

## **Report of the Board of Directors**

### **Nord Pool European Market Coupling Operator AS**

Nord Pool European Market Coupling Operator AS is consolidated into Euronext Group with reference to mother company Euronext N.V, Amsterdam, Netherlands (Commerce number 60234520, fiscal number 8538.20.934).

The Nord Pool Group is constituted by the parent company Nord Pool Holding AS (NPH) and its subsidiaries Nord Pool AS (NP or Nord Pool) and Nord Pool European Market Coupling Operator AS (NP EMCO). The structure originates from the 2018-demerger of Nord Pool AS, separating the monopolistic (NP EMCO) and competitive (NP) operations into two separate legal entities.

NP EMCO has a marketplace license for North Sea Link Interconnector from the Norwegian Water Resources and Energy Directorate (NVE-RME) and is designated as Nominated Electricity Market Operator (NEMO) in relevant jurisdictions. The market coupling aspects of these NEMO-designations are conducted by the company, whereas the organization of the marketplace is delegated to Nord Pool AS.

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

### **Operational Highlights**

2022 was characterised by the impact of some unpredicted – and unpredictable – events which only served to highlight the need for the energy sector to rapidly adapt to accommodate fast-changing circumstances. War in Ukraine was the catalyst for deep uncertainty and unprecedented price volatility, with new highs thrusting the power business into a global spotlight. Over-reliance on imported gas and the hastened need to realise the 'green shift' in Europe's energy provision, created something of a 'perfect storm' in prices.

Against this backdrop Nord Pool actively communicated the importance of the proper role of a transparent and well-functioning power market. This has continued into 2023 and has included important input to the on-going regulatory changes proposed by the European Commission. An environment of uncertainty and volatility further served to underline the need for Nord Pool to continue to deliver the products and services on which our customers across Europe rely, so that we can provide efficient, simple and secure power trading, producing trustworthy daily prices.

In the spring we were able to announce that Tom Darell had agreed to take up the role of Nord Pool's new CEO.

During 2022 a total of 1077 TWh of power was traded through Nord Pool, including the Nordic and Baltic day-ahead market (696.34 TWh), the UK day-ahead market (232 TWh) and the central Europe day-ahead market (111.1 TWh). Total intraday trading for the year was 37.7 TWh.

The Board would like to take this opportunity to express its sincere thanks to all of Nord Pool's customers and employees for their support and input throughout 2022.

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Company revenues in 2022 were NOK 128,1m (2021: NOK 120,4m) whereas Operating profit was NOK 3,2m (2021: NOK 4,2m). Net income amounted to NOK 1,4m (2021: NOK 1,7m).

By the end of 2022, total equity and liabilities for the company was NOK 71,5m (2021: NOK 74,9m).

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

The annual accounts are prepared on the going concern principle, and the Board of Directors confirms the basis for this. No events of material significance (for the 2022 annual accounts) have occurred up to and including the signatory date of this report.

**Liquidity**

Group cash and cash equivalents changed from NOK 39,4m at the end of 2021 to NOK 34,8m at the end of 2022.

**Risks**

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

**Market Risk, Liquidity Risk and Counterparty Risk**

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

NP EMCO is campaigning to ensure robust cost recovery associated with work undertaken in relation to European market coupling.

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

**Risk capital**

Nord Pool Group is required to hold sufficient risk capital and the size of this is reviewed regularly. NP EMCO AS has conservatively calculated the minimum risk capital to NOK 23,4m. The required risk capital for both Nord Pool and Nord Pool EMCO is derived from assessments of counterparty risk and operational risk, based on similar methodologies as for banks and securities firms.

**Insurance for board of directors and CEO**

Euronext Group maintains an insurance program that includes its subsidiaries, including NP EMCO AS. The program includes a policy for directors' & officers' liability. This policy covers losses related to an alleged wrongful Act committed by board of directors, executive management, and other senior management. Under this policy, any of past, present, or future directors or officers will be insured against liability for negligence, default or breach of duty or other liability, other than cases of willful misconduct or gross negligence.

## **Organisation and working environment**

NP EMCO operates market coupling across Europe and, NP EMCO seeks to build an international organization representing the nature of how and where we operate. NP EMCO's corporate language is English promoting a diverse group of individuals to work for NP EMCO in an international work and business environment.

As per 24 March 2022 the NP EMCO Board of Directors consists of seven men and one woman. The Chairman of the Board in Nord Pool EMCO is male, and the CEO is male. The Nord Pool Group corporate management team consists of five men and three women. Of these, one man and two women are employed in Nord Pool European Market Coupling Operator AS, and four men and one woman is employed in Nord Pool AS.

As per 31 December 2022 NP EMCO had 18 employees based in Norway and one employee based in Germany. NP EMCO had 12 female employees and 7 male employees as per 31 December 2022.

Health-related absence in NP EMCO during the year was 397 days and it is 1.02% of total working time. No lost-time accidents or personal injuries were suffered in 2021.

One employee worked voluntary part-time. The employer has through discussions one-one identified whether the position is voluntary or involuntary. In NP EMCO, 2 employees were on parental leave in 2022, 27,8 weeks with maternity leave.

## **Work against discrimination and for equality – 2022 review including priorities for 2023**

Nord Pool is well positioned to bring positive contribution to work against discrimination and for equality in the workplace and in 2023, Nord Pool will continue to bring the topics of equality, diversity, and discrimination to the wider organization for further work with employees and employee representatives including analysis relevant to the "four-step-model" as required.

In terms of working conditions, the Norwegian office premises have recently been renovated and offers good conditions for a diverse workforce to be employed there. Also, the corporate canteen in Oslo where a majority of the employees are located, offers a variety of lunch alternatives. The office building hosts companies having a global workforce.

New office policy introduced to all employees Q4 2021 giving all employees the flexibility to work two days from home providing extended flexibility to combine family and work. Also, a new travel policy was introduced Q4 2021 providing alternatives for meeting hybrid and on web ensuring considerations in terms of sustainability and the company's commitment to reduce carbon footprint but also ensuring more flexibility for employees on how to organize business travel in terms of work and family.

Attention to use of pictures in job advertisements to prove an equal and diverse workforce. Also, many experts and peers across the organization assist during the recruitment process. Moreover, job profiles of employees developed and published in recruitment processes representing a diverse and equal workforce to tempt potential employees with a diverse background to apply for open positions with Nord Pool.

Corporate salary review process in place for all employees and finalized prior to Summer 2022. Statistics for salary review outcome per gender were put in place. Full corporate bonus payment given to employees on parental leave.

For 2023, Nord Pool will continue to engage the wider organization on matters of diversity and equality, AMU will be included in terms of analysis, review and follow up. Meetings are happening four times a year. Nord Pool will also look to further strengthen the recruitment process to capture more female applicants

for our tech and ops teams and making Nord Pool more attractive also to potential employees with disabilities. Data on salary review process and outcome will be brought for discussion and review with the senior leadership team to ensure distribution is equal between genders and that gap is closed between employees having similar roles. It will also be key for 2023 to work to improve working culture and bringing people closer together post-pandemic.

### **Compliance to the Transparency Act (Nor.: Åpenhetsloven)**

The new Transparency Act entered into force on 1 July 2022, and applies to most larger enterprises that are resident in Norway, including Nord Pool. One of the main pillars of the new Act is to promote enterprises' respect for fundamental human rights and decent working conditions in connection with the production of goods and the provision of services. Starting in 2023, Nord Pool shall carry out due diligences as stipulated by the Act, and publish on an annual basis an account of the due diligence assessments. The report must comply with the minimum requirements of the Act, and may be distributed via several channels, but must as a minimum be made publicly available at the company's webpage. The first annual report will be available no later than 30 June 2023.

### **Allocation of profit**

The Board proposes to distribute NOK 5,0m as dividend for 2022.

### **Outlook for 2022**

The Nord Pool Group celebrates 30 years since it was started and then became the first power market of its kind. In those years we have amassed unrivalled experience in offering flexibility, transparency, innovation and increased choice to our customers, wherever they are located and whichever of our markets they trade in. We are determined to continue to build on this, to ensure continued success in the coming years in, what we acknowledge is, a changing and challenging world for the energy sector.

At the time of writing, we face some unprecedented influences on – and potential consequences for – our area of business. With never before seen price volatility, a drive to recover from two years of pandemic, an increasing urge to realize the 'green shift' in terms of production and consumption, as well as the tragic spectre of war, economic constriction and population migration in eastern Europe. In this environment it becomes all the more important to expand on positive developments seen throughout 2022 and we anticipate the delivery of continued strong results for the year as we work to accommodate for the ongoing green transition and electrification of society. Nord Pool is committed to taking a leading role in pioneering European power markets and to seeking out means to innovate in our products and services, in order to bring maximised social welfare to all our customers and stakeholders.

The Nord Pool Group continues to monitor developments in all these areas closely and to take steps to minimize and/or mitigate any potential impacts in terms of finance, operations (business continuity) and employee well-being. To date the impact has, generally, been minimal on Nord Pool. But we are not complacent, and the on-going situation is continuously assessed to allow us to fully prepare for any further developments and possible impacts that they may bring. The group also has processes in place to ensure operational robustness and mitigate risk. Nord Pool will always follow any relevant formal sanctions from EU, US or UK.

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 current volatile situation is expected to be low and should have limited impact and most likely a positive impact on the annual dividend for 2023, with growing trading volumes (particularly for Intraday) and increasing interest rates.

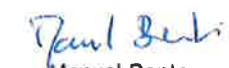
Lysaker, March 23, 2023



Torger Lien  
Member of the Board



Chris Topple  
Chairman



Manuel Bento  
Member of the Board



Camille Beudin  
Member of the Board



Geir Heggem  
Member of the Board



Anne Giviskos  
Member of the Board



Atle Sebjørnsen  
Member of the Board



Tom Darell  
CEO



Sami Meri  
Member of the Board

**Nord Pool European Market  
Coupling Operator AS**

**(Org.no. 984 058 098)**

**Annual Accounts 2022**

## Profit and loss account

### Nord Pool European Market Coupling Operator AS

Amounts in NOK 1000	Note	31.12.2022	31.12.2021
Other operating income	1,2	128 056	120 413
<b>Total operating income</b>		<b>128 056</b>	<b>120 413</b>
Depreciation	6,7	6 860	5 272
Payroll expenses	3	31 362	36 221
Other operating expenses	2,3,4	86 615	74 759
<b>Total operating expenses</b>		<b>124 837</b>	<b>116 252</b>
<b>Operating profit</b>		<b>3 219</b>	<b>4 161</b>
<b>Net financial items</b>	5	<b>-867</b>	<b>-1 663</b>
<b>Profit before taxes</b>		<b>2 352</b>	<b>2 499</b>
Taxes	15	938	752
<b>Net income</b>		<b>1 414</b>	<b>1 747</b>
<b>ALLOCATED TO:</b>			
Dividend		5 000	6 000
Allocated to/from other equity		-3 586	-4 253

## Balance sheet

	Note	Nord Pool European Market Coupling Operator AS	
		31.12.2022	31.12.2021
<b>Assets</b>			
<b>FIXED ASSETS</b>			
<b>Intangibles</b>			
Intangible assets	7	16 197	15 440
Deferred tax benefit	15	118	107
<b>Total intangible</b>		<b>16 315</b>	<b>15 547</b>
<b>Tangible fixed assets</b>	6	<b>838</b>	<b>1 616</b>
<b>Financial assets</b>			
Investment in subsidiaries	8	-	73
<b>Total financial assets</b>		<b>-</b>	<b>73</b>
<b>TOTAL FIXED ASSETS</b>		<b>17 152</b>	<b>17 236</b>
<b>CURRENT ASSETS</b>			
<b>Receivables</b>			
Accounts receivables	9	6 805	3 871
Other receivables	10	12 769	8 130
Group receivables	2	-	6 227
<b>Total receivables</b>		<b>19 574</b>	<b>18 228</b>
<b>Bank deposits</b>	11	<b>34 773</b>	<b>39 415</b>
<b>TOTAL CURRENT ASSETS</b>		<b>54 347</b>	<b>57 643</b>
<b>TOTAL ASSETS</b>		<b>71 499</b>	<b>74 879</b>



**Balance sheet**


**Equity and liabilities**

Amounts in NOK 1000	Note	Nord Pool European Market Coupling Operator AS	
		31.12.2022	31.12.2021
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
<b>Paid-in-equity</b>			
Share capital	12,13	10 935	10 935
Share premium	13	5 166	5 166
<b>TOTAL PAID-IN-EQUITY</b>		<b>16 101</b>	<b>16 101</b>
<b>Retained earnings</b>			
Other equity	13	29 791	33 344
<b>TOTAL RETAINED EARNINGS</b>		<b>29 791</b>	<b>33 344</b>
<b>TOTAL EQUITY</b>	13,16,17	<b>45 893</b>	<b>49 445</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable	14	5 180	3 590
Taxes payable	15	637	597
Public duties		3 324	5 060
Group payables	2	742	-
Other current liabilities		10 723	10 187
Dividend	13	5 000	6 000
<b>TOTAL CURRENT LIABILITIES</b>		<b>25 606</b>	<b>25 434</b>
<b>TOTAL LIABILITIES</b>		<b>25 606</b>	<b>25 434</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	17	<b>71 499</b>	<b>74 879</b>

Lysaker, March 23, 2023

  
Torger Lien  
Member of the Board

  
Chris Toppé  
Chairman

  
Manuel Bento  
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Tom Darell  
CEO

  
Sami Meri  
Member of the Board

## Cash flow analysis

	<b>Nord Pool European Market Coupling Operator AS</b>	
Amount NOK 1000	<b>2022</b>	<b>2021</b>
<b>Cash flow from operating activities</b>		
Net income	1 414	1 747
Ordinary depreciation	6 860	5 272
Change in accounts receivable	-2 934	1 885
Change in accounts payable	1 590	2 082
Change in other current receivables and liabilities	1 217	-16 310
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>8 147</b>	<b>-5 324</b>
<b>Cash flow from investment activities</b>		
Income sale of shares subsidiaries	73	0
Purchase of intangible fixed assets	-6 861	-6 971
<b>NET CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>-6 789</b>	<b>-6 971</b>
<b>Cash flow from financing activities</b>		
Payment of dividend	-6 000	-7 000
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-6 000</b>	<b>-7 000</b>
Net change in liquid assets	-4 642	-19 295
Liquid assets as of 1 January	39 415	58 710
<b>LIQUID ASSETS AS OF 31 DECEMBER</b>	<b>34 773</b>	<b>39 415</b>

## 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.

#### Consolidated financial statements

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

#### Operating Income

The income base of the Nord Pool European Market Coupling Operator for 2022 consists of cost recovery from European Market Coupling activities, other services, and shipping arrangements.

#### Classification and valuation of balance sheet items

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

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

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

#### Receivables

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

#### Foreign currency

Accounts receivable and accounts payable in foreign currencies are valued at the year-end exchange rate on 31 December 2022.

#### Tangible fixed assets

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

#### Intangible assets

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

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

Intangible assets that are purchased individually are capitalized at cost.

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

**Pension costs and liabilities**

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

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

**Taxes**

Tax expenses in the profit and loss account consist of tax payable for the period and changes in deferred tax. Deferred tax is calculated based on 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 2022, net negative temporary differences between accounting and tax values have been recorded by NP EMCO. The associated deferred tax benefit is recorded in the balance sheet under assets.

**Cash flow**

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

**Note 1 Operating revenues**

Amounts in NOK 1000

Geographical distribution	NP EMCO AS	
	2022	2021
Norway	98 333	88 751
Sweden	4 161	3 679
Denmark	1 546	1 337
Finland	1 072	1 348
Germany	5 043	8 557
UK	2 164	72
Estonia	627	403
Lithuania	710	539
France	8 462	10 913
Belgium	178	211
Ireland	924	861
Netherlands	423	423
Spain	676	448
Italy	588	423
Latvia	477	315
Poland	1 219	301
Austria	412	994
Other countries	1 041	838
<b>TOTAL</b>	<b>128 056</b>	<b>120 413</b>

**Note 2 Related parties**

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

Nord Pool European Market Coupling Operator AS	2022	2021
Amounts in TNOK		
<b>Intercompany operating revenues</b>	<b>94 331</b>	<b>85 949</b>
NP AS	94 271	85 647
NP Consulting AS	60	302
<b>Intercompany operating costs</b>	<b>47 657</b>	<b>39 561</b>
NP EMCO AB	1 421	2 047
NP EMCO Oy	5 392	9 584
NP AB	927	1 646
NP AS	31 721	17 067
NP Finland Oy	8 196	9 216

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

NP EMCO Oy supplies market coupling services to NP EMCO AS. NP EMCO Oy was merged into NP Finland Oy from 01.09.2022

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

NP EMCO AB provides market coupling services to NP EMCO AS. NP EMCO AB was merged into NP AB from 01.09.2022

**Specification of Group receivables & liabilities in the balance:**
**Note 2 Group receivables & liabilities**

Amounts in NOK 1000

	NP EMCO AS 2022	NP EMCO AS 2021
NP EMCO AB		121
NP EMCO OY		1 783
Nord Pool Finland Oy	-464	584
Nord Pool AB	-348	139
Nord Pool AS	71	3 561
Nord Pool Consulting AS		39
<b>TOTAL</b>	<b>-742</b>	<b>6 227</b>

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

Amounts in NOK 1000

	NP EMCO AS	
	2022	2021
<b>Payroll expenses</b>		
Salaries	22 483	25 457
Social security contribution	4 121	6 189
Pension expenses defined contribution scheme	2 584	2 359
Pension costs contributions scheme foreign countries	303	319
Other benefits	1 870	1 897
<b>TOTAL</b>	<b>31 362</b>	<b>36 221</b>

During the financial year, Nord Pool European Market Coupling Operator AS had an average of 23 employees (22.5 man-years) against 28,4 employees (27,9 man-years) in 2021.

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

No loans or collaterals have been granted to the CEO, the Chairman of the Board of Directors, or other related parties. The CEO is entitled to 3 months' salary following termination of employment. No individual loan or collateral exceeding 5 per cent of the equity of company has been granted.

Salary to board has been TNOK 0 in 2022. Board members who are employed by the owners of Nord Pool European Market Coupling Operator or in the Nord Pool European Market Coupling Operator Group do not receive any remuneration.

**Bonus**

Nord Pool European Market Coupling Operator AS has a bonus scheme for all employees with bonuses being paid on the basis of various Key Performance Indicators. The maximum bonus per year corresponds to 15 per cent of the annual pay. The average bonus achieved for 2022 amounted to 15 per cent.

**Share-based option agreement**

From 23. May 2022 Nord Pool EMCO employees was included in the Euronext Performance Shares Plane. Employees need to be employed at vesting 23 May 2023 for the shares to become theirs. 10 Euronext NV performance shares is granted each employee if the employee is still employed within Euronext and the company remains profitable, the shares will become the employees in May 2025. If employees leave before the end of the vesting period in May 2024 the free shares will be loosed.

Total expensed in 2022 on the share-based option agreement is NOK 33,451.

**Note 4 Other operating expenses**

Amounts in NOK 1000	NP EMCO AS	
	2022	2021
Outsourced services	12 113	10 916
Administration services from subsidiaries	47 657	39 561
External cost on project with cost recovery	22 404	22 508
Operation and maintenance of software	1 790	1 712
Miscellaneous	2 651	61
<b>TOTAL OTHER OPERATING EXPENSES</b>	<b>86 615</b>	<b>74 759</b>

**Auditors**

Compulsory auditing for the parent company amounts to NOK 212,793. The amounts are exclusive of VAT.

**Tenancy agreement**

Nord Pool European Market Coupling Operator AS has tenancy agreement for office facilities in Lilleakerveien 2a, Lysaker. The agreement was entered into on 4 January 2019 and expire on 31 March 2024.

Nord Pool AS sub-leases office space from European Market Coupling Operator AS in Lilleakerveien 2a. The yearly rent for 2022 amounts to NOK 4.6 mill. The rent is adjusted on a yearly basis in accordance with the development in the CPI.

**Note 5 Net financial items**

Amounts in NOK 1000

	NP EMCO AS	
	2022	2021
<b>Financial income</b>		
Interest revenue	346	117
Other financial revenues	242	409
<b>TOTAL FINANCIAL REVENUES</b>	<b>589</b>	<b>525</b>

	NP EMCO AS	
	2022	2021
<b>Financial expenses</b>		
Interest and financial expenses	1 455	59
Other financial expenses (agio)	-	2 129
<b>TOTAL FINANCIAL EXPENSES</b>	<b>1 455</b>	<b>2 188</b>
<b>NET FINANCIAL ITEMS</b>	<b>-867</b>	<b>-1 663</b>

## Note 6 Tangible fixed assets

Amounts in NOK 1000

NP EMCO AS	Vehicle	EDP and office equipment	Total
Acquisition cost as of 01.01.2022	0	13 071	13 071
Additions	0	0	0
Disposals	0	0	0
<b>Acquisition cost as of 31.12.2022</b>	<b>0</b>	<b>13 071</b>	<b>13 071</b>
Accumulated depreciation as of 31.12.2022	0	-12 233	-12 233
<b>BOOK VALUE AS OF 31.12.2022</b>	<b>0</b>	<b>838</b>	<b>838</b>

This year's depreciation	0	779	779
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Both the parent company and the group make use of straight-line depreciation for all intangible assets. The economic useful lives of the intangible fixed assets are estimated as follows:

-Computer software 3-5 years

## Note 7 Intangible assets

Amounts in NOK 1000

NP EMCO AS	Trade systems	Total
Acquisition cost as of 01.01.2022	68 872	68 872
Additions	6 861	6 861
<b>Acquisition cost as of 31.12.2022</b>	<b>75 733</b>	<b>75 733</b>
Accumulated depreciation as of 31.12.2022	-59 537	-59 537
<b>BOOK VALUE AS OF 31.12.2021</b>	<b>16 197</b>	<b>16 197</b>

This year's depreciation	6 081	6 081
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The economic useful life of tangible fixed assets is estimated as follows:

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

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

## Note 8 Subsidiaries, associated companies and joint ventures

Amounts in NOK

Company	Acquisition date	Sold date	Head-quarters	Ownership	Share of voting rights
Nord Pool European Market Coupling Operator Oy	18.07.2018	01.05.2022	Espoo	0 %	0 %
Nord Pool European Market Coupling Operator AB	06.04.2018	01.05.2022	Stockholm	0 %	0 %

Investments valued in accordance with the cost method

Company	Acquisition date	Sold date	Total share capital	Shares owned	Total par value	Acquisition cost	Book value
Nord Pool European Market Coupling Operator Oy	18.07.2018	01.05.2022	2 500	2 500	EUR 2.500	24 110	0
Nord Pool European Market Coupling Operator AB	06.04.2018	01.05.2022	50 000	50 000	SEK 50.000	48 505	0

Subsidiaries (amounts in NOK 1000)

	Net income 31.12.2022	Equity as per 31.12.2022
Nord Pool EMCO AB	0	0
Nord Pool EMCO Oy	0	0



The subsidiaries are not consolidated into the accounts of Nord Pool EMCO AS.

Shares in Nord Pool EMCO AB and Nord Pool EMCO Oy was sold to Nord Pool AS on 01. May 2022 and Nord Pool EMCO AB merged into Nord Pool AB as per 31. August 2022 and Nord Pool EMCO Oy merged into Nord Pool Finland Oy as per 31. August 2022.

#### Note 9 Accounts receivable

Amounts in NOK 1000

	NP EMCO AS	
	2022	2021
Other accounts receivables	6 805	3 871
<b>Book value</b>	<b>6 805</b>	<b>3 871</b>

#### Note 10 Other receivables

Amounts in NOK 1000

	NP EMCO AS	
	2022	2021
Other receivables Nord Pool Group	107	107
Other receivables	12 662	8 022
<b>TOTAL</b>	<b>12 769</b>	<b>8 130</b>

#### Note 11 Bank deposits and guarantees

##### Bank deposits

Amounts in NOK 1000

	NP EMCO AS	
	2022	
Restricted funds for tax withholdings	4 895	

##### Guarantees

Nordea Bank Abp, filial i Norge	Start	Maturity			
Credit facility		31.05.2023		NOK	7 000 000
Guarantee Lilleakerveien 2 AS	13.09.2018	01.12.2024		NOK	3 050 000
APCS Power Clearing	03.04.2017		EUR	100 000	NOK 1 051 380
Guarantee Elia System Operator NV/SA	04.06.2018	16.09.2023	EUR	3 000 000	NOK 31 541 400
Guarantee RTE Reseau de Transport	18.05.2018	15.07.2023	EUR	800 000	NOK 8 411 040
Guarantee TenneT TSO B.V.	01.06.2018	01.12.2023	EUR	33 200 000	NOK 349 058 160
Cash on account eSett (Statnett, SVK, Fingrid)			EUR	126 947	NOK 1 334 699
<b>Nordea Bank Abp, London Branch</b>					
Guarantee Elxon	14.09.2020	01.10.2023	GBP	400 000	NOK 4 741 640
<b>ING BANK N.V., Amsterdam</b>					
Bank deposit on account TenneT TSO B.V.			EUR	12 327	NOK 129 599

## Note 12 Share capital and shareholder information

Amounts in NOK 1000

### Nord Pool European Market Coupling Operator AS

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

### Shareholders as of 31.12.2022

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

## Note 13 Equity

Amounts in NOK 1000

Nord Pool EMCO AS	Share capital	Share premium	Other equity	Total equity
Equity as of 01.01.2022	10 935	5 166	33 344	49 445
Retained earning Stock Option			33	33
Net income 2022			1 414	1 414
Dividend			-5 000	-5 000
<b>EQUITY AS OF 31.12.2022</b>	<b>10 935</b>	<b>5 166</b>	<b>29 791</b>	<b>45 893</b>

## Note 14 Accounts payable

Amounts in NOK 1000

	NP EMCO AS	
	2022	2021
Other accounts payable	5 180	3 590
<b>Book value</b>	<b>5 180</b>	<b>3 590</b>

**Note 15 Taxes**

Amounts in NOK 1000

	NP EMCO AS	
	2022	2021
<b>Taxes for the year are distributed as follows:</b>		
Taxes payable Norway	637	597
Taxes payable foreign countries	325	164
Change from previous years	-14	37
Change in deferred tax	-11	-45
<b>TOTAL TAX EXPENSES</b>	<b>938</b>	<b>753</b>

**Calculated payable tax basis for the year:**

Pre-tax profit	2 352	2 499
<b>TOTAL PROFIT BEFORE TAX</b>	<b>2 352</b>	<b>2 499</b>
Permanent differences *)	365	9
Change in temporary differences	50	204
<b>BASIS TAXES PAYABLE FOR THE YEAR</b>	<b>2 767</b>	<b>2 712</b>

**Overview temporary differences:**

Fixed assets	-602	-552
Allocations in accordance with generally accepted accounting principles	0	0
Correction deferred tax benefit earlier year	0	0
<b>TOTAL</b>	<b>-602</b>	<b>-552</b>
22% Deferred tax benefit	-132	-121

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

	NP EMCO AS
22 % tax on pre-tax profit	517
Tax difference earlier year	29
Variance last years accrued tax	-14
Permanent differences (22%)	80
Taxes payable foreign countries	325
<b>CALCULATED TAX EXPENSE</b>	<b>938</b>
Nominal taxation rate **)	39,9 %

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

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

**Note 16 Regulation, licenses**

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

According to license from NVE there is requirement of necessary size of risk capital base. Estimated risk capital is for Nord Pool European Market Coupling Operator AS NOK 23.4m. Nord Pool European Market Coupling Operator AS fulfils the requirement of risk capital.

**Note 17 Events after the balance sheet date**

The Nord Pool Group celebrates 30 years since it was started and then became the first power market of its kind. In those years we have amassed unrivalled experience in offering flexibility, transparency, innovation and increased choice to our customers, wherever they are located and whichever of our markets they trade in. We are determined to continue to build on this, to ensure continued success in the coming years in, what we acknowledge is, a changing and challenging world for the energy sector.

At the time of writing, we face some unprecedented influences on – and potential consequences for – our area of business. With never-before-seen price volatility, a drive to recover from two years of pandemic, an increasing urge to realize the 'green shift' in terms of production and consumption, as well as the tragic spectre of war, economic constriction and population migration in eastern Europe. In this environment it becomes all the more important to expand on positive developments seen throughout 2022 and we anticipate the delivery of continued strong results for the year as we work to accommodate for the ongoing green transition and electrification of society. Nord Pool is committed to taking a leading role in pioneering European power markets and to seeking out means to innovate in our products and services, in order to bring maximised social welfare to all our customers and stakeholders.

The Nord Pool Group continues to monitor developments in all these areas closely and to take steps to minimize and/or mitigate any potential impacts in terms of finance, operations (business continuity) and employee well-being. To date the impact has, generally, been minimal on Nord Pool. But we are not complacent, and the on-going situation is continuously assessed to allow us to fully prepare for any further developments and possible impacts that they may bring. The group also has processes in place to ensure operational robustness and mitigate risk. Nord Pool will always follow any relevant formal sanctions from EU, US or UK.

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 current volatile situation is expected to be low and should have limited impact and most likely a positive impact on the annual dividend for 2023, with growing trading volumes (particularly for Intraday) and increasing interest rates.

## INDEPENDENT AUDITOR'S REPORT

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

### Opinion

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We have audited the financial statements of Nord Pool European Market Coupling Operator AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company as at 31 December 2022 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

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We conducted our audit in accordance with 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 requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other information

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Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and chief executive officer) are responsible for the other information. Our opinion on 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, and in our opinion, the board of directors' report is consistent with the financial statements and contains the information required by applicable legal requirements.

### Responsibilities of management for the financial statements

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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**

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Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 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 the board of directors 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.

Oslo, April 11<sup>th</sup>, 2023  
ERNST & YOUNG AS

Kjetil Rimstad  
State Authorised Public Accountant (Norway)

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

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"By my signature I confirm all dates and content in this document."

## Kjetil Rimstad

### Oppdragsansvarlig partner

On behalf of: Ernst & Young AS

Serial number: 9578-5999-4-1044102

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