the corporate sector on ESG issues (BSE Mentor Day - ESG in Practice; Issuers' Forum on ESG; MKT Sustainability Section).

## SUSTAINABILITY REPORTING, IMPROVING ESG TRANSPARENCY

The primary role of public markets is to ensure transparency for investors. This is a classic stock exchange task, which the BSE ensures through its listing rules, recommendations, monitoring of issuers and the application of sanctions in the event of breaches of disclosure rules.

The increasing demand for sustainability (non-financial) disclosure and the tightening of the relevant regulations are a new area not only for stock exchanges but for all professionals, which is challenging because of its interdisciplinary nature and its wide scope. Another important aspect is that the market for sustainable investment products is still developing in Hungary, and this development is hampered by the lack of reliable, comparable data from the corporate side. The Exchange therefore gives top priority to the promotion of high quality corporate data.

## EDUCATION, GUIDANCE

The BSE has recognised that the lack of knowledge on the subject is a major obstacle to sustainable development in the domestic market, and has therefore identified education as one of its most important functions. Its main objective is to increase the general knowledge of market players on sustainability as widely as possible. In 2024, the Stock Exchange organised Mentor Day - ESG in Practice and the Issuers' Forum programmes, both of which included informative professional programmes with a number of Hungarian companies.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

The BSE's position and role on the market require it to engage in activities that are both socially important and strategically relevant, and which can serve as an example to other capital market players. Our social commitment in recent years has focused on financial education and support for seriously ill children.

The primary objective of the BSE e-Academies - free stock market courses for the general public - is to improve investor awareness.

In the BSE Share Race stock market game, students can try their hand at trading on the real market with virtual money and real price information.

The BSE has established the Kochmeister Prize, which is awarded every year at the stock analysis competition organised by the Association of Investment Experts in Hungary (CFA).

The Exchange is a professional sponsor of study competitions and contests such as the KEBA Stock Exchange Game.

The BSE regularly invites secondary school and university students to its headquarters, where they can listen to lectures by experts on the functioning of the stock exchange and the capital markets.

For many years, the Stock Exchange has supported the Magic Lantern Foundation, which grants wishes to children with serious illnesses.

## ESG PRINCIPLES IN OWN OPERATIONS

As the latest milestone in its sustainability efforts, the Budapest Stock Exchange published its Sustainability Report for the second time in 2024, which in addition to reporting on the sustainability activities of the Exchange in the previous year, also details the sustainability strategy for the period up to 2025. Prepared in accordance with GRI (Global Reporting Initiative) standards, the report takes stock of the BSE's environmental and social impact and describes the changes compared with the previous calendar year.

The report describes the stakeholder analysis and identification of stakeholders carried out by BSE, as well as the materiality analysis carried out for the company, the material and important issues and the methodology used to identify them.

<b>Relevant subjects</b>	Responsible corporate governance, oversight of sustainability processes by governing bodies
	Risk management, business continuity, protection, safe and continuous operation of trading and related systems, ensuring regulatory compliance
	Employees' rights, welfare, sustainable working conditions and personal development
	Diversity, equal treatment, non-discrimination
<b>Important subjects</b>	Employment-health, safety
	Indirect effects of the stock exchange, regulatory and educational activities
	Energy consumption and CO2 emissions
	Waste and water usage

# INTRODUCTION OF KELER GROUP

## KELER CENTRAL SECURITIES DEPOSITORY

KELER was founded in 1993 by the Hungarian National Bank (MNB), the Budapest Stock Exchange (BSE) and the Budapest Stock Exchange and is currently owned by the MNB (53.33%) and the BSE (46.67%).

Its primary objective is to be an efficient back office for the Hungarian capital market, including the creation, modification and cancellation of securities, the maintenance of central securities accounts, the operation of the securities settlement system and the provision of other services.

KELER is a central securities depository in Hungary, authorised to provide central securities depository services and non-banking and certain banking ancillary services under the provisions of the Central Securities Depositories Regulation (CSDR) and the Capital Markets Act (CMAA). In addition to its CSD functions, KELER also provides limited cash account management services to institutional clients and has made available to its clients, inter alia, the application and renewal of LEI codes and supports its clients in fulfilling their market reporting obligations.

In addition to securities issued in Hungary, KELER is also involved in the settlement of international securities. All securities transactions concluded on BSE are cleared by KELER.

## MAIN SERVICE AREAS OF THE KELER

### ESSENTIAL SERVICES

<b>Central securities registry</b>	KELER keeps a record of securities dematerialised or printed domestically, as well as a list of securities that have been blocked or declared void.
<b>Dematerialised securities services (creation, cancellation and other events)</b>	KELER maintains a central securities account for all dematerialised securities issued by it and provides a number of related services to issuers (initial issuance; reissuance; partial or series cancellation; displacement; conversion and reconversion; exchange of certificates; daily creation/cancellation of units; payment of consideration for conversion of shares produced by printing into dematerialised shares).
<b>Securities account management for institutional clients</b>	KELER shall maintain a securities account for the participants in the securities settlement system in order to debit and credit securities.
<b>Settlement of securities orders</b>	In relation to domestic securities, KELER settles regulated market transactions guaranteed and not guaranteed by the KELER KSZF, as well as transactions concluded outside the regulated market (e.g. OTC prompt, primary market and repo).

### NON-BANKING ADDITIONAL SERVICES

<b>Services related to shareholder registers</b>	Within these services, KELER provides share registry, custodian, shareholder matching services, corporate event management, paying agent services and general meeting organisation.
<b>ISIN code issue</b>	KELER, as a national code issuer, issues ISIN codes for securities and derivative products, which are unique codes that allow the unique identification of securities, under the authorisation of the Tpt.
<b>Participation in the settlement of international securities transactions</b>	Access to numerous foreign markets is provided by KELER, ensuring seamless settlement, and the management of corporate events is also part of the service.
<b>Services related to custodial services for printed securities</b>	Services related to custodied print-produced securities are included.
<b>Regular reporting (market reports)</b>	Within the market reporting service, KELER supports its clients in meeting the reporting requirements of EMIR, REMIT, MIFID II and SFTR.

### ADDITIONAL BANKING SERVICES

<b>Currency side settlement</b>	Performs the cash-side settlement of securities transactions for institutional clients.
<b>Deposit service, Deposit account</b>	Settles spot commodity transactions in the context of a custody service. It holds custody accounts for issuers in specified cases.

## THE STATE OF THE BUSINESS

In addition to general macroeconomic effects (inflation, monetary conditions, labour market developments, etc.), KELER's activities and management are mainly influenced by the portfolio of debt securities, the market value of equity securities and the related transactions and market developments. In the recent period, there has been a steady increase in the portfolio of securities, which has also affected the results of KELER.

### EQUITY OF KELER LTD., 2024 (MILLION HUF)

DENOMINATION	AMOUNT
Subscribed capital	4 500
Reserves	30 930
Profit after tax	9 798
<b>Total Equity</b>	<b>35 430</b>

### MAIN FINANCIAL DATA AND MANAGEMENT OF KELER ZRT. IN 2024

**Fees, commissions and fees from the activities of depositaries and credit institutions** The majority of KELER's revenues are derived from the custody of government securities issued in HUF and related securities transactions. KELER's income from fees and commissions amounted to HUF 10 billion 529 million in 2024. Of this, the account management service amounted to HUF 8 833 million, the issuer service to HUF 720 million, the custody service to HUF 695 million and the market reporting income to HUF 262 million. In addition, HUF 18 million came from code publishing and HUF 1 million from data and information services.

**Infrastructure revenue** The revenue from services provided to the KELER KSZF amounted to HUF 487 million in 2024.

**Interest income** KELER's interest surplus was HUF 2 183 million in 2024, 38 percent below the interest income of HUF 3 386 million in the previous year (realised in a high forint market yield environment).

**Operating expenses** Strict cost control throughout the organisation continued to be a major contributor to sound financial management. The main operating expenses of the Valuables Depository, net of taxes on profit, increased by 8 % in 2024. Compared to the base year, personnel costs increased by 11 percent and maintenance costs increased by 23 percent (HUF 228 million). Depreciation is below base by HUF 75 million. An amount of HUF 273 million has been recognised in 2024 under other risk cost relief, which represents an additional profit improvement of HUF 151 million compared to the previous year's relief of HUF 122 million.

**Profit before tax** Including the dividend income from the KELER KSZF and other financial results, KELER's pre-tax profit for 2024 is HUF 10 579 million, which is nearly 2 times the pre-tax profit for 2023, exceeding it by HUF 4,7 billion in numerical terms.

KELER's financial data are derived from internal accounting records.

## KELER KSZF

KELER KSZF Central Counterparty Ltd. KELER KSZF Central Counterparty Ltd. provides clearing services as a clearing house for the Budapest Stock Exchange, BÉTa, Xbond, Xtend, MTS Hungary, CEEGEX Central Eastern European Organised Natural Gas Market, the gas segment of HUDEX Hungarian Derivative Energy Exchange, the Hungarian natural gas balancing market operated by FGSZ Ltd. and the trading platform operated by FGSZ KP Llc. It also provides sub-clearing services as a general clearing member of ECC in the energy markets cleared by ECC as central counterparty. KELER KSZF is exclusively supervised by Magyar Nemzeti Bank in close cooperation with ESMA.

The main owner of KELER KSZF is KELER Ltd. with a 99.85 percent stake, the MNB with 0.08 percent and the Budapest Stock Exchange with 0.07 percent.

## MAIN SERVICES AND MARKETS

KELER KSZF is a central counterparty under the Tpt. and EMIR. Currently, KELER KSZF provides clearing and related underwriting services at a number of trading venues (see below for a list of these) in its general clearing and settlement business with the market operators already detailed above (BSE, MTS S.p.A., FGSZ Erdgázzállító Ltd., FGSZ KP Llc.) and in its partnership with ECC. The above activities of KELER KSZF can be basically divided into two service areas, which in fact cover its main "markets.

### CENTRAL COUNTERPARTY ACTIVITY

KELER KSZF provides clearing and related underwriting services as a central counterparty for the Budapest Stock Exchange, MTS S.p.A. and the Hungarian gas trading venues. As a central counterparty, it clears transactions concluded on the following trading venues, on the basis of agreements with cooperating counterparties:

TRADING VENUE	SETTLED TRANSACTIONS	OPERATOR
<b>Budapest Stock Exchange</b>	Equity, bond, currency derivative, interest rate, equity and commodity futures and options product	BSE
<b>BÉTa Market</b>	Equity and ETF MTF market	BSE
<b>Xtend Market</b>	Equity MTF market	BSE
<b>Xbond Market</b>	Bond MTF market	BSE
<b>MTS Hungary</b>	Bond MTF market	MTS S.p.A.
<b>IT Platform</b>	Balancing natural gas settlement	FGSZ Z.
<b>Trading Platform</b>	Spot natural gas market	FGSZ Kereskedési Platform Kft.
<b>CEEGEX</b>	Spot structured natural gas market	CEEGEX Zrt.
<b>HUDEX/Gas segment</b>	Regulated natural gas market	HUDEX Energiatőzsde Zrt.

### GENERAL CLEARING ACTIVITY (GCM BRANCH)

KELER KSZF, as a general clearing member of European Commodity Clearing AG (ECC), has been providing sub-clearing services to energy market participants since July 2010 for spot and derivative energy market transactions cleared by ECC at the following trading venues:

- EEX ([www.eex.com](http://www.eex.com))
- EPEXSPOT ([www.epexspot.com/en](http://www.epexspot.com/en))
- HUDEX/electricity segment ([www.hudex.hu](http://www.hudex.hu))
- HUPX Hungarian Organised Electricity Market ([www.hupx.hu](http://www.hupx.hu))
- PXE ([www.pxe.com](http://www.pxe.com))
- SEPEX ([www.seepex-spot.rs/en](http://www.seepex-spot.rs/en))
- SEMOpx ([www.semopx.com](http://www.semopx.com))

### INCOME FROM OWN AND EXTERNAL PORTFOLIOS

In addition to the fee income directly derived from its business activities, the CIF realises interest income from the investment and management of its own and third-party portfolios.

### THE STATE OF THE CORPORATION

In domestic and international markets, global investor sentiment and asset price developments were mainly influenced by geopolitical tensions and expectations regarding the interest rate policies of major central banks, which resulted in a downward shift in the overall interest rate path priced into the market. The intensification of international political conflicts has increased uncertainty in capital markets and fuelled risk aversion, especially towards emerging markets.

### EQUITY OF KELER KSZF LTD., 2024 (MILLION HUF)

DENOMINATION	AMOUNT
Subscribed capital	3 423
Reserves	18 846
Profit after tax	5 338
<b>Total Equity</b>	<b>22 269</b>

Changes in turnover in the markets served, the activity or more passive trading behaviour of clearing members, costs under pressure due to inflation have a direct impact on the results of the clearing house, while other factors in the economic environment (such as interest rates) or the level of own and debt holdings as a result of risks and actions taken on them have an impact on the profitability of the KELER KSZF through the investment result.

Overall, KELER KSZF - fulfilling its role as a guarantor and risk management institution - has shown a stable operation throughout the period. Despite the challenges of the economic crisis, it has managed to keep costs under control, while its results have benefited from the overall positive impact of rising interest rates.

**MAIN FINANCIAL DATA AND MANAGEMENT OF KELER KSZF LTD. IN 2024**
**Fees and commissions from clearing house and guarantor activities**

All of the markets cleared by the Company saw an increase in turnover, resulting in core activity revenues 30 percent above the base, driven by the increase in the number of participants served by membership fees in the gas and energy markets. Overall, the KELER KSZF realised fee income of HUF 3 115 million in 2024 on the core activity described below.

The most significant growth was generated by the gas market, where a marked increase of 63 % in service revenues compared to the base year was driven by the growth in turnover on the CEEGEX market. A significant share of revenues also came from the spot market for energy markets, where a moderate increase in turnover was observed. The same can be said for the capital markets, where one of the consequences of the caution resulting from the economic downturn seen in previous years was subdued trading in the multinet segment. The increase in derivatives market revenues was driven by higher turnover. The clearing house recorded fee income of HUF 236 million on the turnover of the multinet market and HUF 206 million on the turnover of the derivatives market. In addition, nearly HUF 100 million was generated from clearing membership fees and HUF 110 million from late and default fees on the capital market.

The day-ahead and intraday turnover of the organised natural gas market in 2024 was a record 99.07 TWh at HUF 631.5 billion, compared to 59.94 TWh and HUF 477.2 billion in the base year. The year was also marked by volatility in gas prices. Thanks to the outstanding turnover on the CEEGEX market, the company realised nominally HUF X325million more - HUF 843 million - in fee income from the gas market compared to the base year. The recovery on the derivatives gas exchange HUDEX, which had lasted until August, came to a halt in the second half of the year, with negligible fee income. Membership and late fees on the gas market amounted to HUF 360 million and trade reporting fees to HUF 2 million.

In the spot market, the record turnover of 107.2 million MWh in 2024 exceeded the base by 27 percent, the highest ever cleared by KELER KSZF, thanks to a long-standing trend of increasing traded volumes and the number of clearing members. Thanks to the outstanding turnover, revenues of HUF 712 million were realised from the energy market in the year under review, and a further HUF 545 million was generated from membership and late fees in the energy market.

**Result on own and external portfolio management (asset/liability management)**

The trend towards declining policy rates and domestic monetary conditions had a significant impact on the result from bail-in management. The reduction in free market energy prices led to a decrease in the price and volume-dependent collateral (bail-in) portfolio. As a result of this, and the decline in interest rates, interest income fell by 15 %; a significant part of the decline is due to the non-receipt of interest from foreign clearing houses.

The increase in interest expenses of HUF 170 million is due to the increase in interest paid on loans related to gas market activities, which represented an additional expense of 22 % on the base.

In total, the management of collateral pools to cover the exposures of the Clearing House, as well as investment and liquidity management activities generated net interest income of HUF 5 027 million.

**Operating expenses**

The 26 percent increase in operating expenses was the result of a surplus in personnel expenses (+23 percent), other non-interest expenses (+33 percent) and expenses for banking services, fees and commissions paid (+20 percent) on the one hand, and a decrease in depreciation (-39 percent) on the other.

**Profit before tax**

As a result of the effects described above, the KELER KSZF's profit before tax for 2024 was close to HUF 6 billion, which is the second best result in the KELER KSZF's history.

The financial data of KELER KSZF are derived from internal accounting records.

## OTHER DATA

### EVENTS AFTER THE TURN OF THE YEAR

#### MACROECONOMIC ENVIRONMENT

The BSE plays an important role in the capital financing of domestic companies in particular, and the macroeconomic environment in Hungary has a significant impact on the willingness of these companies to list on the stock exchange, as well as on the investor perception of companies already listed. For this reason, a significant deterioration in macroeconomic indicators (e.g. GDP, sovereign risk, inflation, unemployment rate, household savings) could reduce the willingness of companies to raise capital, which would have a negative impact on the BSE's issuer revenues. Although a deterioration in macroeconomic figures could boost the Exchange's trading activity in the short term due to a sudden increase in market volatility, a sustained negative shift in indicators could reduce investor activity in the domestic market in the long term, with a concomitant fall in BSE's revenues and profitability. It is important to note that foreign investors play an important role in the BSE's trading activity, accounting for 56.13% of total spot secondary market turnover in 2024. Thus, if domestic macroeconomic indicators are unfavourable for these investor groups, this could have a significant impact on the BSE's operations.

#### RUSSO-UKRAINIAN CONFLICT

The BSE continuously monitors the emergency situation and identifies its responsibilities in relation to it, and liaises with the Hungarian National Bank, which has a supervisory role, in order to be able to take immediate measures to protect the legitimate interests of investors, the balance of the market and the operation of the stock exchange.

Management believes that the current impact of the conflict on the Company's operations, liquidity and capital position will not have any significant consequences and that there is no uncertainty as to the continuation of the business.

#### ORGANISATION

At 31 December 2024, the number of employees at the Budapest Stock Exchange decreased to 61 from 62 at the end of 2023.

#### FINANCIAL INVESTMENTS

In accordance with the statutory requirements, the BSE invests its free funds for a period of less than one year in the form of deposits or government bonds. BSE has no debt, its cash and fixed-term deposits are stable and there is no liquidity risk.



## **FINANCIAL STATEMENTS**

**ANNUAL SEPARATE FINANCIAL STATEMENTS PREPARED  
IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING  
STANDARDS AS ADOPTED BY THE EUROPEAN UNION  
FOR THE BUSINESS YEAR ENDED 31<sup>ST</sup> DECEMBER 2024**

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**SEPARATE STATEMENT OF FINANCIAL POSITION**

DESCRIPTION	NOTES	31.12.2024	31.12.2023
<b>ASSETS</b>			
Property, plant and equipment	12	332	288
Intangible assets	12	235	304
Right of use assets	13	790	854
Investments in associates measured using the equity method and investments in subsidiaries	14	18 363	16 890
Investments measured at fair value through other comprehensive income	14	3	1
Loans at amortised cost	15	22	18
<b>Non-current assets</b>		<b>19 745</b>	<b>18 355</b>
Inventories	15	2	6
Trade and other receivables	15	502	541
Prepaid expenses	15	36	32
Accrued revenues	15	560	1 244
Cash and cash equivalents	15	8 655	4 164
<b>Current assets</b>		<b>9 755</b>	<b>5 987</b>
<b>TOTAL ASSETS</b>		<b>29 500</b>	<b>24 342</b>
<b>EQUITY AND LIABILITIES</b>			
Subscribed capital (par value: HUF 100/share)	16	541	541
Retained earnings	16	25 887	20 654
Revaluation reserve originating from associates	16	9	12
<b>Total shareholders' equity</b>		<b>26 437</b>	<b>21 207</b>
Employee benefit liabilities (non-current)	17	10	9
Non-current lease liability	13	813	825
Deferred tax liabilities	11	1 193	1 058
<b>Non-current liabilities</b>		<b>2 016</b>	<b>1 892</b>
Trade payables and other short-term liabilities	18	675	874
Current tax liabilities	18	9	53
Current lease liability	13	117	101
Prepaid revenues	18	56	58
Accrued expenses	18	189	156
Employee benefit liabilities (current)	17	1	1
<b>Current liabilities</b>		<b>1 047</b>	<b>1 243</b>
<b>Liabilities</b>		<b>3 063</b>	<b>3 135</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>29 500</b>	<b>24 342</b>

Budapest, 26 March 2025

 Richárd Végh  
 Chief Executive Officer

 Katalin Sámel  
 Financial Director

**SEPARATE STATEMENT OF COMPREHENSIVE INCOME**

DESCRIPTION	NOTES	2024	2023
Revenue	7	3 728	3 572
Other income	7	64	855
Expenses for material costs	8	-4	-4
Expenses for services used	8	-813	-901
Personnel costs	8, 9	-1 418	-1 342
Depreciation and amortisation	12, 13	-311	-332
Expenses arising from miscellaneous other costs	8	-171	-805
Other expenses		0	-14
Share in the profit or loss of associates	14	4 747	5 128
Interest income		348	347
Other financial income	10	57	9
Finance expenses	10	-33	-52
Expenses from expected credit losses	15	-4	1
<b>Profit/loss before taxation</b>		<b>6 190</b>	<b>6 462</b>
Income tax expense/income	11	-351	-621
<b>Net profit or loss</b>		<b>5 839</b>	<b>5 841</b>
<b>Other comprehensive income</b>			
Of which items to be subsequently reclassified to profit or loss			
Share of other comprehensive income of associates	16	-3	63
<b>Other comprehensive income</b>		<b>-3</b>	<b>63</b>
<b>Total comprehensive income</b>		<b>5 836</b>	<b>5 904</b>
<b>Net profit/loss (HUF thousand)</b>		<b>5 839 280</b>	<b>5 840 498</b>
<b>Net profit/loss (HUF million)</b>		<b>5 839</b>	<b>5 841</b>
<b>Average number of shares</b>		<b>5 413 481</b>	<b>5 413 481</b>
<b>Earnings per share (EPS) (Ft/share)</b>		<b>1 079</b>	<b>1 079</b>
<b>Diluted Earnings per Share (Ft/share)</b>		<b>1 079</b>	<b>1 079</b>

Budapest, 26 March 2025

 Richárd Végh  
 Chief Executive Officer

 Katalin Sámel  
 Financial Director

**SEPARATE STATEMENT OF CHANGES IN EQUITY**

DESCRIPTION	SUBSCRIBED CAPITAL	RETAINED EARNINGS	REVALUATION RESERVE ORIGINATING FROM ASSOCIATES	TOTAL SHAREHOLDERS' EQUITY
<b>Financial Year Ended 31 December 2024</b>				
<b>Balance at 1 January 2024</b>	<b>541</b>	<b>20 654</b>	<b>12</b>	<b>21 207</b>
Net profit or loss/other comprehensive income for financial year 2024		5 839	-3	5 836
Dividends from retained earnings		-606		-606
<b>Balance at 31 December 2024</b>	<b>541</b>	<b>25 887</b>	<b>9</b>	<b>26 437</b>
<b>Financial Year Ended 31 December 2023</b>				
<b>Balance at 1 January 2023</b>	<b>541</b>	<b>15 239</b>	<b>-50</b>	<b>15 730</b>
Net profit or loss/other comprehensive income for financial year 2023		5 841	63	5 904
Transactions with owners in their capacity as owners (contributions)		125		125
Dividends from retained earnings		-552		-552
<b>Balance at 31 December 2023</b>	<b>541</b>	<b>20 654</b>	<b>12</b>	<b>21 207</b>
Notes	16	16	16	16

Budapest, 26 March 2025

 Richárd Végh  
 Chief Executive Officer

 Katalin Sámel  
 Financial Director

**SEPARATE STATEMENT OF CASH FLOWS**

DESCRIPTION	NOTES	2024	2023
<b>Cash flows from operating activities</b>			
<b>Profit before taxation</b>		<b>6 190</b>	<b>6 462</b>
<b>Adjustments to reconcile net profit to operating cash flows</b>			
Depreciation and amortisation	12, 13	311	332
Share of associated companies profit before taxation	14	-4 747	-5 128
Adjustment for interest expenses on leases	13	33	34
Reclassification to investing cash flows	10	-346	-347
Non-cash adjustment (unrealised fx gains/losses)	10	-43	-10
Impairments and reversals	14, 15	4	-1
Other non-cash transactions	18	1	2
<b>Working capital adjustments:</b>			
Net (increase)/decrease in trade and other receivables	15	719	-585
Net (increase)/decrease in inventories	15	4	3
Net change in advances received on government grants	18	-188	-128
Net increase/(decrease) in trade and other creditors	18	-69	-69
Income tax paid	11	-171	-258
<b>Net Cash from Operating Activities</b>		<b>1 698</b>	<b>307</b>

*Continued on next page.*

**SEPARATE STATEMENT OF CASH FLOWS (CONTINUED ON)**

DESCRIPTION	NOTES	2024	2023
<b>Cash flows from investing activities</b>			
Interest received	10	346	347
Purchase of intangibles, property, plant and equipment	12	-177	-248
Employee loans	15	-10	-11
Repayment of employee loans	15	3	3
Dividend received	14	3 271	401
Capital contributions of other participations	14	-2	-1
Income from the sale of intangibles, property, plant and equipment	12	0	8
<b>Net cash flow from investing activities</b>		<b>3 431</b>	<b>500</b>
<b>Cash flows from financing activities</b>			
IFRS 16 Leases – principal and interest payments	13	-142	-132
Dividends paid	23	-606	-552
Transactions with owners in their capacity as owners (contributions)	16	0	125
<b>Net cash flow from financing activities</b>		<b>-748</b>	<b>-559</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>4 381</b>	<b>247</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	15	<b>4 164</b>	<b>3 954</b>
<b>Unrealised exchange differences on cash and cash equivalents at year-end</b>		<b>110</b>	<b>-37</b>
<b>Cash and Cash Equivalents at End of Year</b>	15	<b>8 655</b>	<b>4 164</b>

Budapest, 26 March 2025

 Richárd Végh  
 Chief Executive Officer

 Katalin Sámel  
 Financial Director

## 1. REPORTING ENTITY

<b>Name of Company:</b>	Budapesti Értéktőzsde Nyilvánosan Működő Részvénytársaság (Budapest Stock Exchange Public Limited Company)
<b>Legal form:</b>	Public Limited Company
<b>Registered office and address of the company:</b>	H-1013 Budapest, Krisztina körút 55. VI. emelet, Hungary
<b>Company registration number:</b>	01-10-044764
<b>Country of registration and operation (applicable law):</b>	Hungary
<b>Par value and number of shares issued:</b>	5,413,481 shares with a par value of HUF 100 each
<b>Data of persons authorised to sign the report on behalf of the Company:</b>	Richárd Végh, Chief Executive Officer Address: H-2040 Budaörs, Hegyalja utca 10/A
	Katalin Sámel, Director Address: H-1135 Budapest, Lehel utca 60. 6/1

Budapest Stock Exchange Plc. (hereinafter referred as: BSE or Company) was founded on 21 June 1990.

A key player on the Hungarian money and capital markets, Budapest Stock Exchange Plc. (BSE) provides economic operators with access to financial resources and offers investors a broad range of investment instruments. BSE's mission is to create a Hungarian economy based on stable and independent funding and to continuously develop the financial culture of the Hungarian population and corporate sector.

### THE FOUR MAIN ACTIVITIES OF THE COMPANY:

- listing services,
- trading services,
- dissemination of market information, and
- product development.

The Company is operating under the relevant Capital Market Act. The Company's registered office: H-1013 Budapest, Krisztina körút 55., Hungary VI. emelet. The ownership structure of the Company is presented in Note 16 **Hiba! A hivatkozási forrás nem található..**

The Company's controlling shareholder is Magyar Nemzeti Bank (MNB, the Hungarian National Bank; address: H-1013 Budapest, Krisztina körút 55).

## 2. BASIS OF PREPARATION

### A) STATEMENT OF COMPLIANCE

These financial statements present BSE's financial position, financial performance and cash flows. The separate financial statements of the Company are prepared by BSE management and published after approval by the BSE Annual General Meeting.

The financial statements have been prepared in accordance with the International Financial Reporting Standard (IFRS) issued by the International Accounting Standard Board (IASB). The Company has applied IFRSs as adopted by the European Union. IFRSs comprise IFRSs and IASs as well as IFRICs and SICs as developed by the Interpretations Committee. Management declares that these financial statements fully comply with IFRS as adopted by the European Union, including IASs, IFRICs and SICs.

On the basis of compliance with the conditions set out in Section 114/C (6) of the Hungarian Accounting Act, BSE applies IFRS financial statements for submission to local authorities from 1 January 2022.

### B) GOING CONCERN PRINCIPLE

The management of the Company has concluded that the going concern requirement is met, i.e. there are no indications that BSE will cease or materially reduce its operations in the foreseeable future, which is beyond one year.

### C) BASIS OF MEASUREMENT

The Company generally measures its assets at historical cost, except in situations where IFRSs require the element to be measured at fair value. Further disclosures on the basis of measurement are discussed in Note 3 **Hiba! A hivatkozási forrás nem található..**

The methods used to measure fair values are discussed further in Note 3.

### D) FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements have been prepared in Hungarian forint (HUF) (the presentation currency), which is also the functional currency of BSE. All financial information presented in HUF has been rounded to the nearest million ("HUF million").

### 3. MATERIAL ACCOUNTING POLICY INFORMATION

#### A) USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRSs, as adopted by the EU requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In the statement of financial position, BSE applied estimates and historical information for the Impairment of receivables. Comparing the applied credit loss allowance model with the historical information there is insignificant difference in the amount of credit loss allowance.

For the annual depreciation rates of Intangible assets and Property, plant and equipment, please see Note 3. f) and g). Estimates and assumptions were also applied in the calculation of Employee benefits, according to BSE statistics.

BSE has applied estimates in the valuation of its investment in associates, which is further explained in d) **Hiba! A hivatkozási forrás nem található.**

There are no other significant estimates in the financial statements.

#### B) BASIS OF PREPARATION

The current financial statements prepared by BSE are separate financial statements.

The Company's **associate company**, Central Depository and Clearing House (Budapest) Ltd ("KELER") (and its consolidated subsidiary, KELER CCP Ltd. ("KELER CCP")) are included in these financial statements using the equity method, whereby the investment was initially recorded at cost and adjusted thereafter for the post acquisition change in the Company's share of net assets and impairment, if necessary. The statement of comprehensive income reflects the Company's share of the comprehensive income of the investee.

#### C) FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are translated to the respective functional currency (HUF) of BSE at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency of the Company at the exchange rates prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date when the fair value was determined.

Foreign exchange gains or losses arising on retranslation are recognised in profit or loss.

#### D) INVESTMENTS IN ASSOCIATES

An associate is an entity over which the investor has significant influence, and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. Significant influence is presumed to exist when the Company holds between 20 and 50 percent of the voting power of another entity.

Associate entities are accounted for using the **equity method** and adjusted by the necessary impairments.

BSE values its investments in associates using the equity method. The equity method is a method of accounting whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets. The investor's profit or loss includes its share of the investee's profit or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income. Dividends from the investment are recognised by BSE as a reduction of the investment, and any impairment losses in excess of the proportional profit or loss are charged to profit or loss.

If there is objective evidence that the net investment in an associate is impaired, the requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to BSE's investment. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount.

## E) IFRS 9 – FINANCIAL INSTRUMENTS

### CLASSIFICATION AND MEASUREMENT

**Trade and other receivables** are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as debt instruments at amortised cost.

**Cash and cash equivalents**, which include cash at bank and deposits, are measured at amortised cost.

BSE has not designated any financial assets or liabilities as at fair value through profit or loss (there are no assets or liabilities where the fair value option had been chosen).

The **financial liabilities** of BSE comprise Trade and other payables.

### IMPAIRMENT

BSE's accounting for impairment losses for financial assets is driven by a forward-looking expected credit loss (ECL) approach. IFRS 9 requires BSE to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and for contract assets.

## FINANCIAL ASSETS

### INITIAL RECOGNITION AND MEASUREMENT

At initial recognition, financial assets are classified at fair value, subsequently at amortised cost, at fair value through other comprehensive income or at fair value through profit or loss.

With the exception of trade receivables that do not contain a significant financing component or for which BSE has applied the practical expedient, BSE initially measures a financial asset at its fair value (plus transaction costs in the case of financial assets not at fair value through profit or loss). Trade receivables that do not contain a significant financing component or for which BSE has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in Note 3 k) about Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, 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 instrument level.

BSE'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 flows, selling the financial assets, or both.

In case of receivables the business model of BSE is cash flow collection. For securities the business model is primarily cash flow generation, without excluding selling the assets.

#### SUBSEQUENT MEASUREMENT

##### **Financial assets at amortised cost (debt instruments)**

This category is the most relevant to BSE. BSE measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- 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 amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment.

All gains and losses are recognised in profit or loss.

BSE's financial assets measured at amortised cost include cash and cash equivalents, trade receivables and loans given to employees.

##### **Financial assets at fair value through OCI (equity instruments)**

If a financial asset is an equity instrument and the purpose of holding the instrument by BSE is not trading, BSE may choose to measure it as at fair value through OCI.

In August 2023, BSE participated in the foundation of the company EuroCTP B.V., with 0,05% share. The financial asset has been classified as Fair value through OCI, as the purpose of holding the instrument is not trading.

## IMPAIRMENT OF FINANCIAL ASSETS

### IMPAIRMENT OF TRADE RECEIVABLES

For **trade receivables** and contract assets, BSE applies a simplified approach in calculating ECLs. BSE has established an ECL matrix (considering the historical credit loss experience of BSE). Historical willingness to pay was taken into account when determining the depreciation rates. Comparing the applied credit loss allowance model with the historical information there is insignificant difference in the amount of credit loss allowance. An impairment loss of 100% is recognised for receivables due in more than one year and a minimum of 1% for receivables due within one year.

DAYS LATE	CREDIT LOSS ALLOWANCE AS A % OF THE AMOUNT DUE
Under 90 days	1%
90–180 days	20%
181–365 days	50%
Over a year	100%

For cash and cash equivalents BSE considers the credit rating of Hungary and if the rating is considered appropriate (meaning default risk is low according to the rating agency definitions), impairment is considered to be immaterial and no impairment is recorded on cash and cash equivalents.

## FINANCIAL LIABILITIES

### INITIAL RECOGNITION AND MEASUREMENT

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

BSE's financial liabilities include **trade and other payables**.

## F) PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The annual depreciation rates used for this purpose, which are consistent with those of the prior years, are:

Annual depreciation rates

DESCRIPTION	RATE
Investments implemented on leased property	6%
Electronic wiring, networks	8%
IT equipment	33%
Office furniture, equipment and installations	14.5%
Motor vehicles	20%

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Residual values are considered to be nil, except for Motor vehicles. Depreciation is not charged on tangible fixed assets which have not yet been brought into use and on land. Depreciation methods, useful lives and residual values are reassessed at the reporting date. Gains or losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining other income or other expenses.

## G) INTANGIBLE ASSETS

Software costs for the development and implementation of systems which enhance the services provided by BSE are capitalised and amortised straight line over their estimated useful lives.

Annual depreciation rates

DESCRIPTION	RATE
Rights and patents	10%
Licenses and software	20% or 33%

## H) IMPAIRMENT

### FINANCIAL ASSETS

For impairment of financial assets please see Note 3 e).

### NON-FINANCIAL ASSETS

The carrying amounts of BSE's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

## I) CASH AND CASH EQUIVALENTS

In the statement of financial position, cash and bank balances comprise cash (i.e. cash on hand and demand deposits) and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Due to the insignificant risk, cash and cash equivalents are measured at the same value as bank statements.

## J) EMPLOYEE BENEFITS

Wages and salaries include contributions to defined contribution schemes, on the basis of the decision of the employees. There are no defined benefit schemes at BSE.

Employees are entitled to jubilee benefits starting from the financial year 2016, after each 5 years of employment up to the 30th year. BSE measures the obligation according to IAS 19 Employee Benefits, in long-term liabilities, and any changes to the obligation are recognised against profit or loss.

BSE uses the projected unit cost method for calculating its obligation and uses its own statistics of fluctuation in the actuarial assumptions. For discounting, BSE uses market yield on government bonds.

## K) REVENUE

The Company assesses and reviews its contracts with customers on an individual basis, and applies the 5-step model of the standard to the contracts entered into.

The Company does not recognise items collected and transferred on behalf of others as part of revenue, as control over them is not transferred to the Company. The Company recognises VAT as such an item.

### CHARACTERISTICS OF THE DIFFERENT TYPES OF REVENUE OF BSE

Revenue comprises membership and other fees receivable from stockbrokers together with fees receivable in respect of the listing, clearing, registration and trading of quoted securities and related services.

SETTLEMENT PERIOD	AT THE GIVEN POINT IN TIME	IN A PERIOD (YEAR/MONTH/QUARTER)
Revenues from trading fees		
Annual admission fees		X
Trading fees (monthly)		X
Auctions	X	
Revenues from listing fees		
Listing (one-off) fee	X	
Quarterly fee		X
Revenues from sale of information		
Annual vendor fees		X
Monthly vendor fees		X
Other information services	X	X
Revenues from other services	X	X
Connection fees, licenses		X

**Trading fees** include an annual minimum fee (admission fee) and monthly transaction fee.

Companies pay an amount for the day of **listing**, and also a quarterly fee for **being listed**.

**Information revenues** include both annual and monthly fees depending on the product, according to the Regulations of BSE.

- Annual fees are recognised straight line over the 12 month period to which the fee relates.
- Admission fees are recognised at the time of admission to trading.
- Data, transaction, information and exchange charges are recognised in the month in which the data is provided or the transaction is effected.

**Revenues from other services** include services purchased and transferred to other parties, while **Connection fees** are related to the trading of exchange members, and **Licenses** are related to data vendors.

All the revenues of BSE belong to a specific point or period in time that is usually a complete financial year, quarter or month. Revenues do not affect more than one financial year, as the frequency of issuing invoices of a contract generally cover a maximum of one calendar year.

## TRANSACTIONS ACCOUNTED FOR ON A NET BASIS

BSE acts as an intermediary in some transactions, i.e. it resells the purchased service to a third party in an unchanged form. In such cases, BSE accounts for revenues and expenses on a net basis (such as the provision of secure lines to brokers).

Other transactions generate commissions or revenue splits that would not arise in the absence of the revenue realised (such as auction revenues or data sales audit commissions). The transactions listed are reported on a net basis by BSE.

## L) FINANCE INCOME AND EXPENSES

Finance income comprises interest income on funds invested, dividend income (except for dividend from associates), and gains on the disposal of financial assets. Interest income is recognised in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that BSE's right to receive payment is established.

Finance costs include interest paid (including interest expense on leases under IFRS 16), impairment losses on investments in subsidiaries and foreign exchange losses.

The foreign exchange difference is presented on a net basis by BSE (separately for realised and unrealised items).

## M) INCOME TAX

Income tax expense comprises current and deferred tax, from 2023 on local tax and innovation contribution are also classified as income tax (in prior years the latter two were classified as Operating Expense). Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax base.

## N) EVENTS AFTER THE BALANCE SHEET DATE

Events after the balance sheet date are those events, favourable and unfavourable, that occur between the balance sheet date and the date when the financial statements are authorised for issue. These events are adjusting and non-adjusting events according to IAS 10.

All adjusting events after balance sheet date have been taken into account in the preparation of the financial statements of BSE.

All non-adjusting events, if any, are disclosed in the Notes to the Financial Statements, please see Note 22.

## O) GOVERNMENT GRANTS

The main policy for recognizing government grants is that revenues/reimbursements of incurred costs should be accounted for in the same period, provided that there is reasonable assurance that BSE will comply with the conditions attaching to the grants and that the grants will be received. That is, if a certain expense is reimbursable from a government program, it should be recognized in the same financial year. Such items are presented as Other Income in the financial statements. The company accounts for government grants (all of which relate to compensation for costs and expenses) on a gross basis.

Financial statements can be submitted to the counterparty providing the grant several times during the financial year. When the accounts are accepted, the grant is settled (usually by accounting for the reduction of the advance received). BSE may charge certain specific types of costs (personnel costs, bank guarantee, expert services) to the programme within the limits of the budget allocated to them. For details of the programme, see Note 7.

## P) LEASES

In the current and the previous year, the Company's property lease agreement was a contract that the Company determined, upon examination, to contain a lease. The current contract comprises an extension option but has no termination option and expires in February 2032. The Company used a lessee's incremental borrowing rate as allowed by the standards because the implicit interest rate in the transaction is difficult to determine.

At the commencement date, a lessee shall recognise a right-of-use asset and a lease liability.

### RECOGNITION EXEMPTIONS

If the Company is a lessee under IFRS 16 in respect of a contract, it does not apply the general rules in the standard to leases of short duration (less than 12 months) and leases of low-value underlying assets, but recognises the lease payments as a charge to profit or loss on a spread basis.

### MEASUREMENT OF RIGHT-OF-USE ASSET

The Company reports its assets used under leases as right-of-use assets in the balance sheet. The right-of-use assets are valued according to the cost model, with depreciation recognised primarily on the basis of the contractual term. The Company tests right-of-use assets for impairment in accordance with the IAS 36 rules.

## 4. CHANGES IN ACCOUNTING POLICIES AND ERRORS (IAS 8)

### A) CHANGES IN ACCOUNTING POLICIES

#### IMPACT OF CHANGES OF IFRSS EFFECTIVE FROM 1 JANUARY 2024 AND THE INTRODUCTION OF NEW STANDARDS ON FINANCIAL STATEMENTS

##### **New and amended standards and interpretations issued by the IASB and adopted by the EU that are effective from the current reporting period:**

- Amendments to **IFRS 16** Leases: Lease Liability in a Sale and Leaseback
- Amendments to **IAS 1** Presentation of Financial Statements: Classification of Liabilities as Current or Noncurrent; Classification of Liabilities as Current or Noncurrent - Deferral of Effective Date; and Non-current Liabilities with Covenants
- Amendments to **IAS 7** and **IFRS 7**: Supplier Finance Arrangements

According to the Company's assessment, the adoption of these standards and amendments to existing standards do not have a material impact on the Company's financial statements

##### **New and revised standards and Interpretations issued by IASB and adopted by the EU but not yet effective**

- Amendments to **IAS 21** The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

The Company is assessing whether the adoption of these standards and amendments to existing standards would have an impact on the Company's financial statements

##### **Standards and interpretations issued by the IASB and not adopted by the EU:**

IFRSs adopted by the EU currently do not differ significantly from regulations adopted by the International Accounting Standards Board (IASB), except for the following new standards, amendments to existing standards and new interpretations that have not yet been adopted in the EU as at the date of disclosure of the financial statements:

- **IFRS 18**: Presentation and Disclosure in Financial Statements
- **IFRS 19**: Subsidiaries without Public Accountability: Disclosures
- Amendments to **IFRS 7** and **IFRS 9**: Amendments to the Classification and Measurement of Financial Instruments; Contracts Referencing Nature-dependent Electricity

The Company is assessing whether the adoption of these standards and amendments to existing standards would have an impact on the Company's financial statements

#### CHANGES IN ACCOUNTING POLICIES DUE TO BSE DECISION

There were no changes in accounting policy during the period.

#### **B) PRIOR YEAR ERRORS**

There are no Restatements due to Prior year errors in the present Financial Statements.

## 5. FINANCIAL RISK MANAGEMENT

### A) DISCLOSURE OF RISKS ACCORDING TO IFRS 7

#### RISK CHARACTERISATION AND SENSITIVITY ANALYSIS

BSE's activities expose it to risks arising from changes in market and financial conditions. These changes can affect profit or loss and the value of assets and liabilities. Financial risk management aims to continuously reduce risks through operating and financing activities.

BSE is exposed to the following risks arising from the use of financial instruments:

- credit risk
- liquidity risk
- market risk.

This Note presents information about BSE's exposure to each of the above risks, BSE's objectives, policies and processes for measuring and managing risk, and BSE's management of capital. Further disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of BSE's risk management framework. The Board has established a risk management policy, which describes the responsibilities for developing and monitoring BSE's risk management policies.

BSE's risk management policies are established to identify and analyse the risks faced by BSE, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and BSE's activities. BSE, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

### B) CREDIT RISK

Credit risk is the risk of financial loss to BSE if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from Trade receivables and investment securities.

BSE has no significant concentrations of credit risk. BSE has guidelines in place to ensure that sales are made to customers with the right risk rating. Before BSE grants trading or issuer status to a client, the partner must comply with the requirements laid down in BSE's regulations. Partners who do not comply with BSE's regulations will be sanctioned in accordance with the regulations.

Since the adoption of IFRS 9, the accumulated impairment on trade receivables represents the estimation of credit risk of the current due receivables, as seen in Note 15.

The credit risk analysis shows the following positions:

DESCRIPTION	31.12.2024	31.12.2023
Non-overdue receivables	479	495
< 30 days	3	35
31–60 days	21	8
61–90 days	4	0
91–180 days	0	6
181–360 days	0	6
360 days <	23	14
<b>Total (trade and other receivables, gross amount)</b>	<b>530</b>	<b>564</b>

#### DEFINITION OF DEFAULT

BSE considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including BSE, in full.

Irrespective of the above analysis, BSE considers that default has occurred when a financial asset is more than 90 days past due unless BSE has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

#### SIGNIFICANT INCREASE IN CREDIT RISK

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, BSE compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, BSE considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industry in which BSE and its debtors operate, obtained from various external sources of actual and forecast economic information that relate to BSE's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations
- An actual or expected significant deterioration in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations

Irrespective of the outcome of the above assessment, BSE presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless BSE has reasonable and supportable

information that demonstrates otherwise. Despite the foregoing, BSE assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

A financial instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations

BSE considers a financial asset to have low credit risk when the counterparty has a strong financial position and there are no past due amounts.

**Currently, there are no significant financial assets where other procedures are applied than the simplified approach (i.e. trade receivables and the provision matrix).**

#### WRITE-OFF POLICY

BSE writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under BSE's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

In case of **trade receivables**, BSE applies the provision matrix as presented in Note 3 e) **Hiba! A hivatkozási forrás nem található.** (i.e. grouping is applied for trade receivables).

For cash and cash equivalents BSE considers the credit rating of Hungary and if the rating is considered appropriate (meaning default risk is low according to the rating agency definitions), impairment is considered to be immaterial by BSE and no impairment is recorded on cash and cash equivalents.

### C) LIQUIDITY RISK

Liquidity risk is the risk that BSE will not be able to meet its financial obligations as they fall due. BSE's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to BSE's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through credit facilities and the ability to close out market positions. The cash held by BSE is considered sufficient for liquidity management purposes, as the Cash balance has been significant throughout the financial year.

In accordance with legal provisions, BSE invests its free liquid assets as a deposit in the case of a period of less than a month, for a period of over a month it invests them in government securities or time deposits. BSE's liquid assets are stable. BSE has no bank or other loans and does not need external financing.

The Company manages liquidity risk by maintaining cash reserves and reserved borrowing options, by continuously monitoring planned and actual cash flow data, and by matching the maturities of financial assets and liabilities.

The liquidity analysis shows the following maturities:

AS AT 31 DECEMBER 2024	OVERDUE	DUE WITHIN 1 YEAR	DUE WITHIN 1–5 YEARS	DUE AFTER 5 YEARS OR IN A CERTAIN SITUATION	TOTAL	OF WHICH INTEREST
Loans at amortised cost	0	0	10	12	22	0
Trade and other receivables (gross)	51	479	0	0	530	0
Accrued revenues	0	560	0	0	560	0
Cash and cash equivalents	0	8 655	0	0	8 655	0
<b>Total financial assets</b>	<b>51</b>	<b>9 694</b>	<b>10</b>	<b>12</b>	<b>9 767</b>	<b>0</b>
Employee benefit liabilities	0	1	7	3	11	0
Non-current lease liability	0	0	511	302	813	0
Deferred tax liabilities	0	-3	4	1 192	1 193	0
Trade payables and other short-term liabilities	0	675	0	0	675	0
Current tax liabilities	0	9	0	0	9	0
Current lease liability	0	117	0	0	117	0
Accrued expenses	0	189	0	0	189	0
<b>Total financial liabilities</b>	<b>0</b>	<b>988</b>	<b>522</b>	<b>1 497</b>	<b>3 007</b>	<b>0</b>

Comparative data from the previous year:

AS AT 31 DECEMBER 2023	OVERDUE	DUE WITHIN 1 YEAR	DUE WITHIN 1–5 YEARS	DUE AFTER 5 YEARS OR IN A CERTAIN SITUATION	TOTAL	OF WHICH INTEREST
Loans at amortised cost	0	0	8	10	18	2
Trade and other receivables (gross)	69	495	0	0	564	0
Accrued revenues	0	1 244	0	0	1 244	0
Cash and cash equivalents	0	4 164	0	0	4 164	0
<b>Total financial assets</b>	<b>69</b>	<b>5 903</b>	<b>8</b>	<b>10</b>	<b>5 990</b>	<b>2</b>
Employee benefit liabilities	0	1	7	2	10	0
Non-current lease liability	0	0	422	403	825	0
Deferred tax liabilities	0	0	-2	1 060	1 058	0
Trade payables and other short-term liabilities	0	874	0	0	874	0
Current tax liabilities	0	53	0	0	53	0
Current lease liability	0	101	0	0	101	0
Accrued expenses	0	156	0	0	156	0
<b>Total financial liabilities</b>	<b>0</b>	<b>1 185</b>	<b>427</b>	<b>1 465</b>	<b>3 077</b>	<b>0</b>

The tables above show that liquidity risk is low, since Financial assets due within one year provide coverage for Financial liabilities due both within and past one year.

#### D) MARKET RISK

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, will affect BSE's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

BSE operates mainly in Hungary, but it also has operations in foreign currencies (e.g. fees for data sales are set in EUR), which exposes it to foreign exchange risk. The fees applied by BSE are determined by internal rules approved by the Board of Directors.

Interest rate risk is the risk that the future cash flows of certain financial assets and liabilities will fluctuate because of changes in market interest rates. The Company analyses its exposure to interest rate risk dynamically, simulating different scenarios to calculate the impact of specific interest rate movements on its profit or loss. BSE operates with financial assets that do not bear significant interest rate risk.

For an interest rate sensitivity analysis of variable rate financial instruments, see Note 6 **Hiba! A hivatkozási forrás nem található.**a).

#### E) CAPITAL MANAGEMENT

BSE's policy is to maintain a strong supply of capital in order to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital.

There were no changes in BSE's approach to capital management during the year.

BSE is not subject to externally imposed capital requirements, except for the minimal share capital that needs to be HUF 20 million.

## 6. FINANCIAL INSTRUMENTS: DISCLOSURES

### A) INTEREST RATE SENSITIVITY ANALYSIS FOR VARIABLE AND FIXED RATE INSTRUMENTS

The Stock Exchange does not currently have variable rate instruments. In this part, the interest rate sensitivity of fixed rate instruments is presented.

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables (if any) remain constant. The analysis was performed on the same basis for the previous year.

DESCRIPTION	2024	2023
Interest income from banks	346	347
Average amount of Cash and cash equivalents	6 410	4 059
Average effective interest rate	5,40%	8.55%
Effect of change in interest rate (+1%)	64	41
Effect of change in interest rate (+5%)	320	203

Assuming that interest rates changed by 1%, income would have increased by HUF 64 million in the current year; a 5% change would have increased income by HUF 320 million.

### B) FOREIGN EXCHANGE SENSITIVITY

The following tables show sensitivity to a possible change in the EUR/HUF exchange rate (with all other factors held constant). The estimated impact on BSE's profit before taxation is calculated by applying an annual average exchange rate deviation of +/-5% (net effect of income and expenses). The most significant EUR denominated revenue items are vendor fees. Among operating expenses and XETRA license fee, lease premises, certain professional services and software license fees. BSE has no significant transactions in other currencies.

YEAR	CHANGES IN THE EUR/HUF EXCHANGE RATE	IMPACT ON PROFIT BEFORE TAXATION
2024	+5%	45
	-5%	-45
2023	+5%	49
	-5%	-49

The impact on the year-end cash balance was also analysed:

DESCRIPTION	2024	2023
Year-end amount of cash and cash equivalents denominated in EUR (in thousands of EUR)	4 433	3 247
Year-end balance of cash and cash equivalents denominated in EUR (in millions of HUF)	1 818	1 243
Year-end EUR/HUF exchange rate	410,09	382.81
Effect of +5% EUR/HUF exchange rate change on year-end balance (unrealised exchange rate gain)	91	62
Effect of -5% EUR/HUF exchange rate change on year-end balance (unrealised exchange rate loss)	-91	-62

### C) FAIR VALUE HIERARCHY OF FINANCIAL ASSETS AND LIABILITIES

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.

In many cases, the transaction price will equal the fair value. When determining whether fair value at initial recognition equals the transaction price, BSE shall take into account factors specific to the transaction and to the asset or liability.

Pursuant to IFRS 13, BSE presents the fair value hierarchy by three levels of measurement for its assets and liabilities measured at fair value, as follows, in order to enhance consistency and comparability.

The inputs used to measure the fair value of an asset or liability can be classified into different levels within the fair value hierarchy. In these cases, the fair value measurement is assigned in its entirety to the level in the fair value hierarchy in which the lowest level input that is significant to the overall measurement is included. In order to assess the significance of a particular input to the overall measurement, an assessment is required that takes into account factors relevant to the asset or liability.

**Measurement level 1:** Quoted and generally stock exchange prices on active markets for homogeneous assets or liabilities to which BSE has access at the time of valuation.

**Measurement level 2:** A measurement including inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly.

**Measurement level 3:** A measurement that uses inputs other than directly observable inputs to value the asset or liability.

#### CLASSIFICATION OF FINANCIAL INSTRUMENTS

The Company measures its financial instruments at amortised cost:

- Trade and other receivables
- Accrued revenues
- Cash and cash equivalents
- Employee benefit liabilities
- Non-current and current lease liabilities
- Trade payables and other short-term liabilities
- Accrued expenses

#### PRESENTATION OF ASSETS AND LIABILITIES NOT MEASURED AT FAIR VALUE BY CLASSIFICATION INTO THE APPROPRIATE LEVEL OF THE FAIR VALUE HIERARCHY

BSE does not hold any financial instruments whose fair value could be determined at Level 1. The fair value of Cash and cash equivalents can be determined at Level 2 of Fair value measurement. All other instruments are included in Level 3 of Fair value measurement. The applied valuation technique for the financial instruments are found in the referred Notes:

- Loans at amortised costs: 3. e)
- Trade and other receivables; Accrued revenues: 3. e)
- Cash and cash equivalents: 3. i) **Hiba! A hivatkozási forrás nem található.**
- Trade payables and other short term liabilities; Accrued expenses: 3. e)

## Classification of financial instruments:

	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	FINANCIAL ASSETS AT AMORTISED COST	SECURITIES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	FINANCIAL LIABILITIES AT AMORTISED COST	CARRYING VALUE	FAIR VALUE
<b>31.12.2024</b>						
Loans at amortised cost	0	22	0	0	22	22
Investments measured at fair value through other comprehensive income	0	0	3	0	3	3
Trade and other receivables	0	502	0	0	502	502
Accrued revenues	0	560	0	0	560	560
Cash and cash equivalents	0	8 655	0	0	8 655	8 655
Trade payables and other short-term liabilities	0	0	0	675	675	675
Accrued expenses	0	0	0	189	189	189
<b>31.12.2023</b>						
Loans at amortised cost	0	18	0	0	18	18
Investments measured at fair value through other comprehensive income	0	0	1	0	1	1
Trade and other receivables	0	541	0	0	541	541
Accrued revenues	0	1 244	0	0	1 244	1 244
Cash and cash equivalents	0	4 164	0	0	4 164	4 164
Trade payables and other short-term liabilities	0	0	0	874	874	874
Accrued expenses	0	0	0	156	156	156

## 7. REVENUES AND OTHER INCOME

### REVENUES FROM STOCK EXCHANGE ACTIVITIES

DESCRIPTION	2024	2023
<b>Revenues from trading fees</b>	<b>1 160</b>	<b>1 024</b>
Annual admission fees	59	60
Fees of trading (monthly) and auctions	1 095	895
Other revenues related to trading	7	69
<b>Revenues from listing fees</b>	<b>1 265</b>	<b>1 168</b>
Listing (one-off) fee	65	60
Quarterly fee	1 189	1 097
Other related revenues	10	11
<b>Revenues from sale of information</b>	<b>1 279</b>	<b>1 358</b>
Annual vendor fees	588	642
Monthly vendor fees	657	657
Other information services	35	59
<b>Revenues from other services</b>	<b>24</b>	<b>22</b>
<b>Connection fees, licenses</b>	<b>17</b>	<b>22</b>
<b>Total Revenues</b>	<b>3 728</b>	<b>3 572</b>

Revenues from trading fees are mainly influenced by daily turnover, in particular share section turnover. In *Other revenues related to trading*, BSE realised one-off fees related to developments in 2023, which are not recognised in 2024.

Issuing revenues are partly related to one-off fees invoiced at launch and partly payable on existing assets, at quarterly intervals.

Vendor fees are typically invoiced in EUR, and therefore they are partly affected by exchange rate movements and partly by changes in the EUR amounts.

All income is recognised within the year, or, if the Company recognises income over a given period, on a simple pro rata basis.

*Connection fees, licences* were reclassified from Revenues related from trading fees to Revenues from other services, as this classification enables better understanding of BSE's core activities. Also, the fees from Nominated Advisors were reclassified from the Trading fees to the Listing fees category (Other related revenues), since it better represents that the Advisors are related to the listed entities of the Xtend market.

### OPERATING SEGMENTS

In case of BSE, there are no separable operating segments, since the following criteria are not met:

- Most of the operating expenses cannot be allocated to a specific business activity or specific business contract. Direct and indirect allocation of most expenses to cost centers is not possible. Therefore, no discrete financial information is available.
- There are no segments the operating results of which are regularly reviewed by the chief operating decision maker of BSE in order to make a decision about resources to be allocated to the segment, or to assess its performance.

## OTHER INCOME

DESCRIPTION	2024	2023
Government grants received (reimbursed grants)	0	728
Government grants received (reimbursed BSE expenses)	0	68
Other income	64	59
<b>Total Other Income</b>	<b>64</b>	<b>855</b>

## GOVERNMENT GRANTS

Total amount of non-repayable grants available under the EDIOP-1.1.7-2017-00001 programme: it was HUF 1,307 million after a budget increase in 2022, with the aim of implementing training and mentoring programmes and providing stock exchange preparation for IPOs for companies identified in the context of the call.

The mirror project of EDIOP, the “BSE Mentoring Programme in the Central Hungary Region” project targets the same stock exchange development elements by focusing on the central regions. After the budget increase in 2022, the total amount was HUF 846,75 million may be used for this aim.

In 2023, both programs have expired, BSE has paid all relevant amounts to eligible partners, however, approvals are in progress with the Grantor.

**Accrued income** included items that will be recognised in future years as the project progresses (e.g. ELITE training courses started but covering several academic years) or that relate to the current year but are not yet accounted for until after 31 December. Revenues and expenses relate to the period in which they incurred economically, therefore the **costs of ELITE trainings that will be finished next year are accrued** between the years.

Other current liabilities include advances received but not yet invoiced, both for the EDIOP-1.1.7-2017-00001 programme and its mirror project for Central Hungary. The breakdown by nature of expense of the items charged to the project for a given year is given in the last section of the table.

There are no unfulfilled conditions and other contingencies attaching to government assistance recognised. Government grants, including non-monetary grants at fair value, are not recognised until there is reasonable assurance that the entity will comply with the conditions attaching to them; and the grants will be received. Reasonable assurance means:

- the expense arised is in line with the government grant contracts
- the amount of the expense is in line with the maximum amounts to be granted
- interim reports of government grant payment claims have been approved.

DESCRIPTION	2024	2023
EDIOP and CHR items not yet approved	488	1 172
<b>Total accrued income for projects</b>	<b>488</b>	<b>1 172</b>
EDIOP advance	0	92
CHR advance	470	566
<b>Total project advances received</b>	<b>470</b>	<b>658</b>

## 8. OPERATING EXPENSES

DESCRIPTION	NOTES	2024	2023
<b>Expenses for material costs</b>		<b>4</b>	<b>4</b>
<b>Expenses for services used</b>		<b>813</b>	<b>901</b>
Expert fees		161	248
EDIOP/CHR related expert fees		0	54
PR, marketing and sales costs		79	86
License fees		294	281
Leased office operating costs		138	122
Other services		141	110
<b>Personnel costs</b>		<b>1 418</b>	<b>1 342</b>
Wages and salaries		1 162	1 108
Contributions on wages and salaries		170	160
Other personnel type expenses		86	74
<b>Depreciation and amortisation</b>	<b>12, 13</b>	<b>311</b>	<b>332</b>
Depreciation charge of right-of-use asset		109	105
Amortisation of intangible assets, depreciation charge of tangible fixed assets		202	227
<b>Expenses arising from miscellaneous other costs</b>		<b>171</b>	<b>805</b>
Non-deductible VAT		155	119
EDIOP, CHR indirect grants		0	665
EDIOP/CHR related VAT		0	9
Other costs		16	12
<b>Other expenses</b>		<b>0</b>	<b>14</b>
<b>Total operating expenses</b>		<b>2 717</b>	<b>3 398</b>
<b>Out of the above: Total EDIOP/CHR related, (to be) reimbursed items</b> (reconciles to gov. grants in Other income)		<b>0</b>	<b>728</b>

'Expert fees' contain the audit and other consultancy fees paid in 2023 due to preparations for introduction to the BSE regulated market.

License fees include not significant and/or short-term (maximum 1 year) software and asset leases.

Other services include service expenses incurred in the normal course of the business.

Based on its activities, the BSE realizes both VAT-exempt and VAT-subject revenues. The final rate of deductible VAT always varies in proportion to the sales that are in the given year from VAT perspective, and while in 2023 BSE established a relatively higher deductible rate compared to previous years, the rate in 2024 returned to a level close to normal. As a result, non-deductible VAT in 2024 became higher compared to the rate calculated in the previous year.

## 9. EMPLOYEE INFORMATION

DESCRIPTION	2024	2023
Wages and salaries	1 162	1 108
Contributions on wages and salaries	170	160
Other personnel type expenses	86	74
<b>Total</b>	<b>1 418</b>	<b>1 342</b>

The average number of employees during the year was 62 (2023: 62). The above presented Employee costs are part of Operating expenses (Note 8). A significant part of other personal expenses includes employee Cafeteria benefits.

## 10. FINANCE INCOME AND EXPENSES

DESCRIPTION	2024	2023
Interest income from banks and other sources	348	347
<b>Total Interest income</b>	<b>348</b>	<b>347</b>
Realised gains on exchange rates	13	0
Unrealised gains on exchange rates	44	9
<b>Total Other finance income</b>	<b>57</b>	<b>9</b>

DESCRIPTION	2024	2023
Realised loss on exchange rates	0	18
Interest on lease liabilities (effective interest)	33	34
<b>Total Finance expense</b>	<b>33</b>	<b>52</b>

Interest income developed similarly to the previous year, due to two factors. The average cash balance increased significantly due to the dividend received from KELER Group, on the other hand, during 2024 the bank deposits were subject to an annual interest rate of between 5-8%, while in the previous year interest rates between 9-16% were typical.

Exchange gains include both realised exchange rate differences and differences on unrealised revaluations at year-end (year-end revaluations of bank accounts, trade receivables and payables, lease liability).

## 11. TAXATION

### GLOBAL MINIMUM TAX

With effect from 1 January 2024, Act LXXXIV of 2023 on Top-up Taxes Ensuring the Global Minimum Tax Level and Amending Certain Tax Laws in This Context (hereinafter: "Act") introduced the Pillar Two legislation in Hungary. The Company has assessed its exposure to the global minimum tax for the year ending 31 December 2024. Based on this assessment, the Company does not meet the definition of a group member as defined in the Act, given that it is not part of a multinational enterprise (MNE) group or large-scale domestic group that prepares consolidated financial statements. Consequently, the Company is out of the scope of Pillar Two legislation.

### INCOME TAXES

DESCRIPTION	2024	2023
<b>Current income tax expense</b>	<b>216</b>	<b>204</b>
Corporate tax	121	119
Corporate tax (related to previous years)	6	0
Local business tax	77	74
Innovation contribution	12	11
<b>Deferred tax expense/reversal</b>	<b>135</b>	<b>417</b>
Origination of temporary differences	135	417
<b>Income tax expense</b>	<b>351</b>	<b>621</b>

From 2017, the corporate income tax rate is 9%, therefore this rate is applicable for deferred tax calculations. Deferred taxes are non-cash items.

The reconciliation of actual income tax expense and tax bases and accounting profit is the following:

DESCRIPTION	2024	2023
Profit before tax (accounting profit)	6 190	6 462
Income tax expense	-351	-621
<b>Effective tax rate</b>	<b>5,7%</b>	<b>9,6%</b>
<b>Corporate income tax reconciliation</b>		
Corrections	-89	-85
<b>Profit/loss before taxation incl. Corrections</b>	<b>6 101</b>	<b>6 377</b>
<b>Items increasing the tax base</b>	<b>209</b>	<b>285</b>
from the above: Depreciation and amortisation acc. to IFRS	202	227
<b>Items decreasing the tax base</b>	<b>-4 965</b>	<b>-5 336</b>
from the above: Share in profit/loss from associate	-4 747	-5 128
from the above: Depreciation acc. to Income tax law	-211	-180
<b>Corporate income tax base</b>	<b>1 345</b>	<b>1 326</b>
<b>Corporate income tax (9%)</b>	<b>121</b>	<b>119</b>

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DESCRIPTION	2024	2023
<b>Local business tax and innovation contribution reconciliation</b>		
<b>Base for local business tax and innovation contribution</b>	<b>3 852</b>	<b>3 689</b>
<b>Local business tax (2%)</b>	<b>77</b>	<b>74</b>
<b>Difference between Tax base and Accounting profit</b>	<b>-2 338</b>	<b>-2 773</b>
from the above: Profit and loss items excluding revenues	-2 462	-2 890
other taxable income e.g. other income, nettings in revenues	128	176
other deductible expenses, e.g. material expenses, mediated services	-4	-59
<b>Innovation contribution (0.3%)</b>	<b>12</b>	<b>11</b>

The corporate tax base must be calculated from the pre-tax profit as defined in the IFRS, and certain items must be added or deducted during the calculation.

The provision for deferred taxation (liability) for the year is analyzed as follows:

DESCRIPTION	2024	2023
At the beginning of the year	1 058	640
Debited/(Credited) in net profit	135	418
<b>At end of the year</b>	<b>1 193</b>	<b>1 058</b>

Deferred income taxes are calculated on all temporary differences under the balance sheet liability method using a tax rate of 9%. The balance as at 31 December 2024 mainly represents the untaxed gain of investments in associated companies.

The derivation and source of the deferred tax is as follows:

DESCRIPTION	CARRYING AMOUNT 31.12.2024	TAX VALUE 31.12.2024	DIFFERENCE 31.12.2024
Property, plant and equipment	332	315	17
Intangible assets	235	207	28
Right of use assets	790	790	0
Investments in associates measured using the equity method and investments in subsidiaries	18 363	5 115	13 248
Investments measured at fair value through other comprehensive income	3	3	0
Loans at amortised cost	22	22	0
Inventories	2	2	0
Trade and other receivables	502	530	-28
Prepaid expenses	36	36	0
Accrued revenues	560	560	0
Cash and cash equivalents	8 655	8 655	0
Employee benefit liabilities	11	0	-11
Non-current lease liability	813	813	0
Trade payables and other short-term liabilities	675	675	0
Current tax liabilities	9	9	0
Current lease liability	117	117	0
Prepaid revenues	56	56	0
Accrued expenses	189	189	0
<b>Total</b>			<b>13 255</b>
Total deductible difference			-39
Total taxable difference			13 294
Total deferred tax assets			0
Total deferred tax liabilities			1 193

DESCRIPTION	CARRYING AMOUNT 31.12.2023	TAX VALUE 31.12.2023	DIFFERENCE 31.12.2023
Property, plant and equipment	288	349	-61
Intangible assets	304	230	74
Right of use assets	854	854	0
Investments in associates measured using the equity method and investments in subsidiaries	16 890	5 115	11 775
Investments measured at fair value through other comprehensive income	1	1	0
Loans at amortised cost	18	18	0
Inventories	6	6	0
Trade and other receivables	541	566	-25
Prepaid expenses	32	32	0
Accrued revenues	1 244	1 244	0
Cash and cash equivalents	4 164	4 164	0
Employee benefit liabilities	10	0	-10
Non-current lease liability	825	825	0
Trade payables and other short-term liabilities	874	874	0
Current tax liabilities	53	53	0
Current lease liability	101	101	0
Prepaid revenues	58	58	0
Accrued expenses	156	156	0
<b>Total</b>			<b>11 755</b>
Total deductible difference			-95
Total taxable difference			11 848
Total deferred tax assets			0
Total deferred tax liabilities			1 058

## 12. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS

DESCRIPTION	INTANGIBLE ASSETS	PROPERTY, PLANT AND EQUIPMENT					TOTAL
		INVESTMENTS IMPLEMENTED ON LEASED PROPERTY	IT EQUIPMENT	OFFICE FURNITURE, EQUIPMENT AND INSTALLATIONS	MOTOR VEHICLES	TOTAL PROPERTY, PLANT AND EQUIPMENT	
<b>2024</b>							
<b>Cost</b>							
as at 1 January 2024	1 986	166	589	71	37	863	2 849
Procurement, capitalisation	56	0	116	5	0	121	177
Scrapping, sale	0	0	-1	-2	0	-3	-3
<b>as at 31 December 2024</b>	<b>2 042</b>	<b>166</b>	<b>704</b>	<b>74</b>	<b>37</b>	<b>981</b>	<b>3 023</b>
<b>Depreciation and amortisation</b>							
as at 1 January 2024	1 682	34	473	65	3	575	2 257
Charge for the year	125	16	53	4	4	77	202
Decrease due to de-recognition	0	0	-1	-2	0	-3	-3
<b>as at 31 December 2024</b>	<b>1 807</b>	<b>50</b>	<b>525</b>	<b>67</b>	<b>7</b>	<b>649</b>	<b>2 456</b>
<b>Carrying amount</b>							
as at 1 January 2024	304	132	116	6	34	288	592
<b>as at 31 December 2024</b>	<b>235</b>	<b>116</b>	<b>179</b>	<b>7</b>	<b>30</b>	<b>332</b>	<b>567</b>
<b>2023</b>							
<b>Cost</b>							
as at 1 January 2023	1 863	166	536	71	22	795	2 658
Increase	157	0	53	1	37	91	248
Scrapping, sale	-34	0	0	-1	-22	-23	-57
<b>as at 31 December 2023</b>	<b>1 986</b>	<b>166</b>	<b>589</b>	<b>71</b>	<b>37</b>	<b>863</b>	<b>2 849</b>
<b>Depreciation and amortisation</b>							
as at 1 January 2023	1 560	18	423	64	15	520	2 080
Charge for the year	156	16	50	2	3	71	227
Decrease due to de-recognition	-34	0	0	-1	-15	-16	-50
<b>as at 31 December 2023</b>	<b>1 682</b>	<b>34</b>	<b>473</b>	<b>65</b>	<b>3</b>	<b>575</b>	<b>2 257</b>
<b>Carrying amount</b>							
as at 1 January 2023	303	148	113	7	7	275	578
<b>as at 31 December 2023</b>	<b>304</b>	<b>132</b>	<b>116</b>	<b>6</b>	<b>34</b>	<b>288</b>	<b>592</b>

Intangible assets comprise of the following:

- trademarks
- software licences
- softwares developed by BSE.

Trademarks are usually purchased for 10 years, hence they are depreciated through the registration timeframe. Software licences are normally purchased for 3 years and are depreciated likewise. Self-developed softwares are usually depreciated through 5 years.

There are no restrictions on title, and no property, plant and equipment is pledged as security for liabilities.

### 13. LEASES UNDER IFRS 16

The right-of-use asset was capitalised on the basis of the contract for the office leased by BSE. BSE moved its registered office in February 2022 to a new address.

The right-of-use asset of the lease of the office in Krisztina körút 55. was included in the books in February 2022, together with the related lease liabilities. The right-of-use asset is depreciated using the straight-line method until February 2032.

DESCRIPTION	01.01.2024– 31.12.2024	01.01.2023– 31.12.2023
<b>Gross amount</b>		
as at 1 January	1 045	954
Correction due to indexation	45	91
<b>as at 31 December</b>	<b>1 090</b>	<b>1 045</b>
<b>Depreciation</b>		
as at 1 January	191	86
Depreciation charged (K55)	109	105
<b>as at 31 December</b>	<b>300</b>	<b>191</b>
<b>Carrying amount</b>		
as at 1 January	854	868
<b>as at 31 December</b>	<b>790</b>	<b>854</b>

The evolution of the related lease liability can be derived as follows:

DESCRIPTION	01.01.2024– 31.12.2024	01.01.2023– 31.12.2023
<b>Opening balance</b>	<b>926</b>	<b>981</b>
Correction due to indexation	45	91
Payment to lessor (K55)	-142	-132
Interest incurred (K55)	33	34
Year-end foreign exchange revaluation difference	68	-48
<b>Lease balance on 31 December</b>	<b>930</b>	<b>926</b>
Current lease liabilities	117	101
Non-current lease liabilities	813	825

Maturity analysis of Lease liabilities:

DESCRIPTION	AMOUNT
Liability due in 2025	117
Liability due in 2026	121
Liability due in 2027	126
Liability due in 2028	129
Liability due in 2029	135
Liability due after 2029	302
<b>Total Lease liabilities</b>	<b>930</b>

## 14. INVESTMENTS (INTERESTS IN OTHER ENTITIES)

BSE has no consolidated or unconsolidated interests in which control is not based on voting rights or where the voting rights are not used to direct the relevant activities leading to control (structured entities).

Neither BSE, nor KELER Group is an investment company or has an interest in one. All companies publish their separate financial statements in accordance with the law that applies to them.

### A) SUBSIDIARIES

There are no subsidiaries currently owned by BSE.

**B) ASSOCIATES**

NAME OF THE ENTITY	PLACE OF BUSINESS	OWNERSHIP INTEREST HELD BY BSE (%)		PRINCIPAL ACTIVITIES	TYPE OF RELATIONSHIP
		31.12.2024	31.12.2023		
KELER Zrt.	Hungary	46.67	46.67	Depository services	Associate
KELER KSZF Zrt.	Hungary	0.07	0.07	Clearing service	Associate

The Company holds an investment of 46.67% (2023: 46.67%) in KELER and an investment of 0.07% (2023: 0.07%) in KELER CCP Ltd. KELER CCP is 99.85% (2023: 99,85%) owned by KELER.

The value of the investment in the KELER Group changed in the standalone IFRS financial statements as follows:

DESCRIPTION	2024	2023
<b>Opening balance (gross)</b>	<b>20 843</b>	<b>16 053</b>
Share of current year net income	4 747	5 128
Share of other comprehensive income	-3	63
Dividends received	-3 270	-401
<b>Closing balance (gross)</b>	<b>22 317</b>	<b>20 843</b>
<b>Opening balance of impairment</b>	<b>-3 953</b>	<b>-3 953</b>
Impairment in current year	0	0
Reversal of impairment	0	0
<b>Closing balance of impairment</b>	<b>-3 953</b>	<b>-3 953</b>
<b>Opening balance (net of impairment)</b>	<b>16 890</b>	<b>12 100</b>
<b>Closing balance (net of impairment)</b>	<b>18 363</b>	<b>16 890</b>

According to IAS 36, BÉT has to ensure that its assets are carried at no more than their recoverable amount. BSE has considered if there is any objective evidence that its net investment in the associate or joint venture is impaired. The circumstances that indicated possible impairment were the following:

- unfavorable macroeconomic environment
- effect of securities transaction tax introduced in 2022
- due to the high risk premium the evaluation of Hungarian assets generally lower (since 2022 and 2023, market interest rates have decreased)
- KELER Group performed above business plans

In determining the value in use of the net investment, an independent expert trusted by BSE estimated its share of the present value of the estimated future cash flows expected to be generated by KELER Group including the cash flows from the operations of the Group.

Based on the valuation of the companies and after considering the ownership percentage of BSE, the value of the associates is approximately equal to the closing balance at 31 December 2023. Given the insignificant difference, according to management judgment, the book value is appropriate, so neither accounting for impairment nor reversal of previous impairment is necessary.

## 15. CURRENT ASSETS

DESCRIPTION	2024	2023
Inventories	2	6
Trade and other receivables	502	541
Prepaid expenses	36	32
Accrued revenues	560	1 244
Cash and cash equivalents	8 655	4 164
<b>Current assets</b>	<b>9 755</b>	<b>5 987</b>

The Company had no significant value of inventory in the current year. These assets are not related to the Company's core business. The assets support the daily operation of the Company (stationery and other office related assets).

The amount of Impairment on trade receivables has changed according to the below:

DESCRIPTION	2024	2023
Gross amount of trade receivables	529	564
Accumulated impairment	-27	-23
<b>Net amount of trade receivables</b>	<b>502</b>	<b>541</b>

DESCRIPTION	2024	2023
Accumulated impairment as of 1 January	23	24
Net change of impairment	4	-1
<b>Accumulated impairment as of 31 December</b>	<b>27</b>	<b>23</b>

The write off ratio of trade receivables is low and not significant. The income from credit losses write off amounted to HUF 5 million in 2024; in 2023 there was reversal of HUF 1 million, which represented 0.11% of annual revenues in 2024 (0.03% in 2023).

The fair value of the receivables presented is close to their carrying amount.

Starting in 2022, BSE has granted housing loans to its employees. The current amount of these loans is HUF 2 million (HUF 2 million in 2023) included in Trade and other receivables. The non-current amount is in Non-current assets: Loans at amortized cost (HUF 22 million; HUF 18 million in 2023).

Cash and Cash Equivalents contains only the balance of the cash at bank and depository. Due to the insignificant risk, cash and cash equivalents are measured at the same value as bank statements as of 31. December 2024. Insignificant risk is corroborated by Fitch rating of the Hungarian state which was BBB on 6 December 2024 (BBB on 15<sup>th</sup> December 2023). According to Fitch definitions BBB ratings indicate that expectations of default risk are currently low.

The above items are non-interest-bearing, except for cash equivalents, which bear interest when tied up. For maturity analysis, see Note 5.

## FREE CASH FLOW STATEMENT

Below we present the free cash flow statement, which is a cash flow excluding EDIOP and CHR government grant items. The basis of the statement is the statement of cash flows according to IFRS, adjusted by items not defined in IFRS.

ADJUSTED FREE CASH FLOW*	01.01.2024– 31.12.2024	01.01.2023– 31.12.2023	CHANGE IN %
Profit/loss before taxation	6 190	6 462	-4,2%
Share of the profit/loss of associates	-4 747	-5 128	-7,4%
Impairment losses of associates	4	0	
Other adjustments in profit/loss before taxation	-44	10	
<b>Adjusted profit/loss</b>	<b>1 403</b>	<b>1 344</b>	<b>+4,4%</b>
Working capital adjustments, income tax paid	295	-1 037	
Extraction of government grant items	-497	722	
<b>Operating cash flow (adjusted, excluding grants)*</b>	<b>1 201</b>	<b>1 029</b>	<b>+16,7%</b>
Cash flow from investing activities – excluding dividend received	160	99	+61,6%
Cash flow from financing activities, excluding dividend paid	-142	-7	+1 928,6%
<b>Free cash flow (adjusted, excluding grants) and dividend received*</b>	<b>1 219</b>	<b>1 121</b>	<b>+8,7%</b>
Dividend received	3 271	401	+715,7%
<b>Free cash flow (adjusted, excluding grants)*</b>	<b>4 490</b>	<b>1 522</b>	<b>+195,0%</b>

*\*Values are adjusted for the effects of EDIOP and CHR grant projects.*

Adjusted profit/loss, which is the result of profit/loss before taxation, share of the profit/loss of associates, impairment losses of associates and other adjusting items (e.g. depreciation, reclassification to cash flow from investing activities), is HUF 1,403 million and thus +4,4% higher than the value in 2023.

The working capital corrections and the tax paid were HUF 295 million in 2024 and HUF -1,037 million in 2023, but these still include the effect of EDIOP and CHR subsidies, which must be excluded, as they are not part of normal operations. (HUF 497 million was transferred to BSE's bank account, in January 2024. The transfer was related to the closure of the EDIOP project.) The net operating cash flow obtained after the adjustment is HUF 1,201 million in 2024.

Cash flow from investing activities without dividends received was HUF 160 million in 2024, due to lower CAPEX.

The amounts received from the MNB plays a role in the development of the financing cash flow in 2023: The listing of BSE serves both the interests of BSE as a company and MNB as the main shareholder, therefore BSE and MNB agreed that 20% of consultancy fees are chargeable to BSE and 80% to MNB (as the future selling owner), thus MNB reimbursed 80% of these costs to BSE. (BSE included 100% of the incurred costs in its profit/loss for the years 2021-2023.)

Free cash flow (excluding grants and dividend received) was HUF 1,219 million in 2024, which is 8,7% higher than the previous year. Including the HUF 3 271 million dividend received from KELER Group, free cash flows were HUF 4,490 million in 2024, which is 195% higher than the value in 2023.

## 16. EQUITY

### SUBSCRIBED CAPITAL

The Budapest Stock Exchange, originally established on 19 June 1990, was registered by the Metropolitan Court of Justice as a Court of Registration on 30 June 2002 under No. 01-10-044764 as a company limited by shares due to general succession.

The subscribed capital of the Company upon the foundation totalled HUF 550 million which consisted of registered ordinary shares issued in a dematerialised form, with a par value of HUF 100 each, all conferring equal and identical membership rights.

With its resolution No. 7/2003 dated 28 April 2003, the General Meeting decreased the share capital of the Budapest Stock Exchange Private Company Limited by Shares by withdrawing the shares of Garmond Capital Hungarian-American Service Providing Company Limited by Shares (i.e. by HUF 8,651,900 that is 86,519 shares with a par value of HUF 100 each). Thus the Company's subscribed capital fell to HUF 541,348,100. (Order No. 01-10-044764/24 of the Court of Registration, effective from 28 April 2003)

The Company's authorised, issued, called up and fully paid share capital comprises 5,413,481 (2023: 5,413,481) ordinary shares with par value of HUF 100 each. All shares rank pari passu in the event of a winding up. The share capital represents shares held by the following shareholders:

DESCRIPTION	2024	2023
Magyar Nemzeti Bank	81,4%	81.4%
KBC Securities Hungary Branch Office	0,0%	5.2%
Patria Finance A.S.	5,2%	0,0%
Concorde Befektetési és Eszközkezelő Zrt.	4,2%	4.2%
OTP Bank Nyrt.	2,8%	2.7%
Erste Bank Hungary Zrt.	2,3%	2.3%
Mol Nyrt.	2,2%	2.2%
Others (all under 2% share individually)	1,9%	2.1%
<b>Total</b>	<b>100,0%</b>	<b>100.0%</b>

Reconciliation of the number of shares outstanding at the beginning and at the end of the period. During the whole period there was no change in the number of shares, which was 5 413 481.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings of the Company.

On 7 June 2023, the Board of Directors of the Budapest Stock Exchange decides on the listing of the dematerialised, registered ordinary shares of the issuer Budapest Stock Exchange on the Equities Standard Market.

- Number of securities listed: 5 413 481
- Face value: HUF 100
- Listing price: HUF 2 906
- Code of security (ISIN): HU0000063078

The first day of trading was 21 June 2023 (Resolution No. 177/2023 of the Board of Directors of Budapest Stock Exchange Plc.)

### RETAINED EARNINGS

Retained earnings include the cumulative amount of the profit after tax for each year. In 2023, payments from the owners, in their capacity as owners are also included in Retained earnings. These payments are offsetting expenses that arose at BSE, related to its listing on BSE, since a portion of these expenses are related to the interests of MNB, being BSE's owners.

### REVALUATION RESERVE ORIGINATING FROM ASSOCIATES

This balance sheet line currently includes the items included in the revaluation reserve for instruments at fair value through other comprehensive income of the KELER Group, using the equity method, based on the 46.67% stake in the KELER Group.

### EQUITY CORRELATION TABLE

114/B § of the Hungarian Accounting Act specifies that equity should be reconciled accordingly starting from the IFRS Equity.

DESCRIPTION	31.12.2024	31.12.2023
<b>Equity under IFRS</b>	<b>26 437</b>	<b>21 207</b>
+ Supplementary payments as liabilities under IFRS (+)	0	0
- Supplementary payments as assets under IFRS (-)	0	0
+ Sum of the deferred income from cash received and transferred to the capital reserve under legislation (+)	0	0
+ Sum of deferred income under IFRS from assets received (+)	0	0
- Sum of receivables from owners classified as equity instrument under capital contribution (-)	0	0
<b>Total equity under IFRS</b>	<b>26 437</b>	<b>21 207</b>

DESCRIPTION	31.12.2024	31.12.2023
<b>Share capital under IFRS</b>		
Share capital according to the effective articles of association if classified as an equity instrument	541	541
<b>Unpaid capital under IFRS</b>	0	0
<b>Tied-up reserve</b>		
Opening amount	0	0
+ Supplementary payments as liabilities under IFRS (+)	0	0
+ Unused reserve for development purposes net of tax (+)	0	0
<b>Total tied-up reserve</b>	<b>0</b>	<b>0</b>
<b>Retained Earnings</b>		
+ Accumulated profit after taxation of previous years under IFRS that is not yet distributed among owners and not include other comprehensive income (+)	4 093	-1 142
+/- Amounts recognised in Retained earnings under IFRS	0	0
- Supplementary payments as assets under IFRS (-)	0	0
- Unused reserve for development purposes, net of deferred tax (-)	0	0
+ Retained earnings as of the day before transition to IFRS, including transition corrections	15 955	15 955
<b>Total retained earnings</b>	<b>20 048</b>	<b>14 813</b>
<b>Profit after taxation</b>		
Profit/loss after tax according to Section 114/A (9)	5 839	5 841
<b>Revaluation reserve</b>		
Accumulated and current year other comprehensive income from statement of other comprehensive income (+/-)	9	12
<b>Capital reserve</b>		
Section 114 B Equity	26 437	21 207
- Share capital (-)	-541	-541
- Registered but unpaid capital (-)	0	0
- Tied-up reserve (-)	0	0
- Retained earnings (-)	-20 048	-14 813
- Profit/loss for the period (-)	-5 839	-5 841
- Revaluation reserve (-)	-9	-12
<b>Total capital reserve</b>	<b>0</b>	<b>0</b>

DESCRIPTION	31.12.2024	31.12.2023
<b>Equity under 114 B</b>		
Share capital	541	541
Registered but unpaid capital	0	0
Capital reserve	0	0
Retained earnings	20 048	14 813
Tied-up reserve	0	0
Revaluation reserve	9	12
Profit/loss for the period	5 839	5 841
<b>Equity under 114 B</b>	<b>26 437</b>	<b>21 207</b>
+ Retained earnings 114 B (5) b) available for distribution	20 048	14 813
+ Profit/loss for the period	5 839	5 841
- Accumulated, unrealised profit from the increase of fair value of investment properties under IAS 40 (-)	0	0
<b>Retained earnings available for distribution</b>	<b>25 887</b>	<b>20 654</b>

## 17. EMPLOYEE BENEFITS: JUBILEE BENEFITS

DESCRIPTION	2024	2023
Jubilee obligation as at 1 January	10	10
Interest cost	1	1
Current service cost	1	1
Benefits paid	-2	-4
Actuarial gains/losses	1	2
<b>Jubilee obligation as at 31 December</b>	<b>11</b>	<b>10</b>
of which short-term	1	1
of which long-term	10	9

The sum of Current service costs and Actuarial gains/losses are included in Operating Expenses, under Personnel Expenses. For the turnover rate, BSE applied 11.5% in its estimates based on its own statistics. For discounting, the interest rate on currently available government bonds with a maturity of 15-20 years (currently 7.07%) is used. Jubilee benefits are awarded after 5, 10, 15, 20, 25 and 30 years of service on the stock exchange.

Of the long-term benefits, HUF 7 million will be due between 1 and 5 years, and HUF 3 million beyond 5 years (in 2023, the values of the two categories were HUF 7 million and HUF 2 million, respectively).

## 18. CURRENT LIABILITIES

DESCRIPTION	2024	2023
Accrued bonuses and expenses	189	155
Accruals, prepaid listing fees	56	58
Trade and other payables	78	111
Current lease liability	117	101
Advances received for project EDIOP and Central Hungarian	470	658

Current tax liabilities	9	53
Other tax items	127	106
Employee benefits	1	1
<b>Current liabilities</b>	<b>1 047</b>	<b>1 243</b>

The fair value of liabilities is close to their carrying amount. The above items do not bear interest (except for leases under IFRS 16).

## 19. TRANSITION TO IFRS

BSE prepares its separate financial statements for local company registration purposes according to the IFRS as adopted by the EU, starting from business year 2022. Beforehand, BSE prepared its financial statements for such purposes according to the Hungarian Accounting Act.

Please find the Equity reconciliation table according to 114 B of Hungarian Accounting Act in Note 16.

## 20. NOTES WITH REFERENCE TO 459/2015. GOVERNMENT DECREE (XII. 29.)

### A. THE NUMBER OF COMPANIES WITH TRADING RIGHTS

The number of Exchange Members at the Budapest Stock Exchange Plc. totalled 21 as of 31 December 2024. At the end of 2024, 16 members in the Equities Section, 16 members in the Debt Securities section. Regarding the Derivatives Section: futures market - 11 members, options market - 10 members, 1 member in the Commodities Section had trading rights. At the end of the year there were 11 members in the BÉTa Market, there were 12 members in the Xtend Market and 10 members in the Xbond Market.

4 members have auction trading rights exclusively.

### B. NEW EXCHANGE MEMBERS IN THE BUSINESS YEAR AND FEES PAID FOR THE TRADING RIGHTS

- Gránit Bank Plc. – 16 December, 2024 (Fees amounted to HUF 78 689 pro rata, according to Fee Schedule)

### C. TERMINATION OF EXCHANGE MEMBERSHIP IN THE BUSINESS YEAR

- KBC Securities Hungarian Branch Office – 31 May, 2024
- Interactive Brokers Central Europe Ltd. – 30 June, 2024

### D. ANNUAL FEES PAID BY EXCHANGE MEMBERS OUT OF TOTAL REVENUES

Please see Note 7.

## 21. RELATED PARTY INFORMATION

### TRANSACTIONS WITH RELATED PARTIES

The following significant transactions, i.e. above HUF 10 million occurred with related parties:

#### BALANCE SHEET

NAME OF RELATED PARTY	ACCOUNT TYPE	2024	2023
	<b>Trade accounts payable</b>	<b>27</b>	<b>4</b>
MNB-Bankjóléti Szolgáltatások Zrt.		16	4
MNB-Ingatlan Kft.		11	0
	<b>Other Balance Sheet items from owners</b>	<b>0</b>	<b>125</b>
Magyar Nemzeti Bank		0	125

#### STATEMENT OF PROFIT OR LOSS

NAME OF RELATED PARTY	TRANSACTION TYPE	2024	2023
	<b>Purchase of services from related parties</b>	<b>157</b>	<b>135</b>
GIRO Elszámolásforgalmi Zrt.	Lease fees	8	12
MNB-Bankjóléti Szolgáltatások Zrt.	Costs related to events	27	5
MNB-Ingatlan Kft.	Property renting and operating costs	122	119

Management includes members of the Board of Directors and the members of the Supervisory Board.

#### MEMBERS OF THE BOARD OF DIRECTORS

- Barnabás Virág
- Richárd Végh
- dr. György Bacsa
- dr. Géza Máté
- Zsolt Kuti
- dr. Barna Fömötör
- Attila Bánfi

#### MEMBERS OF THE SUPERVISORY BOARD

- Lajos Bartha
- Károly Régely
- dr. Zsolt Zoltán Selmeczi-Kovács
- Róbert Cselovszki
- dr. Ilona Hardy

#### MEMBERS OF THE AUDIT COMMITTEE

- Róbert Cselovszki
- dr. Ilona Hardy
- Károly Régely

#### KEY MANAGEMENT COMPENSATION

The key management of BSE are the executive members of the Budapest Stock Exchange's Board of Directors, Supervisory Board and members of the executive management.

Key management personnel remuneration is presented in the table below:

DESCRIPTION	2024	2023
Salaries including bonuses and social security Contributions	308	304
Company car allowance	4	2
<b>Short-term employee benefits</b>	<b>312</b>	<b>306</b>
<b>Post-employment benefits</b>	<b>0</b>	<b>0</b>
<b>Other long-term employee benefits</b>	<b>0</b>	<b>0</b>
<b>Termination benefits</b>	<b>0</b>	<b>0</b>
<b>Share-based payment</b>	<b>0</b>	<b>0</b>
<b>Total remuneration</b>	<b>312</b>	<b>306</b>

BSE did not have any transactions with related parties that would qualify as related parties only because of their key managers.

The controlling entity is the Magyar Nemzeti Bank. The list of its subsidiaries as of 31 December 2024 is the following:

SUBSIDIARY'S NAME	PLACE OF BUSINESS	OWNERSHIP INTEREST HELD BY THE CONTROLLING ENTITY (%)		PRINCIPAL ACTIVITIES
		31.12.2024	31.12.2023	
Magyar Pénzverő Zrt. (Hungarian Mint Plc.)	Hungary	100	100	Produce circulation coins
Pénzjegynyomda Zrt. (Hungarian Banknote Printing Shareholding Co.)	Hungary	100	100	Production of forint banknotes and secure documents
GIRO Zrt.	Hungary	100	100	Payment system operation
MNB-Bankjóléti Szolgáltatások Zrt.	Hungary	100	100	Hotel service
MNB-Ingatlan Kft. (MNB-Real Estate Ltd.)	Hungary	100	100	Rental and operation of real estate
Pénzügyi Stabilitási és Felszámoló Nonprofit Kft. (Financial Stability and Liquidator Non-profit Ltd.)	Hungary	100	100	Perform the liquidation of financial institutions
Budapest Stock Exchange Plc.	Hungary	81.35	81.35	Official listings on the stock exchange
KELER Központi Értéktár Zrt. (KELER Zrt.)	Hungary	53.33	53.33	Depository services
KELER CCP Central Counterparty Zrt. (KELER CCP Zrt.)	Hungary	0.08	0.08	Clearing service
MNB-EduLab Kompetencia Központ Nonprofit Kft. (MNB-EduLab Nonprofit Kft.)	Hungary	100	100	Education, training
Bank for International Settlements (BIS)	Switzerland	1.43	1.43	Banking services to central banks, research activities
European Central Bank (ECB)	Germany	1.58	1.55	Central bank function
SWIFT	Belgium	0.03	0.03	Execution of financial transactions

## 22. EVENTS AFTER BALANCE SHEET DATE

### MACROECONOMIC ENVIRONMENT

BSE plays an important role in the capital financing of domestic companies, so the domestic macroeconomic environment has a significant impact on the willingness of these companies to be listed on the stock exchange, and also has a major impact on the investor perception of companies already listed. For this reason, a significant deterioration in macroeconomic indicators (e.g. GDP, sovereign risk, inflation, unemployment rate, household savings) could reduce the propensity of firms to raise equity financing, which would have a negative impact on the issuing revenues of BSE. Although a deterioration in macroeconomic figures could boost BSE trading activity in the short term due to a sudden increase in market volatility, a sustained negative shift in indicators could reduce investor activity in the domestic market in the long term, with a concomitant fall in both BSE revenues and profitability. It is important to point out that foreign investors play an important role in the BSE's trading activity, accounting for 56.13% of total spot secondary market volume in 2024. Thus, if domestic macroeconomic indicators turn out unfavourable for these groups of investors, this could have a significant impact on the BSE's operations.

### RUSSO-UKRAINIAN CONFLICT:

BSE continuously monitors this extraordinary situation and identifies its responsibilities in relation to it, and liaises with Magyar Nemzeti Bank (MNB), which has a supervisory role, in order to be able to take immediate measures to protect the legitimate interests of investors, the balance of the market and the operation of the stock exchange.

Based on the management's assessment, the current impact of the conflict on the Company's operations, liquidity and capital position does not have significant consequences, and therefore there is no uncertainty about the ability to continue as a going concern.

## 23. PROPOSED AND APPROVED DIVIDENDS

After the results of 2023, dividend of HUF 606 309 872 has been paid by BSE in the business year 2024 (dividend per share: HUF 112). Depending on the decision of the General Meeting, the BSE plans to pay HUF 671 271 644 in dividends (HUF 124 per share) in 2025 with regard to the year 2024.

## 24. CSRD

Sustainable thinking and ESG (environmental, social, governance) principles play a key role in the business world. Budapest Stock Exchange Plc. (BSE) has developed its own strategy in this regard, including

- assessing and adapting to the impacts of climate change and societal challenges;
- a long-term commitment to achieving sustainable goals;
- progressively preparing market actors for the green transition and sustainable development;
- creating market infrastructures and business toolkits to support transition and adaptation;
- ensuring the transparent functioning of markets, and
- supporting corporate ESG reporting.

The company also volunteered to prepare its **second sustainability report** according to the standards of the GRI framework applicable from 2024 and SAS 2018 standards issued for stock exchanges and commodity exchanges, in which ESG criteria were prioritised in terms of exchange operations.

- **Corporate governance** aspects (responsible corporate governance, oversight of sustainability processes by management bodies; risk management, business continuity, protection of trading and related systems, ensuring safe and continuous operation, ensuring statutory compliance) were ranked the highest;
- followed by **environmental impact** (energy use and carbon dioxide emissions; waste and water use);
- and then by **social topics** (employee rights, well-being, sustainable working conditions and personal development; diversity, equal treatment, non-discrimination; occupational health, safety and indirect impacts of the stock exchange, regulatory, educational activities)

Following the most common global goals cited by stock exchanges and the recommendations of the SSE, BSE sets the following 5 UN global goals in its sustainability activities:

- gender equality,
- decent work and economic growth,
- responsible consumption and production,
- climate action
- and partnership to achieve these goals.

The recommendations are evaluated based on specific indicators, most of which have already been met by BSE.

The first time when CSRD extends the sustainability reporting obligation to listed SMEs (and as such, to BSE as well), is for the 2026 business year.

## 25. AUDITOR-RELATED DISCLOSURES

Under Act C of 2000 (Hungarian Accounting Act), BSE is required to have its financial statements audited by an auditor. These financial statements have been audited by Deloitte Könyvvizsgáló és Tanácsadó Kft. (H-1068 Budapest, Dózsa György út 84/C; tax number: 10443785-2-42; registration number with the Chamber of Hungarian Auditors: 000083).

The person responsible for carrying out the audit: Tamás Horváth (auditor certificate number: 003449).

The statutory audit fee for 2024: HUF 25,3 million; for 2023 HUF 23 million + HUF 11.7 million. for the audit of the interim balance sheet.

## 26. AUTHORISATION OF FINANCIAL STATEMENTS FOR DISCLOSURE

Disclosure of the Company's annual financial statements prepared in accordance with International Financial Reporting Standards (IFRS) for 2024 is due upon approval of the Annual General Meeting.



**BUDAPEST STOCK EXCHANGE PLC.**

**H-1013 BUDAPEST, KRISZTINA KÖRÚT 55. VI. EMELET**

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