Danske Commodities A/S

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CVR-no. 28 11 39 51

Annual Report for 1 January – 31 December 2015

The Annual Report is adopted and approved on the ordinary Annual General Meeting on 5 / 4 2016.

Chairman

BRING **PASSION** BUILD **TRUST** CREATE **VALUE**

ANNUAL REPORT 2015

REVENUE

+17%

2014	2015
EUR 2,518.8m	EUR 2,936.3m

EBIT

+21m EUR

2014	2015
EUR 9.1m	EUR 30.2m

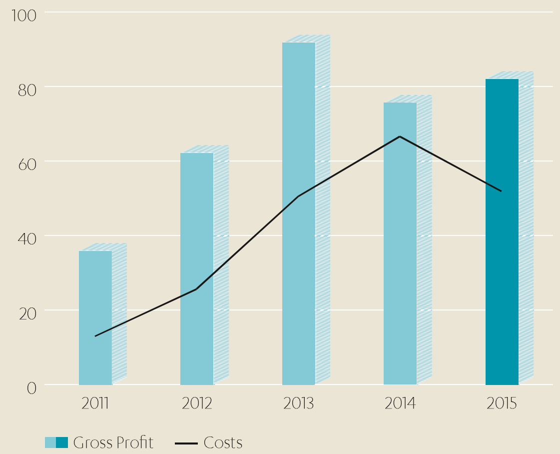
AVERAGE FTE

-24%

2014	2015
392	297

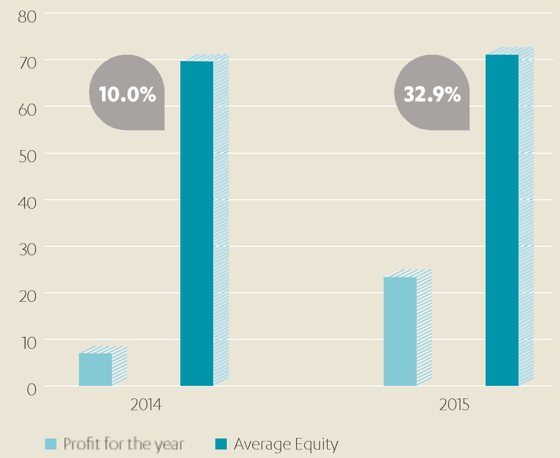
GROSS PROFIT & COSTS

EUR million



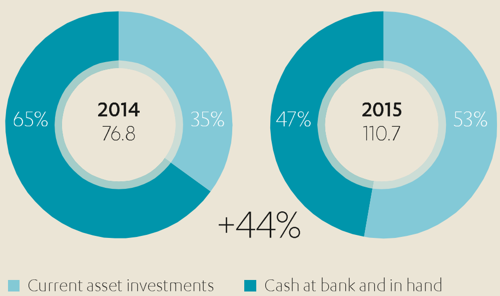
RETURN ON EQUITY

EUR million



CASH AND CASH EQUIVALENTS

EUR million



"The strong financial result was driven by modest gross profit growth and a significant decrease in costs due to the implementation of a revised strategy strongly focused on operational excellence, effective product development & innovation."

Helle Østergaard Kristiansen, CFO

TRADING IN **30+** COUNTRIES ACROSS EUROPE

700+

CUSTOMERS AND COUNTERPARTIES

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A STRONGER BUSINESS WITH A CLEARER, LONG-TERM COMMERCIAL FOCUS

Danske Commodities regained momentum in 2015 by reducing the cost base, strengthening our trading and customer business and by repositioning the strategy through a stronger commercial focus and a long-term outlook.

IMPROVED FINANCIAL PERFORMANCE

We made significant progress in 2015 in the work to transform the Company's operating model and ensure operational excellence, effective innovation and profitable growth. The business momentum was reflected in our improved financial performance with EBIT rising to EUR 30.2 million. This was underpinned by a 22% cost base reduction and improved transparency and collaboration through a clear and simple organisational structure. Importantly, we achieved these improvements while growing our trading and customer businesses, with revenue increasing by 17% to EUR 2,936.3 million and gross profit rising slightly to EUR 82.1 million.

At the same time, we grew assets under management across Europe to 7,500 MW, despite a more competitive market for the Direktvermarktung business in Germany.

Danske Commodities has a healthy financial position. Cash flow from operating activities increased to EUR 50.3 million. Return on equity increased to 32.9% from 10.0% in 2014 and total cash and cash equivalents amounted to EUR 110.7 million at 31 December 2015, up 44% on 2014.

MARKET TRENDS

The European energy markets continued their transformation in 2015. While the growing share of renewables in European power markets has driven an increase in underlying volatility, the markets have offset the effect through a number of factors that include increased intraday optimisation, better utilisation of flexibility and growing competition. This has reduced overall volatility and led to smaller spreads in the German power market.

This is a maturing market as indicated by the decline in Direktvermarktung fees and these developments drove us to reposition Danske Commodities' strategy. In doing so, we challenged ourselves to specify a stronger commercial direction and open up long-term growth options.

REVISED STRATEGY: COMMERCIAL DIRECTION

The revised three-year strategy, "One Team. Creating Profitable Growth", provides a clearer commercial direction which leverages our existing core businesses, focuses our market development strategies where we have potential for scaling or creating clear synergies, and invests in long-term growth opportunities.

The 15-year Power Purchase Agreement (PPA) signed with the Beatrice Offshore Windfarm in the UK in late December is a clear indication of our revised strategy. It leverages our European renewables management experience and short-term trading capability with a long-term focus in a market in which we see opportunity to build scale while proactively managing our risks.

The strategy builds on our strong capabilities in short-term trading and asset optimisation and our ability to turn volatility into profit for our customers in an increasingly complex energy system. As the need for flexibility rises with the growing share of renewables, we anticipate growing potential for small and medium-sized flexible assets and demand-side management in the energy system.

Our aggregating and optimisation system Connect, which is our Virtual Power Plant (VPP) launched in 2015, connects these assets to the market, turning volatility into profit by helping our customers optimise their assets by supporting asset planning needs, saving time and money, and leveraging our customers' flexibility. In 2015 we on-boarded new customers for primary reserve and minute reserve in Germany through Connect. In addition, the services we provide through Connect deliver a welfare benefit through an optimised and more efficient market. We expect demand for VPP services to continue in the long term.

Our revised strategy retains our speed to market and our ability to make fast decisions, both of which are key competitive enablers for Danske Commodities. Going forward, we will balance this front-end agility and flexibility with ongoing back-end standardisation to drive further process improvements and to build a more scalable business.

During the year we made significant progress in the transformation of Danske Commodities' operating model in order to ensure effective processes and long-term competitive strength. Following a comprehensive review of our processes

> Focus on core business capabilities and on operational excellence in 2015 has secured a strong position for the future from which we will remain a flexible, independent energy trading and service company, ready to turn volatility into profit for our customers.

in 2015, we decided to invest in a new Energy Trading Risk Management (ETRM) system, replacing the existing internally developed solution. Implementation of the new ETRM system has kicked off in 2016. This is consistent with our decision to move to external IT vendors while using our internal development capabilities for specific opportunities where we have a competitive advantage in our core business.

We demonstrated our robust approach to risk management by exiting the UK Levy Exemption Certificates (LECs) business without losses, after the market had diminished in August due to regulatory change. In spite of this unforeseen regulatory change, our LEC business managed to secure the best full-year result, since the business area was first introduced in 2012.

THE FUTURE

Turning to 2016, Danske Commodities is a stronger business with a stable cost base. We operate in a dynamic energy market and thanks to our passionate and committed employees we are well-positioned to navigate in changing market conditions. Focus on core business capabilities and on operational excellence in 2015 has secured a strong position for the future from which we will remain a flexible, independent energy trading and service company, ready to turn volatility into profit for our customers.

Dirk Mausbeck, CEO

FINANCIAL HIGHLIGHTS AND RATIOS

GROUP FIGURES EUR '000	2015	2014	2013	2012	2011
INCOME STATEMENT					
Revenue	2,936,265	2,518,761	1,932,041	1,252,690	817,978
Gross profit	82,071	75,689	91,854	62,220	35,953
Profit before financial income and expenses and tax (EBIT)	30,185	9,083	41,333	36,560	22,980
Net financials	467	-157	2,803	2,163	-886
Profit before tax (EBT)	30,652	8,926	44,136	38,723	22,094
Profit for the year	23,384	6,961	32,633	29,246	16,478
BALANCE SHEET					
Balance sheet total	271,905	204,127	206,646	167,059	103,431
Equity	77,518	64,622	74,549	65,415	48,709
CASH FLOW STATEMENT					
Cash flow from operating activities	50,323	7,295	40,119	44,399	17,590
Cash flow from investing activities	-3,913	-4,075	-5,722	-10,534	-1,522
- hereof investments in property, plant and equipment	-694	-2,952	-2,657	-6,611	-259
Free cash flow	46,410	3,220	34,397	33,865	16,068
Cash flow from financing activities	-10,732	-16,926	-24,638	-9,412	-7,516
Change in cash and cash equivalents for the year	35,678	-13,706	9,759	24,453	8,552
Cash and cash equivalents	110,738	76,844	89,332	76,374	49,986
RATIOS IN %					
Gross margin	2.8%	3.0%	4.8%	5.0%	4.4%
EBIT margin	1.0%	0.4%	2.1%	2.9%	2.8%
Return on assets	11.1%	4.4%	20.0%	21.9%	22.2%
Return on capital employed	40.9%	12.4%	53.5%	57.8%	50.1%
Equity ratio	28.5%	31.7%	36.1%	39.2%	47.1%
Return on equity	32.9%	10.0%	46.6%	51.3%	37.3%
Average number of employees	297	392	279	149	72
Number of employees end of year	299	360	423	231	107

The ratios have been prepared in accordance with the definitions in note 18 to the Financial Statements.

HIGHLIGHTS OF THE YEAR

Generating EBIT of EUR 30.2 million in 2015, Danske Commodities has regained momentum and is now entering a period of balanced growth with the focus on maturing the Company.

The strong financial result was driven by modest gross profit growth in a maturing market and a significant decrease in costs due to the implementation of a revised strategy strongly focused on operational excellence, effective product development and innovation. The full-year effect of the staff reductions carried out in 2014 also contributed to the cost savings.

Revenue growth continued in 2015 despite a significantly lower number of employees which underlines the high scalability of Danske Commodities' business model. However, at a growth rate of 17%, this is a more balanced level of growth than what we have seen in previous years.

Gross profit was at EUR 82.1 million in 2015, 8% higher than in 2014. Gross margin was 2.8%. This is a bit lower than the 3.0% generated in 2014 with margins narrowing as energy markets continue to mature. The lower gross margin also reflects the change towards more customer business for Danske Commodities.

EBIT increased sharply by EUR 21.1 million to EUR 30.2 million in 2015, primarily due to cost reductions deriving from initiatives implemented in 2014 and a continual focus on business excellence throughout 2015.

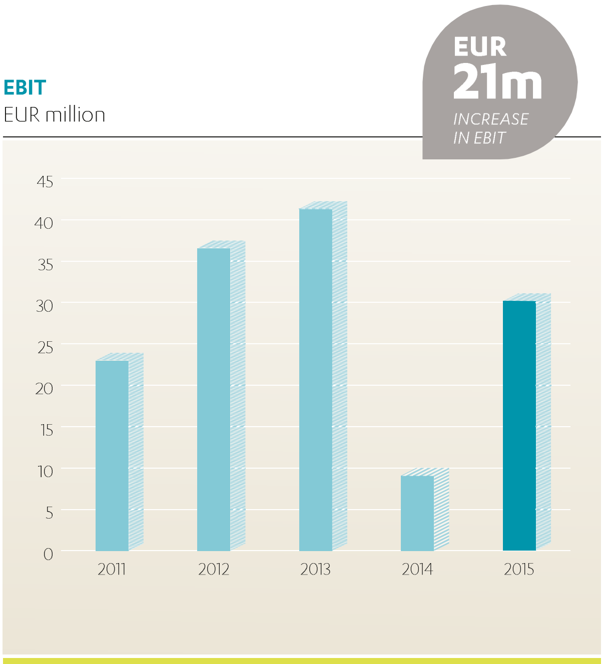
The free cash flow was at the highest level ever at EUR 46.4 million, driven by the strong financial result for the year combined with a positive effect from changes in working capital.

Cash reserves was equally at the highest level in the history of Danske Commodities at EUR 110.7 million. The increase was mainly driven by the strong cash flow generated in 2015 reflecting Danske Commodities' high degree of self-financing.

Equity increased by 20%, ending at EUR 77.5 million. The equity ratio was 28.5% compared to 31.7% in 2014.

With a clear focus on core business and operational excellence, a strong financial result for the year and substantial cash reserves, Danske Commodities strengthened its position significantly in 2015.

EBIT
EUR million



EQUITY
EUR million

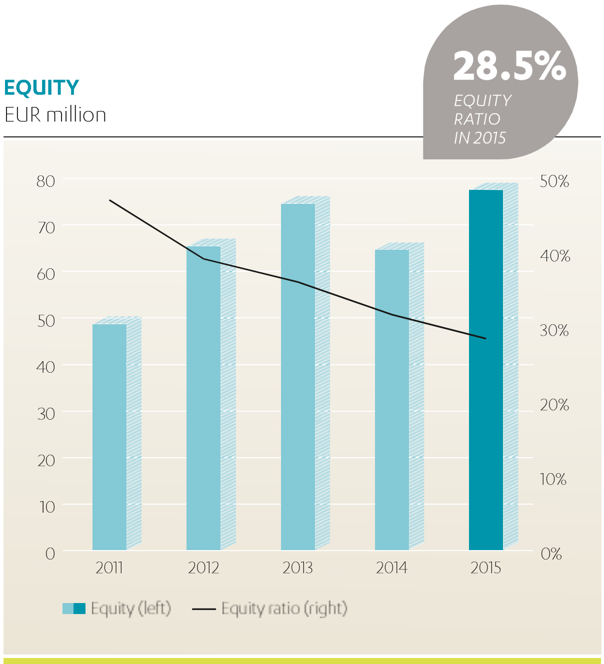



PHOTO: SHUTTERSTOCK

Through a strong financial result and the strongest cash flow in the company history, Danske Commodities has regained momentum and is now entering a period of balanced growth with the focus on maturing the Company.

ENERGY MARKET TRENDS

European energy markets are experiencing a rapid transition driven by shifts towards more sustainable energy sources – a transition driven by politics and technology. The consequence is a greener, more fragmented and much more complex energy system, says Kristian Gjerløv-Juel, Head of Corporate Development at Danske Commodities.

What are the main drivers of the increase in renewables?
Growth in renewables' share of gross power consumption is mainly driven by national support schemes, implemented to achieve targets set by the European Commission in the 2009 renewable energy directive, notably represented by national initiatives such as the German Energiewende and the British Energy Market Reform. We expect an even greater ambition for the coming years, as the European Commission revises the targets of the directive as part of its Energy Union priority and in ratification of the Paris Agreement.

Whereas growth in the early stages of these initiatives was stimulated by substantial support mechanisms to make renewable assets investable, technological advances are now gradually reducing the need for such support mechanisms. Therefore, we are now seeing support levels being adjusted with a convergence towards renewable technologies becoming increasingly competitive in the wholesale energy markets. As a consequence of the technological improvements of renewables, we have already seen changes in market designs to adapt support for the cost of renewables. Recent examples include the adjustments of photovoltaic price support in Germany, removal of levy exemption in the UK and a drastic decline in compensation towards offshore wind in Denmark. Revisions of the European Commission's Renewable Energy Directive are expected to provide a framework for more adaptable integration of renewables. Such changes in market design require that energy traders have the agility to market renewables under different market design circumstances.

What effect does the increase in renewables have on the power market structure?
The effect of renewables accounting for a growing proportion of the overall power supply is substantial. Wholesale power prices have plunged across all markets that have experienced large growth rates, in particular for installed wind and solar capacities. Larger utilities holding fossil fuel asset portfolios are suffering from a significant drop in revenue due to negative baseload and peakload margins.

In turn, this leads to a different and more fragmented market structure. We see hedge funds, foreign direct investment vehicles and pension funds investing in the more capital intensive parts of the renewables markets, such as offshore wind, biomass and small-scale investors entering the onshore wind and solar markets. The overall effect is that market shares become more fragmented between trading companies with large renewable portfolios and the traditional utilities.

Production Optimisation

As renewable energy penetration causes an increased need for adjusting generated volumes in the energy system, the economic benefit from utilising the flexible characteristics of the plant increase correspondingly. In our Production Optimisation scheme, we take the constraints of the individual plant into account, enabling our Production Optimisation clients to maximise the value of their generated energy by dynamically marketing it in the most lucrative of all available energy markets.

Demand Response

Larger energy consumers are becoming an increasingly important part of securing flexibility in the power system. They affect flexibility by adjusting their production through price signals and incentives in the most lucrative of all available energy markets. Demand response leads to reduced energy costs for the consumer while better utilising surplus renewable energy in the system.

European energy markets are experiencing a rapid transition driven by shifts towards more sustainable energy sources – a transition driven by politics and technology.

Kristian Gjerløv-Juel, Head of Corporate Development

What effect does the increase in renewables have on power prices?
The greater proportion of renewable energy from wind and solar plants is leading to large fluctuations in energy output due to the influence of the weather on generated volumes. This, in turn, leads to greater price fluctuations in the wholesale power markets and thereby increased risk for renewable producers, shifting focus towards short-term power markets. In the most renewable-intensive markets, such as Germany and Denmark, we have already whitnessed this trend over the past five to seven years and the intraday and balancing markets have matured significantly as a result. This development opens for improved management of especially small and medium sized power plants, and for managing demand in the energy intensive industrial sector.

How does the rise of renewables affect security of supply?
With the rise of renewables threatening the existence of conventional power plants in the energy system, the security of supply is increasingly becoming a concern. We are already

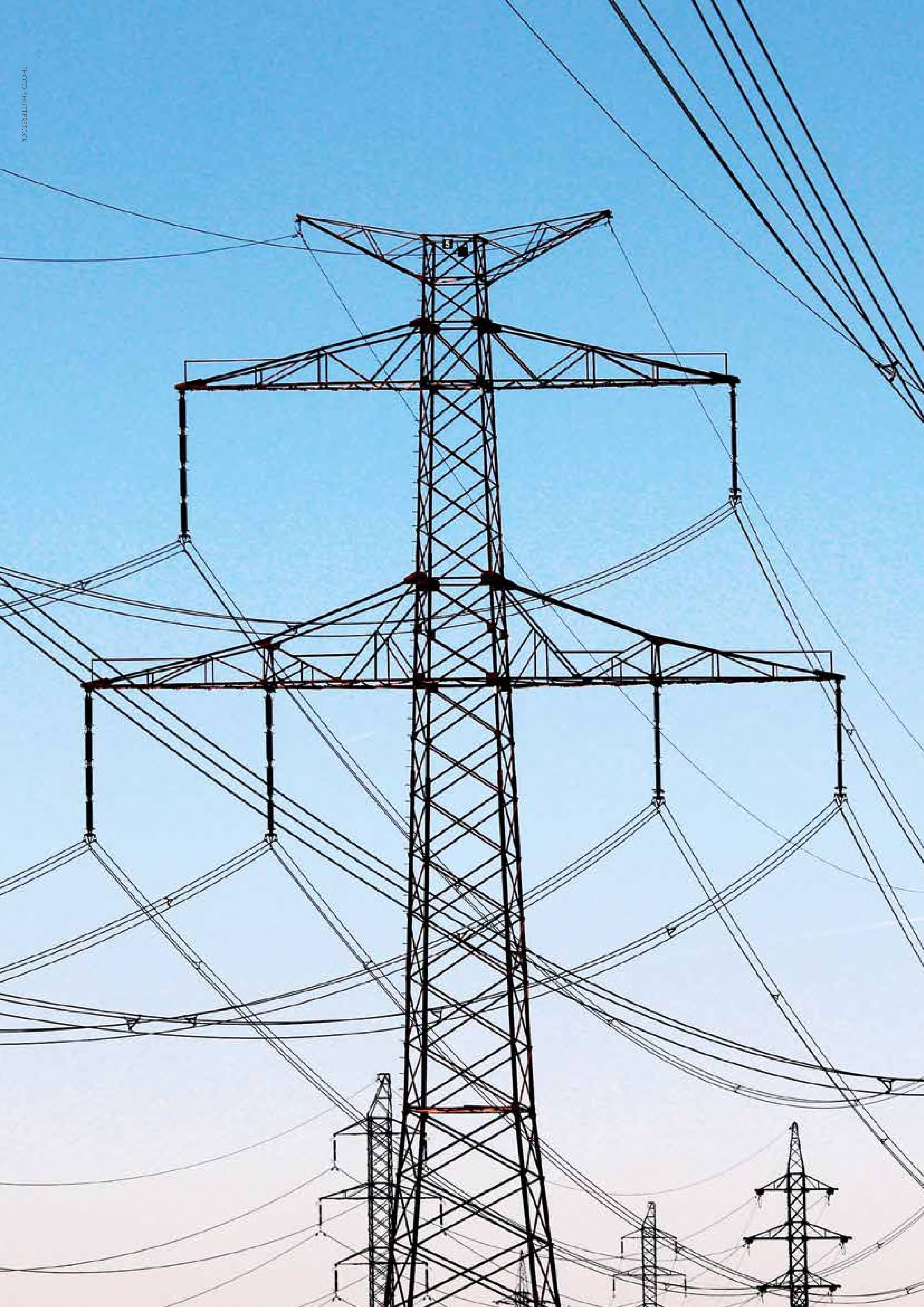


PHOTO SHUTTERSTOCK

seeing different variants of capacity mechanisms being introduced to convert parts of conventional asset portfolios, such as coal and natural gas-fired power plants, into backup capacities. Recently, the security of supply and the development of capacity mechanisms has become a priority for the European Commission's Energy Union. It is our expectation that clearer guidelines will be introduced on how capacity mechanisms can be developed and implemented across the EU member states and regions. It is our general belief that capacity mechanisms cause market distortions leading to an inefficient energy system. Therefore they should only be used as a last resort if no commercial solution to the security of supply issue can be identified. If capacity mechanisms are deemed to be the only way to ensure long-term security of supply, it must be implemented in a transparent and competitive manner – energy and capacity must be traded in the market place. To date, we have seen different national approaches to capacity mechanisms across Europe, reflecting the dilemma of a sub-optimal market design versus distressed power plants.

Another consequence of renewable growth and more decentralised production in the European energy system is the need for infrastructure to keep up with this trend. Currently, the lack of investment in transmission and distribution grids across Europe has led to bottleneck formation posing a barrier to the potential for a sustainable energy system. In addition, trailing infrastructure investment targets is jeopardising another priority of the European Commission, the Energy Union. The immediate consequence of these botlenecks is increased price disparities across national markets and bidding areas. This will, in turn, cancel out the effects of market coupling initiatives and cause a continued need for Danske Commodities' core competencies within cross-border risk management.

Will we see investments in infrastructure in the near future?
With decarbonisation of the energy industry remaining a priority to the European Commission and governments across Europe, it is our expectation that infrastructure investments will not within the foreseeable future be able to catch up with the decentralising effects of renewable production.

What are the consequences?
One consequence is that exporting surplus renewable energy will not be viable. Instead, we anticipate an increased potential for small and medium-sized flexible assets and demand side management in the energy system. A consequence of further decentralisation will be an even more complex energy system. Hundreds, or even thousands, of small and medium-sized energy generating assets will need to be matched with supply portfolios consisting of irresponsive households and responsive industrials. The role of the energy trader will be mirrored by the complexity of the energy system and large technological investments in aggregation systems, optimisation algorithms, control and communication systems and data projections will be needed to efficiently market these decentralised entities.

At Danske Commodities, we are continually working to improve our aggregation and optimisation system, Connect. It ensures that even when production and consumption becomes more decentralised and dispatching options become more complex, flexibility is optimised in pools and the wholesale markets are made available for all our Connect-participants.

What are the overall trends when it comes to the gas markets?
The gas market is affected by plunging oil and commodity prices. This has also produced a negative trend in gas prices in 2015 and in 2016 to date. We expect that gas prices will remain under pressure for the foreseeable future as the current excess supply is not about to ease up anytime soon due to the weak demand, the increasing renewable energy penetration in the overall energy mix and the sustained cheapness of coal and low EUA prices.

On the supply side, large oil and gas companies have responded by drastically slashing their exploration budgets and also taking similar write-downs on existing assets/activities. Furthermore, production costs for natural gas have been driven down on a global scale. For example, the costs of drilling and fracking lateral shale gas wells in the US have, by some accounts dropped as fast in the past five years as the costs of solar energy. This extraordinary resilience of the shale gas industry will continue and will put downwards pressure on future gas prices.

In addition, with the political situation in Ukraine stabilising to some extent, the underlying insecurity and upward price pressure have diminished. However, it will still be possible to see price spikes from time to time driven by geopolitical events, e.g. Russia once again curtailing its gas flows to Europe due to growing tensions between two parties, or the escalated hostilities in the Persian Gulf.

The current low gas prices could also have a negative impact on the development of Liquified Natural Gas (LNG) facilities and key pipeline projects transiting gas from other parts of the world to Europe. However, we still expect these investments to be made, which means that increasing imports will contain wholesale gas prices at relatively low levels for the long-term. In the recent energy security package released as part of the EU's 'Energy Union' strategy, the European Commission has proposed to increase the security of gas supply by diversifying into sources other than Russian energy, integrating LNG into Europe's gas market and investing in more transmission and storage capacities.

Overall, we expect to see a more integrated, transparent and competitive gas market in Europe, which in the long run will lead to higher liquidity and lower spreads both cross-border and time-delimited.

FOCUSED STRATEGY PREPARES FOR PROFITABLE, LONG-TERM GROWTH

Danske Commodities' revised strategy "One Team. Creating Profitable Growth" sets a clear commercial direction and outlook for the future. The strategy is based on a mission to create profitable, long-term growth for the Company while at the same time supporting the ongoing development of a more efficient, transparent and economically viable European energy market.

CORE STRATEGIC OBJECTIVES

- Strengthening the Company's position as a market leader in short-term energy trading and optimisation.
- Expanding the Company's cross-border energy trading and risk management capabilities.
- Growing the Company's renewable portfolio in prioritised markets where customers are investing in more sustainable energy sources.
- Providing dynamic asset management and demand response services that deliver benefits to flexible power producers and energy intensive consumers.

CLEAR COMMERCIAL DIRECTION

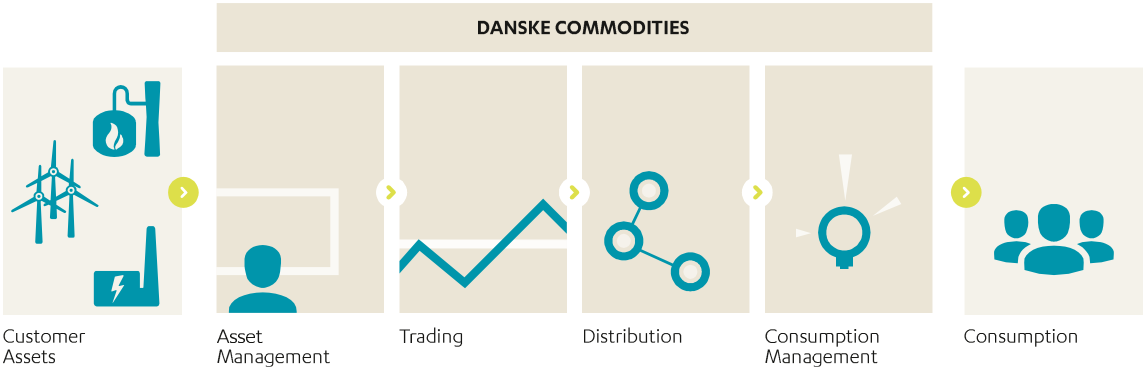
The strategy builds on Danske Commodities' competitive advantages and positions the Company to navigate and succeed under changing market conditions through a clear commercial direction.

The strategy outlines three commercial tracks through which to take advantage of business opportunities in the new energy market landscape while at the same time increasing the long-term financial strength of the Company. It aims to deliver balanced, profitable growth for Danske Commodities by prioritising investments in our core business, development activities, and long-term growth opportunities.

The three commercial tracks are:

1. Leverage existing business
2. Focus development activities
3. Invest in long-term innovation

DANSKE COMMODITIES' VALUE CHAIN



Danske Commodities has extensive experience in the liberalised European energy markets and is a leader in short-term energy trading and optimisation.

The Company's core business areas are:

Energy trading
Danske Commodities creates value through proprietary trading, arbitrage trading, portfolio optimisation and market access.

Customer solutions
Danske Commodities creates value by
a) handling energy market risks on behalf of the customer, and
b) turning flexibility into opportunities for the customer and the Company.

DANSKE COMMODITIES' STRATEGY HOUSE

1. LEVERAGE EXISTING BUSINESS

We hold a competitive advantage within short-term trading, mainly through our pan-European market knowledge and access, and our 24/7/365 set-up. We intend to leverage the experience gained in all European power and gas markets by continuing to invest in cross-border trading. Danske Commodities is able to trade and provide market access to customers across Europe – and will pursue opportunities in Central South Eastern Europe where we expect the growth scenario to continue in 2016.

We will continue to strengthen our processes, systems and risk management capabilities in support of our existing business.

2. FOCUS DEVELOPMENT ACTIVITIES

As we continue to expand our business, we will focus our development activities in areas that offer a synergy potential in combination with our existing business and core capabilities (e.g. bringing existing customer solutions to new markets). As the European energy markets become increasingly complex, there is a growing demand for specialists within short-term trading, optimisation and risk management capabilities. We will remain loyal to our value proposition by using our position as a leading, independent European energy trading and services company, specialised in managing market risk and delivering value to our customers, to the market, and to Danske Commodities.

3. INVEST IN LONG-TERM INNOVATION

To create long-term innovation and a more stable and diversified business model, we will allocate dedicated resources to research and development. We are investing in aggregation systems, optimisation algorithms and communication systems to enable us to compete in the future energy market landscape. In doing so, we ensure that even when the market complexity increases with more decentralised production and consumption units, we are able to optimise flexibility in pools and make the wholesale markets available for all our customers.

DANSKE COMMODITIES' ROLE IN THE ENERGY MARKET

As a pioneer in the liberalised energy market, Danske Commodities creates value for stakeholders by combining trading know-how, smart systems, agility and comprehensive market coverage. By doing this, Danske Commodities uses its independent and unique position in short-term trading and optimisation to contribute to a stronger and more viable energy market.

We provide the following services in more than 30 countries, around the clock, 365 days a year:

1. **DEMAND RESPONSE**
Reduce costs by optimising the timing of your energy consumption and turning market volatility to your advantage.

2. **RENEWABLES**
Access balancing services based on accurate forecasting and trading as well as tailor-made Power Purchase Agreements.

3. **ASSET OPTIMISATION**
Increase revenue by leveraging your flexibility while modelling generation costs, dynamics and constraints.

4. **ANCILLARY SERVICES AND BACKUP POWER**
Increase your revenue from primary, secondary and tertiary regulation and provide reliable backup power solutions.

ALL BALANCING SOLUTIONS
Reduce balancing costs by actively following your energy processes and sharing the benefits of portfolio pooling.

FLEXIBLE MARKET ACCESS
Gain access to short- and long-term markets and cross-border capacities.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BUSINESS AREAS
TRADING AND ORIGINATION

Danske Commodities trades power and gas, and we use our extensive market knowledge and market access to provide our customers with products and services that optimise their profit. Both of these business areas grew in 2015.

Through a structured business strategy for Turkey and Central South Eastern Europe (CSEE) we have succesfully established a profitable trading business by focusing on having a local presence in the region, maturing together with the markets. The region has in recent years experienced a transition towards increasing transparency, liberalisation and stricter regulation.

Our customer business was strengthened by the introduction of Connect, our Virtual Power Plant System, which helps customers optimise their assets. Also, we signed our first long-term Power Purchase Agreement for a total of 294 MW with UK-based Beatrice Offshore Windfarm Limited and we further developed market strategies for our key markets, defining value propositions and targets for all key markets and market segments.

One of the biggest surprises of 2015 was the sudden removal of the exemption for renewable source power from the Climate Change Levy in the UK. The change was unexpected for all market participants, however, thanks to robust risk management Danske Commodities managed to exit the UK LEC business without losses.

With the introduction of new products and services and new opportunities in the emerging markets in Central South Eastern Europe in particular, we expect the growth scenario to continue in 2016.

EXCHANGES TRADED ON AT DANSKE COMMODITIES

- APX – Netherlands
- APX UK (UKPX) – United Kingdom
- BELPEX – Belgium
- Borsa Italiana (IDEX) – Italy
- Central European Gas Hub (CEGH) – Austria
- CME Group – United Kingdom
- CROPEX – Croatia
- European Energy Exchange (EEX) – Germany
- European Power Exchange (EPEX SPOT) – Germany
- Energy Exchange Austria (EXAA) – Austria
- Gaspoint Nordic – Denmark
- Gestore Mercati Energetici (GME - IPEX) – Italy
- HROTE (Market operator) – Croatia
- Hungarian Power Exchange (HUPX) – Hungary
- IBEX – Bulgaria
- ICE Endex – Netherlands
- ICE Futures Europe – Netherlands
- LAGIE (HEMO) – Greece
- MEFF – Spain
- Nasdaq OMX Europe – Scandinavian
- Nord Pool Spot (NP) – Scandinavian
- OKTE – Slovakia
- OMIE – Spain
- OMIP – Portugal
- OPCOM – Romania
- OTE – Czech Republic
- Pegas – France
- PMUM – Turkey
- Polish Power Exchange (TGE / POLPX) – Poland (implicit setup through the broker Dom Maklerski)
- Power Exchange Central Europe (PXE) – Czech Republic
- SEMO – United Kingdom/Ireland
- Southpool (SP) – Slovenia

7,500
MW under management

129
TWh power traded in 2015

139
TWh gas traded in 2015

TRADING IN
30+
COUNTRIES ACROSS EUROPE

700+
CUSTOMERS AND COUNTERPARTIES

TRADING

Trading is the cornerstone of Danske Commodities. Over the past 11 years we have built a successful business of trading commodities, and through 24/7 trading activities in more than 30 countries across Europe, we offer our customers broad market access and a range of balancing products.

"Our Trading team is the core of Danske Commodities", says Jesper Tronborg, Vice President of Trading. "We have been trading energy on the liberalised markets for more than 10 years and we continuously strive to enhance and develop our trading strategies to maintain our competitive edge in the markets we trade."

At Danske Commodities we trade within the day, day-ahead and several weeks and months ahead. In that way we diversify our risk and ensure stability in our trading business even though the main part of the business of Danske Commodities is at the short end of the curve, which also means that we have limited overall risk exposure.

We mainly trade power and gas and we always stay at the frontline of the liberalisation of those markets – for the benefit of our customers and the market.

MATURING TOGETHER WITH THE MARKETS

A key theme for Danske Commodities in 2015 has been maturity, and that also goes for the trading team. Many of our traders have been with the Company for several years and have gained extensive experience by being on the frontiers of the liberalised markets.

"The energy markets are constantly developing due to changes in regulation and market couplings, which means that our traders need to be on their toes at all times to read and foresee market developments. Our experienced and highly specialised traders follow the activities closely and are ready and able to react timely to market changes", says Jesper Tronborg.

But maturity is not just about having experienced traders. It is also about having the right systems and structures in place in order to support the development of our highly skilled employees and to maximise the benefit of their potential.

Then and now: How the role of a trader has changed

Having worked at Danske Commodities for six years, Lars Kristensen, Head of Analysis for the Intraday team at Danske Commodities, has seen how the markets have evolved – and how that affects the daily lives of the traders first-hand. In this interview, he shares his views on how the traders' role has changed over the years.

What was the life as a trader like six years ago?
The trading team was much smaller, and we had very little support, so we needed to do practically everything ourselves. Usually, we would trade in the daytime and improve processes, develop scheduling tools and new market entries between shifts. Also, the competition was low. There were not very many players in the market.

What have been the biggest game changers for the markets over the years – and for the job as a trader?
The increasing importance of renewables in the energy mix has been the biggest game changer. When I first started working at Danske Commodities, the weather really didn't play such a big role in the price formation. Today, the importance of solar and wind means that all traders receive substantial amounts of forecasts about the development of the weather. The importance of data and how you interpret it has increased significantly.

How does the life of a trader today differ from how it was six years ago?
It differs in a lot of ways! One of the most visible changes is that we used to trade from 8 in the morning till 3 in the afternoon, and we only had two screens per trader. Today, traders have up to 15 screens, and we trade 24/7 365 days a year. At the same time, the complexity has increased exponentially, firstly because of the importance of the weather, secondly because of the fact that we trade across more borders now and finally because of market regulation. In addition, trading is now also linked to our customer business. The Intraday trading team is currently optimising the second largest renewables portfolio in Germany.

"Initially we focused primarily on expanding our business to new markets and on increasing the number of counterparties we would trade with. Over the years we have matured as a company in the same way as the markets we operate in have matured", says Jesper Tronborg. "Today, we still see a great growth potential in developing our gas and power business into Eastern European markets where we are already an active player. Maturing as a company also means a stronger focus on operational excellence ensuring effective internal processes supporting economies of scale and maintaining a low cost base."

As a mature trading organisation, we deliver reliable support to the people in our customer business who are delivering products and services to our customers.

GROWTH IN CENTRAL SOUTH EASTERN EUROPE

In 2015, Danske Commodities significantly grew its market share and improved its gross profit on trading in Central South Eastern Europe (CSEE) through a targeted business strategy for the region.

The region is currently experiencing a transition towards greater transparency, liberalisation and stricter regulation. However, the markets are still very immature compared to the markets of Western Europe which has made it difficult for trading companies based in Western Europe to penetrate the markets of CSEE.

"At Danske Commodities we have succesfully established a profitable trading business in CSEE by focusing on having a local presence in the markets," explains Head of Power Origination & Trading, CSEE, Cagdas Ozan Ates. "We realised at an early stage the importance of being a front runner. To succeed in the CSEE markets, we have on-boarded local traders in order to gain up front information about market changes and to be close to customers and counterparties. The local traders have also played an important role in establishing a common approach to all markets and in creating a common culture at all local offices. This has been a challenging task as the way we do business in Denmark and Western Europe differs significantly from the business culture of Central South Eastern Europe. We have succesfully created a good combination of being local, thinking global, managing our risks closely and trading in a structured way – and now we are beginning to see the results."

Cagdas Ozan Ates expects further growth in the CSEE region in 2016:

"Three new exchanges will be introduced in 2016, and with new exchanges come new opportunities for trading. At the same time, the team at Danske Commodities responsible for the CSEE region is maturing together with the markets. It is a young, dynamic team building experience and improving their skills at fast pace by having a dedicated focus on the markets of this particular region."

ENERGI FYN

"Danske Commodities is committed to delivering excellent service at all times"

Energi Fyn provides power and gas to both large companies and private households, and they participate actively in the development of sustainable energy including solar cells, wind turbines, heat pumps and electric cars. Furthermore, Energi Fyn owns and operates a supply network that covers the majority of the Danish island of Funen.

The co-operation between Danske Commodities and Energi Fyn started off in 2011 and today it includes a wide range of Danske Commodities' core products and services from risk handling over market intelligence, consumption balance handling and portfolio management for both private consumers and business clients to product development services.

"We have been working closely with Danske Commodities for five years and have experienced first-hand that Danske Commodities is committed to delivering excellent service at all times," says Head of Energy Trading Ane Rask, Energi Fyn.

BEATRICE OFFSHORE WINDFARM LIMITED

"A flexible and competitive solution"

In December 2015, Danske Commodities signed a 15-year Power Purchase Agreement (PPA) with Beatrice Offshore Windfarm Limited. When the park becomes operational in 2018/2019, Danske Commodities will handle all forecasting and trading for 294 MW, equivalent to 50% of the park's production.

The PPA is Danske Commodities' first long-term balancing contract in the UK market, and it builds on our experience in structuring PPAs in several European markets – an experience that played an important role for the consortium behind the wind farm in choosing their future partner:

"We are pleased to have signed a PPA agreement for 50% of the Beatrice Offshore wind farm marking another positive milestone for the development of our project. Danske Commodities structured a flexible and competitive solution that met our needs and we look forward to working with them as the project progresses," says Steve Wilson, Project Manager, Beatrice Offshore Windfarm Limited.

Danske Commodities has more than 6,000 MW of renewable assets under management in Europe and is the largest independent provider of Direktvermarktung in Germany.

ORIGINATION

In Origination, we turn Danske Commodities' unrivalled trading capabilities into value-adding products and services for energy producers and consumers.

Strengthening and expanding our customer business is a key focus area for Danske Commodities. We achieved this throughout 2015 by further developing existing strategies for key markets, defining value propositions and targets for all markets and segments. In addition, we developed new products for the European energy markets, drawing on our knowledge and experiences from key markets.

As described in the Energy Market Trends section, the growing influx of wind and solar energy into the energy mix has transformed the dynamics of the European energy markets by making energy supply and prices more volatile. At Danske Commodities we design solutions to turn this volatility into profit for our customers through products and services such as:

- Renewable production balancing – Being the largest independent provider of Direktvermarktung in Germany, and having more than 6,000 MW of renewable energy under management across Europe, we offer comprehensive solutions and services to suppliers of renewable energy to help market their green power in the best possible way.
- Balance Group Co-operation – Our balance group co-operation helps our customers to significantly reduce their imbalance costs. We manage customer positions in the short-term markets and help them optimise their forecasts.
- Ancillary Services – We connect producers and consumers through our reserve power pool and increase their earnings by taking advantage of the flexible operation of their assets and by marketing their flexibility in the reserve power markets in an optimal way.
- Dynamic Asset Management – Regardless of the level of complexity in processes, we optimise our customers' revenue by leveraging their flexibility (modelling generation or industrial costs, process dynamics and constraints) in the context of volatile short-term energy markets.
- Market Access – We offer our customers access to power and gas markets across all of Europe. In that way, they can use the trading opportunities on short- and long-term markets in a cost-efficient manner.

VIRTUAL POWER PLANT – CONNECT

In 2015, we launched Connect, our Virtual Power Plant (VPP), which saves our customers time and money by supporting asset planning and enabling continuous optimisation for optimal use of the assets' flexibility.

Our Connect platform ensures that the wholesale markets are available to all Connect-participants, even when the energy systems become decentralised and dispatching options become increasingly complex.

Connect provides our customers with a single point of entry, making it easy for energy producers and consumers to get an overview of their planning, production and consumption by providing real time information and easy-to-access analysis of their assets across all markets - day-ahead and intraday.

LONG-TERM POWER PURCHASE AGREEMENT IN THE UK

The growing share of renewable energy has created new types of risks and opportunities for participants in the UK energy market. By leveraging our experiences and knowledge from our current position as a leader in several European markets, Danske Commodities sees a strong opportunity to support UK renewables with competitive solutions managing their risk and lowering their costs, while enabling them to meet the needs of their investors and financial partners.

This is why, in December 2015, we signed a 15-year Power Purchase Agreement with UK-based Beatrice Offshore Windfarm Limited. Under the agreement, Danske Commodities will handle all forecasting, trading and balancing for 294 MW of capacity, equivalent to 50% of the park's production, once the park becomes operational in 2018/2019.

The Power Purchase Agreement is our first long-term balancing contract in the UK market, where we have been active trading power since 2009.

The agreement is an important milestone for Danske Commodities. It builds on our experience in structuring PPAs in Europe and demonstrates our capability as a long-term partner in the UK market.

SUCCESSFUL TRANSITION UPON CHANGE IN CLIMATE LEVY LEGISLATION IN THE UK

With effect from 1 August 2015, the UK Government removed the exemption for renewable source power from the Climate Change Levy, and the last Levy Exemption Certificate (LEC) related to July production was issued in mid-October.

Due to our effective risk management procedures we managed to react rapidly to the implied and unexpected changes, exiting the UK LEC business without losses.

ARCELORMITTAL

"Danske Commodities' guidance and service consistently exceed our expectations"

Headquartered in Luxembourg and established in 2006, the multinational steel manufacturer ArcelorMittal is among the 100 largest corporations in the world. Since 2014, Danske Commodities has engaged in a close co-operation with ArcelorMittal in order to extract maximum value from opportunities available in energy markets.

"Thanks to Danske Commodities we are exploiting market volatility instead of avoiding it, thereby creating additional revenue by harvesting the benefits of Europe's volatile energy markets," says Luis de Miguel, Managing Director of ArcelorMittal Energy. "Danske Commodities' guidance and service consistently exceed our expectations."

At Danske Commodities our highly skilled experts within Origination combine theoretical insight with hands-on technical experience. This enables us to quickly understand and find solutions that meet the needs of our customers.

PHOTO: ALL OVER PRESS

MOMENTUM GRUPPEN

"From customer to partner"

The close relationship between Danske Commodities and Momentum Gruppen started in 2011, when the two companies signed a Direktvermarktung agreement concerning power generated by wind farms owned by Momentum.

Over time, however, the co-operation between the two companies has become much closer. Not only has Momentum Gruppen doubled their portfolio at Danske Commodities, so they are now one of Danske Commodities' largest customers, the companies also work closely together on penetrating new markets and on-boarding new customers.

"We've helped Danske Commodities build up their network and establish new partnerships in Germany, while Danske Commodities has helped us enter the Swedish market," says CEO Kim Madsen, Momentum Gruppen. "We may have started out being Danske Commodities' customer, but now I think of our two companies as partners – as each other's ambassadors."

PROACTIVE RISK MANAGEMENT
SUPPORTING THE STRATEGIC OBJECTIVES

Risk Management supports the overall strategic objectives of Danske Commodities by ensuring a responsible balance between risk and return in the day-to-day operations.

In a business with ever changing conditions and significant volatility, Danske Commodities aligns strategic objectives, risk appetite, risk capacity and current risk profiles at all times, thereby ensuring controlled growth.

RISK MANAGEMENT GOVERNANCE AND KEY FOCUS AREAS

At the top of the structure is the Board of Directors, which is responsible for the risk strategy, including risk governance and overall risk appetite and tolerance. In addition, the Board of Directors is responsible for overseeing the risk management practices of Danske Commodities through risk policies and guidelines to the organisation supported by the Risk Committee.

All employees are expected to conduct themselves in a manner consistent with a strong risk culture. This means that employees at all levels are responsible for the management and escalation of potential risks.

In 2016, Danske Commodities will continue the on-going development of an even stronger risk management framework to further understand and manage the risks associated with the business portfolio. The approach is based on a combination of overall risk management tools, such as scenario and sensitivity analyses, and specific policies governing risk management in all key areas. Danske Commodities will ensure that the organisation acts according to best risk management practices and is able to meet all new and existing regulatory requirements.

This will be done through the implementation of new systems and by continually improving the control framework, risk policies and guidelines at all levels, including the overall risk appetite statement building on both quantitative and qualitative elements.

Standardised reports on risks and opportunities are prepared on a monthly basis and presented to the Board of Directors, Executive Management and the Risk Committee.

All major risk classes are managed on the basis of internal risk management processes which are fully aligned with the risk policies and guidelines.

Danske Commodities' Risk Management organisation covers the following main risk categories:

- Market risk
- Credit risk
- Operational and IT risk
- Liquidity risk
- Regulatory risk
- Legal risk

In addition, Risk Management at Danske Commodities always seeks to minimise reputational and strategic risk by making the right choices in line with corporate values, building trust and bringing passion to the organisation while creating value for our customers.

IMPLEMENTATION OF NEW STANDARD ENERGY TRADING RISK MANAGEMENT SYSTEM (ETRM)

In 2016, Danske Commodities has kicked off the implementation of a new standard ETRM system which will replace the current internally developed solution. The benefits of implementing a new ETRM system is twofold: Firstly, a standard ETRM system will enable the organisation to get even more transparency in key figures gaining operational excellence by optimising Danske Commodities' straight through processing of trades. Secondly, the new ETRM system will support the enhancement of Danske Commodities' risk management framework by centralising all trading data in one place.

MARKET RISK

Market risk is the risk that the value of open positions may change as a result of changing market prices. In addition to prices, market risk is affected by the Company's basic risk, e.g. volume and balancing risk. Due to the potentially strong impact on the Company's earnings, volatility and commodity price developments require constant monitoring and stress testing.

Danske Commodities' market risk arises in both commodity and financial markets where changing energy prices as well as foreign exchange rate fluctuations constitute key risk factors. The risk appetite of Danske Commodities sets the overall risk limits, and the aggregation of the different mandates is kept within those limits, ensuring that the Company knows its risk profile.

The Committee is responsible for:

- Ensuring a proper alignment of the enterprise risk strategy between management and the Board of Directors
- Developing and overseeing the risk management framework
- Helping to set the method and develop a sound risk culture
- Overseeing that all risks are identified and assessed
- Monitoring the risk profile of the organisation
- Preparing risk related cases for the Board and provide the management with inputs regarding the risk appetite and tolerances

Open positions are only accepted at Danske Commodities if mandates have been established and all positions are monitored by a second line of defence within the Risk Management team. All mandates across the business are regularly reviewed and updated as necessary to ensure that mandates remain compliant with the overall risk statement as well as changing market conditions.

As part of the monitoring process, Danske Commodities maintains several warning levels to ensure timely action if a mandate is violated. Additional stress tests are in place as an integral part of the risk management framework.

With the implementation of a new ETRM system starting in 2016, the Risk Management team will continue implementing new risk management measures for the business activities of Danske Commodities.

The foreign exchange rate risk, to which the daily commercial business is exposed, is mitigated and hedged on a daily basis using a Value-at-Risk approach. As foreign exchange rate risk is not a core business for Danske Commodities, the Company pursues a hedging policy for its foreign exchange rate risk that is managed centrally by the Treasury department.

As a second line of defence, Risk Management has established a thorough four-eyes principle on Profit-and-Loss reporting across the organisation. This means that the Risk Management team assesses the Profit-and-Loss statement validating the figures used by the Finance department for financial statements.

In order to further strengthen the Risk Management of Danske Commodities, additional senior specialist resources were appointed to the Risk Management team in 2015. These resources will be focused on operational risk, operational excellence and on optimising the model for deployment of risk capital.

CREDIT RISK

Credit risk is the risk of financial loss due to a counterpart failing to meet contractual obligations. Exposure to credit risk can arise in Danske Commodities' Trading, Origination and Treasury operations. Danske Commodities manages credit risk through a framework of clearly defined policies and procedures provided by the Board of Directors and the Credit Risk Management team. Responsibilities are segregated between different business teams, Credit Risk Management and the Board of Directors.

At the end of 2015 Danske Commodities signed credit insurance agreement for the main portfolio that took effect from January 2016. This will enable Danske Commodities to better utilise its capital resources, while substantially reducing the risk of any potentially uncovered credit exposure.

A thorough Know Your Customer (KYC) process is carried out for all counterparties with credit lines and customers with whom Danske Commodities engages in transactions. Danske Commoditites assesses the financial strength and creditworthiness of counterparties who are not covered by credit insurance, such assessment applying both prior to entering into any contract and for the duration of any individual contract. An internally developed credit model is applied to rate these counterparties who are assigned individual credit lines and terms. Additional security is requested from the counterparties if necessary and credit lines are monitored on a daily basis.

Danske Commodities had no credit-related losses during 2015.

OPERATIONAL AND IT RISK

Operational risk relates to the risk of financial loss as a result of human or system error, including inappropriate internal procedures. Danske Commodities has continued its efforts to develop and implement IT systems and internal procedures mitigating risks that may result in a financial loss.

In 2015, Danske Commodities further minimised its reliance on external hosting partners providing data centre capacity and data access. Danske Commodities improved the newly implemented high availability datacentre setup to support even more technologies and applications.

Through further improvement of multiple high-capacity internet lines at both datacentres, the Company has improved its internet service, availability and resilience.

In 2015, Danske Commodities also automated 25% of the manual tasks of IT Support, minimising the risk of human error and thereby minimising the amount of unplanned and critical incidents.

The Company's persistent focus on IT security continues; the IT Infrastructure Security function continues its efforts to ensure Danske Commodities' ability to address operational IT risks while supporting the combined risk management activities of Danske Commodities.

LIQUIDITY RISK

Danske Commodities is committed to maintaining financial stability without significant month-to-month volatility in the balance sheet. Given a solid capital structure, which is mainly based on low external funding and a sound working capital level, the liquidity risk is considered to be low.

The key aspects, which have ensured stable and adequate liquidity over a number of years, are the strong cash flows from operations, substantial cash reserves and unutilised credit facilities.

On a daily basis, Danske Commodities measures its overall liquidity, consisting of the daily free liquidity including collateral and other deposits, as well as future cash flows. In addition, different liquidity outcomes are simulated through various stress tests. The application of a minimum level of liquidity concept puts the Company in an even better position to manage liquidity reserves and to withstand extreme market movements at all times.

REGULATORY RISK

The energy markets are facing a number of new regulations, which place high demands on the market participants to adapt to such new requirements. The Markets in Financial Instruments Directive II (MiFID II) is in particular such a game changer, but also the new transaction reporting regime deriving from the Regulation on Energy Market Integrity and Transparency (REMIT) regulation is on the agenda when dealing with regulatory risk.

MiFID II is said to introduce dramatic changes in the markets, and the legislative process has been anything but straightforward. At the end of 2015, uncertainty remained as to how MiFID II legislation will appear in its final version and Danske Commodities has taken measures to ensure preparedness throughout the organisation.

In order to enhance transparency in the energy markets, REMIT introduces an obligation for market participants to report orders and transactions to the Agency for the Cooperation of Energy Regulators (ACER). Danske Commodities has ensured compliance with both the first and the second phase of REMIT reporting: a) reporting of orders and transactions in standard contracts admitted to trading on organised market places and b) reporting of OTC standard and non-standard contracts which is a requirement effective from 7 April 2016.

In addition to these regulatory challenges, the Compliance function has maintained a strict focus on contributing to the ongoing maturing of Danske Commodities by developing internal guidelines for the purpose of achieving an even higher level of Corporate Governance within the organisation.

LEGAL RISK

Contractual relationships with customers and business partners imply the potential for legal risks.

Danske Commodities' legal department focuses on preventive legal work and contributes in a structured way to identifying, prioritising and managing legal risks and opportunities in consultation with all of Danske Commodiites' business teams and support functions. The legal department engages in the on-going business activities and decision-making processes at an early stage as well as taking part in the approval process for new products.

Furthermore, the legal department attempts to minimise the risk of legal claims and disputes by creating and negotiating well-balanced contracts in compliance with local legislation and practice in the markets in which Danske Commodities operates. This is done in a close co-operation between internal legal advisors and professional external advisors.

"In a business with ever changing conditions and significant volatility, Danske Commodities aligns strategic objectives, risk appetite, risk capacity and current risk profiles at all times, thereby ensuring controlled growth."

Martin Skovgaard Hansen,
Head of Risk Management

PERFORMANCE IN 2015

A clear focus on our core business and enhanced operational excellence was the main driver for Danske Commodities in regaining momentum in 2015, generating a strong financial result and the strongest cash flow in the company history.

Growth continued at Danske Commodities in 2015, as revenue was up by 17% and EBIT grew to EUR 30.2 million. The performance was driven by the initiatives implemented in 2014 which have resulted in a leaner and more flexible organisation and a sustained focus on improving cost efficiency and processes.

REVENUE

Revenue continued to grow in 2015 in a market with lower prices and higher volumes, ending the year up 17% at EUR 2,936.3 million. While the growth rate was lower than in previous years, it was also at a more balanced and mature level, in line with our strategy.

Growth was mainly driven by gas and other minerals trading, which increased by 38% and now contributes 45% or EUR 1,321.6 million of the total revenue compared to EUR 957.6 million in 2014. Power trading contributed EUR 1,614.6 million, which was in line with the 2014-figure.

GROSS PROFIT

Gross profit was up by EUR 6.4 million from EUR 75.7 million in 2014 to EUR 82.1 million in 2015. The gross profit was generated with a significantly smaller staff base than in 2014. Last year's streamlining of the organisation has facilitated better collaboration both in-house and with external business partners. Enhanced efficiency due to focus on operational excellence was also a factor.

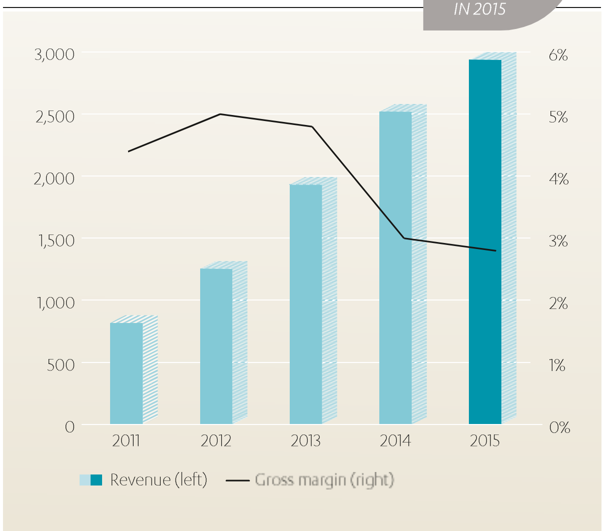
Modest growth in both revenue and gross profit stabilised the gross margin at 2.8% compared to 3.0% in 2014. The gross margin on both power and gas remained at the same low level as in 2014. Moreover, the gross margin was affected by a change towards more customer business for Danske Commodities.

COSTS

Our increased focus on operational excellence through process improvement and a leaner organisational structure,

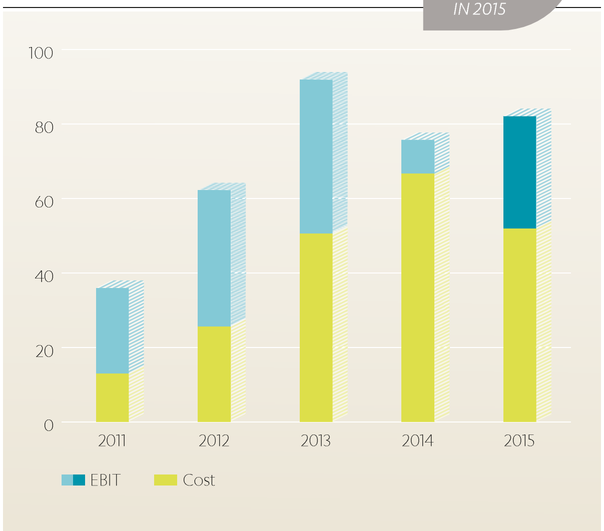
REVENUE & GROSS MARGIN
EUR million

17% REVENUE INCREASE IN 2015



COST AND EBIT SHARE OF GROSS PROFIT
EUR million

22% DECREASE IN COSTS IN 2015



provided further cost reductions during 2015. Total costs decreased by 22% or EUR 14.7 million to EUR 51.9 million from EUR 66.6 million in 2014.

Both Staff cost and Other external expenses contributed significantly to the lower costs. Other external expenses were reduced by EUR 6.8 million from EUR 19.8 million in 2014 to EUR 13.0 million in 2015.

A review of the IT architecture was conducted as a part of the revised strategy, and the conclusion was to move away from internally developed IT systems by increasingly using standardised applications. During the review, costs related to internally developed systems were reduced to primarily ordinary maintenance and minor improvements, which explains the drop in some of the Other external expenses.

Due to the focus on our core business, the need for external consultancy assistance was significantly lower than in previous years, leading to lower consultancy costs. However, there was still a need for consultancy service during 2015 e.g. for MiFID II and Connect, our VPP system.

Staff costs were reduced by 16% or EUR 6.3 million from EUR 40.5 million in 2014 to EUR 34.2 million in 2015. The decrease is explained by a 24% reduction in the average number of employees from 392 in 2014 to 297 in 2015. The strong financial result for 2015 was achieved despite the significant reduction in the number of employees.

Amortisation, depreciation and impairment losses decreased by EUR 1.6 million to EUR 4.7 million from EUR 6.3 million in 2014. Amortisation and depreciation in 2015 was at the same level as in 2014. The decrease is solely explained by the fact that no impairment losses were realised in 2015. In 2015 investments in intangible assets and property, plant and equipment were at the same level as in 2014.

EARNINGS

EBIT increased significantly by EUR 21.1 million from EUR 9.1 million in 2014 to EUR 30.2 million in 2015. The main driver for the increase was cost reductions. The EBIT margin increased to 1.0% in 2015 from 0.4% in 2014.

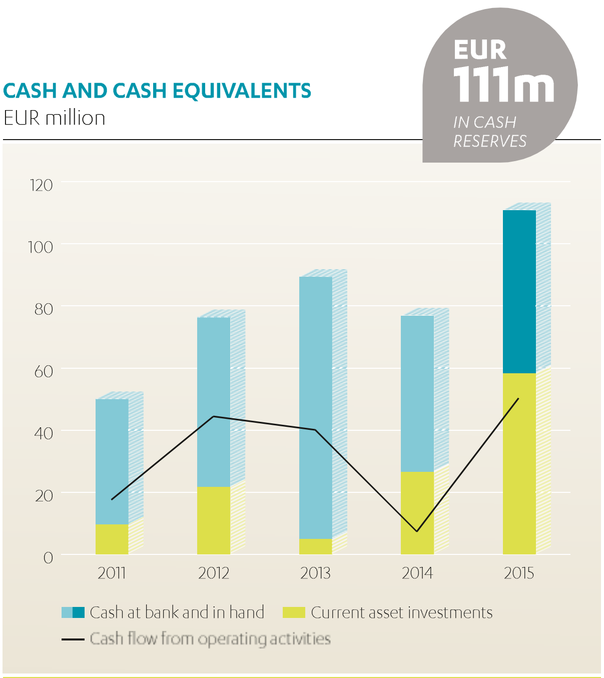
Financial items were EUR 0.5 million in 2015, which was EUR 0.6 million higher than in 2014. The increase was mainly explained by earnings from current asset investments.

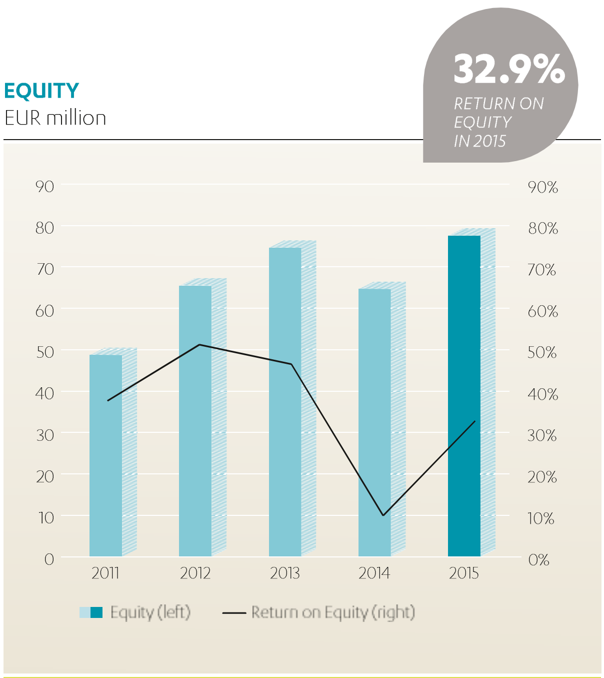
Tax on profit for the year increased to EUR 7.3 million in 2015 compared to EUR 2.0 million in 2014 due to the higher earnings. The effective tax rate was 23.3% in 2015 compared to 24.6% in 2014. The decrease was mainly attributable to a 1 percentage point reduction of the corporate tax rate in Denmark for the financial year 2015.

BALANCE SHEET AND EQUITY

Total assets increased to EUR 271.9 million in 2015, compared to EUR 204.1 million in 2014.

Fixed assets fell slightly by 7% from EUR 11.9 million in 2014 to EUR 11.1 million in 2015 due to ordinary depreciations and slightly lower investments than in the previous years.





> Our strong financial result and consistently solid capital structure confirms Danske Commodities' position as a strong and solid business partner.
>
> Helle Østergaard Kristiansen, CFO

EBIT	Revenue	Equity	Cash & cash equivalents
EUR 30m	**EUR 2,936m**	**EUR 78m**	**EUR 111m**
+232%	**+17%**	**+20%**	**+44%**

Intangible assets increased because of investments in new ERP and trading systems driven by the focus on operational excellence. The new systems will contribute to process enhancements. The investments were also a consequence of the thorough investigation of the IT architecture carried out in 2015. Only minor investments were made in property, plant and equipment as the Company's premises were recently updated.

Inventories grew by 22% to EUR 11.2 million in 2015 from EUR 9.2 million in 2014 due to increased activity in gas trading.

Receivables at the end of 2015 amounted to EUR 138.9 million, compared to EUR 106.2 million in 2014. The increase was mainly explained by an increase in trade receivables arising due to a change in trading patterns at the end of 2015 compared to the end of 2014. Average debtor days at the end of 2015 were 13 days. No losses on debtors were incurred in 2015, bearing witness to a very healthy group of debtors and effective internal processes.

Cash and cash equivalents increased sharply by EUR 33.9 million to EUR 110.7 million from EUR 76.8 million in 2014. During 2015, significant cash portfolios previously held as cash collateral deposits with financial partners was instead placed in bonds and other low risk securities. As Danish deposit interest rates were negative in 2015, the Company has adopted an active cash management approach to ensure that excess liquidity is placed in current asset investments, the purpose being to optimise the return on the liquidity while minimising the risk of holding major cash portfolios.

Equity increased by 20% from EUR 64.6 million in 2014 to EUR 77.5 million in 2015. The equity ratio at 31 December 2015 was 28.5%, underlining Danske Commodities' solid financial position. The return on equity was 32.9% which is considered highly satisfactory.

CASH FLOW

Cash flow from operating activities increased by EUR 43.0 million to EUR 50.3 million in 2015 from EUR 7.3 million in 2014. The cash flow was mainly driven by the strong financial result for the year.

The cash flow from investing activities was an outflow of EUR 3.9 million, which was in line with the 2014-figure, as investments in fixed assets were at the same level as last year.

Acquisition of company shares and dividend paid during the year contributed significantly to the cash outflow from financing activities of EUR 10.7 million.

Cash and cash equivalents increased by EUR 35.7 million in 2015 primarily due to the strong financial result generated in 2015.

INTERNATIONAL OPERATIONS

Danske Commodities closed down subsidiaries in Switzerland and Romania in 2015. The closures were a part of the consolidation process carried out in 2014 as well as a changes in local representative requirements. The closures reduced the total number of Danske Commodities' subsidaries to 16.

EVENTS AFTER THE BALANCE SHEET DATE

No events have occurred since the balance sheet date which could materially affect the Company's financial position.

SENIOR MANAGEMENT GROUP

The Senior Management Group is responsible for defining the strategic direction of Danske Commodities and for supervising the organisation by managing the overall performance of the Company through target setting and follow up.

The members of the Senior Management Group meet on a weekly basis and is committed to ensuring efficient prioritisation and co-ordination of projects and initiatives across the organisation.

Representing the overall areas of our organisation, the Senior Management Group is responsible for ensuring that we deliver our strategic targets, that we continue living our corporate values and that they are embedded in our organisation.

DIRK MAUSBECK
CEO

Born: 1962
Appointed CEO 1 January 2015.

Background: Several leadership positions at Shell and EnBW. More than 20 years of experience in trading and wholesale.

Educational background: PhD in Chemical Engineering and a university degree in Finance.

HELLE ØSTERGAARD KRISTIANSEN
CFO

Born: 1978
Appointed to the Senior Management Group in September 2014.

Background: CRO at Danske Commodities. 6 years of experience in the energy sectior and 6 years of experience in controlling and compliance in the financial sector.

Educational background: MSc in Business Economics and Auditing from Aarhus University.

Organisation: Group Finance & IT (Finance & Accounting, Business Operations & Risk Management, Group Legal, Treasury, IT Solutions, Infrastructure Services)

DION SØRENSEN
VP, Head of Human Capital

Born: 1976
Appointed to the Senior Management Group in September 2014.

Background: 9 years of experience with HR. Executive Director, Group HR at Saxo Bank. Founder of TalentShaper. Group HR Consultant at Maersk Group. Author of several books about leadership.

Educational background: MSc Psycology from Aalborg University. Cand. Psych. Aut., Business Psycology.

Organisation: Human Capital (Performance & Development, Compensation & Benefits, Management Support, Service & Reception)

JESPER TRONBORG
VP, Head of Trading

Born: 1972
Appointed to the Senior Management Group in September 2014.

Background: More than 17 years of experience from the energy sector. Head of Gas trading at Danske Commodities. Head of Markets at Statoil Gazelle. Oil & Gas Trader at Energi Danmark. Various positions globally with Maersk Group.

Educational background: Maersk International Shipping Education.

Organisation: Trading (Power Markets, Intraday, Gas)

MIGUEL MARROQUIN
VP, Head of Origination (interim)

Born: 1978
Appointed to the Senior Management Group in February 2016.

Background: 10 years of experience in the energy sector namely as Head of Portfolio Management at Danske Commodities, Management Consultant and Head of Portfolio Management at Enovos.

Educational background: MSc Engineering in Energy & Fuels (UPM Madrid) and MSc in International Finance (HEC Paris).

Organisation: Origination (Portfolio Management, Asset Management, Customer Markets)

BOARD OF DIRECTORS

The Board of Directors combines key industry insight, European energy market expertise, risk management competences, important business and financial skills with several years of experience in managing international businesses.

The Board of Directors is responsible for the overall management and overview of the Company's activities, for ensuring that Danske Commodities is managed on a responsible foundation and for providing qualified and visionary advice in support of the strategic development of the Company. The Board of Directors serves as a highly qualified and focused partner for the Executive Management of Danske Commodities.

In January 2016, Danske Commodities appointed additional European market expertise and strong risk management competences to the Board of Directors.

In 2015, the Board of Directors focused on improving efficiency, maturing the organisation and on continuing the growth of the business – in a controlled and scalable manner. By adding two new members to the Board of Directors in January 2016, we now have the necessary and essential skills and relevant experience represented on the Board to support the further development of our business activities. We will continue to focus on growing our earnings and market share as well as on maintaining a high level of innovation to support agile operations in a constantly changing market environment.

Peter L. Ravn,
Chairman of the Board

	Name	Joined
	**PETER L. RAVN** Chairman Born: 1955	2013
	**HENRIK ØSTENKJÆR LIND** Vice Chairman Born: 1975	2004
	**SØREN VESTERGAARD-POULSEN** Board member Born: 1969	2013
	**JENS-PETER SAUL** Board member Born: 1966	2014
	**ANNE BROENG** Board member Born: 1961	2016
	**VOLKER BECKERS** Board member Born: 1964	2016

Key skills	Background	Board memberships	Others
IT, risk management, corporate governance, leadership, and internationalisation.	Long-standing career with SimCorp (1983-2012), 11 years as CEO. MSc in Engineering and PhD in System Science. Diploma in Business Administration (Finance and Credit).	Systematic A/S (Chairman), Stibo A/S, and CodeSealer ApS.	
Energy Markets, business development, trading, and strategy.	CEO of Lind Invest ApS. Founder of Danske Commodities A/S in 2004, founder of Lind Capital in 2007, founder of Lind Capital Fondmæglerselskab in 2014. Banking education and Diploma in Business Administration (Finance).	Lam Holding A/S (Chairman), Cornerstone Properties Germany Holding A/S, Kristensen Partners III A/S, Lind Capital, Lind Capital Fondsmæglerselskab A/S, 4U-Development A/S, SE Blue Equity Management A/S, Skako A/S, and Scandinavian Private Equity A/S.	Lind Invest ApS (CEO), Aros Investment Partners ApS (CEO).
Strategy, internationalisation, M&A.	Managing Partner at CVC Capital Partners. Consultant at McKinsey & Co. MSc in Economics & Business Administration.	CVC Capital Partners, SICAV-FIS S.A., Keravel S.A., Mholdings S.à r.l., MIE Group S.A., Post Invest Europe S.à r.l., Ahlsell AB, and Paroc Group Oy.	
General Management, sales, internationalisation, energy, and growth.	President & CEO, Rambøll Group, Denmark. Former President and CEO, Siemens Wind Power, Denmark. Dipl. Ing. Energy and Process Technology (Masters equivalent) from the University of Hannover.	The Danish-German Chamber of Commerce (Chairman) and Confederation of Danish Industry's Committee on Business Policy.	Honorary representative of the City of Hamburg.
Strategy, risk management, corporate governance, finance, and asset management.	Professional board member. Until 2014 12 years with PFA, the last 5 years as group executive vice president, CIO and CFO. Previously held various senior positions in the financial sector. MSc. (Economic Science).	NASDAQ OMX Nordic Ltd., NNIT A/S (Chairman of Audit Committee), VKR Holding A/S (member of Audit Committee), Købmand Hermand Sallings Fond, Købmand Ferdinand Sallings Mindefond, F. Salling Holding A/S, F. Salling Invest A/S, ATP (member ORSA/risk committee), Lønmodtagernes Garantifond, PensionDanmark, Bikubenfonden.	
European utilities (energy, water and telecoms), turnaround and strategic positioning, programme management and IT.	Professional board member. 20 years at RWE, most recently as Group CEO and Group CFO at RWE Npower plc. Diploma in Economics/Business Administration from the University of Cologne.	ECFEB of Erasmus University (Chairman), Reactive Technologies Ltd. (Chairman), Albion Community Power plc (Chairman), Spenceram Ltd. (Chairman), Elexon Ltd., Nuclear Decommision Authority, Advisory Board of EUCERS at King's College, UK Advisory Board of PwC, Forum for the Future (Trustee).	Awarded the Supreme Award at The Energy Awards (2012) for "Outstanding contribution to the utility industry", Energy and Utility Forum (Honorary Vice-President and Advisory Board Member).

CORPORATE GOVERNANCE

Responsibility is a key theme for the corporate culture and values of Danske Commodities. This is equally reflected in our approach to our customers and society in general and in the role Danske Commodities plays in influencing the market towards greater efficiency and reduced cost for consumers.

SOCIETY

The European energy markets are moving towards a greener energy system through a shift towards more sustainable energy sources. This also means a more fragmented and more complex energy market.

Danske Commodities contributes to a more efficient energy market by providing systems and capabilities to handle the complexity, leading to better utilisation of surplus energy in the system and benefits to society through reduced energy costs for the consumer.

In addition, by managing large volumes of renewable energy for producers, we contribute to making renewable energy markets more efficient by managing risk and lowering costs for our customers.

STATUTORY REPORTING ON CORPORATE SOCIAL RESPONSIBILITY

Danske Commodities does not have a formal policy for social responsibility. However, we do engage in projects with a social agenda. Most notably, Danske Commodities has an established long-term relationship with the Mwereni School for the Blind in Moshi, Tanzania. In 2015, a delegation of employees visited the school – bringing donations of clothes and toys and engaging with the children in games and a field trip.

For information about Danske Commodities' gender policy for management, see the Group policy of Danske Commodities' parent company, Lind Invest: www.lind-invest.dk/wp-content/uploads/Diversification-in-management-in-the-Lind-Invest-group-2015.pdf

DIVERSITY

At Danske Commodities we believe that having a diverse and inclusive team of people will enable us to connect better with our customers. We trade across more than 30 countries in Europe and our international and diverse workforce representing a wealth of experience enable us to make better decisions for our business – and for our customers.

Also, we believe that as a team we benefit from working across cultures. In our experience, openness to cultural differences is essential because more eyes and more angles entail better solutions and more innovation.

EMPLOYEES STATUS AT 31-12-2015

Number of employees at the end of the year	299
Proportion of female employees	29%
Proportion of male employees	71%
Proportion of dcGraduates	2%
Proportion of Student Employees	11%
Number of nationalities	27
Average age (years)	33.2

Male employees
71%

Female employees
29%

Number of nationalities
27

CORPORATE CULTURE AND VALUES

In 2015, we have maintained a specific focus on our corporate culture and values. Cultural sessions have been held for all teams with the participation of our CEO – and overall a number of initiatives have been driven by our Human Capital team, all of which will contribute to strengthening our corporate culture as well as the continuous development of our people.

Our values are our overall guidance to behaviour – and are key elements in our corporate culture:

Bring Passion

- Challenge to develop. Promote innovation. Put ideas into action.

Build Trust

- Listen and understand. Align expectations. Act with integrity.

Create Value

- Always create value. For the customer. For the market. For dc.

At Danske Commodities we aim for a culture where we:

- show respect for each other
- help each other perform as ONE team
- take responsibility for our actions
- go the extra mile to succeed
- have fun together

FOCUS AREAS GOING FORWARD

People development is a highly prioritised focus area for 2016 and onwards and we intend to leverage our efforts on training and development at all levels of the organisation.

Also, we plan to focus even more on talent development and succession planning in our annual HR review. Close follow up will be a key element in order to ensure that we keep stretching and challenging our present and future key performers. This is very important for ensuring that our employees retain a high level of skills, motivation and engagement – and that we continue to mature our organisation by attracting and retai-ning specialised and experienced employees.

MANAGEMENT'S STATEMENT ON THE ANNUAL REPORT

The Board of Directors and the Executive Board have today considered and approved the Annual Report of Danske Commodities A/S for the financial year 1 January – 31 December 2015.

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

In our opinion, the Parent Company Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2015 of the Group and the Parent Company and of the results of the Group and Parent Company operations as well as the consolidated cash flows for 2015.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Group and the Parent Company, of the results for the year and of the financial position of the Group and the Parent Company. Furthermore, Management's Review includes a description of the most significant risks and elements of uncertainty facing the Group.

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

Aarhus, 16 March 2016

EXECUTIVE BOARD

Dirk Mausbeck
CEO

Helle Østergaard Kristiansen
CFO

BOARD OF DIRECTORS

Peter L. Ravn
Chairman

Henrik Østenkjær Lind
Vice Chairman

Anne Broeng

Jens-Peter Saul

Søren Vestergaard-Poulsen

Volker Beckers

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Danske Commodities A/S

REPORT ON CONSOLIDATED FINANCIAL STATEMENTS AND PARENT COMPANY FINANCIAL STATEMENTS

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Danske Commodities A/S for the financial year 1 January – 31 December 2015, which comprise income statement, balance sheet, statement of changes in equity, notes and accounting policies for both the Group and the Parent Company, as well as consolidated cash flow statement. The Consolidated Financial Statements and the Parent Company Financial Statements are prepared in accordance with the Danish Financial Statements Act.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE PARENT COMPANY FINANCIAL STATEMENTS

Management is responsible for the preparation of Consolidated Financial Statements and 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 Consolidated Financial Statements and Parent Company Financial Statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Consolidated Financial Statements and the Parent Company Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements in accordance with Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Consolidated Financial Statements and the Parent Company Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements and the Parent Company Financial Statements. The audit procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements and the Parent Company Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Consolidated Financial Statements and the Parent Company Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The audit has not resulted in any qualification.

OPINION

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Company at 31 December 2015 and of the results of the Group and Company operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

STATEMENT ON MANAGEMENT'S REVIEW

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Consolidated Financial Statements and the Parent Company Financial Statements. On this basis, in our opinion, the information provided in Management's Review is consistent with the Consolidated Financial Statements and the Parent Company Financial Statements.

Aarhus, 16 March 2016

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR.-no. 33 77 12 31

Henrik Kragh
State Authorised Public Accountant

Benny Voss
State Authorised Public Accountant

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FINANCIAL STATEMENTS

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INCOME STATEMENT
1 JANUARY - 31 DECEMBER

		GROUP		PARENT	
EUR '000	Note	2015	2014	2015	2014
Revenue	1	2,936,265	2,518,761	2,940,607	2,543,993
Cost of sales		-2,854,194	-2,443,072	-2,863,372	-2,472,442
Gross profit		**82,071**	**75,689**	**77,235**	**71,551**
Other external expenses		-12,978	-19,812	-11,879	-19,637
Staff costs	2	-34,176	-40,465	-32,511	-38,615
Amortisation, depreciation and impairment of intangible assets and property, plant and equipment		-4,732	-6,329	-4,042	-5,681
Profit before financial income and expenses and tax (EBIT)		**30,185**	**9,083**	**28,803**	**7,618**
Share of profit in subsidiaries after tax		0	0	1,819	1,031
Financial income	3	8,836	2,731	4,974	2,153
Financial expenses	4	-8,369	-2,888	-5,523	-2,249
Profit before tax (EBT)		**30,652**	**8,926**	**30,073**	**8,553**
Tax on profit/loss for the year	5	-7,268	-1,965	-6,689	-1,592
Profit for the year		**23,384**	**6,961**	**23,384**	**6,961**
Proposed distribution of profit					
Proposed dividend for the year				18,000	0
Reserve for net revaluation under the equity method				1,819	1,031
Retained earnings				3,565	5,930
				23,384	**6,961**

BALANCE SHEET AT 31 DECEMBER
- ASSETS

		GROUP		PARENT	
EUR '000	Note	2015	2014	2015	2014
Software		5,293	4,066	5,285	4,032
CO2 quotas		51	102	0	0
Intangible assets	6	**5,344**	**4,168**	**5,285**	**4,032**
Land and buildings		1,211	1,282	0	0
Other fixtures and fittings, tools and equipment		3,660	5,061	670	1,933
Leasehold improvements		615	1,140	543	1,140
Property, plant and equipment	7	**5,486**	**7,483**	**1,213**	**3,073**
Investments in subsidiaries	8	0	0	5,173	3,546
Other receivables	9	267	265	266	264
Fixed asset investments		**267**	**265**	**5,439**	**3,810**
Fixed assets		**11,097**	**11,916**	**11,937**	**10,915**
Inventories		**11,197**	**9,206**	**10,714**	**8,722**
Trade receivables		103,326	76,937	70,070	53,826
Receivables from group enterprises		2	1	10,563	9,627
Other receivables	10	31,672	22,090	19,131	14,890
Corporation tax		987	3,614	863	3,610
Prepayments		2,886	3,519	2,236	2,586
Receivables		**138,873**	**106,161**	**102,863**	**84,539**
Current asset investments		**58,252**	**26,516**	**58,252**	**26,516**
Cash at bank and in hand		**52,486**	**50,328**	**43,212**	**36,181**
Current assets		**260,808**	**192,211**	**215,041**	**155,958**
Assets		**271,905**	**204,127**	**226,978**	**166,873**

BALANCE SHEET AT 31 DECEMBER
- LIABILITIES AND EQUITY

		GROUP		PARENT	
EUR '000	Note	2015	2014	2015	2014
Share capital	11	498	498	498	498
Reserve for net revaluation under the equity method		0	0	3,392	1,672
Retained earnings		69,020	64,124	65,628	62,452
Proposed dividend for the year		8,000	0	8,000	0
Equity		**77,518**	**64,622**	**77,518**	**64,622**
Provision for deferred tax		929	738	804	616
Provisions		**929**	**738**	**804**	**616**
Debt to mortgage credit institutions		1,049	1,503	0	0
Long-term debt	12	**1,049**	**1,503**	**0**	**0**
Debt to mortgage credit institutions		468	467	0	0
Trade payables		163,226	111,571	99,044	56,760
Payables to group enterprises		0	0	21,805	22,948
Corporation tax		63	325	0	0
Other payables	13	28,652	23,529	27,807	20,555
Deferred income		0	1,372	0	1,372
Short-term debt		**192,409**	**137,264**	**148,656**	**101,635**
Debt		**193,458**	**138,767**	**148,656**	**101,635**
Liabilities and equity		**271,905**	**204,127**	**226,978**	**166,873**

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STATEMENT OF CHANGES IN EQUITY

	GROUP				
EUR '000	Share capital	Reserve under the equity method	Retained earnings	Proposed dividend for the year	Total
Equity at 1 January 2015	498	0	64,124	0	64,622
Exchange rate adjustment	0	0	-170	0	-170
Dividend paid	0	0	238	-10,000	-9,762
Exchange rate adjustment relating to independent foreign entities	0	0	-165	0	-165
Fair value adjustments of hedging instruments beginning of year	0	0	-87	0	-87
Fair value adjustments of hedging instruments end of year	0	0	213	0	213
Acquisition of company shares	0	0	-517	0	-517
Profit for the year	0	0	5,384	18,000	23,384
Equity at 31 December 2015	**498**	**0**	**69,020**	**8,000**	**77,518**

	PARENT				
EUR '000	Share capital	Reserve under the equity method	Retained earnings	Proposed dividend for the year	Total
Equity at 1 January 2015	498	1,672	62,452	0	64,622
Exchange rate adjustment	0	0	-170	0	-170
Dividend paid	0	0	238	-10,000	-9,762
Exchange rate adjustment relating to independent foreign entities	0	-165	0	0	-165
Fair value adjustments of hedging instruments beginning of year	0	0	-87	0	-87
Fair value adjustments of hedging instruments end of year	0	0	213	0	213
Acquisition of company shares	0	0	-517	0	-517
Transfered to retained earnings	0	66	-66	0	0
Profit for the year	0	1,819	3,565	18,000	23,384
Equity at 31 December 2015	**498**	**3,392**	**65,628**	**8,000**	**77,518**

CASH FLOW STATEMENT

		GROUP	
EUR '000	Note	2015	2014
Profit for the year		23,384	6,961
Adjustments	16	11,389	8,056
Change in working capital	17	18,076	284
Cash flow from operating activities before financial income and expenses		**52,849**	**15,301**
Financial income		8,836	1,513
Financial expenses		-6,585	-2,888
Cash flow from ordinary activities		**55,100**	**13,926**
Corporation tax paid		-4,777	-6,631
Cash flow from operating activities		**50,323**	**7,295**
Purchase of intangible assets		-3,279	-1,351
Purchase of property, plant and equipment		-694	-2,952
Payment of fixed asset investments		-4	-85
Sale of property, plant and equipment		62	67
Repayment of fixed asset investments		2	246
Cash flow from investing activities		**-3,913**	**-4,075**
Repayment of debt to mortgage credit institutions		-453	-447
Acquisition of company shares		-517	-3,349
Dividend paid		-9,762	-13,130
Cash flow from financing activities		**-10,732**	**-16,926**
Change in cash and cash equivalents		**35,678**	**-13,706**
Cash and cash equivalents at 1 January		76,844	89,332
Value and exchange rate adjustments of current asset investments		-1,784	1,218
Cash and cash equivalents at 31 December		**110,738**	**76,844**
Cash and cash equivalents are specified as follows:			
Current asset investments		58,252	26,516
Cash at bank and in hand		52,486	50,328
Cash and cash equivalents at 31 December		**110,738**	**76,844**
Share of the Group's cash and cash equivalents have been provided as security for the Group's commitments	14	37,150	26,148

NOTES TO THE FINANCIAL STATEMENTS

1 REVENUE

	GROUP		PARENT	
EUR '000	2015	2014	2015	2014
Power trade	1,614,649	1,561,205	1,619,307	1,587,758
Gas and other minerals trade	1,321,616	957,556	1,321,300	956,235
	2,936,265	**2,518,761**	**2,940,607**	**2,543,993**

2 STAFF COSTS

	GROUP		PARENT	
EUR '000	2015	2014	2015	2014
Wages and salaries	32,142	38,154	30,652	36,483
Pensions	964	576	939	540
Other staff costs	1,070	1,735	920	1,592
	34,176	**40,465**	**32,511**	**38,615**
Including remuneration to:				
Executive Board	1,066	731	1,066	731
Board of Directors	153	155	153	155
	1,219	**886**	**1,219**	**886**
Average number of employees	**297**	**392**	**281**	**377**

Incentive Share Programme
As part of remuneration to the Executive Board the Company has agreed on share-based remuneration. The remuneration includes restricted shares and share options. The Company allots annually 0.2% of the Company's share capital as restricted shares up to maximum 5% of its share capital. The conditions for the shares to the Executive Board run for a period of three years from the date of allotment until the Executive Board acquires the final right to the shares. There is no self-payment from the Executive Board for the restricted shares.

Furthermore, in 2015 the Company granted 0.2% share options to be exercised before year end. The Executive Board's self-payment for exercise of the share options corresponds to an assessed market value of 0.2% of the share capital.

In 2015, the Company has allotted 7,414 restricted shares to the Executive Board with a nominal value of DKK 1 as part of share-based payments. The Company has also allocated 7,414 share options in 2015 that expired at the end of 2015 without exercise.

At the end of 2015 remain 7,414 restricted shares that can be allocated at 31 December 2018.

The Company has in accordance with the Danish Financial Statements Act not recognised share-based remuneration for the year in the financial statements.

3 FINANCIAL INCOME

	GROUP		PARENT	
EUR '000	2015	2014	2015	2014
Interest income, group enterprises	0	0	320	441
Other financial income	8,836	2,731	4,654	1,712
	8,836	**2,731**	**4,974**	**2,153**

4 FINANCIAL EXPENSES

	GROUP		PARENT	
EUR '000	2015	2014	2015	2014
Interest expenses, group enterprises	0	0	302	278
Other financial expenses	8,369	2,888	5,221	1,971
	8,369	**2,888**	**5,523**	**2,249**

5 TAX ON PROFIT/LOSS FOR THE YEAR

	GROUP		PARENT	
EUR '000	2015	2014	2015	2014
Current tax for the year	7,128	2,872	6,567	2,514
Deferred tax for the year	3	-680	0	-678
Adjustment of tax relating to previous years	-53	-81	-67	-75
Adjustment of deferred tax relating to previous years	190	47	189	7
Change in tax rate	0	-193	0	-176
Tax on entries in equity relating to deferred tax	65	28	65	28
Total tax for the year	**7,333**	**1,993**	**6,754**	**1,620**
- specified as follows:				
Tax on profit/loss for the year	7,268	1,965	6,689	1,592
Tax on entries in equity	65	28	65	28
	7,333	**1,993**	**6,754**	**1,620**
Effective tax rate	**23.3%**	**24.6%**	**23.2%**	**24.4%**

6 INTANGIBLE ASSETS

	GROUP	
EUR '000	Software	CO2 quotas
Cost at 1 January	9,294	255
Additions for the year	3,279	0
Transfers	7	0
Cost at 31 December	12,580	255
Amortisation and impairment losses at 1 January	5,228	153
Amortisation for the year	2,055	51
Transfers	4	0
Amortisation and impairment losses at 31 December	7,287	204
Carrying amount at 31 December 2015	**5,293**	**51**

	PARENT
EUR '000	Software
Cost at 1 January	9,170
Additions for the year	3,280
Transfers	2
Cost at 31 December	12,452
Amortisation and impairment losses at 1 January	5,138
Amortisation for the year	2,027
Transfers	2
Amortisation and impairment losses at 31 December	7,167
Carrying amount at 31 December 2015	**5,285**

7 PROPERTY, PLANT AND EQUIPMENT

EUR '000	GROUP Land and buildings	GROUP Other fixtures and fittings, tools and equipment	GROUP Leasehold improvements
Cost at 1 January	1,543	8,032	2,399
Exchange rate adjustment	0	-24	0
Additions for the year	107	407	180
Disposals for the year	0	-45	-70
Transfers	0	-41	34
Cost at 31 December	1,650	8,329	2,543
Depreciation and impairment losses at 1 January	261	2,971	1,259
Exchange rate adjustment	0	-5	0
Depreciation for the year	178	1,692	780
Reversal of depreciation on disposals in the year	0	-27	-69
Transfers	0	38	-42
Depreciation and impairment losses at 31 December	439	4,669	1,928
Carrying amount at 31 December 2015	**1,211**	**3,660**	**615**

EUR '000	PARENT Other fixtures and fittings, tools and equipment	PARENT Leasehold improvements
Cost at 1 January	3,738	2,399
Additions for the year	27	174
Disposals for the year	-43	-70
Transfers	54	-56
Cost at 31 December	3,776	2,447
Depreciation and impairment losses at 1 January	1,805	1,259
Depreciation for the year	1,274	770
Reversal of depreciation on disposals in the year	-27	-69
Transfers	54	-56
Depreciation and impairment losses at 31 December	3,106	1,904
Carrying amount at 31 December 2015	**670**	**543**

8 INVESTMENTS IN SUBSIDIARIES

	PARENT	
EUR '000	2015	2014
Cost at 1 January	1,759	1,645
Exchange rate adjustment	-5	4
Additions for the year	0	110
Disposal for the year	-83	0
Cost at 31 December	1,671	1,759
Value adjustments at 1 January	1,672	629
Exchange rate adjustment	-165	12
Net profit/loss for the year	1,819	1,031
Disposal for the year	66	0
Value adjustments at 31 December	3,392	1,672
Investments with negative net asset value	110	115
Carrying amount at 31 December	**5,173**	**3,546**

Under Danish law, DC Generation A/S is exempt from preparing its financial statements as reporting class C by virtue of Section 78A of the Danish Financial Statements Act.

In order to obtain the exemption for DC Generation A/S, the Parent Company has guaranteed the outstanding liabilities to which DC Generation A/S is subject to at 31 December 2015 and until the annual report for 2016 for DC Generation A/S has been submitted.

Under UK law, Danske Commodities UK Limited is exempt from preparing individual audited accounts by virtue of Section 479A of the Companies Act 2006.

In order to obtain the exemption for Danske Commodities UK Limited, the Parent Company has guaranteed the outstanding liabilities to which Danske Commodities UK Limited is subject to at 31 December 2015.

8 INVESTMENTS IN SUBSIDIARIES – CONTINUED

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Danske Commodities Albania Sh.p.k.	Albania	tALL 14,000	100.00%
Danske Commodities BH d.o.o.	Bosnia and Herzegovina	tEUR 513	100.00%
Danske Commodities d.o.o.	Croatia	tHRK 430	100.00%
DC Generation A/S	Denmark	tDKK 500	100.00%
Danske Commodities Deutschland GmbH	Germany	tEUR 25	100.00%
Danske Commodities Italia s.r.l.	Italy	tEUR 10	100.00%
Danske Commodities Kosovo SH.P.K	Kosovo	tEUR 100	100.00%
Danske Commodities DOOEL Skopje	Macedonia	tMKD 308	100.00%
Danske Commodities Invest DOOEL Skopje	Macedonia	tMKD 308	100.00%
Danske Commodities Invest d.o.o.	Serbia	tRSD 0	100.00%
Danske Commodities Serbia d.o.o.	Serbia	tRSD 54	100.00%
Danske Commodities España, S.L.	Spain	tEUR 3	100.00%
Danske Commodities Sweden AB	Sweden	tSEK 50	100.00%
Danske Commodities Turkey Enerji Ticaret A.Ş.	Turkey	tTRY 2,000	100.00%
Danske Commodities Ukraine LLC	Ukraine	tEUR 5	100.00%
Danske Commodities UK Limited	United Kingdom	tGBP 0	100.00%

9 OTHER FIXED ASSET INVESTMENTS

EUR '000	GROUP Other receivables
Cost at 1 January	265
Additions for the year	4
Disposals for the year	-2
Cost at 31 December	267
Carrying amount at 31 December 2015	**267**

EUR '000	PARENT Other receivables
Cost at 1 January	264
Additions for the year	4
Disposals for the year	-2
Cost at 31 December	266
Carrying amount at 31 December 2015	**266**

10 OTHER RECEIVABLES

	GROUP		PARENT	
EUR '000	2015	2014	2015	2014
Fair value of financial transactions, asset	101,078	19,474	101,078	19,474
Fair value of financial transactions, liability	-93,805	-13,430	-93,805	-13,430
Fair value of financial transactions, net	7,273	6,044	7,273	6,044
Deposits relating to trading	11,028	7,035	10,449	6,547
Other receivables	13,371	9,011	1,409	2,299
	31,672	**22,090**	**19,131**	**14,890**

11 SHARE CAPITAL

The share capital consists of 3,706,823 shares of a nominal amount of DKK 1. All shares rank equally.

The Company holds 88,345 own shares with a nominal value of DKK 1. The Company's holding of own shares account for 2.38% of the total share capital corresponding to nominal value of DKK 88,345. In 2015 the Company aquired 14,209 own shares for DKK 4 million (EUR 517 thousand) for the purpose of option programmes for executives of the Group.

Movements in share capital in the last five years are specified as follows:

EUR '000	2015	2014	2013	2012	2011
Share capital 1 January	498	498	498	448	448
Capital increase	0	0	0	50	0
Capital reduction	0	0	0	0	0
Share capital 31 December	**498**	**498**	**498**	**498**	**448**

12 LONG-TERM DEBT

	GROUP	
EUR '000	2015	2014
The debt falls due as follows:		
Debt to mortgage credit institutions		
> 5 years	0	0
1-5 years	1,049	1,503
Long-term share	1,049	1,503
0-1 year	468	467
	1,517	**1,970**

13 OTHER PAYABLES

	GROUP		PARENT	
EUR '000	2015	2014	2015	2014
Deposits received	33	2,314	33	64
Staff obligations	8,241	6,392	8,224	6,223
VAT, taxes and other public payables	19,634	14,161	19,525	14,056
Other payables	744	662	25	212
	28,652	**23,529**	**27,807**	**20,555**

14 SECURITY AND OTHER FINANCIAL OBLIGATIONS

	GROUP		PARENT	
EUR '000	2015	2014	2015	2014
Security				
The following assets have been placed as security for mortgage credit institutions:				
Buildings with a carrying amount of	1,211	1,282	0	0
Other fixtures, fittings, tools and equipment	2,913	2,818	0	0
The following assets have been placed as security for banks:				
Mortgages registered to the mortgagor totalling DKK 4 million, security in buildings and other property, plant and equipment at a total carrying amount of	4,124	4,100	0	0
The following assets have been placed as security for guarantee limit in banks:				
Current asset investments with a carrying amount of	32,037	17,433	32,037	17,433
Cash at bank and in hand with a carrying amount of	5,113	8,714	1,676	2,875
Other financial obligations				
The Parent Company has provided guarantees toward counterparties of subsidiaries, which at the balance sheet date amounts to	-	-	122,587	79,523
Furthermore, the Parent Company has provided unlimited guarantees toward counterparties of subsidiaries.				
The Parent Company has provided guarantees of payment toward banks of subsidiaries, which at the balance sheet date amounts to	-	-	29,945	46,564
The Company has entered into contracts on operating leases with a period of non-terminability of up to 34 months.				
The lease obligation relating to operating leases fall due:				
0-1 year	1,649	2,128	1,548	1,987
1-5 years	1,207	2,437	1,190	2,367
> 5 years	0	0	0	0

14 SECURITY AND OTHER FINANCIAL OBLIGATIONS – CONTINUED

The Parent Company has guaranteed the outstanding liabilities to which Danske Commodities UK Limited is subject to at 31 December 2015 and the outstanding liabilities to which DC Generation A/S is subject to at 31 December 2015 and until the annual report for 2016 for DC Generation A/S has been submitted, cf. note 8 to the Financial Statements.

The Danish group enterprises are jointly and severally liable for tax on the taxable income etc. in the joint taxation. Total corporation tax payable is shown in the annual report of Lind Invest ApS which is the administration company of the joint taxation. Furthermore, the Danish group enterprises are jointly and severally liable for Danish withholding taxes such as tax on dividend, royalty and interests. Any subsequent adjustments to corporation tax and withholding taxes may increase the Company's obligations.

At the balance sheet date, the Company has no other financial obligations.

15 OWNERSHIP AND RELATED PARTIES

Control
Lind Invest ApS (Parent Company)

The Company is included in the Consolidated Financial Statements of the Parent Company.

The consolidated financial statements of Lind Invest ApS can be obtained at the following address:
Vaerkmestergade 25, 14., DK-8000 Aarhus C

Other related parties
Related parties comprise the Board of Directors, Executive Board, Senior Management Group and other senior employees in the Company as well as companies in which the above persons have significant interests.

Ownership
The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

Lind Invest ApS, Vaerkmestergade 25, 14., DK-8000 Aarhus C
Danske Share ApS, Vaerkmestergade 25, 14., DK-8000 Aarhus C
Danske Share II ApS, Vaerkmestergade 25, 14., DK-8000 Aarhus C

16 CASH FLOW STATEMENT – ADJUSTMENTS

EUR '000	GROUP 2015	GROUP 2014
Financial income	-8,836	-2,731
Financial expenses	8,369	2,888
Amortisation, depreciation and impairment losses incl. losses and gains on sale	4,732	6,329
Hedging contracts	164	-746
Tax on profit/loss for the year	7,268	1,965
Exchange rate adjustments	-308	351
	11,389	**8,056**

17 CASH FLOW STATEMENT – CHANGE IN WORKING CAPITAL

EUR '000	GROUP 2015	GROUP 2014
Change in inventories	-1,991	-4,018
Change in receivables	-35,339	-4,601
Change in suppliers etc.	55,406	8,903
	18,076	**284**

18 ACCOUNTING POLICIES

BASIS OF PREPARATION

The Annual Report of Danske Commodities A/S for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from the previous year.

RECOGNITION AND MEASUREMENT

The Financial Statements have been prepared under the historical cost method.

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date. EUR is used as the measurement currency. All other currencies are regarded as foreign currencies.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Danske Commodities A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or otherwise exercises control.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as "Other receivables" and "Other payables", respectively. Derivative financial instruments with positive fair values are offset against derivative financial instruments with negative fair values when settled on a net basis.

Contracts for the delivery of power are classified as derivative financial instruments when there is a practice of net settlement in respect of similar contracts, including saleback before delivery.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting, see below.

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset are recognised in the income statement as are any changes in the fair value of the hedged asset related to the hedged risk. Fair value hedging comprises binding contracts concerning the delivery of power at a fixed price. The hedged fixed-price contracts are thus recognised at the accumulated change in the fair values of the contracts occurring since the time when the contracts were hedged. Positive and negative values of hedged fixed-price contracts are classified as "Other receivables" and "Other payables", respectively.

Changes in the fair values of financial instruments that are designated and qualify as hedges of expected future transactions are recognised in retained earnings under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If 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 recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

INCOME STATEMENT

Revenue
Revenue from the sale of goods for resale is recognised in the income statement when the sale is considered effected based on the following criteria:

- delivery has been made before year end; and
- a binding sales agreement has been made; and
- the sales price has been determined; and payment has been received or may with reasonable certainty be expected to be received.

Revenue is recognised exclusive of VAT and net of discounts relating to sales.

Cost of sales
Cost of sales includes purchase of goods for resale and transportation of these incurred to achieve revenue for the year.

Other external expenses
Other external expenses comprise other operating expenses, including expenses for premises, sales and distribution as well as office expenses, etc.

Staff costs
Staff costs comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses
Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Share of profit in subsidiaries after tax
The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit after tax for the year.

Financial income and expenses
Financial income and expenses comprise interest, realised and unrealised exchange rate adjustments, price adjustment of securities as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year
Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Parent Company is jointly taxed with Danish group enterprises. The tax effect of the joint taxation is allocated to enterprises showing profits or losses in proportion to their taxable incomes. The jointly taxed enterprises have adopted the on-account taxation scheme.

BALANCE SHEET

Intangible assets
Intangible assets are measured at cost less accumulated amortisation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Amortisation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Software ....3-5 years
CO2 quotas ....5 years

Property, plant and equipment
Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Buildings ....15 years
Other fixtures and fittings,
tools and equipment ....3-15 years
Leasehold improvements....................3-5 years

Impairment of fixed assets
The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether

there is any indication of impairment other than that expressed by amortisation and depreciation. If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount, and the asset is written down to its lower recoverable amount. This impairment test is performed on an annual basis for development projects in progress irrespective of any indication of impairment.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Investments in subsidiaries
Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet includes the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividends distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at EUR 0 and any receivables from these are written down by the Parent Company's share of the negative net asset value. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Inventories
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 sale in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected sales.

The cost of goods for resale equals the cost of acquisition.

Receivables
Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

Prepayments
Prepayments comprise prepaid expenses concerning subsequent financial years.

Current asset investments
Current asset investments, which consist of listed bonds and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Dividend
Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Deferred tax assets and liabilities
Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities.

Deferred tax assets, including the tax base of tax loss carry-forwards, 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.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities
Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial debts
Other debts are measured at amortised cost, substantially corresponding to nominal value.

CASH FLOW STATEMENT

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities
Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities
Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities
Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents
Cash and cash equivalents comprise "Cash at bank and in hand" and "Current asset investments". "Current asset investments" consist of short-term securities that can readily be turned into cash.

The cash flow statement cannot be solely derived from the published financial records.

EXPLANATION OF FINANCIAL RATIOS

Gross margin $= \dfrac{\text{Gross profit x 100}}{\text{Revenue}}$

EBIT margin $= \dfrac{\text{EBIT x 100}}{\text{Revenue}}$

Return on assets $= \dfrac{\text{EBIT x 100}}{\text{Total assets}}$

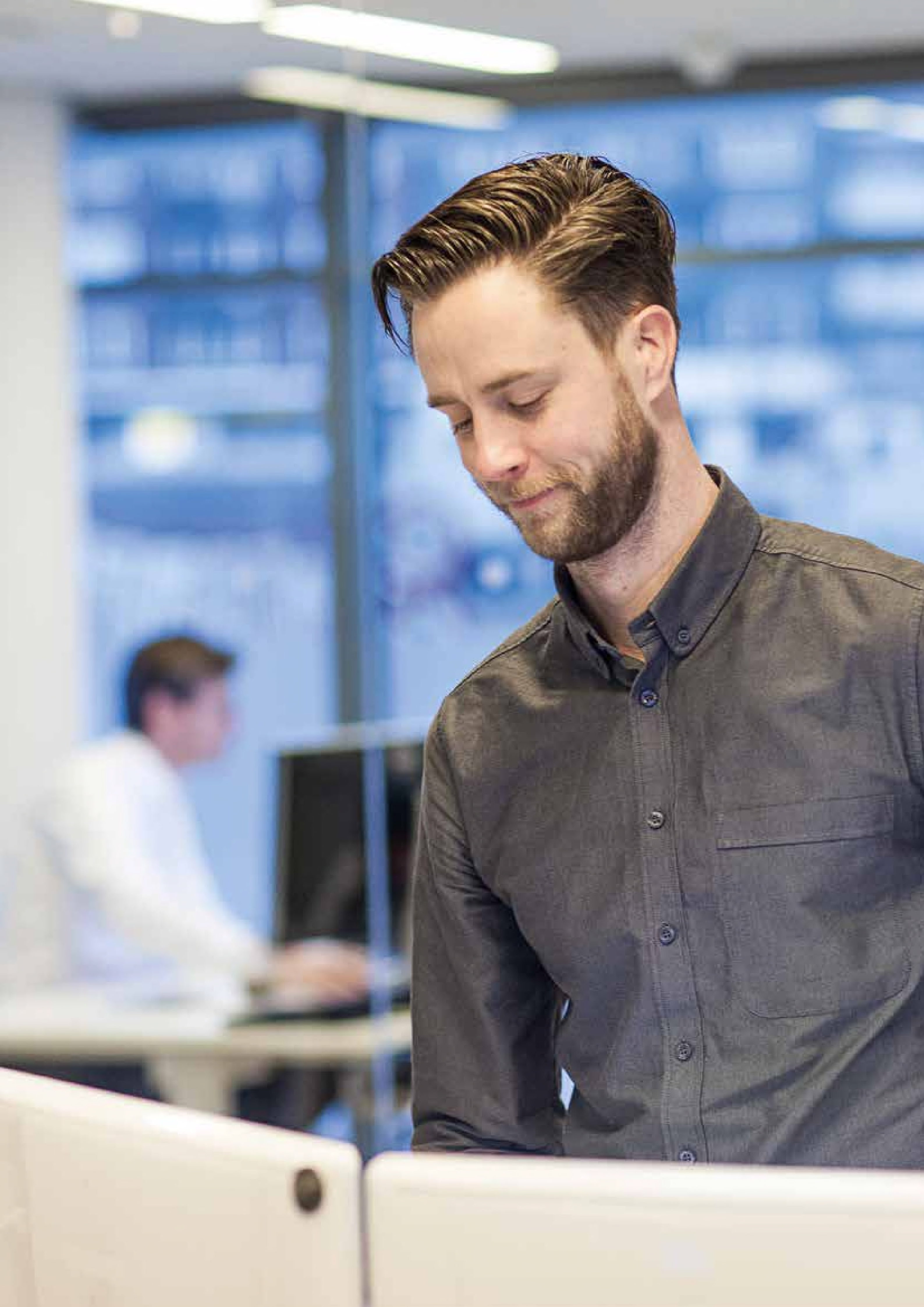
Return on capital employed $= \dfrac{\text{EBIT x 100}}{\text{Average total assets less non-interest bearing debt}}$

Equity ratio $= \dfrac{\text{Equity at year end x 100}}{\text{Total assets}}$

Return on equity $= \dfrac{\text{Net profit for the year x 100}}{\text{Average equity}}$

Average number of employees: Calculated as average number of full-time employees

Number of employees end of year: Calculated as number of headcount end of year



MARKET ACCESS

COUNTRY OVERVIEW

2004
Denmark
Germany
Netherlands

2006
France
Italy
Spain

2007
Austria
Switzerland
Czech Republic

2008
Belgium
Greece
Slovenia

2009
United Kingdom
Norway
Sweden
Finland

2010
Estonia
Poland
Hungary

2011
Romania
Serbia
Bulgaria
Slovakia
Macedonia
Portugal
Croatia
Montenegro

2012
Turkey
Albania
Lithuania
Ireland

2013
Kosovo
Bosnia and Herzegovina

ENERGY EXCHANGES

Access to the following exchanges
APX
BELPEX
BSP SouthPool
CME Group
CROPEX
EEX
EPEX SPOT
EXAA
Gaspoint Nordic
GME
HUPX
IBEX
LAGIE (HEMO)
ICE
ICE Endex
IDEX
MEFF
NASDAQ OMX
Nord Pool Spot
OKTE
OMIE
OMIP
OPCOM
OTE
PEGAS
PMUM
PXE
POLPX
SEMO

GAS HUBS

Austria
CEGH VTP

Belgium
ZTP

Czech Republic
CZ VTP

Denmark
GTF

France
PEG-N
TRS

Germany
NCG H-Gas
NCG L-Gas
Gaspool H-Gas
Gaspool L-Gas

Hungary
MGP

Italy
PSV

Netherlands
TTF

Poland
Polish VTP

Slovakia
Slovak VTP

UK
NBP

CLIMATE MARKETS

EU
ETS Registry

Regional
EXAA
EEX
ICE
Nord Pool
NASDAQ OMX

Denmark
Energinet.dk CMO.grexel registry

Germany
UBA Herkunftsnachweisregister

Italy
GSE

Norway
Statnett NECS registry

Sweden
Svenska Kraftnät CESAR
Energimyndigheten and Svenska Kraftnät CMO.grexel registry

UK
Ofgem Renewables and CHP Register

Belgium
CWaPE

Austria
E-Control

SUBSIDIARIES

Danske Commodities Albania Sh.p.k.
St. Ibrahim Rugova, Sky Tower, floor 9/1, Tirana
Albania

Danske Commodities BH d.o.o.
Avaz Twist Tower, Tešanjska broj 24a,
71 000 Centar/Sarajevo
Bosnia and Herzegovina

Danske Commodities d.o.o.
Grand centar Hektorovićeva, Hektorovićeva 2,
10 000 Zagreb
Croatia

DC Generation A/S
c/o Danske Commodities A/S
Vaerkmestergade 3, 3, 8000 Aarhus C
Denmark

Danske Commodities Deutschland GmbH
Rödingsmarkt 16, 20459 Hamburg
Germany

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Italy

Danske Commodities Kosovo SH.P.K.
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Republic of Kosovo

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16, 8 Septemvri Blvd, Hyperium Business Center,
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Denmark (domiciled in Stockholm, Sweden)

Danske Commodities Turkey Enerji Ticaret A.Ş.
Ali Kaya Sk Polat Plaza B Blk K:1, 34394 Şişli
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NEWS AND UPDATES
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Danske Commodities is a leading, independent energy service company founded in 2004 and based in Aarhus, Denmark. We combine trading expertise, intelligent data and unparalleled Europe-wide market access. Our customers benefit from a comprehensive range of services such as asset, consumption and risk management as well as balancing solutions – often via customer-tailored products.

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