

NASDAQ COPENHAGEN A/S

Nikolaj Plads 6
1067 København K
CVR No. 19042677

Annual report 2019

The Annual General Meeting adopted the
annual report on 28.05.2020

DocuSigned by:

Wulff, Rose Marie

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Rose Marie Wulff

Chairman of the General Meeting

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Entity details

Entity

NASDAQ COPENHAGEN A/S

Nikolaj Plads 6

1067 København K

CVR No.: 19042677

Date of foundation: 10.01.1996

Registered office: København

Financial year: 01.01.2019 - 31.12.2019

Phone number: 33933366

URL: www.nasdaqomxnordic.com

Board of Directors

Lauri Mikael Rosendahl, Chairman

Carri Fredrik Ekström

Bjørn Sibbern

Pall Hardarson

Eva Annika Elisabeth Saidac

Executive Board

Nikolaj Kosakewitsch, CEO

Auditors

Ernst & Young Godkendt Revisionspartnerselskab

Dirch Passer Allé 36

2000 Frederiksberg

CVR No. 30700228

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of NASDAQ COPENHAGEN A/S for the financial year 01.01.2019 - 31.12.2019.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 28.05.2020

Executive Board

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Nikolaj Kosakewitsch
CEO

Board of Directors

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Lauri Mikael Rosendahl
Chairman

DocuSigned by:



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Carri Fredrik Ekström

DocuSigned by:



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Bjørn Sibbern

DocuSigned by:



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Pall Hardarson

DocuSigned by:



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Eva Annika Elisabeth Saidac

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 01.01.2019 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 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 this auditor's report.

We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 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 and the 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 these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark,

we exercise professional judgement 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.
- 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 Entity'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 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 in the notes, 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 28.05.2020

Ernst & Young Godkendt Revisionspartnerselskab

CVR No. 30700228



Anders Duedahl-Olesen

State Authorised Public Accountant

mne24732

Management commentary

Financial highlights

	2019 DKK'000	2018 DKK'000	2017 DKK'000	2016 DKK'000	2015 DKK'000
Key figures					
Revenue	344,351	354,868	337,249	347,468	335,950
Gross profit/loss	277,957	294,312	282,593	286,692	278,579
Operating profit/loss	233,256	252,703	241,606	241,697	229,133
Net financials	(123)	(121)	68	129	568
Profit/loss for the year	182,072	197,631	189,428	190,134	177,163
Total assets	344,317	355,403	340,478	342,308	324,209
Investments in property, plant and equipment	119	1,001	109	208	1,190
Equity	303,327	311,255	317,095	315,667	295,533
Ratios					
Gross margin (%)	80.72	82.94	83.79	82.51	82.92
Net margin (%)	52.87	55.69	56.17	54.72	52.73
Return on equity (%)	59.25	62.90	59.87	62.22	58.20
Equity ratio (%)	88.10	87.58	93.13	92.22	91.16

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

Gross margin (%):

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

Revenue

Net margin (%):

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

Revenue

Return on equity (%):

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

Average equity

Equity ratio (%):

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

Total assets

Primary activities

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 and finances

Listing and capital markets

In 2019, Nasdaq Copenhagen welcomed six new companies. On the Main Market we had the pleasure to welcome The Drilling Company of 1972 - a spin out of APM Maersk and the transportation company NTG Nordic Transport Group. Nasdaq First North had four listings as a result of the work being done over the years to strengthen capital for SMEs in Denmark. The companies are Danish Aerospace Company, Waturu, Konsolidator and Astralis Group. The gaming company Astralis Group raised DKK 150m in capital and became one of the biggest capital raises ever on Nasdaq First North in Copenhagen. Opposite, five companies were delisted – four on Main Market and one on First North.

A few other transactions worth highlighting are DSV and Genmab. The transportation company DSV raised DKK 35 billion to finance the acquisition on Panalpina which was listed on the Swiss Exchange. The transaction was the biggest in Copenhagen in 2019.

Genmab took advantage of Nasdaq being the biggest biotech exchange globally and dual listed at Nasdaq in New York. The company raised more than DKK 3.5 billion in the transaction and became one of the biggest biotech transactions in the US last year.

Investment Funds continued to have a high level of activity, albeit at the same level as 2018.

Surveillance

During 2019, European Surveillance conducted a substantial cross-border project to harmonize the Main Market rulebooks for issuers of shares of the exchanges in Helsinki, Stockholm, Reykjavik and Copenhagen. The project resulted in a single, harmonized rulebook for issuers of shares applicable in all four countries. The harmonized rulebook will become effective as of May 1st, 2020.

197 corporate actions were handled and 970 other instruments than shares were admitted for trading – mainly ETPs.

Enforcement

As part of the daily operations Surveillance conducts, investigations resulted in 5 (five) disciplinary decisions, a fairly even split between Main Market (three) and First North (two). In one case the sanction resulted in the largest disciplinary fee being given in the history of Nasdaq Copenhagen. Across Main Market and First North, Nasdaq Copenhagen had eight companies put on observation status, from which two of them were removed from trading during the year. Surveillance decided on suspension of trading on 46 occasions.

SMARTS electronic surveillance system generated more than 53,000 alerts for the markets of Nasdaq Copenhagen during 2019.

Ending on a high note, Surveillance conducted a number of thematic reviews focusing on different elements of the Exchange's rulebooks. The thematic reviews are used as a supplement to the ongoing monitoring activities Surveillance runs on a daily basis. The reviews included member review, admission requirements for issuers of

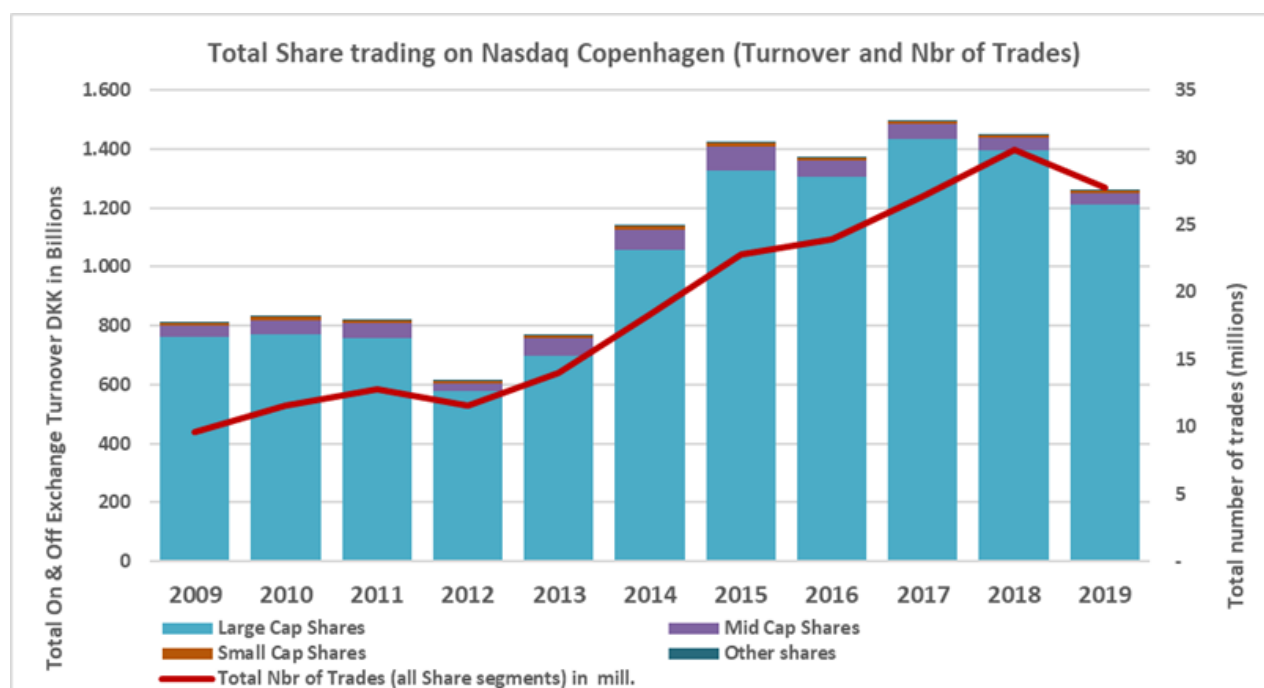
shares on the regulated market and Certified Adviser certification of issuers on First North. Surveillance hosted 24 educational seminars for issuers.

Trading and market development in Equity and Equity Derivatives markets

There were 248 trading days on Nasdaq Copenhagen in 2019, which was equivalent to 2018.

Share trading on Nasdaq Copenhagen

The value of the Copenhagen All share index increased steadily in 2019 and was up by 24.5% by year-end.



Nasdaq Copenhagen remains the second largest stock market in the Nordic region following Nasdaq Stockholm. The total turnover in all Danish listed shares on Nasdaq Copenhagen was DKK 1,260 billion in 2019, compared to DKK 1,448 billion in 2018, equivalent to a 12.9% decline. Since the European MiFID II regulation was implemented in the beginning of 2018, Nasdaq Copenhagen has seen increased competition and fragmentation in trading of Danish shares. Nasdaq Copenhagen managed to grow the Lit & Auction market share within 2019 by 10.2 % - points, with a market share by end year of 75.8%.

In total, Nasdaq Copenhagen managed to retain a total consolidated market share of just above 52% of all trading in Danish shares in 2019.

Nasdaq Copenhagen saw the second-best year in 2019 in terms of numbers of trades, only exceeded by the record high activity level in 2018. The total numbers of trades were 27.75 million in 2019, which was a decline of 9.3% from the record level in 2018.

Listing and trading in ETF

In 2019, Nasdaq had the first listing of a passive tracker ETF, which is issued by XACT and tracks the OMXC25 index. The activity and AUM slowly increased throughout 2019.

The Danish Investment funds market

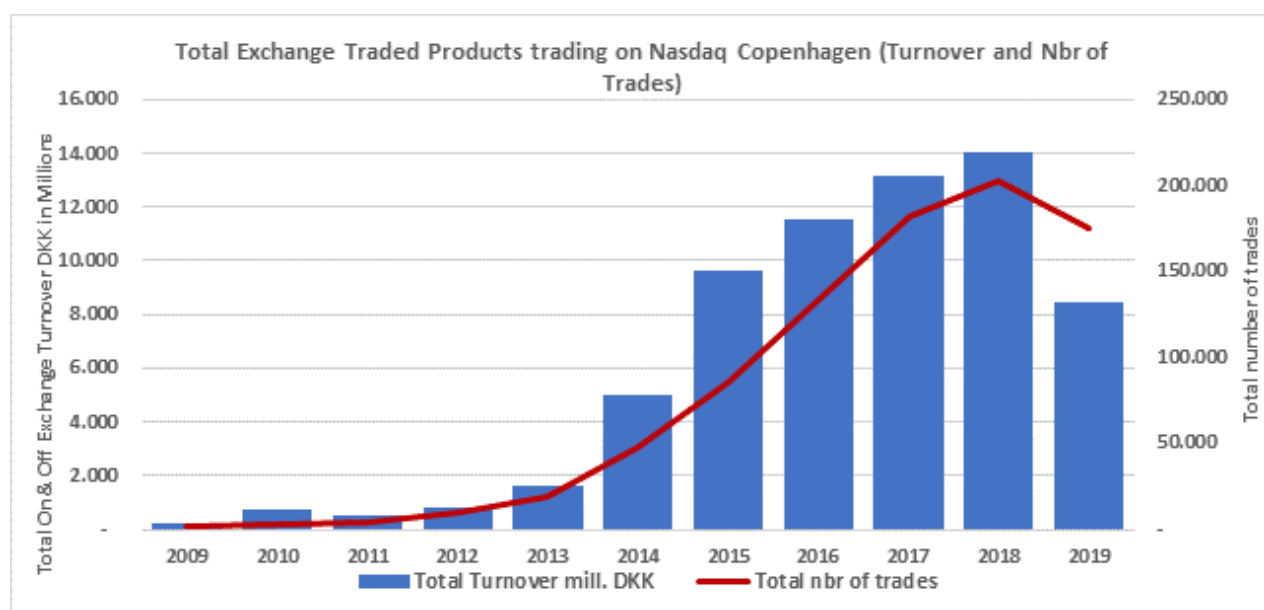
The total Danish UCITS-ETF market turnover on Nasdaq Copenhagen increased slightly by 1.2% in 2019 compared to 2018. The total On- & Off Exchange turnover was DKK 137.3 billion in 2019, compared to DKK 135.6 billion in 2018.

The total number of trades in Danish UCITS-ETFs on Nasdaq Copenhagen was 842,793 in 2019, which was a small decline of 0.2% from 844,755 trades in 2018.

The development in Exchange Traded Products (ETPs)

In 2019, the total turnover of listed and traded Exchange Traded Products (ETPs) was DKK 8.4 billion, which was a decline of 39.9% from the record high ETP activity seen in 2018. Various instruments with new underlyings were issued throughout 2019 in the respective Danish Exchange Traded Notes (ETN) and Mini- Futures product segments.

The total number of ETP trades on Nasdaq Copenhagen declined by 13.2% from the record of 202,383 transactions in 2018, to a total of 175,609 ETP trades in 2019.



Nasdaq Copenhagen introduced extended trading hours for select issued ETNs and Mini-Future products in 2019. The extended opening hours change was based on requests from ETP issuers, who wanted to provide retail investors the opportunity to trade tracker and leveraged products, either earlier in the morning, or later in the evening during which time, relevant ETN or Mini-Future's underlying instrument or indices has a continued market outside Nasdaq Copenhagen's normal opening hours.

Development in equity derivatives trading

The total trading activity in Danish equity derivatives declined by 18.9% in 2019 compared to 2018. In 2019, Nasdaq Derivatives saw a total 730,348 of Danish derivative contracts traded and cleared at Nasdaq Clearing.

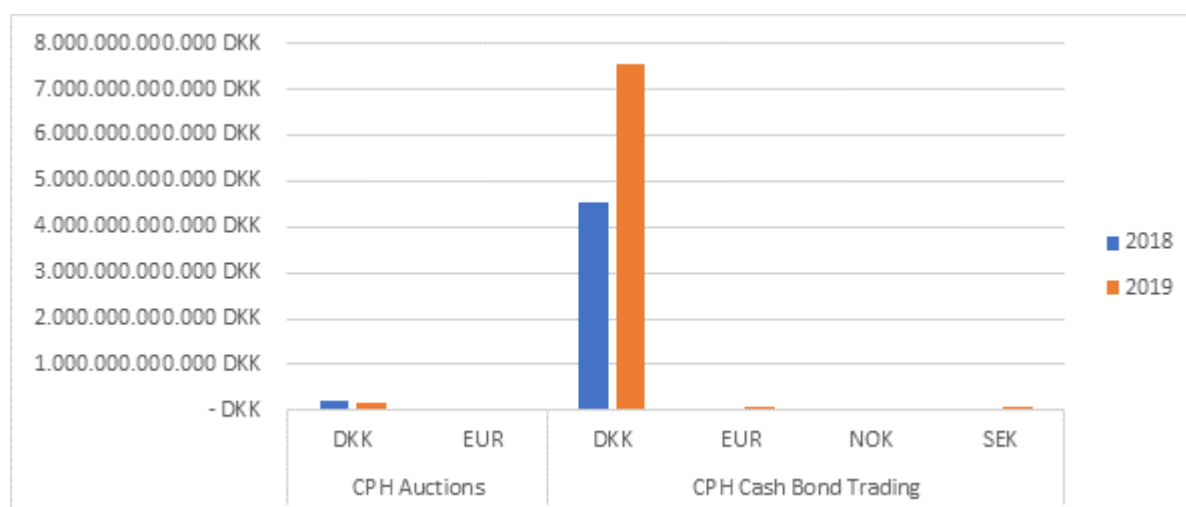
The most actively traded derivatives contracts in 2019 were the Danish Single Stock Options with a total of

527,244 contracts traded, which was a decline of 13.5% from 2018 to 2019. The second most traded Danish derivatives contract in 2019 was the C25 Index Future with a total of 183,218 contracts traded. This was a decline in number of contracts traded and cleared of 14.1% compared to 2018.

Development in bond trading

The total cash bond trading, including OTC Trades, increased in 2019. The main driver was the historic large conversion wave in the Danish Mortgage Market.

In 2019, the total turnover was DKK 7.688 billion, up from DKK 4.624 billion in 2018.



Issuing via the Bond Auction System has dropped because private borrowers change loan types. The figures only reflect the aggregated data for the four main auctions of flex-loans and not the tap issues.

Listed issues on Nasdaq Copenhagen are, 1,402 Mortgage bonds, 12 Government Bonds, 36 Structured Products, and 32 Corporate bonds.

This leaves Nasdaq Copenhagen with a total number of 1,482 Bond instruments listed on our market as of end 2019.

As expected, the number of mortgage bonds continue to drop slightly, as the market structure changes with fewer ISIN codes with bigger volume. This is expected to continue going forward.

Market data products

Nasdaq European Information Systems produce 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.

Customers who want to subscribe to Nasdaq data products can do so by connecting directly with Nasdaq.

However, most customers prefer to retrieve data via one of Nasdaq's many market data distribution partners, who offer terminal and data feed solutions. Many retail customers receive the market data via a Nasdaq technology partner by an app on their smartphone, or on one of the many web tools available.

The main European market data products include:

- Nordic Equity Totalview, which provides full market access to trading information, news and analysis of data for all Nordic stocks. The product also contains index values and liquidity indicators
- Nordic Derivatives Totalview, which gives full market access to trading information and listing details
- Nordic Fixed Income Level 2, which provides listing details, order book information, bid and offer prices up to five levels, trade information, derived information, indicative bid and offer prices, daily turnover statistics, and company information

Among the new offerings in 2019, Nasdaq Nordic launched:

- The ESG Footprint tool which enable investors to get an intraday overview of the impact their investments have on different ESG and sustainability measures
- LBMA-I gives insight into the London/Zurich precious metals markets for gold, silver, platinum and palladium. This is the first product to offer insight into the OTC precious metals market, and is a partnership with the London Bullion Market Association

Development in economic conditions

Result

The result after tax was 182.1 million DKK in 2019, against 197.6 million DKK in 2018. The result is a bit higher than expected.

Net sales

Net sales decreased 10.5 million DKK (-3%) to 344.4 million DKK, against 354.9 million DKK in 2018.

Operating costs

The company's operating expenses amounted to DKK 111.1 million in 2019 compared to DKK 102.2 million in 2018. The reason for the increase is due to higher external costs related to professional and contract services as well as regulatory cost.

Balance

At the end of 2019, the company's assets amounted to DKK 344.3 million against DKK 355.4 million at the end of 2018. The assets consist mainly of current assets amounting to DKK 342.1 million, against DKK 352.8 million at the end of 2018.

Total equity, including the restricted reserve, amounts to DKK 303.3 million at the end of 2019, against DKK 311.3 million at the end of 2018. The restricted reserve amounts to DKK 53.7 million at the end of 2019, which is unchanged from the end of 2018.

Uncertainty relating to recognition and measurement

No special uncertainties are considered for recognition and measurement in connection with the 2019 annual report.

Outlook

Nasdaq Copenhagen A/S expects a higher profit in 2020 compared to 2019 due to the increased trading activity in the first months of 2020. The high activity is caused by the market volatility following COVID-19.

Particular risks

Business risks

Nasdaq Copenhagen remains the obvious 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 71.2% of the trading in shares listed on Nasdaq Copenhagen in 2019 compared to 67.0% in 2018.

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.

Currency risk

The company's currency risk mainly relates to payment 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.

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 loans to Nasdaq Treasury AB with a duration of approximately six months.

Operational risks

An important element in the operation of Nasdaq Copenhagen is IT and operational reliability. The primary IT partner is Nasdaq Technology AB. The company's trading system had an uptime of 99.85% in 2019.

Statutory report on corporate social responsibility

- Nasdaq Copenhagen has conducted a risk assessment and based on this concluded that the business has little or no impact within human rights and anticorruption and therefore does not have any specific policy in these areas.
- The risk assessment also identified that Nasdaq Copenhagen's biggest risks and impacts on the environment, climate, social and employee conditions are related to the companies listed on Nasdaq Copenhagen. To mitigate these risks, Nasdaq Copenhagen wishes to promote sustainable investments and create transparency for the investors, to have the ability to make active investment decisions based on ESG. Further we aim to assist listed companies navigate the sustainability agenda by providing best practice ESG reporting guidelines and tools.
- Exchanges serve an important role in encouraging practical and achievable ESG principles. Public companies

that provide ESG-related data and participate in key indexes are increasingly valuable investment targets.

- Nasdaq has a number of ESG initiatives; both internal efforts and external efforts directed towards issuers and investors. We recently achieved carbon neutrality across all our business operations and are seeing authentic client demand in ESG screened products and services from many of our clients.
- We expect ESG and sustainable investments to have an escalating impact on our industry in the coming years. Nasdaq is fully committed to continuing to seize opportunities and leading the shift towards more sustainable capital markets.
- A growing body of research shows that ESG-themed investments can not only outperform, but better withstand market volatility and downturns.

As a Danish Stock Exchange, Nasdaq Copenhagen plays a central role as both a capital transfer infrastructure and a way for retail and professional investors to seek returns and diversify their investments through a transparent, secure and trustworthy marketplace.

The dual function of the market is thus a prerequisite for the capital market ecosystem to function and for prosperity, development and growth to spread throughout society, industry and commerce.

Nasdaq Copenhagen's purpose is two folded; to provide issuers with a platform for raising capital – debt or equity – to drive growth, job creation and welfare. Further to provide investors with a platform for trading financial instruments in an efficient, transparent and fair way.

Central to maintaining a transparent and efficient market for securities trading is the trust that investors, companies, market participants, supervisory authorities and other stakeholders have for our business. Therefore, through a number of initiatives in education, ethics and surveillance, we seek to make our market deserving of that trust.

Nasdaq Copenhagen and Volunteering

All Nasdaq employees are each year granted two full workdays that each employee can devote to his or her charity or volunteer project of choice.

Nasdaq Nordic ESG work

Climate sustainability, social responsibility and governance issues have increasingly become an investment focus and have grown on the investors' agenda also in 2019. With this in mind, Nasdaq Copenhagen became part of the UN's Sustainable Stock Exchange collaboration back in 2016, to work voluntarily to promote sustainable investment and transparency in the capital markets. As a central hub in the Danish financial markets, Nasdaq Copenhagen plays a central role in promoting how companies and the financial sector can support the UN's 17 Sustainable Development Goals.

ESG Footprint

- During Fall 2019, Nasdaq launched the Nasdaq ESG Footprint – a data product that helps retail investors make more sustainable investment decisions. We have partnered with fintech firm Matter to create an easy-to-implement interface measuring the global sustainability effect of individual securities.
- Through an intuitive dashboard, investors and managers have access to the real-life effects of each investment, along with alternatives based upon their sustainability goals. We are currently engaged in dialogues with a

number of banks and brokers and are hopeful clients will be onboard soon.

ESG Data Portal

- Launched in December 2018, The Nasdaq ESG Data Portal is a centralized distribution point that offers investors access to standardized ESG data from Nordic listed companies, while listed companies are offered a platform to showcase their ESG data.
- The Portal is built upon the Nasdaq ESG Reporting Guide, and serves as a bridge between issuers and investors focused on ESG issues. Currently, more than 300 issuers from all ICB sectors have uploaded data in the portal.
- Nasdaq Nordic listed companies are at the forefront of sustainability, but there has previously been a lack of central standardized information. At the same time, a global megatrend is creating investor demand for transparent, comparable and actionable ESG data. As a central hub in the market, we want to bridge that gap through our innovative product, creating a standardized ESG reporting.

Sustainable Debt Market

- In June 2015, Nasdaq Nordic launched one of the world's first Sustainable Bond Markets. The market has grown rapidly since then and in October 2019, the Nasdaq European sustainable debt market surpassed 200 listed instruments. We continue to see a strong demand from both issuers and investors.
- To support the development of the market we have continuously expanded our offering through additional segments, including sustainable structured products and sustainable commercial papers.

Nasdaq Sustainable Bond Network

- On December 10 2019, Nasdaq launched the Nasdaq Sustainable Bond Network, a global, publicly available web-based platform designed to improve transparency in the market for green, social and sustainability bonds.
- The online repository provides issuers of sustainable bonds across the world with a platform to voluntarily publish key information and data regarding their specific bonds, which, in turn, provides investors with the information they need to compare sustainable bonds successfully.
- Our ambition is to continue to build on the Nasdaq Sustainable Bond Network (NSBN) in 2020 with more features, issuers and investors.

System development

During 2019 there have only been few implementations of new functionality. New auction functionality has been developed for fixed income markets, which was implemented in the Danish auction markets in the beginning of 2020. In relation to this we also created two new auction markets designed to take care of tap-issues and buy-backs respectively.

In May 2019, Nasdaq Copenhagen introduced a new trading phase called Trading@Closing Price. Trading@Closing Price is a short trading session after the Order Book Closing Auction. Trading@Closing Price session gives members and their clients the option to continue to trade and match orders at the closing auction price, in a safe and regulated on-exchange environment.

In June 2019, Nasdaq Copenhagen continued to expand the scope of instruments that are cleared by a Central Counter Party (CCP) to include the Danish shares traded on First North Denmark Growth Market. By adding this segment, the shares became accessible for broader amount of investors, including non-Nordic investors.

In September 2019, to cater for retail investors' needs, Nasdaq Copenhagen introduced optional market segments with extended continuous trading hours for retail focused trading in Warrants and Certificates. This enhancement made trading in Warrants and Certificates available until 20:00 CET.

Statutory report on the underrepresented gender

The elected board of directors of Nasdaq Copenhagen consists of five members of which four are male and one is female. The goal is to have 40% female representation in the board of directors by 2020. During 2019 there have been several changes to the composition of the board of directors. The plan was to have a more balanced composition but this was not possible with the available candidates. Nasdaq Copenhagen expects to fulfil the goal in 2020. No gender distribution is reported in other management, as the company has less than 50 employees.

Statutory report on corporate governance

Education

Nasdaq Copenhagen offers guidance and educates issuers, traders and other market participants in order to ensure compliance with rules, including the issuer's disclosure obligations. In 2019, 24 seminars and education events were held for groups and individual companies as well as Certified Advisors on First North, including two seminars together with the Danish Financial Supervisory Authority regarding the rules on disclosure obligations in the Market Abuse Regulation (MAR).

Ethics

All employees in Nasdaq Copenhagen are subject to an ethical code to ensure that Nasdaq Copenhagen performs with unremitting ethical conduct in all circumstances. All employees must annually declare themselves in relation to this Code. On a consolidated basis, this report is followed up and it is made known by the Nasdaq Group to Nasdaq Copenhagen, if there are circumstances where the ethical code has not been adhered to or where employees have not declared adherence to the code. There have been no significant deviations from the ethical code in 2019.

Events after the balance sheet date

From the balance sheet date, up to now, there have not been any circumstances that adversely affect the assessment of the annual report.

Treasury shares

	Number	Nominal value DKK'000	Recorded par value DKK'000	Share of contributed capital %
Shares	5,645	565	565	1.4
Investments acquired:	5,645	565	565	1.40

Income statement for 2019

	Notes	2019 DKK'000	2018 DKK '000
Revenue	1	344,351	354,868
Other operating income		0	195
Other external expenses		(66,394)	(60,751)
Gross profit/loss		277,957	294,312
Staff costs	2	(44,241)	(41,248)
Depreciation, amortisation and impairment losses	3	(460)	(361)
Operating profit/loss		233,256	252,703
Other financial income	4	206	118
Other financial expenses	5	(329)	(239)
Profit/loss before tax		233,133	252,582
Tax on profit/loss for the year	6	(51,061)	(54,951)
Profit/loss for the year	7	182,072	197,631

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK'000	2018 DKK'000
Other fixtures and fittings, tools and equipment		702	808
Leasehold improvements		566	805
Property, plant and equipment	8	1,268	1,613
Deposits		961	959
Other financial assets	9	961	959
Fixed assets		2,229	2,572
Trade receivables		19,908	21,546
Receivables from group enterprises		278,583	284,035
Deferred tax	10	4,788	3,936
Other receivables		37	148
Prepayments	11	1,946	1,105
Receivables		305,262	310,770
Cash		36,826	42,061
Current assets		342,088	352,831
Assets		344,317	355,403

Equity and liabilities

	Notes	2019 DKK'000	2018 DKK'000
Contributed capital	12	40,000	40,000
Reserves according to the articles of association		53,657	53,657
Retained earnings		29,670	27,598
Proposed dividend		180,000	190,000
Equity		303,327	311,255
Deferred income	13	16,853	13,145
Non-current liabilities other than provisions	14	16,853	13,145
Trade payables		1,618	7,905
Payables to group enterprises		762	275
Joint taxation contribution payable		3,829	2,604
Other payables		13,160	12,692
Deferred income	15	4,768	7,527
Current liabilities other than provisions		24,137	31,003
Liabilities other than provisions		40,990	44,148
Equity and liabilities		344,317	355,403
Unrecognised rental and lease commitments	16		
Contingent liabilities	17		
Related parties with controlling interest	18		
Non-arm's length related party transactions	19		
Group relations	20		

Statement of changes in equity for 2019

	Contributed capital DKK'000	Reserves according to the articles of association DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000	Total DKK'000
Equity beginning of year	40,000	53,657	27,598	190,000	311,255
Ordinary dividend paid	0	0	0	(190,000)	(190,000)
Profit/loss for the year	0	0	2,072	180,000	182,072
Equity end of year	40,000	53,657	29,670	180,000	303,327

Notes

1 Revenue

	2019 DKK'000	2018 DKK'000
Denmark	111,198	109,940
Other EU-countries	228,520	233,222
Other European countries	3,124	2,599
Asia	1,509	9,107
Total revenue by geographical market	344,351	354,868

2 Staff costs

	2019 DKK'000	2018 DKK'000
Wages and salaries	37,536	33,493
Pension costs	2,736	2,601
Other social security costs	3,419	3,397
Other staff costs	550	1,757
	44,241	41,248

Average number of full-time employees	38	35
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Persuant to Section 98(b) (3) of the Danish Financial Statements Act, remuneration of the Executive Board has not been disclosed.

3 Depreciation, amortisation and impairment losses

	2019 DKK'000	2018 DKK'000
Depreciation of property, plant and equipment	460	361
	460	361

4 Other financial income

	2019 DKK'000	2018 DKK'000
Financial income from group enterprises	87	112
Exchange rate adjustments	119	6
	206	118

5 Other financial expenses

	2019 DKK'000	2018 DKK'000
Other interest expenses	329	226
Interest regarding tax paid on account	0	13
	329	239

6 Tax on profit/loss for the year

	2019 DKK'000	2018 DKK'000
Current tax	51,910	54,925
Change in deferred tax	(851)	26
Adjustment concerning previous years	2	0
	51,061	54,951

7 Proposed distribution of profit and loss

	2019 DKK'000	2018 DKK'000
Ordinary dividend for the financial year	180,000	190,000
Retained earnings	2,072	7,631
	182,072	197,631

8 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000
Cost beginning of year	4,898	3,434
Additions	119	0
Cost end of year	5,017	3,434
Depreciation and impairment losses beginning of year	(4,092)	(2,629)
Depreciation for the year	(223)	(239)
Depreciation and impairment losses end of year	(4,315)	(2,868)
Carrying amount end of year	702	566

9 Financial assets

	Deposits DKK'000
Cost beginning of year	959
Additions	2
Cost end of year	961
Carrying amount end of year	961

10 Deferred tax

	2019 DKK'000	2018 DKK'000
Property, plant and equipment	32	72
Liabilities other than provisions	4,756	3,864
Deferred tax	4,788	3,936

	2019 DKK'000	2018 DKK'000
Changes during the year		
Beginning of year	3,936	164
Recognised in the income statement	852	(26)
Recognised directly in equity	0	3,798
End of year	4,788	3,936

11 Prepayments

Prepayments relates to prepaid expenses.

12 Share capital

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

13 Deferred income

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

14 Non-current liabilities other than provisions

	Due after more than 12 months 2019 DKK'000
Deferred income	16,853
	16,853

The deferred income will be recognised within 5 years.

15 Deferred income

Deferred income relates to prepaid income.

16 Unrecognised rental and lease commitments

	2019 DKK'000	2018 DKK'000
Liabilities under rental or lease agreements until maturity in total	5,765	5,732

17 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.

18 Related parties with controlling interest

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

19 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.

20 Group relations

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.

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

Income statement

Revenue

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

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 writedowns of receivables recognised in current assets.

Staff costs

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

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation 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, amortisation 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, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised 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 the 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 amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised 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 recognised in the balance sheet at their estimated realisable 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 recognised 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 recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

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 recognised 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 amortised cost, which usually corresponds to nominal value.

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised 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 recognised 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.