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# ***In Commodities A/S***

Tangen 6, DK-8200 Aarhus N

## **Annual Report for 1 January - 31 December 2021**

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CVR No 38 38 19 54

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
18/3 2022

Chairman of the General  
Meeting



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# Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of In Commodities A/S for the financial year 1 January - 31 December 2021.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Company and of the results of the Company operations and cash flows for 2021.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Aarhus, 25 February 2022

## Executive Board

Jesper Severin Johanson  
Executive Officer

## Board of Directors

Bo Wase  
Chairman

Christian Bach

Emil Kildegaard Gerhardt

Jesper Severin Johanson

Jeppe Højgaard

# Independent Auditor's Report

To the Shareholder of In Commodities A/S

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of In Commodities A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies ("the Financial Statements").

## 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 are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

# Independent Auditor's Report

## Management's responsibilities for the Financial Statements

Management is responsible for the preparation of 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 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 in preparing the Financial Statements 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 about 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 can 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.
- 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.

## Independent Auditor's Report

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements 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.

Aarhus, 25 February 2022

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Mads Meldgaard  
State Authorised Public Accountant  
mne24826

Martin Stenstrup Toft  
State Authorised Public Accountant  
mne42786

## Company Information

### **The Company**

In Commodities A/S  
Tangen 6  
DK-8200 Aarhus N

CVR No: 38 38 19 54  
Financial period: 1 January - 31 December  
Incorporated: 1 February 2017  
Financial year: 5th financial year  
Municipality of reg. office: Aarhus

### **Board of Directors**

Bo Wase, Chairman  
Christian Bach  
Emil Kildegaard Gerhardt  
Jesper Severin Johanson  
Jeppe Højgaard

### **Executive Board**

Jesper Severin Johanson

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Nobelparken  
Jens Chr. Skous Vej 1  
DK-8000 Aarhus C

### **Consolidated Financial Statements**

The Company is included in the group report for the parent company Incomas Holding ApS, CVR. 38 38 10 83.

# Financial Highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

	2021 TEUR	2020 TEUR	2019 TEUR	2018 TEUR	2017 TEUR
<b>Key figures</b>					
<b>Profit/loss</b>					
Revenue	13,429,079	2,071,397	1,003,510	417,057	ND
Profit/loss before financial income and expenses	146,162	32,003	14,707	8,173	1,564
Net financials	-1,931	-252	-105	-258	-67
Net profit/loss for the year	112,371	24,754	11,367	6,171	1,166
<b>Balance sheet</b>					
Balance sheet total	264,194	84,447	34,950	28,952	7,410
Equity	117,666	43,572	21,818	10,451	4,280
<b>Cash flows</b>					
Cash flows from:					
- operating activities	83,290	11,017	10,742	-4,704	-3,292
- investing activities	-39	-22	0	-9	-39
including investment in property, plant and equipment	0	0	0	0	0
- financing activities	-17,192	2,445	1,794	0	3,114
Change in cash and cash equivalents for the year	66,059	13,440	12,536	-4,713	-217
Number of employees	89	60	36	18	4
<b>Ratios</b>					
Return on assets	55.3%	37.9%	42.1%	28.2%	21.1%
Solvency ratio	44.5%	51.6%	62.4%	36.1%	57.8%
Return on equity	139.4%	75.7%	70.5%	83.8%	54.5%

In connection with the change in reporting class from B to C the revenue has not been disclosed for 2017.



# Management's Review

**In 2021 InCommodities has grown its business in Europe and delivered a strong financial result, while navigating through the second year of the Covid-19 pandemic and global energy shortage. InCommodities generated EBIT of EUR 146.2 million in 2021.**

2021 has been a year characterized by multiple extreme situations and scenarios, that have impacted InCommodities. Heated macroeconomics environment on the back of the corona crisis and the associated stimulus, an energy crunch in Texas leaving millions without heat and electricity for days, and a global shortage of energy pushing prices across the globe to unprecedented levels. InCommodities has been able to navigate safely through a both exciting and challenging year.

## Goldman Sachs

In August 2021 the American investment bank, Goldman Sachs, acquired a minority stake in InCommodities.

Ed Emerson, Head of Global Commodities at Goldman Sachs said: "Well functioning liquid electricity markets are key to support the energy transition away from fossil fuels towards a more sustainable future with an energy supply based on renewables. As the installed capacity of weather dependent renewables grows, electricity markets are becoming increasingly complex. Technology and big data play an important role in managing associated risks and providing management solutions to renewable asset owners, renewable power consumers and other market participants alike. InCommodities has built and invested heavily in an energy trading platform that automates the value chain of data analytics, decision making algorithms, execution and settlement and we are excited to work with the company."

Jesper Johanson, CEO at InCommodities added: "This investment from Goldman Sachs is testament to the success of InCommodities and its growth since its founding four years ago. It is also a strong endorsement of our sharp focus on developing leading edge technology for the energy trading market. Driven by a continuation of this strategy, we expect to expand our presence across all major global markets as the energy markets of the future continue to see unprecedented investment and development. We are delighted GS will become a strategic investor as we continue to facilitate the road towards a sustainable energy supply through our ability to combine electricity, gas and emissions markets with technological solutions, AI and scalability."

## Record result

The core of InCommodities business is ability to predict changes in prices of energy by analyzing and modeling large amounts of data. That ability has been put to the test in 2021 and we have proven the strength of our platform. Through tens of thousands of trades every day InCommodities presents a record year with EBIT of EUR 146.2 million in 2021 and a year-on-year growth in EBIT of 357%.

# Management's Review

## Business model

The world is transitioning towards a cleaner and more sustainable energy supply. Europe is on the forefront both in renewable energy integration and implementation of an adequate market design to cope with unstable energy sources such as wind and solar power.

InCommodities is at the heart of the transition being available 24 hours a day and 7 days a week to take market risks, thus connecting buyers and sellers of power and gas in time and across regions.

InCommodities' business model is to turn data and knowledge into trading and asset optimization strategies. This is achieved by building a highly specialized, scalable, and agile operational platform with end-to-end automation – from analyzing vast amounts of data and automatic execution in markets, to risk management, settlement, and billing.

## Markets and Activities

In Europe, InCommodities is licensed to handle physical power in eleven countries and physical gas in nine countries. In addition, InCommodities can trade financial power and gas as members of the European Energy Exchange, the Intercontinental Exchange, and Nasdaq. Our activities include both trading, asset management and origination.

## UN Sustainability Goals

The UN has an ambition to provide affordable and clean energy to the world and one of the key elements is to substantially increase the share of renewable energy in the global energy mix. A key ingredient in the transition away from fossil fuel towards renewable energy is a well-functioning marketplace for buyers and sellers of renewable energy to balance their risks and a well-functioning market to provide investment signals to build the green energy infrastructure. InCommodities is supporting the transition towards cleaner energy as an innovator and liquidity provider in the energy markets. The business model used to achieve these ambitions can be found in the section Business model above.

# Management's Review

## Policies and Corporate Social Responsibility

InCommodities acknowledges our responsibility as a company both socially, environmentally and economically. We attempt to be responsible in all aspects while securing profitability and growth of the Company.

The total number of full-time employees by the end of 2021 was 108 and the majority were located in Aarhus.

The vast expansion has not changed the very short and clear decision process that exists at InCommodities. When the Company faces various issues or decisions, initiatives to address these can be implemented almost immediately.

The employee handbook, risk framework, IT policy, data policy and compliance framework describe the expectations for the general behavior within the Company, all of which has an impact on the topics mentioned here. The risks associated with the topics below have, in this respect, been assessed to be at a minimum level as stated in every section. Every topic will be mentioned and described and additional initiatives that might have an impact, but is not formalized through policies, will be briefly described.

### *Climate and environmental responsibility*

The business activities of the Company have very little risk of environmental impact as they are almost exclusively online. For that reason, there are no formal policies regarding climate and environmental behavior. When faced with situations where we could have an impact on the environment, we will implement such formal policies within a very short timeframe.

Examples of day-to-day initiatives which do not relate directly to business activities:

- Automatic lighting in all office areas to reduce power use.
- Water consumption is automated in most of the office spaces, which is a key factor in lowering water consumption.
- The Company chooses to support the cafeteria provided at our locations, which offers organic food.
- Sorting of bottles with deposit, for plastic and glass containers to be recycled.

### *Human rights*

InCommodities assesses the risk of violating any human rights in connection with our business activities at a minimum. The foundation of this assessment can be found in the fact that we primarily cooperate with business partners in the EU and US, who are in a knowledge-heavy and high-margin, profitable industry. While this cannot rule out any risk completely, no reason to investigate further has been found. Should the suspicion of wrongdoing be brought to our attention, we would investigate further. For this reason, we have no formal policies to sustain the right behavior in connection with these as human rights issues are regulated by the authorities in the industry as well as by Danish and EU legislation.

# Management's Review

## *Anti-corruption*

InCommodities always complies with current legislation and guidelines regarding anti-corruption. InCommodities has a limited amount of business partners and follows a structured KYC process. It is the Company's assessment that the risk of the Company being involved in corruption, via the business activities with our business partners, is at a minimum. All employees who have direct or indirect impact on our primary business activities are obliged to attend compliance courses held by our Head of Compliance or external experts. Because of the minimal risk and the locally legislated area, InCommodities merely has a relatively simple formal policy covering the area of anti-corruption, in essence prohibiting any employee from receiving personal gifts of any kind, and any gifts received are handed to management, who ensure distribution of the gifts we receive, throughout the year, across the company. This policy can be found in our employee handbook. Which is available to all employees, and the contents are presented to new employees as part of their onboarding. As a result, over 30 gifts have been redistributed in 2021.

## *Staff conditions*

At InCommodities, we aim to give our employees the best options for a healthy work environment. This applies to both physical and mental health as well as the opportunities to develop the employee and managerial competencies in the Company. The greatest asset of the Company is its employees and their knowledge. Therefore, the loss of employees is a risk with a considerable impact. InCommodities aims to be fully compliant with the employee conditions and human rights and standards of a healthy work environment. During a visit in 2021, the Danish work environment authorities (Arbejdstilsynet) awarded InCommodities the highest rating and had no improvement points to report. This is in large part based on a process of constantly working with feedback. In 2022 we intend to continue the work already started and will implement e-learning to raise awareness of the offerings available to the employee, increasing their trust in their ability to act meaningfully as agents of the company. We will also focus on psychological safety and based on biweekly questionnaires create a workplace with conditions where it is safe to try new things. We will work with conflict resolution, with the intent of minimizing the psychological impact of the competing priorities, creating a company that focuses on challenges and their solutions rather than the people that bring them to the surface.

For 2021, different initiatives to ensure good staff conditions have been relevant for the Company. These are listed below:

- Healthy food options at the office are always available and every employee gets their own BPA free bottle to urge drinking more water during the workday.
- Every employee can use the fitness facilities located in the office basement. InCommodities will on a frequent basis arrange physical activities for its employees.
- To prevent workplace injuries from extensive desk work, InCommodities provides weekly access to a physiotherapist during work hours for those experiencing problems related to sedentary work.
- The mental work environment and general satisfaction at InCommodities are always in focus and during 2020 a strong focus has been on feedback and our external engagement measurement system.

## Management's Review

Every second week, employees answer an engagement questionnaire. The engagement score has been stable over the last year at around 8.9 out of 10, indicating that employee engagement is in the top 10% of the companies using the same software.

- InCommodities has at least one employee event every month in order to create better working relationships and stronger ties both within and across departments.
- The level of sickness absence at the Company is in the low range and mostly caused by children's sick days. The total number of registered sick days in 2021 is 220, which is an increase of approximately 60% in the number of sick days per employee. 24 percent of all sick days took place in September, we have been unable to find a reason for this anomaly. In spite of all of these factors, the 0.8 percent absence in InCommodities remains below the national average of approximately 3 percent.
- Employee and managerial development are part of a healthy work environment where all employees feel motivated and valued. Making sure managers and employees have the right skillset to succeed in their roles is a continuous focus of the Company and regular 1:1 meetings between team leader and team member are the foundation to make sure that the individual development and satisfaction of the team are always on the agenda.

### Statement on gender composition

#### *Equality*

All employees, current and future, are treated equally. Applicants are treated based on their competences and InCommodities does not ask applicants to inform us of their gender or age in our recruitment system to ensure no discriminating actions in the selection process happen. Further, InCommodities does not discriminate on nationality, religion, sexual orientation, or political beliefs in any way.

It is InCommodities' goal to create a workplace where both genders are equally likely to thrive and be successful in their jobs. This has its roots in one of our core values 'transparency', where all actions to hire, promote, or dismiss are based on data. We do not actively benchmark against the industry as the demography is highly dependent on company structure and InCommodities does not necessarily compare, like for like, to other companies in the sector. We are focused on promoting jobs at InCommodities which are equally attractive to both genders.

For 2021, the distribution between men and women on the Board of Directors has been 6 to 0. There have been no replacements on the Board of Directors during the year as the majority of the board members are owners of the Company, and it is currently not prudent for the owners to hand over their seats on the board.

InCommodities has a target of having one female board member by 2024, who will be elected on the same basis as other board members and evaluated on competences and relevant experience.

Regarding the rest of the Management of the Company, we have during 2020 promoted one woman to a managerial position, however in 2021 this was not relevant, and with an increase in the number male

## Management's Review

managers, this leaves the share of women in the Management equal to 9,5%. We find this to be a fair representation of women in the Company, as the total percentage of women employed is equal to 9,3%. It is the Company's goal to have 15% women in the Management by 2024. Initiatives and information regarding an increase in the underrepresented gender can be found in our current policy.

### Data ethics policy

At InCommodities our data can fundamentally be split into two categories.

1. Market data
2. Personal data

Market data is treated as available to all that are willing to obtain it, this can be done through purchasing or mining the data. With regards to market data, our business model relies on getting the best quality of data to inform our decisions. Any edge or any business model must be built on the assumption that your data outperform the competition. However, we do not, nor would we allow any data to be obtained illegally. Neither do we nor would we allow any employee to transmit data with the intent to deceive or manipulate another market participant. It is InCommodities' view that the rules governing our trading activities restrict behavior of our employees adequately to not require additional policies on market data

With regards to personal data, we assume the opposite approach. We will only collect personal data if it is absolutely necessary. This includes applicants, employees, and business partners. Our employees are taught through their onboarding to not share personal data with other persons internally or externally. We teach our employees to ask permission at the source rather than sharing without permission. Typically, such a request is handled by HR, who are trained in the legal framework surrounding personal data. In addition to this the policies and procedures related to GDPR are adhered to at any time. An increased awareness of and knowledge of GDPR will be part of the plan for e-learning in 2022.

### Risks

#### *External risks*

As a natural consequence of InCommodities' business, the Company is exposed to a range of different external risks. The main risk categories are market risk, liquidity risk, compliance risk and credit risk.

These risks, among others, are actively managed by the Company's risk team and governed by InCommodities' Risk Framework approved by the Board of Directors.

# Management's Review

## *Internal risks*

The greatest asset of the Company is its employees and their knowledge. Therefore, the loss of employees is a risk with a considerable impact. InCommodities aims to be fully compliant with the employee conditions and human rights and standards of a healthy work environment. IT is a core factor of InCommodities' business model and as an energy trader, InCommodities is dependent on reliable IT systems. Both software and hardware must run smoothly for the business to do the same and are an operational risk for the Company. InCommodities' IT and Personal Data Policy covers all aspects in order to ensure secure IT behavior.

## **Covid-19 impacts and initiatives**

During 2021 it has been a great focus for the company to create a good working environment and maintain employee satisfaction while being respectful of Covid-19 and associated health risks. Based on anonymous polls we conclude that we have succeeded in our efforts, with a percentage of infected below country averages. By providing the flexibility to work from home when employees have been in close contact with an infected, and through frequent testing at the office, we have avoided even a single case of an employee being infected in the office in 2021. For the above-mentioned reasons, we have been able to keep the office open throughout 2021. In conclusion Covid-19 has impacted InCommodities in the form of extra considerations, but the business impact has been low.

## **Outlook for the future**

InCommodities expects to expand its business further in 2022 through scaling of current activities and increasing in geographic presence as the Company continues its journey to become a leading global energy trader. Earnings before tax is expected in the range of EUR 55-115 million. InCommodities expects to maintain a high level of engaged employees, since engagement remains a strategic priority and a competitive edge. InCommodities expects to maintain a competitive edge through optimal utilization of our resources, especially our workforce.

## Income Statement 1 January - 31 December

	Note	2021 TEUR	2020 TEUR
<b>Revenue</b>	1	<b>13,429,079</b>	<b>2,071,397</b>
Other operating income		1,893	597
Cost of sales		-13,250,281	-2,027,072
Other external expenses		-3,872	-2,275
<b>Gross profit/loss</b>		<b>176,819</b>	<b>42,647</b>
Staff expenses	2	-30,657	-10,644
<b>Profit before financial income and expenses</b>		<b>146,162</b>	<b>32,003</b>
Financial income	3	1,687	676
Financial expenses	4	-3,618	-928
<b>Profit before tax</b>		<b>144,231</b>	<b>31,751</b>
Tax on profit/loss for the year	5	-31,860	-6,997
<b>Net profit/loss for the year</b>		<b>112,371</b>	<b>24,754</b>



# Balance Sheet 31 December

## Assets

	Note	2021 TEUR	2020 TEUR
Deposits		109	70
<b>Fixed asset investments</b>	6	<b>109</b>	<b>70</b>
<b>Fixed assets</b>		<b>109</b>	<b>70</b>
<b>Inventories</b>		<b>44,021</b>	<b>11,389</b>
Trade receivables		81,222	28,661
Receivables from group enterprises		5,274	3,379
Other receivables	10	46,465	8,115
Prepayments	7	0	9
<b>Receivables</b>		<b>132,961</b>	<b>40,164</b>
<b>Cash at bank and in hand</b>		<b>87,103</b>	<b>32,824</b>
<b>Currents assets</b>		<b>264,085</b>	<b>84,377</b>
<b>Assets</b>		<b>264,194</b>	<b>84,447</b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	2021 TEUR	2020 TEUR
Share capital		3,114	3,114
Retained earnings		114,552	40,458
<b>Equity</b>		<b>117,666</b>	<b>43,572</b>
Credit institutions		5,180	672
Other payables		21,258	0
<b>Long-term debt</b>	9	<b>26,438</b>	<b>672</b>
Credit institutions	9	2,109	18,347
Trade payables		44,749	4,194
Corporation tax		31,910	2,989
Other payables	9,10	41,322	14,673
<b>Short-term debt</b>		<b>120,090</b>	<b>40,203</b>
<b>Debt</b>		<b>146,528</b>	<b>40,875</b>
<b>Liabilities and equity</b>		<b>264,194</b>	<b>84,447</b>
Distribution of profit	8		
Contingent assets, liabilities and other financial obligations	13		
Related parties	14		
Fee to auditors appointed at the general meeting	15		
Subsequent events	16		
Accounting Policies	17		

## Statement of Changes in Equity

	Share capital TEUR	Retained earnings TEUR	Total TEUR
<b>2021</b>			
Equity at 1 January	3,114	40,458	43,572
Extraordinary dividend paid	0	-38,277	-38,277
Net profit/loss for the year	0	112,371	112,371
<b>Equity at 31 December</b>	<b>3,114</b>	<b>114,552</b>	<b>117,666</b>
<b>2020</b>			
Equity 1. januar	3,114	18,704	21,818
Extraordinary dividend paid	0	-3,000	-3,000
Net profit/loss for the year	0	24,754	24,754
<b>Equity at 31 December</b>	<b>3,114</b>	<b>40,458</b>	<b>43,572</b>

## Cash Flow Statement 1 January - 31 December

	Note	2021 TEUR	2020 TEUR
Net profit/loss for the year		112,371	24,754
Adjustments	11	33,791	7,249
Change in working capital	12	-58,002	-13,573
<b>Cash flows from operating activities before financial income and expenses</b>		<b>88,160</b>	<b>18,430</b>
Financial income		1,687	676
Financial expenses		-3,619	-928
<b>Cash flows from ordinary activities</b>		<b>86,228</b>	<b>18,178</b>
Corporation tax paid		-2,938	-7,161
<b>Cash flows from operating activities</b>		<b>83,290</b>	<b>11,017</b>
Fixed asset investments made etc		-39	-22
<b>Cash flows from investing activities</b>		<b>-39</b>	<b>-22</b>
Repayment of payables to group enterprises		0	-1,794
Change of loans from credit institutions		50	7,239
Raising of other long-term debt		21,035	0
Dividend paid		-38,277	-3,000
<b>Cash flows from financing activities</b>		<b>-17,192</b>	<b>2,445</b>
<b>Change in cash and cash equivalents</b>		<b>66,059</b>	<b>13,440</b>
Cash and cash equivalents at 1 January		21,044	7,604
<b>Cash and cash equivalents at 31 December</b>		<b>87,103</b>	<b>21,044</b>
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		87,103	32,824
Overdraft facility		0	-11,780
<b>Cash and cash equivalents at 31 December</b>		<b>87,103</b>	<b>21,044</b>

# Notes to the Financial Statements

	2021	2020
	TEUR	TEUR
<b>1 Revenue</b>		
<b>Business segments</b>		
Gas trade	8,818,304	1,146,316
Power trade	4,610,775	925,081
	<b>13,429,079</b>	<b>2,071,397</b>

Due to competitive considerations, turnover in geographical areas is not disclosed, in accordance with section 96 (1) of the Danish Financial Statement Act.

<b>2 Staff expenses</b>		
Wages and salaries	29,407	10,015
Pensions	366	219
Other social security expenses	70	22
Other staff expenses	814	388
	<b>30,657</b>	<b>10,644</b>
<b>Including remuneration to the Executive Board</b>		<b>217</b>
<b>Average number of employees</b>	<b>89</b>	<b>60</b>

Remuneration to the Executive Board has not been disclosed for 2021 in accordance with section 98 B(3) of the Danish Financial Statements Act.

<b>3 Financial income</b>		
Interest received from group enterprises	333	83
Other financial income	1,354	593
	<b>1,687</b>	<b>676</b>

## Notes to the Financial Statements

	2021 <u>TEUR</u>	2020 <u>TEUR</u>
<b>4 Financial expenses</b>		
Interest paid to group enterprises	0	5
Other financial expenses	3,618	923
	<u><b>3,618</b></u>	<u><b>928</b></u>

### 5 Tax on profit/loss for the year

Current tax for the year	31,910	6,997
Adjustment of tax concerning previous years	-50	0
	<u><b>31,860</b></u>	<u><b>6,997</b></u>

### 6 Fixed asset investments

	<u>Deposits</u> <u>TEUR</u>
Cost at 1 January	70
Additions for the year	39
Cost at 31 December	<u>109</u>
<b>Carrying amount at 31 December</b>	<u><b>109</b></u>

### 7 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest as well.

	2021 <u>TEUR</u>	2020 <u>TEUR</u>
<b>8 Distribution of profit</b>		
Extraordinary dividend paid	38,277	3,000
Retained earnings	74,094	21,754
	<u><b>112,371</b></u>	<u><b>24,754</b></u>

# Notes to the Financial Statements

## 9 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	<u>2021</u> TEUR	<u>2020</u> TEUR
<b>Credit institutions</b>		
After 5 years	0	672
Between 1 and 5 years	5,180	0
Long-term part	<u>5,180</u>	<u>672</u>
Other short-term debt to credit institutions	<u>2,109</u>	<u>18,347</u>
	<b><u>7,289</u></b>	<b><u>19,019</u></b>
<b>Other payables</b>		
Between 1 and 5 years	<u>21,258</u>	<u>0</u>
Long-term part	<u>21,258</u>	<u>0</u>
Other short-term payables	<u>41,322</u>	<u>14,673</u>
	<b><u>62,580</u></b>	<b><u>14,673</u></b>

# Notes to the Financial Statements

## 10 Derivative financial instruments

Derivative financial instruments contracts in the form of options and futures have been concluded. At the balance sheet date, the fair value of derivative financial instruments amounts to:

	<u>2021</u> TEUR	<u>2020</u> TEUR
Assets	64,092	9,911
Liabilities	40,296	8,534

The contracts consist of the transmission rights to transfer power and gas between two areas as well as futures on delivery of power and gas in specific areas. The contracts are traded in regulated European markets. Under the contracts, a compensation from the facilitator is received either on a daily or monthly basis in order to settle the contracts. Total assets amount to TEUR 64,092 of which TEUR 15,278 is settled as cash at bank.

The Company's accounts in Mark-to-Market value are as follows at 31 December 2021:

<u>Mark-to-Market payment/maturity</u>	<u>Receivable</u>	<u>Payable</u>	<u>Net position</u>
Futures (Power)			
0-36 months	47,572	-19,851	27,721
Futures (Gas)			
0-36 months	3,764	-20,173	-16,409
Capacities (Power)			
0-12 months	12,392	0	12,392
Capacities (Gas)			
0-12 months	364	0	364
Options (Gas)			
0-12 months	0	-272	-272
	<u>64,092</u>	<u>-40,296</u>	<u>23,796</u>



# Notes to the Financial Statements

	2021 TEUR	2020 TEUR
<b>11 Cash flow statement - adjustments</b>		
Financial income	-1,687	-676
Financial expenses	3,618	928
Tax on profit/loss for the year	31,860	6,997
	<b>33,791</b>	<b>7,249</b>
	2021 TEUR	2020 TEUR
<b>12 Cash flow statement - change in working capital</b>		
Change in inventories	-32,632	-6,121
Change in receivables	-92,797	-19,913
Change in trade payables, etc.	67,427	12,461
	<b>-58,002</b>	<b>-13,573</b>
<b>13 Contingent assets, liabilities and other financial obligations</b>		
<b>Charges and security</b>		
The following assets have been placed as security with bankers:		
Liquid funds of	70,366	25,189
The following assets have been placed as security with counterparties:		
Liquid funds of	0	110
<b>Rent and lease obligations</b>		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	460	302
Between 1 and 5 years	974	376
	<b>1,434</b>	<b>678</b>
<b>Guarantee obligations</b>		
The Company has placed payment guarantees to counterparties of	107,545	15,491

# Notes to the Financial Statements

## 13 Contingent assets, liabilities and other financial obligations (continued)

### Other contingent liabilities

As a part of the main activities the Company has entered into contracts with counterparties whereof contractual commitments amount to TEUR 73.263 (2020: TEUR 34.533). All contracts run between 0-36 months (2020: 0-36 months).

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc. of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Incomas Holding ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

## 14 Related parties

### Basis

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#### Controlling interest

Incomas Holding ApS

Parent Company

#### Other related parties

Other related parties in the period 1 January 2021 to 31 December 2021 comprise the management of Incomas Holding ApS as well as the Board of Directors and Executive Board of the Company, together with their immediate families. Furthermore, related parties include companies in which Incomas Holding ApS and the aforementioned individuals have significant influence or control.

#### Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act. The Company has no transactions to report.

# Notes to the Financial Statements

## 14 Related parties (continued)

### Consolidated Financial Statements

The Company is included in the group report for the parent company

Name	Place of registered office
Incomas Holding ApS, CVR. 38 38 10 83	Aarhus

## 15 Fee to auditors appointed at the general meeting

Fee to auditors appointed at the general meeting has not been disclosed in accordance with section 96(3) of the Danish Financial Statements Act.

## 16 Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

# Notes to the Financial Statements

## 17 Accounting Policies

The Annual Report of In Commodities A/S for 2021 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 last year.

The Financial Statements for 2021 are presented in TEUR.

### Recognition and measurement

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.

### 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.

# Notes to the Financial Statements

## 17 Accounting Policies (continued)

### Translation policies

Euro is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences 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. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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 rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

### 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 which are not settled at year end are classified as "Other receivables" and "Other payables", respectively. The fair values of derivative financial instruments which are settled at year end are classified as "Cash at bank" and "Credit institutions", 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 hedges comprise binding contracts concerning the delivery of power and gas at a fixed price. 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.

# Notes to the Financial Statements

## 17 Accounting Policies (continued)

Changes in the fair values of derivative 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.

### Revenue

Information on business segments and geographical segments based on the Company's risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

## Income Statement

### Revenue

Revenue from the sale of power, gas, certificates and related services is recognised in the income statement when the sale is considered effected based on the following criteria:

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

Revenue is measured at the fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

### Cost of sales

Cost of sales includes the purchase of power, gas, and certificates for resale and transportation thereof incurred to achieve revenue for the year. Furthermore, cost of sales includes changes in the fair values of derivative financial instruments.

### Other external expenses

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

### Staff expenses

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

# Notes to the Financial Statements

## 17 Accounting Policies (continued)

### Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

### Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in 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.

The Company is jointly taxed with Incomas Holding ApS. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

## Balance Sheet

### Fixed asset investments

Fixed asset investments consist of deposits from leasehold.

### Inventories

The cost of goods for resale equals the cost of acquisition. Inventories comprise gas inventory.

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories 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 selling price.

### 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, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

# Notes to the Financial Statements

## 17 Accounting Policies (continued)

### Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

### Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets 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 within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

### Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

### Financial debts

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

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



# Notes to the Financial Statements

## 17 Accounting Policies (continued)

### Cash Flow Statement

The cash flow statement shows the Company'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 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 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 "Overdraft facilities".

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

### Financial Highlights

#### Explanation of financial ratios

Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$

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