
2020

annual report



Energi Danmark

Trust us to manage your risks

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ANNUAL REPORT

Find the annual report and results from the Energi Danmark Group; both consolidated financial statements and parent financial statements.

[Read more](#) →



ACROSS BORDERS

Despite the worldwide coronavirus pandemic, the Energi Danmark Group still succeeded in supporting our customers' need for flexible and valuable energy solutions across national borders every day.

[Read more](#) →



SUSTAINABILITY

Our sustainable initiatives take their starting point in UN Development Goal 7, which is where we can make a difference through our core business.

[Read more](#) →



COVER

Our cover model, Joran Mattes Blaue, is Head of International Business Development, Trading. The smaller photos are screenshots of Energi Danmark Group employees, from all subsidiaries, working and meeting online with colleagues and customers via Teams.



MANAGEMENT REVIEW

BOARD OF DIRECTORS & MANAGEMENT REVIEW 2020

The Energi Danmark Group achieved a revenue of DKK 44.9bn in 2020 as cross-border activities and continued increasing gas activity counteracted the effect of lower consumption and historical low prices. In March of 2020 the COVID-19 pandemic struck Europe affecting economies and electricity consumption in all countries. Lower deliveries to customers than expected, combined with low margins due to historical low energy prices, resulted in a modest Group profit before tax of DKK 40.6m. Furthermore due to IFRS accounting principles, the Group is not able to recognize a MtM gas value of DKK 167.1m in the 2020 financial statement, which would have raised the Group's profit before tax to DKK 207.7m.

2020 will mainly be remembered as the year the world was struck by the global COVID-19 pandemic. The pandemic, and the subsequent national lockdown of societies, led to decreased customer consumption and challenged the daily business routines. By utilizing the opportunities provided by remote technology and online meeting solutions, we managed to keep in close contact with both colleagues and, most importantly, our customers and business partners.

The COVID-19 pandemic wasn't the only challenge to the energy markets in 2020. In the beginning of the year, the Nordic hydro balance was in a noteworthy surplus, which grew steadily during the very mild winter. The surplus on the hydro balance peaked at 37 TWh in

late February, the highest level ever measured causing the system prices to drop to previously unseen low levels. The average system price in 2020 was, by far, the lowest yearly average price ever seen since the introduction of the system price.

In 2020, the Energi Danmark Group achieved a revenue of DKK 44.9bn. The revenue is based on delivering 34 TWh to consumers in the Northern European markets and handling 5.3 TWh of production on behalf of production customers in mainly Denmark and Sweden, combined with cross-border- and gas activities on most European markets. More than 63% of the delivered customer consumption was delivered to customers outside Denmark, supporting the Group's ambition

of providing energy solutions across borders. Due to lower energy consumption than expected during the year, the Group hedged more energy than needed on the exchanges which, combined with low margins due to historical low energy prices, resulted in a modest Group profit for the year before tax of DKK 40.6m. This is including the profit of DKK 147.4m from last year's strategic divestment of the subsidiary Energi Danmark Vind A/S, which is recognized in the 2020 financial statement.

Profit before tax statement	mio.DKK
Profit for the year before tax	40.6
MtM gas value	167.1
Profit before tax incl. MtM gas value	207.7

Energi Danmark's gas trading department has become an important and integrated part of the Group's business foundation, being active on 14 European markets and achieving a solid revenue during the year. The physical gas trades are used to hedge the energy consumption of the Group's customers, and as of 31 December 2020 the Energi Danmark Group has unrealised MtM value on gasinventory to an amount of DKK 167.1m. Due to IFRS accounting principles this type of gas activities is classified as inventory and measured at cost or lower MtM value. The Group is not able to recognize the DKK 167.1m in the 2020 financial statement, despite carrying all costs related to these specific

gas activities in the financial year 2020. Recognizing the unrealized MtM value from the Group's gas inventory in the income statement would raise the Group's profit before tax to DKK 207.7m. In accordance with the IFRS accounting principles the profit on gas-inventory will be recognized in the 2021 financial statement.

The Groups profit for the year before tax of DKK 40.6m is viewed as unsatisfactory when compared to the budget for the year of DKK 152m. Taking the unrealised MtM gas value into consideration, the profit for the year before tax would amount to DKK 207.7m.

The Energi Danmark Group focus on customers with high profitability while bringing them added value through flexible and efficient solutions based on long term customers relations. Despite intensive competition on all markets during the year, the Energi Danmark Group managed to sign contracts worth of 42.8 TWh to customers in the Nordic and German markets for future delivery in the coming five years. In total, the Energi Danmark Group now has a total future delivery of 120 TWh to our Northern European customers booked for the coming five years.

When signing a fixed price contract for future delivery with a customer, the Energi Danmark Group hedges the agreed amount on the exchanges. The continuous fall in energy prices during 2020, combined with the exchanges ongoing shift from forwards to future, caused a significantly higher collateral claim from the ▶

exchanges during the year. The Group has a substantial amount of liquidity bound to the exchanges due to these collateral claims, and the Group's shareholders have provided on-demand guarantees during the year as a support to the Group's financial resources. As more than 90% of the collateral claims from the exchanges are directly related to the Group's future deliveries to customers for the coming five years, the Energi Danmark Group has full support from its shareholders regarding the collateral claims.

2020 brought several recognitions. In 2020, the Energi Danmark Group was awarded its fourth Gazelle award, as a result of the Group's revenue last year more than doubling since 2016, where the revenue was DKK 15.1 billion. At the same time the Energi Danmark Group was awarded the highest credit rating, AAA, by the credit rating company Bisnode for the tenth year in a row, and thus is now a AAA gold-rated company. The AAA gold-rating is a financial seal of quality which shows that Energi Danmark is a financially healthy company like very few.

Due to the uncertain financial markets in 2020, the Energi Danmark Group chose to extend the maturity of its DKK 750m corporate bond for one year with the current bondholders rather than issuing a new bond. The maturity extension was successful, showing that the Group's bondholders view the Energi Danmark Group as a well-run and solid company. The Energi Danmark Group would like to thank its bondholders for their support and cooperation during the year.

Legal case against Ørsted A/S

Energi Danmark A/S is a party to a class action against Ørsted Bioenergy & Thermal Power A/S comprising approximately 1,100 companies which claim compensation because Ørsted Bioenergy & Thermal Power A/S acted in breach of the Danish Competition Act by charging excessive high electricity prices in the period between 1 July 2003 and 31 December 2006. The competition authorities decided that the competition

rules had been breached, but that decision was repealed by the High Court of Western Denmark in the spring of 2018. The High Court reasoned that the evidence available to the authorities had been insufficient to reach a decision.

The Danish Maritime and Commercial High Court delivered its judgment in the action for compensation on 31 March 2020. The Maritime and Commercial High Court said that in consequence of the outcome of the competition law proceedings before the competition authorities there was no longer any basis for the class action and ruled in favour of Ørsted Bioenergy & Thermal Power A/S. This judgment has been appealed to the High Court of Western Denmark, which will hear the appeal in September 2021. The class action for compensation will continue if the judgment is reversed as a result of the appeal.

Sustainability is key to success

At the Energi Danmark Group, we see a great importance in continuously developing our sustainable way of conducting business. We wish to keep making a profit while also meeting the expectations of our stakeholders; namely customers, employees and shareholders.

We focus our sustainable initiatives on the UN Sustainable Development goal 7: Affordable and clean energy, which is where we can make a difference through our core business. Using UN goal 7 as the guideline as well as supporting goal 9, 11, 12 and 13, we base our CSR strategy on the following four strategy points: Energy & Society, Responsible Commerce, People & Culture and Responsible Operations. Our four focus areas are all integral parts of the way in which we think and trade in the Energi Danmark Group.

In 2020, we have been analysing the results and actions and working on different initiatives and goals for 2021. We have among other things contributed to projects that are aiming at developing a more sustainable electricity infrastructure and focused on being able to offer

our customers good climate friendly energy solutions. Both are areas where we as an energy trading company can make a difference, and we will continue this work in 2021. You can read more about it in our Sustainability section, starting on page 29.

Events after the balance sheet date

On 11 February 2021 it was announced that the current shareholders Andel and NRGi will take over the entire ownership of Energi Danmark A/S upon agreement of the Competition Authorities. As a result Energi Nord Holding, EWII Energi, SEF Energi and Fonden Langelands Elforsyning will resign from the shareholder group, in which the Andel Group will become the future majority owner with 63.65% of the shares in the Energi Danmark Group. Going forward the Energi Danmark Group will be backed by two very capital-strong shareholders, both of whom are firmly anchored in the Danish energy market. Both Andel and NRGi have a very strong and close relationship with the Energi Danmark Group, and together we stand strong in developing the Group's strategic direction in the Northern European energy markets.

Allocation of dividends for 2020

With respect to the Energi Danmark Group's long term strategic goals the Board recommends that a dividend is not paid for the 2020 financial year.

2021 expectations

Given that the COVID-19 virus will affect both societies and economy on all markets in 2021, a profit before tax in the region of DKK 210m is therefore expected from continuing operations in 2021. ■

Aarhus, 26 March 2021

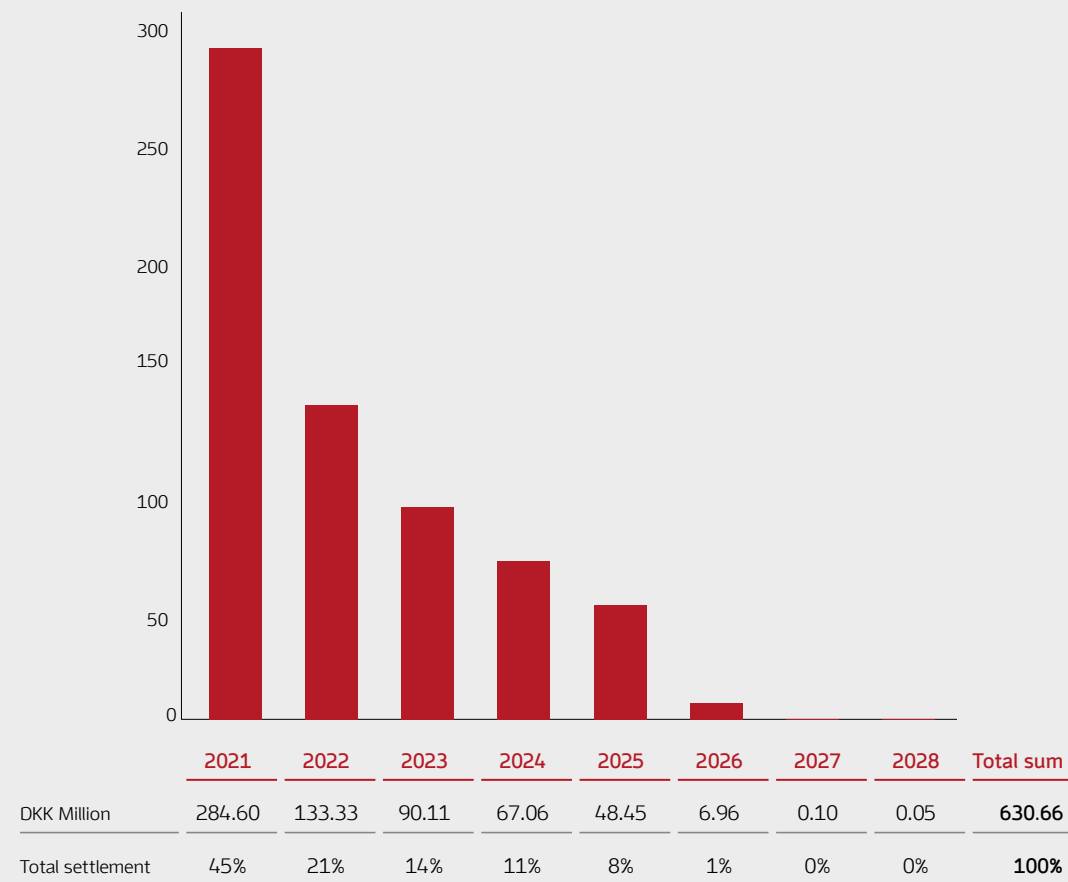
Jesper Hjulmand
Chairman of the board

Jørgen Holm Westergaard
CEO



**JØRGEN HOLM
WESTERGAARD**
CEO

» **GOING FORWARD THE ENERGI DANMARK GROUP WILL BE BACKED BY TWO VERY CAPITAL-STRONG SHAREHOLDERS, BOTH OF WHOM ARE FIRMLY ANCHORED IN THE DANISH ENERGY MARKET. BOTH ANDEL AND NRG1 HAVE A VERY STRONG AND CLOSE RELATIONSHIP WITH THE ENERGI DANMARK GROUP, AND TOGETHER WE STAND STRONG IN DEVELOPING THE GROUP'S STRATEGIC DIRECTION IN THE NORTHERN EUROPEAN ENERGY MARKETS.**



630.66 DKK MILLION IN DEFERRED INCOME AS OF 31 DECEMBER 2020

Deferred income is profit margins and other deferred income related to signed physical sales contracts (before the balance sheet day), where income recognition is postponed until the delivery period (after the balance sheet day).

The graph shows all deferred income included in signed contracts at the balance sheet day divided on future delivery year.

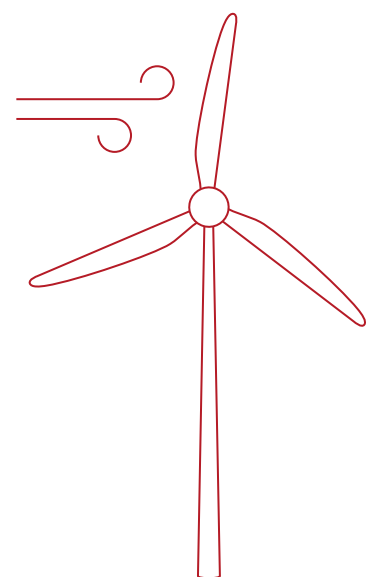
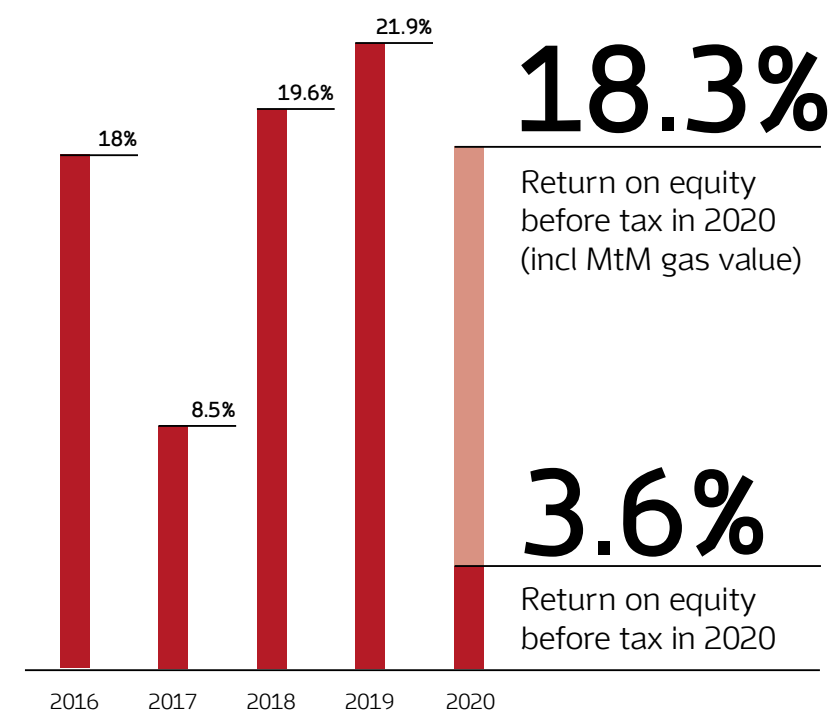
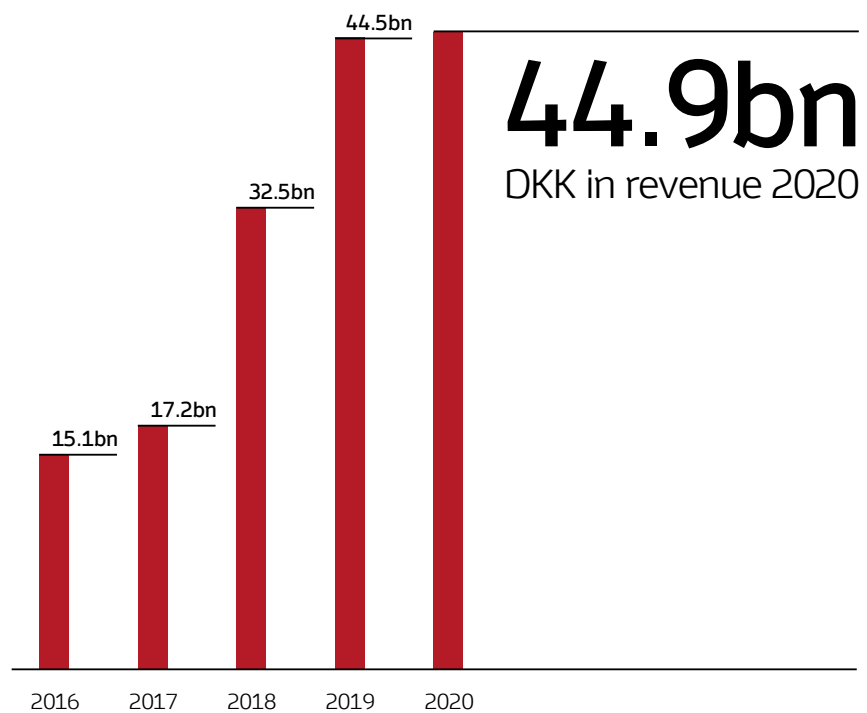
FINANCIAL HIGHLIGHTS FOR THE GROUP

DKK million	2020	2019	2018	2017	2016
Key figures, Group					
Revenue	44,908.7	44,541.7	32,498.2	17,178.7	15,082.8
Gross profit	365.1	599.7	552.5	410.8	472.2
Operating profit	-29.2	192.6	239.7	112.4	184.7
Profit from financial items	-77.6	-43.0	-38.1	-41.0	-39.3
Profit before tax, continued operations	-106.8	149.6	201.6		
Profit before tax, discontinued operations	147.4	72.40	-31.6		
Profit before tax	40.6	222.0	170.0	71.4	145.4
Tax, continued and discontinued operations	12.0	-54.6	-38.9	-14.2	-31.3
Profit for the year	52.6	167.4	131.1	57.2	114.1
Balance sheet total	7,826.1	8,050.7	9,482.9	6,133.9	5,737.0
Of this, investment in non-current assets	-57.3	-26.2	-50.7	-367.8	-39.1
Equity *	1,164.5	1,114.4	917.7	816.3	863.9
Cash flow from operating activities	-198.8	-1,588.7	307.0	554.4	-191.2
Cash flow for investing activities	-53.1	399.5	-50.2	-366.1	-8.5
Cash flow from financing activities	649.2	-4.0	-98.4	497.5	0.0
Total cash flow	397.3	-1,193.3	158.5	685.9	-199.6
Key ratios, Group					
Gross margin ratio	0.8%	1.3%	1.7%	2.4%	3.1%
Profit ratio (EBIT)	-0.1%	0.4%	0.7%	0.7%	1.2%
Equity ratio (solvency)	14.9%	13.9%	9.7%	13.3%	15.1%
Return on equity before tax	3.6%	21.9%	19.6%	8.5%	18.0%
Return on equity after tax	4.6%	16.5%	15.1%	6.8%	14.1%
Average number of full-time employees	225	211	209	204	180

The key ratios were calculated according to the recommendations published by the Danish Society of Financial Analysts. Please refer to definitions and concepts under "Accounting Policies".

* As of 1 January 2017 the equity has been changed. The change has not affected the income statement in 2017 or 2018 and will be reversed in subsequent periods. The equity correction is not included in 2016.

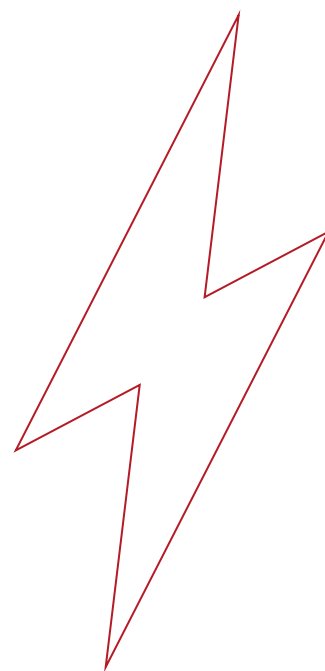
THE YEAR IN BRIEF



18.3%

increase in the volume of renewable energy generated by Energi Danmark's production customers from 2019 to 2020.

3,235,015 MWh of renewable energy was generated from our production customers' wind turbines and solar parks in 2020, compared to 2,735,302 MWh in 2019.



TWh delivered in 2020

34.0

TWh sold in 2020 for future delivery

42.8



The number of employees in the Energi Danmark Group is more than doubled since 2011 where we had approximately 100 fulltime employees. Today we have 235 employees across the Group.

TRENDS IN THE SUBSIDIARIES

On the following pages, you can find key figures from the subsidiaries Securities and ED Business Support as well as the subsidiaries in Sweden, Finland, Norway and Germany.

SECURITIES

The impact of the coronavirus pandemic, combined with a market that is more volatile than ever - due to the extreme precipitation volumes, BREXIT, prolonged bottlenecks in the transmission network, etc. - generated greater challenges for Energi Danmark Securities A/S than anticipated in 2020. The company experienced a loss of DKK 10.8 million in 2020, which is not satisfactory and far from the positive result achieved in 2019.

Over several years, Energi Danmark Securities A/S has developed a substantial portfolio of financial services for customers of the Energi Danmark Group. This is an area that, in recent years, has been subject to greatly

increasing competition, which has resulted in lower profits.

The composition of contracts is, to a much greater extent, based on performance-related activities rather than fixed charges. In 2020, performance-related activities, in particular, have been experiencing pressure, as a large proportion of value creation on the part of customers - and thereby also revenue for the company - relates to the agreed benchmark vs. everyday price developments. Large, sustained spreads in many market contracts in 2020 have challenged the company in relation to benchmark and the associated performance

payment. This is in spite of an extraordinarily high focus on risk management.

The large spreads in the market must be viewed in the context of the extreme market situation that dominated large parts of 2020. In 2021, the company is expected to increase its focus on internal risk management and also to further develop the positive trends from 2019 in a market that will hopefully be less extreme.

Energi Danmark Securities A/S expects to return to the positive trends from 2019 in 2021. The company has learned a lot from the developments in 2020 and,

even though there always has been and always will be a focus on risk management - especially on the performance-related guarantee products - the company will further strengthen its efforts in this area in 2021. Going forward, the company will also focus much more on targeting its sales efforts towards the production market in the industry.

The anticipated profit for 2021 is expected to be just over DKK 10 million. However, this is highly dependent on the company's ability to attract new customers and associated performance-related activities. ■

Amounts in DKK million	2020	2019	2018	2017	2016
Key figures, Energi Danmark Securities					
Revenue – Sales of power etc.	34.2	19.2	17.6	29.8	29.3
Gross profit	4.9	45.4	23.1	16.0	46.9
Operating profit	-15.1	25.5	6.2	1.4	29.6
Profit from financial items	1.2	0.2	0.4	0.8	1.2
Profit before tax	-13.9	25.6	6.6	2.2	30.8
Tax	-3.1	5.7	-1.4	-0.5	-6.8
Profit for the year	-10.8	20.0	5.2	1.7	24.0
Balance sheet total	280.2	211.8	1,277.2	751.3	378.0
Of this, investment in non-current assets	0.0	0.1	0	0.0	0.0
Equity	189.1	205.8	185.9	180.7	179.0
Key ratios, Energi Danmark Securities					
Gross margin ratio	14.3%	11.7%	131.3%	53.7%	159.9%
Profit ratio (EBIT)	-44.2%	6.6%	35.2%	4.7%	101.0%
Solvency ratio	67.5%	97.2%	14.6%	24.1%	47.4%
Return on equity before tax	-7.0%	13.1%	3.6%	1.2%	18.0%
Return on equity after tax	-5.5%	10.2%	2.8%	0.9%	14.1%
Average number of full-time employees	10	9	11	12	12



ED BUSINESS SUPPORT

ED Business Support®

With a profit before tax of DKK 0.6m, 2020 has been a satisfactory year for ED Business Support.

ED Business Support has developed a modern and complete system platform that is offered as SaaS (Software as a Service) for all energy companies - also outside the Energi Danmark Group. The platform is offered to companies operating in Denmark, Sweden, Finland, Norway or Germany. Our customers can build their solutions based on a number of modules and can operate them both as a Cloud Solution and in an On-premised setup. As an Add-on service, ED Business

Support also offers to handle the actual market communication, settlement, invoicing and debtor management - we call it Managed Service.

At ED Business Support, we have a strong focus on creating value for our customers. Therefore, we strive to create partnerships with each of our customers, in order to thoroughly understand their overall value chain and where we can contribute to it. Our keywords are: trust & confidentiality, collaboration, timing & value creation.

In the period from February 2018 to December 2019, ED Business Support has implemented a new settlement system and debtor management as well as a customer portal and ONLINE platform in Finland, Denmark, Sweden, Norway and Germany. 2020 is the first year in which we have used and offered the entire BIO platform in all five countries.

The focus in 2020 has been on implementation of the new platform throughout the organization, which means new roles, tasks, workflows and areas of responsibility for almost all employees.

ED Business Support has thus not only carried through a digital transformation but also an organizational transformation, which means that we now have an even stronger organization, a unique product and a promising business model.

In addition to the BIO platform, ED Business Support also develops system platforms for handling the Group's product: Invoice services and systems for handling centralized and decentralized combined heat and power plants and wind farms. The development of these systems will continue to be a focus point in 2021. ■

Amounts in DKK million	2020	2019
Key figures, ED Business Support		
Revenue – Sales of power etc.	28.1	12.3
Gross profit	28.9	12.3
Operating profit	0.6	0.6
Profit from financial items	0.0	0.0
Profit before tax	0.6	0.6
Tax	0.9	-0.1
Profit for the year	1.5	0.4
Balance sheet total	96.2	14.4
Of this, investment in non-current assets	-94.0	0.0
Equity	90.5	10.4
Key ratios, ED Business Support		
Gross margin ratio	102.8%	100.0%
Profit ratio (EBIT)	2.1%	4.9%
Solvency ratio	94.1%	72.2%
Return on equity before tax	1.2%	5.8%
Return on equity after tax	3.0%	3.8%
Average number of full-time employees	45	47



SWEDEN

2020 was a successful year for Energi Försäljning Sverige AB, despite many challenges along the way, not least in the form of the pandemic that has affected the world. In this turbulent time, we as a company have managed well by being able to adapt to the new and challenging circumstances.

Overall, we delivered 6.9 TWh in 2020, which is somewhat lower than in 2019. The reason for the lower volume is largely attributable to the higher temperatures experienced in 2020 compared to a normal year.

Other challenges have consisted of a turbulent market - including deliveries of historically low system base prices - while the price difference between Sweden's four electricity price areas has been large. The electricity certificate market has also dropped to low levels. The decision to terminate the electricity certificate system has been announced and a new termination date has now been moved to the end of 2035.

Sales of Bra Miljöval have been very successful in recent years. In 2020, we delivered 1.6 TWh of Bra Miljöval-labelled electricity to our end customers.

In 2020, we moved to new premises in the Point – the new landmark in Hyllie, Malmö. With magnificent views of Malmö, Skåne, Öresund and Denmark, the modern office premises have meant that we have had access to the technical equipment needed to switch to the digital meeting culture that has come into prominence this year.

From a profit perspective, in 2020 we focused on reviewing our business and its profitability. We will continue to work on profitable business, creating the conditions for further developing the business.

In hindsight, we note that sales with a focus on profitability were successful in 2020, as we look back on a year with a solid sales result in Energi Försäljning Sverige thanks to the good profitability in the TWh sold for future delivery.

In 2021, we will launch a new platform for energy monitoring and environmental reporting. It feels very exciting to show off this flexible and easy-to-use platform that we are convinced will be attractive to our customers and partners. ■

Amounts in SEK million	2020	2019	2018	2017	2016
Key figures, Energi Försäljning Sverige					
Revenue – Sales of power etc.	2,295.2	3,230.0	2,988.4	2,129.7	2,183.3
Gross profit	53.8	72.8	77.9	119.0	72.1
Operating profit	16.8	26.7	34.2	80.4	31.5
Profit from financial items	4.4	3.7	3.8	2.9	1.4
Profit before tax	21.2	30.4	38.0	83.3	32.9
Tax	-8.8	-6.3	-7.9	-17.4	-7.2
Profit for the year	12.4	24.1	30.1	65.9	25.7
Balance sheet total	716.0	826.2	876.2	733.3	1,061.9
Of this, investment in non-current assets	-0.8	-0.2	-0.2	-0.1	-0.6
Equity	354.4	342.0	317.9	287.8	221.9
Key ratios, Energi Försäljning Sverige					
Gross margin ratio	2.3%	2.3%	2.6%	5.6%	2.2%
Profit ratio (EBIT)	0.7%	0.8%	1.1%	3.8%	1.0%
Solvency ratio	49.5%	41.4%	36.3%	39.2%	20.9%
Return on equity before tax	6.1%	9.2%	12.5%	32.7%	15.7%
Return on equity after tax	3.6%	7.3%	9.9%	25.9%	9.6%
Average number of full-time employees	16	16	19	18	18



FINLAND

2020 was a successful year in terms of sales for Energi Myynti Suomi. We managed to sell 6.8 TWh of electricity for future delivery, even though market competition continued to become tougher.

Due to the global coronavirus pandemic, 2020 was an extraordinary year. The pandemic challenged us to do things differently. We had to ensure that our daily encounters with each other were safe for everybody while keeping in close contact with our colleagues and, most importantly, with our customers. We managed to

do this by swiftly leveraging the opportunities provided by remote working tools. We also excelled in earning our customers' trust in exceptional circumstances, which is mostly thanks to our skilled and professional energy specialists.

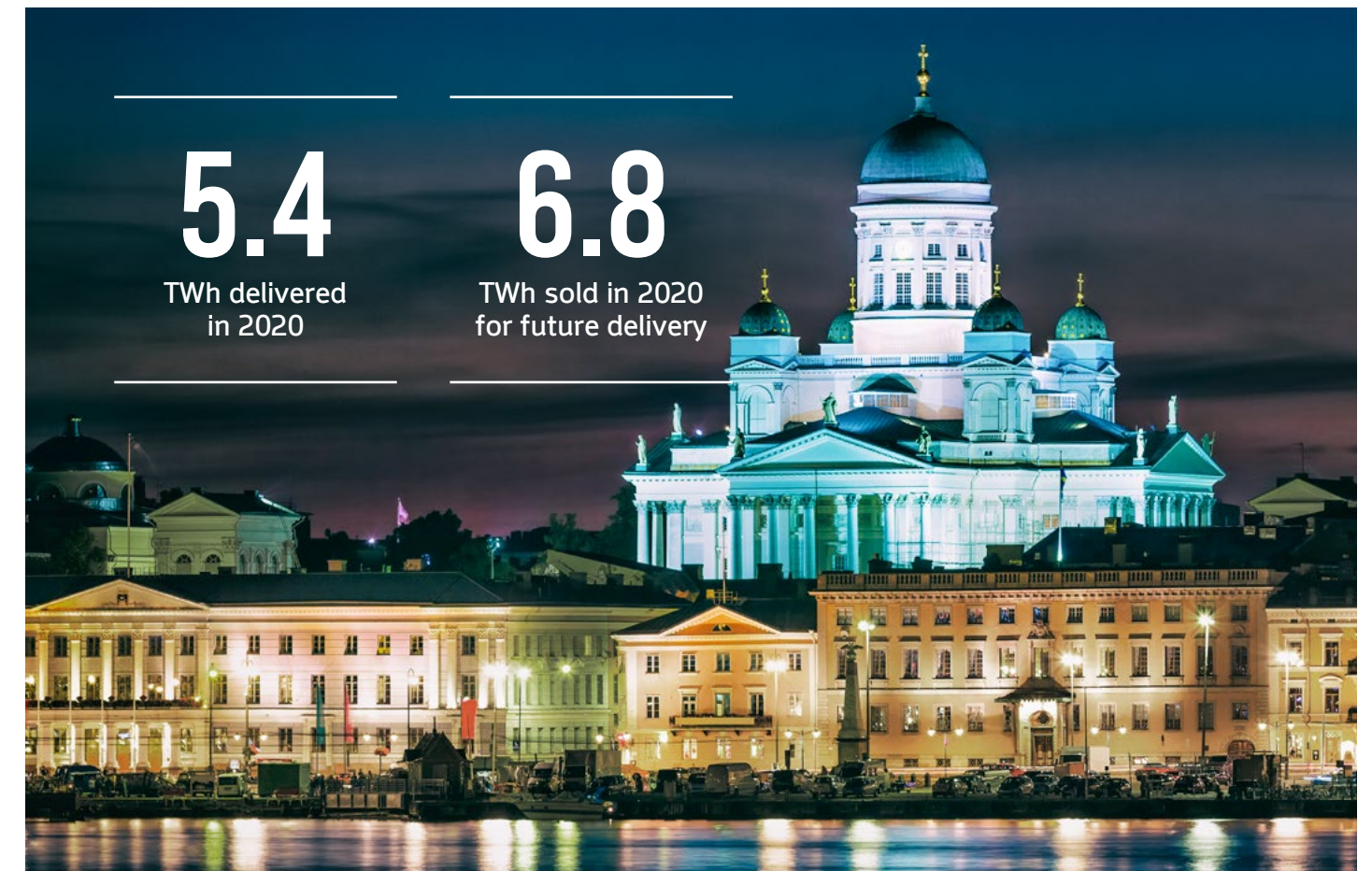
We supplied our customers with more than 5.4 TWh of electricity during 2020. The mild weather in the beginning of the year caused a slight decrease in our customers' energy consumption.

Concern relating to climate change has not gone away, even though most attention has been on the coronavirus situation. Our customer base wants to bear its corporate responsibility and be involved in the growth of renewable energy.

Energi Danmark Group's corporate structure provides us with a special opportunity to view the development of our industry at the European level, so that we can improve our unique product portfolio while taking sustainability into account.

2020 provided us with a good starting point for 2021. Changes in the market environment will create new opportunities for us in several different customer segments. We believe our customer-oriented service approach and product portfolio provide a competitive solution for our current and new customers. The expertise of our local energy specialists backed by an international group structure presents us with an excellent opportunity for achieving the goals of Energi Myynti Suomi Oy in the coming year. ■

Amounts in EUR thousand	2020	2019	2018	2017	2016
Key figures, Energi Myynti Suomi					
Revenue – Sales of power etc.	196,212.0	235,802.0	205,480.1	179,748.9	176,966.4
Gross profit	1,632.0	1,496.0	1,832.0	1,528.0	1,384.1
Operating profit	-423.0	-423.0	20.8	60.8	53.1
Profit from financial items	245.0	159.0	103.6	99.9	27.0
Profit before tax	-178.0	-264.0	124.4	160.7	80.1
Tax	7.0	250.0	-26.5	-31.0	-16.0
Profit for the year	-171.0	-14.0	97.9	129.7	64.1
Balance sheet total	60,114.0	49,227.0	42,241.6	31,561.2	39,975.1
Of this, investment in non-current assets	65.0	12.0	-32.7	107.5	-8.5
Equity	5,718.2	5,889.2	5,903.2	5,805.3	5,675.6
Key ratios, Energi Myynti Suomi					
Gross margin ratio	0.8%	0.6%	0.8%	0.9%	0.8%
Profit ratio (EBIT)	-0.2%	-0.2%	0.0%	0.0%	0.0%
Solvency ratio	9.5%	12.0%	14.0%	18.4%	14.2%
Return on equity before tax	-3.1%	-4.5%	2.1%	2.8%	1.3%
Return on equity after tax	-2.9%	-0.2%	1.7%	2.3%	1.1%
Average number of full-time employees	10	8	7	7	6



NORWAY

As elsewhere in the world, 2020 for Energi Salg Norge was marked by the coronavirus pandemic. As of March 2020, the company has largely been run by employees working from home offices. Meetings with customers and connections have taken place electronically, and travel activity, especially, has been kept to an absolute minimum.

Despite these dramatic reductions, the company continued to experience growth in the past year. We have grown in number of customers, but our sales

have been lower. The latter is due to a significant fall in energy prices in 2020.

The company has not experienced any increase in defaults - something many expected as a result of the pandemic. There are many indications to suggest that Norwegian companies are robust and adaptable.

Our experience is that our customers have done surprisingly well through the pandemic. Of course, we have customers in e.g. the tourism sector who are

experiencing a dramatic decline in demand for their goods and services. However, they too have taken measures that appears to put them - as customers of Energi Salg Norge - on an offensive and future-oriented path.

This bodes well for that time we are all looking forward to - the time when we can put the pandemic behind us. Until then, our thirteen employees will continue to help our customers reach their goals in the energy field, even in a time that is proving too difficult for many. ■

Amounts in NOK million	2020	2019	2018	2017	2016
Key figures, Energi Salg Norge					
Revenue – Sales of power etc.	737.5	1,879.1	1,320.4	748.5	422.2
Gross profit	40.3	26.6	42.4	15.0	8.5
Operating profit	4.7	1.0	19.7	-3.8	-7.7
Profit from financial items	-1.8	1.1	0.1	0.2	0.3
Profit before tax	2.9	2.2	19.6	-3.6	-7.4
Tax	-0.9	-0.2	-4.5	0.7	1.8
Profit for the year	2.0	2.0	15.1	-2.9	-5.6
Balance sheet total	376.1	591.2	481.4	260.9	258.0
Of this, investment in non-current assets	-0.4	-0.7	-0.4	-0.6	-0.5
Equity	55.0	53.0	59.6	44.5	47.4
Key ratios, Energi Salg Norge					
Gross margin ratio	5.5%	1.4%	3.2%	2.0%	2.0%
Profit ratio (EBIT)	0.6%	0.1%	1.5%	-0.5%	-1.8%
Solvency ratio	14.7%	9.0%	12.4%	17.1%	30.0%
Return on equity before tax	5.4%	4.2%	37.7%	-7.8%	-14.7%
Return on equity after tax	3.7%	3.8%	29.0%	-6.3%	-11.1%
Average number of full-time employees	12	11	9	8	8



GERMANY

In 2020, we planned to increase our sales activities in direct sales for industrial and medium-sized clients. This started with three new Sales Managers to cover the majority of northern, western and southern Germany, but our activities were interrupted by the coronavirus situation.

From the middle of March 2020, all of Germany was in lockdown for a period of six weeks. It was impossible for us to arrange personal meetings with potential customers or even existing customers. At the same

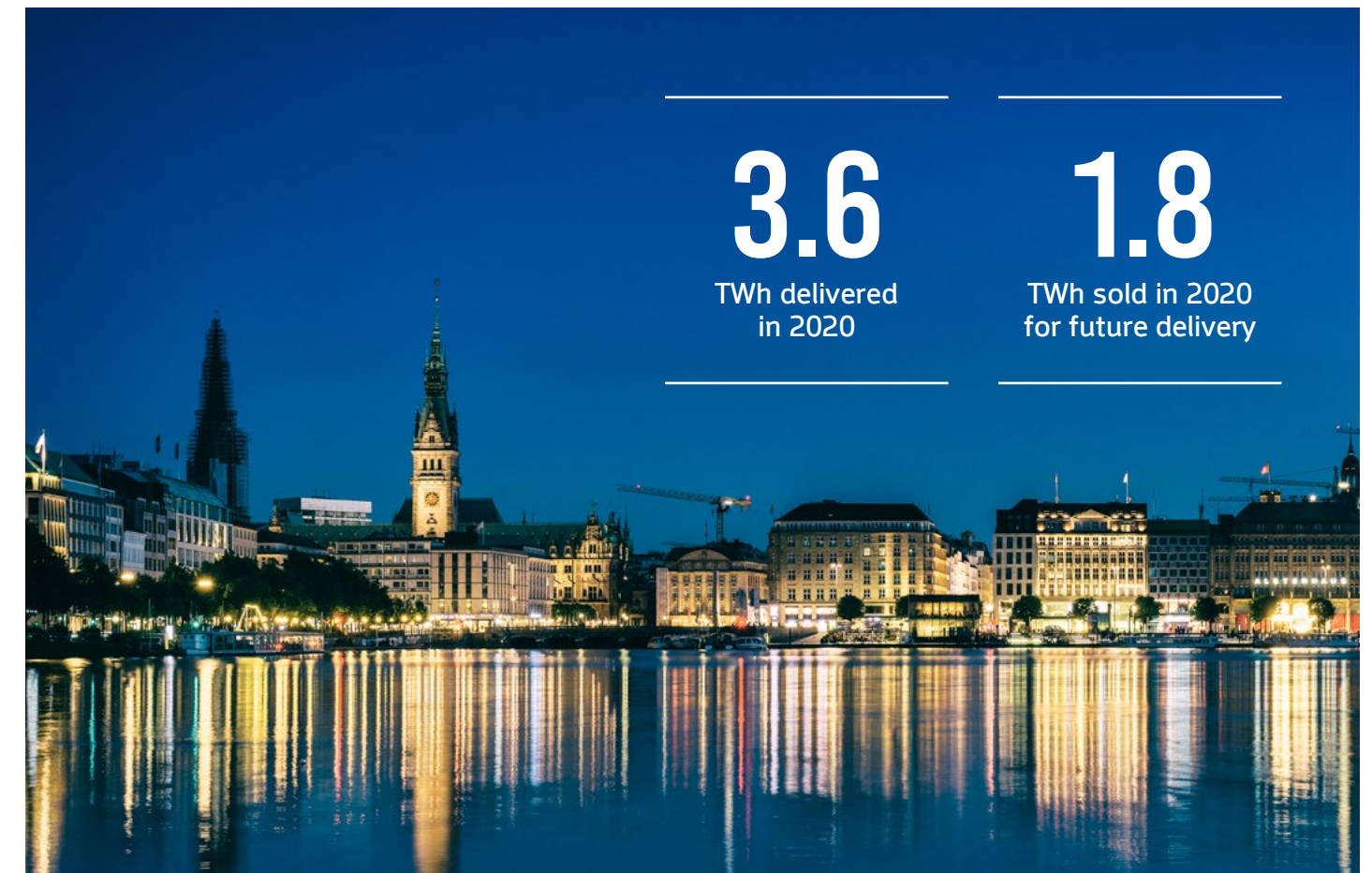
time, energy prices decreased rapidly at the end of March 2020 and increased a short time afterwards in April 2020. A lot of customers used this price drop to request quotations and focused only on the quoted price.

Nevertheless, we were able to extend the contracts of existing customers such as Wintershall DEA, Storengy, Netto Aps and Nolte Küchen, and we also entered into cooperations with sales channel partners who will help us to serve smaller business customers.

Remaining hopeful that the coronavirus situation would improve, we were faced with another lockdown in Germany, starting in November 2020 and still continuing in January and February 2021.

We look forward to 2021 - to focusing on partner sales and starting direct sales again. ■

Amounts in EUR thousand	2020	2019	2018	2017	2016
Key figures, Energie Vertrieb Deutschland EVD GmbH					
Revenue – Sales of power etc.	165,406.0	154,813.0	144,434.4	102,353.5	60,144.3
Gross profit	1,728.0	1,429.0	1,448.2	1,461.4	761.4
Operating profit	-1,045.4	-809.4	-763.6	-342.0	-538.9
Profit from financial items	-796.9	-305.8	25.0	94.9	130.2
Profit before tax	-1,842.3	-1,115.2	-738.6	-247.1	-408.7
Tax	0.0	0.0	0.0	79.7	131.8
Profit for the year	-1,842.3	-1,115.2	-738.6	-167.4	-276.9
Balance sheet total					
Balance sheet total	120,841.4	116,235.8	84,285.0	46,918.2	36,597.5
Of this, investment in non-current assets	-48.1	-84.9	9.9	-57.0	-114.4
Equity	6,182.1	8,024.4	8,139.5	8,957.9	9,125.3
Key ratios, Energie Vertrieb Deutschland EVD GmbH					
Gross margin ratio	1.0%	0.9%	1.0%	1.4%	1.3%
Profit ratio (EBIT)	-0.6%	-0.5%	-0.5%	-0.3%	-0.9%
Solvency ratio	5.1%	6.9%	9.7%	19.1%	24.9%
Return on equity before tax	-25.9%	-13.7%	-8.6%	-2.7%	-4.4%
Return on equity after tax	-25.9%	-13.7%	-8.6%	-1.9%	-3.0%
Average number of full-time employees	8	6	6	9	5



ACROSS BORDERS

“Together we manage your risks” is not just a saying for the employees at the Energi Danmark Group. We take great pride in giving our customers the best possible solution across national borders every day. Even in 2020, when the worldwide coronavirus pandemic challenged our daily operations, Energi Danmark succeeded in setting the path for each customer in the international energy markets.



ENERGY ACROSS BORDERS

The Energi Danmark Group is one of the leading energy trading groups in Northern Europe. The core expertise is our knowledge of the international energy markets. Knowledge that helps create value for both the group and its customers.

VOLUME

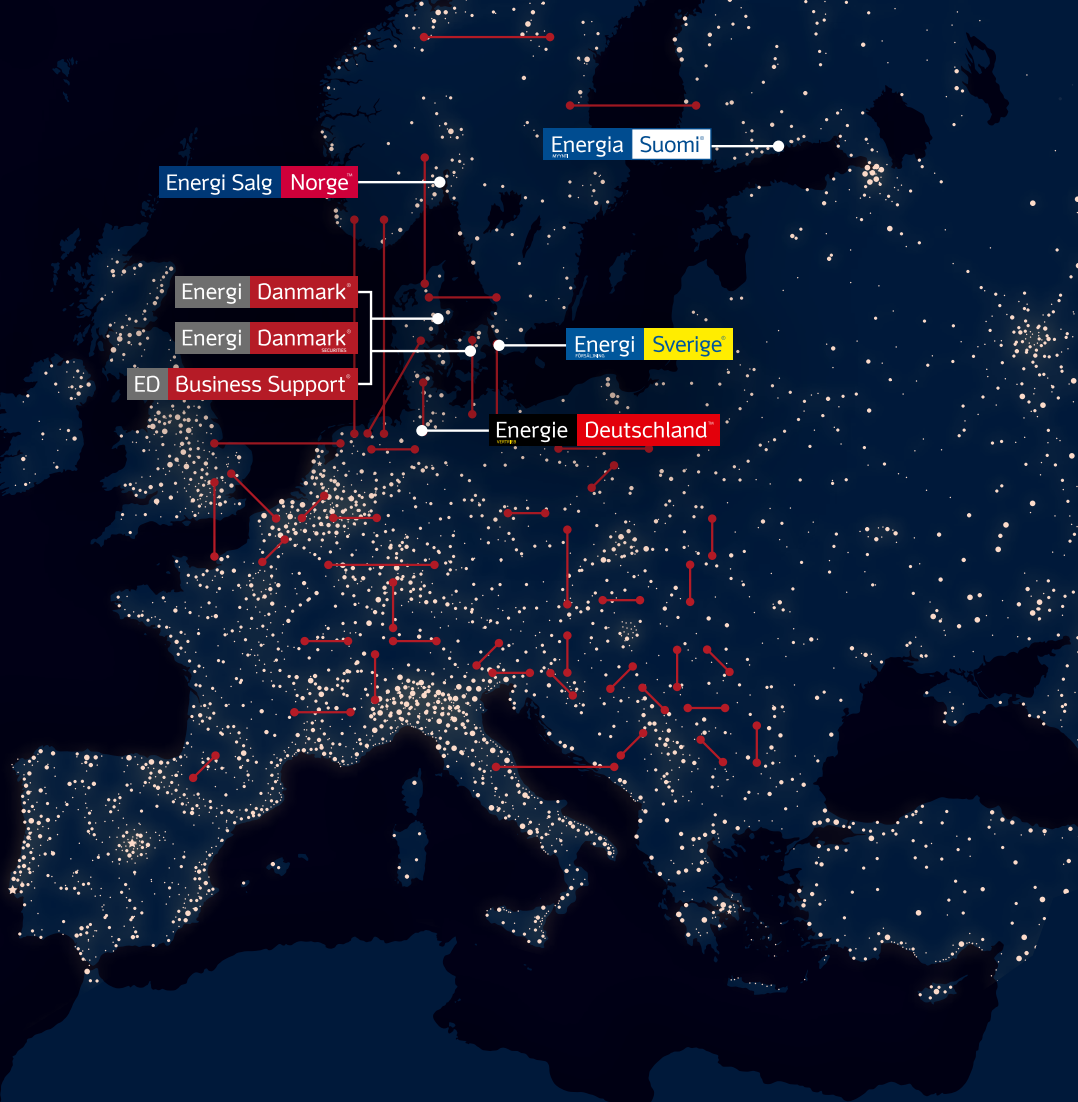
TWh in 2020

Energi Danmark Consumption 12.6 TWh, Production 5.2 TWh	17.8 TWh
Energi Försäljning Sverige Consumption 6.9 TWh, Production 0.1 TWh	7.0 TWh
Energi Salg Norge Consumption 5.5 TWh	5.5 TWh
Energia Myynti Suomi Consumption 5.4 TWh	5.4 TWh
Energie Vertrieb Deutschland Consumption 3.6 TWh	3.6 TWh
Energi Danmark Group in total	39.3 TWh

METERING

points in 2020

64,816
61,156
12,954
25,658
38,294
202,878



25

active power markets

- ⚡ Austria
- ⚡ Belgium
- ⚡ Bulgaria Ⓞ
- ⚡ Croatia
- ⚡ Czech Republic
- ⚡ Denmark
- ⚡ England
- ⚡ Finland
- ⚡ France
- ⚡ Germany
- ⚡ Hungary
- ⚡ Italy
- ⚡ Ireland

14

active gas markets

- ⚡ Lithuania
- ⚡ Montenegro Ⓞ
- ⚡ Netherlands
- ⚡ Norway
- ⚡ Poland
- ⚡ Romania
- ⚡ Serbia
- ⚡ Slovakia
- ⚡ Slovenia
- ⚡ Spain Ⓞ
- ⚡ Sweden
- ⚡ Switzerland
- ⚡ Ukraine Ⓞ

Ⓞ New in 2020

Company Overview

ENERGI DANMARK GROUP

Strong international collaboration is crucial to creating good solutions and growth for customers. We manage the customer's risks across borders and utilise the opportunities that also arise in the international energy markets.



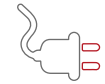
As one of the few balance responsible parties in Denmark, Energi Danmark have specialist insight into the market and can offer better and more flexible solutions for our customers.



INTERNATIONAL SALES

Electricity consumption

Consumption balance responsible



SALES

Complete product line within electricity for business customers and public institutions:

- > Possibility to choose flexible electricity consumption (Demand Response)
- > Possibility to choose renewable energy from a PPA (Power Purchase Agreement) with solar parks or wind turbines
- > One Stop Shop: For customers with branches in several countries



PORTFOLIO MANAGEMENT

Energi Danmark Securities

- > Portfolio and risk management for large business/production customers
- > Portfolio and risk management for all companies in the Energi Danmark Group

ED BUSINESS SUPPORT

Solutions for consumption customers

- > Cloud based billing solution (BIO)
- > Add-on modules: My Energy & ONLINE
- > Invoice service



ED BUSINESS SUPPORT

IT solutions & managed services



IT SOLUTIONS & MANAGED SERVICES

Flexible and scalable systems for both the Energi Danmark Group and for external customers

- > Cloud based billing solution (BIO)
- > Managed services
- > Invoice service
- > Add-on modules: My Energy & ONLINE
- > Business infrastructure as a service

INSIGHT INTO ED BUSINESS SUPPORT'S IT SOLUTIONS & MANAGED SERVICES

Cloud based billing solution (BIO)

- > A flexible billing platform that is able to handle the advanced utility market
- > For suppliers in the utility sector
- > Market compliant in DK, SE, NO, FI and DE

Managed services

- > Onboarding
- > Contract handling
- > Market
- > Communication
- > Billing
- > Invoicing & debtor management

Invoice service

Simplicity in grid invoicing

- > Controlling
- > Bookkeeping services
- > Settlement reporting
- > "Re-invoicing"

Add-on modules

- > My Energy: High-end customer portal
- > ONLINE: Price and risk calculation tool for electricity suppliers

Business infrastructure as a service

End-to-end solution for suppliers in the utility sector

- > Billing solution
- > Managed services
- > Add-on modules

"You sell, we manage the rest"



ORIGINATION

Electricity production

Production balance responsible



PRODUCTION SERVICES

Services for producers of conventional and renewable energy:

- > Guidance and surveillance 24/7/365
- > Management of production
- > Monitoring and optimization of production
- > Balancing (participation in markets for reserve and regulatory power)
- > Certification of renewable energy and handling of certificates
- > PBA software that handles registration and operation



PRODUCTION CONTRACTS

- > PPA (Power Purchase Agreement) with solar parks or wind turbines
- > Contracts for optimization of production plants
- > Pricing and hedging production



DEVELOPMENT

- > Testing of new production opportunities for a more flexible and climate friendly market



TRADING

Energy trade

Trading balance responsible



ENERGY TRADE

- > Trading with electricity, gas, CO₂ and oil on energy exchanges like Nord Pool and NASDAQ OMX
- > Active trading in Europe and across the European borders
- > Surveillance 24/7/365

Operating in all markets

- > Financial
- > Day Ahead
- > Intraday
- > Balancing
- > Physical

ENERGY SOLUTIONS ACROSS BORDERS

Energi Danmark’s unique group structure with subsidiaries in Denmark, Sweden, Norway, Finland and Germany means that we can optimally safeguard the interests of our customers, regardless of whether they have branches in several countries or just one.

In recent years, Energi Danmark has experienced increasing demand for its One Stop Shop concept, as more and more large international companies are starting to see the value of gathering their electricity purchases through Energi Danmark.

One Stop Shop ensures that, even though the customer’s company has branches in several countries, they can buy electricity for all Nordic and German branches from one place. This means there is a single point of contact and a complete solution across national borders. Not only does it simplify the customer’s purchasing process, it also provides a much better overview.

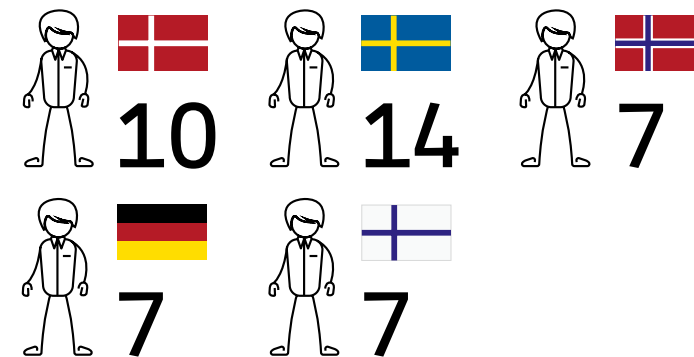
The customer benefits from the Group’s transnational market insight, knowledge and expertise through its subsidiaries in the five countries, in which the markets are extremely complex and different with regard to price structures, products and legislation.

Coronavirus-secure collaboration

Even in a year like 2020, when the coronavirus pandemic suddenly made it impossible to physically meet across borders, One Stop Shop has shown its strength. Long before 2020, the collaboration between the subsidiaries was prepared to withstand the challenges that a global pandemic brings.

Internal communication and discussion between the countries have, for a long time, primarily taken place using online platforms such as Teams and Skype, as well as by telephone. In this way, advisers can be present in their local energy markets, while also participating in the Group’s broader knowledge sharing.

So even though the advisers have missed being able to meet with customers face-to-face, Energi Danmark has been able to provide its customers with just as high a level of customer service across national borders as we did before the challenges came about. ■



One Stop Shop including Securities’ portfolio managers is firmly anchored in all five countries. The Energi Danmark Group’s 45 advisers are all experts in their local markets, but through the One Stop Shop collaboration, they are also able to provide customers with optimal advice across borders. Above, you can see how the advisers are divided between the different countries.

ENERGI DANMARK SECURITIES - PORTFOLIO MANAGEMENT TEAM WITH INTERNATIONAL ROOTS

Energi Danmark Securities has a group of dedicated portfolio managers from all five countries. Their strong market knowledge and expertise in portfolio management ensure that Energi Danmark’s largest customers have effective risk management in the highly volatile energy markets.

It provides great synergy that the Group’s portfolio management team can discuss with each other across countries. This also gives peace of mind for the customer, who receives optimal portfolio solutions across national borders, all while being served in their local language. Securities’ customers count a number of the largest companies in the Nordic region. In 2020, Securities managed a total of 14 TWh in its portfolio.



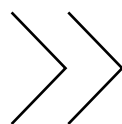
PETER LØNBRO LEHM

Director of International
Sales at Energi Danmark
Group

»» **FOR US, IT IS IMPORTANT THAT CUSTOMERS RECEIVE THE RISK HEDGING AND PRODUCT THAT IS BEST SUITED TO THEIR NEEDS, REGARDLESS OF WHETHER THEY HAVE BRANCHES IN MULTIPLE COUNTRIES OR JUST ONE. WE ARE HAPPY TO GO THE EXTRA MILE FOR EACH CUSTOMER – EVEN IF IT CAN BE AN UPHILL TREK SOMETIMES. OUR EXPERIENCED ADVISERS TAKE THE LEAD, SETTING THE PATH FOR EACH CUSTOMER IN THE INTERNATIONAL ENERGY MARKETS.**

GNP ENERGY: WITH ENERGI DANMARK AS A TRUSTED PARTNER, WE CAN FOCUS ON OUR CORE BUSINESS

For the past four years, the Nordic energy company GNP Energy has been a One Stop Shop customer with Energi Danmark. Through Energi Danmark's solid expertise within risk management and energy trading across markets, GNP Energy has been able to focus their efforts on the most important aspect: The customers.



GNP Energy is a Nordic energy company supplying electricity to small and medium-sized businesses, as well as the private customer market. The company saw the light of day in Sandefjord, Norway, in 2012, where the company's headquarters remain to this day.

Since its inception, GNP Energy has been on a growth journey that has taken the company far and wide into the Nordic countries: Norway, Sweden, Finland and Denmark - and most recently towards a stock exchange listing in December 2020.

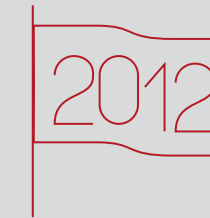
How did the company get to where it is today? It has taken lots of hard work and the realisation that it doesn't always pay to do everything yourself. In fact, the biggest benefit can be found in doing precisely what you do best - and then collaborating with others who are experts in their areas.

"We need to remain focused on our core expertise. We are a sales organisation that sells electricity and provides outstanding customer service. We leave the other aspects of the business to our talented partners," says Sigrun Eggen, CEO of GNP Energy. ▶



Sigrun Eggen has been with GNP Energy since the inception in 2012 holding various positions, and in 2019 she was appointed CEO.

GNP ENERGY IN BRIEF



The company was established in 2012



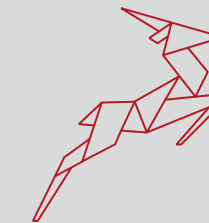
Currently the company has a presence in Norway, Sweden, Finland and Denmark



The headquarters are situated in Sandefjord, Norway



One Stop Shop customer with Energi Danmark since 2016

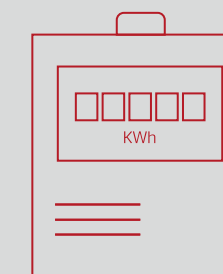


Named a Gazelle company in 2017, 2018 and 2019



In December 2020, the company was listed on the Euronext Growth exchange in Oslo

Number of metering points to which the company currently supplies electricity:



30,800
in the private customer segment

9,100
in the business customer segment



In 2020, the company supplied 0.7 TWh to its customers



A cross-Nordic partner

Sigrun Eggen explains that, back in 2012, the company managed all their trading on the Nord Pool power exchange themselves. However, since GNP Energy is a small player in some extremely volatile markets, they realised that it would make sense to team up with a partner who was an expert in precisely this area and could help them reduce their risk.

Initially, the company entered into a cooperation agreement with a small energy trading company but, as the geographical ambitions grew, GNP Energy moved the business to Energi Danmark in 2016.

“For us, it was important that our business partner was able to manage all the markets on our behalf. This was both to facilitate the collaboration and to ensure the best possible expertise. Even though our four markets are different, there are great synergies across the markets,” says Sigrun Eggen, who adds that she wishes it was as easy to find suitable cross-Nordic partners in other business areas as was the case with Energi Danmark.

Collaboration makes everyday life easier

In its fourth year, the collaboration between GNP Energy and Energi Danmark is stronger than ever. And it is not only at the management level that satisfaction is high – collaboration makes everyday life easier throughout the entire company.

“Our Key Account Managers, who work with our largest customers, value the fact that Energi Danmark is always ready to discuss the best solution for our individual customers. This really is a great strength for us,” says Sigrun Eggen.

Another Energi Danmark service that GNP Energy greatly appreciates in their everyday work is the pricing and risk calculation tool, Online. The tool helps the company hedge the risks associated with calculating a specific price for a customer.

The company currently uses Online for both the Norwegian and the Finnish markets and looks forward to being able to use the tool for all markets.

GNP Energy is ready for further growth

2020 was a strange year in many ways, but it has been business as usual for the collaboration between GNP Energy and Energi Danmark.

“And in this context, ‘business as usual’ must be understood in the most positive sense possible,” says Sigrun Eggen with a warm smile.

In the wake of their stock exchange listing, GNP Energy’s ambitions are extremely high for the coming years. The company are planning to experience rapid growth over the next four years. In 2020, the company supplied 0.7 TWh to its customers – by 2025, the target is 4 TWh, almost six times as much.

Getting there will take a lot of effort, as the market for supplying electricity to end users is a highly competitive market, in which customers are changing suppliers like never before. But Sigrun Eggen has no doubt that she has just the right team in place for her and the company to focus on the continued journey of growth. ■

NEW ORIGINATION DIVISION HELPS THE PRODUCTION MARKET OF THE FUTURE

All of Energi Danmark's services aimed at producers were moved to the new Origination division in 2020. This demerger has resulted in an even greater focus on the opportunities for each production customer – also in the energy market of the future.

A new division saw the light of day at Energi Danmark in 2020: Origination. The purpose of the division is to provide full-service to the Group's production customers. This business area is far from new to Energi Danmark, but the new division brings production, balancing and optimisation together in a single department.

This demerger makes perfect sense for both Energi Danmark and its customers. Energi Danmark's talented Origination team are experts when it comes to planning and advice relating to electricity production. They carefully monitor developments in the energy markets 24/7 and, with more than 15 years of experience as a production balance responsible party, they are experts in analysing movements and converting their knowledge into thorough advice on production planning. In addition to providing advice and planning, the Origination team also help customers manage and optimise their operations.

Origination's customer portfolio includes all types of energy producers, from wind turbines and solar panel farms to combined heat and power plants and waste incineration plants.

Origination has ambitions for growth

"The services we provide to our Danish wind and solar power producers have immense potential abroad," says Thomas Elgaard Jensen, Director of the Origination division at Energi Danmark, before adding: "And we can see that the way in which we manage our Danish production customers - with trust, honesty and transparency - is something that has generated interest in other Nordic countries."

The Group's structure, with subsidiaries in Sweden, Norway, Finland and Germany, gives the Origination division a unique advantage when it comes to entering new markets. Each subsidiary has intimate knowledge of its own market and provides the optimal platform for establishing contact with producers in the country in question.

The first milestone in the Nordic growth strategy is already on the horizon, as work is currently under way on a couple of Finnish projects. This means that Finland will likely become Energi Danmark's first major market for production customers outside of Denmark.

The Origination division is currently working to get the systems for managing wind and solar power customers in the rest of the Nordic region operational during the first half of 2021. ▶

ENERGI DANMARK IS CONTRIBUTING TO GRIDSCALE

- A POTENTIAL GAME-CHANGER IN THE GREEN TRANSITION

An important area of focus for Energi Danmark's Origination division is securing the best possible opportunities for the Group's production customers. Not only today but also in the long term. In 2020, Energi Danmark therefore contributed to outlining several projects that will investigate potential areas of development when it comes to the flexibility and production market.

In December 2020, the largest of these projects – GridScale – was approved for funding by the Danish Energy Agency's development and demonstration programme (EUPD). This particular project has the potential to solve one of the greatest challenges associated with the green transition: How to store wind and solar power in a profitable manner so that our energy system can supply green electricity at all times of the day and year – even when there is no wind and the sun is not shining.

Stiesdal Storage Technologies is the developer of GridScale's thermal energy storage solution, which, roughly speaking, consists of an insulated steel cylinder containing crushed stone, in which excess energy from wind turbines and solar farms is stored as heat. From here, heat can be released as electricity when it is needed.

The solution is both cheap compared to other storage methods such as batteries and is also easily scalable. Furthermore, it makes it cheaper to install new renewable energy production, as the transmission requirements can be scaled down when the transmission does not need to take place in real time.

The crucial second phase of the project is now kicking off

With funding approval in place, a 1:1 prototype of Stiesdal's storage cylinder will now be created and operated together with a combined heat and power plant on Lolland. Energi Danmark will be a key piece of the puzzle during this phase.

Energi Danmark's in-depth knowledge and unique systems will be used to test how the prototype will affect the transmission and distribution networks on Lolland, to identify any bottleneck issues and to look at how charging and discharging can be optimised.

If the second phase proves successful, commercial storage units could become a reality as early as 2022, and GridScale's thermal energy storage could therefore become a game-changer for the green transition – not only in Denmark but also in other countries with renewable energy supplies. ▶

A SELECTION OF ENERGI DANMARK'S DEVELOPMENT PROJECTS IN 2020

In collaboration with various market participants, Energi Danmark has chosen to participate in several development projects for which funding applications were submitted to the Danish Energy Agency's development and demonstration programme (EUPD) and the Innovation Fund in 2020. Here you can get a glimpse into two of the projects and their current status.

1. GRIDSCALE

Stiesdal Storage Technologies has developed a cylinder for thermal storage of renewable energy. The project is now ready for the crucial next phase, in which Energi Danmark will, among other things, help investigate the impact of the solution on the transmission and distribution networks. Read more in "Energi Danmark is contributing to GridScale - a potential game-changer in the green transition".

Status: Funding approved.

2. FIRE (FLEXIBLE INTEGRATION OF RENEWABLE ENERGY)

The FIRE pilot project will test how we can use renewable energy to contribute more to the balancing of the electricity system. Specifically, work is being undertaken to develop an algorithm to optimise wind turbine participation in the balance market, and the project has shown some interesting signs so far. There are many partners involved in the project, which includes Energinet as the "issue problem owner".

Status: Funding has been approved until 31/08/2021, after which an application for funding the next phase of the project will be submitted.



MAJOR BREAKTHROUGH IN PILOT PROJECT:

WIND TURBINES CAN NOW ALSO BE USED TO BALANCE THE ENERGY MARKET

In addition to participating in projects together with other partners, Energi Danmark also has its own development projects. For example, Energi Danmark has pilot status with Energinet to investigate how renewable energy can participate in the balancing markets and thereby help balance the network.

In 2020, Energi Danmark reached a major milestone in the green transition in this particular pilot project with Energinet. Four wind turbines on Lolland, managed by Energi Danmark, was used to test whether it is possible for wind turbines to provide the balancing service Manual Frequency Restoration Reserve – mFRR – without compromising on the security of supply.

Until now, the supply of such spare electricity has been reserved for conventional plants, as they have much higher security of supply, independent of wind and weather. But the pilot project found that, with good wind forecasts and Energi Danmark's intelligent management tools, wind farms have the required regulation properties to provide the necessary capacity without any difficulties.

The positive outcome of the pilot project paves the way for wind turbines to be used in Energinet's balancing markets as early as from the end of next year.

Thomas Elgaard, Director of Energi Danmark's Origination division, sees great potential in the positive result. This applies both to the green transition and to the earnings of wind turbine owners, as they will be paid to make the capacity available instead of selling the electricity in the spot market.

"What we have seen from the pilot project has been extremely positive, and this is only the start of more and more types of renewable energy helping balance the network and participating in different markets in the future," Thomas Elgaard concludes. ■



HIGHLIGHTS

We have gathered some of the highlights from 2020 in the Energi Danmark Group while also looking forward with an analysis of the expectations for the Northern European economy in 2021.

HIGHLIGHTS

THE FOURTH GAZELLE AWARD

Every year, the Danish newspaper Børsen appoints the Danish companies that have had the highest growth in revenue and gross profit over the last four years. And for the fourth time, Energi Danmark was in 2020 to be found among these Gazelle companies. Energi Danmark's growth journey over the past four years is in fact well above the doubling required to receive recognition as a Gazelle company. The revenue has almost tripled from DKK 15.1 billion in 2016 to DKK 44.5 billion now four years later.

>> IT IS WITH GREAT PRIDE THAT WE PUT ANOTHER GAZELLE AWARD UP ON THE WALL. THE AWARD IS MORE THAN JUST A PIECE OF PAPER; IT IS A REMINDER THAT OUR HARD WORK PAYS OFF.

JØRGEN HOLM WESTERGAARD
CEO of Energi Danmark

[Read more here](#)



AAA - FROM SILVER TO GOLD IN 2020

For the tenth year in a row, Energi Danmark has this year been awarded the highest credit rating, AAA, by the credit rating company Bisnode, and is thus now an AAA gold-rated company. The gold rating is a financial seal of quality, which shows that Energi Danmark is a financially healthy company like very few.

EXPECTATIONS TO THE NORTHERN EUROPEAN ECONOMY IN 2021

The world faced a huge recession in 2020, as the coronavirus took the air out of all optimism and led to shrinking economies and job losses across the world. In the EU, the economy shrunk by 7.4 % during the year. The economy is expected to recover to some extent in 2021, but the situation remains very uncertain as it is still unknown how the virus will develop and how the vaccine program will unfold.

[Read more here](#)



ED BUSINESS SUPPORT WELCOMES THE FIRST LARGE EXTERNAL CUSTOMER

Last year, ED Business Support (EDBS) was spun off as a subsidiary to expand the company's business area to include sale of our strong IT solutions to external customers. In 2020, EDBS made a successful cooperation agreement with a major energy company that wanted to make use of EDBS's comprehensive "BIO" platform, and thus the way is paved for more customers – both large and small – to see the value in using EDBS' billing and IT solutions in their own business.

THE ENERGY MARKETS IN 2020

2020 was a highly dramatic year across the energy markets. The coronavirus overshadowed all other events and led to significant losses early in the year, both on power, fuel and carbon markets. In the Nordic area, a huge hydrological surplus and cable issues meant, that the Nordic system price dropped to the lowest level ever while EPAD's in Denmark, Sweden and Finland rose rapidly.

[Read more here](#)



NEW WELL-KNOWN CEO IN SWEDEN

In 2020, Mia Hansson accepted the offer to become the new CEO of Energi Försäljning Sverige and lead the Swedish subsidiary into the future. Mia has the past nine years been Head of Administration at Energi Försäljning Sverige, so she already knows the company and employees very well.





SUSTAINABILITY

Using UN goal 7 as a guideline as well as supporting goal 9, 11, 12 and 13, we base our CSR strategy on the following four strategy points: Energy & Society, Responsible Commerce, People & Culture and Responsible Operations.

POWERING BUSINESS. RESPONSIBLY.

Energy is crucial to a well-functioning society characterised by progress and quality of life. A vital global commodity that is only really noticed when it is not available. In the Energi Danmark Group, we notice everything that relates to energy. We have a thorough understanding of the energy markets across all of Europe. With our broad and specialised range of expertise we cover all current energy markets. Our comprehensive understanding of the markets allows us to offer advice and risk management within consumption and

production. Our mission is to safeguard our customer's energy investments while also providing the best possibilities for sustainable trading. We aim to be a competent and trustworthy partner, providing valuable service, now and in the long term. With an organisation that never sleeps, specialised employees and high-tech tools, we predict energy prices minute by minute. We monitor all relevant changes and analyse enormous data volumes that have a major impact on the energy bill. We are awake and alert. Always.

SUSTAINABILITY REPORT

This 2020 Sustainability Report is a statutory report on the Energi Danmark Group's Corporate Social Responsibility in accordance with Section 99a of the Danish Financial Statements Act. The sustainability report covers both the Danish parent company as well

as all the Group's subsidiaries, thus providing insight into our international activities, what our sustainability targets are, and how we aim to reach them. The sustainability reports from previous years can also be found on www.energidanmark.com. ■

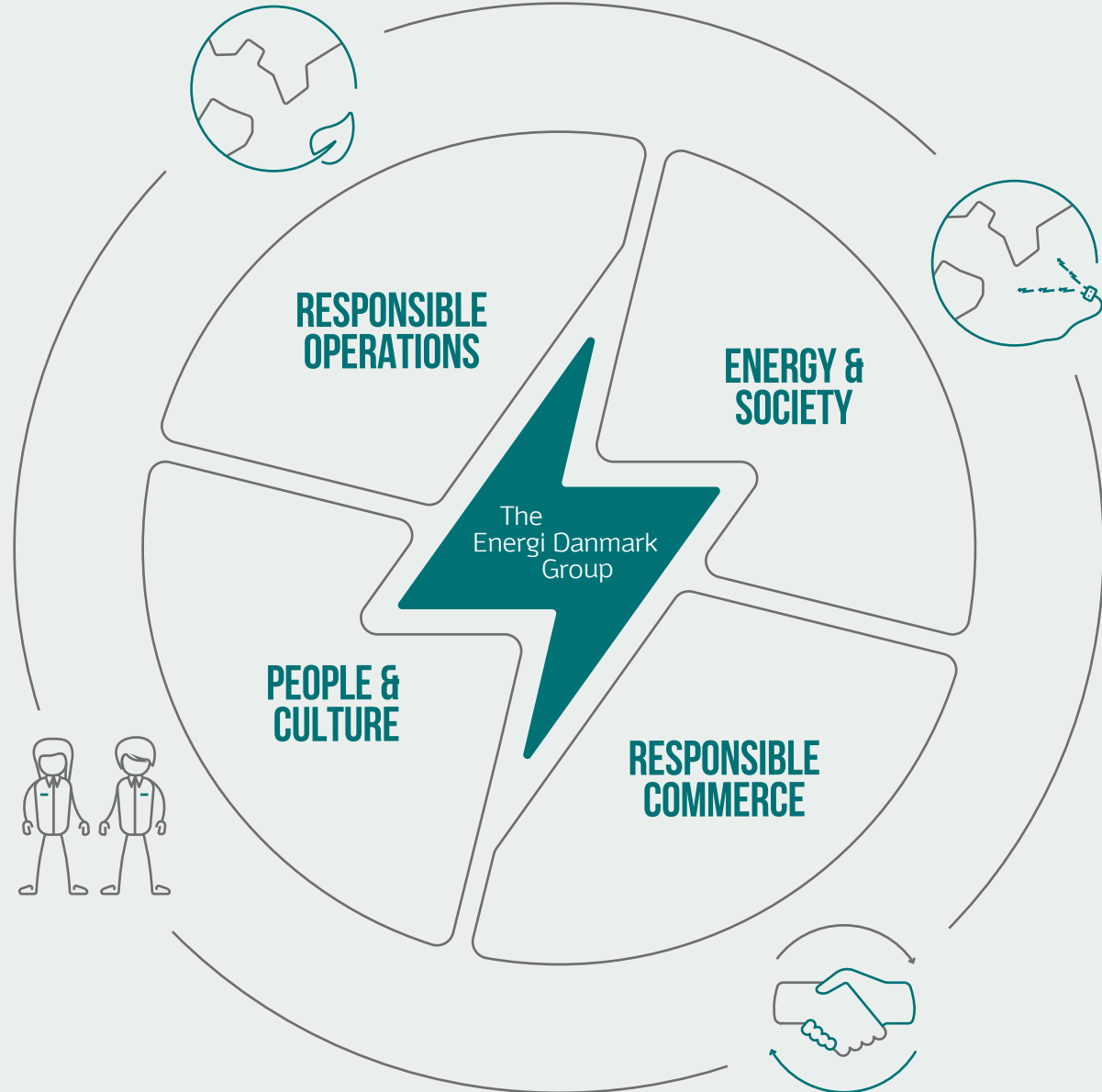


OUR SUSTAINABILITY AGENDA

The Energi Danmark Group welcomes the 17 Sustainable Development Goals from the UN as an essential and relevant framework with regard to the use of the Earth's resources. We have chosen to focus our sustainable initiatives on goal 7: Affordable & Clean Energy, which is where we can make a difference through our core business. The objective of this UN goal is to ensure access to financially accessible, reliable, sustainable and modern energy for everyone. The Energi Danmark Group is secondarily also supporting goal 9: Industry, Innovation & Infrastructure, goal 11: Sustainable Cities & Communities, goal 12: Responsible Consumption & Production and finally goal 13: Climate Action. We believe that these supporting goals are highly relevant to our business area and therefore important for us to acknowledge and support.

Using UN goal 7 as the guideline as well as supporting goal 9, 11, 12 and 13, we base our CSR strategy on the following four strategy points: Energy & Society, Responsible Commerce, People & Culture and Responsible Operations.

The CSR strategy has been developed through a dynamic process with research and discussions in Energi Danmark's CSR group – sponsored by our CFO – with subsequent adjustment and approval in the management and board of directors of Energi Danmark A/S. The CSR strategy and the underlying analyses and priorities are reviewed and updated annually. ■



ENERGI DANMARK GROUP'S SUSTAINABLE DEVELOPMENT GOALS

Main goal	Secondary goals	
7 AFFORDABLE AND CLEAN ENERGY 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	11 SUSTAINABLE CITIES AND COMMUNITIES
	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	13 CLIMATE ACTION

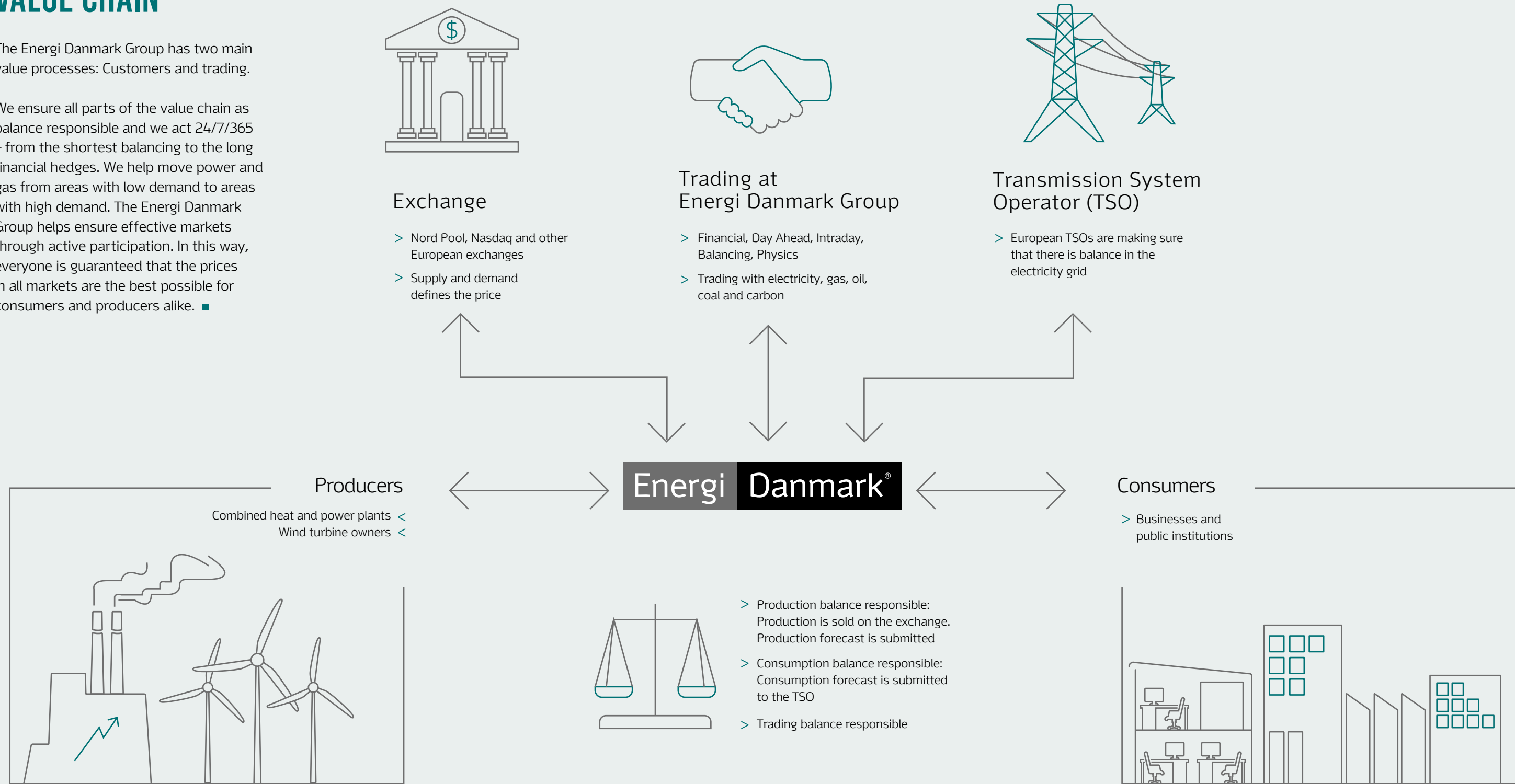
SUSTAINABLE DEVELOPMENT GOALS

1 NO POVERTY 	2 ZERO HUNGER 	3 GOOD HEALTH AND WELL-BEING 	4 QUALITY EDUCATION 	5 GENDER EQUALITY
6 CLEAN WATER AND SANITATION 	7 AFFORDABLE AND CLEAN ENERGY 	8 DECENT WORK AND ECONOMIC GROWTH 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	
10 REDUCED INEQUALITIES 	11 SUSTAINABLE CITIES AND COMMUNITIES 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	13 CLIMATE ACTION 	
14 LIFE BELOW WATER 	15 LIFE ON LAND 	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	17 PARTNERSHIPS FOR THE GOALS 	

VALUE CHAIN

The Energi Danmark Group has two main value processes: Customers and trading.

We ensure all parts of the value chain as balance responsible and we act 24/7/365 – from the shortest balancing to the long financial hedges. We help move power and gas from areas with low demand to areas with high demand. The Energi Danmark Group helps ensure effective markets through active participation. In this way, everyone is guaranteed that the prices in all markets are the best possible for consumers and producers alike. ■

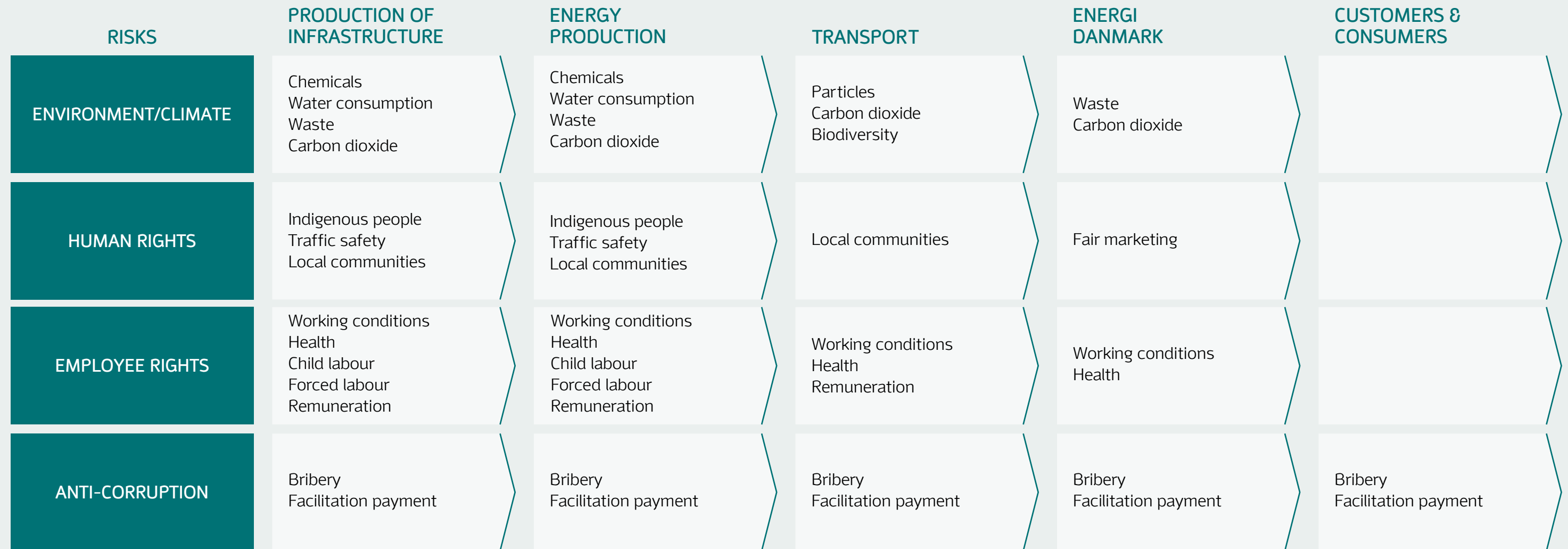


RISKS IN THE VALUE CHAIN

As a basis for our annual update of the CSR strategy, we conduct a series of analyses, including a risk analysis of the possible negative consequences that our business and our entire value chain can have for the world. It is our responsibility to minimise this risk as much as

possible; therefore, we follow up regularly on changes in risks (due diligence) and adjust our actions accordingly. The responsibility for this follow-up lies with the relevant departments.

Our operating activities impact a number of groups of people – our stakeholders. Part of the stakeholders are represented in the below value chain. ■



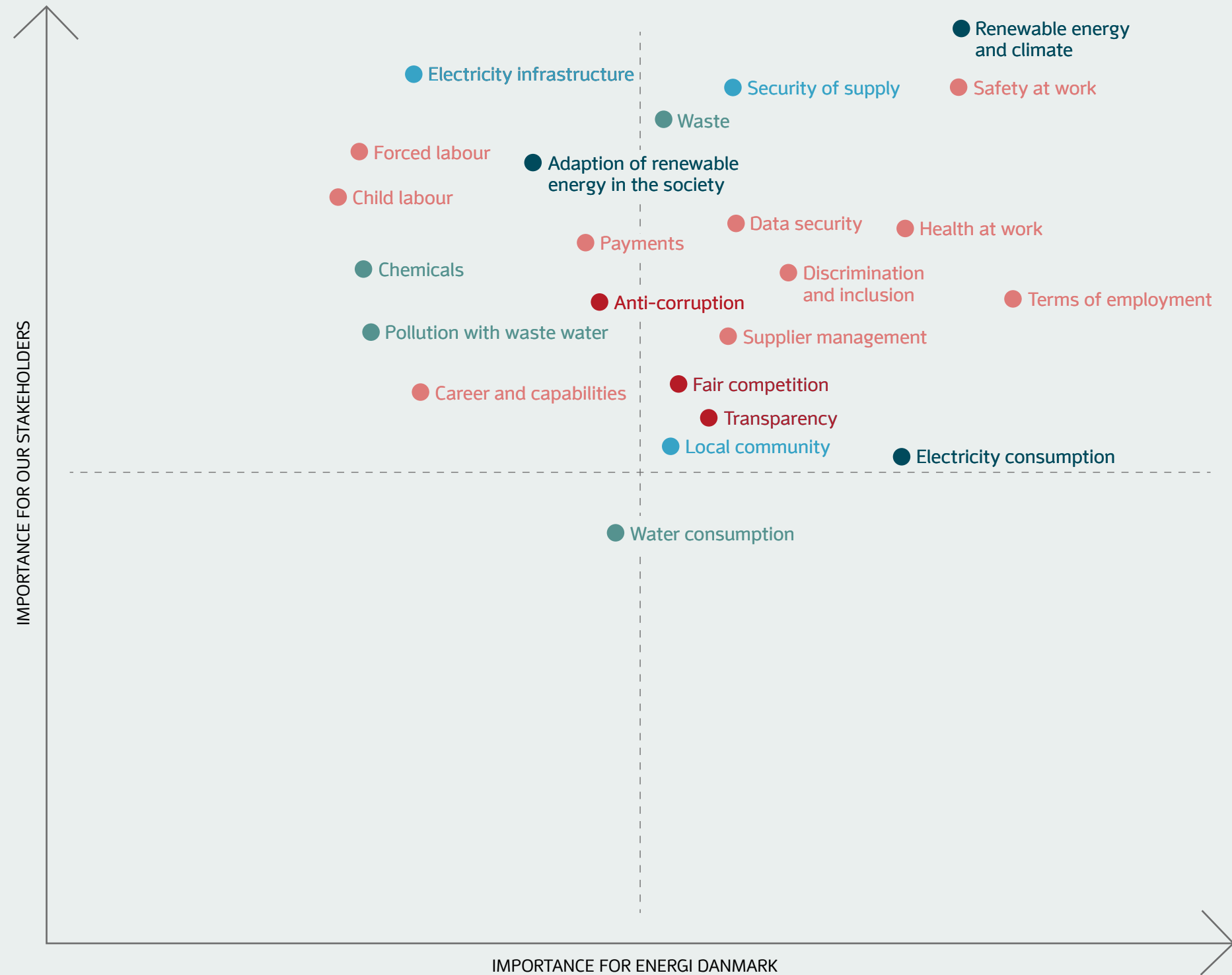
MATERIALITY ANALYSIS

Stakeholders

Following is a list of all the stakeholders that we affect positively or negatively via our activities.

- > Owners
- > Management and employees
- > Customers and consumers
- > Suppliers and partners
- > Authorities and legislators
- > NGOs and society
- > Local communities

Through thorough analysis and workshops, we have identified a long series of factors that are part of our responsibility towards society. We have prioritised these based on the effect on our own business and on our stakeholders. The following analysis shows the key factors for the Energi Danmark Group and our surroundings – and thus the factors that we have chosen as elements in our CSR strategy. ■



- Environment
- Climate
- Human rights
- Employee rights
- Anti-corruption



ENERGY & SOCIETY

The Energi Danmark Group is conscious of its social responsibility. Our business is based on healthy and responsible business activities. We want to contribute to society through our role in the value chain of the energy eco-system. The Energi Danmark Group works continuously to develop products and services that we identify a need for, now and in the future. With a focus on the future, we will contribute to sustainable societal growth, which can also provide additional business value for our customers and stakeholders. Within Energy & Society we focus on system data security, delivery reliability and electricity infrastructure, local society and adoption of renewable energy in society.



DELIVERY RELIABILITY AND ELECTRICITY INFRASTRUCTURE

Without electricity, most of the world as we know it would shut down. At the Energi Danmark Group, we consider our contribution to both supply and delivery reliability to be our most important task and we are involved in the delivery and trading of energy across borders. As a balance responsible party within consumption, production and trade, the Energi Danmark Group helps ensure a balance between consumption and production, as well as supply and demand. We work continuously to become even better at predicting needs and trends, thereby creating stability and security in relation to delivery and supply; securing the entire electricity infrastructure.

In 2020, Energi Danmark launched a pilot project with Energinet, where we investigated whether wind turbines can be used to balance the electricity grid without the security of supply being put out of control. The experiment was a great success, and it paves the way for a more sustainable future, where the majority of production will come from renewable energy.

[Read more about the pilot project here](#)



SYSTEM DATA SECURITY

As part of our security, we have extensive IT policies in place, as employees' attentiveness with regard to safe use of email and internet facilities is crucial for avoiding the majority of potential virus and hacker attacks. To the Energi Danmark Group and as a balance responsible party IT security is essential. This is why we constantly keep our knowledge and processes updated. All IT and system data security across the Group is managed centrally from Denmark at Energi Danmark.

During 2020, Energi Danmark has been fully compliant with the legal requirements laid out in the L68 Law as well as the current BEK 820 Act "IT Readiness in the electricity and natural gas sector", as of August 14, 2019. In relation to our role in the electricity and natural gas sector, Energi Danmark is a company on the highest level, which means the law sets specific requirements for our IT Security.

Our work to be compliant with GDPR (General Data Protection Regulation) is a continuous process. In 2018, Energi Danmark established a GDPR steering committee. The steering committee adopted in that connection an annual cycle of work to ensure that we continually update our employees with regard to key GDPR information through the use of awareness campaigns and ongoing training. Among other things, this is done using a system acquired especially for this purpose. In 2020 – as well as the previous years – we have followed the annual cycle. Furthermore we follow internal and external processes and guidelines so we can continue to document and manage any incidents such as data leaks or requests for access to personal data, etc.

LOCAL COMMUNITIES

Energi Danmark Group is committed to the local communities we are part of and we want to influence social development in a more sustainable direction.

Last year, our subsidiary, Energi Salg Norge, entered into a climate pact with the City of Oslo and has committed to help achieve the city's ambition to reduce the emission of greenhouse gases by 95% by 2030. 2020 was thus the second year, where Energi Salg Norge supplied the City of Oslo, our most complex customer in the Norwegian market so far. By becoming a signatory, Energi Salg Norge became a member of the Enterprises for Climate Network. The pact is a recognition of intent, but also a forum for collaboration, ▶

exchange of experience and an opportunity to demonstrate the results that have been achieved by certain companies. At the same time, the pact should also be viewed as a desire to reduce our own emissions, while also influencing other companies and customers to do the same.

At Energi Danmark, we are also aware that our activities and the activities of our suppliers can disturb the local communities around us. We always try to minimise any disturbances and engage in dialogue with the relevant stakeholders.

ACCOMMODATION OF RENEWABLE ENERGY IN SOCIETY

The Energi Danmark Group takes responsibility for climate issues. We have a general Environment & Climate policy of contributing to the development of renewable energy and we are encouraging our customers to do the same. By offering climate friendly options and products, we want to play an active role in solving the global climate challenges of today.

Again in 2020 we have had great success with our climate friendly product: Power Purchase Agreement (PPA) in which Energi Danmark facilitates a solar or wind turbine park between the customer and the producer. The agreement means that the customer's climate friendly electricity originates from a plant developed exclusively on the basis of the agreement, contributing to the customer's carbon neutrality and helping to improve their CSR report.

[Read more about PPA and our other climate friendly products here](#) →

In January 2020, the Danish TSO (Transmission System Operator), Energinet, gave a stamp of quality to Energi

Danmark's most flexible product, Demand Response, by extending its status as a pilot project throughout 2020. Demand Response concerns consumption flexibility, i.e. being able to reduce electricity consumption in periods of power shortage in the electricity grid or increase it in periods when there is a surplus of electricity. As an example, the customer may have the possibility of powering down a cooling system during periods in which operation is not affected and the same cooling system can store the energy if there is a surplus. In the past, the electricity supply would simply have remained constant but, by shutting off power, other consumers can benefit from the energy instead. When there is a shortage of electricity in the grid and Demand Response is activated, Energinet.dk, for instance, is not forced to activate an emergency generator, which potentially gets energy from non-renewable sources. The flexibility in Demand Response thus benefits supply stability and the climate because the electricity is utilised optimally. Meanwhile, commercial consumers of electricity receive payment for offering such flexibility, which helps motivate them to take part in a cost-effective and safe accommodation of renewable energy in the electricity system.

[Read more about Demand Response and our other climate friendly products here](#) →

CLIMATE FRIENDLY ENERGY

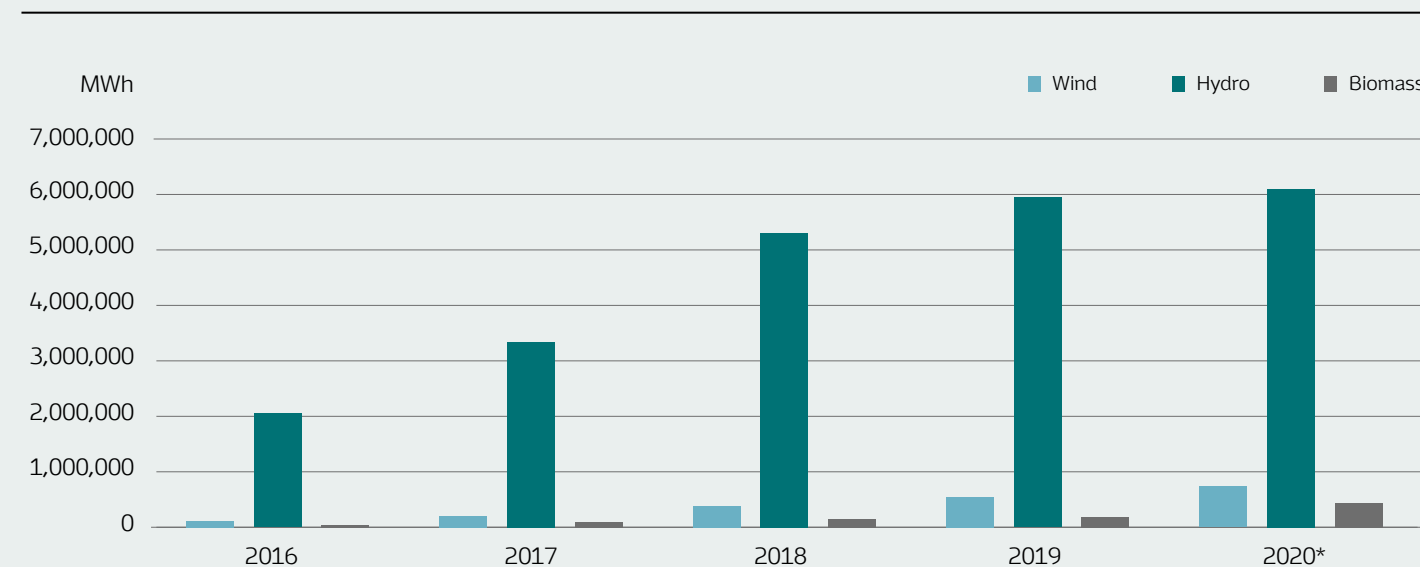
The Energi Danmark Group's customers can buy climate friendly energy, also referred to as Guarantees of Origin, produced from wind power, hydropower and biomass. The Energi Danmark Group and the customer thereby help shine a light on the need for renewable energy, while making it attractive to produce more renewable energy. A customer can choose to cover its needs partly or entirely through wind turbines, either from a specific or non-specific turbine. By selecting a specific wind

turbine that is less than two years old, the customer actively supports brand new wind turbines and the expansion of renewable energy. It is also possible to cover energy consumption in whole or in part through the purchase of energy from hydropower. The Energi Danmark Group has fixed agreements in place with hydropower plants in Sweden, Norway and Finland to purchase climate friendly electricity. The purchase is documented through certificates.

Interest in covering electricity through wind power, hydropower and biomass has been increasing since

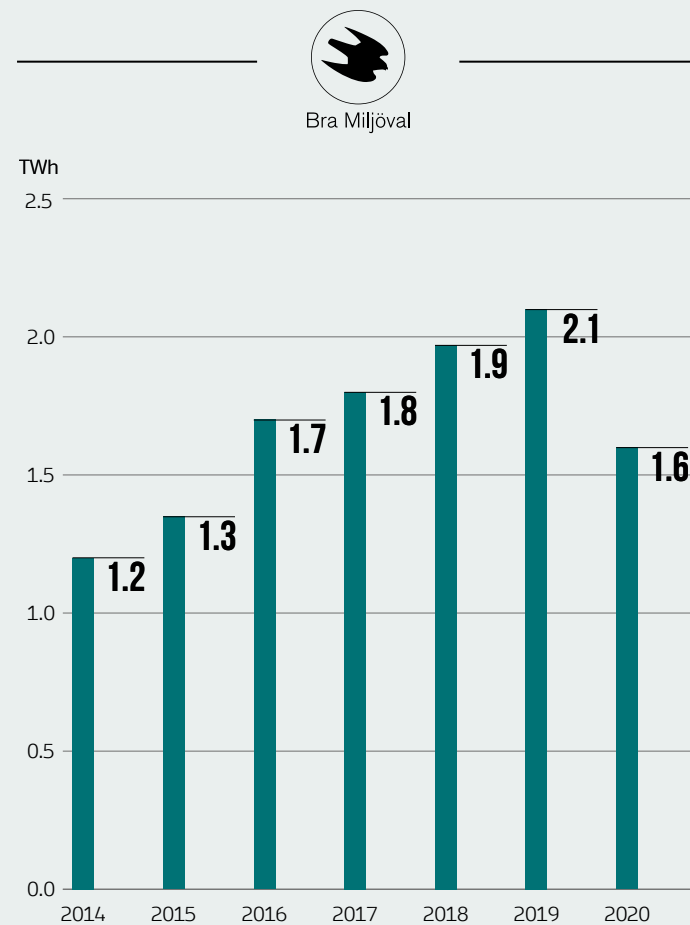
2016. The Energi Danmark Group considers this to be a very positive trend and we therefore also attempt to promote the choice of climate friendly energy among our customers.

Below is an overview of sold MWh across the Group from 2016 to 2020 within wind power, hydropower and biomass. The numbers from 2016 to 2019 are realised numbers, whereas the result for 2020 is estimated, because we do not have the final numbers. ▶



Group	Wind power	Hydropower	Biomass
2016	109,066 MWh	2,047,781 MWh	42,452 MWh
2017	200,099 MWh	3,336,496 MWh	91,839 MWh
2018	384,299 MWh	5,309,701 MWh	147,924 MWh
2019	544,166 MWh	5,947,183 MWh	183,058 MWh
2020*	738,510 MWh	6,097,928 MWh	438,142 MWh

* The result for 2020 is an expected estimate as we do not have the final result at the publication date.



*The result for 2020 is an expected estimate as we do not have the final result at the publication date.

BRA MILJÖVAL EL

In our subsidiary Energi Försäljning Sverige, customers are given the opportunity to purchase the product Bra Miljöval El (Good Environmental Choice Electricity), which guarantees that electricity comes from wind power, hydropower or biomass. Bra Miljöval is a Swedish electricity label from the Swedish Society for Nature Conservation. From 2014 to 2019, Energi Försäljning Sverige has been the electricity supplier that has sold most Bra Miljöval El in Sweden and the figure has increased rapidly over the years. In 2019



Bra Miljöval

Energi Försäljning Sverige accounted for as much as 25 percent of all Bra Miljöval El sold in Sweden. The statement showing the most TWh sold is published one year in arrears and we therefore do not yet know our position for 2020.

Besides the energy being climate friendly, much thought also goes into the use of the energy with Bra Miljöval El. For instance, care must be taken not to disrupt the natural course of rivers, just as wind turbines must not be situated in particularly sensitive nature areas. For every kWh of Bra Miljöval electricity sold, Energi Försäljning Sverige is obligated to donate a sum for environment improvement projects and energy effective solutions via the Environmental Fund, the Energy Efficiency Fund and the Investment Fund. For instance, Energi Försäljning Sverige's sales in 2019 raised SEK 2.9 million for the Swedish Society for Nature Conservation's funds.

CANCELLATION OF CARBON EMISSION ALLOWANCES

At Energi Danmark, it is possible to buy and subsequently cancel carbon emission allowances. This allows the customer to help reduce the total number of carbon emission allowances available in Denmark and the rest of Europe. By cancelling carbon emission allowances, the customer also helps push the price of the allowances up, thereby making it less attractive for the part of industry that creates the most pollution to release large quantities of carbon emissions.

ADVISORY SERVICES

Energi Danmark offers advisory services to all its customers so we can help to establish a climate friendly strategy. This can include, for instance, consultancy and information on the management and regulation of consumption, so the energy is used optimally, to the benefit of both customers and the environment. ■

» IT IS WITH GREAT JOY WE SEE THAT OUR CUSTOMERS YEAR AFTER YEAR PRIORITIZE AND TAKE RESPONSIBILITY FOR THE ENVIRONMENT BY CHOOSING BRA MILJÖVAL EL. THIS LONG-TERM FOCUS ON SUSTAINABILITY IS A WIN FOR BOTH THE ENVIRONMENT, OUR CUSTOMERS AND THE SOCIETY AS A WHOLE.

MIA HANSSON

CEO, Energi Försäljning Sverige

RESULTS FOR THE YEAR 2020

RISKS	FOCUS AREAS	GOALS	ACTION	RESULTS
<ul style="list-style-type: none"> › Data safety 	SYSTEM DATA SECURITY Policy › Human rights policy	<ul style="list-style-type: none"> › Energi Danmark is compliant with all legal requirements regarding data security 	<ul style="list-style-type: none"> › Further implementation of system data security 	<ul style="list-style-type: none"> › Energi Danmark is compliant with L68 and BEK 820 › Energi Danmark is compliant with GDPR
<ul style="list-style-type: none"> › Electricity infrastructure › Delivery reliability 	ELECTRICITY INFRASTRUCTURE & DELIVERY RELIABILITY Policy › Climate policy	<ul style="list-style-type: none"> › Optimisation of delivery reliability 	<ul style="list-style-type: none"> › Continuous improvements on delivery reliability 	<ul style="list-style-type: none"> › Delivery reliability improved
<ul style="list-style-type: none"> › Local community 	LOCAL COMMUNITY Policy › Human rights policy	<ul style="list-style-type: none"> › Support for relevant NGOs and projects 	<ul style="list-style-type: none"> › Screened for NGOs and projects 	<ul style="list-style-type: none"> › Donation for various health and children's organizations
<ul style="list-style-type: none"> › Renewable energy and climate › Accommodating renewable energy (RE) in society 	RENEWABLE ENERGY AND CLIMATE & ACCOMMODATION OF RE IN SOCIETY Policy › Climate policy	<ul style="list-style-type: none"> › Demand Response concept further developed › New climate friendly products ready for market › Ambition to increase the amount of RE sold 	<ul style="list-style-type: none"> › Cooperation with Kiwi on Demand Response concept › Nudged customers to buy more RE and offer a wide selection of RE products › Developed a new PPA product 	<ul style="list-style-type: none"> › 9% increased amount of RE sold compared to the previous years › New climate friendly products are being developed - including completion of a new PPA product

GOALS 2021

RISKS	FOCUS AREAS	GOALS	PLANNED ACTIONS
<ul style="list-style-type: none"> › Data safety 	SYSTEM DATA SECURITY Policy › Human rights policy	<ul style="list-style-type: none"> › Energi Danmark is compliant with all legal requirements regarding data security 	<ul style="list-style-type: none"> › Regular implementation of new requirements
<ul style="list-style-type: none"> › Electricity infrastructure › Delivery reliability 	ELECTRICITY INFRASTRUCTURE & DELIVERY RELIABILITY Policy › Climate policy	<ul style="list-style-type: none"> › Optimisation of delivery reliability 	<ul style="list-style-type: none"> › Regular optimisation measures
<ul style="list-style-type: none"> › Local community 	LOCAL COMMUNITY Policy › Human rights policy	<ul style="list-style-type: none"> › Support for relevant NGOs and projects 	<ul style="list-style-type: none"> › Screening for relevant NGOs and projects
<ul style="list-style-type: none"> › Renewable energy and climate › Accommodating renewable energy (RE) in society 	RENEWABLE ENERGY AND CLIMATE & ACCOMMODATION OF RE IN SOCIETY Policy › Climate policy	<ul style="list-style-type: none"> › Demand Response concept further developed › New climate friendly PPA product ready for market › Ambition to increase the amount of RE sold 	<ul style="list-style-type: none"> › Continued cooperation with Kiwi on Demand Response concept › Development of new climate friendly products › Introduce new PPA product to first customers › Nudge customers to buy more RE



RESPONSIBLE COMMERCE

In energy trading groups such as the Energi Danmark Group, the primary task is to ensure optimal management of customers' risks within energy purchases. We help energy consumers and energy producers to exercise active and financially advantageous trading strategies rather than being passive players in the energy market.

In this context, we focus on responsible trade with suppliers and partners with emphasis on forced labor, child labor, anti-corruption, responsible procurement and pollution from the production of power.



SUPPLIER MANAGEMENT

Trade with suppliers depends upon mutual trust and respect for good business ethics. The great majority of our purchases are made through energy exchanges in the financial energy market and thus without any direct trade contracts with suppliers. The energy exchange is highly regulated, however, and there are strict requirements for registering with the exchanges.

Energi Danmark Group has developed a Supplier Code of Conduct with a specific focus on human rights, labour rights and anti-corruption, as well as the climate and environment. The guidelines set down in our Code of Conduct are based on the UN Global Compact's ten principles for business.

In 2020, we started our work to map all suppliers to ensure that our largest and most critical suppliers are the first to sign our Supplier Code of Conduct.

We do not accept any kind of child labour or forced labour, including slave labour or human trafficking. At the Energi Danmark Group, we have a Human Rights Policy covering forced labour and child labour. Our Supplier Code of Conduct does also make demands on our suppliers regarding child labour or forced labour.

ANTI-CORRUPTION

The Energi Danmark Group wishes to work actively to help fight all forms of corruption. Corruption contradicts the group's core values and is therefore unacceptable. We expect all employees to use their common sense with respect to the Group's and society's interests and that all employees act in accordance with the law, regulations and standards. Likewise, we also wish to work with our suppliers to fight corruption.

We have developed an anti-corruption policy and committed to incorporating the anti-corruption policy

into all relevant business areas. In 2020 this policy was implemented in all business areas.

We have established a whistleblower scheme so that employees who experience any unacceptable or illegal conduct in the Group can anonymously report this directly to the Group's auditor, who will impartially investigate the matter in more detail. The whistleblower scheme is accessible via the Intranet with our whistleblower policy and whistleblower investigation procedure, which explains the steps that will be taken when a report is submitted. However, there have been no incidents in 2020.

The Energi Danmark Group has a policy in place concerning the prevention of market abuse. The policy is compliant with the current EU legislation on insider trading, illegal disclosure of insider information and market manipulation, 'MAR', and on integrity and transparency in wholesale energy markets, 'REMIT'. During 2020 the Energi Danmark Group strengthened its compliance setup even further by acquiring an energy trade monitoring software system. The system enables Energi Danmark at an early stage to spot and handle trades which potentially could give rise to questions in relation to 'REMIT'.

POLLUTION WITH WASTE WATER AND CHEMICALS

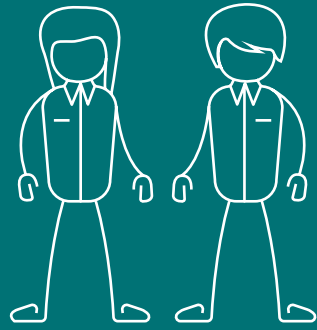
The Energi Danmark Group wishes to reduce pollution in order to protect biodiversity and prevent the destruction of natural ecosystems. In connection with our own operating activities, neither waste water nor chemicals are discharged into the environment, so it is mainly in our cooperation with suppliers in which energy is produced and transported that we will try to minimise the negative impact on the environment. ■

RESULTS FOR THE YEAR 2020

RISKS	FOCUS AREAS	GOALS	ACTION	RESULTS
<ul style="list-style-type: none"> > All risks 	<p>SUPPLIER MANAGEMENT</p> <p>Policy</p> <ul style="list-style-type: none"> > Human rights policy > Environmental policy > Climate policy > Employee rights policy > Diversity policy > Anti-corruption policy 	<ul style="list-style-type: none"> > All suppliers risk assessed > Supplier Code of Conduct signed by first suppliers 	<ul style="list-style-type: none"> > Management discussions on supplier screening and risk assessment > 'REMIT' IT risk system acquired 	<ul style="list-style-type: none"> > Supplier screening and risk assessment in process > 'REMIT' IT risk system is minimizing risks from suppliers
<ul style="list-style-type: none"> > Anti-corruption > Fair competition 	<p>ANTI-CORRUPTION & FAIR COMPETITION</p> <p>Policy</p> <ul style="list-style-type: none"> > Anti-corruption policy > Policy on the prevention of market abuse 	<ul style="list-style-type: none"> > All suppliers risk assessed > Supplier Code of Conduct signed by first suppliers 	<ul style="list-style-type: none"> > Management discussions on supplier screening and risk assessment > 'REMIT' IT risk system acquired > Whistleblower scheme presented on the intranet 	<ul style="list-style-type: none"> > Supplier screening and risk assessment in process > 'REMIT IT' risk system is minimizing risks from suppliers
<ul style="list-style-type: none"> > Pollution from wastewater > Pollution with chemicals 	<p>POLLUTION FROM WASTEWATER AND CHEMICALS</p> <p>Policy</p> <ul style="list-style-type: none"> > Environmental policy 	<ul style="list-style-type: none"> > See "Supplier management" 	<ul style="list-style-type: none"> > See "Supplier management" 	<ul style="list-style-type: none"> > See "Supplier management"

GOALS 2021

RISKS	FOCUS AREAS	GOALS	PLANNED ACTIONS
<ul style="list-style-type: none"> > All risks 	<p>SUPPLIER MANAGEMENT</p> <p>Policy</p> <ul style="list-style-type: none"> > Human rights policy > Environmental policy > Climate policy > Employee rights policy > Diversity policy > Anti-corruption policy 	<ul style="list-style-type: none"> > First batch of suppliers risk assessed > Supplier Code of Conduct approved by EMC > Supplier Code of Conduct signed by first suppliers 	<ul style="list-style-type: none"> > Collecting signatures on Supplier Code of Conduct > Risk assessment of suppliers
<ul style="list-style-type: none"> > Anti-corruption > Fair competition 	<p>ANTI-CORRUPTION & FAIR COMPETITION</p> <p>Policy</p> <ul style="list-style-type: none"> > Anti-corruption policy > Policy on the prevention of market abuse 	<ul style="list-style-type: none"> > First batch of suppliers risk assessed > Supplier Code of Conduct approved by EMC > Supplier Code of Conduct signed by first suppliers > Presentation of whistleblower scheme to new employees > Implemented internal training in anticorruption policy 	<ul style="list-style-type: none"> > Risk assessment of suppliers > Collecting signatures on Supplier Code of Conduct > Present whistleblower scheme to new employees > Implementation of internal training in anticorruption policy
<ul style="list-style-type: none"> > Pollution with waste water > Pollution with chemicals 	<p>POLLUTION FROM WASTEWATER AND CHEMICALS</p> <p>Policy</p> <ul style="list-style-type: none"> > Environmental policy 	<ul style="list-style-type: none"> > See "Supplier management" 	<ul style="list-style-type: none"> > See "Supplier management"



PEOPLE & CULTURE

At the Energi Danmark Group, our employees are our most valued resource and instrumental in implementation of our business strategies. We therefore focus on strategic competences and capability building. We want to provide a working environment that encourage our employees to develop their professional and personal skills. We continuously focus on diversity and inclusion, employee engagement, data security, work health and safety.



CAREERS AND CAPABILITIES

At the Energi Danmark Group, our holistic leadership approach is based on trust and respect for the individual employee. It is therefore essential that employees have working conditions that encourage and enable them to reach their full potential. We create our positive working environment based on our three core values: Teamwork, timing and trust.

As part of our human resource policy, Energi Danmark offers appropriate supplementary training in relation to each employee's areas of work. As a knowledge-heavy company, it is crucial that we constantly keep our finger on the pulse and follow the latest developments in the energy market.

We have implemented a policy for employment rights in the Energi Danmark Group. All countries in which we have offices are compliant with legislation concerning employment issues and rights.

HEALTH AND SAFETY AT WORK

The Energi Danmark Group prioritises health and safety at work. It is essential that we have a workplace which focuses on such parameters as healthy food, exercise and work environment, all of which contribute to a high level of employee satisfaction and well-being. We prioritise work safety because we wish to minimise work-related accidents and injuries.

Every other year, we conduct an Engagement Survey for the entire Group. In 2019, an impressive 95% of all employees completed the survey. Despite our efforts, the survey showed that only 75% of the employees in the Group would recommend Energi Danmark as a place to work, compared to 80% in the survey from 2017. As a consequence we have had a strong focus throughout 2020 on improving fields as talent and leadership development, individual work-life balance

and job engagement to create even better conditions for our employees. Hopefully next year's survey will show that our initiatives successfully have increased the number of employees who would recommend the Energi Danmark Group as a place to work.

Work-life balance in particular became one of the major focus points of the year, as the shutdown of the society in March, due to COVID-19, suddenly forced many of us to work from home for shorter or longer periods. It placed severe demands on the flexibility of both employees, managers and workplace. We succeeded in adapting the situation to each individual employee's needs in close collaboration between employee and immediate manager, so we could ensure that work tasks and family life all came together. The feedback from both employees and managers has been very positive, and the experiences we have gained this year will hopefully have a positive effect on work-life balance in the future also.

At the Energi Danmark Group, we like to promote physical health among our employees. Each year, Energi Danmark participates in the DHL relay race, in which all employees have the opportunity to either run or walk five kilometers together with their colleagues. Unfortunately, DHL was canceled this year due to COVID-19, and we are thus looking forward to next year's race. In September, 28 Energi Danmark employees participated in this year's "Bike to work" campaign. During this month they covered a total distance of no less than 8,278 km. According to calculations from "Bike to work" their impressive effort had several positive side effects – among other things they reduced CO₂ emissions by 2,069 kilos and avoided 7 sick days (calculated according to their improved health). During November, Energi Försäljning Sverige held a workout challenge to encourage the Swedish employees working from home to get regular exercise. This resulted in a full 264 hours of workout in total. ▶

Multiple employees participate in daily resistance training, as part of which a physiotherapist has given them exercises for preventing and relieving office-related injuries as well as boosting the energy level during the day.

At our headquarters in Aarhus, employees have the opportunity to buy a healthy lunch from the cafeteria. In 2020, the kitchen staff worked on presenting the green part of the buffet even more appetizing, and this resulted in significantly less meat and more vegetables being eaten this year compared to previous years.

At the Energi Danmark Group, our employees' safety and well-being is key to everything we do. Energi Danmark's internal work environment organisation ensures that we carry out the mandatory physical WPA measurements (in Denmark only) while we work to achieve long-term results in employee well-being and lower sick leave and ensure that work does not lead to injuries or illness. In addition, the work environment organisation helps with sparring and questions from both employees and management.

All employees in the Group have a general ongoing obligation to identify and reduce the risk of work-related accidents. Safety and improved processes will always be one of our key focus areas.

EMPLOYEE DATA SECURITY

The Energi Danmark Group works continuously with the EU's GDPR (General Data Protection Regulation), which became effective in May 2018.

It is our goal to implement a single HR system across the entire Group in 2021. The process has been postponed a year due to reorganization in our HR department. By being GDPR compliant and introducing a common Group-wide HR system, we ensure uniform processing

and storage of personal data, to the benefit of both current and potential employees.

DIVERSITY AND INCLUSION

Energi Danmark Group has a diversity policy. We do not tolerate any form of discrimination on the grounds of e.g. race, skin color, gender, language, ethnicity, religion, political or other views, cast, national or social origin, wealth, birthplace, union affiliation, sexual orientation, health, age, disability or other characteristics. We offer the same opportunities for all our employees, regardless of the above characteristics.

At Energi Danmark, we want to help our senior employees to remain with the company for as long as possible if it aligns with the needs of both the company and the employee. We therefore formulated a Senior Policy in 2019 which has been implemented in 2020.

The main purpose of the Senior Policy is to create a framework for the senior employee's working life, allowing the senior employee to remain with Energi Danmark on more flexible terms and working hours. The purpose is to retain senior expertise while offering the senior employee a smooth transition from working life to retirement. ■



INTERFORCE

Energi Danmark has signed a support declaration with InterForce. InterForce is a collaboration between the Armed Forces and companies that aims to improve conditions for people with both a military and a civil obligation. As a part of signing the declaration we have declared that we are willing to offer an employment to veterans who have been wounded during service, suffers from PTSD or similar challenges.

DIVERSITY AND GENDER DISTRIBUTION

IN THE MANAGEMENT TEAM

REPORT FOR THE UNDER-REPRESENTED GENDER

This is the Energi Danmark Group's statutory report for gender composition in accordance with section 99b of the Danish Financial Statements Act. The aim is to create focus on the under-represented gender, which is currently female due to the distribution within the Energi Danmark Group. Men are in the majority within the whole energy industry, and in the Energi Danmark Group most of the employees are also men.

As of 31 December 2020, 69% of employees were men. The Energi Danmark Group would very much like the gender distribution among employees of the Group to reflect the distribution of women and men in society. As Energi Danmark is an international energy trading group, diversity within its work force is seen as an asset. The Group is thus aware of the advantages of having a diversified organisation, which also includes a versatile management team composition. The Energi Danmark Group recruits its employees solely based on talent and personality, and offers the same opportunities to all employees, regardless of e.g. nationality, religion,

political convictions, gender and age. We encourage all employees to achieve their full potential in line with their personal ambitions and goals.

TARGET FIGURES

for the under-represented gender on the Board and at other management levels

The Energi Danmark Group appoints and promotes managers based on the approach that the most suitable person is always appointed regardless of gender. All employees can aspire to be part of the management and the Group's aim is for women and men to take equal advantages of the opportunity. We offer our employees the opportunities to develop professional competencies through participation in relevant courses etc. when it complements the Group's strategic goals.

As of 31 December 2020, Energi Danmark's Board of Directors was made up of five people, of whom all were men. At management level, there were 18 people, of whom 4 were women (22%). This is at the same level as last year. With regard to women in management, Energi Danmark currently has an under representation on its

Board and management level. The aim is to increase the number of women in Management by ensuring the representation of qualified female candidates for upcoming management positions.

GOALS FOR GENDER DISTRIBUTION

on the Board and at management level

In 2014, Energi Danmark's Board adopted a target figure for the proportion of the under-represented gender on the Board, and a policy to increase the proportion of the under-represented gender at the Group's other levels of management. The goal and vision for 2021 is:

- > An 85/15 distribution on the Board of Energi Danmark, requiring at least one woman to be elected into the Board by close of 2021.
- > 28% of Energi Danmark's management to be comprised of women in 2021. We will continue to strive to reach the goal of a 72/28 gender distribution at the management level by close of 2021. ■

RESULTS FOR THE YEAR 2020

RISKS	FOCUS AREAS	GOALS	ACTION	RESULTS
<ul style="list-style-type: none"> > Career and challenges > Employment terms > Remuneration 	<p>CAREERS AND CAPABILITIES</p> <p>Policy</p> <ul style="list-style-type: none"> > Employee rights policy 	<ul style="list-style-type: none"> > Define and implement annual HR core processes > Define and implement approach for talent and leadership development > Support implementation of new group structure at all levels > Define and implement new career paths and job structure 	<ul style="list-style-type: none"> > Overview of the essential processes has been identified > The work with creating a fundament for the future talent and leadership development has been started up > Supporting the process of making ED Business Support a separate company > Focus on making a career path for students in our organisation > The rest has been postponed till 2021 	<ul style="list-style-type: none"> > There have been created guides and document templates for the most essential processes, which can be seen on our intranet > Ongoing process and evaluation of the group structure > Hiring student workers with potential for permanent employment after graduation - more student workers have already been hired/or have a contract from after ending their studies
<ul style="list-style-type: none"> > Work health > Work safety 	<p>WORK HEALTH & SAFETY</p> <p>(diet, exercise, working environment, stress)</p> <p>Policy</p> <ul style="list-style-type: none"> > Employee rights policy 	<ul style="list-style-type: none"> > 76% of employees would recommend Energi Danmark as a workplace* > 85% of employees experience a good working relationship with other units* > Sick leave below 2% > Attrition below 15% <p>*As Energi Danmark's Engagement Survey is conducted every other year, the two goals above relates to 2021.</p>	<ul style="list-style-type: none"> > Followed up and followed through on targets in Engagement Survey > Followed through on Energi Danmark values > Implemented workplace initiatives throughout the Group > Implemented exit interviews with all resigning employees 	<ul style="list-style-type: none"> > Sick leave: 1.96% > Attrition: 17.17%
<ul style="list-style-type: none"> > Data safety 	<p>EMPLOYEE DATA SECURITY</p> <p>Policy</p> <ul style="list-style-type: none"> > Employee rights policy 	<ul style="list-style-type: none"> > All employee data gathered in one HR system for the entire Group 	<ul style="list-style-type: none"> > Research process to identify the best possible solution of a single HR system throughout the Group 	<ul style="list-style-type: none"> > The identification process has been started up and there have been held several meetings with different providers to figure out the best solution both data and technical wise
<ul style="list-style-type: none"> > Discrimination and inclusion 	<p>DIVERSITY</p> <p>Policy</p> <ul style="list-style-type: none"> > Employee rights policy > Diversity policy 	<ul style="list-style-type: none"> > Define baseline in diversity subjects > Prepare for gender distribution of 85/15 on board of directors by close of 2021 > Prepare for gender distribution of 72/28 in Top Management by close of 2021 	<ul style="list-style-type: none"> > Discussion and identification at board level > Implementation of Senior policy 	<ul style="list-style-type: none"> > Gender distribution of 100/0 (6 men) on board of directors > Gender distribution of 78/22 (14 men and 4 women) in Top Management > Senior policy implemented

GOALS 2021

RISKS	FOCUS AREAS	GOALS	PLANNED ACTIONS
<ul style="list-style-type: none"> > Career and challenges > Employment terms > Remuneration 	<p>CAREERS AND CAPABILITIES</p> <p>Policy</p> <ul style="list-style-type: none"> > Employee rights policy 	<ul style="list-style-type: none"> > Define and implement annual HR core processes > Focus on leadership training and development > Optimizing and developing the onboarding process > Attract more international candidates > Define and implement new career paths and job structure 	<ul style="list-style-type: none"> > Make current processes more visual and link processes more together within the annual HR framework > Implement more specific tools and training for primarily new leaders. Define more common leadership standards > Define the onboarding process more clearly and make it easy accessible for both manager and employee to handle and follow up on > Act more internally in our approach to advertisement and recruitment > Set up a structure for career levels and link these to daily tasks, responsibilities, seniority, level of experience etc.
<ul style="list-style-type: none"> > Work health > Work safety 	<p>WORK HEALTH & SAFETY</p> <p>(diet, exercise, working environment, stress)</p> <p>Policy</p> <ul style="list-style-type: none"> > Employee rights policy 	<ul style="list-style-type: none"> > 76% of employees would recommend Energi Danmark as a workplace > 85% of employees experience a good working relationship with other units > Sick leave below the standard for the energy business > Attrition below 15% 	<ul style="list-style-type: none"> > Evaluate the results of the engagement survey and plan specific actions accordingly, if necessary > Potentially implement smaller thermometer measurements during the year to get a snapshot and have the opportunity to act accordingly > Try to be proactive in handling potential long-term illness by stepping in sooner in the process if signs are shown and when possible
<ul style="list-style-type: none"> > Data safety 	<p>EMPLOYEE DATA SECURITY</p> <p>Policy</p> <ul style="list-style-type: none"> > Employee rights policy 	<ul style="list-style-type: none"> > Implementation of a single system throughout the Group 	<ul style="list-style-type: none"> > Continue the process that has already been started up and define overall needs, musthaves, wishes, challenges, risks etc. - Based on this, try to identify the different options offered by the providers in the market
<ul style="list-style-type: none"> > Discrimination and inclusion 	<p>DIVERSITY</p> <p>Policy</p> <ul style="list-style-type: none"> > Employee rights policy > Diversity policy 	<ul style="list-style-type: none"> > New targets established > Gender distribution of 85/15 on board of directors by close of 2021 in process > Gender distribution of 72/28 in Top Management by close of 2021 in process 	<ul style="list-style-type: none"> > Set targets on board level > Implement initiatives to improve gender distribution



RESPONSIBLE OPERATIONS

The Energi Danmark Group aim to be transparent in all we do to maintain fair competition and good business ethics. We have an overriding Environment and Climate Policy with a specific focus on energy and water consumption - as well as waste handling. And we work continuously to reduce the negative impact on the environment from our own operations.

Since 2014, we have been certified in accordance with ISO 14001 and have implemented quality and environmental policies in order to identify all environmental impacts, including ensuring the proper handling of significant environmental aspects and to ensure on-going identification of new aspects.



TRANSPARENCY

In general, the energy business is much regulated, and there are high demands on transparency. We are meeting the demands as part of our corporate social responsibility.

Transparency is key in maintaining fair competition and good business ethics. Each year, we publish the most important events in our annual report, both positive and negative. Similarly, we inform on an ongoing basis about current events on websites and in newsletters. Due to our issuance of corporate bonds, we are also obliged to publish all relevant news on the First North exchange.

ELECTRICITY CONSUMPTION

Our headquarters in Aarhus is located in a sustainable building from 2011. The building was awarded a gold medal in the EU standard for sustainable buildings DGNB, and the distinction 'Very Good' under the British standard BREEAM.

All of our offices are sub-leases of larger offices. Therefore, we do not have so many opportunities to minimise our energy consumption. We have, of course, chosen new and energy-efficient buildings that do not use so much energy. Instead, we focus on all our energy coming from renewable energy. In 2020, renewable energy accounted for 86.9% of our total electricity consumption, which is slightly better than last year's 84.5%. But unfortunately, we still did not reach our goal of 90% of our electricity consumption coming from renewable energy. We will remedy this next year.

For 2021, we have a goal of ensuring that our entire electricity consumption is renewable. Where this is not possible, for example due to the landlord, we will

compensate through CO₂ quotas, and thus becoming climate neutral on our own consumption of electricity.

In April 2020, the Malmö office of our Swedish subsidiary, Energi Försäljning Sverige, switched to 100% Bra Miljöval Electricity (hydropower). Also the Stockholm office is supplied by 100% Bra Miljöval Electricity. ▶

FIRST STEP TOWARDS CARBON NEUTRALITY

We are well aware that the main challenge facing the global society probably is the climate change.

During the coming year we will screen and measure our own impact on the climate coming from CO₂ emissions. We will measure both the direct internal emissions (scope 1) and the indirect internal emissions (scope 2). Scope 1 emissions are expected mainly to come from fuel for own and leased vehicles. Scope 2 emissions probably come from district heating and our electricity consumption.

We have set a target of minimizing our negative impact in scope 1 and 2, and hereafter compensating the remaining part, resulting in a net carbon neutrality in scope 1 and 2 from end 2021.

As a power trading company we see the majority of total CO₂ emissions coming from our suppliers and customers (scope 3). We will start screening and measuring these emissions in the coming years.



ISO CERTIFICATION

Since 2014, we have been certified in accordance with ISO 14001. ISO 14001 is the most renowned international standard in environmental management systems and is used worldwide.

In January 2020, our ISO certification was renewed for a three-year period.

The certification applies to both Energi Danmark and all subsidiaries in Denmark, Sweden, Finland, Norway and Germany within advisory services and trade with energy products as well as derivative electricity products. The certification ensures that customers always receive the expected service regardless of which country they are trading in.

Internal audits are carried out every autumn and the most recent one was completed in November 2020.

»» **THE ISO CERTIFICATION HAS INTERNAL VALUE FOR US AS A GROUP, BECAUSE CONTINUOUS AUDITS AND QUALITY ASSURANCE HELP US TO ALWAYS DO OUR BEST.**

JØRGEN HOLM WESTERGAARD
CEO of Energi Danmark Group

WATER CONSUMPTION

Being certified with BREEAM, our office in Aarhus has been built with a focus on identifying means of reducing potable water consumption (internal and external) over the lifetime of the building and minimising losses through leakage.

For 2020, it was not possible to get data on water consumption for all locations. Many of our subsidiaries are part of bigger buildings and the cost is part of the total rent. For 2021, we will look into the possibility of locating the consumption for all offices in the Group.

We have looked into the historic data for our water consumption and here we see a decrease from 2015-2020 when measured per employee.

WASTE

All of our offices share office buildings with other companies and therefore follow the guidelines recommended in the buildings concerned. It is extremely difficult to provide an accurate idea of our waste generation as our waste is managed jointly with other companies. As a minimum, we sort paper, cardboard,

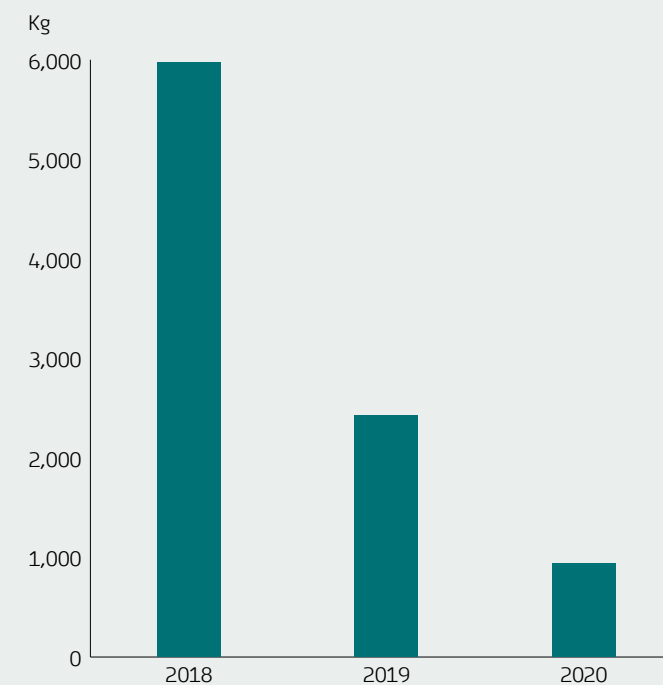
plastic and glass, while some offices also sort biological waste and metal.

Since 2019, the cafeteria at our head office in Aarhus has sorted biological waste separately and send it for separate incineration through Daka Refood. Thus, food waste is recycled into sustainable energy and fertilizer.

Also significant efforts have been made to reduce food waste. Among other things, employees can buy excess food from lunch to take home.

We also apply due diligence and look to minimise the negative effects on the environment when purchasing. ▶

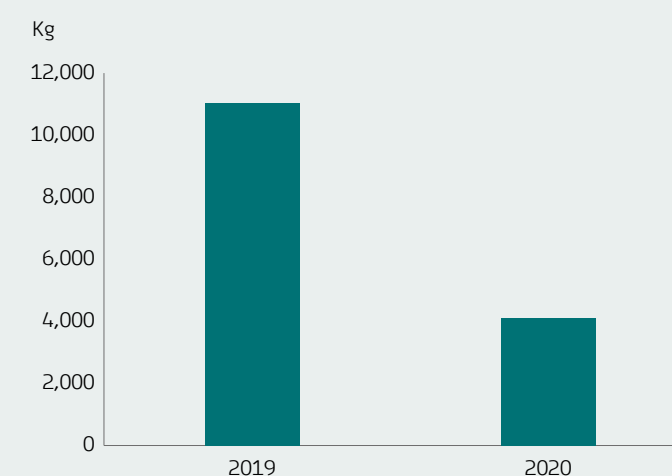
Paper waste



Note: The figures only concern the headquarters in Aarhus (approx. 75% of the total number of employees in the group). In 2020, more employees have worked from home due to COVID-19, and therefore 2020 isn't 100% comparable to the previous years.

Source: Marius Pedersen A/S - Statement of shredded paper

Food waste



Note: Compass Group changed their registration system in the fall of 2020, and therefore we lack the exact figures for a period of 57 days. The calculation for 2020 is based on accurate figures for 309 days, which is then extrapolated to 366 days (leap year) at the same consumption pattern. It has only been possible to get figures for whole-year from 2019. The figures only concern the headquarters in Aarhus (approx. 75% of the total number of employees in the group). The cafeteria cooks for the entire office building, which also includes other companies. In 2020, more employees have worked from home due to COVID-19, and therefore 2020 isn't 100% comparable to the previous years.

Source: Compass Group Danmark A/S - Statement of food waste

LOCATED IN SUSTAINABLE BUILDINGS

Energi Danmark's headquarters in Aarhus are located in a building that received a sustainability certification upon construction. The building received a gold medal in EU standard for sustainable buildings DGNB.

In order to obtain a DGNB certification, a building is evaluated based on a number of criteria within the five

main areas of DGNB; environmental quality, economic quality, social quality, technical quality and process quality. Based on this evaluation, the Company House in Aarhus was awarded a gold certification meaning that the building obtained minimum 50% in each category and 65% in total.

Our headquarters also received the distinction 'Very Good' under the British standard BREEAM. BREEAM is the world's leading sustainability assessment method for building. Buildings are assessed in 10 categories and specifically in terms of energy, the certification support the sustainable use of energy in the building and sustainable management of the building's operations.

Focus is to improve the inherent energy efficiency of the building and encourage the reduction of carbon emissions.

New sustainable office building in Malmö

In April 2020, the Malmö office of our Swedish subsidiary, Energi Försäljning Sverige, moved to a completely new building "The Point". This office building is not just an impressive building because of its 29 floors. Sustainability is thought into every step of construction process and they strive to be certified with the highest BREEAM certification.

New energy optimized headquarters in Denmark from 2021

In 2020, the construction of our new headquarters in Aarhus began. The new office buildings are scheduled for completion in the fall of 2021.

The new buildings, developed in accordance with the most recent energy rating requirements, will provide us with a much greater overview of our energy consumption.

Our new headquarters have incorporated climate friendly solutions such as low energy consumption, solar panels on the roof, natural materials, a good indoor climate and it will be possible to charge your electric car from any parking space. ■



RESULTS FOR THE YEAR 2020

RISKS	FOCUS AREAS	GOALS	ACTION	RESULTS
<ul style="list-style-type: none"> Transparency 	TRANSPARENCY Policy <ul style="list-style-type: none"> Human rights policy Environmental policy Climate policy Employee rights policy Diversity policy Anti-corruption policy 	<ul style="list-style-type: none"> Reporting on policies 	<ul style="list-style-type: none"> Inclusion of new KPIs in CSR annual report 	<ul style="list-style-type: none"> CSR Annual Report published
<ul style="list-style-type: none"> Electricity consumption 	ELECTRICITY CONSUMPTION Policy <ul style="list-style-type: none"> Environmental policy 	<ul style="list-style-type: none"> Internal ISO 14001 audit programme implemented External ISO 14001 audit programme implemented in all locations Overview of electricity consumption 	<ul style="list-style-type: none"> Internal audits of ISO 14001 implemented External audits of ISO 14001 implemented Data for electricity consumption collected for all locations possible 	<ul style="list-style-type: none"> Internal audits of ISO 14001 conducted External audits of ISO 14001 conducted 6 of 6 sites ISO 14001 certified
<ul style="list-style-type: none"> Water consumption 	WATER CONSUMPTION Policy <ul style="list-style-type: none"> Environmental policy 	<ul style="list-style-type: none"> Internal ISO 14001 audit programme implemented External ISO 14001 audit programme implemented in all locations Overview of water consumption 	<ul style="list-style-type: none"> Internal audits of ISO 14001 implemented External audits of ISO 14001 implemented Data for water consumption collected for all locations possible 	<ul style="list-style-type: none"> Internal audits of ISO 14001 conducted External audits of ISO 14001 conducted 6 of 6 sites ISO 14001 certified Data for water collected where possible
<ul style="list-style-type: none"> Waste 	WASTE Policy <ul style="list-style-type: none"> Environmental policy 	<ul style="list-style-type: none"> Internal ISO 14001 audit programme implemented External ISO 14001 audit programme implemented in all locations 	<ul style="list-style-type: none"> Internal audit of ISO 14001 implemented External audit of ISO 14001 to be implemented in all locations 	<ul style="list-style-type: none"> Internal audits of ISO 14001 conducted External audits of ISO 14001 conducted 6 of 6 sites ISO 14001 certified Data for waste collected where possible

GOALS 2021

RISKS	FOCUS AREAS	GOALS	PLANNED ACTIONS
<ul style="list-style-type: none"> Transparency 	TRANSPARENCY Policy <ul style="list-style-type: none"> Human rights policy Environmental policy Climate policy Employee rights policy Diversity policy Anti-corruption policy 	<ul style="list-style-type: none"> Reporting on policies 	<ul style="list-style-type: none"> Inclusion of new KPIs in CSR annual report
<ul style="list-style-type: none"> Electricity consumption 	ELECTRICITY CONSUMPTION Policy <ul style="list-style-type: none"> Environmental policy 	<ul style="list-style-type: none"> Internal audits of ISO 14001 conducted External audits of ISO 14001 conducted 6 of 6 sites ISO 14001 certified 100% of electricity consumption green or CO₂ compensated 	<ul style="list-style-type: none"> Conduct internal audits of ISO 14001 Conduct external audits of ISO 14001 Collect electricity consumption data Purchase 100% green electricity and/or CO₂ compensate where not possible
<ul style="list-style-type: none"> Water consumption 	WATER CONSUMPTION Policy <ul style="list-style-type: none"> Environmental policy 	<ul style="list-style-type: none"> Internal audits of ISO 14001 conducted External audits of ISO 14001 conducted 6 of 6 sites ISO 14001 certified Data for water consumption collected 	<ul style="list-style-type: none"> Conduct internal audits of ISO 14001 Conduct external audits of ISO 14001 Collect water consumption data
<ul style="list-style-type: none"> Waste 	WASTE Policy <ul style="list-style-type: none"> Environmental policy 	<ul style="list-style-type: none"> Internal audits of ISO 14001 conducted External audits of ISO 14001 conducted 6 of 6 sites ISO 14001 certified Data for waste consumption collected 	<ul style="list-style-type: none"> Conduct internal audits of ISO 14001 Conduct external audits of ISO 14001 Collect waste consumption data

CUSTOMERS ARE SEEKING CLIMATE FRIENDLY ENERGY SOLUTIONS

More and more companies are requesting climate friendly solutions when it comes to their electricity consumption. As an energy trading company, Energi Danmark does everything we can to provide our customers with solutions that meet their needs. We adhere to the regulations and guidelines applicable to the market, but markets and desires are constantly developing, and so are we.

The regulations and opportunities within climate friendly products differ from country to country which makes the field extremely complex, but we work continuously to identify precisely the products that are best suited to each country.

Like many of our competitors, we offer our customers the opportunity to bring focus on the need for sustainable energy through green certificates. But there are several other climate friendly solutions available to current and future customers in Energi Danmark. Take a look here at three of our products that have already been well received by our customers.



BRA MILJÖVAL EL

For the last six years, our Swedish subsidiary, Energi Försäljning Sverige, has been the energy trading company that sells the most “Bra Miljöval” (Good Environmental Choice) electricity in Sweden. The “Bra Miljöval” label has been developed by the Swedish Society for Nature Conservation. When customers choose “Bra Miljöval” electricity, they can be sure that the electricity complies with the strictest environmental requirements, while funds are also earmarked for projects that promote energy efficiency and reduce environmental impact.

The real estate company Fastpartner is one of Energi Försäljning Sverige’s many “Bra Miljöval” electricity customers. ▶

[Read more about “Bra Miljöval El” here](#) →

» **BUYING BRA MILJÖVAL IS VERY MUCH IN LINE WITH OUR WORK TO LEAVE AS SMALL A CLIMATE FOOTPRINT AS POSSIBLE.**

SVANTE HEDSTRÖM
Project and Sustainability Manager,
Fastpartner



PPA (POWER PURCHASE AGREEMENT)

With a Power Purchase Agreement, the customer can be confident that their energy consumption is covered 100% by renewable energy, as the energy originates from a plant developed exclusively on the basis of the agreement. The PPA also ensures that the customer gets attractive and stable electricity prices by buying electricity directly from the producer and outside of the energy exchange. Energi Danmark facilitates the agreement between the customer and the producer and handles the electricity supply and risk management. We hope to develop the PPA field further in coming years so that the solution becomes attractive to an even broader customer base than is currently the case.

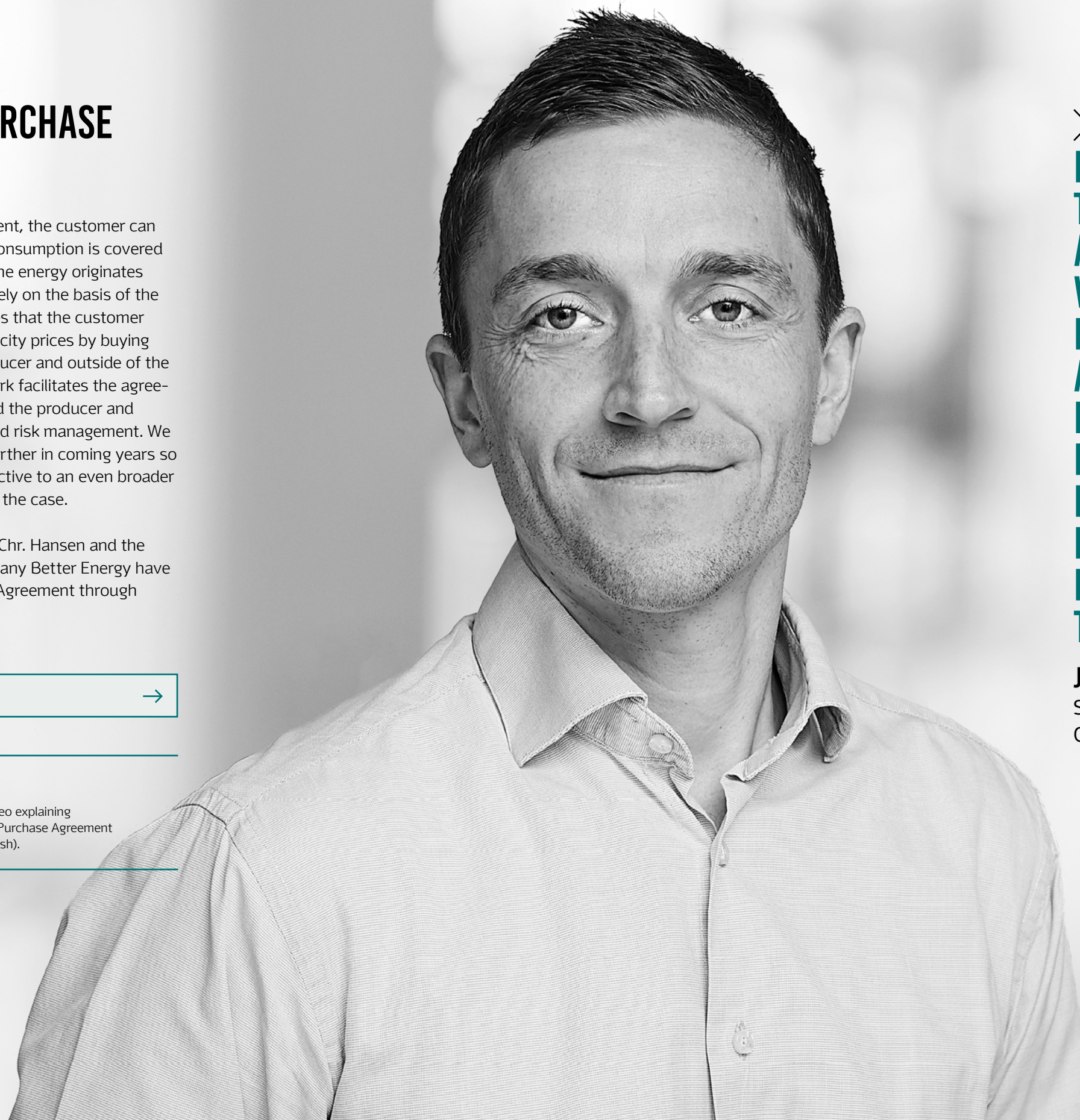
The global bioscience company Chr. Hansen and the solar energy development company Better Energy have entered into a Power Purchase Agreement through Energi Danmark. ▶

[Read more about PPA here](#) →



VIDEO

Watch our video explaining how a Power Purchase Agreement works (in Danish).



»» FOR CHR. HANSEN, IT HAS BEEN ESSENTIAL TO ENSURE THAT WE CAN CONTINUE TO ACHIEVE BUDGET SECURITY WHEN IT COMES TO OUR ELECTRICITY COSTS, IN ADDITION TO ADDING GREEN ENERGY IN DENMARK. IT COULD BE SAID THAT ENERGI DANMARK ENSURES PRICE HEDGING OF BETTER ENERGY RATHER THAN BUYING ELECTRICITY FOR US AT THE ENERGY EXCHANGE.

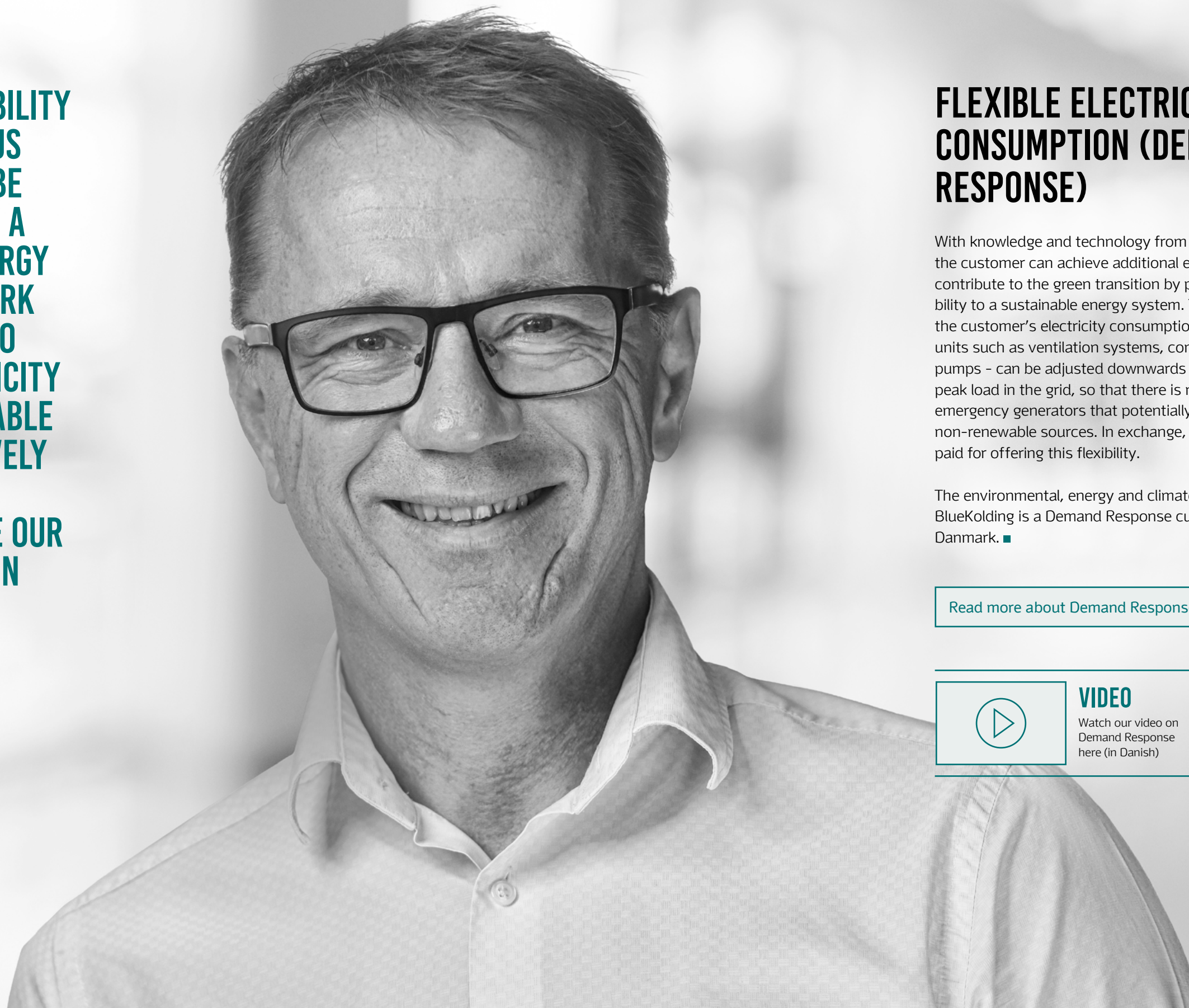
JESPER DEELA NIELSEN

Senior Category Manager,
Global Sourcing at Chr. Hansen

» OFFERING OUR FLEXIBILITY GENERATES VALUE FOR US AND WE ARE PROUD TO BE ABLE TO CONTRIBUTE TO A MORE SUSTAINABLE ENERGY SYSTEM. ENERGI DANMARK HELPS US CONTRIBUTE TO BALANCING THE ELECTRICITY SYSTEM AND THEY ARE ABLE TO EASILY AND EFFECTIVELY CONTROL OUR FLEXIBLE UNITS, SO WE CAN MAKE OUR FLEXIBILITY AVAILABLE IN THE ENERGY MARKET.

PER HOLM

CEO of BlueKolding



FLEXIBLE ELECTRICITY CONSUMPTION (DEMAND RESPONSE)

With knowledge and technology from Energi Danmark, the customer can achieve additional earnings and contribute to the green transition by providing flexibility to a sustainable energy system. This means that the customer's electricity consumption - for non-critical units such as ventilation systems, compressors or heat pumps - can be adjusted downwards during periods of peak load in the grid, so that there is no need to activate emergency generators that potentially use energy from non-renewable sources. In exchange, the customer is paid for offering this flexibility.

The environmental, energy and climate company BlueKolding is a Demand Response customer at Energi Danmark. ■

[Read more about Demand Response here](#)



VIDEO

Watch our video on Demand Response here (in Danish)

KPI DEFINITIONS

ENERGY & SOCIETY

Wind power

Amount of sold MWh (megawatt hours) of electricity produced by wind turbines.

Hydropower

Amount of sold MWh (megawatt hours) of electricity produced by hydropower plants.

Biomass

Amount of sold MWh (megawatt hours) of electricity produced by the combustion of biomass, for example straw, wood and biodegradable waste.

Bra Miljöval El

Amount of sold MWh (megawatt hours) of electricity produced by renewable sources, for example wind turbines, hydropower plants and the combustion of biomass with Bra Miljöval certification.

RESPONSIBLE TRADE

Training of all employees

Number of employees in Energi Danmark who have actively taken part in training in our policy on anti-corruption and fair competition.

Supplier risk assessment

Suppliers being risk assessed for sustainability issues.

Supplier Code of Conduct

Suppliers who have signed our Supplier Code of Conduct.

PEOPLE & CULTURE

Women in senior management

A count has been taken of how many women are on the board of directors for Energi Danmark A/S. This is calculated as a share of all board members.

The number of women in top management in Energi Danmark has also been calculated. This group consists of EMC and managers.

Managers in top management

A manager is defined as head of a department, no matter if the manager is responsible for staff or not.

Recommend Energi Danmark as a workplace

Percentage of employees in Energi Danmark who would recommend Energi Danmark as a workplace to others measured in annual employee satisfaction survey in all branches.

Working relationship with other units

Percentage of employees in Energi Danmark who have a good working relationship with other units in the organisation measured in annual employee satisfaction survey in all branches.

Sick leave

Average percentage of sick leave per employee in the Energi Danmark Group during the year.

The percentage only covers employees in Denmark and Sweden, as our Norwegian, German and Finnish subsidiaries still does not register absenteeism in the Groups staff management system "HR Orkidé". The percentage is calculated in relation to the planned working hours. Employees who do not register absences in connection with their employment, such as hourly paid student assistants, are not included in the calculation.

Attrition

Percentage of employees that have left the Energi Danmark Group for any reason during the year.

RESPONSIBLE OPERATIONS

ISO 14001 certified departments

Number of departments that have valid ISO 14001 Environmental certification.

ISO 14001 - Internal audits

Number of audits performed on own sites via personnel in Energi Danmark, who do not work on this site on a daily basis, i.e. first party audits.

ISO 14001 - External audits

Number of audits performed on own sites via persons who do not work for Energi Danmark, i.e. third party audits. We use auditors from DNV GL.

Electricity consumption

The amount of fossil fuel and renewable energy respectively is listed for each site. It is not always possible to obtain these figures from the owners of office buildings for some sites.

Water consumption

The amount of consumed water in cubic metres is listed for each site. It is not always possible to obtain these figures from the owners of office buildings for some sites. ■



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INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME

Notes	DKK '000	2020	2019
4	Revenue - Sales of power etc	44,908,748	44,541,667
	Purchase of power	-44,910,412	-44,289,540
	Net income/(loss) from financial instruments	366,719	347,597
	Gross profit	365,055	599,724
5	Staff costs	-196,531	-182,617
6, 8	Other external costs	-166,787	-199,113
7	Depreciation	-30,919	-25,355
	Operating profit	-29,182	192,639
9	Finance income	4,280	6,561
10	Finance costs	-81,923	-49,574
	Profit before tax	-106,825	149,626
11	Tax	11,951	-38,727
	Profit for the year of continuing operations	-94,874	110,899
12	Profit for the year of discontinued operations	147,435	56,478
	Profit for the year	52,561	167,377
Attributable to:			
	Shareholders of Energi Danmark A/S	52,561	167,377
		52,561	167,377
Statement of other comprehensive income			
Items that may be reclassified to profit or loss in subsequent periods			
	Exchange differences on translation of foreign operations	3,142	-2,532
	Cash flow hedge	-7,182	40,819
	Tax on cash flow hedge	1,580	-8,980
	Net other comprehensive income to be reclassified to profit or loss in subsequent periods	-2,460	29,307
	Total comprehensive income for the year, net of tax	50,101	196,684
Attributable to:			
	Shareholders of Energi Danmark A/S	50,101	196,684

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BALANCE SHEET – ASSETS

Notes	DKK '000	2020	2019
Assets			
Non-current assets			
13	Intangible assets	125,558	96,358
14	Tangible assets	25,393	27,420
11	Deferred tax	23,784	23,876
	Total non-current assets	174,735	147,654
Current assets			
	Inventory	131,221	0
19	Trade receivables	4,836,151	5,107,118
11	Tax receivable	10,211	0
19,20	Derivative assets	1,384,592	1,344,640
	Deposits	816,229	426,084
	Other receivables	233,032	210,436
	Cash	239,973	68,225
	Total current assets	7,651,409	7,156,503
12	Assets held for sale	0	746,508
	Total assets	7,826,144	8,050,665

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BALANCE SHEET – LIABILITIES

Notes	DKK '000	2020	2019
Equity			
16	Share capital	221,833	221,833
	Exchange rate reserve	-15,496	-18,638
	Retained earnings	954,574	902,013
	Cash flow hedge	3,622	9,224
	Total equity	1,164,533	1,114,432
Non-current liabilities			
19	Lease liabilities	2,742	4,193
11	Deferred tax	5,878	17,337
	Total non-current liabilities	8,620	21,530
Current liabilities			
17,19,20	Credit institutions	636,168	861,782
17,19,20	Loans	650,000	0
19	Lease liabilities	7,553	5,350
	Trade payables	3,070,226	2,920,049
17,19,20	Corporate bonds	756,744	749,565
11	Income tax payable	306	20,240
19, 20	Derivative liabilities	1,232,394	845,244
	Payment received regarding discontinued operations	0	424,543
	Other payables	299,600	609,317
	Total current liabilities	6,652,991	6,436,090
	Total liabilities	6,661,611	6,457,620
12	Liabilities directly associated with assets classified as held for sale	0	478,613
	Total equity and liabilities	7,826,144	8,050,665
15	Interest in subsidiaries		
18	Pledges, collateral and contingent liabilities		
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STATEMENT OF CHANGES IN EQUITY

Notes 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 for the year	0	0	52,561	0	52,561
Other comprehensive income in 2020					
Cash flow hedge after tax	0	0	0	-5,602	-5,602
Foreign currency translation adjustment	0	3,142	0	0	3,142
Comprehensive income for the period	0	3,142	52,561	-5,602	50,101
Equity 31 December 2020	221,833	-15,496	954,574	3,622	1,164,533
Equity 1 January 2019	221,833	-16,106	734,636	-22,615	917,748
Profit for the year	0	0	167,377	0	167,377
Other comprehensive income in 2019					
Cash flow hedge after tax	0	0	0	31,839	31,839
Foreign currency translation adjustment	0	-2,532	0	0	-2,532
Comprehensive income for the period	0	-2,532	167,377	31,839	196,684
Equity 31 December 2019	221,833	-18,638	902,013	9,224	1,114,432

During the year dividend of DKK 0.00 per share was paid (2019: DKK 0.00).

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STATEMENT OF CASH FLOWS

Notes	DKK '000	2020	2019
	Operating profit	-29,182	192,639
	Cash flow hedge	-7,182	40,819
	Depreciation and amortisation etc.	30,919	25,355
	Net foreign exchange differences	3,180	-1,679
	Gain on disposal of tangible assets	0	0
	Finance income, received	4,280	6,561
	Finance costs, paid	-81,923	-49,574
	Changes in trade and other receivables	-797,293	1,198,885
	Changes in trade and other payables	703,218	-2,982,286
	Income taxes paid	-24,773	-19,469
	Cash flow from operating activities	-198,756	-1,588,749
	Purchase of intangible assets	-47,278	-13,774
	Purchase of tangible assets	-2,398	-12,409
	Disposal of tangible assets	412	1,112
	Divestment of subsidiaries	0	424,543
	Investment in subsidiaries	-3,808	0
	Cash flow from investing activities	-53,072	399,472
	Loans	650,000	0
	Instalments on leases	-7,989	-4,017
	New bonds	757,179	0
	Expired bonds	-750,000	0
	Cash flow from financing activities	649,190	-4,017
	Cash flows from continuing operations	397,362	-1,193,294
	Cash flows from discontinued operations	0	101,302
	Cash and cash equivalents at 1 January	-793,557	298,435
	Cash and cash equivalents at 31 December	-396,195	-793,557

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Notes

1 Accounting policies

Basis of preparation

Energi Danmark A/S (the Company) is a limited company incorporated and domiciled in Denmark. Energi Danmark A/S' primary activity is trading in energy and commodities such as electricity and gas as well as carbon contracts.

The consolidated financial statements at 31 December 2020 for Energi Danmark A/S is presented in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and additional requirements in the Danish Financial Statements Act.

The consolidated financial statements of Energi Danmark A/S and its subsidiaries (collectively, Energi Danmark or the Group) for the year ended 31 December 2020 were authorised for issue in accordance with the directors on 26 March 2021.

The consolidated financial statements are presented in Danish Kroner (DKK) and all values are rounded to the nearest thousand (DKK 000's), except when otherwise indicated.

The format for presenting the income statement is based on the type of expenditure to better reflect the activities provided by Energi Danmark A/S.

For more information regarding the group structure, please refer to Note 15.

The consolidated financial statements have been prepared on a historical cost basis, except where otherwise indicated in the below stated accounting policy.

For other changes to accounting policies, see Note 2.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2020.

The consolidated financial statements cover the parent company Energi Danmark A/S and subsidiaries in which Energi Danmark A/S has control. The Group has control over an entity, when the Group is exposed to or has rights to variable returns from its involvement with the entity, and has the ability to affect those returns through its power over the entity.

Only potential voting rights that are considered to be substantive at the balance sheet date are included in the control assessment.

The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits

and losses on transactions between the consolidated entities are eliminated.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

For more information regarding the Group structure, please refer to Note 15.

Foreign currency translation

The Group's consolidated financial statements are presented in Danish Kroner (DKK), which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. Receivables, debt and other monetary items denominated in foreign currencies are translated using the exchange rate at the balance sheet date. Differences between the exchange rate at the balance sheet date and the date on which the receivable or debt arose or was included

in the latest annual reports are recognised in the income statement under financial income and costs.

Foreign currency transactions are translated during initial recognition, applying the exchange rate on the transaction date. Exchange rate differences that arise between the rate at the transaction date and the rate in effect at the payment date are recognised in the income statement as financial items.



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Differences in exchange rates arising from the translation of foreign subsidiaries' equity at the beginning of the year at the exchange rates at the balance sheet date and from the translation

of income statements from the average exchange rates for the currency exchange rates at the balance sheet date are recognised directly in other comprehensive income.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset

the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Income statement

Revenue - sale of power etc.

Sales of physical and financial electricity, gas and wind power to customers and counterparties are included and accrued in full after delivery. Revenue is measured at the contractually agreed price exclusive of VAT and taxes. The group collects payments from customers on behalf of grid companies and tax authorities. In that respect, the Group regards itself as an agent, and recognises these transactions on a net-basis.

The Groups electricity sales contracts comprises a series of identical goods which are transferred to the customer over time and revenue is recognised at the amount to which the Group is entitled. Therefore, no disclosure about future unfulfilled performance obligations is provided.

Purchase of power

Purchases of physical and financial electricity, gas and wind power from customers and counterparties are included and accrued in full after delivery.

Net income/loss from financial instruments

Net income/loss from financial instruments includes fair value adjustments of derivative financial instruments used for economic hedging of the Group's exposure to interest rate risks, foreign currency risks and commodity price risks and unrealised fair value adjustments of sales and purchase contracts qualifying for a fair value measurement. Upon delivery, the fair value of the commodity price component is considered settled through a part of the sales price for the commodity. The difference is classified as revenue.

Staff costs

Staff costs include salaries and wages, as well as social benefits, pensions, etc. for the company's staff.

Other external costs

Other external costs include expenditure for sales, marketing, advertising, IT, administration and facilities, etc.

Depreciation

Depreciation includes amortisation on completed development projects, technical facilities, operating equipment, vehicles, buildings and leasehold improvements. Depreciation is recognised based on the amortisation and depreciation profiles determined for the assets.

Finance income and costs

"Finance income" and "Finance costs" respectively include interest, capital gains and losses concerning securities as well as surcharges and refunds under the Danish Tax Prepayment Scheme etc.

Tax and deferred tax

Energi Danmark A/S is taxed jointly with Energi Danmark Securities A/S and ED Business Support A/S. The parent company is the management company for the joint taxation and settles all payments with the tax authorities.

Deferred taxes are measured based on all temporary differences between the carrying amount and taxable value of assets and liabilities. However, deferred taxes based on temporary differences concerning items on which temporary differences, other than acquisitions, have arisen at the time of acquisition without affecting profit and loss or taxable revenue are not recognised.

An adjustment is made to deferred tax resulting from elimination of unrealised intercompany profit and losses.

Realisation of the assets at their carrying amount will not cause tax liabilities or tax receivables other than those mentioned in note 11.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Balance sheet

Intangible assets

Costs for completed development projects include costs, wages and salaries that can be directly or indirectly attributed to these activities. Development projects recognised in the balance sheet are measured at cost less any accumulated amortisation and accumulated impairment losses.

Recognised costs for completed development projects are measured at cost less any accumulated amortisation and accumulated impairment losses.

The cost includes the purchase price and any costs directly associated with the acquisition until the asset is ready for use.

Costs for completed development projects are amortised on a straight-line basis over the estimated useful life, based on the expected service life up to a maximum of 10 years.

Tangible assets

Technical facilities, operating equipment and fixtures as well as leasehold improvements etc. are measured at cost less accumulated depreciations. Wind turbines acquired for the purpose of being included in the Group's operating activities are listed as non-current assets. The cost includes the purchase price and any costs directly associated with the acquisition until the asset is ready for use.

Where individual components of an item of tangible assets have different useful lives, they are depreciated separately. Depreciation is provided on a straight-line basis over the expected useful lives of the assets/components.

Depreciation is linear over the expected useful lives of the assets based on the following assessments of the expected service life of the assets:

Operating equipment, fixtures etc.	3-5 years
Leasehold improvements	7-10 years

Land is not depreciated unless there is a future obligation to return it to a third party.

Profits or losses from the sale of tangible assets are determined as the difference between the sales price less sales costs and the carrying amount at the time of the sale.

Impairment of non-current assets

Non-current assets with definite useful lives are tested for impairment when there is an indication that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an

asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Inventory

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.

Leases

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- > fixed payments
- > amounts expected to be payable by the group under residual value guarantees

The Group measures the lease assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

The lease payments are discounted using the Group's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the lease asset in a similar economic environment with similar terms, security and conditions.

Subsequent to initial measurement, the liability will be reduced with payments made and increased with interest. When the lease liability is remeasured, the corresponding adjustment is reflected in the lease asset of profit and loss if the lease asset is already reduced to zero.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease assets are measured at cost comprising the following:

- > the amount of the initial measurement of lease liability
- > any lease payments made at or before the commencement date less any lease incentives received
- > restoration costs.

Lease assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the lease asset is depreciated over the underlying asset's useful life.



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Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Financial Assets

Non-derivative financial assets are in accordance with IFRS 9 Financial Instruments classified into the categories financial assets measured at fair value through profit or loss, fair value through other comprehensive income or amortised costs.

Receivables

The Group classifies receivables, including trade receivables, as financial instruments measured at amortised costs, when both of the following conditions are met:

- > The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- > The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets within this category are measured at amortised cost using the effective interest method, less any impairment losses.

Impairment of financial assets

The Group recognises a provision for impairment for expected credit loss (ECL) on financial assets measured at amortised costs. The provision for impairment for trade receivables are measured at an amount equal to lifetime ECL. For further information on the Group's impairment of financial assets refer to note 19.

Own use of contracts

The Group enters into certain contracts that meet the criteria for the own use exemption. For these contracts the Group generally applies the fair value option, as the measurement of both the physical contracts and the related hedging instrument at the fair value through profit or loss reduces or eliminates an accounting asymmetry.

Derivative financial instruments

The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The sales and purchase contracts that qualify for accounting as derivatives are recognised in the statement of profit or loss as net income/loss from financial instruments.

Consequently, any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

If, at time of inception, a difference arises between the model value of a financial instrument or physical contract accounted for as a derivative, and the transaction price (day-one profit or loss), the difference is recognised in the income statement over the delivery period.

Unrealised gain and losses on derivatives designated as cash flow hedges of the price risk related to the sale of electricity from own wind turbines are recognised in other comprehensive income and recycled to the income statement along with realisation of the hedged transactions.

Hedging

Changes in the fair value of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised after tax in retained earnings in equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. The Group uses hedge accounting for buying the production of electricity from wind turbines at spot prices. As the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognized. The amount is recognised in the same item as the hedged transaction.

Liabilities

Financial liabilities, including payables to suppliers, corporate bonds and debt to credit institutions, are initially recognised at fair value (typically the amount of the proceeds received), net of transaction costs incurred. In subsequent periods, the financial liabilities are measured at amortised cost; any difference between the cost (the proceeds) and the nominal value is recognised in the income statement over the period of the borrowings using the effective interest method.

Other liabilities are measured at net realisable value.

Equity

Foreign currency translation reserve

The exchange rate translation reserve in the consolidated financial statements comprises exchange differences arising on the translation of the financial statements of foreign enterprises from their functional currencies into Danish kroner. On realisation, accumulated translation adjustments are reclassified from equity to financial items in the income statement.



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Dividends

The proposed dividend is recognised as a liability on the date of adoption by the Annual General Meeting (date of declaration). The expected dividend payment for the year is disclosed as a separate item under equity.

Fair value measurement

The Group measures financial instruments such as derivatives, at fair value at each balance sheet date. Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in note 20.

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.

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

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by

re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Operating segments

The operating segments are based on geographical segments, which also equals the legal structure of the Group. The segment reporting is based on the monthly reporting sent to the management.

Cash flow statement

The cash flow statement shows the Group's cash flow for the year divided into operating, investing and financing activities during the year, as well as the year's changes in cash and cash equivalents and the company's cash and cash equivalents at the beginning and end of the year.

Cash flow from operating activities

Cash flow from operating activities is presented using the indirect presentation form and is stated as the year's operating profit plus depreciation and impairment losses and with adjustments for changes in working capital, finance income/costs and paid corporate tax.

Cash flow from investing activities

Cash flow from investing activities includes payments in connection with the purchase and sale of non-current assets.

Cash flow from financing activities

Cash flow from financing activities includes cash flows provided by and dividends paid to shareholders as well as raising of loans and repayments on interest-bearing debt.

Cash

Cash comprises liquid assets that can be converted without hindrance and for which there is only limited risk of changes in value.

Cash in foreign currency are measured at the average rate of The National Bank of Denmark on the balance sheet date.

Bank overdrafts which form part of the Group's cash management and which are repayable on demand are classified as negative cash in the cash flow statement.

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Key Ratios

The key ratios were calculated in accordance with the recommendations of the Danish Society of Financial Analysts.

The key ratios listed in the overview of financial highlights were calculated as follows:

Gross margin ratio =	$\frac{\text{Gross profit} \times 100}{\text{Net revenue}}$	Equity ratio (solvency) =	$\frac{\text{Equity, excluding non-controlling interests, end of year} \times 100}{\text{Total assets, end of year}}$
Profit ratio (EBIT) =	$\frac{\text{Profit from ordinary operating activities} \times 100}{\text{Net revenue}}$	Return on equity before tax =	$\frac{\text{Profit before tax} \times 100}{\text{Average equity, excluding non-controlling interests}}$
		Return on equity after tax =	$\frac{\text{Profit after tax} \times 100}{\text{Average equity, excluding non-controlling interests}}$

2 Effects of new and amended accounting standards

On 1 January 2020, Energi Danmark implemented the following amendments to existing standards which are all effective from 1 January 2020:

> Amendment to IFRS 3, Business combinations: definition of a business

> Amendments to IAS 1 and IAS 8: defining material
> Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform

None of the amendments have had any impact on Energi Danmarks accounting policies.



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3 Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Management continuously reassesses these estimates and judgements based on a number of factors in the given circumstances. The following accounting estimates are considered significant for the financial reporting.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described in the following. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

In the process of applying the Group's accounting policies, management has made the following estimates and assumptions, which have the most significant effect on the amounts recognised in the consolidated financial statements.

Other disclosures relating to the Group's exposure to risks and uncertainties includes capital management, note 16. financial instrument risk management, liquidity risk and sensitivity analysis disclosures, note 19 and 20.

Fair value of financial and physical contracts

The Group measures its financial and physical contracts at fair value in accordance with the accounting policies as summarised in note 1.

Energi Danmark's strategy for measuring the fair value of these energy contracts is to utilise quoted prices in an active trading market.

In the absence of quoted prices for identical or similar energy contracts, general acceptable valuation models are applied and observable market data is used as input to the fair value calculations. Where the instruments are complex combinations of standard or non-standard products, unobservable market data may be used in the valuation models in order to calculate the fair value.

To ensure the validity and accuracy of the models all assumptions and inputs are approved and continuously tested.

The assumptions within the models used to determine the fair value of the physical and financial energy contracts in accordance with IFRS 13 are central, since any changes in assumptions could have a significant impact on the fair values and movements which are reflected in the consolidated income statement and balance sheet.

The physical contracts in the balance sheet as derivate assets or liabilities are valued based on expected future consumption or production of energy to which there is some uncertainty attached as the expectations may deviate from what will be realized.

More detail on the assumptions used in the fair value measurement of the Group's energy contracts and related sensitivities are further described in note 20.

On physical fixed price contracts the fair value is comprised by the financial element of the contract, which at initial recognition is zero.

At 31 December 2020, the carrying amount of derivative assets and liabilities amounts to DKK 1,385m (2019: DKK 1,345m) and DKK 1,232m (2019: DKK 845m), respectively.

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4 Operating segments

Management has defined the Groups business segments (reportable segments) based on the reporting presented regularly to the Executive Board and which forms the basis for Managements strategic decisions. The segmentation reflects the legal structure of the Group.

- > **Energi Danmark:** Physical and financial energy trading, carbon trading and trading with gas and wind energy. Sells energy to the subsidiaries.
- > **Energi Danmark Securities:** Delivers portfolio management services, and trade with derivative financial instruments in this relation.
- > **Energi Försäljning Sverige:** Sells energy on the Swedish market

- > **Energia Myynti Suomi:** Sells energy on the Finnish market
- > **Energi Salg Norge:** Sells energy on the Norwegian market
- > **Energie Vertrieb Deutschland EVD GmbH:** Sells energy on the German market
- > **ED Business Support:** Sells billing and IT solutions
- > **Energi Danmark Anadolu Elektrik Enerjisi Tiptan Ticaret Limited Sirketi:** Energy trading
- > **Disam Nm Dooel Skopje:** Energy trading
- > **DISAM BH d.o.o.:** Energy trading

The reportable segments have been determined without aggregating operating segments.

	2020						
	Total revenue	Internal revenue	External revenue	Finance income	Finance costs	Depreciation and amortisation	Reportable segment profit/loss before tax
Energi Danmark	44,668,527	4,670,577	39,997,950	12,024	88,251	21,419	-94,051
Energi Danmark Securities	34,210	23,664	10,546	1,273	13	1,002	-13,843
ED Business Support	28,854	28,854	0	6	27	5,552	607
Energi Försäljning Sverige	1,698,787	0	1,698,787	3,583	508	1,128	15,824
Energia Myynti Suomi	1,459,677	0	1,459,677	1,865	37	676	-3,052
Energi Salg Norge	516,772	0	516,772	470	2,086	552	2,080
Energie Vertrieb Deutschland EVD GmbH	1,225,016	0	1,225,016	1,058	7,000	590	-13,837
Energi Danmark Anadolu Elektrik Enerjisi Tiptan Ticaret Limited Sirketi	0	0	0	0	0	0	-549
Disam Nm Dooel Skopje	0	0	0	0	0	0	-4
DISAM BH d.o.o.	0	0	0	0	0	0	0
Total segments	49,631,843	4,723,095	44,908,748	20,279	97,922	30,919	-106,825
Adjustment and elimination	-4,723,095	-4,723,095	0	-15,999	-15,999	0	0
Consolidated	44,908,748	0	44,908,748	4,280	81,923	30,919	-106,825

Adjustment and elimination consists of elimination of internal transactions. The transactions between the segments are made on market conditions.

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	2019						
	Total revenue	Internal revenue	External revenue	Finance income	Finance costs	Depreciation and amortisation	Reportable segment profit/loss before tax
Energi Danmark	44,376,165	6,715,096	37,661,069	11,173	55,688	22,201	114,492
Energi Danmark Securities	25,085	5,928	19,157	244	20	79	25,643
ED Business Support	12,207	12,207	0	0	13	0	568
Energi Försäljning Sverige	2,375,968	0	2,375,968	2,838	251	467	22,164
Energia Myynti Suomi	1,902,840	0	1,902,840	1,229	38	204	-6,430
Energi Salg Norge	1,444,441	0	1,444,441	1,272	1,476	276	1,569
Energie Vertrieb Deutschland EVD GmbH	1,138,192	0	1,138,192	1,914	4,197	2,128	-8,380
Energi Danmark Anadolu Elektrik Enerjisi Toptan Ticaret Limited Sirketi	0	0	0	0	0	0	0
Disam Nm Dooel Skopje	0	0	0	0	0	0	0
Total segments	51,274,898	6,733,231	44,541,667	18,670	61,683	25,355	149,626
Adjustment and elimination	-6,733,231	-6,733,231	0	-12,109	-12,109	0	0
Consolidated	44,541,667	0	44,541,667	6,561	49,574	25,355	149,626

Adjustment and elimination consists of elimination of internal transactions. The transactions between the segments are made on market conditions.

	2020	2019	2020	2019
	External revenue		Non-current assets (excluding deferred tax asset)	
Denmark*	40,008,496	37,680,226	147,876	121,850
Sweden	1,698,787	2,375,968	700	230
Finland	1,459,677	1,902,840	642	529
Germany	1,225,016	1,138,192	865	635
Norway	516,772	1,444,441	868	534
Total	44,908,748	44,541,667	150,951	123,778

Revenue is allocated to the country of domicile for the customer. No single customer accounts for more than 10% of consolidated revenue. * Gas included in external revenue with DKK 17.0m (2019: DKK 13.4m) Governments grants: DKK 0m (2019: DKK 39.3m)

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5	Staff costs		
	Wages and salaries and remuneration	175,715	162,074
	Pensions, defined contribution plans	15,016	14,580
	Other expenses for social security.	5,800	5,963
		196,531	182,617
	Of this amount:		
	Board of Directors, wages and salaries	125	125
	Executive Management, wages and salaries	10,739	17,995
		10,864	18,120
	Average number of full time employees	219	211
	The Executive Management has a bonus scheme that is based on achieved Group earnings. The wages and salaries in 2019 is further affected by a non-recurrent remuneration to the CEO.		
6	Development project costs		
	Relationship between costs and expensed research and development:		
	Incurred IT-development costs		
	IT-development costs accounted for under intangible assets	47,278	13,774
	IT-development costs for the year in the income statement	0	29,603

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Notes	DKK '000	2020	2019
7	Depreciation		
	Amortisation of intangible assets	18,075	17,392
	Depreciation of tangible assets	3,911	3,783
	Depreciations of leased assets	8,933	4,180
		30,919	25,355
8	Fees paid to auditors appointed at the annual general meeting		
	Fee regarding statutory audit	2,699	1,584
	Tax assistance	88	47
	Assurance engagements	22	29
	Other assistance	992	940
		3,801	2,600
9	Finance income		
	Interest income, credit institutions	42	354
	Interest on late payments	3,138	5,352
	Other interest income	1,100	855
		4,280	6,561
10	Finance costs		
	Interest expenses, credit institutions	39,762	15,874
	Leasing	556	256
	Interest expenses, corporate bonds	28,685	18,250
	Interest rate swaps	7,236	14,717
	Other interest expenses	5,684	477
		81,923	49,574

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11	Tax		
Tax for the year is composed as follows:			
	Tax on profit for the year in the income statement	-11,951	38,727
Tax on profit for the year has been calculated as follows:			
	Current tax for the year	3,631	35,895
	Change of deferred tax	-12,277	3,406
	Adjustment of prior-year current tax	-3,305	-574
		-11,951	38,727
Specification of the tax on the profit for the year:			
	Calculated 22% tax of the profit for the year	-23,502	50,812
	Adjustment of calculated tax in foreign subsidiaries	2,183	1,745
	Non-deductible costs and non-taxable income	-2,405	-18,210
	Adjustment of tax, previous years	11,773	4,380
	Effective tax	-11,951	38,727
Income tax receivable/payable			
	Income tax receivable/payable at 1 January	-20,240	5,259
	Foreign currency translation adjustments, income tax	5,102	295
	Adjustment of tax, previous years	74	-400
	Transferred from deferred tax	3,828	12
	Current tax for the year	-3,632	-44,875
	Income tax received	-9,843	-4,422
	Income tax paid	34,616	23,891
	Income tax receivable/payable at 31 December	9,905	-20,240
Income tax is recognised in the balance sheet:			
	Income tax receivable	10,211	0
	Income tax payable	-306	-20,240
		9,905	-20,240

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Deferred tax			
	Deferred tax, 1 January	-6,539	50,236
	Effect discontinued operations	0	-60,184
	Foreign currency translation, adjustments, deferred tax	-348	3
	Transferred to income tax	3,828	12
	Change of deferred tax	-14,847	3,394
	Deferred tax 31 December	-17,906	-6,539
Deferred tax relates to:			
	Intangible assets	27,622	14,468
	Tangible assets	-1,210	-1,394
	Loss allowance on trade receivables	-943	-2,057
	Foreign accounting policies	5,880	-9,628
	Tax losses carryforward	-47,473	-7,440
	Corporate bonds	-2,540	-488
	Provision and hedge	758	0
	Carrying amount 31 December	-17,906	-6,539
Deferred tax is recognised as follows in the balance sheet:			
	Deferred tax asset	-23,784	-23,876
	Deferred tax liability	5,878	17,337
		-17,906	-6,539

Deferred tax assets are measured at the value at which the asset is expected to be realized. Either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

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Notes	DKK '000	2020	2019
12	Discontinued operations		
	Financial performance and cash flow information		
	Revenue	0	87,536
	Net income/loss from financial instruments	0	46,428
	Expenses	0	-61,556
	Profit before income tax	0	72,408
	Income tax expense	0	-15,930
	Profit from discontinued operations	0	56,478
	Sales price net sales cost	423,931	0
	Carrying amount of net assets	-276,496	0
	Disposal gain	147,435	0
	Net cash flows from operating activities	0	29,647
	Net cash flows from investing activities	0	12,225
	Total cash flows	0	41,872
	Assets and liabilities of disposal group classified as held for sale		
	Assets classified as held for sale		
	Property, plant and equipment	0	732,583
	Deposits	0	900
	Other receivables	0	13,025
	Total assets of disposal held for sale	0	746,508
	Liabilities directly associated with assets classified as held for sale		
	Deferred tax	0	60,089
	Credit institutions	0	360,040
	Trade payables	0	967
	Debt to affiliates	0	5,716
	Derivative liabilities	0	39,091
	Other payables	0	4,109
	Total liabilities of disposal group held for sale	0	470,012
	Net assets classified as held for sale	0	276,496

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13 Intangible assets

	2020		
	Completed development projects	Development projects in progress	Total
Cost 1 January	323,204	0	323,204
Foreign currency translation adjustment	1	0	1
Additions	0	47,278	47,278
Transfers	47,278	-47,278	0
Cost 31 December	370,483	0	370,483
Accumulated amortisations 1 January	226,846	0	226,846
Foreign currency translation adjustment	4	0	4
Amortisations for the year	18,075	0	18,075
Accumulated amortisations 31 December	244,925	0	244,925
Carrying amount 31 December	125,558	0	125,558

	2019		
	Completed development projects	Development projects in progress	Total
Cost 1 January	305,799	3,676	309,475
Foreign currency translation adjustment	-45	0	-45
Additions	0	13,774	13,774
Transfers	17,450	-17,450	0
Cost 31 December	323,204	0	323,204
Accumulated amortisations 1 January	209,503	0	209,503
Foreign currency translation adjustment	-49	0	-49
Amortisations for the year	17,392	0	17,392
Accumulated amortisations 31 December	226,846	0	226,846
Carrying amount 31 December	96,358	0	96,358

Development projects in progress includes development and test of IT-systems, which support the daily operation of the Group. The costs consists of internal costs, e.g. salary and external costs, e.g. assistance from external IT developers. The development of the IT systems is expected to lead to better service of customers.

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14 Tangible assets	2020				
	Leasehold improvements	Vehicles	Tools and equipment	Buildings	Total
Cost 1 January	6,934	9,675	17,935	13,560	48,104
Foreign currency translation adjustment	-9	-44	-271	0	-324
Additions	323	1,548	527	8,741	11,139
Disposals	0	-1,086	0	0	-1,086
Cost 31 December	7,248	10,093	18,191	22,301	57,833
Accumulated depreciation 1 January	4,970	3,843	7,691	4,180	20,684
Foreign currency translation adjustment	0	-29	-260	0	-289
Depreciations for the year	706	1,871	1,334	8,933	12,844
Depreciations, disposals for the year	0	-799	0	0	-799
Accumulated depreciations 31 December	5,676	4,886	8,765	13,113	32,440
Carrying amount 31 December	1,572	5,207	9,426	9,188	25,393
Depreciation period	10 years	5 years	3-5 years	3-4 years	

In the current value of Buildings, DKK 9.2m is relating to leases. Depreciation expenses relating to leases recognised in profit (loss) were DKK 8.9m. For assets pledged as security, please refer to note 18. The Group has no significant contractual commitment to invest in tangible assets in future years.

Leases

The Group leases various offices. Extension and termination options are included in a number of property and equipment leases across the Group. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

The Group has entered into leases of DKK 65.8m which are not commenced and therefore, they are not included in the lease liabilities.

Total cash outflows for leases were DKK 8.0m in 2020.

Interests on lease debt expensed in profit (loss) were DKK 0.6m (2019: DKK 0.3m) in 2020. There are no expenses related to leases of low-value assets.

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	2019				
	Leasehold improvements	Vehicles	Tools and equipment	Buildings	Total
Cost 1 January	6,934	11,194	934,355	0	952,483
Cost 1 January leases assets	0	0	0	13,560	13,560
Additions	0	3,143	9,266	0	12,409
Disposals	0	-4,662	-11,994	0	-16,656
Transferred to assets classified as held for sale	0	0	-913,712	0	-913,712
Cost 31 December	6,934	9,675	17,915	13,560	48,084
Accumulated depreciation 1 January	4,272	5,208	154,760	0	164,240
Depreciations for the year	698	1,954	38,467	4,180	45,299
Depreciations, disposals for the year	0	-3,319	-4,427	0	-7,746
Transferred to assets classified as held for sale	0	0	-181,129	0	-181,129
Accumulated depreciations 31 December	4,970	3,843	7,671	4,180	20,664
Carrying amount 31 December	1,964	5,832	10,244	9,380	27,420
Depreciation period	10 years	5 years	3-5 years	3-4 years	

In the current value of Buildings, DKK 9.4m is relating to leases.
 Depreciation expenses relating to leases recognised in profit (loss) were DKK 4.2m.
 For assets pledged as security, please refer to note 18. The Group has no significant contractual commitment to invest in tangible assets in future years.



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Notes	DKK '000			
	Name	Address	Country of incorporation	Voting right and ownership share
15	Interest in subsidiaries			
	Energi Danmark Securities A/S	Sundkrogsgade 21, 2. 2100 København Ø	Denmark	100%
	Energi Försäljning Sverige AB	Hyllie Stationstorg 31, 21532 Malmö	Sweden	100%
	Energia Myynti Suomi Oy	Teknoboulevardi 3-5, 01530 Vantaa	Finland	100%
	Energi Salg Norge AS	Drammensveien 123, Skøyen, 0277 Oslo	Norway	100%
	Energie Vertrieb Deutschland EVD GmbH	Christoph-Probst-Weg 4, 20150 Hamburg	Germany	100%
	ED Business Support A/S	Hedeager 5, 8200 Aarhus N	Denmark	100%
	Energi Danmark Anadolu Elektrik Enerjisi Toptan Ticaret Limited Sirketi	Esentepe Mahallesi Ecza Sokak Polcenter Ismerkezi C Blok No: 4/1 Levent Sisli Istanbul	Turkey	100%
	Disam Nm Dooel Skopje	Str. 8-ma Udarina Briada no. 43/3, Skopje - Centar	Macedonia	100%
	DISAM BH d.o.o.	Maglajska 1, 71000 Sarajevo	Bosnia-Herzegovina	100%

16 Share capital

Capital management

The capital structure is managed by Energi Danmark on behalf of the Group. This applies to managing capital used in daily operation as well as planning and deciding dividends to Energi Danmark.

The Group uses own funding, bank facilities and corporate issued bonds to finance working capital requirements.

The overall objective when managing capital is to ensure a continued development and strengthening of the Group's capital structure to support profitable growth.

The long term objective relating to capital structure is to improve solvency ratio significantly. This will primarily be achieved

through consolidation of future results. It has been agreed with the shareholders and the owners of the corporate bond, that no dividend will be distributed, before the solvency ratio equals a minimum of 20%. The solvency ratio at 31 December 2020 amounts to 14.9% (31 December 2019: 13.9%)

Share capital

The share capital as of 31 December 2020 consists of 221,833,336 shares of a nominal value of 1 DKK. (2019: 221,833,336 shares of a nominal value of 1 DKK).

All shares have the same voting rights.

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17	Borrowings		
	Credit institutions and borrowings		
	Current borrowings		
	Debt to credit institutions	636,168	861,782
	Loans	650,000	0
	Corporate bonds	756,744	749,565
		2,042,912	1,611,347
	Total borrowings		
	Nominal value		
	Maturity of non-current and current borrowings		
	Less than one year	2,042,912	1,611,347
	Between one and five years	0	0
	More than five years	0	0
		2,042,912	1,611,347

The interest rate to credit institutions is variable. The variable interest rate is hedged using interest rate swaps. Refer to the description in note 19.

Issued bonds consists of corporate bonds issued on First North in Denmark.

Issuer	Nominal value	Interest rate margin	Received	Due	31 December 2020
Energi Danmark A/S*	750,000	2.40%	2017	22 June 2021	756,744

*The interest rate is set every three months as three-month CIBOR + 2.40%. The listed interest rate was set on 31 December 2020. The bond has been extended by 1 year. The redemption price will be 101.

Due to the uncertain financial markets in 2020, the Energi Danmark Group chose to extend the maturity of its DKK 750m corporate bond for one year with the current bondholders rather than issuing a new bond. The maturity extension was successful and extended the maturity date until June 2022.



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Notes	DKK '000	2020	2019
18	Pledges, collateral and contingent liabilities		
	The following assets are pledged as collateral for trading on power exchanges as well as balances with counterparties:		
	Power exchange Nord Pool Spot, EEX, APX , Nasdaq OMX and other counterparties etc.		
	Deposited cash	699,927	486,024
	Guarantees		
	Guarantees provided by a financial institute	1,791,196	1,335,367



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19 Risks, financial instruments and recognised transactions

The Energi Danmark Group is exposed to market risks (price, volume, currency exchange risks), operational risks, credit risks, interest rate risks and liquidity risks. The Group's Executive Directors oversees the management of these risks. The Group's senior management is supported by a risk management team that advises on financial risks and the appropriate financial risk governance framework for the Group.

All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below. Energi Danmark is exposed to credit risks from our trading partners and customers.

Credit risk

Energi Danmark is exposed to credit risks from our trading partners and customers.

The credit risk exposure depends on the creditworthiness of the customers and counterparties. The customers are primarily to be found within the public sector, utility sector and across business markets (B2B).

Trading partners

The counterparties are typically established companies trading with commodities. Our trading with these companies is regulated under standard agreements, such as EFET and ISDA agreements which feature, for instance credit rating and netting provisions.

All counterparties are subject to a credit-rating before starting to trade. Existing counterparties are also reevaluated on an ongoing basis especially when new contracts are due to be signed. Counterparts are all evaluated and given a line of exposure within

which daily exposures are calculated and monitored by the Risk Management department.

The daily credit risk regarding counterparties varies significantly due to fluctuations in market prices (ie. fluctuations in electricity and gas prices, currencies etc.), as well as trading activity with the different counterparties.

Customers

All customers are subject to a credit-rating before starting to trade. Existing customers are also reevaluated on an ongoing basis especially when new contracts are due to be signed. To do the credit rating Energi Danmark uses a credit rating score model from an external party. If the score is below certain predefined levels a manual credit-rating is done as well, either accepting the new contract or asking for additional security before signing.

It is the credit rating policy not to decline any customer that would like to trade with Energi Danmark, however when evaluating the credit-score and, if necessary, security requirements, the Finance department demands high standards. The necessity of maintaining high standards has become even more relevant since the Wholesale Model was implemented because losses from customers not paying their energy taxes and the transport of electricity have shifted from grid companies/Energinet.dk to trading companies like Energi Danmark.

The maximum exposure for credit risk on financial assets is reflected in the carrying amounts of financial assets in the balance sheet, without deducting the received deposits.

Based on the above description, it is assessed, that the overall credit risk for the Energi Danmark Group is considered to be low.

	2020		2019	
	Carrying amount before impairment	Provision for impairment	Carrying amount before impairment	Provision for impairment
Trade receivable and provisions for impairment:				
Customers not due	4,832,647	1,510	5,095,856	4,819
Customers in dunning process	4,721	1,387	19,788	4,985
Insolvent customers	7,524	5,844	6,382	5,104
Total	4,844,892	8,741	5,122,026	14,908

Trade receivables are subject to impairment, where the actual provision is made based on a predefined percentage dependent on the numbers of reminders sent to the customer. If the customer

enters into bankruptcy or equivalent procedure a full writeoff of the receivable is performed.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****Notes****Liquidity risk**

In Energi Danmark many of the working capital requirements from trading activities exist due to the funding of purchase of electricity for delivery to our customers and day-to-day settlement on incoming futures towards exchanges. Especially since the Wholesale Model was implemented, the liquidity requirements has increased by the end of each month, but rapidly declines at the beginning of the following month. The increase is due to the fact that Energi Danmark has to pay grid companies/Energinet.dk for customer consumption-related energy taxes, transportation of electricity and PSO before receiving payments from customers. The use of futures with day-to-day cash settlement also has significant impact on the requirement for cash. When the price of electricity increases, the liquidity will increase as well, while a decrease in electricity prices will decrease the cash position. A decrease in the price of EUR 1 means an increased liquidity draw of approximately DKK 172m.

The liquidity risk is managed and monitored on a daily basis and a cash flow prognosis showing expected future cash movements is maintained. During 2020 the Group cash reserve have been improved.

The Group owners (Andel A.m.b.a., SEAS-NVE Strømmen A/S and NRGi A.m.b.a.) have extended the guarantees of DKK 1,200m until May 2022.

Due to the uncertain financial markets in 2020, the Energi Danmark Group chose to extend the maturity of its DKK 750m corporate bond for one year with the current bondholders rather than issuing a new bond. The maturity extension was successful and extended the maturity date until June 2022.

When trading electricity on the exchanges there is a requirement for margin calls to be covered by collaterals in the form of guarantees or cash. The mentioned guarantee's given can be seen in note 18. The amount to be covered by guarantees is calculated by the exchange every day and sent to Energi Danmark. Back office receives and monitors the collaterals always making sure that sufficient collateral is in place.

Energi Danmark estimates that there is sufficient liquidity and collateral lines to support the business the coming year.

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	Contractual maturity incl. interest (cash flow)				
	Carrying amount	Total	< 1 year	1-5 years	> 5 years
31 December 2020					
Non-derivative financial instruments					
Borrowings current and non-current	2,042,912	2,052,668	2,052,668	0	0
Lease liabilities	10,295	10,295	7,553	2,742	0
Trade payables	3,070,226	3,070,226	3,070,226	0	0
Other liabilities	299,600	299,600	299,600	0	0
Derivative financial instruments					
Derivatives	1,232,394	1,232,394	556,156	662,347	13,891
Total financial instruments	6,655,427	6,665,183	5,986,203	665,089	13,891

	Contractual maturity incl. interest (cash flow)				
	Carrying amount	Total	< 1 year	1-5 years	> 5 years
31 December 2019					
Non-derivative financial instruments					
Borrowings current and non-current	1,611,347	1,620,347	1,620,347	0	0
Lease liabilities	9,543	9,543	5,350	4,193	0
Trade payables	2,920,049	2,920,049	2,920,049	0	0
Payment received regarding discontinued operations	424,543	424,543	424,543	0	0
Other liabilities	609,317	609,317	609,317	0	0
Derivative financial instruments					
Derivatives	845,244	845,244	289,073	510,527	45,644
Total financial instruments	6,420,043	6,429,043	5,868,679	514,720	45,644

The contractual maturity analysis is based on the expected contractual cash flows.



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Interest rate risk

Energy Denmark is partly financing its operation with loans from banks. The loans are subject to a variable interest rate. Cash flows and interest rate levels are monitored on a regular basis.

The interest rate is hedged using interest rate swaps for the coming year. The corporate bond interest rate is based on a CIBOR + fixed margin.

Sensitivity analysis

Regarding the balances and loans with variable interest rate, a decrease in the interest rate of 1%-point compared to the interest rates at the balance sheet date, would lead to a negative effect of DKK 4.0m (2019: DKK 20.5m) in the profit and loss before tax and DKK 3.1m (2019: DKK 16m) on the equity. A corresponding increase in the interest rate would lead to a negative effect of DKK 1.8m (2019: DKK 14.1m) in the profit and loss before tax and DKK 1.4m (2019: DKK 11m) on the equity.

The sensitivity analysis is based on the recognised financial assets and liabilities and the interest rate swaps at the balance sheet date. No repayments of loans or new borrowings has been taken into account. The used change in interest rate is assessed to be reasonably likely considering the current market conditions.

Market risk

The market price for electricity has shown to be quite volatile and subject to changes and events that can not be predicted.

Combined customer consumption is monitored on a regular basis in order to predict and adjust the corresponding hedge position. Due to Covid-19 and changes in customer consumption volume, this has been a more difficult in 2020, where the uncertainty of future expected volumes have been higher than usual.

The spot price is determined hourly on the physical exchanges and forms the basis for financial trading of electricity on futures and forward contracts.

Being present in multiple countries with different currencies (primarily DKK, NOK, SEK, EUR and GBP) also exposes the group to fluctuations and changes in exchange rates against DKK. Exposure is monitored on a daily basis and the Group enters into currency rate contracts in order to hedge exposure thereby minimizing the risk.

The price risk from selling electricity with fixed price elements are hedged by buying corresponding financial contracts on the exchange markets thereby securing Energi Danmark the contract margin.

Another market risk is the volume risk, when trading electricity based on future prices (with fixed price elements) because the corresponding price hedge needs to match actual customer volume in order to avoid ineffective positions. Ineffective positions are the risk of the company and settled as the difference between the hedge and the spot price, which can give both a profit and losses. If actual consumption is lower than the hedged volume and the hedged price higher than the spot price, the result is a loss and vice versa.

To manage all of these risks the Risk Management department is using an ETRM-system called Elviz. Elviz is the foundation for calculating daily exposures using both VaR-based models and models developed inhouse showing day-to-day risks and MWh-exposure. Elviz contains almost all of Energy Denmark's positions/contracts, which are used as a basis for calculating the exposure using price curves derived from exchange quotes (where applicable).

	2020			2019		
	P/L effect before tax	Equity effect	Reasonably possible change in variable%	P/L effect before tax	Equity effect	Reasonably possible change in variable%
Electricity	7,807	6,089	5%	5,888	4,593	5%
Currency exchange rate	23,535	18,357	5%	12,250	9,555	5%

The sensitivity analysis is based on the recognised financial assets and liabilities at the balance sheet date. Expected volatility of 5% is

used for all markets and products in the sensitivity analysis.



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20 Information about financial instruments

Categories of financial instruments

	2020		2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Trade receivables	4,836,151	4,836,151	5,107,118	5,107,118
Other receivables and deposits	1,059,472	1,059,472	636,520	636,520
Cash	239,973	239,973	68,225	68,225
Financial assets measured at amortised cost	6,135,596	6,135,596	5,811,863	5,811,863
Derivative assets	1,384,592	1,384,592	1,344,640	1,344,640
Financial assets measured at fair value through profit or loss	1,384,592	1,384,592	1,344,640	1,344,640
Credit institutions	636,168	636,168	861,782	861,782
Loans	650,000	650,000	0	0
Corporate bonds	756,744	757,500	749,565	757,500
Trade payables	3,070,226	3,070,226	2,920,049	2,920,049
Payment received regarding discontinued operations	0	0	424,543	424,543
Lease liabilities	10,295	10,295	9,543	9,543
Other payables	299,600	299,600	609,317	609,317
Financial liabilities measured at amortised costs	5,423,033	5,423,789	5,574,799	5,582,734
Derivative liabilities	1,232,394	1,232,394	845,244	845,244
Financial liabilities measured at fair value through profit or loss	1,232,394	1,232,394	845,244	845,244

	2020	2019
Assets		
Financial	241,094	224,020
Physical	1,143,498	1,120,620
	1,384,592	1,344,640
Liabilities		
Financial	225,240	219,802
Physical	1,007,154	625,442
	1,232,394	845,244

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Fair value measurement of financial instruments

	2020			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Derivative financial assets:				
Foreign exchange forward	0	16,434	0	16,434
Commodity derivative	95,190	861,852	411,116	1,368,158
Total	95,190	878,286	411,116	1,384,592

Financial liabilities measured at fair value

Derivative financial liabilities:				
Interest rate swaps	0	11,911	0	11,911
Foreign exchange forward	0	68,853	0	68,853
Commodity derivative	1,260	1,021,289	129,081	1,151,630
Total	1,260	1,102,053	129,081	1,232,394

There is an off-balance MtM-value regarding the gas in inventory at the balance-sheet day of DKK 167.1m.

	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

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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 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.

Foreign exchange forwards and interest rate swaps

Foreign exchange forwards and interest rate swaps are measured using generally accepted valuation techniques based on relevant observable swap-curves and foreign exchange rates.

Commodity derivatives

Commodity derivatives are measured using generally accepted valuation techniques based on relevant observable electricity price curves, foreign exchange rates etc. and manual calculated charges.

Since there are no active markets for the long-term prices of electricity, the fair value has been determined through an estimate of the future prices. The most important parameter resulting in the commodity contracts being classified as level 3 is the electricity price. Normally, the price can be observed for 5 years in the electricity market, after which an active market no longer exist. Beyond this horizon the electricity prices are based on the known prices are used together with an appropriate interest rate to extrapolate the prices to future periods, where no prices are available. The used interest rate amounts to 2% at 31 December 2020 (2% at 31 December 2019).

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% the net level 3 value will change with DKK 19.9m. (2019: DKK 23.4m.)

The transfers from level 3 to level 2 consists primarily of wind contracts, where the terms of the contract is less than 5 year at the year end. Besides this DKK 29.9m in new transactions related to level 3.

Trade receivables, trade receivables from associates, other receivables and deposits, credit institutions, trade- and other payables

Trade receivables, trade receivables from associates, other receivables and deposits, credit institutions, trade- and other payables with a short credit time is assessed to have a fair value, which equals the carrying amount.

	2020	2019
Level 3		
Opening balance 1 January	196,847	158,314
Gains/loss recognised	55,262	-13,623
Transfers	29,926	52,156
Total	282,035	196,847

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Cash flow hedge

The Group's purchase contracts with its previously owned company Energi Danmark Vind are maintained. As part of managing the electricity price risk in these contracts, the Group enters into financial derivatives comprising of Nordpool system price contracts and contracts for difference between the Nordpool system price and the local area price. The contracts are designated as cash flow hedges of the price risk related to highly probable sales of electricity.

price is hedged. This is considered a hedge of the component of the local area price and is therefore also fully effective in respect of price risk. Ineffectiveness may arise due to difference between actual production volumes and hedged production volumes.

The average price in EUR/MWh is 31.14.

As of 31 December 2020, the Group has the following contracts designated as cash flow hedges:

The combination of these contracts establish a perfect hedge in respect of price risk. In some cases, only the Nordpool system

Positive fair value 2020	Settlement 2021	Settlement 2022	Settlement 2023	Settlement 2024	Settlement 2025
	MWh	MWh	MWh	MWh	MWh
3,622	148,657	37,668	37,668	37,683	37,668

As of 31 December 2019, the Group had the following contracts designated as cash flow hedges:

Positive fair value 2019	Settlement 2020	Settlement 2021	Settlement 2022	Settlement 2023	Settlement 2024	Settlement 2025
	MWh	MWh	MWh	MWh	MWh	MWh
9,224	226,715	148,657	37,668	37,668	37,683	37,668

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts

and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

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Offsetting of current derivatives	2020			2019		
	Derivative assets	Derivative liabilities	Total	Derivative assets	Derivative liabilities	Total
Gross	8,243,897	-8,091,699	152,198	6,455,356	-5,955,960	499,396
Netting	-6,859,305	6,859,305	0	-5,110,716	5,110,716	0
Financial assets/liabilities in the balance sheet	1,384,592	-1,232,394	152,198	1,344,640	-845,244	499,396
Collateral	178,805	0	178,805	108,865	0	108,865
Net	1,563,397	-1,232,394	331,003	1,453,505	-845,244	608,261

The sales contracts and the associated hedging contracts can only be offset to a limited extent, as the transactions are made with different counterparties. As a consequence, the net value of the derivatives will be affected by the difference between the average sales price, the price of the hedging and the current market price at the balance sheet date as well as the size of the open positions.

21 Related party disclosures

Energi Danmark's related parties include the following:

Controlling interest

Energi Danmark A/S does not have any related parties with controlling interest.

Ownership

The following shareholders are noted in the company's shareholder list and are considered to have significant influence over Energi Danmark A/S:

	% ownership
Andel A.m.b.a., Hovedgaden 36, Svinninge	28.97
NRGi A.m.b.a., Dusager 22, Aarhus N	23.12
Energi Nord Holding A/S, Over Bækken 6, Aalborg	18.37
EWII Energi A/S, Kokbjerg 30, Kolding	16.50
SEAS-NVE Strømmen A/S, Hovedgaden 36, Svinninge	11.52
SEF Energi A/S, Fåborgvej 64, 5700 Svendborg	1.12
Fonden Langelands Elforsyning, Spodsbjergvej 141, 5900 Rudkøbing	0.40
	100.00

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**Notes****Management**

The Group's related parties further includes members of the Board of Directors and Executive Management. Remuneration to the Board of Directors and Executive Management is disclosed in note 5.

The Group has had the following transactions and balances with related parties:

	2020	2019
Sale of power to owners	1,375,662	2,280,638
Purchase of power from key personnel	11,923	9,638

Related-party transactions are made on arm's length terms. Intra-group transactions have been eliminated in the consolidated financial statements.

22 Subsequent events

No events have occurred after the reporting date of importance to the consolidated financial statements.

23 Standards issued but not yet effective

IASB has issued the following amendments to existing standards which are not yet effective and which are relevant for Energi Danmark.

- > Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current
- > Amendments to IAS 37, Provisions, contingent liabilities and contingent assets: Onerous contracts – costs of fulfilling a contract

- > Annual improvements 2018-2020
- > Amendment to IFRS 16 Leases Covid 19-Related Rent Concessions

Energi Danmark does not expect any of these changes to have significant impact on the accounting policies.

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INCOME STATEMENT

Notes	DKK '000	2020	2019
3	Revenue - Sales of power etc.	44,668,527	44,376,164
	Purchase of power	-44,726,232	-44,178,360
	Net income/loss from financial instruments	350,901	300,196
	Gross profit	293,196	498,000
4	Staff costs	-130,758	-130,584
	Other external costs	-174,940	-188,139
5	Depreciation and amortisation	-21,234	-22,201
	Operating profit	-33,736	157,076
	Gain on sale of Energi Danmark Vind A/S	147,435	0
	Profit on investments in subsidiaries, net of tax	-13,210	83,124
6	Finance income	12,024	11,174
7	Finance costs	-87,861	-55,688
	Profit before tax	24,652	195,686
8	Tax	27,909	-28,309
	Profit for the year	52,561	167,377



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BALANCE SHEET – ASSETS

Notes	DKK '000	2020	2019
	Assets		
	Non-current assets		
9	Intangible assets	37,179	96,356
10	Tangible assets	16,658	25,349
	Total intangible and tangible assets	53,837	121,705
11	Investments in subsidiaries	684,780	896,173
14	Deferred tax	13,929	0
	Total financial assets	698,709	896,173
	Total non-current assets	752,546	1,017,878
	Current assets		
	Inventory	131,221	0
17	Trade receivables	3,100,761	3,022,399
	Receivables from subsidiaries	1,133,613	1,277,772
	Derivative assets	1,126,112	1,090,121
	Deposits	733,473	401,879
	Other receivables	147,446	72,016
17,18	Total receivables	6,372,626	5,864,187
	Cash	239,369	0
	Total current assets	6,611,995	5,864,187
	Total assets	7,364,541	6,882,065



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BALANCE SHEET – LIABILITIES

Notes	DKK '000	2020	2019
	Equity		
13	Share capital	221,833	221,833
	Reserve for development costs	29,000	75,158
	Reserve for net revaluation according to the equity method	562,063	572,131
	Retained earnings	348,015	236,086
	Cash flow hedge	3,622	9,224
	Total equity	1,164,533	1,114,432
	Non-current liabilities		
	Lease liabilities	1,173	4,193
14	Deferred tax	0	6,779
	Total non-current liabilities	1,173	10,972
	Current liabilities		
	Lease liabilities	4,180	5,350
	Trade payables	2,612,031	2,418,720
	Payment received regarding discontinued operations	0	424,543
12	Income tax payable	0	29,027
	Credit institutions	820,888	835,466
	Loans	650,000	0
15,17,18	Corporate bonds	756,744	749,565
	Debt to subsidiaries	198,261	337,874
	Derivative liabilities	1,022,859	669,453
	Other payables	133,872	286,663
	Total current liabilities	6,198,835	5,756,661
17, 18	Total liabilities	6,200,008	5,767,633
	Total equity and liabilities	7,364,541	6,882,065
16	Pledges, collateral and contingent liabilities		
19	Subsequent events		
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STATEMENT OF CHANGES IN EQUITY

Notes DKK '000

	Share capital	Development Reserve	Reserve for net revaluation according to the equity method	Retained earnings	Cash flow hedge	Total
Equity 1 January 2020	221,833	75,158	572,131	236,086	9,224	1,114,432
Foreign currency translation adjustment	0	0	3,142	0	0	3,142
Cash flow hedge after tax	0	0	0	0	-5,602	-5,602
Transferred through distribution of net profit	0	-46,158	-209,798	308,517	0	52,561
Equity 31 December 2020	221,833	29,000	365,475	544,603	3,622	1,164,533
Equity 1 January 2019	221,833	71,496	491,539	155,495	-22,615	917,748
Foreign currency translation adjustment	0	0	-2,532	0	0	-2,532
Cash flow hedge after tax	0	0	0	0	31,839	31,839
Transferred through distribution of net profit	0	3,662	83,124	80,591	0	167,377
Equity 31 December 2019	221,833	75,158	572,131	236,086	9,224	1,114,432



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NOTES TO THE PARENT FINANCIAL STATEMENTS

Notes

1 Accounting policies

The parent financial statements at 31 December 2020 for Energi Danmark A/S is presented in accordance with the provisions of the Danish Financial Statements Act regarding Class C (large) companies.

The parent financial statements are presented in Danish kroner (DKK) and all values are rounded to the nearest thousand (DKK 000's), except when otherwise indicated.

Reserve for development cost

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividend

or cover losses. The reserve will be reduced or dissolved if the recognised development costs are no longer part of the Group's operations by a transfer directly to the distributable reserves under equity. Furthermore the reserve will be reduced in accordance with the depreciations of the development costs.

IFRS for financial instruments

Following the Danish Financial Statements Act §37,5 the financial assets and financial liabilities are recognised and measured in accordance with the International Financial Reporting Standards. Please refer to the accounting policies for the Group for further description.

Additional accounting principles for the parent company

Profit on Investments in Subsidiaries

The proportionate share of the profit after tax of subsidiaries is recognised in the income statement of the parent company after elimination of the proportionate share of internal profit/loss.

Investments in Subsidiaries

Investments in subsidiaries are measured according to the equity method. Investments in subsidiaries are measured at the proportionate share of the companies' equity calculated in accordance with the Group's accounting policies, minus or plus unrealised intercompany profit and loss, with the remaining value of positive or negative goodwill added or subtracted in accordance with the acquisition method.

Net revaluation of investments in subsidiaries is transferred to the reserve for net revaluation according to the equity method in equity to the extent that the carrying amount exceeds the acquisition cost. Dividends from subsidiaries expected to be adopted before the adoption of the annual report of Energi Danmark A/S are not bound to the revaluation reserve.

Cash flow statements

The consolidated financial statements contain a cash flow statement for the whole group, why a separate statement for the parent company is not included, cf. the exception clause section 86 of the Danish Financial Statements Act.



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NOTES TO THE PARENT FINANCIAL STATEMENTS

Notes

2 Significant accounting judgements, estimates and assumptions

The preparation of the parent's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Management continuously reassesses these estimates and judgements based on a number of factors in the given circumstances. The following accounting estimates are considered significant for the financial reporting.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described in the following. Energi Danmark based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

In the process of applying the Company's accounting policies, management has made the following estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements.

Other disclosures relating to the Company's exposure to risks and uncertainties includes capital management, financial instrument risk management, liquidity risk and sensitivity analysis disclosures (Note 17 and 18).

Fair value of financial and physical contract

Energi Danmark measures its financial and physical contracts at fair value in accordance with the accounting policies as summarised in note 1.

Energi Danmark's strategy for measuring the fair value of these energy contracts is to utilise quoted prices in an active trading market.

In the absence of quoted prices for identical or similar energy contracts, general acceptable valuation models are applied and observable market data is used as input to the fair value calculations. Where the instruments are complex combinations of standard or non-standard products, unobservable market data may be used in the valuation models in order to calculate the fair value.

To ensure the validity and accuracy of the models all assumptions and inputs are approved and continuously tested.

The assumptions within the models used to determine the fair value of the physical and financial energy contracts in accordance with IFRS 13 are central, since any changes in assumptions could have a significant impact on the fair values and movements which are reflected in the income statement and balance sheet.

More detail on the assumptions used in the fair value measurement of the energy contracts and related sensitivities are further described in note 18.

On physical fixed price contracts the fair value is comprised by the financial element of the contract, which at initial recognition is zero.

At 31 December 2020, the carrying amount of derivative assets and liabilities amounts to DKK 1,126m (2019: DKK 1,090m) and DKK 1,023m (2019: DKK 669m), respectively.



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NOTES TO THE PARENT FINANCIAL STATEMENTS

Notes	DKK '000	2020	2019
3	Revenue		
	Sale of power	27,669,176	30,995,001
	Gas trading	16,999,351	13,381,163
		44,668,527	44,376,164
	Denmark	40,087,913	38,126,138
	Sweden	1,509,741	2,085,245
	Finland	1,390,193	1,739,086
	Germany	1,216,215	1,141,314
	Norway	464,465	1,284,381
		44,668,527	44,376,164
4	Staff costs		
	Wages and salaries and remuneration	122,779	120,705
	Pensions, defined contribution plans	7,181	8,588
	Other expenses for social security	798	1,291
		130,758	130,584
	Of this amount:		
	Board members' fees	125	125
	Executive Management, wages and salaries	10,739	17,995
	Executive Management wages and salaries	10,864	18,120
	Average number of full time employees	119	145
	The Executive Management has a bonus scheme that is based on achieved Group earnings. The wages and salaries in 2019 is further affected by a non-recurrent remuneration to the CEO.		
5	Depreciation and amortisation		
	Amortisation of intangible assets	12,556	15,238
	Depreciation of tangible assets	2,998	2,783
	Depreciation of leased assets	5,680	4,180
		21,234	22,201



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NOTES TO THE PARENT FINANCIAL STATEMENTS

Notes	DKK '000	2020	2019
6	Finance income		
	Interest income, credit institutions	38	348
	Interest income, subsidiaries	9,421	7,045
	Interest income, on late payments	1,788	3,021
	Other interest income	777	760
		12,024	11,174
7	Finance costs		
	Interest expenses, credit institutions	39,564	15,808
	Interest expenses, subsidiaries	6,682	6,415
	Interest expenses, corporate bonds	28,685	18,250
	Other interest expenses	12,764	14,960
	Interest expense, lease liability	166	255
		87,861	55,688
8	Tax		
	Current tax	0	-24,383
	Adjustment of prior year current tax	4,954	-389
	Adjustment of prior year deferred tax	-2,602	-3,110
	Deferred tax	25,557	-427
		27,909	-28,309
	Specified as follows:		
	Tax on profit from ordinary activities	27,909	-28,309
	Effective tax	113.2%	14.5%
	Income tax, received/paid	-20,342	24,281



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NOTES TO THE PARENT FINANCIAL STATEMENTS

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9 Intangible assets	2020		
	Completed development projects	Development projects in progress	Total
Cost 1 January	308,102	0	308,102
Additions	0	31,859	31,859
Transfers	-46,620	-31,859	-78,479
Cost 31 December	261,482	0	261,482
Accumulated amortisation 1 January	211,746	0	211,746
Amortisations for the year	12,557	0	12,557
Accumulated amortisation 31 December	224,303	0	224,303
Carrying amount 31 December	37,179	0	37,179

	2019		
	Completed development projects	Development projects in progress	Total
Cost 1 January	290,775	3,676	294,451
Additions	0	13,651	13,651
Transfers	17,327	-17,327	0
Cost 31 December	308,102	0	308,102
Accumulated amortisation 1 January	196,508	0	196,508
Amortisations for the year	15,238	0	15,238
Accumulated amortisation 31 December	211,746	0	211,746
Carrying amount 31 December	96,356	0	96,356

Development projects in progress includes development and test of IT-systems, which support the daily operation of the parent company. The costs consist of internal costs, e.g. salary,

and external costs, e.g. assistance from external IT developers. The development of the IT systems is expected to lead to better service of customers.



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NOTES TO THE PARENT FINANCIAL STATEMENTS

Notes DKK '000

10 Tangible assets	2020				
	Leasehold improvements	Vehicles	Tools and equipment	Buildings	Total
Cost 1 January	6,565	7,048	14,751	13,560	41,924
Additions	31	0	50	0	81
Disposals	0	-93	0	0	-94
Cost 31 December	6,596	6,955	14,801	13,560	41,911
Accumulated depreciation 1 January	4,740	2,578	5,077	4,180	16,575
Depreciations for the year	657	1,255	1,086	5,680	8,678
Accumulated depreciations 31 December	5,397	3,833	6,163	9,860	25,253
Carrying amount 31 December	1,199	3,122	8,638	3,700	16,658
Depreciation period	10 years	5 years	3-5 years	3-4 years	

In the current value of Buildings, DKK 3.7m (2019: DKK 9.4m) is relating to leases.
Depreciation expenses relating to leases recognised in profit (loss) were DKK 5.7m (2019: DKK 4.2m).

	2019				
	Leasehold improvements	Vehicles	Tools and equipment	Buildings	Total
Cost 1 January	6,565	8,156	5,907	0	20,628
Cost 1 January, leases	0	0	0	13,560	13,560
Additions	0	2,747	8,844	0	11,591
Disposals	0	-3,855	0	0	-3,855
Cost 31 December	6,565	7,048	14,751	13,560	41,924
Accumulated depreciation 1 January	4,084	3,829	4,393	0	12,306
Depreciations for the year	656	1,442	684	4,180	6,962
Depreciations, disposals for the year	0	-2,693	0	0	-2,693
Accumulated depreciations 31 December	4,740	2,578	5,077	4,180	16,575
Carrying amount 31 December	1,825	4,470	9,674	9,380	25,349
Depreciation period	10 years	5 years	3-5 years	3-4 years	



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Notes	DKK '000	2020	2019
11	Investments in subsidiaries		
	Cost 1 January	443,395	423,691
	Additions	81,140	19,704
	Disposals	-80,000	0
	Cost 31 December	444,535	443,395
	Value adjustments 1 January	452,778	372,185
	Regulation on equity in subsidiaries	3,142	-2,531
	Dividends paid	-5,877	0
	Profit for the year	-13,210	83,124
	Adjustment, disposals for the year	-196,588	0
	Value adjustments 31 December	240,245	452,778
	Carrying amount 31 December	684,780	896,173

Name and address	Country of incorporation	Voting right and ownership
Energi Danmark Securities A/S, Sundkrooggade 21, 2., 2100 København Ø	Denmark	100%
Energi Försäljning Sverige AB, Hyllie Stationstorg 31, 21532 Malmö	Sweden	100%
Energia Myynti Suomi Oy, Teknoboulevardi 3-5, 01530 Vantaa	Finland	100%
Energi Salg Norge AS, Drammensveien 123, 0277 Oslo	Norway	100%
Energie Vertrieb Deutschland EVD GmbH, Christoph-Probst-Weg 4, 20150 Hamburg	Germany	100%
ED Business Support A/S, Hedeager 5, 8200 Aarhus N	Denmark	100%
Energi Danmark Anadolu Elektrik Enerjisi Tiptan Ticaret Limited Liability company, Esentepe Mahallesi Ecza Sokak Polcenter Ismerkezi C Blok No: 4/1 Levent Sisli Istanbul	Turkey	100%
Disam Nm Dooel Skopje, Str. 8-ma Udarna Briada no. 43/3, Skopje - Centar	Macedonia	100%
DISAM BH d.o.o., Maglajska 1, 71000 Sarajevo	Bosnia-Herzegovina	100%

The subsidiaries are autonomous legal entities.



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Notes	DKK '000	2020	2019
12	Income tax receivable/payable		
	Income tax receivable/payable 1 January	-29,027	4,810
	Income tax for the year	0	-33,363
	Adjustment of tax, previous years	4,857	-400
	Income tax received	0	-24,281
	Income tax paid	20,342	10,000
	Transferred from deferred tax	3,828	14,207
	Income tax receivable/payable 31 December	0	-29,027
13	Share capital		
	For information in regards to the share capital, please refer to Note 16 in the Consolidated Financial Statements.		
	Proposal for the distribution of net profit		
	Reserve for net revaluation according to the equity method	-13,210	83,124
	Reserve for development costs	-46,158	3,662
	Retained earnings	111,929	80,591
	Total	52,561	167,377
14	Deferred tax		
	Deferred tax, 1 January	-6,779	10,953
	Adjustments of deferred tax, previous years	-1,021	-3,098
	Transferred to income tax	-3,828	-14,207
	Adjustment of deferred tax	25,557	-427
	Deferred tax 31 December	13,929	-6,779
	Deferred tax relates to:		
	Intangible assets	-8,179	-14,465
	Tangible assets	1,220	1,390
	Bad debt provision	838	2,057
	Tax losses carryforward	18,268	3,751
	Corporate bonds	2,540	488
	Provision and hedge	-758	0
	Carrying amount 31 December	13,929	-6,779

Deferred tax assets are measured at the value at which the asset is expected to be realized. Either by elimination in tax on future earnings or by set-off against deferred tax liabilities.



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Notes	DKK '000	2020	2019
15	Borrowings		
Credit institutions and borrowings			
Current borrowings			
	Corporate bonds	756,744	749,565
		756,744	749,565
Total borrowings			
Nominal value			
Maturity of non-current and current borrowings			
	Less than one year	756,744	749,565
	Between one and five years	0	0
	More than five years	0	0
		756,744	749,565

The interest rate to credit institutions is variable. The variable interest rate is hedged using interest rate swaps. Refer to the description in note 17. Issued bonds consists of corporate bonds issued on First North in Denmark.

Issuer	Nominal value	Interest rate margin	Received	Due	31 December 2020
Energi Danmark A/S*	750,000	2,40%	2017	22 June 2021	756,744

*The interest rate is set every three months as three-month CIBOR + 2.40%. The listed interest rate was set on 31 December 2020. The bond has been extended by 1 year. The redemption price will be 101.

Due to the uncertain financial markets in 2020, the Energi Danmark Group chose to extend the maturity of its DKK 750m corporate bond for one year with the current bondholders rather than issuing a new bond. The maturity extension was successful and extended the maturity date until June 2022.



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Notes	DKK '000	2020	2019
16	Pledges, collateral and contingent liabilities		
	The following assets are pledged as collateral for trading on power exchanges as well as balances with counterparties:		
	Power exchange Nord Pool Spot, EEX, APX, Nasdaq OMX and other counterparties etc. Deposited cash	628,090	330,241
	Guarantees		
	Guarantees provided by a financial institute	1,791,196	1,335,367

Contingent liabilities for joint and several liabilities for corporate tax etc.

The parent company is included as a part of group taxation with Danish subsidiaries. The companies are jointly and severally liable to pay Danish corporate tax and tax at source on dividends, interest and royalties within the sphere of joint taxation. The

jointly taxed companies' total net payables to the Danish tax authorities amount to DKK 0m as at 31 December 2020 (2019: DKK 29.0m). Any subsequent correction of the joint taxable income or tax at source on dividends etc. may lead to the companies being liable to pay a larger amount. The Group as a whole is not liable for others.



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17 Risks, financial instruments and recognised transactions

Energi Danmark is exposed to market risks (price, volume, currency exchange rate risks), operational risks, credit risks, interest rate risks and liquidity risks. The Executive Directors oversees the management of these risks. The Group's senior management is supported by a risk management team that advises on financial risks and the appropriate financial risk governance framework for the Company.

All derivative activities for Risk Management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Credit risk and counterparts

Energi Danmark is exposed to credit risks from our trading partners and customers. The counterparts are typically established companies trading with commodities. Our trading with these companies is regulated under standard agreements, such as EFET and ISDA agreements which feature, for instance credit rating and netting provisions.

The credit risk exposure depends on the creditworthiness of the customers and counterparts. The customers are primarily to be

found within the public sector, utility sector and across business markets (B2B). Counterparts are typically established companies trading with commodities.

All customers and counterparts are subject to a credit rating before starting to trade. Existing customer and counterparts are also reevaluated on an ongoing basis, especially when new contracts are due to be signed. To do the credit rating Energi Danmark uses a credit rating score model from an external party. If the score is below certain predefined levels a manual credit rating is done as well, either accepting the new contract or asking for additional security before signing. Counterparts are all evaluated and given a line of exposure within which daily exposures are calculated and monitored by the Risk Management department.

It is the credit rating policy not to decline any customer that would like to trade with Energi Danmark; however, when evaluating the credit score and, if necessary, security requirements, the Finance department demands high standards. The necessity of maintaining high standards has become even more relevant since the Wholesale Model was implemented because losses from customers not paying their energy taxes and the transport of electricity have shifted from grid companies/Energinet.dk to trading companies like Energi Danmark.

Trade receivable and provisions for impairment:

	2020		2019	
	Carrying amount before impairment	Provision for impairment	Carrying amount before impairment	Provision for impairment
Customers not due	3,099,810	720	3,013,444	3,399
Customers in dunning process	1,819	736	16,018	4,122
Insolvent customers	2,942	2,354	2,289	1,831
Total	3,104,571	3,810	3,031,751	9,352

Trade receivables are subject to impairment, where the actual provision made is based on a predefined percentage dependent on the numbers of reminders sent to the customer. If the customer

enters into bankruptcy or equivalent procedure a full writeoff of the receivable is performed.



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Liquidity risk

In Energi Danmark many of the working capital requirements from trading activities exist due to the funding of purchase of electricity for delivery to our customers and day-to-day settlement on incoming futures towards exchanges. Especially since the Wholesale Model was implemented, the liquidity requirements has increased by the end of each month, but rapidly declines at the beginning of the following month. The increase is due to the fact that Energi Danmark has to pay grid companies/Energinet.dk for customer consumption-related energy taxes, transportation of electricity and PSO before receiving payments from customers. The use of futures with day-to-day cash settlement also has significant impact on the requirement for cash. When the price of electricity increases, the liquidity will increase as well, while a decrease in electricity prices will decrease the cash position. A decrease in the price of EUR 1 means an increased liquidity draw of approximately DKK 172m.

The liquidity risk is managed and monitored on a daily basis and a cash flow prognosis showing expected future cash movements is maintained. During 2020 the Group cash reserve have been improved.

The Group owners (Andel A.m.b.a., SEAS-NVE Strømmen A/S and NRG1 A.m.b.a.) have extended the guarantees of DKK 1,200m until May 2022.

Due to the uncertain financial markets in 2020, the Energi Danmark Group chose to extend the maturity of its DKK 750m corporate bond for one year with the current bondholders rather than issuing a new bond. The maturity extension was successful and extended the maturity date until June 2022.

When trading electricity on the exchanges there is a requirement for margin calls to be covered by collaterals in the form of guarantees or cash. The mentioned guarantee's given can be seen in note 18. The amount to be covered by guarantees is calculated by the exchange every day and sent to Energi Danmark. Back office receives and monitors the collaterals always making sure that sufficient collateral is in place.

Energi Danmark estimates that there is sufficient liquidity and collateral lines to support the business the coming year. In the event of further extraordinary reductions in the electricity price Energi Danmark will need additional credit lines.



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	Contractual maturity incl. interest (cash flow)				
	Carrying amount	Total	< 1 year	1-5 years	> 5 years
31 December 2020					
Non-derivative financial instruments					
Borrowings current and non-current	2,227,632	2,236,932	2,236,932	0	0
Lease liabilities	5,353	5,353	4,180	1,173	0
Trade payables	2,612,031	2,612,031	2,612,031	0	0
Other liabilities	332,133	332,133	332,133	0	0
Derivative financial instruments					
Derivatives	1,022,859	1,022,859	461,616	549,684	11,559
Total financial instruments	6,200,008	6,209,308	5,646,892	550,857	11,559
31 December 2019					
Non-derivative financial instruments					
Borrowings current and non-current	1,585,031	1,594,031	1,594,031	0	0
Lease liabilities	9,543	9,543	5,350	4,193	0
Trade payables	2,418,720	2,418,720	2,418,720	0	0
Payment received regarding discontinued operations	424,542	424,542	424,542	0	0
Other liabilities	624,537	624,537	624,537	0	0
Derivative financial instruments					
Derivatives	669,453	669,453	228,953	404,350	36,150
Total financial instruments	5,731,826	5,740,826	5,296,133	408,543	36,150



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Interest rate risk

Energi Danmark is partly financing its operation with loans from banks. The loans are subject to a variable interest rate. Cash flows and interest rate levels are monitored on a regular basis.

The interest rate risk is hedged using interest rate swaps for the coming year. The corporate bond interest rate is based on CIBOR + fixed margin.

Market risk

The market price for electricity has proven to be quite volatile and subject to changes and events that can not be predicted.

Combined customer consumption is monitored on a regular basis in order to predict and adjust the corresponding hedging position.

The spot price is determined hourly on the physical exchanges and forms the basis for financial trading of electricity on futures and forward contracts.

Being present in multiple countries with different currencies (primarily DKK, NOK, SEK, EUR and GBP) also exposes Energi Danmark to fluctuations and changes in exchange rates against DKK. Exposure is monitored on a daily basis and the Company enters into currency rate contracts in order to hedge exposure, thereby minimizing the risk.

The price risk from selling electricity with fixed price elements are hedged by buying corresponding financial contracts on the exchange markets thereby securing Energi Danmark the contract margin.

To manage all of these risks, the Risk Management department is using an ETRM-system called Elviz. Elviz is the foundation for calculating daily exposure using both VaR-based models and models developed inhouse showing day-to-day risks and MWh-exposure. Elviz contains almost all of Energi Danmark's positions/contracts, which are used as a basis for calculating the exposure using price curves derived from exchange quotes (where applicable).

	2020			2019		
	P/L effect before tax	Equity effect	Reasonably possible change in variable%	P/L effect before tax	Equity effect	Reasonably possible change in variable%
Electricity	7,486	5,839	5%	5,881	4,587	5%
Currency exchange rate	23,408	18,258	5%	15,618	12,182	5%

The equity will be affected with the P/L effect less tax of approximately 22%.



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18 Information about financial instruments

Categories of financial instruments

	2020		2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Trade receivables	3,100,761	3,100,761	3,022,399	3,022,399
Trade receivables from associates and subsidiaries	1,133,613	1,133,613	1,277,772	1,277,772
Other receivables and deposits	880,919	880,919	473,895	473,895
Cash	239,369	239,369	0	0
Financial assets measured at amortised cost	5,354,662	5,354,662	4,774,066	4,774,066
Derivative assets	1,126,112	1,126,112	1,090,121	1,090,121
Financial assets measured at fair value through profit or loss	1,126,112	1,126,112	1,090,121	1,090,121
Credit institutions	820,888	820,888	835,466	835,466
Loans	650,000	650,000	0	0
Corporate bonds	756,744	757,500	749,565	757,500
Trade payables	2,612,031	2,612,031	2,418,720	2,418,720
Payment received regarding discontinued operations	0	0	424,543	424,543
Other payables etc.	332,133	332,133	624,537	624,537
Financial liabilities measured at amortised costs	5,171,796	5,172,552	5,052,831	5,060,766
Derivative liabilities	1,022,859	1,022,859	669,453	669,453
Financial liabilities measured at fair value through profit or loss	1,022,859	1,022,859	669,453	669,453

	2020	2019
Assets		
Financial	153,914	168,452
Physical	972,198	921,669
	1,126,112	1,090,121
Liabilities		
Financial	163,643	219,078
Physical	859,216	450,375
	1,022,859	669,453



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Fair value measurement of financial instruments

	2020			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Derivative financial assets:				
Foreign exchange forward	0	20,541	0	20,541
Commodity derivative	95,190	603,712	406,669	1,105,571
Total	95,190	624,253	406,669	1,126,112
Financial liabilities measured at fair value				
Derivative financial liabilities:				
Interest rate swaps	0	11,911	0	11,911
Foreign exchange forward	0	75,492	0	75,492
Commodity derivative	1,260	805,115	129,081	935,456
Total	1,260	892,518	129,081	1,022,859

There is an off-balance MtM-value regarding the gas in inventory at the balance-sheet day of DKK 167.1m.

If electricity prices changes with 5% the net level 3 value will change with DKK 19.9m.

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 Energi Danmark.

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.

Energi Danmark 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.

Commodity derivative are measures using generally accepted valuation techniques based on relevant observable electricity price cures, foreign exchange rates ect. and manual calculated changes. Since there are no active markets for the long term prices of electricity, the fair value has been determines through an estimate of the future prices. The most important parameter resulting in commodity contracts being classified as level 3 in the electricity price. Normally the price can be observed for a maximum of 2-3 years in the electricity market, after which an active market no longer exist. Beyond this horizon the electricity prices are based on the known prices and are used together with an appropriate interest rate to extrapolate the prices to the future periods, where no prices are available. The used interest rate amounts to 2% on 31 December 2020 (2% at 31 December 2019).

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.



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NOTES TO THE PARENT FINANCIAL STATEMENTS

Notes DKK '000

Fair value measurement of financial instruments

	2019			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Derivative financial assets:				
Foreign exchange forward	0	38,262	0	38,262
Commodity derivative	67,541	790,799	193,519	1,051,859
Total	67,541	829,061	193,519	1,090,121

Financial liabilities measured at fair value

Derivative financial liabilities:				
Interest rate swaps	0	13,836	0	13,836
Foreign exchange forward	0	63,875	0	63,875
Commodity derivative	9,967	580,382	1,393	591,742
Total	9,967	658,093	1,393	669,453

Level 3

Opening balance 1 January 2020	192,126
Gains recognised	55,536
Transfers	29,926
Total	277,588



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Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

	2020			2019		
	Derivative assets	Derivative liabilities	Total	Derivative assets	Derivative liabilities	Total
Offsetting of current derivatives						
Gross	7,323,530	-7,220,277	103,253	5,648,925	-5,228,257	420,668
Netting	-6,197,418	6,197,418	0	-4,558,804	4,558,804	0
Financial assets/liabilities in the balance sheet	1,126,112	-1,022,859	103,253	1,090,121	-669,453	420,668
Collateral	178,805	0	178,805	108,865	0	108,865
Net	1,304,917	-1,022,859	282,058	1,198,986	-669,453	529,533

The sales contracts and the associated hedging contracts can only be offset to a limited extent, as the transactions are made with different counterparties. As a consequence, the net value of the derivatives will be affected by the difference between the average sales price, the price of the hedging and the current market price at the balance sheet date as well as the size of the open positions.

19 Subsequent events

No events have occurred after the reporting date of importance to the consolidated financial statements.

20 Related party transactions

See note 21 to the consolidated financial statements for information on related party transactions.

STATEMENT BY THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD

The Board of Directors and the Executive Board have today discussed and approved the annual report of Energi Danmark A/S for the financial year 1 January – 31 December 2020.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act. The financial statements of the parent company, Energi Danmark A/S, have been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the consolidated financial statements and parent company financial statement give a true and fair value of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Group's and the Parent Company's operations and the Group cash flows for the financial year 1 January – 31 December 2020.

In our opinion the managements review provides a true and fair account of the development in the Group's and the Parent Company's operations and financial circumstances, of the result for the year and of the overall financial position of the Group and the Parent Company as well as a description of the most significant risks and elements of uncertainty facing the Group and the Parent Company.

We recommend that the annual report is approved at the annual general meeting.

Aarhus, 26 March 2021

Executive Board

Jørgen Holm Westergaard

CEO

Jesper Nybo Stenager

CFO

Board of Directors

Jesper Hjulmand

Chairman

Jacob Vittrup

Deputy Chairman

Gert Vinther Jørgensen

Lars Bonderup Bjørn

Anders Jørgen Banke

Jens Otto Veile

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ENERGI DANMARK A/S

Opinion

In our opinion, the Consolidated Financial Statements give a true and fair view of Energi Danmark A/S's financial position at 31 December 2020 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2020 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Moreover, in our opinion, the Parent Company Financial Statements give a true and fair view of the Parent Company's financial position at 31 December 2020 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Energi Danmark A/S for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as statement of comprehensive income and cash flow statement for the Group ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, 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.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared

in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and for the preparation of Parent Company 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, 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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent Company to cease to continue as a going concern.
- > Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- > Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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. ■

Aarhus, 26 March 2021

PricewaterhouseCoopers

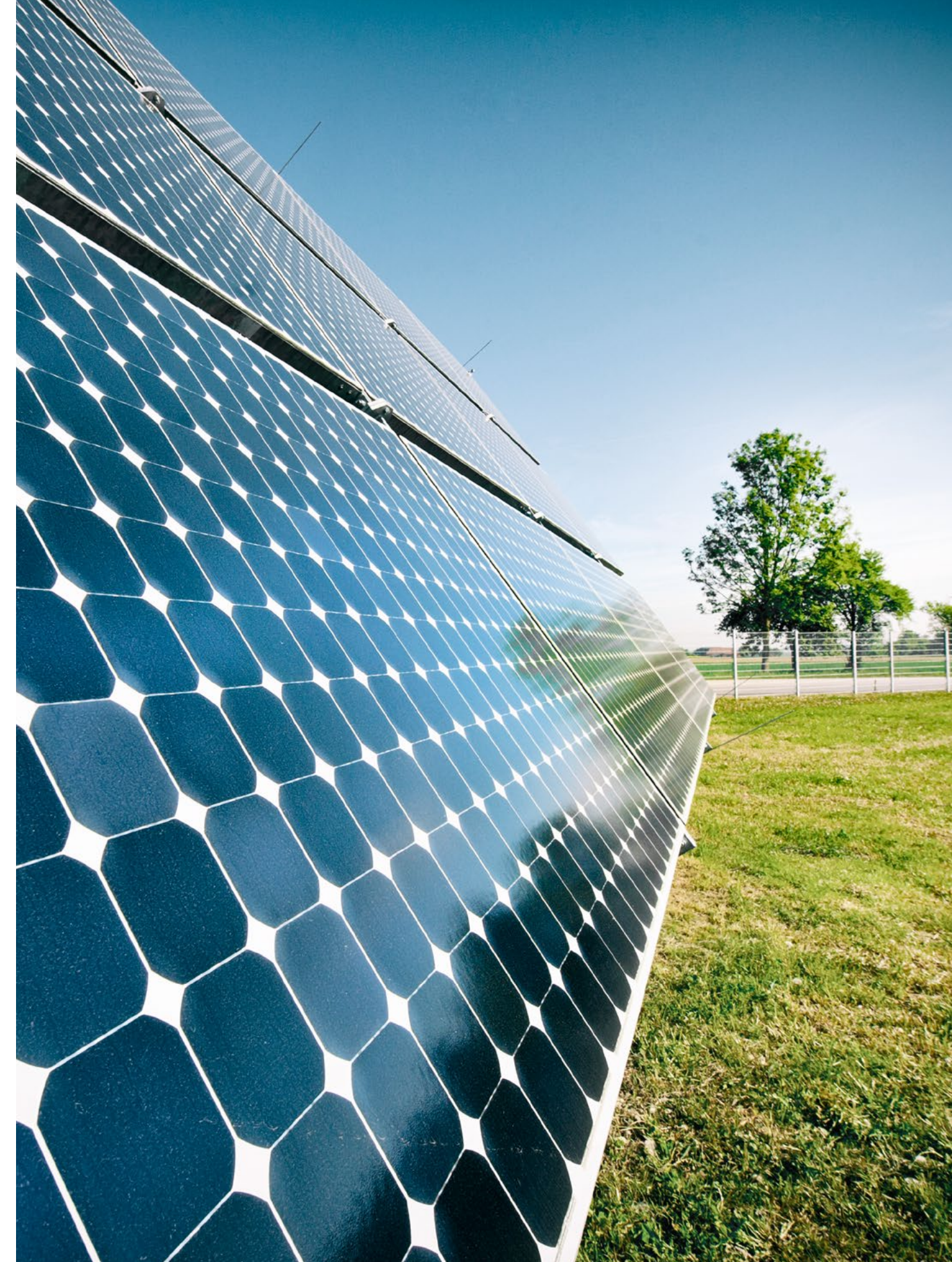
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Henrik Kragh

State Authorised Public
Accountant
mne-no. 26783

Heidi Brander

State Authorised Public
Accountant
mne-no. 33253



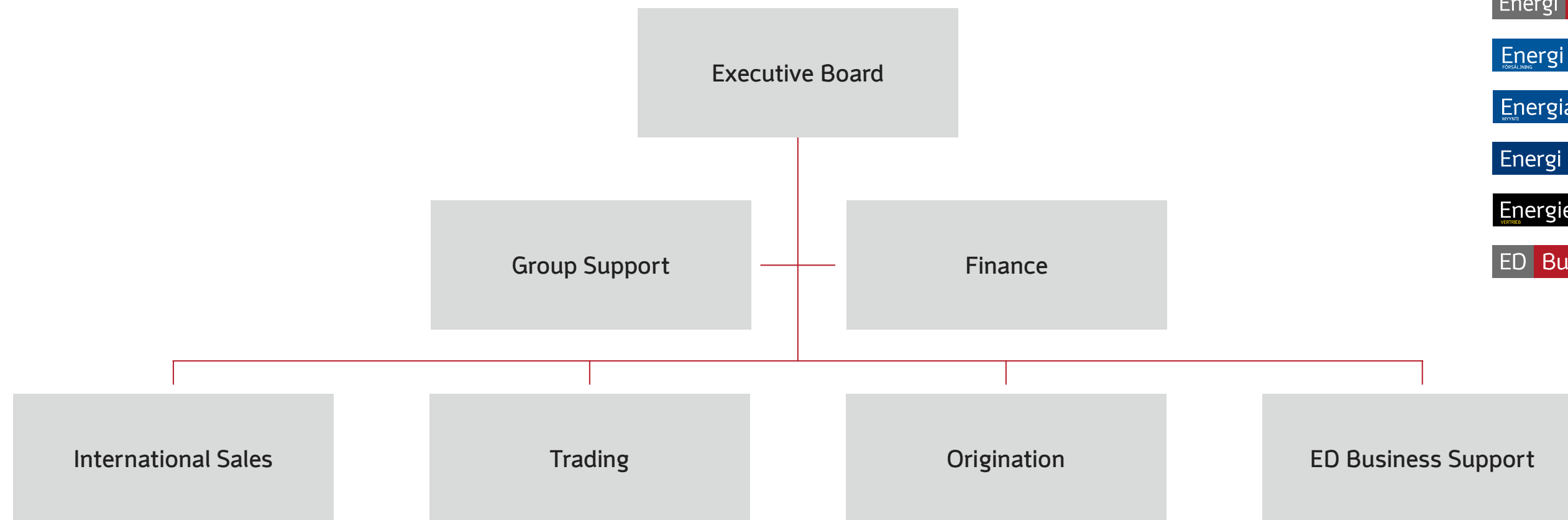


ORGANISATION

On the following pages, you can find our corporate information, organisational chart and information about ownership, Board of Directors and Management.

ORGANISATIONAL CHART

As of December 31, 2020



100% owned subsidiaries



CORPORATE INFORMATION

Energi Danmark A/S

Hedeager 5
DK-8200 Aarhus N
Tel. +45 87 42 62 62
Fax +45 87 42 62 63
Email: ed@energidanmark.dk
www.energidanmark.com
CVR no.: 17 22 58 98
Established: 1 July 1993
Domicile: Aarhus Municipality
Financial year: 1 January – 31 December

BOARD OF DIRECTORS

- > Chairman, CEO Jesper Hjulmand, Andel
- > Deputy chairman, CEO Jacob Vittrup, NRGi
- > CEO Lars Bonderup Bjørn, EWII
- > CEO Anders J. Banke, SEF Energi
- > CFO Gert Vinther Jørgensen, Norlys
- > Director Jens Otto Veile

THE EXECUTIVE MANAGEMENT COMMITTEE

Executive Board

Jørgen Holm Westergaard, CEO
Jesper Nybo Stenager, CFO

Trading

Thomas Bjørn Houlind,
Director, Markets

International Sales

Peter Lønbro Lehm,
Director, International Sales

IT

Thomas Bech Pedersen,
Systems Manager

Origination

Thomas Elgaard Jensen,
Director, Origination

Auditor

PricewaterhouseCoopers
Approved Public Accountants
Jens Chr. Skous Vej 1
DK-8000 Aarhus C

Law Firm

Gorrissen Federspiel

Main Bank

Danske Bank A/S
Jyske Bank A/S

Annual General Meeting

The Annual General Meeting is to be held on April 16 2021



Jesper Hjulmand



Jacob Vittrup



Lars Bonderup Bjørn



Anders Jørgen Banke



Gert Vinther Jørgensen



Jens Otto Veile



Jørgen Holm Westergaard



Jesper Nybo Stenager

OWNERSHIP

Energi Danmark is owned by six electricity companies, which in turn are owned by private shareholders. Shareholders are Andel, NRGi, Energi Nord Holding, EWII Energi, SEAS-NVE Strømmen, SEF Energi and Fonden Langelands Elforsyning.

As of 31 December 2020, the company has the following shareholders:

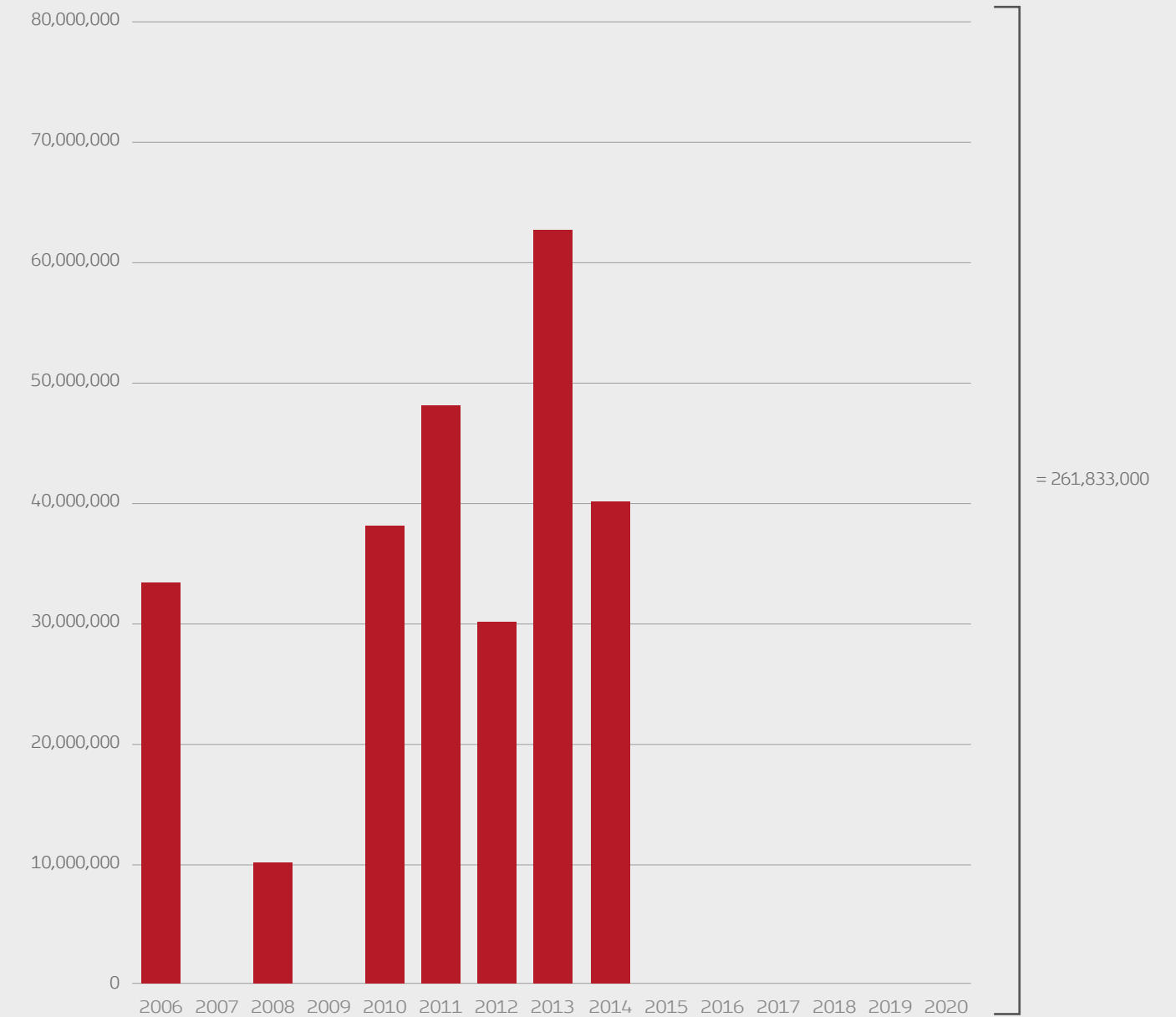
	Ownership%	Share capital (DKK)
1. Andel a.m.b.a., Svanninge, Denmark	28.97	64,260,207
2. NRGi a.m.b.a., Aarhus N, Denmark	23.12	51,292,837
3. Energi Nord Holding A/S, Aalborg, Denmark	18.37	40,755,012
4. EWII Energi A/S, Kolding, Denmark	16.50	36,590,343
5. SEAS-NVE Strømmen A/S, Svanninge, Denmark	11.52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

In February 2021, changes in the Energi Danmark shareholder group were announced. We are currently awaiting approval from the European Competition and Consumer Authority.

After the approval, the future shareholders will be:

	Ownership%	Share capital (DKK)
1. Andel a.m.b.a. and SEAS-NVE Strømmen A/S (Andel-Group), Svanninge, Denmark	63.65	141,196,718
2. NRGi a.m.b.a., Aarhus N, Denmark	36.35	80,636,418
	100.00	221,833,336

ANNUAL DIVIDEND IN DKK



BOARD OF DIRECTORS AND MANAGEMENT

BOARD OF DIRECTORS

Jesper Hjulmand

CEO of Andel
MSc (Business Administration)
Date of birth: 15.12.1963
Member of the Board since: 01.01.2005

Board memberships, honorary offices:

- > Energi Danmark A/S (Chairman)
- > Dansk Energi (Chairman)
- > Fibia P/S (Chairman)
- > Employer's Association for Danish Energy and Utility Companies
- > DEA (Chairman)
- > Dansk Industri Hovedbestyrelse (Executive committee)

Committee memberships:

- > DI Forretningsudvalg
- > Supervisory board in Dansk Energi
- > Supervisory board in Forenet Kredit

Jacob Vittrup

CEO of NRGi
MSc in Economics
Date of birth: 03.09.1971
Member of Board since: 06.04.2018

Board memberships, honorary offices:

- > El:Con A/S (Chairman)
- > Energi- og Bygningsrådgivning A/S (Chairman)
- > Kuben Management A/S (Chairman)
- > NRGi Holding A/S (Chairman)
- > NRGi Administration A/S (Chairman)
- > NRGi Wind companies: NRGi Wind I-V (Chairman)
- > NRGi Elsalg I A/S (including subsidiaries) (Chairman)

- > Energi Danmark A/S
- > Fibia P/S (Deputy Chairman)
- > Dansk Energi (Board member)
- > Dansk Industri - Energi (Board member)

Lars Bonderup Bjørn

CEO of EWII
MSc Economics and PhD in Strategy and Management
Date of birth: 19.05.1969
Member of board since: 08.05.2018

Board memberships, honorary offices:

- > EWII S/I (CEO)
- > EWII A/S (Chairman)
- > TREFOR Infrastruktur A/S (Chairman)
- > Dansk Energi (Board member)
- > Center Danmark Fonden (Chairman)
- > Dacapo A/S (Chairman)
- > Kolding Egnsteater (Chairman)
- > CLEAN (Board member)
- > Energy Cluster Denmark (Board member)

Anders Jørgen Banke

CEO of SEF
Electrical (heavy current) engineer
Date of birth: 19.08.1971
Member of the Board since: 01.01.2009

Board memberships, honorary offices:

- > Go2green (Chairman)
- > VL60 (Chairman)
- > Sydfyns Elforsynings almennyttige Fond (SEAF)
- > Local council, Sydbank, Svendborg
- > Dansk Energi Lederforum (Chairman)
- > SERVIA A.M.B.A. (Chairman)
- > SEF Fiber A/S (Chairman)

Gert Vinther Jørgensen

CFO of Norlys
MBA and HD-R
Date of birth: 21.02.1968
Member of the Board since: 06.02.2020

Board memberships, honorary offices:

- > Norlys Forsyning A/S (Chairman)
- > Norlys Infrastruktur A/S (Chairman)
- > Eurowind Energy A/S (Chairman)
- > Nord Energi Holding A/S (Chairman)
- > Norlys Energy Trading A/S
- > Energi Danmark A/S
- > OpenNet A/S
- > SE Blue Holding A/S
- > Stofa Fiber A/S
- > SE Rådgivning A/S
- > Guldberg Bolig A/S

Jens Otto Veile

Director
MSc Economics
MBA INSEAD
Date of birth: 24.07.1950
Member of the Board since: 27.09.2004

Board memberships, honorary offices:

- > Kaj Andersen & Sønner Holding A/S (Chairman)
- > Investeringselskabet af 1. november 2001 A/S (Chairman)
- > Andersen Motors A/S (Chairman)
- > Andersen Motors Ejendomme A/S (Chairman)
- > Suzuki Bilimport Danmark A/S (Chairman)
- > e-parts A/S (Chairman)
- > Bascon Holding A/S (Chairman)
- > Bascon A/S (Chairman)
- > The Danish Pension Fund for Engineers (DIP)

- > Karen Krieger-Fonden
- > Bursar of The Carlsberg Foundation and The New Carlsberg Foundation

EXECUTIVE BOARD

Jørgen Holm Westergaard

CEO of Energi Danmark A/S
(since 1 May 1999)
MSc Economics
Date of birth: 06.08.1963

Board memberships, honorary offices:

- > Energi Danmark Securities A/S (Chairman)
- > Energi Försäljning Sverige AB (Chairman)
- > Energia Myynti Suomi Oy (Chairman)
- > Energi Salg Norge AS (Chairman)
- > Energie Vertrieb Deutschland EVD GmbH (Chairman)
- > ED Business Support A/S (Chairman)
- > Dansk Elhandel

Jesper Nybo Stenager

CFO of Energi Danmark A/S
(since 1 April 2015)
State-authorized Public Accountant
(MSc Business Economics & Auditing)
Date of birth: 08.09.1970

Board memberships, honorary offices:

- > Energi Danmark Securities A/S
- > Energi Försäljning Sverige AB
- > Energia Myynti Suomi Oy
- > Energi Salg Norge AS
- > Energie Vertrieb Deutschland EVD GmbH
- > ED Business Support A/S

CORPORATE INFORMATION, SUBSIDIARIES



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 DK-2100 Copenhagen Ø
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 Fax +45 35 43 04 70
 Email eds@energidanmark.dk

Copenhagen



Energi Försäljning Sverige AB
 Hyllie Stationstorg 31
 SE-215 32 Malmö
 Tel. +46 40 627 18 80
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 Email efs@energi-sverige.se

Malmö | Stockholm



ED Business Support
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 DK-8200 Aarhus N
 Tel. +45 87 42 62 62
 Fax +45 87 42 62 63

Aarhus



Energia Myynti Suomi Oy
 Teknobulevardi 3-5
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 Tel. +358 20 765 9970
 Fax +358 10 296 2052
 Email energiasuomi@energiasuomi.fi

Vantaa | Kuopio | Kristinestad | Turku



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 Drammensveien 123, Skøyen
 NO-0277 Oslo
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 Fax +47 67 20 81 99
 Email energino@energisalgnorge.no

Oslo | Trondheim



Energie Vertrieb Deutschland EVD GmbH
 Christoph-Probst-Weg 4
 DE-20251 Hamburg
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 Fax. +49 40 87 40 65 19
 Email evd@energiedeutschland.de

Hamburg | Münster | Munich

Energi Danmark[®]

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Malmö
Stockholm

Vantaa
Kuopio
Kristinestad
Turku

Oslo
Trondheim

Hamburg
Münster
Munich
