

2019

half-yearly
report H1



Trust us to manage your risks

Energi Danmark

BOARD OF DIRECTORS & MANAGEMENT REVIEW

During the first half of 2019 the Energi Danmark Group realised a profit before tax of DKK 73,6 million. This corresponds to a yearly return on equity before tax of 15,3 %. Compared to the first half of 2018 the revenue increased with 52% to DKK 20,772 million.

Energi Danmark is in a process to sell Energi Danmark Vind A/S and the activity is presented in the income statement as a "discontinued activity". The discontinued activity realised a total revenue of DKK 49,1 million and a profit before tax of DKK 19,0 million.

The half-year result is in line with the budget and the expectations for the year as a whole are maintained.

The Energi Danmark Group has continued the strong sales from last year and experienced a very positive first half year in terms of sales. Like last year, the sale in our Norwegian subsidiary, Energi Salg Norge AS, have been strong.

No audit or review has been made to the figures for the first half of 2019.

Aarhus, 15 August 2019

Jesper Hjulmand
Chairman of the board

Jørgen Holm Westergaard
CEO





INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME

Notes	DKK '000	1. half year 2019	1. half year 2018
2	Revenue - Sales of power etc.	20,772,113	13,652,820
	Purchase of power	-20,971,860	-14,006,305
	Net income/loss from financial instruments	432,688	569,869
	Gross profit	232,941	216,384
	Staff costs	-72,884	-74,350
	Other external costs	-71,586	-65,958
	Depreciation	-14,266	-7,104
	Operating profit	74,205	68,972
	Finance income	3,466	1,917
	Finance costs	-23,127	-20,963
	Profit before tax of continuing operations	54,544	49,926
	Profit before tax of discontinuing operations	19,036	10,843
	Profit before tax	73,580	60,769
	Profit before tax of discontinuing operations	-19,036	-10,843
	Tax on profit for the period of continuing operations	-12,000	-10,983
	Profit for the period of continuing operations	42,544	38,943
	Profit for the period of discontinued operations (after tax)	14,848	8,458
	Profit for the period	57,392	47,401
	Attributable to:		
	Shareholders of Energi Danmark A/S	57,392	47,401
		57,392	47,401
	Statement of other comprehensive income		
	Items that may be reclassified to profit or loss in subsequent periods		
	Exchange differences on translation of foreign operations	-4,366	-9,029
	Cash flow hedge	43,636	0
	Tax on cash flow hedge	-9,600	0
	Net other comprehensive income to be reclassified to profit or loss in subsequent periods	29,670	-9,029
	Total comprehensive income for the period, net of tax	87,062	38,372
	Attributable to:		
	Shareholders of Energi Danmark A/S	87,062	38,372

BALANCE SHEET - ASSETS

Notes	DKK '000	30/6 2019	31/12 2018
Assets			
	Non-current assets		
	Intangible assets	113,802	99,972
	Tangible assets	9,674	788,243
	Right-of-use assets	18,600	0
	Deferred tax	10,140	4,392
	Total non-current assets	152,216	892,607
3	Current assets		
	Trade receivables	4,711,709	5,198,879
	Income tax receivables	8,193	5,259
	Derivative assets	1,968,436	2,222,099
	Deposits	586,581	656,096
	Other receivables	449,038	209,511
	Assets held for sale	761,379	0
	Cash	56,723	298,435
	Total current assets	8,542,059	8,590,279
Total assets			
		8,694,275	9,482,886

BALANCE SHEET - LIABILITIES

Notes	DKK '000	30/6 2019	31/12 2018
Equity			
	Share capital		221,833
	Exchange rate reserve		-20,472
	Retained earnings		792,028
	Cash flow hedge		11,421
	Total equity	1,004,810	917,748
Non-current liabilities			
	Corporate bonds		0
	Lease liabilities		11,100
	Deferred tax		0
	Total non-current liabilities	11,100	803,336
Current liabilities			
	Credit institutions		942,403
	Trade payables		2,545,404
	Income tax payable		12,000
	Corporate bonds		749,136
	Lease liabilities		7,500
	Derivative liabilities		2,280,309
	Other payables		696,093
	Liabilities related to assets held for sale		445,520
	Total current liabilities	7,678,365	7,761,802
	Total liabilities	7,689,465	8,565,138
	Total equity and liabilities	8,694,275	9,482,886

STATEMENT OF CHANGES IN EQUITY

DKK '000

	Share capital	Exchange rate reserve	Retained earnings	Cash flow hedge	Total
Equity 1 January 2019	221,833	-16,106	734,636	-22,615	917,748
Profit /(loss) for the period	0	0	57,392	0	57,392
Other comprehensive income					
Cash flow hedge after tax	0	0	0	34,036	34,036
Foreign currency translation adjustment	0	-4,366	0	0	-4,366
Comprehensive income for the period	221,833	-20,472	792,028	11,421	1,004,810
Transactions with the owners					
Dividend distributed	0	0	0	0	0
Proposed dividend	0	0	0	0	0
Transactions with the owners for the period	0	0	0	0	0
Equity 30 June 2019	221,833	-20,472	792,028	11,421	1,004,810
Equity 1 January 2018	221,833	-9,023	603,508	0	816,318
Profit /(loss) for the period	0	0	47,401	0	47,401
Other comprehensive income					
Foreign currency translation adjustment	0	-9,029	0	0	-9,029
Comprehensive income for the period	221,833	-18,052	650,909	0	854,690
Transactions with the owners					
Dividend distributed	0	0	0	0	0
Proposed dividend	0	0	0	0	0
Transactions with the owners for the period	0	0	0	0	0
Equity 30 June 2018	221,833	-18,052	650,909	0	854,690

STATEMENT OF CASH FLOWS

DKK '000

	1. half year 2019	1. half year 2018
Operating profit	74,205	68,972
Adjustments for operating items of a non-cash nature etc.		
Cash flow hedge	43,636	0
Depreciation and amortisation etc.	14,266	7,104
Net foreign exchange differences	-4,366	-9,029
Gain on disposal of tangible assets	-142	-101
Finance income, received	3,466	1,917
Finance costs, paid	-23,127	-20,963
Changes in trade and other receivables etc	559,423	-2,615,362
Changes in trade and other payables	-1,820,155	2,978,559
Income taxes paid	-4,220	-4,247
Cash flow from operating activities, continuing operations	-1,157,014	406,850
Cash flow from operating activities, discontinued operations	12,463	39,977
Cash flow from operating activities	-1,144,551	446,827
Purchase of intangible assets	-22,186	-20,819
Purchase of tangible assets	-1,048	-958
Disposal of tangible assets	132	176
Cash flow from investing activities, continuing operations	-23,102	-21,601
Cash flow from investing activities, discontinued operations	0	0
Cash flow from investing activities	-23,102	-21,601
Payment of leasing obligation	-4,000	0
Cash flow from financing activities, continuing operations	-4,000	0
Cash flow from financing activities, discontinued operations	-12,462	-39,977
Cash flow from financing activities	-16,462	-39,977
Cash flow for the year	-1,184,115	385,249
Cash and cash equivalents at 1 January	298,435	98,434
Cash and cash equivalents 30 June	-885,680	483,683
Cash and cash equivalents 30 June consists of		
Credit institutions	-942,403	-460,293
Loans not accounted as cash equivalents	0	460,293
Cash	56,723	483,683
Cash and cash equivalents	-885,680	483,683



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1 Accounting policies

The interim financial report comprises Energi Danmark and its consolidated subsidiaries (the Group).

The interim financial report has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU.

Apart from the effect of new IFRS standards implemented during the period mentioned below, the accounting policies remain unchanged from the annual report 2018.

As of 30 June 2019, the wind segment was classified as discontinued operations. Accounting policies for discontinued operations are described below.

Implementation of new standards and interpretations during the period

On 1 January 2019, Energi Danmark implemented IFRS 16, Leases by applying the modified retrospective approach.

The cumulative effect is recognized at the date of initial application, 1 January 2019, and the right-of-use assets are recognized at the same value as the lease obligations. Comparative figures are not restated.

The implementation of IFRS 16 increases operating profit and increases interest expenses. The carrying amount of leases capitalised as of 1 January 2019 is 22 MDKK, and consequently, the impact on operating profit and interest expenses is limited.

Discontinuing operations

Major business areas are classified as discontinuing operations if the activities are available for immediate sale in their current condition and a sale is highly probable. The net profit from discontinuing operations is presented as a single line in the income statement below profit from continuing operations and comparative figures are restated. In the balance sheet, assets and liabilities respectively are presented in a single line as current assets and current liabilities respectively.

Discontinuing operations are reported including intercompany sales, and intercompany sales are eliminated against continuing operations to reflect the effect of the continuing operations going forward. The cash flow hedge reserve related to discontinuing operations will be recycled to the income statement upon disposal.

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Notes DKK '000

2 Operating segments

	1. half year 2019			
	Total revenue	Internal revenue	External revenue	Reportable segment profit/loss before tax
Energi Danmark	20,229,161	2,810,407	17,418,754	39,517
Energi Danmark Securities	13,738	4,218	9,520	13,305
Energi Försäljning Sverige	1,203,222	0	1,203,222	12,955
Energia Myynti Suomi	869,630	0	869,630	-1,573
Energi Salg Norge	716,705	0	716,705	1,166
Energie Vertrieb Deutschland EVD GmbH	579,964	0	579,964	-3,912
Adjustment and elimination	-2,840,307	-2,840,307	0	-6,914
Total continuing operations	20,772,113	-25,682	20,797,795	54,544
Total discontinued operations	49,138	25,682	23,456	19,036
Consolidated	20,821,251	0	20,821,251	73,580
	1. half year 2018			
	Total revenue	Internal revenue	External revenue	Reportable segment profit/loss before tax
Energi Danmark	13,558,879	2,574,675	10,984,204	61,458
Energi Danmark Securities	6,665	3,751	2,914	7,750
Energi Försäljning Sverige	1,003,983	0	1,003,983	6,675
Energia Myynti Suomi	692,180	0	692,180	-1,102
Energi Salg Norge	459,206	0	459,206	5,021
Energie Vertrieb Deutschland EVD GmbH	529,845	0	529,845	-4,783
Adjustment and elimination	-2,597,938	-2,597,938	0	-25,093
Total continuing operations	13,652,820	-19,512	13,672,332	49,926
Total discontinued operations	42,073	19,512	22,561	10,843
Consolidated	13,694,893	0	13,694,893	60,769

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Notes DKK '000

3 Information about financial instruments

Categories of financial instruments	30/6 2019		31/12 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Trade receivables	4,711,709	4,711,709	5,198,879	5,198,879
Other receivables and deposits	1,035,619	1,035,619	865,607	865,607
Assets held for sale	761,379	761,379	0	0
Cash	56,723	56,723	298,435	298,435
Financial assets measured at amortised cost	6,565,430	6,565,430	6,362,921	6,362,921
Derivative assets	1,968,436	1,968,436	2,222,099	2,222,099
Financial assets measured at fair value through profit or loss	1,968,436	1,968,436	2,222,099	2,222,099
Credit institutions	942,403	942,403	401,912	401,912
Corporate bonds	749,136	757,500	748,708	758,250
Trade payables	2,545,404	2,545,404	3,080,133	3,080,133
Other payables	696,093	696,093	550,280	550,280
Lease liabilities	18,600	18,600	0	0
Liabilities related to assets held for sale	445,520	445,520	0	0
Financial liabilities measured at amortised costs	5,397,156	5,405,520	4,781,033	4,790,575
Derivative liabilities	2,280,309	2,280,309	3,729,477	3,729,477
Financial liabilities measured at fair value through profit or loss	2,280,309	2,280,309	3,729,477	3,729,477

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Notes DKK '000

Fair value measurement of financial instruments

30/6 2019				
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Derivative financial assets:				
Foreign exchange forward	0	58,427	0	58,427
Commodity derivative	303,834	1,436,438	169,737	1,910,009
Total	303,834	1,494,865	169,737	1,968,436

Financial liabilities measured at fair value

Derivative financial liabilities:	Level 1	Level 2	Level 3	Total
Interest rate swaps	0	33,473	0	33,473
Foreign exchange forward	0	8,034	0	8,034
Commodity derivative	110,188	2,126,940	1,674	2,238,802
Total	110,188	2,168,447	1,674	2,280,309

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market or, if not available, in the most advantageous market.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the

use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

If electricity prices changes with 5 % at 30 June 2019, the net level 3 value will change with 14.6 m.

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31/12 2018

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Derivative financial assets:				
Foreign exchange forward	0	43,742	0	43,742
Commodity derivative	669,098	1,182,545	326,714	2,178,357
Total	669,098	1,226,287	326,714	2,222,099

Financial liabilities measured at fair value

Derivative financial liabilities:	Level 1	Level 2	Level 3	Total
Interest rate swaps	0	12,092	0	12,092
Foreign exchange forward	0	11,431	0	11,431
Commodity derivative	12,529	3,525,025	168,400	3,705,954
Total	12,529	3,548,548	168,400	3,729,477

If electricity prices changes with 5 % at 31 December 2018, the net level 3 value will change with DKK 33 m.

Notes

Subsequent events

No significant events have occurred after the balance sheet date.

Risk and uncertainties

Besides what has been disclosed in the half year report, no changes in the Group's most significant risks and uncertainties have occurred relative to what was disclosed in the consolidated annual report for 2018.



FINANCIAL CALENDAR

2020	27 March	Annual report 2019
2020	17 April	Annual general shareholder meeting
2020	20 August	Half-yearly report 2020

ABOUT THE ENERGI DANMARK GROUP

The Energi Danmark Group is one of Northern Europe's leading energy trading groups with activities ranging from physical and financial energy trading, carbon trading and trading with gas and wind energy to currency hedging, portfolio management, portfolio contracts and associated trading in derivative financial instruments.

The Group buys and sells electricity at NASDAQ OMX Commodities in Stockholm, the Nordic electricity exchange Nord Pool in Oslo, the German electricity exchange EEX and via decentralised electricity producers.

The customers of the Energi Danmark Group comprise much of the business market as well as public sector enterprises in the Nordic region, and the Group is currently expanding its activities to new countries in Northern Europe, most recently Germany.

As at 30 June 2019, the company has the following shareholders:

	Ownership %	Share capital (DKK)
1. SEAS-NVE a.m.b.a., Svinninge, Denmark	28.97	64,260,207
2. NRGi a.m.b.a., Aarhus N, Denmark	23.12	51,292,837
3. Energi Nord Holding A/S, Aalborg, Denmark	18.37	40,755,012
4. EWII Energi A/S, Kolding, Denmark	16.50	36,590,343
5. SEAS-NVE Strømmen A/S, Svinninge, Denmark	11.52	25,556,367
6. SEF Energi A/S, Svendborg, Denmark	1.12	2,493,320
7. Fonden Langelands Elforsyning, Rudkøbing, Denmark	0.40	885,250
	100.00	221,833,336

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