



ENERGINET



STRATEGY 2018-2020

ENERGY

ACROSS **BORDERS**



We must engage in significantly more cross-border cooperation if Europe and Denmark are to realise their plans for a transition to renewable energy. Cooperation across national borders, across technological boundaries, and across the traditional value chains. At Energinet, we are committed to this cooperation, and in our group strategy 'Energy across borders', we describe how we intend to engage in stronger cooperation with our partners.

Kim Andersen, chairman
Peder Ø. Andreasen, CEO

VISION

BALANCED AND SUSTAINABLE ENERGY SUPPLY

We will find ways of producing reliable and sustainable energy, which is also good business for Danish society.

OBJECTIVES 2018-2020



NEW SECURITY OF SUPPLY

In 2020, we have helped to promote Danish, Nordic and European cooperation on the security of supply, and we have helped to ensure that new players and business models are contributing to a secure supply of energy.



ENERGY HUB

In 2020, Denmark's geographical position as an energy hub between the Nordic countries and Europe has been strengthened. We have used this position to create better investment conditions and economies of scale in the operation of the Danish electricity and gas grids.



SOCIAL RESPONSIBILITY

In 2020, we have realised the potential for efficiency improvements, and assisted in the implementation of a new financial management system for Energinet's business units.



DIGITALISATION

In 2020, we have used digitalisation for solving Energinet's tasks in smarter ways, and we have helped to promote innovation in the energy sector.

STANDPOINT

OUR COMMITMENTS

High level of security of supply
Together with the energy sector, we are creating peace of mind that there is energy for everyone.

Efficient transition
Together with the energy sector, we are finding new paths to a green transition which is socio-economically effective.

Healthy investment climate
Together with the energy sector, we are contributing to a healthy investment climate within the energy sector.

MISSION: RELIABLE ENERGY FOR SOCIETY

Energinet is owned by the Danish state for the purpose of ensuring public control of critical infrastructure. We must contribute to ensuring a high level of security of supply, integrating renewable energy and well-functioning competitiveness on the electricity and gas markets.

ENERGY ACROSS BORDERS

ENERGINET'S GROUP STRATEGY FOR 2018-2020

VISION

Energinet's vision is a balanced and sustainable energy supply. We will work to develop tomorrow's energy supply while the green transition is being implemented. In cooperation with the energy sector, we will find ways of producing reliable and sustainable energy which is also good business for Danish society.

In Denmark, we are on the way to realising this vision. At Energinet, we are proud that we are contributing to developing Danish society as a global winner within energy. We know that, now and in future, this calls for greater Nordic and European cooperation.

Denmark and Energinet have done well. We have successfully achieved something which is both demanding and complex: Developing our energy supply to accommodate increasing volumes of renewable energy. However, if we thought this was difficult, it is because we have not seen the challenges looming just around the corner. The green transition of the energy sector will in many ways be exponentially harder to handle in step with its roll-out – and its success.

New paths to renewable energy

In the coming years, realising the company's vision of a balanced and sustainable energy system will present more of a challenge, while the share of energy from renewable sources in the Danish and European energy supply sector is set to approach 100%. Because, at the same time as implementing the green transition, enterprises, consumers and institutions must always have the energy they need at their disposal, while it must be supplied in a way that is socio-economically viable. At Energinet, we are committed to addressing this challenge.

The key challenges that need to be solved in order to realise our vision require that all

parties in the energy sector are committed to markedly increasing the level of cross-border cooperation. Across national borders, across technological boundaries, and across value chains. At Energinet, we are committed to this cooperation, and in our group strategy 'Energy across borders', we describe how we intend to engage in stronger cooperation with our partners.

New conditions for energy supply

Now and in the coming years, we will see a small number of strong development trends taking hold in the energy sector. These trends will have a key bearing on the workings of the energy supplies in Denmark, Scandinavia and Europe. Energinet's group strategy should be seen as our response to the changing opportunities and conditions for supplying energy in the form of electricity and gas in the wake of these strong development trends.

There are three key development trends that we will be following closely and navigating throughout the strategy period. Firstly, Denmark and Europe are in the middle of a green transition, which places considerable demands on the future energy supply.

DEVELOPMENT TRENDS

- European energy union is being expanded
- Rapid development of new energy technology
- Market-based expansion of renewable energy

WE BELIEVE IN

- Cross-border cooperation is the path ahead
- Greater activation of energy consumers
- The free movement of energy across borders

that the European energy union is being expanded. In other words, rules and initiatives stemming from the European Commission's 'Clean Energy for all Europeans' package must be expected to lead to increased harmonisation of the rules governing the market and the physical grids. Secondly, that new energy technologies are developing rapidly. This means that the green transition within areas such as solar and wind energy and green gases is expected to be ramped up considerably. Thirdly, that the expansion of renewable energy will be increasingly market-based with fewer subsidies. The share of renewable energy production is expected to grow at an increasing rate, not just in Denmark, but also in other European countries.

We believe in cooperation across borders

At Energinet, we are committed to cooperation. Cooperation and cross-border cooperation are the hallmarks of the role that we as a company will assume when undertaking the joint task of pushing

ahead with the green energy transition which Danish, European and international political bodies and authorities have decided to implement.

Cooperation across national borders, technologies and players in the value chain is fundamental and should pervade everything. More specifically, Energinet believes that a reliable supply of energy for society in a more sustainable energy system is best secured in the coming years through focusing strongly on cooperation between the countries – in particular the Nordic countries – on the development and operation of interconnected energy supplies.

Foundation and risk

The strategy builds on the fundamental belief that joint market regulation and joint coordination of the energy supply in Europe is, all else being equal, an advantage for Denmark, given that the green energy transition is the key driver.

Therefore, the rationale behind the

strategy and what we dedicate ourselves to depends in part on the EU and other European countries working well together on a common energy market, and ensuring that their energy utilities work towards the green transition together.

The level of support for European cooperation is therefore a risk factor when it comes to the speed at which Energinet will be able to proceed along the strategic path envisaged here.



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NEW SECURITY OF SUPPLY FRAMEWORK

In 2020, we have helped to promote Danish, Nordic and European cooperation on the security of supply, and we have helped to ensure that new players and business models are contributing to a secure supply of energy.

SUSTAINABLE GAS. More than 60% of Danish potatoes end their days as potato starch, which is used, for example, to produce food, paper and medicine. The cooperative potato starch factory AKS (Andels-Kartoffelmelsfabrikken Sønderjylland) uses large quantities of natural gas in their production (pictured). Residual products are supplied to a nearby biogas plant, and are in this way returned to the gas cycle. A good example of the decentralisation of energy supplies. Dansk Gas Distribution supplies natural gas to AKS.

PATHS TO NEW SECURITY OF SUPPLY

More renewable energy, a larger internal market and technological developments are resulting in new conditions and new vital tasks for Energinet. We are committed to embracing these. We want to maintain the high level of security of supply of energy that Danish consumers are used to.

TRENDS

Internationalisation

For consumers, the security of supply of electricity and gas will to an increasing extent be influenced by European energy cooperation, control and market formation.

Decentralisation

Energy must be transported over ever-greater distances. At the same time, increasing volumes of energy will be produced and consumed within local areas that are only connected by the distribution grid.

Generation adequacy

Generally, the rules on market integration and the transition to renewable energy mean that the generation adequacy issue must be resolved in new ways. This applies both in Denmark and Europe.

WE BELIEVE IN

Regionalisation

Cooperation between Nordic and European countries is being strengthened to give consumers secure supplies at less cost. Full utilisation of the Nordic RSC* and cooperation with neighbouring TSOs on the security of gas supply are important focus points.

Focus on grid and distribution companies

Our cooperation with the grid and distribution companies is being strengthened, because more renewable energy is being connected locally in the electricity and gas distribution grids. We are focusing on our role in the consolidation of the gas distribution sector.

Flexible consumption

Security of supply can be maintained, even though renewable energy from solar and wind sources accounts for a higher share. This calls for the market to create opportunities and incentives for flexible consumption, ie consumption that is better tailored to the conditions for energy production (fluctuating energy) which characterise production from renewable energy sources.



STRATEGIC OBJECTIVES

- In 2020, we have helped to promote Danish, Nordic and European cooperation on the security of supply.
- In 2020, we have helped to ensure that new players and business models are contributing to a secure supply of energy.

**The Nordic RSC (Regional Security Coordinator) is located in Copenhagen and is a cooperation between the Nordic TSOs.*

SECURE SUPPLIES ARE SHARED SUPPLIES

In Denmark, we have very strong interconnectors. This is good, because they are becoming increasingly important for the security of the supply of energy in future.

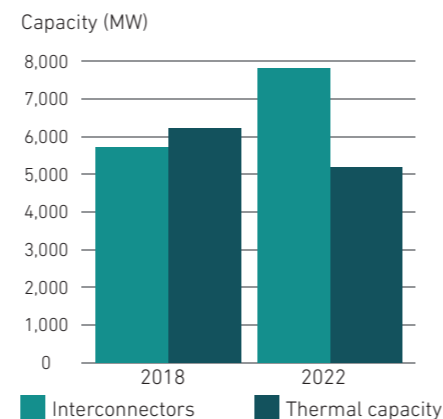
With the 'Clean Energy for all Europeans' package, the EU and the European Commission want to see closer cooperation between countries on security of supply and a more market-based approach to balancing the European energy supplies, which are increasingly being based on renewable energy sources.

The EU issued stricter guidelines on state aid for energy in 2014. In 2015, Energinet cancelled a call for tenders for a strategic reserve to meet expected challenges associated with the security of electricity supply in Eastern Denmark because we realised that the EU would probably deem the call in violation of EU competition rules.

The cancellation of the strategic reserve can be seen as a significant moment in the story of how a high degree of security of supply could be maintained previously, and how new tools will be needed in future.

In the past, central control, national regulation and the power stations' contribution to the security of supply were the most important elements. During the strategy period, European regulation,

interconnectors interacting with power stations and market-based solutions will come to play an increasingly important role. The resources used to safeguard the Danish energy supply must to an increasing extent be supplemented by cross-border markets and cooperation agreements.




During the 2018-2020 strategy period, the interconnectors are expected to overtake the capacity of the power stations.

Source: Energinet's analysis assumptions.

THE GAS STORAGE FACILITIES ARE PART OF THE EUROPEAN GAS MARKET TO SAFEGUARD THE DANISH ENERGY SUPPLY, AND THE ELECTRICITY MARKET MUST ALLOW THE POSSIBILITY OF MORE FLEXIBLE ELECTRICITY CONSUMPTION. BECAUSE DANISH SOCIETY NEEDS A SECURE SUPPLY OF ENERGY WHILE THE GREEN TRANSITION IS BEING IMPLEMENTED

Adam Elbæk, Head of Gas Storage Denmark.
Signe Horn Rosted Christensen, Director, Electricity Market, TSO Electricity.

ADAM AND SIGNE WORK WITH VERY DIFFERENT THINGS IN ENERGINET. BUT THEIR MISSION IS THE SAME



DENMARK AS AN ENERGY HUB

In 2020, Denmark's geographical position as an energy hub between Scandinavia and Europe has been strengthened. We have used this position to create better investment conditions and economies of scale in the operation of the Danish electricity and gas grids.

WIND HUB. Once there was a shipyard at Lindø near Odense. Now there is a wind hub with 3,000 employees working for more than 100 companies which primarily make their living from wind energy. There are now more people working at Lindø than when it was a shipyard. The Lindø Offshore Renewables Center (LORC) is located here, a foundation which tests large wind turbines up to 10 MW and works to reduce the costs associated with renewable energy. The picture shows the turbine on one of LORC's test stands.

NEW PATHS TO STRENGTHENING DENMARK AS AN ENERGY HUB

More renewable energy, a larger internal market and technological developments are resulting in new vital conditions and tasks for Energinet. We are committed to embracing these. We want to develop and take advantage of Denmark's geographical position as an energy hub between Scandinavia and Europe.

TRENDS

Commercial sustainability

The price of producing wind and solar energy has been falling dramatically in recent years. At the same time, the share of biogas in the natural gas grid is increasing. Investors will choose to locate production facilities where there is access to high-quality infrastructure.

A larger energy market

Infrastructural developments and the harmonisation of market rules will continue to increase the geographical reach of the flow and trading of energy across the European countries.

Establishment of data centres

Denmark is seeing a growing interest from large energy consumers wanting a direct connection to the transmission grid (eg data centres). Access to secure, green energy is acquiring a higher market value.

WE BELIEVE IN

An open European energy market

Denmark's position as an open economy at the heart of Europe's energy landscape means that we should work together with the other Nordic countries and the EU to promote market developments that strengthen the free movement of energy across national borders. We believe that strong Nordic energy cooperation can show the path ahead for Europe.

Interconnectors

The interconnectors in the energy sector are socio-economic benefits that strengthen Denmark's leading position as regards the green transition and result in a more cost-effective use of the domestic electricity and gas infrastructure.

Role of the gas system in the transition

Gas storage must be strengthened in the European gas market to remain a strong physical backbone for Denmark's security of supply. Biogas and other green gases will play a bigger role, and a possible gas connection from Denmark to Poland will ensure lower transport costs for gas in Denmark.



STRATEGIC OBJECTIVES

- In 2020, we have, together with the energy sector, strengthened Denmark's position as a country which attracts sustainable energy investments.
- In 2020, we have exploited Denmark's position as an energy hub to ensure economies of scale in the operation of the Danish electricity and gas grids.

RENEWABLE ENERGY BECOMES MARKET-LEADING

In Denmark, we have been investing for decades in a greener future. It was a good move, because now renewable energy is market-leading.

Previously, renewable energy (RE) had to adapt to the market. Now, it is the market frameworks that have to adapt to the requirements entailed by increasing volumes of fluctuating, renewable energy.

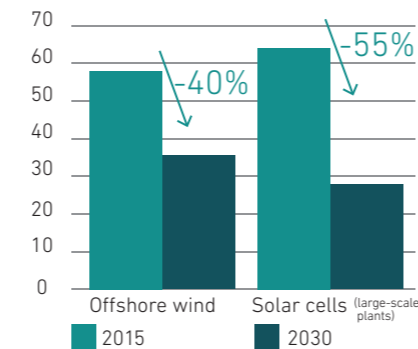
This green transition is increasingly becoming a super brand for Denmark. Offshore wind farms, our ability to integrate renewable and fluctuating energy in our energy supplies as well as a number of innovative energy technologies are making Danish society a global winner within energy.

In November 2016, Lars Christian Lilleholt, the Danish Minister for Energy, Utilities and Climate, announced that Vattenfall Vindkraft A/S had won the tender to construct Denmark's biggest offshore wind farm, Kriegers Flak, with a sensationally low bid price of DKK 0.372/kWh.

The historically low bid reflects the technological advances that are resulting in falling costs when constructing offshore wind farms. The tender can be seen as a significant moment in the story of how

renewable energy is becoming a leading and trendsetting factor for energy markets in Europe.

Cheaper RE production
EUR2015/MWh



Estimated fall in cost for RE energy production. The levelised cost of energy (LCOE) measures what it would cost to produce energy with an energy technology once all costs over the lifespan of the plant are included. Sources: The Danish Energy Agency and Energinet (2016 and 2017)

ENERGINET HAS A VISION OF ENERGY ISLANDS IN THE NORTH SEA, AND IS PREPARING THE GROUND FOR A POSSIBLE GAS PIPELINE TO POLAND. BECAUSE DANISH SOCIETY NEEDS A RELIABLE SOURCE OF ENERGY WHILE THE GREEN TRANSITION IS BEING IMPLEMENTED

*Hanne Storm Edlefsen, Head of Department, Business Support and Development, TSO Electricity,
Jeppe Danø, Director, Gas System Operator, TSO Gas.*

HANNE AND JEPPE WORK WITH VERY DIFFERENT THINGS IN ENERGINET. BUT THEIR MISSION IS THE SAME



SOCIAL RESPONSIBILITY THROUGH EFFICIENCY

In 2020, we have realised potentials for efficiency improvements, and we have assisted in implementing a new financial management system for Energinet's business units.

GAS BUS. In Fredericia, nine of Sydtrafik's ten buses run on gas (pictured). Gas buses considerably reduce air pollution in towns and cities, and a gas bus emits less CO₂ than a diesel bus. The efficient use of Denmark's gas grid represents considerable value for society, because natural gas, biogas and other green gases – not least within heavy transport – are necessary and more climate-friendly alternatives to fuels such as petrol and diesel.

NEW PATHS TO MORE EFFICIENT OPERATIONS

More renewable energy, a larger internal market and technological developments are resulting in new vital conditions and tasks for Energinet. We are committed to embracing these. We will shoulder our responsibilities in implementing the green transition with technologies and measures that offer the best possible solution for Danish society.

TRENDS

New financial regulation

The Danish government wants to promote incentives for the efficient operation of natural monopolies, where market-based competition cannot be a driving force. Therefore, in its supply strategy from 2016, the government is proposing that, in future, Energinet is regulated with a multi-annual revenue cap, which is based on real historical costs and is reduced by an efficiency improvement requirement.

Gas sector consolidation

In 2016, Energinet assumed ownership of the gas distribution grid in the southern part of Jutland and on the western part of Zealand which DONG Energy previously owned. Today, this gas distribution grid is operated by Dansk Gas Distribution, a subsidiary of Energinet. The change of ownership is a part of the Danish government's plans to consolidate the gas sector.

WE BELIEVE IN

Legitimacy through visible efficiency improvements

Energinet will contribute to implementing the new regulations with revenue caps for parts of the company. This will ensure increased visibility of our efficiency, and maintain the socio-economic rationale for our investments.

Early involvement in investment plans

Energinet will work to develop a strategic investment plan with the early involvement of the owner and stakeholders.

Cross-organisational efficiency improvements with newly established group structure

Energinet will focus on efficiency improvements in its business units and create synergies through the sharing of services across the units when it comes to both fixed asset investments and the running of the organisation as a whole. We work on the premise that Danish citizens and businesses should benefit from the company's activities.

STRATEGIC OBJECTIVES

- In 2020, we have optimised our activities to supply the Danes with sustainable energy using the most cost-effective means available.
- In 2020, we have helped to implement a new financial management system which helps balance socio-economic concerns with the efficient operation of the company.

THE UTILITY SECTOR MUST INCREASE ITS PRODUCTIVITY

Energinet is experienced at achieving economies of scale, not least through the acquisition of the regional transmission companies. This is positive, because demands for productivity improvements will be increasing in the coming years. Both from our owner and from the energy markets.

In September 2016, the Danish government published its supply strategy *Forsyning for fremtiden* (Supply for the Future), which was the first Danish supply strategy to consider all the different types of energy supplies. The strategy must realise estimated potential efficiency improvements for all the various supply types of DKK 5.9 billion a year in 2025.

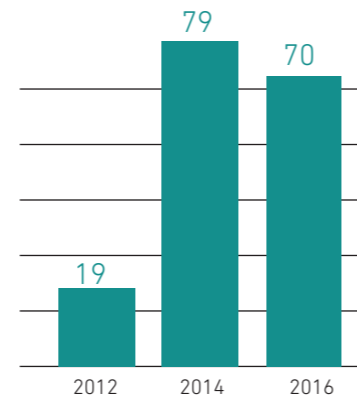
Some of this potential must be realised through the natural monopolies becoming subject to incentive-based financial regulation. The desire is to promote incentives for the efficient operation of natural monopolies, where market-based competition cannot be a driving force.

Another and smaller part of the potential must be achieved by consolidating the gas distribution sector.

Energinet has managed to maintain tariffs for energy transport at a stable level over the years in spite of massive investments and new and complex tasks.

In the coming years, we will continue to take pride in delivering cost-effective energy supplies for the benefit of Danish society.

Efficiency improvements in Energinet
EUR mio.



The annual efficiency improvements and thus reductions in the tariffs paid by electricity and gas customers can thus be attributed to reduced costs for operations, maintenance, transmission loss and spare capacity.



ENERGINET USES SOCIETY'S RESOURCES RESPONSIBLY. WE ARE WORKING TO STREAMLINE THE COMPANY'S PROCESSES AND INVOLVE STAKEHOLDERS IN OUR PLANNING. BECAUSE DANISH SOCIETY NEEDS A SECURE SUPPLY OF ENERGY WHILE THE GREEN TRANSITION IS BEING IMPLEMENTED

*Marianne Hansen, Director, Business Services
Bjarne Brendstrup, Director, Electricity System Development, in TSO Electricity.*

MARIANNE AND BJARNE WORK WITH VERY DIFFERENT THINGS IN ENERGINET. BUT THEIR MISSION IS THE SAME



DIGITALISATION

In 2020, we have used digitalisation to solve Energinet's tasks in smarter ways, and we have helped to promote innovation in the energy sector.

DIGITALISED ENERGY CONSUMPTION. In the coming years, we can expect to see digital technologies for controlling energy being extensively employed in Danish homes. Suppliers will be able to offer solutions that automatically control a family's energy consumption to ensure it is as cheap and as sustainable as possible. These solutions might involve a combination of batteries and solar cells, or they could be intelligent household appliances that exploit big data to use energy when it is cheapest and most sustainable.

More renewable energy, a larger internal market and technological developments are resulting in new vital conditions and tasks for Energinet. We are committed to embracing these. We will exploit the potential of digitalisation in the development of an energy supply which is reliable, sustainable and viable for society.

TRENDS

Big data and artificial intelligence

Digitalisation is a megatrend, which is extending to all sectors worldwide. Part of this megatrend is the rapidly increased technological possibilities for collecting very large volumes of data which, with ever smarter software, can be subjected to hitherto unseen analyses.

Digital technologies on the demand side

In the coming years, we will see breakthroughs within the development of intelligent homes and businesses, where energy consumption and production can be controlled more precisely and smarter than today. Together with the technological development of new solutions for heating, gas for maritime transport, electric cars, solar cells and batteries, it must be expected that more and more energy consumers become 'prosumers' (ie combined energy consumers/producers).

WE BELIEVE IN

Smarter operations with digital solutions

There is considerable potential in the increased use of data processing and digital technologies for the operation and development of Energinet's infrastructure. This applies to, for example, the transition to digital substations as well as drones and advanced image analysis for identifying maintenance needs.

The consumer's contribution to balancing

Digitalisation and new business models will accelerate consumer activation. We want to contribute to creating better conditions for consumers so that, through intelligent automated solutions, they will use energy at times that are best suited to the fluctuating production of renewable energy.

Innovation in the electricity and gas sectors

Innovation and new business models are needed in the energy sector when implementing the green transition. Energinet will contribute, for example, by making data available for the development of new products and for developing a green gas trading system.

STRATEGIC OBJECTIVES

- In 2020, we have improved the ways in which Energinet solves its tasks through digitalisation and innovation.
- In 2020, we have promoted innovation in the energy sector through working together on experiments for smart energy solutions in the green transition.

DIGITALISATION WILL CHANGE OUR ENERGY SUPPLY

In Denmark, we are leading the way with data accessibility, which is a prerequisite for the digital realisation of consumer flexibility. This is positive, because digitalisation and new business models are necessary driving forces for securing sustainable energy in future.

Digitalisation, data everywhere and the Internet of things are rapidly on their way to changing the world as we know it. Digitalisation is here to stay, and will change many things, also within the world of energy.

When Google paid DKK 17 billion in 2014 for the company Nest Labs, which produces thermostats and fire alarms for private households, it was an iconic image of the new business models and energy products which are being spawned by the digitalised connection between the Internet and infinite volumes of data about the energy consumption of end-users.

A couple of years later, in April 2016, Energinet was the first in Europe to open a DataHub with a fully developed wholesale model on the electricity market. In 2020, all consumers in Denmark will have remotely read meters, and in 2020, the DataHub will process 42 billion meter readings a year.

The DataHub and the opening of the wholesale model are key moments in

the story of how the conversion of the energy supply to renewable energy finally shifted gear from a past of primarily using centrally controlled production flexibility to a near future where energy products based on the automated control of customers' energy consumption will bring increasingly relevant incentives for flexible, cheap and green consumption.

Big Data

2020
42 BIL. METER READINGS IN THE DATAHUB

2016
6,4 BIL. TEXT MESSAGES IN DENMARK

2016
1,2 BIL. DANKORT PAYMENTS

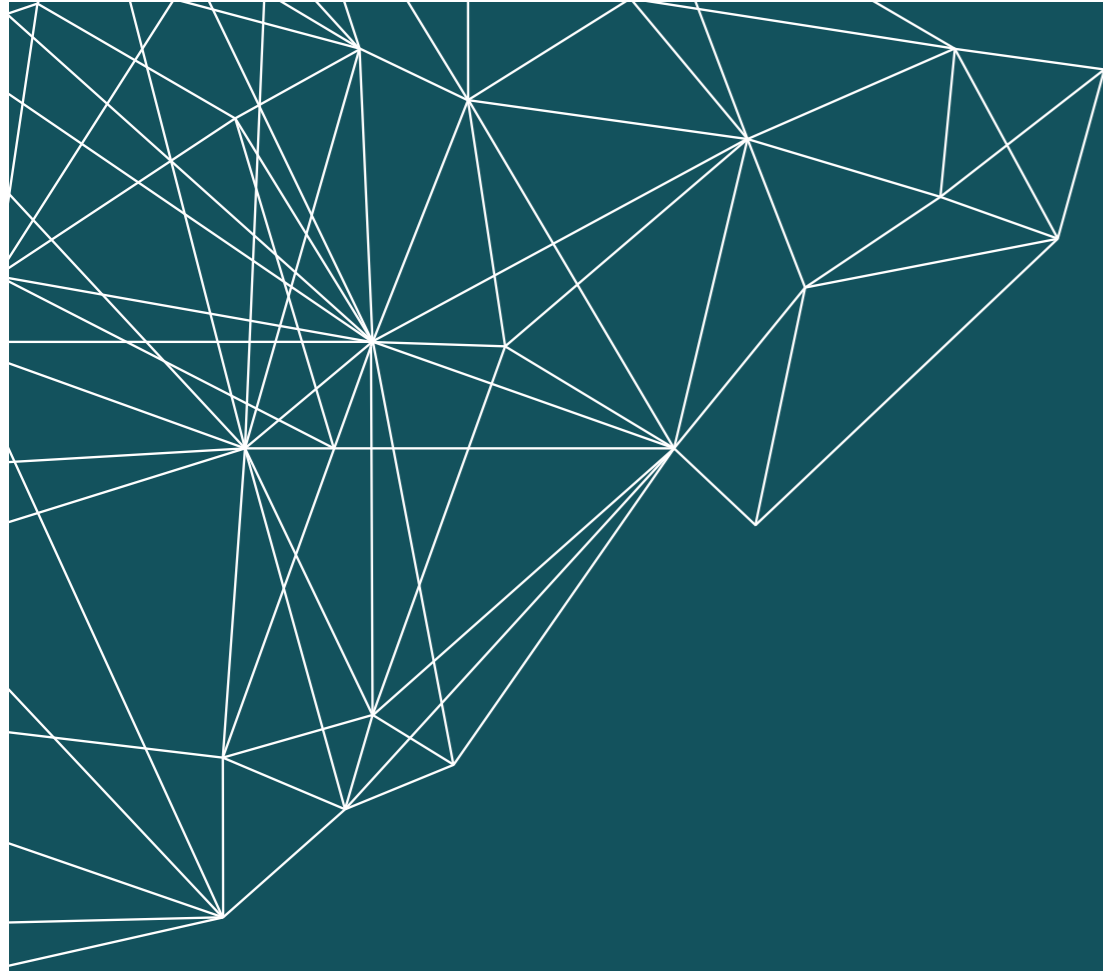
Source: Energinet, the Danish Energy Agency and dankort.dk.



DIGITALISATION IN ENERGINET INVOLVES EVERYTHING FROM SMALL EXPERIMENTS WITH BIG DATA TO BETTER DIGITAL SOLUTIONS FOR GAS CUSTOMERS. BECAUSE DANISH SOCIETY NEEDS A SECURE SUPPLY OF ENERGY WHILE THE GREEN TRANSITION IS BEING IMPLEMENTED

*Nicolaj Nørgaard Peulicke, Head of IT Digitalisation, Business Services
Lotte Burchard, Senior Manager for Regulation and Customer Processes, Dansk Gas Distribution*

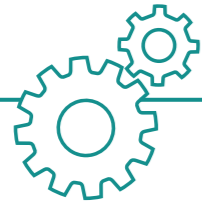
NIKOLAJ AND LOTTE WORK WITH VERY DIFFERENT THINGS IN ENERGINET. BUT THEIR MISSION IS THE SAME



SUCCESS STORIES AND CORPORATE OBJECTIVES

SUCCESS STORIES

Selected success stories relating to the four strategic objectives in the 2018-2020 period.



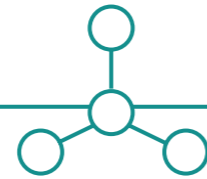
NEW SECURITY OF SUPPLY FRAMEWORK

In 2020, we have helped to promote Danish, Nordic and European cooperation on the security of supply, and we have helped to ensure that new players and business models are contributing to a secure supply of energy.

The cooperation in the **Nordic RSC** on monitoring the electricity grid in the Nordic countries is resulting in more efficient operation of a high level of security of supply.

The cooperation with neighbouring TSOs and market players means that the Danish **gas system is being used optimally** to ensure the security of supply, even when Tyra is closed for reconstruction.

The cooperation with Danish and European energy players means that the common **European network codes** are functioning for the benefit of the green transition and Danish energy consumers.



DENMARK AS AN ENERGY HUB

In 2020, Denmark's geographical position as an energy hub between the Nordic countries and Europe has been strengthened. We have used this position to create better investment conditions and economies of scale in the operation of the Danish electricity and gas grids.

Energinet's cooperation with the UK's National Grid is creating a satisfactory basis for a final investment decision on **Viking Link**.

Energinet's cooperation with the Polish company Gaz-System S.A. is creating a satisfactory basis for the final investment decision on the **Baltic Pipe**.

The cooperation on a harmonised gas market means that Gas Storage Denmark will benefit more from the **European gas market**.



SOCIAL RESPONSIBILITY THROUGH EFFICIENCY

In 2020, we have realised the potential for efficiency improvements, and assisted in the implementation of a new financial management system for Energinet's business units.

The cooperation between Energinet, the Danish Energy Agency and the owner is leading to new **financial management** and investment governance of Energinet's activities.

The cooperation between Energinet and various gas players means that Energinet is performing the role in **consolidating the gas sector** as the owner wishes.

The targeted operation of and cooperation between Energinet's business units is leading to ongoing **reductions** in capital investments per unit and operating expenses.



DIGITALISATION

In 2020, we have used digitalisation to solve Energinet's tasks in smarter ways, and we have helped to promote innovation in the energy sector.

The cooperation between Energinet and external players means that **big data** is increasingly being used to ensure efficient operations and analyses of the electricity and gas grids.

Through development and cooperation with external players, Energinet will lead the way within **digitalisation of the transmission grid**.

The cooperation between Energinet and external players is stimulating the development of digital technologies, which in turn are promoting **flexible energy consumption** in a collective supply with more renewable energy.

60

Seconds of outage

The actual outage time related to the transmission grid in a normal year is less than 60 seconds per consumer.

TSO ACTIVITIES



High level of stakeholder satisfaction with Energinet's performance towards 2020. Objectives and baseline are laid down in the first measurement.

TSO ACTIVITIES

ZERO

Gas supply failures

The number of supply failures which can be attributed to Energinet, where the consumer is not supplied with gas, is still zero.

TSO ACTIVITIES

CORPORATE OBJECTIVES 2018-2020 FOR EACH BUSINESS AREA, OBJECTIVES HAVE BEEN SET FOR THE COMPANY'S VALUE CREATION WHICH ARE BALANCED WITH REGARD TO QUALITY AND EFFICIENCY.

1.5%

Efficiency

Energinet's operating expenses are reduced by 1.5% annually up until 2020.

TSO ACTIVITIES



Index 84

Unit costs per component type are reduced to index 84 in 2020 (baseline 2013).

TSO ACTIVITIES

4.0

Information security

The maturity of Energinet's information security for its business-critical systems is increased to level 4.0 in 2020 (scale 1-5).

CORPORATE OBJECTIVES

2.0

Occupational injuries

The lost-time injury frequency rate for Energinet and external employees is max. 2.0 injuries per million working hours in 2020.

CORPORATE OBJECTIVES



5% in 2020

Gas Storage Denmark

3.5% in 2020

Dansk Gas Distribution

RETURN ON NET ASSETS

76

Employee satisfaction

Job satisfaction measured as part of the employee satisfaction survey is maintained at min. index 76 until 2020.

CORPORATE OBJECTIVES

CORPORATE OBJECTIVES 2018-2020 TOWARDS 2020, WE ARE COMMITTED TO ACHIEVING THE FOLLOWING OBJECTIVES AND THE FOUR STRATEGIC TARGETS PRESENTED IN THIS STRATEGY.

2%

Sickness absence

Sickness absence among Energinet employees must stay below 2% until 2020.

CORPORATE OBJECTIVES



30-40%

Gas Storage Denmark

30-40%

Dansk Gas Distribution

SOLVENCY RATIO

90%

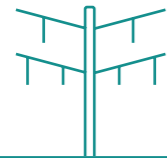
Re-establishment following excavation damage

The proportion of damaged pipelines/cables which are re-established within max. 3 hours must be maintained at 90% towards 2020.

DANSK GAS DISTRIBUTION

ENERGINET

We are working for the efficient development of tomorrow's energy supply



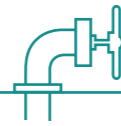
ELECTRICITY TSO

We are among the best in the world at integrating wind energy into the electricity system



GAS TSO

We develop the gas system to prepare it for tomorrow's energy solutions



GAS STORAGE DENMARK

We are part of the European gas market in order to maintain a high level of security of supply in Denmark



DANSK GAS DISTRIBUTION

We ensure the uninterrupted supply of gas to 122,000 homes and businesses

Energinet is owned by the Danish state for the purpose of ensuring public control of critical infrastructure. Energinet was established by the Danish parliament, the Folketinget, by an act of law in 2005, and its ownership falls under the Danish Minister for Energy, Utilities and Climate.

ENERGINET

WE ARE WORKING FOR THE EFFICIENT DEVELOPMENT OF TOMORROW'S ENERGY SUPPLY

Citizens, enterprises and institutions still need a high level of security of supply, which must be based on sustainable energy sources. It is therefore necessary to share energy across borders, and to integrate European energy supplies both physically and through the markets. This is the path forwards if we in Denmark want to provide citizens and enterprises with a cost-effective energy supply. At Energinet, everything we do is with this goal in mind.

Openness and trust are of decisive importance for all constructive cooperation. At Energinet, we strive to listen to, involve and share our knowledge openly with all the relevant players in the energy sector so that we can develop solutions together. Only in this way can we ensure the efficient development of tomorrow's energy supply while implementing the green transition.



ENERGINET

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ENERGY ACROSS BORDERS – STRATEGY 2018-2020

Energinet is an independent public enterprise owned by the Danish Ministry of Energy, Utilities and Climate. We own and develop the electricity and natural gas grids in Denmark. Our task is to integrate renewable energy, ensure equal access to the grids and ensure security of supply in Denmark.