
2020

half-yearly
report



Trust us to manage your risks

Energi **Danmark**

BOARD OF DIRECTORS & MANAGEMENT REVIEW

During the first half of 2020 the Energi Danmark Group realised a profit before tax of DKK 130.6 million. This corresponds to a yearly return on equity before tax of 22%. The revenue of DKK 21.5 billion in the first half of 2020 is on the same level as the previous year.

2020 was off to a challenging start with rapidly falling energy prices and the COVID-19 virus affecting the society and economy in all countries. In the 1st quarter of 2020 the sale of the subsidiary Energi Danmark Vind A/S was completed and recognized in the financial statement with an amount of DKK 147.7 million. The effect of the COVID-19 virus resulted in lower energy consumption than expected, especially in the 2nd quarter of 2020 on the German and Swedish markets, resulting in a loss for the Group. The 2020 half-year result is in line with the plan, and the expectations for the year 2020 as a whole are maintained.

Despite intensive competition The Energi Danmark Group have had a solid first half-year in terms of sales to its customers in the Nordic and German markets for future delivery in the next five years. Like last year, the sale in our Norwegian subsidiary, Energi Salg Norge AS, have been strong.

In May the Group successfully extended the final maturity date of its issued DKK 750.0 million Senior Unsecured Floating Rate Notes from 22 June 2020 to 22 June 2021.

No audit or review has been made to the figures for the first half of 2020.

Aarhus, 20 August 2020

Board of Directors and Management,
Energi Danmark A/S





INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME

Notes	DKK '000	1. half year 2020	1. half year 2019
2	Revenue - Sales of power etc.	21,456,953	21,054,591
	Purchase of power	-21,414,676	-20,971,859
	Net income/loss from financial instruments	167,014	150,209
	Gross profit	209,291	232,941
	Gain on divestment of enterprises	147,685	0
	Staff costs	-76,773	-72,884
	Other external costs	-89,339	-71,586
	Depreciation	-14,120	-14,266
	Operating profit	176,744	74,205
	Finance income	2,501	3,466
	Finance costs	-48,633	-23,127
	Profit before tax	130,612	54,544
	Tax on profit for the period of continuing operations	3,756	-12,000
	Profit for the period of continuing operations	134,368	42,544
	Profit for the period of discontinued operations (after tax)	0	14,848
	Profit for the period	134,368	57,392
	Attributable to:		
	Shareholders of Energi Danmark A/S	134,368	57,392
		134,368	57,392
	Statement of other comprehensive income		
	Items that may be reclassified to profit or loss in subsequent periods		
	Exchange differences on translation of foreign operations	-6,299	-4,366
	Cash flow hedge	27,808	43,636
	Tax on cash flow hedge	-6,118	-9,600
	Net other comprehensive income to be reclassified to profit or loss in subsequent periods	15,391	29,670
	Total comprehensive income for the period, net of tax	149,759	87,062
	Attributable to:		
	Shareholders of Energi Danmark A/S	149,759	87,062

BALANCE SHEET - ASSETS

Notes	DKK '000	30/6 2020	31/12 2019
	Assets		
	Non-current assets		
	Intangible assets	112,348	96,358
	Tangible assets	31,359	27,420
	Deferred tax	5,607	23,876
	Total non-current assets	149,314	147,654
	Current assets		
	Inventory	89,520	0
	Trade receivables	4,230,528	5,107,118
	Income tax receivables	15,876	0
3	Derivative assets	2,866,834	1,344,640
	Deposits	221,251	426,084
	Other receivables	129,362	210,436
	Cash	34,306	68,225
	Total current assets	7,587,677	7,156,503
	Assets held for sale	0	746,508
	Total assets	7,736,991	8,050,665

BALANCE SHEET - LIABILITIES

Notes	DKK '000	30/6 2020	31/12 2019
	Equity		
	Share capital	221,833	221,833
	Exchange rate reserve	-24,937	-18,638
	Retained earnings	1,036,381	902,013
	Cash flow hedge	30,914	9,224
	Total equity	1,264,191	1,114,432
	Non-current liabilities		
	Lease liabilities	5,574	4,193
	Deferred tax	6,118	17,337
	Total non-current liabilities	11,692	21,530
	Current liabilities		
	Credit institutions	690,242	861,782
	Bank loan	650,000	0
	Lease liabilities	8,013	5,350
	Trade payables	2,470,906	2,920,049
	Corporate bonds	755,920	749,565
	Income tax payable	25,396	20,240
3	Derivative liabilities	1,384,592	845,244
	Payment received regarding discontinued operations	0	424,543
	Other payables	476,039	609,317
	Total current liabilities	6,461,108	6,436,090
	Total liabilities	6,472,800	6,457,620
	Liabilities directly associated with assets classified held for sale	0	478,613
	Total equity and liabilities	7,736,991	8,050,665

STATEMENT OF CHANGES IN EQUITY

DKK '000					
	Share capital	Exchange rate reserve	Retained earnings	Cash flow hedge	Total
Equity 1 January 2020	221,833	-18,638	902,013	9,224	1,114,432
Profit /(loss) for the period	0	0	134,368	0	134,368
Cash flow hedge after tax	0	0	0	21,690	21,690
Foreign currency translation adjustment	0	-6,299	0	0	-6,299
Comprehensive income for the period	0	-6,299	134,368	21,690	149,759
Equity 30 June 2020	221,833	-24,937	1,036,381	30,914	1,264,191
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
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	0	-4,366	57,392	34,036	87,062
Equity 30 June 2019	221,833	-20,472	792,028	11,421	1,004,810

STATEMENT OF CASH FLOWS

DKK '000	1. half year 2020	1. half year 2019
Operating profit	176,744	74,205
Cash flow hedge	27,808	43,636
Depreciation and amortisation etc.	14,120	14,266
Net foreign exchange differences	-6,299	-4,366
Gain on disposal of tangible assets	0	-142
Finance income, received	2,501	3,466
Finance costs, paid	-48,633	-23,127
Changes in inventories, trade and other receivables	297,291	559,423
Changes in trade and other payables	-942,185	-1,820,155
Income taxes paid	-6,033	-4,220
Cash flow from operating activities, continuing operations	-484,686	-1,157,014
Cash flow from operating activities, discontinued operations	0	12,463
Cash flow from operating activities	-484,686	-1,144,551
Purchase of intangible assets	-24,364	-22,186
Purchase of tangible assets	-963	-1,048
Disposal of tangible assets	0	132
Cash flow from investing activities, continuing operations	-25,327	-23,102
Cash flow from investing activities, discontinued operations	0	0
Cash flow from investing activities	-25,327	-23,102
Payment of leasing obligation	-8,721	-4,000
Corporate bond	6,355	0
Loans from banks	1,750,000	0
Repayment of loans from banks	-1,100,000	0
Cash flow from financing activities, continuing operations	647,634	-4,000
Cash flow from financing activities, discontinued operations	0	-12,462
Cash flow from financing activities	647,634	-16,462
Cash flow for the period	137,621	-1,184,115
Cash and cash equivalents at 1 January	-793,557	298,435
Cash and cash equivalents 30 June	-655,936	-885,680
Cash and cash equivalents 30 June consists of:		
Credit institutions	-690,242	-942,403
Cash	34,306	56,723
Cash and cash equivalents 30 June	-655,936	-885,680



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Notes		
1	Accounting policies	
	<p>The interim financial report comprises Energi Danmark and its consolidated subsidiaries (the Group).</p> <p>The interim financial report has been prepared in accordance with IAS 34 “Interim Financial Reporting” as adopted by the EU.</p>	<p>Apart from the effect of new IFRS standards implemented during the period mentioned below, the accounting policies remain unchanged from the annual report 2019.</p> <p>As of 30 June 2020, inventory is presented in the balance sheet. Accounting policies for inventories are described below.</p>
Implementation of new standards and interpretations during the period		
	<p>On 1 January 2020, Energi Danmark implemented the following amendments to existing standards which are all effective from 1 January 2020:</p> <ul style="list-style-type: none">• Amendment to IFRS 3, Business combinations: definition of a business• Amendments to IAS 1 and IAS 8: defining material	<ul style="list-style-type: none">• Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform <p>None of the amendments have had any impact on Energi Danmarks accounting policies.</p>
Standards not yet effective		
	<p>IASB has issued the following amendments to existing standards which are not yet effective and which are relevant for Energi Danmark:</p> <ul style="list-style-type: none">• Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current• Amendmens to IAS 37, Provisions, contingent liabilities and contingent assets: Onerous contracts – costs of fulfilling a contract	<ul style="list-style-type: none">• Annual improvements 2018-2020• Amendment to IFRS 16 Leases Covid 19-Related Rent Concessions <p>Energi Danmark does not expect any of these changes to have significant impact on the accounting policies.</p>
Inventory		
	<p>Inventories are measured at the lower of cost according to weighted average and net realisable value. The net realisable value of inventories is calculated at the amount expected to be generated by sales during normal operations less selling expenses.</p>	<p>The selling price is determined based on observable forward prices in the periods in which the sales are expected to occur.</p>

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Notes	DKK '000				
3	Information about financial instruments				
	Categories of financial instruments				
		30/6 2020		31/12 2019	
		Carrying amount	Fair value	Carrying amount	Fair value
	Trade receivables	4,230,528	4,230,528	5,107,118	5,107,118
	Other receivables and deposits	350,613	350,613	636,520	636,520
	Inventory	89,520	89,520	0	0
	Cash	34,306	34,306	68,225	68,225
	Financial assets measured at amortised cost	4,704,967	4,704,967	5,811,863	5,811,863
	Derivative assets	2,866,834	2,866,834	1,344,640	1,344,640
	Financial assets measured at fair value through profit or loss	2,866,834	2,866,834	1,344,640	1,344,640
	Credit institutions	690,242	690,242	861,782	861,782
	Bank loan	650,000	650,000	0	0
	Corporate bonds	755,920	757,500	749,565	757,500
	Trade payables	2,470,906	2,470,906	2,920,049	2,920,049
	Payment received regarding discontinued operations	0	0	424,543	424,543
	Lease liabilities	13,587	13,587	9,543	9,543
	Other payables	476,039	476,039	609,317	609,317
	Financial liabilities measured at amortised costs	5,056,694	5,058,274	5,574,799	5,582,734
	Derivative liabilities	1,384,592	1,384,592	845,244	845,244
	Financial liabilities measured at fair value through profit or loss	1,384,592	1,384,592	845,244	845,244

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Notes DKK '000

Fair value measurement of financial instruments				
	30/6 2020			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Derivative financial assets:				
Foreign exchange forward	0	44,870	0	44,870
Commodity derivative	79,566	2,659,970	82,428	2,821,964
Total	79,566	2,704,840	82,428	2,866,834
Financial liabilities measured at fair value				
Derivative financial liabilities:				
Interest rate swaps	0	17,993	0	17,993
Foreign exchange forward	0	9,949	0	9,949
Commodity derivative	29,160	1,327,306	184	1,356,650
Total	29,160	1,355,248	184	1,384,592

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 2020, the net level 3 value will change with DKK 11.6 m.

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	31/12 2019			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Derivative financial assets:				
Foreign exchange forward	0	37,087	0	37,087
Commodity derivative	67,541	1,041,772	198,240	1,307,553
Total	67,541	1,078,859	198,240	1,344,640
Financial liabilities measured at fair value				
Derivative financial liabilities:				
Interest rate swaps	0	13,836	0	13,836
Foreign exchange forward	0	24,669	0	24,669
Commodity derivative	9,967	795,379	1,393	806,739
Total	9,967	833,884	1,393	845,244

If electricity prices changes with 5 % at 31 December 2019, the net level 3 value will change with DKK 23.4 m.

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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 2019.



FINANCIAL CALENDER

- 2021 26 March
Annual report 2020
- 2021 16 April
Annual general shareholder meeting
- 2021 19 August
Half-yearly report 2021

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 of 30 June 2020, 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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