

# Nasdaq Copenhagen A/S

Nikolaj Plads 6

1067 Copenhagen K

CVR No. 19042677

## Annual Report 2021

The Annual General Meeting adopted the  
annual report on 31 May 2022

**Rose Marie Wulff**  
Chairman of the General Meeting

DocuSigned by:  
  
9E1A3ED702A349C...

**Table of contents**

<b>Management's Statement</b>	<b>2</b>
<b>Independent Auditor's Report</b>	<b>3</b>
<b>Company Information</b>	<b>6</b>
<b>Financial Highlights</b>	<b>7</b>
<b>Management's Review</b>	<b>8</b>
Development in activities	8
Statement of social responsibility	12
Risk management	23
Significant events during the financial year	25
Events after the balance sheet date	26
<b>Financial Statements 1 January – 31 December</b>	<b>27</b>
Income Statement for 1 January – 31 December	27
Balance Sheet at 31 December	28
Statement of Changes in Equity	30
Notes to the Financial Statements	31

## Management's Statement

The Board of Directors and Management have reviewed and approved the Annual Report of Nasdaq Copenhagen A/S for the financial year 1 January – 31 December 2021.

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

It is our opinion, the Financial Statements give an accurate account of the Company's assets, liabilities and financial position as of 31 December 2021 as well as the result of the Company's activities for the financial year 1 January – 31 December 2021.

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

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

Copenhagen, 31 May 2022

### Executive Board

DocuSigned by:



AB44D1D68927458.....

**Nikolaj Kosakewitsch**

CEO

### Board of Directors

DocuSigned by:



64FE3884AF6D4AF.....

**Lauri Mikael Rosendahl**

Chairman

DocuSigned by:



5D280DE4F868470.....

**Bjørn Sibbern**

DocuSigned by:



11EA582F88B7450.....

**Birger Schmidt**

DocuSigned by:



38F5D05C6AC54DC.....

**Gunilla Hellqvist**

DocuSigned by:



8CA5753C248F44F.....

**Klara Kröger Nygren**

## Independent Auditor's Report

### To the shareholders of Nasdaq Copenhagen A/S

#### Opinion

We have audited the financial statements of Nasdaq Copenhagen A/S for the financial year 1 January – 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021 in accordance with the Danish Financial Statements Act.

#### Basis for opinion

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

#### Independence

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

#### Management's responsibilities for the financial statements

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

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

#### Auditor's responsibilities for the audit of the financial statements

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

## Independent Auditor's Report

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional 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 in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

### Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Nasdaq Copenhagen A/S

Annual Report 2021


## Independent Auditor's Report

Copenhagen, 31 May 2022

EY Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28

DocuSigned by:

A handwritten signature in blue ink that reads "Anders Duedahl-Olesen". The signature is written in a cursive style.

F80DB3519A9B4DA...

Anders Duedahl-Olesen

State Authorised

Public Accountant

mne24732

## Company Information

<b>The Company</b>	<p>Nasdaq Copenhagen A/S Nikolaj Plads 6 1067 Copenhagen K</p> <p>CVR no: 19042677 Date of foundation: 10.01.1996 Registered office: Copenhagen Financial year: 1 January – 31 December 2021</p> <p>Phone : +45 33933366 Website: <a href="http://www.nasdaqomxnordic.com">www.nasdaqomxnordic.com</a></p>
<b>Board of Directors</b>	<p>Lauri Mikael Rosendahl, Chairman Bjørn Sibbern Birger Schmidt Gunilla Hellqvist Klara Kröger Nygren</p>
<b>Executive Board</b>	<p>Nikolaj Kosakewitsch, CEO</p>
<b>Auditors</b>	<p>EY Godkendt Revisionspartnerselskab Dirch Passer Allé 36 2000 Frederiksberg</p> <p>CVR no: 30700228</p>

## Financial Highlights

DKK'000	2021	2020	2019	2018	2017
<b>Key figures</b>					
Revenue	385,350	376,248	344,351	354,868	337,249
Gross profit	320,298	313,027	277,957	294,312	282,593
Operating profit	265,175	264,609	233,256	252,703	241,606
Net financials	(100)	(113)	(123)	(121)	68
Profit for the year	207,398	206,659	182,072	197,631	189,428
Total assets	383,628	408,087	344,317	355,403	340,478
Equity	330,384	329,986	303,327	311,255	317,095
<b>Ratios</b>					
Gross margin (%)	83	83	81	83	84
Net margin (%)	54	55	53	56	56
Return on equity (%)	63	65	59	63	60
Equity ratio (%)	86	80	88	88	93

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

### Gross margin (%) :

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

### Net margin (%) :

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

### Return on equity (%) :

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

### Equity ratio (%) :

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

## Management's Review

### Main activity

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

### Development in activities

#### Listing and capital markets

In 2021, Nasdaq Copenhagen had 24 new initial public offerings (IPO), of which 21 new listings were on Nasdaq's First North Growth Market and 3 new listings on the Main Market. On the Main Market we listed Trifork Holding, Green Hydrogen Systems and Aquaporin. The new listings on Nasdaq First North is a result of the continued efforts by Nasdaq Copenhagen to strengthen the IPO market for small and medium sized enterprises in Denmark. These new IPOs are from a wide group of sectors which include healthcare companies like SMS and Brain+. This is compared to 16 IPOs in 2020 of which 13 listings were on Nasdaq's First North Growth Market and 3 listings on the Main Market.

As a result of the high number of IPOs in 2021, more new capital was raised to support newly listed companies' growth, and this increased from DKK 1.2 billion in 2020 to DKK 4.7 billion in 2021.

During 2021 DKK 55 billion in additional capital was raised on Nasdaq Copenhagen Main Market, and DKK 37 billion was raised by Tryg to support the acquisition of Swedish and Norwegian businesses of RSA Insurance Group ("RSA"), Trygg-Hansa in Sweden and Codan in Norway. During 2021, six companies were delisted – five on Main Market and one on First North, which is at same level as 2020.

#### Surveillance

During 2021, Nasdaq Copenhagen had 24 listings of shares on the main market and First North Growth Market. Due to the high activity of listings of new issuers, a large part of the Surveillance work has involved training and education of new issuers. Surveillance has high focus on proactively having dialogue with market participants, including listed companies, advisors, trading members and other customers and clients. In 2021 Surveillance hosted 39 educational seminars for more than 500 participants.

14 disciplinary rulings were decided by the Copenhagen Disciplinary Committee in 2021, including a sanction to remove a company from trading on First North Growth Market.

#### Trading and market development in the Equity and Equity Derivatives markets

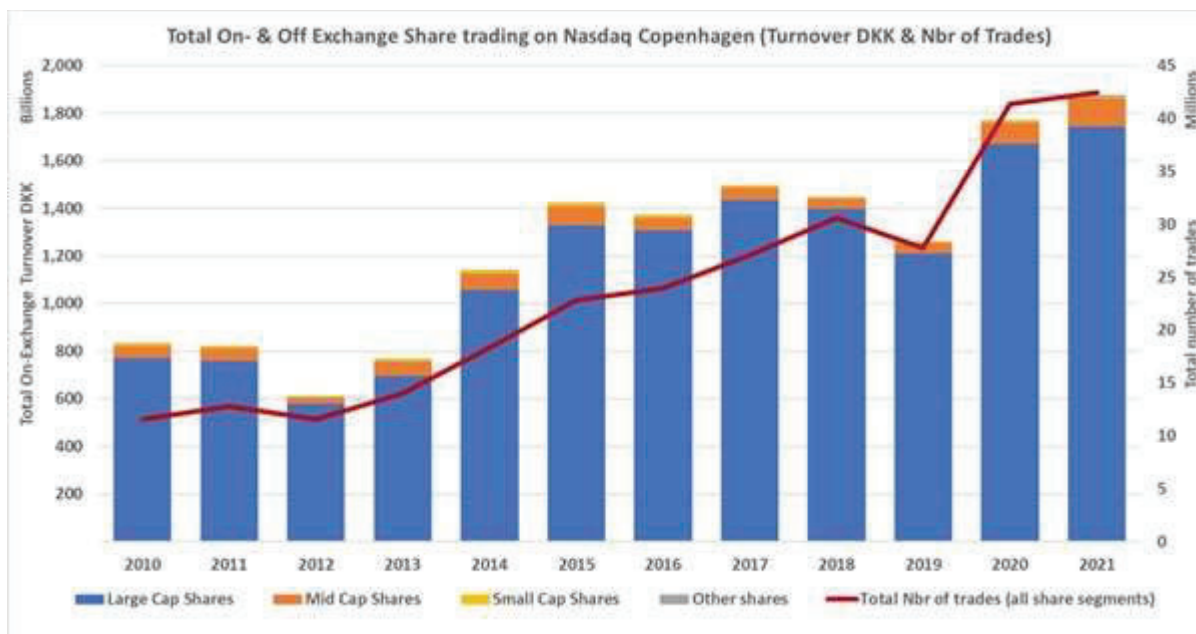
There were 251 trading days on Nasdaq Copenhagen in 2021, which was one additional trading day compared to 2020.

#### Share trading

The Copenhagen All Share index and market saw favorable price developments from primarily March to end August 2021 and increased trading volume from both the COVID-19 pandemic and other macro-economic factors. The Copenhagen All Shares index increased to 1,480.62 by year-end, equal to a Year-over-Year increase of 22% in 2021.

## Management's Review (continued)

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



The increased volatility and market turmoil from COVID-19 etc. led to record high trading activity in Danish shares in 2021, both in terms of turnover and number of trades.

The total turnover in all Danish listed shares on Nasdaq Copenhagen was DKK 1,875 billion in 2021 vs DKK 1,769 billion in 2020, equivalent to a 6% increase. The total number of trades were 42.5 million in 2021, which was an increase of 3% Year-over-Year.

The trading in Large Cap shares was in 2021 93% of all share trading on Nasdaq Copenhagen, which was a slight decline in concentration by 2% points, caused by a continues increased interest for trading Copenhagen Mid-Caps stocks. The trading in Large Caps grew Year-over-Year by 4% to a total turnover of DKK 1,744 billion. The Danish Mid-Cap shares turnover increased to DKK 117.29 billion, equivalent to an increase of 36% Year-over-Year.

After the European MiFID II regulation came into force in the beginning of 2018 Danish equity market has seen increased competition and fragmentation in trading in Danish shares. Throughout 2020 Nasdaq Copenhagen grew the consolidated Lit & Auction market share in Danish shares to a market share of 79% by the end of 2020. All Nordic & European primary markets in 2021 have seen a continuously declining market share. Nasdaq Copenhagen's Lit & Auction market share ended the 2021 period with a market share of 75%, equivalent to at 4% points decline from end of 2020.

Nasdaq Copenhagen managed to increase its total price forming market share to 57% at the end of 2021, which was a slight increase of 1% point compared to end of 2020.

## Management's Review (continued)

### Listing and trading in Exchange Traded Funds (ETFs)

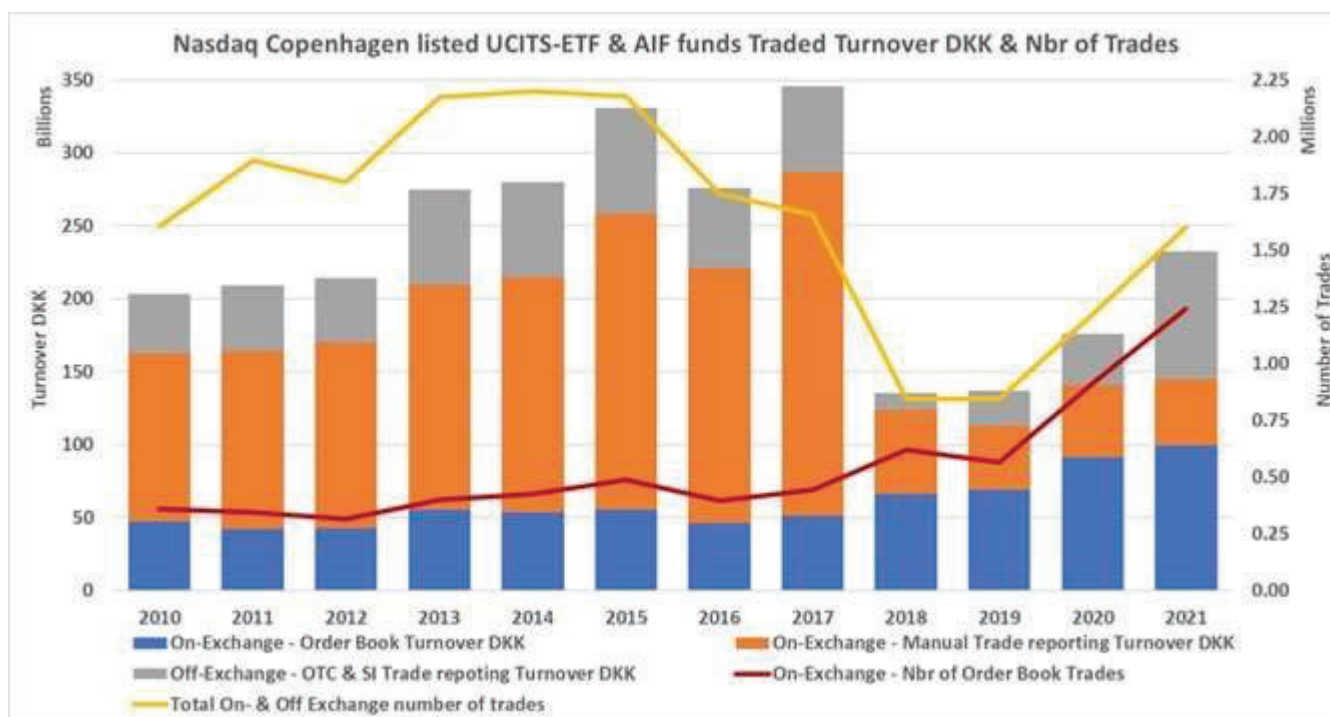
Nasdaq Copenhagen today has a passive XACT OMXC25 tracker ETF listed and traded. Both the turnover and Market Cap (AUM) have slowly increased month over month since the listing in 2019, and in 2021 the ETF had a total of 35,601 trades and a total turnover of DKK 2.1 billion. The XACT C25 volumes grew Year-over-Year in terms of total numbers of trades by 103% in 2021, and an equivalent growth of 60%.

### The Danish Investment funds market

The total Danish UCITS-ETF and AIF market on Nasdaq Copenhagen is continuously developing, with new issuers of active and passive managed funds coming to the market every year. 2021 also brought some consolidations of issuers and funds, at the end of 2021 totaling 463 listed funds of a total AUM of 359.4 DKK billion. A continues clear trend in 2021 for both new listed funds as well as existing funds, was the move towards more sustainable and ESG strategies.

On-Exchange Order Book turnover grew in 2021 to DKK 99.1 billion, equivalent to a 9% increase Year-over-Year. The total number of Order Book trades in 2021 was 1,241,309 equal to a 36% increase Year-over-Year.

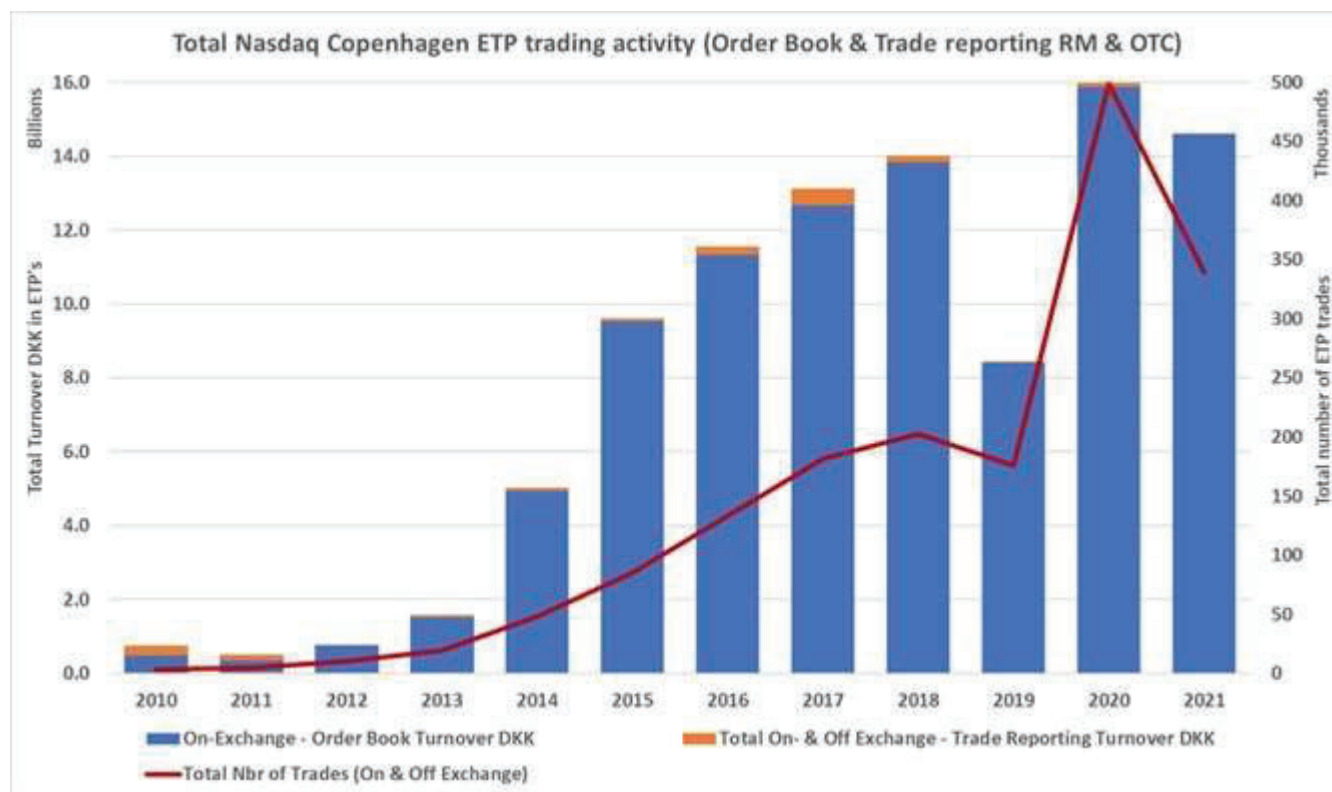
The total Nasdaq Copenhagen On- & Off Exchange trading activity (Order Book & On & OFF Exchange Reporting) was in total in 2021 DKK 232.4 billion, and a total number of trades of 1,600,843.



### The development in Danish Exchange Traded Products (ETPs)

The total turnover in listed ETPs on Nasdaq Copenhagen was DKK 14.6 billion in 2021, which was a decline by 9% from the record high set in 2020. The total number of trades in 2021 was 339,381, equivalent to a decline of 32%. 2021 was still the second-best ETP year at Nasdaq Copenhagen in terms of both turnover & numbers of trades.

## Management's Review (continued)



### Development in the Danish equity derivatives trading

The most traded derivatives contracts were the Danish Single Stock Options with a total of 557,102 contracts traded in 2021, which was an increase of 22% from previous year. The second most traded Danish derivatives contract in 2021 was the C25 Index Future, which Year-over-Year saw a decline in number of contracts traded by 22% to a total of 117,110 C25 Index Futures contracts traded. In 2021, Nasdaq Derivatives had a total 698,852 Danish derivative contracts traded & cleared at Nasdaq Clearing. The total Danish derivative market increased by 2% mainly driven by the increased interest for Danish Single Stocks Options in 2021.

### Fixed Income

The total Fixed Income cash bond trading in 2021 on Nasdaq Copenhagen amounted DKK 4,337 billion. The total number of listed bonds on Nasdaq Copenhagen per December 2021 was 1,444.

A key element in our Fixed Income offering in 2021 was the continuous improvement of Nasdaq Sustainable Bond Network, both in terms of functionalities and data coverage. At the end of 2021 Nasdaq has accomplished full European coverage of all issuers who have issued Sustainable debt (+10.000 Single Bond issues). Global coverage is set for launch in 2022. Nasdaq has also released a Sustainable Bond Network portal for all investors, as an addition to the already existing Issuer Portal. The portal allows for easy bond selection via a variety of filters, and for easy impact reporting on a portfolio level.

Nasdaq DKK Repo clearing business has experienced a slight uptick from 2020 (1,235,164 contracts) to 2021 (1,292,068 contracts).

## Management's Review (continued)

### Market data products

The Nasdaq European Data Products business produces a wide variety of reliable, high quality data products. These offerings include data from a number of asset classes including equities, bonds, derivatives, commodities for the Nordic & Baltic markets, precious metal information for the London and Zurich market, and ESG tools covering global equity. Nasdaq offers its innovative market data products to professional and private investors worldwide to ensure investors have the essential tools to identify trends in the market and make qualified investment decisions. In 2021, the business continued to grow with the addition of new corporate actions products, data for Green Bonds, an increase in ESG coverage to cover more than 600 companies across the Nordics. The team also launched a new product, the Nasdaq ESG Footprint, in collaboration with Danish Fintech startup Matter. The tool gives investors the ability to analyze their holdings through an ESG lens.

### Statement of Social Responsibility

As a global exchange and technology leader, we recognize our unique responsibility in championing inclusive growth for a more sustainable and prosperous future. By democratizing financial knowledge, we strive to equip all market participants, especially under-represented communities with the tools and knowledge to access wealth creation opportunities and participate in the capital markets.

We can power stronger economies, create more equitable opportunities, and facilitate the efficient flow of capital. Our sustainability strategy is intrinsically linked to advancing Environmental, Social and Governance (ESG) in an ethical and efficient manner for capital market participants of all types.

Nasdaq is fully committed to continuing our ESG efforts and leading the shift towards more sustainable and inclusive capital markets. Guided by our purpose to drive inclusive growth and prosperity, our Company's impact extends well beyond our own operations by empowering markets and communities with strategic solutions that have measurable and lasting impact. At the epicenter of the capital markets and technology, we play a key role by engaging and educating our clients on climate risks and providing ESG-focused marketplace solutions that help clients achieve their own ESG objectives. Our corporate sustainability strategy seeks to maximize the impact of our own organization towards our overarching commitment to power stronger economies, create more equitable opportunities and contribute to a more sustainable world.

Nasdaq periodically conducts significant impact assessments to identify and prioritize ESG topics that are most relevant to our business and stakeholders. We updated our assessment by incorporating additional frameworks (e.g., WEF and the Sustainable Development Goals) and engaging external stakeholders to reaffirm the high impact topics which pose the greatest risk or opportunity to our business:

- Business Ethics
- Data Privacy & Cybersecurity
- Diversity, Equity & Culture (previously Diversity, Inclusion & Belonging)
- Employee Engagement & Satisfaction
- Human Capital Management
- Risk Management

There were no significant changes to our priority topics, but we found stakeholders placed greater emphasis on Nasdaq's ethical business practices and our ability to influence public policy. While these six areas are critical to our sustainability strategy, targets, and resource allocation, additional ESG topics continue to drive our business practices and reporting due to stakeholder interest and importance to Nasdaq's corporate strategy and culture.

## Management's Review (continued)

### ESG Products & Services

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

### Sustainable Debt Markets

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

Our sustainable debt markets are designed to highlight sustainable investment opportunities to investors with a green, social or sustainable investment agenda. Nasdaq Sustainable Debt Market is open to all types of issuers that are looking to issue securities that meet our listing criteria, which are based on the green and social bond principles as well as the sustainability – linked bond principles, for which the International Capital Markets Association (ICMA) acts as a secretariat. Total listed volumes on the Nasdaq Sustainable Debt Market increased 56 percent Year-over-Year in 2021.

	<u>31 December, 2021</u>	<u>31 December, 2020</u>
Listings on the Sustainable Debt Market	424	272
Issuers on the Sustainable Debt Market	112	68

### Sustainable Bond Network

Launched in late 2019, is a global platform that aims to increase transparency for environmental, social, and sustainable bonds. The platform offers issuers the ability to disclose their ESG investments in an efficient reporting solution. Through the portal, investors can also access standardized and consolidated data in one centralized location, improving disclosure quality and consistency. The portal also allows investors to generate impact reports, run allocation reports, and evaluate information. At the end of 2021, this bond network had 1012 issuers of more than 8,928 bonds.

	<u>31 December, 2021</u>	<u>31 December, 2020</u>
Issuers on the Nasdaq Sustainable Bond Network	1,012	323
Bonds on the Nasdaq sustainable Bond Network	8,928	4,600

### ESG Solutions for Corporates

**Nasdaq OneReport** is an ESG data management, workflow and reporting tool, allowing companies to communicate their climate exposure effectively. OneReport offers a suite of features including Sustainability Accounting Standards Board (SASB) and Task Force on Climate-related Financial Disclosures (TCFD) reports. Acquired by Nasdaq Group in 2020, OneReport was the first tool to receive Global Reporting Initiative (GRI) Certification for the revised Universal Standards released in the fall of 2021. OneReport's continued advancement and evolution is driven by our customers' demands for a tool which is ahead of the market and is able to rapidly adopt new and anticipated ESG regulations and frameworks.

## Management's Review (continued)

**ESG Advisory** is a service solution that pairs companies with consultative ESG expertise to help analyze, assess and action best-practice ESG programs with the goals of attracting long-term capital and enhancing value. Services include ESG strategy development, Board engagement strategies, ESG investor engagement advice, and ESG reporting guidance for companies.

Nasdaq's broader Corporate Platforms businesses support a range of ESG outcomes including identifying and engaging with investors on ESG topics, investor relations workflow platform, ESG stakeholder sentiment and secure Board collaboration tools.

### ESG Data Disclosure Products

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

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

**Nasdaq ESG Footprint**, powered by Matter. Matter is a Copenhagen-based ESG data startup and a Nasdaq Group Ventures portfolio company. The company aggregates and provides high-quality ESG data on public companies from trusted sources. Matter enables asset managers, financial advisors, and other financial institutions to conduct portfolio and single security ESG analysis and personalized impact reporting for clients. The company also offers Sustainable Finance Disclosure Regulation (SFDR) reporting capabilities and proprietary ESG news sentiment insights.

Through an intuitive dashboard, investors both retail and professional have access to the real-life effects of each investment, along with alternatives that may better suit an individual's sustainability goals. Amongst other data points, the dashboard provides 5 quantifiable impact metrics e.g. GHG-emissions, re-generation, waste production, more than 20 beneficial and controversial corporate topics e.g. weapons, tobacco, clean tech and more than 15 controversial sovereign issues e.g., corruption, financial secrecy, child labor.

### Environmental and Climate Change Strategy

During 2021, we continued our carbon neutral program for a fourth consecutive year. The program aims to reduce and offset the Nasdaq carbon footprint of our global office and data center portfolio, corporate travel, waste and water use, employee commuting and goods and services consumption, among other areas, through the purchase of renewable energy credits and carbon offsets focused on carbon removal.

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

## Management's Review (continued)

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

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

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

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

Nasdaq also encourage its suppliers to adopt sustainability and environmental practices in line with our published Environmental Practices Statement and our Supplier Code of Ethics. To the extent practical and feasible, we expect suppliers to provide us with information to support our reporting and transparency commitments related to sustainability and environmental impacts. On top of these reduction efforts, Nasdaq achieved carbon neutrality in 2021 for a fourth consecutive year through sourcing renewable electricity, the purchase of certified Renewable energy certificates ("RECS") and Carbon offsets.

Nasdaq Copenhagen achieved carbon neutrality for 2021 through sourcing renewable electricity, the purchase of certified renewable energy certificates and carbon offsets.

The table below indicates our electricity consumption for 2021.

2021	Total Power Consumption MWh/Year	Renewable Power MWh/Year	% Renewable	Net Emissions (MtonCo2e)
Denmark	146	146	100%	26
<b>Total</b>	<b>146</b>	<b>146</b>	<b>100%</b>	<b>26</b>

The energy consumption in the table above represents Scope 2 emissions which are the indirect emissions from the generation of purchased electricity.

## Management's Review (continued)

### Social and Employee Conditions

#### Diversity, Equity and Culture

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

Nasdaq Copenhagen has extended its commitment to attracting, retaining, developing, and motivating its employees throughout 2021, adding new professional development opportunities as well as new platforms leveraging artificial intelligence to bring internal job opportunities as well as short-term developmental projects directly to employees.

During 2021, we launched a year-long campaign called "Your Career Journey" to engage employees and managers in sustained professional development, and we established a core curriculum to customize curated development training for employees at each level of seniority. We created performance objectives for each of our managers measuring them on managerial effectiveness, and the outcomes were included in each manager's year-end performance evaluation.

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

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

The elected board of directors of Nasdaq Copenhagen consists of 40% female representation as at 31 December 2021. The following table illustrates Nasdaq Copenhagen employees gender distribution by career level.

Denmark	2021	2021
Career level	Female	Male
Executive	0%	100%
Senior	30%	70%
Mid	52%	48%
Entry	50%	50%
Not Disclosed	N/A	N/A

## Management's Review (continued)

### Attracting and Retaining Employees

Nasdaq's commitment to and investment in attracting, retaining, developing, and motivating its employees strengthened throughout 2021. In 2021, Nasdaq maintained our historical levels of employee retention, which continued to be above industry average. We believe that our people centric culture, based on our core values: Act as an Owner, Play as a Team, Fuel Client Success, Lead with Integrity, Expand Your Expertise, and Drive Innovation give us a distinct advantage – helping us to attract and retain the best talent.

We are actively working to establish Nasdaq Copenhagen as a destination employer, having created a dedicated Talent Attraction team and establishing key partnerships to attract diverse talent in across all markets in which we operate. To continue strengthening our employer brand, Nasdaq's career site will be refreshed to provide world-class candidate experience to attract the best talent to Nasdaq in a competitive market. We seek to hire locally wherever possible, for all levels of individual contributor, manager and executive. Additionally, we introduced new hire and employee exit surveys to better understand why employees join, and leave, Nasdaq.

The table below summarizes our 2021 and 2020 new hire and turnover data for all global operations, age groups, and employee categories.

#### Workforce Attrition (Denmark)

- 2020: 5% <sup>1,2</sup>
- 2021: 7% <sup>1,2</sup>

<sup>1</sup> The Nasdaq Group enterprise average rate was 7% for 2020 and 12% for 2021.

<sup>2</sup> This number combines 5% (3%) voluntary attrition and 2% (2%) involuntary attrition

### Growth and Advancement

Nasdaq Copenhagen's Performance Management program has been established to enhance the job performance and professional growth of each employee. Under this program, every employee is asked to create a professional development plan for themselves each year, in concert with their manager, and record this plan in our HR software.

In 2021, we combined our Talent Management and Learning and Development teams to produce a single, integrated approach to all facets of Talent Development. In addition, we introduced multiple new technology-enabled platforms for skills development. Using this structure, in 2022 we plan to identify the current state of our talent, define the skills needed to achieve our strategic goals, set performance objectives to measure individual growth, provide opportunities for skills development, and utilize the process to advance talent equitably.

In order to identify our talent needs, Nasdaq makes extensive use of people analytics data in the following areas: measuring employee performance, strategic workforce planning, identifying flight risks and critical roles, and uncovering individual as well as organizational skills gaps.

## Management's Review (continued)

In addition to providing mechanisms for ongoing feedback throughout the year, managers informally assess his or her employees in writing during the mid-year period and complete a formal year-end performance review by the end of each calendar year. Both parties meet to discuss the written assessment, which is recorded internally. These performance evaluations become part of the employee's formal personnel record and serve as factors for consideration in internal job transfers, and advancement decisions. The goal and purpose of the performance review program is to:

- Ensure that each employee has a clear understanding of what is expected by his or her manager;
- Align the activities of each employee to their respective Business Unit's goals and to Nasdaq's annual goals;
- Discuss the employee's job performance with respect to personal objectives and skills development; and
- Inform each employee of the knowledge and skills he or she must acquire or improve to grow in the present job, move into another role, or advance at Nasdaq.

### Training and Education

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

We have invested heavily in professional development for our employees, creating a dedicated Career Development internal website that serves as a central point for dozens of career resources. These resources include offering access to more than 18,000 professional in-person and online employee development programs and job-specific training, providing tuition assistance to employees enrolled in degree-granting academic programs, holding internal career fairs and career networking programs, providing one-on-one mentoring, and access to professional coaching opportunities.

Finally, in 2021 we launched a Talent Marketplace where employees can find project opportunities outside of their day-to-day roles to develop their skills directly as well as to gain visibility to internal open job requisitions to encourage mobility. In 2022, we plan to introduce another professional development feature to our existing platform that will connect our 70/20/10 skills development paradigm in a single future-focused place.

### Human Rights

Nasdaq supports fundamental human rights—both inside and outside our company—and demonstrates its commitment by enacting responsible workplace practices across our global enterprise. Nasdaq believes in the fundamental dignity of every human being and the rights of every individual to live and work safely and humanely, without fear of oppression or coercion.

A material risk for human rights relates to operations of listed companies that operate in areas where the enforcement of national legislation and international conventions might be limited. Our Vision, Mission and Values Statements, along with our Code of Ethics and Employee Handbooks, emphasize responsibility, integrity, and values-based decision-making and set forth our standards for conducting our business ethically and consistent with our moral principles.

## Management's Review (continued)

These principles and standards shape our interactions with fellow employees, clients, suppliers, communities, and markets around the world—and with our community of shareholders, too. They are foundational to our company and enable our continued success. Nasdaq Copenhagen has incorporated within its Code of Ethics, corporate policies, or programs specific requirements to put the following principles into practice:

- Equal Employment Opportunity and Discrimination
- Harassment
- Non-Retaliation
- Diversity and Inclusion
- Data Privacy
- Health and Safety
- Labor Standards

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

In 2021, Nasdaq collaborated with an independent third-party to initiate a formal human rights assessment consistent with the UN Guiding Principles on Business and Human Rights (UNGP). The assessment focused on:

- Outlining current expectations of financial institutions with regards to human rights
- Building an internal understanding on human rights
- Undertaking an initial, high-level gap analysis of Nasdaq's current policies and practices against the UNGP's, with recommendation on best practices.

Nasdaq views human rights due diligence as a continuous process, which we constantly adapt and improve. We acknowledge the responsibility to respect human rights as outlined in the UNGP. In 2021 and 2020, no direct adverse impacts on human rights were identified/detected.

## Business Ethics and Compliance

The Nasdaq Ethics and Compliance program is designed to meet or exceed available standards, including guidelines by European regulators. Nasdaq Copenhagen embraces good governance by holding ourselves to the highest ethical standards in all interactions. Our Global Ethics Program supports and promotes meaningful implementation of the Code of Ethics throughout our business. In 2022, we plan to further the use of automation and analytics in supporting compliance programs to drive effectiveness and reduce risk. Additionally, we aim to enhance employee training programs through additional focus on targeted topics.

Nasdaq embraces good governance by striving to hold ourselves to the highest ethical standards in all interactions. Our Global Ethics Program supports and promotes meaningful implementation of the Code of Ethics throughout our business. The program is based on industry-leading practices and led by our Chief Risk Officer, and is supported by a cross functional, geographically diverse team, with oversight by our Audit and Risk Committee. External compliance experts are also regularly consulted. The Nasdaq Ethics Program provides values-based guidance, heightens compliance risk awareness, strengthens decision-making, and drives sound business performance through its five pillars: Executive and Board Leadership; Policies and Controls; Risk Assessment; Outreach and Training; and Monitoring, Audit, and Response.

## Management's Review (continued)

Nasdaq leaders strive to create an ethical culture in which employees understand our commitment to integrity as foundational to our Purpose, Vision, Mission and Values, and feel comfortable raising issues or concerns without fear of retaliation. Managers encourage ethical conduct and compliance with the law by modeling integrity and personally leading ethics and compliance efforts; including cyber and information security, when evaluating and rewarding employees; and ensuring employees understand that business results are never more important than ethical conduct and compliance with Nasdaq policies and the law.

The Nasdaq Code of Ethics, in conjunction with other policies, procedures, standards and handbooks, outlines the responsibilities expected of Nasdaq officers, directors, and employees in conducting business in accordance with the highest standards of ethics and compliance. The Code is applicable to the Board, all of our employees, contract workers and others who conduct work on behalf of Nasdaq. Ethical values are reinforced through training and effective employee communication, including town halls and topic specific webinars. Nasdaq also embeds its commitment to governance transparency, integrity and ethical values business practices in a series of robust policy documents, all freely available for download on our Investor Relations website at <http://ir.nasdaq.com>

Nasdaq Copenhagen is proud of its rigorous market regulation over listed companies in the area of financial reporting and public communications. Our own standards, then, must be above reproach. We require robust internal controls to ensure that our records accurately and fairly reflect the transactions and dispositions of our assets. During 2021 and 2020 no breaches to our ethical values were reported/identified.

### Data Ethics and Information Privacy

As a global exchange operator, Nasdaq Copenhagen views data as its lifeblood. Accordingly, our commitment to data ethics is reflected in our culture of security, our policies and procedures for data systems and processing activities, our mechanisms for monitoring our information systems and data use and the role-based training that we provide to staff on ethics and protection. Nasdaq Copenhagen's data ethics is encompassed within the Nasdaq Code of Ethics and relevant company policies, procedures and standards. Its continued implementation, reinforcement and assessment by the Executive Board on annual basis, ensures that good governance is embraced and the highest ethical standards are upheld. Our work with data ethics is further supported by our team of skilled information security and technology professionals who design, protect, and maintain our information systems.

Nasdaq Copenhagen is committed to respecting and complying with laws and regulations that apply to the collection, use, distribution, destruction, and other processing of personal data (i.e., any data about an identified or identifiable individual). Nasdaq Copenhagen utilizes master data in the performance of our services, which consists of both internally generated data through our business operations and data provided to us by third parties, including customers, vendors, business partners, employees, and other stakeholders. Nasdaq Copenhagen is also committed to appropriately secure the above nonpublic data generated through its operations and received from the above stakeholders.

Nasdaq Copenhagen expects that its suppliers share our commitment to data ethics and integrity by complying with the Nasdaq Supplier Code of Conduct ("Supplier Code"). As stated in the Supplier Code, Nasdaq expects suppliers to comply with applicable laws and regulations and contract terms relating to personal data and privacy including laws and regulations of the jurisdiction where personal data originated. Suppliers must disclose all jurisdictions in which they intend to process data on behalf of Nasdaq and provide all information requested by Nasdaq to assess the transfer of personal data to such locations.

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

## Management's Review (continued)

Nasdaq has numerous policies in place to further safeguard our technology and use thereof, including:

- Acceptable Use policy
- Data Classification policy
- Mobile Device policy

The Nasdaq Data Classification Policy identifies how to classify data, assets, and documentation. Nasdaq classifies data into four major categories: Public, Internal Use Only, Confidential, and Highly Confidential.

We provide training on overall information security to all our employees on a regular basis. Our most recent "Ethics in Action" webinar focused on privacy, the ethical handling of data and overall data protection and was available to all employees. We also provide tailored Information security training session to multiple audiences. Therefore, the company works continuously, education and training of all employees, which ensures that employees are well informed about data security and ethical handling of personal data and other data.

Reflecting the unique risks and potential harm posed by mishandling or misuse of personal data, Nasdaq's privacy program builds on the foundation of our information security program to apply special governance, policies, procedures and training on the use, handling and processing of personal data and performance of activities that impact privacy rights (as determined by the jurisdictions in which we operate). Nasdaq Copenhagen appreciates the special obligations that apply to processing personal data and individuals' rights to privacy and personal data protection. Nasdaq's privacy compliance program is designed to enable adherence to laws and regulations applicable to personal data that it processes, including, as applicable, the European General Data Protection Regulation (GDPR) as well as its posted Privacy Policy and contractual commitments to customers, vendors and other counter-parties.

To support these principles, Nasdaq maintains a comprehensive and consistent set of information security documentation and requirements intended to protect the security, reliability, integrity, accuracy, confidentiality, and availability of Nasdaq information assets. These documents record the security controls and personnel responsibilities established to protect Nasdaq information and information systems against both accidental and unauthorized access, modification, interference, disclosure, and destruction. These include our Information Security policies, which apply to personnel (full-time and part-time employees, and contractors) working for Nasdaq.

### **Anti-corruption, anti-financial crime and money laundering**

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

Some of our other liability risks arise under the laws and regulations relating to the tax, employment, intellectual property, anti-money laundering, technology export, foreign asset controls, foreign corrupt practices areas, employee labor and employment areas, including anti-discrimination and fair pay laws and regulations. Liability could also result from disputes over the terms of a trade, claims that a system failure or delay cost a customer money, claims we entered into an unauthorized transaction or claims that we provided materially false or misleading statements in connection with a securities transaction.

Nasdaq Group and Nasdaq Copenhagen seeks to comply with Foreign Corrupt Practices Act (FCPA), UK Bribery Act, and other anti-bribery and anticorruption laws, including reviewing "red flags" for corruption and situations where extra diligence must be exercised. Nasdaq Copenhagen regularly evaluates the efficacy of its operation, impact, products and services in order to increase positive outcomes and decrease negative outcomes. Nasdaq's Supplier Code outlines our expectations for Business Partners including those expectations related to bribery and corruption.

## Management's Review (continued)

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

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

Raising concerns about potential violations of these Codes or other policies is critical to protecting individual and company interests and upholding our commitment to act with integrity. All Nasdaq employees can raise issues, seek guidance and report potential ethics and compliance concerns or allegations of misconduct through our SpeakUp! Program. The SpeakUp! Line is operated by a third-party hotline provider that enables Nasdaq to communicate with an individual reporting an issue on an anonymous basis. In addition to the SpeakUp! Program, individuals can directly and confidentially contact our Audit & Risk Committee Chair via email or physical mail. During 2021 and 2020, no potential violations were reported/identified.

### Anti-Financial Crime and Money Laundering

Nasdaq Copenhagen is deeply committed to ensuring that markets operate fairly and do not facilitate financial crime including money laundering and terrorism financing. Nasdaq's Code of Ethics requires compliance with all anti-money laundering (AML) laws and regulations that apply to our business. For covered operations, this includes conducting any required know-your-customer (KYC) diligence, monitoring transactions, and reporting suspicious activities. Members of Nasdaq's exchanges are required to have in place AML and other diligence programs to screen their clients and market participants in accordance with the applicable US and EU laws and regulations. In addition to legal requirements related to AML, Nasdaq is implementing a risk-based anti-financial crime framework in key business segments to augment its compliance programs.

Across our global enterprise, Nasdaq has implemented comprehensive policies and screening programs to enable compliance with economic sanctions that apply to its business. This includes screening all customers, vendors and other business partners against applicable sanctions lists such as those published by the United Nations, US Department of Treasury, Office of Foreign Assets Control, the European Union and the United Kingdom along with other jurisdictions where Nasdaq operates. Nasdaq has appointed senior level employees to oversee its sanctions compliance program and reviews its sanction compliance policy annually with its Board of Directors.

In operating our markets, Nasdaq maintains robust surveillance teams that monitor our markets for potential suspicious trading activity and compliance with our market rules. Our surveillance teams use sophisticated software that leverages models and analytics to identify suspected risks, which are then escalated and reviewed. Nasdaq cooperates with the Securities and Exchange Commission, financial supervisory authorities, Financial Industry Regulatory Authority, The European Securities and Markets Authority and other exchanges to address suspected violations, to deter, identify and prosecute unlawful activity affecting the securities market. Nasdaq also licenses its technology to regulators and financial firms to help them monitor their markets and activity.

## Management's Review (continued)

Nasdaq believes it is important for our employees to stay informed regarding the latest developments in anti-financial crime and money laundering and provides regular updates and training sessions on this topic. Under this global program, vendor payments and employee expense reimbursements are reviewed on a monthly basis with a risk-based sample audited. As validated by this testing, Nasdaq Copenhagen has not identified any transactions that violate applicable corruption laws during 2021 and 2020.

### Information and Cyber Security

The information security department is responsible for coordinating the protection of the Nasdaq Group's core business operations and information against real-world cyber threats, by employing technology, policy, processes, education programs, and sound design techniques across the organization.

### Other sources

For further information on Nasdaq Group's efforts relating to sustainability, please refer to the official "Nasdaq 2021 Sustainability Report" and Nasdaq's 2022 Proxy Statement available on the Nasdaq Group webpage.

### COVID-19 Response

As the COVID-19 pandemic continued throughout 2021 around the world, affecting all of our offices, we have remained committed to ensuring the safety and well-being of our employees and other stakeholders, and complying with local government regulations in the areas in which we operate. This includes having the vast majority of our employees work from home, while implementing additional safety measures and precautions for employees continuing critical on-site work in certain of our offices or returning to the office. During the first half of 2022, we plan to fully re-open all of our offices globally, provided local regulations permit, in order to transition to a hybrid work environment. We will continue to evaluate the protocols needed to support the re-opening plan.

We also continued benefits for our employees that were introduced in 2020 in response to COVID-19 and introduced additional new benefits during 2021 to help our employees more effectively balance their work and personal commitments. These benefits include providing "flex days" for additional time away from the office without requiring the usage of vacation or personal leave days, additional family care resources and benefits, including back-up childcare and other caregiver support, subsidized distance-learning enrichment programs and free home workout and meditation programs through different wellness and fitness providers. We also added new programs to help employees coordinate care for chronically ill family members and to support employees whose family experienced the death of a loved one. Our managers participated in additional training programs to help them lead their teams through COVID-19 concerns and challenges.

### Risk management

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

## Management's Review (continued)

### Strategic and Business risks

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

Earnings on trading are generally affected by the development of equity and bond turnover and are therefore largely outside the company's control. The increased competition on trading with large cap shares causes a greater pressure on trading revenue. Nasdaq Copenhagen had an average market share of 75% of the trading in shares listed on Nasdaq Copenhagen in 2021 compared to 79% in 2020.

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

### Legal & regulatory risk

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

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

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

### Operational risks

An important element in the operation of Nasdaq Copenhagen is IT and operational resilience. The primary IT partner is Nasdaq Technology AB through its outsourcing arrangements with Nasdaq Stockholm AB. The company's core trading system (INET) had an uptime of 100% in 2021.

Nasdaq Copenhagen have managed through the pandemic with well-functioning Return-to-Office (RTO), work-from-home (WFH) and health & safety policies & controls. There have been minimal impact on workforce and the technology capabilities are not impacted at all. Primary decision to re-open or progress the office continues to be based on case statistics and local government and health authority guidance/restrictions.

The high level of global and complex cyberattacks including DDOs activities, phishing attempts, and supply chain attacks have continued during 2021. Nasdaq is continuously monitoring this development and the information security control environment is assessed to be robust and sufficient to resist attacks as well as to identify and isolate threats and system vulnerabilities.

### Environmental, Social and Governance Risk

Nasdaq Copenhagen recognizes the importance of ESG in driving greater inclusivity, diversity, enhanced governance, and ultimately supporting a marketplace ecosystem that is resilient, equitable, and sustainable. As such, Nasdaq Copenhagen will carefully weigh the impact of its actions and practices on its ESG profile and standing with stakeholders and ratings by sustainability organizations, recognizing that standards, rating methodologies and best practices in this area continue to evolve rapidly and may not be tailored to the nature of Nasdaq Copenhagen's business.

## Management's Review (continued)

### Credit risk

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

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

### Liquidity risk/financing risk

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

### Currency risk

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

### Interest rate risk

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

### Significant events during the financial year

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

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

## Management's Review (continued)

### Events after the balance sheet date

The geopolitical situation in Eastern Europe intensified on February 24, 2022, with Russia's invasion of Ukraine. The war between the two countries continues to evolve as military activity proceeds and additional sanctions are imposed. In addition to the human toll, global companies must consider the impact of the events on economic and global financial markets and exacerbating ongoing economic challenges, including issues such as rising inflation and global supply-chain disruption.

Nasdaq has considered the war's effect on the business operations and the financial market in general. The short-term impact to the Company is that while it does not have any direct exposure to Russia, and therefore no direct impact on its operations and customers, we have seen significant market fluctuations in price and transaction volume. The degree to which the Company is or will be affected by them largely depends on the nature and duration of uncertain and unpredictable events, such as further military action, additional sanctions, and reactions to ongoing developments by global financial markets. In the event that the military actions extend to the long-term, we expect to continue to experience market volatility and pressure on stock prices. In that case, the willingness by companies to list would likely be reduced, which could in turn affect trading volumes negatively going forward. However, as at the date of approval of this report, neither companies that have been considering listing nor advisors in the market have indicated changes in plans.

### Expected development

Nasdaq Copenhagen expects a lower profit in 2022 compared to 2021 as the trading activity in previous years was extraordinarily high due to the volatile market following COVID-19.

### Development in economic conditions

#### Result

The result after tax was DKK 207.4 million in 2021, against DKK 206.7 million in 2020. The result is higher than expected.

#### Net sales

Net sales increased DKK 9.1 million (2%) to DKK 385.3 million, against DKK 376.2 million in 2020.

#### Operating costs

The company's operating expenses amounted to DKK 120.2 million in 2021 compared to DKK 111.6 million in 2020.

#### Balance

At the end of 2021, the company's assets amounted to DKK 383.6 million against DKK 408.1 million at the end of 2020. The assets consist mainly of current assets amounting to DKK 381.8 million, against DKK 406.2 million at the end of 2020.

Total equity, including the restricted reserve, amounts to DKK 330.4 million at the end of 2021, against DKK 330.0 million at the end of 2020. The restricted reserve amounts to DKK 53.7 million at the end of 2021, which is unchanged from the end of 2020.

### Uncertainty regarding recognition and measurement

No special considerations for recognition and measurement in connection with the 2021 annual report.

**Income Statement for 1 January – 31 December**

<b>DKK'000</b>	<b>Notes</b>	<b>2021</b>	<b>2020</b>
<b>Revenue</b>	2	385,350	376,248
Other external expenses		(65,052)	(63,221)
<b>Gross profit</b>		320,298	313,027
Staff costs	3	(54,841)	(48,045)
Depreciation, amortization and impairment losses	8	(282)	(373)
<b>Operating profit</b>		265,175	264,609
Other financial income	4	170	157
Other financial expenses	5	(269)	(270)
<b>Profit before tax</b>		265,076	264,496
Tax on profit for the year	6	(57,678)	(57,837)
<b>Profit for the year</b>	<b>7</b>	207,398	206,659

Nasdaq Copenhagen A/S

Annual Report 2021

**Balance Sheet at 31 December**

<b>DKK'000</b>	<b>Notes</b>	<b>2021</b>	<b>2020</b>
<b>Assets Non-current assets</b>			
<b>Property, plant and equipment</b>			
Other fixtures and fittings, tools and equipment		597	620
Leasehold improvements		293	354
<b>Total property, plant and equipment</b>	8	<u>890</u>	<u>974</u>
<b>Other financial assets</b>			
Deposits		965	961
<b>Total other financial assets</b>	9	<u>965</u>	<u>961</u>
<b>Total non-current assets</b>		<u>1,855</u>	<u>1,935</u>
<b>Current assets</b>			
<b>Receivables</b>			
Trade receivables		6,745	23,740
Receivables from group companies		311,028	339,146
Deferred tax	10	6,626	5,093
Other receivables		13,187	36
Prepayments	11	2,006	2,037
<b>Total receivables</b>		<u>339,592</u>	<u>370,052</u>
Cash		42,181	36,100
<b>Total current assets</b>		<u>381,773</u>	<u>406,152</u>
<b>Total assets</b>		<u><u>383,628</u></u>	<u><u>408,087</u></u>

Nasdaq Copenhagen A/S

Annual Report 2021

**Balance Sheet at 31 December (continued)**

DKK'000	Notes	2021	2020
<b>Equity and liabilities</b>			
<b>Equity</b>			
Contributed capital	12	40,000	40,000
Reserves according to the articles of association		53,657	53,657
Retained earnings		30,143	29,329
Proposed dividend		206,584	207,000
<b>Total equity</b>		<b>330,384</b>	<b>329,986</b>
<b>Liabilities other than provisions Non-current liabilities other than provisions</b>			
Deferred income	13	21,416	17,612
<b>Total non-current liabilities other than provisions</b>		<b>21,416</b>	<b>17,612</b>
<b>Current liabilities other than provisions</b>			
Trade payables		1,913	2,091
Payables to group companies		0	22
Joint taxation contribution payable		4,902	33,464
Other payables		16,915	19,819
Deferred income	14	8,098	5,093
<b>Total current liabilities other than provisions</b>		<b>31,828</b>	<b>60,489</b>
<b>Total liabilities other than provisions</b>		<b>53,244</b>	<b>78,101</b>
<b>Equity and liabilities</b>		<b>383,628</b>	<b>408,087</b>
Unrecognized rental and lease commitments	15		
Contingent liabilities	16		
Related parties with controlling interest	17		
Non-arm's length related party transactions	18		
Related parties	19		

Nasdaq Copenhagen A/S

Annual Report 2021

**Statement of Changes in Equity**

DKK'000

	<b>Contributed capital</b>	<b>Reserves according to the articles of association</b>	<b>Retained earnings</b>	<b>Proposed dividend</b>	<b>Total</b>
Equity at the beginning of the year	40,000	53,657	29,329	207,000	329,986
Ordinary dividend paid	0	0	0	(207,000)	(207,000)
Profit for the year	0	0	814	206,584	207,398
<b>Equity at the end of the year</b>	<b>40,000</b>	<b>53,657</b>	<b>30,143</b>	<b>206,584</b>	<b>330,384</b>

## Notes to the Financial Statements

### 1 Accounting policies

#### Reporting class

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

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

#### Presentation currency

The annual report is presented in Danish Kroner (DKK'000), unless stated otherwise.

#### Recognition and measurement

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

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

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

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

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

#### Income statement

##### Revenue

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

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

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

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

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

**Other operating income**

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

**Other external expenses**

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

**Staff costs**

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

**Depreciation, amortization and impairment losses**

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

**Other financial income**

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

**Other financial expenses**

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

**Tax on profit for the year**

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

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

**Balance sheet****Property, plant and equipment**

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

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

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

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

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

Estimated useful lives and residual values are reassessed annually.

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

### **Receivables**

Receivables are measured at amortized cost, usually equaling nominal value less write downs for bad and doubtful debts. The company has elected IFRS 9 as interpretation for impairment/write-down of receivables. Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received.

### **Deferred tax**

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

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

### **Prepayments**

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

### **Cash**

Cash comprises cash in hand and bank deposits.

### **Dividend**

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

### **Treasury shares**

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

### **Other financial liabilities**

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

**Joint taxation contributions payable or receivable**

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

**Deferred income**

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

**Cash flow statement**

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

Nasdaq Copenhagen A/S

Annual Report 2021

## 2 Revenue

DKK'000	2021	2020
Denmark	121,662	120,758
Other EU–countries	248,865	250,307
Other European countries	13,053	2,769
U.S.	1,550	2,161
Asia	220	253
<b>Total revenue by geographical market</b>	<b>385,350</b>	<b>376,248</b>

DKK'000	2021	2020
Market service revenues	176,949	163,049
Corporate services	86,860	85,379
Investment intelligence	109,213	111,846
Other revenues	12,328	15,974
<b>Total revenue by business segment</b>	<b>385,350</b>	<b>376,248</b>

## 3 Staff costs

DKK'000	2021	2020
Wages and salaries	46,611	41,130
Pension costs	3,340	2,911
Other social security costs	4,444	3,735
Other staff costs	446	269
	<b>54,841</b>	<b>48,045</b>

Average number of full–time employees	44	39
---------------------------------------	----	----

Pursuant to Section 98(b) (3) of the Danish Financial Statements Act, remuneration of the Executive Board has not been disclosed.

Nasdaq Copenhagen A/S

Annual Report 2021

**4 Other financial income**

<b>DKK'000</b>	<b>2021</b>	<b>2020</b>
Financial income from group companies	164	153
Exchange rate adjustments	6	4
	<u>170</u>	<u>157</u>

**5 Other financial expenses**

<b>DKK'000</b>	<b>2021</b>	<b>2020</b>
Other interest expenses	269	270
	<u>269</u>	<u>270</u>

**6 Tax on profit for the year**

<b>DKK'000</b>	<b>2021</b>	<b>2020</b>
Current tax	59,211	58,141
Change in deferred tax	(1,533)	(304)
	<u>57,678</u>	<u>57,837</u>

**7 Distribution of Profit**

<b>DKK'000</b>	<b>2021</b>	<b>2020</b>
Dividend for the financial year	206,584	207,000
Retained earnings	814	(341)
<b>Proposed distribution of profit</b>	<u>207,398</u>	<u>206,659</u>

Nasdaq Copenhagen A/S

Annual Report 2021

## 8 Property, plant and equipment

DKK'000

	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost beginning of year	4,425	3,379	7,804
Additions	186	89	275
Disposals	(195)	(101)	(296)
Adjustments according to previous years	(53)	(8)	(61)
<b>Cost end of year</b>	<b>4,363</b>	<b>3,359</b>	<b>7,722</b>
Depreciation and impairment losses beginning of year	(3,805)	(3,025)	(6,830)
Disposals	281	16	297
Depreciation for the year	(210)	(72)	(282)
Adjustments according to previous years	(32)	15	(17)
<b>Depreciation and impairment losses end of year</b>	<b>(3,766)</b>	<b>(3,066)</b>	<b>(6,832)</b>
<b>Carrying amount end of year</b>	<b>597</b>	<b>293</b>	<b>890</b>

## 9 Financial assets

DKK'000

	Deposits 2021	Deposits 2020
Cost at the beginning of the year	961	961
Additions	4	0
<b>Cost at the end of the year</b>	<b>965</b>	<b>961</b>
<b>Carrying amount at the end of the year</b>	<b>965</b>	<b>961</b>

## 10 Deferred tax

DKK'000

	2021	2020
Property, plant and equipment	133	98
Liabilities other than provisions	6,493	4,995
<b>Deferred tax</b>	<b>6,626</b>	<b>5,093</b>

Nasdaq Copenhagen A/S

Annual Report 2021

<b>DKK'000</b>	<b>2021</b>	<b>2020</b>
<b>Changes during the year</b>		
Beginning of year	5,093	4,788
Recognized in the income statement	1,533	305
<b>End of year</b>	<b>6,626</b>	<b>5,093</b>

## 11 Prepayments

Prepayments relates to prepaid expenses.

## 12 Share capital

<b>DKK'000</b>	<b>Number</b>	<b>Par value</b>	<b>Nominal value</b>
Shares	400,000	100	40,000
	400,000	100	40,000

## 13 Deferred income

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

<b>DKK'000</b>	<b>2021</b>	<b>2020</b>
Deferred income	21,416	17,612
	21,416	17,612

The deferred income will be recognized within 5 years.

## 14 Deferred income

Deferred income relates to prepaid income.

<b>DKK'000</b>	<b>2021</b>	<b>2020</b>
Deferred income	8,098	5,093
	8,098	5,093

Nasdaq Copenhagen A/S

Annual Report 2021

## 15 Unrecognized rental and lease commitments

DKK'000	2021	2020
Liabilities under rental or lease agreements until maturity in total	5,787	5,765
	<u>5,787</u>	<u>5,765</u>

## 16 Contingent liabilities

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

## 17 Related parties with controlling interest

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

## 18 Non–arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report in accordance with section 98 (C) (7) of the Danish Financial Statements Act. No such transactions have been conducted in the financial year.

## 19 Related parties

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

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

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

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