



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Journalnummer: 2021 510919

Enheten

Organisasjonsnummer: 984 058 098
Organisasjonsform: Aksjeselskap
Foretaksnavn: NORD POOL EUROPEAN MARKET COUPLING
OPERATOR AS
Forretningsadresse: Lilleakerveien 2A
0283 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

Konsern

Morselskap i konsern: Ja
Konsernregnskap lagt ved: Nei

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av
årsregnskapet til selskapet: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Gudmunn Sørensen
Dato for fastsettelse av årsregnskapet: 25.03.2021

Grunnlag for avgivelse

År 2020: Årsregnskap er elektronisk innlevert.
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020.

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 20.07.2021

Organisasjonsnr: 984 058 098
 NORD POOL EUROPEAN MARKET COUPLING
 OPERATOR AS

RESULTATREGNSKAP

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Other operating income	1	151 921 000	158 329 000
Sum inntekter		151 921 000	158 329 000
Kostnader			
Payroll expenses	3	36 241 000	34 373 000
Depreciation	6,7	3 833 000	4 237 000
Other operating expenses	2,3,4	103 455 000	111 190 000
Sum kostnader		143 529 000	149 800 000
Driftsresultat		8 392 000	8 529 000
Finansinntekter og finanskostnader			
Annen renteinntekt	5		214 000
Other financial income	5	3 731 000	1 255 000
Sum finansinntekter		3 731 000	1 469 000
Annen rentekostnad	5	392 000	522 000
Other financial expenses (agio)	5	8 556 000	6 670 000
Sum finanskostnader		8 948 000	7 192 000
Netto finans		-5 217 000	-5 723 000
Ordinært resultat før skattekostnad			
Taxes	15	3 175 000	2 806 000
Ordinært resultat etter skattekostnad		1 791 000	993 000
Årsresultat		1 791 000	1 813 000
Overføringer og disponeringer			
Ordinært utbytte		7 000 000	
Allocated to/from other equity		-5 209 000	1 813 000
Sum overføringer og disponeringer		1 791 000	1 813 000

Organisasjonsnr: 984 058 098
 NORD POOL EUROPEAN MARKET COUPLING
 OPERATOR AS

BALANSE

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Intangible assets (systems)	7	12 895 000	9 685 000
Utsatt skattefordel	15	62 000	797 000
Sum immaterielle eiendeler		12 957 000	10 482 000
Varige driftsmidler			
Tangible fixed assets	6	2 395 000	3 174 000
Sum varige driftsmidler		2 395 000	3 174 000
Finansielle anleggsmidler			
Investering i datterselskap	8	73 000	73 000
Sum finansielle anleggsmidler		73 000	73 000
Sum anleggsmidler		15 425 000	13 729 000
Omløpsmidler			
Varer			
Fordringer			
Accounts receivables	9	5 756 000	8 005 000
Other receivables	10	16 407 000	29 296 000
Konsernfordringer	2		13 278 000
Sum fordringer		22 163 000	50 579 000
Bankinnskudd, kontanter og lignende			
Bank deposit	11	58 710 000	24 011 000
Sum bankinnskudd, kontanter og lignende		58 710 000	24 011 000
Sum omløpsmidler		80 873 000	74 590 000
SUM EIENDELER		96 298 000	88 319 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	12, 13	10 935 000	10 935 000
Annen innskutt egenkapital	13	5 166 000	5 166 000
Sum innskutt egenkapital		16 101 000	16 101 000

Opptjent egenkapital			
Other equity	13	37 597 000	42 807 000
Sum opptjent egenkapital		37 597 000	42 807 000
Sum egenkapital			
		53 698 000	58 908 000
Sum langsiktig gjeld			
		0	0
Kortsiktig gjeld			
Leverandørgjeld	14	1 508 000	6 584 000
Taxes payables	15	609 000	617 000
Public duties		7 056 000	4 021 000
Utbytte		7 000 000	
Kortsiktig konserngjeld	2	6 714 000	
Other current liabilities		19 713 000	18 189 000
Sum kortsiktig gjeld		42 600 000	29 411 000
Sum gjeld			
		42 600 000	29 411 000
SUM EGENKAPITAL OG GJELD			
		96 298 000	88 319 000
POSTER UTENOM BALANSEN			
Garantistillelser	11	206 496 000	177 156 000

Report of the Board of Directors

Nord Pool European Market Coupling Operator AS

Nord Pool European Market Coupling Operator AS is consolidated into Euronext Group with reference to mother company Euronext N.V, Amsterdam, Netherlands (Commerce number 60234520, fiscal number 8538.20.934). The Nord Pool Group is constituted by the parent company Nord Pool Holding AS (NPH) and its subsidiaries Nord Pool AS (NP or Nord Pool) and Nord Pool European Market Coupling Operator AS (NP EMCO). The structure originates from the 2018-demerger of Nord Pool AS, separating the monopolistic (NP EMCO) and competitive (NP) operations into two separate legal entities.

NP EMCO is licensed as Nominated Electricity Market Operator (NEMO) in 15 countries. The market coupling aspects of these NEMO-licenses are conducted by the company, whereas the organization of the marketplace is delegated to Nord Pool AS.

NP EMCO has its main office in Lysaker, and branch offices in London, Berlin, Espoo and Stockholm. Nord Pool European Market Coupling Operator AS is owned by Nord Pool Holding AS (reg. no.: 823 268 572).

Operational Highlights

Nord Pool celebrated 20 years of the Nordic power market. In June 2020, the company had a successful Nordic Multi NEMO Arrangements (MNA) launch. The launch is a result of the European Capacity Allocation and Congestion Management (CACM) Regulation, which allow multiple power exchanges to operate in the same markets across Europe. This is part of the EU target model towards creating a single pan-European market to improve efficient use of energy across national borders, with shared access to market liquidity.

Nord Pool also celebrated 10 years' trading in the GB market. Brexit has led to important changes in the market setup such as an end to market coupling with EU countries and there is also no longer a shared order book between NEMO's in the day-ahead market.

NP EMCO took part in the Polish launch into the European Single Intraday Coupling (SIDC, formerly known as XBID). The launch marked another important step towards expanding the single integrated European Intraday market. Significant efforts were made also in advance of this launch to ensure technical readiness. The SIDC solution is based on a common IT system with one Shared Order Book (SOB), a Capacity Management Module (CMM) and a Shipping Module (SM). It allows for orders entered by market participants for continuous matching in one bidding zone to be matched by orders similarly submitted by market participants in another bidding zone if transmission capacity is available.

Research and Development (R&D) efforts in the NP EMCO is largely related to software development related to core systems. Software development during 2020 was largely related to the launch of Nordic MNA, Brexit preparations and the Polish market launch.

During 2020 a total of 995 TWh of power was traded through Nord Pool on the licenses delegated from NP EMCO, including the Nordic and Baltic day-ahead market (717.9 TWh), the UK day-ahead market (177.5 TWh), and the Central and Western Europe (CWE) day-ahead market (73.6 TWh). Total intraday trading for the year was 26 TWh. Note that Nord Pool has changed how it presents key market trading volumes from 1st January 2020. Trading volume quoted for Nord Pool's markets now comprises all buy volume (total volume bought by market participants) plus all sell volume (total volume sold by market participants) within each bidding zone.

The Board wants to express its gratitude to its customers and employees for their contribution in 2020.

Annual Accounts 2020

Company revenues in 2020 were NOK 151,9m (2019: NOK 158,3m) whereas Operating profit was NOK 8,4m (2019: NOK 8,5m). Net income amounted to NOK 1,8m (2019: NOK 1,8).

By the end of 2020, total equity and liabilities for the company was NOK 96,3m (2019: NOK 88,3m).

The Board of Directors considers the equity to be adequate with regards to the company's exposures.

The annual accounts are prepared on the going concern principle, and the Board of Directors confirms the basis for this. No events of material significance (for the 2020 annual accounts) have occurred up to and including the signatory date of this report.

Liquidity

Group cash and cash equivalents changed from NOK 50,6m at the end of 2019 to NOK 22,2m at the end of 2020.

Risks

NP EMCO operates in an environment increasingly defined by regulatory requirements. This gives rise to new business risks - and opportunities - such as potential market entry of new competitors, regulatory or other legal amendments, technical changes or modifications of the product landscape, etc.

Market Risk, Liquidity Risk and Counterparty Risk

NP EMCO is exposed to currency risk, as business is settled in multiple currencies.

NP EMOC is campaigning to ensure robust cost recovery associated with work undertaken in relation to European market coupling. At the time of writing, this is not assured.

NP EMCO has a solid liquidity position. Counterparty risk for NP EMCO is regarded as low.

Risk capital

The concessions granted to the companies in the Nord Pool Group from the Norwegian Water and Energy Directorate (NVE), requires that the company holds sufficient risk capital and that the size of this is reviewed regularly. NP EMCO AS holds a marketplace concession from NVE and has conservatively calculated that the minimum risk capital is NOK 25m. The required risk capital for both companies is derived from assessments of counterparty risk and operational risk, based on similar methodologies as for banks and securities firms. The company complies with this and continuously monitors the situation.

Organisation and working environment

As per 31 December 2020 NP EMCO had 27 employees based in Norway, UK and Germany. NP EMCO had 15 female employees and 12 male employees as per 31 December 2020.

As per 25 March 2021 the NP EMCO Board of Directors consists of seven men and no women. The Chairman of the Board in Nord Pool Holding AS is male, and the CEO is female. The Nord Pool Group corporate management team consists of six women and three men.

Health-related absence during the year was 1.4%. No lost-time accidents or personal injuries were suffered in 2020. NP EMCO human resources policy is based on equality, meaning that there shall be no differences between male and female salaries when expertise and experience are comparable.

NP EMCO encourages employees of both genders to establish solutions which make it easier to combine work and family life. There were zero employees on maternity/paternity leave as per 31 December 2020, and the company had two employees working part time at the end of the year.

Allocation of profit

The Board proposes to distribute NOK 7m as dividend for 2020.

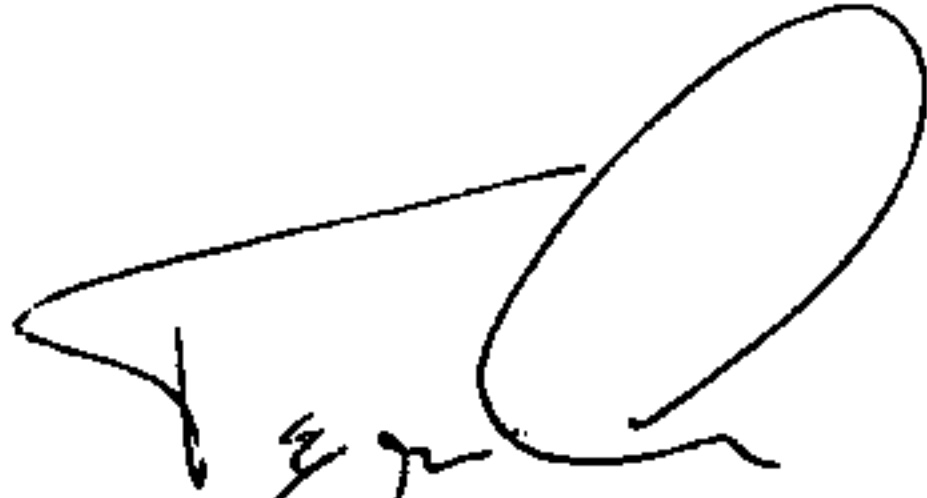
Outlook for 2021

The Nord Pool Group has more than 25 years of power market experience built on offering flexibility, transparency, innovation and greater choice to our customers. These themes will be essential for our continued success also in the years ahead.

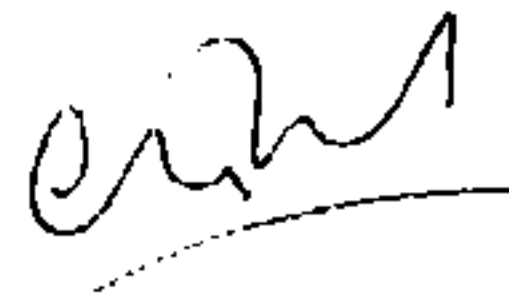
Positive developments from last year are expected to continue into 2021 and the group expect strong results for the year overall. Nord Pool remains committed to pioneer European power markets, and to drive innovation for the benefit of all customers and stakeholders.

The Nord Pool Group have taken actions to minimise potential impacts of the WHO declared pandemic, from financial, operational (business continuity) and employee health perspectives. In all regards the first order impact has been minimal to Nord Pool, but the situation is continuously re-assessed to identify further actions to prepare for any second or third order effects that may come. Through its licenses the group is required to keep subordinated capital to ensure its financial soundness. Subsequently, the impact on the Groups future profitability from the COVID-19 pandemic is expected to be low and should have limited impact on the annual dividend for 2020.

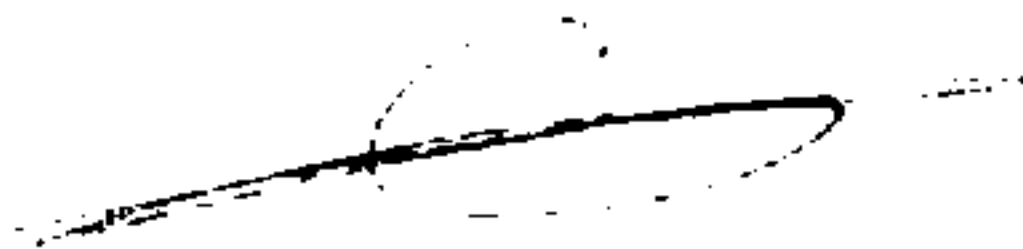
Lysaker, March 25, 2021



Torgjer Lien
Member of the Board



Chris Topple
Chairman



Camille Beudin
Member of the Board



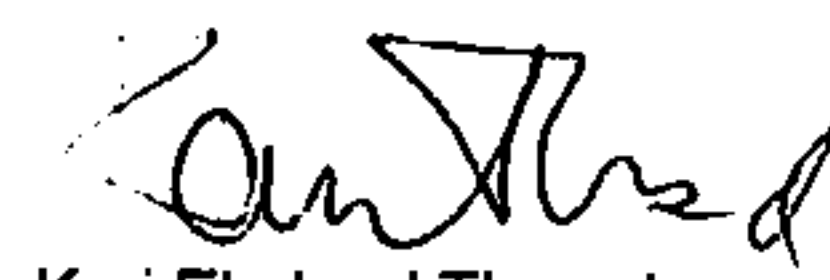
Geir Heggem
Member of the Board



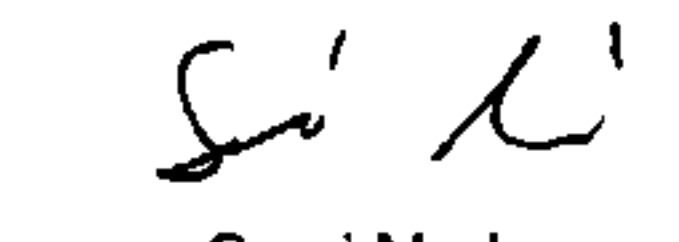
Nicholas Kennedy
Member of the Board



Anstein Eie
Member of the Board



Kari Ekelund Thørud
CEO



Sami Meri
Member of the Board

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Nord Pool European Market Coupling Operator AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Nord Pool European Market Coupling Operator AS, which comprise the balance sheet as at 31 December 2020, the income statement, statements of cash flows and changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2020 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations 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.

Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and Chief Executive Officer (management) are responsible for the other information. Our opinion on the audit of the financial statements does not cover the other information, 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 other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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, 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 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also

- ▶ identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ 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 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 content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Oslo, 27 April 2021
ERNST & YOUNG AS

The auditor's report is signed electronically

Kjetil Rimstad
State Authorised Public Accountant (Norway)

(This translation from Norwegian has been made for information purposes only.)

PENNEO

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"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Kjetil Rimstad

Statsautorisert revisor

På vegne av: Ernst & Young AS

Serienummer: 9578-5999-4-1044102

IP: 145.62.xxx.xxx

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Nord Pool European Market Coupling Operator AS

(Org.no. 984 058 098)

Annual Accounts 2020

Profit and loss account

Nord Pool European Market Coupling Operator AS

Amounts in NOK 1000	Note	2020	2019
Other operating income	1	151 921	158 329
Total operating income		151 921	158 329
Depreciation	6,7	3 833	4 237
Payroll expenses	3	36 241	34 373
Other operating expenses	2,3,4	103 455	111 190
Total operating expenses		143 529	149 800
Operating profit		8 392	8 529
Net financial items	5	-5 217	-5 723
Profit before taxes		3 175	2 806
Taxes	15	1 384	993
Net income		1 791	1 813
ALLOCATED TO:			
Dividend		7 000	0
Allocated to/from other equity		-5 209	1 813

Balance sheet

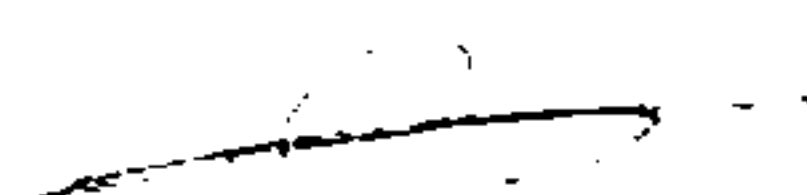
	Note	Nord Pool European Market Coupling Operator AS	
		31.12.2020	31.12.2019
Assets			
FIXED ASSETS			
Intangibles			
Intangible assets	7	12 895	9 685
Deferred tax benefit	15	62	797
Total intangible		12 957	10 482
Tangible fixed assets	6	2 395	3 174
Financial assets			
Investment in subsidiaries	8	73	73
Total financial assets		73	73
TOTAL FIXED ASSETS		15 425	13 729
CURRENT ASSETS			
Receivables			
Accounts receivables	9	5 756	8 005
Other receivables	10	16 407	29 296
Group receivables	2	-	13 278
Total receivables		22 163	50 579
Bank deposits	11	58 710	24 011
TOTAL CURRENT ASSETS		80 873	74 590
TOTAL ASSETS		96 298	88 319

Balance sheet

Equity and liabilities

		Nord Pool European Market Coupling Operator AS	
Amounts in NOK 1000		31.12.2020	31.12.2019
	Note		
EQUITY AND LIABILITIES			
EQUITY			
Paid-in-equity			
Share capital	12,13	10 935	10 935
Share premium	13	5 166	5 166
TOTAL PAID-IN-EQUITY		16 101	16 101
Retained earnings			
Other equity	13	37 597	42 807
TOTAL RETAINED EARNINGS		37 597	42 807
TOTAL EQUITY	13,16,17	53 699	58 908
LIABILITIES			
Current liabilities			
Accounts payable	14	1 508	6 584
Taxes payable	15	609	617
Public duties		7 056	4 021
Group payables	2	6 714	
Other current liabilities		19 713	18 189
Dividend	13	7 000	
TOTAL CURRENT LIABILITIES		42 600	29 411
TOTAL LIABILITIES		42 600	29 411
TOTAL EQUITY AND LIABILITIES	17	96 298	88 319

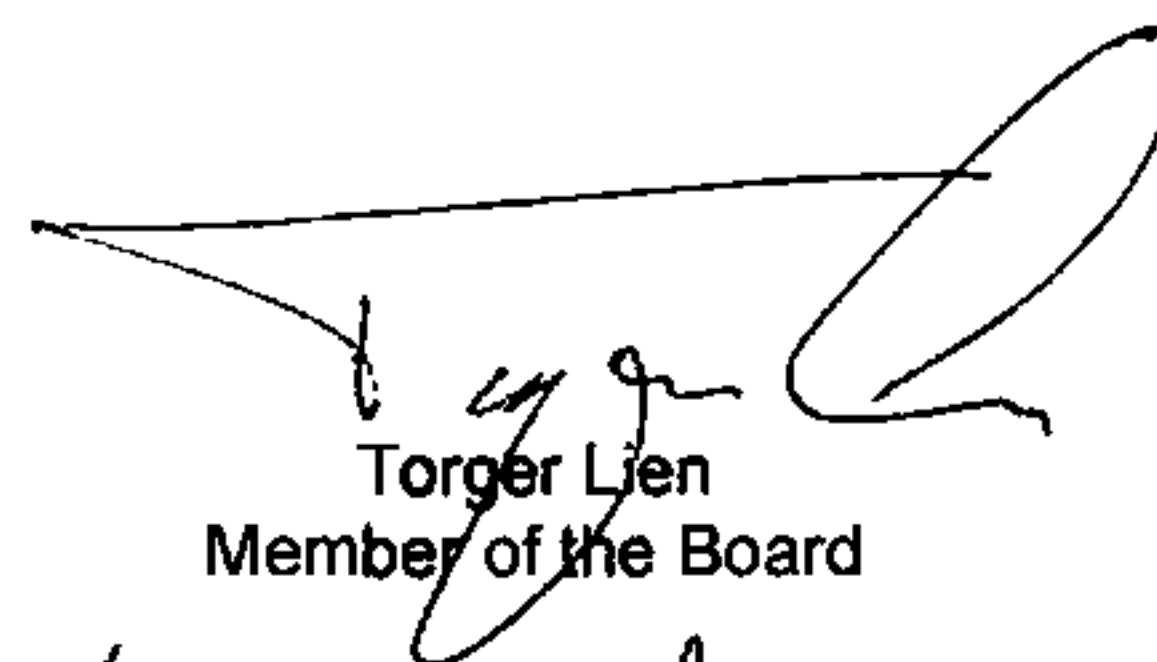
Lysaker, 25 March 2021



Camille Beudin
Member of the Board



Chris Topple
Chairman



Torger Lien
Member of the Board



Nicholas Kennedy
Member of the Board



Geir Heggem
Member of the Board



Anstein Eie
Member of the Board



Kari Ekelund Thørud
CEO



Sami Meri
Member of the Board

Cash flow analysis

	Nord Pool European Market Coupling Operator AS	
Amount NOK 1000	2020	2019
Cash flow from operating activities		
Net income	1 791	1 813
Ordinary depreciation	3 833	4 237
Change in accounts receivable	2 249	1 690
Change in accounts payable	-5 076	4 266
Change in other current receivables and liabilities	38 166	-53 328
NET CASH FLOW FROM OPERATING ACTIVITIES	40 963	-41 322
Cash flow from investment activities		
Income sale of fixed assets	0	-130
Purchase of tangible fixed assets	0	-3 257
Purchase of intangible fixed assets	-6 265	-5 915
NET CASH FLOW FROM INVESTMENT ACTIVITIES	-6 265	-9 302
Net change in liquid assets	34 699	-50 624
Liquid assets as of 1 January	24 011	74 635
LIQUID ASSETS AS OF 31 DECEMBER	58 710	24 011

Notes to the annual accounts

Accounting principles

The annual accounts have been prepared in accordance with the Norwegian Accounting Act of 1998 and generally accepted accounting principles.

Consolidation principles

Nord Pool European Market Coupling Operator AS is consolidated into Euronext Group with reference to mother company Euronext N.V, Amsterdam, Netherlands (Commerce number 60234520, fiscal number 8538.20.934). The company has not prepared consolidated accounts as the exception rule according to the Norwegian Accounting Act of 1998 § 3-7 has been used.

Operating Income

The income base of the Nord Pool European Market Coupling Operator for 2020 consists of cost recovery from European Market Coupling activities, other services and shipping arrangements.

Classification and valuation of balance sheet items

Current assets and short-term liabilities include items that fall due within one year of the acquisition date. Other items are classified as fixed assets/long-term liabilities.

Current assets are valued at the lower of acquisition cost and market value. Short-term liabilities are recorded in the balance sheet at face value at the time of recording.

Fixed assets are recorded at acquisition cost but are written down to market value in the event of a decline in value, which cannot be expected to be transitory in nature. Long-term liabilities are recorded in the balance sheet at face value at the time of assuming such liabilities.

Receivables

Accounts receivable and other receivables are recorded in the balance sheet at face value after provision for bad debts. Provisions for bad debts are based on an assessment of individual accounts. In addition, a general provision for bad debts is made covering assumed losses for other accounts receivable.

Foreign currency

Accounts receivable and accounts payable in foreign currencies are valued at the year-end exchange rate on 31 December 2020.

Tangible fixed assets

Tangible fixed assets are recorded in the balance sheet and linearly depreciated over the expected useful lives of the assets. Direct maintenance costs related to tangible fixed assets are currently expensed as operating expenses, whereas upgrades and improvements are added to the cost base of the operating assets and depreciated at the same rate as the assets to which they refer.

Intangible assets

The intangible assets relating to development of software, IT systems, R&D and intellectual property (IP) related to our own clearing and trading system.

Expenditure on own development of intangible assets, including costs for own research and development, is recognized in the balance sheet when it is probable that the future economic benefits associated with the assets will flow to the company and the acquisition cost can be measured reliably.

Intangible assets that are purchased individually are capitalized at cost.

Intangible assets with a limited economic life are depreciated according to plan. Intangible assets are written down to the recoverable amount if the expected economic benefits do not cover the carrying amount and any remaining manufacturing costs.

Pension costs and liabilities

Nord Pool European Market Coupling Operator AS has a contribution-based pension plan for all employees, where the current year's pension costs correspond to the current year's premium payment.

Net pension costs for the year are included as a salary expense in the profit and loss account. Premiums paid are treated as investments in pension funds.

Taxes

Tax expenses in the profit and loss account consist of tax payable for the period and changes in deferred tax. Deferred tax is calculated on the basis of the temporary differences between accounting and tax values, as well as the tax deficit at the end of the year to be carried forward. Tax-increasing and tax-decreasing temporary differences, which are reversed or reversible in the same period, have been eliminated. Any net deferred tax benefits are recorded in the balance sheet to the extent they are expected to be utilized.

As of 31 December 2020, net negative temporary differences between accounting and tax values have been recorded by NP EMCO. The associated deferred tax benefit is recorded in the balance sheet under assets.

Cash flow

The cash flow analysis has been prepared using the indirect method. The model is based on an adjustment of the after-tax net income resulting in the net cash flow from operating activities. Cash flows from investment and financing activities are presented as gross figures.

Note 1 Operating revenues

Amounts in NOK 1000

	NP EMCO AS	
Geographical distribution	2020	2019
Norway	97 493	99 911
Sweden	5 124	5 869
Denmark	7 189	9 679
Finland	2 202	3 808
Germany	1 234	1 272
UK	26 096	27 206
Estonia	507	576
Lithuania	508	843
France	665	1 569
Belgium	213	215
Ireland	5 209	-
Netherlands	1 685	895
Spain	400	1 034
Italy	307	723
Latvia	454	544
Poland	1 554	572
Other countries	1 080	3 614
TOTAL	151 921	158 329

Note 2 Related parties

All transactions with Nord Pool European Market Coupling Operator AS owners are conducted at arms' length and at market value.

Nord Pool European Market Coupling Operator AS	2020	2019
Amounts in TNOK		
Intercompany operating revenues	-96 676	-94 092
NP AS	-96 221	-94 092
NP Consulting AS	-455	
Intercompany operating costs	51 900	46 329
NP EMCO AB	2 223	2 436
NP EMCO Oy	12 623	13 364
NP AB	1 840	1 317
NP AS	22 852	18 901
NP Finland Oy	12 362	10 312

Services and tasks performed by Nord Pool European Market Coupling Operator Oy for Nord Pool EMCO AS
Market coupling services

NP EMCO Oy supplies market coupling services to NP EMCO AS.

Services and tasks performed by Nord Pool AB for NP EMCO AS
Market coupling services

NP EMCO AB provides market coupling services to NP EMCO AS.

Specification of Group receivables & liabilities in the balance:

	NP EMCO AS	NP EMCO AS
	2020	2019
NP EMCO AB	-	-804
NP EMCO OY	-799	-2 417
Nord Pool Finland Oy	-1 143	-
Nord Pool AB	-251	-
Nord Pool AS	-4 596	16 138
Nord Pool Consulting AS	74	361
TOTAL	-6 715	13 278

Note 3 Payroll expenses, number of employees, reimbursements, employee loans etc.

Amounts in NOK 1000

	NP EMCO AS	
	2020	2019
Payroll expenses		
Salaries	26 517	24 661
Activated internal payroll		-24
Social security contribution	4 887	5 758
Pension expenses defined contribution scheme	3 109	2 150
Pension costs contributions scheme foreign countries	15	50
Other benefits	1 712	1 779
TOTAL	36 241	34 373

During the financial year, Nord Pool European Market Coupling Operator AS had an average of 26,1 employees (25.6 man-years) against 29 employees (27,3 man-years) in 2019.

The CEO is employed in NP Holding AS and in the daughter companies, but the salary is paid out from daughter company Nord Pool AS.

No loans or collaterals have been granted to the CEO, the Chairman of the Board of Directors or other related parties. The CEO is entitled to 9 months' salary following termination of employment. No individual loan or collateral exceeding 5 per cent of the equity of company has been granted.

Salary to board has been TNOK 0 in 2020. Board members who are employed by the owners of Nord Pool European Market Coupling Operator or in the Nord Pool European Market Coupling Operator Group do not receive any remuneration.

Bonus

Nord Pool European Market Coupling Operator AS has a bonus scheme for all employees with bonuses being paid on the basis of various Key Performance Indicators. The maximum bonus per year corresponds to 15 per cent of the annual pay. The average bonus achieved for 2020 amounted to 13.5 per cent.

Auditors

Compulsory auditing for the parent company amounts to NOK 175,383 and other services related to due tax and confirming services in total NOK 277,026 The amounts are exclusive of VAT.

Note 4 Other operating expenses

Amounts in NOK 1000

	NP EMCO AS	
	2020	2019
Outsourced services	17 339	21 799
Administration services from subsidiaries	51 900	46 329
External cost on project with cost recovery	29 711	28 434
Operation and maintenance of software	1 468	4 040
Miscellaneous	3 038	10 587
TOTAL OTHER OPERATING EXPENSES	103 456	111 190

Nord Pool European Market Coupling Operator AS has tenancy agreement for office facilities in Lilleakerveien 2a, Lysaker. The agreement was entered into on 4 January 2019 and expire on 31 March 2024. Nord Pool AS sub-leases office space from European Market Coupling Operator AS in Lilleakerveien 2a. The yearly rent for 2020 amounts to NOK 4.4 mill. The rent is adjusted on a yearly basis in accordance with the development in the CPI.

Note 5 Net financial items

Amounts in NOK 1000

	NP EMCO AS	
	2020	2019
Financial income		
Interest revenue	-291	214
Other financial revenues	3 731	1 255
TOTAL FINANCIAL REVENUES	3 440	1 469

	NP EMCO AS	
	2020	2019
Financial expenses		
Interest and financial expenses	101	521
Other financial expenses (agio)	8 556	6 670
TOTAL FINANCIAL EXPENSES	8 657	7 191
NET FINANCIAL ITEMS	-5 217	-5 723

Note 6 Tangible fixed assets

Amounts in NOK 1000

NP EMCO AS	EDP and office		Total
	Vehicle	equipment	
Acquisition cost as of 01.01.2020	0	13 071	13 071
Additions	0	0	0
Disposals	0	0	0
Acquisition cost as of 31.12.2020	0	13 071	13 071
Accumulated depreciation as of 31.12.2020	0	-10 675	-10 675
BOOK VALUE AS OF 31.12.2020	0	2 395	2 395
This year's depreciation	0	779	779

Both the parent company and the group make use of straight-line depreciation for all intangible assets. The economic useful lives of the intangible fixed assets are estimated as follows:

-Computer software 3-5 years

Note 7 Intangible assets

Amounts in NOK 1000

NP EMCO AS	Trade systems	Total
Acquisition cost as of 01.01.2020	55 636	55 636
Additions	6 265	6 265
Acquisition cost as of 31.12.2020	61 901	61 901
Accumulated depreciation as of 31.12.2020	-49 006	-49 006
BOOK VALUE AS OF 31.12.2020	12 895	12 895

This year's depreciation	3 054	3 054
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The economic useful life of tangible fixed assets is estimated as follows:

-EDP and office equipment	2-10 years
-Vehicles	5 years

There is a joint ownership 50/50 of intangible assets between Nord Pool AS and European Market Coupling Operator AS.

Note 8 Subsidiaries, associated companies and joint ventures

Amounts in NOK

Company	Acquisition date	Head-quarters	Ownership	Share of voting rights
Nord Pool European Market Coupling Operator Oy	18.07.2018	Espoo	100 %	100 %
Nord Pool European Market Coupling Operator AB	06.04.2018	Stockholm	100 %	100 %

Investments valued in accordance with the cost method

Company	Acquisition date	Total share capital	Shares owned	Total par value	Acquisition cost	Book value
Nord Pool European Market Coupling Operator Oy	18.07.2018	2 500	2 500	EUR 2.500	24 110	24 110
Nord Pool European Market Coupling Operator AB	06.04.2018	50 000	50 000	SEK 50.000	48 505	48 505

Note 9 Accounts receivable

Amounts in NOK 1000

	NP EMCO AS	
	2020	2019
Other accounts receivables	5 756	8 005
Book value	5 756	8 005

Accounts receivables have been reduced by TNOK 4 due to accrual loss as of 31.12.2020.

Note 10 Other receivables

Amounts in NOK 1000

	NP EMCO AS	
	2020	2019
Deposit security and balance responsibility	4 251	4 232
Other receivables Nord Pool Group	107	
Other receivables	12 049	25 064
TOTAL	16 407	29 296

Note 11 Bank deposits and guarantees
Bank deposits

Amounts in NOK 1000

	NP EMCO AS
	2020
Restricted funds for tax withholdings	4 819

Guarantees

Nordea Bank Abp, filial i Norge	Start	Maturity				
Credit facility		01.06.2021		NOK		7 000 000
Guarantee Lilleakerveien 2 AS	13.09.2018	30.09.2024		NOK		3 050 000
APCS Power Clearing	03.04.2017		EUR	100 000	NOK	1 047 030
Guarantee Elia System Operator NV/SA	04.06.2018	16.09.2021	EUR	3 000 000	NOK	31 410 900
Guarantee RTE Reseau de Transport	23.05.2018	15.07.2021	EUR	800 000	NOK	8 376 240
Guarantee TenneT TSO B.V.	01.06.2018	01.12.2021	EUR	6 000 000	NOK	62 821 800
Cash on account eSett (Statnett, SVK, Fingrid)			EUR	134 617	NOK	1 409 480
Nordea Bank Abp, London Branch						
Guarantee	14.09.2020	01.10.2021	GBP	6 900 000	NOK	80 358 780
BACS UK Facility			GBP	125 000	NOK	1 455 775
ELEXON Clear Ltd						
Bank deposit			GBP	365 000	NOK	4 250 863
ING BANK N.V., Amsterdam						
Bank deposit on account TenneT TSO B.V.			EUR	507 601	NOK	5 314 735

Note 12 Share capital and shareholder information

Amounts in NOK 1000

Nord Pool European Market Coupling Operator AS

	Number of shares	Par value	Book value
The share capital comprises			
A-shares	15 318	713,90	10 935 497
TOTAL	15 318		10 935 497

Shareholders as of 31.12.2020

	A-shares	Ownership	Shares of voting rights
Nord Pool Holding AS	15 318	100,0 %	100,0 %

Note 13 Equity

Amounts in NOK 1000

	Share capital	Share premium	Other equity	Total equity
Nord Pool EMCO AS				
Equity as of 01.01.2020	10 935	5 166	42 807	58 908
Net income 2020			1 791	1 791
Dividend			-7 000	-7 000
EQUITY AS OF 31.12.2020	10 935	5 166	37 598	53 699

The shareholders of TSO Holding AS (previous Nord Pool Holding 919 422 505) decided on 23 December 2019 to transfer the shares of Nord Pool AS and Nord Pool European Market Coupling Operator AS to a new entity with name Nord Pool Holding AS (823 268 572).

The Nord Pool Group is constituted by the parent company Nord Pool Holding AS (NPH) and its subsidiaries Nord Pool AS (Power Exchange, or PX) and Nord Pool European Market Coupling Operator AS (NP EMCO AS). The structure originates from the 2018-demerger of Nord Pool AS, separating the EMCO (monopolistic) and Power Exchange (competitive) operations into two separate legal entities. Further, NPH was created as part of the preparations to consider strategic options for the Nord Pool Group.

The transaction is through a contribution in kind to continuation of book values.

Note 14 Accounts payable

Amounts in NOK 1000

	NP EMCO AS	
	2020	2019
Other accounts payable	1 508	6 584
Book value	1 508	6 584

Note 15 Taxes

Amounts in NOK 1000

	NP EMCO AS	
	2020	2019
Taxes for the year are distributed as follows:		
Taxes payable Norway	609	1 141
Taxes payable foreign countries	0	401
Change from previous years	722	0
Change in deferred tax	53	-549
TOTAL TAX EXPENSES	1 384	993

Calculated payable tax basis for the year:

Pre-tax profit	3 175	2 806
TOTAL PROFIT BEFORE TAX	3 175	2 806
Permanent differences *)	-167	113
Change in temporary differences	-242	2 495
BASIS TAXES PAYABLE FOR THE YEAR	2 766	5 414

Overview temporary differences:

Fixed assets	-284	3 752
Allocations in accordance with generally accepted accounting principles	0	-128
Correction deferred tax benefit earlier year	0	-4 150
TOTAL	-284	-526
22% Deferred tax benefit	-62	-116

Explanation why tax for the year does not constitute 22% of the pre-tax profit:

	NP EMCO AS
22 % tax on pre-tax profit	699
Variance last years accrued tax	722
Permanent differences (22%)	-37
CALCULATED TAX EXPENSE	1 384
Nominal taxation rate **)	43,6 %

*) Not including non-deductible expenses, such as entertainment.

**) Tax cost as a percentage of pre-tax profit.

Note 16 Regulation, licenses

Nord Pool European Market Coupling Operator AS is licensed by the Norwegian Water Resources and Energy Directorate (NVE) to organise and operate a marketplace for trade in power and by the Norwegian Ministry of Petroleum and Energy to facilitate the exchange of energy between Norway and other countries.

According to license from NVE there is requirement of necessary size of risk capital base. Estimated risk capital is for Nord Pool European Market Coupling Operator AS NOK 25m. Nord Pool European Market Coupling Operator AS fulfils the requirement of risk capital.

Note 17 Events after the balance sheet date

The COVID-19 pandemic has created some uncertainty with regards to the outlook for 2021. The short-term impact on the Groups main business, electricity supply and demand, have been minor so far as the power sector is part of the critical infrastructure. Although there may be some variation in electricity demand due to temporary reduced activity and thus a lowered need for power in certain sectors, it is expected that the overall electricity consumption will stay reasonably stable and any decline should be short-lived. The group also has clear processes in place to ensure operational robustness and mitigate risk. Through its licenses the group is required to keep subordinated capital to ensure its financial soundness. Subsequently, the impact on the Groups future profitability from the COVID-19 pandemic is expected to be low and should have no impact on the annual dividend for 2020. Further consequences of the COVID-19 pandemic need to be assessed as the situation continues to develop.



NORD POOL SPOT AS
Postboks 121
1325 LYSAKER

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Nord Pool Spot AS, org. nr. 984 058 098

Det vises til deres brev 8. januar 2014 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Nord Pool Spot AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Nord Pool Spot AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Nord Pool Spot AS er eid av de nordiske netteierne Statnett SF, Svenska Kraftnät, Fingrid Oy, Energinet.dk sammen med de baltiske netteierne Elering AS, Litgrid AB og Augstsprieguma tikls AS (AST). Nord Pool Spot AS er en kraftbørs med hovedkontor i Oslo. Selskapet har også kontorer i Stockholm, Helsinki, København, Tallin og London. Selskapet driver kraftmarkedet i Norden og Baltikum, samt et kraftmarked i England i samarbeid med Nasdaq OMX Commodities, og opererer i en bransje av sterk internasjonal karakter. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. Selskapet benytter også engelsk som arbeidsspråkene norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal *"årsregnskapet og årsberetningen ... være på norsk.* Departementet kan ved ... *enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."*

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:



"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "informative regnskaper for ulike grupper av regnskapsbrukere". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapet er eiet av få institusjonelle eiere der de fleste er utenlandske. Eierkretsen er begrenset. Arbeidsspråket er engelsk og all kommunikasjon skjer på engelsk. Videre er det vektlagt at selskapet driver virksomhet i en internasjonal bransje der alle aktører behersker og benytter engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad

seniorrådgiver

Rettsavdelingen, foretaksskatt

Skattedirektoratet

Torstein Kinden Helleland