

2017

Half-yearly report H1



Board of Directors & Management review

During the first half of 2017, the Energi Danmark Group realised a profit before tax of DKK 64.7 million and a consolidated revenue of DKK 8,233 million. This corresponds to a profit before tax of the average equity of 14.6 % per year and an increase in the gross profit of 3.5 % compared with the first half of 2016.

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

The Energi Danmark Group's balance sheet is DKK 5,535.8 million as of 30 June 2017.

In June, Energi Danmark A/S issued a new 3-year corporate bond of DKK 750 million and the corporate bond was admitted to trading on NASDAQ First North Bond Market Copenhagen with first trading day on 11 August 2017.

Energi Danmark Vind A/S has had a satisfactory start in 2017 with a profit before tax in the first six months of 2017 of DKK 20.2 million. Approximately DKK 323 million has been invested in new landbased wind turbines.

In general, the Groups subsidiaries have experienced a positive first half year in terms of sales. Sweden and especially Germany has achieved significantly better sales in the first half of 2017 compared to the first half of 2016.

As mentioned in the annual report 2016 (page 7) the substantive case between DONG Energy and the Danish Competition Council, where Energi Danmark is bi-intervient, has continued and the status is that we await the High Court of Western Denmark to begin the case. In the compensation case, the Maritime and Commercial Court has resumed the preparation and we have held an edition request in court and have submitted our model regarding the spot market abuse.

No audit or review has been made to the figures for the first half of 2017.

Vienna, 17 August 2017

Board of Directors and Management,
Energi Danmark A/S

Income statement and statement of other comprehensive income

Notes	DKK '000	1. half year 2017	1. half year 2016
2	Revenue - Sales of power etc.	8,232,514	8,313,710
	Purchase of power	-8,148,543	-7,814,600
	Net income/loss from financial instruments	136,421	-286,213
	Gross profit	220,392	212,897
	Staff costs	-59,846	-59,228
	Other external costs	-53,557	-55,550
	Depreciation	-24,452	-22,976
	Operating profit	82,537	75,143
	Finance income	4,297	1,791
	Finance costs	-22,166	-21,578
	Profit before tax	64,668	55,356
	Tax	-14,227	-12,732
	Profit for the period	50,441	42,624
	Attributable to:		
	Shareholders of Energi Danmark A/S	50,441	42,624
		50,441	42,624
	Other comprehensive income		
	Items that may be reclassified to profit or loss in subsequent periods		
	Exchange differences on translation of foreign operations	-2,874	-3,211
	Net other comprehensive income to be reclassified to profit or loss in subsequent periods	-2,874	-3,211
	Total comprehensive income for the period, net of tax	47,567	39,413
	Attributable to:		
	Shareholders of Energi Danmark A/S	47,567	39,413

Balance sheet – assets

Notes	DKK '000	30/6 2017	31/12 2016
Assets			
Non-current assets			
	Intangible assets	54,498	44,500
	Tangible assets	844,921	536,472
	Deferred tax	1,775	1,856
	Total non-current assets	901,194	582,828
Current assets			
	Trade receivables	3,166,538	3,237,435
	Trade receivables from associates	971	1,672
	Income tax receivables	34,071	0
3	Derivative assets	952,507	1,308,618
	Deposits	270,700	384,677
	Other receivables	202,810	215,692
	Cash	6,965	6,070
	Total current assets	4,634,562	5,154,164
	Total assets	5,535,756	5,736,992

Balance sheet – liabilities

Notes	DKK '000	30/6 2017	31/12 2016
Equity			
	Share capital	221,833	221,833
	Exchange rate reserve	-5,421	-2,547
	Retained earnings	695,035	644,594
	Total equity	911,447	863,880
Non-current liabilities			
3	Corporate bonds	747,351	0
	Deferred tax	56,374	18,916
	Total non-current liabilities	803,725	18,916
Current liabilities			
3	Credit institutions	599,852	843,787
	Trade payables	1,372,458	1,433,054
3	Corporate bonds	0	499,709
	Income tax payable	14,227	8,184
3	Derivative liabilities	983,550	1,387,319
	Other payables	850,497	682,143
	Total current liabilities	3,820,584	4,854,196
	Total liabilities	4,624,309	4,873,112
	Total equity and liabilities	5,535,756	5,736,992

Statement of changes in equity

DKK '000

	Share capital	Exchange rate reserve	Retained earnings	Dividends	Total
Equity 1 January 2017	221,833	-2,547	644,594	0	863,880
Profit /(loss) for the period	0	0	50,441	0	50,441
Other comprehensive income					
Foreign currency translation adjustment	0	-2,874	0	0	-2,874
Comprehensive income for the period	0	-2,874	50,441	0	47,567
Transactions with the owners					
Dividend distributed	0	0	0	0	0
Proposed dividend	0	0	0	0	0
Transactions with the owners for the period	0	0	0	0	0
Equity 30 June 2017	221,833	-5,421	695,035	0	911,447
Equity 1 January 2016					
Equity 1 January 2016	221,833	1,626	530,498	0	753,957
Profit /(loss) for the period	0	0	42,624	0	42,624
Other comprehensive income					
Foreign currency translation adjustment	0	-3,211	0	0	-3,211
Comprehensive income for the period	0	-3,211	42,624	0	39,413
Transactions with the owners					
Dividend distributed	0	0	0	0	0
Proposed dividend	0	0	0	0	0
Transactions with the owners for the period	0	0	0	0	0
Equity 30 June 2016	221,833	-1,585	573,122	0	793,370

Statement of cash flows

DKK '000	1. half year 2017	1. half year 2016
Operating profit	82,537	75,143
Adjustments for operating items of a non-cash nature etc.:		
Depreciation and amortisation etc.	24,452	22,976
Net foreign exchange differences	-2,874	-3,211
Finance income, received	4,297	1,791
Finance costs, paid	-22,166	-21,578
Changes in trade and other receivables	653,763	-1,209,033
Changes in trade and other payables	-397,564	568,072
Income taxes paid	-4,716	-10,466
Cash flow from operating activities	337,729	-576,306
Purchase of intangible assets	-18,104	-16,001
Purchase of tangible assets	-325,413	-704
Disposal of tangible assets	618	197
Cash flow from investing activities	-342,899	-16,508
Repayment of corporate bonds	-500,000	0
Issuing of corporate bonds	750,000	0
Dividends paid	0	0
Cash flow from financing activities	250,000	0
Cash flow for the year	244,830	-592,814
Cash and cash equivalents at 1 January	-837,717	-638,095
Cash and cash equivalents 30 June	-592,887	-1,230,909

Notes

Notes

1 Accounting policies

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

Accounting policies remain unchanged from the annual report 2016, to which reference is made.

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

Implementation of new standards and interpretations

Energi Danmark A/S has implemented the standards and interpretations, that are effective in EU for 2017.

None of these has affected recognition and measurement in 2017 or expects to affect Energi Danmark A/S.

Notes

Notes DKK '000

2 Operating segments

1. half year 2017				
	Total revenue	Internal revenue	External revenue	Reportable segment profit/loss before tax
Energi Danmark	7,880,233	1,859,298	6,020,935	3,130
Energi Danmark Securities	12,760	12,760	0	13,446
Energi Danmark Vind	44,707	18,755	25,952	20,176
Energi Försäljning Sverige	850,273	0	850,273	28,171
Energia Myynti Suomi	681,129	0	681,129	1,691
Energi Salg Norge	271,608	0	271,608	-1,307
Energie Vertrieb Deutschland EVD GmbH	382,617	0	382,617	-1,953
Total segments	10,123,327	1,890,813	8,232,514	63,354
Adjustment and elimination	-1,890,813	-1,890,813	0	1,314
Consolidated	8,232,514	0	8,232,514	64,668

1. half year 2016				
	Total revenue	Internal revenue	External revenue	Reportable segment profit/loss before tax
Energi Danmark	6,629,519	1,251,685	5,377,834	28,225
Energi Danmark Securities	12,900	12,900	0	16,055
Energi Danmark Vind	38,254	10,109	28,145	1,907
Energi Försäljning Sverige	1,291,940	0	1,291,940	13,411
Energia Myynti Suomi	643,339	0	643,339	-1,274
Energi Salg Norge	132,847	0	132,847	-2,207
Energie Vertrieb Deutschland EVD GmbH	839,605	0	839,605	-1,922
Total segments	9,588,404	1,274,694	8,313,710	54,195
Adjustment and elimination	-1,274,694	-1,274,694	0	1,161
Consolidated	8,313,710	0	8,313,710	55,356

Notes

Notes DKK '000

3 Information about financial instruments

Categories of financial instruments

	30/6 2017		31/12 2016	
	Carrying amount	Fair value	Carrying amount	Fair value
Trade receivables	3,166,538	3,166,538	3,237,435	3,237,435
Trade receivables from associates	971	971	1,672	1,672
Other receivables and deposits	473,510	473,510	600,369	600,369
Cash	6,965	6,965	6,070	6,070
Financial assets measured at amortised cost	3,647,984	3,647,984	3,845,546	3,845,546
Derivative assets	952,507	952,507	1,308,618	1,308,618
Financial assets measured at fair value through profit or loss	952,507	952,507	1,308,618	1,308,618
Credit institutions	599,852	599,852	843,787	843,787
Corporate bonds	747,351	750,000	499,709	502,500
Trade payables	1,372,458	1,372,458	1,433,054	1,433,054
Other payables	865,174	865,174	690,327	690,327
Financial liabilities measured at amortised costs	3,584,835	3,587,484	3,466,877	3,469,668
Derivative liabilities	983,550	983,550	1,387,319	1,387,319
Financial liabilities measured at fair value through profit or loss	983,550	983,550	1,387,319	1,387,319

Notes

Notes DKK '000

Fair value measurement of financial instruments

	30/6 2017			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Derivative financial assets:				
Foreign exchange forward	0	27,514	0	27,514
Commodity derivative	141,024	725,527	58,442	924,993
Total	141,024	753,041	58,442	952,507

Financial liabilities measured at fair value

Derivative financial liabilities:

Interest rate swaps	0	19,067	0	19,067
Commodity derivative	6	964,456	21	964,483
Total	6	983,523	21	983,550

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

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

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

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are

available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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

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

If electricity prices changes with 5 % at 30 June 2017, the net level 3 value will change with 8,3 m.

Notes

Notes

	31/12 2016			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Derivative financial assets:				
Foreign exchange forward	0	64,836	0	64,836
Commodity derivative	389,377	749,022	105,383	1,243,782
Total	389,377	813,858	105,383	1,308,618

Financial liabilities measured at fair value

Derivative financial liabilities:				
Interest rate swaps	0	29,305	0	29,305
Foreign exchange forward	0	0	0	0
Commodity derivative	88	1,317,430	40,496	1,358,014
Total	88	1,346,735	40,496	1,387,319

If electricity prices changes with 5 % at 31 December 2016, the net level 3 value will change with DKK 17,2 m.

Amortisation of initial margin

If, at the time of inception, a difference arises between the model value of a financial instrument or physical contract accounted for as derivatives, calculated on the basis of unobservable inputs, and the transaction

price (day-1 profit or loss), the Group adjusts the model parameters to take into account the initial margin.

The margin is recognised as profit over the delivery period.

	30/6 2017	31/12 2016
Deferred initial margin beginning of year	320,695	293,727
Recognised in profit or loss	-61,668	-126,590
Initial margin on new contracts	62,048	153,558
Deferred initial margin end of year	321,075	320,695

Notes

Acquisitions of tangible assets

In the first half year of 2017, the Group has acquired wind turbines for approx. 323 mDKK as part of the

strategy with supporting the production of green energy.

Issues and repayment of corporate bonds

In the first half year of 2017 the group has repaid the issued corporate bonds of nominal 500 mDKK and issued corporate bonds for nominal 750 mDKK.

Please refer to the management review for a detailed description.

Subsequent events

No significant events have occurred after the balance sheet date.

Risk and uncertainties

Besides what has been disclosed in the half year report, no changes in the Group's most significant risks

and uncertainties have occurred relative to what was disclosed in the consolidated annual report for 2016.

Financial Calendar

- 
- 2018 23 March
Annual report 2017
 - 2018 6 April
Annual general shareholder meeting
 - 2018 16 August
Half-yearly report 2018

About the Energi Danmark Group

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

The Group buys and sells electricity at NASDAQ OMX Commodities in Stockholm, the Nordic electricity exchange

Nord Pool in Oslo, the German electricity exchange EEX and via decentralised electricity producers.

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

As at 30 June 2017, the company has the following shareholders:

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

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