

Nasdaq Copenhagen A/S

Nikolaj Plads 6

1067 Copenhagen K

CVR No. 19042677

Annual Report 2020

The Annual General Meeting adopted the
annual report on 26 May 2021

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Rose Marie Wulff

Chairman of the General Meeting

Nasdaq Copenhagen A/S

Annual Report 2020

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Nasdaq Copenhagen A/S

Annual Report 2020

Management's Statement

The Board of Directors and Management have today discussed and approved the Annual Report of Nasdaq Copenhagen A/S for the financial year 1 January - 31 December 2020.

The Annual Report is submitted in accordance with the Danish Financial Statements Act.

It is our opinion, the Financial Statements give an accurate account of the Company's assets, liabilities and financial position as of 31 December 2020 as well as the result of the Company's activities for the financial year 1 January - 31 December 2020.

We believe that the Management's Review gives a fair review of the matters and conditions referred to therein.

We recommend the Annual Report to be approved at the Annual General Meeting.

Copenhagen, 26 May 2021

Executive Board

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Nikolaj Kosakewitsch

CEO

Board of Directors

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Lauri Mikael Rosendahl

Chairman

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Bjørn Sibbern

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Birger Schmidt

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Gunilla Hellqvist

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Wendy Jephson

Independent Auditor's Report

To the shareholders of Nasdaq Copenhagen A/S

Opinion

We have audited the financial statements of Nasdaq Copenhagen A/S for the financial year 1 January – 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Independent Auditor's Report

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

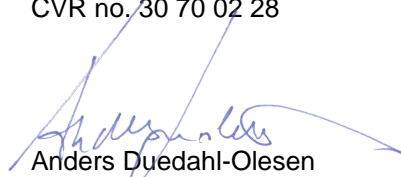
Nasdaq Copenhagen A/S

Annual Report 2020

Independent Auditor's Report

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 26 May 2021
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Anders Duedahl-Olesen
State Authorised
Public Accountant
mne24732

Nasdaq Copenhagen A/S

Annual Report 2020

Company Information

The Company

Nasdaq Copenhagen A/S
Nikolaj Plads 6
1067 Copenhagen K

CVR no: 19042677
Date of foundation: 10.01.1996
Registered office: Copenhagen
Financial year: 1 January - 31 December 2020

Phone : +45 33933366
Website: www.nasdaqomxnordic.com

Board of Directors

Lauri Mikael Rosendahl, Chairman
Bjørn Sibbern
Birger Schmidt
Gunilla Hellqvist
Wendy Jephson

Executive Board

Nikolaj Kosakewitsch, CEO

Auditors

EY Godkendt Revisionspartnerselskab
Dirch Passer Allé 36
2000 Frederiksberg

CVR no: 30700228

Financial Highlights

DKK'000	2020	2019	2018	2017	2016
Key figures					
Revenue	376,248	344,351	354,868	337,249	347,468
Gross profit	313,027	277,957	294,312	282,593	286,692
Operating profit	264,609	233,256	252,703	241,606	241,697
Net financials	(113)	(123)	(121)	68	129
Profit for the year	206,659	182,072	197,631	189,428	190,134
Total assets	408,087	344,317	355,403	340,478	342,308
Equity	329,986	303,327	311,255	317,095	315,667
Ratios					
Gross margin (%)	83.20	80.72	82.94	83.79	82.51
Net margin (%)	54.93	52.87	55.69	56.17	54.72
Return on equity (%)	65.27	59.25	62.90	59.87	62.22
Equity ratio (%)	80.01	88.10	87.58	93.13	92.22

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

Gross margin (%) :

$\frac{\text{Gross profit/loss} * 100}{\text{Revenue}}$

Net margin (%) :

$\frac{\text{Profit/loss for the year} * 100}{\text{Revenue}}$

Return on equity (%) :

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Equity ratio (%) :

$\frac{\text{Equity} * 100}{\text{Total assets}}$

Management's Review

Main activity

The main purpose for Nasdaq Copenhagen is to supply an effective and transparent infrastructure for issuers, members and investors. The company primarily generates income from three main areas: equity and debt listings, trading in securities and selling of information services. The sale is aimed at external clients as well as clients within the Nasdaq group.

Development in activities

Listing and capital markets

In 2020, Nasdaq Copenhagen had 16 new initial public offerings (IPO), compared to six IPOs in 2019. On the Main Market we listed Boozt.com, HusCompaniet and GreenMobility. GreenMobility was listed on Nasdaq First North in 2017 and moved to Nasdaq Main Market as a natural step for the company as they continue their growth.

Nasdaq First North had 13 new listings as a result of the work being done by Nasdaq Copenhagen over the years to strengthen the IPO market for small- and medium sized enterprises in Denmark. The new IPOs joining Nasdaq First North are from a wide group of sectors, and we are pleased to see industrial companies like WindowMaster and Alefarm Brewing go public.

Stenocare moved from a listing in Stockholm to Nasdaq First North in Copenhagen, which is an indication of a stronger investment culture in Denmark.

As a result of the high number of IPOs in 2020, more new capital was raised to support newly listed companies' growth and this increased from DKK 199 million in 2019 to DKK 1.2 billion in 2020.

During 2019 Genmab dual listed on Nasdaq in the US and in 2020 another Danish listed biotech company took the same journey. Orphazyme A/S completed a global offering, which included an IPO of American Depositary Shares on the Nasdaq Global Market in the US and a European private placement of ordinary shares. Orphazyme A/S raised DKK 535 million as part of the global offering.

During 2020, six companies were delisted - five on Main Market and one on First North, which is lower than in 2019.

Surveillance

During 2020, COVID-19 had a significant impact on the exchange environment - including investors, issuers, and individuals across the global community - and led to a need for the Nasdaq Nordic surveillance function to address the effects of the pandemic from market integrity and market quality perspective. During this period, volatility and trading volumes on our markets were up to five times higher than normal.

Therefore, a large part of the Surveillance work has involved training and dialogue with market participants, including listed companies, advisors, trading members and other customers and clients. In 2020 Surveillance hosted 26 educational seminars.

10 disciplinary rulings were decided by the Copenhagen Disciplinary Committee in 2020.

Trading and market development in the Equity and Equity Derivatives markets on Nasdaq Copenhagen

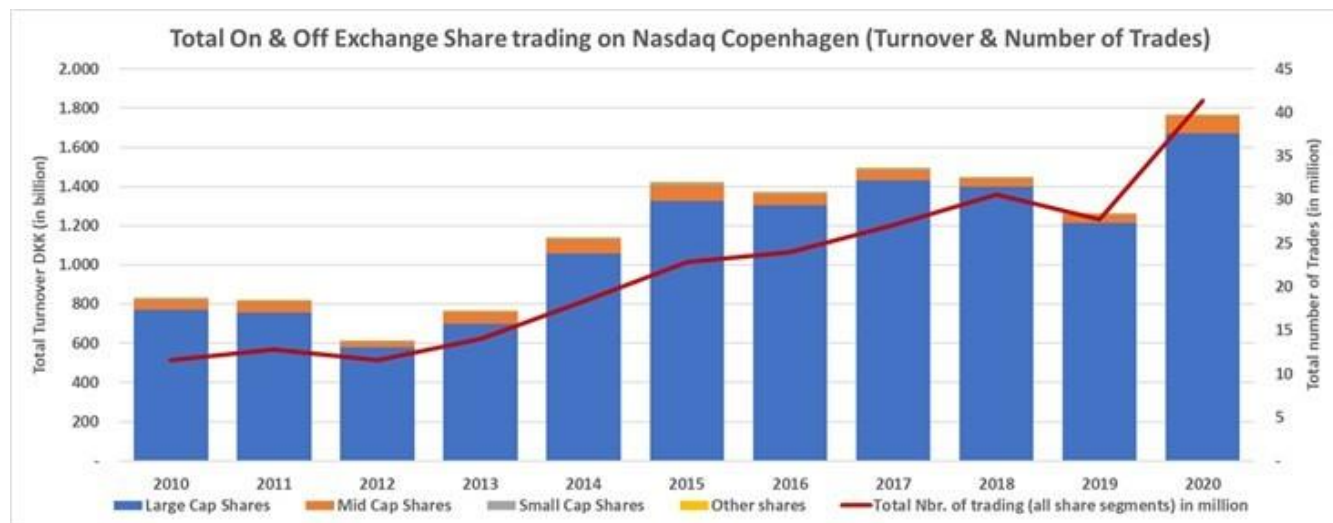
There was 250 trading days on Nasdaq Copenhagen in 2020, which was two trading days more than in 2019.

Management's Review (continued)

Share trading on Nasdaq Copenhagen

The Copenhagen All Share index saw, as all markets, a decline from end-February into mid-March due to COVID-19 uncertainty but continued to grow steadily again from mid-March throughout the remainder of the year. The Copenhagen All Shares index thereby ended 2020 with a +28.5% increase.

Nasdaq Copenhagen remains the second largest stock market in the Nordic region following Nasdaq Stockholm.



The increased volatility and market turmoil from COVID-19 etc. led to record high trading activity in Danish shares in 2020, in terms of both turnover and number of trades.

The total turnover in all Danish listed shares on Nasdaq Copenhagen was DKK 1,769 billion in 2020 vs DKK 1,260 billion in 2019, equivalent to a +40.4% increase.

The total number of trades were DKK 41.4 million in 2020, which was an increase of 49.1% year over year.

The trading in Large Cap shares was in 2020 94.5% of all share trading on Nasdaq Copenhagen, which was a slight decline in concentration by 1.7%-points, caused by increased interest for trading Copenhagen Mid-Caps stocks. The trading in Large Caps grew year over year by 37.9% to a total turnover of DKK 1,672 billion. The Danish Mid-Cap shares turnover increased to DKK 86.25 billion, equivalent to an increase of 116.8% year over year.

After the European MiFID II regulation came into force in the beginning of 2018 Danish equity market has seen increased competition and fragmentation in trading in Danish shares, but Nasdaq Copenhagen grew its Lit & Auction market share in 2020 by 4.8%-points to a market share of 81.7% by the end of 2020.

Nasdaq Copenhagen managed to grow the total consolidated price forming market share to 56.2% at the end of 2020 - up by 3.5%-points.

Management's Review (continued)

Listing and trading in Exchange Traded Funds (ETFs)

In 2019 Nasdaq listed the first passive tracker ETF, which is issued by XACT and tracks the OMXC25 index. Both the turnover and Market Cap (AUM) have slowly been increasing month over month, and in 2020 17,562 trades were made with a total turnover of DKK 1.3 billion.

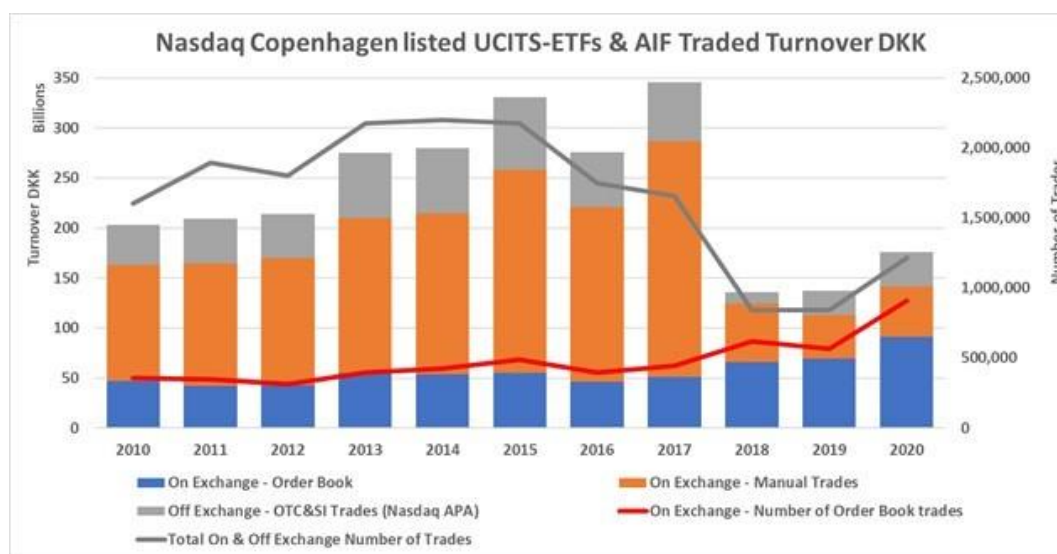
The Danish Investment funds market

The total Danish UCITS-ETF and AIF market on Nasdaq Copenhagen is continuously developing, with new issuers of active and passive managed funds coming into the market every year. By the end of 2020 483 funds were listed with total AUM of DKK 563.0 billion.

A clear trend in 2020 for both new listed funds as well as existing, was that around half were going directly towards Sustainable and ESG strategies.

On-Exchange Order Book turnover grew in 2020 to DKK 91.1 billion, equivalent to a 31.6% increase year over year.

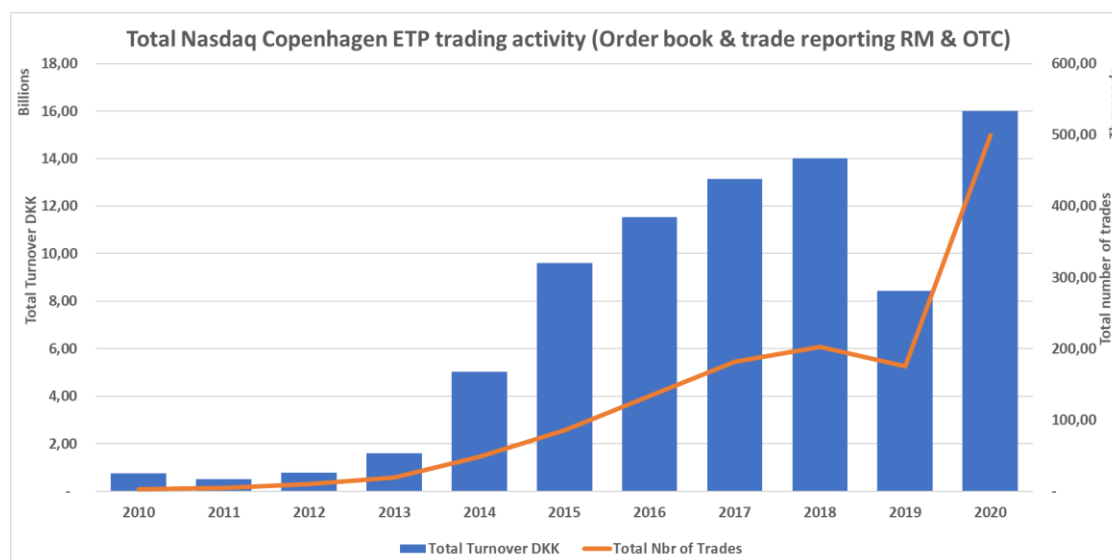
Total number of Order Book trades was 912,686 equal to a 61.8% increase year over year.



The development in Danish Exchange Traded Products (ETPs)

The total turnover in listed ETPs was DKK 16.0 billion in 2020, which was an increase of 89.4% compared to 2019, and making 2020 a new record high year. The high activity was driven by volatility in the markets and increased retail participation during the spring and fall of 2020.

Management's Review (continued)



Development in the Danish equity derivatives trading

The most traded derivatives contracts were yet again the Danish Single Stock Options with a total of 455,217 contracts traded in 2020, which was a decline of -13.7% from 2019 to 2020. The second most traded Danish derivatives contract in 2020 was still the C25 Index Future, which year over year declined in number of contracts traded by -18.4%. In 2020, Nasdaq Derivatives saw a total 688,079 Danish derivative contracts traded and cleared at Nasdaq Clearing. The total derivative market declined only by -5.9% due to increased interest in C25 Options, and also significantly more Stock Futures than in previous years.

Fixed Income

The total Fixed Income cash bond trading in 2020 on Nasdaq Copenhagen amounted DKK 4,986 billion. The total number of listed bonds on Nasdaq Copenhagen per December 2020 was 1,551.

A key addition to our Fixed Income offering in 2020 was the introduction of the Nasdaq Sustainable Bond Network. At the end of 2020 Nasdaq was very close to accomplish full European coverage of all Issuers who have issued Sustainable debt. In the first half of 2021, full global coverage is expected. Nasdaq has also released a Sustainable Bond Network portal for all Issuers.

A change was implemented to replace the current transaction fee agreement into a new membership agreement fee, terminating the old way of billing per trade. This was launched early 2020 with a fixed yearly fee and with an optional add-on for members to join other Nordic Stock Exchange at the same cost. This has resulted in a smaller increase in our revenue.

Nasdaq DKK Repo clearing business has experienced a slight decline from 2019 (1,273,968 contracts) to 2020 (1,235,164 contracts).

Management's Review (continued)

Market data products

The Nasdaq European Data Products business produces a wide variety of reliable, high quality data products. These offerings include data from a number of asset classes including equities, bonds, derivatives, commodities for the Nordic & Baltic markets, precious metal information for the London and Zurich market, and ESG tools covering global equity. Nasdaq offers its innovative market data products to professional and private investors worldwide to ensure investors have the essential tools to identify trends in the market and make qualified investment decisions. In 2020, the business continued to grow with the addition of new corporate actions products, data for Green Bonds, an increase in ESG coverage to cover more than 600 companies across the Nordics. The team also launched a new product, the Nasdaq ESG Footprint, in collaboration with Danish Fintech startup Matter. The tool gives investors the ability to analyze their holdings through an ESG lens.

Statement of social responsibility

As a global exchange and technology leader, we recognize our unique responsibility in championing inclusive growth for a more sustainable and prosperous future. By democratizing financial knowledge, we strive to equip all market participants, especially under-represented communities with the tools and knowledge to access wealth creation opportunities and participate in the capital markets. We can power stronger economies, create more equitable opportunities, and facilitate the efficient flow of capital. Our sustainability strategy is intrinsically linked to advancing Environmental, Social and Governance (ESG) in an ethical and efficient manner for capital market participants of all types.

For the last fifty years, Nasdaq has sat at the intersection of companies and the investor community and we continue to partner closely with both by developing innovative solutions and services that help create sustainable growth. As we enter into a new decade transformed by environmental and social challenges, we recognize opportunities and intend to play a pivotal role in helping our customers and partners navigate a quickly changing ESG landscape. Advancing our sustainability strategy internally and externally will require our organization to lead by example, starting with our ESG reporting. We look forward to advancing our role with our partners in the global economy as well as the local communities that we impact.

Exchanges, as well as many other industries, have recently experienced a strong push towards Environmental, Social and Governance (ESG) objectives and sustainable investments from stakeholders. We believe that this trend is here to stay and that it will have an escalating impact on our industry in the coming years.

We deem the following topics as material to our business;

- ESG products and Services
- Environmental and Climate Change Strategy
- Social and Employee Conditions
- Human Rights

ESG Products & Services

Nasdaq is a leading provider of ESG screened products and services. Through our fundamental role in financial markets, Nasdaq has the ability to adjust the flows of capital towards a more sustainable use.

Management's Review (continued)

Sustainable Debt Markets

We operate one of the leading markets for green, social and sustainable debt, the **Nasdaq Sustainable Debt Market**, where we provide dedicated segments for listed green, social and sustainable bonds, structured products and commercial papers. It was launched in 2015 and was the first of its kind.

Our sustainable debt markets are designed to highlight sustainable investment opportunities to investors with a green, social or sustainable investment agenda. It is open to all types of issuers that are looking to issue securities that meet our listing criteria, which are based on the green and social bond principles as well as the sustainability – linked bond principles, for which the International Capital Markets Association (ICMA) acts as a secretariat.

Total listed volumes on the Nasdaq Sustainable Debt Market increased **53 percent year over year** in 2020. Data from the Nasdaq Sustainable Bond Network shows that the issuers listing bonds at Nasdaq's Sustainable Debt Market in Europe together saved **9.5 million metric tons of greenhouse gas equivalents** through the investments financed by their sustainable bonds, as reported by the issuers in their latest annual reports. The emissions saved are equivalent to the greenhouse gas emissions for the population of Stockholm.

Other notable 2020 events on the Nasdaq Sustainable Debt Market include the Swedish Government's \$2 billion listing of the first Nordic sovereign green bond in September and the listing of the first corporate green bond in Finland, by Tornator, in October. Nasdaq European Debt Market is the joint brand name for all corporate bond, mortgage bond, sustainable bond and structured product markets at Nasdaq's European exchanges.

Sustainable Bond Network

We also provide **Nasdaq Sustainable Bond Network**, where the issuers can disclose their green, social and sustainability investments in an efficient reporting solution which increases transparency in the global sustainable bond market.

The **Nasdaq Sustainable Bond Network**, a data platform for issuers looking to showcase their sustainable bonds to investors, who in turn are able to access, compare and understand the impact of the bonds, has in the year since its launch grown into a leading solution for increased transparency on the global sustainable bond market. In 2020, over 300 issuers, including the Nordic Investment Bank, African Development Bank, IFC (a member of the World Bank Group), a number of major European banks as well as state and government agency issuers from Italy, Holland, Mexico, joined the platform.

A partnership between Nasdaq and SGX to expand the platform into the Asian-Pacific region was also announced to launch in 2021.

ESG Solutions for Corporates

The Nasdaq **ESG Advisory Program** pairs companies with consultative ESG expertise to help companies analyze, assess and action best-practices ESG programs with the goals of attracting long-term capital and enhancing value.

The **Center for Board Excellence (CBE)** delivers consultative services and technology that drive board excellence through board and CEO evaluations and digital director and officer questionnaires and disclosure solutions.

Our OneReport tool helps clients simplify the process of ESG data capture, engagement, oversight, and disclosure. With our software, corporations streamline their sustainable reporting and entire data management and disclosure process. Nasdaq's broader Corporate Platforms businesses support a range of ESG outcomes including identifying and engaging with investors on ESG topics, investor relations workflow platform, ESG stakeholder sentiment and secure Board collaboration tools.

Management's Review (continued)

ESG Data Disclosure Products

Nasdaq ESG Portal

As part of Nasdaq's commitment to more sustainable markets and to support our listed companies, we have implemented the Nasdaq ESG portal to provide a central repository and database for listed companies in the Nordics and Baltics. The portal captures a wide range of actionable environmental, social and corporate governance data, providing a cost-effective manner for firms to showcase their ESG efforts. The companies that report via the portal are given a report every quarter on how they compare to their peer group on a range of ESG metrics. For investors, standardised data for these companies can be accessed via a separate data feed, or through our Nordic Equity Totalview feed.

Nasdaq-listed firms seamlessly release their data directly into the portal, for compilation by Nasdaq into standardized ESG metrics which may then be integrated by each firm back into their portfolio and processes. The portal captures a wide range of actionable environmental, social and corporate governance data, providing a cost-effective manner for firms to showcase their ESG efforts.

In 2020 we had more than 517 corporates providing information to the portal. We anticipate to grow this number by more than 700 in 2021.

Nasdaq ESG Footprint

We also provide clients with an easy-to-implement reporting tool that measures the global sustainability effect of a portfolio and for analysis of individual securities. Through an intuitive dashboard, investors both retail and professional have access to the real-life effects of each investment, along with alternatives that may better suit an individual's sustainability goals. The detailed product offering covers a global list of 15,000 companies, with sentiment data for more than 38,000 companies. Amongst other data points, the dashboard provides 5 quantifiable impact metrics e.g. GHG-emissions, re-generation, waste production, more than 20 beneficial and controversial corporate topics e.g. weapons, tobacco, clean tech and more than 15 controversial sovereign issues e.g., corruption, financial secrecy, child labor.

ESG Index & Index Future

OMX Stockholm 30 ESG Responsible Index (OMXS30ESG) is an ESG responsible version of the OMX Stockholm 30 Index, which is the leading share index on Nasdaq Stockholm. Nasdaq was the first ESG Futures Index to be listed world-wide and the first ESG version of an established benchmark of an exchange. The OMXS30ESG is based on OMXS30, which consists of the 30 most traded securities on Nasdaq Stockholm, followed by a systematic criteria-based ESG screening where securities that fail the criteria are excluded. The index has excellent liquidity, which results in an index that is highly suitable as underlying for derivatives products. In addition OMXS30ESG is also constructed to be used for structured products, e.g. warrants, index bonds, exchange traded funds and other non-standardized derivatives products. The composition of the OMXS30ESG index is revised twice a year in start of July and January. The OMXS30ESG Index is a market cap weighted index.

Management's Review (continued)

Environmental and Climate Change Strategy

In 2020, we continued our carbon neutral program (includes Scope 1, Scope 2, Scope 3 – Business Travel, Employee Commute, Goods and Services purchased, inclusive of capital goods, waste & water) for the third consecutive year. The program aims to reduce and offset the Nasdaq carbon footprint of our global office and data center portfolio, corporate travel, waste and water use, employee commuting and goods and services consumption, among other areas, through the purchase of renewable energy credits and carbon offsets focused on carbon removal.

Climate change and resource scarcity are challenges to society and to business. As a responsible corporate citizen operating technology and exchange businesses across the globe, Nasdaq endeavors to lessen our environmental impact and make our operations efficient. We understand the importance of taking efforts to reduce our carbon footprint and actively promoting sustainable business operations.

To ensure that our efforts are effective, we are an active and longstanding UN Global Compact signatory and reaffirm our support every year for Principle 7: “Businesses should support a precautionary approach to environmental challenges.” Nasdaq leverages the precautionary approach in risk management generally, and particularly when it comes to climate action and awareness. This approach is directly in line with a corporate culture that values ethical business and innovation.

Internally, the Global Green team, one of employee networks, brings together Nasdaq employees who are passionate and knowledgeable about the environment and who want to drive change and sustainable initiatives in their office and community.

Through virtual education webinars, coffee breaks, newsletters and employee engagements, the Global Green team offers employee awareness trainings on ESG topics, on a range of ESG topics, such as supply chain, consumption, waste reduction/recycling, travel and how individuals can impact their communities.

With respect to our business functions, we account for a relatively small, manageable environmental impact due to the use of natural resources in our global operations. We focus our environmental efforts on a few key areas, including the way we use resources, manage our workspaces, and conduct business travel. These efforts seek to lessen the environmental impact of our organization by reducing atmospheric carbon emissions, and managing water and waste associated with our business. Nasdaq conserves natural resources by leveraging innovation, technology, education, and a culture of continuous improvement.

Nasdaq also encourage its suppliers to adopt sustainability and environmental practices in line with our published Environmental Practices Statement and our Supplier Code of Ethics.

To the extent practical and feasible, we expect suppliers to provide us with information to support our reporting and transparency commitments related to sustainability and environmental impacts.

On top of these reduction efforts, Nasdaq achieved carbon neutrality for 2020 through sourcing renewable electricity, the purchase of certified Renewable energy certificates (“RECS”) and Carbon offsets.

Our goal for 2021 is to achieve carbon neutrality via renewable energy credits that support adding new renewable energy to the energy distribution network and carbon offsets from projects that focus on carbon removal.

In addition to our current strategy, we also signed a science based commitment letter to set ambitious emissions reduction targets across our GHG inventory. As an ongoing commitment, we will continue to fully assess our emissions inventory and disclose on our progress towards our targets. In 2020, we have also undertaken the task of implementing and disclosing against the 11 TCFD recommendations. Our first Taskforce on Climate-related Financial Disclosures will be issued this year.

Management's Review (continued)

Nasdaq Copenhagen achieved carbon neutrality for 2020 through sourcing renewable electricity, the purchase of certified renewable energy certificates and carbon offsets.

The table below indicates our electricity consumption for 2020.

	Total Power Consumption Mwh/YR	Renewable Power Mwh/YR	% Renewable	Net Emissions (Mton Co2e)
Denmark	114	114	100%	-

The table below represents our energy consumption in Scope 1 and scope 2 (measured in gigajoules/year).

	Scope 1*	Scope 2**	Total
Denmark	114	114	100%

*Scope 1 - direct emission from onsite resources, such as fuel combustion for heating and cooling

**Scope 2 - Indirect emission from generation of purchased electricity

Social and Employee Conditions

Diversity, Inclusion and Belonging

The company's most valuable asset is its people, and Nasdaq Copenhagen has made deliberate investments to ensure that it remains an employer of choice to attract, retain and develop top talent. A material operational risks for Nasdaq Copenhagen relates to the inability of employees to perform tasks or processes due to a suboptimal work environment. Nasdaq Copenhagen strives to create a work environment in which individuals are empowered to establish their own work objectives, aligned with Nasdaq Copenhagen's overall business strategy and within the context of their area of discipline. In concert with a compensation program that includes annual grants of equity shares in the company for every employee, this encourages our employees to "act like an owner," reinforcing a shared sense of belonging and commitment to our collective success.

In 2020, we established three pillars to guide our diversity and inclusion efforts with our employees:

- Workforce, to ensure our employee population is representative of the communities in which we operate;
- Workplace, to ensure a positive workplace experience for all employees of Nasdaq; and
- Marketplace, to positively influence our peers in the capital market space and to invest in our local communities in which we operate.

We created a dedicated diversity recruiting function to further our recruiting efforts and enhance the representation of women and minorities at Nasdaq. In order to monitor our diversity efforts on an ongoing basis, each business unit has a dashboard reflecting the diversity of their employee population and can track changes on a monthly basis. We also conduct regular employee surveys to gain a better understanding and identify areas for improvement and to ensure we continue to provide our employee with a positive work experience.

Management's Review (continued)

Statement of gender distribution in the Board of directors and other management

During 2020 there have been several changes to the composition of the board of directors, the plan was to have a more balanced composition. The elected board of directors of Nasdaq Copenhagen consists of 40% female representation as at 31 December 2020. The following data illustrate a number of key Nasdaq Copenhagen employee gender distribution.

Denmark		
Career level	2020	
	Female	Male
Executive	0,00%	100,00%
Senior	30,00%	70,00%
Mid	50,00%	50,00%
Entry	66,67%	33,33%
Not Disclosed	N/A	

Attracting and Retaining Employees

We continued to increase our efforts in attracting and retaining our employees. Nasdaq Copenhagen seeks to hire world-class, innovative, and diverse talent. We recently strengthened our employer brand strategy with an updated "People Promise," which encapsulates Nasdaq's vision, mission, purpose and employment experience in order to become a leading company for highly sourced talent.

Workforce Attrition (Denmark)

- 2020: 5.06%^{1,2}

¹The Nasdaq Group enterprise average rate was 9.51% for 2020.

²This number combines 2.53% voluntary attrition and 2.53% involuntary attrition

We seek to hire locally wherever possible, for all levels of individual contributor, manager and executive. Additionally, we introduced new hire and employee exit surveys to better understand why employees join, and leave, Nasdaq.

Growth and Advancement

Nasdaq Copenhagen's performance management program has been established to enhance the job performance and professional growth of each employee. Under this program, Nasdaq Copenhagen requires that a formal, written performance evaluation be provided to each regular full-time and regular part-time employee each year. A manager informally assesses his or her employees in writing during the mid-year period, and completes a formal year-end performance review by the end of each calendar year. Both parties meet to discuss the written assessment and a record of it is made using the tools provided in our HR software, Workday. These performance evaluations become part of the employee's formal personnel record and serve as factors for consideration in relocation, internal job transfer and advancement decisions.

The purpose of the performance review program are to:

- Ensure that each employee has a clear understanding of what is expected by his or her manager.
- Let each employee know his or her job performance with respect to goals and competencies.
- Inform each employee of the knowledge and skills he or she must acquire or improve to grow in the present job, move into another role and/or advance at Nasdaq.

Management's Review (continued)

Training and Education

Nasdaq Copenhagen supports the development of its employees through each important transition in their careers – as new entrants to the organization, as developing professionals, as managers of teams and people and as leaders who lead the global organization. Under the 70/20/10 Learning Principle, where 70% of development happens on the job, 20% through exposure, coaching & mentoring and 10% by formal training, the company offers a variety of professional development experiences via many channels that support diverse learning styles.

Each employee is asked to create a professional development plan for themselves each year, in concert with their manager, and record this plan in our HR software, Workday.

We have invested in professional development for our employees, including offering access to more than 14,000 professional development programs and job-specific training; providing tuition assistance to employees enrolled in degree-granting academic programs; holding internal career fairs and career development programs; and providing one-on-one mentoring and professional coaching opportunities.

We launched a new “Conscious Inclusion” training program for all employees, starting with our Chief Executive Officer and senior executives. We also added customized developmental programs for underrepresented talent, including executive mentoring and accelerated leadership development programs.

Information Security and Data Privacy

As set forth in our Code of Ethics and relevant company policies, Nasdaq Copenhagen personnel are expected to protect and secure the confidentiality of non-public information that they receive, access or create in connection with their work at the company. This includes adhering to any laws, regulations and/or non-disclosure agreements that restrict the use of data (including personal data), require measures to safeguard it, and limit disclosure of information. It also requires that personnel limit their use of information technology assets (e.g., laptops, phones and other devices) to permitted activities so that data is not put at risk, and that they promptly report any suspected improper use or potential disclosure of data.

Accordingly, we are committed to appropriately securing nonpublic data used as part of our business operations, including information that Nasdaq Copenhagen generates in the performance of its services, and data provided to us by third parties, including customers, vendors, business partners, employees and other stakeholders.

This commitment is reflected in our engrained culture of security, our robust policies and procedures for data systems and processing activities, our mechanisms for monitoring our information systems and data use, the role-based training that we provide to staff on data protection, and the team of skilled information security and technology professionals who design, protect, and maintain our information systems.

Reflecting the unique risks and potential harm posed by mishandling or misuse of personal data, Nasdaq's privacy program builds on the foundation of our information security program to apply special governance, policies, procedures and training on the use, handling and processing of personal data and performance of activities that impact privacy rights (as determined by the jurisdictions in which we operate).

We provide training on overall information security to all our employees on a regular basis. Our most recent “Ethics in Action” webinar focused on Privacy and overall data protection and was available to all employees. We also provide tailored Information security training session to multiple audiences.

Management's Review (continued)

Human Rights

Nasdaq supports fundamental human rights—both inside and outside our company—and demonstrates its commitment by enacting responsible workplace practices across our global enterprise.

Nasdaq believes in the fundamental dignity of every human being and the rights of every individual to live and work safely and humanely, without fear of oppression or coercion. A material risk for human rights relates to operations of listed companies that operate in areas where the enforcement of national legislation and international conventions might be limited. Our Vision, Mission and Values Statements, along with our Code of Ethics and Employee Handbooks, emphasize responsibility, integrity, and values-based decision-making and set forth our standards for conducting our business ethically and consistent with our moral principles.

These principles and standards shape our interactions with fellow employees, clients, suppliers, communities, and markets around the world—and with our community of shareholders, too. They are foundational to our company and enable our continued success. Reflecting Nasdaq's obligations as a global company, Nasdaq has incorporated within its Code of Ethics, corporate policies, or programs specific requirements to put these principles into practice. Nasdaq has the following policies in place;

- Workplace Harassment Policy
- Human rights Practices statements
- Code of ethics
- Nasdaq Corporate Values statement
- Supplier Code of ethics
- Environmental Practices statement
- Information protection and privacy statement

Human rights are reinforced through training and effective employee communication, including town halls and topic specific webinars.

In 2020 no direct adverse impacts on human rights were identified/detected.

Business Ethics

The Nasdaq Ethics and Compliance program is designed to meet or exceed available standards, including guidelines by European regulators. Nasdaq Copenhagen embraces good governance by holding ourselves to the highest ethical standards in all interactions. Our Global Ethics Program supports and promotes meaningful implementation of the Code of Ethics throughout our business.

The Nasdaq Code of Ethics, in conjunction with other policies, procedures, standards and handbooks, outlines the responsibilities expected of Nasdaq officers, directors, and employees in conducting business in accordance with the highest standards of ethics and compliance.

The Code is applicable to the Board, all of our employees, contract workers and others who conduct work on behalf of Nasdaq. Ethical values are reinforced through training and effective employee communication, including town halls and topic specific webinars. Nasdaq also embeds its commitment to governance transparency, integrity and ethical values business practices in a series of robust policy documents, all freely available for download on our Investor Relations website at <http://ir.nasdaq.com>

Nasdaq Copenhagen is proud of its rigorous market regulation over listed companies in the area of financial reporting and public communications. Our own standards, then, must be above reproach. We require robust internal controls to ensure that our records accurately and fairly reflect the transactions and dispositions of our assets. In 2020 no breaches to our ethical values were reported/identified.

Management's Review (continued)

Anti-corruption

There are corporate risks related to violations of rules and laws governing corruption, bribery and similar unlawful activities. Companies risk losing their license to operate, exposure and punishment by market forces, as well as potential prosecution and imprisonment for the individuals involved.

Some of our other liability risks arise under the laws and regulations relating to the tax, employment, intellectual property, anti-money laundering, technology export, foreign asset controls, foreign corrupt practices areas, employee labor and employment areas, including anti-discrimination and fair pay laws and regulations.

Liability could also result from disputes over the terms of a trade, claims that a system failure or delay cost a customer money, claims we entered into an unauthorized transaction or claims that we provided materially false or misleading statements in connection with a securities transaction.

Nasdaq Group and Nasdaq Copenhagen seeks to comply with Foreign Corrupt Practices Act (FCPA), UK Bribery Act, and other anti-bribery and anticorruption laws, including reviewing “red flags” for corruption and situations where extra diligence must be exercised.

Nasdaq Copenhagen regularly evaluates the efficacy of its operation, impact, products and services in order to increase positive outcomes and decrease negative outcomes.

The following three main risks and mitigating actions have been defined:

- **Unlawful Gifts or Inducements to Government Officials:** Under Nasdaq’s Code of Ethics and its Gifts, Business-Related Events & Anti-Bribery and Corruption Policy, the company has a zero-tolerance policy towards corruption.
- **Improper Gifts or Inducements to Commercial Counterparties:** Nasdaq Copenhagen staff are prohibited from giving gifts in exchange for favorable treatment, that violate contractual agreements with counterparties or that are contrary to corporate policies applicable to the recipient.
- **Engagement of Suppliers and Third-Party Representatives.** No Nasdaq Copenhagen employee may authorize any third party to engage in conduct that the Nasdaq Copenhagen employee could not do his/herself. To protect against this risk, all Nasdaq Copenhagen vendors are screened for corruption risk prior to engagement and continuously monitored for corruption issues during the period of their work for the company.

As a KPI in this area, Nasdaq Copenhagen refers to its corruption testing and auditing program. Under this global program, vendor payments and employee expense reimbursements are reviewed on a monthly basis with a risk-based sample audited. As validated by this testing, Nasdaq Copenhagen has not identified any transactions that violate applicable corruption laws.

Raising concerns about potential violations of these Codes or other policies is critical to protecting individual and company interests and upholding our commitment to act with integrity. All Nasdaq employees can raise issues, seek guidance and report potential violations through our SpeakUp! Program. In 2020 no potential violations were reported/identified.

Management's Review (continued)

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COVID-19 Response

As the COVID-19 pandemic continues around the world this year, we remain committed to our efforts to ensure the safety and well-being of our employees and stakeholders. The COVID-19 pandemic created significant uncertainty, operational disruption and market volatility for us and for our clients and listed companies. We operated during 2020 with the majority of our workforce working remotely and continued to serve our clients, enhance our exchanges and advance our technology and analytics solutions while facing this unprecedented work environment.

Nasdaq continues to operate in a reduced office access environment. We have informed our employees that they may continue to work remotely through at least August 31, 2021, and we will continue to evaluate local conditions and regulations before we fully transition back to our offices. We also introduced additional benefits for our employees to assist them with the various challenges confronting them, and their families, during the pandemic. In an effort to prevent further strain on our employees, we informed them in March 2020 that Nasdaq would not conduct any broad-based COVID-19 related layoffs throughout 2020.

We launched a return to-office strategy and plan to provide employees the opportunity (but not the requirement) to return to our offices as they re-open, which also will help support local businesses in these areas. The key priorities of this plan include continuing to safeguard the health of employees and stakeholders and ensuring the resiliency of our markets and global operations, while adhering to local regulations and health authorities' guidelines.

The majority of our employees have been consistently working from home since we closed our offices in March 2020. We delivered face masks to employees, provided a home office equipment allowance and increased certain health benefits. In an effort to help our employees with the additional stress in balancing their work and personal commitments in this COVID-19 environment, we provided "flex days" for additional time away from the office without requiring the usage of vacation or personal leave days, additional family care resource and benefits (including back-up childcare and other caregiver support), wellness benefits and mental health resources.

In order to keep employees informed and connected, communication channels increased. Bi-weekly meetings are hosted by Nasdaq's President and CEO. Periodic town halls by location and by business unit are hosted by our senior leadership. Each month, we hold an information and training series for managers.

Management's Review (continued)

System development

On November 9, 2020, Nasdaq Copenhagen introduced a new Market Maker order type for Funds listed on the Danish Investment Fund market. The aim of this enhancement is to improve the possibilities for effective and safe Market Making, while ensuring that retail clients are not executing at erroneous prices.

Risk management

Nasdaq Copenhagen manages risks attributable to its operating activities. The risks that arise due to the nature of the company's stock market-related operations are managed through the Nasdaq Nordic Exchange's Enterprise Risk Management Framework, that enables all types of risks (Financial Risk, Operational Risk, Legal & Regulatory Risk and Strategic & Business Risk) to be identified and assessed based on both their probability and potential impacts, as well as identifying mitigating activities to reduce or eliminate the impacts or probability of risk materialization.

Strategic and Business risks

Nasdaq Copenhagen remains the preferred choice for listing of companies domiciled in Denmark. Continued globalisation has increased competition for trading of shares. In the bond market, the competitive landscape is evolving as well. Electronic trading is becoming a bigger focus for Banks and Investors, in their search for liquidity.

Earnings on trading are generally affected by the development of equity and bond turnover and are therefore largely outside the company's control. The increased competition on trading with large cap shares causes a greater pressure on trading revenue. Nasdaq Copenhagen had an average market share of 78.01% of the trading in shares listed on Nasdaq Copenhagen in 2020 compared to 73.22% in 2019.

Information revenue continues to be based primarily on sale of real-time information. This is due to the basic structure of the international financial information environment and therefore also applies to Nasdaq Copenhagen.

Legal & regulatory risk

As a regulated entity, Nasdaq Copenhagen is inherently exposed to risks relating to civil and criminal consequences, including regulatory penalties, fines, forfeiture, and litigation, while conducting business operations as an Exchange and additionally as a BMR Benchmark Administrator. Given its role in capital markets as a reliable partner to the investing public, shareholders, supervisory authorities and customers, Nasdaq Copenhagen maintains the highest ethical norms in all interactions.

Management of legal and regulatory risks is achieved through the compliance programs.

Nasdaq Copenhagen continuously engages in proactive monitoring and dialog with supervisory authorities and other industry forums to stay abreast of any new or amended legislation.

Operational risks

An important element in the operation of Nasdaq Copenhagen is IT and operational resilience. The primary IT partner is Nasdaq Stockholm AB who chain outsource services of material importance to Nasdaq Technology AB. The company's core trading system (INET) had an uptime of 100% in 2020.

Management's Review (continued)

Credit risk

The credit risk arising from interest-bearing investments are managed by an investment policy established by the Board of Directors. The policy stipulates that cash can be invested either in debt securities issued by external issuers with a good credit rating, or with credit-worthy banks. Nasdaq Copenhagen can also manage investments by retaining cash and cash equivalents in the Group's cash pool structure and short-term internal interest-bearing investments.

The credit risk that arises from accounts receivable is minimized at Nasdaq Copenhagen through the requirement that any company that will be listed on the stock exchange must meet the criteria in the listing agreement. One of these requirements is that the company provides documentary evidence that it possesses the profitability and financial resources to conduct its business. Other services and products are invoiced in advance on a fixed fee basis and larger variable fees are invoiced monthly in arrears thus minimizing the risk of losses in accounts receivable.

Liquidity risk/financing risk

Nasdaq Copenhagen maintains no interest-bearing liabilities and thus assumes no refinancing risks. In addition, the cash flow generated by operations is positive and exceeds investments by a healthy margin. Nasdaq Copenhagen has favorable liquidity resources since its regulatory capital is exclusively placed in highly liquid interest-bearing investments that can immediately be converted into cash.

Currency risk

The company's currency exposure primarily arises from payments for the development and operation of the company's trading and information transmission systems, settled in Swedish kroner. These services are received from Nasdaq Technology AB, a Nasdaq group company. The assessment is that the total currency-transaction exposure in the aforementioned flows is relatively limited and manageable, which is why its decided not to hedge this particular risk.

Interest rate risk

Interest rate risk arises in connection with interest bearing assets and relates primarily to the Nasdaq Copenhagen's liquidity surplus. Liquidity surpluses are invested internally in the Nasdaq Group through short-term internal interest-bearing loans to Nasdaq Treasury AB.

Events after the end of the financial year

The outbreak of the Coronavirus (COVID-19) pandemic and the measures adopted by governments in countries worldwide to mitigate the pandemic's spread have led to substantial restrictions on customers' activities. COVID-19 has caused significant economic and financial turmoil around the world. Nasdaq Group have implemented risk management and contingency plans and have taken preventive measures and other precautions to maintain normal business operations.

Notwithstanding the broader economic consequences of COVID-19, the Company's underlying sales and margins remain stable. However, given the wide ranging economic uncertainty of the COVID-19 pandemic, management continues to take mitigating actions to reduce costs, limit losses, optimise the Company's cash flows and preserve liquidity. The company has considered the effects of COVID-19 in estimates used in the calculation of the company's assets and liabilities. No significant effects on the company's operations have been identified since the balance sheet date.

Expected development

Nasdaq Copenhagen expects a lower profit in 2021 compared to 2020 as the trading activity in 2020 was extraordinarily high due to the volatile market following COVID-19.

Management's Review (continued)

Development in economic conditions

Result

The result after tax was DKK 206.7 million in 2020, against DKK 182.1 million in 2019. The result is higher than expected.

Net sales

Net sales increased DKK 31.8 million (9%) to DKK 376.2 million, against DKK 344.4 million in 2019.

Operating costs

The company's operating expenses amounted to DKK 111.6 million in 2020 compared to DKK 111.1 million in 2019.

Balance

At the end of 2020, the company's assets amounted to DKK 408.1 million against DKK 344.3 million at the end of 2019. The assets consist mainly of current assets amounting to DKK 406.2 million, against DKK 342.1 million at the end of 2019.

Total equity, including the restricted reserve, amounts to DKK 330.0 million at the end of 2020, against DKK 303.3 million at the end of 2019. The restricted reserve amounts to DKK 53.7 million at the end of 2020, which is unchanged from the end of 2019.

Uncertainty regarding recognition and measurement

No special uncertainties are considered for recognition and measurement in connection with the 2020 annual report.

Income Statement for 1 January - 31 December

DKK'000	Notes	2020	2019
Revenue	2	376,248	344,351
Other external expenses		(63,221)	(66,394)
Gross profit		313,027	277,957
Staff costs	3	(48,045)	(44,241)
Depreciation, amortization and impairment losses	8	(373)	(460)
Operating profit		264,609	233,256
Other financial income	4	157	206
Other financial expenses	5	(270)	(329)
Profit before tax		264,496	233,133
Tax on profit for the year	6	(57,837)	(51,061)
Profit for the year		206,659	182,072

Distribution of Profit

DKK'000	2020	2019
Ordinary dividend for the financial year	207,000	180,000
Retained earnings	(341)	2,072
Proposed distribution of profit	206,659	182,072

Balance Sheet at 31 December

DKK'000	Notes	2020	2019
Assets			
<i>Fixed assets</i>			
<i>Property, plant and equipment</i>			
Other fixtures and fittings, tools and equipment		620	702
Leasehold improvements		354	566
Total property, plant and equipment	7	974	1,268
<i>Other financial assets</i>			
Deposits		961	961
Total other financial assets	8	961	961
Total fixed assets		1,935	2,229
<i>Current assets</i>			
<i>Receivables</i>			
Trade receivables		23,740	19,908
Receivables from group enterprises		339,146	278,583
Deferred tax	9	5,093	4,788
Other receivables		36	37
Prepayments	10	2,037	1,946
Total receivables		370,052	305,262
Cash		36,100	36,826
Total current assets		406,152	342,088
Total assets		408,087	344,317

Balance Sheet at 31 December (continued)

DKK'000	Notes	2020	2019
Equity and liabilities			
<i>Equity</i>			
Contributed capital	11	40,000	40,000
Reserves according to the articles of association		53,657	53,657
Retained earnings		29,329	29,670
Proposed dividend		207,000	180,000
Total equity		329,986	303,327
<i>Liabilities other than provisions</i>			
<i>Non-current liabilities other than provisions</i>			
Deferred income	12	17,612	16,853
Total non-current liabilities other than provisions	13	17,612	16,853
<i>Current liabilities other than provisions</i>			
Trade payables		2,091	1,618
Payables to group enterprises		22	762
Joint taxation contribution payable		33,464	3,829
Other payables		19,819	13,160
Deferred income	14	5,093	4,768
Total current liabilities other than provisions		60,489	24,137
Total liabilities other than provisions		78,101	40,990
Equity and liabilities		408,087	344,317

Unrecognized rental and lease commitments	15
Contingent liabilities	16
Related parties with controlling interest	17
Non-arm's length related party transactions	18
Group relations	19

Nasdaq Copenhagen A/S

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Statement of Changes in Equity

DKK'000	Contributed capital	Reserves according to the articles of association	Retained earnings	Proposed dividend	Total
Equity at the beginning of the year	40,000	53,657	29,670	180,000	303,327
Ordinary dividend paid	-	-	-	(180,000)	(180,000)
Profit for the year	-	-	(341)	207,000	206,659
Equity at the end of the year	40,000	53,657	29,329	207,000	329,986

Notes to the Financial Statements

1 Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognized in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognized in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognized in the income statement when earned, whereas costs are recognized by the amounts attributable to this financial year.

Income statement

Revenue

Revenue is recognized in the income statement when delivery is made and risk has passed to the buyer. Revenue mainly includes listing and issue income, transaction income and income from the sale of information. Listing income consists of the annual fee paid by companies, investment funds and bond issuers for being listed on Nasdaq Copenhagen.

Issue income comprises income from new listings made during the year and issues carried through by companies that are already listed etc.

Transaction income consists of income from the trading of shares, investment units, bonds and derivatives.

Income from the sale of information mainly consists of income from the sale of electronic real time information about price formation regarding the securities etc. listed on Nasdaq Copenhagen, which is communicated through information providers.

Revenue is recognized net of VAT, duties and sales discounts and is measured at fair value of the consideration.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write downs of receivables recognized in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc. for entity staff.

Depreciation, amortization and impairment losses

Depreciation, amortization and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortization and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortization of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortization of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognized in the income statement by the portion attributable to the profit for the year and recognized directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Property, plant and equipment**

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3 - 5 years
Leasehold improvements	3 - 5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortized cost, usually equaling nominal value less write downs for bad and doubtful debts. The company has elected IAS 39 as interpretation for impairment/write-down of receivables. Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received.

Deferred tax

Deferred tax is recognized on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognized in the balance sheet at their estimated realizable value, either as a set-off against deferred tax liabilities or as net tax assets.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognized as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognized directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit.

Treasury shares

Acquisition and selling prices and dividends for treasury shares are classified directly as equity under retained earnings. Gains and losses on sale are not recognized in the income statement. Capital reduction by cancellation of treasury shares reduces the contributed capital by an amount corresponding to the nominal value.

Other financial liabilities

Other financial liabilities are measured at amortized cost, which usually corresponds to nominal value.

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognized in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognized if such losses are expected to be used under the joint taxation arrangement.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement

The Company are part of the consolidated financial statement of Nasdaq Group Inc. With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement for the company is prepared.

2 Revenue

DKK'000	2020	2019
Denmark	120,758	111,198
Other EU-countries	250,307	228,520
Other European countries	2,769	3,124
U.S.	2,161	0
Asia	253	1,509
Total revenue by geographical market	376,248	344,351

3 Staff costs

DKK'000	2020	2019
Wages and salaries	41,130	37,536
Pension costs	2,911	2,736
Other social security costs	3,735	3,419
Other staff costs	269	550
	48,045	44,241

Average number of full-time employees	39	38
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Pursuant to Section 98(b) (3) of the Danish Financial Statements Act, remuneration of the Executive Board has not been disclosed.

4 Other financial income

DKK'000	2020	2019
Financial income from group enterprises	153	87
Exchange rate adjustments	4	119
	157	206

5 Other financial expenses

DKK'000	2020	2019
Other interest expenses	270	329
	270	329

6 Tax on profit for the year

DKK'000	2020	2019
Current tax	58,141	51,910
Change in deferred tax	(304)	(851)
Adjustment concerning previous years	0	2
	57,837	51,061

7 Property, plant and equipment

DKK'000	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost beginning of year	5,017	3,434	8,451
Additions	77	0	77
Adjustments according to previous years	(669)	(55)	(724)
Cost end of year	4,425	3,379	7,804
Depreciation and impairment losses beginning of year	(4,315)	(2,868)	(7,183)
Depreciation for the year	(216)	(157)	(373)
Adjustments according to previous years	726	0	726
Depreciation and impairment losses end of year	(3,805)	(3,025)	(6,830)
Carrying amount end of year	620	354	974

8 Financial assets

DKK'000	Deposits	Deposits
	2020	2019
Cost at the beginning of the year	961	961
Cost at the end of the year	961	961
Carrying amount at the end of the year	961	961

9 Deferred tax

DKK'000	2020	2019
Property, plant and equipment	98	32
Liabilities other than provisions	4,995	4,756
Deferred tax	5,093	4,788

DKK'000	2020	2019
Changes during the year		
Beginning of year	4,788	3,936
Recognized in the income statement	305	852
End of year	5,093	4,788

10 Prepayments

Prepayments relates to prepaid expenses.

11 Share capital

DKK'000	Number	Par value	Nominal value
Shares	400,000	100	40,000
	400,000	100	40,000

12 Deferred income

Long-term deferred income relates to Listing services revenue which are recognized over time.

13 Non-current liabilities other than provisions

DKK'000	2020	2019
Deferred income	17,612	16,853
	17,612	16,853

The deferred income will be recognized within 5 years.

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14 Deferred income

Deferred income relates to prepaid income.

15 Unrecognized rental and lease commitments

DKK'000	2020	2019
Liabilities under rental or lease agreements until maturity in total	5,765	5,765
	5,765	5,765

16 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Nasdaq Holding Denmark A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

17 Related parties with controlling interest

Nasdaq Holding Denmark A/S, Copenhagen, Denmark is the sole shareholder and have therefore a controlling interest.

18 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

19 Group relations

Name and registered office of the ultimate parent company:
Nasdaq, Inc., Delaware.

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Nasdaq, Inc., Delaware

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Nasdaq, Inc., Delaware

Copies of the consolidated financial statements of Nasdaq Inc. may be ordered at the following address:
Nasdaq, Inc. 151 W. 42nd Street, New York, USA.