Thordin ApS
Niels Jernes Vej 10
9220 Aalborg Øst
Denmark

CVR no. 39 57 74 45

Annual report for the financial year 1 July 2018 - 30 June 2019

The annual report was presented and approved at the Company's annual general meeting

on AUGUST 14 20 19

chairman of the annual general meeting

Contents

Statement by the Executive Board

The Executive Board have today discussed and approved the annual report of Thordin ApS for the financial year 1 July 2018 – 30 June 2019.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 30 June 2019 and of the results of the Company's operations and cash flows for the financial year 1 July 2018 – 30 June 2019.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Aalborg, 14 August 2019
Executive Board:

Søren Agersbæk Jensen

Søren Bondo Andersen

Independent auditor's report

To the shareholders of Thordin ApS

Opinion

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 30 June 2019 and of the results of the Company's operations and cash flows for the financial year 1 July 2018 - 30 June 2019 in accordance with the International Financial Reporting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act.

Audited financial statements

Thordin ApS' financial statements for the financial year 1 July 2018 - 30 June 2019 comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity and notes, including summary of significant accounting policies (the financial statements). The financial statements are prepared in accordance with the International Financial Reporting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark.

Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

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

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

KPMG

Independent auditor's report

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the International Financial Reporting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

— identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

Independent auditor's report

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Aalborg, 14 August 2019
KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Steffen S. Hansen
State Authorised
Public Accountant
mne32737

Management's review

Company details

Thordin ApS
Niels Jernes Vej 10
9220 Aalborg Øst
Denmark

CVR no.	39 57 74 45
Established:	16 May 2018
Registered office:	Aalborg
Financial year:	1 July – 30 June

Executive Board

Søren Agersbæk Jensen
Søren Bondo Andersen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Østre Havnegade 18
DK-9000 Aalborg

Annual general meeting

The annual general meeting will be held on 14 August 2019.

Management's review

Financial highlights

USD'000	1/7 2018- 30/6 2019	16/5-30/6 2018
Revenue	979	0
Operating profit/loss	454	-63
Profit/loss from finance income and finance costs	-68	0
Profit/loss for the year	301	-49
Total assets	2,396	1,850
Equity	2,131	1,828
Cash flows from operating activities	278	-41
Cash flows from investing activities	0	0
Cash flows from financing activities	1	1,830
Total cash flows	279	1,789

Management's review

Operating review

Principal activities

The principal activity of the Company is trading in financial derivatives in US power markets.

During the financial year, a new group structure was established, and most of the tasks of the Company are performed by employees from the parent company on an arms length principle.

Development in activities and financial position

Management is satisfied with the financial performance of the Company, as the US power markets have high entry barriers, and the Company incurred more costs related thereto than expected.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date that would influence the assessment and evaluation of this annual report in any substantial way.

Financial statements 1 July – 30 June

Income statement

USD	Note	2018/19	16/5-30/6 2018
Revenue	2	978,635	0
Staff costs	3	-246,111	-13,451
Administrative expenses		-278,615	-49,384
Operating profit/loss		453,909	-62,835
Finance income	4	26,676	0
Finance costs	5	-94,825	-123
Profit/loss before tax		385,760	-62,958
Tax on profit/loss for the year	6	-84,356	13,763
Profit/loss for the year		301,404	-49,195

Statement of comprehensive income

USD	2018/19	16/5-30/6 2018
Profit/loss for the year	301,404	-49,195
Total comprehensive income	301,404	-49,195

Financial statements 1 July – 30 June

Balance sheet

USD	Note	30/6 2019	30/6 2018
ASSETS			
Current assets			
Receivables			
Trade receivables	7	50,103	0
Amounts owed by group entities		186,801	0
Other receivables	7	44,107	511
Deferred tax assets	8	0	13,763
Total receivables		281,011	14,274
Cash and cash equivalents	9	2,114,690	1,835,878
Total current assets		2,395,701	1,850,152
TOTAL ASSETS		2,395,701	1,850,152
EQUITY AND LIABILITIES			
Equity	10		
Contributed capital		469,293	469,293
Retained earnings		1,661,225	1,358,683
Total equity		2,130,518	1,827,976
Current liabilities			
Amounts owed to group entities		128,290	0
Derivative financial instruments (negative fair value)	11	46,405	0
Income tax payable		71,740	0
Other payables		18,748	22,176
Total current liabilities	12	265,183	22,176
TOTAL EQUITY AND LIABILITIES		2,395,701	1,850,152

Financial statements 1 July – 30 June

Statement of changes in equity

USD	Contri-buted capital	Retained earnings	Total equity
Equity at 16 May 2018	46,930	0	46,930
Capital increase	422,363	1,407,878	1,830,241
Comprehensive income:			
Effect of the profit appropriation	0	-49,195	-49,195
Equity at 1 July 2018	469,293	1,358,683	1,827,976
Comprehensive income			
Effeft of the profit appropriation	0	301,404	301,404
Total comprehensive income	0	301,404	301,404
Transactions with owners			
Effect of transactions with treasury shares	0	1,138	1,138
Total transactions with owners	0	1,138	1,138
Equity at 30 June 2019	469,293	1,661,225	2,130,518
Own shares 30 June 2019	0	0	0

Financial statements 1 July – 30 June

Cash flow statement

USD	Note	2018/19	16/5-30/6 2018
Profit/loss for the year		301,404	-49,195
Other adjustments of non-cash operating items	13	152,505	-13,640
Cash generated from operations before changes in working capital		453,909	-62,835
Changes in working capital	14	-155,637	21,666
Cash generated from operations		298,272	-41,169
Net finance income/finance costs		-20,598	-123
Cash flows from operating activities		277,674	-41,292
Acquisition of intangible assets and property, plant and equipment		0	0
Cash flows from investing activities		0	0
Shareholders:			
Capital increase		0	1,830,241
Net effect of transactions with treasury shares		1,138	0
Cash flows from financing activities		1,138	1,830,241
Cash flows for the year		278,812	1,788,949
Cash and cash equivalents at the beginning of the year		1,835,878	46,929
Cash and cash equivalents at year end	9	2,114,690	1,835,878

Financial statements 1 July – 30 June

Overview of notes

Financial statements 1 July – 30 June

Notes

1 Accounting policies

The annual report of for the financial year 1 July 2018 – 30 June 2019 has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements.

The accounting policies set out below have been used consistently in respect of the financial year.

Changes in accounting policies

Functional currency is changed to USD and consequently Thordin ApS' annual report is also presented in USD. Comparable figures are converted/presented in USD. Change is due to principial activities is carried out in USD.

Furthermore The Company has implemented the financial reporting standards and IFRICs which came into force for the financial year beginning on 1 July 2018, including:

- IFRS 9, Financial instruments (issued 2014, effective date 1 January 2018)
- FRS 15, Revenue from contracts with customers, including amendments and clarifications (issued 2014, 2015 and 2016, respectively, effective date 1 January 2018).

The implementation did not affect recognition and measurement in the Annual Report 2018/19 and is not expected to have significant impact on the financial reporting for future periods. New disclosures are implemented.

IFRS 9, Financial instruments

IFRS 9 has replaced IAS 39, Financial instruments; recognition and measurement.

The most relevant changes compared to the current accounting policy are:

- New impairment model based on expected losses rather than on incurred losses
- Hedge accounting requirements are more closely aligned with how the business undertakes risk management activities when hedging financial and nonfinancial risk exposures.

Impairment losses for financial assets are accounted for by using a forward-looking expected credit loss approach. The Company recognises a provision for expected credit losses for all debt instruments not held at fair value through profit/loss and contract assets.

The changed impairment approach has not had an impact on the Company, and no adjustment to the impairment of trade receivables has been made upon transition.

At the date of initial application, the Company did not have any hedge accounting relationships.

The new hedge accounting requirements did not have an impact on the Company.

The Group has implemented IFRS 9 in accordance with the transition provisions. There was no transition effect upon implementation 1 July 2018.

The accounting principles have been changed for 2018/19.

IFRS 15, Revenue from contracts with customers

IFRS 15 introduces a new framework for revenue recognition and measurement.

IFRS 15 has been applied following the modified retrospective approach with any cumulative effects recognised in equity as of 1 July 2018.

Financial statements 1 July – 30 June

Notes

1 Accounting policies (continued)

The implementation has not resulted in any changes to revenue recognition practices applied by the Company and accordingly no retrospective adjustment to equity has been made.

Foreign currency translation

Transactions in foreign currencies are translated into the Company's functional currency at the exchange rates on the transaction date.

Monetary assets and liabilities denominated in foreign currencies are translated into functional currency at the exchange rates on the reporting date.

Non-monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. Those measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Those that are measured based on historical cost in foreign currency are translated at the exchange rate at the date of the transaction.

Foreign currency differences are generally recognised in profit and loss except for certain equity instruments available for sale, financial liabilities and hedging instruments.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at fair value cost; any directly attributable transaction costs are recognised in income statement as they occur. Subsequently derivatives are measured at fair value and changes therein are generally recognised in income statement. Positive and negative fair values of derivative financial instruments are recognised as separate other receivables and other payables, respectively.

Any changes in the fair value of derivatives not used for hedge accounting are recognised in the income statement as revenue or financial items.

Income statement

Revenue

Revenue comprises net income from the principal activities of the Company. Financial derivatives are measured at fair value. Trading costs and other costs directly related to the revenue are recognised correspondingly.

Financial statements 1 July – 30 June

Notes

1 Accounting policies (continued)

Administrative expenses

Administrative expenses comprise expenses incurred during the year for management and administration of the Company, including expenses for administrative staff, management, office premises, office expenses and depreciation.

Finance income and costs

Finance income and costs comprise interest income and expense, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

Balance sheet

Receivables

Receivables are measured at amortised cost.

Write-downs are made to counter losses on the basis of expected losses using the simplified expected credit loss model.

Receivables are monitored on an ongoing basis in accordance with the Company's risk policy.

Prepayments and deferred income

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Equity

Dividends

The expected dividend payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Financial statements 1 July – 30 June

Notes

1 Accounting policies (continued)

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement, statement of other comprehensive or equity, respectively.

Liabilities

Financial liabilities are recognised at the date of borrowing at fair value, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at amortised cost, which usually corresponds to nominal value.

Fair value measurement

The Company uses fair value for certain disclosures and measurement of financial instruments. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the assumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, presuming that they are acting in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, thus maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed are categorised within the fair value hierarchy (levels 1, 2 and 3), on the basis of the lowest level input that is significant to the fair value measurement as a whole.

Cash flow statement

The cash flow statement shows the Company's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Company'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 profit/loss for the year adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities, intangible assets, property, plant and equipment and investments.

Financial statements 1 July – 30 June

Notes

1 Accounting policies (continued)

Cash flows from financing activities

Cash flows from financing activities comprise changes in size or composition of the Company's contributed capital and costs in this respect as well as raising of loans, instalments on interest-bearing debt and distribution of dividends to owners.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

Financial statements 1 July – 30 June

Notes

USD	2018/19	16/5-30/6 2018

2 Revenue

Net revenue from trading financial derivatives	978,635	0

All revenue derive from derivatives.

3 Staff costs

Remuneration	235,526	13,099
Pensions (defined contribution plan)	9,515	352
Other social security costs	1,070	0
	246,111	13,451
Average number of full-time employees	3	2

Management remuneration is charged as part of the management fee. Total remuneration (including pension) of the Executive Board including salary in holding company amounted to USD 156 thousand (2018: USD 13 thousand).

4 Finance income

Other interest income measured at amortised cost	26,676	0

5 Finance costs

Other interest expense measured at amortised cost	11,953	123
Exchange rate adjustments, net	36,467	0
Losses on derivatives, net	46,405	0
	94,825	123

Financial statements 1 July – 30 June

Notes

USD	2018/19	16/5-30/6 2018
6 Tax on profit/loss for the year		
Current tax for the year (recognised in income statement)	70,593	0
Deferred tax adjustment for the year (recognised in income statement)	13,763	-13,763
	84,356	-13,763
Reconciliation of tax rate		
Tax according to Danish tax rate, 22.0%	84,356	-13,851
Tax effect of:		
Non-deductible costs	0	87
	84,356	-13,763
Effective tax rate	22%	22%

7 Trade receivables and other receivables

The credit risk of financial receivables corresponds to the values recognised on the balance sheet.

No historical loss has occrued and no provision for loss recognised at 30 June 2019.

Financial statements 1 July – 30 June

Notes

8 Deferred tax asset

USD	30/6 2019	30/6 2018
Deferred tax at 1 July	13,763	0
Deferred tax adjustment for the year in the income statement	-13,763	13,763
	0	13,763
Deferred tax relate to:		
Tax loss carryforwards	0	13,763
	0	13,763

9 Cash and cash equivalents

USD	30/6 2019	30/6 2018
Cash and cash equivalents at 30 June comprise:		
Cash	418,060	1,835,878
Counterparty deposits which can be released with a short timeframe	1,696,630	0
Cash and cash equivalents at 30 June	2,114,690	1,835,878

10 Contributed capital and capital management

The contributed capital (all fully paid) consists of:

A shares of nom. DKK 1,500,000 each

B shares of nom. DKK 1,500,000 each (no voting rights)

During 2017/18 equity investments of nom. DKK 2,700,000 have been subscribed for and paid in.

The current level of contributed capital is deemed to be sufficient and appropriate to support the principal activities of the company. Loan facilities with banks are to be negotiated to support the cash resources.

11 Derivative financial instruments

Derivative financial instruments with af negative fair value of USD 46 thousands (level 1) at 30 June 2019 comprise USD forward contracts with a nominal value of USD 1.3 million (none contracts at 30 June 2018).

The contracts are not classified as effective hedging as the functional currency is USD, and trading is performed in USD. Going forward, no USD forward contracts will be entered into.

12 Current liabilities

Current liabilities include accrued costs and payroll taxes and all will be paid within 1 year.

Financial statements 1 July – 30 June

Notes

USD	30/6 2019	30/6 2018
13 Other adjustments		
Finance income	-26,676	0
Finance costs	94,825	123
Tax on profit/loss for the year	84,356	-13,763
	152,505	-13,640
14 Changes in working capital		
Change in trade and other receivables	-280,500	-511
Change in trade and other payables	124,863	22,177
	-155,637	21,666

15 Contractual obligations, contingencies, etc.

At 30 June 2019 The Company has not entered into operating leasing contracts. For 2018 liability totalled USD 2 thousand.

16 Financial risks and the use of derivative financial instruments

As a result of its operations, the Company is exposed to a number of financial risks, including market, liquidity and credit risks.

The Company has a comprehensive risk framework inplace to manage the risks in the Company. The risk framework has been approved by the Executive Board.

Market risk

There is a risk that the fair value of or future cash flows from a financial instrument will fluctuate due to changes in market prices.

The currency risk is low due to trading in USD, and therefore no hedging is performed. See further disclosures in note 10.

Liquidity risks

There is a risk that the Group will encounter difficulties in meeting obligations associated with financial liabilities.

The Company will ensure the highest possible flexibility by maintaining a capital structure with strong equity financing.

Credit risks

There is a risk that a counterparty to a financial instrument is unable to fulfil its obligations and thereby will inflict a loss on the Company.

No significant risks due to the type of counterparties. See further disclosures in notes 7 and 9.

Financial statements 1 July – 30 June

Notes

17 Related party disclosures

Thordin ApS' related parties comprise its Executive Board and holding company, Yggdrasil Commodities ApS, which is controlled by the following holding companies:

Søren Bondo Andersen Holding ApS
Drejøgade 8, 4. tv.
9000 Aalborg
Denmark

SAJ Finans ApS
Klarup Kirkevej 34
9270 Klarup
Denmark

Related parties also includes following sister companies:

Nidhog ApS
Drejøgade 8, 4. tv.
9000 Aalborg
Denmark

Dvalin ApS
Drejøgade 8, 4. tv.
9000 Aalborg
Denmark

Related party transactions

Related party transactions includes management fee to Yggdrasil Commodities ApS (USD 164 thousand) and remuneration of the Executive Board (see note 3).

Acquisition and disposal of treasury amounts to respectively USD 23 thousand and USD 24 thousdand.

Amounts owed by group entities (USD 187 thousand) compromise receivable from Nidhog ApS.

Amounts owed to group entities (USD 128 thousand) comrpimise debt to Yggdrasil Commodities ApS.

Further, there was a capital increase in 2018 amoutning to USD 1,830 thousand.

18 Events after the balance sheet date

No events have occurred after the balance sheet date to this date that would influence the assessment and evaluation of this annual report in any substantial way.

19 New accounting standards not yet adopted

The IASB has issued a number of new or amended accounting standards and interpretations, effective after 30 June 2019. The approved, though not yet effective, standards and IFRICs will be applied as they become mandatory for the Company.

None of the standards or interpretations – including IFRS 16 – is expected to affect the financial reporting.