

# ANNUAL REPORT 2023

Energi Danmark Securities A/S  
Knud Højgaards Vej 2, 2.  
DK-2860 Søborg  
CVR 21 26 37 88

**Energi Danmark**<sup>®</sup>  
SECURITIES

Adopted at the general meeting 25 April 2024  
Chairman of the General Meeting: Mads Bang-Christensen

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## COMPANY INFORMATION

Energi Danmark Securities A/S  
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DK-2860 Søborg

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eds@energidanmark.dk  
www.energidanmark.dk  
CVR no.: 21 26 37 88

Established: 5 October 1998  
Domicile in Søborg

### Board of Directors

- Mia Helena Hansson, Chair
- Mads Bang-Christensen, Board member
- Louise Hahn, Board member

### Executive Board

- Jan Michael Rosenfeldt Rigtrup, CEO

### Main Bank

Danske Bank A/S

### Annual General Meeting

The annual General Meeting is held on 25 April 2024.

### Auditor

PricewaterhouseCoopers, Statsautoriseret  
Revisionspartnerselskab  
Jens Chr. Skous Vej 1  
8000 Aarhus C

## MANAGEMENT'S STATEMENT

The Board of Directors and the Executive Board have today considered and adopted the Annual Report of Energi Danmark Securities A/S for the financial year 1 January – 31 December 2023.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and of the results of the Company operations for 2023.

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

We recommend that the Annual Report be adopted at the Annual General Meeting.

Aarhus, 25 April 2024

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**Jan Michael Rosenfeldt Rigtrup**  
Director

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**Mia Helena Hansson**  
Chair

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**Mads Bang-Christensen**  
Board member

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**Louise Hahn**  
Board member

## INDEPENDENT AUDITOR'S REPORT

### To the Shareholders of Energi Danmark Securities A/S

#### Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Energi Danmark Securities A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("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 Company 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 Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements 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 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 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 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 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 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 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.

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, 25 April 2024

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab  
CVR No 33 77 12 31

**Christine Tveteraas**

State Authorised Public Accountant  
mne34341

**Linda Højland**

State Authorised Public Accountant  
mne45871

## MANAGEMENT REVIEW

2023 can best be described as a post 2022 energy crisis scenario, where the European energy markets were trying to stabilize themselves after a historic price development. Almost all European electricity markets traded in bearish territory and some products traded more than 50 % down when the year was coming to an end. Compared with the record year in 2022 Energi Danmark Securities A/S was able to maintain a very satisfactory result in 2023, as the company achieved a profit before tax of DKK 49.293 m.

This in a year with rising geopolitical instability and concerns about economic growth on the back of sharp increases in interest rates, lowering liquidity in the electricity market. However, many of Energi Danmark Securities A/S customers have a performance-based hedge strategy – both with and without max price guarantee – where Energi Danmark Securities A/S take advantage of the price fluctuations in the different markets, giving added value and price stability to customers and a performance fee to Energi Danmark Securities A/S on the back of the customer result.

The satisfactory result in 2023 for customers and Energi Danmark Securities A/S are based on long-term financial hedging strategies with continuous optimization and hedging activity. The strategies result in price stability and customers are not as exposed to high price levels to the same extent as customers in the spot market, but still having the possibility to lowering prices in a bearish market. An ideal setup for those companies who see the reward in lowering risks through tight risk management, and where price stability is a key factor.

However, 2023 also marks a clear shift in customer behaviour as many companies tend to look at long term physical PPA solutions now that market prices have fallen to a more reasonable level. The PPA solutions are physical deliveries and many bigger companies, which are our primary target group, are entering 10-year PPA solutions, minimizing the future need for financial hedging strategies.

This will without doubt also influence future revenue streams, as we can already in 2024 see a significantly lower volume to handle compared to the last 2-3 years. In 2024 the total estimated volume to be handled will be 2/3 compared to previous years, this despite the company has launched a new financial PPA add on product solution in order for the Energi Danmark Group to fully supply a customer's requirement for a total risk management setup including monthly profiling hedging. Energi Danmark Securities A/S expect this product to grow the coming years, and through that contribute to the total growth of the Energi Danmark Group.

The result in 2023 clearly shows that strict risk management in both bullish and bearish markets benefits both Energi Danmark Securities A/S and our customers in the customized strategies we create together.

## Portfolio Management

2023 was yet another year where price volatility and unpredictability were key factors. For the 2024-year contract in the Nordics, we experienced a 54 % price drop from January to December, on the back of all-time high price levels in 2022. The falling price levels was surely influenced by the concerns in the economic growth and companies experiencing lower than expected consumption in the aftermath of 2022.

The overall uncertainty in the different price parts that define the electricity price are still creating a higher demand for future budget predictability – which portfolio management indeed provides with long term hedge strategies - as companies to a higher extend strive for stabilization of the bottom line, but still going for as low a price as possible.

## Choosing the right strategy is very important

When choosing the right hedge strategy, a company must first determine what level of risk is acceptable, and then identify what transactions can most cost-effectively mitigate this risk. At Energi Danmark Securities A/S we acknowledge that all companies have different approaches to cost-effective risk management, and that is why all potential cooperation's start with a thorough rundown of all major risks when choosing a strategy. Risk vs. reward is fundamental here, as we always strive to ensure that customers know what to expect from the choices they make. Continuous communication, meetings and monthly reporting are key factors.

The uncertainty in future price development has increased the demand for our index products with profit sharing or performance related strategies, as companies to a higher extend want to limit upside price risks, but still have the downside possibility.

Our tailor-made hedge solutions provide added value for our customers, as both parties see potential and "value for money" in performance related contracts, but still in a cost-effective way and accordingly to the chosen risk level.

## Main activity and purpose

Based on the Nordic market for Power Energi Danmark Securities A/S offers portfolio management, portfolio agreements and trading in financial derivatives instrument. The geographical business area are Scandinavia and Germany.

## Assessing the Future

The past two years have been some of the best in the history of our company as price volatility goes hand in hand with great results for our customers. In 2024 we will still focus on performance-related contracts, but lower turnover in volume and much lower expected volatility in prices will challenge our growth potential. However, we still see a high demand for portfolio management, and we believe in further growth in the coming years, where we will contribute to the growth of the Energi Danmark Group and to the benefit of our customers and owners.

## ACCOUNTING POLICIES

The annual report as of 31 December 2023 for Energi Danmark Securities A/S has been prepared in accordance with the provisions of the Danish Financial Statements Act for class B companies. The Financial Statements for 2023 are presented in TDKK. The accounting policies remains unchanged.

### General principles of recognition and measurement

Income is recognised in the income statement as it is earned. In addition, value adjustments to financial assets and liabilities measured at fair value or amortised cost price are recognised. Moreover, costs are recognised if incurred to achieve the year's income, including amortisation, depreciation and provisions and reversals resulting from modified accounting estimates of sums previously recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future financial benefits will accrue to the company and the asset's value can be reliably measured.

Liabilities are recognised in the balance sheet when it is probable that future financial benefits will be deducted from the company and the liability's value can be reliably measured.

For initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each individual accounting element below.

### Translation of foreign currency

Foreign currency transactions are translated during initial recognition, applying the exchange rate on the transaction date. Exchange rate differences that arise between the transaction date and the payment date are recognised in the income statement as financial items. Receivables, debt and other monetary items denominated in foreign currencies are translated using the exchange rate on the balance sheet date.

Differences between the exchange rate on 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 as a financial item.

## Income statement

### Net revenue

Selling of financial products is included and recognized in full based on the delivery timing. Revenue recognised exclusive of VAT and any discounts in connection with the sale.

### Financial Instruments

Contracts entered into for economic hedging are recognised at fair value as of the balance sheet date. Both realised and unrealised gains and losses are recognised in the income statement. Positive and negative market values of financial instruments are presented as financial contracts in the balance sheet.

### Gross profit

Gross profit is calculated with reference to Section 32 of the Danish Financial Statements Act as a summary of net revenue, financial instruments, and other external costs.

### Staff costs

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

### Depreciation

Depreciation and write-downs comprise depreciation and write-downs of fixed assets, as well as realised profits and losses on the disposal of fixed assets.

### Other external costs

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

### Financial items

Financial income and expenses comprise interest and value adjustments relating to securities, debt and transactions in foreign currencies.

### Corporate tax and deferred tax

The company is taxed jointly with the parent company and the Group's other Danish subsidiaries. The calculated tax on the profit for the year is recognised in the income statement under "Tax on profit for the year". The same item includes adjustments relating to tax calculated in previous years. Andel Holding A/S is the management company for joint taxation in the Group.

Deferred taxes are based on the tax rules and rates that, in accordance with tax legislation on the balance sheet date, will be in effect when the deferred taxes are expected to be triggered. Changes in deferred taxes caused by changes in tax rates are recognised in the income statement.

Deferred taxes are measured based on all temporary differences between the carrying amount and taxable value of assets and liabilities.

## Balance

### Property, plant and equipment

Technical facilities, operating equipment and fixtures are measured at cost less accumulated depreciations.

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

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

Other fixtures and fittings, tools and equipment      3-5 years

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

### **Reduction in value of assets**

The book value of intangible assets and property, plant and equipment is assessed annually for indications of value reductions other than depreciation and amortisation. Profits or losses are recognised in the income statement as depreciation, amortisation, and impairment of intangible assets.

Should indications of value reduction occur, each asset or group of assets respectively will be assessed in terms of reduction in value. Assets are written down to the recoverable amount if this is lower than the book value. The highest value of the net selling price and capitalised value is used as the recoverable amount. The capitalised value is calculated as the current value of the anticipated net income from the use of the asset or group of assets.

### **Receivables**

Receivables, which comprise receivables from sales and other receivables etc., are measured at amortised cost excluding any write-downs for provisions for anticipated losses. Write-downs are recognised based on individual assessments to cover expected losses.

### **Financial contracts**

Noted financial contracts based on power, entered into as part of commercial hedging, are measured at the quoted market value as of the balance sheet date. The theoretically calculated market or trading value of unsettled financial contracts per the balance sheet date is recognised in the balance sheet under 'Financial contracts.'

Presentation of financial contracts is shown gross in the balance sheet; however, offsetting is carried out if there is a legal right of set-off and offsetting is continuously performed upon payment.

### **Cash and cash equivalents**

Cash and cash equivalents comprises liquid assets.

### **Equity**

The company's capital consists of the capital contributed by the owner. 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.

### **Liabilities**

Liabilities, including debt to suppliers and other liabilities, are measured at amortised cost. Employee obligations are measured at net realisable value.



# ANNUAL REPORT

## Income Statement

Notes	DKK '000	2023	2022
	<b>Gross profit</b>	<b>70,029</b>	<b>153,205</b>
1	Staff costs	-15,528	-12,814
	Other external costs	-9,246	-9,810
	Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	-158	-67
	<b>Operating profit</b>	<b>45,097</b>	<b>130,514</b>
2	Finance income	4,197	585
3	Finance costs	0	-1,326
	<b>Profit before tax</b>	<b>49,294</b>	<b>129,773</b>
4	Tax	-10,846	-28,551
	<b>Profit for the year</b>	<b>38,448</b>	<b>101,222</b>
Proposed distribution of profit			
	Retained earnings	38,448	101,222
	<b>Total</b>	<b>38,448</b>	<b>101,222</b>

## Balance Sheet

### Assets

Notes	DKK '000	31-12 2023	31-12 2022
<b>Non-current assets</b>			
	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	344	435
	<b>Property, plant and equipment, total</b>	<b>344</b>	<b>435</b>
	<b>Total non-current assets</b>	<b>344</b>	<b>435</b>
<b>Current assets</b>			
	Receiveables		
	Trade receivables	9,647	27,251
	Receivables from group enterprises	338,655	420,309
	Other receivables	136	198
5	Financial contracts	208,614	336,597
	<b>Receiveables total</b>	<b>557,052</b>	<b>784,355</b>
	Cash and cash equivalents	11	0
	<b>Total current assets</b>	<b>557,063</b>	<b>784,355</b>
	<b>Total assets</b>	<b>557,407</b>	<b>784,790</b>

## Balance Sheet

### Liabilities

Notes	DKK '000	31-12 2023	31-12 2022
<b>Equity</b>			
	Share capital	69,332	69,332
	Retained earnings	278,946	240,498
	<b>Total equity</b>	<b>348,278</b>	<b>309,830</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
	Deferred tax	21	22
	<b>Total non-current liabilities</b>	<b>21</b>	<b>22</b>
<b>Current liabilities</b>			
	Trade payables	6,033	4,284
	Payables to group enterprises	131,580	328,735
	Joint taxation contribution	10,848	28,527
	Other payables	6,910	5,272
5	Financial contracts	53,737	108,120
	<b>Total current liabilities</b>	<b>209,108</b>	<b>474,938</b>
	<b>Total liabilities</b>	<b>209,129</b>	<b>474,960</b>
	<b>Total equity and liabilities</b>	<b>557,407</b>	<b>784,790</b>
6	Contingent liabilities		
7	Related parties		

### Statement of Changes in Equity

	Share Capital	Retained Earnings	Total
<b>Equity 1/1</b>	<b>69,332</b>	<b>240,498</b>	<b>309,830</b>
Profit for the year	0	38,448	38,448
<b>Equity 31/12</b>	<b>69,332</b>	<b>278,946</b>	<b>348,278</b>

## Notes

Notes	DKK '000	2023	2022
1	Staff costs		
	Wages and salaries and remuneration	12,415	10,421
	Pensions, defined contribution plans	1,388	1,265
	Other expenses for social security	1,725	1,128
		<b>15,528</b>	<b>12,814</b>
	Average number of full-time employees	9	9
2	Finance income		
	Interest income, related parties	4,197	585
		<b>4,197</b>	<b>585</b>
3	Finance costs		
	Interest expenses, related parties	0	1,326
		<b>0</b>	<b>1,326</b>
4	Tax		
	Current tax for the year	10,848	28,527
	Deferred tax	-2	24
		<b>10,846</b>	<b>28,551</b>

## 5 Financial contracts

Financial contracts are presented gross in the balance sheet; however, offsetting is carried out if there is a legal right of set-off and offsetting is continuously performed upon payment.

Financial contracts consist of electricity contracts and currency hedges. A change of 5% in electricity prices and currency exchange rates respectively would have a P/L effect of 0.1 million DKK for electricity contracts and currency hedges.

DKK '000	Gross	Offset	Value as of 31/12 2023	Gross	Offset	Value as of 31/12 2022
Financial contracts, assets	4,872,347	4,663,733	208,614	17,461,725	17,125,128	336,597
Financial contracts, liabilities	-4,717,470	-4,663,733	-53,737	-17,233,248	-17,125,128	-108,120
<b>Total</b>	<b>154,877</b>	<b>0</b>	<b>154,877</b>	<b>228,477</b>	<b>0</b>	<b>228,477</b>

## DKK '000

31-12 2023

31-12 2022

## 6 Pledges, collateral, and contingent liabilities

Rent obligation

1,859

2,886

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

The Danish group companies are jointly and severally liable for tax on the Group's jointly taxed income. The total corporate tax payable appears in the annual report for Anel A.M.B.A, which is the management company in relation to the jointly tax.

The Group companies are jointly and severally liable for withholding taxes on dividends, interest and royalties. Any sequent corrections in relation to the corporate taxes and withholding taxes may result in the company's liability amounting to a larger amount.

## 7 Related parties

**Consolidated accounts**

The company is included in the consolidated accounts for the parent company, which is the smallest group the company is part of.

Energi Danmark A/S CVR: 17 22 58 98

Domicile: Aarhus



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