

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 28 February 2019 - 30
June 2019**

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

on AUGUST 28 20 19


chairman of the annual general meeting

Yggdrasil Commodities ApS

Annual report for the financial year 28 February 2019 - 30 June 2019

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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 28 February – 30 June 2019.

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

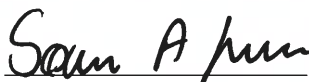
In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 30 June 2019 and of the results of the Company's operations and cash flows for the financial year 28 February – 30 June 2019.

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

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

Aalborg, 23 August 2019

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 2019 and of the results of the Company's operations and cash flows for the financial year 28 February – 30 June 2019 in accordance with the International Financial Reporting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act.

Audited financial statements

Yggdrasil Commodities ApS' financial statements for the financial year 28 February – 30 June 2019 comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity and notes, including summary of significant accounting policies (the financial statements). The financial statements are prepared in accordance with the International Financial Reporting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act.

Basis for opinion

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

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

We believe that the audit evidence 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 August 2019

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98



Steffen S. Hansen
State Authorised
Public Accountant
mne 32737

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:	28 February – 30 June

Executive Board

Søren Agersbæk Jensen

Søren Bondo Andersen

Auditor

KPMG

Statsautoriseret Revisionspartnerselskab

Østre Havnegade 18

DK-9000 Aalborg

Annual general meeting

The annual general meeting will be held on 28 August 2019.

Yggdrasil Commodities ApS

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Management's review

Financial highlights

	28/2-30/6
DKK'000	2019
Revenue	1,193
Ordinary operating profit/loss	191
Profit/loss from financial income and expenses	1,781
Profit/loss for the year	1,931
Total assets	15,180
Equity	14,314
Cash flows from operating activities	69
Cash flows from investing activities	-200
Cash flows from financing activities	300
Total cash flows	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 its 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 transacted to subsidiaries on an arm's length principle.

Development in activities and financial position

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

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 28 February – 30 June**Income statement**

DKK	Note	28/2-30/6 2019
Revenue	2	1,192,901
Staff costs	3	-847,317
Administrative expenses		-154,976
Operating profit		190,608
Results from investments in subsidiaries		1,787,839
Financial expenses	4	-6,664
Profit before tax		1,971,783
Tax on profit for the year	5	-40,467
Profit for the year		1,931,316

Statement of comprehensive income

Profit/loss for the year	1,931,316
Exchange rate adjustments	45,258
Effect of transactions with treasury shares in subsidiary	7,453
Total comprehensive income	1,984,027

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Financial statements 28 February – 30 June**Balance sheet**

DKK	Note	30/6 2019	28/2 2019 (opening balance)
ASSETS			
Non current assets			
Investments in subsidiaries	6	<u>14,070,375</u>	<u>12,000,000</u>
Total non current assets		<u>14,070,375</u>	<u>12,000,000</u>
Current assets			
Receivables			
Other receivables		6,000	0
Amounts owed by subsidiaries		<u>934,597</u>	<u>0</u>
Total receivables		<u>940,597</u>	<u>0</u>
Cash at bank and in hand		<u>168,924</u>	<u>0</u>
Total current assets		<u>1,109,521</u>	<u>0</u>
TOTAL ASSETS		<u>15,179,896</u>	<u>12,000,000</u>
EQUITY AND LIABILITIES			
Equity			
Contributed capital	7	3,073,000	3,000,000
Reserve for net revaluation under equity method		1,943,170	0
Retained earnings		<u>9,297,858</u>	<u>9,000,000</u>
Total equity		<u>14,314,028</u>	<u>12,000,000</u>
Current liabilities			
Amounts owed to subsidiaries		208,500	0
Derivative financial instruments (negative fair value)	8	3,340	0
Income tax payable		40,467	0
Other payables		<u>613,561</u>	<u>0</u>
Total current liabilities	9	<u>865,868</u>	<u>0</u>
TOTAL EQUITY AND LIABILITIES		<u>15,179,896</u>	<u>12,000,000</u>

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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/distribution of loss	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	<u>0</u>	<u>7,453</u>	<u>0</u>	<u>7,453</u>
Total comprehensive income	<u>73,000</u>	<u>1,972,995</u>	<u>268,033</u>	<u>2,314,028</u>
Equity at 30 June 2019	<u><u>3,073,000</u></u>	<u><u>1,972,995</u></u>	<u><u>9,268,033</u></u>	<u><u>14,314,028</u></u>

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Financial statements 28 February – 30 June**Cash flow statement**

DKK	Note	28/2-30/6 2019
Profit for the year		1,931,316
Other adjustments of non-cash operating items	10	-1,740,708
Cash generated from operations before changes in working capital		190,608
Changes in working capital	11	-118,536
Cash generated from operations		72,072
Interest expense		-3,324
Cash flows from operating activities		68,748
Acquisition of equity investments		-200,000
Acquisition of intangible assets and property, plant and equipment		0
Cash flows from investing activities		-200,000
Shareholders:		
Capital increase		300,176
Cash flows from financing activities		300,176
Cash flows for the year		168,924
Cash and cash equivalents at the beginning of the year		0
Cash and cash equivalents at year end	12	168,924

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Overview over notes

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Financial statements 28 February – 30 June

Notes

1 Accounting policies

This is Yggdrasil Commodities ApS' first financial year. The annual report of for the financial year 28 February 2019 – 30 June 2019 has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements. IFRS is implemented in accordance with IFRS 1 but since this is the company's first annual report there are no differences to report according to previous GAAP and no exemptions and no transitional approaches have been used.

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.

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

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

Income statement

Revenue

Revenue comprises income from the principal activities of the company.

Administrative and personnel expenses

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

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Notes

1 Accounting policies (continued)

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/loss for the year

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

Balance sheet

Receivables

Receivables are measured at amortised cost.

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

Equity

Dividends

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

Corporation tax and deferred tax

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

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.

Financial statements 28 February – 30 June

Notes

1 Accounting policies (continued)

Liabilities

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

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

Fair value measurement

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

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

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

Cash flow statement

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

Cash flows from operating activities

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

Cash flows from investing activities

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

Cash flows from financing activities

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

Cash and cash equivalents

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

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Financial statements 28 February – 30 June**Notes**

	28/2-30/6 2019
DKK	<u>2019</u>
2 Revenue	
Net revenue from management fee	1,192,901
All revenue derive from management fee from subsidiaries	
3 Staff costs	
Wages (incl. Management)	801,275
Pensions (defined contribution plan)	37,235
Other social security costs	8,807
	<u>847,317</u>
Management (Executive Board)	<u>560,400</u>
Average number of full-time employees	<u>4</u>
4 Finance costs	
Other interest expense measured at amortised cost	3,324
Losses on derivative, net	3,340
	<u>6,664</u>
5 Tax on profit/loss for the year	
Current tax for the year (recognised in income statement)	<u>40,467</u>
Reconciliation of tax rate	
Tax according to Danish tax rate, 22.0%	433,792
Tax effect of:	
Non-taxable income	<u>-393,325</u>
	<u>40,467</u>
Effective tax rate	<u>2%</u>

Yggdrasil Commodities ApS

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Financial statements 28 February – 30 June**Notes****6 Equity investments in subsidiaries**

Cost at 28 February 2019	0
Additions	<u>12,200,000</u>
Cost at 30 June 2019	<u>12,200,000</u>
Value adjustments at 28 February 2019	0
Profit/loss for the year	1,787,839
Equity adjustments, currency rate	75,083
Other equity adjustments	<u>7,453</u>
Value adjustments at 30 June 2019	<u>1,870,375</u>
Carrying amount at 30 June 2019	<u>14,070,375</u>

Name/legal form	Registered office	Equity interest	Equity	Profit/loss for the year
Thordin ApS	Aalborg	100%	13,972,998	1,890,462
Dvalin ApS	Aalborg	100%	29,244	-70,756
Nidhog ApS	Aalborg	100%	68,133	-31,867
			<u>14,070,375</u>	<u>1,787,839</u>

7 Contributed capital and capital management

The contributed capital (all fully paid) consists of:

A shares of nom. DKK 1,262,000 each

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

During the year new equity investments of nom. DKK 73,000 have been subscribed for and paid in.

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

8 Derivative financial instruments

Derivative financial instruments with a negative fair value (level) of DKK -4 thousands at 30 June 2019 comprise USD forward contracts with a nominal value of USD 400,000.

9 Current liabilities

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

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Financial statements 28 February – 30 June

Notes

	30/6 2019
10 Other adjustments	
Financial expenses	6,664
Tax on profit/loss for the year	40,467
Results from investments in subsidiaries	-1,787,839
	<u>-1,740,708</u>
11 Changes in working capital	
Change in receivables	-940,597
Change in trade and other payables	822,061
	<u>-118,536</u>
12 Cash and cash equivalents	
Cash and cash equivalents at 30 June comprise:	
Cash at bank and in hand	168,924
Cash and cash equivalents at 30 June	<u>168,924</u>

13 Contractual obligations, contingencies, etc.

The Company has entered into operating leases with a remaining term of 3 months and average monthly lease payments of DKK 8.5 thousand, totalling DKK 26 thousand.

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.

14 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 8.

Financial statements 28 February – 30 June

Notes

15 Related party disclosures

Yggdrasil Commodities ApS' related parties comprise the Executive Board, subsidiaries (see note 6) and the following controlling holding-companies:

Søren Bondo Andersen Holding ApS
Drejøgade 8, 4. tv.
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 935 thousand comprise receivable from Thordin ApS and Dvalin ApS

Amounts owed to group entities DKK 209 thousand comprise debt to Nidhog ApS.

16 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.

17 New accounting standards not yet adopted

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

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