



**Consolidated Financial Statements  
under IFRS as adopted by the EU and  
Independent Auditor's Report**

**For the year ended 31 December 2021**



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## This is a translation of the Hungarian Report

### Independent Auditor's Report

To the Shareholders of Budapesti Értéktőzsde Zártkörűen Működő Részvénytársaság

#### Opinion

We have audited the accompanying 2021 consolidated annual financial statements of Budapesti Értéktőzsde Zártkörűen Működő Részvénytársaság and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2021 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year then ended and notes to the consolidated annual financial statements, including a summary of significant accounting policies.

In our opinion the consolidated annual financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021 and of its consolidated financial performance and its consolidated cash flows for the financial year then ended in accordance with International Financial Reporting Standards as adopted by the EU ("EU IFRSs").

#### Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated annual financial statements" section of our report.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Responsibilities of management and those charged with governance for the consolidated annual financial statements**

Management is responsible for the preparation and fair presentation of the consolidated annual financial statements in accordance with EU IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated annual financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## **Auditor's responsibilities for the audit of the consolidated annual financial statements**

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

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls of the Group that we identify during our audit.

Budapest, 1 June 2022


(The original Hungarian version has been signed.)

Nagyváradiné Szépfalvi Zsuzsanna  
Ernst & Young Kft.  
1132 Budapest, Váci út 20.  
Registration No. 001165

## Consolidated Statement of financial position

	Notes	31 December 2021	31 December 2020
		HUF million	HUF million
<b>ASSETS</b>			
Property, plant and equipment	15	99	132
Intangible assets	15	274	436
Right of use assets	16	124	230
Investments in associates measured using the equity method and investments in subsidiaries	17	13 619	12 768
<b>Non-current assets</b>		<b>14 116</b>	<b>13 566</b>
Inventories	19	9	11
Trade and other receivables	19	138	219
Tax assets	19	0	7
Prepaid expenses	19	48	90
Accrued revenues	19	648	515
Cash and cash equivalents	19	3 468	2 450
<b>Current assets</b>		<b>4 311</b>	<b>3 292</b>
<b>Assets held for sale</b>	<b>18</b>	<b>0</b>	<b>388</b>
<b>TOTAL ASSETS</b>		<b>18 427</b>	<b>17 246</b>
<b>EQUITY AND LIABILITIES</b>			
Subscribed capital (par value: HUF 100/share)	20	541	541
Other reserve	22	2 576	2 576
Retained earnings	22	13 379	11 907
Revaluation reserve for instruments at fair value through other comprehensive income	21	-37	11
<b>Total shareholders' equity</b>		<b>16 459</b>	<b>15 035</b>
Provisions	11	2	2
Employee benefit liabilities	12	11	12
Non-current lease liability	16	21	168
Other non-current liabilities	7	0	137
Deferred tax liabilities	14	764	657
<b>Non-current liabilities</b>		<b>798</b>	<b>976</b>
Trade payables and other short-term liabilities	23	825	856
Current lease liability	16	134	115
Prepaid revenues	23	63	63
Accrued expenses	23	146	190
Employee benefit liabilities	12	2	0
<b>Current liabilities</b>		<b>1 170</b>	<b>1 224</b>
<b>Liabilities related to assets held for sale</b>	<b>18</b>	<b>0</b>	<b>11</b>
<b>Liabilities</b>		<b>1 968</b>	<b>2 211</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>18 427</b>	<b>17 246</b>

Budapest, 1 June 2022

  
Richard Végh  
Chief Executive Officer

  
Katalin Sámel  
Financial Director



## Consolidated statement of comprehensive income

	Notes	2021 HUF million	2020 HUF million
Revenue	7	3 459	3 336
Other income	7	344	323
Expenses for material costs	8	-5	-6
Expenses for services used	8	-1 080	-1 146
Personnel costs	10	-1 328	-1 489
Depreciation and amortisation	8	-342	-348
Expenses arising from miscellaneous other costs	8	-441	-452
Other expenses		-13	-8
Share in the profit or loss of associates	17	900	737
Financial income	13	127	47
Finance expenses	13	-19	-68
Expenses from expected credit losses	19	5	-1
<b>Profit before taxation</b>		<b>1607</b>	<b>925</b>
Income tax expense	14	-135	-79
<b>Net profit or loss</b>		<b>1 472</b>	<b>846</b>
<b>Other comprehensive income</b>			
Of which items to be subsequently reclassified to profit or loss			
Share of other comprehensive income of associates	21	-48	6
<b>Other comprehensive income</b>		<b>-48</b>	<b>6</b>
<b>Total comprehensive income</b>		<b>1 424</b>	<b>852</b>

Budapest, 1 June 2022

  
Richárd Végh  
Chief Executive Officer

  
Katalin Sámel  
Financial Director



## Consolidated statement of changes in equity

	Subscribed capital	Other reserve	Retained earnings	Revaluation reserve for instruments at fair value through other comprehensive income	Total shareholders' equity
<b>Financial Year Ended 31 December 2021</b>					
Balance as at 1 January 2021	541	2 576	11 907	11	15 035
Net profit or loss/other comprehensive income for financial year 2021			1 472	-48	1 424
<b>Balance as at 31 December 2021</b>	<b>541</b>	<b>2 576</b>	<b>13 379</b>	<b>-37</b>	<b>16 459</b>
<b>Financial Year Ended 31 December 2020</b>					
Balance at 1 January 2020	541	2 576	11 061	5	14 183
Net profit or loss/other comprehensive income for financial year 2020			846	6	852
<b>Balance at 31 December 2020</b>	<b>541</b>	<b>2 576</b>	<b>11 907</b>	<b>11</b>	<b>15 035</b>

Notes

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Budapest, 1 June 2022

  
Richard Végh  
Chief Executive Officer

  
Katalin Sámel  
Financial Director





## Consolidated statement of cash flows

	Notes	2021 HUF million	2020 HUF million
<b>Cash flows from operating activities</b>			
<b>Profit before taxation</b>		<b>1 607</b>	<b>925</b>
<b>Adjustments to reconcile net profit to operating cash flows</b>			
Depreciation and amortisation	8	342	348
Share of associated companies profit before taxation	17	-900	-737
Adjustment for interest expenses on leases	16	7	11
Income from the sales of fixed assets	15	0	-1
Adjustment (reclassification to investment cash flow)	13	96	-3
Non-cash adjustment (year-end revaluation)	13	-3	13
Impairments and reversals	19	-5	1
Employee benefits	12	1	2
<b>Working capital adjustments:</b>			
Net (increase)/decrease in trade and other receivables	19	2	-82
Net (increase)/decrease in inventories	19	2	-4
Net change in advances received on government grants	23	84	-76
Net increase/(decrease) in trade and other creditors	23	-335	45
Income tax paid	14	-4	-5
<b>Net Cash from Operating Activities</b>		<b>894</b>	<b>437</b>
<b>Cash flows from investing activities</b>			
Interest received	13	9	3
Purchase of intangibles, property, plant and equipment	15	-245	-255
Foundation of subsidiary, capital increase, purchase of participation	24	0	-1
Dividends received	24	0	0
Net cash flows of sale of participations	17,18	130	0
Proceeds from the sale of intangible assets, property, plant and equipment	15	0	5
<b>Net cash flow from investing activities</b>		<b>-106</b>	<b>-248</b>
<b>Cash flows from financing activities</b>			
IFRS 16 Leases – principal and interest payments	16	-132	-123
<b>Net cash flow from financing activities</b>		<b>-132</b>	<b>-123</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>656</b>	<b>66</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>19</b>	<b>2 450</b>	<b>2 713</b>
<b>Cash and Cash Equivalents from disposal group</b>		<b>0</b>	<b>352</b>
<b>Cash in disposal group at the beginning of the year</b>		<b>352</b>	<b>0</b>
<b>Unrealised exchange differences on cash and cash equivalents at year-end</b>		<b>10</b>	<b>23</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>19</b>	<b>3 468</b>	<b>2 450</b>

Budapest, 1 June 2022

  
Richard Végh  
Chief Executive Officer

  
Katalin Sámel  
Financial Director



The accounting policies and explanatory notes on pages 6 to 33 form an integral part of the financial statements.

## 1. CORPORATE AND GROUP INFORMATION

Budapest Stock Exchange Ltd. (hereinafter referred as: BSE or Company) was founded on 21 June 1990. The four main activities of the Company are listing services, trading services, dissemination of market information and product development. The Company is operating under the relevant Capital Market Act. The Company's registered office: H-1013 Budapest, Krisztina körút 55., Hungary VI. emelet. The ownership structure of the Company is presented in Note 20.

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

BSE had two subsidiaries as at 31 December 2020, Budapest Institute of Banking (BIB) Zrt. and Első Értékpapírosítási Tanácsadó (ELÉT) Zrt. (ELÉT). BIB and ELÉT are fully consolidated entities. Therefore, the consolidated accounts of BSE, BIB and ELÉT are further referred to as the "Group". After the end of the reporting period, ELÉT was disposed (on 26 February 2021).

## 2. BASIS OF PREPARATION

### a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), as adopted by the EU and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"), as adopted by EU. These consolidated financial statements have been prepared for informational purposes and are not filed with the local Authorities.

These financial statements were authorised for issue by the Board of Directors on 1 June 2022.

### Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following:

- derivative financial instruments are recognised at fair value;
- financial instruments at fair value through profit or loss are recognised at fair value.

The methods used to measure fair values are discussed further in Note 6.

### b) Functional and presentation currency

These consolidated financial statements are presented in Hungarian Forint ("HUF"), which is also the Group's functional currency. All financial information presented in HUF has been rounded to the nearest million ("HUF million").

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### a) Use of estimates and judgements

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

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

In general, all fair value measurements are subject to material judgements.

Notes to the Consolidated Financial Statement  
For the year ended 31 December 2021  
(in million HUF)

In the consolidated statement of financial position, the Group applied estimates regarding Impairment on receivables, according to the payment history of its customers and other relevant factors, like market information and client correspondence. Estimates and assumptions were also applied in the calculation of Employee benefits, according to Group statistics (the basis of the calculation is explained in Note 3 h).

The consolidated financial statements have been prepared under the assumption that the Group operates on a going concern basis.

**b) Basis of preparation**

BSE founded a subsidiary in the summer of 2017, in order to modernise the system of financial trainings and examinations. The BSE General Meeting held on 27 July 2017 approved the foundation of the new company, with a profile in education and with the name Budapest Institute of Banking Zrt. (BIB). As the Group has no exemption under IFRS 10, it prepares consolidated financial statements starting from the business year 2017, where BIB is consolidated, being 100% subsidiary of BSE. BIB was sold on 9 December 2021 (see Note 24.).

Shareholders of BSE decided to found a subsidiary dealing with consultancy for securitisation, on the general meeting of 14 August 2019. Based on the amendment of the Act CXX of 2001, BSE founded Első Értékpapírosítási Tanácsadó Zrt. (ELÉT) as its 100% subsidiary, which started its operation in September 2019. ELÉT was disposed on 26 February 2021, as disclosed in Note 18.

Subsidiaries are consolidated from the date at which BSE gained control. The Group controls a company when it is exposed to, or has rights to variable returns from its involvement with the Subsidiary and has the ability to affect those returns through its power over the Subsidiary. In practice, the control of BSE arises from voting rights in excess of 50% (there are no other special arrangements that would qualify BSE as a parent company).

The financial statements of BSE, BIB and ELÉT used in the preparation of the consolidated financial statements are prepared as of the same period end.

In preparing consolidated financial statements, the Group combines the financial statements of BSE, BIB and ELÉT line by line by adding together like items of assets, liabilities, equity, income and expenses. (As at 31 December 2021 the BSE had no subsidiaries; therefore, consolidation is not relevant for its financial statements.)

In order that the consolidated financial statements present financial information about the group as that of a single economic entity, the following steps are then taken:

The carrying amount of the BSE's investment in BIB and ELÉT and BSE's portion of equity of each subsidiary are eliminated.

Intragroup balances, transactions, income and expenses shall be eliminated in full. Intragroup balances and transactions, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intragroup transactions that are recognised in assets, such as inventory and non current assets, are eliminated in full. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements.

Associates are those entities regarding which the Company has significant influence, but no control, over the financial and operating policies. Significant influence is presumed to exist when the Company holds between 20 and 50 percent of the voting power of another entity. Associate entities are accounted for using the equity method and are initially recognised at cost.

The Company's associate companies, Central Depository (Budapest) Ltd ("KELER") (and its consolidated subsidiary, KELER CCP Ltd. ("KELER CCP", the central-counterparty in Hungary)) are included in these financial statements using the equity method, whereby the investment was initially recorded at cost and adjusted thereafter for the post acquisition change in the Company's share of net assets, modified with certain consolidation adjustments. The statement of comprehensive income reflects BSE's share of the results of operations of the investee.

Notes to the Consolidated Financial Statement  
For the year ended 31 December 2021  
(in million HUF)

**c) Foreign currency transactions**

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

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of instruments fair valued through OCI, financial liability designated as a hedge of the net investment in a foreign operation, or qualifying cash flow hedges, which are recognised directly in equity.

**d) IFRS 9 - Financial instruments**

**(a) Classification and measurement**

Under IFRS 9, debt instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through OCI. The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

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

The Group has not designated any financial assets or liabilities as at fair value through profit or loss.

The **financial liabilities** of the Group comprise Trade and those other payables which meet the definition of the financial instruments.

**(b) Impairment**

Since the adoption of IFRS 9, the Group's accounting for impairment losses for financial assets is driven by a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Group to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets. For trade receivables the simplified method is applied.

(KELER Group prepares its financial statements in accordance with IFRSs; therefore, KELER Group also applies the ECL method for its financial assets measured at amortised cost or fair value through other comprehensive income. For other receivables, the simplified method is used.)

**(c) Accounting policy**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**

• **Initial recognition and measurement**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

Notes to the Consolidated Financial Statement  
For the year ended 31 December 2021  
(in million HUF)

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value, (plus transaction costs in the case of financial asset not at fair value through profit or loss). Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in Note 3) j) about Revenue from contracts with customers.

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

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

The Group has only financial assets that are measured using the amortized cost in the periods presented in this financial statements.

- **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets at fair value through profit or loss

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

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

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

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. (The effective interest method is the method used for the calculation of the amortised cost of a financial asset or a financial liability and for the allocation and recognition of the interest revenue or interest expense in profit or loss over the relevant period.) Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Pursuant to IFRS 9, interest income is recognised with the EIR method in the case of financial assets at amortised cost. EIR is the ratio that discounts the future cash flows during the expected lifetime of the asset to its gross cost.

EIR (and the amortised cost of financial assets) takes into account transaction costs, the premiums and discounts incurred when the asset is acquired, as well as other costs and charges, which are integral parts of the EIR. The Group recognises interest income at the constant interest rate that is the best estimate for the expected life of the asset.

The Group's financial assets at amortised cost includes trade receivables.

Notes to the Consolidated Financial Statement  
For the year ended 31 December 2021  
(in million HUF)

**Financial assets at fair value through OCI (debt instruments)**

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

For debt instruments measured at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon de-recognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group does not currently classify any assets into debt instruments at fair value through OCI.

**Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

• **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired;
- or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and/or (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Notes to the Consolidated Financial Statement  
For the year ended 31 December 2021  
(in million HUF)

- **Impairment of financial assets**

Aside from this note, other disclosures relating to impairment of financial assets (trade receivables) are included in Note 19.

**Impairment of trade receivables**

For **trade receivables** and contract assets, the Group applies a simplified approach in calculating ECLs. The Group has established an aging methodology (matrix) that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

**Financial liabilities**

- **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Group's financial liabilities include **trade and other payables**.

- **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

- **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

- **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The Group currently has no items to which the offsetting would be applicable.

Notes to the Consolidated Financial Statement  
For the year ended 31 December 2021  
(in million HUF)

• **Fair values of financial assets and liabilities**

Definition of fair value: the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

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

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

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

BSE does not hold any financial instruments measured at fair value.

In view of the short term of financial instruments, book value is approximately identical with fair value. All instruments belong to Fair value Level 3.

**e) Property, plant and equipment**

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

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

Leasehold premises and related expenditure	6%
General electrical equipment	14.5% - 20%
Computer systems	33%
Office furniture, fittings and other equipment	14.5% - 20%
Motor vehicles	20%

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Residual values are considered to be nil, with the exception of company cars, which category is not material. Depreciation is not charged on non-current assets which have not yet been brought into use and on land. Depreciation methods, useful lives and residual values are reassessed at the reporting date. Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and any difference will be included in other income or other expense.



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**f) Intangible assets**

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

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

**g) Impairment**

**I. Financial assets**

For impairment of financial assets please see Note 3 d) (b).

**II. Non-financial assets**

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

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss, as other expense.

In respect of assets other than goodwill, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**h) Employee benefits**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in profit or loss when they are due.

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

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

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

**i) Provisions**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

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**j) Revenue**

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

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria apply to the different revenue streams.

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

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

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

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

Settlement period	At the given point in time	In a period (year/month/quarter)
Revenues from trading fees		
Annual admission fees		X
Trading fees (monthly)		X
Auctions	X	
Connection fees, licenses		X
Revenues from listing fees		
Listing (one-off) fee	X	
Quarterly fee		X
Revenues from sale of information		
Annual vendor fees		X
Monthly vendor fees		X
Other information services	X	X

**IFRS 15 - Revenue from Contracts with Customers**

IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

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

Trade receivables are non-interest bearing and are generally on terms of 8 to 30 days.

**Identifying a contract**

The Group normally has approved contracts in writing, with identifiable rights of each party and identifiable payment terms. Contracts do have commercial substance and it is probable that the Group will collect the considerations.

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There are no:

- Variable revenues: fees of services are fixed, there are no options or guarantees that may result in the revenues to be containing variable components
- Significant financing components
- Non-cash considerations in exchange for services
- Amounts payable to the customers
- Performance obligations to be identified separately
- Material costs to obtain or fulfil a contract.

**k) Financial income**

Finance income comprises interest income on funds invested, dividend income (except for dividend from subsidiaries and associates), and gains on the disposal of financial assets. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established. Foreign exchange gains are also classified as Finance income.

**l) Income tax**

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax base. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

From 2010 financial intermediaries are obliged to pay a banking tax, currently levied at 5.6% of their adjusted net revenue of the second year before the tax year (currently 2018). The banking tax shall be recognized as operating expenses.

**m) Events after the balance sheet date**

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

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

All non-adjusting events – that are material - are disclosed in the Notes to the Financial Statements, please see Note 25.

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**n) Government grants**

The main policy for recognizing government grants is that revenues/reimbursements of incurred costs should be accounted for in the same period. That is, if a certain expense is reimbursable from a government program, it should be recognized in the same financial year. Such items are presented as Other Income in the financial statements. BSE submits payment requests several times a year; when they are approved, financial settlement occurs (typically against advances received rather than as actual cash flow). The Stock Exchange may also recognise some of its own costs incurred in the programmes (personnel expenses, bank guarantee fees, expert fees). For specific details of the programme, see Note 7.

**o) Leases**

The Group applies IFRS 16 from 1 January 2019 and assessed its contracts at that date whether they fall within the scope of the standard. The standard requires all lease transactions that are material and non-current to be recognised in the statement of financial position.

The main effect of the standard is that the Group classifies its contract of leasing its premises as a lease under IFRS 16, and presents it as a right-of-use asset, along with a lease liability and a provision for the restoration costs, in contrast with the previous cost approach according to invoices affecting the financial year.

The right of use asset consists of the discounted present values of future lease payments, and the discounted value of any costs estimated to occur at the end of the lease term. The lease liability consists of the discounted present values of all future lease payments. The contract has no extension or termination options.

Under IFRS 16, depreciation of the right-of-use asset is linear; the current office rent agreement expires at end-February 2023. Interest expense is recognised monthly on the Lease liability, and as the amount of the liability decreases month-by-month due to the invoices of the lessor, the amount of interest expense decreases from month to month as well.

#### **4. CHANGES IN ACCOUNTING POLICIES (IAS 8)**

##### **The effect of adopting new and revised International Financial Reporting Standards effective from 1 January 2021.**

The following amendments to the existing standards and new interpretation issued by the International Accounting Standards Board (IASB) and adopted by the EU are effective for the current reporting period:

- Amendments to IFRS 16 “Leases” – Covid-19-Related Rent Concessions – adopted by the EU on 9 October 2020 (effective for reporting periods beginning on or after 1 June 2020).
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform – Phase 2 – adopted by the EU from 13 January 2021 (effective for reporting periods beginning on or after 1 January 2021).
- Amendments to IFRS 4 “Insurance Contracts” with IFRS 9 deferral – adopted by the EU from 15 December 2020 (effective for reporting periods beginning on or after 1 January 2021),

The adoption of these amendments to the existing standards has not led to any material changes in the Group's statements.

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

- IFRS 16 “Leases” – Covid-19-Related Rent Concessions – effective for reporting periods beginning on or after 1 April 2021, providing for exemptions to lessees regarding rent concessions, as a direct consequence of the Covid-19 pandemic,
- Amendments to IFRS 3 “Business Combinations”; IAS 16 “Property, Plant and Equipment”; IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” – Annual Improvements (effective for reporting periods beginning on or after 1 January 2022),

## Standards and Interpretations issued by IASB but not yet adopted by the EU

At present, IFRS as adopted by the EU do not significantly differ from regulations adopted by the International Accounting Standards Board (IASB) except for the following new standards, amendments to the existing standards and new interpretation, which were not endorsed for use in EU as at [date of publication of financial statements] (the effective dates stated below is for IFRS in full):

- IFRS 17 “Insurance Contracts”, including the amendments to IFRS 17 (effective for reporting periods beginning on or after 1 January 2023),
- Amendments to IAS 1 “Presentation of Financial Statements” – Classification of liabilities as current or non-current (effective for reporting periods beginning on or after 1 January 2023),
- Amendments to IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” – Sale or contribution of assets between an investor and its associate or joint ventures (effective date deferred indefinitely pending the conclusion of the research project on the equity method),
- Amendments to IAS 1 “Presentation of Financial Statements” and IFRS Practice Statement 2: Disclosure of accounting policies (Amendments) (effective for reporting periods beginning on or after 1 January 2023),
- IAS 8 Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates (effective for reporting periods beginning on or after 1 January 2023),
- IAS 12 Income taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments) - (effective for reporting periods beginning on or after 1 January 2023),

The Group anticipates that the adoption of these new standards, amendments to the existing standards and new interpretations will have no material impact on the financial statements of the Group in the period of initial application.

## 5. FINANCIAL RISK MANAGEMENT

### a) Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk.

This note presents information about the Group’s exposure to each of the above risks, the Group’s objectives, policies and processes for measuring and managing risk, and the Group’s management of capital. Further disclosures are included throughout these consolidated financial statements. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

### b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Consumer’s receivables from customers and investment securities.

The Group has no significant concentrations of credit risk. It has policies in place to ensure that sales are made to customers with appropriate creditworthiness. Before the Stock Exchange authorises any of its clients to operate as an issuer or a trading member, they must comply with the conditions specified in the exchange regulations. We mostly work with well-known, established counterparties, most of them had been with us for a long time. Any counterparties that fail to meet their payment obligations are subject to the sanctions specified in the exchange regulations.

Since the adoption of IFRS 9, the accumulated impairment on trade receivables represents the estimation of credit risk of the current due receivables, as seen in Note 19.

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**c) Liquidity risk**

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

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Cash held by the Group is considered to be sufficient for liquidity management purposes, as in the entire year the Group had cash in excess of HUF 1 billion, and the average cash movement in 2021 was HUF +1.5 million, while the standard deviation of daily cash movements was HUF 26 billion.

In accordance with legal provisions, the Group invests its free liquid assets as a deposit in the case of a period of less than a month, for a period of over a month it invests them in government securities or time deposits. The Group's liquid assets are stable, and the Group believes its liquidity risk is low. The Group has no external borrowings and has no need for external funding.

The Group's financial assets and liabilities fall into the following maturity categories:

as at 31 December 2021	Overdue	due within 1 year	due within 1-5 years	due after 5 years or in a certain situation	Total	Of which interest
Trade and other receivables (GROSS)	60	106	0	0	166	0
Tax assets	0	0	0	0	0	0
Accrued revenues	0	648	0	0	648	0
Cash and cash equivalents	0	3 468	0	0	3 468	0
<b>Total financial assets</b>	<b>60</b>	<b>4 222</b>	<b>0</b>	<b>0</b>	<b>4 282</b>	<b>0</b>
Provisions	0	0	2	0	2	0
Employee benefit liabilities	0	2	4	7	13	0
Non-current lease liability	0	0	21	0	21	0
Deferred tax liabilities	0	0	0	764	764	0
Trade payables and other short-term liabilities	0	825	0	0	825	0
Current lease liability	0	134	0	0	134	0
Accrued expenses	0	209	0	0	209	0
<b>Total financial liabilities</b>	<b>0</b>	<b>1 170</b>	<b>27</b>	<b>771</b>	<b>1 968</b>	<b>0</b>

as at 31 December 2020	Overdue	due within 1 year	due within 1-5 years	due after 5 years or in a certain situation	Total	Of which interest
Trade and other receivables (GROSS)	90	166	0	0	256	0
Tax assets	0	7	0	0	7	0
Accrued revenues	0	515	0	0	515	0
Cash and cash equivalents	0	2 450	0	0	2 450	0
<b>Total financial assets</b>	<b>90</b>	<b>3 138</b>	<b>0</b>	<b>0</b>	<b>3 228</b>	<b>0</b>
Provisions	0	0	2	0	2	0
Employee benefit liabilities	0	1	4	7	12	0
Non-current lease liability	0	0	168	0	168	0
Deferred tax liabilities	0	0	0	657	657	0
other long-term liabilities	0	0	137	0	137	0
Trade payables and other short-term liabilities	0	856	0	0	856	0
Current lease liability	0	115	0	0	115	0
Accrued expenses	0	190	0	0	190	0
<b>Total financial liabilities</b>	<b>0</b>	<b>1 162</b>	<b>311</b>	<b>664</b>	<b>2 137</b>	<b>0</b>

The under-one-year part of trade receivables matures within one month without exception. The remaining part (other receivables) relates to various tax receivables (except for corporate income tax), therefore it has no explicit maturity date. The accrued income is also a receivable-type item that falls due within 1 month, except for items relating to grant programmes (see Note 7, HUF 297 million in 2021), which are expected to be settled within one year.

Trade payables are due within 1 month. Other short-term liabilities include advances received on grant programmes (see Note 7, HUF 596 million in 2021), which is expected to be used within a year, as well as other tax liabilities (except for corporate income tax) that are typically due within 1 month. Accrued expenses are typically due within 1 month.

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**d) Market risk**

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

The Group operates in Hungary, but it also has transactions in foreign currencies (its data sale revenues are typically denominated in EUR); consequently, the Group incurs foreign exchange risk.

2021 was a year in which the HUF/EUR rate increased by 2.2% (31 December/1 January). The net currency gains in 2021 amount to HUF 10 million due to the change.

The Group operates with financial assets that do not bear significant interest rate risk, if any.

**e) Capital management**

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital.

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

The Group is not subject to externally imposed capital requirements, except that the minimal share capital that needs to be HUF 5 million and the shareholders' equity may not fall below the two-thirds of the share capital.

**6. PRESENTATION OF FINANCIAL INSTRUMENTS**

**a) Interest rate sensitivity analysis for variable rate instruments**

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

	2021 HUF million	2020 HUF million
Interest income from banks	9	2
Average amount of Cash and cash equivalents	2 959	2 758
Average effective interest rate	0,30%	0,07%
Effect of change in interest rate (+1%)	30	28
Effect of change in interest rate (+5%)	148	138

Assuming that interest rates change by 1%, income would have increased by HUF 30 million in 2021.

**b) Foreign exchange sensitivity**

The table below shows the effect of hypothetical changes of the EUR-HUF exchange rate (sensitivity analysis), with all other factors being constant. The effect on the profit before tax of the Group is estimated based on the annual FX (EUR) income and expenditure items and the annual average exchange rate. The Group has no other significant exposure to currency effects.

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	Changes in the EUR/HUF exchange rate	Impact on profit before taxation
2021	+5%	26
	-5%	-26
2020	+5%	31
	-5%	-31

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

	2021	2020
Year-end amount of cash and cash equivalents denominated in EUR (in thousands of EUR)	2 119	1185
Year-end balance of cash and cash equivalents denominated in EUR (in millions of HUF)	782	432
Year-end EUR/HUF exchange rate	369,00	365,13
Effect of +5% EUR/HUF exchange rate change on year-end balance (unrealised exchange rate gain)	39	22
Effect of -5% EUR/HUF exchange rate change on year-end balance (unrealised exchange rate loss)	-39	-21

On the liability side, there is one material item denominated in EUR: a leasing liability, which stood at EUR 437 thousand at end-2021. If the EUR/HUF exchange rate had been 5% higher/lower at year-end, an unrealised gain/loss of HUF 7.7 million would have been incurred. (Comparative period: EUR 792 thousand liability at year-end; in the event of a change of +/-5%, the effect would have been HUF +/-14 million.)

**c) Basis of determining fair value**

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments.

*Other financial instruments*

For financial assets and liabilities that are not measured subsequently at fair value, like trade receivables and trade payables, the carrying amount is a reasonable approximation of fair value (in line with IFRS 7 29.a).



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## 7. REVENUES AND OTHER INCOME

	2021 HUF million	2020 HUF million
<b>Revenues from trading fees</b>		
Annual admission fees	65	64
Fees of trading (monthly) and auctions	1 096	1 271
Connection fees, licenses	64	50
<b>Revenues from listing fees</b>		
Listing (one-off) fee	145	102
Quarterly fee	644	470
<b>Revenues from sale of information</b>		
Annual vendor fees	476	422
Monthly vendor fees	566	537
Other information services	60	45
<b>Revenues from other services</b>	343	375
<b>Total Revenues</b>	<b>3 459</b>	<b>3 336</b>

Other services include sub-contracted services, and the income of BIB and ELÉT.

	2021 HUF million	2020 HUF million
Revenue from government grants	231	202
Sponsorship income	41	32
Other income	72	89
<b>Total Other Income</b>	<b>344</b>	<b>323</b>

### Government grants under IAS 20

Government grants shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. The entity earns them through compliance with their conditions and meeting the envisaged obligations. They should therefore be recognised in profit or loss over the periods in which the entity recognises as expenses the related costs for which the grant is intended to compensate; It is fundamental to the income approach that government grants should be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grant is intended to compensate. These are classified as Other Income.

GINOP-1.1.7-2017-00001 (EDIOP) programme provides BSE HUF 1 billion as a subsidy for training, mentoring programs and preparation related to stock listing on the market for the specified companies.

Another similar project also started, which is applicable to the Central-Hungarian Region (KMR or CHR). In 2018, resources were raised in connection with the preparation of the project, and in 2019, support payments were already made.

Accrued income includes items that will be recognized in later years based on the progress of the project (for example ELITE trainings started but not yet finished) or that relate to the current year but their approval was not completed until 31 December. Revenues and expenses relate to the period in which they incurred economically, therefore the costs of ELITE trainings that will be finished next year are accrued between the years.

Other current liabilities include advances received in connection with EDIOP programme and the CHR programme.

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Description	2021	2020
2018 EDIOP items	0	0
2019 EDIOP items	39	39
2020 EDIOP items	25	33
2021 EDIOP items	63	0
2018 CHR items	0	0
2019 CHR items	19	23
2020 CHR items	11	65
2021 CHR items	140	0
<b>Total Accrued income for projects</b>	<b>297</b>	<b>160</b>
2020 EDIOP items (ELITE training)	0	29
2020 CHR items (ELITE trainings)	0	24
2021 EDIOP items (ELITE training)	9	0
2021 CHR items (ELITE training)	20	0
<b>Total prepaid expenses for projects</b>	<b>29</b>	<b>53</b>
EDIOP advance	314	350
CHR advance	282	162
<b>Total project advances received (within other current liabilities)</b>	<b>596</b>	<b>512</b>
Personnel expenses - EDIOP	34	54
Personnel expenses - CHR	25	26
Expert costs - EDIOP	7	7
Expert costs - CHR	7	4
Other costs - CHR	8	5
Aids to SMEs - EDIOP	2	36
Aids to SMEs - CHR	47	36
ELITE training - EDIOP	49	20
ELITE training - CHR	52	13
<b>Total project-related items (within other revenue)</b>	<b>231</b>	<b>202</b>

There are no unfulfilled conditions known to the Company related to the grant that would affect the recognition of these other income items.

BIB also engaged in a granted project (EDIOP-1.1.10-20), aiming to educate SME-s in order to increase their competitiveness. BIB developed e-learnings in the amount of HUF 145 million during 2020, and the project went live in December 2020. Income is recognised as the related assets are depreciated; therefore, in 2020, HUF 43 million and in 2021, HUF 35 million is recognised in the statement of comprehensive income. The related grants are presented in Other non-current liabilities (HUF 137 million at the end of both years). The book value of the assets as of 31 December 2020 are HUF 52 million. In 2021, an additional HUF 27 million was capitalised and HUF 24 million charged as depreciation.

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## 8. OPERATING AND ADMINISTRATIVE EXPENSES

	Notes	2021 HUF million	2020 HUF million
<b>Expenses for material costs</b>		<b>5</b>	<b>6</b>
<b>Expenses for services used</b>		<b>1 080</b>	<b>1 146</b>
Expert fees		375	311
PR, marketing and sales costs		103	271
License fees		272	260
Leased office operating costs		56	38
Other services		135	129
Mediated services		139	107
Other repair and maintenance costs		0	30
<b>Personnel costs</b>		<b>1 328</b>	<b>1 489</b>
Wages and salaries		1 083	1 206
Contributions on wages and salaries		173	100
Other personnel type expenses		72	183
<b>Depreciation and amortisation</b>	12,13	<b>342</b>	<b>348</b>
Depreciation charge of right-of-use asset		106	106
Amortisation of intangible assets, depreciation charge of tangible fixed assets		236	242
<b>Expenses arising from miscellaneous other costs</b>		<b>441</b>	<b>452</b>
Banking tax		149	142
Local business tax		65	65
Non-deductible VAT		117	133
Other costs		110	112
<b>Other expenses</b>		<b>13</b>	<b>8</b>
<b>Total operating expenses</b>		<b>3 209</b>	<b>3 449</b>

'Expert fees' also include amounts which are paid on behalf of SMEs within grant schemes and are eligible for recognition during the term of the programmes, thus are also included in 'Other revenues' (HUF 133 million in 2021, HUF 44 million in 2020). In 2020, expert fees included the amount relating to the design of securitisation processes of HUF 102 million incurred at ELÉT Zrt. Any additional change in expert fees is in line with the audit and other consultancy fees paid in 2021 due to preparations for introduction to the BSE regulated market. License fees are not significant and include short-term (maximum 1 year) software and asset leases. Other administration expenses include service expenses incurred in the normal course of the business.

## 9. EBIT, EBITDA

	2021 HUF million	2020 HUF million
Stock exchange activity revenues	3 459	3 336
Other income	344	323
Operating expenses (without tax items)	-2 485	-3 233
Credit losses/reversals	5	-1
<b>EBIT</b>	<b>1 323</b>	<b>425</b>
<i>Depreciation and amortisation</i>	292	348
<b>EBITDA</b>	<b>1 615</b>	<b>773</b>

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## 10. EMPLOYEE INFORMATION

	2021 HUF million	2020 HUF million
Wages and salaries	1 083	1 206
Contributions on wages and salaries	186	183
Other personnel type expenses	59	100
<b>Total</b>	<b>1 328</b>	<b>1 489</b>

The average number of employees during the year was 84 (2020: 91). The above presented Employee costs are part of Operating expenses (Note 8).

## 11. PROVISIONS

	2021 HUF million	2020 HUF million
Opening balance	2	2
Additions	0	0
Amounts charged against provisions	0	0
<b>Closing balance</b>	<b>2</b>	<b>2</b>

The estimated liability for restoration costs of the leased premises (restoring the underlying asset to the condition required by the terms and conditions of the lease) is recognized as a provision. The estimated date when the restoration costs will be arise is February, 2023.

## 12. JUBILEE BENEFITS

	2021 HUF million	2020 HUF million
Jubilee obligation as at 1 January	12	10
Interest cost	1	0
Current service cost	2	2
Benefits paid	-2	1
Actuarial gains/losses	0	1
<b>Jubilee obligation as at 31 December</b>	<b>13</b>	<b>12</b>
<i>of which short-term</i>	3	2
<i>of which long-term</i>	10	10

The sum of Current service costs and Actuarial gains/losses are included in Operating Expenses, under Personnel Expenses.

## 13. FINANCE INCOME AND EXPENSES

	2021 HUF million	2020 HUF million
Interest income from banks and other sources	9	4
Exchange rate gain/loss	23	43
Income from the sales of subsidiaries	95	0
<b>Total financial income</b>	<b>127</b>	<b>47</b>
Impairment losses recognised on fixed assets	12	58
Interest of lease liability	7	10
<b>Total financial expenses</b>	<b>19</b>	<b>68</b>

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**14. TAXATION**

	2021 HUF million	2020 HUF million
<b>Current income tax expense</b>		
Corporate tax	27	5
	<b>27</b>	<b>5</b>
<b>Deferred tax expense/reversal</b>		
Origination of temporary differences	108	74
	<b>108</b>	<b>74</b>
<b>Income tax expense</b>	<b>135</b>	<b>79</b>

From 2017, the tax rate is flat 9%, therefore this rate is applicable for deferred tax calculations.

The reconciliation between the average effective tax rate and the applicable tax rate is as follows:

	2021		2020	
	%	HUF million	%	HUF million
<b>Profit before taxation</b>		<b>1 607</b>		<b>925</b>
<b>Applicable tax rate</b>	<b>9,0%</b>	<b>145</b>	<b>9,0%</b>	<b>83</b>
Current tax effect of share of KELER Group profit/loss		-81		-66
Deferred tax impact on total income tax expense/benefit				
Effect of equity accounting for associate KELER Group		77		67
Miscellaneous items		-6		-5
<b>Total income tax expense (+) / benefit (-)</b>	<b>8,4%</b>	<b>135</b>	<b>8,5%</b>	<b>79</b>

Changes in deferred taxes are shown in the table below:

	2021 HUF million	2020 HUF million
At beginning of the year	657	583
Debited/(Credited) in net profit	107	74
<b>At end of the year</b>	<b>764</b>	<b>657</b>

Deferred income taxes are calculated on all temporary differences under the balance sheet liability method using a tax rate of 9%. The balance as at 31 December 2021 mainly represents the untaxed gain of investments in associated companies.

There are no unrecognised tax assets or liabilities.

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

2021	Intangible assets	Investments implemented on leased property	IT equipment	Office furniture, equipment and installations	Motor vehicles	Total
HUF million						
<b>Cost</b>						
as at 1 January 2021	1 908	46	486	129	30	2 599
Procurement, capitalisation	190	0	56	7	1	254
Scrapping, sale	-401	0	-68	-27	-9	-505
<b>as at 31 December 2021</b>	<b>1 697</b>	<b>46</b>	<b>474</b>	<b>109</b>	<b>22</b>	<b>2 348</b>
<b>Depreciation and amortisation</b>						
as at 1 January 2021	1 472	45	375	120	19	2 031
Charge for the year	158	1	73	4	0	236
Decrease due to de-recognition	-207	0	-58	-23	-4	-292
<b>as at 31 December 2021</b>	<b>1 423</b>	<b>46</b>	<b>390</b>	<b>101</b>	<b>15</b>	<b>1 975</b>
<b>Carrying amount</b>						
as at 1 January 2021	436	1	111	9	11	568
<b>as at 31 December 2021</b>	<b>274</b>	<b>0</b>	<b>84</b>	<b>8</b>	<b>7</b>	<b>373</b>

2020	Intangible assets	Investments implemented on leased property	IT equipment	Office furniture, equipment and installations	Motor vehicles	Total
HUF million						
<b>Cost</b>						
as at 1 January 2020	1 676	46	486	126	38	2 371
Increase	232	0	19	4	0	255
Scrapping, sale	0	0	1	0	8	9
Assets held for sale	0	0	-48	-1	0	-19
<b>as at 31 December 2020</b>	<b>1 908</b>	<b>46</b>	<b>486</b>	<b>129</b>	<b>30</b>	<b>2 599</b>
<b>Depreciation and amortisation</b>						
as at 1 January 2020	1 335	42	289	112	22	1 800
Charge for the year	137	3	92	8	2	242
Decrease due to de-recognition	0	0	0	0	5	5
Assets held for sale	0	0	-6	0	0	-6
<b>as at 31 December 2020</b>	<b>1 472</b>	<b>45</b>	<b>375</b>	<b>120</b>	<b>19</b>	<b>2 031</b>
<b>Carrying amount</b>						
as at 1 January 2020	340	4	197	14	16	572
<b>as at 31 December 2020</b>	<b>436</b>	<b>1</b>	<b>111</b>	<b>9</b>	<b>11</b>	<b>568</b>

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

There are some fully amortized intangible assets in the records of the Company, that are still in use. The five greatest items are all softwares of trading transactions, with initial values HUF 804 million in total.

Main items of additional capitalisation of computer software and other intangible assets:

- Central network device, HUF 24 million
- Firewall licence, HUF 28 million
- Server investment, HUF 22 million
- BSE website development, HUF 15 million

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## 16. RIGHT OF USE ASSETS

	01/01/2021– 31/12/2021	01/01/2020– 31/12/2020
<b>Opening balance</b>	<b>230</b>	<b>336</b>
Depreciation charged	106	106
<b>Closing balance on 31 December</b>	<b>124</b>	<b>230</b>

The Group has lease contract for its premises, and the term of the lease ends in February 2023. The Group's obligations under its lease are secured by a guarantee contract. The Company had total cash outflows for the lease of HUF 132 million in 2021 (HUF 123 million in 2020). The lease payments are denominated in EUR therefore the actual cash outflows vary as the EUR/HUF exchange rate does. Payments are made on a monthly basis, in advance.

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay'. IBR is 3,06% per annum.

The lease contract is related to the office lease where the operation takes place.

	2021	2020
<b>Opening balance</b>	<b>283</b>	<b>359</b>
Payment to lessor	-132	-123
Interest incurred	7	11
Year-end foreign exchange revaluation difference	-3	36
<b>Lease balance on 31 December</b>	<b>155</b>	<b>283</b>
<i>Current lease liabilities</i>	<i>134</i>	<i>115</i>
<i>Non-current lease liabilities</i>	<i>21</i>	<i>168</i>

## 17. INVESTMENTS

Name of the entity	Place of business	Ownership interest held by BSE (%)		Principal activities	Type of relationship
		31.12.2021	31.12.2020		
Budapest Institute of Banking Zrt. (BIB Plc.)	Hungary	0	100	educational activity	subsidiary
Első Értékpapírosítási Tanácsadó Zrt. (ELÉT Plc.)	Hungary	0	100	securitization advisory	subsidiary

Name of the entity	Place of business	Ownership interest held by BSE (%)		Principal activities	Type of relationship
		2021	2020		
KELER Zrt.	Hungary	46,67	46,67	depository services	associate
KELER CCP Ltd.	Hungary	0,09	0,09	clearing service	associate

The Company holds an investment of 46.67% (2020: 46.67%) in KELER and an investment of 0.09% (2020: 0.09%) in KELER CCP. KELER CCP is 99.81% owned by KELER. The group purchased interest in Pénzügyi Tervezők Szakmai Tanácsa Nonprofit Kft. (PTSZT). The total value of the interest is HUF 1 million. (This was

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removed from investments upon the sale of BIB). The value of these investments in the IFRS consolidated financial statements changed as follows:

	2021	2020
	HUF million	HUF million
<b>Opening balance</b>	<b>12 768</b>	<b>12 024</b>
Share of post acquisition profit/loss	900	737
Purchase/sale of participation	-1	1
Share of other comprehensive income	-48	6
Dividends received	0	0
<b>Closing balance</b>	<b>13 619</b>	<b>12 768</b>

The aggregated IFRS consolidated financial information of **KELER** as at 31 December is as follows:

	2021	2020
	HUF million	HUF million
Total assets	510 422	157 103
Total liabilities	481 258	129 761
Total shareholders' equity	29 164	27 342
Profit or loss from core activity	9 293	8 541
Profit or loss for the year	1 925	1 580
Other comprehensive income	-103	13
Total comprehensive income	1 822	1 593

There are no publicly available quoted market prices for the purposes of valuation of KELER shares.

## 18. DISPOSAL GROUP

As a consequence of reviewing its business model, BSE has decided to sell its subsidiary ELÉT to MKB Bank Nyrt. The decision was motivated by the intention of BSE to increase the focus on its core business activities; and also taking into consideration the short-term business perspectives of securitisation in Hungary. According to the agreement, shares of ELÉT were transferred together with legal, accounting, business and other related knowledge, know-how that are essential to accomplish securitization projects on 26 February 2021.

The founder's rights of the foundation (Központi Értékpapírosítási Alapítvány, KÉA) started by ELÉT in February 2020 was transferred to BSE in the first quarter of 2021. The objective of KÉA is to support the domestic processes of securitization. The Foundation is not featured in the Statement of financial position as the funds granted to the Foundation are transferred definitively and would be reclaimable on extremely rare occasions.

## 19. CURRENT ASSETS

	2021	2020
	HUF million	HUF million
Inventories	9	11
Trade and other receivables	138	219
Corporate tax assets	0	7
Prepaid expenses	48	90
Accrued revenues	648	515
Cash and cash equivalents	3 468	2 450
<b>Current assets</b>	<b>4 311</b>	<b>3 292</b>

For a maturity breakdown, see point 5. c).



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The amount of past due receivables changed as shown below:

	0-30 days	31-60 days	61-90 days	91-180 days	181-360 days	Over 360 days
31 December 2021						
Gross amount of trade receivables (HUF million)	17	3	3	3	13	33
31 December 2020						
Gross amount of trade receivables (HUF million)	16	4	7	4	24	38

The trade receivables impairment rate is low (immaterial). The reversal due to the annual Expected credit loss is HUF 5 million, the expenditure in 2020 was HUF 1 million. Relative to the revenues in the current year, the ratio was 0.14% in 2021 and 0.03% in 2020.

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

	2021 HUF million	2020 HUF million
Gross amount of trade receivables	166	256
Accumulated impairment	-28	-37
<b>Net amount of trade receivables</b>	<b>138</b>	<b>219</b>
	2021 HUF million	2020 HUF million
Accumulated impairment as of 1 January	37	41
Net change of impairment	-9	1
De-recognition of uncollectible receivables		-5
<b>Accumulated impairment as of 31 December</b>	<b>28</b>	<b>37</b>

Accrued revenues are related to business-as-usual transactions with customers in order to record these transactions in the same accounting period which they relate to. The accrued income is falls due within 1 month, except for items relating to grant programmes, which will fall due within 1 year.

The Company has no significant value of inventory in 2021. These assets are not related to the Company's core business. The assets support the daily operation of the Company (stationery and other office related assets).

Cash and Cash Equivalents contains only the balance of the cash at bank.

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## 20. SUBSCRIBED CAPITAL

The Company's authorised, issued, called up and fully paid share capital comprises 5,413,481 (2019: 5,413,481) ordinary shares with par value of HUF 100 each. All shares rank pari passu in the event of a winding up. The share capital represents shares held by the following shareholders:

	2021 %	2020 %
Magyar Nemzeti Bank	81,4%	81,4%
KBC Securities Hungary Branch Office	5,2%	5,2%
CONCORDE Értékpapír Zrt.	4,2%	4,2%
OTP Bank Nyrt.	2,7%	2,7%
ERSTE Bank Hungary Zrt.	2,3%	2,3%
MOL Nyrt.	2,2%	2,2%
Others (all under 2% share individually)	2,1%	2,1%
<b>Total</b>	<b>100,0%</b>	<b>100,0%</b>

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

## 21. REVALUATION RESERVE OF INVESTMENTS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Significant part of the accumulated OCI balance represents the effect of the revaluation of financial assets due to the IFRS transition of KELER in 2018.

## 22. OTHER RESERVES

Pursuant to the Hungarian Accounting Act, the items in this category need to be disclosed separate from retained earnings. The balance of the Other reserves equity category contains the following items:

- Revaluation difference of the fair valuation of various assets (KELER Group recognised with the equity method), realised in 2002, when the Stock Exchange was converted into an Rt., (HUF 2,245 million). In the first IFRS report prepared by the BSE, the cost was already increased in value (assumed cost).
- The residual HUF 331 million relates to permanent (non-repayable) grants received from the state for exchange development activities in the 1992-1994 period.

## 23. CURRENT LIABILITIES

	2021 HUF million	2020 HUF million
Accrued bonuses and expenses	146	190
Accruals, prepaid listing fees	63	63
Other items	0	6
Trade and other payables	103	234
Current lease liability	134	115
Advances received for project EDIOP and Central Hungarian	596	512
Tax items	126	104
Employee benefits	2	0
<b>Current liabilities</b>	<b>1 170</b>	<b>1 224</b>

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## 24. RELATED PARTY INFORMATION

### Transactions with related parties

The Company had two subsidiaries as of 31 December 2020, Budapest Institute of Banking (BIB) Zrt. and Első Értékpapírosítási Tanácsadó Zrt. (ELÉT). ELÉT has been sold on 26 February 2021, BIB on 9 December 2021. The transactions with the subsidiaries have been eliminated due to the consolidation of BIB and ELÉT into the financial statements.

The following transactions occurred with related parties:

#### BALANCE SHEET

Name of related party	Account type	HUF million	
		2021	2020
	<b>Trade accounts receivable</b>	<b>0,6</b>	<b>0,5</b>
KELER CCP Ltd.		0	0
KELER Zrt.		0	0
Magyar Nemzeti Bank		0,6	0,5
	<b>Trade accounts payable</b>	<b>1,6</b>	<b>0,6</b>
KELER CCP Ltd.		0	0
KELER Zrt.		1	0
Magyar Nemzeti Bank		0,6	0,6

#### Statement of Profit or Loss

Name of related party	Transaction type	HUF million	
		2021	2020
	<b>Sale of goods and services to related parties</b>	<b>15,2</b>	<b>17,0</b>
KELER Zrt.	Disclosure obligations	8,9	8,9
KELER Zrt.	Event sponsorship	0,1	2,0
Magyar Nemzeti Bank	Dual training	0,8	1,5
Magyar Nemzeti Bank	Leased lines and accesses	4,9	4,1
Magyar Nemzeti Bank	Stock exchange activity revenue	0,5	0,5
	<b>Purchase of services from related parties</b>	<b>13,0</b>	<b>15,1</b>
KELER Zrt.	Share register management	0,5	0,5
KELER Zrt.	Securities account management	0,4	0,5
KELER Zrt.	Data sales	8,0	8,0
KELER Zrt.	Other	1,0	0,1
Magyar Nemzeti Bank	Amounts paid to MNB as Supervisory Authority	3,1	6,1

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

### Members of the Board of Directors

dr. Mihály Patai  
 Richárd Végh  
 dr. György Bacsa  
 dr. Géza Máté  
 Zsolt Kuti  
 dr. Barna Fömötör  
 Attila Bánfi

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**Members of the Supervisory Board**

Lajos Bartha  
Károly Régely  
Dr. Kolos Viktor Kardkovács  
dr. Zsolt Zoltán Selmeczi-Kovács  
Orsolya Kása

**Key management compensation**

Key management of the Group are the executive members of the Budapest Stock Exchange's board of directors, Supervisory Committee and members of the executive management.

Key management personnel remuneration is presented in the table below. We have changed the presentation so that from 2021 on, the table does not contain the data of associates; therefore, we present the comparative period accordingly. The reason for the change was to ensure that the table is comparable with other financial statements as associates are not consolidated line by line.

Key management compensation	2021 HUF million	2020 HUF million
Salaries including bonuses and social security Contributions	264	277
Company car allowance	2	3
<b>Short-term employee benefits</b>	<b>266</b>	<b>280</b>
<b>Post-employment benefits</b>	<b>0</b>	<b>0</b>
<b>Other long-term employee benefits</b>	<b>0</b>	<b>0</b>
<b>Termination benefits</b>	<b>0</b>	<b>0</b>
<b>Share-based payment</b>	<b>0</b>	<b>0</b>
<b>Total remuneration</b>	<b>266</b>	<b>280</b>

The Group had no transactions with such related parties that qualify as related solely because of their relationship with key management personnel.

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

Subsidiary's name	Place of business	Ownership interest held by the controlling entity (%)		Principal activities
		2021	2020	
Magyar Pénzverő Zrt. (Hungarian Mint Plc.)	Hungary	100	100	produce circulation coins
Pénzjegynyomda Zrt. (Hungarian Banknote Printing Shareholding Co.)	Hungary	100	100	production of forint banknotes and secure documents
GIRO Zrt.	Hungary	100	100	payment system operation
MNB-Biztonsági Szolgáltatások Zrt. (MNB-Security Services Plc.)	Hungary	100	100	personal guarding and protection
MNB-Ingatlan Kft. (MNB-Real Estate Ltd.)	Hungary	100	100	rental and operation of real estate
Pénzügyi Stabilitási és Felszámoló Nonprofit Kft. (Financial Stability and Liquidator Non-profit Ltd.)	Hungary	100	100	perform the liquidation of financial institutions
Budapest Stock Exchange Ltd.	Hungary	81,4	81,4	official listings on the stock exchange
KELER Központi Értéktár Zrt. (KELER Zrt.)	Hungary	53,3	53,3	depository services
KELER CCP Central Counterparty Zrt. (KELER CCP Zrt.)	Hungary	0,1	0,1	clearing service
MNB-EduLab Kompetencia Kft.	Hungary	100	0	education, training

During the year of 2021, the Group had minor transactions with GIRO Zrt. and MNB-Biztonsági Szolgáltatások Zrt. The transactions related to the normal course of business and the values were not material.

## 25. EVENTS AFTER BALANCE SHEET DATE

The Stock Exchange has started preparations for entering the Hungarian regulated market, i.e. becoming a listed company. As of the date of signing of these financial statements, the Magyar Nemzeti Bank's procedure of admission of the securities to trading on the stock exchange has not started.

The real estate lease agreement between Budapest Stock Exchange and MNB-Ingatlan Kft. was signed on 31 January 2022. Pursuant to that agreement, the Exchange has moved its registered office in 2022 to a new address (H-1013 Budapest, Krisztina körút 55. VI. emelet, Hungary).

### Russo-Ukrainian conflict:

The escalation of the Russo-Ukrainian war conflict in the second half of February 2022 has hit capital markets, which had already been volatile in recent months due to inflationary pressures and rising commodity prices. Exchange rate fluctuations were also observed in Central and Eastern European and Western European markets. The restrictive measures imposed by the EU in the wake of the Ukrainian crisis do not have a significant impact on the economic functioning of the Stock Exchange, as the Company has no direct business relations with economic operators in Russia or Belarus. BSE continuously monitors this extraordinary situation and identifies its responsibilities in relation to it, and liaises with Magyar Nemzeti Bank (MNB), which has a supervisory role, in order to be able to take immediate measures to protect the legitimate interests of investors, the balance of the market and the operation of the stock exchange.

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

**No dividend was approved in 2021 (regarding the 2020 business year). Based on the decision of the General Meeting, the BSE will pay HUF 503,453,733 of dividends in 2022 with regard to the 2021 business year.**