

Hartree Partners (UK) Limited
Annual report and financial statements
Year ended 31 December 2019

Registered number: 03446989

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Hartree Partners (UK) Limited

Registered number: 03446989

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Hartree Partners (UK) Limited

Registered number: 03446989

COMPANY INFORMATION

Directors

Stephen M. Hendel
Stephen M. Semlitz
Jonathan O'Neill
Heiko Voelker
Jonathan G. Merison

Company Secretary

Breams Secretaries Limited

Solicitors

Wedlake Bell LLP
71 Queen Victoria Street
London EC4V 4AY

Finance Officer

Daniel Devine

Compliance Officer

Gavin Hunter

Registered Office

2nd Floor, Cardinal Place
100 Victoria Street
London, SW1E 5JL

Bankers

Bank of America N.A., UK
2 King Edward Street
London, EC1A 1HQ

Auditor

Ernst & Young LLP
1 More London Place
London SE1 2AF

Principal Shareholder

Hartree Partners, LP
1185 Avenue of the Americas
New York, New York 10036

Hartree Partners (UK) Limited

Registered number: 03446989

STRATEGIC REPORT

The Directors present their Strategic report for the year ended 31 December 2019.

Principal Activities and Review of Business

Hartree Partners (UK) Limited (“Hartree UK” or the “Parent Company”) and its subsidiary (together the “Group”) engage in proprietary trading in physical commodities, including crude oil, petroleum products, base metals, soft and agricultural commodities and carry on the business of suppliers, distributors and dealers of such commodities. The Group also acts as agent to certain derivative transactions for Hartree Partners LP (“Hartree” or the “Parent”). Hartree assumes all risks related to derivative trades entered by the Group as principal or agent. The Group enters into forward physical derivatives that do not constitute Financial Instruments under the Markets in Financial Instruments Directive. These forward physical derivatives as well as stock are accounted on a back to back basis with the Parent. The Group’s immediate and ultimate parent undertaking is Hartree. Its registered office is 1209 Orange Street, Wilmington, Delaware, 19801, United States.

Key Financial Performance Indicators

	2019 US\$000	2018 US\$000	Change %
Turnover	50,023	35,182	42%
Profit before tax	12,633	4,770	165%
Profit after tax	10,754	3,249	231%

The Group operates as part of the global trading strategy in conjunction with the Parent. The Group earns turnover based on the global trading activity of Hartree entities and is allocated a portion of the global income. The tax credit or charge is calculated by the Group in a manner consistent with the methodology used in the application of the expired bilateral Advance Pricing Agreement (the “APA”) which is subject to renewal. Turnover, profit before tax and profit after tax increased in 2019 due to increase in the trading results compared to 2018.

Principal Risks, and Uncertainties

In the ordinary course of business, the Group acts as agent for the Parent and enters into transactions as principal with third parties. As the Parent assumes all risk when the Group is acting as an agent or principal, the Parent will manage the Group’s principal risk. The Parent manages a variety of risks, including market risk, credit risk, compliance risk, liquidity risk, and operational risk. The Parent identifies measures, manages, and monitors risk through various control mechanisms. Market risk, credit risk, compliance risk, liquidity risk, and operational risk controls are monitored on a daily basis to the Chief Risk Officer (“CRO”), business units, and senior management.

Market risk controls include but are not limited to volumetric, term, stop limit, and value at risk limits. Credit risk controls include but are not limited to exposure limits, volume limits, tenor limits, and margining thresholds. Compliance risk controls include but are not limited to position and concentration limits, exchange limits, and daily monitoring of prohibited jurisdiction and counterparty lists. Market risk is the risk of potential adverse changes to the value of trading instrument because of changes in market conditions, such as volatility in commodity prices, equity market, interest rates, foreign exchange and degree days. The Parent manages its exposure to market risk through the use of risk management strategies and various analytical monitoring techniques that evaluate the effect of various market conditions on derivatives, and stock positions.

Hartree Partners (UK) Limited

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STRATEGIC REPORT (continued)

Principal Risks, and Uncertainties (continued)

The Parent reviews the collectability of receivables on a daily basis. The Group believes that the credit risk inherent in the ultimate settlement of the transactions outstanding at year end will not have a material effect on the Group's financial condition.

Since the start of January 2020, the Group had to consider the risks due to the evolving situation of the global pandemic. The Group's business model is based on trading activities which, at present, remain unaffected by the current COVID-19 pandemic. The traders have moved to remote working and all operations are running as usual. Management does not believe there is a material adverse financial impact on the assets and liabilities or the 2020 results to date; however, at this stage, we cannot predict with any great degree of confidence the longer term impact on the operating results of the Group as a result of this non-adjusting subsequent event.

For and on behalf of the Board



Stephen M. Semlitz
Director
17 July 2020

Hartree Partners (UK) Limited

Registered number: 03446989

DIRECTORS' REPORT

The Directors submit their report for the year ended 31 December 2019.

Dividends

The Directors have chosen to pay dividends in 2019 of US\$20 million (2018: US\$0).

Section 172 of the Companies Act 2006

In accordance with Section 172 of the Companies Act 2006, the Directors of the Group have acted in a way they consider to be in good faith and would be most likely to promote the success of the Group for the benefit of its members as a whole. In doing so they have regard to the factors noted below:

- The likely consequences of any decision in the long term;
- The need to foster the group's business relationships with suppliers, customers and others;
- The impact of the group's operations on the community and the environment;
- The desirability of the group maintaining a reputation for high standards of business conduct; and;
- The need to act fairly as between members of the group

The Group's business model and strategy is designed to have a long-term, beneficial impact on the Group's success by engaging in a diversified mix of proprietary trading, including renewables and clean energy. Directors consider and respond to market changes and opportunities to build upon and expand the established activities of the Group. The Group aims to act responsibly and fairly and directors, together with management, engage with its regulators, counterparties and suppliers. Directors are regularly updated on developments in market regulations which allows them to make informed decisions. Directors and management operate the business in a responsible manner by maintaining high standards of business conduct and considering all members of the Group equally and fairly.

Financial Instruments

The Group trades as agent for its Parent. From time to time, the Group also enters into transactions as principal with third parties. The Parent assumes all risks relating to derivative trades entered by the Group as principal or agent. All of the Group's derivative transactions as well as stock transactions as principal are offset with the Parent. The Parent is exposed in the normal course of its business to commodity price risks primarily related to crude oil, petroleum products, base metals, soft and agricultural commodities, shipping, foreign currency and interest rates.

The Parent has formulated credit review policies to control credit risk by following an established credit approval process, daily monitoring of net exposure to individual counterparties, requiring additional collateral where appropriate, and using master netting agreements whenever possible.

Liquidity risk arises in the general funding of the Group's trading activities. It includes the risks of not being able to fund trading activities at settlement dates and liquidate positions in a timely manner at a reasonable price. The Parent manages its liquidity risk by performing cash forecasts by calculating long-term forward position exposures and assessing future trading strategies based on any capital constraints.

Operational risk is the potential for loss caused by a deficiency in information gathering, transaction processing, settlement processing, or accounting systems. The Parent maintains controls that include systems and procedures to record and reconcile transactions and positions, and to procure necessary documentation for its trading activities.

Hartree Partners (UK) Limited

Registered number: 03446989

DIRECTORS' REPORT (continued)

Going Concern

The Group's immediate parent undertaking is Hartree. In February 2015, Hartree entered into borrowing base revolving credit facility with a bank group. In February 2019, Hartree amended and restated the bank facility to extend the borrowing base revolving credit facility (the "ABL Bank Facility").

In concluding that the ABL Bank Facility will continue to be available for at least 12 months from the date of approval of these financial statements the Directors of Hartree monitor compliance with the covenant tests on a monthly basis. The 3 covenant tests require maintenance of a maximum leverage ratio and minimum net working capital and minimum tangible net worth. The headroom against each of the covenant tests is such that the Directors remain confident that even under a significant deterioration in trading activity, they expect the Hartree to maintain compliance with the covenants.

The Group maintains a small cash balance day to day and is funded mainly through intercompany payables and reliant on recovering the intercompany receivables from Hartree. The Group also has access to funding from Hartree under a parent support letter issued by Hartree to the Group.

Hartree has access to undrawn committed facilities of US\$369 million as of 31 May 2020.

Hartree does not forecast trading results as market conditions change rapidly. In the event Hartree needs to raise more cash liquidity and free up equity capital to meet obligations, including its covenant tests, they will focus on accelerating the sale of Readily Marketable Inventories.

Hartree has generated significant profits to date in 2020. The Directors have considered a reverse stress test scenario where no further trading is entered into for the period until 31 December 2022. Under this scenario, Hartree has sufficient cash and committed facilities to meet its liabilities as they fall due and comply with its covenant tests for the period to 31 December 2022 before implementing controllable mitigating actions.

On the basis of the above analysis the Directors of the Group, who are also the Directors of Hartree, have concluded that it is appropriate for the going concern assumption to be applied in these financial statements.

Subsequent Events

Since the start of January 2020, the outbreak of COVID-19, which is a rapidly evolving situation, has adversely impacted global commercial activities. The rapid development and fluidity of this situation precludes any prediction as to its ultimate impact, which may have a continued adverse impact on global economic and market conditions and trigger a period of global economic slowdown.

Management considers this to be a non-adjusting subsequent event. While the commodities markets have become more volatile, to date, the Group continues to operate normally. The Group's business model is based on trading activities which, at present, remain unaffected by the current COVID-19 pandemic. The traders have moved to remote working and all operations are running as usual. The Directors of the Group believe there is no material adverse financial impact on the Group's assets and liabilities or the 2020 results to date, however, at this stage, we cannot predict with any great degree of confidence the longer term impact on the operating results of the Group as a result of the COVID-19 pandemic.

Hartree Partners (UK) Limited

Registered number: 03446989

DIRECTORS' REPORT (continued)

Subsequent Events (continued)

In 2020, Hartree and Hartree UK entered into a US\$100 million uncommitted secured revolving credit facility.

Directors

The Directors who served during the year and up to the date of this report unless otherwise noted, were as follows:

Stephen M. Hendel
Stephen M. Semlitz
Jonathan O'Neill
Heiko Voelker
Jonathan G. Merison

Disclosure of Information to the Auditor

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Directors and the Group's auditor, each Director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

For and on behalf of the Board



Stephen M. Semlitz

Director

17 July 2020

Hartree Partners (UK) Limited

Registered number: 03446989

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and the Parent Company financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), comprising Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102").

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Parent Company and the profit or loss for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Parent Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Parent Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Parent Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Hartree Partners (UK) Limited

Registered number: 03446989

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARTREE PARTNERS (UK) LIMITED

Opinion

We have audited the financial statements of Hartree Partners (UK) Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019, which comprise the Consolidated Profit and Loss Account, the Consolidated and Parent Company Balance Sheet, the Consolidated and Parent Company Statement of Changes in Equity, the Consolidated Cash Flow Statement and the related notes 1 to 20, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the group's and of the parent company's affairs as at 31 December 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Emphasis of matter – Effects of COVID-19

We draw attention to Note 20 of the financial statements, which describes the impact of the increase in market volatility on the operations and results of the group and parent company. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorized for issue.

Hartree Partners (UK) Limited

Registered number: 03446989

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARTREE PARTNERS (UK) LIMITED (CONTINUED)

Other information

The other information comprises the information included in the annual report set out on page 3 to 9, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Hartree Partners (UK) Limited

Registered number: 03446989

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARTREE PARTNERS (UK) LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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, the directors are 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 the directors either intend to liquidate the group or the parent company or to cease operations, or have 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 (UK) 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Jacqueline Ann Geary (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
17 July 2020

Hartree Partners (UK) Limited

Registered number: 03446989

Consolidated Profit and Loss Account

For the year ended 31 December 2019

(Expressed in U.S. Dollars)

Group	Notes	2019 US\$000	2018 US\$000
Turnover	4	50,023	35,182
Administration expenses		(33,004)	(26,469)
Profit before interest and taxation	5	17,019	8,713
Interest income		467	596
Interest expense		(4,853)	(4,539)
Profit before taxation		12,633	4,770
Tax charge	7	(1,879)	(1,521)
Profit for the financial year		10,754	3,249

The above result for the year is derived from continuing activities of the Group.

The Group has no other comprehensive income for the current and preceding financial year.
Therefore no separate statement of comprehensive income has been presented.

Hartree Partners (UK) Limited

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Consolidated Balance Sheet

At 31 December 2019

(Expressed in U.S. Dollars)

Group	Notes	2019 US\$000	2018 US\$000
Fixed assets			
Tangible fixed assets	8	502	640
Investment in joint venture	9	-	615
Current assets			
Stocks	11	364,580	98,989
Derivative assets		21,826	5,439
Product financing loan receivable		33,010	-
Debtors – <i>amounts falling due</i>			
<i>Within one year</i>	12	290,324	181,590
<i>After one year</i>	12	5,728	6,328
Cash at bank and in hand		6,292	4,430
Total current assets		721,760	296,776
Derivative liabilities		(22,761)	(1,421)
Product financing loan payable		(336,661)	(86,386)
Creditors – <i>amounts falling due within one year</i>	13	(349,104)	(187,156)
Total current liabilities		(708,526)	(274,963)
Net current assets		13,234	21,813
Total assets less current liabilities		13,736	23,068
Creditors – <i>amounts falling due over one year</i>	13	(546)	(632)
Net assets		13,190	22,436
Capital and reserves			
Called up share capital	15	329	329
Profit and loss account		12,861	22,107
Shareholder's funds - Equity		13,190	22,436

The financial statements were approved by the board of directors on 17 July 2020 and were signed on its behalf by:


 Stephen M. Semlitz
 Director
 17 July 2020

Hartree Partners (UK) Limited

Registered number: 03446989

Parent Company Balance Sheet

At 31 December 2019

(Expressed in U.S. Dollars)

Hartree UK		2019	2018
	Notes	US\$000	US\$000
Fixed assets			
Tangible fixed assets	8	502	640
Investment in joint venture	9	-	615
Investment in subsidiary undertakings	10	28	-
Current assets			
Stocks	11	364,580	98,989
Derivative assets		21,826	5,439
Product financing loan receivable		33,010	-
Debtors – <i>amounts falling due</i>			
<i>Within one year</i>	12	287,468	181,590
<i>After one year</i>	12	5,728	6,328
Cash at bank and in hand		5,027	4,430
Total current assets		717,639	296,776
Derivative liabilities		(22,761)	(1,421)
Product financing loan payable		(336,661)	(86,386)
Creditors – <i>amounts falling due within one year</i>	13	(344,568)	(187,156)
Total current liabilities		(703,990)	(274,963)
Net current assets		13,649	21,813
Total assets less current liabilities		14,179	23,068
Creditors – <i>amounts falling due over one year</i>	13	(546)	(632)
Net assets		13,633	22,436
Capital and reserves			
Called up share capital	15	329	329
Profit and loss for the year		11,197	3,249
Profit and loss account brought forward less dividends		2,107	18,858
Shareholder's funds - Equity		13,633	22,436

Hartree Partners (UK) Limited

Registered number: 03446989

Consolidated Statement of Changes in Equity

At 31 December 2019

(Expressed in U.S. Dollars)

Group	Called up Share Capital US\$000	Profit & Loss Account US\$000	Total Equity US\$000
At 1 January 2018	329	18,858	19,187
Profit for the year, representing total comprehensive income	-	3,249	3,249
At 31 December 2018	329	22,107	22,436
Profit for the year, representing total comprehensive income	-	10,754	10,754
Dividend distribution	-	(20,000)	(20,000)
At 31 December 2019	329	12,861	13,190

Parent Company Statement of Changes in Equity

At 31 December 2019

(Expressed in U.S. Dollars)

Hartree UK	Called up Share Capital US\$000	Profit & Loss Account US\$000	Total Equity US\$000
At 1 January 2018	329	18,858	19,187
Profit for the year, representing total comprehensive income	-	3,249	3,249
At 31 December 2018	329	22,107	22,436
Profit for the year, representing total comprehensive income	-	11,197	11,197
Dividend distribution	-	(20,000)	(20,000)
At 31 December 2019	329	13,304	13,633

Hartree Partners (UK) Limited

Registered number: 03446989

Consolidated Cash Flow Statement

At 31 December 2019

(Expressed in U.S. Dollars)

Group	Notes	2019	2018
		US\$000	US\$000
Profit before taxation		12,633	4,770
Adjustments to reconcile profit to net cash (outflow)/ inflow from operating activities			
Depreciation of tangible fixed assets	8	348	374
Interest income		(467)	(596)
Interest expense		4,853	4,539
Change in stocks	11	(265,591)	425,326
Change in derivative assets		(16,387)	95,622
Change in derivative liabilities		21,340	(97,849)
Change in due from/to Hartree and affiliates	12/13	(13,366)	(105,360)
Change in trade receivables	12	(122,904)	(72,226)
Change in other receivables and prepayments	12	67	808
Change in trade payables	13	96,623	83,829
Tax payments		(70)	-
Change in accruals and other liabilities	13	5,979	(2,977)
		(276,942)	336,260
Interest received		286	112
Interest paid		(4,853)	(4,539)
Net cash (outflow)/ inflow from operating activities		(281,509)	331,833
Investing activities			
Loans paid back by joint venture	12/18	2,591	1,320
Loans receivable paid back	12/18	600	274
Cash received on sale of investment in joint venture		40,492	-
Product financing loan (paid back)/ drawn down		(33,010)	22,572
Purchase of plant, property and equipment	8	(210)	(22)
Net cash inflow from investing activities		10,463	24,144
Financing activities			
Loans withdrawn from credit facility	13	42,633	7,998
Product financing loan drawn down/ (paid back)		250,275	(360,140)
Dividend distribution		(20,000)	-
Net cash inflow/ (outflow) from financing activities		272,908	(352,142)
Increase in cash and cash equivalents		1,862	3,835
Cash and cash equivalents at 1 January		4,430	595
Cash and cash equivalents at 31 December		6,292	4,430

Hartree Partners (UK) Limited

Registered number: 03446989

Notes to the financial statements For the year ended 31 December 2019

1. GENERAL INFORMATION

Hartree Partners (UK) Limited ("Hartree UK" or the "Parent Company") and its subsidiary (together the "Group") engage in proprietary trading in physical commodities, including crude oil, petroleum products, base metals, soft and agricultural commodities and carry on the business of suppliers, distributors and dealers of such commodities. The Group also acts as agent to certain derivative transactions for Hartree Partners LP ("Hartree" or the "Parent"). Hartree assumes all risks related to derivative trades entered by the Group as principal or agent. All of the Group's derivative transactions as well as stock are accounted on a back to back basis with the Parent.

Hartree UK is a private company limited by shares and is incorporated in England, United Kingdom. The registered office is 2nd Floor, Cardinal Place, 100 Victoria Street, London SW1E 5JL. Hartree UK is a wholly owned subsidiary of Hartree Partners LP, a limited partnership duly formed in the State of Delaware, United States of America.

2. STATEMENT OF COMPLIANCE

The Group and individual financial statements of the Parent Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

These consolidated and separate financial statements have been prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value. The Group and individual financial statements of the Parent Company were approved for issue by the Board of Directors on 17 July 2020. The financial statements are rounded to the nearest US\$'000.

(b) Going concern

The Group's immediate parent undertaking is Hartree. In February 2015, Hartree entered into borrowing base revolving credit facility with a bank group. In February 2019, Hartree amended and restated the bank facility to extend the borrowing base revolving credit facility (the "ABL Bank Facility").

In concluding that the ABL Bank Facility will continue to be available for at least 12 months from the date of approval of these financial statements the Directors of Hartree monitor compliance with the covenant tests on a monthly basis. The 3 covenant tests require maintenance of a maximum leverage ratio and minimum net working capital and minimum tangible net worth. The headroom against each of the covenant tests is such that the Directors remain confident that even under a significant deterioration in trading activity, they expect the Hartree to maintain compliance with the covenants.

Hartree Partners (UK) Limited

Registered number: 03446989

Notes to the financial statements For the year ended 31 December 2019

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Going concern (continued)

The Group maintains a small cash balance day to day and is funded mainly through intercompany payables and reliant on recovering the intercompany receivables from Hartree. The Group also has access to funding from Hartree under a parent support letter issued by Hartree to the Group.

Hartree has access to undrawn committed facilities of US\$369 million as of 31 May 2020.

Hartree does not forecast trading results as market conditions change rapidly. In the event Hartree needs to raise more cash liquidity and free up equity capital to meet obligations, including its covenant tests, they will focus on accelerating the sale of Readily Marketable Inventories.

Hartree has generated significant profits to date in 2020. The Directors have considered a reverse stress test scenario where no further trading is entered into for the period until 31 December 2022. Under this scenario, Hartree has sufficient cash and committed facilities to meet its liabilities as they fall due and comply with its covenant tests for the period to 31 December 2022 before implementing controllable mitigating actions.

On the basis of the above analysis the Directors of the Group, who are also the Directors of Hartree, have concluded that it is appropriate for the going concern assumption to be applied in these financial statements.

(c) Exemptions for qualifying entities under FRS 102

The Parent Company has taken advantage of the following exemption in its individual financial statements:

- From preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Parent Company's cash flows.

(d) Basis of consolidation

The Group financial statements consolidate the financial statements of the Parent Company and all its subsidiary undertakings drawn up to 31 December each year. No Profit and Loss Account is presented for the Parent Company as permitted by section 408 of the Companies Act 2006.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities.

Entities in which the Group holds an interest and which are jointly controlled by the Group and one or more other ventures under a contractual arrangement are treated as joint ventures. In the Group financial statements, joint ventures are accounted for using the equity method.

In the Parent Company financial statements investments in subsidiaries and joint ventures are accounted for at cost less impairment.

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Notes to the financial statements For the year ended 31 December 2019

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Judgments and key sources of estimation uncertainty

The preparation of the financial statement requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and the amounts reported for revenues and expenses during the year. Actual outcomes could differ from those estimates based on final pricing, foreign exchange rate movements and accruals. At 31 December 2019 and 2018, the Group did not make any critical judgements in applying its accounting policies.

(f) Foreign currencies

The accounts are prepared in U.S. Dollars, this being the functional currency of the Group. Transactions in currencies other than U.S. Dollars are recorded at the rates ruling at the date of the transactions for trading activity and at the average month end rates for administration expenses. Monetary assets and liabilities denominated in currencies other than U.S. Dollars are translated at the rate of exchange ruling at the balance sheet date. Gains and losses related to trading activity are reflected in Turnover in the Profit and Loss Account. Gains and losses related to administration expenses are reflected in Administration expenses in the Profit and Loss Account.

(g) Revenue recognition

The Group recognizes agency fees in the period trades are executed on behalf of its Parent. Agency fees represent global trading profit or loss allocation and are calculated in a manner consistent with the methodology used in the application of the bilateral Advance Pricing Agreement. Further, agency fees are recognized when the following conditions are satisfied: the amount of revenue can be measured reliably; it is probable that the economic benefits associated with the transaction will flow to the Group; the stage of completion of the transaction at the end of the reporting period can be measured reliably and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(h) Tangible fixed assets and depreciation

Fixed assets are carried at cost net of accumulated depreciation. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The Group capitalizes the cost of purchased software. Office equipment and purchased software are depreciated over three years. Leasehold improvements are depreciated over the lesser of their estimated useful lives or the remaining lease term. Routine repairs and maintenance are expensed as incurred.

(i) Stock valuation

Stocks are valued at cost to the Group, using the weighted average method or at net realisable value, whichever is the lower. Net realisable value of stocks is determined using quoted prices representative of fair value or quoted prices adjusted for commodity pricing location differential as determined by the Group's management.

(j) Cash and cash equivalents

The Group defines cash and cash equivalents to be highly liquid investments with original maturities of three months or less. There were no cash equivalents at 31 December 2019 and 2018.

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Notes to the financial statements For the year ended 31 December 2019

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Derivative instruments, at fair value, including derivative instruments

The Group uses derivative instruments ("derivatives") in the normal course of business for trading purposes. Derivatives are initially measured at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value through the global trading profit or loss which is allocated to the Group and recorded in Turnover on the profit and loss account (see Note 4). Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative and are reflected as separate accounts on the Balance Sheet.

The Group uses observable market values to determine the fair value of its trading instruments including derivatives. In cases where actively quoted prices are not available, other external sources are used which incorporate information about trading instrument prices in actively quoted markets, quoted prices in less active markets and other fundamental analysis. Fair value is determined using other valuation methodologies which may include pricing models which take into account time value, volatility of the underlying trading instrument and other factors, as determined by the Group's management. The fair value of the forward currency contracts is calculated by reference to current forward exchange contracts with similar maturity profiles. The fair value of interest rate swap contracts is determined by calculating the present value of the estimated future cash flows based on observable yield curves.

(l) Loans

Loans are basic financial instruments and are recognized at amortised cost. Outstanding loans accrue interest at market rates based on a base rate or cost of funds rate.

(m) Product financing loan receivable/ payable

The Group enters into the Purchase and Sale agreements where the Group provides/ receives financing to/ from the counterparty in exchange for legal title to an underlying commodity which is pledged as collateral. Under these Purchase and Sale agreements, the seller is required to repurchase the commodity therefore these transactions are accounted as financing transactions. Outstanding financing provided to/ by the counterparty is recorded in Product financing loan receivable/ payable in the Balance Sheet and the related interest income/ expense is recorded in Interest receivable/ payable in the Profit and Loss Account. The total stock held/ pledged as collateral equals the Product financing loan receivable/ payable on the Balance Sheet.

(n) Short-term debtors and creditors

The Group classifies debtors and creditors as due within one year when the Group does not have an unconditional right to defer settlement of the asset or liability for at least twelve months after reporting date.

(o) Obligations under operating leases

Rentals payable under operating leases are charged in the Profit and Loss Account on a straight line basis over the lease term. Lease incentives are recognised over the lease term on a straight line basis.

(p) Salary, deferred compensation, pension benefits and other staff expenses

Salary and deferred compensation of Hartree UK employees is borne by Hartree UK and allocated to the Group and other Hartree entities. Pension contributions to defined contribution schemes and other staff expenses are recognised in the Profit and Loss Account in the period in which they become payable.

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Notes to the financial statements For the year ended 31 December 2019

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Deferred tax and corporate tax

Deferred tax is recognized in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exception:

- Deferred tax assets are recognized only to the extent that it is probable that there will be suitable taxable profits from the global trading strategy in conjunction with Hartree from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the reporting date.

The Group operates as part of a global trading strategy in conjunction with Hartree. The tax credit or charge is calculated by the Group in a manner consistent with the methodology used in the application of the bilateral Advance Pricing Agreement (the "APA") approved on 18 June 2013 as management believes this to be the best estimate to calculate the foreign income taxes. As the APA expired on 31 December 2015, a request for a renewal has been submitted to the Internal Revenue Service and Her Majesty's Revenue & Customs and was open for approval through the issuance date of the consolidated financial statements.

The tax for the year is recognized by applying the standard rate of corporation tax in the UK.

4. TURNOVER

Turnover is a result of agency fees earned while executing trades on behalf of Hartree.

5. PROFIT BEFORE INTEREST AND TAXATION

Profit before interest and taxation is stated after charging:

	2019	2018
	US\$000	US\$000
Depreciation (Note 8)	348	374
Office rent	705	974
Audit fees	74	122
Foreign exchange differences	(1,271)	971

6. STAFF COSTS

(a) Staff costs

	2019	2018
	US\$000	US\$000
Compensation	19,932	14,105
Payroll taxes	2,837	2,140
Pension costs	943	1,023
Deferred compensation	17	430
Other	2,426	2,243
	26,155	19,941

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Notes to the financial statements For the year ended 31 December 2019

6. STAFF COSTS (continued)

(a) Staff costs (continued)

The average number of people employed during the years ended 31 December 2019 and 2018 were 29 traders and 35 administrative, and 31 traders and 28 administrative, respectively.

(b) Directors' remuneration

	2019	2018
	US\$000	US\$000
Aggregate remuneration in respect of qualifying services	5,356	1,900
In respect of the highest paid director: aggregate remuneration	3,500	1,000

The costs of the directors disclosed above are borne by the Group and allocated either back to the Group or to another Hartree subsidiary. Three directors are also senior executives of Hartree. These three directors received no remuneration for services to the Group for 2019 and 2018.

7. TAXATION

a) The tax charge is made up as follows:

	2019	2018
	US\$000	US\$000
<i>Current Tax:</i>		
UK corporation tax at 19%	1,884	-
Prior year adjustment	70	-
Total current tax charge	1,954	-
<i>Deferred Tax:</i>		
Origination and reversal of timing differences	(84)	785
Prior year adjustment	9	736
Total deferred tax (credit)/ charge	(75)	1,521
<i>Total tax charge</i>	1,879	1,521

b) Factors affecting the total tax charge

The tax for the year is recognized by applying the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	2019	2018
	US\$000	US\$000
Profit before taxation	12,633	4,770
Profit before taxation multiplied by the standard rate of corporation tax in UK of 19%	2,400	906
Prior year adjustment	79	736
The APA adjustment	(600)	(121)
Total tax charge	1,879	1,521

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**Notes to the financial statements
For the year ended 31 December 2019****7. TAXATION (continued)****c) Deferred tax**

	2019	2018
	US\$000	US\$000
Balance at 1 January	(391)	(1,912)
Origination and reversal of timing differences	(84)	785
Prior year adjustment	9	736
Balance at end of the year	<u>(466)</u>	<u>(391)</u>

d) Factors that may affect future tax charges

Through 31 December 2019, deferred tax has been recognised at 17%. As of 17 March 2020, a rate of 19% was substantively enacted for subsequent periods. The difference of calculating the deferred tax rate at 17% versus 19% is not material.

8. TANGIBLE FIXED ASSETS

	Fixtures, Fittings and Equipment 2019	Fixtures, Fittings and Equipment 2018
	US\$000	US\$000
Cost:		
At 1 January	4,847	5,181
Additions	210	22
Retirements	(16)	(356)
At 31 December	<u>5,041</u>	<u>4,847</u>
Depreciation:		
At 1 January	4,207	4,189
Depreciation	348	374
Retirements	(16)	(356)
At 31 December	<u>4,539</u>	<u>4,207</u>
Carrying amount:		
At 1 January	640	992
At 31 December	<u>502</u>	<u>640</u>

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Notes to the financial statements For the year ended 31 December 2019

9. INVESTMENT IN JOINT VENTURE

In December 2019, the Group sold all of its 50% equity investment in Douglas Terminals NV ("Douglas"), incorporated in Belgium. Douglas's principal activities are to operate a petroleum storage terminal.

	2019 US\$000	2018 US\$000
Equity		
At 1 January	615	615
At 31 December	-	615

9. INVESTMENT IN JOINT VENTURE (continued)

Below summarizes the financial information of Douglas as of 31 December 2019 and 2018:

	2019 US\$000	2018 US\$000
Total Assets	-	45,112
Total Liabilities	-	(43,933)
Equity	-	(1,179)
Net gain	-	1*

*Net gain includes interest expense and lease fee income of US\$165,000 and US\$2,582,000 respectively recognized by Douglas in 2018. Refer to Note 18 for additional disclosure information.

10. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

The consolidated subsidiary is as follows:

Name of company	Address of the registered office	Interest	Principal activity
Hartree (Germany) GmbH	Ballindamm 39, 20095 Hamburg, Germany	100% ordinary shares	Trading company

Hartree UK has issued a guarantee under Section 264 paragraph 3 number 2 German Commercial Code (§ 264 Abs. 3 Nr. 2 HGB) for the year ended 31 December 2019 in respect of its principal subsidiary listed above. Hartree UK guarantees all outstanding liabilities to which the subsidiary company is subject to as at 31 December 2019, until they are satisfied in full and the guarantee is enforceable against Hartree UK by any person to whom the subsidiary companies are liable in respect of those liabilities. The subsidiary has taken advantage of the exemption from audit by virtue of Section 264 paragraph 3 German Commercial Code (§ 264 Abs. 3 HGB).

11. STOCKS

	2019 US\$000	2018 US\$000
Trading stocks	364,580	98,989
	364,580	98,989

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**Notes to the financial statements
For the year ended 31 December 2019****12. DEBTORS**

Group	Due within 1 yr	Due within 1 yr
	2019	2018
	US\$000	US\$000
Trade receivables	278,601	155,697
Due from Hartree and affiliates	-	20,989
Loan receivable	9,221	-
Loan receivable from joint venture (Note 18)	-	2,591
Deferred tax asset (Note 7)	466	391
Other receivables and prepayments	2,036	1,922
	<u>290,324</u>	<u>181,590</u>

	Due over 1 yr	Due over 1 yr
	2019	2018
	US\$000	US\$000
Loans receivable (Note 18)	5,728	6,328
	<u>5,728</u>	<u>6,328</u>

Hartree UK	Due within 1 yr	Due within 1 yr
	2019	2018
	US\$000	US\$000
Trade receivables	275,758	155,697
Due from Hartree and affiliates	-	20,989
Loan receivable	9,221	-
Loan receivable from joint venture (Note 18)	-	2,591
Deferred tax asset (Note 7)	466	391
Other receivables and prepayments	2,023	1,922
	<u>287,468</u>	<u>181,590</u>

	Due over 1 yr	Due over 1 yr
	2019	2018
	US\$000	US\$000
Loans receivable (Note 18)	5,728	6,328
	<u>5,728</u>	<u>6,328</u>

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**Notes to the financial statements
For the year ended 31 December 2019****13. CREDITORS**

Group	Due within 1 yr 2019 US\$000	Due within 1 yr 2018 US\$000
Due to Hartree and affiliates	14,743	-
Trade payables	246,765	150,142
Loans payable (Note 14)	66,640	24,007
Tax payable	1,884	-
Accruals and other liabilities	19,072	13,007
	349,104	187,156
	Due over 1 yr 2019 US\$000	Due over 1 yr 2018 US\$000
Accruals and other liabilities	546	632
	546	632
	Due within 1 yr 2019 US\$000	Due within 1 yr 2018 US\$000
Hartree UK		
Due to Hartree and affiliates	15,323	-
Trade payables	241,692	150,142
Loans payable (Note 14)	66,640	24,007
Tax payable	1,884	-
Accruals and other liabilities	19,029	13,007
	344,568	187,156
	Due over 1 yr 2019 US\$000	Due over 1 yr 2018 US\$000
Accruals and other liabilities	546	632
	546	632

Trade payables will generally settle within 30 days or less and trade finance loans are currently made on a 7 day rolling basis.

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Notes to the financial statements For the year ended 31 December 2019

14. LOANS

Uncommitted secured revolving credit facilities

Uncommitted secured revolving credit facilities listed below are used to finance or collateralize the purchase, shipment, storage and sale of commodities. Uncommitted secured revolving credit facilities provide access to both borrowings and/ or letter of credits issued by the bank on behalf of Hartree UK. Uncommitted secured revolving credit facilities accrue interest at market rates based on a base rate or cost of funds rate and letter of credits incur a fee as outlined in the agreements. Any loan drawn under these agreements mature not later than the 180th day following the date of making of such advance (or such later date as may be agreed to by the lender). The outstanding borrowings for these loans were collateralized by certain liens on Stocks and/ or Accounts Receivable, which have been pledged to the lender.

In 2016, Hartree and Hartree UK entered into US\$180 million uncommitted secured revolving credit facility. In 2019, US\$180 million uncommitted secured revolving credit facility was increased to US\$250 million. As of 31 December 2019, uncommitted secured revolving credit facility had a US\$10,664,000 loan balance (2018: US\$24,007,000), included in Creditors as Loan payable and US\$22,862,000 letters of credit outstanding (2018: US\$25,979,000). At 31 December 2019, the interest rate was 3.75% (2018: 3.68%).

In 2018, Hartree UK was added as additional borrower to the Hartree' s existing US\$100 million uncommitted secured revolving loan facility. As of 31 December 2019 and 2018, Hartree UK did not have loans outstanding against this loan facility. Hartree UK had \$47,875,000 and \$18,700,000 letter of credits outstanding as of December 2019 and 2018.

In 2019, Hartree and Hartree UK entered into a US\$40 million uncommitted secured revolving credit facility. As of December 31, 2019, the interest rate was 4.91% and uncommitted secured revolving credit facility had US\$29,007,000 loans outstanding.

Other Borrowings

In 2017, Hartree and Hartree UK entered into transactional loan facility. Transactional loan facility accrued interest at market rates based on a base rate or cost of funds rate and letter of credits incur a fee as outlined in the agreements. As of 31 December 2019 and 2018, Hartree UK did not borrow against this loan facility.

15. SHARE CAPITAL

	2019	2018
	US\$000	US\$000
Allotted, called up and fully paid 200,001 shares of £ 1	329	329

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Notes to the financial statements For the year ended 31 December 2019

16. OPERATING LEASE COMMITMENTS

Future minimum lease payments under non-cancellable operating leases are as follows:

	2019	2018
	US\$000	US\$000
Within one year	13,567	8,950
In two to five years	28,118	16,711
Over five years	15,839	3,777
	<u>57,524</u>	<u>29,438</u>

17. TRANSACTIONS AS PRINCIPAL

The Group enters into transactions as a principal with third parties. At year-end, the derivative positions (presented as Derivative assets, Derivative liabilities, Trade receivables and Trade payables) resulted in a net US\$300 million asset due from and a US\$270 million liability due to third party counterparties and a net US\$30 million liability due to Hartree (2018: a net US\$161 million asset due from and a US\$152 million liability due to third party counterparties and a net US\$9 million liability due to Hartree). The Group also purchased and sold Stocks as principal with a corresponding amount due to Hartree. The total Stocks held at year end is reflected in the Group's balance sheet. Profits or loss related to principal transactions are recognized by the Group through agency fees which are calculated by the Group in a manner consistent with the methodology used in the application of the APA.

18. RELATED PARTY TRANSACTIONS

The Group provided a loan to Douglas, which is recorded in Debtors amounts falling due within one year. The loan outstanding to Douglas equaled \$2,591,000 million at December 31, 2018.

The Group has a tank storage lease agreement with Douglas. For the years ended December 31, 2019 and 2018, the Group recorded related party rent expense of \$2,330,000 and \$2,582,000, respectively. As of 31 December 2018, stocks held at Douglas were approximately \$1,848,000.

In December 2019, the Group sold all of its 50% equity investment in Douglas. As a result of this sale, Douglas is no longer a related party as of December 31, 2019.

For all other related parties, the Group and the Parent Company has not disclosed transactions with group companies due to the exemption in accordance with FRS 102 Section 33 "Related Party Disclosures."

Key management personnel

Only the Directors have authority and responsibility for planning, directing and controlling the activities of the Group and are therefore considered to be key management personnel. Total remuneration in respect of these individuals is US\$5,356,000 (2018: US\$1,900,000). Only two of five directors received remuneration for services to the Group for 2019 and 2018. Refer to Note 6 for additional disclosure information.

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Notes to the financial statements For the year ended 31 December 2019

18. RELATED PARTY TRANSACTIONS (continued)

Loans receivable

As of 31 December 2019, Hartree UK has a loans receivable balance of US\$5,728,000 (2018: US\$6,328,000) from loans made to four partners of Hartree, two of them are also Directors of the Group. As of 31 December 2019, loans receivable from directors of Hartree UK totaled US\$3,849,000 (2018: US\$3,949,000). The remaining loans receivable balance is due from Directors of other Hartree entities. The loans have been granted in 2015 and 2018, have a maximum term of seven years and none are contractually maturing within one year. Interest is accrued based on the average rate paid by Hartree in respect of borrowed money. At 31 December 2019, Hartree UK has accrued US\$949,000 of interest income (2018: US\$604,000), which is included in Debtors other receivables and prepayments.

19. PARENT UNDERTAKING AND CONTROLLING PARTY

The Group's immediate and ultimate parent undertaking is Hartree. Its registered office is 1209 Orange Street, Wilmington, Delaware, 19801, United States. The copies of Hartree consolidated financial statements can be requested by application to the registered office of the Group.

20. SUBSEQUENT EVENTS

Impact of COVID-19

Since the start of January 2020, the outbreak of COVID-19, which is a rapidly evolving situation, has adversely impacted global commercial activities. The rapid development and fluidity of this situation precludes any prediction as to its ultimate impact, which may have a continued adverse impact on global economic and market conditions and trigger a period of global economic slowdown.

Management considers this to be a non-adjusting subsequent event. While the commodities markets have become more volatile, to date, the Group continues to operate normally. The Group's business model is based on trading activities which, at present, remain unaffected by the current COVID-19 pandemic. The traders have moved to remote working and all operations are running as usual. The Directors of the Group believe there is no material adverse financial impact on the Group's assets and liabilities or the 2020 results to date; however, at this stage, we cannot predict with any great degree of confidence the longer term impact on the operating results of the Group as a result of the COVID-19 pandemic.

Uncommitted secured revolving credit facility

In 2020, Hartree and Hartree UK entered into a US\$100 million uncommitted secured revolving credit facility.