

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Journalnummer: 2021 517574

Enheten

Organisasjonsnummer: 919 585 099
Organisasjonsform: Aksjeselskap
Foretaksnavn: NORD POOL 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: 06.05.2021

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, 21.07.2021

Organisasjonsnr: 919 585 099
NORD POOL AS

RESULTATREGNSKAP

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Fixed fee		39 562 000	36 034 000
Volume dependent fees		267 951 000	231 306 000
Other operating income		56 079 000	55 096 000
Sum inntekter	3	363 592 000	322 436 000
Kostnader			
Payroll expenses	5,16	69 152 000	61 396 000
Depreciation	8	3 503 000	3 924 000
Other operating expenses	4,5,6	200 932 000	188 141 000
Sum kostnader		273 587 000	253 461 000
Driftsresultat		90 005 000	68 975 000
Finansinntekter og finanskostnader			
Dividend and revenues associated companies	7	30 111 000	5 016 000
Interest revenues	7	916 000	3 811 000
Other financial revenues (Agio)	7	1 789 000	609 000
Sum finansinntekter		32 816 000	9 436 000
Interest and financial expenses	7	9 069 000	5 754 000
Other financial expenses (agio)	7	-75 000	4 878 000
Sum finanskostnader		8 994 000	10 632 000
Netto finans		23 822 000	-1 196 000
Ordinært resultat før skattekostnad			
Taxes	19	18 758 000	13 242 000
Ordinært resultat etter skattekostnad		95 069 000	54 537 000
Årsresultat		95 069 000	54 537 000
Overføringer og disponeringer			
Ordinært utbytte		69 111 000	49 536 000
To other equity		25 958 000	5 000 000
Sum overføringer og disponeringer		95 069 000	54 536 000

Organisasjonsnr: 919 585 099
NORD POOL AS

BALANSE

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Intangible assets	8	12 896 000	9 685 000
Utsatt skattefordel	19	831 000	1 132 000
Sum immaterielle eiendeler		13 727 000	10 817 000
Varige driftsmidler			
Tangible fixed assets		1 366 000	1 815 000
Sum varige driftsmidler		1 366 000	1 815 000
Finansielle anleggsmidler			
Investeringer i			
tilknyttet selskap	10	22 827 000	22 827 000
Sum finansielle anleggsmidler		22 827 000	22 827 000
Sum anleggsmidler		37 920 000	35 459 000
Omløpsmidler			
Varer			
Fordringer			
Accounts receivables	1,11	65 103 000	571 445 000
Other receivables	13	113 355 000	12 548 000
Sum fordringer		178 458 000	583 993 000
Bankinnskudd, kontanter og lignende			
Bank deposit	12,14	621 935 000	1 060 168 000
Sum bankinnskudd, kontanter og lignende		621 935 000	1 060 168 000
Sum omløpsmidler		800 393 000	1 644 161 000
SUM EIENDELER		838 313 000	1 679 620 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capitaal	15	48 091 000	48 091 000
Annen innskutt egenkapital	15	45 997 000	45 997 000
Sum innskutt egenkapital		94 088 000	94 088 000
Opptjent egenkapital			
Other Equity	16,20	87 005 000	60 970 000

Sum opptjent egenkapital		87 005 000	60 970 000
Sum egenkapital		181 093 000	155 058 000
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	17	2 934 000	3 286 000
Sum avsetninger for forpliktelser		2 934 000	3 286 000
Annen langsiktig gjeld			
Sum langsiktig gjeld		2 934 000	3 286 000
Kortsiktig gjeld			
Leverandørgjeld	12,18	543 306 000	1 342 060 000
Tax Payables	19	18 463 000	13 811 000
Public duties		3 793 000	47 895 000
Utbytte	16	69 111 000	49 536 000
Kortsiktig konserngjeld			12 516 000
Other current liabilities		18 809 000	55 269 000
Derivates	12	804 000	189 000
Sum kortsiktig gjeld		654 286 000	1 521 276 000
Sum gjeld		657 220 000	1 524 562 000
SUM EGENKAPITAL OG GJELD		838 313 000	1 679 620 000
POSTER UTENOM BALANSEN			
Garantistillelser	14	974 072 000	1 101 148 000



Vår dato 03.06.2019	Din/Deres dato 05.04.2019	Saksbehandler Henning Stokke
800 80 000 Skatteetaten.no	Din/Deres referanse Narve Løvø	Telefon 800 80 000
Org.nr 974761076	Vår referanse 2019/5655342	Postadresse Postboks 9200 Grønland 0134 OSLO

ERNST & YOUNG AS
Postboks 1156 Sentrum
0107 OSLO

Tillatelse til å utarbeide årsberetning og årsregnskap på engelsk språk

Vi viser til deres brev av 5. april 2019 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper:

- Nord Pool AS org.nr. 919 585 099
- Nord Pool Holding AS org.nr. 919 422 505

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering selskapene nevnt ovenfor dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge 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

Fra søknaden gjengis:

Nord Pool AS er en kraftbørs med hovedkontor i Oslo. Selskapet har datterselskaper i Sverige og Finland, samt filialer registrert i landene England, Tyskland, Estland, Litauen og Danmark. Selskapet driver kraftmarkedet i Norden, Baltikum og England.

Selskapet operer i en bransje med sterk internasjonal karakter hvor alle sentrale aktører og samarbeidspartnere har engelsk som arbeidsspråk. Nord Pool AS eies indirekte av de nordiske netteierne Statnett SF, Svenska Kraftnät, Fingrid Oy, Energinet.dk i tillegg til de baltiske netteierne Elering AS, Litgrid AB og Augstspriegumatikls AS (AST). Da selskapet har få og internasjonale eiere, foregår all kommunikasjon på engelsk. Selskapet har også EUR som funksjonell valuta på grunn av den internasjonale karakteren til aktivitetene.

Nord Pool Holding AS er ultimate morselskap i konsernet, hvis eneste formål er å holde aksjer i sine datterselskaper. Det vises til vedlagte strukturkart.

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 speulasjonsgevinster 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.

Som nevnt ovenfor er det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapene er direkte eller indirekte 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 selskapene driver virksomhet i en internasjonal bransje der alle aktører behersker og benytter engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Inger Helene Iversen
seniorrådgiver
Juridisk avdeling
Skattedirektoratet

Henning Stokke

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.

Report of the Board of Directors

Nord Pool AS

Nord Pool 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 relevant jurisdictions. Nord Pool operates the power markets through delegation from NP EMCO. Nord Pool organises simple, efficient, and secure power trading – centred on day-ahead and intraday markets. Around 360 companies from 20 countries trade on our markets in the Nordic and Baltic regions, the UK, Central Europe (covering Austria, Belgium, France, Germany, Luxembourg, The Netherlands and Poland). Additionally, the group service the power markets in Croatia and Bulgaria.

Furthermore, Nord Pool offers compliance services for its customers and for Transmission System Operators (TSOs), around European regulatory requirements such as the Regulation on Energy Market Integrity and Transparency (REMIT) and others.

Nord Pool AS has its main office in Lysaker, and branch offices in London, Berlin, Espoo and Stockholm. Nord Pool 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 and has delivered according to our Brexit strategy in close collaboration with customers. 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. Ahead of Brexit, GB customers were successfully migrated to the new auction system.

There were several other launches during the year for core customers. Nord Pool launched a new Margin Model to better capture price movements in the market, we introduced new data products across geographies and products, and there were several performance improvements in the Intraday platform to cater for strong growth in the market. The Finnish intraday pilot of trading the last hour prior to delivery has been extended and we had a successful intraday market launch in Poland. The Polish launch marked another important step towards expanding the single integrated European Intraday market.

Nord Pool also had several deliveries for non-trading customers. IBEX was successfully migrated to our new auction system and the Georgia market trial started ahead of the planned launch Jul-21. Nord Pool Consulting AS (NPC) supported implementation of a regional balancing market and market surveillance function in South Africa and consulted on implementing a local market for Namibia. NPC also worked on

market reform projects for Montenegro, Georgia, and Albania / Kosovo, and held a seminar series held in Beijing to assist with Chinese market development.

Research and Development (R&D) efforts in the Nord Pool Group is largely related to software development related to our core systems. Software development during 2020 was largely related to the launch of Nordic MNA, Brexit preparations and performance improvements on the Intraday platform.

During 2020 a total of 995 TWh of power was traded through Nord Pool, 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 363,6m (2019: NOK 322,4m) whereas Operating profit was NOK 90m (2019: NOK 69m). Net income amounted to NOK 95,1m (2019: NOK 54,5m).

By the end of 2020, total equity and liabilities for the company was NOK 838,3m (2019: NOK 1679,6m).

The Board of Directors considers the equity to be adequate with regards to the company's exposures and collateral posted by market participants.

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

Company cash and cash equivalents changed from NOK 1060,2m at the end of 2019 to NOK 621,9m at the end of 2020.

Risks

Nord Pool Group's activities have no negative impact on the environment. The group 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

The Nord Pool Group is exposed to currency risk, as physical power trades are settled in multiple currencies. This exposure is hedged using contracts where settlement and VAT is hedged daily.

In the UK market, the Nord Pool Group also face imbalance risk due to being a nomination agent and is required to post collateral reflecting replacement cost in case of non-delivery or rejection of notified volumes.

As we enter a more competitive environment among power exchanges, due to the advent of a single European power market, Nord Pool anticipates greater competition in its established markets, like our growth in the CWE region. The Board regards Nord Pool to be well positioned for competition.

Credit Risk

All Nord Pool trades are settled on the day of trading or on the following business day, with invoices and credit notes being dispatched in the afternoon. Financial settlement is due one banking day after trading for net buyers and two banking days after trading for net sellers. The credit risk related to financial settlement is mitigated by holding collateral as a payment guarantee for unpaid invoices. The collateral requirements are regulated by the Clearing Rules. Collateral can be posted either in the form of cash on a pledged account, or as an on-demand-guarantee or letter of credit. Year-end accounts receivable amounted to NOK 64,7m (2019: NOK 568,4m).

Variations in settlement cycle following variations in banking days over the new-year period combined with variations in physical power prices traded on our markets give rise to significant fluctuations in accounts receivables from year to year.

Liquidity Risk

Nord Pool has a solid liquidity position, as invoices from physical power sold are due one banking day prior to self-billing invoices for purchased volumes.

Counterparty Risk

Counterparty risk for Nord Pool is regarded as low and is mitigated through members and financial counterparties being subject to an internal risk assessment prior to trading and financial exposure, as well as monthly monitoring and reporting using both internal and external sources. Members must comply with and fulfil daily security requirements, while the solidity of financial intermediates is monitored using external credit ratings. There was no debtor loss registered for Nord Pool in 2019. In the case of a member default, Nord Pool expects to recover all outstanding claims by calling on the member's collateral.

Risk capital

Nord Pool AS holds a sales concession from NVE and has conservatively calculated that the minimum risk capital is NOK 181m. The required risk capital for the company is derived from assessments of counterparty risk and operational risk, based on similar methodologies as for banks and securities firms. The company comply with the concession and continuously monitors the situation.

Organisation and working environment

As per 31 December 2020 Nord Pool AS had 50 employees based in Norway, Denmark, the UK, Estonia, Germany and Lithuania. Nord Pool AS had 20 female employees and 30 male employees 31 December 2020.

As per 25 March 2021 the Nord Pool AS 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 1.2%. No lost-time accidents or personal injuries were suffered in 2020. Nord Pool human resources policy is based on equality, meaning that there shall be no differences between male and female salary when expertise and experience are comparable.

Nord Pool AS encourage employees of both genders to establish solutions which make it easier to combine work and family life. There was one employee on maternity/paternity leave as per 31 December 2020, and the company had one employee working part time at the end of the year.

Allocation of profit

The Board proposes to distribute NOK 69,1m as dividend for 2020.

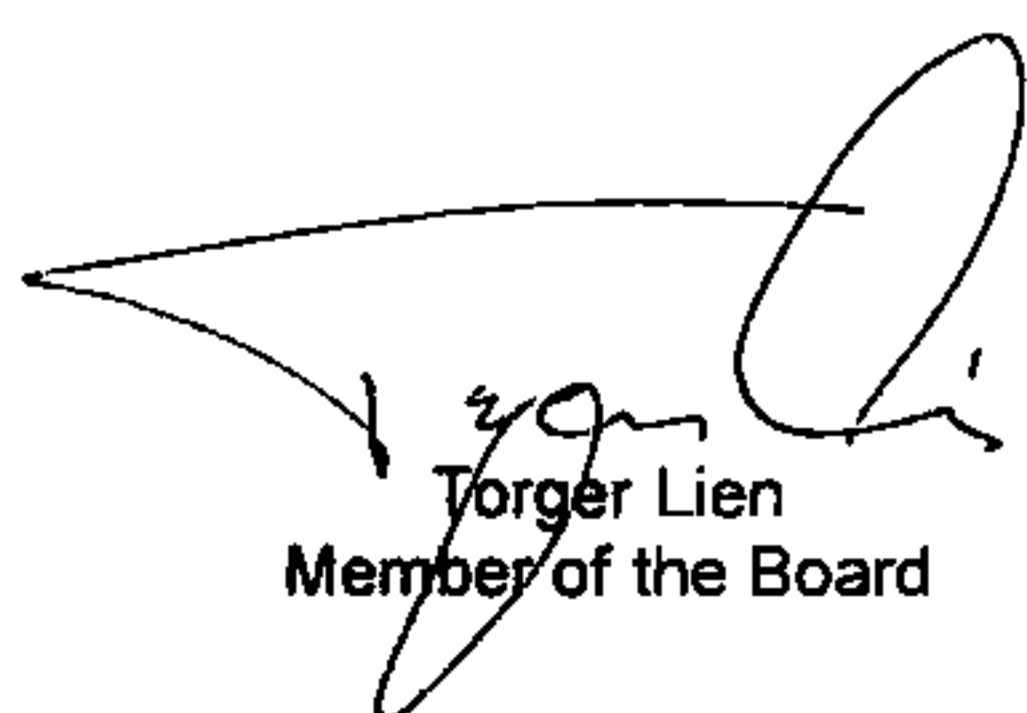
Outlook for 2021

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.

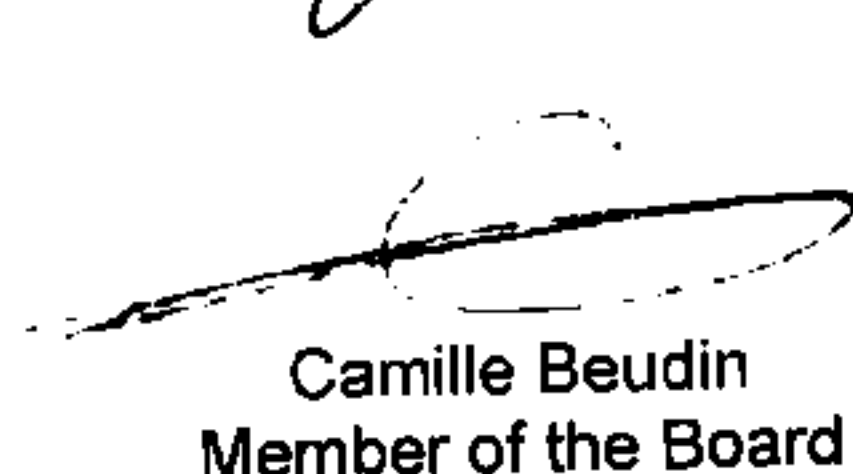
Lysaker, March 25, 2021



Torgjer Lien
Member of the Board



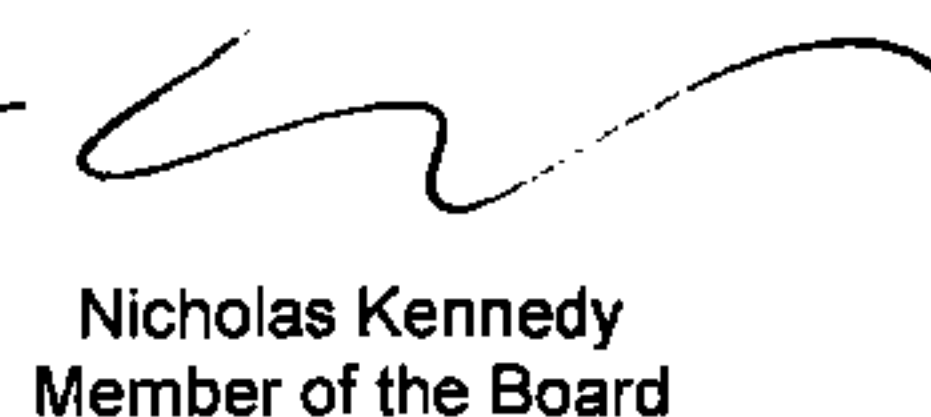
Chris Topple
Chairman



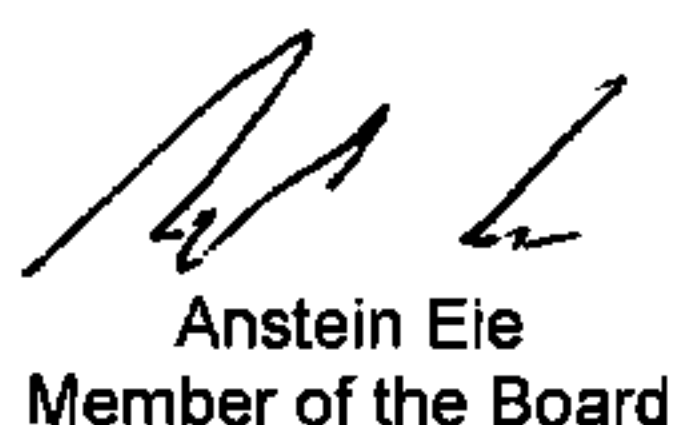
Camille Beudin
Member of the Board



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

Nord Pool AS
(Org.no. 919 585 099)

Annual Accounts 2020

Profit and loss account

Amounts in NOK 1000	Note	2020	2019
Fixed fee revenues		39 562	36 034
Volume dependent fees		267 951	231 306
Other operating income		56 079	55 096
Total operating income	3	363 592	322 436
Depreciation	8	3 503	3 924
Payroll expenses	5,16	69 152	61 396
Other operating expenses	4,5,6	200 932	188 141
Total operating expenses		273 587	253 462
Operating profit		90 005	68 974
Net financial items	7	23 822	-1 196
Profit before taxes		113 827	67 778
Taxes	18	18 758	13 242
Net income		95 069	54 536
ALLOCATED TO:			
Dividend		69 111	49 536
Allocated to other equity		25 958	5 000

Balance sheet

Assets

Amounts in NOK 1000

Assets

FIXED ASSETS

Intangibles

Intangible assets

Deferred tax benefit

Total intangible

Tangible fixed assets

Financial assets

Investment in subsidiaries

Total financial assets

TOTAL FIXED ASSETS

CURRENT ASSETS

Receivables

Accounts receivables

Other receivables

Total receivables

Bank deposits

TOTAL CURRENT ASSETS

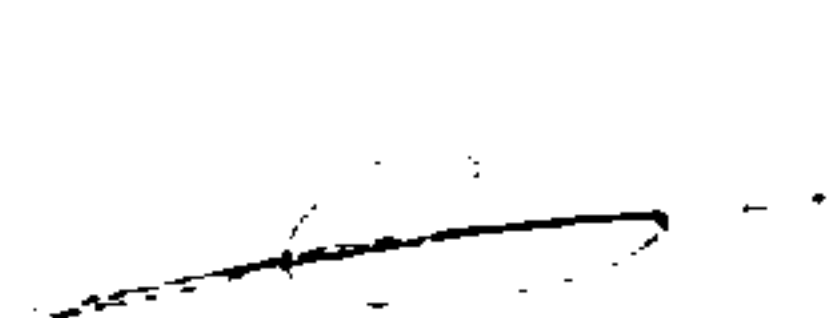
TOTAL ASSETS

Note	Nord Pool AS	
	31.12.2020	31.12.2019
8	12 896	9 685
19	831	1 132
	13 727	10 817
	1 366	1 815
10	22 827	22 827
	22 827	22 827
	37 920	35 459
1, 11	65 103	571 445
13	113 355	12 548
	178 458	583 993
12, 14	621 935	1 060 168
	800 393	1 644 161
	838 313	1 679 620

Balance sheet Equity and liabilities

		Nord Pool AS	
Amounts in NOK 1000		31.12.2020	31.12.2019
EQUITY AND LIABILITIES			
EQUITY			
Paid-in-equity			
Share capital	15	48 091	48 091
Share premium	16	45 997	45 997
TOTAL PAID-IN-EQUITY		94 088	94 088
Retained earnings			
Other equity	16, 20	87 005	60 970
TOTAL RETAINED EARNINGS		87 005	60 970
TOTAL EQUITY	16,20	181 093	155 058
LIABILITIES			
Provisions for liabilities			
Pension liabilities	17	2 934	3 286
TOTAL PROVISIONS FOR LIABILITIES		2 934	3 286
Current liabilities			
Derivatives	12	804	189
Accounts payable	12, 18	543 306	1 342 060
Taxes payable	19	18 463	13 811
Public duties		3 793	47 895
Group payable		-	12 516
Dividend	16	69 111	49 536
Other current liabilities		18 809	55 269
TOTAL CURRENT LIABILITIES		654 286	1 521 276
TOTAL LIABILITIES		657 220	1 524 562
TOTAL EQUITY AND LIABILITIES	21	838 313	1 679 620

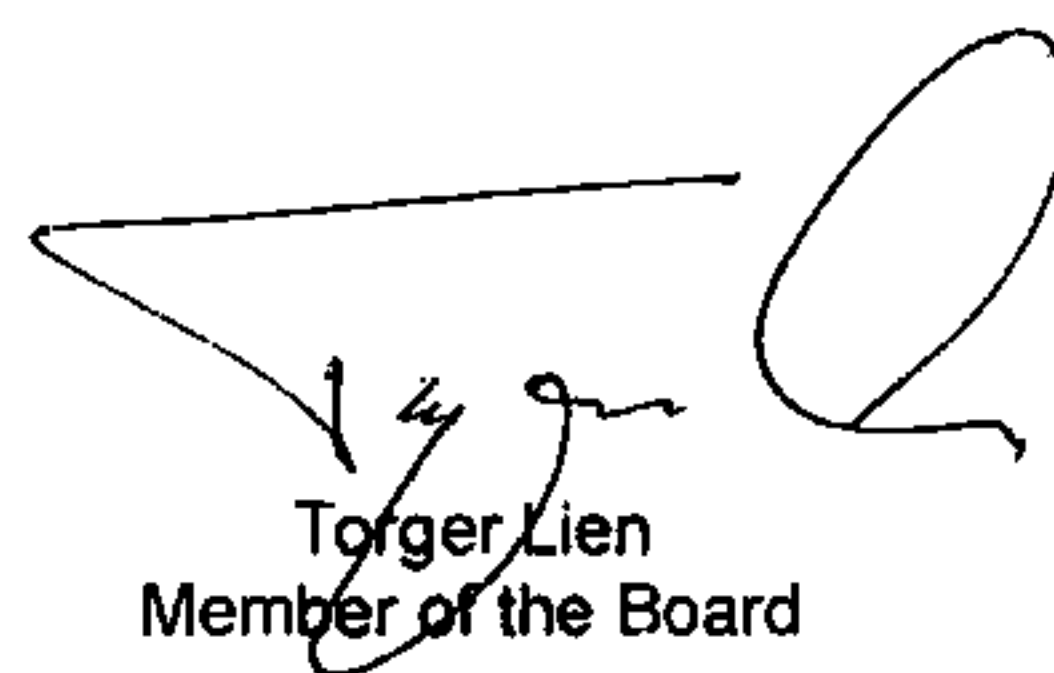
Lysaker, 25 March 2021



Camille Beudin
Member of the Board



Chris Topple
Chairman



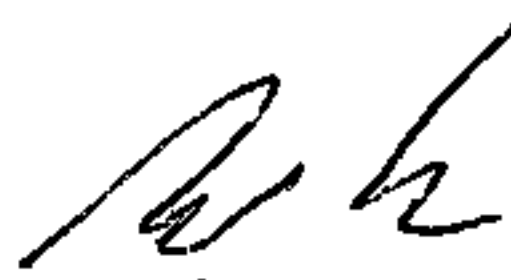
Torger Lien
Member of the Board



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

amounts in 1000 NOK	Nord Pool AS	
	2020	2019
Cash flow from operating activities		
Net income	95 069	54 536
Ordinary depreciation	3 503	3 924
Change in accounts receivable	506 342	1 162 246
Change in accounts payable	-798 754	-884 578
Change in pension liabilities	-352	-231
Change in other current receivables and liabilities	-188 241	376 174
NET CASH FLOW FROM OPERATING ACTIVITIES	-382 433	712 071
Cash flow from investment activities		
Purchase of tangible fixed assets	0	-2 213
Purchase of intangible fixed assets	-6 265	-5 915
Investment in associated companies	0	-20 000
NET CASH FLOW FROM INVESTMENT ACTIVITIES	-6 265	-28 128
Cash flow from financing activities		
Payment of dividend	-49 536	-56 859
NET CASH FLOW FROM FINANCING ACTIVITIES	-49 536	-56 859
Net change in liquid assets	-438 233	627 084
Liquid assets as of 1 January	1 060 168	433 084
LIQUID ASSETS AS OF 31 DECEMBER	621 935	1 060 168

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 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.

Power turnover

Purchases and sales of electrical power and gas are settled at the same price. Consequently, the monetary value of trading has no effect on the profit level of the Nord Pool.

Income from fees

The income base consists of:

- annual fees
- volume-dependent fees
- FX fees

Volumes fees in the physical market relate to power traded (MWh) and are invoiced together with the power following delivery. FX fees apply for customers buying or selling electricity in other currencies than EUR. It is calculated as a % of invoice value.

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.

Financial instruments

Nord Pool uses financial instruments to manage foreign exchange exposure. Spot exchange contracts are used solely to hedge currency exposures incurred in connection with the settlement of physical trading. Gains and losses on spot exchange contracts are reported and evaluated in tandem with the hedged item. Gains and losses on hedging instruments rolled over prior to their expiry are recognised in the balance sheet and income statement over time along with the hedged item. Financial derivatives are booked at market value.

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

Nord Pool has 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 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.

Nord Pool AS has in addition a defined benefit pension plans which provide the employees with the right to defined future pension benefits (defined benefit plans). Benefits are based on the number of years of employment and salary at retirement age. This plan covers two former employees.

Contributions to the pension fund are made in accordance with the actuarial method of calculation. Pension assets in the pension fund are primarily invested in securities. Pension liabilities are calculated in accordance with the Norwegian accounting standard (NRS) for pension costs.

Pension obligations are valued at the present value of future pension liabilities earned as at the balance sheet date, which are to be paid through the company's own pension fund or financed by operations.

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 the company. 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 Collaterals

Physical trade

Participants are obliged to post appropriate collateral for their spot market trade in accordance with the Rulebook for the Physical Markets. The security requirement included in the section "Clearing Rules Appendix" of the rulebook reflects Nord Pool's settlement risk.

Collateral for the Intra Day market follows the same security requirements as for the Day Ahead. For customers in Day Ahead acting in Intra Day the security requirement of Intra Day is netted into Day Ahead collateral.

The minimum trading requirement is a collateral base of NOK/SEK/DKK 240,000 or EUR 30,000. The collateral must be registered with Nord Pool before any trade is initiated.

Collateral can be posted as an on-demand bank guarantee, as cash in a pledged bank account or in another way accepted by Nord Pool in accordance with the Rulebook for the Physical Markets.

As of 31 December 2020, outstanding balances in the physical market totaled NOK 64.7 million, while the collateral requirement in respect of participants totaled NOK 3,903.59 million.

At the end of the year, all participants in the physical market had posted satisfactory collateral in accordance with the Settlement regulations.

Security requirements for Day Ahead/Intra-day and the UK market are not netted.

Note 2 Power turnover

Amounts in NOK 1000

Geographical distribution - power sales	Nord Pool AS	
	2020	2019
Norway	14 472 533	50 360 343
Sweden	27 864 582	46 321 257
Denmark	10 360 198	13 199 092
Finland	17 558 996	28 570 608
Germany	12 049 829	6 264 144
Estonia	2 784 526	3 561 688
Lithuania	4 682 400	5 868 438
Latvia	2 769 256	3 448 917
Poland	3 079 782	2 907 274
United Kingdom	41 440 100	43 081 209
Netherland	5 630 644	2 191 839
Spain	80 879	41 151
Austria	2 610 967	2 083 462
Belgium	1 534 742	356 907
France	3 917 580	1 685 067
Czech Republic	241 918	26 047
Slovenia	17 231	3 100
Hungary	25 140	6 987
TOTAL	151 121 303	209 977 530

Geographical distribution - power purchases	Nord Pool AS	
	2020	2019
Norway	16 853 891	51 498 651
Sweden	31 811 550	56 052 005
Denmark	8 756 556	52 909 752
Finland	16 227 227	24 677 806
Germany	12 363 653	6 778 024
Estonia	1 748 948	2 615 200
Lithuanian	3 682 403	8 188 592
Latvia	2 501 103	90 867
Poland	714 093	476 315
United Kingdom	40 234 171	555 039
Netherland	5 463 540	1 286 149
Spain	96 729	49 132
Austria	951 657	352 248
Belgium	2 359 590	2 220 161
France	2 622 016	1 368 536
Czech Republic	426 223	30 761
Slovenia	14 902	2 853
Hungary	42 855	4 433
Luxembourg	4 250 195	821 006
TOTAL	151 121 303	209 977 530

Note 3 Operating revenues

Amounts in NOK 1000

	Nord Pool AS	
Geographical distribution	2020	2019
Norge	107 400	107 032
Sverige	75 286	73 792
Danmark	31 686	23 508
Finland	45 745	45 531
Tyskland	34 074	10 128
UK	33 057	28 254
Estland	4 831	4 191
Litauen	9 750	11 686
France	2 334	482
Belgia	2 595	836
Sveits	300	1 139
USA	1 059	707
Nederland	3 070	864
Latvia	4 491	4 580
Polen	113	7
Austria	379	473
Tsjekkia	39	56
Irland	58	15
Other	7 328	9 154
TOTAL	363 592	322 436

Note 4 Related parties

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

Nord Pool AS (amounts in TNOK)	2020	2019
Intercompany operating revenues	-28 011	-20 168
NP EMCO AS	-26 094	-18 901
NP Consulting AS	-1 917	-1 267
 Intercompany operating costs	 145 242	 140 844
NP EMCO AB	1 461	1 187
NP EMCO AS	96 221	94 067
NP EMCO Oy	3 363	2 650
NP AB	7 544	8 298
NP Consulting AS	725	676
NP Finland Oy	35 930	33 965

Services and tasks performed by Nord Pool Finland Oy for Nord Pool AS
Marketing and IT development and operational services

Nord Pool Finland Oy supplies marketing and consultancy and IT-services to Nord Pool.

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

Nord Pool European Market Coupling Operator Oy supplies marketcoupling and consultancy services to Nord Pool.

Services and tasks performed by Nord Pool European Market Coupling Operator AS for Nord Pool AS
Marketcoupling services

Nord Pool European Market Coupling Operator AS supplies marketcoupling and consultancy services to Nord Pool.

Services and tasks performed by Nord Pool AB for Nord Pool AS
Marketing, regulatory, and operational services

Nord Pool AB provides marketing, market data- and consultancy services to Nord Pool.

Services and tasks performed by Nord Pool Consulting AS for Nord Pool AS
Marketing services

Nord Pool Consulting AS provides consultancy services to Nord Pool.

Note 5 Payroll expenses, number of employees, reimbursements, employee loans etc.

Amounts in NOK 1000

	Nord Pool AS	
	2020	2019
Payroll expenses		
Salaries	51 917	45 578
Social security contribution	9 134	8 838
Pension expenses defined pension scheme	-352	-231
Pension expenses defined contribution scheme	5 563	3 526
Pension costs contributions scheme foreign countries	526	546
Other benefits	2 364	3 140
TOTAL	69 152	61 396

During the financial year 2020, Nord Pool AS had an average of 48.3 employees (47.8 man-years) and in 2019 46 employees (45.3 man-years).

Remuneration of executives	CEO	Board of directors
Salary	3 680	0
Other remuneration	150	0
Accrued pension	172	0

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

The CEO has in addition to the company bonus scheme individual bonus agreement where maximum bonus can be up to 85 per cent of the annual pay. Individual bonus achieved for 2020 amounted to 75 per cent.

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 Nord Pool AS has been granted.

Board members who are employed by the owners of Nord Pool do not receive any remuneration.

Bonus

Nord Pool 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.

Share-based option agreement

Directors and certain employees of the Euronext Group benefited from Restricted Stock Units ("RSUs") granted by Euronext N.V. under the LTI Plans on their applicable grant dates. RSUs granted under LTI Plans cliff-vest after 3 years, subject to continued employment and a 'positive EBITDA' performance condition.

In addition to these RSUs granted to all participants in the LTI Plans, Performance RSUs have been awarded to members of the Managing Board and Senior Leadership team. The vesting of these Performance RSUs is subject to two performance conditions:

- 50% of the performance RSUs vests subject to a Total Shareholder Return ("TSR") condition;
- 50% of the performance RSUs vests subject to an EBITDA1-based performance condition.

One of the employees in Nord Pool, was on 19 May 2020 granted 519 Performance RSUs under the Euronext Long-Term Incentive Plan 2020.

Auditors

Compulsory auditing for the parent company amounts to NOK 380,529 and for confirmation activities NOK 43,500.

Note 6 Other operating expenses

Amounts in NOK 1000

	Nord Pool AS	
	2020	2019
Outsourced services	13 744	15 109
Administration services from subsidiaries	145 242	140 844
External cost on project with cost recovery	4 350	5 402
Operation and maintenance of software	30 041	16 297
Miscellaneous	7 557	10 489
TOTAL OTHER OPERATING EXPENSES	200 933	143 528

Nord Pool European Market Coupling Operator AS have a tenancy agreement for office facilities at Granfoss Næringspark, 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 Nord Pool 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 7 Net financial items

Amounts in NOK 1000

	Nord Pool AS	
	2020	2019
Financial income		
Dividend and revenues associated companies	30 111	5 016
Interest revenue	916	3 811
Other financial revenues (agio)	1 789	609
TOTAL FINANCIAL REVENUES	32 816	9 436

	Nord Pool AS	
	2020	2019
Financial expenses		
Interest and financial expenses	9 069	5 754
Other financial expenses (agio)	-75	4 878
TOTAL FINANCIAL EXPENSES	8 994	10 632
NET FINANCIAL ITEMS	23 822	-1 196

Note 8 Intangible assets

Amounts in NOK 1000

Nord Pool AS	Trade systems	Total
Acquisition cost as of 01.01.2020	13 840	13 840
Additions	6 265	6 265
Acquisition cost as of 31.12.2020	20 104	20 104
Accumulated depreciation as of 31.12.2020	-7 208	-7 208
BOOK VALUE AS OF 31.12.2020	12 896	12 896
This year's depreciation	3 054	3 054

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

The company 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 9 Tangible fixed assets

Amounts in NOK 1000

Nord Pool AS	Vehicle	EDP and office equipment	Total
Acquisition cost as of 01.01.2020	0	2 213	2 213
Additions	0	0	-
Disposals	0	0	0
Acquisition cost as of 31.12.2020	0	2 213	2 213
Accumulated depreciation as of 31.12.2020	0	-847	-847
BOOK VALUE AS OF 31.12.2020	0	1 366	1 366
This year's depreciation	0	449	449

Note 10 Subsidiaries, associated companies and joint ventures

Amounts in NOK 1000

Company	Acquisition date	Head-quarters	Ownership	Share of voting rights
Nord Pool Finland Oy	01.07.2002	Espoo	100 %	100 %
Nord Pool AB	18.12.2007	Stockholm	100 %	100 %
Nord Pool Consulting AS	01.12.2014	Lysaker	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 Finland Oy	01.07.2002	4 978	40 000	4 978 000	17 742 240	17 742 240
Nord Pool AB	18.12.2007	85	100 000	SEK 100.000	84 670	84 670
Nord Pool Consulting AS	01.12.2014	5 000 000	1 000	NOK 5 000	5 000 000	5 000 000

Note 11 Accounts receivable

Amounts in NOK 1000

	Nord Pool AS	
	2020	2019
Power purchases	64 672	568 419
Other accounts receivable	431	3 026
Book value	65 103	571 445

Accounts receivables have been recorded at face value as of 31.12.2020.

Note 12 Foreign currency

Foreign currency risks

Fluctuations in currency exchange rates pose both direct and an indirect financial risk for Nord Pool AS. Hedging of currency income and assets denominated in foreign currency is done using hedging instruments, such as foreign exchange forward contracts.

Nord Pool AS maintains trade accounts receivables and accounts payables in SEK, DKK, EUR and NOK. These are secured continuously using hedging instruments, such as foreign exchange forward contracts. Accounts receivables and payables in foreign currencies are valued at the year-end exchange rate on 31 December 2020.

Forward exchange contracts are used solely to hedge currency exposures incurred in connection with the settlement of physical trading. The table set out below shows the currency exposures and the market value of the forward positions.

Amounts in NOK 1000	Balance sheet exposure	Off-balance sheet exposure	Net foreign exchange position	Market value derivatives in TNOK
DKK	15 070	18	15 088	-5
SEK	68 061	0	68 061	2
EUR	15 128	-3 625	11 503	-800
GBP	8 903	0	8 903	0
TOTAL				-804

Note 13 Other receivables

Amounts in NOK 1000

	Nord Pool AS	
	2020	2019
VAT receivable	58 858	
Group receivables	32 633	
Other receivables	21 864	12 548
TOTAL	113 355	12 548

Note 14 Bank deposits and guarantees
Bank deposits

Amounts in NOK 1000

	Nord Pool AS
	2020
Restricted funds for tax withholdings	3 618

Guarantees

Nordea Bank Norge ASA		Start	Maturity			
Overdraft facility			10.08.2021		NOK	7 000 000
Guarantee European Commodity Clearing AG	06.11.2018	02.09.2021	EUR	20 000 000	NOK	209 406 000
Guarantee European Commodity Clearing AG	06.11.2018	02.09.2021	EUR	35 000 000	NOK	366 460 500
Guarantee Towara Gielda Energii S.A.	06.11.2018	08.12.2021	EUR	3 000 000	NOK	31 410 900
Guarantee OMI, Polo Espanol S.A.	06.11.2018	30.06.2021	EUR	800 000	NOK	8 376 240
Guarantee EXAA Abwicklungstelle	02.07.2019	02.06.2021	EUR	11 000 000	NOK	115 173 300
Guarantee MAVIR Zrt	18.11.2019	18.11.2021	EUR	1 500 000	NOK	15 705 450
Guarantee BSP Energy Exchange LLC	18.11.2019	18.11.2021	EUR	500 000	NOK	5 235 150
Guarantee CEPS A.S.	18.11.2019	18.11.2021	EUR	3 000 000	NOK	31 410 900
Nordea Bank Abp, London Branch						
Overdraft facility			GBP	15 300 000	NOK	178 186 860
BACS UK Facility			GBP	125 000	NOK	1 455 775
ELEXON Clear Ltd						
Bank deposit			GBP	365 000	NOK	4 250 863

Note 15 Share capital and shareholder information

Amounts in NOK 1000

Nord Pool AS

	Number of shares	Par value	Book value
The share capital comprises			
A-shares	15 318	3 139,50	48 090 861
TOTAL	15 318		48 090 861

Shareholders as of 31.12.2020

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

Note 16 Equity

Amounts in NOK 1000

Nord Pool AS	Share capital	Share premium	Other equity	Total equity
Equity as of 01.01.2020	48 091	45 997	60 970	155 058
Stock options employee benefit			77	77
Net income 2020			95 069	95 069
Dividend			-69 111	-69 111
EQUITY AS OF 31.12.2020	48 091	45 997	87 005	181 093

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 NP 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 17 Pensions

Amounts in NOK 1000

	Nord Pool AS	Nord Pool AS
	2020	2019
Pension expenses contribution scheme in Storebrand	4 762	3 095
Pension expenses contribution scheme foreign countries	526	546
Interest cost for pension liabilities	55	86
NET PENSION EXPENSES	5 343	3 726

	Nord Pool AS	
	2020	2019
Nord Pool AS	Unsecured	Unsecured
Estimated pension liabilities as of 31.12.	3 059	3 411
Estimated pension funds as of 31.12.	0	0
Effect of changes in estimates and deviations not recorded in the profit and loss account	106	106
Social security contribution	-231	-231
NET PENSION LIABILITIES	2 934	3 286

Financial assumptions	2020	2019
Discount rate	1,50 %	1,80 %
Expected growth in salaries	0,00 %	0,00 %
Expected growth of social security base amount	0,00 %	0,00 %
Expected growth in pensions	1,50 %	1,80 %
Rate of pension increase	3,00 %	3,00 %
Average social security payment	14,10 %	14,10 %

Former CEOs of Nord Pool are entitled to a supplementary pension scheme. From the age of 62 up to and including 74 years the CEO are entitled to a supplementary yearly payment equivalent to NOK 400,000 (2008 value) in addition to the general scheme. The supplementary scheme is indexed to the average increase in the wages of the company both during the period of employment as well as after the pensionable age has been attained. The rest of the executive management is covered by Nord Pool pension plan and have no rights beyond those associated with that plan. This pension plan comprises 47 employees and pension costs for the year equal 12 % of gross salaries per employee.

Note 18 Accounts payable

Amounts in NOK 1000

	Nord Pool AS	
	2020	2019
Power purchases	524 894	1 332 014
Other accounts payable	18 412	10 046
Book value	543 306	1 342 060

Note 19 Taxes

Amounts in NOK 1000

	Nord Pool AS	
	2020	2019
Taxes for the year are distributed as follows:		
Taxes payable	18 463	13 811
Tax fixed establishment abroad	57	144
Change from previous years	276	-524
Change in deferred tax	-37	-190
TOTAL TAX EXPENSES	18 758	13 242

Calculated payable tax basis for the year:

Pre-tax profit	113 827	67 778
TOTAL PROFIT BEFORE TAX	113 827	67 778
Permanent differences *)	-30 075	-4 744
Change in temporary differences	170	863
BASIS TAXES PAYABLE FOR THE YEAR	83 922	63 896

Overview temporary differences:

Fixed assets	-38	-1 672
accounting principles	-804	-189
Pensions	-2 934	-3 286
Correction deferred tax benefit earlier year		1 540
TOTAL	-3 776	-3 606

22% Deferred tax benefit	-831	-793
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Explanation why tax for the year does not constitute 22% of the pre-tax profit:

22 % tax on pre-tax profit	25 042
Temporarily differences	-6 616
Change tax previous years	276
Tax fixed establishment abroad	57
CALCULATED TAX EXPENSE	18 758
Nominal taxation rate **)	16,5 %

*) Not including non-deductible expenses such as entertainment

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

Note 20 Regulation, licenses

Nord Pool 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 AS NOK 181m. Nord Pool AS fulfils the requirement of risk capital.

Note 21 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.

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Nord Pool AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Nord Pool 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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