

Yggdrasil

Commodities

Yggdrasil Commodities ApS
Niels Jernes Vej 10
9220 Aalborg Ø
Denmark

CVR no. 40 30 06 43

**Annual report for the financial year 1 July 2019 - 30 June
2020**

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

on September 23 20 20

Søren A. Møller

chairman of the annual general meeting

Yggdrasil Commodities ApS

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Statement by the Executive Board

The Executive Board have today discussed and approved the annual report of Yggdrasil Commodities ApS for the financial year 1 July 2019 – 30 June 2020.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 30 June 2020 and of the results of the Company's operations and cash flows for the financial year 1 July 2019 – 30 June 2020.

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

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

Aalborg, 23 September 2020

Executive Board:


Søren Agersbæk Jensen


Søren Bondo Andersen



Independent auditor's report

To the shareholders of Yggdrasil Commodities ApS

Opinion

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 30 June 2020 and of the results of the Company's operations and cash flows for the financial year 1 July 2019 – 30 June 2020 in accordance with the International Financial Reporting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act.

Audited financial statements

Yggdrasil Commodities ApS' financial statements for the financial year 1 July 2019 – 30 June 2020 comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including summary of significant accounting policies (the financial statements). The financial statements are prepared in accordance with the International Financial Reporting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act.

Basis for opinion

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

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

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

Independence

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

Statement on the Management's review

Management is responsible for the Management's review.

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



Independent auditor's report

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

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

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

Management's responsibility for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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



Independent auditor's report

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

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

Aalborg, 23 September 2020

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

A handwritten signature in black ink, appearing to be 'Steffen S. Hansen', is written over a horizontal line.

Steffen S. Hansen
State Authorised
Public Accountant
mne32737

Yggdrasil Commodities ApS

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Management's review

Company details

Yggdrasil Commodities ApS

Niels Jernes Vej 10

9220 Aalborg Ø

Denmark

CVR no.	40 30 06 43
Established:	28 February 2019
Registered office:	Aalborg
Financial year:	1 July 2019 – 30 June 2020

Executive Board

Søren Agersbæk Jensen

Søren Bondo Andersen

Auditor

KPMG

Statsautoriseret Revisionspartnerselskab

Østre Havnegade 18

DK-9000 Aalborg

Annual general meeting

The annual general meeting will be held on 23 September 2020.

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Management's review

Financial highlights

DKK'000	2019/20	2018/19
Revenue	5,263	1,193
Operating profit	655	191
Profit/loss from financial income and expenses	220	6
Profit for the year	5,875	1,931
Total assets	32,655	15,180
Equity	20,112	14,314
Cash flows from operating activities	5,054	69
Cash flows from investing activities	-3,224	-200
Cash flows from financing activities	-1,603	300
Total cash flows	227	169

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Management's review

Operating review

Principal activities

The principal activity of the Company is to be a supportive owner of subsidiaries within the Yggdrasil Commodities Group to secure the needed resources, to support the activity in the subsidiaries and to make a growing positive impact by generating attractive positive long-term returns on the assets of the Yggdrasil Commodities Group. All employees of the Group are employed in the Company, and services are rendered to subsidiaries on an arm's length basis.

Development in activities and financial position

Management is satisfied with the financial performance of the Company and its subsidiaries.

Management's review – omission of restatement of comparative figures

The comparative figures for 2018/19 have not been restated. The comparative figures for 2018/19 have been stated in accordance with IAS 17.

Events after the balance sheet date

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

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Financial statements 1 July 2019 – 30 June 2020**Income statement**

DKK	Note	2019/20	28/2 2018- 30/6 2019
Revenue	2	5,262,985	1,192,901
Staff costs	3	-3,737,133	-847,317
Administrative expenses		-871,313	-154,976
Operating profit		654,539	190,608
Results from investments in subsidiaries		5,197,393	1,787,839
Results from investments in associates		-993	0
Financial income	4	337,218	0
Financial expenses	5	-117,578	-6,664
Profit before tax		6,070,579	1,971,783
Tax on profit for the year	6	-195,419	-40,467
Profit for the year		<u>5,875,160</u>	<u>1,931,316</u>

Statement of comprehensive income

Profit for the year	5,875,160	1,931,316
Value adjustment of hedging instruments	-341,660	0
Tax effect of equity adjustments	75,165	0
Exchange rate adjustments	189,686	45,258
Effect of transactions with treasury shares in subsidiary	0	7,453
Total comprehensive income	<u>5,798,351</u>	<u>1,984,027</u>

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Financial statements 1 July 2019 – 30 June 2020**Balance sheet**

DKK	Note	30/6 2020	30/6 2019
ASSETS			
Non-current assets			
Investments in subsidiaries	7	18,842,689	14,070,375
Investments in associates	8	28,015	0
Total non-current assets		18,870,704	14,070,375
Current assets			
Receivables			
Deposits		350,000	0
Amounts owed by subsidiaries		12,723,550	934,597
Amounts owed by associates		255,000	0
Deferred tax asset		15,567	0
Other receivables		44,402	6,000
Total receivables		13,388,519	940,597
Cash and cash equivalents	9	395,679	168,924
Total current assets		13,784,198	1,109,521
TOTAL ASSETS		32,654,902	15,179,896
EQUITY AND LIABILITIES			
Equity			
Contributed capital	10	3,073,000	3,073,000
Reserve for net revaluation under equity method		3,372,239	1,972,995
Retained earnings		13,667,140	9,268,033
Total equity		20,112,379	14,314,028
Current liabilities			
Amounts owed to subsidiaries		7,983,860	208,500
Derivative financial instruments (negative fair value)	11	345,000	3,340
Income tax payable		128,456	40,467
Amounts owed to shareholders	12	2,096,000	0
Other payables		1,989,207	613,561
Total current liabilities	13	12,542,523	865,868
TOTAL EQUITY AND LIABILITIES		32,654,902	15,179,896

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Financial statements 1 July 2019 – 30 June 2020**Statement of changes in equity**

DKK	Contributed capital	Reserve for net revaluation under the equity method	Retained earnings	Total equity
Equity at 28 February 2019	<u>3,000,000</u>	<u>0</u>	<u>9,000,000</u>	<u>12,000,000</u>
Comprehensive income				
Capital increase	73,000	0	227,176	300,176
Transferred over the profit appropriation	0	1,890,459	40,857	1,931,316
Exchange rate adjustment, subsidiary in foreign currency	0	75,083	0	75,083
Effect of transactions with treasury shares in subsidiary	0	7,453	0	7,453
Equity at 1 July 2019	<u>3,073,000</u>	<u>1,972,995</u>	<u>9,268,033</u>	<u>14,314,028</u>
Comprehensive income				
Value adjustment of hedging instruments	0	-341,660	0	-341,660
Tax effect of equity adjustments	0	75,165	0	75,165
Transferred over the profit appropriation	0	1,476,053	4,399,107	5,875,160
Exchange rate adjustment, subsidiary in foreign currency	0	189,686	0	189,686
Total comprehensive income	<u>0</u>	<u>1,399,244</u>	<u>4,207,777</u>	<u>5,798,351</u>
Equity at 30 June 2020	<u>3,073,000</u>	<u>3,372,239</u>	<u>13,667,140</u>	<u>20,112,379</u>

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Financial statements 1 July 2019 – 30 June 2020

Cash flow statement

DKK	Note	2019/20	28/2-30/6 2019
Profit for the year		5,875,160	1,931,316
Other adjustments of non-cash operating items	14	-1,410,550	-1,740,708
Cash generated from operations before changes in working capital		4,464,610	190,608
Changes in working capital	15	417,218	-118,536
Cash generated from operations		4,881,828	72,072
Net financial income/finance costs		219,640	-3,324
Taxes paid during the year		-47,832	0
Cash flows from operating activities		5,053,636	68,748
Equity investments in new subsidiaries		-3,414,000	-200,000
Exchange rate adjustments to equity investments		189,686	0
Cash flows from investing activities		-3,224,314	-200,000
Shareholders:			
Capital increase		0	300,176
Change in intercompany loan		-3,698,841	0
Loan from shareholders	12	2,096,274	
Cash flows from financing activities		-1,602,567	300,176
Cash flows for the year		226,755	168,924
Cash and cash equivalents at the beginning of the year		168,924	0
Cash and cash equivalents at year end	9	395,679	168,924

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Financial statements 1 July 2019 – 30 June 2020**Overview over notes****Note**

1	Accounting policies
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7	Equity investments in subsidiaries
8	Equity investments in associates
9	Cash and cash equivalents
10	Contributed capital and capital management
11	Derivative financial instruments
12	Amounts owed to shareholders
13	Current liabilities
14	Other adjustments of non-cash operating items
15	Changes in working capital
16	Contractual obligations, contingencies, etc.
17	Financial risks and the use of derivative financial instruments
18	Related party disclosures
19	Events after the balance sheet date
20	New accounting standards not yet adopted

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Financial statements 1 July 2019 – 30 June 2020

Notes

1 Accounting policies

The annual report for the financial year 1 July 2019 – 30 June 2020 has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements. The Company is classified as reporting class B according to the Danish Financial Statements Act.

Yggdrasil Commodities ApS' annual report is presented in DKK.

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

Pursuant to section 110(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Changes in accounting policies

The Company has implemented the financial reporting standards and IFRICs which came into force for the financial year beginning on 1 July 2019, including:

- IFRS 16, Leases (issued 2016, effective date 1 January 2019)

The implementation did not affect recognition and measurement in the Annual Report 2019/20 and is not expected to have significant impact on the financial reporting for future periods.

Foreign currency translation

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

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

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

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

Derivative financial instruments

Changes in the fair value of derivative financial instruments designated as or qualifying for recognition as a hedge of future transactions are recognised as other receivables or other payables and in equity until the realisation of the hedged transactions. If the future transaction results in the recognition of assets or liabilities, amounts that were previously recognised in equity are transferred to the cost of the assets or liabilities. If the future transaction results in income or costs, amounts that were previously recognised in equity are transferred to the income statement for the period when the hedged item affects the income statement.

For derivative financial instruments not qualifying for treatment as hedging instruments, changes in fair value are recognised in the income statement on an ongoing basis.

Changes in the fair value of derivative financial instruments used for hedging of net investments in separate foreign subsidiaries or associates are recognised directly in equity.

Financial statements 1 July 2019 – 30 June 2020

Notes

1 Accounting policies (continued)

Income statement

Revenue

Revenue comprises income from the principal activities of the Company.

Administrative expenses and staff costs

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

Financial income and expenses

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

Tax on profit for the year

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

Balance sheet

Receivables

Receivables are measured at amortised cost.

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

Equity

Dividends

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

Financial statements 1 July 2019 – 30 June 2020

Notes

1 Accounting policies (continued)

Corporation tax and deferred tax

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

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

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

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

Liabilities

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

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

Fair value measurement

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

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

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

Financial statements 1 July 2019 – 30 June 2020

Notes

1 Accounting policies (continued)

Cash flow statement

The cash flow statement shows the Company's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the profit for the year adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities

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

Cash flows from financing activities

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

Cash and cash equivalents

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

Yggdrasil Commodities ApS

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Financial statements 1 July 2019 – 30 June 2020**Notes**

	2019/20	28/2 2018- 30/6 2019
2 Revenue		
DKK		
Net revenue from management fee	5,262,985	1,192,901
All revenue derives from management fee from subsidiaries.		
3 Staff costs		
Wages (incl. Management)	3,486,131	801,275
Pensions (defined contribution plan)	222,797	37,235
Other social security costs	28,205	8,807
	<u>3,737,133</u>	<u>847,317</u>
Management (Executive Board)	1,049,887	560,400
Average number of full-time employees	<u>6</u>	<u>4</u>
4 Financial income		
Exchange rate adjustments, net	337,218	0
	<u>337,218</u>	<u>0</u>
5 Financial expenses		
Other interest expense measured at amortised cost	117,578	3,324
Losses on derivatives, net	0	3,340
	<u>117,578</u>	<u>6,664</u>
6 Tax on profit for the year		
Current tax for the year (recognised in income statement)	195,419	40,467
Reconciliation of tax rate		
Tax according to Danish tax rate, 22.0%	1,335,527	433,792
Tax effect of: Non-taxable income	-1,140,378	-393,325
	<u>195,419</u>	<u>40,467</u>
Effective tax rate	<u>14%</u>	<u>2%</u>

Yggdrasil Commodities ApS

Annual report for the financial year 1 July 2019 - 30 June 2020

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Financial statements 1 July 2019 – 30 June 2020**Notes****7 Equity investments in subsidiaries**

Cost at 1 July 2019	12,200,000
Additions in equity investments	3,384,000
Cost at 30 June 2020	15,584,000
Value adjustments at 1 July 2019	1,870,382
Profit for the year	5,198,621
Dividend	-4,000,000
Equity adjustments, currency rate	189,686
Other equity adjustments	0
Value adjustments at 30 June 2020	3,258,689
Carrying amount at 30 June 2020	18,842,689

Name/legal form	Registered office	Equity interest	Equity	Profit/loss for the year
Thordin ApS	Aalborg	100%	14,594,366	4,381,945
Dvalin ApS	Aalborg	100%	1,212,990	1,200,909
Nidhog ApS	Aalborg	100%	-296,047	-364,302
Valhall ApS	Aalborg	100%	1,491,207	-8,124
Untitled company with reference to section 97a (4) of the Danish Financial Statements Act		100%	1,840,173	-13,035
			<u>18,842,689</u>	<u>5,197,393</u>

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Financial statements 1 July 2019 – 30 June 2020**Notes****8 Equity investments in associates**

Cost at 1 July 2019	0
Additions	30,000
Cost at 30 June 2020	30,000
Value adjustments at 1 July 2019	0
Profit for the year	-1,985
Value adjustments at 30 June 2020	-1,985
Carrying amount at 30 June 2020	28,015

Name/legal form	Registered office	Equity interest	Equity	Profit for the year
Carbon Projects ApS	Aalborg	50%	58,015	1,985
			58,015	1,985

9 Cash and cash equivalents

Cash and cash equivalents at 30 June comprise:

DKK	30/6 2020	30/6 2019
Cash at bank and in hand	395,679	168,924
Cash and cash equivalents at 30 June	395,679	168,924

10 Contributed capital and capital management

The contributed capital (all fully paid) consists of:

A shares of nom. DKK 1,262,000 each (30 June 2019: 1,262,000)

B shares of nom. DKK 1,811,000 each (no voting rights) (30 June 2019: 1,811,000)

The current level of contributed capital is deemed to be sufficient and appropriate to support the principal activities of the company.

11 Derivative financial instruments

Derivative financial instruments with a negative fair value (level 1) of DKK 345 thousand at 30 June 2020 (30 June 2019: negative fair value of DKK 3 thousand) comprise USD forward contracts with a nominal value of USD 1.400.000 and GBP 500.000 which falls due within 1 year from balance sheet date. The contracts are used for hedging of net investments in separate foreign subsidiaries.

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Financial statements 1 July 2019 – 30 June 2020

Notes

12 Amounts owed to shareholders

During the year, the Company obtained loan facility with shareholder company, which is repayable on demand. Interest is accrued and settled on yearly basis.

13 Current liabilities

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

DKK	2019/20	28/2 2018- 30/6 2019
14 Other adjustments of non-cash operating items		
Financial income	-337,218	0
Financial expenses	117,578	6,664
Tax on profit for the year	195,419	40,467
Adjustment of subsidiary equity value	-1,388,314	-1,787,839
Adjustment of associates equity value	1,985	0
	<u>-1,410,550</u>	<u>-1,740,708</u>
15 Changes in working capital		
Change in receivables	-643,402	-940,597
Change in trade and other payables	<u>1,060,620</u>	<u>822,061</u>
	<u>417,218</u>	<u>-118,536</u>

16 Contractual obligations, contingencies, etc.

The Company has entered into operating leases with a remaining term of three months and average monthly lease payments of DKK 8.5 thousand, totalling DKK 26 thousand. The leases are not recognised as an asset due to the lease agreement being a short-term lease under the IFRS 16 standard. The Company does not consider an extension of the lease to be likely.

The Company is jointly taxed with other Danish companies in the Group. As a jointly taxed company, the Company has joint unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties within the joint taxation unit. Any subsequent corrections of income subject to joint taxation or withholding taxes could result in an increased liability for the Company.

17 Financial risks and the use of derivative financial instruments

The Company is exposed to a number of financial risks via the subsidiaries, whom all trade power. The Company insures that a comprehensive risk framework is in place to manage these risks in the subsidiaries. In case investment in subsidiaries are made in other currency than DKK, the Company is exposed to currency risk. This risk is partly mitigated by the use of financial derivatives. See disclosures in note 11.

Yggdrasil Commodities ApS

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Notes

18 Related party disclosures

Yggdrasil Commodities ApS' related parties comprise the Executive Board, subsidiaries (see note 7) and the following controlling holding-companies:

Søren Bondo Andersen Holding ApS
Ryesgade 11 A
9000 Aalborg
Denmark

SAJ Finans ApS
Klarup Kirkevej 34
9270 Klarup
Denmark

Related party transactions

Related party transactions includes salaries to Management (see note 3), management fee (see note 2) and capital increases (see note 7).

Amounts owed by group entities DKK 12,724 thousand comprise receivable from Nidhog ApS and Dvalin ApS.

Amounts owed to group entities DKK 7,983 thousand comprise debt to Thordin ApS and Valhall ApS

Amounts owed to shareholders DKK 2,096 thousand.

19 Events after the balance sheet date

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

20 New accounting standards not yet adopted

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

None of the standards or interpretations – including IFRS 17 – is expected to affect the financial reporting.