

Energi Danmark A/S - Annual Report 2020

The Energi Danmark Group achieved a revenue of DKK 44.9bn in 2020 as cross-border activities and continued increasing gas activity counteracted the effect of lower consumption and historical low prices. In March of 2020 the COVID-19 pandemic struck Europe affecting economies and electricity consumption in all countries. Lower deliveries to customers than expected, combined with low margins due to historical low energy prices, resulted in a modest Group profit before tax of DKK 40.6m. Furthermore due to IFRS accounting principles, the Group is not able to recognize a MtM gas value of DKK 167.1m in the 2020 financial statement, which is therefore not recognized until the 2021 financial statement.

Energi Danmark's gas trading department has become an important and integrated part of the Group's business foundation, where physical gas trades are used to hedge the energy consumption of the Group's customers. As of 31 December 2020 the Energi Danmark Group has unrealized MtM value on gas inventory to an amount of DKK 167.1m, which due to the IFRS accounting principles can't be recognized in the 2020 financial statement - only in the subsequent financial year.

Despite continued intensive competition on all markets, the Energi Danmark Group managed to sign contracts worth of 42.8 TWh to customers in the Nordic and German markets for future delivery in the coming five years. In 2020, the Energi Danmark Group supplied 34 TWh of electricity to consumers in the Northern European markets and handled 5.3 TWh of production on behalf of production customers in mainly Denmark and Sweden. More than 63% of the delivered customer consumption was delivered to customers outside Denmark, supporting the Group's ambition of providing energy solutions across borders.

Due to the uncertain financial markets in 2020, the Energi Danmark Group chose to extend the maturity of its DKK 750m corporate bond for one year with the current bondholders rather than issuing a new bond. As planned, the Energi Danmark Group expects to redeem the bond (ISIN: DK0030400973) by the expiry 22 June 2021.

"The maturity extension shows that the Group's bondholders see the Energi Danmark Group as a well-run and solid company. The Energi Danmark Group would like to thank the bondholders for their support and cooperation during the year," says CEO Jørgen Holm Westergaard.

On 11 February 2021 it was announced that the current shareholders Andel and NRGi will take over the entire ownership of Energi Danmark A/S. As a result Energi Nord Holding, EWII Energi, SEF Energi and Fonden Langelands Elforsyning will resign from the shareholder group, in which the Andel Group will become the future majority owner with 63.65% of the shares in the Energi Danmark Group. Going forward the Energi Danmark Group will be backed by two very capital-strong shareholders, both of whom are firmly anchored in the Danish energy market.

"Both Andel and NRGi have a very strong and close relationship with the Energi Danmark Group," says Chairman of the Board Jesper Hjulmand. "Together we stand strong in developing the Group's strategic direction in the Northern European energy markets," he continues.

Further information:

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The Annual Report 2020 will be presented at the company's annual general meeting on 16 April 2021.