KELER CCP LTD.

Separate Financial Statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union

for the year ended 31 December 2023

CONTENTS

Explanation of the abbreviations used in the financial statements:

AC	Debt instrument measured at amortized cost
AFS	Available-for-sale (financial instruments)
CBH	Central Bank of Hungary
CCP	Central Counterparty
CGU	Cash Generating Unit
DKJ	Discount treasury bill
EAD	Exposure at default
ECC	European Commodity Clearing
ECL	Expected Credit Loss
EMIR	European Market Infrastructure Regulation
FVTOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit or loss
GCM	General Clearing Member
HAS	Hungarian Accounting Regulation (“Szt.”)
IAS	International Accounting Standards
IFRIC/SIC	International Financial Reporting Interpretations Committee/Standards Interpretation Committee
IFRS	International Financial Reporting Standards
LGD	Loss given default
LR	Loans and receivables (financial instruments)
OCI	Other Comprehensive Income
MHUF	Million Hungarian Forint
OTC	Over the counter market
PD	Probability of default
PO	Performance Obligation
ROU	Right of use asset
SPPI	Solely Payments of Principal and Interest
THUF	Thousand Hungarian Forint
WACC	Weighted average cost of capital

As of 31 December 2023 (All amounts in million HUF, unless stated otherwise)

		12.31.2023	***12.31. 2022***
Cash and cash equivalents	6	49 695	191 188
Debt instruments measured at fair value through other comprehensive income	7	0	3 616
Trade receivables relating to gas market	8	2 109	2 404
Trade receivables relating to central counterparty and other service	9	228	171
Other receivables	10	11 630	14 846
Receivables from repurchase agreements	10	122 653	10 765
Receivables from foreign clearing houses	11	58 286	122 138
Income Tax - Current tax receivables	15	56	0
Intangible assets	12	774	693
Property, plant and equipment	13	14	24
Income Tax - Deferred tax assets	21	7	14
TOTAL ASSETS		***245 452***	***345 859***
Trade payables	14	98	255
Trade payable from gas market activity	8	2 125	2 590
Other payables	15	257	252
Income Tax - Current tax liability	15	424	301
Default Fund liabilities	16	4 582	7 801
Liabilities from financial guarantees	17	21	26
Collateral held from energy market participants	18	148 002	227 756
Collateral held from gas market participants	18	56 840	80 357
Lease liability	19	9	18
Loans	20	11 179	10 531
TOTAL LIABILITIES		***223 537***	***329 887***
Share capital	22	3 423	3 423
Capital reserve	22	6 135	6 135
Retained earnings	22	12 357	6 476
Reserves of financial instruments measured at fair value through other comprehensive income	34	0	-62
TOTAL SHAREHOLDERS' EQUITY		***21 915***	***15 972***
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		***245 452***	***345 859***

The accompanying notes (NOTE 1- NOTE 47) of the financial statements form an integral part of these separate financial statements

		01.01.2023-12.31.2023	**01.01.2022-12.31.2022**
Revenues from counterparty services	**24**	**2 395**	**5 130**
Other non-counterparty services	**25**	**18**	**33**
Bank service fees	27	-76	-138
Personnel expenses	28	-689	-621
Depreciation and amortization	12,13	-98	-131
Other operating expenses	29	-932	-1 584
Impairment of financial assets	30	13	11
Impairment of non-financial assets	12,13	0	-5
Expense/(income) from changes in financial guarantee funds liabilities	17	4	9
Operating expenses		**-1 778**	**-2 459**
Net operating income		***635***	***2 704***
Interest incomes on items measured at AC		6 196	2 178
Interest incomes on items measured at FVTOCI		844	312
		7 040	*2 490*
Interest expense		-773	-1 514
Net interest income	**31**	**6 267**	**976**
Other financial gains/(losses)	**32**	**4**	**200**
Financial income, net		***6 271***	***1 176***
PROFIT BEFORE INCOME TAX		***6 906***	***3 880***
Income tax expense	33	-675	-347
PROFIT FOR THE PERIOD		***6 231***	***3 533***

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		01.01.2023-12.31.2023	**01.01.2022-12.31.2022**
Change in fair value of financial instruments measured at fair value through other comprehensive income		68	-17
Income tax on other comprehensive income		-6	1
Other comprehensive income for the period	34	***62***	***-16***
Items that are to be reclassified subsequently to profit or loss:		62	-16
Items that are not to be reclassified subsequently to profit or loss:		0	0
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		***6 293***	***3 517***

	Share Capital	Share premium	Fair value through other comprehensive income financial instruments revaluation reserve	Retained Earnings	Total
Balance as of 1 January 2022	**2 623**	**3 935**	**-46**	**2 943**	**9 455**
Shares issued (registered on 13th May 2022)	800	2 200			3 000
Profit for the year				3 533	3 533
Other Comprehensive income for the year			-16		-16
Balance as of 1 January 2023	**3 423**	**6 135**	**-62**	**6 476**	**15 972**
Profit or loss for the year				6 231	6 231
Other Comprehensive income for the year			62		62
Dividend declared				-350	-350
Balance as of 31 December 2023	**3 423**	**6 135**	**0**	**12 357**	**21 915**

		01.01.2023-12.31.2023	01.01.2022-12.31.2022
CASH FLOW FROM OPERATING ACTIVITIES			
PROFIT BEFORE TAXES		**6 906**	**3 880**
Interest expense	31	773	1 514
Interest income	31	-7 040	-2 490
		-6 267	*-976*
Non cash items			
Depreciation and amortization charged	12,13	98	131
Impairment loss (+) / reversal (-)	12,3	-13	-6
Gains (-) and losses (+) realized on securities		0	5
Unreailzed foreign exchange rate losses (+) / gains (-)	32	-771	-79
Change in liabilities for financial guarantees	17	-4	-9
Operating cash-flow before working capital adjustments		**-51**	**2 946**
Changes in the net balance of gas market transactions, net	8	-170	303
Changes in collaterals from customers	16, 18	-106 492	-43 593
Changes in collaterals placed at other clearing houses	11	63 860	34 524
Changes in trade, repo and other receivables	9, 10	-108 763	10 132
Changes in trade and other payables	14,15	-60	-29 324
Interest paid		-811	-1 541
Income tax paid		-659	-44
Cash generated from (+) / used in (-) operation		**-153 146**	**-26 597**

CASH FLOW FROM INVESTING ACTIVITIES		**01.01.2023-12.31.2023**	**01.01.2022-12.31.2022**
Amounts paid for acquisition of financial assets	7	-17 245	-12 077
Cash proceeds from financial instruments at maturity	7	20 919	15 446
Acquisition of property, plant and equipment	13	-2	-6
Acquisition of intangible asset (paid)	12	-168	-193
Interest received		7 069	2 205
Cash generated from (+) / used in (-)investing activity		**10 574**	**5 376**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from capital contribution		0	3 000
Dividend paid		-350	0
Lease payments	19	-10	-10
Loans received	20	11 179	10 531
Loans repaid	20	-10 531	0
Cash generated from (+) / used in (-)financing activity		**288**	**13 521**
Net increase (+) / decrease (-) in cash and cash equivalents		**-142 284**	**-7 700**
Opening cash and cash equivalents	6	191 188	198 806
Foreign exchange rate difference on closing cash and equivalents		771	80
Expected credit loss on cash and equivalents	29	20	1
Closing cash and cash equivalents	6	49 695	191 188
Net decrease in cash and cash equivalents		**-142 284**	**-7 700**

The accompanying notes (NOTE 1- NOTE 47) of the financial statements form an integral part of these separate financial statements

NOTE 1: GENERAL

Statement of IFRS compliance

These financial statements of KELER CCP Central Counterparty private company limited by shares (hereinafter referred as the "Company" or the "Entity" or "KELER CCP") are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and in accordance with the provisions applicable to entities preparing annual financial statements in accordance with EU IFRSs of Act on Accounting (Law C of 2000) in force in Hungary. The management declares that the Entity fully complies with the provisions of International Financial Reporting Standards/International Accounting Standards and the related Interpretations (IFRICs/SICs) as endorsed by the European Union applicable in the current period. The management made this declaration in full awareness of its responsibility.

The Company's management determined that the Entity will be able to continue as a going concern. Therefore, there are no signs that would indicate that the Entity intends to terminate or significantly reduce its operations in the foreseeable future.

These financial statements were prepared using the accrual basis of accounting, which means that the business transactions are accounted for regardless of the financial settlements.

It is mandatory to publish and to deposit these separate financial statements of KELER CCP prepared under EU IFRSs based on the Hungarian legislation.

The Company (legal form, seat)

KELER CCP was founded as a limited liability company according to the Hungarian laws. Company's seat is H-1074 Budapest, Rákóczi str. 70-72.

Shareholders

KELER Central Depository Ltd.	99.85%
Central Bank of Hungary	0.08%
Budapest Stock Exchange (BSE)	0.07%

The ultimate parent of KELER CCP Ltd. is the Central Bank of Hungary (a major shareholder of KELER Central Depository Ltd. The major shareholder of BSE is also the CBH). The sole shareholder of CBH is the Hungarian State. The seat of the ultimate parent is 1013 Budapest, Krisztina körút 55.

The activity of the Entity

KELER CCP is a central counterparty business association under the requirements of the Act CXX of 2001on the Capital Market of Hungary (hereinafter "Tpt.") and Regulation (EU) No 648/2012 on OTC derivatives, central counterparties, and trade repositories ("EMIR (EU) No 648/2012"). KELER CCP as central counterparty undertakes guarantee for transactions concluded on the Budapest Stock Exchange ("BSE"), and for the financial performance of gas market, KELER CCP as a general clearing member undertakes guarantee for the financial performance of energy market transactions towards European Commodity Clearing AG. KELER CCP's direct partners are financial institutions (credit institutions and investment firms), commodities service providers, energy trading license holders and participants of an organized market. KELER CCP's activity ensures that market participants' guaranteed trades are settled risk free.

KELER CCP obtained the EMIR license on 4 July 2014 from the Central Bank of Hungary.

The upper limit of the guarantee payment of KELER CCP is derived from the equity of the Entity (i.e. basic guaranteeing equity and guaranteeing supplementary equity).

The preparation of the financial statements under IFRS is only allowed if it is prepared by a licensed professional. The person preparing the financial statements is: KELER Zrt., personally responsible: Lepres Orsolya, registered auditor (registration number: 005400), with IFRS accountant specialization.

Audit of the Company's financial statements is compulsory. Audit fee for the current year was 14 896 thousand forints for the separate financial statements. The auditor did not provide any other services for the Group.

NOTE 2: BASIS OF PREPARATION

Basis of measurement

The Entity generally measures its assets and liabilities on historical cost basis, except for cases where a given item should be measured at fair value under IFRS. Latter includes derivatives and financial instruments measured at fair value against other comprehensive income, that are stated at fair value.

Functional currency, presentation currency

These Separate financial statements are presented in Hungarian Forints, which is the primary economic environment in which the Entity operates (functional currency).
All amounts in the financial statements of the Entity are rounded to the nearest million ("MHUF").

Use of estimates and judgments

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

In preparing its financial statements, the Entity made critical estimates in connection with the following topics which, as a result, are sources of uncertainty.

- The fair value of the financial instruments is valued at fair value as required by the IFRSs. These fair values are mostly quoted prices or based on quoted prices (Level 1 and Level 2). However, they may change significantly over time leading to significantly different values as expected at the measurement day. Items measured at fair value which is Level 3 measurement, are especially judgmental, since the input date was determined based on information not directly observable. The information regarding the level of measurement of the items is provided in Note 37.

- Certain items of the Entity's assets can be tested for impairment at CGU level only. Identifying CGUs requires complex professional judgment. When determining the recoverable value of CGUs, the Entity's management relies on certain forecasts that are uncertain by nature. Current estimation suggests that the entity as a whole qualifies as a CGU.

- The Entity applies estimates and judgments to determine the value of the Customer relationship asset (recognized as an intangible). The recoverable amount of this asset is reviewed annually. This estimation is a significant judgment and source of uncertainty (See Note 12).

- The Entity recognized a financial guarantee liability that is measured at fair value. The value depends on the predictions and expectations about the future. The nature of the estimation makes this a material judgement (See Note 17).

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

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES

a) *Foreign currency transactions*

Transactions in foreign currencies are translated to Hungarian Forint at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the end of reporting period are translated to Hungarian Forint at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Hungarian Forint at foreign exchange rates effective at the dates the values were determined.

From the Entity’s perspective the following foreign currencies are relevant:

HUF/EUR	2023	2022
Year end closing rate	382.78	400.25
Yearly average rate	381.95	391.33

b) *Cash and cash equivalents*

Cash includes deposits repayable on demand. Cash equivalents are liquid investments with insignificant risk of value change and maturity of three months or less when acquired. Typically certain state bonds and treasury bills may meet the foresaid definition. Cash and cash equivalents are carried at amortized cost in the Separate Statement of Financial Positions.

c) *Financial assets and financial liabilities*

Classification

Financial assets or financial liabilities at fair value through profit or loss (FVTPL) are financial assets and financial liabilities that are classified as held for trading mainly for the purpose of profit-taking, are derivative instruments or upon initial recognition are designated as at fair value through profit or loss.

The Entity does not have any financial instruments at the end of this period, which is classified to the category FVTPL due to its nature being held for trading.

Debt instruments that meet both SPPI test and the business model of held to collect are be classified at AC category and are be carried at amortized cost. This category include accounts and other receivables, receivables from foreign clearing houses, etc.

Debt instruments meeting the SPPI test with a business model of held to collect and sell are classified at FVTOCI category

The treasury bills and government bonds held by the entity are classified to the FVTOCI debt category.

The Entity classifies its equity instruments -unless they are held for trading- into FVTOCI, meaning that the asset is measured at fair value at each reporting date and the gain/loss is recognized in other comprehensive income.
(The Entity does not hold any instruments at the end of this period.)

Other liabilities contain all financial liabilities that are not classified as at fair value through profit or loss.
Other liabilities contain placements and loans from other banks, deposits from customers, liabilities relating to guarantee activities.

Recognition

Financial assets and liabilities are recognized in the Entity's books on the settlement date, except for derivative assets, which are recognized on the trade date. Financial assets and financial liabilities are initially measured at fair value plus or minus (for an item not subsequently measured at fair value through profit or loss) transaction costs that are directly attributable to its acquisition or issue (for assets transaction costs are added, for liabilities transaction costs are deducted).

Derecognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets expire or the Entity transfers substantially all risks and rewards of ownership of the financial asset (without retaining significant right).

Measurement

Subsequent to initial recognition, all financial assets and financial liabilities measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income are measured at fair value. If no quoted market price exists from an active market and fair value cannot be reliably measured, the Entity uses valuation techniques to determine fair value.

Financial assets categorized to the AC category and all financial liabilities other than financial liabilities measured at fair value through profit or loss, are measured at amortized cost. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related instrument (for assets increasing, for liabilities decreasing the carrying amount) and amortized based on the effective interest rate of the instrument.

A gain or loss on a financial asset or financial liability classified as at fair value through profit or loss shall be recognized in profit or loss, as financial income or expense.

For financial assets in the AC category and financial liabilities carried at amortized cost, a gain or loss is recognized in profit or loss when the financial asset or financial liability is derecognized or impaired, and through the amortization process (as net income).

Income calculated using the effective interest method on a FVTOCI debt instrument is recognized in profit or loss, separately from the expected credit loss of this instrument (which is recognized in a different category of profit or loss). The valuation gain or loss of such a financial asset shall be recognized in other comprehensive income. Gain or loss on disposal (sale or expiration) of

FVTOCI financial assets are recognized in profit or loss, while the previously accumulated other comprehensive income is reclassified to the income statement.

For equity instruments under FVTOCI, the accumulated gain or loss on revaluation will not be reclassified to the profit or loss once disposed, but it will be transferred directly to retained earnings.

Fair value measurement

The fair value of financial instruments is determined based on the requirements of *IFRS 13 Fair Value Measurement* ("IFRS 13") and internal policies established in accordance with that
Generally, the fair value of financial instruments is their quoted market price at the end of reporting period without any deduction for transaction costs. If a quoted market price is not available, the fair value of the instrument is estimated using valuation models or discounted cash flow techniques.

Where discounted cash flow techniques are used, estimated future cash flows are based on the Entity's economic estimates and the discount rate is a market related rate at the end of reporting period for an instrument with similar terms and conditions. Where valuation models are used, inputs are based on market related measures at the end of reporting period.

Level 1: The input for the fair value is the unadjusted quoted price, no other input is used for the valuation.
Level 2: All inputs are directly or indirectly observable but there are inputs other than the quoted price.
Level 3: The fair value of derivatives that are not exchange-traded are estimated at the amount that the Entity would receive upon normal business conditions to terminate the contract at the end of reporting period considering current market conditions and the current creditworthiness of the counterparties.

The fair value of the treasury bills and government bonds is considered by the Entity as Level 2. This fair value is based mainly on observable prices, however, various adjustment techniques need to be used in determining when the fair value of these assets (e.g. yield curves, comparison to similar instruments).

Measurement of amortized cost

The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility for financial assets.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Entity estimates cash flows considering all contractual terms of the financial instrument but shall not consider future credit losses.

Impairment of financial assets (expected credit losses)

For financial assets measured at AC or FVTOCI, an impairment loss is recognized for expected credit losses (ECL). The credit loss is the cash shortfall throughout the life of the financial asset. The expected credit loss is determined from multiplying:

- exposure at default (EAD);
- loss given default (ratio) (LGD);
- probability of default (PD) for the relevant period.

When items are recognized the 12-month ECL is considered. This is arrived at using the 12 month PD, reflecting the probability of default occuring in the next 12 months (referred to as stage 1 ECL). This loss is considered without decreasing the gross carrying amount of the instrument but a contra-active asset is used (allowance). The gross carrying amount (i.e. calculated without ECL) of the asset remains unchanged.

If the credit quality of the asset significantly deteriorates then the instrument is reclassified into Stage 2, where impairment loss is calculated based on expected credit losses determined in accordance with probability of default during the whole lifetime of the instrument. This is recorded in profit or loss without decreasing the carrying amount.

It is assumed that the credit quality of the asset is deteriorated when any of following conditions is met or based on assessment of the management this has occurred.
• the contractual cash flows are more than 30 days past due ('DPD 30 days rule'), excluding that case, when the delay has another reason. Regardless of the DPD 30 days rule, increase in risk shall be assumed, if based on market information the financial status of the partner is deteriorated, that can cause shortfall if cash flows.

It is assumed that there is significant deterioration in the credit quality if any of the following situations exist:

- severe financial difficulties of the issuer or the borrower;
- breach of the contract, missing repayment of capital or interest;
- renegotiation of the contract or other reliefs due to the financial difficulties of the counterparty;
- it becomes probable that borrower will be subject to liquidation or other similar reorganizational procedure
- disappearance of an active market
- it can be concluded that the contractual cash flows are not going to be collected.

If an asset becomes credit impaired then it is reclassified to Stage 3, where the impairment losses calculated based on lifetime ECL decreases directly the cost of the asset.
If the quality of the financial asset later improves the asset may be reclassified back from stage 3 to stage 2 and from stage 2 to stage 1.

It is considered that an item is 'in default' if the contractual cash flow are 90 days past due, however, the defaulted status of the asset may be concluded earlier using market information based on individual assessment.

The entity presumes that the credit quality deteriorates once the contractual cash flows are more than 30 days past due.

The default (credit-impaired status) is a situation when the contractual cash flow is more than 90 days past due ('90 DPD rule'), unless the reason of the delay may be traced back to a clear reason other than deterioration in the credit quality. The default can be identified before the missing cash flow becoming 90 days past due, if market information suggests that.

The following indicators may suggest that there is a deteriorations in the credit quality and that there is an impairment:

- market data
- change in the economic environment
- independent rating agencies
- comparable data
- conclusions of the risk assessors
- forbearance
- payment behavior

For certain individually small balance receivables ECL is calculated on a collective basis. In the case of accounts receivables the simplified method is applied, where the lifetime ECL is charged immediately but there is no continuous tracking of the credit quality.

For this purpose the Entity splits the accounts receivables into two portfolios: receivables from the gas activity and other accounts receivable. The ECL is determined using the following ratios:

Past due	**ECL ratio**
Less than 90 DPD	1%
Between 91 – 180 DPD	50%
Over 180 DPD	100%, or individually determined

For the gas portfolio:

Past due	**ECL ratio**
Less than 90 DPD	0,001%
Between 91 – 180 DPD	1%
Between 181 – 365 DPD	25%
Between 366 – 550 DPD	90%, or individually determined
Over 551 DPD	100%, or individually determined

If the expected credit loss decreases then it shall be recognized in profit or loss by decreasing the related expense.

d) Impairment of non-financial assets and identifying CGUs

The Entity tests its assets for impairment each year. Testing consists of two stages. The first stage is to examine whether there are signs indicating that the assets in question are impaired. The following are signs that a given asset is impaired:

- damage;
- decline in income;
- unfavourable changes in market conditions and a decline in demand;
- increase in market interest rates.

Should there be any indication that an asset is impaired, a calculation which allows the recoverable amount of the asset to be determined is performed (this is the second step). The recoverable amount is the higher of the fair value of the asset reduced by the cost of disposal and the present value of the cash flows derived from continuous use.

If the value in use of an Entity of assets cannot be determined as it does not generate any cash flows itself (it is not in use), the test is performed with respect to the cash-generating units (CGUs).
First the impairment is determined on the level of the individual asset (if possible).

If the value in use can only be determined with respect to the CGUs and impairment needs to be accounted for, impairment losses are recognized as follows:

- firstly, damaged assets are impaired;
- secondly, the goodwill is reduced;
- thirdly, the remaining amount of impairment losses are split among property, plant and equipment (PPE) and intangible assets in the CGU in proportion to their carrying amount prior to impairment.

The value of assets may not drop below their fair value reduced by their individual cost of disposal.

Impairment testing is performed by the Entity at the year-end or when there is an indication of impairment.

The impairment – in case of changes in the circumstances – expect goodwill – may be reversed against profit or loss after tax. The carrying amount after the reversal may not be higher than the carrying amount if no impairment loss had been recognized previously.

e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairments, if any. Depreciation is calculated using the straight-line method at rates calculated to write off the cost of the asset over its expected useful life. The rates used by the Entity are 14.5% for fixtures and fittings, 25% for office equipment and computers, 20% for vehicles, for tablet 33% and 50% for mobile phones.
Expenditures incurred to replace a component of an item of property, plant and equipment that are accounted for separately, including major inspection and overhaul expenditures, are capitalized. Other subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the item of property, plant and equipment. All other expenditures are recognized in the profit or loss as expense as incurred.

f) Right-of-use-asset (ROU)

The Entity presents the assets acquired through a lease transaction as a right-of-use asset (“ROU”). The ROUs are subsequently measured using the cost model and the amortization of these assets is mostly based on the contractual period. The ROUs are tested for impairment applying the provisions of IAS 36. The ROU is presented together with the asset Company of which the underlying asset belongs to. The ROUs are disclosed separately in the Notes.

g) Intangible assets

Intangibles are stated at cost less accumulated depreciation and impairments, if any. Amortization is provided using the straight-line method at rates calculated to write off the cost of the asset over its expected useful life. For software 25% depreciation rate is used on a straight-line basis.

Acquired customer relationship is an intangible asset with indefinite useful life, therefore no systematic amortization is charged on them. It represents contracts, concessions, licenses and similar rights in the course of the contribution of the clearing line of business in 2013 from KELER CCP's parent Company (KELER Ltd.). These are subject to yearly impairment test. No impairment charge was required based on the impairment test performed at the end of 2023 reporting period.

The intangible assets include a purchased customer list which was determined to be an indefinite useful life asset, so no systematic amortization is charged for that asset. The asset is tested for impairment annually. The impairment is charged when the relationship with the customer is no longer ongoing.

h) Trading on gas market

Based on the principle of the anonymity of the customers and the suppliers on the Balancing Platform, Trading Platform, CEEGEX and HUDEX the transactions are made with the participation of KELER CCP. KELER CCP stands between the counterparties as a technical partner (customer and supplier) during the buying and selling transactions. The inventory of gas held by KELER CCP is always zero at the end of a day. Therefore, buying and selling of the gas is recorded by net method settlement in the statement of comprehensive income while in the balance sheet accounts (receivables-liabilities) it is recorded gross. (Current year transactions are presented in Note 26.) Due to the operating logics of KELER CCP, it is not responsible for the physical delivery of the goods, only responsible for the amount payable.

i) Trading on energy market

KELER CCP as a general clearing member of European Commodity Clearing AG (ECC) maintains positions and clears the cash side of the trades to its energy market non-clearing Members towards ECC. KELER CCP receives all relevant information from ECC who is acting as central counterparty of all trades of the energy market, and KELER CCP as a paying agent guarantees all transactions occurred between ECC and the energy market non-clearing Members based on the information received from the ECC.

j) Sale and repurchase agreements and lending of securities

The sale and repurchase agreement ("repo") underlying securities do not qualify for derecognition under IFRSs, so these items – which are legally considered sold – remain recognized in the financial statements and a liability is recognized embodying the settlement liability in the future periods. Analogically, reverse (passive) repo transaction not results recognition, instruments acquired under reverse (passive) repo are not recognized in the statement of financial position, but a receivable is recognized (debt instrument) together with the related interest income over the period of the repo agreement. The difference between the purchase and selling price is considered to be interest by the Entity that is recognized using the effective interest method during the repo period. The ECL requirements defined by IFRS 9 are applicable for all outstanding receivables from repo deals, considering the credit quality of the underlying security.

The accounting rules applicable to the security lending agreement are similar to repo agreement, i.e. those do no result derecognition. Thus, security lent in the frame of lending deals for customers are no recognized from Consolidated Statement of Financial Position.

k) Revenue recognition

Fee revenue

KELER CCP receives revenue for its clearing activities (including the gas and energy market settlements), such revenue are recognized when these services are performed. These revenues streams are presented in Note 25.

Interest income

Interest income is recognized in the profit or loss for all interest bearing instruments on an accrual basis using the effective interest method under IFRS 9.

Trading activity

Sales income is recognized on the trading day when the actual sales (and purchase) occur. See also above for trading on gas and energy market.

The performance obligations (PO) of the Entity are not complex, so all revenue is accounted for in the period when the service was rendered or the goods were sold (cleared).

If the Entity acts as an agent (as defined by IFRS 15) in a transaction, the revenue and the relating expense is netted. Such transactions are settlements on the gas market.

l) Income taxes

The Entity assess on tax-by-tax basis if the a legally payable tax qualifies for income tax under IAS 12 standard.

Income tax on the profit or loss for the year comprises current and deferred tax. Deferred tax is recognized in the profit or loss, except to the extent that it relates to items recognized in other comprehensive income, in which case it is recognized there, and if there is an item that effects equity directly, the income tax will be recognized in equity directly.

Deferred income tax is recognized, using the balance sheet method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The amount of deferred tax is measured based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the end of the reporting period.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred taxes will only be recognized in relation to corporate income tax.

Other taxes are presented separately from income taxes.

For KELER CCP corporate income tax, local business tax and innovation contribution qualify as income taxes, in line with the Group Accounting Policy.

m) Provisions

A provision is recognized when the Entity has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

n) Liabilities from financial guarantees

The nature of the activity of the Entity requires covering all the risks that are coming from default events (i.e. that KELER CCP must settle the transaction even if one of the parties of the clearing agreement is unable to pay/settle). Dealing with the statistically uncovered exposure the Entity recognizes a Liabilities from financial guarantees based on the available collateral and the probability of a loss event regardless how small this probability is. The effect of changes in the liability is recognized in operating expenses in the income statement as "Expense/(income) from changes in financial guarantee funds liabilities".

o) Default fund liability

As an element of the guarantee system, KELER CCP operates several default funds. The purpose of the default fund is to reduce the risk arising from default or failure of cleared and guaranteed transactions made by the Clearing Members which are not covered by individual guarantees. Contributions of the Members are kept in cash. These funds are recognized as liabilities and are measured at amortized cost.

p) Hedging

The Entity does not establish accounting policies related to the accounting of hedging transactions. In the case of any hedging, the general relevant provisions of IFRS 9 are used. (Currently the Entity did not identify hedge relationships.)

q) Statement of cash flows

Information about the cash flows of the Entity is useful in providing users of financial statements with a basis to assess the ability of the Entity to generate cash and cash equivalents and the needs of the Entity to utilize those cash flows.

For the purposes of reporting cash flows, cash and cash equivalents include cash, balances, certain treasury bills and government bonds and placements with the Central Bank of Hungary except those with more than three months maturity from the date of acquisition.

Items of net current liabilities are presented in a net amount in the cash flow statement.

r) Off balance sheet items

KELER CCP is entitled to require collateral from its Clearing Members using its central counterparty services. The form of collateral can be demand-deposit (HUF and foreign currency) and securities. Those deposits that are not directly held by KELER CCP are recorded in the "KELER Kollaterál" system. This is maintained by KELER on a specific collateral account in HUF or on a foreign currency account or security account by blocking the relevant amount. These balances are recognized as off balance sheet items for KELER CCP.

As a General Clearing Member of European Commodity Clearing AG (ECC) KELER CCP has to provide collateral for ECC regarding the settlement of its position of non-clearing members of KELER CCP.

KELER CCP recognizes as an off balance sheet item the credit line provided by its banks. The credit lines will be recognized as balance sheet items once the credit line is utilized.

NOTE 4: FINANCIAL RISK MANAGEMENT

The main elements of the Entity's counterparty risk management approach

As a central counterparty, the Entity undertakes guarantee for transactions concluded on guaranteed markets. CCP's activity ensures that market participants' guaranteed trades are settled risk free and anonymously. In order to provide this service, the Entity operates a clearing membership system, with guarantee and margin elements, combined with monitoring and limit functions.

A two-level clearing membership system is operated by KELER CCP on spot and derivative capital markets from 1 January 2009. KELER CCP operates a clearing membership system on Balancing and Trading Platform. Starting from 20 July 2010 KELER CCP as a General Clearing Member of the ECC is entitled to provide energy market non-clearing membership services to its clients. From 1st January 2013 KELER CCP operates a clearing membership system on Central Eastern European Gas Exchange (CEEGEX) and from 3 January 2018 operates a clearing membership system on HUDEX / Gas segment.

Besides the clearing membership system, KELER CCP operates a multi-level guarantee system on the guaranteed markets. The elements of the guarantee system are: variation margin, individual margins and collective guarantee elements. The guarantee elements can be divided into two groups. The first group of the elements contains individual elements and only belong to cover the Clearing Members own default risks. On the other hand there are collective guarantee elements, which are based on the collective risk taking approach, where all Clearing Members should take a portion of risk of the overall market.

Individual margins:
- basic financial collateral – for derivative, multinet, gas and energy market settlement,
- additional financial collateral – for derivative, multinet, gas and energy market settlement,
- initial margin – for derivative and multinet settlement,
- turnover margin – for gas market settlement,
- energy market turnover margin – for energy market settlement on spot day-ahead and intraday markets (ECC acting as a central counterparty determines the amounts),
- energy market initial margin – for derivative markets (ECC acting as a central counterparty determines the amounts).

The collective guarantee elements are as follows: default funds for derivative (Collective Guarantee Fund "KGA"), multinet (Exchange Settlement Fund "TEA") and gas markets (Trading Platform Default Fund "GKGA" and CEEGEX / HUDEX/Gas Collective Guarantee Fund "CHGKGA") settlement.

In case of capital market partners all collateral collected on margin calls are placed in cash and in securities accounts kept by KELER. The collateral placed by the Clearing Members can be cash, securities placed in KELER with a beneficiary of KELER CCP.
From 1 December 2020, the account management of energy and gas market (Non) Clearing Members required for daily settlements and placement of collaterals is not managed by KELER, it is managed by two commercial banks dedicated for this purpose. From 1 December 2020, in case of energy and gas market (Non)Clearing members, the collateral required must be available on their bank accounts at commercial banks, the collateral placed can only be cash. Two commercial banks are available for energy and gas market (Non)Clearing Members to hold an

account necessary for collateral provision. In case of energy market most of the collaterals are forwarded to ECC and kept on ECC accounts with the beneficiary of ECC AG.

A real-time price monitoring system is operated on the cash and derivative markets of BSE and HUDEX gas. KELER CCP is entitled to execute intraday margin calls, in case price changes exceed certain previously announced limits.

A capital position limit is set for each Clearing Member on the derivative market settled by KELER CCP (Budapest Stock Exchange and HUDEX gas market) and it is calculated on a regular basis, when the initial margin requirement is aligned with shareholders equity. In case of limit breach specified in the KELER CCP General Terms and Conditions, an additional financial margin is imposed, or a restriction is imposed on further derivative positions.

On the spot energy markets cleared by ECC, where KELER CCP provides its services as general clearing member to energy market Non-Clearing Members, KELER CCP uses the limit setting options provided by ECC and the exchange markets it settles for. On spot markets where ECC provides clearing services pre-trade limits are applied, which means that upon receiving an order KELER CCP verifies whether the possible increase in exposure in the event of the order being fulfilled fits into the limit set for the Non-Clearing Member.

The limits are collateralized on a high level and calculated based on the internal rating of KELER CCP. On the derivative energy markets cleared by ECC, TMR (Total Margin Requirement) limit is applied by KELER CCP, which are post trade limits, which means that it is determined fter clearing the transaction whether the total margin requirement of the energy market Non-Clearing Member exceeds the value of the set limit. In case of limit breach the suspension of the energy market Non-Clearing Member's trading right is automatic and immediate. The partner has to place additional collateral to cease the limit breach and in that case it can be re-entered to trading. KELER CCP publishes its methodology of limit setting for ECC markets in the announcement of the ECC limit management published on its website.

Furthermore, since November 2022 KELER CCP has applied a partner clearing exposure limit in addition to the individual trading limit on ECC markets, which limits the maximum total exposure of energy market Non-Clearing Members' exposure on derivative markets, so maximizing the extent of the total derivative collaterals position towards ECC. The share of partner clearing exposure limit applied to each derivative market Non-Clearing Member is determined based on client risk category.

The financial performance of the Clearing Members and energy market Non-Clearing Members are continuously monitored.

Further, the Entity constantly monitors the official bankruptcy databases. Partners are rated regularly by the Entity.

In case of any default, the margin elements can be used in a given order ("default waterfall") to fulfill any payment commitment on behalf of the Clearing or energy market Non-Clearing Member. According to the rules in the General Business Terms of KELER CCP, the utilization of guarantee elements are the following:

Segregation principle:

Collateral deposited on Client accounts cannot be used in case of default on the own account of the Clearing Member. However, initial margin and collateral deposited by the Clearing Member can be fully used also in case of default by the Client.

Default waterfall:

a. In case of default on own account:

- balance of own bank account in the currency of settlement of the Clearing Member in case of a credit institution, debit to the bank account kept with CBH through VIBER
- own initial margin and financial collaterals of the Clearing Member
- free balance of bank accounts of Clearing Member kept in currencies other than the currency of settlement
- disposable securities of Clearing Member, if available
- default fund contribution by the Clearing Member
- dedicated own resources of KELER CCP allocated to the given markets
- the default fund
- own initial margin of the Clearing Member on the derivative market in case of derivative positions of the Clearing Member being fully terminated. Following this the basic financial collateral related to the clearing right concerned and the default fund contribution of the Clearing Member can be used also.
- supplementary guarantee capital of KELER CCP

b. In case of default by the Principal:

- balance of the bank account of the Principal in the currency of settlement (HUF/foreign currency)
- balance of the bank account of the Clearing Member in the currency of settlement (HUF/foreign currency)
- free balance of the bank account of the Principal in currencies other than the currency of settlement
- free balance of the bank account of the Clearing Member in currencies other than the currency of settlement
- basic financial collateral of the Clearing Member, additional financial collateral of the Clearing Member provided with respect to the clearing member function
- own, disposable securities of the Clearing Member, if available
- default fund contribution by the Clearing Member
- initial margin and supplementary collateral and additional financial collaterals of the Principals
- initial margin, supplementary collateral and additional financial collateral of Non-clearing Member with individual account
- dedicated own resources of KELER CCP allocated to the given markets
- the default fund
- the own initial margin of the Clearing Member in the case of full termination of derivative positions of the Clearing Member. Following this the basic financial collateral related to the clearing right concerned and the default fund contribution of the Clearing Member can be used also.
- supplementary guarantee capital of KELER CCP

At the end of the reporting period KELER CCP had no exposures from default, all clients set their obligations for payment or variation margin collaterals. In 2023 there were no financial defaults or securities defaults where KELER CCP should have used any individual collateral, Dedicated own resources, or default fund contributions.

Foreign currency risk management

The Entity does not operate only domestically. In connection with the energy market settlement, the Entity could be exposed to foreign exchange risk through ECC’s default fund contribution due to default. The exposure is monitored continuously by the Entity whenever it is relevant.

Regarding the default fund and the possible exposure from it, it should be highlighted as well that KELER CCP has decreased its own contribution to 0 EUR since August 2022, therefore ECC's default fund contribution is forwarded entirely to the Non-Clearing Members proportional to their margin requirements. In line with that no foreign currency risk exposure occured.

In addition to the Default Fund Contribution, the ECC could determine additional margin requirements for KELER CCP if the sum of the derivatives margin requirements of the Non-Clearing Members exceeds the limit determined by the ECC. During 2023, the margin requirement determined on the basis of the above has been passed on in full to the Non-Clearing Members and therefore no foreign exchange risk exposure has arisen. If the transfer were not possible due to the default of the Non-Clearing Members, KELER CCP would finance the required margin amount from the EUR credit line, so similar to the default fund contribution, the foreign currency risk would be eliminated.

In gas market trading, both the currency of the exposures and the currency of the collateral is Euro, so there is no currency risk on the asset-liability side. In the case of capital market trading, the trading and settlement currency of some assets is EUR or USD, their turnover was negligible in 2023, in case of default of these assets, KELER CCP would generate the necessary foreign currency amount by selling the placed collateral. The foreign currency exposure is taken into account when determining the basic collateral parameter of the asset, in addition to the risk of the basic product, the risk measure is also calculated for the exchange rate risk.

KELER CCP currently does not use any risk-management tool to deal with the fluctuation in foreign exchange rates. Beside the settled market KELER CCP has its own foreign currency reserve, its value was 158 MHUF on the balance sheet day.

Beside the above KELER CCP could have currency exposure in case of cross currency repo transactions. These types of transactions have taken place on a daily basis since September 2023 to ensure the full adequacy to the laws and regulations. Repo transactions take place every day for the balance of EUR based client accounts at one of the commercial banks, in return KELER CCP receives government bonds (HUF). In case of overnight repo transactions the exchange from EUR to HUF is based on CBH's daily central exchange rate from which KELER CCP receives bonds in return, the HUF amount is exchanged on the same daily central exchange rate to EUR on the expiring leg of the repo transaction, and KELER CCP receives it back. Therefore KELER CCP would only face foreign currency risk if the settlement bank was insolvent and KELER CCP would have Hungarian governmental bonds (in HUF) against the EUR margin requirements for the clients. This foreign currency risk is quantified as part of the calculation of the capital requirement, 1% change in EUR/HUF exchange rate would cause 15.71% increase in capital requirement.

KELER CCP has different credit lines with settled currency (EUR, GBP). There are two ways of claiming and using of these credit lines. In case of the first way the usage technique is slightly different by markets. If the Clearing Member on gas markets complies with its financial obligations on the settlement bank account chosen by them, and this amount has to be credited for another Clearing Member by KELER CCP, but in that particular case the crediting bank account is at another settlement bank, than KELER CCP uses its settlement credit line to fulfill the crediting. The usage of the credit line is just for some technical minutes until the transferred amount arrives to the bank account from the other settlement bank. In case of a Non-Clearing Member on energy markets ECC debits KELER CCP's accounts earlier than KELER CCP debits the Member's, temporary financing is needed because of the time gap of the fulfillments, it's also an intraday usage. In case of a final default on these markets in the second way, if the Non-Clearing Member was unable to fulfill its requirements, KELER CCP would have to repay the credit line. The Entity could do this with assets placed as collateral calculated based on the default fund system, these assets are in settlement currencies in case of gas market, and in case of energy market ECC's methodology ensures the way of handling of different currencies. In accordance with that the foreign currency risk of foreign currency loans is not relevant for KELER CCP, because these are almost just intraday technical loans, in other cases the foreign currency risk is handled differently.

Maturity analysis of assets and liabilities and liquidity risk

The main purpose of liquidity activity is to ensure KELER CCP's continuous solvency and thereby originate the secure liquidity of capital and energy market transactions.

KELER CCP has treasury bills and short term government bonds with less than two years maturity. Most of KELERs' liquid security assets are deposited and held at KELER, its cash and their equivalents are held at retail banks. Due to the strict regulation applicable according to the investment policy, KELER CCP represents a very low credit and liquidity risk.

To provide further liquidity, KELER CCP obtained credit lines.

As a General Clearing Member of ECC, KELER CCP has to comply with margin and default fund requirements. On the international market ECC operates as central counterparty and also has a low credit risk.

The entity prepares a maturity analysis of assets and liabilities that represents their maturity for the purpose of analyzing liquidity risk. This analysis shows the resources available or lacking for settlement. The main points of the liquidity risk are presented in note 4.
In the case of current assets and liabilities, there are no significant differences between their carrying amounts and the nominal values of the contractual cash flows (the value of the contractual cash flows is presented in the table below).

As at 31 December 2023	**Within 3 months**	**Within one year and over 3 months**	**Within 5 years and over one year**	**Over 5 years**	**Without maturity**	**Total**
Cash and cash equivalents	49 756	0	0	0	0	49 756
Debt instruments measured at fair value through other comprehensive income	0	0	0	0	0	0
Trade receivables relating to gas market	2 109	0	0	0	0	2 109
Trade receivables relating to central counterparty and other service	228	0	0	0	0	228
Other receivables	11 630	0	0	0	0	11 630
Receivables from repurchase agreements	122 653	0	0	0	0	122 653
Receivables from foreign clearing houses	58 286	0	0	0	0	58 286
Income Tax - Current tax receivables	56	0	0	0	0	56
Intangible assets	0	0	0	0	774	774
Property, plant and equipment	0	0	0	0	14	14
Income Tax - Deferred tax assets	0	0	7	0	0	7
TOTAL ASSETS	**244 718**	**0**	**7**	**0**	**788**	**245 513**
Trade payables	-98	0	0	0	0	-98
Trade payable from gas market activity	-2 125	0	0	0	0	-2 125
Other payables	-183	-70	-4	0	0	-257
Income Tax - Current tax liability	0	-424	0	0	0	-424
Default Fund liabilities	-4 582	0	0	0	0	-4 582
Liabilities from financial guarantees	-21	0	0	0	0	-21
Collateral held from energy market participants	-148 002	0	0	0	0	-148 002
Collateral held from gas market participants	-56 840	0	0	0	0	-56 840
Lease liability	0	-9	0	0	0	-9
Loans	-11 179	0	0	0	0	-11 179
TOTAL LIABILITIES	**-223 030**	**-503**	**-4**	**0**	**0**	**-223 537**
Accumulated balance of the position	**21 688**	**21 124**	**21 127**	**21 188**		**21 976**

As at 31 December 2022	**Within 3 months**	**Within one year and over 3 months**	**Within 5 years and over one year**	**Over 5 years**	**Without maturity**	**Total**
Cash and cash equivalents	191 188	0	0	0	0	191 188
Debt instruments measured at fair value through other comprehensive income	0	3 616	0	0	0	3 616
Trade receivables relating to gas market	2 404	0	0	0	0	2 404
Trade receivables relating to central counterparty and other service	171	0	0	0	0	171
Other receivables	14 832	13	1	0	0	14 846
Receivables from repurchase agreements	10 765	0	0	0	0	10 765
Receivables from foreign clearing houses	122 138	0	0	0	0	122 138
Income Tax - Current tax receivables	0	0	0	0	0	0
Intangible assets	0	0	0	0	693	693
Property, plant and equipment	0	0	0	0	24	24
Income Tax - Deferred tax assets	0	0	14	0	0	14
TOTAL ASSETS	**341 498**	**3 629**	**15**	**0**	**717**	**345 859**
Trade payables	-255	0	0	0	0	-255
Trade payable from gas market activity	-2 590	0	0	0	0	-2 590
Other payables	-193	-56	-3	0	0	-252
Income Tax - Current tax liability	0	-301	0	0	0	-301
Default Fund liabilities	-7 801	0	0	0	0	-7 801
Liabilities from financial guarantees	-26	0	0	0	0	-26
Collateral held from energy market participants	-227 756	0	0	0	0	-227 756
Collateral held from gas market participants	-80 357	0	0	0	0	-80 357
Lease liability	0	-9	-9	0	0	-18
Deferred tax liability	0	0	0	0	0	0
Loans	-7 531	-3 000	0	0	0	-10 531
TOTAL LIABILITIES	**-326 509**	**-3 366**	**-12**	**0**	**0**	**-329 887**
Accumulated balance of the position	**14 989**	**15 252**	**15 255**	**15 254**	**15 972**	**15 972**

When the maturity of an item is not determinable, the Entity classifies the asset as being without a maturity, the liability to the within 3 months category. Due to the nature of short-term assets and liabilities, there is no significant difference between the carrying amount and the nominal value of the contractual cash flows.

Interest rate risk management

The Entity's assets and liabilities are exposed to interest rate risk, which is in line with the Entity's size. KELER CCP has deposits at ECC. Loans are not long term with fixed interest rates, but activity-related short-term loans tied to reference yields, which are repriced in case of any changes in the interest rate environment. KELER CCP does not pay interest on placed collaterals, so there is no interest expense for these collaterals. Consequently, there is no significant interest rate risk. Since 14 September 2022, ECC has been paying interest on cash collaterals provided as deposits in response to changes in interest rates. KELER CCP also holds treasury bills and other short-term government bonds, which it mainly holds until maturity. However, in the event of liquidity needs, it can sell these bonds before maturity. Because of the short-term nature of the portfolio, the interest rate risk in the event of a pre-maturity sale of the bonds is limited and continuously monitored. This is part of the decision-making process, which considers the risk before the sales (in addition to other options like considering the use of credit lines as an alternative solution).

Regulation on the investment policy of the Entity

The owners of the Entity are legal entities where the investment possibilities are strictly regulated due to the nature of the activity.

The Entity may only keep investments that are fulfilling all of the following criteria:

- must have minimal credit and market risk;
- shall not have any possibility of a significant loss on the disposal;
- must be available for same day withdrawal;
- must be issued by a state or guaranteed by the government or a similar institution
- the Entity must have access to a market where these instruments are actively traded and where sale and repurchase deals are available
- the investments may not have any limitations (such as pledges, legal constraints on transfers etc.) attached to them.

NOTE 5: SPECIFIC REGULATION RELEVANT TO THE ENTITY AND IMPOSED CAPITAL MANAGEMENT

KELER CCP is not a credit institution; the Basel requirements, the CRR or the CRD do not apply directly to KELER CCP. However, the requirements of EMIR cover the capital requirements of CCPs also. Central counterparties are required to have shareholders' equity of at least 7.5 million Euros on a permanent basis (Capital requirement II) and the amount of shareholders' equity is required to be proportionate to the risk arising from the central counterparty activity. The ESMA technical standard details the calculation method of capital requirement.

A capital increase took place in April 2022. The parent company KELER Ltd. increased the capital by 3 billion HUF. There was no increase in the capital in 2023.

KELER CCP is required to determine the amount of capital requirement for the following risks (Capital requirement I):

- capital requirement on credit and counterparty risks,
- capital requirement on operational and legal risks;
- capital requirement on market risks (FX rate and securities position risk),
- capital requirement on winding up or restructuring of the activity of the central counterparty,
- capital requirement on business risk

According to the above, KELER CCP as a central counterparty must have a minimum equity capital of 7.5 million EUR (Capital requirement II.):

- Capital requirement II is converted to HUF at CBH EUR exchange rate related to the last day of the reference month.

Determination of available capital

The amount of available capital equals the components of shareholders' equity:

- Subscribed Capital
- Capital Reserves
- Retained Earnings
- Reserves of debt instruments valued at fair value against other comprehensive income

And the following items should be deducted:

- Intangible assets
- Losses of the current business year
- Contribution to the default fund of other CCPs (ECC Euro default fund contribution. It is not deducted if the contribution is forwarded entirely.)
- contribution to own default fund, if any (Since August 2022 the contribution of KELER CCP to default funds is 0 HUF).
- participations in subsidiaries if any
- Receivables from the National Tax and Customs Administration
- Value of securities given as a collateral for loans calculated based on fair value

The available capital is required to cover the following elements:

- Minimum required capital
- Dedicated own resources = (0.25 * MAX (Capital requirement I., Capital requirement II.)
- Other financial resources (remaining amount after deduction of the above two items)
- Second skin in the game (0.15 * Capital requirement I.)

The following table shows KELER CCPs capital adequacy at the end of 2022 and 2023:

data in HUF million	**2023**	**2022**
Capital requirement I.	4 316	4 822
Capital requirement II.	2 871	3 002
Available capital	17 682	7 622
Minimum capital requirement	4 748	5 305
Dedicated own resources	1 079	1 206
Second skin in the game*	647	-
Other financial resources	11 208	388

*In line with the R&R decree KELER CCP has formed the second skin in the game since 12th February 2023, therefore there is no available value for the previous business year in the table above.

The Entity is required to comply with these indicators according to the laws and regulations. Therefore the calculation of capital adequacy must be determined in accordance with the values under the Hungarian accounting rules. Capital adequacy was ensured in 2023, the Entity had the sufficient capital to be able to cover the regulatory capital requirements.

NOTE 6: CASH AND CASH EQUIVALENTS

	12.31.2023	**12.31.2022**
Bank accounts		
in HUF	8	9
in foreign currency	46 248	191 205
Cash equivalents in HUF	3 445	0
Closing balance	**49 701**	**191 214**
Demand deposit	42	205
Cash receive securities	49 659	191 009
Closing balance	**49 701**	**191 214**
Opening balance of expected credit loss (ECL)	-26	-27
Changes in the balance of expected credit loss (ECL)	20	1
Closing balance of expected credit loss (ECL)	**-6**	**-26**
Closing balance, net of ECL	**49 695**	**191 188**

The bank accounts are demand deposits, available immediately for withdrawal. The interest on the bank account is between 0%-0.1% for HUF deposits, and 1.8% - 3.75% for EUR deposits. These expenses are recorded as interest paid in the statement of incomes.

The designated deposit balance includes deposits that are received from the clients as contribution to the Default funds (see Note 16) and individual guarantees from 2020. These cash balances may only be used for certain purposes, strictly regulated by EMIR.

KELER CCP concluded repo contracts with its main commercial banks in order to place both forint and foreign currency balances in repos, which resulted in having significantly lower year end cash balances than at the end of the previous year.

All bank balances are subject to ECL. The bank balances are considered to be in the stage 1 category for this purpose. The EAD is the balance at the end of the period and LGD was estimated at 45%, PD was estimated between 0.03 – 0.05%.

NOTE 7: FAIR VALUE TROUGH OTHER COMPREHENSIVE INCOME DEBT INSTRUMENTS

	12.31.2023	12.31.2022
Debt instruments measured at fair value through other comprehensive income		
Opening balance	3 617	6 945
Acquisitions	17 245	12 077
Derecognition at maturity	-19 692	-9 158
Derecognition at maturity	-1 160	-6 268
Impairment loss (3rd stage ECL)	0	0
Interest received	-18	-33
Interest accrued (Amortization)	8	122
Remeasurement (Fair Value Adjustment)	0	-68
Closing balance on 31 December	**0**	**3 617**
Opening balance of expected credit loss (ECL)	0	-1
Changes in the balance of expected credit loss (ECL)	0	0
Closing balance of expected credit loss (ECL)	**0**	**-1**
Closing balance, net of ECL	**0**	**3 616**
Treasury bills	0	2 484
Hungarian government bonds	0	1 132

At the end of 2023 KELER CCP had debt instruments with a maturity less than 3 months upon purchase, therefore these were recorded as cash equivalents.

The fair value of these assets can be determined based on readily available quoted prices published by Hungarian Debt Agency (Level 1). However, when the fair value of these assets cannot be determined based on such quoted prices, instruments are measured based on yields quoted for similar financial instruments and generally accepted valuation techniques (Level 2).

The ECL is based on the credit quality of these instruments. The issuer is the Hungarian State in each case. In calculating the ECL, the Entity applied the so called ‘standard model’. (Under the standard model of the Entity, the Entity determines default loss rates for short- and long-term periods based on internal evaluation using benchmarks. Credit loss for various exposures is calculated using these loss rates.

The treasury bills and Hungarian government bonds are all classified in the Stage 1 category.

NOTE 8: TRADE RECEIVABLES AND TRADE PAYABLE RELATING TO GAS MARKET

	12.31.2023	**12.31.2022**
Trade receivables from gas markets		
Receivable balance	2 109	2 404
Accumulated impairment losses	0	0
Receivable balance net of impairment (carrying amount)	**2 109**	**2 404**

	12.31.2023	**12.31.2022**
Accumulated impairment losses of trade receivables		
Opening accumulated impairment losses	0	0
Impairment losses recognized in the current period	0	0
Impairment losses derecognized in the current period	0	0
Closing accumulated impairment losses	**0**	**0**

Accounting policies relating to the trading on the gas market is presented in Note 3. This balance relates to receivables from the participants on the foresaid gas market. These are paid – according to the contract – in less than 5 days.

The receivable from the gas market services are also subject to ECL. Here – due to the nature of the receivable – the Entity uses the simplified method, so immediately the life-time ECL is recorded without further tracking of the individual credit quality. Due to the collateral behind these transactions the loss ratio is low (see accounting policy for details).

The gas market guarantee system guarantees the settlement of claims.

The balance of the receivable depends on the trading activity on the market that the Entity does not influence.

The other component of the clearing transaction is the amount of payable arising from the gas market liability. The payables are – by contractual agreement – due on the same day as the corresponding receivable. This value was 2 125 MHUF at the end of 2023 and 2 590 MHUF in 2022.

The fair value of these receivables and payables are close to their carrying amount (the payment is done in a short time and no other issues require adjustment).

NOTE 9: TRADE RECEIVABLES RELATING TO CENTRAL COUNTERPARTY AND OTHER SERVICES

	12.31.2023	**12.31.2022**
Trade receivables from central counterparty and other services		
Receivable balance	232	174
Accumulated impairment losses	-4	-3
Receivable balance net of impairment (carrying amount)	**228**	**171**

	12.31.2023	**12.31.2022**
Accumulated impairment losses of trade receivables		
Opening accumulated impairment losses	-3	-5
Impairment losses recognized in the current period	-1	2
Impairment losses derecognized in the current period	0	0
Closing accumulated impairment losses	**-4**	**-3**

These trade receivables include the not yet paid part of the rendered CCP and similar clearing related services. Accounts receivable are stated at the value of the invoiced service.

The trade receivables are also subject to ECL. Here – due to the nature of the receivable – the Entity uses the simplified method, so immediately the life-time ECL is recorded without further tracking of the individual credit quality. The ECL balance of each receivable – if not assessed individually – is calculated based on loss ratios which is the function of how many days the item is past due (for details see Note 3).

The derecognized impairment loss is due to the recovery of receivables that were previously identified as impaired and impairment loss was recognized.

The impairment loss or gain of the reversal – if any – is reported on a separate line in Separate Statement of Comprehensive Income, on a net basis.

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

The carrying amount of trade receivables has the following maturities:

	12.31.2023	**12.31.2022**
Not overdue, not impaired	229	171
Not overdue, individually impaired	0	0
Overdue by at most 90 days, individually not impaired	1	1
Overdue more than 91 days, but not more than 180 days, individually not impaired	0	0
Overdue more than 181 days, but not more than 1 year, individually not impaired	0	0
Overdue more 1 years, but not more than 550 days, individually not impaired	0	1
Overdue more than 550 days, individually not impaired	2	1
Overdue, individually impaired	0	0
	232	**174**

NOTE 10: OTHER RECEIVABLES, INCOME TAX RECEIVABLE AND REPURCHASE AGREEMENTS

	12.31.2023	12.31.2022
Other receivables		
Loans to employees	0	1
Interest	204	223
Tax receivables (other than income taxes)	11 317	14 449
Intercompany receivables for rendered services	87	156
Sundry other receivables	22	17
	11 630	**14 846**

	12.31.2023	12.31.2022
Opening balance of expected credit loss (ECL)	0	0
Changes in the balance of expected credit loss (ECL)	0	0
Closing balance of expected credit loss (ECL)	**0**	**0**
Closing balance, net of ECL	**11 630**	**14 846**

The tax receivables and prepaid expenses are not under the scope of IFRS 9, therefore the Company does not recognize impairment on these balances based on ECL.

The sundry other receivables include accruals. The fair value of these receivables is close to the carrying amount. In the case these items are under the scope of IFRS 9 ECL was established.

The receivables from the parent include balances that arise from amounts due from services rendered.

The entity has no influence on the balance of VAT receivables, since this balance depends on whether the entity has export or import position at the end of December, which depends on the actual market demand. The value of VAT receivable was 11 317 MHUF as at 31 December 2023, while 14 449 MHUF as at 31 December 2022.

These receivables do not yield interest and they are all payable within one year. They are not impaired or past due. The fair value of these receivables is the same as the carrying amount.

Receivables from repurchase agreements (repos)

This balance includes the receivables from repurchase agreements still outstanding at the end of the period. Under this agreement KELER CCP purchased high quality debt instruments at the end of the year (state securities). Those instruments are sold back to the seller on the next banking day. These instruments are not recognized by KELER CCP, but the amounts paid are considered as loan receivables. The difference between the purchase price and the selling price is recorded as interest income, which was in this period negative. The instruments are considered to be security on the loan.

	12.31.2023	**12.31.2022**
Repurchase agreement (repo) – closing balance		
Purchase price of the repo - KELER	4 229	0
Purchase price of the repo - Bank	118 440	10 767
Interest accrued	0	0
	122 669	**10 767**

	12.31.2023	**12.31.2022**
Opening balance of expected credit loss (ECL)	-2	-5
Changes in the balance of expected credit loss (ECL)	-14	3
Closing balance of expected credit loss (ECL)	**-16**	**-2**
Closing balance, net of ECL	**122 653**	**10 765**

The repo receivable is subject to ECL. The receivable was classified in Stage 1 category.

The fair value of the receivable is close to its carrying amount.

The significant increase in balance from repurchase agreements (repo) was the result of KELER CCP having started to replace collaterals in cash to repurchase agreements from September 2023 on. The 110 MHUF increase in repo receivables derived completely from the decrease in bank account cash balance.

NOTE 11: RECEIVABLES FROM FOREIGN CLEARING HOUSES

KELER CCP as a general clearing member of the ECC is entitled to provide energy market non-clearing membership services from 20 July 2010 on the spot power market, and from 1 July 2011 on the futures power market and from 2012 on any other markets cleared by ECC without limitation (e.g. gas, EUA emission, etc.). According to the GCM status clearing members have to comply with specified margin and collective guarantee requirements of ECC.

The receivable is denominated in euro. In the original currency the receivable from energy market is: 152,291,822 EUR on 31 December 2023 and 305,195,367 EUR on 31 December 2022 .

The fair value of this receivable is the carrying amount. This receivable is not impaired.

	12.31.2023	12.31.2022
Receivables from foreign clearing houses		
Receivables from contributions	53 586	110 547
Receivables from guarantee funds	4 708	11 607
	58 294	**122 154**

	12.31.2023	12.31.2022
Opening balance of expected credit loss (ECL)	-16	-21
Changes in the balance of expected credit loss (ECL)	9	5
Closing balance of expected credit loss (ECL)	**-7**	**-16**
Closing balance, net of ECL	**58 286**	**122 138**

The clearing receivable is subject to IFRS 9 with respect in ECL. The receivable was classified in Stage 1 category. The full receivable is with one counterparty therefore it embodies risk concentration.

The receivables from guarantee funds come from the fact that the clearing members of KELER CCP are contributing to the guarantee fund which is handled and recorded by ECC. The full balance is requested to be paid by the clients of KELER CCP (see Note 18.).

The decrease in contributions on power and gas markets and receivables from guarantee funds was due to the decrease in world market prices. High demand in 2022 led to an extreme need for contributions, of which extent was decreased in 2023 by both the foreign clearing house (ECC) and KELER CCP. Therefore, cash and cash equivalents also decreased by the end of 2023. In addition, the strengthening of HUF (domestic currency) by 17 HUF/EUR also caused that while EURO amounts were valued at a rate of 400.25 as at 31 December 2022, they were translated at a 382.78 rate as at 31 December 2023.

NOTE 12: INTANGIBLE ASSETS

For the year ended 31 December 2023:

	Customer relationship	Software	Total
Cost			
Balance as of 1 January 2023	399	1 285	1 684
Acquisition	0	167	167
Disposal	0	0	0
Impairment of intangible assets	0	0	0
Balance as of 31 December 2023	**399**	**1 452**	**1 851**
Accumulated Amortization			
Balance as of 1 January 2023	13	978	991
Current year amortization	0	86	86
Disposals	0	0	0
Impairment of intangible assets	0	0	0
Balance as of 31 December 2023	**13**	**1 064**	**1 077**
Net book value			
Balance as of 1 January 2023	**386**	**307**	**693**
Balance as of 31 December 2023	**386**	**388**	**774**

For the year ended 31 December 2022:

Cost	Customer relationship	Software	Total
Balance as of 1 January 2022	399	1 114	1 513
Acquisition	0	201	201
Disposal	0	-30	-30
Impairment of intangible assets	0	0	0
Balance as of 31 December 2022	**399**	**1 285**	**1 684**
Accumulated Amortization			
Balance as of 1 January 2022	8	883	891
Current year amortization	0	117	117
Disposals	0	-22	-22
Impairment of intangible assets	5	0	5
Balance as of 31 December 2022	**13**	**978**	**991**
Carrying amount			
Balance as of 1 January 2022	**391**	**231**	**622**
Balance as of 31 December 2022	**386**	**307**	**693**

The acquisition only includes purchases.

The entity did not recognize any impairment loss in 2023 for intangible assets. The entity recognized impairment loss in 2022 for the following intangible asset:

- an acquired customer list (that was recognized as Customer relationship as an asset), since two of the customers included in the list has no further business relationship with KELER CCP.

All the amortization and derecognition is recognized in profit or loss.

Performance of the impairment review test – Customer Relationship

Customer relationship is an intangible asset with indefinite useful life. It represents contracts, concessions, licenses and similar rights acquired as non-cash contribution in the course of the contribution of the clearing line of business in 2013 from the parent Company, KELER. This item was recognized at fair value when the contribution was made. This item is tested annually for impairment. The recoverable amount was based on a value in use calculation. The value in use calculation utilized projected cash flows from the next three years derived from this asset together with the terminal value. These values are the latest estimations of the management. The terminal value is based on decreasing cash flows. The projected cash flows were discounted back using an entity specific discount rate i.e. the WACC of KELER CCP. The most important elements of the calculation were:

	2023	**2022**
Cash flow estimation (pre-tax)	30 522	20 110
Pre-tax discount rate used	14,87%	16,10%
Value in use	27 081	17 077
Carrying amount	378	378
Impairment loss	**-**	**-**

Based on the results of impairment review test to this asset, no such circumstances have been identified which indicate an impairment loss.

Performance of the impairment review test – Software, development

The software products are contributing to the clearing activity. The software are specific to the Entity and were all provided by external supplier. The amortization period is four years on average. There are no pledges or similar items limiting the transfer or use of these assets. Based on the results of impairment review test to intangible assets no such circumstances have been identified which refer to impairment loss.

Commitments for the ALMA Project

The Entity initiated in 2021 the so called ALMA project which is the development of a new risk management system. The ALMA risk management software was finalized and brought in use at the value of 248 MHUF in 2023, there are no further commitments.

NOTE 13: PROPERTY, PLANT AND EQUIPMENT

For the year ended 31 December 2023:

	Machinery and equipment	Right -Of Use assets	Total
Cost			
Balance as of 1 January 2023	34	42	76
Acquisition	3	0	3
Disposals (sale)	-2	0	-2
Impairment of Property, plant and equipment	0	0	0
Balance as of 31 December 2023	**35**	**42**	**77**
Acumulated Depreciation			
Balance as of 1 January 2023	24	28	52
Current year amortization	6	7	13
Disposals (sale)	-2	0	-2
			0
Balance as of 31 December 2023	**28**	**35**	**63**
Carrying amount			
Balance as of 1 January 2023	**10**	**14**	**24**
Balance as of 31 December 2023	**7**	**7**	**14**

For the year ended 31 December 2022:

	Machinery and equipment	Right -Of Use assets	Total
Cost			
Balance as of 1 January 2022	34	37	71
Acquisition	1	5	6
Disposals (sale)	-1	0	-1
Impairment of Property, plant and equipment	0	0	0
Balance as of 31 December 2022	**34**	**42**	**76**
Accumulated Depreciation			
Balance as of 1 January 2022	18	21	39
Current year amortization	7	7	14
Disposals (sale)	-1	0	-1
Balance as of 31 December 2022	**24**	**28**	**52**
Carrying amount			
Balance as of 1 January 2022	**16**	**16**	**32**
Balance as of 31 December 2022	**10**	**14**	**24**

The acquisitions are all purchases. These items contribute to the business activity, all of them are individually low value assets. There are no current commitments to purchase tangible assets. There are no pledges or similar items limiting the transfer or use of these assets.

The ROU asset is recognized due to a lease agreement on the office building. The building is leased from a parent company. The lease period ends – based on the latest modification – in 2024, end of the year. A lease liability was also recognized (see Note 19.). The ROU asset is amortized over the legal life of the contract, without any residual value.

NOTE 14: TRADE PAYABLE

Payables from other activities that are not classified to other positions are under trade payables. These amounts are usually due within below 30 days. The trade payables are mainly denominated in HUF and in EUR.

Within the trade payables the material balances are: 66 MHUF at the end of 2023 and also 2022, while other significant components of the closing balance are 15 MHUF and 2 MHUF (in 2022 33 MHUF and 132 MHUF).

NOTE 15: OTHER LIABILITIES, INCOME TAXES PAYABLE, TAX PAYABLES

	31.12.2023	**31.12.2022**
Accruals and other liabilities		
Taxes payable (other than income taxes)	26	81
Accrued interest	0	39
Accrued expenses	216	110
Sundry other liabilities	15	22
	257	**252**

The accrued expenses consist of sundry expenses that relate to this period but they were not yet invoiced, incurred.

	31.12.2023	**31.12.2022**
Taxes payable (other than income taxes)		
Personal income tax	8	9
Social security contributions	9	9
Social security contribution payable by the employee	9	11
Other taxes	0	52
	26	**81**

Current liabilities from income tax

The entity presents it's liability from income taxes on a separate line item. The following tax types are considered to be income taxes:

- corporate income tax (regulated by Act LXXXI of 1996)
- local business tax
- innovation contribution

The income tax liability of the Entity is 424 MHUF (in 2022 the balance is 301 MHUF).

The fair value of the liabilities is close to their carrying amounts.

NOTE 16: DEFAULT FUND LIABILITIES

	31.12.2023	31.12.2022
Liabilities for Default Funds		
Stock Exchange Settlement Fund	2 162	1 202
Collective Guarantee Fund	1 221	1 614
Gas Market Collective Guarantee Fund	900	4 703
CEEGEX/HUDEX Market Collective Guarantee Fund	299	282
Less own contribution	0	0
	4 582	**7 801**

As an element of the guarantee system, KELER CCP operates several default funds. The purpose of the default fund is to reduce the risk arising from default or failure of cleared and guaranteed transactions made by the Clearing Members.

The amount of the above contributions depends on the member's activity on the given market. Therefore these amounts are changing frequently.

Changes in the balances in Stock Exchange Settlement Fund and Collective Guarantee Fund is a result of the changes in the turnover.

The material decrease in the balance Gas Market Collective Guarantee Fund is based upon the turnover guarantee (3-months average), which is directly influenced by the actual market price what was decreasing during the period (price effect), so the decrease in the guarantee caused the balance of the Guarantee Fund also to decrease.

The fair value of the liabilities does not show a significant difference from the amortized cost as carrying amount, thus the best estimate of the fair value is the carrying amount.

NOTE 17: LIABILITIES FROM FINANCIAL GUARANTEES

The nature of the activity of the Entity requires covering all the risks that are coming from default events (i.e. that the central counterparty is required to settle the compensation of the transaction even if one of the parties of the clearing agreement is unable to pay/settle). To ensure the source of these payments the Entity operates guarantee system with several funds collected from the participants of the markets. These funds are based on calculations which are not designed to provide full coverage (i.e. it is impossible to provide 100% guarantee). The Entity set up a separate liability to reflect this commitment. To deal with the statistically uncovered exposure the Entity recognizes liabilities from financial guarantees based on the available collateral and the probability of a loss event regardless how small this probability is.
The changes in the financial guarantee contract ("FGC") are recognized in the profit or loss. The fair value of the FGC was arrived to by using the collateral's fair value, adjusted with haircut, taking into consideration the not yet covered risks.

Changes in the balance of the liabilities from financial guarantees are included in the separate comprehensive income statement.
The FGC balance and change was the following during the period:

	31.12.2023	31.12.2022
Liabilities from financial guarantees		
Opening Liabilities from financial guarantees	26	35
Changes in the Liabilities from financial guarantees	-5	-9
Closing Liabilities from financial guarantees	**21**	**26**

NOTE 18: COLLATERAL HELD FROM ENERGY AND GAS MARKET PARTICIPANTS

; Energy market non-clearing members are required to provide the entire daily margin requirement – established by ECC – in Euro toward KELER CCP, which amount is forwarded directly toward ECC by KELER CCP to cover margin requirements occurred in line with the energy market non-clearing members trading activity. Beyond the daily margin requirement, energy market non-clearing members are also obliged to fulfill basic financial collateral in euro toward KELER CCP to meet participation pre-requisites.

The collateral amounts of the clearing members are deposited at KELER CCP and are required to be kept on an escrow account. This is presented on a separate line in the statement of financial position.

The required collateral is determined based on an risk management methodology.

NOTE 19: LEASE LIABILITY

	31.12.2023	31.12.2022
Lease liability		
Opening balance	18	19
Remeasurement of lease liability due to contract modification	-	5
Interest on the lease	1	2
Lease payment	-9	-9
Foreign exchange rate loss	-1	1
Closing balance	**9**	**18**
Lease interest for the future periods	1	2
Lease payments for the future periods	**10**	**20**
Of which: short term liabilities	9	9
Of which: long term liabilities	0	9

The Entity calculated the lease liability as the present value of the future cash payments. The cash flows are denominated in Euro, therefore the calculation was also done in Euro. The lease payments are linked to and index (inflation). This variable lease payment was taken into consideration when calculating the liability, however the expectation were not factored in the payments, the changes will be treated as a reassessment in the later periods. When calculating the lease liabilities, the rate used was 6.27% (incremental borrowing rate) which was backed up by external evidence from the bank.

When accounting for the lease the Entity uses the Euro amounts which are retranslated and any difference is accounted for as a foreign exchange rate gain or loss.

NOTE 20: LOANS RECEIVED

Loans used from available credit lines at the year end:

Provider of credit line:	31.12.2023	31.12.2022
KELER	0	3 000
MNB (CBH)	0	7 531
Gránit Bank	9 911	0
OTP Bank	1 268	0
	11 179	**10 531**

The loans are short term. The fair value and carrying amount of the above balances are the same.

NOTE 21: DEFERRED TAXES

The tax bases and temporary differences for 2023 are as follows:

Asset/liability	Tax base	Book Value	Deductible, taxable difference	Deferred tax through profit or loss	Deferred tax through OCI
Cash and cash equivalents	49 695	49 695	0	0	0
Receivables from repurchase agreements	122 669	122 653	-17	1	0
Receivables from foreign clearing houses	58 294	58 286	-8	2	0
Accruals and other liabilities	233	258	-24	2	0
Liabilities from financial guarantees	0	21	-21	2	0
			Deferred tax assets	**7**	**-**
			Deferred tax liability	**-**	**-**

The tax bases and temporary differences for 2022 are as follows:

Asset/liability	**Tax base**	**Book Value**	**Deductible, taxable difference**	**Deferred tax through profit or loss**	**Deferred tax through OCI**
Debt instruments measured at fair value through other comprehensive income	3 684	3 616	-68	0	6
Trade receivables relating to central counterparty and other service	175	171	-4	0	0
Receivables from repurchase agreements	10 766	10 765	-1	0	0
Receivables from foreign clearing houses	122 154	122 138	-16	2	0
Intangible assets	715	693	-22	2	0
Accruals and other liabilities	235	252	-17	2	0
Liabilities from financial guarantees	0	26	-26	2	0
			Deferred tax assets	**8**	**6**
			Deferred tax liability	**-**	**-**

The deferred tax balances are not discounted.

	Recognized in profit or loss	Recognized in other comprehensive income	**TOTAL**
Balance as of 1 January 2022	9	5	**14**
Current year changes	-1	1	**0**
Balance as of 31 December 2022	8	6	**14**
Current year changes	-1	-7	**-8**
Balance as of 31 December 2023	7	-1	**6**

NOTE 22: SHARE CAPITAL AND RESERVES

The changes of the reserves of the Entity are explained in the Statement of Changes in the Shareholder's Equity.

The contributed capital of the Entity consists of share capital and share premium.

The contributed share capital is:

	31.12.2023	**31.12.2022**
Share capital		
KELER (KELER Central Depository Ltd.)	3 418	3 418
Magyar Nemzeti Bank (Central Bank of Hungary)	3	3
Budapesti Értéktőzsde (Budapest Stock Exchange)	2	2
	3 423	**3 423**

This reflects the following ratios:

	31.12.2023	**31.12.2022**
Share capital	%	%
KELER (KELER Central Depository Ltd.)	99,85	99,85
Magyar Nemzeti Bank (Central Bank of Hungary)	0,08	0,08
Budapesti Értéktőzsde (Budapest Stock Exchange)	0,07	0,07
	100	**100**

	31.12.2023	**31.12.2022**
Capital reserve	6 135	6 135

All shares rank pari passu in the event of liquidation. The shares are dematerialized.

Revaluation reserve of debt instruments measured at fair value through other comprehensive income

The revaluation reserve includes the effect of the remeasurement of the FCVTOCI items (that were partially reclassified to cash equivalents during the year), which are reclassified to profit or loss for the period upon disposal of the assets. Since the full balance of the debt instruments measured through FVOCI comprises only treasury bills expiring within a year, the full balance of the opening equity as at 1 January 2023 was reclassified to profit or loss for the period.

NOTE 23: STATEMENT OF FINANCIAL POSITION CATEGORIES BASED ON CURRENT-NON CURRENT DISCTINCTION

The Entity presents its Separate Statement of Financial Position in liquidity order. The reason for that is that the parent company of the Entity (KELER Ltd.) follows this order.
The Balance Sheet based on the current – non-current distinction is the following:

	31.12.2023	**31.12.2022**
Non current assets	796	731
Current assets	244 656	345 128
Short term liabilities	-223 534	-329 875
Financed by:		
Long term liabilities	-4	-12
Owners' equity (net assets)	21 914	15 972

The non-current assets include the intangible assets, the property plant and equipment and the deferred tax asset.
The long-term liabilities include long term portion of the lease, certain employee benefits and the Liabilities from financial guarantees.
All other items of the balance sheet are current. The Entity defines an item of the balance sheet being current if the due date is within 12 months.

NOTE 24: INCOME FROM CENTRAL COUNTERPARTY SERVICE

The main revenue generating activity of the Entity is the fee income from acting as a central counterparty on several markets. The revenue is recognized in the period when the service is provided.

	2023	**2022**
Income from central counterparty service		
CCP services of spot market	334	440
CCP services of derivative market	173	326
Clearing membership fees	853	774
CCP services of gas market	519	284
CCP services of energy market	515	501
Income from collateral	0	2 801
Fees from trade reporting	2	4
	2 396	**5 130**

A significant change in the income from central counterparty services arises from income from collaterals held. In November 2022 Euro interest rates turned from negative to positive values, thus the collection of collateral fee was discontinued, thus interest received on collaterals held is recognized instead of collateral fee income that is presented in the finance income/expense category.

The main revenue lines of the Entity are derived from central counterparty services on stock exchange and gas markets, and membership and clearing fees of general clearing member (GCM) services on energy markets. Revenue depend on number of participants in the case of membership fees, whereas in the case of clearing fees the extent of revenue depends on number of transactions (for stock markets), and on transaction volumes for energy markets.

On stock markets (spot and derivative), as compared to base year 2022, when concerns about energy supplies due to the Ukrainian-Russian conflict boosted energy market trading, there was a decrease in trading in 2023, which also resulted in decreasing revenue.

Revenue form CCP services on gas markets increased as a result of increase in fees on CEEGEX market as from the beginning of 2023 and also increasing market turnover.

For revenue form CCP services on energy markets a moderate increase in turnover and the higher number of partners resulted in an increase.

NOTE 25: OTHER NON-COUNTERPARTY SERVICES INCOME

The Entity has activities that are either not provided on regular basis or outside of the scope of the core activity.

NOTE 26: GAS TRADING ACTIVITY

When the Entity acts as the central counterparty of the deals in gas trading, legally it is considered to be a buyer and a seller at the same time. The payables and receivables are recognized on gross basis – see Note 8. The fees for acting as a counterparty is recognized as clearing fee (Note 24). The balance is generated by the clearing members. KEELER CCP has on direct influence on this.

The trading volume is the following:

	2023	**2022**
Income from gas sold	504 125	1 339 494
Cost of sales of gas sold	-504 125	-1 339 494
Profit or loss effect, net	**-**	**-**

Since KELER CCP does not qualify for a CCP on the energy market the expense and income from this activity is presented on net basis.

NOTE 27: BANK FEES, COMMISSION AND SIMILAR ITEMS

These fees, commissions charged by other financial institutions (mostly settlement banks) for the activities of the Entity.

NOTE 28: PERSONNEL EXPENSES

All the personal expenses are relating to short term employee benefits – including accumulating paid leaves – except the jubilee bonuses which is a long term employee benefit and other long-term liabilities.

The average number of employees was 29 in 2022 and 2023 alike.

	2023	**2022**
Personnel expenses		
Wages	560	508
Base wages	498	455
Premium	62	53
Social security and other contributions	80	73
Other cost of personnel	49	40
	689	**621**

NOTE 29: OTHER OPERATING EXPENSES

	2023	**2022**
Other expenses		
Charges for infrastructure	421	386
IT support	133	106
Expert fees	27	123
Other administrative services	49	41
Local business and other taxes	27	314
Education fees	18	23
Rental fees	21	14
Membership fees	23	13
Levies	2	1
Legal fees	4	4
Travel expenses	8	4
Insurance fees	4	4
ECC service fees	153	515
Fines paid	8	0
Other sundry expenses	35	36
	933	**1 584**

KELER CCP outsources some of its administrative services to KELER Ltd. (the parent company of KELER CCP), including: supplying of data between KELER and KELER CCP and to third parties as well, IT related and other (finance, accounting, controlling, marketing, PR, HR, compliance, etc.).
IT support services covers the support and update of the software used by the Entity. The elements of this expense are explained by the individual heading.

The ECC service fees decreased in line with the deposit balances serviced by ECC in 2023.

NOTE 30: IMPAIRMENT LOSS OF FINANCIAL ASSETS

The impairment loss is calculated based on the expected credit loss model as required by IFRS 9. For instruments other than accounts receivable, the general method is used, where the instruments are classified into three stages. At the end of the reporting period all financial assets are in the first stage and the calculation of the impairment loss allowance is the following:

	Balances with banks	Repos	Treasury bills	Loans to employees	Receivables from foreign clearing houses	Account receivables	Total
Opening balance of expected credit loss (ECL)	26	1	1	0	16	4	48
Changes in the balance of expected credit loss (ECL)	-20	15	0	0	-9	1	-13
Closing balance of expected credit loss (ECL)	**6**	**16**	**1**	**0**	**8**	**5**	**35**

The changes in the ECL were recognized in the income statement.
For the calculation the so called 'standard model' is used, where pre-set PDs and LGDs are applied to the counterparty, using the TTC (Through The Cycle) approach.
For the accounts receivable the simplified method is used, using the ageing approach (applying a provision matrix). This led to the following amounts.

NOTE 31: NET INTEREST INCOME

The interest income and expenses include the following amounts:

	2023	**2022**
Interest income		
Interest income on demand deposit	2 192	476
Interest income on repo deals	1 849	945
Interest on fair value through other comprehensive income debt instruments	844	312
Interest received from foreign clearing houses	2 155	757
Sundry interest income	0	0
	7 040	**2 490**

	2023	**2022**
Interest expense		
Interest expense on repo deals	0	0
Interest paid on loans received	-762	-171
Interest paid to bank account	0	-193
Interest paid to ECC	0	-618
Other interest	-12	-532
	-774	**-1 514**

The significant increase in interest income is due to the change in the financial environment, namely the increasing interest rates (e.g. interest from ECC, from settlement banks, repos). The increase in interest expense is derived from the same reason.
Surplus interest income was earned due to EUR interest rates becoming positive, as it was presented in the CCP services revenue note. Interest income due to positive EUR interests, which are realized mainly on collaterals in EUR was parallel with the discontinuation of collateral fees, which was imposed to transfer the costs from the negative EUR interests. Thus, this is a rerouting of income form collaterals from CCP services revenues to interest income.

The CBH financial instrument system available form 2023 makes it possible to realize significantly higher interests through one-day rapid tenders than through investing in securities. Interest on fair value through other comprehensive income debt instruments include interests received on state securities.

NOTE 32: OTHER FINANCIAL GAIN/ LOSS

Other financial gains and losses include foreign exchange gains and losses for the period, which is explained by movements on the EUR, GBP and USD rates.

NOTE 33: INCOME TAX EXPENSE, CHANGE IN THE INCOME TAX REGIME

Items classified as income taxes in accordance with IAS 12 are listed in Note 10. The rate for the corporate income tax was 9% in Hungary, the rate for local tax was 2%, the rate for innovation contribution was 0.3%. The effective tax rate was 9.8% in 2023, and 11.9% in 2022.

A breakdown of the income tax expense is:

	2023	**2022**
Income Taxes		
Current tax charged to the profit or loss	674	346
Deferred tax charged to the profit or loss	1	1
Tax expense	**675**	**347**
Deferred tax charged to other comprehensive income	6	-1
Total tax in total comprehensive income	**681**	**346**

The details about the deferred tax are in Note 21.

	2023	**2022**
Profit before taxes	**6 906**	**3 880**
Correction with local industry tax and innovation contribution	**55**	**0**
Corrected profit before tax	**6 851**	**3 880**
Theoretical corporate tax rate	9%	9%
Corporate income tax calculated using the theoretical tax rate	**617**	**349**
Adjustments increasing the taxable profit multiplied with the theoretical tax rate	12	13
of which depreciation	*9*	*12*
of which other items	*3*	*1*
Adjustments decreasing the taxable profit multiplied with the theoretical tax rate	9	16
of which depreciation	*9*	*14*
of which other items	*0*	*2*
Actual corporate income tax	**620**	**346**
Local business tax base	*2 394*	0
Local business theoretical tax rate	2%	0
Local business tax calculated using the theoretical tax rate	***48***	**0**
Local business tax base correction	*0*	0
Actual local business tax	***48***	**0**
Innovation contribution tax base	*2 394*	0
Innovation contribution theoretical rate	0.3%	0
Innovation contribution calculated using the theoretical tax rate	***7***	**0**
Innovation contribution tax base correction	*0*	0
Actual innovation contribution	***7***	**0**
Actual income tax	674	346
Deferred corporate income tax recognized in profit or loss	1	1
Actual income tax recognized in profit or loss	**675**	**347**
Actual income tax recognized in other comprehensive income	0	0
Deferred income tax recognized in other comprehensive income	6	-1
Income tax in total comprehensive income	**681**	**346**

NOTE 34: OTHER COMPREHENSIVE INCOME

The other comprehensive income includes the change from the revaluation of financial instruments measured at the fair value through other comprehensive income. The other comprehensive income also includes the tax effect of this.

This balance is to be reclassified to the profit or loss when the financial instruments are derecognized.

	2023	**2022**
Other comprehensive income:		
Remeasurement gain on debt instruments measured at fair value through other comprehensive income	68	-17
Deferred tax charged to the Other comprehensive income	-6	1
	62	**-16**

The total balance of other comprehensive income will be reclassified to the profit or loss for the period.

NOTE 35: OFF BALANCE SHEET ITEMS

	12.31.2023	**12.31.2022**
Collaterals received		
Cash	7 968	10 827
In HUF	7 415	9 588
In foreign currency	553	1 239
Security	57 073	47 841
	65 041	**58 668**
Collaterals given		
Cash in foreign currency	3 296	8 125
Security	3 383	1 405
	6 679	**9 530**
Line of credit available for use		
From domestic bank (MKB)	4 399	801
From the parent	24 000	21 000
From domestic bank (Gránit)	89	0
From domestic bank (OTP)	5 631	1 982
From domestic bank (Budapest Bank)	0	1 181
From commercial bank (Citi Bank Frankfurt)	1 529	1 588
CBH Credit line	0	42 469
From domestic bank (ERSTE Bank)	5 000	0
From domestic bank (KH Bank)	2 000	0
	42 648	**69 021**

Off balance sheet guarantees are guarantees received for stock exchange settlement transactions which are kept in KELER bank accounts and of which beneficiary is always KELER CCP. Under specified circumstances these security deposits may be used by the Entity for given reasons (i.e. loss making event).
The Entity received a line of credit from several sources, out of which some is provided by commercial banks which's main purpose is to provide general liquidity (mainly for VAT position) and to maintain the appropriate operation of the settlement banking system. The parent provides two facilities. One of the line of credits provided by the parent is general in purpose providing short term liquidity and will be settled on a daily basis, thus the closing balance on each day is zero (upper limit is 4 billon HUF). The other facility is the same in nature, but settled only annually (upper limit is 20 billion HUF).

The CBH provided a credit line of 50 000 MHUF (which was partially drawn) at the end of 2022, of which main purpose was to finance VAT payables. This credit line was first decreased to 30 000 MHUF from the end of April 2023, then was closed in the fourth quarter of 2023, and was replaced by credit lines contracted with 5 commercial banks in the value of 24 500 MHUF.

NOTE 36 RELATED PARTY TRANSACTIONS

A number of transactions are entered into with related parties (including shareholders) of the KELER CCP in the normal course of business. These transactions were carried out on commercial terms and at market rates. The volumes of related party transactions, outstanding balances at the year end, and relating income and expense for the year are as follows:

	2023	2022
Shareholders		
Other operating income	0	0
Interest income	294	276
Charges for infrastructure	-453	-417
Fees and commissions expenses	-51	-102
Interest expenses	-108	-41
Other items	-6	-8
	-324	**-292**

	12.31.2023	12.31.2022
Shareholders		
Receivables	4 228	0
Bank balances	0	0
Accrued interest receivables	87	123
	4 315	**123**
Accounts payable	73	3 118
	73	**3 118**

Transactions are at arm's length condition.
The ultimate parent of the Entity is the Central Bank of Hungary (CBH). CBH is a government-related entity (as defined by IAS 24). This Entity uses the exemption in IAS 24.25 and does not make disclosures regarding balances and transactions with other government related entities. (There were no significant transactions with these entities.) These transactions with other government related entities are immaterial and if they exists they are at arm's length condition.

Members of the key managements are related parties.
Key management (during the period preparing the financial statements):

Board of Directors

- Dr. Selmeczi-Kovács Zsolt chairman of BoD
- Balogh Csaba Kornél, member of BoD
- Körmöczi Dániel, member of BoD
- Kecskésné Pavlics Babett, member of BoD
- Horváth Dániel, member of BoD
- Horváth Gábor, member of BoD (since 1 June 2023)
- dr. Kardkovács Kolos Viktor, member of BoD (since 1 June 2023)

Supervisory Board

- Varga-Balázs Attila, chairman of SB
- Gerendás János, member of SB
- Banai Ádám, member of the SB
- Boros Eszter member of the SB
- Kardos Miklós member of the SB

The Board of Directors and the Supervisory Board receives the following remuneration for the Entity:

2023	Board of Directors	Supervisory Board	Total
Salary and similar	113	47	160
Fringe benefits	6	-	6
Total	**119**	**47**	**166**

These remunerations are all short term employee benefits.

Remunerations above include all type of disbursement paid to members of Board of Directors and Supervisory Board. Other than the above stated remuneration no transactions are made with the foresaid people.

Horváth Gábor és dr. Kardkovács Kolos Viktor was appointed as the member of the board of directors effective from 1 June 2023. The board membership of Berényi László was terminated on 12th May 2023.

NOTE 37: DISCLOSURE OF INTERESTS IN OTHER ENTITIES

The Entity is not involved in any interests that should be consolidated in any way (subsidiaries, associates or joint arrangements).

NOTE 38: CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS

Classification of financial instruments

As at 31 December 2023	Financial instruments (measured at fair value trough profit or loss)	Receivables measured at amortized cost	Debt instruments measured at fair value through other comprehensive income	Other assets or liabilities at amortized cost	Total carrying amount	Fair value
Cash and cash equivalents	0	0	0	49 695	**49 695**	**49 695**
Debt instruments measured at fair value through other comprehensive income	0	0	0	0	**0**	**0**
Trade receivables relating to gas market	0	2 109	0	0	**2 109**	**2 109**
Trade receivables relating to central counterparty and other service	0	228	0	0	**228**	**228**
Receivables from repurchase agreements	0	122 653	0	0	**122 653**	**122 653**
Receivables from foreign clearing houses	0	58 286	0	0	**58 286**	**58 286**
Trade payables	0	0	0	98	**98**	**98**
Trade payable from gas market activity	0	0	0	2 125	**2 125**	**2 125**
Default Fund liabilities	0	0	0	4 582	**4 582**	**4 582**
Liabilities from financial guarantees	0	0	0	21	**21**	**21**
Collateral held from energy market participants	0	0	0	148 002	**148 002**	**148 002**
Collateral held from gas market participants	0	0	0	56 840	**56 840**	**56 840**
	0	0	0	11 179	**11 179**	**11 179**

As at 31 December 2022	**Financial instruments (measured at fair value trough profit or loss)**	**Receivables measured at amortized cost**	**Debt instruments measured at fair value through other comprehensive income**	**Other assets or liabilities at amortized cost**	**Total carrying amount**	**Fair value**
Cash and cash equivalents	0	0	0	191 188	**191 188**	**191 188**
Government bonds and treasury bills measured at fair value through other comprehensive income	0	0	3 616	0	**3 616**	**3 616**
Trade receivables relating to gas market	0	2 404	0	0	**2 404**	**2 404**
Trade receivables relating to central counterparty and other service	0	171	0	0	**171**	**171**
Receivables from repurchase agreements	0	10 765	0	0	**10 765**	**10 765**
Receivables from foreign clearing houses	0	122 138	0	0	**122 138**	**122 138**
Trade payables	0	0	0	255	**255**	**255**
Trade payable from gas market activity	0	0	0	2 590	**2 590**	**2 590**
Default Fund liabilities	0	0	0	7 801	**7 801**	**7 801**
Liabilities from financial guarantees	0	0	0	26	**26**	**26**
Collateral held from energy market participants	0	0	0	227 756	**227 756**	**227 756**
Collateral held from gas market participants	0	0	0	80 357	**80 357**	**80 357**
Loans	0	0	0	10 531	**10 531**	**10 531**

No items were classified as fair value through profit or loss (FVTPL)
.

Assets and liabilities measured at fair value – Fair value hierarchy

As at 31 December 2023	Fair value Level 1	Fair value Level 2	Fair value Level 3	Total
Treasury bills and government bonds	0	0	0	**0**

As at 31 December 2022	Fair value Level 1	Fair value Level 2	Fair value Level 3	Total
Treasury bills and government bonds	0	3 616	0	**3 616**

Treasury bills with a maturity of three months or less when acquired are presented as cash and cash equivalents as at 31 December 2023.

Assets and liabilities measured at non-fair value – Fair value hierarchy

As at 31 December 2023	Fair value Level 1	Fair value Level 2	Fair value Level 3	Total
Cash and cash equivalents	49 695	0	0	**49 695**
Trade receivables relating to gas market	0	0	2 109	**2 109**
Trade receivables relating to central counterparty and other service	0	0	228	**228**
Receivables from repurchase agreements	0	0	122 653	**122 653**
Receivables from foreign clearing houses	0	0	58 286	**58 286**
Trade payables	0	0	98	**98**
Trade payable from gas market activity	0	0	2 125	**2 125**
Default Fund liabilities	0	0	4 582	**4 582**
Liabilities from financial guarantees	0	0	21	**21**
Collateral held from energy market participants	0	0	148 002	**148 002**
Collateral held from gas market participants	0	0	56 840	**56 840**
	0	0	11 179	**11 179**

As at 31 December 2022	Fair value Level 1	Fair value Level 2	Fair value Level 3	Total
Cash and cash equivalents	0	191 188	0	**191 188**
Trade receivables relating to gas market	0	0	2 404	**2 404**
Trade receivables relating to central counterparty and other service	0	0	171	**171**
Receivables from repurchase agreements	0	0	10 765	**10 765**
Receivables from foreign clearing houses	0	0	122 138	**122 138**
Trade payables	0	0	255	**255**
Trade payable from gas market activity	0	0	2 590	**2 590**
Default Fund liabilities	0	0	7 801	**7 801**
Liabilities from financial guarantees	0	0	26	**26**
Collateral held from energy market participants	0	0	227 756	**227 756**
Collateral held from gas market participants	0	0	80 357	**80 357**
Loans	0	0	10 531	**10 531**

The year-end level 2 fair value measurement of treasury bills and government bonds are derived by KELER CCP using the yield curve published by ÁKK (Government Debt Management Agency).

The carrying amount is an appropriate proxy for the fair value (at level 3) due to the short term nature of the items.

Receivables or similar items including counter party risk where the risk factor is not readily determinable are classified under Level 3 measurement.

NOTE 39: RECONCILIATION OF THE EQUITY

The Hungarian Accounting Act (HAS) para 114/B requires the entity to reconcile the equity under IFRS with the equity defined by the foresaid paragraph.

The equity reconciliation for 31st December 2023 and for 31st December 2022 is:

	12.31.2023	12.31.2022
Equity under IFRSs	**21 915**	**15 972**
Received additional temporary capital	0	0
Given additional temporary capital	0	0
Received grant classified into share premium, if accounted for as deferred income	0	0
Received assets, if deferred income under IFRS	0	0
Introduced capital, if recognized as receivable from owners under IFRS	0	0
Equity reconciled as per HAS 114/B	**21 915**	**15 972**
Items of equity as per the reconciliation		
Issued capital under IFRS		
Issued capital as registered by the court of registry	3 423	3 423
Issued, but unpaid capital	0	0
Issued, but unpaid capital	0	0
Tide-up reserve	0	0
Received additional temporary capital	0	0
Reserve for future development	0	0
Tide-up reserve as per HAS 114/B	**0**	**0**
Retained earnings		
Accumulated profit under IFRS not yet distributed (current and previous years)	6 126	2 943
Items charged directly to retained earnings under IFRS	0	0
Temporary additional capital granted	0	0
Development reserve not yet used adjusted with deferred taxes	0	0
Accumulated profit for the years before transition with transition adjustments	0	0
Retained earnings as per HAS 114/B	**6 126**	**2 943**

Profit after taxes		
Profit after taxes as per HAS 114/A point 9.	6 231	3 533
Revaluation reserve		
Items recognized in other comprehensive income, accumulated	0	-62
Share premium		
Reconciled equity	21 915	15 972
less: reconciled issued capital	-3 423	-3 423
less: reconciled issued, but unpaid capital	0	0
less: reconciled tide up reserve	0	0
less: reconciled retained earnings	-6 126	-2 943
less: reconciled profit after taxes	-6 231	-3 533
less: reconciled revaluation reserve	0	62
Share premium as per HAS 114/B	**6 135**	**6 135**
Reconciled equity		
Reconciled equity as per 114/B		
Issued capital	3 423	3 423
Issued, but unpaid capital	0	0
Share premium	6 135	6 135
Retained earnings	6 126	2 943
Tide-up reserve	0	0
Revaluation reserve	0	-61
Profit after taxes	6 231	3 533
	21 915	**15 973**
Retained earnings (reconciled)	6 126	2 943
Profit for the current period	6 231	3 533
Less: value increase of investment properties (adjusted with tax effects)		
Retained earnings available for dividend	**12 357**	**6 476**

NOTE 40: STATEMENT OF FINANCIAL POSITION TO EMIR

KELER CCP is under EMIR authorization and so has to comply with all requirements in regulations Regulation (EU) No 648/2012 and 153/2013. A CCP shall keep and indicate separately in its balance sheet an amount of dedicated own resources (so-called “skin in the game”, here: basic guaranteed equity) for the purpose set out in Article 45(4) of Regulation (EU) No 648/2012. As KELER CCP has established more than one default fund for the different classes of financial instruments it clears, the total dedicated own resources shall be allocated to each of the default funds in proportion to the size of each default fund, to be separately indicated in its balance sheet and used for defaults arising in the different market segments to which the default funds refer to. KELER CCP also has to separate its minimum capital requirement according to Article 16 of Regulation (EU) No 648/2012/EU.

	12.31.2023	**12.31.2022**
Cash and cash equivalents	49 695	191 188
Debt instruments measured at fair value through other comprehensive income	0	3 616
Trade receivables relating to gas market	2 109	2 404
Trade receivables relating to central counterparty and other service	228	171
Other receivables	11 630	14 846
Receivables from repurchase agreements	122 653	10 765
Receivables from foreign clearing houses	58 286	122 138
Income Tax - Current tax receivables	56	0
Intangible assets	774	693
Property, plant and equipment	14	24
Income Tax - Deferred tax assets	7	14
TOTAL ASSETS	**245 452**	**345 859**
Trade payables	98	255
Trade payable from gas market activity	2 125	2 590
Other payables	257	252
Income Tax - Current tax liability	424	301
Default Fund liabilities	4 582	7 801
Liabilities from financial guarantees	21	26
Collateral held from energy market participants	148 002	227 756
Collateral held from gas market participants	56 840	80 357
Lease liability	9	18
	0	0
	11 179	10 531
TOTAL LIABILITIES	**223 537**	**329 887**
CCP Capital requirement acc. to EMIR	5 040	8 027
Skin in the game default Exchange Fund	531	263
Skin in the game default Collective Guarantee Fund	311	375
Skin in the game default Gas Market Collective Guarantee Fund	227	1 119
Skin in the game default CEEGEX Market Collective Guarantee Fund	75	67
Other Financial resources	15 731	6 121
TOTAL SHAREHOLDERS' EQUITY	**21 915**	**15 972**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**245 452**	**345 859**

NOTE 41: CHANGES IN ACCOUNTING POLICIES

The Entity applied its' accounting policies consistently during all the periods presented.

NOTE 42: NEW AND REVISED STANDARDS

New and amended standards and interpretations issued before the Entity's financial statements were published but not yet effective are explained below. The Entity intends to apply these new and amended standards and interpretations when they become effective.

Amendments to IFRS 16: Lease liability at sale and leaseback transactions

In September 2022, the IASB issued amendments to IFRS 16 in order to define the requirements that a seller-lessee applies when measuring a lease liability arising in a sale and leaseback transaction so that the seller-lessee does not recognize a gain or loss that is related to the right of use retained by the entity.
The amendments become effective for annual reporting periods beginning on or after January 1, 2024, and must be applied retroactively to leaseback transactions entered into after the date of first application of IFRS 16. Early application is permitted, this fact should be disclosed

Amendments to IAS 1: Classification of liabilities as current or long-term

In January 2020 and October 2022, the IASB issued amendments to IAS 1 standard 69-76. paragraphs to determine the conditions for classifying liabilities as short-term or long-term. The amendments clarify that:

- what is meant by the right to postpone the financial settlement,
- the deferral right must exist at the end of the reporting period,
- the classification is not affected by the expectation of entity, whether this extension right is used or not;
- if an embedded derivative product in a convertible liability is itself an equity instrument, as an exception, the conditions related to the liability do not affect classification.

In addition, a requirement has been introduced to disclose when a liability arising from a credit agreement is classified as non-current and the entity's right to defer financial settlement is dependent on future terms being met within twelve months.
The amendments are effective for annual reporting periods beginning on or after January 1, 2024, and must be applied retroactively. The Entity is currently investigating how the amendments will affect current practice and whether it may be necessary to renegotiate existing credit agreements.

Supplier financing arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB published amendments to the IAS 7 Cash Flow Statement and IFRS 7 Disclosures of Financial Instruments standards. It clarifies the characteristics of supplier financing arrangements and requires additional disclosure of such arrangements. The disclosure requirements contained in the amendments are intended to assist users of

financial statements in understanding the impact of supplier financing arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.
The amendments are effective for annual reporting periods beginning on or after January 1, 2024. Early application is permitted but must be disclosed. This amendment has not yet been adopted by the EU.

Amendments to IAS 21: The Effect of Changes in Foreign Exchange Rates: Lack of Exchangeability

The amendment to IAS 21 effective from January 1, 2025 contains guidance on how to convert foreign currency items and balances that are denominated in a currency whose convertibility is not immediately assured.
These amendments are not affect the financial statements of the Entity significantly.

NOTE 43: DISCLOSURES FOR THE SEPARATE FINANCIAL STATEMENT REQUIRED BY IAS 27

The Entity is a fully consolidated subsidiary of KELER Ltd. Those consolidated financial statements are published and deposited according to the relevant Hungarian legislation.
The Entity does not have any subsidiaries, associates or joint arrangements.

NOTE 44: SUBSEQUENT EVENTS

The Entity did not identify any subsequent events after the end of the reporting period which would require separate presentation.

NOTE 45: EFFECTS OF THE RUSSIAN-UKRANIAN CONFLICT

The sanction-based restrictions were continuously fulfilled, which had no effect on the business relations of KELER CCP.

NOTE 46: DIVIDEND

The AGM declared a dividend of 350 MHUF on 24th April 2023 for the business year of 2022 3 183 MHUF of profit for the period was transferred to retained earnings. The proposed dividend for the business year of 2023 is 350 MHUF.

NOTE 47: APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Directors on 11 March 2024. The financial statements are approved by the Annual General Meeting.

Budapest, 11 March 2024

Babett Pavlics Chief Executive Officer	Tamás Horváth Chief Operating Officer