

2023



emip

ANNUAL REPORT &
ACCOUNTS

TABLE OF CONTENTS

01	Message from the Chair	05
02	2023 Financial year	07
	2.1 Background	
	2.2. Organisation	
	2.3. OMI	
03	Development of the MIBEL derivatives market	11
04	Regulation	20
05	Information systems	22
06	Other activities	25
	6.1 Auction of manual Frequency Restoration Reserve Band (mFRR)	
	6.2 Supplier of last resort purchase auctions	
	6.3 Capacity rights (natural gas)	
	6.4 Development of the GPMC/OLMC project	
	6.5 Guarantee of Origin Auctions	
07	Outlook for 2024	30
08	Proposed appropriation of profits	33
09	Shareholders, governing bodies and invested company	35
10	Financial statements and annexes as at 31 December 2023 and 2022	37
11	Annexes	65
	Statutory Auditor's Report	

ABBREVIATIONS

OMIClear

OMIClear, C.C., S.A.

OMI

OMI – Operador do Mercado Ibérico

OMIP

OMIP – Pólo Português, S.G.M.R., S.A.

OMIE

OMI – Polo Español, S.A.

OMIP, S.A.

OMIP, S.A.

OMIP

OMIP – Operador do Mercado Ibérico (Portugal), S.A.

OMEL

Operador del Mercado Ibérico de Energía, Polo Español, S.A.

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01

MESSAGE FROM THE CHAIR

As 2023 progressed, geostrategic and military tensions continued, with a new conflict erupting between Israel and Hamas.

This scenario posed significant challenges of global relevance, adding to the context of geopolitical uncertainties and complexities that continued to influence the dynamics of international markets.

Energy markets were forced to adjust to the instability caused by the Russia-Ukraine conflict. This event, which added to pre-existing tensions, had a significant impact on the dynamics of energy supply and demand, as well as on the commercial strategies of the various players in the sector.

In Europe, if we compare the 2023 outlook with the previous year, we see a relatively more stable period in terms of the occurrence and prices of the main commodities and markets. Volatility in the daily electricity and natural gas markets has decreased significantly, providing a more stable environment for economic agents.

However, despite this relative stability, interventionist policies in the energy markets continued. In the Iberian Peninsula, the extension of the Iberian mechanism to limit the price of gas for electricity generation until December 2023 stood out, while at the European level a reorganisation of the energy market was approved, demonstrating the search for a balance between national interests and European integration.

Despite the good intentions of all these interventions, they have always had a negative impact on trading volumes and market registrations as agents perceive a greater regulatory risk.

Europe, which has been at the forefront of a transition that will mark our generation, has been trying, through support, regulations and commitments, to make the energy transition a reality and to strike a balance between the essential environmental sustainability of its policies, a desirable increase in European energy independence, respect for financial sustainability, and without neglecting security of supply, which is absolutely essential for the lives of all Europeans. The success of the energy transition we all seek depends largely on the balance between these four pillars.

However, the uncertainty of the technological choices made by all stakeholders in the sector, whether from a technical or financial point of view, to achieve the desired balance between the four pillars mentioned above, creates certain instability in the energy markets. While it is true that the future will be greener, there are still many doubts about the pace and shape of the energy transition and the decarbonisation of our economy. This instability of solutions and options does not help the reliability of the price signals that different markets produce at any given time.

In 2023 as a whole, energy prices were more volatile in the first half of the year, and only remained relatively stable in the second half of the year.

In gas, the European reference contract TTF M+1 (front month) recognised values between €23/MWh and €77/MWh, with an annual average of €41/MWh. The average annual TTF/PVB spread for the M+1 contract was close to €3/MWh.

This dynamic was reflected in electricity prices in Spain, where Q+1 (front quarter) contracts ranged from €68/MWh to €157/MWh, and the Y+1 (front year) contract ranged from a minimum of €75/MWh to a maximum of €143/MWh, with an average of €104/MWh.

Looking at the daily Iberian electricity market (average of around €87/MWh) and comparing the Iberian Peninsula with countries with significant influence in Europe, we can see that the annual average spot prices in Portugal and Spain were higher than in the Nordic countries (€54/MWh), but well below those observed in Germany (€95/MWh), Italy (€125/MWh) and France (€97/MWh).

The total volume of Iberian futures contracts traded in 2023 was 115 TWh, a slight increase (2%) compared to the previous year. Since the last quarter of 2023, there has been a gradual recovery in the volume of long-term products traded in some European countries, with a slower pace of recovery in the Iberian Peninsula.

In 2023, OMIP continued to develop its activity as the entity responsible for organising the auctions for the Guarantee of Origin of Special Production in Portugal. These auctions, which have become increasingly important at European level, attracted a large number of Portuguese and international participants (60% increase in the number of participants), and generated total revenues of around €105 million, which were returned to the national electricity system.

In terms of volume, all of the approximately 20 TWh offered was successfully allocated in the auctions held during the year.

Also in 2023, OMIP launched new products to meet the needs of market participants. These include financial gas futures contracts indexed to the PVB and the PVB/TTF financial spread. The maturity of these contracts varies from the following month to the second year, demonstrating the offer of more flexible financial and hedging solutions adapted to the needs of market participants.

Looking ahead to 2024, OMIP, like other companies in the OMI Group, will continue to actively monitor the development of the domestic electricity and natural gas markets as part of the energy transition and decarbonisation of the economy. Faced with this dynamic and challenging scenario, OMIP's approach is to maintain a strategy of continuous diversification to mitigate the risks that are largely beyond its control. We also aim to maintain an appropriate cost structure, but with the necessary flexibility to respond efficiently to any opportunities that may arise.

We conclude this reflection by expressing our gratitude to the entire OMIP team, including the non-executive directors, for their excellent work and commitment during this challenging period. We would also like to express our gratitude to all shareholders for their continued support and confidence.

Lisbon, 19 March 2024

Martim Vasconcelos e Sá
Vice-Chair of the Board of Directors



2023 FINANCIAL YEAR

2023 FINANCIAL YEAR

2.1 Background

The Iberian Electricity Market (MIBEL), a joint venture of the governments of the Republic of Portugal and the Kingdom of Spain, aims at building a regional market that is consistent with and a facilitator of a much broader market: the domestic energy market.

Both countries designated OMIP as the managing entity of the futures markets, alongside OMIE, in charge of managing the daily and intra-day market sessions.

It is in this capacity that OMIP, incorporated in June 2003, manages the MIBEL derivatives market together with OMIClear, incorporated in April 2004, to serve as central counterpart for market transactions.

OMIP and OMIClear operate under Portuguese law and are recognised as a regulated market operator and central counterparty respectively, both registered with the Comissão do Mercado de Valores Mobiliários (CMVM).

In accordance with the Santiago International Agreement, a Board of Regulators oversees MIBEL's activities. This board is composed of regulators from the financial sector (CMVM and Comisión Nacional del Mercado de Valores) and the energy sector (ERSE – *Entidade Reguladora dos Serviços Energéticos* and CNMC – *Comisión Nacional de los Mercados y la Competencia*) of both countries.

2.2 Organisation

OMIP's organisational structure, shown in Figure 1, is designed to ensure the regular and effective operation of the MIBEL derivatives market, while at the same time responding to all requests received, whether from participants, regulators or the general public.

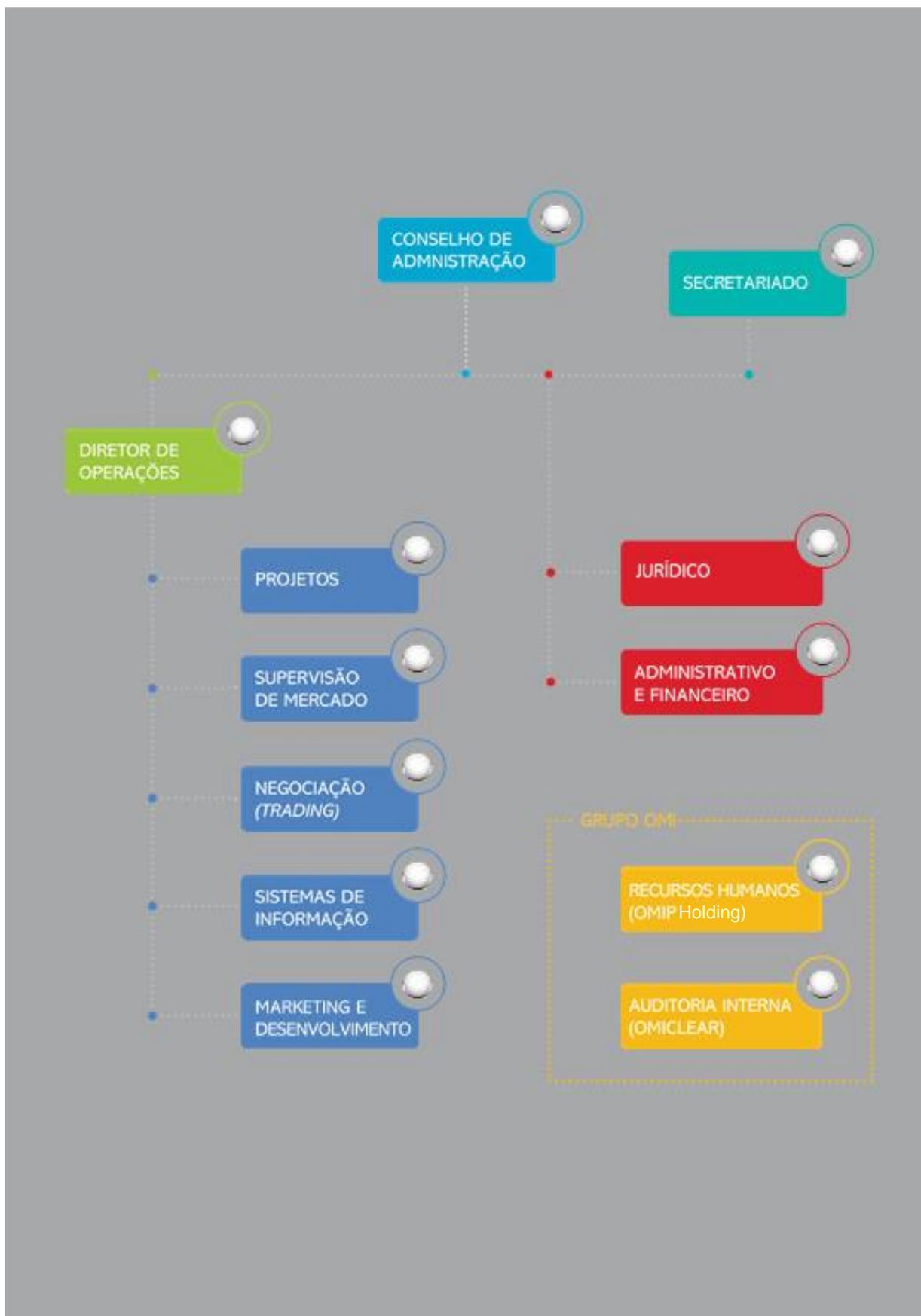
In addition to its own resources, the Company has entered into service agreements with other companies in the OMI Group, which, to the extent permitted by law, allow for better allocation and management of available human resources.

As at 31 December 2023, the company had 13 employees (five women and eight men), to which must be added the Chair of the Board of Directors, who exercises executive functions.

2.3 OMI

OMI's final corporate structure was implemented in 2011, in accordance with Article 4 of the Santiago International Agreement, as revised and amended by the Braga Agreement, which states that OMI "shall consist of two holding companies, with registered offices in Portugal and Spain, respectively, with cross-holdings of 10%, and in which each company shall hold 50% of the market management companies ...". Figure 2 illustrates the agreed model.

FIGURE 1
OMIP'S ORGANISATIONAL MODEL



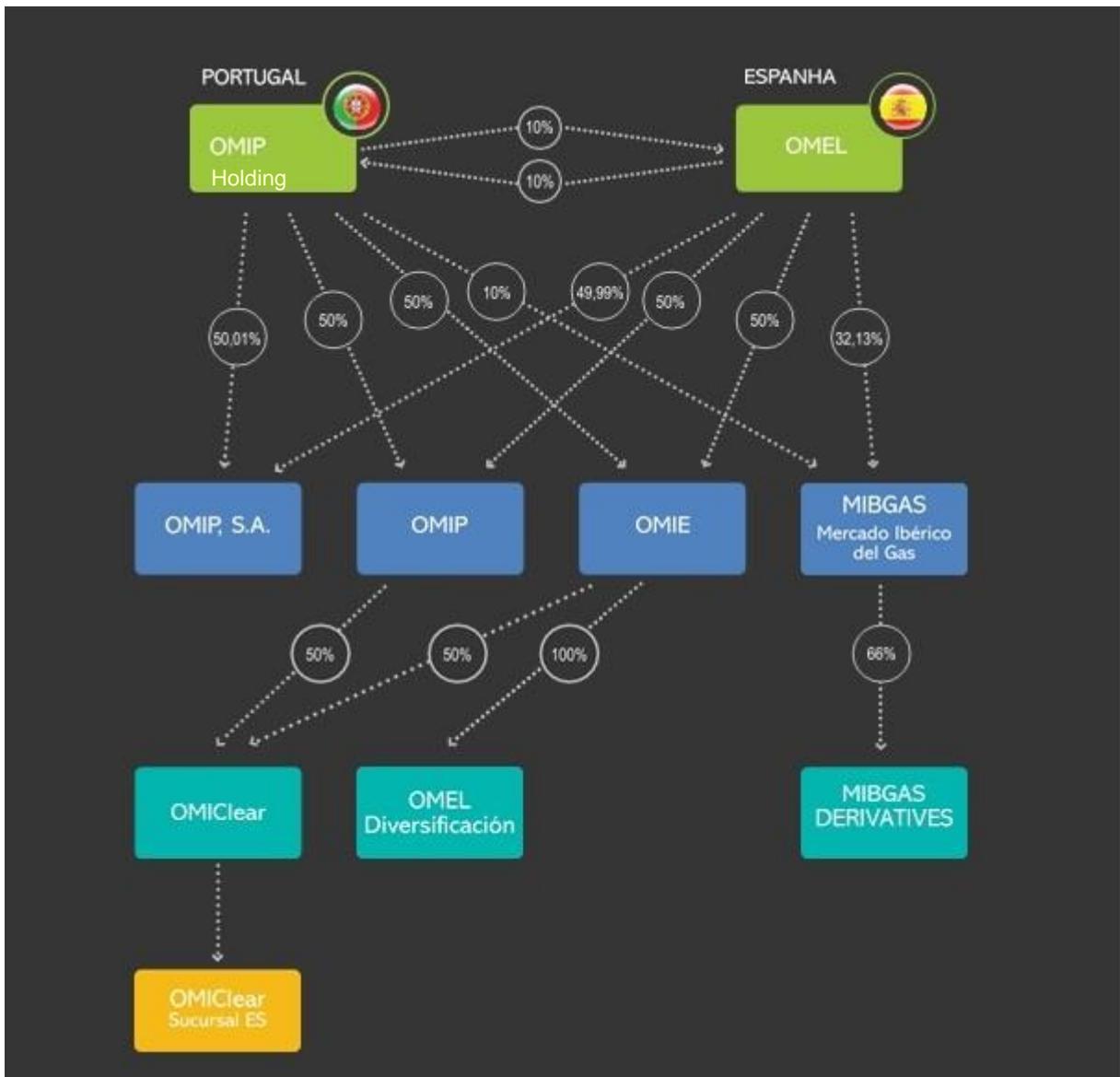
In this context, on 18 October 2011, the holding companies OMIP and OMEL became equal shareholders in the market management companies OMIP and OMIE respectively. In addition, the planned corporate governance model consisting of a Board of Directors with a common composition for the two market management companies OMIP and OMIE has been implemented.

2014 and 2015 were years of consolidation and internal reorganisation aimed at adapting to the prudential, organisational and risk management requirements applicable to OMIClear's activities, a situation that also affected OMIP.

2021 was the fifteenth full year of activity for the Portuguese division of the Iberian electricity market operator, producing marketing materials for distribution to market participants.

On 12 September 2013, OMIE became part of OMIClear's shareholding structure through a capital increase, completing the OMI model set out in the International Agreement.

FIGURE 2
OMI'S ORGANISATIONAL STRUCTURE



03

DEVELOPMENT OF THE MIBEL DERIVATIVES MARKET

DEVELOPMENT OF THE MIBEL DERIVATIVES MARKET

OMIP recorded a total trading volume of 6.7 TWh in 2023 compared to 11.9 TWh in 2022, i.e. a 43% reduction.

This reduction had the largest impact on bilateral contract registration volumes, which decreased by 61%. This reduction had the largest impact on bilateral contract registration volumes, which decreased by 61%. The volumes traded on the continuous market and in the SRB auctions increased by 42% and 38% respectively compared to 2022 volumes. This situation of lower trading in derivatives contracts was temporary for all European electricity markets, which were still reeling from the war in Ukraine and its consequences of rising energy prices and all-time high volatility.

This high level of price, uncertainty and risk was reflected in increased demand for financial guarantees by the clearing houses and, consequently, restrictions on members' ability to trade in the electricity and gas futures markets.

Electricity consumption in the Iberian Peninsula also fell, by 1.6%, compared to the previous year. This was due to the rise in energy prices and the European commitment to reduce demand in the face of the energy crisis, the increase in energy efficiency and also the uncertainty of natural gas supplies to the continent.

FIGURE 3
ELECTRICITY CONSUMPTION IN THE IBERIAN PENINSULA (TWh)

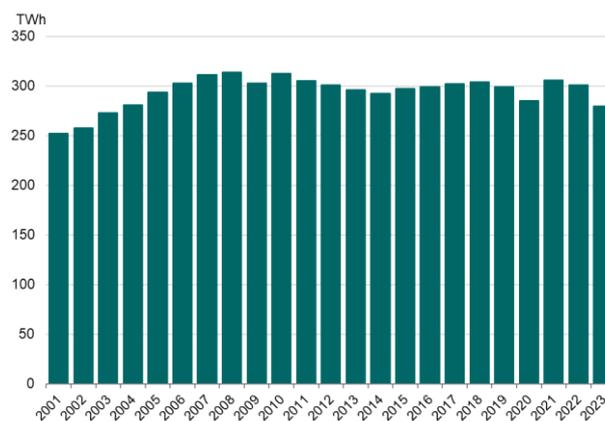


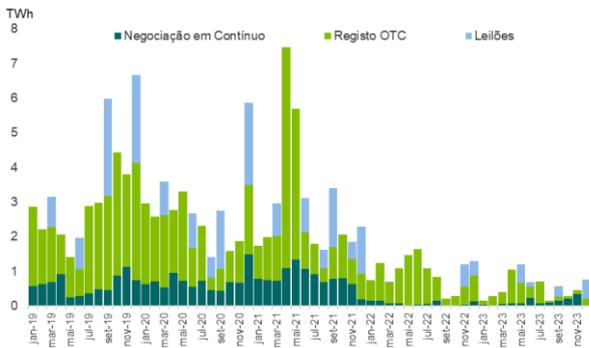
TABLE 1
MAIN ACTIVITY INDICATORS

	2023	2022
Traded volumes (TWh)	6.7	11.9
Notional traded volumes (M€)	640.6	2 038.6
Number of participants	83	80

Regarding the number of participants, there has been an increase in 2023 with the addition of 3 trading members, as detailed below.

The volumes traded in April and May were significantly higher than the rest of the months, concentrated in registered bilateral contracts. It should also be noted that, on average, around 0.4 TWh was traded per month in 2023, compared to 1.0 TWh in 2022.

FIGURE 4
ENERGY VOLUME TRADED ON THE MARKET (TWh)



The analysis of the volumes traded each year shows a decrease in 2023. A volume of 6.7 TWh was traded on the market, online and in bilateral transactions, down 43% year-on-year.

FIGURE 5
ANNUAL VOLUME TRADED ON THE MARKET (TWh)

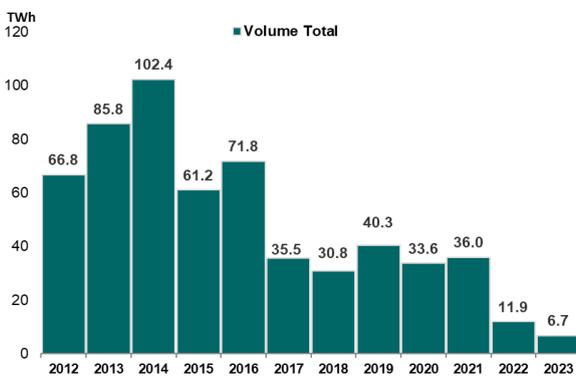
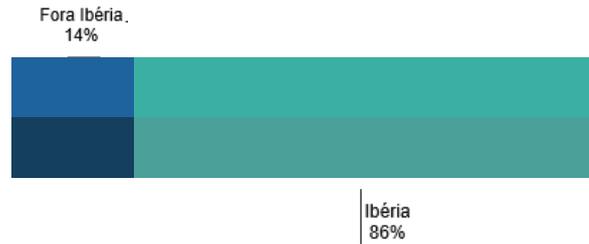


Figure 6 shows that 86% of the total volume was traded by companies based in the Iberian Peninsula, a higher percentage than in 2022 (79%), indicating the increasing weight of Iberian companies in the MIBEL forward market.

FIGURE 6
MARKET SHARE BY TRADING MEMBER'S DOMICILE



The distribution of market shares among all trading members in 2023 was similar to the previous year, where the distribution of volume between the different market members continued. In 2023, the three most active participants accounted for around 48% of the total volume traded (47% in 2022). This indicator of the distribution of the volume traded should be highlighted, as it confirms that the electricity market in the Iberian Peninsula is still competitive, even if the weight of the main players is greater than in the previous year.

In terms of contracts listed for trading and in terms of equivalent energy, annual contracts were the most traded, accounting for around 64.9% of the total portfolio available on OMIP, as shown in Figure 7, followed by quarterly and monthly contracts with 20.4% and 14.7% respectively. Instruments with short maturities were not relevant during the whole year.

FIGURE 7
WEIGHT OF TRADED VOLUME BY TYPE OF CONTRACT

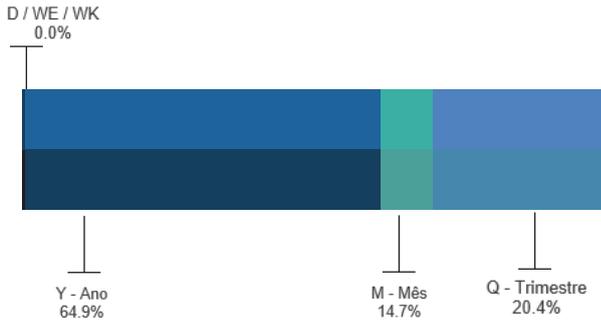


Table 2 lists all the OMIP members as at 31 December 2023, indicating the trading member dealers (CP), trading member brokers (CT) and OTC brokers.

The geographical distribution of participants in Figure 8 shows two distinct and highly representative areas. One is the Iberian Peninsula (particularly Spain), where companies with assets and interests in the production and sale of electricity stand out, and the other is the United Kingdom, where financial institutions, banks and investment funds predominate.

As at 31 December, the MIBEL derivatives market consisted of 72 trading member dealers (CP), 6 trading member brokers (CT) and 10 OTC brokers, as shown in Table 3.

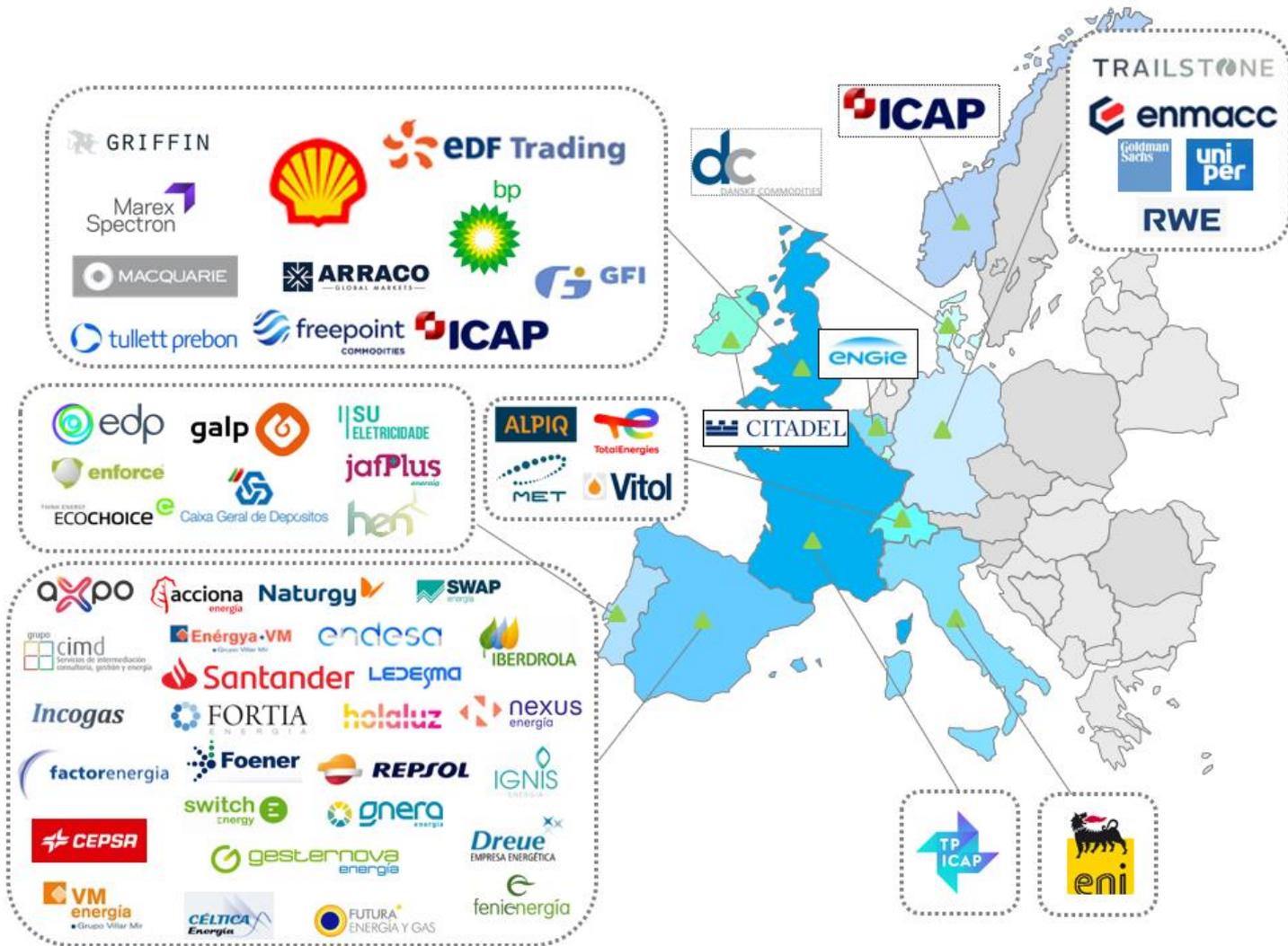
TABLE 2
MIBEL DERIVATIVES MARKET MEMBERS

ENTITY	Trading member (CP)	Trading member (CT)	OTC
Acciona Green Energy Developments, S.L	●	○	○
Alpiq AG	●	○	○
Antuko Energia S.L.	●	○	○
Arraco Global Markets Ltd	○	○	●
AXPO Iberia, S.L.U.	●	○	○
Banco Santander, S.A.	●	●	○
Barbosa World Brass, S.A.	●	○	○
BP Gas Marketing Limited	●	○	○
Céltica Energía, S.L	●	○	○
Cepsa Gas y Electricidad, S.A.	●	○	○
CIMD - Corretaje e Informação Monetária y de Divisas, S. V., S.A	○	●	●
Citadel Energy Investments (Ireland) DAC	●	○	○
Comercializadora Regulada, Gas & Power, S.A.	●	○	○
Danske Commodities, A/S	●	○	○
Dreue Electric, S.L.	●	○	○
Ecochoice, S.A	●	○	○
EDF Trading Limited	●	○	○
EDP - Energias de Portugal	●	○	○
EDP España, S.A.U.	●	○	○
EDP GEM Portugal, S.A.	●	○	○
Endesa Energía XXI, S.L.	●	○	○

ENTITY	Trading member (CP)	Trading member (CT)	OTC
Endesa Energía, S.A.	●	○	○
Endesa Generación, S.A.	●	○	○
Energía DLR Comercializadora, S.L.	●	○	○
Energia Nufri, SLU	●	○	○
Enérgya VM Gestión de Energía, S.L.U.	●	○	○
Enforcesco S.A.	●	○	○
Engie Global Markets SASU	●	○	○
Eni Global Energy Markets SpA	●	○	○
Enmacc GmbH	○	○	●
Evergreen Electrica S.L.	●	○	○
Factor Energía S.A.	●	○	○
Fenie Energía S.A.	●	○	○
Foener Energía, S.L.U.	●	○	○
Fortia Energía Servicios, S.L.	●	○	○
Fortia Energía, S.L.	●	○	○
Freepoint Commodities Europe LLP	●	○	○
Futura Energía y Gas, S.L.U.	●	○	○
Galp Gás Natural, S.A.	●	○	○
Gas Natural Comercializadora S.A.	●	○	○
GeoAtlanter S.L.	●	○	○
Gesternova, S.A.	●	○	○
GFI Brokers Ltd.	○	○	●
Gnera Energía y Tecnología, S.L.	●	○	○
Goldman Sachs Bank Europe SE	●	●	○
Griffin Markets	○	○	●
HEN - Serviços Energéticos, Lda.	●	○	○
Holaluz-Clidom S.A.	●	○	○
Iberdrola Comercialización de Último Recurso, S.A.U.	●	○	○
Iberdrola Energía España, S.A.U.	●	○	○
ICAP Energy, AS	○	●	●
ICAP Energy, Ltd	○	○	●
Ignis Energía, S.L.	●	○	○
Ingeniería y Comercialización del Gas S.A.	●	○	○
Jafplus Energia, Lda	●	○	○
Kyonynsys Century S.L.U.	●	○	○
Ledesma Comercializadora Eléctrica, S.L.	●	○	○
Macquarie Bank Limited	●	○	○
Marex Spectron International Limited	○	○	●
Mercuria Energy Trading, S.A.	●	○	○
MET International AG	●	○	○
Naturgy Commodities Trading	●	○	○
Nexus Energía, S.A.	●	○	○
Petrogal, S.A.	●	○	○
PH Energia, Lda.	●	○	○
Repsol Generación Eléctrica, S.L.U.	●	○	○

Repsol Trading, S.A.	●	○	○
RWE Suply & Trading GmbH	●	○	○
Shell Energy Europe Ltd.	●	○	○
SU Eletricidade, S.A.	●	○	○
SWAP Energía, S.A.	●	○	○
Switch Energy, S.L.	●	○	○
TotalEnergies Gas and Power Ltd	●	○	○
TP ICAP (Europe)	○	●	○
TP ICAP (Europe) S.A.	○	○	●
TP ICAP E&C Limited - Tullett Prebon	○	●	●
TrailStone GmbH	●	○	○
Uniper Global Commodities SE	●	○	○
Vertsel Energía, S.L.U.	●	○	○
Viesgo Comercializadora de Referencia, S.L.	●	○	○
Viesgo Renovables, S.L.	●	○	○
Villar Mir Energía, S.L.U.	●	○	○
Vitol, S.A.	●	○	○

FIGURE 8
ORIGIN OF MEMBERS (DECEMBER 2023)



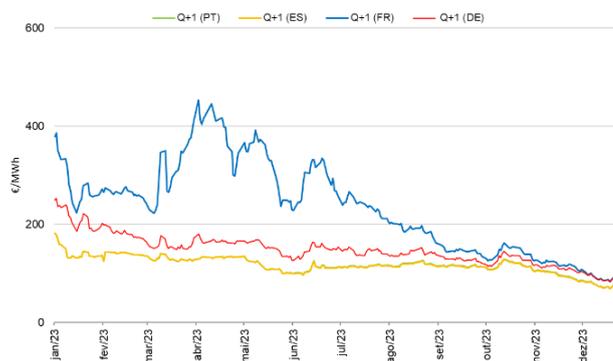
As a result of the marketing work carried out in 2023, three new trading member dealers were admitted compared to the previous year.

TABLE 3
MEMBERS AT THE END OF 2023

Origin	Trading member dealer (CP)	Trading member broker (CT)	OTC
Spain	43	2	1
Portugal	11		
United Kingdom	6		5
Germany	4	1	1
Switzerland	5		
France	1	2	2
Norway		1	1
Denmark	1		
Italy	1		
Total	72	6	10
Iberian	54	2	1
Non-Iberian	18	4	9

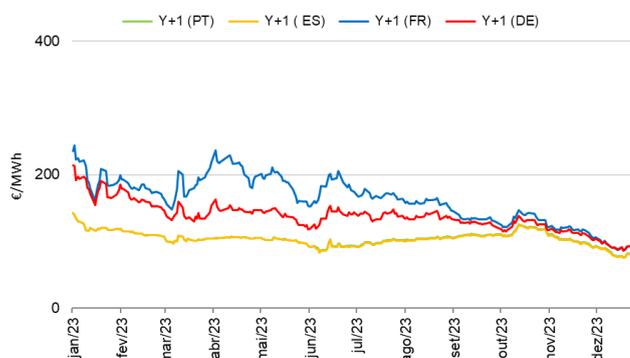
In terms of prices, Figure 10 shows the changes in first-quarter contracts in the Portuguese, Spanish, French and German zones, with high price volatility throughout the year. In the second half of the year, the price gap between the Iberian markets and those in Central Europe narrowed, due to the reduced impact of the regulation limiting natural gas prices (“Iberian mechanism”), as prices fell below the values set by this mechanism.

FIGURE 10
PRICE DEVELOPMENT FOR THE FIRST Q+1 CONTRACT (Front Quarter) (EUR/MWh)



In the annual contract (year+1), shown in Figure 11, there is a downward trend in prices due to the stabilisation of the supply of natural gas reserves through new imports, especially LNG, the increase in renewable energy production and the reduction in consumption.

FIGURE 11
PRICE DEVELOPMENT FOR THE FIRST ANNUAL CONTRACT UNDER TRADING (EUR/MWh)



The following table summarises some of the key events in 2023.

TABLE 4
2023 - OVERVIEW

EVENTS

Axpo Iberia and Endesa were selected through tender as market makers for 2023

Launch of the trading and registration of new natural gas futures contracts with financial settlement (PVBES-TTF spread)

Admission of 3 new trading members to OMIP, start of the admission process for another 3, whose trading member status will be achieved in the first quarter of 2024

Four Portuguese Supplier of Last Resort (SLR) purchase auctions were held during the year. The total volume traded was 1.5 TWh.

Six Portuguese guarantee of origin auctions were held during the year. The total volume traded was 19.9 TWh.

Organisation of an mFRR Auction.

Participation as speakers in six training sessions on the MIBEL Energy Derivatives Market, in Madrid. OMIP/OMIClear course held in Lisbon

OMIP organised the Trading and Products Committee in Lisbon in June

OMIP and OMIClear sponsored the Montel Iberian Energy Day 2023

Participation in Europex Working Groups.

Participation in ACER's Market Surveillance Forum.

Organisation of corporate dinners with members in Madrid and London over the Christmas period.

04

REGULATION



REGULATION

Following the difficulties observed in the European Union energy market in 2022, with particularly high and volatile prices and serious concerns about security of supply, 2023 was marked by the European Commission's (COM) work to present a structural reform of the electricity market, with the dual objective of guaranteeing European energy sovereignty and achieving carbon neutrality.

In this context, proposals for a review of the rules on the design of the electricity market were presented in March 2023, through the EMD – *Electricity Market Design Reform* and REMIT

The proposed changes to REMIT consist of extending the requirements and obligations of market agents established in third countries to the Union, strengthening the powers of ACER and giving Member States additional flexibility in setting fines for breaches of the obligations imposed by REMIT.

The EMD proposal, on which political agreement was reached in December 2023, aims to make the EU energy market more resilient and the energy bills of European consumers and businesses less dependent on the market price of electricity in the short term, providing more stable electricity prices for consumers, increasing the use of renewable energy in the ongoing transition to more sustainable energy sources, and making EU industry cleaner and more competitive.

EMD will increase the use of renewables and the amount of energy traded on long-term contracts, making the price less dependent on fossil fuel prices and wholesale market fluctuations, by rationalising power purchase agreements (PPAs) and introducing bi-directional contracts for difference (CFDs) for wind, solar, geothermal, impounded hydro and nuclear energy.

With particular impact on OMIP's activity, the changes that this reform aims to bring to the form of forward contracts, the Commission is considering changing the negotiation of forward contracts in order to generate more liquidity through the agglomeration of agents spread over several markets, through regional hubs or regional references. At the time of writing, it is not known which model will be adopted by the European Commission; the new model of virtual regional hubs could pose an additional problem for the liquidity of smaller markets such as MIBEL. This is why in 2024 OMIP will have to monitor the negotiations in the European Parliament and subsequently in the Council for the final and formal approval of this reform.

05

INFORMATION SYSTEMS

INFORMATION SYSTEMS

Following on from the work carried out in previous years, in 2023 OMIP's information systems focused on the following essential aspects:

Management of the relationship with technology suppliers:

- Service level and quality management;
- Liaison between technology suppliers and operational departments;
- Maintenance of the infrastructure to support technical services.

Support and corrective, preventive and evolutionary maintenance of the technological platforms:

- Specify and test new technical functionality or changes to existing functionality;
- Coordinate and implement changes in productive or non-productive environments;
- Providing first line support to resolve technical issues (internal and external helpdesk service);

- Perform daily procedures to verify the normal operation of systems;
- Analyse and adapt to regulatory requirements.

Design, specification and testing of new technology solutions to support OMIP services.

Help maintain business continuity systems and manage information security:

- Review and update documentation;
- Perform maintenance tasks as required by security policies and procedures;
- Periodic testing of systems and infrastructure.

In 2023, the implementation of the above activities focused primarily on the development of new solutions and the implementation of new functionalities in existing technological platforms, namely:

- Specification and development of new functionalities in the OMIPrices platform (production of market reference prices) and in the internal processes that feed it, in preparation for the launch of the reference index administrator function that OMIP will now perform;
 - Specification, development and testing of changes to the OLMC (Logistics Operator for Switching Suppliers) portal, the most significant of which were the second phase of integration between the OLMC platform and the GiG (Integrated Guarantees Manager) portal, and changes to the structure of the platform's database to adapt to the platform's growth requirements;
 - Development, testing and documentation of a new technological platform (OMIPSu) to support the activities of the Market Surveillance Department;
 - In-house development and adaptation of existing market information collection processes for use in the OMIPSu platform;
 - Adaptation of the Jira platform to manage the process of qualifying bidders for an auction according to the established process, which involved several stages between submission and final approval of candidates by the jury;
 - Specification, development and testing of changes to the auction platform (OMIPlusWeb), namely the implementation of a new auction algorithm and other minor improvements and bug fixes;
 - Design and development of improvements to the presentation of market data on the company's corporate website;
 - Inclusion of new gas products in the reporting solution, bug fixing, and their processing;
 - Migration of regulatory reporting (CMVM) from FTP to SFTP.
- Finally, in the area of information security and business continuity, the following work was carried out by or directly supported by the Information Systems Department in:
- Analysis and mitigation of events identified by the SIEM/SOC;
 - Updating the disaster recovery solution in the Office, and prepare and conduct disaster recovery tests therein;
 - Investigate alternatives to the current endpoint device protection (EDR) solution, change to be implemented in early 2024;
 - Conduct a vulnerability analysis and intrusion test with an external vendor;
 - Improve tracking of external access to the company's information systems;
 - Reduce external software vulnerabilities by updating the versions of software in use.



OTHER ACTIVITIES

OTHER ACTIVITIES

6.1 Auction of manual Frequency Restoration Reserve Band (mFRR)

The Electricity Sector Network Operation Regulation (ROR), approved by the Energy Services Regulatory Authority (ERSE) through Regulation No. 816/2023, has incorporated the European design of the electricity system balancing markets and specifies that the Global SEN Manager (GGS) must adopt standardised balancing products, namely the Manual Frequency Restoration Reserve Band (“mFRR”) products.

To implement this mechanism, ERSE organised a consultation of interested parties, in which OMIP participated, and the solution adopted was to hold an auction in December 2023, which OMIP successfully designed and implemented.

6.2 Supplier of Last Resort purchase auctions

The Regulation on Trade Relations (RRC – *Regulamento de Relações Comerciais*) and the Tariff Regulation (RT – *Regulamento Tarifário*) establish the separation of functions between the purchase and supply of

electricity to clients and the purchase and supply of electricity from special regime production, both of which are carried out by the Supplier of Last Resort (SLR). In the specific case of the purchase and supply of electricity to clients, articles 168 and 169 of the RRC establish that the SLR must purchase electricity through regulated mechanisms expressly provided for this purpose. In addition, the SLR must also purchase electricity to supply its clients in organised markets, namely in organised forward markets. The regulated mechanism for electricity forward contracts to supply the SLR takes the form of acquisition of forward contracts for products listed on the market managed by OMIP, through auction trading. In 2023, four auctions were held on the OMIP.

6.3 Capacity rights of use (natural gas)

Natural gas requires complex network infrastructures and terminals through which the energy flows associated with its transport are established, as well as centralised management of the systems thus created. The calculation of allocations and the technical and economic management of capacity rights (DUCg) are therefore of paramount importance for the proper functioning of the markets.

To this end, OMIP was contacted by REN – Gasodutos, S.A. in 2013 with the aim of collaborating in the operationalisation of the new capacity allocation mechanisms in the different infrastructures of the LNG National Transport Network, Storage and Infrastructure Terminal Network (RNTIAT), exploring the concept of ex-ante contracting of Capacity Rights of Use (DUC) in natural gas infrastructures, in primary issuance and in the secondary market. In accordance with Article 33 of the Regulation on Access to Networks, Infrastructures and Interconnections of the Natural Gas Sector (RARII) - version 2013 - objective, transparent and non-discriminatory mechanisms based on market criteria should be used in order to give appropriate economic signals to the market participants concerned and to comply with other principles laid down in Regulation (EU) 714/2009 of 13 July 2009. Since September 2013, OMIP has been providing the following services to REN in this area (CRUg): active participation in the initial design and installation of the solution, in close collaboration with REN, and then ensuring all the relevant activities and functions, in particular the training of participants, the creation and availability of technological platforms, and the operation of primary and secondary markets.

In 2018, primary allocation auctions were extended to intraday products (24 closed-envelope auctions per day on the Trayport platform, every day of the year).

The secondary market was launched in 2021 and offers two trading models: continuous trading and OTC. This year also saw the expansion of the product range, with the addition of the new flexibility service in the linepack.

The functions described above continued to be provided by OMIP in 2023. During the year, the OMIPlus auction platform was also used to resolve bottlenecks in the allocation of monthly, quarterly and annual products.

6.4 Development of the GPMC/OLMC project

OMIP pioneered the change of supplier process by developing and managing the e_Switch platform, to support requests to change supplier in the Portuguese gas market in a fast, transparent and secure manner. OMIP's involvement in this structural change resulted from an agreement entered into with REN Gasodutos, S.A., the entity designated by ERSE to manage the process of facilitating the change of supplier in the natural gas sector.

The year 2017 was marked by the publication of Law No. 42/2016 of 16 December, which approves the State Budget for 2017, provided for in Article 172 for the establishment of the OLMC within the Portuguese electricity and natural gas system, which in practice and in relation to the natural gas sector, implies the transfer of the GPMC NG functions from REN Gasodutos to Adene.

Decree-Law 38/2017 of 31 March 2017 establishes the legal regime applicable to the activities of the OLMC and, in Article 2, commits the Energy Agency (ADENE) to carry out these tasks and, in Article 2, postpones the transfer of the information system supporting the GPMC's functions to the OLMC.

In this context, REN Gasodutos transferred its contractual position to ADENE at the beginning of 2018, and OMIP continued to ensure the same functions it had under the authority of REN Gasodutos as part of the GPMC/OLMC project. The e_Switch and the FTP were also transferred from the GPMC to Adene's infrastructure.

Under the new umbrella of Adene, the regulated market has been integrated into the e_Switch platform.

In April 2018, the process for the specification and development of an electronic logistics platform to support the various procedures related to switching suppliers in the natural gas and electricity sectors (OLMC portal) was launched.

For reasons mainly related to the COVID-19 pandemic and the integration with the EDP Distribuição systems, the OLMC portal was not put into operation until the end of 2022, with OMIP ensuring its operation and maintenance.

Activities have also been under way in preparation for the new quarterly reporting model required by the regulator.

In 2023, OMIP continued to ensure the operation and evolutionary maintenance of the OLMC portal. In this regard, in 2022 it is worth highlighting the start of the integration work between the OLMC platform and the GiG Portal (Integrated Collateral Manager).

6.5 Guarantee of origin auctions

In 2021 OMIP was appointed as the entity responsible for the operation of the Guarantee of Origin auctions in Portugal, which started in

July. Pursuant to Decree-Law 141/2010 of 31 December 2010, guarantees of origin for electricity generated from renewable sources by power plants benefitting from price support schemes or investment incentives are delivered by the producers to the Directorate-General for Energy and Geology (DGEG) to be made available to the market.

These guarantees of origin are traded through a competitive auction mechanism - the GO-PT auctions. The model applicable to the GO-PT auctions is set out in the relevant regulations, which describe the procedure and the role of the various bodies involved, namely:

- The Directorate-General for Energy and Geology (DGEG), through the SLR and OMIP, makes the GO available to the market under price or investment support schemes;
- The Guarantee of Origin Issuing Entity (GOI) is the entity responsible for the physical settlement of guarantees of origin traded in GO-PT auctions;
- SU ELETRICIDADE (SLR) is the entity responsible for the financial settlement and invoicing of the proceeds of the GO-PT auctions;
- OMIP – Pólo Português, S.G.M.R. (OMIP) is the entity responsible for the operation of the GO-PT auctions;
- OMIP, S.A. (OMIP SA) is the entity responsible for managing the financial guarantees required to qualify for the GO-PT auctions.

The auction model used was the ascending clock auction on the OMIPlus platform managed by OMIP. The guarantees of origin were divided into lots according to technology (solar, wind, hydro and thermal) and production period. The auctions quickly raised a lot of interest in the market, attracting participants from various European countries and are now a reference in the market.

In total, 6 auctions were held in 2023, with a total volume of 19.9 TWh sold. As the final results of the activity of the Guarantee of Origin auctions are recorded as revenue for the National Electricity System, the high number of participants resulted in savings of €61.7 million for Portuguese consumers since the start of the process in 2021.

This result once again demonstrates OMIP's excellence in the organisation and management of auctions and the company's pioneering role in the design and implementation of innovative solutions to meet the stringent requirements of the European Green Deal, so ambitiously undertaken by the Portuguese and Spanish governments.



OUTLOOK FOR 2024

OUTLOOK FOR 2024

The year 2024, following on from the last two years, will bring a series of challenges and opportunities for the energy sector. The sector's value chain, heavily influenced by global geostrategic events and the complexity of an energy transition with consensual goals but controversial rhythms of change, faces difficulties of consistency. Electricity and gas, like other commodities, are experiencing periods of regulatory, financial and operational instability.

After two years of a drastic reduction in liquidity at European level, activity on the electricity derivatives markets began to show tentative signs of recovery in the second half of 2023. In the Iberian context, the decline was more pronounced and the recovery was slower than in other European markets. There is an urgent need to guarantee regulatory and fiscal stability in order to restore confidence in the Iberian market and allow agents to return to the levels of the past.

The European Commission presented and approved a redesign of the European energy market, focusing on trying to ensure more liquidity for the various long-term trading products, including contracts traded/registered on regulated energy exchanges, CFDs or PPAs.

Another element with a potential impact in 2024 is the regulatory change in Spain for the definition of the regulated electricity price (PVPC), which now includes prices from the MIBEL futures market. Once stabilised, this innovation is expected to bring more liquidity to the electricity products traded on OMIP.

Once this critical period is over, initiatives will continue to be developed to create an environment of confidence that will allow market participants, especially those outside the Iberian Peninsula, to resume their activities with security and predictability.

In terms of business development, OMIP expects to:

- Recover the activity and trading volumes;
- Increase the number of market participants;
- Continue to organise Supplier of Last Resort Purchase Auctions;
- Resumption of the Special Regime Production (PRE) auction process;
- Continuation of the organisation of auctions of electricity guarantees of origin, but with an extension to market guarantees of origin (currently only guarantees of origin from renewable energy production units with feed-in remuneration are auctioned);
- Organisation of auctions for guarantees of origin for renewable gases;
- Continue to organise Gas Capacity Rights of Use auctions (DUCg);
- Organisation of new energy auctions in the context of the energy transition, namely the announced projects in green hydrogen, biomethane and offshore wind;

- Maintain and develop the provision of services in the process of switching suppliers in the electricity and gas markets;
- Launch new renewable index products;
- Develop the product portfolio in coordination with market participants;
- Ensure the high level of service, maintain the recognition and reputation as a reference exchange, and explore new business areas and complementary services;
- Monitor the development of the European energy market reform, in particular with regard to its forward contracting instruments (CFDs and PPAs).

OMIP will therefore continue to work to the highest standards of efficiency and innovation to meet the growing needs of its members and the demands of the business sector in which it operates.

OMIP will continue to participate actively in national and international initiatives in the energy sector, both in the institutions of which it is a member and in specific initiatives in which it is called upon to contribute to the defence of an Iberian market that is increasingly accessible and adapted to the needs of its members and stakeholders.



PROPOSED APPROPRIATION OF PROFITS

PROPOSED APPROPRIATION OF PROFITS

In accordance with and for the purposes of Article 25 of the Company's Articles of Association, the Board of Directors proposes that the net result for 2023 of €900,465 (nine hundred thousand, four hundred and sixty-five euros), be appropriated as follows:

To legal reserve	€90 046.00
To distribution of dividends.....	€550 000.00
To retained earnings	€260 418.00

Lisbon, 21 March 2024.

The Board of Directors

Carmen Becerril Martinez
Chair

Martim Vasconcelos e Sá
Vice-Chair

Abengoa, S.A.
(Vacant position)

Caixa Geral de Depósitos, S.A.
Marco Filipe Gomes Torres Lourenço

Carlos Martin de los Santos Bernardos

EDP - Energias de Portugal, S.A.
Pedro Neves Ferreira

Endesa Generación Portugal, S.A.
Adolfo Javier de Rueda Villén

Ignacio Zumalave Freire

Naturgy Energy Group
Gregorio Morales Schmid

REN - Redes Energéticas Nacionais, SGPS, S.A.
Maria José Menéres Duarte Pacheco Clara

REN Serviços, S.A.
Pedro Henriques Gomes Cabral

Santiago Gómez Ramos





**SHAREHOLDERS, GOVERNING
BODIES AND INVESTED COMPANY**

SHAREHOLDERS, GOVERNING BODIES AND INVESTED COMPANY

9.1 Shareholders

OMIP – Operador do Mercado Ibérico (Portugal), S.A. (50%)

OMEL – Operador del Mercado Ibérico de Energía, Polo Español, S.A. (50%)

9.2 Governing bodies

Board of the Shareholders Meeting (three-year period 2021-2023)

Manuela Lopes dos Santos Chair

Board of Directors (three-year period 2021-2023)

Carmen Becerril Martinez Chair

Martim Bleck Vasconcelos e Sá Vice- Chair

Abengoa, S.A. (vacant)¹ Member

Carlos Martin de los Santos Member

Caixa Geral de Depósitos, S.A. (Marco Lourenço) Member

EDP – Energias de Portugal, S.A. (Pedro Neves Ferreira) Member

Endesa Generación Portugal, S.A. (Adolfo Javier de Rueda Villén) Member

Ignacio Zumalave Freire Member

Naturgy Energy Group, S.A. (Gregorio Morales Schmid)² Member

REN – Redes Energéticas Nacionais, SGPS, S.A. (Maria José Menéres Duarte Pacheco Clara) Member

REN Serviços, S.A. (Pedro Henriques Gomes Cabral) Member

Santiago Gómez Ramos Member

Supervisory/Statutory Auditor (three-year period 2021-2023)

Ernst & Young Audit & Associados – SROC, S.A. (SROC) Executive

Pedro Miguel Borges Marques (ROC) Alternate

9.3 Invested company

OMIClear, C.C., S.A. - 50% of the equity capital of €7,500,000.00.

1. German Bejarano resigned on 19 December 2023.

2. Appointed on 25 July 2023.

A large, stylized number '10' is centered on a dark gray rectangular background. The '1' is a simple vertical bar with a slight curve at the top. The '0' is a thick, rounded ring. The overall aesthetic is clean and modern.

FINANCIAL STATEMENTS AND NOTES

AS AT 31 DECEMBER 2023 AND 2022

Balance sheet

		Currency: Euros	
	Note	31-12-2023	31-12-2022
Assets			
Non-current			
Property, plant and equipment	7	2,733	2,868
Intangible assets	8	202,972	216,980
Financial investments - equity method	9	6,605,700	6,662,491
Other financial investments	10	8,122	5,828
		6,819,527	6,888,167
Current			
Clients	11	361,073	259,634
State and other public entities	12	-	205,076
Other trade receivables	13	338,629	252,545
Deferrals	14	45,561	47,053
Cash and cash deposits	5	1,060,936	791,614
		1,806,199	1,555,922
Total assets		8,625,726	8,444,089
Equity			
Paid-up capital	15	2,500,000	2,500,000
Issue premium	16	1,193,711	1,193,711
Legal reserves	17	597,677	475,836
Adjustments / Other changes in equity	18	1,114,928	1,114,928
Retained earnings		1,704,333	1,307,768
		7,110,649	6,592,243
Net profit for the period		900,465	1,218,406
Total equity		8,011,114	7,810,649
Liabilities			
Current			
Suppliers	19	107,828	217,212
State and other public entities	12	180,116	103,086
Other payables	20	326,668	312,205
Deferrals	14	-	937
		614,612	633,440
Total liabilities		614,612	633,440
Total equity and liabilities		8,625,726	8,444,089

Notes on pages 41 to 63 form an integral part of the above financial statements.

Statement of profit and loss by nature as at 31 December 2023 and 2022

	Note	Currency: Euros	
		31-12-2023	31-12-2022
Sales and services rendered	21	2,691,871	2,484,217
Gains/(losses) charged to subsidiaries	9	643,209	1,056,121
Supplies and external services	22	(1,080,241)	(1,103,056)
Staff costs	23	(1,452,751)	(1,352,684)
Other income	24	387,095	375,372
Other expenses	25	(65,104)	(68,057)
Results before depreciation, financial expenses and taxes		1,124,079	1,391,913
(Expenses)/reversal of depreciation and amortisation	7 e 8	(150,089)	(122,260)
Operational result (before financial expenses and taxes)		973,990	1,269,653
Interest and similar costs incurred	26	(285)	(100)
Pre-tax results		973,705	1,269,553
Income tax for the period	27	(73,240)	(51,147)
Net result for the period		900,465	1,218,406
Basic earnings per share		3.60	4.87

Notes on pages 41 to 63 form an integral part of the above financial statements.

Statement of changes in equity

	Note	Paid-up capital	Issue premiums	Legal reserves	Adjustments in financial assets	Retained earnings	Net result for the period	Total
On 1 January 2022		2,500,000	1,193,711	350,523	1,114,928	1,025,813	1,253,132	7,438,107
Changes in the period								
Other changes recognised in equity capital		-	-	125,313	-	1,127,819	(1,253,132)	-
		-	-	125,313	-	1,127,819	(1,253,132)	-
Net profit for the period		-	-	-	-	-	1,218,406	1,218,406
Integral result		-	-	-	-	-	1,218,406	1,218,406
Operations with equity holders in the period								
Distributions	28	-	-	-	-	(845,864)	-	(845,864)
		-	-	-	-	(845,864)	-	(845,864)
On 31 December 2022		2,500,000	1,193,711	475,836	1,114,928	1,307,768	1,218,406	7,810,649
Changes in the period								
Other changes recognised in equity capital		-	-	121,841	-	1,096,565	(1,218,406)	-
		-	-	121,841	-	1,096,565	(1,218,406)	-
Net profit for the period		-	-	-	-	-	900,465	900,465
Integral result		-	-	-	-	-	900,465	900,465
Operations with equity holders in the period								
Distributions	28	-	-	-	-	(700,000)	-	(700,000)
Other changes		-	-	-	-	-	-	-
		-	-	-	-	(700,000)	-	(700,000)
On 31 December 2023		2,500,000	1,193,711	597,677	1,114,928	1,704,333	900,466	8,011,114

Notes on pages 41 to 63 form an integral part of the above financial statements.

Statement of cash flow as at 31 December 2023 and 2022

	Note	Currency: Euros	
		31-12-2023	31-12-2022
Cash flow of operating activities			
Receivables from clients		3,262,035	3,224,203
Payments to suppliers		(1,461,662)	(1,523,564)
Payments to staff		(1,447,357)	(1,338,341)
Cash flow generated by operations		353,014	362,297
(Payment) / refund of income tax		177,470	(422,776)
Other (payments) / receipts		(150,707)	(169,066)
Cash flow of investment activities		379,778	(229,544)
Cash flow of investment activities			
Payments regarding:			
Property, plant and equipment		-	(75,143)
Intangible fixed assets		(110,456)	-
Receipts from:			
Dividends	9	700,000	50,000
Cash flow of investment activities		589,544	(25,143)
Cash flow of financial activities			
Payments regarding:			
Dividends	28	(700,000)	(845,864)
Cash flow of financial activities		(700,000)	(845,864)
Changes in cash flow and its equivalents		269,322	(1,100,552)
Cash and cash equivalents at the start of the period	5	791,614	1,892,166
Cash and cash equivalents at the end of the period	5	1,060,936	791,614

Notes on pages 41 to 63 form an integral part of the above financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 Identificação da entidade e período de relato

O OMIP – Pólo Português, S.G.M.R., S.A., whose former name was OMIP – Operador do Mercado Ibérico de Energia (Pólo Português), S.G.M.R., S.A. was incorporated pursuant to Order No. 360/ME/2003 of 6 June 2003 of the Minister of the Economy, and its public deed was signed on 16 June 2003.

The Company began its activities on 10 December 2003 with the purpose of organising and managing a support system for the execution of transactions and settlements in the Iberian energy market, being responsible for:

- a) the management of organised energy futures contracts;
- b) the brokerage of agents for the purpose of establishing commercial relationships in the Iberian electricity market;
- c) the management of other energy-based product markets;
- d) the provision of settlement services within organised electricity markets;
- e) the provision of settlement services for standard transactions in non-organised energy markets; and
- f) the organisation of market services relating to the operation of the electricity system.

Since 18 October 2011, 50% of the share capital of OMIP is held by OMIP – Operador do Mercado Ibérico (Portugal), S.A. (OMIP) and 50% by OMEL – Operador del Mercado Ibérico de Energía, Polo Español, S.A. (OMEL).

Until 12 September 2013, OMIP held the entire share capital of OMIClear, C.C., S.A. (OMIClear), whose object is the management of a clearing house as a central counterparty and of the settlement system. It currently holds 50% of the shares.

From mid-2021, OMIP – Pólo Português, SGMR, SA is responsible for managing the guarantee of origin auctions for electricity generated from renewable sources in Portugal.

Decree-Law No. 141/2010 of 31 December (amended and republished by Decree-Law No. 60/2020 of 17 August) requires producers to provide the Directorate-General for Energy and Geology with guarantees of origin for electricity generated from renewable energy sources that:

i) benefit from a direct price support scheme; or (ii) benefit from an investment incentive, or are generated under a power purchase agreement (PPA) or an early termination agreement of a PPA.

These guarantees of origin are traded through a competitive auction mechanism – **GO-PT auctions**. The model applicable to the GO-PT auctions is defined in the relevant rules, which describe the procedure and the role of the various bodies involved, namely:

- The Directorate-General for Energy and Geology (DGEG), through the SLR and OMIP, makes GO available to the market under price or investment support schemes.
- SU Eletricidade (SLR) is the entity responsible for the financial settlement and invoicing of GO-PT auction revenues.
- O OMIP – Pólo Português, S.G.M.R. (OMIP) is the entity responsible for managing the participation and operation of the GO-PT auctions.
- OMIP, S.A. (OMIP SA) is the entity responsible for managing the financial guarantees required to participate in the GO-PT auctions.

- The Guarantee of Origin Issuing Entity (GOI) is the entity responsible for the physical settlement of guarantees of origin traded in GO-PT auctions.

These financial statements were approved by the Board of Directors at its meeting held on 21 March 2024 and are subject to approval by the shareholders and are subject to approval by the shareholders. In the opinion of the Board, these financial statements give a true and fair view of the operations of OMIP and of its financial position, performance and cash flows.

2 Accounting standards for financial reporting

2.1. Basis of preparation

These financial statements have been prepared in accordance with the Portuguese Accounting and Financial Reporting Standards (NCRF – *Norma Contabilística de Relato Financeiro*), issued and in force or issued and adopted on 31 December 2023.

The preparation of financial statements in conformity with the SNC (Accounting Standardisation System) requires the use of estimates, assumptions and critical judgements in determining the accounting policies to be adopted by OMIP that affect the carrying amounts of assets and liabilities and revenues and expenses for the reporting period.

Although these estimates are based on the Board's best knowledge and expectations of current and future events and activities, actual and future results may differ from these estimates. Note 4.18 identifies the areas involving a higher degree of judgement and complexity, or areas where the assumptions and estimates are relevant to the financial statements.

2.2. Derogation from SNC provisions (Accounting Standardisation System)

During the period covered by these financial statements there were no exceptional cases that directly required derogation from any SNC provision.

2.3. Comparability of financial statements

All the information in these financial statements is comparable with that of the previous year.

4 Principal accounting policies

The principal accounting policies used in the preparation of the financial statements, on an ongoing concern basis, are set out below. Unless otherwise stated, these policies have been applied consistently to all periods reports.

4.1. Shareholdings - Subsidiaries

Subsidiaries are all entities (including those created for special purposes) in which OMIP has the power to govern the financial and operating policies. This is usually associated with direct or indirect control of more than half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered in assessing whether OMIP controls an entity.

Shareholdings in subsidiaries are measured using the equity method. Under this method, the Group's interest in the results of its subsidiaries and associates is included in the statement of profit and loss in proportion to its ownership interest, and its interest in the net assets of its subsidiaries and associated is reflected in the balance sheet in proportion to its ownership interest, taking into account any fair value adjustments and goodwill. These amounts are determined on the basis of the approved financial statements of the subsidiaries and associates or, in the absence of such financial statements, on the basis of best estimates, using the Company's financial year as the reporting date.

4.2. Currency translation

4.2.1 FUNCTIONAL AND PRESENTATION CURRENCY

Unless otherwise stated, the financial statements of OMIP and the notes to this annex are presented in EUR.

4.2.2 TRANSACTIONS AND BALANCES

Transactions denominated in currencies other than the euro are translated into the functional currency at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement/receipt of transactions and from the translation at the balance sheet date of the cash assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss under Interest and similar income obtained and Interest and similar expenses incurred if they relate to loans or Other income and gains or Other expenses and losses, for all other balances/transactions.

4.2.3 EXCHANGE RATES USED

The following exchange rates published by Banco de Portugal were used for the translation of balances denominated in foreign currencies:

Currency	31-12-2023	31-12-2022
USD	1.1050	1.1326
GBP	0.8691	0.8403

4.3. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. This cost includes the estimated cost at the date of transition to the Portuguese Accounting and Financial Reporting Standards (NCRF), and the cost of assets acquired thereafter.

The acquisition cost includes the purchase price of the asset, costs directly attributable to its acquisition and costs incurred in preparing the asset for its intended use.

Subsequent costs of renovations and major repairs that extend the useful lives of assets are recognised in the cost of the assets.

Ongoing repair and maintenance costs are recognised as an expense in the period in which they are incurred.

Property, plant and equipment are depreciated on a straight-line basis over their estimated lifespan, according to the straight line method.

	Years
Vehicles	Between 3 and 5 years
Office equipment	Between 3 and 10 years

The lifespan of each asset is reviewed at the end of each year to ensure that depreciation is in line with its consumption patterns. Changes in lifespan are treated as changes in accounting estimates and are applied prospectively.

Gains or losses arising from the disposal of assets are calculated as the difference between the net realisable value and the carrying amount of the asset and are recognised in the statement of profit or loss.

4.4. Intangible fixed assets

Intangible fixed assets are recognised and measured at cost, which includes costs directly attributable to their acquisition and costs incurred in preparing them for their intended use.

The Company recognises as intangible assets the amounts spent on software purchased from third parties, which are subsequently measured using the cost model in accordance with NCRF 6 – Intangible assets, which states that an intangible asset should be carried at its cost less any accumulated amortisation and any accumulated impairment losses.

Intangible fixed assets with a definite useful life are amortised on a systematic basis over their estimated useful lives from the date they become available for use. Software is amortised over 3 years.

4.5. Impairment of assets

Assets with a finite lifespan are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Whenever the recoverable amount of an asset is less than its carrying amount, an assessment is made as to whether the loss situation is permanent or definite, and, if so, an impairment loss is recognised. If the loss is not considered to be permanent and definite, the reasons for that decision should be disclosed.

The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Non-financial assets, other than goodwill, for which an impairment loss has been recognised, are reviewed for possible reversal at each balance sheet date.

When impairment is recognised or reversed, the amortisation charge is recalculated prospectively based on the recoverable amount.

4.6. Financial assets

The Board of Directors determines the classification of financial assets at the time of initial recognition according to the purpose for which they were acquired and reviews this classification at each balance sheet date.

Financial assets may be classified as:

- a) financial assets at fair value through profit or loss – including non-derivative financial assets held for trading in respect of short-term investments and assets designated at fair value through profit or loss at the date of initial recognition;
- b) loans and receivables – including non-derivative financial assets with fixed or determinable payments that are not quoted in an active market;
- c) held-to-maturity investments – including non-derivative financial assets with fixed or determinable payments and fixed maturities that the entity has the intention and ability to hold to maturity;



- d) available-for-sale financial assets – including available-for-sale non-derivative financial assets that are designated as available-for-sale on initial recognition or that do not fit into any of the above categories. They are classified as non-current assets unless there is intention to sell them within 12 months of the balance sheet date.

Purchases and sales of investments in financial assets are recognised on the date of the transaction, i.e. the date on which OMIP commits to buy or sell the asset.

Financial assets at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in profit or loss. These assets are subsequently carried at fair value, with gains and losses arising from changes in fair value are posted in profit or loss in the period in which they arise under the heading “Net financial costs”, which also includes interest and dividends received.

Available-for-sale financial assets are initially recognised at fair value plus transaction costs. They are subsequently carried at fair value, with changes in fair value recognised in the fair value reserve in equity. Interest and dividends on available-for-sale financial assets are recognised in profit or loss in the period in which the right to receive them arises, under the heading “Other operating gains”.

The fair value of quoted investments is based on bid prices. Where no active market exists, OMIP establishes fair value using valuation techniques. These techniques include the use of recent arm's length transactions where market conditions permit comparison with instruments that are substantially similar, and the calculation of discounted cash flows where information is available, favouring market information at the expense of internal information from the target company.

Trade receivables are classified in the balance sheet as "Other receivables". A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the transactions that gave rise to them.

4.7. Clients and Other trade receivables

“Clients” and “Other receivables” represent amounts receivable for the sale of assets or services in the ordinary course of OMIClear’s business, and are initially recognised at fair value and subsequently measured at amortised cost, less impairment losses (if any). Where there is a formal agreement for the deferral of amounts receivable, the fair value is determined using the effective interest rate method, which is the rate that exactly discounts estimated future cash payments to the expected repayment date.

Impairment losses on “Clients” and “Other receivables” are recognised when there is objective evidence that they are not recoverable under the original terms of the transaction. Identified impairment losses are recognised in the statement of profit or loss, under Impairment of trade receivables, and are subsequently reversed through profit or loss when the impairment indicator no longer exists.

4.8. Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank deposits, other short-term highly liquid financial investments with original maturities of three months or less, bank guarantees and bank overdrafts. The latter are included in the balance sheet under current or non-current liabilities under the heading “Loans granted” and are included in the statements of cash flow as cash and cash equivalents.

4.9. Equity capital

Ordinary shares are classified as equity.

Costs directly attributable to the issue of new shares or options are recognised in equity as a deduction, net of tax, from the amount issued.

4.10. Suppliers and Other payables

The items “Suppliers” and “Other payables” represent obligations to pay for the acquisition of assets or services and are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method.

4.11. Financial liabilities

The Board of Directors determines the classification of financial liabilities at the time of initial recognition, in accordance with NCRF 27 – Financial Instruments.

Financial liabilities may be recognised/measured:

- a) at cost or amortised cost less impairment losses;
- b) at fair value, with changes in fair value recognised in the statement of profit or loss.

OMIP recognises and measures financial liabilities at cost or amortised cost: i) that are short-term or have a defined maturity; ii) for which the interest rate may be flat, fixed, variable or linked to market indices; and iii) for which there is no contractual clause that could alter the obligation to repay the principal and accrued interest.

For liabilities carried at amortised cost, the interest earned in each period is determined using the effective interest rate method, which is the rate that discounts estimated future cash payments over the expected lifespan of the financial instrument.

Financial liabilities arising from borrowings, trade payables (suppliers, other creditors, etc.) and equity instruments, as well as any related derivative contracts that are not quoted in an active market or whose fair value cannot be reliably determined, are carried at cost or amortised cost.

An entity must derecognise a financial liability (or part of a financial liability) only when it is extinguished, that is, when the contractual obligation is settled, cancelled or expired.

4.12. Income tax

The Company is subject to corporate income tax (IRC) at a rate of 17 % on the taxable amount up to €25,000, and at a rate of 21 % on the remaining taxable amount. To the corporate income tax thus obtained is added a surcharge on the taxable income, the rate of which may vary up to 1.5%, and the autonomous tax on fees, in accordance with the rates set forth in Article 88 of the Corporate Income Tax Code. In order to determine the taxable amount, to which the aforementioned tax rate is applied, the amounts not recognised for tax purposes are added to and subtracted from the accounting result. The difference between the accounting result and the tax result may be temporary or permanent.

Income tax for the period comprises current tax and deferred tax. Income taxes are recognised in the statement of profit or loss, except to the extent that they relate to items recognised directly in equity. The amount of current income tax payable is determined on the basis of the total profit before tax, adjusted in accordance with tax regulations.

4.13. Provisions, contingent liabilities and contingent assets

Provisions are recognised when OMIP has: *i)* a present legal or constructive obligation as a result of past events; *ii)* it is more probable that an outflow of resources embodying economic benefits will not be required to settle the obligation; and *iii)* the amount can be reasonably estimated. Whenever one of the criteria is not met or the liability is contingent on the occurrence (or non-occurrence) of a future event, OMIP discloses it as a contingent liability, unless the assessment of the enforceability of the outflow of resources to settle it is considered remote.

Provisions are measured at the present value of the estimated expenditure required to settle the obligation, using a pre-tax discount rate that reflects market assessments for the discount period and for the risk of the provision in question.

Contingent liabilities are not recognised in the financial statements but are always disclosed whenever the possibility of an outflow of resources embodying economic benefits is probable.

4.14. Expenses and income

Expenses and income are recognised in the period to which they relate, regardless of when they are paid or received, in accordance with the principles of accrual accounting. The differences between the amounts received and paid and the corresponding income and expenses are recognised as assets or liabilities when they qualify as such.

4.15. Revenue

Revenue is the fair value of the amounts received or receivable for the sale of goods and/or services in the ordinary course of OMIP's activities. Revenue is presented net of actual or estimated amounts, or both, for sales returns, trade discounts, volume discounts, and pre-payments or cash payments. These amounts are estimated on the basis of historical information, specific contractual terms or future expectations regarding the development of revenue, and are deducted when from revenue when it is recognised, by recognising the corresponding liability. Where there is a formal agreement for the deferral of amounts receivable, the fair value of the revenue is determined using the effective interest method, which is the rate that exactly discounts estimated future cash payments or receipts over the expected recovery period.

Revenue from the sale of products is recognised when: *i)* the amount of revenue can be measured reliably; *ii)* it is probable that the economic benefits of the transaction will flow to OMIP; and *iii)* a significant portion of the risks and rewards of ownership have been transferred to the buyer.

Revenue from the rendering of services is recognised by reference to the stage of completion or to the contract period if the rendering of the service is not linked to the performance of specific activities but to the continuous provision of the service.

4.16. Distribution of dividends

The distribution of dividends to OMIP shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by its shareholders.

4.17. Netting of balances and transactions

Assets, liabilities, income and expenses are not offset unless required or permitted by the NCRF (*Accounting and Financial Reporting Standards*).

4.18. Principal accounting estimates and assumptions presented

Estimates and judgements with an impact on OMIP's financial statements are continually evaluated and represent the Board's best estimate at each reporting date, taking into account historical performance, accumulated experience and expectations about future events that are believed to be reasonable in the circumstances.

The nature of estimates is such that the actual outcome of the situations that have been estimated for financial reporting purposes may differ from the estimated amounts. The estimates and judgements that carry a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the following period are as follows:

RELEVANT ACCOUNTING ESTIMATES

4.18.1. Provisions

OMIP periodically analyses all liabilities arising from past events that should be recognised or disclosed.

The subjectivity involved in determining the probability and internal resources required to settle the liabilities may result in significant adjustments due to changes in the assumptions used or due to the future recognition of provisions previously disclosed as contingent liabilities.

4.18.2. Property, plant and equipment

The determination of the useful lives of assets and the depreciation method to be used is key to the determination of the depreciation/amortisation recognised in the income statement for each period.

These two parameters are determined using the best judgement of the Board of Directors for the assets and businesses concerned, taking into account, where possible, the practices of companies in the sector at an international level.

4.18.3. Impairment

The determination of an impairment loss may be triggered by various events, many of which are beyond OMIP's control, such as: *i)* future availability of financing; and *ii)* cost of capital or other changes internal or external to OMIP.

The identification of impairment indicators, the estimation of future cash flows and the determination of the fair value of assets require management to exercise significant judgement in identifying and assessing various impairment indicators, expected cash flows, applicable discount rates, useful lives and residual values.

4.19. Events after the balance sheet date

Subsequent events that provide additional information about conditions existing at the date of the financial statements are disclosed in the Company's financial statements. Significant events after the balance sheet date that provide information about situations occurring after the balance sheet date are disclosed in the notes to the financial statements.

5 Cash flow

5.1. Cash and cash equivalents not available for use

OMIP has no cash balance or cash equivalent with restrictions on their use for the periods under review.

5.2. Breakdown of values posted under “Cash” and “Bank deposits”

Breakdown of cash and bank deposits as at 31 December 2023 and 31 December 2022:

	<u>31-12-2023</u>	<u>31-12-2022</u>
Cash	887	887
Bank deposits	<u>1 060 049</u>	<u>790 727</u>
	<u>1 060 936</u>	<u>791 614</u>

Breakdown of the amount considered as final balance under “Cash and cash equivalents” for the purpose of preparing the cash flow statement for the years ended 31 December 2023 and 31 December 2022:

	<u>31-12-2023</u>	<u>31-12-2022</u>
Cash	887	887
Bank deposits	<u>1,060,049</u>	<u>790,727</u>
	<u>1,060,936</u>	<u>791,614</u>

6 Accounting policies, changes in accounting estimates and errors

6.1. Changes in standards

During the period in question, no new standards, changes or interpretations of existing rules were published that should be considered by OMIP.

6.2. Changes in accounting policies

During the period in question, there were no changes in the accounting policies considered in the preparation of these financial statements.

6.3. Changes in accounting estimates

During the period in question, there were no changes in the accounting estimates considered in the preparation of these financial statements.

6.4. Prior period errors

During the period in question, no errors were identified that concerned prior periods.

7 Property, plant and equipment

Changes recognised under the heading “Property, plant and equipment” as at 31 December 2022:

	<u>Vehicles</u>	<u>Office equipment</u>	<u>Total</u>
1 January 2022			
Acquisition cost	43,089	1,766,077	1,809,166
Accumulated depreciation	<u>(43,089)</u>	<u>(1,759,404)</u>	<u>(1,802,495)</u>
Net book value	<u>-</u>	<u>6,673</u>	<u>6,673</u>
Additions	-	207	207
Disposals	-	(4,954)	(4,954)
Depreciation in the period	-	(4,012)	(4,012)
Depreciation - disposals	-	4,954	4,954
Net book value	<u>-</u>	<u>2,868</u>	<u>2,868</u>
31 December 2022			
Acquisition cost	43,089	1,761,330	1,804,419
Accumulated depreciation	<u>(43,089)</u>	<u>(1,758,462)</u>	<u>(1,801,551)</u>
Net book value	<u>-</u>	<u>2,868</u>	<u>2,868</u>

Changes recognised under “Property, plant and equipment” as at 31 December 2023:

	<u>Vehicles</u>	<u>Office equipment</u>	<u>Total</u>
1 January 2023			
Acquisition cost	43,089	1,761,330	1,804,419
Accumulated depreciation	<u>(43,089)</u>	<u>(1,758,462)</u>	<u>(1,801,551)</u>
Net book value	<u>-</u>	<u>2,868</u>	<u>2,868</u>
Transfers and write-offs	-	1,681	1,681
Depreciation in the period	-	(1,816)	(1,816)
Net book value	<u>-</u>	<u>2,733</u>	<u>2,733</u>
31 December 2023			
Acquisition cost	43,089	1,763,011	1,806,100
Accumulated depreciation	<u>(43,089)</u>	<u>(1,760,278)</u>	<u>(1,803,367)</u>
Net book value	<u>-</u>	<u>2,733</u>	<u>2,733</u>

Depreciation of property, plant and equipment is recognised in full in the Income Statement under Depreciation and amortisation expense/reversals.

Additions to property, plant and equipment during the period ended 31 December 2023 mainly relate to equipment.

As at 31 December 2023, amortisation amounted to €1,816.

8 Intangible fixed assets

Changes recognised under “Intangible assets” as at 31 December 2022:

	Development projects	Total
1 January 2022		
Acquisition cost	341,392	341,392
Accumulated depreciation	(53,444)	(53,444)
Net book value	287,948	287,948
Additions	47,280	47,280
Depreciation in the period	(118,248)	(118,248)
Net book value	216,980	216,980
31 December 2022		
Acquisition cost	388,672	388,672
Accumulated depreciation	(171,692)	(171,692)
Net book value	216,980	216,980

Changes recognised under “Intangible assets” as at 31 December 2023:

	Development projects	Total
1 January 2022		
Acquisition cost	388,672	388,672
Accumulated depreciation	(171,692)	(171,692)
Net book value	216,980	216,980
Additions	135,946	135,946
Depreciation in the period	(149,954)	(149,954)
Net result	202,972	202,972
31 December 2023		
Acquisition cost	524,618	524,618
Accumulated depreciation	(321,646)	(321,646)
Net result	202,972	202,972

The addition of development projects related to the development of the auction platform. As at 31 December 2023, the depreciation of intangible fixed assets amounted to €149,954.

9 Financial investments - Equity method

As at 31 December 2023 and 31 December 2022, the investment in associated companies represents 50% of the share capital of OMIClear – C.C., S.A.

Breakdown of the associated company:

	<u>31-12-2023</u>	<u>31-12-2022</u>
	<u>OMIClear</u>	<u>OMIClear</u>
Assets		
Non-current	465,970	570,692
Current	<u>909,012,104</u>	<u>2,552,027,797</u>
	<u>909,478,074</u>	<u>2,552,598,489</u>
Liabilities		
Non-current	223,750	206,989
Current	<u>896,042,923</u>	<u>2,539,066,517</u>
	<u>896,266,673</u>	<u>2,539,273,506</u>
Equity capital	<u>13,211,401</u>	<u>13,324,983</u>
Activity in the year		
Revenue	5,493,926	6,160,923
Expenditure	<u>(4,207,508)</u>	<u>(4,048,680)</u>
Net result	<u>1,286,418</u>	<u>2,112,243</u>
% shareholding	50%	50%
	<u>643,209</u>	<u>1,056,121</u>

Changes in the investment for the periods under review:

2.º Quadro

	<u>OMIClear</u>
1 January 2022	5,656,370
Dividends received	(50,000)
Gains/Losses	<u>1,056,121</u>
31 December 2022	<u>6,662,491</u>
Dividends received	(700,000)
Gains/Losses	<u>643,209</u>
31 December 2023	<u>6,605,700</u>

In 2023, dividends of €700,000 were received from OMIClear (2022: €50,000).

10 Other financial investments

The amount of other financial investments refers to the monthly contributions made by the company to the Labour Compensation Fund (FCT – *Fundo de Compensação do Trabalho*), in accordance with Law 70/2013.

11 Clients

Breakdown of “Clients” for the periods ended 31 December 2023 and 31 December 2022:

	31-12-2023			31-12-2022		
	Current	Non-current	Total	Current	Non-current	Total
Clients - Related parties (Note 32)	96,900	-	96,900	66,900	-	66,900
Clients - Third parties	264,173	-	264,173	192,734	-	192,734
	361,073	-	361,073	259,634	-	259,634
Impairment	-	-	-	-	-	-
	361,073	-	361,073	259,634	-	259,634

There were no differences between the carrying amounts and fair values in the periods under review.

12 State and other public entities

“State and other public entities” balances as at 31 December 2023 and 31 December 2022:

	31-12-2023		31-12-2022	
	Debtor	Creditor	Debtor	Creditor
Corporate tax - IRC	-	45,544	205,076	-
Income tax - IRS	-	24,203	-	35,542
Value added tax - IVA	-	85,046	-	33,202
Contributions to Social Security	-	25,323	-	34,342
	-	180,116	205,076	103,086

Corporate income tax income (IRC) for the reported periods:

	31-12-2023	31-12-2022
Pre-payments	27,696	243,723
Withholding tax	-	12,500
Corporate tax estimate	(73,240)	(51,147)
	(45,544)	205,076

13 Other receivables

Breakdown of “Other receivables” as at 31 December 2023 and 31 December 2022:

	31-12-2023			31-12-2022		
	Current	Non-current	Total	Current	Non-current	Total
Other debtors						
OMIClear (Note 32)	121,404	-	121,404	73,252	-	73,252
OMIP (Note 32)	-	-	-	22,993	-	22,993
REN - Gasodutos (Note 32)	67,238	-	67,238	67,238	-	67,238
REN Rede Elétrica Nacional (Note 32)	11,775	-	11,775	-	-	-
Adene (security)	-	-	-	58,925	-	58,925
Other	140	-	140	137	-	137
Accrued income						
Other	138,072	-	138,072	30,000	-	30,000
	338,629	-	338,629	252,545	-	252,545
Impairment						
	-	-	-	-	-	-
	338,629	-	338,629	252,545	-	252,545

Breakdown of the heading “Other accrued income”:

	31-12-2023	31-12-2022
GPMC accruals	19,950	-
MGEN	26,861	-
It Consulting	1,237	-
REMIT	5,000	-
Auctions	81,000	-
Market Monitoring	-	30,000
Other	4,024	-
	138,072	30,000

The auction amount refers to the SLR auction (€29,000) and the Reserve Band auction (€52,000), both held in December 2023.

There are no differences between the carrying amount and their fair value for the periods in question.

14 Deferrals

Balances under “Deferrals” as at 31 December 2023 and 31 December 2022:

Assets	31-12-2023	31-12-2022
	Insurance	6,249
Contributions/levies	4,953	4,167
Bloomberg	4,282	4,298
Other	30,077	32,589
	45,561	47,053
Liabilities		
	31-12-2023	31-12-2022
FTP	-	937
	-	937



15 Share capital

As at 31 December 2023 and 31 December 2022, OMIP's share capital of €2,500,000 was fully subscribed, paid up and represented by 250,000 shares, with a nominal value of €10 each.

Breakdown of share capital as at 31 December 2023 and 31 December 2022:

	<u>% Share</u>	<u>Capital</u>
OMIP	50.00%	1,250,000
OMEL	50.00%	1,250,000
	100.00%	2,500,000

16 Issue premium

Issue premiums of €1,193,711 resulted from a share capital increase in 2004 when OMEL acquired a stake in the Company and from a capital increase by the former shareholder REN. Part of this amount was subsequently used to cover a capital increase.

17 Legal reserves

Under current company law, the company is required to transfer at least 5% of its annual net profit to the legal reserve until it reaches 20% of the capital. This reserve cannot be distributed unless the company is liquidated, but may be used to absorb losses after other reserves have been used, or may be added to capital.

As at 31 December 2023, this reserve amounted to €597,677 (2022: €475,836).

18 Adjustments to equity

The amount of €1,114,928 under this heading corresponds to the revaluation of OMIClear following the sale of 50% by OMIP to OMIE in September 2013.

19 Suppliers

Breakdown of the heading including all current "Suppliers" as at 31 December 2023 and 31 December 2022:

	<u>31-12-2023</u>	<u>31-12-2022</u>
Suppliers	107,828	217,212
	107,828	217,212

20 Other payables

Breakdown of "Other payables" as at 31 December 2023 and 31 December 2022:

	31-12-2023			31-12-2022		
	Current	Non-current	Total	Current	Non-current	Total
Supplier investments						
General suppliers	25,490	-	25,490	-	-	-
	25,490	-	25,490	-	-	-
Other creditors						
OMIClear (Note 32)	-	-	-	3,500	-	3,500
Other	1,952	-	1,952	7,878	-	7,878
	1,952	-	1,952	11,378	-	11,378
Creditors due to accrued expenses						
Staff costs	264,896	-	264,896	262,850	-	262,850
Other	34,330	-	34,330	37,977	-	37,977
	299,226	-	299,226	300,827	-	300,827
	326,668	-	326,668	312,205	-	312,205

21 Services provided

Breakdown of services provided and recognised in the statement of profit or loss:

	31-12-2023	31-12-2022
Services provided - Natural Gas	564,016	680,571
Licences and FTP	501,009	438,580
Admission and maintenance fees	366,143	342,070
Guarantee of origin auctions	298,850	376,789
Remit (Note 32)	278,040	226,640
Services provided - Electricity	245,760	126,665
EEX	199,958	17,372
Market Monitoring (Note 32)	120,000	120,000
Variable fees	103,295	128,455
Training	14,800	27,075
	2,691,871	2,484,217

There was a general increase in this item. The main increases are *i)* services provided in the electricity sector due to the auctions; *ii)* restart of the EEX contract from March 2022; *iii)* increase in licences and FTP as well as admission and maintenance fees, and; *iv)* the Remit contract has been negotiated for 2023.

22 Supplies and external services

Breakdown of costs incurred with "Supplies and external services":

	<u>31-12-2023</u>	<u>31-12-2022</u>
Specialised works	875,753	893,017
Travel and accommodation	46,836	42,588
Rents and other office expenses	108,828	108,831
Fees	3,750	5,331
Insurance	21,676	20,282
Commission and banking services	2,397	2,182
Other	21,001	30,825
	<u>1,080,241</u>	<u>1,103,056</u>

The most significant items under "Supplies and external services" are specialised tasks, which mainly include (i) the maintenance of systems and access to IT platforms, and (ii) the management fees, which compensate other Group employees for their work on behalf of OMIP.

23 Staff costs

Breakdown of "Staff costs" incurred during the periods ended 31 December 2023 and 2022:

	<u>31-12-2023</u>	<u>31-12-2022</u>
Remunerations		
Governing bodies	266,409	207,720
Staff	903,663	885,115
	<u>1,170,072</u>	<u>1,092,835</u>
Social charges	257,681	247,035
Other	24,998	12,814
	<u>282,679</u>	<u>259,849</u>
	<u>1,452,751</u>	<u>1,352,684</u>

The increase in staff costs is due to: i) the fact that the Chair has waived their variable bonus for 2021; and; ii) salary increases, in the case of increased staff costs.

The average number of OMIP employees in 2023 was 13 (2022: 13).

24 Other income and gains

Breakdown of “Other income and gains”:

	<u>31-12-2023</u>	<u>31-12-2022</u>
Management fees (Note 32)	27,746	55,437
OMIClear contract (Note 32)	230,000	184,000
OMIP SA contract (Note 32)	127,836	127,836
Other	1,513	8,099
	<u>387,095</u>	<u>375,372</u>

The heading “Management fees” includes the debit amounts charged by OMIP to other Group companies for the provision of human resources to carry out the work resulting from the activities of those companies.

The amounts charged to each company are €230,000 for OMIClear, €27,746 for OMIP, and €127,836 for OMIP, SA.

25 Other expenses and losses

Breakdown of “Other expenses and losses”:

	<u>31-12-2023</u>	<u>31-12-2022</u>
Costs with market operations	25,519	29,273
Contributions/levies	34,148	31,880
Taxes	1,403	634
Other	4,034	6,270
	<u>65,104</u>	<u>68,057</u>

Costs recognised as market operations include fixed monthly fees/commissions charged by market makers. These members ensure an adequate level of liquidity and depth of quotes. The variation recorded is due to lower volumes traded in 2023 compared to 2022. These costs also include a fee charged by CMVM since 2018, which varies according to the volumes traded.

The item “Contributions/levies” includes the costs borne by the Company in 2023 and 2022 as a result of its membership of organisations in the sector, namely the *Associação Portuguesa de Energia*, APEX (*Association of Power Exchanges*) and EUROPEX, among others.

26 Financial expenditure and income

Breakdown of "Financial expenditure and income" for the years 2023 and 2022:

	<u>31-12-2023</u>	<u>31-12-2022</u>
Financial expenditure		
Other financial expenditure	285	100
	285	100

27 Income tax

Breakdown of "Income tax" as at 31 December 2023 and 31 December 2022:

	<u>31-12-2023</u>	<u>31-12-2022</u>
Current income tax	73,240	51,147
	73,240	51,147

The tax rate used to measure taxable differences at the balance sheet date for the year ended 31 December 2023 was 17% for taxable amounts up to €50,000 and 21% for amounts in excess thereof, plus a surcharge of 1.5% (2022: 17% up to €25,000, 21% for amounts in excess thereof, and a surcharge of 1.5%).

27.1. Deferred taxes

As at 31 December 2022 and 31 December 2021, there were no situations that would result in deferred tax assets or liabilities.

27.2. Reconciliation of tax rate

Reconciliation of the effective tax rate for the periods ended 31 December 2023 and 2022:

	<u>31-12-2023</u>		<u>31-12-2022</u>	
Pre-tax result	50,000	923,705	25,000	1,244,553
Tax rate	17.0%	21.0%	17.0%	21.0%
	8,500	193,978	4,250	261,356
	202,478		265,606	
Non-deductible expenses	553		1,262	
Non-taxable income	(138,621)		(225,133)	
Surcharge	4,744		3,053	
Autonomous taxation	4,086		6,359	
	73,240		51,147	
Current income tax	73,240		51,147	
Income tax	73,240		51,147	
Effective tax rate	7.5%		4.0%	

Tax rate used for determining the amount of tax in the financial statements:

	31-12-2023	31-12-2022
Tax rate up to €50,000	17.00%	17.00%
Tax rate for the remaining amount	21.00%	21.00%
Surcharge	1.50%	1.50%
	20.50%	20.50%

28 Dividends

As at 31 December 2023, OMIP had paid dividends in the amount of €700,000 to the shareholders of OMIP and OMEL, in proportion to their shareholding in the Company's equity (in 2022: €845,864).

29 Commitments

As at 31 December 2023 and 31 December 2022, there are no other commitments entered into by the Company that are not reflected in the financial statements.

30 Contingencies

CONTINGENT LIABILITIES

As at 31 December 2023 and 31 December 2022, OMIP did not record any contingent liabilities.

CONTINGENT ASSETS

As at 31 December 2023 and 31 December 2022, OMIP did not record any contingent assets.

31 Information required by law

In accordance with Article 21(1) of Decree-Law No. 411/91 of 17 October 1991, OMIP confirms that it does not owe any social security contributions or taxes to the Treasury.

32 Related companies

As at 31 December 2023 and 2022, OMIP was held 50% by OMIP – Operador do Mercado Ibérico (Portugal), SA and 50% by OMEL – Operador del Mercado Ibérico de Energia, Pólo Español, SA:

NATURE OF THE RELATIONSHIP WITH RELATED COMPANIES:

Shareholders:

- OMIP
- OMEL

Subsidiaries:

- OMIClear – C.C., SA

Other related companies:

- OMI – Polo Español, SA
- REN – Rede Elétrica Nacional, S.A.
- REN – Gasodutos, S.A.
- REN – Serviços, S.A.
- Caixa Geral de Depósitos, S.A.
- Banco Comercial Português, S.A.
- EDP – Energias de Portugal, S.A.
- Naturgy Energy Group, S.A.
- Iberdrola Generacion Española, S.A.U.

32.1. Transactions with shareholders:

In the periods concerned, OMIP made the following transactions with its shareholders:

	<u>31-12-2023</u>	<u>31-12-2022</u>
Services acquired		
OMIP (Note 22)	17,581	25,350
	<u>17,581</u>	<u>25,350</u>
Services provided		
OMIP (Note 24)	27,746	55,437
	<u>27,746</u>	<u>55,437</u>

32.2. Debit and credit balances with shareholders

For the periods ended 31 December 2023 and 31 December 2022, the balances arising from transactions made with the shareholders are as follows:

	<u>31-12-2023</u>	<u>31-12-2022</u>
Other trade receivable		
OMIP (Note13)	-	22,993
	<u>-</u>	<u>22,993</u>

32.3. Transactions with subsidiaries

The following transactions were carried out with the subsidiary OMIClear during the periods under review:

	<u>31-12-2023</u>	<u>31-12-2022</u>
Services acquired		
OMIClear (Note 22)	46,293	85,344
	<u>46,293</u>	<u>85,344</u>
Services provided		
OMIClear (Notes 21 and 24)	480,000	384,000
	<u>480,000</u>	<u>384,000</u>

32.4. Debit and credit balances with subsidiaries

As at 31 December 2023 and 31 December 2022, the balances resulting from transactions made with other subsidiaries are as follows:

	<u>31-12-2023</u>	<u>31-12-2022</u>
Other trade receivables		
OMIClear (Note 13)	121,404	73,252
	<u>121,404</u>	<u>73,252</u>
Other trade payables		
OMIClear (Note 20)	-	3,500
	<u>-</u>	<u>3,500</u>

32.5. Transactions with other related companies

During the periods concerned, OMIP made the following transactions with the entities below:

	<u>31-12-2023</u>	<u>31-12-2022</u>
Services provided		
REN - Gasodutos (Note 21)	217,560	211,140
REN - Rede Energética Nacional (Note 21)	79,760	26,665
EDP - Energias de Portugal, SA (Note 21)	34,362	44,280
EDP GEM Portugal (Note 21)	16,751	-
SU Eletricidade, SA (Note 21)	559,858	623,897
OMIP SA (Note 24)	127,836	127,836
OMIE (Note 21)	120,000	120,000
	<u>1,156,127</u>	<u>1,153,819</u>



32.6. Debit and credit balances with other related companies

As at 31 December 2023 and 31 December 2022, the balances resulting from transactions made with other related companies are as follows:

	<u>31-12-2023</u>	<u>31-12-2022</u>
Clients		
REN - Gasodutos (Note 11)	66,900	66,900
SU Eletricidade (Note 11)	-	89,680
OMIE (Note 11)	30,000	-
	<u>96,900</u>	<u>156,580</u>
Other trade receivables		
REN - Gasodutos (Note 13)	67,238	45,482
REN Rede Eléctrica Nacional (Note 13)	11,775	-
	<u>79,013</u>	<u>45,482</u>

32.7. Management remunerations

Remunerations earned by the members of OMIP's Board of Directors during the periods ended 31 December 2023 and 2022:

	<u>31-12-2023</u>	<u>31-12-2022</u>
Salaries and other remunerations	188,250	195,720
Gratuities and bonuses	78,159	12,000
	<u>266,409</u>	<u>207,720</u>

33 Subsequent events

Up to the date of approval of these financial statements, the Board of Directors was not aware of any subsequent events that would require disclosure.

34 Proposed appropriation of profits

The Board of Directors has decided, in accordance with and for the purposes of Article 25 of the Company's Articles of Association, to propose that the net result for 2023, amounting to €900,465 (nine hundred thousand, four hundred and sixty-five euros) be appropriated as follows:

To legal reserve.....	€ 90 046.00
To distribution of dividends.....	€ 550 000.00
To retained earnings.....	€ 260 418.00

Lisbon, 21 March 2024

The Board of Directors

Carmen Becerril Martinez
Presidente

Martim Vasconcelos e Sá
Vice-Presidente

Abengoa, S.A.
(*Vacant position*)

Caixa Geral de Depósitos, S.A.
Marco Filipe Gomes Torres Lourenço

Carlos Martin de los Santos Bernardos

EDP - Energias de Portugal, S.A.
Pedro Neves Ferreira

Endesa Generación Portugal, S.A.
Adolfo Javier de Rueda Villén

Ignacio Zumalave Freire

Naturgy Energy Group
Gregorio Morales Schmid

REN - Redes Energéticas Nacionais, SGPS, S.A.
Maria José Menéres Duarte Pacheco Clara

REN Serviços, S.A.
Pedro Henriques Gomes Cabral

Santiago Gómez Ramos

The Certified Accountant

Manuela Lopes dos Santos
Certified account, Licence no. 85946





ANNEXES

STATUTORY AUDITOR'S REPORT



Ernst & Young
Audit & Associados - SROC, S.A.
Avenida da Índia, nº 10, Piso 1
1349-066, Lisboa
Portugal

Tel: +351 217 912 000
Fax: +351 217 957 586
www.ey.com

(Translation from the original Portuguese language. In case of doubt, the Portuguese version prevails)

Statutory Auditor's Report

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of OMIP - Polo Português, S.G.M.R., S.A. (the Entity), which comprise the Balance Sheet as at 31 December 2023 (showing a total of 8.625.726 euros and a total equity of 8.011.114 euros, including a net profit for the year of 900.465 euros), the Income Statement by Nature, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and the Annex, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of the OMIP - Polo Português, S.G.M.R., S.A. as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with the Accounting and Financial Reporting Standards adopted in Portugal under the Portuguese Accounting System.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and other technical and ethical standards and guidelines as issued by the Institute of Statutory Auditors. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section below. We are independent of the Entity in accordance with the law and we have fulfilled other ethical requirements in accordance with the Institute of Statutory Auditors' code of ethics.

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

Responsibilities of Management for the financial statements

Management is responsible for:

- ▶ the preparation of financial statements that presents a true and fair view of the Entity's financial position, financial performance and cash flows in accordance with Accounting and Financial Reporting Standards adopted in Portugal under the Portuguese Accounting System;
- ▶ the preparation of the Management Report in accordance with the laws and regulations;
- ▶ designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- ▶ the adoption of accounting policies and principles appropriate in the circumstances; and
- ▶ Assessing the Entity's ability to continue as a going concern, and disclosing, as applicable, matters related to going concern that may cast significant doubt on the Entity's ability to continue as a going concern.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 financial statements.

STATUTORY AUDITOR'S REPORT



OMP - Polo Português, S.G.M.R., S.A.
Statutory Auditor's Report
31 December 2023

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

- ▶ identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern;
- ▶ evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- ▶ communicate with those charged with governance, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibility also includes the verification that the information contained in the Management Report is consistent with the financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the Management Report

In our opinion, the Management Report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited financial statements and we have not identified any material misstatement.

Lisbon, 15 April 2024

Ernst & Young Audit & Associados - SROC, S.A.
Sociedade de Revisores Oficiais de Contas
Represented by:

(Signed)

Rui Abel Serra Martins - ROC nr. 1119
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OMIP – Pólo Português, S.G.M.R., S.A.
Av. Casal Ribeiro, n.º 14 – 8º // 1000-092 Lisboa – Portugal
www.omip.pt // omip@omip.pt
Tel: +351 21 000 6000