

InCommodities announces strong 2022 financial results after a turbulent year

In a year characterized by geopolitical challenges and war in Europe, it was the resulting significant fluctuations in the global energy markets that shaped the year for InCommodities in 2022.

The volatility in energy prices turned in extreme pressure on liquidity across the industry, but through effective risk management, InCommodities achieved a record-breaking result.

With a gross profit of EUR 1,583 billion and earnings before tax (EBT) of EUR 1,369 billion, energy trading company InCommodities delivers a record financial result for 2022. The result reflects profits across all activities – both in electricity and gas trading in Europe. Over 97% of the year's revenue comes from activities outside of Denmark, InCommodities' home country.

“2022 was a 100-year event where we helped balance a turbulent market and ensured energy supply to Europe under extreme market conditions. It placed significant demands on our financing capabilities and general expertise. The strong growth is an indication that there has been a

greater need for us in the markets than ever before, where we have contributed to lowering European electricity and gas prices to an even greater extent,” says CEO Jesper Severin Johanson.

Tight risk management

Russia's attack on Ukraine fundamentally changed the market conditions for InCommodities. The price for power and gas positions have fluctuated up to 100 percent from one day to the next, and the liquidity requirements were up to 20 times larger than what we usually need to operate. At the same time, energy exchanges demanded significantly larger financial collateral for each trade. Therefore, tight risk management and close dialogue with the company's financing partners were essential for our success.

With financing and risk management in place, InCommodities, among other things, participated in filling European gas storages, including the nearly depleted German storages. Thus, the company contributed to increasing European energy security and driving both gas and power prices to lower levels.



“We proved our ability to navigate our business in an extremely turbulent market, and we helped avert an energy breakdown in Europe. The dramatic events of 2022 demonstrated that the free market functions exactly as politicians intended, promoting healthy competition, ensuring fair pricing, and robustly securing energy supply across Europe. Perhaps that is the most important lesson - and explanation for why Europe did not experience a blackout in 2022,” says CEO Jesper Severin Johanson.

The significant economic growth at InCommodities in 2022 is due in part to higher profits per transaction driven by the significantly increased risk that was managed. Additionally, the number of trades has also been higher.

5% for sustainable investments

As part of our vision and strategy update in the spring of 2022, and our ambitions in supporting the path towards net-zero, InCommodities has decided to introduce a new initiative called the InCommodities Sustainable Investment Initiative. This commitment entails allocating up to 5% of the company's profit to investments in infrastructure, companies or other initiatives that accelerate the transition towards net-zero.

“We have a desire to further drive the green transition through concrete actions. Therefore, our 5% contribution will result in direct investments in, for example, solar parks, where we can make a difference for the climate, environment, and social conditions. The first project is already in the pipeline, and we expect to produce the first MWh in 2024,” concludes Jesper Severin Johanson.

Additional information

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Financial Highlights

Seen over a five-year period, the development of InCommodities A/S is described by the following financial highlights:

Key figures	2022	2021	2020	2019	2018
	TEUR	TEUR	TEUR	TEUR	TEUR
Profit/loss					
Revenue	-	-	2,071,397	1,003,510	417,057
Gross Profit	1,583,708	178,798	42,647	20,181	11,060
Operating profit before financial income and expenses and tax (EBIT)	1,372,916	146,032	32,003	14,707	8,173
Net financials	-3,637	-1,959	-252	-105	-258
Profit before tax (EBT)	1,369,279	144,072	31,751	14,602	7,915
Profit for the year	1,063,876	112,112	24,754	11,367	6,171
Balance sheet					
Balance sheet total	1,213,081	268,678	84,447	34,950	28,952
Equity	698,117	117,624	43,572	21,818	10,451
Cash flows					
Cash flows from operating activities	1,009,684	83,131	11,017	10,742	-4,704
Cash flows from investing activities	-79	-39	-22	0	-9
Cash flows from financing activities	-362,899	-17,033	2,445	1,794	0
Change in cash and cash equivalents for the year	646,706	66,059	13,440	12,536	-4,713
Number of employees - average for the year	118	89	60	36	18
Ratios					
Return on assets	87.7%	41.8%	37.9%	41.1%	28.2%
Solvency ratio	57.5%	43.8%	51.6%	62.4%	36.1%
Return on equity	260.8%	139.2%	75.7%	70.5%	83.8%



About InCommodities

InCommodities is a Danish technology company specializing in energy trading and asset management. We trade power and natural gas and offer power purchase agreements to renewable asset owners. Our transactions balance the energy markets by matching supply and demand, ensuring security of supply, and contributing to lower energy prices.

We have digitalized and automated every aspect of our value chain. We combine deep market insights with advanced technologies such as automation, quantitative analysis, and AI, allowing us to effi-

ciently move energy across time and geographies, manage renewables output, and store energy until it is needed. Founded in 2017 in Aarhus, Denmark, InCommodities has grown from four founders to almost 140 people with diverse nationalities and educational backgrounds.

Headquartered in Aarhus, Denmark, we conduct trading activities across Europe. We have grown exponentially since our founding, making us one of the world's fastest-growing energy trading companies.

www.incommodities.com

