ANNUAL REPORT 2023

Energi Danmark A/S
Tangen 29, DK-8200 Aarhus N
CVR 17225898

Contents

BOARD OF DIRECTORS & Management Review 2023 .... **2**
Financial Highlights 4
The Energy Markets in 2023 5
Energy Across Borders 7

SUSTAINABILITY **8**
Powering Business Responsibly 8
Energy & Society 9
Responsible Commerce 13
People & Culture 15
Responsible Operations 19
KPI definitions 22

ANNUAL REPORT **23**
Consolidated Financial Statements 23
Consolidated Balance Sheet 24
Consolidated Statement of Changes in Equity 26
Consolidated Statement of Cash Flows 27
Notes to the Consolidated Financial Statements 28
Parent Financial Statements 54
Parent Balance Sheet 55
Parent Statement of Changes in Equity 57
Notes to the Parent Financial Statements 58
Statement by the Board of Directors and the Executive Board 75

INDEPENDENT AUDITOR'S REPORT **76**
To the shareholders of Energi Danmark Group 76

ORGANISATION **78**
Corporate Information 78
The Management Team 78
Ownership 78
Board of Directors 79

BOARD OF DIRECTORS & Management Review 2023

2023 began with turmoil surrounding Energi Danmark's management due to the case of the invalid bonus agreements, which had been entered into by the former CEO, a former senior executive and two former managers in the trading department. In 2023, market conditions changed rapidly, calming somewhat since the price spikes and volatility of the previous year, impacting the 2022 business commitments.

2023 was marred by the events of the previous year, spurring the need for a new senior management team, and the appointment of two new profiles, Anne Broeng and Torben Möger Pedersen, to the Board of Directors. The purpose of the organisational changes, including hiring Louise Hahn as CEO, was to secure Energi Danmark's position as one of the leading, most transparent, competent, and compliant players in the market.

In other words, our focus in 2023 was predominantly inwards. The reason we could afford to direct our attention to solving internal issues was thanks to our two business areas being both robust and well-functioning. The customer business offers relevant and competitive products and services, which helps to maintain the customer base and earnings. Meanwhile, despite the company's inner turmoil, the core of our trading business managed to maintain a performance level on par with previous years. The organisation was in a position to benefit from a healthy turnover, and we now have a strong core of competent existing and new employees who are poised to drive Energi Denmark forward.

Financial Results

The result for 2023 is a pre-tax profit of DKK 34 m, a less satisfactory result largely due to a loss of approx. DKK 2 bn from extensive positions on gas capacities that we faced during the course of the year. These extraordinary agreements were entered into in 2022 due to a change in trading practice, and they accounted for a significant part of the extraordinary pre-tax profit of DKK 11.3 bn in 2022.

Setting aside the impact of the extraordinary agreements, the core business is delivering a solid profit, and it can therefore be concluded that Energi Danmark's core business remains sound.

Strong Core Business

A further look at the core business reveals the following developments in 2023:

The customer business: The customer business benefited from the decreasing volatility and lower prices in the market, and increased its earnings compared to 2022. Despite the turmoil surrounding the company in 2023, we have retained the customer base compared to 2022. This is a testament to our solid core product and strong customer relations among large corporate customers in the Nordics. As of April 2023, we acquired Andel Energi's large B2B customers in power and gas. This strategic move has not only strengthened our position, but also fostered synergies between the electricity and gas customer markets for both our clients and our company. In 2023, we successfully expanded our customer base with renewable energy producers in Finland.

Trading business: Conversely, our trading business was negatively impacted by the same factors that benefitted the customer business. Despite a significant staff turnover in our trading team, the remaining employees stayed focused and continued delivering solid results. We have managed to attract new specialists who have contributed positively to both our trading strategies and our culture. Overall, the trading team has delivered a gross profit on par with previous years, excluding the effects of the gas agreements in 2022.

On the whole, 2023 highlights two key points: the strength and balance of our business model and its ability to handle the market fluctuations that are beyond our control, and the strength of our culture and customer relations and their ability to withstand the turmoil surrounding Energi Danmark in 2023.

Current Status

We have a fundamentally sound business and organisation: We have a strong professionally driven and analytical culture, and a trading environment that is both highly performance-orientated and operates as a responsible collective. We have a unique market position in both our customer business and trading business with broad market access across Europe. Finally, we have strategic owners with a long-term vision and the drive to develop the business.

We have a clear perspective and a solid foundation: In 2023 we have strengthened our processes to further consolidate our foundation. We have now set a new aspiration for our company culture. We want to be one of the leading and most transparent, competent, and compliant players in the market, and this is the mindset we look for when recruiting. We have finalised the case of the invalid bonus agreements with a settlement. This was a rational business decision made to minimise a small litigation risk of a significant loss, and to free up the new management to focus on the future operation and development of Energi Danmark.

In 2023, we retained and hired managers and employees with the right competences and values. The Covid-19 pandemic brought a steep learning curve for the company, followed by a period of shortages and significant bottlenecks in the supply of energy resources in 2022. We are therefore in the process of conducting a full strategy and compliance review with the aim of balancing business opportunities to gain an attractive risk-adjusted return and shareholder value in a growing green energy system that is based on more renewable energy. We want to be one of the leading and most transparent, competent, and compliant players in the market. We have come far in our efforts, but the overall conclusion is that we need to improve in certain areas if we are to meet our own standards and aspirations. Equally, we have also raised our targets in certain areas. We are facing a longer-term transformation, and this will be a significant focus point in our new strategy which will be presented in the autumn.

Assessing the Future

Like all other players in this industry, we operate with energy price risk and market volatility.

Energi Danmark expects a pre-tax result in the range DKK 250-300 m in 2024 based on current business and market conditions. However, uncertainties remain around the extensive gas capacity positions acquired in 2022 and long-term wind contracts from previous years. These agreements may affect our results the next couple of years with declining effect.

We believe that we have a robust and balanced business model compared to our competitors. We have complete confidence in our team. Our customers are satisfied. Our trading strategies are strong and balanced. As such, we expect a good performance in our core business.

8 April 2024

Jesper Hjulmand Chair	**Louise Hahn** CEO

Financial Highlights

DKK million	2023	2022	2021	2020	2019
Key figures, Energi Danmark Group					
Revenue	119,792.2	344,556.3	119,005.5	44,908.7	44,541.7
Gross profit	404.5	12,031.5	132.1	476.6	599.7
Operating profit	-208.6	11,379.0	-271.0	82.3	192.6
Profit from financial items	242.4	-37.6	-90.7	-77.6	-43.0
Profit before tax, continued operations	33.8	11,341.4	-361.7	4.7	149.6
Profit before tax, discontinued operations	0.0	0.0	0.0	147.4	72.4
Profit before tax	**33.8**	**11,341.4**	**-361.7**	**152.1**	**222.0**
Tax, continued and discontinued operations	-34.4	-2,497.3	75.2	-12.6	-54.6
Profit for the year	**-0.6**	**8,844.1**	**-286.5**	**139.5**	**167.4**
Balance sheet total	17,866.9	35,140.8	27,600.0	7,937.7	8,050.7
Investments in non-current assets	-60.8	-34.2	-51.0	-57.3	-26.2
Equity	**8,706.5**	**11,738.3**	**1,948.9**	**1,251.6**	**1,114.4**
Cash flow from operating activities	726.9	10,707.8	-5,199.0	-198.8	-1,588.7
Cash flow for investing activities	-57.4	-33.1	-50.8	-53.1	399.5
Cash flow from financing activities	-3,009.3	-4,505.6	5,079.6	649.2	-4.0
Total cash flow	**-2,339.8**	**6,169.1**	**-170.2**	**397.3**	**-1,193.2**
Key ratios, Energi Danmark Group					
Gross margin ratio	0.3%	3.5%	0.1%	1.1%	1.3%
Profit ratio (EBIT)	-0.2%	3.3%	-0.2%	0.2%	0.4%
Equity ratio (solvency)	48.7%	33.4%	7.1%	15.8%	13.8%
Return on equity before tax	**0.3%**	**165.7%**	**-22.6%**	**12.9%**	**21.9%**
Return on equity after tax	0.0%	129.2%	-17.9%	11.8%	16.5%
Average number of full-time employees	246	220	225	225	211

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”.

The Energy Markets in 2023

Energy markets recovered following huge turmoil

2023 was all about recovery on the international energy markets. Most markets managed to find foothold following the unprecedented events and extreme price climbs of the previous year.

A slow return to normal for the energy markets

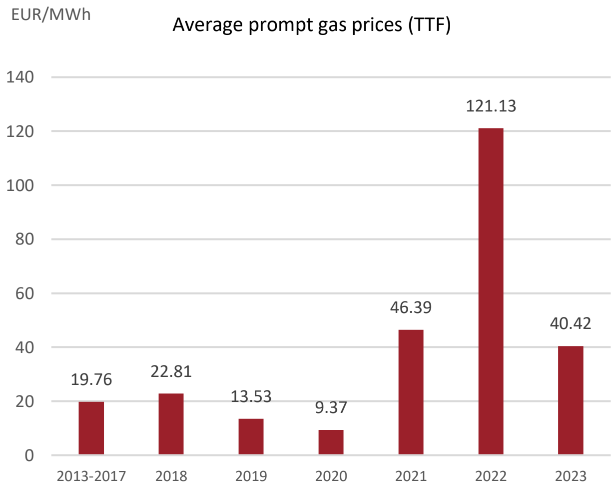
By early 2023, the European energy markets were still in a state of extreme volatility following the unfathomable price jumps the previous year, which sent both gas and power prices to levels no one had seen coming. Last year, the question was therefore to what extent the war in Ukraine and its consequences would continue to impact the markets. Prices ended up falling significantly across both the European gas and power markets, and the markets now seem much more comfortable than they did a year ago, although still elevated compared to pre-war levels.

Gas markets remain in focus

Following the Russian invasion of Ukraine in 2022, gas became the major topic on the European energy markets, and this did not change last year. The sharp reduction in Russian gas deliveries to Europe, and the question about how Europe handles this situation, meant that gas remained the most important market throughout 2023. In late 2022 and early 2023, Europe experienced a very mild winter right at the time when it was most needed. This caused gas prices to fall significantly, as the market had a growing belief that Europe would have enough gas to get through the winter.

As Europe managed to maintain stable LNG imports throughout the year, first and foremost from the US, it became clear that the continent's gas storages would also become filled to the brink ahead of the 2023-24 winter. Meanwhile, a change in consumption behavior by both industrial and private consumers became clear, with demand significantly lower than ahead of the energy crisis. This was in part attributed to the EU-led crisis initiatives, which saw a coordinated effort to lower the public gas consumption in the union's member states, as well as the high prices having an impact on private households. European consumers have become much more aware of how much gas and power they use, and even at the end of the year, when prices have fallen substantially, the decline in consumption is still visible.

As the year progressed, the gas market became gradually more confident about getting through also the coming years with only limited amounts of Russian gas. As a result, gas prices fell steadily through most of the year. On the TTF gas hub, the most liquid in Europe, day-ahead prices were around 30 EUR/MWh at the end of 2023, less than half of the price level one year earlier, and a similar picture was visible on the futures market, where the most traded contracts were also more or less halved in price over the course of the year.



Price falls in spite of war in the Middle East

Further geopolitical turmoil was added to the markets during autumn, as the war between Israel and Hamas broke out. The war led to an initial upturn on the markets due to fears that it could lead to reduced gas supply from the Arab countries, but these concerns did not last long, and not even the missile attacks against ships in the Red Sea were able to prevent gas prices from falling during the last parts of 2023.

As gas remains the most important market in Europe these years, the sharply falling gas prices were also one of the main reasons why both continental and Nordic power prices fell during the course of the year. Several other related markets also experienced a bearish development. The price on a ton of coal was also almost halved during the year, and cost around 100 USD at the end of 2023.

Improved French nuclear availability

An important reason contributing to sharply falling European energy prices in 2023 was the improved production from the French nuclear fleet. In 2022, several of the country's old reactors had to either shut down fully or operate on reduced capacity due to security issues or extensive repair work. In addition to the war in Ukraine this was one of the reasons why energy prices in Europe soared during that year, and the markets were therefore nervously considering, whether the reactors would perform better in 2023. France is traditionally among the largest electricity exporters in Europe and has been described as "Europe's battery" due to the previously so reliable nuclear reactors.

The French nuclear operators had promised that we would see improved output in 2023, and they followed through on that promise. Production from the French nuclear plants were 319 TWh in 2023, 15 % higher than the level from the year before. This figure is however still far lower than the average production from the years 2001-2021, highlighting the fact that the French nuclear sector remains vulnerable despite its recovery in 2023.

While France increased their nuclear production in 2023, the same year marked at least a temporary end to nuclear power in Germany. The last three operating German nuclear power plants ceased production in April, marking a climax to a hot political topic in recent years. The closure of the plants has been up too much debate, especially following the cut-off of Russian gas through the Nord Stream pipelines, but the government nonetheless decided to follow through on their decision to close the plants.

Sharp price falls on the Nordic power market

2023 also offered noticeable price falls on the Nordic power market, which once again went through a volatile year with a lot of changes to the fundamental situation. Despite the low dependence on gas compared to other areas in Europe, prices in the Nordic countries had also increased explosively during 2022, and the market was therefore in a nervous state heading into 2023.

Spot prices more than halved

The average system price of 2023 was 56 EUR/MWh, and even though this was less than half of the extreme level from the previous year, it is actually still quite high in a historical context. During the 2010's, the usual system price was around 20-40 EUR/MWh, so although the market managed to calm down last year, the Nordic countries still face a situation, with prices that due to multiple reasons are getting closer to the ones we see on the continent.

As always, the hydrological situation was decisive for prices, and we saw very rapid changes to the state of the hydro power reserves over the year. During the first half of the year, the hydro balance had remained in the quite large deficit it had faced throughout 2022, but due to wet weather conditions during late summer and early autumn in 2023, the balance was suddenly in a big surplus with the reservoirs in Norway filled to the brink. This meant that producers had to pump out water at very low prices to avoid floodings, and the result was very low system prices during the first part of autumn, with September particularly cheap. EPAD's in the areas of the Nordics with little hydro power resources soared however, as they did not profit from the sudden surplus of water. This was first and foremost the case in Denmark. However, despite periods of high EPAD's all price areas across the Nordics ended up facing significantly lower prices compared to the year before.

Panic receded on the futures market

As both the gas market and the German power market retreated during the year, the Nordic futures market also calmed down. At the beginning of 2023, the front year system contract cost 84 EUR/MWh, but at the end of the year, it had dropped to 58 EUR/MWh. Similar sharp price falls were visible on most other future contracts, including the ones for the forthcoming years. The price gap between Germany and the Nordic countries narrowed significantly during the course of the year, which also led to sharply falling EPAD's in the southern parts of the Nordics.

In 2024, the Nordic futures market will face a noticeable change. The German trading house EEX has acquired all Nasdaq's European power business from 2024, pending an approval from the EU. EEX plans to offer new zonal futures contracts instead of the Nasdaq model which the market has now known for years, with system contracts and an additional EPAD for the respective price areas. EEX will start offering these new contracts at the end of March and the hope is that the EEX takeover will boost liquidity in the Nordic market during the coming years.

New Finnish nuclear reactor finally online

A major event on the Nordic power market in 2023 was that the new Finnish nuclear reactor, Olkiluoto 3, with an installed capacity of 1600 MW, was finally commissioned and started production. Test production on the reactor was initialized in March, before the commercial launch started in May. The launch followed an almost never-ending story of delays of the reactor, which was originally planned to start production in 2009. Controversy surrounded the project, which also ended up becoming more than three times as expensive as originally planned.

The effect of Olkiluoto 3 on the Nordic power market and particularly Finland has however been clearly visible since the launch of the new reactor. Finland was for many years the most expensive price area in the Nordics, but this has changed significantly recently. During the second half of 2023, the Finnish power prices were steadily around the same level as the ones in Southern Norway, Southern Sweden and Denmark, with only the sparsely populated areas in Northern Norway and Northern Sweden noticeably cheaper.

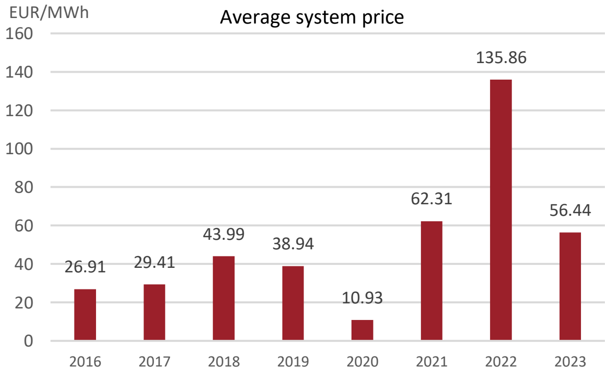
2023 also marked more nuclear-positive signals from Sweden. The country's government, which led a pro-nuclear campaign in the 2022 election, has made parliamentary moves to make construction of further nuclear plants in the country possible.

Denmark-UK cable in operation

In recent years, we have seen a lot of new interconnectors operating between the Nordic countries and the rest of Europe. Last year, the new Viking Link cable between West Jutland in Denmark and England was commissioned. The capacity on the new cable is 1400 MW, but due to internal grid issues in Denmark, capacity was reduced to 800 MW at the beginning of operations.

The flow on the new cable is primarily expected to be from Denmark to the traditionally more expensive British market, and the effect should therefore be higher power prices in Denmark, especially in DK1. The increasing number of cables in general means that the Nordic countries are getting closer to the rest of Europe in terms of prices. This has led to a significant price jump in first and foremost Norway, who have exported their surplus of electricity to countries with traditionally much higher prices, including Germany and the UK.

The discussion about whether or not more cables should be built continues to be a hot topic in the Norwegian political debate, with the current government indicating that they will not renew two cables to Denmark, which need to be replaced in 2026. It is therefore a topic which will remain decisive in the coming years.



Expectations to the European economy in 2024

2023 was yet another troublesome year for the European economy. Following the Coronavirus pandemic and the war in Ukraine, Europe had to fight rising interest rates, high inflation and wage growth which did not correspond to inflation.

According to the most recent economic forecast from the European Commission, from autumn last year, the annual growth of 2023 was expected at a modest 0.6 %, which corresponds more or less to the expectations ahead of the year. This year, however, the Commission is a bit more optimistic, as growth is expected to rise modestly as wages increase whereas inflation appears to have peaked.

The expected growth in EU GDP during 2024 is, according to the most recent Commission forecast, 1.3 %, with the level within the Eurozone expected modestly lower, at 1.2 %. The economy is set to gain further momentum in 2025, where the expected EU growth increase is 1.7 % and the level in the Eurozone is estimated at 1.6 %.

Energy Across Borders

We are one of the leading energy trading groups in Northern Europe. Our core expertise is knowledge of the international energy markets, which is valuable for both the group and our customers.

	Volume TWh in 2023		Metering points in 2023
Energi Danmark Consumption 13.05 TWh, Production 6.45 TWh	19.5	TWh	93,373
Energi Försäljning Sverige Consumption 4.40 TWh, Production 0.12 TWh	4.5	TWh	37,197
Energi Salg Norge Consumption 8.33 TWh, Production 0,5 TWh	8.8	TWh	19,458
Energia Myynti Suomi Consumption 3.75 TWh	3.7	TWh	28,842
Energie Vertrieb Deutschland Consumption 1.45 TWh	1.0	TWh	15,154
Energi Danmark Group in Total	**37.5**	**TWh**	**194,024**

32 active electricity markets

14 active gas markets

- Australia
- Austria
- Belgium
- Bosnia and Herzegovina
- Bulgaria
- Croatia
- Czech Republic
- Denmark
- England
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Italy
- Ireland
- Latvia
- Lithuania
- Macedonia
- Montenegro
- Netherlands
- Norway
- Poland
- Portugal
- Romania
- Serbia
- Slovakia
- Slovenia
- Spain
- Sweden
- Switzerland
- Turkey

SUSTAINABILITY

Powering Business Responsibly

In today's world where progress and life quality are key, the significance of energy as a fundamental element for a well-operating society is paramount. Its crucial role is often most recognised when it is lacking.

At the Energi Danmark Group, we have an in-depth comprehension of the European energy landscape and markets, which makes us able to guide and manage risks related to energy use and production – delivering value both now, tomorrow, and next year. Our skilled people, supported by specialized tech, constantly predict fluctuations in energy prices, attentively observing market changes and dissecting large volumes of data that significantly influence the cost of energy.

We have a new strategy underway. This period marks a pivotal shift, encompassing major changes in our management approach and overall strategic vision. A key aspect of this transformation is the further integration of Environmental, Social, and Governance (ESG) in our strategy. We anticipate the complete development and deployment of this new strategy sometime in 2024. This change reflects our firm determination to evolve and expand in a fast-paced energy environment, emphasizing our commitment to sustainable and ethical business practices.

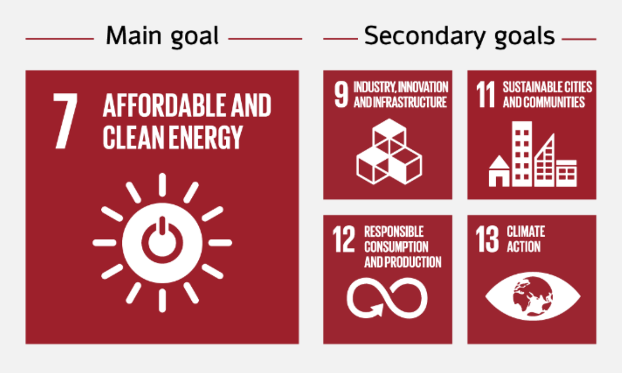
2023 Sustainability Report

This 2023 Sustainability Report is a statutory report on the Energi Danmark Group's Corporate Social Responsibility in line with Section 99a of the Danish Financial Statements Act.

It covers both the Danish parent company and all subsidiary companies, shedding light on our global activities, sustainability goals, and our strategies for achieving them.

Our Commitment to Sustainability

Our Corporate Social Responsibility strategy is continuously changing, aligning with our business strategy.



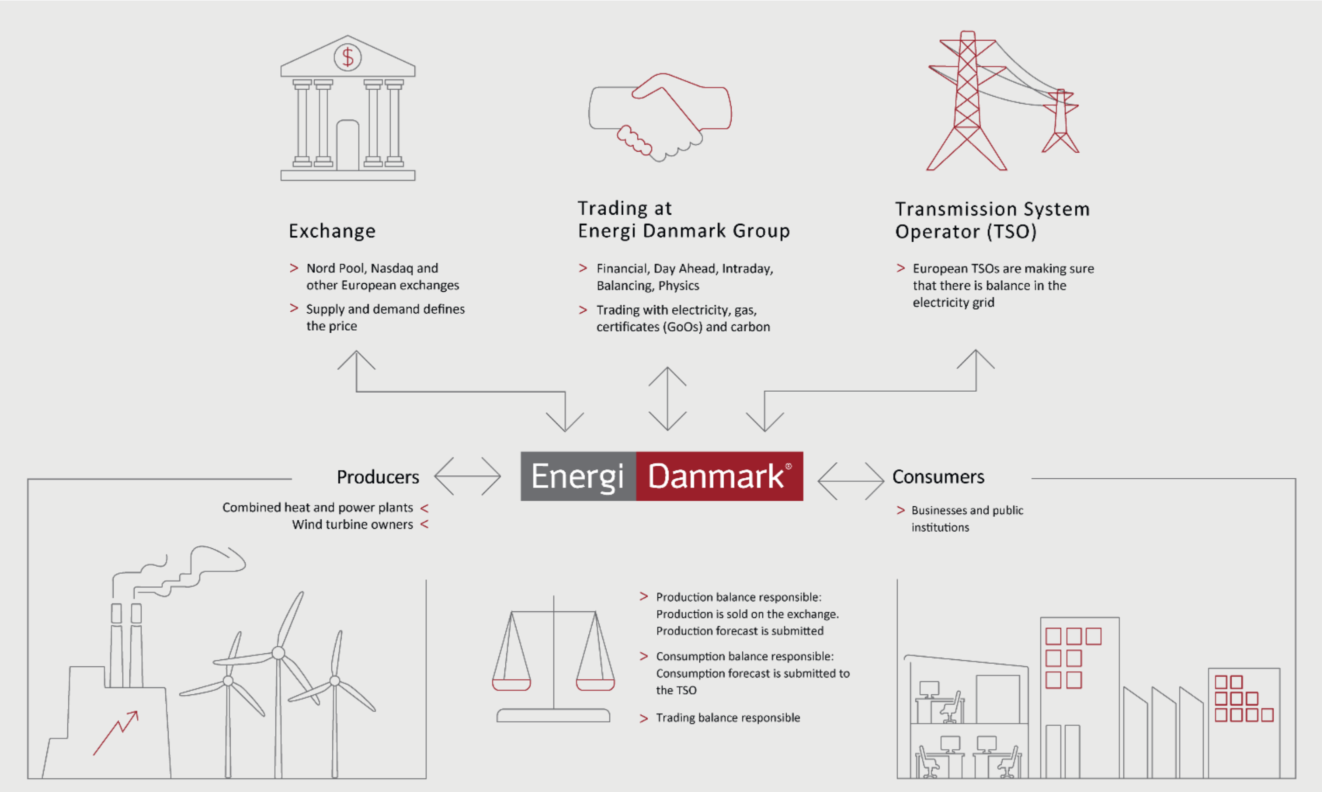
This report aligns with the UN's 17 Sustainable Development Goals, serving as a crucial framework for positively impacting and preserving Earth's resources.

Our most significant contribution aligns with goal 7: Affordable & Clean Energy. Through our primary operations, we strive to make a meaningful difference, aiming to provide universally accessible, reliable, sustainable, and modern energy solutions. Additionally, our activities support goals 9 (Industry, Innovation & Infrastructure), 11 (Sustainable Cities & Communities), 12 (Responsible Consumption & Production), and 13 (Climate Action).

These complementary objectives are integral to our business sector, and we are committed to understanding and advancing in these. Therefore, our sustainability focus areas include Energy & Society, Responsible Commerce, People & Culture, and Responsible Operations.

Value Chain

We focus primarily on two key areas: customers and trading. As a balance responsible entity, we manage every aspect of the value chain, operating continuously throughout the year, every day, and every hour. Our activities range from short-term balancing to long-term financial hedging. We facilitate the transfer of electricity and gas from regions with surplus to those with higher demand. Through our active involvement, we contribute to the efficiency of markets. This approach ensures that both consumers and producers benefit from the most favourable prices.



Energy & Society

Electricity is the backbone of modern daily life, and its absence would bring most activities to a standstill. Our core mission is to manage energy delivery and trading internationally, ensuring a crucial balance between consumption, production, and demand. We continuously work to refine our forecasting of needs and trends, thereby strengthening stability and security within the electricity infrastructure.

We are proud to be jointly owned by Andel and NRGi, which strengthens our commitment to positively impacting society through our role in the energy value chain. We are constantly evolving, developing systems, solutions and services that meet both current and future needs. This forward-thinking approach is geared towards fostering sustainable societal growth, which offers added value to our customers and stakeholders.

We prioritize system data security, ensuring the safe and secure handling of sensitive information. Delivery reliability is another key area, where we strive to provide a consistent and dependable energy supply. The electricity infrastructure is a crucial component of our work, where we invest in and support robust and efficient energy networks.

System Data Security

We place a high priority on data security, recognizing its critical importance as a balance responsible party. We understand that employee awareness is key to maintaining this security, which is why we provide continuous training on the safe use of different technologies.

In 2023, our commitment to data security was exemplified when we passed the Danish Energy Agency's (Energistyrelsens) inspection on December 14, 2023, and once again received full compliance with the legal requirements laid out in the BEK 2647 Act of 28/12/2021 “IT Readiness in the electricity and natural gas sector”. In relation to our role in the electricity and natural gas sector, we are at the highest level, which means the law sets specific requirements for our IT Security.

We are continuously working to align with the General Data Protection Regulation (GDPR) and in December 2023 we signed a contract with a new colleague as Head of Compliance. The new Head of Compliance brings a great deal of experience and expertise and will play a pivotal role in managing our GDPR adherence. This effort is integral to our wider initiative to cultivate a culture of data security and privacy throughout our organization, even though we have had no data breaches identified in 2023. The Compliance team works systematically and follows an annual cycle of work to ensure that we continually update our employees regarding key GDPR information using awareness campaigns and ongoing training and the team began a review in December 2023 of GDPR and NIS 2, as a first step in enhancing our current setup.

Local initiatives

Across the group we are committed to the local communities we are part of. Our subsidiary, Energi Salg Norge (ESN), has previously joined the climate pact with Oslo City, contributing to the city's ambitious goal of reducing greenhouse gas emissions by 95% by 2030. ESN was also certified as a “Miljøfyrtårn” in 2023 which is an official certification for businesses working on environmental issues. This was an important milestone, marking the beginning of our journey towards achieving the UN's climate goals, and reducing our carbon footprint.

As part of this, ESN has committed to reduce air travel and energy consumption and continue initiatives on waste management at the office in Oslo. ESN have a climate account and report into the Eco-Lighthouse platform, which shows that 82.5 % of ESN total greenhouse gas emissions are due to air travel (12.4 tons CO_2). Energy use is the second largest category, accounting for 16.9 % of total emissions. This means that air travel alone accounts for more than the entire energy use of the business in Norway. Therefore, we have set new goals and implemented a travel policy focused on cutting emissions from air travel by 50 % by 2030.

ESN hosts an annual sustainability conference in Oslo called 17-dagen, inspired by sustainability goal no. 17, which is about strengthening cooperation to achieve all the other 16 goals. This means that this goal is crucial for achieving sustainable development at a global level. It is a day filled with insights and knowledge about sustainability from various perspectives. The participants were mainly customers, politicians, and partners. In 2023, they had the pleasure of hosting 110 participants at the conference.

Our subsidiary, Energiförsäljning Sverige, has partnered with Solvatten in 2023 to deploy 72 Solvatten units, positively impacting 331 individuals across various communities in Uganda. This initiative not only provides immediate aid but also makes a significant contribution to environmental sustainability and public health in the region. By treating 3.0 million liters of water, Solvatten makes it safe for drinking and other household needs. This significant improvement in water quality is expected to reduce the number of sick days, thereby enhancing the overall quality of life and economic productivity within these communities.In 2023 our Finnish subsidiary, Energia Myynti Suomi (EMS), embraced a significant transition to smaller office premises on the same campus, aligning with the post-Covid-19 shift towards remote work in Finland. This strategic move not only reduced our environmental footprint by decreasing the need for large office spaces but also contributed to less commuting, saving time, and reducing emissions from both car and public transportation usage. Additionally, EMS undertook a conscious effort to recycle and repurpose excess office furniture by collaborating with a company specializing in office furniture recycling.

Accommodation of Renewable Energy in Society

In 2023, Energi Danmark continued to actively support the development and integration of renewable energy within society, aligning closely with our commitment to environmental sustainability and carbon neutrality. Our efforts are multifaceted, ranging from facilitating Power Purchase Agreements (PPAs) to pioneering innovative solutions like the PPA Pool and Demand Response programs, aimed at enhancing grid stability and promoting the use of renewable sources. And we are always actively exploring new opportunities with major Original Equipment Manufacturers (OEMs) on behalf of our customers, regarding renewable energy solutions.

Our PPA product, which has seen great success again in 2023, enables a direct connection between our customers and renewable energy producers, ensuring that the electricity supplied is derived from sustainable sources. This initiative not only supports the customer’s journey towards carbon neutrality but also contributes significantly to the introduction of new renewable energy capacities into the grid.

The PPA Pool, launched in 2021, represents a groundbreaking approach, allowing companies of all sizes to participate in the green transition by investing in newly constructed solar parks tailored to their energy consumption needs. This collaborative model has proven to be a crucial step towards increasing the share of renewable energy in our society, demonstrating the potential for collective action in the face of climate change.

Our Demand Response program introduces a new dimension to energy consumption flexibility, enabling customers to adjust their energy use in response to grid demand. This not only provides a financial incentive for participating customers but also enhances grid reliability and supports the integration of renewable energy sources by optimizing electricity use during periods of surplus or shortage.

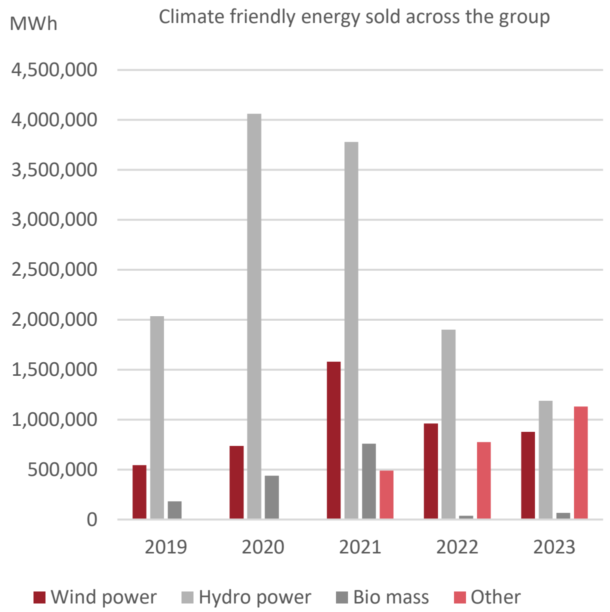
The significant role of solar energy in grid balancing became particularly evident in July 2023 when, for the first time, solar production contributed to negative day-ahead prices (DKK 3,000/MWh), signalling its growing importance alongside wind energy. Our efforts to transform solar parks into active market participants have been crucial in stabilizing the day-ahead market through participation in both up- and downregulation activities, and some have advanced to frequency regulation, offering vital ancillary services.

In December 2023, we reached another milestone by engaging in the initial issuance of E-Methane certificates for a Power-to-X facility, underscoring our role in promoting sustainable fuel production. Through our collaboration with an Andel-owned electrolyzer and Nature Energy's biogas operation, we have facilitated the production and integration of approximately 6000Nm^3 of E-methane into the gas distribution network. We are preparing to enhance our service offerings to meet the needs of modern PtX facilities by early 2024.

As we move forward, we remain dedicated to driving the evolution and active market participation of solar assets, with plans to develop advanced forecasting systems and sophisticated control mechanisms for renewable energy parks. Our ongoing initiatives reflect a comprehensive interest to not only support the green transition but also to create a path towards a more sustainable and resilient energy future.

Climate Friendly Energy

Our customers have the option to purchase climate-friendly energy, also referred to as Guarantees of Origin, from renewable sources like wind power, hydropower, and biomass. This not only highlights the demand for renewable energy but also encourages its production. Customers can choose to cover their 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. We have fixed agreements in place with hydropower plants in Sweden, Norway, and Finland to purchase climate friendly electricity. The purchase is documented through certificates.



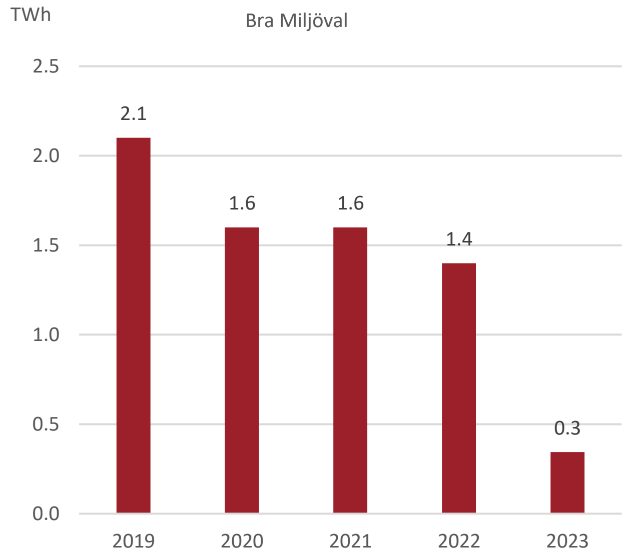
	Wind power	Hydro-power	Bio-mass*	Other**	Total
2019	544,166	2,034,435	183,058		
2020	738,510	4,061,256	438,142		
2021	1,578,944	3,779,114	759,016	489,737	6,606,811
2022	960,586	1,901,052	37,924	776,919	3,676,481
2023	879,089	1,190,062	67,333	1,132,396	3,268,880

* There is an ongoing discussion about the climate friendliness of biomass. So far, we relate to the Danish government's position and thus include biomass in renewable energy.
** Other renewable energy sources than wind power, hydropower, or biomass.

Interest in sourcing electricity from renewable energy sources such as wind power, hydropower, and biomass has consistently grown over the years. However, the landscape of renewable energy consumption is evolving, with significant shifts, with a notable decrease of 44 % from 6,606,811 MWh in 2021 to 3.676,481 MWh in 2022. In 2023, we experienced a further decrease of approximately 11.1 % with a total of 3,268.880 MWh. This reduction in volume sold can be largely attributed to customers gravitating towards a climate-friendly solution, Power Purchase Agreements (PPA), which is not included in the volume shown. Additionally, a trend towards direct purchases from solar parks has contributed to this shift, reflecting a broader move towards sustainable energy practices.

Bra Miljöval El

At Energi Försäljning Sverige AB (EFS), customers can opt for Bra Miljöval El (Good Environmental Choice Electricity), ensuring their electricity is sourced from eco-friendly options like wind, hydropower, or biomass. Despite a decrease in sales in 2022 and 2023 due to changes in customer composition and the energy crisis, our commitment to environmental projects and energy-efficient solutions remains strong.



For every kWh of Bra Miljöval electricity sold, Energi Försäljning Sverige AB is obliged to donate a sum for environment improvement projects and energy effective solutions via the Environmental Fund, the Energy Efficiency Fund, and the Investment Fund. Together with customers, EFS has been able to support several projects directed at reducing energy consumption and installing solar power during 2023.

Cancellation of Carbon Emission Allowances

We offer a service where customers can buy and cancel carbon emission allowances, contributing to the reduction of available allowances and pushing up their prices, discouraging high pollution industries from excessive carbon emissions.

Advisory Services

Our advisory services extend to helping customers establish climate-friendly strategies. This includes consultancy on consumption management and regulation, optimizing energy usage for the benefit of both the environment and our customers.

Results for 2023 and goals for 2024

Risks	Focus areas	Goals 2023	Results 2023 ⌐ Actions	Goals 2024 ⌐ Planned actions
Data safety	**System data security** Policy: Human rights policy	▪ Remain compliant with the requirements stipulated in BEK 2647 in regard to IT Preparedness in the Electricity- and Natural Gas sector	▪ We passed the Danish Energy Agency's (Energistyrelsen) inspection on December 14, 2023, full compliance with the legal requirements laid out in the BEK 2647 Act of 28/12/2021	▪ Remain compliant with the requirements stipulated in BEK 2647 in regard to IT Preparedness in the Electricity- and Natural Gas sector
		▪ Govern our information in accordance with GDPR requirements.	▪ We are continuously working to align with the GDPR ⌐ In December 2023 we signed a contract with a new Head of Compliance	▪ Follow our annual planned tasks ⌐ Specific awareness campaigns on various GDPR topics. Preparation of NIS2.
		▪ Implementation of a new version of compliance system	▪ Compliance system NorthGRC implemented	▪ Review and maintain the compliance system
Local community	**Local community** Policy: Human rights policy	▪ Support for relevant NGOs and projects	▪ A focus on our transformative year and therefore no results here	▪ To be considered
Renewable energy and climate Accommodating renewable energy (RE) in society	**Renewable energy and climate & accommodation of RE in society** Policy: Climate policy	▪ Demand concept extended with new customers	▪ A transformative year and goals postponed to 2024	▪ Demand concept extended with new customers
		▪ Ambition to increase the volume of RE sold	▪ A transformative year and goals postponed to 2024	▪ Ambition to increase the volume of RE sold
		▪ Enter new PPA agreements in the Nordic countries	▪ A signed PPA in Finland and more in progress	▪ Enter new PPA agreements in the Nordic countries

Responsible Commerce

We empower energy consumers and energy producers to engage in proactive and financially beneficial trading strategies, with our focus on responsible trades and transactions with suppliers and partners.

Supplier Management

Our trading relationships with suppliers are built on mutual trust and respect for sound 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.

We respect human rights as described in, among others, the UN's Universal Declaration of Human Rights, the European Convention on Human Rights, the ILO conventions, the UN's Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises. At the Energi Danmark Group, we have a Human Rights Policy covering forced labour and child labour and we do not accept any kind of child labour or forced labour, including slave labour or human trafficking.

Anti-Corruption

We are firmly committed to combating corruption, as such practices are in direct opposition to our core values and are unacceptable. During 2023 we have changed our internal communication to uphold a high standard of financial transparency within our operations, ensuring that all business activities align with legal and regulatory requirements as well as ethical standards.

Working for the Energi Danmark Group, employees are required to exercise sound judgment in balancing the Group’s and society’s interests and that all employees act in accordance with the law, regulations, and standards. To reinforce this stance, we have implemented a comprehensive anti-corruption policy, across relevant business areas.

Additionally, our whistleblower scheme allows employees to anonymously report any unacceptable or illegal conduct to our auditor for impartial investigation. This system, detailed on our Intranet and web, includes a policy and investigation procedure. In 2023 we had one single report which led to an investigation and proper actions were taken.

We also adhere to a policy for the prevention of market abuse, compliant with EU legislation on insider trading and market manipulation (MAR and REMIT). Our compliance framework is strengthened by an energy trade monitoring software, which aids in identifying and addressing trades that might raise concerns under REMIT together with an assigned Compliance Officer.

Pollution With Wastewater and Chemicals

We wish to reduce pollution to protect biodiversity and prevent the destruction of natural ecosystems. In our operations, we neither discharge wastewater nor chemicals into the environment. Our focus is primarily on collaborating with suppliers in the energy production and transportation sectors to minimise environmental impact.

Advancing our Credit Evaluation and Risk Management

In our field, operational efficiency and effective risk management are closely linked. To support this, we have integrated a new modern credit evaluation system into our business operations, providing real-time insights and analytics. This enhancement is crucial for conducting proactive credit evaluations of our customers, and thereby streamlining our business processes. This deployment not only strengthens our credit and counterparty risk management but also our data-driven decision-making and ensures a good customer experience.

Results for 2023 and goals for 2024

Risks	Focus areas	Goals 2023	Results 2023 ⌐ Actions	Goals 2024 ⌐ Planned actions
All risks	**Supplier Management** Policies: Human rights policy, Environmental policy, Climate policy, Employee rights policy, Diversity policy, Anti-corruption policy	▪ Maintaining and developing our current policies and rules ▪ Further enhancement of our compliance setup ▪ Further implementation of Supplier Code of Conduct	▪ Completed ISO audit. ▪ New Head of Compliance hired. 360-degree review initiated as a first step in enhancing current setup. ▪ Establishment of ESG with focus on Supplier Code of Conduct	▪ Update and review our Supplier Management setup. ▪ Enhancement and alignment with our ESG program. ▪ Review Supplier Code of Conduct setup
Anti-corruption Fair competition	**Anti-corruption & Fair competition** Policies: Anti-corruption policy, Policy on the prevention of market abuse	▪ Maintaining our Fair Competition compliance setup ▪ Maintaining training in relation to Fair Competition	▪ Update and review our Policies ▪ Compliance completed training sessions on prevention of market abuse	▪ Update and review our Policies. ▪ Maintaining training in relation to Fair Competition
Pollution from wastewater Pollution with chemicals	**Pollution from wastewater and chemicals** Policy: Environmental policy	▪ Maintaining and developing our current policies and rules and ISO14001 standards for audit.	▪ ISO14001 audit completed	▪ Review and update of our ISO 14011 setup.

People & Culture

At Energi Danmark Group, we believe that our employees are our most valuable asset. Despite our high-tech solutions and special developed systems, the heart of our company lies in individuals like Line, Tiina, Simon, Angjun, Mia, Eirik, Büsra, Gitte, and our 262 dedicated employees.

Careers and Capabilities

We are excited to welcome our new CEO to the group. Changes were made to the Management Team (MT) in 2023, which now includes a new CFO, two Vice Presidents (VP) of Trading, and a Senior Vice President (SVP) of People, Communication, and ESG. This elevation underscores our dedication to prioritizing our people and our level of communication – both internally and externally – along with our ESG initiatives, which are in synergy with our new strategy work, which will extend into most of 2024.

We are committed to providing our employees with a flexible work environment that enables remote work with the necessary technology. We believe that this approach will help us attract and retain top talent while also promoting work-life balance and employee well-being.

Employee Empowerment and Engagement

We empower our employees by providing them with a working environment that encourages them to develop their professional and personal skills. We focus on competencies and capability building to enable our employees to reach their full potential. As a knowledge-heavy company, it is crucial that we stay attentive constantly and follow the latest developments in the energy market. We offer appropriate supplementary training in relation to each employee's areas of work.

Employee engagement remains a key focus for us, as we understand its critical role in ensuring our team feels valued, satisfied, and motivated. Our leadership philosophy is rooted in trust, respect for each individual, and a commitment to supporting work-life balance on a personal level.

Traditionally, we have conducted an engagement survey every other year to gauge employee sentiment and engagement levels. The 2021 survey, which saw an impressive 94% participation rate among our employees, revealed that 81% would recommend Energi Danmark as a workplace—a significant increase from 75% in the 2019 survey. However, due to a transitional year in 2023 marked by changes in our CEO, CFO, and Management Team, we decided not to conduct this survey. We are committed to resuming our regular engagement surveys, with the aim to continue this valuable practice in the coming years, acknowledging 2023 as an exception in our consistent effort to monitor and improve employee engagement.

Our internal working environment committee (AMU) ensures that we carry out the mandatory physical WPA measurements called APV (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. This survey is normally carried out every second year, together with our engagement survey, and is therefore postponed to 2024 as well.

We remain committed to enhancing leadership skills, fostering individual work-life balance, and expanding career development opportunities. Maintaining a healthy work-life balance was a key priority in 2023, and we've supported our colleagues by providing flexible working conditions, including the option to work from home, in collaboration with their managers. Additionally, we've introduced a leadership training program and convened our managers for several Strategic Forums throughout the year, focusing on transparency and leadership development as pivotal areas.

Health and Safety

At Energi Danmark Group, we prioritize our employees' safety and well-being. We offer local and group-level benefits, including health insurance and ergonomic advice. These not only improve job satisfaction but provide easy access to healthcare services and reduce sick leave, mitigating the risk of stress. Our benefits include but are not limited to (depending on location):

- Health insurance.
- Professional advice on workplace ergonomics.
- A yearly optional first aid course.
- Healthy food served at office canteens.

Our canteen in Aarhus, which has a certified bronze medal from The Organic Cuisine Label (Det Økologiske Spisemærke), offers a nutritious lunch, with vegetables occupying a prominent place on the buffet, which is clearly reflected in the canteen's food purchases, where fruit and vegetables accounts for 35 % and meat for only 16 %.

We like to promote physical health among our employees. Each year, we have our own padel tournament and participate in the DHL relay race, in which all employees have the opportunity to either run or walk five kilometers together with their colleagues. We also participated in this year's "Bike to work" campaign where 26 employees participated, and they covered a total distance of 6,957 km to work. But mental health is also on our agenda, so in the fall of 2023, Mikael Kamber visited our Aarhus office and gave a lecture about mental well-being. Kamber is a renowned expert in positive psychology and has written several books on the subject. During his lecture, he discussed the importance of mental health and well-being in the workplace. He shared practical tips and strategies for managing stress, improving mood, and increasing happiness. His lecture was well-received by everyone who attended, and we are grateful for the insights he provided.

Employee Data Security

At the Energi Danmark Group, we are committed to ensuring the highest level of data security for our employees. We take data security seriously and align with the EU's GDPR, working toward a streamlined data storage and sharing system across the Group. Our diversity policy rejects discrimination and promotes a culture of inclusivity.

While the implementation of a single HR system across the entire Group has been delayed, we are working on streamlining the way data is stored and shared across our systems to ensure uniform processing and storage of personal data.

Diversity and Inclusion

At Energi Danmark Group, we believe that diversity in all its forms enables us to creatively solve challenges for our customers and societies. It is a key element in how we adapt and access talent pools to bring in different perspectives and expertise. We do not tolerate any form of discrimination on the grounds of e.g. race, skin colour, 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 are dedicated to nurture an inclusive work culture where continuous learning is key. Our language program exemplifies this commitment, offering English-speaking employees the chance to immerse themselves in Danish society and language, thereby enhancing their integration and sense of belonging within the team. This initiative has seen significant milestones, such as employees successfully passing the Danish citizenship test. The program, developed in collaboration with CLAVIS Sprog & Kompetence and supported by the Municipality of Aarhus, spans comprehensive language training and cultural education, ensuring our diverse team not only excels in their roles but also connects deeper with Danish culture and societal norms.

Diversity and gender distribution in the management team

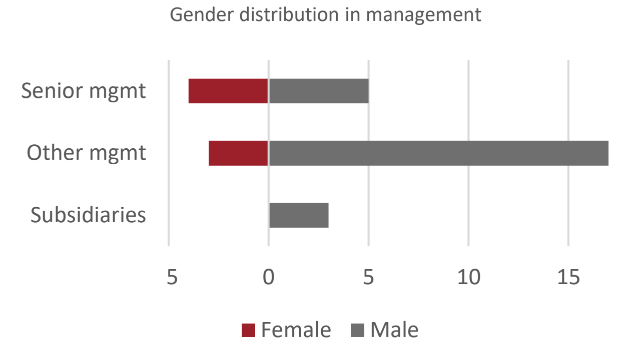
This report serves as the Energi Danmark Group's formal declaration on gender composition for the year ending 2023, in line with section 99b of the Danish Financial Statements Act. The aim is to create focus on the under-represented gender, which is currently female due to the distribution within our group. Despite men being predominant in the energy sector at large, and similarly within our company, we have made significant strides in promoting gender equity, especially within our Management Team.

Reflecting on our 2022 ambitions, we aimed for a significant improvement in gender balance:

- We sought an 85/15 gender distribution on Energi Danmark's Board of Directors, emphasizing the election of at least one woman by the end of 2022.
- Additionally, we targeted 28% of Energi Danmark's management to comprise women, aiming to achieve a 72/28 gender distribution at the management level by the close of 2022.

Achieving Our Gender Diversity Goals

By the end of 2023, our Management Team, including the CEO, SVPs, and VPs, consisted of nine individuals, achieving a more balanced gender representation with four women and five men. This translates to women representing 44.44 % of our Management Team, effectively surpassing our initial goal. As a result, our management team (senior management) has an equal gender distribution as of the balance sheet date. Additionally, the gender balance across the remaining management levels (management excluding the management team) has a gender balance of 15/85 % as of the reporting date.



Board of Directors

	Female		Male	
2023	1	17 %	5	83 %
Goal 2026	33 %		67 %	

Senior management

	Female		Male	
2023	4	44,4 %	5	55,6 %
Target reached	60/40 – 40/60 %			

Other management

	Female		Male	
2023	3	15 %	17	85 %
Goal 2033	40 %		60 %	

Across our organization, our workforce of 262 professionals, shows a positive shift towards greater gender diversity, with 95 women (36.26 %) and 167 men (63.74 %). This marks a noteworthy progression from 2022.

As of the end of 2023, the Board of Directors comprises six members, featuring one woman and five men, which equates to 17 % female representation - exceeding our target for female representation on the board from 2021. This achievement signifies meaningful progress towards greater gender diversity at our highest level of governance. In our commitment to enhancing board competencies during 2023, we conducted a meticulous headhunting process focused on identifying candidates with the most relevant competencies and experiences. This led to the appointment of Anne Broeng to the board, chosen for her significant sector experience, including her contributions to the board of directors in Danske Commodities and her strong risk management expertise.

As we consider the need for additional board members, we will continue focusing on professional competencies to guide our selection process, ensuring that our efforts towards diversity and expertise remain aligned with our governance objectives.

Looking Forward

With the achievements of 2023, we not only celebrate reaching our gender diversity goals within the management team but also acknowledge the progress made on our Board of Directors.

In the technology and trading industry, women are notably underrepresented, posing a challenge to rapid progress and changes in percentages. Recognizing this imbalance, we are committed to initiate measures aimed at attracting more women across various disciplines. Our goal is to maintain and achieve a gender ratio of either 60/40 or 40/60 on senior management as well as other management - moving towards a more balanced gender representation.

We will maintain transparency in our diversity and inclusion initiatives, holding ourselves accountable to our goals, and upholding the values that define us as an organization.

Results for 2023 and goals for 2024

Risks	Focus areas	Goals 2023	Results 2023 ⌐ Actions	Goals 2024 ⌐ Planned actions
Career and Challenges Employment Terms Remuneration	**Careers and capabilities** Policy: Employee rights policy	▪ Define and implement annual HR core processes ▪ Attract more international candidates ▪ Optimizing and developing the onboarding process ▪ Focus on leadership training and development ▪ Make internal career opportunities visible across the organization	▪ Transformative year and goal postponed to 2024 ▪ Participating in fairs and working with agencies ▪ Recruitment specialist hired in 2023 to set up processes and procedures in 2024 Strategic Forum ⌐ Shared knowledge and leadership training	▪ Annual management wheel implemented in 2024 ▪ Participating in fairs and working with agencies ▪ Improved employee and office experience ▪ New improved onboarding processes ▪ Guiding principles for managers ▪ Leadership development program
Work health Work safety	**Work health & safety** (Diet, exercise, working environment, stress) Policy: Employee rights policy	▪ Increase employee satisfaction where MTU and APV have pointed out that there are currently challenges /opportunities for improvement ▪ Sick leave below the standard for the energy business ▪ Attrition below 15%	▪ Postponed to 2024 due to a transformative year ⌐ Surveys will be carried out in 2024 ▪ Sick leave 1.7% (average of 3.2 % for utility companies) ▪ Attrition 26.1 %	▪ Increase employee satisfaction where MTU and APV have pointed out that there are currently challenges /opportunities for improvement ▪ Sick leave below the standard for the energy business Attrition below 15%
Data safety	**Employee data security** Policy: Employee rights policy	▪ Further streamlining of the Energi Danmark Group's employee information through our various HR systems	▪ Continuous work to improve	▪ Ongoing improvements
Discrimination and inclusion	**Diversity** Policies: Employee rights policy, Diversity policy	▪ Gender distribution of 85/15 on Board of Directors by close of 2024	▪ Accomplished in 2023.	▪ We do not expect any changes in the Board of Directors, but we continue to focus on gender distribution in our Management Team and among our employees

Responsible Operations

We aim to be transparent in all we do to maintain fair competition and good business ethics. Central to our operations is our 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 implemented quality and environmental policies to identify all environmental impacts, including ensuring the proper handling of significant environmental aspects and to ensure on-going identification of new aspects.

In January 2023, we achieved recognition for our sustainability efforts with the award of an EcoVadis Bronze medal. We were recertified in March 2024, based on initiatives and policies from the year 2023. This certification includes comprehensive sustainability performance across four key categories: Environment, Labor & Human Rights, Ethics, and Sustainable Procurement.

Transparency

In the highly regulated energy sector, transparency is paramount. At Energi Danmark Group, we embrace this requirement as a fundamental aspect of our corporate social responsibility. Upholding transparency ensures fair competition and adheres to the highest standards of business ethics. Annually, we highlight significant developments in our report, addressing both triumphs and challenges, while also keeping stakeholders informed through regular updates and major announcements on our website.

Electricity Consumption

Our commitment to sustainability is embodied by our headquarters in Aarhus, housed in a building distinguished by a gold DGNB certification, reflecting excellence in sustainable construction. Similarly, our Malmö office, part of Energi Försäljning Sverige AB, enjoys a silver certification for sustainability, showcasing our dedication across borders.

Given our position in subleased spaces, direct monitoring of our energy consumption poses challenges. However, we prioritize occupancy in modern, energy-efficient buildings to minimise our environmental footprint. Despite a strategic move to renewable energy sources, the transition of several offices in 2023 slightly impacted our goal of achieving 100% renewable electricity usage.

Our Aarhus office has been honoured with a gold rating from the EU's DGNB certification system for sustainable buildings. This prestigious rating is a result of a thorough evaluation across multiple criteria spanning six major categories.

DGNB

Environmental quality	66.0 %
Economic quality	83.9 %
Sociocultural and functional quality	62.3 %
Technical quality	69.4 %
Process quality	75.0 %
Site quality	58.7 %
Total score	70.9 %

ISO Certification

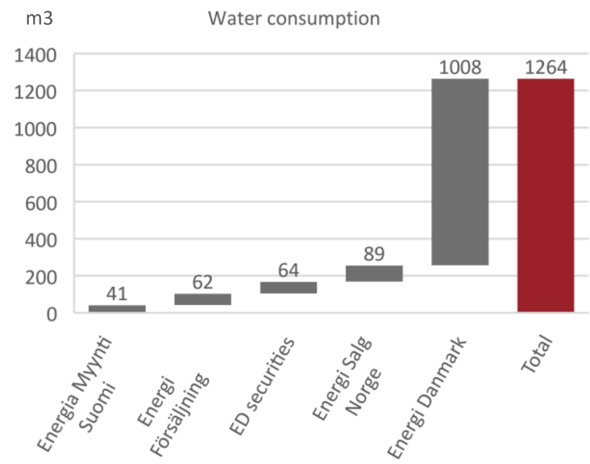
Since 2014, we have been certified in accordance with ISO 14001 which is the most renowned international standard in environmental management systems and is used worldwide. In January 2022, our ISO certification was renewed for a three-year period.

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 year and the most recent one was completed in September 2023

Water Consumption

Our Aarhus office, distinguished by its DGNB certification, has been designed with sustainability at the forefront, utilizing water recycling and local resources to preserve the natural water cycle and minimise the usage of potable water.

In 2023, we have estimated the water consumption across our locations because precise measurements can be challenging due to our subsidiaries being housed within larger buildings—where water costs are included in the overall rent.



Waste Management

In line with our environmental responsibilities, all our offices, situated within multi-tenant buildings, follow the waste management guidelines specified for each property. To support these efforts, we actively sort waste in key areas of our workplaces, such as kitchens, canteens, and printer stations. In addition to the general waste separation practices, some of our offices go further by sorting cardboard, plastic, and glass.

Our approach to minimising food waste is proactive and creative. Employees are encouraged to purchase surplus food from lunch to take home, while our kitchen staff skilfully repurposes any remaining food that has not been on the buffet, either by freezing for future use or incorporating it into meals the following day.

We also apply due diligence and look to minimise any negative effects on the environment when purchasing. Our kitchen staff focus – to the extent that it makes sense – on buying food that is close to the expiry date, contributing to our broader effort to combat food waste effectively.

Calculations of Scope 1 & 2

During 2023, we screened and measured our own impact on the climate coming from CO_2 emissions, in adherence to the generally accepted GHG accounting principles. We measured both the direct internal emissions (scope 1) and the indirect internal emissions (scope 2). Scope 1 emissions are mainly coming from fuel for own and leased vehicles. Scope 2 emissions come from district heating and our electricity consumption. We have set a target of minimising our negative impact in scope 1 and 2 and compensating the remaining part.

As a power trading company, the majority of CO_2 emissions come from our suppliers and customers (scope 3). We will begin calculating its Scope 3 emissions in the upcoming reporting periods. Scope 3 emissions include indirect GHG emissions associated with activities related to Energi Danmark but not directly controlled or owned by us.

Calculation of our direct internal emissions (scope 1)

In 2023 we changed the composition of our owned and leased vehicles and sold all our Diesel operated cars. By the end of 2023 we had a total of 30 cars in our fleet, with either an electric, gasoline or hybrid-motor. 23 of those cars (76.6 %) are electric vehicles, without direct contributions to CO_2 emissions to the atmosphere. 4 are hybrid vehicles (13.3). The total direct CO_2 emissions from our vehicles were equal to 49 tons CO_2 emissions.

Calculation of our indirect internal emissions (scope 2)

Energi Danmark consumed a total of 353,204.00 kWh of electricity, including electricity for electric cars. The location-based emission factors are from Energinet for Denmark, EEA for Sweden and Finland and Fortum for Norway. The market-based emission factors are equal to zero because of the use of 100% renewable electricity.

Many of our subsidiaries are located within larger buildings, and their energy costs are included in the total rent. Therefore, our data on district heating is based on estimations. These estimates are calculated according to our square meter ratio of energy consumption for the entire office building. Energi Danmark used an estimated total of 321,267.00 kWh of energy from the district heating networks of Denmark, Sweden, and Norway. The emissions from district heating arise mainly from the central Danish facility, that consumed a total of 253,231.00 kWh.

In total, when looking at our location-based scope 2 emissions we have emitted a total of 55 tons CO_2 eq.

Compensation of our negative impact on the climate

In 2023, we have registered 49 tons of CO_2 equivalent through our internal operations (scope 1). Moreover, our activities related to district heating in Denmark, electricity consumption across Denmark and Sweden, and our fleet of electric vehicles contributed to an additional 55 tons of CO_2 (scope 2), summing up our total negative climate impact to 104 tons of CO_2. Understanding the urgency to address climate change, we took a decisive step towards carbon neutrality.

To counterbalance our carbon footprint, we collaborated with EcoTree, a leading organization committed to forestation and ecosystem restoration in Europe. Our partnership is focused on the Nysum Forest project, a transformative initiative aimed at converting a 31.2-hectare former gravel pit, located between Aalborg and Hobro in Northern Jutland, into a vibrant, nature-close forest. This reforestation project is set to kickstart in spring 2024, introducing a diverse array of tree species and shrubs, managed through continuous cover forestry principles.

Results for 2023 and goals for 2024

Risks	Focus areas	Goals 2023	Results 2023 ⌐ Actions	Goals 2024 ⌐ Planned actions
Transparency	**Transparency** Policies: Human rights, Environmental, Climate, Employee rights, Diversity policy, Anti-corruption	▪ Reporting on policies	▪ Remuneration Policy.	▪ Implementation of ESG reporting setup.
Electricity consumption	**Electricity consumption** Policy: Environmental policy	▪ 6 of 6 sites ISO 14001 certified ▪ Internal audits of ISO 14001 conducted ▪ External audits of ISO 14001 conducted ▪ 100% of electricity consumption green or CO_2 compensated	▪ 6 of 6 sites ISO 14001 certified ▪ Internal audits are carried out every year and the most recent one was completed in September 2023 ▪ External audits are carried out every year and the most recent one was completed in September 2023 ▪ 100 % of electricity consumption green or CO_2 compensated ⌐ Collected consumption data	▪ 6 of 6 sites ISO 14001 certified ▪ ▪ Conduct internal audits of ISO 14001 ▪ Conduct External audits of ISO 14001 ▪ 100 % green electricity consumption ⌐ Collect consumption data
Water consumption	**Water** Policy: Environmental policy	▪ 6 of 6 sites ISO 14001 certified ▪ Internal audits of ISO 14001 conducted ▪ External audits of ISO 14001 conducted ▪ Collect data for water consumption	▪ 6 of 6 sites ISO 14001 certified ▪ Internal audits are carried out every year and the most recent one was completed in September 2023 ▪ External audits are carried out every year and the most recent one was completed in September 2023 ▪ Data for water consumption collected where possible	▪ 6 of 6 sites ISO 14001 certified ▪ Conduct internal audits of ISO 14001 ▪ Conduct External audits of ISO 14001 ▪ Collect data for water consumption
Waste	**Waste** Policy: Environmental policy	▪ 6 of 6 sites ISO 14001 certified ▪ Internal audits of ISO 14001 conducted ▪ External audits of ISO 14001 conducted ▪ Collect data for waste consumption	▪ 6 of 6 sites ISO 14001 certified ▪ Internal audits are carried out every year and the most recent one was completed in September 2023 ▪ External audits are carried out every year and the most recent one was completed in September 2023 ▪ Data for waste consumption collected where possible.	▪ 6 of 6 sites ISO 14001 certified ▪ Conduct internal audits of ISO 14001 ▪ Conduct External audits of ISO 14001 ▪ Collect data for waste consumption

KPI definitions

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

Biomass
The 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.

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

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.

Sick leave standard
The industry standard is based on the category "Supply etc." in the Confederation of Danish Industry's (DI) statistics of absence for 2023.

Supplier risk assessment
Suppliers being risk assessed for sustainability issues.

Supplier Code of Conduct
Suppliers who have signed our Supplier Code of Conduct.

ISO 14001 certified departments
Number of departments that have valid ISO 14001 Environmental certification.

Training of all employees
Number of employees in Energi Danmark who have actively taken part in training in our policy on anticorruption and fair competition.

ISO 14001 - Internal audits
Audits performed on our own sites via personnel in Energi Danmark, who do not work on this site daily, i.e. first party audits.

ISO 14001 - External audits
Audits performed on our own sites via people who do not work for Energi Danmark, i.e. third-party audits. We use auditors from FORCE Certification A/S.

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 meters is listed for each site. It is not always possible to obtain these figures from the owners of office buildings for some sites.

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

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, which now consists of the Management Team (MT) which is our VPs and SVPs.

ANNUAL REPORT

Consolidated Financial Statements

Income Statement

Notes	DKK '000	2023	2022
4	Revenue - sales of power etc	119,792,243	344,556,246
	Purchase of power	-118,407,447	-345,420,823
	Net income/loss from financial instruments	-980,344	12,896,046
	Gross profit	**404,452**	**12,031,469**
5	Staff costs	-286,686	-279,040
6, 8	Other external costs	-259,951	-302,776
7	Depreciation and amortisation	-66,425	-70,677
	Operating profit	**-208,610**	**11,378,976**
9	Finance income	288,702	72,649
10	Finance costs	-46,340	-110,220
	Profit before tax	**33,752**	**11,341,405**
11	Tax	-34,388	-2,497,284
	Profit for the year	**-636**	**8,844,121**
	Attributable to:		
	Shareholders of Energi Danmark A/S	-636	8,844,121
		-636	**8,844,121**

Other Comprehensive Income

Items that may be reclassified to profit or loss in subsequent periods		
Exchange differences on translation of foreign operations	-3,797	-21,716
Cash flow hedge	-35,165	-42,215
Tax on cash flow hedge	7,736	9,287
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	**-31,226**	**-54,644**
Total comprehensive income for the year, net of tax	**-31,862**	**8,789,477**
Attributable to:		
Shareholders of Energi Danmark A/S	**-31,862**	**8,789,477**

Consolidated Balance Sheet

Assets

Notes	DKK '000	2023	2022
	Non-current assets		
12	Intangible assets	119,608	119,691
13	Tangible assets	78,457	87,456
11	Deferred tax assets	93,683	345,830
	Total non-current assets	**291,748**	**552,977**
	Current assets		
	Inventory	442,410	817,713
17	Trade receivables	7,215,356	14,439,676
11	Tax receivable	54,245	2,988
	Receivables from related parties	998,667	0
17, 18	Derivative assets	2,796,714	8,185,704
	Deposits	2,710,732	5,234,782
	Other receivables	94,045	304,197
	Cash	3,262,970	5,602,788
	Total current assets	**17,575,139**	**34,587,848**
	Total assets	**17,866,887**	**35,140,825**

Consolidated Balance Sheet

Liabilities

Notes	DKK '000	2023	2022
	Equity		
15	Share capital	500,000	500,000
	Exchange rate reserve	-42,773	-38,976
	Retained earnings	8,320,451	8,321,087
	Cash flow hedge	-71,207	-43,778
	Proposed dividend	0	3,000,000
	Total equity	**8,706,471**	**11,738,333**
	Non-current liabilities		
17	Lease liabilities	55,549	63,958
	Prepayments	5,142	0
	Other payables	34,923	0
11	Deferred tax	789	9,157
	Total non-current liabilities	**96,403**	**73,115**
	Current liabilities		
17	Lease liabilities	6,172	7,106
	Trade payables	3,678,470	8,367,388
11	Income tax payable	0	2,136,547
	Debt to related parties	438,629	0
17, 18	Derivative liabilities	3,946,398	10,881,602
	Deposits	61,550	1,260,524
	Other payables	932,794	676,210
	Total current liabilities	**9,064,013**	**23,329,377**
	Total liabilities	**9,160,416**	**23,402,492**
	Total equity and liabilities	**17,866,887**	**35,140,825**

14 Interest in subsidiaries
16 Pledges, collateral and contingent liabilities
19 Related party disclosures
20 Subsequent events
21 Effects of new or amended IFRS standards

Consolidated Statement of Changes in Equity

Notes DKK '000

	Share capital	Exchange rate reserve	Retained earnings	Proposed Dividend	Cash flow hedge	Total
Equity 1 January 2023	**500,000**	**-38,976**	**8,321,087**	**3,000,000**	**-43,778**	**11,738,333**
Profit for the year	0	0	-636	0	0	-636
Dividends provided for or paid	0	0	0	-3,000,000	0	-3,000,000
Transactions with owners	**0**	**0**	**0**	**-3,000,000**	**0**	**-3,000,000**
Other comprehensive income in 2023						
Cash flow hedge before tax	0	0	0	0	-35,165	-35,165
Foreign currency translation adjustment	0	-3,797	0	0	0	-3,797
Tax on other comprehensive income	0	0	0	0	7,736	7,736
Comprehensive income for the period	**0**	**-3,797**	**0**	**0**	**-27,429**	**-31,226**
Equity 31 December 2023	**500,000**	**-42,773**	**8,320,451**	**0**	**-71,207**	**8,706,471**
Equity 1 January 2022	**350,000**	**-17,260**	**1,626,966**	**0**	**-10,850**	**1,948,856**
Profit for the year	0	0	5,844,121	3,000,000	0	8,844,121
Capital increase	150,000	0	850,000	0	0	1,000,000
Transactions with owners	**150,000**	**0**	**850,000**	**0**	**0**	**1,000,000**
Other comprehensive income in 2022						
Cash flow hedge before tax	0	0	0	0	-42,215	-42,215
Foreign currency translation adjustment	0	-21,716	0	0	0	-21,716
Tax on other comprehensive income	0	0	0	0	9,287	9,287
Comprehensive income for the period	**0**	**-21,716**	**0**	**0**	**-32,928**	**-54,644**
Equity 31 December 2022	**500,000**	**-38,976**	**8,321,087**	**3,000,000**	**-43,778**	**11,738,333**

During the year dividend of DKK 6 per share was paid (2022: DKK 0 m).

Consolidated Statement of Cash Flows

Notes	DKK '000	2023	2022
	Operating profit	-208,610	11,378,976
	Cash flow hedge	-35,165	-42,215
	Depreciation and amortisation etc.	66,425	70,677
	Net foreign exchange differences	-3,797	-21,716
	Finance income, received		72,649
	Finance costs, paid	288,702	-110,220
	Changes in inventory	-46,340	-390,705
	Changes in trade and other receivables	375,303	-1,836,603
	Changes in trade and other payables	14,348,845	2,188,511
	Income taxes paid	-12,087,759	-601,564
		-1,970,672	
	Cash flow from operating activities	**726,932**	**10,707,790**
	Purchase of intangible assets	-52,312	-30,115
	Disposal of intangible assets	1,317	0
	Purchase of tangible assets	-8,457	-4,174
	Disposal of tangible assets	2,045	1,199
	Investment in subsidiaries	0	0
	Cash flow from investing activities	**-57,407**	**-33,090**
	Loans	0	-2,386,500
	Loans from related parties	0	-3,109,813
	Capital increase	0	1,000,000
	Instalments on leases	-9,343	-9,252
	Paid dividend	-3,000,000	0
	Cash flow from financing activities	**-3,009,343**	**-4,505,565**
	Net increase/decrease in cash and cash equivalents	-2,339,818	6,169,135
	Cash and cash equivalents at 1 January	5,602,788	-566,347
	Cash and cash equivalents at 31 December	3,262,970	5,602,788

Notes to the Consolidated Financial Statements

Notes

1 Accounting policies

Basis of preparation

Energi Danmark A/S (the Company) is a limited company in-corporated 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 2023 for Energi Danmark A/S is presented in accordance with the International Financial Reporting Standards (IFRS accounting standards) 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 2023 were authorized for issue in accordance with the directors on 8 April 2024.

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 14.

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 2023.

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 14.

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.

Notes

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.

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 and amortisation
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.

Notes

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

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 17.

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 highly probable 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 and for hedging of fixed sales prices on gas. 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.

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 and certain contract for the physical delivery of energy 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 18.

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.

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 interesting-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.

Notes

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:

$$\textbf{Gross margin ratio} = \frac{\text{Gross profit x 100}}{\text{Net revenue}}$$

$$\textbf{Profit ratio (EBIT)} = \frac{\text{Profit from ordinary operating activities x 100}}{\text{Net revenue}}$$

$$\textbf{Equity ratio (solvency)} = \frac{\text{Equity, excluding non-controlling interests, end of year x 100}}{\text{Total assets, end of year}}$$

$$\textbf{Return on equity before tax} = \frac{\text{Profit before tax x 100}}{\text{Average equity, excluding non-controlling interests}}$$

$$\textbf{Return on equity after tax} = \frac{\text{Profit after tax x 100}}{\text{Average equity, excluding non-controlling interests}}$$

2 Effects of new and amended accounting standards

IASB has issued amended standards which have not yet entered into force, and which have consequently not been incorporated into the consolidated financial statements for 2023. None of these amended standards and interpretations are expected to have any significant impact on our financial statements.

Notes

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 15. financial instrument risk management, liquidity risk and sensitivity analysis disclosures, note 17 and 18.

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 classified in the balance sheet as derivative 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 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 2023, the carrying amount of derivative assets and liabilities amounts to DKK 2,797 m (2022: DKK 8,186 m) and DKK 3,946 m (2022: DKK 10,882 m), respectively.

Notes

4 Revenue - sale of power etc.

Management has not decided to voluntarily disclose business segments according to IFRS 8, but have included this as a note and description of accounting policies for revenue 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 Forsäljning 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 Vertieb Deutschland EVD GmbH**: Sells energy on the German market
> **ED Business Support:** Sells billing and IT solutions
> **Energi Danmark Anadolu Elektrik Enerjisi Toptan Ticaret Limited Sirketi:** Energy trading
> **Disam Nm Dooel Skopje:** Energy trading
> **DISAM BH d.o.o.:** Energy trading
> **DISAM Australia Pty. Ltd.:** Energy trading
> **DISAM US LLC**: Energy trading (no activity in 2023)
> **DISAM GE LLC:** Energy trading

The reportable segments have been determined without aggregating operating segments.

	2023	2022	2023	2022
	External revenue		Non-current assets (excluding deferred tax asset)	
Denmark*	108,658,381	324,418,078	197,083	205,981
Sweden	2,413,459	4,485,966	141	337
Finland	2,068,448	4,256,433	0	195
Germany	2,266,550	2,274,297	96	143
Norway	4,370,243	9,121,472	716	491
Turkey	15,162	0	0	0
Bosnia	0	0	29	0
Total	**119,792,243**	**344,556,246**	**198,065**	**207,147**

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 79,544.3 m (2022: DKK 258,364.3 m)
Governments grants: DKK 0 m (2022: DKK 0 m)

Notes	DKK '000	2023	2022
5	Staff costs		
	Wages and salaries	195,102	257,330
	Pensions, defined contribution plans	19,639	15,071
	Other expenses for social security	8,350	6,639
	Termination Remuneration	63,595	0
		286,686	**279,040**
	Of this amount:		
	Board of Directors, wages and salaries	0	43
	Executive Management, wages and salaries	6,628	19,393
	Executive Management, pensions	1,470	1,285
	Executive Management, other expenses for social security	8	7
	Executive Management, termination remuneration	12,817	0
		20,923	**20,728**

The Executive Management has a bonus scheme that is based on achieved Group earnings.

		2023	2022
	Average number of full time employees	246	220
6	Development project costs		
	Relationship between costs and expensed research and development:		
	Incurred IT-development costs		
	IT-development costs accounted for under intangible assets	52,312	30,115
	IT-development costs for the year in the income statement	0	0

Notes	DKK '000	2023	2022
7	**Depreciation and amortisation**		
	Amortisation of intangible assets	51,026	58,191
	Depreciation of tangible assets	5,024	3,788
	Depreciations of leased assets	10,375	8,698
		66,425	**70,677**
8	**Fees paid to auditors appointed at the annual general meeting**		
	Statutory audit	1,402	1,091
	Consultancy	7,848	0
	Tax assistance	471	1,128
	Other assistance	4,006	2,728
		13,727	**4,947**
9	**Finance income**		
	Interest income, credit institutions	195,804	34,833
	Interest on late payments	6,455	11,545
	Interest rate swaps	66,862	24,513
	Other interest income	19,581	1,758
		288,702	**72,649**
10	**Finance costs**		
	Interest expenses, credit institutions	26,695	94,328
	Interest expense, lease liability	1,002	1,093
	Interest expenses, loans from related parties	0	12,099
	Interest rate swaps	0	2,435
	Other interest expenses	18,643	265
		46,340	**110,220**

Notes	DKK '000	2023	2022
11	Tax		
	Tax on profit for the year has been calculated as follows:		
	Current tax for the year	21,468	2,771,313
	Change of deferred tax	11,170	-275,100
	Adjustment of prior-year current tax	1,750	1,071
	Tax on profit for the year in the income statement	**34,388**	**2,497,284**
	Specification of the tax on the profit for the year:		
	Calculated 22% tax of the profit for the year	7,425	2,498,152
	Adjustment of calculated tax in foreign subsidiaries	236	-2,041
	Non-deductible costs and non-taxable income	24,977	102
	Adjustment of tax, previous years	1,750	1,071
	Effective tax	**34,388**	**2,497,284**
	Income tax receivable/payable		
	Income tax receivable/payable at 1 January	-2,133,559	5,944
	Foreign currency translation adjustments, income tax	84	-461
	Adjustment of tax, previous years	0	-8
	Transferred from deferred tax	238,516	30,715
	Current tax for the year	-21,468	-2,771,313
	Income tax received	-7,406	-51,158
	Income tax paid	1,978,078	652,722
	Income tax receivable/payable at 31 December	**54,245**	**-2,133,559**
	Income tax is recognised in the balance sheet:		
	Income tax receivable	54,245	2,988
	Income tax payable	0	-2,136,547
		54,245	**-2,133,559**

Notes	DKK '000	2023	2022
	Deferred tax		
	Deferred tax, 1 January	-336,673	-84,067
	Foreign currency translation, adjustments, deferred tax	80	3
	Transferred to income tax	238,516	30,715
	Adjustment of deferred tax, previous year	1,750	1,063
	Change of deferred tax	3,434	-284,387
	Deferred tax 31 December	**-92,893**	**-336,673**
	Deferred tax relates to:		
	Intangible assets	11,045	10,860
	Tangible assets	-2,228	-2,399
	Loss allowance on trade receivables	-26,200	-25,102
	Foreign accounting policies	-2,895	5,725
	Tax losses carry forward	-56,309	-3,279
	Leasing	-319	-103
	Provision and hedge	-15,987	-322,375
	Carrying amount 31 December	**-92,893**	**-336,673**
	Deferred tax is recognised as follows in the balance sheet:		
	Deferred tax asset	-93,682	-345,830
	Deferred tax liability	789	9,157
		-92,893	**-336,673**

Deferred tax assets are measured at the value at which the asset is expected to be realised. Either by elimination in tax on future earnings or by set-off against deferred tax liabilities. The group excpects to realise the deferred tax assets in the future earnings in coming years.

Notes DKK '000

12 Intangible assets

	2023		
	Completed development projects	**Development projects in progress**	**Total**
Cost 1 January	435,075	0	435,075
Foreign currency translation adjustment	15	0	15
Additions	0	52,312	52,312
Transfers	52,312	-52,312	0
Disposals	-78,127	0	-78,127
Cost 31 December	**409,275**	**0**	**409,275**
Accumulated amortisations 1 January	315,384	0	315,384
Foreign currency translation adjustment	13	0	13
Amortisations	51,078	0	51,078
Amortisations on disposals	-76,808	0	-76,808
Accumulated amortisations 31 December	**289,667**	**0**	**289,667**
Carrying amount 31 December	**119,608**	**0**	**119,608**

	2022		
	Completed development projects	**Development projects in progress**	**Total**
Cost 1 January	405,031	0	405,031
Foreign currency translation adjustment	-71	0	-71
Additions	0	30,115	30,115
Transfers	30,115	-30,115	0
Disposals	0	0	0
Cost 31 December	**435,075**	**0**	**435,075**
Accumulated amortisations 1 January	257,263	0	257,263
Foreign currency translation adjustment	-70	0	-70
Amortisations	58,191	0	58,191
Amortisations on disposals	0	0	0
Accumulated amortisations 31 December	**315,384**	**0**	**315,384**
Carrying amount 31 December	**119,691**	**0**	**119,691**

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.

Notes DKK '000

13 Tangible assets

	2023				
	Leasehold improve-ments	**Vehicles**	**Tools and equipment**	**Buildings**	**Total**
Cost 1 January	4,843	7,439	21,279	88,873	122,434
Foreign currency translation adjustment	-10	-41	-51	0	-102
Additions	16	4,984	3,457	0	8,457
Disposals	0	-4,511	0	0	-4,511
Cost 31 December	**4,849**	**7,871**	**24,685**	**88,873**	**126,278**
Accumulated depreciation 1 January	918	3,438	11,999	18,623	34,978
Foreign currency translation adjustment	-8	-21	-42	0	-71
Depreciations for the year	471	1,352	3,213	10,375	15,411
Depreciations, disposals for the year	0	-2,497	0	0	-2,497
Accumulated depreciations 31 December	**1,381**	**2,272**	**15,170**	**28,998**	**47,821**
Carrying amount 31 December	**3,468**	**5,599**	**9,515**	**59,875**	**78,457**
Depreciation period	**10 years**	**5 years**	**3-5 years**	**3-4 years**	

In the carrying amount of Buildings, DKK 59.9 m is relating to leases.
Depreciation expenses relating to leases recognised in profit (loss) were DKK 10.4 m.
For assets pledged as security, please refer to Note 16.
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.

Interests on lease debt expensed in profit (loss) were DKK 1.0 m (2022: DKK 1.1 m) in 2023. There are no expenses related to leases of low-value assets.

Total cash outflows for leases were DKK 10.3 m in 2023.

	2022				
	Leasehold improve-ments	**Vehicles**	**Tools and equipment**	**Buildings**	**Total**
Cost 1 January	10,905	9,045	20,496	86,435	126,881
Foreign currency translation adjustment	-30	-35	-225	134	-156
Additions	478	2,688	1,008	2,304	6,478
Disposals	-6,510	-4,259	0	0	-10,769
Cost 31 December	**4,843**	**7,439**	**21,279**	**88,873**	**122,434**
Accumulated depreciation 1 January	6,993	5,349	10,085	9,925	32,352
Foreign currency translation adjustment	-20	-14	-172	0	-206
Depreciations for the year	455	1,247	2,086	8,698	12,486
Depreciations, disposals for the year	-6,510	-3,144	0	0	-9,654
Accumulated depreciations 31 December	**918**	**3,438**	**11,999**	**18,623**	**34,978**
Carrying amount 31 December	**3,925**	**4,001**	**9,280**	**70,250**	**87,456**
Depreciation period	**10 years**	**5 years**	**3-5 years**	**3-4 years**	

In the carrying amount of Buildings, DKK 70.3 m is relating to leases.
Depreciation expenses relating to leases recognised in profit (loss) were DKK 8.7 m.
For assets pledged as security, please refer to Note 16.
The Group has no significant contractual commitment to invest in tangible assets in future years.

Notes DKK '000

14 Interest in subsidiaries

Name	Address	Country of incorpora-tion	Voting right and owner-ship share
Energi Danmark Securities A/S	Knud Højgaards Vej 2, 2. 2860 Søborg	Denmark	100%
Energi Försäljning Sverige AB	Hyllie Stationstorg 31, 21532 Malmö	Sweden	100%
Energia Myynti Suomi Oy	Teknoboulevardi 7, 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	Tangen 29, 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 Udarna Briada no. 43/3, Skopje - Centar	Macedonia	100%
DISAM BH d.o.o.	Maglajska 1, 71000 Sarajevo	Bosnia-Her-zegovina	100%
DISAM Australia Pty. Ltd.	Market Street 1, 2000 Sydney NSW	Australia	100%
DISAM US LLC	Little Falls Drive 251, Wilmingtong, Dela-ware 19808-1674 New Castle County	USA	100%
DISAM GE LLC	Vazha-Pshavela Ave., N71, Tbilisi	Georgia	100%

15 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 support from owners 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 solvency ratio at 31 December 2023 amounts to 48.7 % (31 December 2022: 33.4 %)

Share capital
The share capital as of 31 December 2023 consists of 500,000,000 shares of a nominal value of 1 DKK. (2022: 500,000,000 shares of a nominal value of 1 DKK).

All shares have the same voting rights.

16 Pledges, collateral and contingent liabilities

	2023	2022
The following assets are pledged as collateral for trading on power exchanges as well as balances with counterpar-ties:		
Power exchange Nord Pool Spot, EEX, APX , Nasdaq OMX and other counterparties etc. Deposited cash	1,490,932	3,975,179
The group has entered into agreements for the future pur-chase of gas capacities with an unrecognized obligation	454,000	3,406,000
Guarantees		
Guarantees provided by a financial institute	2,235,460	3,052,310

Notes

17 Risks, financial instruments and recognised transactions

The Energi Danmark Group is exposed to market risks (primarily power and gas prices, volume, currency exchange risks), operational risks, credit risks, inflation and 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 counterparts. The customers are primarily to be found within the public sector, utility sector and across business markets (B2B).

Trading partners
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.

All counterparts are subject to a credit-rating before starting to trade. Existing counterparts 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 counterparts.

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 Energy Denmark 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 Energy Denmark, 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.

Trade receivable and provisions for impairment:

	2023		2022	
	Carrying amount before impairment	**Provision for impairment**	**Carrying amount before impairment**	**Provision for impairment**
Customers not due	7,309,337	100,000	14,534,949	100,000
Customers in dunning process	23,763	19,010	15,301	12,241
Insolvent customers	6,331	5,065	8,334	6,667
Total	**7,339,431**	**124,075**	**14,558,584**	**118,908**

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.

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.

Market price fluctuations in power and gas can significantly affect cash requirements, primarily due to changes in working capital for customers and adjustments in collateral and margins for spot and future contracts towards exchanges and counterparts.
Rising prices increase working capital and collateral requirements on exchanges. Conversely, price increases typically yield positive margins on Energi Danmark's future positions, which consists of larger buying volumes than selling volumes, mostly due to hedging of consumer contracts on the exchanges.
All things considered, higher market prices will normally result in higher total liquidity usage with more uncertainty and bigger cash fluctuations. Given the current net future position, a 10 EUR increase in power and gas market prices will increase Energi Danmark's liquidity draw by roughly DKK 30m in the coming month, whereas a 10 EUR decrease will reduce the draw by approximately the same amount.

The liquidity risk is managed and monitored on a daily basis and a cash flow prognosis showing expected future cash movements is maintained

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 16. 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.

Notes DKK '000

		Contractual maturity incl. interest (cash flow)			
31 December 2023	Carrying amount	Total	< 1 year	1-5 years	> 5 years
Non-derivative financial instruments					
Lease liabilities	61,721	61,721	11,801	41,242	8,678
Other non-current liabilities	34,923	34,923	0	34,923	0
Trade payables	3,678,470	3,678,470	3,678,470	0	0
Debt to related parties	438,629	438,629	438,629	0	0
Deposits	61,550	61,550	61,550	0	0
Other liabilities	932,794	932,794	932,794	0	0
Derivative financial instruments					
Derivatives	3,946,398	3,946,398	3,551,758	276,248	118,392
Total financial instruments	**9,154,485**	**9,154,485**	**8,675,002**	**352,413**	**127,070**

		Contractual maturity incl. interest (cash flow)			
31 December 2022	Carrying amount	Total	< 1 year	1-5 years	> 5 years
Non-derivative financial instruments					
Lease liabilities	71,064	71,064	7,106	63,958	0
Trade payables	8,367,388	8,367,388	8,367,388	0	0
Deposits	1,260,524	1,260,524	1,260,524	0	0
Other liabilities	676,210	676,210	676,210	0	0
Derivative financial instruments					
Derivatives	10,881,602	10,881,602	7,617,121	3,046,849	217,632
Total financial instruments	**21,256,788**	**21,256,788**	**17,928,349**	**3,110,807**	**217,632**

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

Notes

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.

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 positive effect of DKK 21.6 m (2022: DKK 11.1 m) in the profit and loss before tax and DKK 16.8 m (2022: DKK 8.7 m) on the equity. A corresponding increase in the interest rate would lead to a negative effect of DKK 21.6 m (2022: DKK 11.1 m) in the profit and loss before tax and DKK 16.8 m (2021: DKK 8.7 m) 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.

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

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.

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

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.

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).

Sensitivity analysis

	2023		
	P/L effect before tax	**Equity effect**	**Reasonably possible change in variable%**
Electricity	28,871	22,519	40%
Currency exchange rate	5,272	4,112	1%

	2022		
	P/L effect before tax	**Equity effect**	**Reasonably possible change in variable%**

Electricity	-111,923	87,300	40%
Currency exchange rate	22,416	17,484	1%

The sensitivity analysis is based on the recognised financial assets and liabilities at the balance sheet date. Expected volatility of 40% is used for electricity and 1% for currency exchange rate in the sensitivity analysis.

Notes DKK '000

18 Information about financial instruments

Categories of financial instruments

	2023		2022	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Trade receivables	7,215,356	7,215,356	14,439,676	14,439,676
Receivables from related parties	998,667	998,667	0	0
Other receivables and deposits	2,804,777	2,804,777	5,538,979	5,538,979
Cash	3,262,970	3,262,970	5,602,788	5,602,788
Financial assets measured at amortised cost	**14,281,770**	**14,281,770**	**25,581,443**	**25,581,443**
Derivative assets	2,796,714	2,796,714	8,185,704	8,185,704
Financial assets measured at fair value through profit or loss	**2,796,714**	**2,796,714**	**8,185,704**	**8,185,704**
Other non-current liabilities	34,923	34,923	0	0
Trade payables	3,678,470	3,678,470	8,367,388	8,367,388
Debt to related parties	438,629	438,629	0	0
Lease liabilities	61,721	61,721	71,064	71,064
Other payables and deposits	994,344	994,344	1,936,734	1,936,734
Financial liabilities measured at amortised costs	**5,208,087**	**5,208,087**	**10,375,186**	**10,375,186**
Derivative liabilities	3,946,398	3,946,398	10,881,602	10,881,602
Financial liabilities measured at fair value through profit or loss	**3,946,398**	**3,946,398**	**10,881,602**	**10,881,602**

Derivative assets	2023	2022
Financial	350,936	967,383
Physical	2,445,778	7,218,321
	2,796,714	**8,185,704**

Derivative liabilities	2023	2022
Financial	576,672	4,252,788
Physical	3,369,726	6,628,814
	3,946,398	**10,881,602**

Notes **DKK '000**

Fair value measurement of financial instruments

	2023			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value				
Derivative financial assets:				
Foreign exchange forward	0	33,893	0	33,893
Commodity derivative	20,939	2,290,594	451,288	2,762,821
Total	**20,939**	**2,324,487**	**451,288**	**2,796,714**
Financial liabilities measured at fair value				
Derivative financial liabilities:				
Foreign exchange forward	0	22,381	0	22,381
Commodity derivative	61,372	3,582,756	279,889	3,924,017
Total	**61,372**	**3,605,137**	**279,889**	**3,946,398**

	2022			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value				
Derivative financial assets:				
Interest rate swaps	0	62,209	0	62,209
Foreign exchange forward	0	47,442	0	47,442
Commodity derivative	16,289	7,368,338	691,426	8,076,053
Total	**16,289**	**7,477,989**	**691,426**	**8,185,704**
Financial liabilities measured at fair value				
Derivative financial liabilities:				
Foreign exchange forward	0	40,634	0	40,634
Commodity derivative	306,416	10,247,630	286,922	10,840,968
Total	**306,416**	**10,288,264**	**286,922**	**10,881,602**

Notes

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 4 % at 31 December 2023 (0 % at 31 December 2022).

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 7.6 m. (2022: DKK 21.5m.)

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 -286.4 m 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.

Level 3	2023	2022
Opening balance 1 January	**404,505**	**314,146**
Gains/loss recognised	50,220	13,775
Transfers	-286,427	76,584
Total	**168,298**	**404,505**

Notes

Cash flow hedge

The Group's purchase contracts with it's 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 Nord Pool system price contracts and contracts for difference between the Nord Pool 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.

The combination of these contracts establish a perfect hedge in respect of price risk. In some cases, only the Nord Pool system 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 33.45.

As of 31 December 2023, the Group has the following contracts designated as cash flow hedges:

	Fair value 2023		Settlement 2024	Settlement 2025
	DKK'000		MWh	MWh
Cash flow hedges	-9,962		37,700	37,700

As of 31 December 2022, the Group had the following contracts designated as cash flow hedges:

	Fair value 2022	Settlement 2023	Settlement 2024	Settlement 2025
	DKK'000	MWh	MWh	MWh
Cash flow hedges	-43,778	37,700	37,700	37,700

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.

Notes DKK '000

Offsetting of current derivatives

	2023		
	Derivative assets	**Derivative liabilities**	**Total**
Gross	20,431,636	-21,538,572	**-1,106,936**
Netting	-17,634,922	17,592,174	**-42,748**
Financial assets/liabilities in the balance sheet	2,796,714	-3,946,398	**-1,149,684**
Collateral	0	-124,463	**-124,463**
Net	2,796,714	-4,070,861	**-1,274,147**

	2022		
	Derivative assets	**Derivative liabilities**	**Total**
Gross	48,649,534	-51,738,960	**-3,089,426**
Netting	-40,463,830	40,857,358	**393,528**
Financial assets/liabilities in the balance sheet	8,185,704	-10,881,602	**-2,695,898**
Collateral	1,249,406	-258,939	**990,467**
Net	9,435,110	-11,140,541	**-1,705,431**

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 Related party disclosures

Energi Danmark's related parties include the following:

Controlling interest

Andel-Group has 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. and Andel Energi A/S (Andel-Group), Hovedgaden 36, Svinninge	63,65
NRGi A.m.b.a., Dusager 22, Aarhus N	36,35
	100,00

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:

	2023
Sale of power to owners	3,303,486
Sale of gas to owners	1,367,887
Sale of power to subsidiaries	10,551,571
Sale of gas to subsidiaries	350,964
Purchase of power from owners	1,726,860
Purchase of gas from owners	162,089
Purchase of power to subsidiaries	545,973
Purchase of power from key personnel	7,709
Purchase of activity from owners	27,200
Receivables from owners	998,667
Debt to owners	438,629
Receivables from subsidiaries	1,811,892
Debt to subsidiaries	175,599

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

20 Subsequent events

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

21 Effects of new or amended IFRS standards

The group has implemented all new standards and interpretations effective in the EU from 2023.

The IASB has issued a number of new or amended and revised accounting standards and interpretations which are not yet effective. The group will adopt these new standards when they become mandatory.

The new amended standards or interpretations are not expected to have a significant impact on our consolidated financial statements.

Parent Financial Statements

Income Statement

Notes	DKK '000	2023	2022
3	Revenue - Sales of power etc.	120,070,009	343,825,684
	Purchase of power	-118,784,969	-344,924,611
	Net income/loss from financial instruments	-980,874	12,882,800
	Gross profit	**304,166**	**11,783,873**
4	Staff costs	-218,141	-212,966
	Other external costs	-265,250	-305,733
5	Depreciation and amortisation	-46,823	-28,504
	Operating profit	**-226,048**	**11,236,670**
	Profit on investments in subsidiaries, net of tax	30,549	113,513
6	Finance income	285,580	68,659
7	Finance costs	-66,700	-112,684
	Profit before tax	**23,381**	**11,306,158**
8	Tax	-24,017	-2,462,037
	Profit for the year	**-636**	**8,844,121**

Parent Balance Sheet

Assets

Notes	DKK '000	2023	2022
	Non-current assets		
9	Intangible assets	52,207	43,583
10	Tangible assets	71,099	76,524
	Total intangible and tangible assets	**123,306**	**120,107**
11	Investments in subsidiaries	838,919	812,167
14	Deferred tax assets	89,899	340,408
	Total financial assets	**928,818**	**1,152,575**
	Total non-current assets	**1,052,124**	**1,272,682**
	Current assets		
	Inventory	442,410	817,714
16	Trade receivables	4,432,205	9,083,806
12	Tax receivable	60,060	0
	Receivables from related parties	998,667	0
	Receivables from subsidiaries	1,811,892	4,125,372
	Derivative assets	2,251,715	7,147,802
	Deposits	2,525,411	4,841,021
	Other receivables	52,210	253,940
16, 17	**Total receivables**	**12,574,570**	**26,269,655**
	Cash	3,087,056	5,560,300
	Total current assets	**15,661,626**	**31,829,955**
	Total assets	**16,713,750**	**33,102,637**

Parent Balance Sheet

Liabilities

Notes	DKK '000	2023	2022
	Equity		
13	Share capital	500,000	500,000
	Reserve for development costs	40,721	33,995
	Reserve for net revaluation according to the equity method	518,126	491,374
	Retained earnings	7,718,831	7,756,742
	Cash flow hedge	-71,207	-43,778
	Proposed dividend	0	3,000,000
	Total equity	**8,706,471**	**11,738,333**
	Non-current liabilities		
	Lease liabilities	50,139	55,254
	Other payables	34,923	0
	Total non-current liabilities	**85,062**	**55,254**
	Current liabilities		
	Lease liabilities	5,571	6,139
	Trade payables	3,145,049	7,445,895
12	Income tax payable	0	2,108,020
	Debt to related parties	438,629	0
	Debt to subsidiaries	175,599	42,523
	Derivative liabilities	3,563,351	10,097,837
	Deposits	61,550	1,260,524
	Other payables	532,468	348,112
	Total current liabilities	**7,922,217**	**21,309,050**
16, 17	**Total liabilities**	**8,007,279**	**21,364,304**
	Total equity and liabilities	**16,713,750**	**33,102,637**

15 Pledges, collateral and contingent liabilities
18 Subsequent events
19 Related party transactions

Parent Statement of Changes in Equity

Notes DKK '000	Share capital	Develop-ment Reserve	Reserve for net revaluation according to the equity method	Retained earnings	Proposed Dividend	Cash flow hedge	Total
Equity 1 January 2023	**500,000**	**33,995**	**491,374**	**7,756,742**	**3,000,000**	**-43,778**	**11,738,333**
Dividends provided for or paid	0	0	0	0	-3,000,000	0	-3,000,000
Transactions with owners	**0**	**0**	**0**	**0**	**-3,000,000**	**0**	**-3,000,000**
Foreign currency translation adjustment	0	0	-3,797	0	0	0	-3,797
Cash flow hedge after tax	0	0	0	0	0	-27,429	-27,429
Transferred through distribution of net profit	0	6,726	30,549	-37,911	0	0	-636
Equity 31 December 2023	**500,000**	**40,721**	**518,126**	**7,718,831**	**0**	**-71,207**	**8,706,471**
Equity 1 January 2022	**350,000**	**36,145**	**399,577**	**1,173,984**	**0**	**-10,850**	**1,948,856**
Capital increase	150,000	0	0	850,000	0	0	1,000,000
Transactions with owners	**150,000**	**0**	**0**	**850,000**	**0**	**0**	**1,000,000**
Foreign currency translation adjustment	0	0	-21,716	0	0	0	-21,716
Cash flow hedge after tax	0	0	0	0	0	-32,928	-32,928
Transferred through distribution of net profit	0	-2,150	113,513	5,732,758	3,000,000	0	8,844,121
Equity 31 December 2022	**500,000**	**33,995**	**491,374**	**7,756,742**	**3,000,000**	**-43,778**	**11,738,333**

Notes to the Parent Financial Statements

Notes

1 Accounting policies

The parent financial statements at 31 December 2023 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.

IFRS for revenue and leases
Revenue and lease assets and lease 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.

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 16 and 17).

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.

The physical contracts classified 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 energy contracts and related sensitivities are further described in note 17.

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 2023, the carrying amount of derivative assets and liabilities amounts to DKK 2,252 m (2022: DKK 7,148m) and DKK 3,563 m (2022: DKK 10,098m), respectively.

Notes	DKK '000	2023	2022
3	Revenue		
	Sale of power	40,878,783	85,461,412
	Sale of gas	3,274,907	0
	Gas trading	75,916,319	258,364,272
		120,070,009	**343,825,684**
	Denmark	108,888,106	323,153,033
	Sweden	2,242,978	4,455,976
	Finland	256,170	4,209,280
	Germany	2,253,071	2,147,400
	Norway	3,940,571	8,580,259
	Turkey	35,287	0
	Macedonia	2,453,826	1,279,736
		120,070,009	**343,825,684**
4	Staff costs		
	Wages and salaries and remuneration	203,168	202,943
	Pensions, defined contribution plans	12,931	8,600
	Other expenses for social security	2,042	1,423
		218,141	**212,966**
	Of this amount:		
	Board members' fees	0	43
	Executive Management, wages and salaries	20,923	20,685
		20,923	**20,728**
	The Executive Management has a bonus scheme that is based on achieved Group earnings.		
	Average number of full time employees	157	134
5	Depreciation and amortisation		
	Amortisation of intangible assets	35,879	20,252
	Depreciation of tangible assets	4,278	3,014
	Depreciation of leased assets	6,666	5,238
		46,823	**28,504**

Notes	DKK '000	2023	2022
6	Finance income		
	Interest income, credit institutions	191,577	34,325
	Interest income, subsidiaries	4,975	5,027
	Interest income, on late payments	3,016	3,590
	Interest income, rate swaps	66,862	24,513
	Other interest income	19,150	1,204
		285,580	**68,659**
7	Finance costs		
	Interest expenses, credit institutions	26,694	94,137
	Interest expenses, subsidiaries	20,616	2,881
	Interest expenses, related parties	0	12,099
	Interest expenses, rate swaps	0	2,435
	Other interest expenses	18,560	222
	Interest expense, lease liability	830	910
		66,700	**112,684**
8	Tax		
	Current tax	-4,288	-2,734,020
	Adjustment of prior year deferred tax	0	424
	Deferred tax	-19,729	271,559
		-24,017	**-2,462,037**
	Specified as follows:		
	Tax on profit from ordinary activities	24,017	2,462,037
	Effective tax	29.8%	22.0%
	Income tax, received/paid	**1,933,852**	**596,776**

Notes **DKK '000**

9 Intangible assets

	2023		
	Completed development projects	**Development projects in progress**	**Total**
Cost 1 January	295,709	0	295,709
Additions	0	44,500	44,500
Transfers	44,500	-44,500	0
Disposals	-76,808	0	-76,808
Cost 31 December	**263,401**	**0**	**263,401**
Accumulated amortisation 1 January	252,126	0	252,126
Amortisations for the year	35,876	0	35,876
Amortisations, disposals for the year	-76,808	0	-76,808
Accumulated amortisation 31 December	**211,194**	**0**	**211,194**
Carrying amount 31 December	**52,207**	**0**	**52,207**

	2022		
	Completed development projects	**Development projects in progress**	**Total**
Cost 1 January	278,214	0	278,214
Additions	0	17,495	17,495
Transfers	17,495	-17,495	0
Disposals	0	0	0
Cost 31 December	**295,709**	**0**	**295,709**
Accumulated amortisation 1 January	231,874	0	231,874
Amortisations for the year	20,252	0	20,252
Amortisations, disposals for the year	0	0	0
Accumulated amortisation 31 December	**252,126**	**0**	**252,126**
Carrying amount 31 December	**43,583**	**0**	**43,583**

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.

Notes DKK '000

10 Tangible assets

	2023				
	Leasehold improve-ments	**Vehicles**	**Tools and equipment**	**Buildings**	**Total**
Cost 1 January	4,403	5,477	17,597	75,252	102,729
Additions	0	4,057	3,384	0	7,441
Disposals	0	-4,024	0	0	-4,024
Cost 31 December	**4,403**	**5,510**	**20,981**	**75,252**	**106,146**
Accumulated depreciation 1 January	567	2,531	8,779	14,328	26,205
Depreciations for the year	441	921	2,916	6,666	10,944
Depreciations, disposals for the year	0	-2,102	0	0	-2,102
Accumulated depreciations 31 December	1,008	1,350	11,695	20,994	35,047
Carrying amount 31 December	**3,395**	**4,160**	**9,286**	**54,258**	**71,099**
Depreciation period	**10 years**	**5 years**	**3-5 years**	**3-4 years**	

In the carrying amount of Buildings, DKK 54.2 m (2022: DKK 60.9m) is relating to leases.

Depreciation expenses relating to leases recognised in profit (loss) were DKK 6.7 m (2022: DKK 5.2m).

	2022				
	Leasehold improve-ments	**Vehicles**	**Tools and equipment**	**Buildings**	**Total**
Cost 1 January	10,435	6,320	16,653	74,996	108,404
Additions	478	2,231	944	256	3,909
Disposals	-6,510	-3,074	0	0	-9,584
Cost 31 December	**4,403**	**5,477**	**17,597**	**75,252**	**102,729**
Accumulated depreciation 1 January	6,670	3,898	7,047	9,090	26,705
Depreciations for the year	407	875	1,732	5,238	8,252
Depreciations, disposals for the year	-6,510	-2,242	0	0	-8,752
Accumulated depreciations 31 December	567	2,531	8,779	14,328	26,205
Carrying amount 31 December	**3,836**	**2,946**	**8,818**	**60,924**	**76,524**
Depreciation period	**10 years**	**5 years**	**3-5 years**	**3-4 years**	

Notes	DKK '000	2023	2022
11	Investments in subsidiaries		
	Cost 1 January	**446,023**	**446,022**
	Additions	0	1
	Disposals	0	0
	Cost 31 December	**446,023**	**446,023**
	Value adjustments 1 January	366,144	274,347
	Regulation on equity in subsidiaries	-3,797	-21,716
	Dividends paid	0	0
	Profit for the year	30,549	113,513
	Adjustment, disposals for the year	0	0
	Value adjustments 31 December	**392,896**	**366,144**
	Carrying amount 31 December	**838,919**	**812,167**

Name	**Address**	**Country of incorporation**	**Voting right and ownership share**
Energi Danmark Securities A/S	Knud Højgaards Vej 2, 2. 2860 Søborg	Denmark	100%
Energi Försäljning Sverige AB	Hyllie Stationstorg 31, 21532 Malmö	Sweden	100%
Energia Myynti Suomi Oy	Teknoboulevardi 7, 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	Tangen 29, 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 Udarna Briada no. 43/3, Skopje - Centar	Macedonia	100%
DISAM BH d.o.o.	Maglajska 1, 71000 Sarajevo	Bosnia-Herzegovina	100%
DISAM Australia Pty. Ltd.	Market Street 1, 2000 Sydney NSW	Australia	100%
DISAM US LLC	Little Falls Drive 251, Wilmingtong, Delaware 19808-1674 New Castle County	USA	100%
DISAM GE LLC	Vazha-Pshavela Ave., N71, Tbilisi	Georgia	100%

The subsidiaries are autonomous legal entities.

Notes	DKK '000	2023	2022
12	**Income tax receivable/payable**		
	Income tax receivable/payable 1 January	-2,108,020	3,569
	Income tax for the year	-4,288	-2,734,020
	Income tax received	0	-35,639
	Income tax paid	1,933,852	632,415
	Transferred from deferred tax	238,516	25,655
	Income tax receivable/payable 31 December	**60,060**	**-2,108,020**

13 Share capital

For information in regard to the share capital, please refer to Note 15 in the Consolidated Financial Statements.

Proposal for the distribution of net profit	2023	2022
Reserve for net revaluation according to the equity method	30,549	113,513
Reserve for development costs	6,726	-2,150
Retained earnings	-37,911	8,732,758
Total	**-636**	**8,844,121**

14 Deferred tax

	2023	2022
Deferred tax, 1 January	340,408	84,793
Adjustments of deferred tax, previous years	0	424
Transferred to income tax	-238,516	-25,655
Adjustment of deferred tax	-11,993	280,846
Deferred tax 31 December	**89,899**	**340,408**

Deferred tax relates to:	2023	2022
Intangible assets	-4,198	-7,442
Tangible assets	2,182	2,380
Bad debt provision	22,991	22,991
Tax losses carryforward	52,618	0
Leasing	319	103
Provision and hedge	15,987	322,376
Carrying amount 31 December	**89,899**	**340,408**

Deferred tax assets are measured at the value at which the asset is expected to be realised. Either by elimination in tax on future earnings or by set-off against deferred tax liabilities. The group excpects to realise the deferred tax assets in the future earnings in coming years.

Notes	DKK '000	2023	2022
15	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	1,264,861	3,595,072
	The company has entered into agreements for the future purchase of gas capacities with an unrecognized obligation	454,000	3,406,000
	Guarantees		
	Guarantees provided by a financial institute	2,235,460	3,052,310

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 and in the Andel-Group. 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 joint taxation amounts to DKK 0 as at 31 December 2023 (2022: DKK 2,734 m). Any subsequent correction of the joint taxable income or tax at source on dividends etc. may lead to the company being liable to pay a larger amount.

Notes DKK'000

16 Risks, financial instruments and recognised transactions

Energi Danmark is exposed to market risks (primarily power and gas prices, volume, currency exchange rate risks), operational risks, inflation and 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:

	2023		2022	
	Carrying amount before impairment	**Provision for impairment**	**Carrying amount before impairment**	**Provision for impairment**
Customers not due	4,531,078	100,000	9,182,679	100,000
Customers in dunning process	3,498	2,798	1,399	1,119
Insolvent customers	2,136	1,709	4,235	3,388
Total	**4,536,712**	**104,507**	**9,188,313**	**104,507**

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.

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.

Market price fluctuations in power and gas can significantly affect cash requirements, primarily due to changes in working capital for customers and adjustments in collateral and margins for spot and future contracts towards exchanges and counterparts.
Rising prices increase working capital and collateral requirements on exchanges. Conversely, price increases typically yield positive margins on Energi Danmark's future positions, which consists of larger buying volumes than selling volumes, mostly due to hedging of consumer contracts on the exchanges.
All things considered, higher market prices will normally result in higher total liquidity usage with more uncertainty and bigger cash fluctuations. Given the current net future position, a 10 EUR increase in power and gas market prices will increase Energi Danmark's liquidity draw by roughly DKK 30m in the coming month, whereas a 10 EUR decrease will reduce the draw by approximately the same amount.

The liquidity risk is managed and monitored on a daily basis and a cash flow prognosis showing expected future cash movements is maintained.

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 15. 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.

Notes DKK '000

		Contractual maturity incl. interest (cash flow)			
	Carrying amount	Total	< 1 year	1-5 years	> 5 years
31 December 2023					
Non-derivative financial instruments					
Lease liabilities	55,710	55,710	7,340	36,190	12,180
Other non-current liabilities	34,923	34,923	0	34,923	0
Debt to related parties	438,629	438,629	438,629	0	0
Deposits	61,550	61,550	61,550	0	0
Trade payables	3,145,049	3,145,049	3,145,049	0	0
Other liabilities	708,067	708,067	708,067	0	0
Derivative financial instruments					
Derivatives	3,563,351	3,563,351	3,207,016	249,435	106,901
Total financial instruments	**8,007,279**	**8,007,279**	**7,567,651**	**320,548**	**119,081**
31 December 2022					
Non-derivative financial instruments					
Lease liabilities	61,393	61,393	6,139	55,254	0
Deposits	1,260,524	1,260,524	1,260,524	0	0
Trade payables	7,445,895	7,445,895	7,445,895	0	0
Other liabilities	390,635	390,635	390,635	0	0
Derivative financial instruments					
Derivatives	10,097,837	10,097,837	7,068,486	2,827,394	201,957
Total financial instruments	**19,256,284**	**19,256,284**	**16,171,679**	**2,882,648**	**201,957**

Notes DKK'000

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.

Market risk

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

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

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 volumes in order to avoid ineffective hedging positions.

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

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.

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).

Sensitivity analysis

	P/L effect before tax	Equity effect	Reasonably possible change in variable%
		2023	
Electricity	28,691	22,379	40%
Currency exchange rate	4,973	3,879	1%
		2022	
Electricity	-115,900	-90,402	40%
Currency exchange rate	20,659	16,114	1%

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

Notes **DKK '000**

17 Information about financial instruments

Categories of financial instruments

	2023		2022	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Trade receivables	4,432,205	4,432,205	9,083,806	9,083,806
Trade receivables from associates and subsidiaries	1,811,892	1,811,892	4,125,372	4,125,372
Receivables from related parties	998,667	998,667	0	0
Other receivables and deposits	2,577,621	2,577,621	5,094,961	5,094,961
Cash	3,087,056	3,087,056	5,560,300	5,560,300
Financial assets measured at amortised cost	**12,907,441**	**12,907,441**	**23,864,439**	**23,864,439**
Derivative assets	2,251,715	2,251,715	7,147,802	7,147,802
Financial assets measured at fair value through profit or loss	**2,251,715**	**2,251,715**	**7,147,802**	**7,147,802**
Other non-current liabilities	34,923	34,923	0	0
Trade payables	3,145,049	3,145,049	7,445,895	7,445,895
Debt to related parties	438,629	438,629	0	0
Lease liabilities	55,710	55,710	61,393	61,393
Other payables and deposits	769,617	769,617	1,651,159	1,651,159
Financial liabilities measured at amortised costs	**4,443,928**	**4,443,928**	**9,158,447**	**9,158,447**
Derivative liabilities	3,563,351	3,563,351	10,097,837	10,097,837
Financial liabilities measured at fair value through profit or loss	**3,563,351**	**3,563,351**	**10,097,837**	**10,097,837**

Derivative assets	**2023**	**2022**
Financial	143,013	630,785
Physical	2,108,702	6,517,017
	2,251,715	**7,147,802**

Derivative liabilities		
Financial	522,935	4,144,668
Physical	3,040,416	5,953,169
	3,563,351	**10,097,837**

Notes **DKK '000**

Fair value measurement of financial instruments

	2023			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value				
Derivative financial assets:				
Foreign exchange forward	0	39,314	0	39,314
Commodity derivative	20,939	1,743,275	448,187	2,212,401
Total	**20,939**	**1,782,589**	**448,187**	**2,251,715**
Financial liabilities measured at fair value				
Derivative financial liabilities:				
Foreign exchange forward	0	22,901	0	22,901
Commodity derivative	61,372	3,199,189	279,889	3,540,450
Total	**61,372**	**3,222,090**	**279,889**	**3,563,351**

If electricity prices changes with 5% the net level 3 value will change with DKK 7.6 m (2022: DKK 20.5m).

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 determined 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 4 % on 31 December 2023 (0% at 31 December 2022).

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.

Notes **DKK '000**

Fair value measurement of financial instruments

	2022			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value				
Derivative financial assets:				
Interest rate swaps	0	62,209	0	62,209
Foreign exchange forward	0	47,636	0	47,636
Commodity derivative	16,289	6,398,501	623,167	7,037,957
Total	**16,289**	**6,508,346**	**623,167**	**7,147,802**
Financial liabilities measured at fair value				
Derivative financial liabilities:				
Foreign exchange forward	0	46,053	0	46,053
Commodity derivative	306,416	9,478,508	266,860	10,051,784
Total	**306,416**	**9,524,561**	**266,860**	**10,097,837**

Level 3	**2023**	**2022**
Opening balance 1 January 2023	**356,307**	**311,497**
Gains recognised	31,017	-4,362
Transfers	-243,569	49,172
Total	**143,755**	**356,307**

Notes DKK'000

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,

Offsetting of current derivatives

	2023		
	Derivative assets	**Derivative liabilities**	**Total**
Gross	19,546,264	-20,750,808	**-1,204,544**
Netting	-17,294,549	17,187,457	**-107,092**
Financial assets/liabilities in the balance sheet	2,251,715	-3,563,351	**-1,311,636**
Collateral	0	-124,463	**-124,463**
Net	2,251,715	-3,687,814	**-1,436,099**

	2022		
	Derivative assets	**Derivative liabilities**	**Total**
Gross	38,051,032	-41,395,788	**-3,344,756**
Netting	-30,903,230	31,297,951	**394,721**
Financial assets/liabilities in the balance sheet	7,147,802	-10,097,837	**-2,950,035**
Collateral	1,249,406	-258,939	**990,467**
Net	8,397,208	-10,356,776	**-1,959,568**

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.

18 Subsequent events

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

19 Related party transactions

See note 19 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 2023,

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 2023 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 2023,

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, 8 April 2024

Executive Management

Louise Hahn, CEO

Bord of Directors

Chair, Jesper Hjulmand	Deputy Chair, Jacob Vittrup	Ole Hillebrandt Jensen
Morten Bryder Pedersen	Anne Broeng	Torben Möger Pedersen

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Energi Danmark Group

Opinion

In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 31 December 2023 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2023 in accordance with IFRS Accounting 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 2023 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Energi Danmark Group for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including material accounting policy information, 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 IFRS Accounting 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 judgement 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, 8 April 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Henrik Kragh State Authorised Public Accountant mne-no. 26783	**Christine Tveteraas** State Authorised Public Accountant mne-no. 34341

ORGANISATION

Corporate Information

Energi Danmark A/S
Tangen 29
DK-8200 Aarhus N
Tel. +45 87 42 62 62
Email: ed@energidanmark.dk
www.energidanmark.com
CVR no: 17 22 58 98
Established: The 1st of July 1993
Domicile: Aarhus Municipality
Financial year: 1st of January - 31st of December

Board of Directors

- Chair, Jesper Hjulmand, Andel
- Deputy Chair, Jacob Vittrup, NRGi
- Ole Hillebrandt Jensen, Andel
- Morten Bryder Pedersen, NRGi
- Anne Broeng
- Torben Möger Pedersen

Auditor

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

Main Bank

Danske Bank A/S
Jyske Bank A/S

The Management Team

Executive Management

- Louise Hahn, CEO

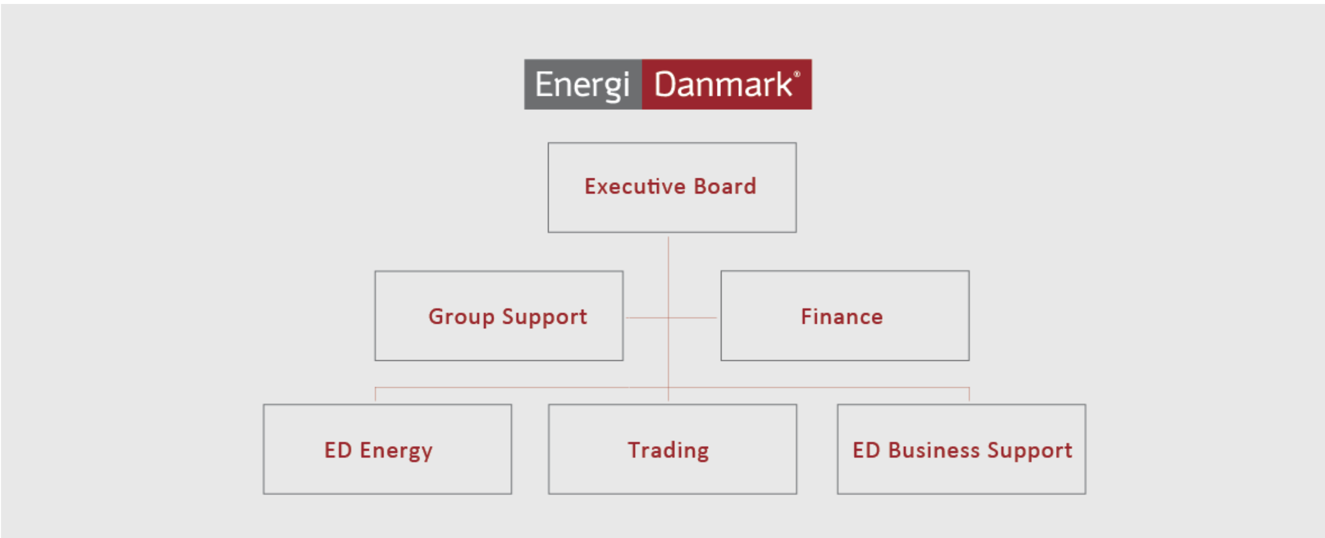
Management

- Ole Joachim Jensen, CFO
- Mia Hansson, SVP International Sales and Origination
- Thomas Bech Pedersen, SVP ED Business Support
- Dorthe Rømer Frost, SVP People Communications & ESG
- Ronni Bruun Bodal, VP Proprietary Trading
- Mads Bang-Christensen, VP Legal & Compliance
- Magnus Thomsen, VP Group Administration

Ownership

Energi Danmark is owned by three electricity companies, which in turn are owned by private shareholders, The shareholders are Andel, NRGi and Andel Energi

	% ownership	Share Capital (DKK '000)
Andel a.m.b.a., Svinninge, Denmark	45.54	227,700.00
NRGi a.m.b.a., Aarhus N, Denmark	36.35	181,750.00
Andel Energi A/S, Svinninge, Denmark	18.11	90,550.00
	100.00	**500,000.00**



Board of Directors

Jesper Hjulmand
CEO of Andel
MSc (Business Administration)
Born in 1963
Member of the Board since 2005

Board memberships, honorary offices:

- Energi Danmark A/S (Chair)
- Green Power Denmark (Chair)
- Fibia P/S (Chair)
- Employer's Association for Danish Energy and Utility Companies, DEA (Chair)
- Dansk Industri Hovedbestyrelse (Executive committee)
- Andel Energi A/S (Chair)
- Watts A/S (Chair)

Committee memberships:

- DI Executive Committee
- Green Power Denmark Executive Committee
- Supervisory board in Dansk Energi
- Supervisory board in Forenet Kredit

Jacob Vittrup
CEO of NRGi
MSc in Economics
Born in 1971
Member of the Board since 2018

Board memberships, honorary offices:

- NRGi Holding A/S (Chair)
- NRGi Renewables A/S (including subsidiaries) (Chair)
- NRGi Elhandel A/S (Chair)
- ELCON A/S (Chair)
- NRGi Rådgivning A/S (Chair)
- Kuben Management A/S (Chair)
- Energi Danmark A/S (Deputy Chair)
- Fibia P/S (Deputy Chair)
- Dansk Energi
- Dansk Industri – Energi

Ole Hillebrandt Jensen
CFO of Andel
HD(R)
Born in 1962
Member of the Board since 2021

Board memberships, honorary offices:

- Nexel A/S (Chair)
- Andel Lumen A/S (Chair)
- Rødsand 2AB (Chair)
- Andel Ratio A/S (Chair)
- Tryggevælde Solar Park ApS (Chair)
- Klimafonden
- Klimafonden Invest A/S
- Better Energy Andel P/S
- Impagt Invest Sjælland A/S
- Fibia P/S
- Energi Danmark A/S

Morten Bryder Pedersen
CFO of NRGi
Cand. Merc. Aud.
(Msc, Business Economics and Auditing)
Born in 1969
Member of the Board since 2021

Board memberships, honorary offices:

- NRGi Holding A/S
- NRGi Renewables A/S (including subsidiaries)
- NRGi Elhandel A/S
- NRGi Rådgivning A/S
- Energi Danmark A/S
- Kuben Management A/S
- Fibia P/S
- Clever A/S

Anne Broeng
Former Group Executive Vice President, CFO and CIO of PFA Pension
MSc in Economic Science
Born in 1961
Member of the Board since 2023

Board memberships, honorary offices:

- Velliv (Chair)
- SleepCycle AB (Chair)
- Asta og Jul,P Justesen Fond (Chair)
- Børns Vilkår (Deputy Chair)
- Rambøll Gruppen A/S (Chair of Risk and Audit Committee)
- Energi Danmark A/S
- VKR Holding A/S (Chair of Audit Committee)
- Aquaporin A/S (Chair of Audit Committee)

Committee memberships:

- NASDAQ Nordic (special advisor)

Torben Möger Pedersen
Former CEO of PensionDanmark
M,Sc, Economics
Born in 1955
Member of the Board since 2023

Board memberships, honorary offices:

- The Export and Investment Fund of Denmark (Chair)
- Copenhagen Business School (Chair)
- The CIP Foundation (Chair)
- The Danish Society for Education and Business (Chair)
- Gefion Gymnasium (Chair)
- Hedorf's Foundation (Chair)
- UN PRI
- Energi Danmark A/S
- The Danish Foreign Policy Society
- Foundation for Children's trauma hospital and institution Nadija
- The Danish Bocuse d'Or Foundation

Executive Board

Louise Hahn
CEO of Energi Danmark A/S since 2023.14.08.
MSc in Engineering and Graduate Diploma in Business Administration (Finance)
Born in 1976

Board memberships, honorary offices:

- ED Business Support A/S (Chair)
- Energi Danmark Securities A/S
- Energi Försäljning Sverige AB
- Energia Myynti Suomi Oy
- Energi Salg Norge AS

Energi Danmark A/S
Tangen 29
DK-8200 Aarhus N

Tel. +45 8742 6262
ed@energidanmark.dk
www.energidanmark.dk

Aarhus
Søborg
Odense
Vejle

Malmö
Stockholm

Hamburg

Oslo
Trondheim

Vantaa
Kristinestad
Turku