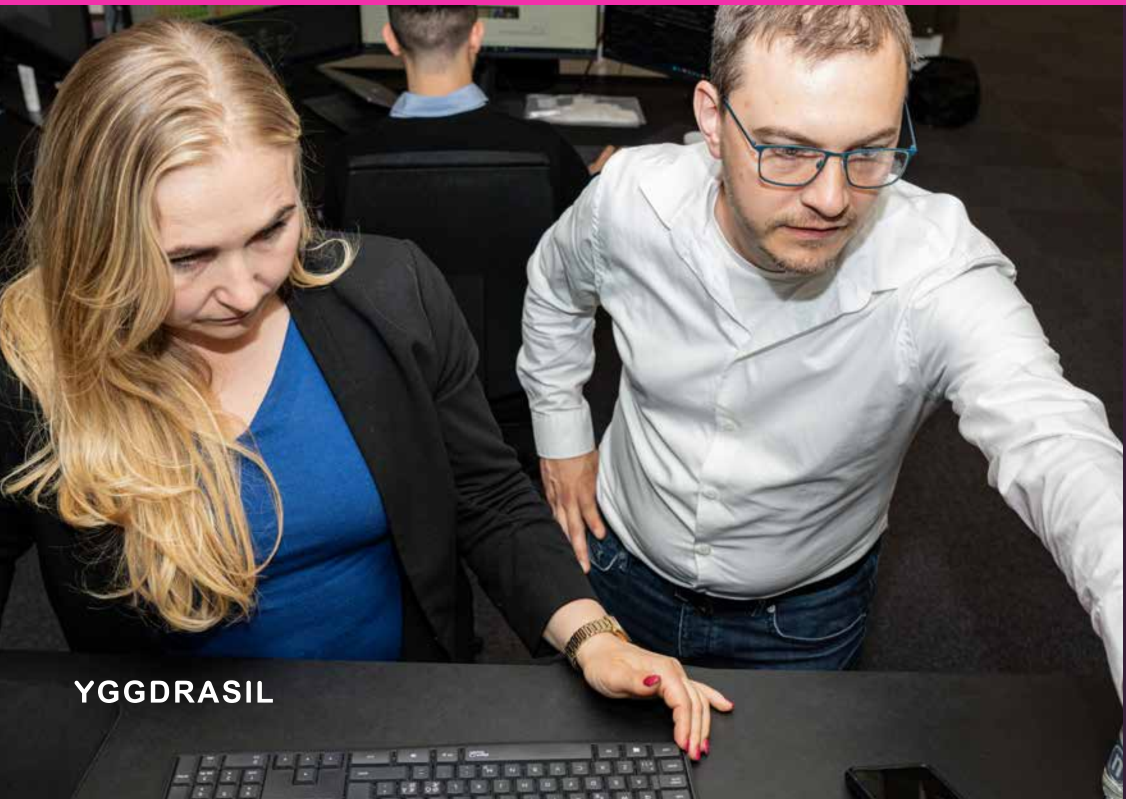
{
WeAnalyse();
WeCode();
WeTrade();
}

With IT at the basis of everything



YGGDRASIL

Annual report for the financial year
1 July 2022 – 30 June 2023

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

on 13 October 2023

chairman of the annual general meeting

GetContents();

Letter from our CEO

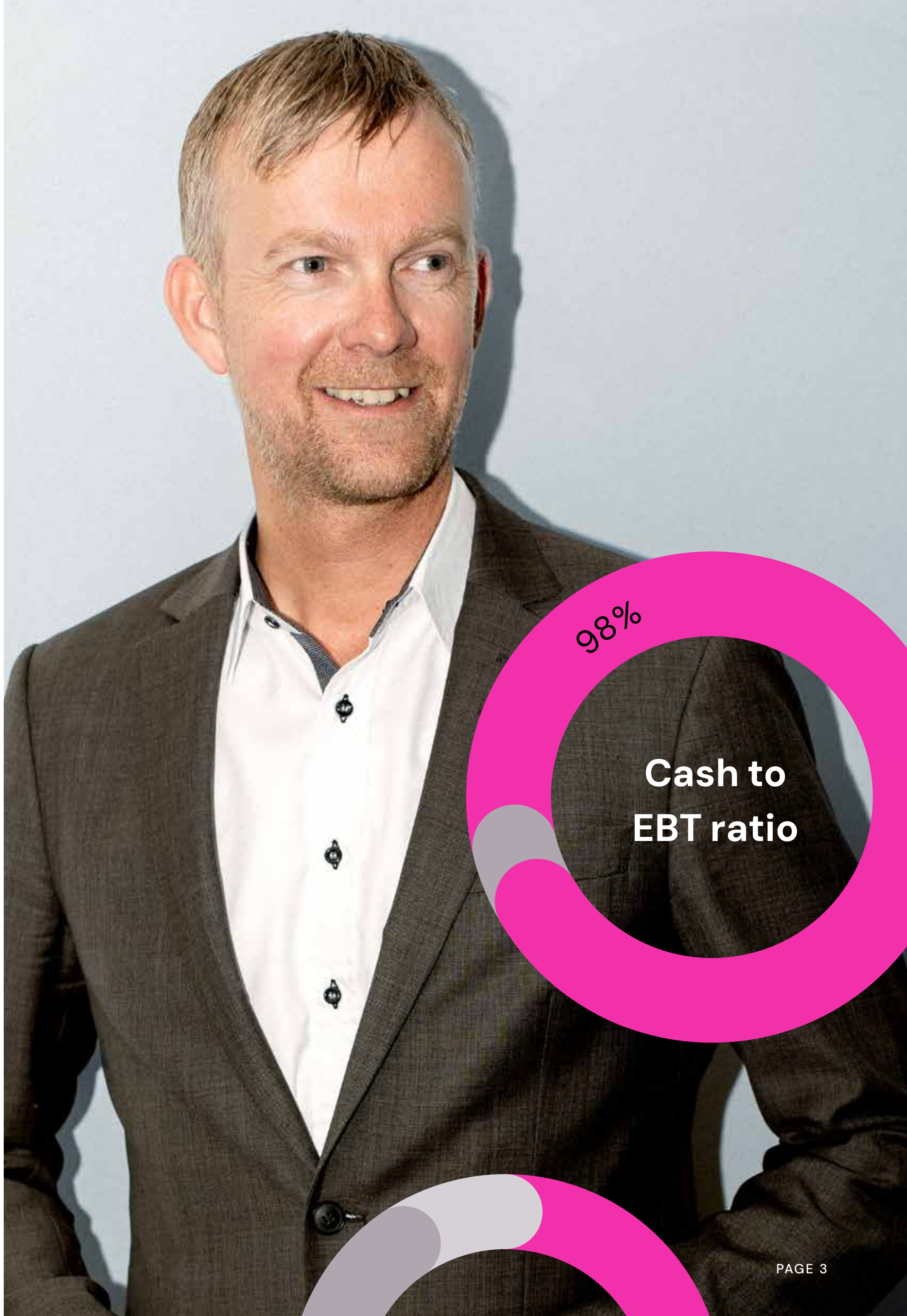
Steady growth in turbulent power markets

The share of power generated by renewables is rapidly growing and forcing fundamental changes in the power markets as the challenge of matching supply and demand increases. Previously, power was produced from stable resources such as gas, coal, and nuclear etc. However, the transition towards renewables has made power supply more reliant on the production from wind turbines and solar panels, and thus highly weather-dependant.

The green transition necessitates the development of models to accurately predict power prices and to stabilise the market. Advanced algorithmic models like Yggdrasil's, have demonstrated impressive precision in forecasting power prices. These models contribute to supporting the green transition by enhancing market stability.

The fluctuating power prices throughout the year have put our data-driven approach to the test, and our algorithms have analysed market conditions under unprecedented circumstances, including power shortages and soaring power prices. The IT platform and our algorithms have performed as expected and are now truly showing their strengths – no matter the circumstances. As we end our fifth year, Yggdrasil's IT platform is now fully developed, and we are ready to reap the rewards of our hard work and substantial investments made in previous years.

Engaging in algorithmic power trading has



enabled us to upscale our business without upscaling our workforce. Market-specific skills are not needed to expand with, e.g., a new market or product; the algorithms are developed on a global scale, and our trading strategies only need small adjustments to perform in a new setting. Hence, for the financial year 2022-23, we have increased earnings by more than 100% requiring only a 55% increase in full-time equivalents (FTEs). Future-wise, we expect this scalable and cost-effective business model to improve even further.

We consider our power trading activities a low-risk business. We engage in short-term power trading only, and we keep a good track record when it comes to analysing market conditions a few days ahead, and this year's results are no exception. During the financial year 2022-23, we finished 93% of all days with positive earnings, and the largest accumulated drawdown was less than 1% of our equity. This achievement is the result of our company's efforts to diversify our exposures, geographically as well as by performing activities in various weather scenarios.

I am proud of our accomplishments at Yggdrasil, which were achievable solely because of a great team effort and an impressive enthusiasm to succeed, and we delivered an operating profit of DKK 277m for the financial year 2022-23, an increase of 86% on the previous year. The profit has provided a significant tax contribution of 66 m DKK to society. The result met the year's expectations and solidified our performance and continued growth. It was realised through a further expansion of our power market portfolio, increased investments throughout the portfolio, new products, and, to some degree, through the high volatility characterising the market throughout the year.

Expanding our business also led to reaching an important milestone. During the financial year 2022-23, we started managing the first third-party assets. Having proven that our IT platform can generate value when engaging in the power markets, we utilise our expertise to generate value for asset owners. From our first experiences, we can see that asset owners increase their income significantly without incurring any risk or exposure. By

optimising and automating forecasting of power production, we are proud to help integrate renewables into power systems and contribute to green transition.

Outlook: Growing the core business

We have accomplished what I consider the hardest part of being a startup, namely setting our team, setting up an established company with the functions required, preserving our great startup culture, and developing and finetuning our IT platform. We are ready to shift our focus to growing our business.

Our growth strategy for the year to come includes adding 6-8 new power markets, adding new products, creating value for additional asset owners, and increasing our investments in all our markets. We continue to follow the same strategy and business model of previous years, and we expect our earnings to increase in the financial year 2023-24 by approximately 50%.

I hope you will enjoy reading Yggdrasil's financial report.

Kind regards,

Søren Agersbæk Jensen,
Founder and CEO

"Our setup is straightforward. We engage in short-term power trading because we have access to an enormous data foundation of high-quality weather data. We let machines crunch data impossible for the human brain to grasp and estimate short-term power prices. Recently, we added power market number 31 to our portfolio without reaching team member number 30.

Søren Agersbæk Jensen, Founder and CEO

Financial highlights

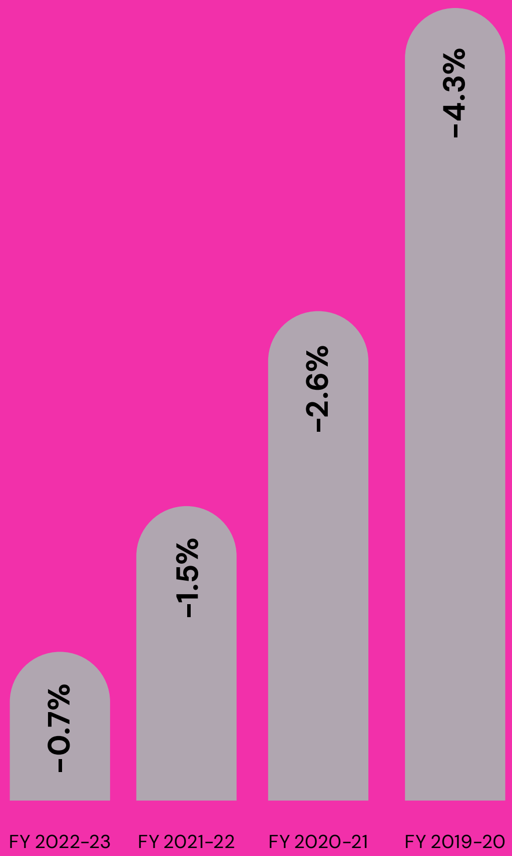
Highlights of the year 2022-23

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

In thousands DKK	2022/23	2021/22	2020/21	2019/20*	2018/19*
Key figures					
Profit/loss					
Revenue	-	-	-	14,417	8,133
Gross profit	308,182	165,473	45,573	-	-
Operating profit before financial income and expenses and tax (EBIT)	277,212	149,307	34,899	665	191
Net financials	8,638	-1,735	-55	220	1,781
Profit before tax (EBT)	285,850	147,572	35,534	6,071	1,972
Profit for the year	219,776	109,498	27,677	5,875	1,931
Balance sheet					
Balance sheet total	470,844	249,882	81,429	32,655	15,180
Investment in property, plant and equipment	-	-	-	-	-
Equity	353,352	145,856	35,319	20,112	14,314
Cash flows					
Cash flows from operating activities	280,999	79,762	4,142	1,243	69
Cash flows from investing activities	-	-	718	586	-200
Cash flows from financing activities	-6,000	-11,959	11,174	-1,603	300
Change in cash and cash equivalents for the year	274,999	67,803	16,034	226	169
Number of employees - average for the year	24	16	12	6	4
Key ratios					
Return on assets	58.9%	59.8%	42.9%	2.0%	1.3%
Solvency ratio	75.0%	58.4%	43.4%	61.6%	94.3%
Return on equity	88.1%	120.9%	99.9%	34.1%	13.5%

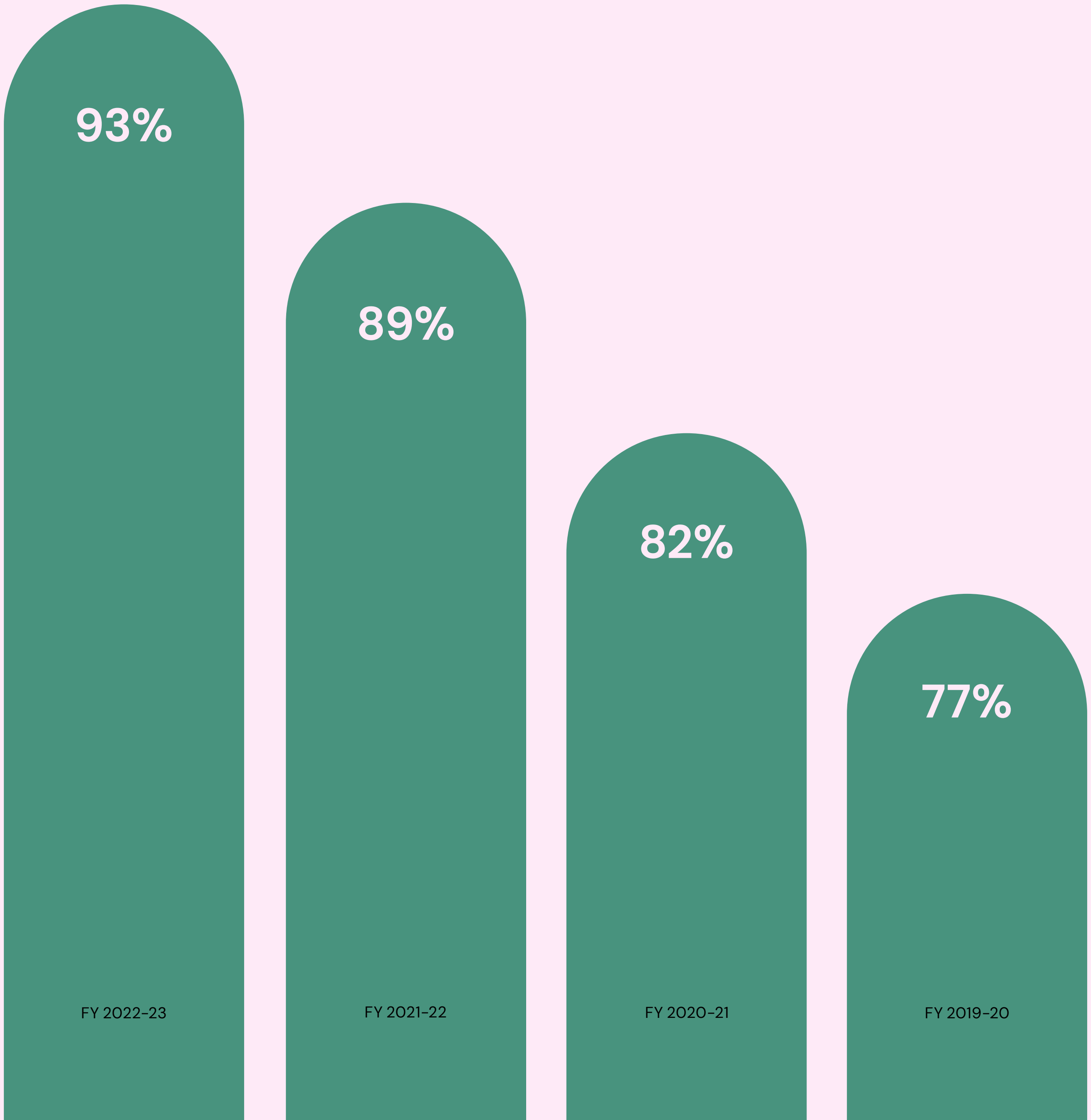
For definitions of financial key figures and ratios, please refer to note 1.

*The implementation of IFRS as from 1 July 2020 had an impact on the financial statements and key ratios for 2020/21 and onwards. Comparative figures for 2018/19 and 2019/20 have not been restated and were prepared in accordance with Danish GAAP.

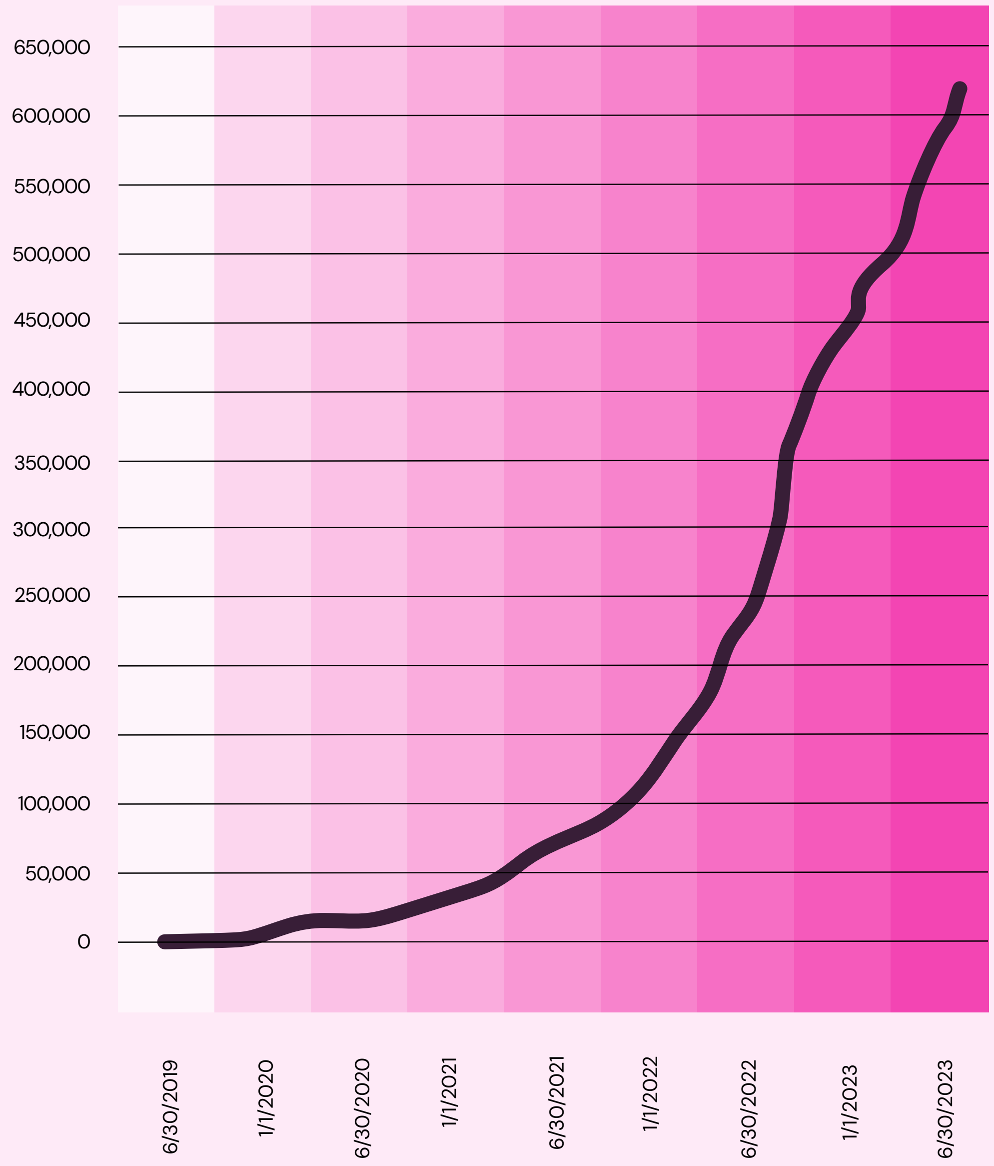


Largest accumulated draw down vs. equity

Positive trading days



TDKK **Accumulated earnings before cost on a daily basis**



Power traded outside Denmark

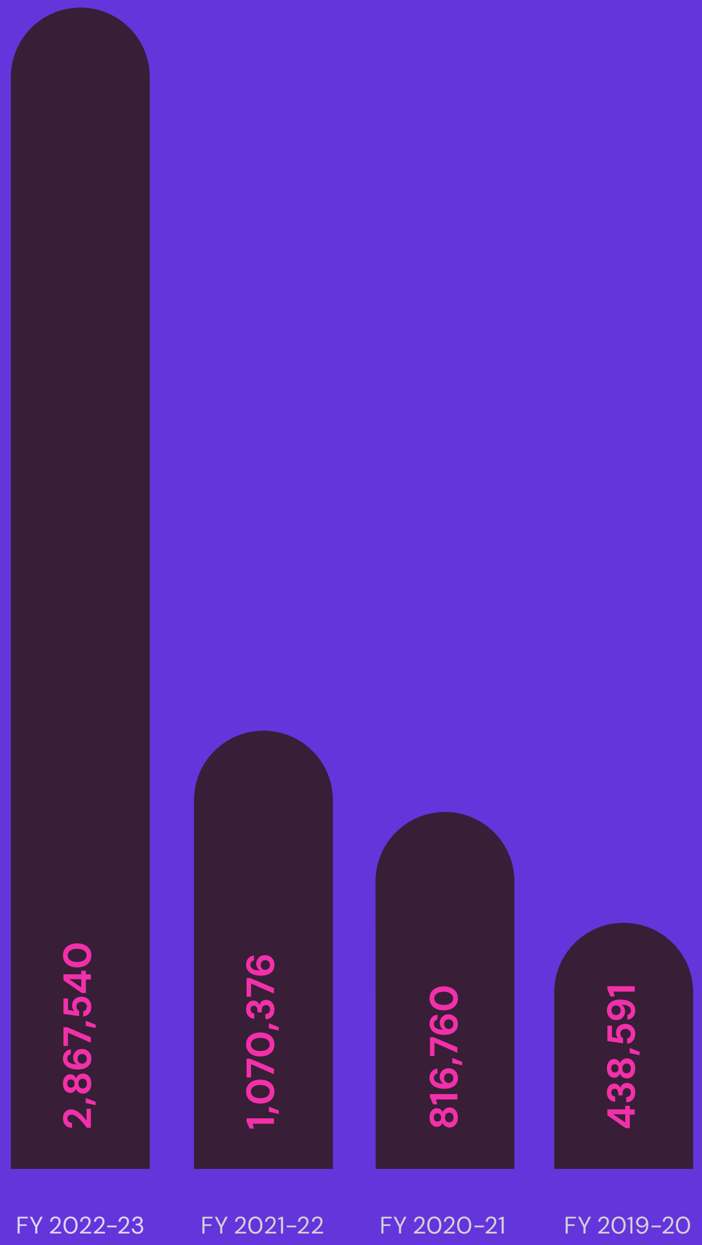
Earnings before cost (*TDKK*)

FY 2022-23
353,496 DKK

FY 2021-22
185,248 DKK

FY 2020-21
53,991 DKK

FY 2019-20
16,927 DKK



Total number of trades

Our business model

A simple setup: Short-term algorithmic trading

Our business model is very simple. It is based on IT and short-term power trading. The setup requires three sets of skills: Our power market experts understand market behaviour and built the algorithms, our software developers code the IT platform, and our back-office supporters make it all run smoothly.

We consider our setup as simple because we have a strong idea about future power prices. We estimate short-term power prices based on high-quality weather data, a critical element to our business model. Moreover, we firmly believe that algorithms represent the most successful method of predicting power prices. Machines can process data that exceeds the comprehension of the human brain, allowing us to swiftly calculate power prices based on extensive datasets.

Advantages of our business model

A business model based on IT and short-term power trading provides several advantages. The key advantage is scalability. All our power trades have the same characteristics in all our power markets, and it allows us to easily increase our investments.

Short-term trading involves short-term risk management, which simplifies risk governance since fewer variables need to be measured, verified, and evaluated. A straightforward structure with few variables and automated power trades leads to reduced complexity and a minimum of manual tasks. Fewer manual tasks, in turn, result in fewer errors.

Another advantage of our business model is a robust cash flow management. Our short-term perspective allows for comprehensive and transparent cash requirements. Cash is briefly held as collateral, minimising the need for liquidity and mitigating risk such as exposure to fluctuating exchange rates.

Why Yggdrasil is both a tech and a trading company

We consider Yggdrasil as much a tech as a trading company due to our extensive implementation of IT across all our operations. We have digitalised and automated our work processes, from managing the entire power trade life cycle to overseeing and tracking financial transactions. Combining their expert skills, our highly skilled software team have coded the framework, and our experienced professionals from the energy sector have contributed to its architecture and design.

We believe that leveraging IT for every workflow possible is the most efficient approach to power trading and to managing our business. And we automate everything possible. We get IT to crunch extensive data foundations, analyse power price correlations, predict power prices, communicate with Transmission System Operators (TSOs), and present live data for optimal decision-making to run our business as effectively as possible.

In addition to automating power trade operations, we digitalise and automate all other workflows to work smarter and more efficiently. In-house developed tools help us display a comprehensive view of weather data and transparent lists of collateral and financial transactions. Thanks to our automated bots, we get instant responses and always have the latest information available.

Considering our extensive integration of IT across our organisation, we define ourselves as both a tech company and a trading company.

Algorithmic trading – our definition and how it works

An algo trade, as we define it, is an approach to power trading relying solely on computer-based analysis. Trading decisions are made without any human intuition, and the process of order placement and trade executions is done without human involvement.

We use machine learning to identify data patterns. These patterns are encoded into algorithms, forming the foundation of our power trading strategies, on which each single trade is based. Suggestions generated by the trading strategies, whether to buy or sell power, depend on weather forecasts and historical data on the development of power prices, forming the foundation of our data analysis.

We have developed algorithms for power markets across the globe. Once we have documented the effectiveness of our trading strategies in one market, moving on to the next market we can leverage our existing power trading strategies while fine-tuning them for market-specific conditions.

{
“OUR”:Tech-Stack;
(MicrosoftAzure
Cloud
SOLID-Principles
C#
.NET 7
BlazorJavaScript
Docker)
}

Advantages of algorithmic trading

The advantages of using algorithmic trading are many. It can adapt rapidly to changing market conditions, works around the clock, and minimises risk. The following advantages are the ones we consider to be most important to our business.

Time: The time span between the decision to buy or sell and executing the trade is next to nothing because algorithms can calculate and execute a trade instantly. Thus, time per trade is reduced considerably.

People: We do not use traders to execute the power trades as the process is automated. Hence, the amount of people needed to run our business is reduced considerably. After 5 years of trading power, we are 28 FTEs without the need for adding further members to our team.

Competences: The organisation is not dependent on a single competence to execute the power trades and thus, there is no dependency on a single person.

Power markets at the end of the year

29 ↗

Stability: The algorithmic approach is stable. Once an algorithm has proven to work, data has shown that it will continue to be right in the future. Hence, the approach is less risky.

Accuracy: To be able to forecast power prices requires the processing of a lot of data. The human brain is only capable of processing a limited amount of data and consequently, forecasting will be more of a gut feeling than of a rational analysis. A computer processes endless amounts of data instantly and is more accurate than a human can ever be.

Scalability: Using a data-based approach makes us able to scale our business and add new markets without increasing the amount of people accordingly.

Total traded

TWh 13

Disadvantages of algorithmic trading

Algorithmic trading presents numerous advantages, yet it also brings about certain drawbacks. Instead of disregarding these drawbacks, we tackle them head-on to mitigate their impact. We focus on the following aspects:

Algo-specific knowledge: As algorithms become more sophisticated, it becomes increasingly harder to further improve their performance or even comprehend their behaviour. This challenge is amplified if multiple individuals utilise the same algorithm. In our setting, there is no defined limit to the complexity of the algorithms. This means that a single person could write an algorithm of such intricacy that others may struggle to make further developments. Specific knowledge is thus created which may not be easily shared among colleagues.

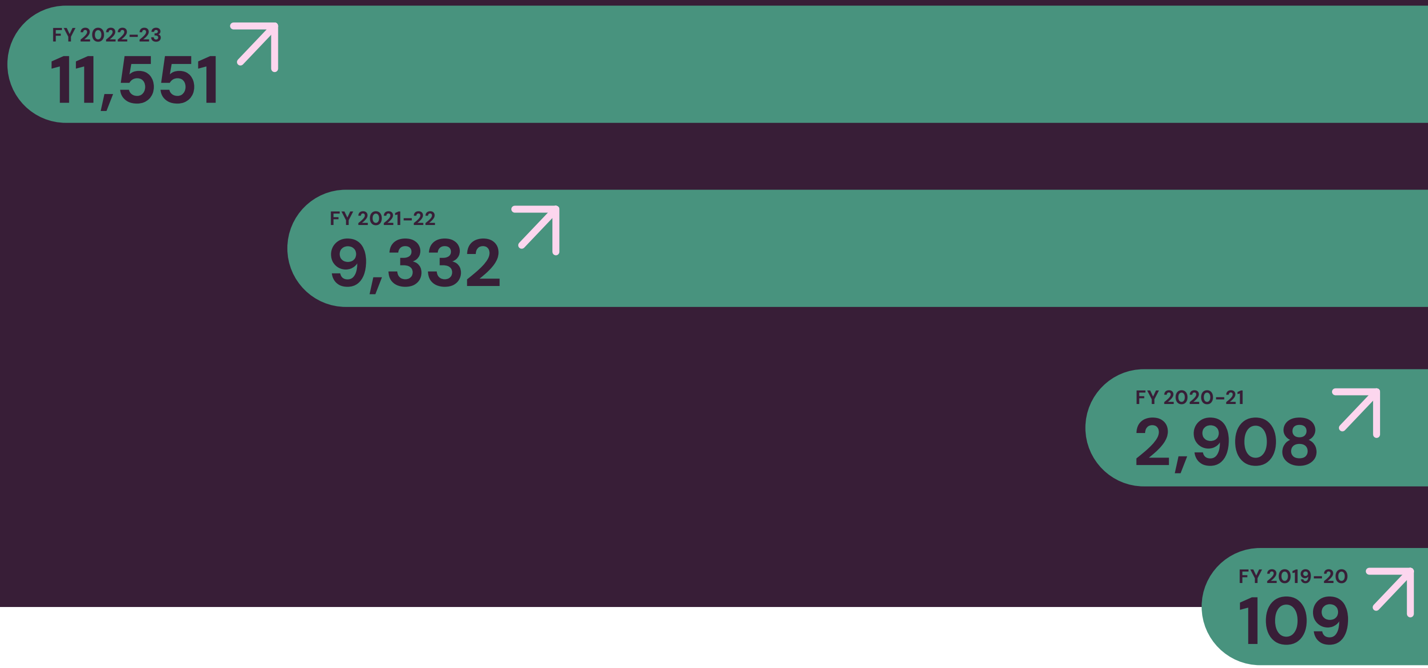
Data and domain-related biases: Our algorithms react to changes in weather conditions. However, it can be difficult to find sufficient training data of acceptable quality. For our data to encompass all possible weather scenarios, we must go back in time. Previously, correlations between supply and demand were different. For instance, a sunny day in the past meant higher power demands, whereas today, solar panel production meets those higher power demands. Consequently, the data is not representative of the current domain.

Force majeure: Unforeseen events impact on the short-term power market, e.g. an earthquake, a large-scale forest fire, or the start of a conflict between states. The consequences for the power market will have an impact on how we trade, but these scenarios are not "trainable" for our algorithms as luckily, instances are not frequent enough to train the algorithms. Hence, we cannot rely on algorithmic trading in case of force majeure. We cover this by always monitoring the power markets by always having people monitor the power markets.

Increase in traded volume

81%

EBIT/FTE (DKK'000)



Our power markets

A global approach to growth

We are committed to ongoing portfolio expansion while concurrently dampening our exposure to risk. A global perspective with the spreading of our activities across three continents – North America, Europe, and Asia – enables us to optimise our risk diversification efficiently. In the 2022-2023 financial year, we have added another 5 power markets to our portfolio, resulting in a total of 29 power markets by the end of the financial year.

Expanding our portfolio aligns with our growth strategy, and geographical location is a pivotal factor in our market selection process. The geographical spread of our activities is one of the greatest strengths of our portfolio. Power prices are highly impacted by weather conditions, and big leaps in prices are often caused by unforeseen weather changes. Markets located in proximity to each other are affected by the same weather conditions and thus react similarly. Therefore, when deciding on a new market, the geographical market location is decisive.

By diversifying our investments across different continents, we reduce our exposure to shared weather patterns. This diversification results in investments that are less exposed to correlated weather conditions, which leads to an independent investment performance.

Robust European power demand

Expanding Yggdrasil's cross-border trading activities in Europe has been one of the priorities of the year. The choice of expanding further in Europe amplifies our focus on our cross-border trading activities. The demand for reliable power supply in Europe is high – at the same time, the grid receives a considerable share of power from renewables. Therefore, the European grid requires the movement of power through interconnectors between the countries from where there is excessive power to where it is in demand. By engaging further in cross-border trading, Yggdrasil plays a key role in efficiently distributing power to where it is needed.

During the past year, we have included Switzerland, Belgium, Sweden, Norway, and Italy in our portfolio. As the power markets in Europe were liberalised around the same time, the markets are similar in structure. Combined with our experience in expanding across the world, this means that the time and resources needed to integrate new markets have become of very little importance. Hence, integrating a new European market into our portfolio demands minimal resources. After receiving the necessary permits and authorisations for a new market, connecting the IT infrastructure of the local market with our systems is a matter of days or less, and our trading strategies can be seamlessly adapted with only minor adjustments to suit neighbouring countries. This allows us to expand further without imposing any strains on our day-to-day activities.

"We entered the Italian power market because the climate in Italy is very different from most of our European power markets, which diversifies our risk. Italy's geographical location south of the Alps results in weather systems that are different from the regions north of the mountains, and the market requires a different approach. Effectively, we could adapt our trading strategies from California to navigate the hot Italian summers.

Pernille Durup Mortensen, Compliance and Partner

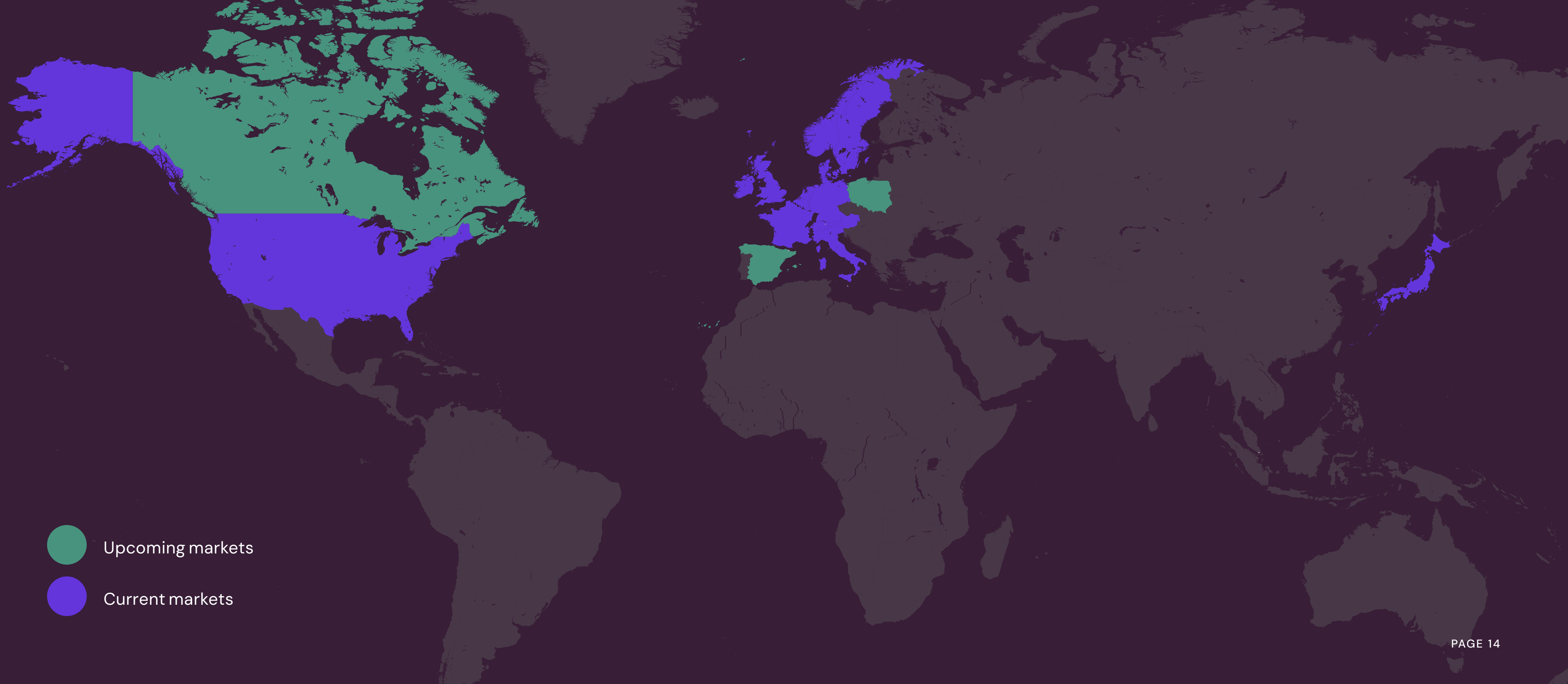
A new market

A new power market is a new scene, as each market has its own rules and requirements; trading in a new market is risky. Risk is at the top of the agenda in all our decisions and, to eliminate risk when adding a new market, we go through some initial steps before including a new power market in the Yggdrasil portfolio.

Initially, we carefully analyse what the influence of the weather in the new market is like and how it correlates with our existing markets.

Secondly, test trades are conducted in the new market to verify the market-specific trading rules, the settlement process with counterparties, collateral requirements, and other market-specific details.

Thirdly, we need to experience how the market reacts to our trading, and any feedback is included in our trading strategies.

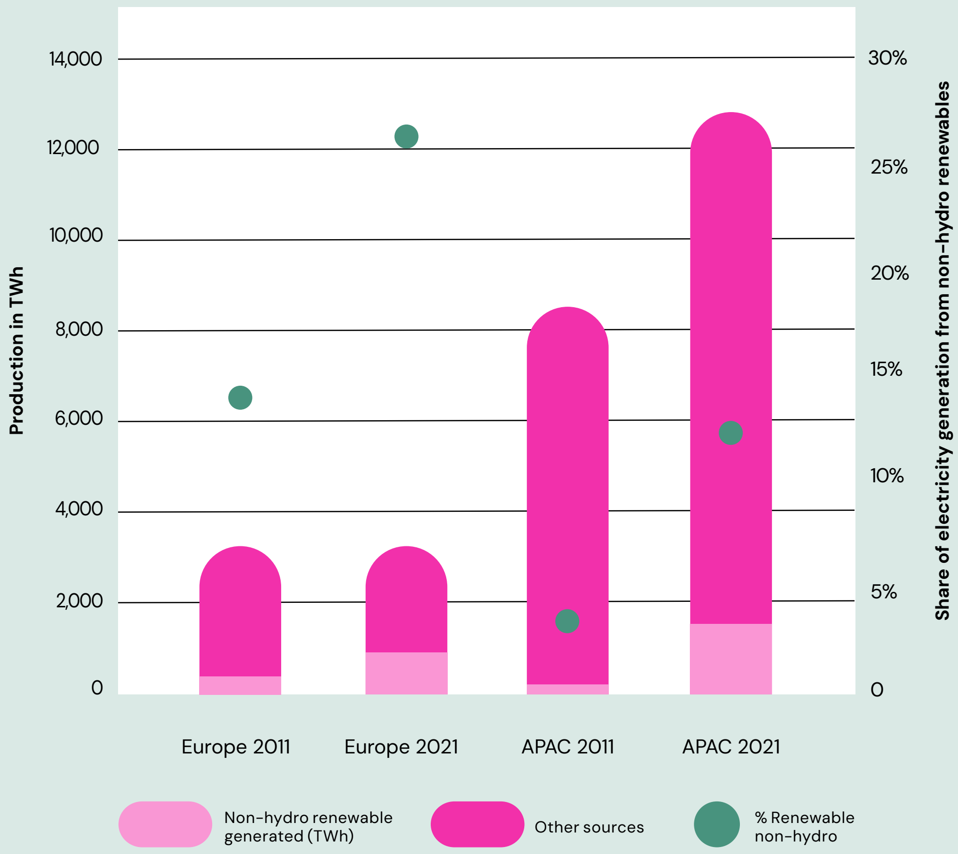


Expansion in the Asia-Pacific Region

Strengthening APAC power market support

In December 2022, Yggdrasil opened its first international office, located in Tokyo. The establishment of a physical presence in Asia is a natural development following the expansion to the Japanese power market.

Development of non-hydro renewables in Europe and APAC



The share of non-hydro renewables in the APAC region has equalled that of Europe in 2011. However, due to its larger market size, the potential in terawatt-hours (TWh) already far surpasses that of Europe today.

The establishment of a Japan office emphasises our strategic choice of supporting the development of power markets in the APAC region. The Asian power markets are facing similar challenges to what the European power markets encountered around 2010. Questions arise around the mass integration of renewables into established power systems that previously relied on conventional power sources. Issues relate to dealing with very high or low levels of renewable energy generation, as well as with struggles around economic returns, and societal gains implementation and deregulation policies.

With roots in the European power markets and experience with similar issues, Yggdrasil is uniquely placed to deploy the hard-earned lessons from the challenges that European market participants have been facing for more than 15 years. It is in our DNA to manage volatility like the APAC region markets are experiencing with the deployment of renewable energy on a mass-scale basis. We pride ourselves on supporting the markets and societies in the APAC region.

Benefits from Japan office

For Yggdrasil, an office in a region outside Europe means working also in a different time zone, which enables us to monitor the power markets 24/7 more easily. With a team in Japan, we can do shift rotations around the clock without anyone having to work during the nighttime in Denmark. In addition, our presence in Tokyo enables closer interaction with the Japanese and broad APAC energy investment community. It brings local knowledge into the development of the market and the product range in the region.

Offering an international environment to our team is another benefit to our presence in Japan, and we have prioritised an intercultural integration between the offices. The team in Japan have visited Aalborg on several occasions, and longer exchange stays are popular in both Denmark and Japan for both power market specialists, software developers, and other team members.

Asset management

Expanding our business: Renewable asset management

A milestone was reached in the financial year 2022-23 as Yggdrasil managed its first assets. Asset management is another stride in our ongoing efforts to diversify market risk, while our power trading platform continues to create valuable synergies for asset owners.

Expanding our business with buying power from third-party asset owners and selling it to the market is a natural strategic choice for Yggdrasil's business engagements. Handling assets means spreading market risk even further as asset management has a different setup than the proprietary power trading. More precisely, the risk and reward profile in handling power that is externally generated varies from the profile created by our internal power trades. In other words, asset management is a line of business with low correlation to proprietary power trading.

Offering Yggdrasil's services to asset managers, we utilise both our expertise in power trading and our trading platform. With our comprehensive knowledge of analysing weather forecasts and of algorithmic power trading, we know how assets react to the weather, and we also know how the market reacts.

Strengthening the green transition

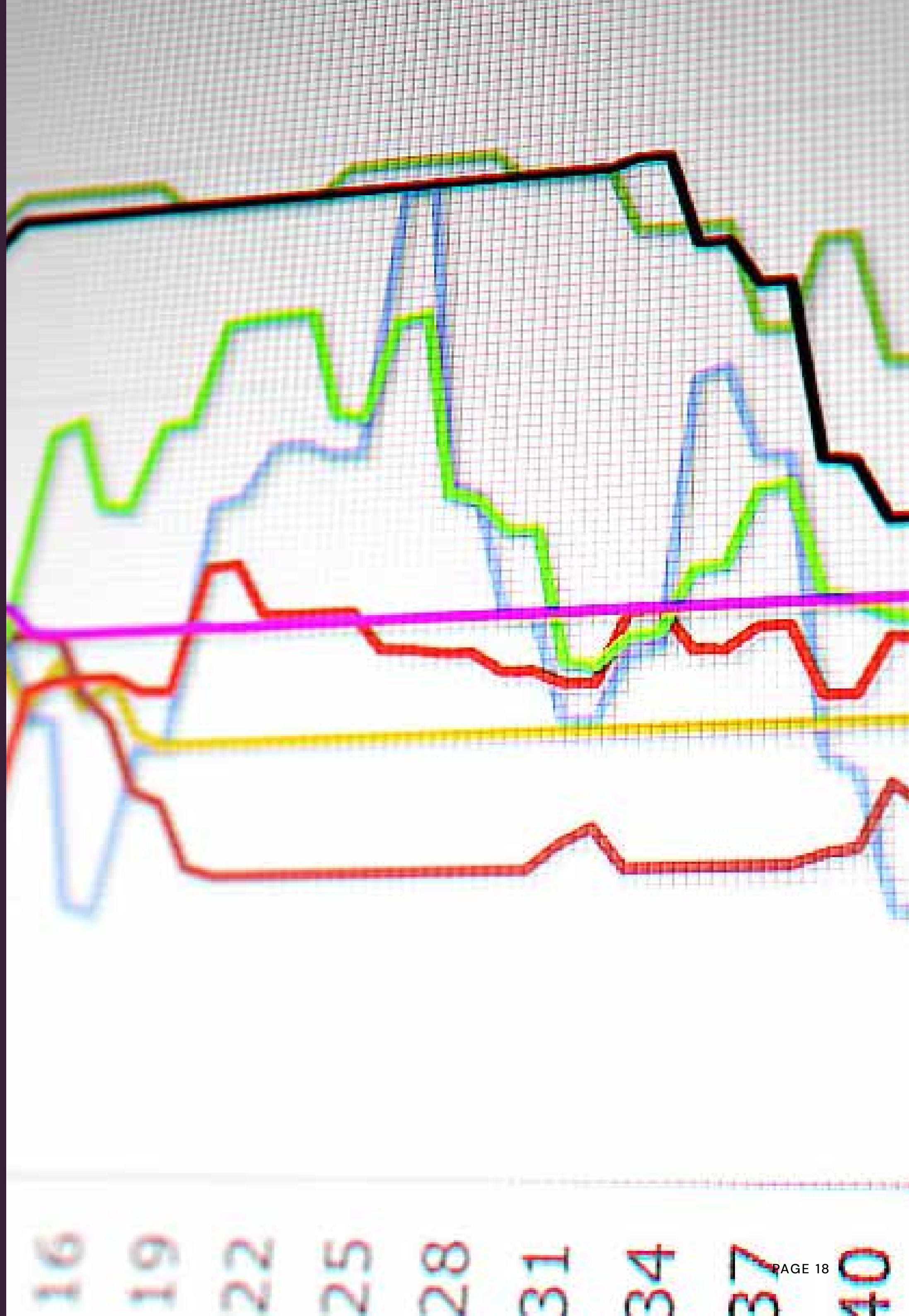
By extending our services to asset owners, Yggdrasil takes on the risk of the asset owners for their potential future imbalances. We handle everything from power offtake and delivery of renewable energy to the market to paying the asset owners for the generated power. The asset owners are no longer exposed to the risk of imbalances – this is now a new uncorrelated risk handled by Yggdrasil internally. Lowering risk and decreasing delivery costs consequently foster a more secure and attractive environment to advance renewables projects, thus strengthening the green transition.

Asset management is an integrated part of our business, and the initial results from our route-to-market services show that asset owners gain an increase in income of 0.3% to 0.8% from our services.

Risk management

Fostering resilience: Our approach to risk mitigation

Our highest priority at Yggdrasil is risk management. We address potential risks in everything we engage in, and each single team member is aware of the risks when engaging with our power markets. Power trading involves several risks, and the responsibility for risk management is strategic as well as operational.



In close cooperation with the two founders, Yggdrasil's CEO and COO, the Board of Directors is responsible for the risk strategy. Risk management is paramount throughout the organisation and is adhered to and implemented by everyone in the company.

To make sure everybody in the team is working within the same framework for risk management, different members of our team are responsible for specifying our risk management procedures and making sure the whole team is aligned and procedures are followed. Power trading involves different risk aspects, and our risk management strategy is implemented within five overall areas.

Market risk

Market risk covers all areas that have the potential of financial loss or adverse outcomes in investments due to factors that affect the overall market or a specific market conduct. To mitigate market risk most effectively, Yggdrasil divides risk into the following focus areas:

New power markets

5

Market diversification

Market diversification is key to market risk management, and by spreading investments in many different power markets, we avoid that a single power market becomes too dominant in our portfolio. Hence, for each single market added to the portfolio, we dilute market risk further and reduce the potential of financial losses without compromising gains.

Geographical spread

Yggdrasil is active in three continents, and trading power in markets geographically far apart is one of the greatest strengths in our portfolio. Power prices are highly dependent on weather conditions, and big leaps in prices are often caused by unforeseen weather changes. Hence, markets located in the same region are affected by the same weather conditions, which makes investments correlate. Therefore, when deciding on a new market, the geographical market location is decisive. By spreading investments in different continents, the risk exposure to the same weather systems is mitigated. Uncorrelated weather conditions lead to uncorrelated investments.

Adding new markets

To follow our growth strategy, we continuously add new markets to our portfolio. Each market has its own rules and requirements, so trading a new market is risky. To manage the risk of selecting and entering a new market, we go through some initial steps.

Initially, it is carefully analysed if the influence of the weather is specific to the new market only and not spilling over into our existing markets. Secondly, test trades are conducted in the new market to verify specific trading rules, the settlement process with counterparties, collateral requirements, and other market-specific details. Thirdly, we need to experience how the market reacts to our trading, and we finetune our trading strategies. When the above steps have been completed successfully, the new market is included in Yggdrasil's portfolio.

Increasing investments

A new market provides Yggdrasil with new investment opportunities. Once a new market is included in the Yggdrasil portfolio, we start trading the market and increasing investments.

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For our diversification strategy to work, the investments in each of our markets should be at the same risk level to balance the total risk exposure. When the investments in a new market reach the same level as the existing portfolio, the market diversification is higher than before and hence, the overall risk exposure decreases, diluting Yggdrasil's risk profile.

Each new market supports growth in two ways. It offers the potential of increased investments and positive earnings without the full impact of higher risk. Further, for each new market added, we can increase investments in all our markets as Yggdrasil's overall risk profile is further diluted.

IT risk

As our business model is centred around algorithms, we rely on a secure IT infrastructure, which makes cybersecurity paramount to our business. Our dedicated security team manages all access control and ensures that we do not experience any unauthorised access, irrespective of whether we are working from home or from our offices in Aalborg or Tokyo.

Our Azure Cloud solution is a fundamental part of our security strategy. By operating within Microsoft's closed systems, we benefit from their cybersecurity management, a configuration that we consider highly secure. The solution prevents cyberattack and phishing attempts, and any incidents of malware are promptly reported to Microsoft using the Report Message add-in.

We maintain our infrastructure with the latest updates and adhere to a Zero Trust Security Approach. This approach mandates that all users undergo authentication before gaining access. It consists of three core principles: User verification, device validation, and intelligent access restriction. Additionally, team members with higher permission levels are equipped with Yubico Security Keys (2FA) to further strengthen our secure position.

Our software is secured in a VPC (Virtual Private Cloud) using Cloudflare's industry-leading NaaS stack, and access is restricted to those who have successfully undergone authentication using the Zero Trust Security Approach. Furthermore, our company resources are exclusively accessible through company-managed devices, which we oversee through Microsoft Intune.

To mitigate any risks associated with algorithmic trading, we have implemented an automatic kill switch. Should any trading surpass predefined risk limits, the system will automatically shut down. Reactivation can only be done manually by a member of our Board of Directors.

People risk

Yggdrasil would be nothing without our great team, and a team member leaving the company represents a significant risk to our business. During the financial year, we have focused on minimising people risk by ensuring that we have a backup for critical team members as well as duplicate processes for critical workflows. In the event of a team member resigning from their position at Yggdrasil, a well-documented plan will ensure business continuity.

Recruiting a new team member represents another potential people-related risk, as there is a possibility that the individual might not align with our culture. To ensure a successful recruitment, we conduct several interviews involving different team members and invite potential candidates to visit our office to introduce them to their tasks. This approach helps both us and them gauge the compatibility with both the tasks and the work environment.

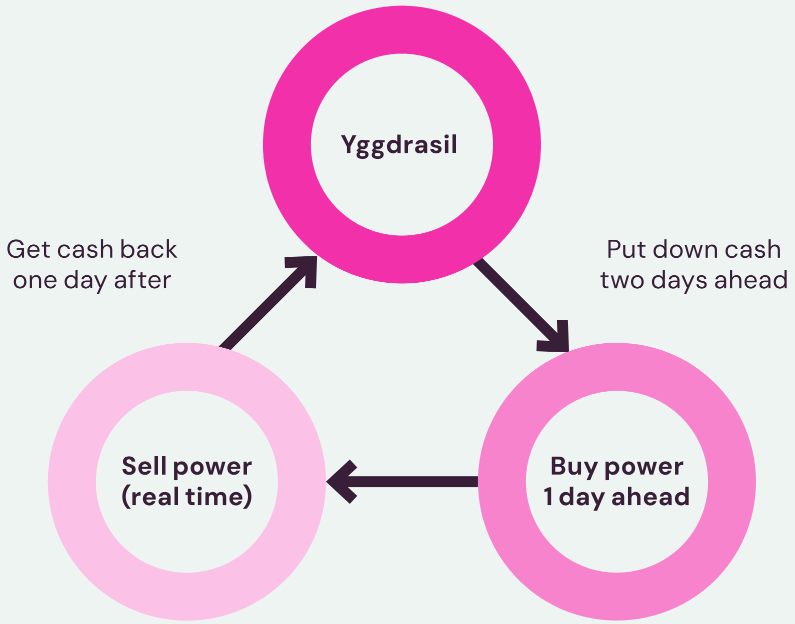
Counterparty and liquidity risk

Operating our low-risk business model in a changing world requires strong focus on our counterparty risk and diligence around our cashflow.

Counterparties of Yggdrasil are almost exclusively government-backed entities such as exchanges, clearing houses or TSOs. Historically, such entities have shown an exceptionally low delinquency rate (overdue debts).

Yggdrasil does engage with private companies as counterparties, but these are debtors such as our customer asset owners. As we receive power from them and pay them, these are our debtors rather than they represent a financial counterparty risk.

Cash flow cycle



Liquidity risk is ever-present in markets with volatile prices. Especially during the financial year 2022-23, power prices were extremely turbulent, increasing the potential of liquidity challenges. However, due to our focus on trading in short-term markets, over 95% of our exposure remains limited to the following business days. Subsequently, transactions are cleared and settled, enabling Yggdrasil to efficiently reuse liquidity.

Cash from trades executed on exchanges is settled within days, and cash from trades with TSOs or other counterparties is settled within a few weeks on average. Collateral and securities paid to counterparties are relatively small due to swift cash settlement. Even in the extraordinary market circumstances during the financial year 2022-23, no internal liquidity issues where observed.

Compliance risk

Regulatory compliance is a core element in our organisation, and we closely follow regulatory developments applicable to our trading activities. We must constantly be at the forefront of legislative requirements as well as changes or modifications to already existing requirements. Yggdrasil's dedicated compliance colleague distributes any news or changes which will affect our business and ensures that the team understands and adheres to the regulatory requirements.

Market compliance

Yggdrasil trades power in three continents, and the areas differ significantly from each other in terms of laws, regulations, and rules. Each area has its own unique setup and even though there are parallels between them, the areas are at different maturity levels. In a close cooperation, compliance and business development ensures a detailed understanding of market rules, implementing them into our trading setup.

Market conduct

Internal compliance is likewise as important as external compliance. Hence, everyone who is interacting with the power markets on behalf of Yggdrasil must attend a market conduct training session before they are allowed at the desk. Apart from our internal compliance education, exams from relevant external trading venues are required.

Compliance is located next to the power market team and is available for any questions about regulatory affairs. In case something unusual is identified in a market, the power market team must report to compliance.

Intellectual property rights

Yggdrasil is built on technology and innovation, and judicial protection of our core intangible assets, IP rights, copyrights, trade secrets, and other intangible assets is imperative to the existence of our business.

The legal protection of Yggdrasil's core business is an ongoing focus point to ensure that we can continue to commercialise our services. In close cooperation with external professionals, compliance is responsible for safeguarding our assets and frequently explores developments in trends and regulations and possible new ways to protect our intangible assets as well as to detect possible hindrances.

Our people and culture

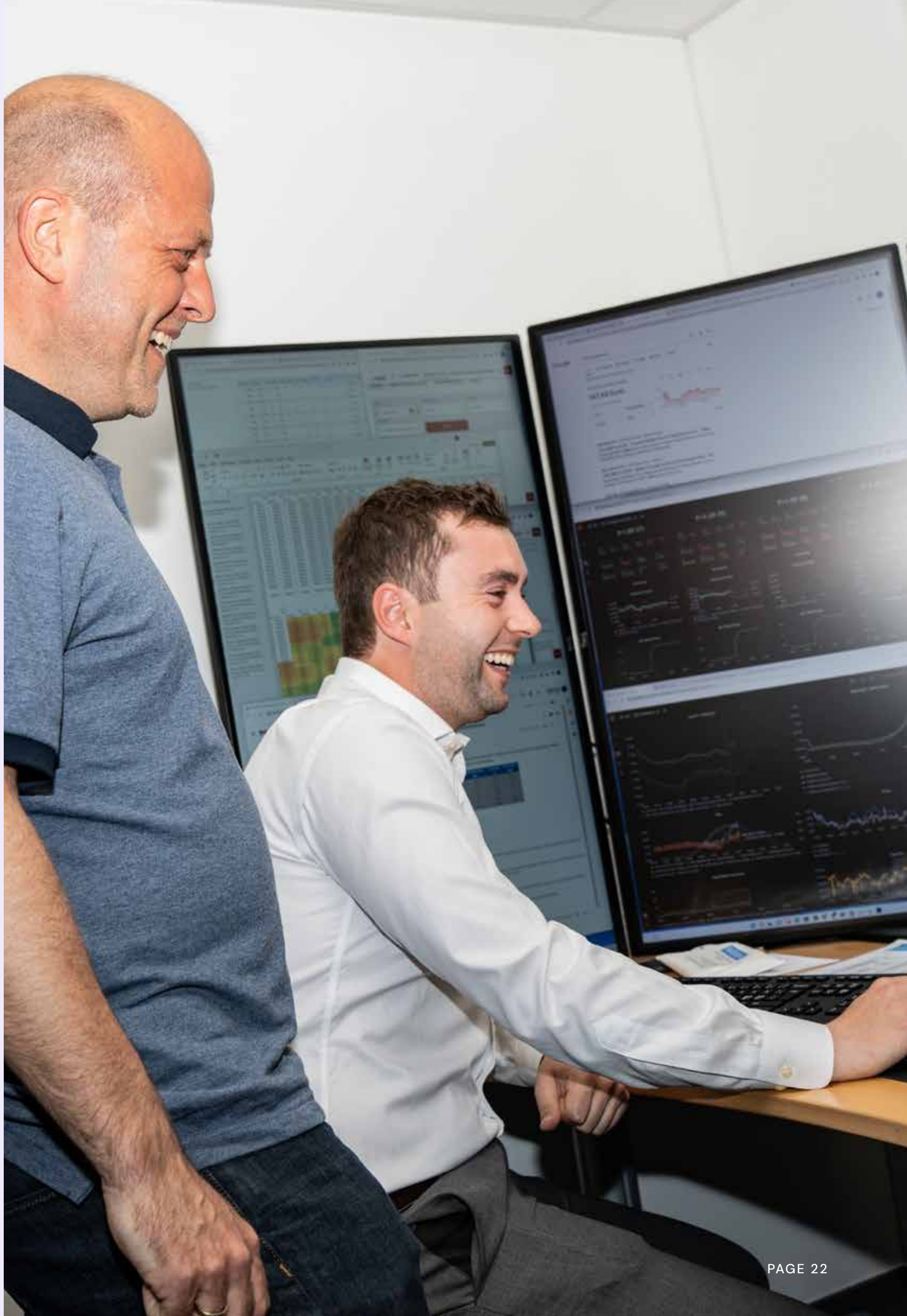
Cultivating values and building a global team

How we work is the DNA at Yggdrasil; our values are not just words printed on a coffee mug! They are paramount to how we run our business, and living and preserving our great culture is key to all of us.

We feel fortunate to have welcomed new colleagues in our team over the past twelve months. We are both humbled and grateful that they have chosen to join Yggdrasil, especially during a period where the number of open positions exceeded the number of candidates. We began the financial year with 18 team members; by the end of the financial year, our team has grown to a total of 28 members.

Increasing our team by ten new colleagues has required us to focus on recruiting and onboarding. In addition to welcoming new team members, we have devoted our efforts to safeguarding our strong culture and values.

As a team, we have developed our values further, and we are proud of living our five values in our everyday office life. Familiar-ising potential new team members with our



> We have successfully maintained our innovative startup culture and dedication to transparency while welcoming ten new team members from various locations and cultural backgrounds. Everyone has been great, and I am proud to conclude that even though we have grown a lot, we have grown together.

Ann Sloth Hansen, Partner, People and Culture

values during the recruitment process is essential because we believe that adhering to these values is equally as important as having the right skills to become part of our team. A comprehensive introduction to our values is part of our onboarding process, and our values are integrated into each talent's development plans.

As the year is coming to an end, we are shifting our focus from recruitment and onboarding to developing our talents and ensuring that everyone is enthused and satisfied going to work.

We cherish our flat organisation where the best argument wins, and expertise is the deciding factor – regardless of position. However, as our team has grown, we recognise the need for a structured team division, and we view leadership as a skill next to coding and market knowledge. Our values are our guiding leadership principles. We customise our leadership approach to each team member, using tailored guidance whether they are straight from university or senior professionals, because we are all unique. Our goal is to enable each team member to pursue their passions and offer opportunities to develop their skills within their areas of interest.

Unity across cultures

Opening an office in Tokyo in December brought great new colleagues to the team. It has been both exciting and a bit challenging because our cultures are very different. Hence, we focused on the intercultural communication and learned about each other's communication preferences to better communicate with each other. The significant time difference between Aalborg and Tokyo has meant early mornings for our Danish team and late evenings for our Tokyo colleagues following our collaborative meetings.

Nevertheless, the unwavering determination of every team member, both in Tokyo and in Aalborg, to ensure the success of our expansion efforts has been truly remarkable. The team spirit and synergies between the two offices have exceeded all expectations, resulting in a cohesive team working unitedly.

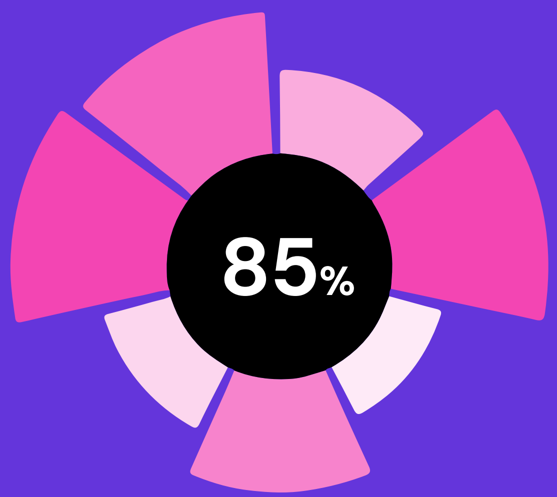
Valuing our team

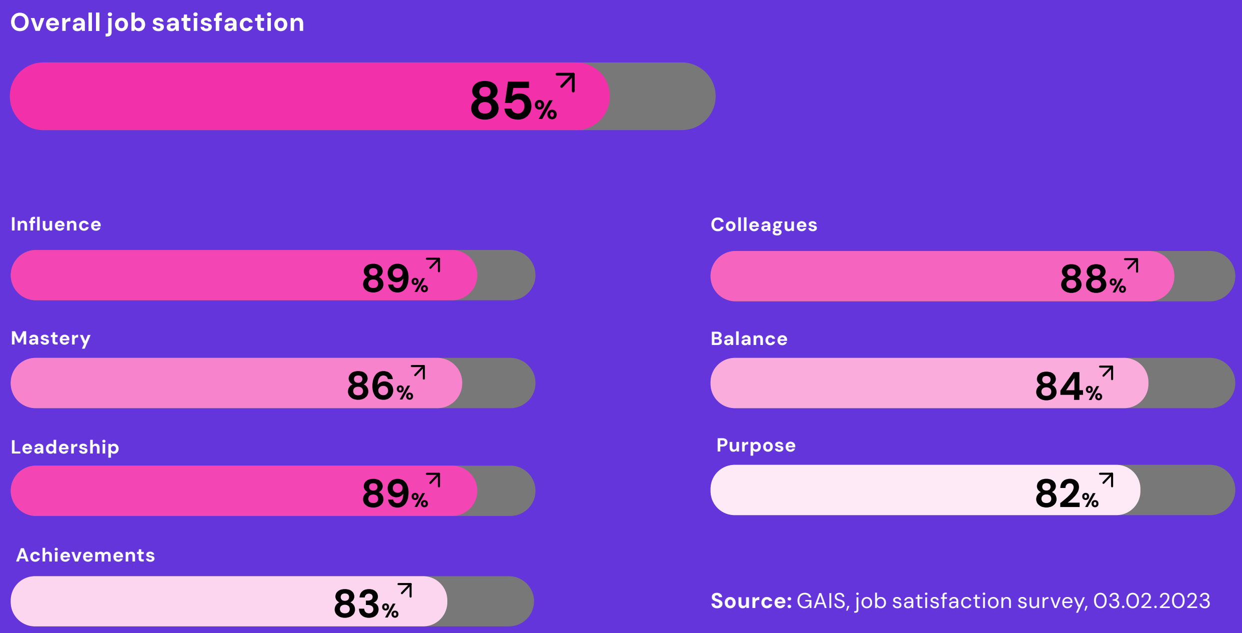
Yggdrasil would be nothing without our exceptional talents and dedicated team members. We want everyone in our team, no matter their role, to benefit from their contributions.

Our ambition is to include all our employees in our partner programme, which encompasses warrants and shares. Whether you are part of our analytics team, IT team, power market team, or any other function within our company, our goal is to welcome everyone as a partner from their very first day with us. At the end of the 2022-2023 financial year, Yggdrasil has 28 full-time employees, of whom 28 hold partner status.

Furthermore, we aspire to cultivate long-term relationships with all our team members, aiming to retain and foster the exceptional talent that defines Yggdrasil.

Satisfaction score

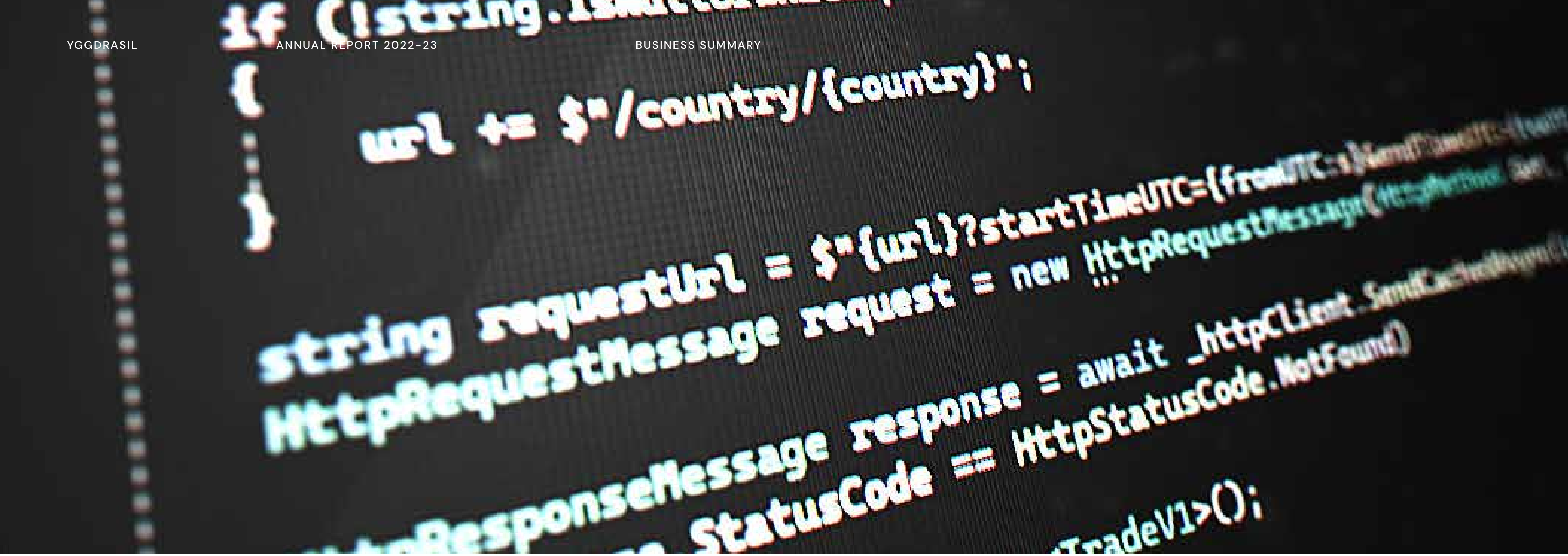




Source: GAIS, job satisfaction survey, 03.02.2023

The Yggdrasil values

We are committed to our five values. They are the essence of our professional coop-eration and how we treat each other. They are our guideline for our daily life at the office, and they define our approach to power trading.



Uncertainties

In accordance with the shareholder agreements for the subsidiaries Dvalin ApS and Nidhog ApS, an event has occurred in 2020/21 which has had the outcome that the company has purchased shares held by minority shareholders in the subsidiaries at a total purchase price of DKK 6.9 million. The minority shareholders have objected to this purchase, and the ownership of the shares at year-end is therefore legally questioned.

For accounting purposes and based on the provisions laid down in the shareholder agreements, the assessment has been made that the company exercises control over the shares owned by minority shareholders. Against this background, the subsidiaries Dvalin ApS and Nidhog ApS were recognised as wholly-owned subsidiaries at 1 April 2021, and the purchase prices were recognised as liabilities.

The assessment that the company exercises control over the shares owned by minority shareholders is supported by an updated opinion from an external lawyer.

The outcome of the dispute with the minority shareholders may have a minor financial impact on the accounts of Yggdrasil.

Company Information

The Company
Yggdrasil Commodities ApS
Niels Jernes Vej 10
DK-9220 Aalborg Øst

CVR No: 40 30 06 43
Established: 28 February 2019
Registered office: Aalborg
Financial period: 1 July - 30 June

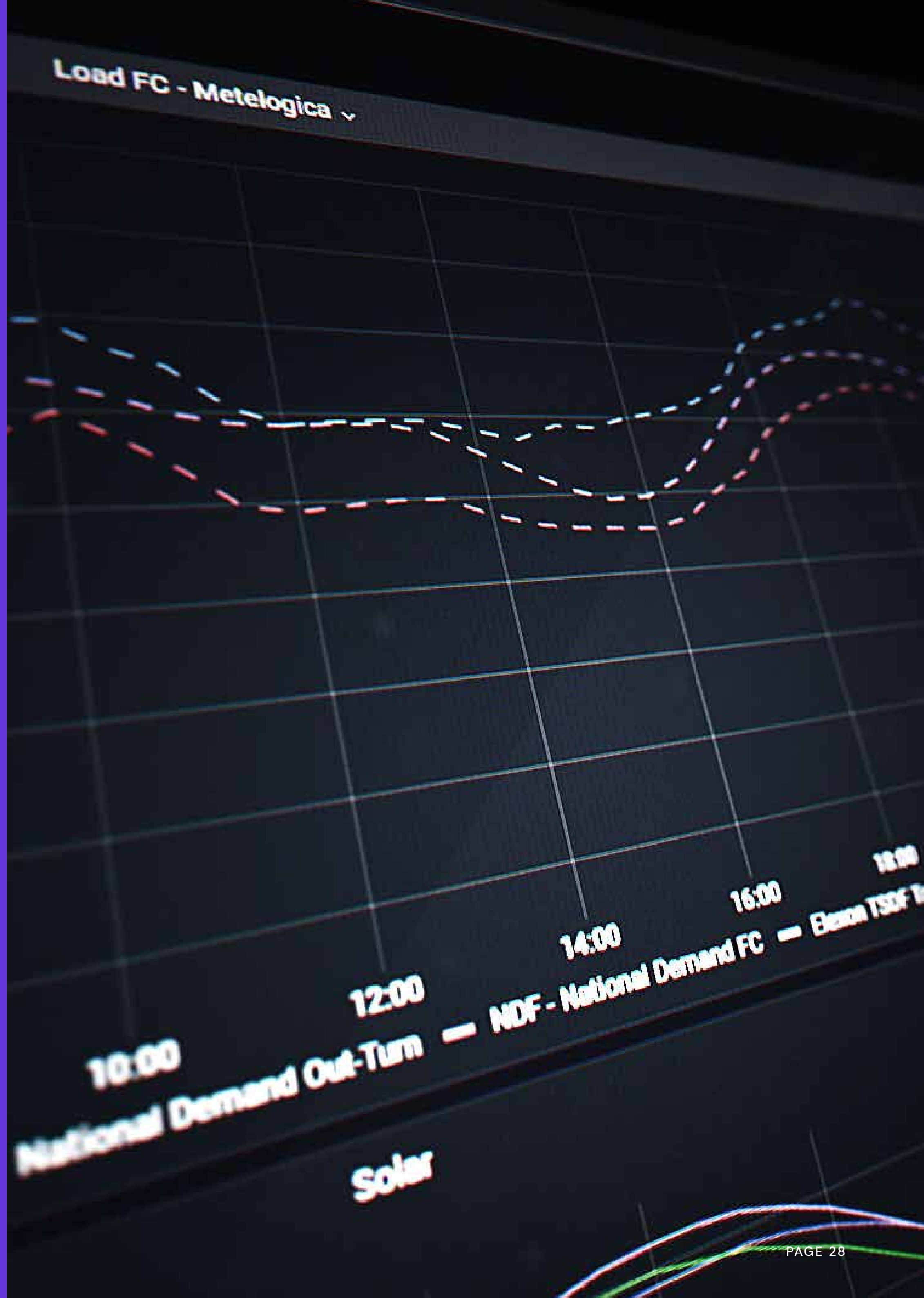
Board of Directors
Søren Agersbæk Jensen
Søren Bondo Andersen
Rasmus Nordestgaard Jensen

Executive Board
Søren Agersbæk Jensen
Søren Bondo Andersen

Auditors
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Jens Chr. Skous Vej 1
8000 Aarhus C

Financial statements

1 July 2022 – 30 June 2023



Consolidated statement of comprehensive income

For the year ended 30 June 2023

Profit or loss

TDKK	Notes	**2022/23**	**2021/22**
Net income from trading financial energy derivatives	3	308,182	165,473
Gross profit		**308,182**	**165,473**
Staff costs	4	-18,923	-9,712
Administrative expenses		-12,047	-6,454
Operating profit		**277,212**	**149,307**
Financial income	5	12,935	102
Financial costs	5	-4,297	-1,837
Profit before tax		**285,850**	**147,572**
Tax on profit for the year	6	-66,074	-38,074
Profit for the year		**219,776**	**109,498**
Profit for the year is attributable to:			
Owners of Yggdrasil Commodities ApS		219,776	109,498
Non-controlling interests		-	-
		219,776	**109,498**

Consolidated statement of comprehensive income

For the year ended 30 June 2023

Comprehensive income

TDKK	Notes	**2022/23**	**2021/22**
Profit for the year		**219,776**	**109,498**
Other comprehensive income that will be reclassified subsequently to the profit or loss			
Value adjustment of hedging instruments		258	-1,905
Tax effect of equity adjustments		-56	419
Exchange rate adjustments on translation of subsidiaries		-12,573	2,450
Total comprehensive income		**207,405**	**110,463**
Total comprehensive income is attributable to:			
Owners of Yggdrasil Commodities ApS		207,405	110,463
Non-controlling interests		-	-
		207,405	**110,463**

Consolidated Balance Sheet

For the year ended 30 June 2023

Balance sheet (asset)

TDKK	Notes	30/6 2023	30/6 2022
Assets			
Current assets			
Receivables	16	37,881	77,177
Deposits		44,953	45,140
Other receivables		13,036	518
Total receivables		**95,870**	**122,835**
Cash and cash equivalents	8	374,974	127,047
Total current assets		**470,844**	**249,882**
Total assets		**470,844**	**249,882**

Balance sheet (eq. and liab.)

TDKK	Notes	30/6 2023	30/6 2022
Equity and liabilities			
Contributed capital		3,073	3,073
Hedge reserve		-	-202
Retained earnings		110,279	142,985
Proposed dividend for the year		240,000	-
Total equity		**353,352**	**145,856**
Credit institution		-	6,000
Payables		24,192	49,812
Derivative financial instruments		-	259
Income tax payable		61,150	36,810
Amounts owed to shareholders		-	-
Other payables		32,150	11,145
Total current liabilities		**117,492**	**104,026**
Total liabilities		**117,492**	**104,026**
Total equity and liabilities		**470,844**	**249,882**

Consolidated statement of changes in equity

Changes in equity (fin. year)

TDKK	Con-tributed capital	Hedge reserve	Retained earnings	Proposed dividends for the year	**Total equity owners of the parent**	Non-con-trolling interests	**Total equity**
Equity at 1 July 2022	**3.073**	**-202**	**142,985**	**-**	**145,856**	**-**	**145,856**
Profit for the year	-	-	-20,224	240,000	219,776	-	**219,776**
Value adjust. of hedging instruments	-	258	-	-	258	-	**258**
Tax effect, equity adjust.	-	-56	-	-	-56	-	**-56**
Exchange rate adjust. subsidiaries	-	-	-12,573	-	-12,573	-	**-12,573**
Total comprehensive income	**-**	**202**	**-32,797**	**240,000**	**207,405**	**-**	**207,405**
Warrants			91		91	-	**91**
Total transactions with shareholders	**-**	**-**	**91**	**-**	**91**	**-**	**91**
Equity at 30 June 2023	**3,073**	**-**	**110,279**	**240,000**	**353,352**	**-**	**353,352**

Changes in equity (com. year)

TDKK	Con-tributed capital	Hedge reserve	Retained earnings	**Total equity owners of the parent**	Non-con-trolling interests	**Total equity**
Equity at 1 July 2021	**3,073**	**-433**	**32,679**	**35,319**	**-**	**35,319**
Transfer	-	125	-125	-	-	**-**
Profit for the year	-	-	109,498	109,498	-	**109,498**
Value adjust. of hedging instruments	-	135	-2,040	-1,905	-	**-1,905**
Tax effect, equity adjust.	-	-30	449	419	-	**419**
Exchange rate adjust. subsidiaries	-	-	2,450	2,450	-	**2,450**
Total comprehensive income	**-**	**231**	**110,232**	**110,463**	**-**	**110,463**
Share-based payments	-	-	74	74	-	**74**
Total transactions with shareholders	**-**	**-**	**74**	**74**	**-**	**74**
Equity at 30 June 2022	**3,073**	**-202**	**142,985**	**145,856**	**-**	**145,856**

Consolidated statement of cash flows

For the year ended 30 June

Cash flows

TDKK	Notes	2022/23	2021/22
Profit/loss for the year		219,776	109,498
Adjustments	11	57,527	39,883
Changes in working capital	11	38,659	-55,747
Cash flow from operating activities before financials		**315,962**	**93,634**
Paid net finance income/finance costs		6,827	-3,130
Cash flow from ordinary activities		**322,789**	**90,505**
Corporate tax paid		-41,790	-10,742
Cash flow from operating activities		**280,999**	**79,762**
Sale of equity investments		–	–
Cash flow from investment activities		**–**	**–**
Loan credit institution		-6,000	–
Loan from shareholders		–	-11,959
Cash flow from financing activities		**-6,000**	**-11,959**
Changes in cash and cash equivalents		**274,999**	**67,803**
Cash and cash equivalents at 1 January		105,595	35,523
Currency adjustment		-12,573	2,269
Cash and cash equivalents at 31 December		**368,021**	**105,595**

Overview of notes

Contents of the notes to the consolidated financial statements

1. Summary of significant accounting policies

The annual report for the financial year 1 July 2022 – 30 June 2023 has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements. The Group is classified as a reporting class c entity according to the Danish Financial Statements Act.

Yggdrasil Commodities ApS' annual report is presented in TDKK unless otherwise stated.

For all periods up to and including the year ended 30 June 2023 the Group and its subsidiaries prepared their separate and individual financial statements in accordance with IFRS.

Changes in accounting policies

The Group has previously accounted for revenue from sale of power by applying IFRS 15. Thus, contracts with counterparties on sale and purchase of power has been presented on a gross basis in the income statement as 'Revenue from sale of power' and 'Purchase of power'.

These transactions for physical delivery of a non-financial item are considered within the scope of IFRS 9 due to the fact that the Group has a practice of entering into offsetting contracts before the delivery date. Consequently, they are measured at fair value on initial recognition and subsequently measured at fair value through profit and loss. These adjustments to fair value are presented in the income statement as "Net income from trading financial energy derivatives"

The income statement for 2021/22 have been restated due to this change in accounting policies. Revenue from sale of power amounting to TDKK 2,393,127, purchase of power amounting to TDKK -2,304,682 as net income from trading commodity derivatives amounting to TDKK 77,029 has been netted and presented as net income from trading financial energy derivatives.

Amounts owed to third parties amounting to TDKK 6,953 as of 30 June 2022 has been reclassified to other payables in the balance sheet.

Changes in accounting policies has no impact on profit before tax, balance sheet or equity.

Consolidated financial statements

The consolidated financial statements comprise the Parent Company, Yggdrasil Commodities ApS, and its subsidiaries. Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. On consolidation, intra-group income and expenses, shareholdings, intragroup balances and dividends and realised and unrealised gains and losses on intragroup transactions are eliminated.

The Group's consolidated financial statements are presented in Danish Kroner (DKK), which is also the Parent Company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Differences in exchange rates arising from the translation of foreign subsidiaries' equity at the beginning of the year at the exchange rates at the balance sheet date and from the translation of income statements from the average exchange rates for the currency exchange rates at the balance sheet date are recognised directly in other comprehensive income

Foreign currency translation

Transactions in foreign currencies are translated into the 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.

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

1. Summary of significant accounting policies

Derivative financial instruments
Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The fair value adjustments of sales and purchase commodity contracts that are derivatives are recognised in the statement of profit or loss as net income/loss from commodity derivatives. Trading costs and other costs directly related to the net income are recognised correspondingly.

The fair value adjustments of derivative financial instruments, such as forward currency contracts, that are designated to hedge its foreign currency risks arising from net investments in subsidiaries. are recognised directly in equity.

Income statement

Net income from trading financial energy derivatives
The Group routinely enters into exchange traded sale and purchase transactions for physical delivery of energy commodities. A considerable part of these transactions for physical delivery of a non-financial item are considered within the scope of IFRS 9 due to the fact that the Group has a practice of entering into offsetting contracts before the delivery date. Consequently, they are measured at fair value on initial recognition and subsequently measured at fair value through profit and loss.

For contracts whose fair value cannot be determined solely based on observable market data, any difference between the transaction price and transaction date fair value determined by applying a valuation model is deferred and recognized over the term of the contract.

A portion of the sale and purchase transactions for physical delivery of energy commodities takes the form of contracts that were entered into and continue to be held for the purpose of receipt or delivery of the physical commodity in accordance with the Group's expected sale, purchase or usage requirements ("own use") and are not within the scope of IFRS 9. The assessment of whether a contract is deemed to be "own use" is based on the nature of the contract as well as facts and circumstances of how the contract is included in the Group's activities.

Staff costs
Staff expenses comprise direct wages and salaries, pension contributions, social security contributions, sick leave, bonuses, and share-based payments which are recognized in the year in which the associated services are rendered by employees of the Group.

Share-based payments
Employees of the Parent Company receive remuneration in share-based payments, whereby employees render services as consideration for warrants (equity-settled transactions). The cost of equity-settled transactions is determined by the grant date fair value using option-pricing valuation model. In the financial statements the cost is recognised in staff costs together with a corresponding increase in equity over the period in which the service conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the income statement for a period represents the movement in cumulative expenses recognised at the beginning and at the end of that period.

Administrative expenses
Administrative expenses comprise expenses incurred during the year for management and administration of the Group, including expenses for office premises, marketing, office expenses etc.

Finance income and costs
Finance income and costs comprise

1. Summary of significant accounting policies

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

Leases
The Group assesses at contract inception whether a contract is, or contains, a lease, that is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing obligations to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain an extension or a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Receivables
Receivables are measured at amortised cost.

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

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

Deposits and other receivables
Deposits and other receivables consist of deposits related to trading, receivable VAT and miscellaneous receivables. Other receivables are measured at amortized cost. Deposits represent the amount of cash required for trading positions with certain counterparties.

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

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

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

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;

1. Summary of significant accounting policies

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 Group 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 Group 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), described as follows, on the basis of the lowest level input that is significant to the fair value measurement as a whole:

Level 1
Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2
Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3
Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Cash flow statement

The cash flow statement shows the Group'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 Group'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

1. Summary of significant accounting policies

comprise changes in size or composition of the Group'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.

Financial Highlights

Return on assets

$$\frac{\text{Profit before financials x 100}}{\text{Total assets}}$$

Solvency ratio

$$\frac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$$

Return on equity

$$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$$

2. Estimation uncertainties and judgements

Judgements

Presentation of net and gross income
Management uses significant judgments when determining presentation of income from complex contracts that contain certain sales of goods or services that are not clearly defined within the IFRS framework. In this assessment, management takes into consideration both the individual characteristics of the goods and services and the nature of the promise within the context of the contract, evaluating all the facts and circumstances relating to the specific contract under the relevant legal and regulatory framework to determine the appropriate presentation of income.

Estimates

Dispute investments
In accordance with the shareholder agreements for the subsidiaries Dvalin ApS and Nidhog ApS, an event has occurred which has had the outcome that the Company has purchased shares held by minority shareholders in the subsidiaries at a total purchase price of DKK 6.9 million. The minority shareholders have objected to this, why the ownership of the shares at year end is therefore legally questioned. For accounting purposes, the assessment has been made that the Company, based on the provisions laid down in the shareholder agreements, exercises control over the shares owned by minority shareholders, and against this background, the subsidiaries Dvalin ApS and Nidhog ApS were recognised as fully-owned subsidiaries at 1 April 2021, and the purchase prices were recognised as liabilities.

The assessment that the Company exercises control over the shares owned by minority shareholders is supported by an opinion from two external lawyers.

The outcome of the dispute with the minority shareholders may have the outcome that the provisions laid down in the shareholder agreements are disregarded. This may have an impact on whether the Company exercises control over the shares owned by minority shareholders and the purchase prices.

The consolidated income statement is not impacted by the outcome of the legal dispute.

The income statement for the Parent Company can be impacted due to recognition based on ownership. Recognised results from shares acquired affect results for the financial year 2022/23 by DKK 33.3 million and for the financial year 2021/22 by DKK 11.6 million.

3. Net income from trading financial energy derivatives

Gains and losses arising from trading with energy commodity derivatives including futures, options, swaps and certain forward sales and purchases are excluded from revenue and presented separately.

Likewise, energy commodity contracts with physical delivery with a net settlement option or past practice of settlement of contracts in net cash or other financial instruments are also to be excluded from revenue since these energy commodity contracts and treated considered within the scope of IFRS 9 Financial instruments.

Given the nature of the company's business model and contracts with counterparties all gains and losses arising from trading with energy commodity derivatives are accounted for using IFRS 9 Financial instruments.

4. Staff costs

TDKK	2022/23	2021/22
Wages and salaries	17,563	8,952
Share-based payments	91	74
Pension cost (defined contribution plans)	1,116	582
Other social security costs	153	104
Total	**18,923**	**9,712**
Average number of full time employees	24	16

Key management personnel (Others) consists of the Board of Directors and the Executive Board. The compensation paid or payables to key management personnel for employee services is shown below:

TDKK	2022/23		
	Executive Board	**Board of Directors**	**Total**
Wages and salaries	1,303	75	1,378
Pension cost (defined contribution plans)	122	-	122
Other personnel costs	-	-	-
Other social security costs	-	-	-
Total remuneration to Executive Management	**1,425**	**75**	**1,500**

The Executive Board and the Board of Directors are not covered by Warrant Incentive Program.

TDKK	2021/22		
	Executive Board	**Board of Directors**	**Total**
Wages and salaries	1,176	150	1,326
Pension cost (defined contribution plans)	149	-	149
Other personnel costs	-	-	-
Other social security costs	-	-	-
Total remuneration to Executive Management	**1,325**	**150**	**1,475**

The Executive Board and the Board of Directors are not covered by Warrant Incentive Program.

4. Staff costs

Share-based payments
To incentivise employees the Group established share-based payment incentive plans for employees.

At 30 June 2022, the Group had established a Warrant Incentive Program.

In March 2022 the Board of Directors approved a share-based program which the Company granted warrants free of charge which give the warrant holders right to buy a specific number of shares in Yggdrasil at a pre-determined price subject to the vesting conditions.

The program is classified as equity-settled as the settlement is predetermined to be settled in shares and with no option for cash-settlement for neither the Company nor the employee.

The key terms and conditions related to vesting of the grant under this program are as follows;

- The granted warrants vest over up till 36 tranches. The program contains a 12-month cliff period which means that 12/36 vest when the employee has 12 months of seniority. Afterwards, the warrants vest linearly each month, i.e. if an employee has been employed for 6 months at the time of grant, 6 months after the grant 6/36 of the warrants vest. Following the cliff period, 1/36 of the warrants vest linearly each month.

- In the event of an exit, i.e. sale of all or more than 50% of the outstanding share capital, a sale of all or the majority of the Group's assets or a listing of the Company's shares (IPO), all unvested warrants shall be considered fully vested.

The warrants can be exercised at the earlier of either an exit or in December 2026.

The remaining maximum term of the program is 4.5 years.

The fair value of warrants granted in 2023 amounts to TDKK 1.106 (2021/22: TDKK 247). No key management personnel are included in the warrant program. The employees that have been given warrants have the option to buy the predefined amount of shares at a predefined value.

Reconciliation of outstanding equity-settled awards:

Employees (number of warrants)	2022/23	2021/22
Outstanding at 1 July	17,297	-
Granted during the year	33,953	17,297
Forfeited during the year	-5,100	-
Outstanding at 30 June	**46,150**	**17,297**

For warrants outstanding at the end of the year, the remaining contractual life is 1 years and 9 months.

Measurement of fair value
Key input the valuation of warrants includes excercise prices in a range of DKK 114-377.

The fair value of granted warrants is estimated using the methods used for tax purposes taking into account the terms and conditions upon which the warrants were granted and an interest rate of 11%.

The total amount recognised in the income statement during 2022/23 was TDKK 91 (2021/22: TDKK 74).

5. Financial income and costs

TDKK	2022/23	2021/22
Financial income		
Interest income measured at amortised cost	11,098	102
Exchange rate adjustments, net	1,837	–
Total financial income	**12,935**	**102**
Financial costs		
Interest expense measured at amortised cost	2,985	957
Exchange rate adjustments, net	26	390
Other financial expenses	1,286	491
Total financial expenses	**4,297**	**1,837**

6. Tax on profit for the year

TDKK	2022/23	2021/22
Current tax		
Current tax for the year	-66,074	-38,096
Deferred tax adjustment for the year	-	23
Income tax expense	**-66,074**	**-38,074**

Reconciliation of effective tax rate

TDKK	2022/23	%	2021/22	%
Tax at the Danish tax rate of 22%	-62,887	22.0%	-32,466	22.0%
Tax effects of amounts which are not deductible (taxable) in calculating taxable income:				
Effect of foreign tax rates	-3,183	1.1%	-5,584	3.8%
Non-deductible items	-7	0.0%	-24	0.0%
Non-taxable income	3	0.0%	-	-
Income tax expense	**-66,074**	**23.1%**	**-38,074**	**25.8%**

7. Group composition

Name/legal form	Registrered office	Equity interest
Thordin ApS	Aalborg	100%
Dvalin ApS	Aalborg	*100%
Nidhog ApS	Aalborg	*100%
Asgard ApS (formerly operating under the name Valhall ApS)	Aalborg	100%
Valhall GK	Japan	100%
Future Electricity Trading (GK)	Japan	100%
Japan Power Trading (GK)	Japan	100%
Raijin Energy (GK)	Japan	100%
Yggdrasil India	India	100%

* Including minority shares not assigned due to dispute

8. Cash and cash equivalents

TDKK	**2022/23**	**2021/22**
Cash at bank	318,194	69,742
Counterparty deposits which can be released with a short timeframe	49,827	35,853
Total cash at bank and cash equivalents in cash flow statement	368,021	105,595
Deposits secured for guarantees	–	14,499
Purchase price for shares deposited with bank	6,953	6,953
Carrying amount at 30 June	**374,974**	**127,047**

9. Share capital

	30 June 2023		30 June 2022	
	Number of shares	Nominal value DKK	Number of shares	Nominal value DKK
The share capital comprise:				
A shares	2,818,554	2,818,554	2,818,554	2,818,554
B shares	254,446	254,446	254,446	254,446

All shares are fully paid. A shares carry one vote per share and right to dividends. B shares carry no voting right or dividends.

DKK per share	30 June 2023	30 June 2022
Total dividend paid out for the year	–	3.8
Total dividend proposed for the year	85.2	–
Total dividend proposed for the year	240,000	–

10. Capital management

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

In order to satisfy the requirements of the counterparties in the newly entered market the share capital has to be minimum of 400,000 EUR.

During the financial year some of the posted cash collateral with the TSO's have been replaced by letter of credits. Letter of credits have increased by 4,516,000 EUR (Bank guarantees totalled EUR 7,196,000 at 30 June 2023, 2.68m EUR FY 21/22). Letter of credits are issued and governed by the banking arrangements of the Yggdrasil Group. These banking arrangements have cross securities within the Yggdrasil Group.

Cash management is managed on a group level and management is responsible for maintaining a comfortable cash buffer at all times. If necessary the Company can procure cash or letter of credit from the holding company.

11. Cash flow specifications

TDKK	**2022/23**	**2021/22**
Other adjustments		
Warrants	91	74
Financial income	-12,935	-102
Financial costs	4,297	1,837
Tax on profit for the year	66,074	38,074
	57,527	**39,883**
Changes in net working capital		
Changes in receivables	28,776	-83,902
Changes in trade and other payables	-4,616	42,655
Changes in deposited cash	14,499	-14,499
	38,659	**-55,747**

12. Changes in liabilities from financing activities

TDKK	Credit institution	Shareholder loan	Total
2022/23			
Debt as at 1 July 2022	6,000	–	6,000
Proceeds			
Repayments	-6,000		
Changes			
Cash flows	-6,000	–	-6,000
Currency adjustments			
Other			
Non-cash flows	–	–	–
Debt as at 30 June 2023	**–**	**–**	**–**
2021/22			
Debt as at 1 July 2021	6,000	11,959	17,959
Proceeds	–	–	–
Repayments	–	-11,959	-11,959
Changes	–	–	–
Cash flows	–	-11,959	-11,959
Currency adjustments	–	–	–
Other	–	–	–
Non-cash flows	–	–	–
Debt as at 30 June 2022	**6,000**	**–**	**6,000**

13. Contractual obligations, contingencies, etc.

Bank guarantees
Bank guarantees totals TDKK 179,282 at 30 June 2023 (2021/22: TDKK 31,470).

Security and charges
As security for bank debt, two of the Groups companies (Nidhog ApS & Dvalin ApS) has issued a corporate mortgage of TDKK 6,000 in the companies' recievables, the fixtures and fittings, tools and equipment and intellectual property rights. The total value of these assets as of 30 June 2023 constitutes TDKK 30,421.

Leases
Regarding lease liabilities refer to the parent company financial statements.

14. Financial risks and the use of derivative financial instruments

As a result of its operations, the Group is exposed to number of financial risks, including commodity price, currency, interest rate, liquidity and credit risks via the operational entities, whom all trade in power.

The Group has ensured that a comprehensive risk framework is in place to manage these risks.

Our growth strategy involves adding new markets to the portfolio and steadily increasing investments. Each new market adds to the market risk, but if the price correlation to existing markets is low, Yggdrasil's combined risk exposure decreases. To limit our risk exposure when entering a new market, we follow a well-defined risk management procedure. Market risk management is divided into the following focus areas:

- Market diversification
- Geographical spread
- Adding new markets
- Increasing the portfolio / investments

Market risk management
Our highest priority at Yggdrasil is to diversify our portfolio, which will enable us to better manage risk exposure, minimise losses, and create on-going positive returns. We monitor our power markets carefully to prevent substantial financial losses.

Market diversification
Market diversification is a very important focus point in Yggdrasil's risk management. We focus on spreading investments in many different power markets to avoid that a single power market becomes too dominant in our portfolio. Hence, for each single market added to the portfolio, we dilute market risk further and reduce the potential of financial losses without compromising the gains.

Geographical spread
Yggdrasil is active in three continents, and trading power in markets geographically far apart is one of the greatest strengths in our portfolio. Power prices are highly dependent on weather conditions, and big leaps in prices are often caused by unforeseen weather changes. Hence, markets located in the same regions are affected by the same weather conditions, which makes investments correlate.

Therefore, when deciding on a new market, the graphical market location is decisive. By spreading investments in different continents, the risk exposure to the same weather systems is diluted. Uncorrelated weather conditions lead to uncorrelated investments.

Adding new markets
To follow our growth strategy, we continuously add new markets to the portfolio. Each market has its own rules and requirements, so trading a new market is risky. To manage the risk of selecting and entering a new market, we go through some initial steps.

Initially, it is carefully analysed if the influence of the weather is specific to the new market only and not spilling over into our existing markets.

Secondly, test trades are conducted in the new market to verify specific trading rules, the settlement process with counterparties, collateral requirements, and other market-specific details.

Thirdly, we need to experience how the market reacts to our trading, so we fine-tune our trading strategies.

When the above steps have been completed successfully, the new market is included in the Yggdrasil portfolio.

Increasing portfolio and investments
A new market gives Yggdrasil new investment opportunities. Once a new market is included in the Yggdrasil portfolio, we start trading the market and increasing investments.

For our diversification strategy to work, the investments in each of our markets should be at the same risk level to balance the total risk exposure. When the investments in the new market reach the same level as the existing portfolio, the market diversification is higher than before and hence, the overall risk exposure decreases, diluting Yggdrasil's risk profile.

Each new market supports growth in two ways. It offers the potential of increased investments and positive earnings without the full impact of higher risk. Further, for each new market added, we can increase investments in all our markets as Yggdrasil's overall risk profile is further diluted.

15. Market risk

Commodity price risk
There is a risk related to open trading positions including financial derivative contracts due to changes in market prices. The fluctuation risk is limited due to short term positions.

The fair value of financial derivative commodity contracts is assessed at 0 based on a level 2 fair value assessment.

The open positions are settled at 1 July with net results of TDKK 587 (2021/22: TDKK -42) whereof a negative of TDKK -38 is related to the settlement of derivative contracts (2021/22: TDKK -219). In addition to the above daily trading positions, the subsidiary has agreed options to supply power in a special area (other markets) until end of August. The options are purchased close to year end, and the cost price is therefore assessed to represent fair value and consequently a market value of DKK 0.

Foreign exchange risks
The currency risk is low due to trading are carried out in same currencies (USD, GBP, Euro, JPY, and INR) through the operational entities, and therefore no hedging of trading transactions and receivables/payables is performed.

Net equity investments in subsidiaries are partly hedged through forward currency derivatives.

At 30 June, open positions including financial derivative contracts can be specified as:

	2022/23		2021/22	
	Net assets	Derivative contracts	Net assets	Derivative contracts
Currency				
USD	6,124	-	4,483	400
GBP	7,123	-	6,606	600
EUR	5,818	-	5,132	-
JPY	863,093	-	604,486	-
INR	23,627	-	-	-

15. Market risk

Fair value of currency derivatives used for this hedging amounts to TDKK 0 at 30 June 2023 (30 June 2022: fair value of TDKK -394) based on a level 2 fair value assessment comprising USD and GBP forward contracts, which falls due within 1 year from the balance sheet date.

The development can be specified as:

TDKK	2022/23	2021/22
Fair value at 1 July	-259	-394
Settled during the year	259	2,040
Fair value adjustments	-	-1,905
Total	**-**	**-259**

Monetary items and sensitivity

	Impact on post tax profit		Impact on equity	
TDKK	2022/23	2021/22	2022/23	2021/22
DKK/USD +/- 10%	3,252	2,504	3,252	2,504
DKK/GBP +/- 10%	4,789	4,467	4,789	4,467
DKK/EUR +/- 10%	3,376	2,978	3,376	2,978
DKK/JPY +/- 10%	3,178	2,480	3,178	2,480
DKK/INR +/- 10%	153	-	153	-

Interest rate risk

Due to the limited magnitude of the loans as well as the short-term nature of the business activities the Group does not consider this risk to be significant. The Group funds the company via equity and debt. The debt carries no or a variable interest rate and as such interest rate risk exists. This exposure is not considered material.

16. Credit risk

Credit risk

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

Counterparties comprise of clearing-houses, clearings banks, transmission system operators, independent system operators and regional transmission organizations. The Group uses banks and clearings banks with an A category rating from public rating agencies.

The credit risk of financial receivables corresponds to the values of trade receivables, deposits, other receivables and cash recognised on the balance sheet. No historical loss has occurred and no provision for loss was recognised at 30 June 2023 and at 30 June 2022.

Due to the type of counterparties and as commodity exchanges generally settle fair values on a daily basis, the Group considers its credit exposure to be insignificant. Individual counterparty's ratings with public rating agencies are supporting this as a significant part of counterparties are rated in A category (16 out of total 35 counterparties). Number of counterparties rated in B category are limited (6 out of total 35 counterparties). Ratings are not available for 13 counterparties.

17. Liquidity risk

TDKK	Carrying amount	Cash flows including interest 0-1 year	1-5 years	over 5 years	Total
Maturities of liabilities and commitments					
2022/23					
Derivative financial instruments:					
Forward currency derivates	–	–	–	–	–
Non-derivative financial instruments:					
Credit institution	–	–	–	–	–
Trade payables	24,192	24,192	–	–	24,192
Other payables	32,150	32,150	–	–	32,150
Total	**56,342**	**56,342**	**–**	**–**	**56,342**
2021/22					
Derivative financial instruments:					
Forward currency derivates	259	259	–	–	259
Non-derivative financial instruments:					
Credit institution	6,000	6,161	–	–	6,161
Trade payables	49,812	49,812	–	–	49,812
Amounts owed to shareholders	–	–	–	–	–
Other payables	11,145	11,145	–	–	11,145
Total	**67,216**	**67,377**	**–**	**–**	**67,377**

Liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

Management monitors rolling forecasts of the Group's liquidity reserve and cash and cash equivalents on the basis of expected cash flows. The Group aims to diligently monitor balance sheet liquidity ratios, aligning them with internal and external regulatory requirements, while proactively developing and executing effective debt financing plans to sustain its operations and foster continued growth.

The tables below classify the group's financial liabilities and commitments into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

The analysis is based on contractual cash flows including interest payments.

Fair value of trade payables and other payables is determined to equal their carrying amount.

The payment obligations are expected to be settled through cash inflows from operating activities.

18. Financial instruments by category

TDKK	2022/23	2021/22
The group holds the following financial instruments:		
Financial assets		
Carried at amortised cost		
Receivables	95,870	122,835
Cash and cash equivalents	374,974	127,047
Financial assets at amortised cost	**470,844**	**249,882**
Financial liabilities		
Carried at amortised cost		
Credit institutions	–	6,000
Trade payables	24,192	49,812
Other payables	32,150	11,145
Financial liabilities at amortised cost	**56,342**	**66,957**
Carried at fair value through profit or loss (FVPL)		
Financial derivatives	–	259
Financial liabilities at fair value through profit or loss (FVPL)	**–**	**259**
Total financial liabilities	**56,342**	**67,216**

Financial assets and financial liabilities above are not offset, and therefore gross amounts are recognised in the balance sheet.

19. Fair value measurement

TDKK	Level 1	Level 2	Level 3	Total
2022/23				
Derivatives measured at fair value				
Foreign exchange forward	-	-	-	-
Total	**-**	**-**	**-**	**-**
2021/22				
Derivatives measured at fair value				-
Foreign exchange forward	-	-259	-	-259
Total	**-**	**-259**	**-**	**-259**

Fair value hierarchy
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

The Group has not transferred between levels of the fair value hierarchy during 2022/23.

The fair values are based on following methods:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Exchange-traded derivatives are valued using closing prices provided by the exchanges at the balance sheet date. These derivatives are categorised within level 1 of the fair value hierarchy. Exchange-traded derivatives are typically considered settled through the payment or receipt of variation margin.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Derivatives designated to level 2 include power trades on markets which do not have an intraday market, on markets with intraday market but with low liquidity and on markets with significant spread between bid and ask prices. Financial swaps and physical commodity sale and purchase contracts including commodity forwards and options are generally valued using readily available information in the public markets and if necessary, quotations provided by brokers and price index developers. These quotes are corroborated with market data and are predominately categorised within level 2 of the fair value hierarchy.

The method applied is consistent with prior periods

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

No assets or liabilities are measured to fair value by using level 3 inputs at 30 June 2023 or 30 June 2022.

20. Related party transactions

Yggdrasil Commodities ApS' related parties comprise the Board of Directors, Executive Board, their close family members, subsidiaries (see note 7) and the following controlling holding companies:

Søren Bondo Andersen Holding ApS
Leharparken 85
9200 Aalborg SV
Denmark

SAJ Finans ApS
Hornbækvej 6
9270 Klarup
Denmark

Transactions with related parties

Related party transactions include salaries to Management (see note 4).

Amounts owed by and to subsidiaries are specified in the balance sheet of the Parent Company.

The controlling holding companies have provided guarantees to secure loan from credit institution amount to TDKK 0 (2021/22: TDKK 6,000).

21. Subsequent events

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.

Parent company financial statements

1 July 2022 – 30 June 2023

Parent company statement of comprehensive income

For the year ended 30 June 2023

Profit or loss

TDKK	Notes	**2022/23**	**2021/22**
Revenue	3	92,530	14,417
Staff costs	4	-16,735	-9,712
Administrative expenses		-8,952	-4,844
Operating income/loss		**66,843**	**-139**
Income from equity investments in subsidiaries		167,212	109,295
Financial income	5	1,611	872
Financial costs	5	-1,033	-442
Profit before tax		**234,633**	**109,586**
Tax on profit for the year	6	-14,857	-88
Profit for the year		**219,776**	**109,498**

Parent company statement of comprehensive income

For the year ended 30 June 2023

Comprehensive income

TDKK	Notes	2022/23	2021/22
Profit for the year		**219,776**	**109,498**
Other comprehensive income that will be reclassified subsequently to the profit or loss			
Value adjustment of hedging instruments		259	-1,905
Tax effect of equity adjustments		57	419
Exchange rate adjustments on translation of subsidiaries		-12,573	2,450
Total comprehensive income		**207,519**	**110,463**

Parent company Balance Sheet

For the year ended 30 June

Balance sheet (asset)

TDKK	Notes	30/6 2023	30/6 2022
Assets			
Non-current assets			
Equity investments in subsidiaries	7	218,566	109,716
Total non-current assets		**218,566**	**109,716**
Current assets			
Deposits		253	93
Amounts owed by subsidiaries		83,662	52,893
Income tax receivable		0	600
Other receivables		762	147
Total receivables		**84,678**	**53,733**
Cash and cash equivalents	8	137,012	22,643
Total current assets		**221,690**	**76,375**
Total assets		**440,255**	**186,092**

Balance sheet (eq. and liab.)

TDKK	Notes	30/6 2023	30/6 2022
Equity and liabilities			
Contributed capital	10	3,073	3,073
Reserve for net revaluation under equity method		29,220	75,491
Hedge reserve		-	-202
Retained earnings		81,060	67,494
Proposed dividend for the year		240,000	-
Total equity		**353,352**	**145,856**
Amounts owed to subsidiaries		51,439	28,935
Derivative financial instruments		-	259
Income tax payable		14,068	-
Other payables		21,396	11,042
Total current liabilities		**86,903**	**40,236**
Total liabilities		**86,903**	**40,236**
Total equity and liabilities		**440,255**	**186,092**

Parent Company statement of changes in equity

Changes in equity (fin. year)

TDKK	Contributed capital	Reserve for net revaluation under the equity method	Hedge reserve	Retained earnings	Proposed dividends for the year	**Total equity**
Equity at 1 July 2022	**3,073**	**75,491**	**-202**	**67,494**	**–**	**145,856**
Profit for the year	–	-33,698	–	13,475	240,000	**219,776**
Value adjust. of hedging instruments	–	–	258	–	–	**258**
Tax effect, equity adjust.	–	–	-56	–	–	**-56**
Exchange rate adjust. subsidiaries	–	-12,573	–	–	–	**-12,573**
Total comprehensive income	**–**	**-46,271**	**202**	**13,475**	**240,000**	**207,405**
Warrants	–	–	–	91	–	**91**
Total transactions with shareholders	**–**	**–**	**–**	**91**	**–**	**–**
Equity at 30 June 2023	**3,073**	**29,220**	**–**	**81,060**	**240,000**	**353,352**

Changes in equity (fin. year)

TDKK	Contributed capital	Reserve for net revaluation under the equity method	Hedge reserve	Retained earnings	Total equity
Equity at 1 July 2021	**3,073**	**16,246**	**-433**	**16,433**	**35,319**
Transfer	–	–	125	-125	–
Profit for the year	–	56,795	–	52,703	109,498
Value adjust. of hedging instruments	–	–	135	-2,040	-1,905
Tax effect, equity adjust.	–	–	-30	449	419
Exchange rate adjust. subsidiaries	–	2,450	–	–	2,450
Total comprehensiveincome	**–**	**59,245**	**231**	**50,987**	**110,463**
Warrants	–	–	–	74	74
Total transactions with shareholders	**–**	**–**	**–**	**74**	**74**
Equity at 30 June 2022	**3,073**	**75,491**	**-202**	**67,494**	**145,856**

Parent company statement of cash flows

For the year ended 30 June 2023

Cash flows

TDKK	Notes	2022/23	2021/22
Profit/loss for the year		219,776	109,498
Other adjustments of non-cash operating items	9	-152,842	-109,642
Changes in working capital	9	18,048	-15,927
Cash generated from operations before financials		**84,982**	**-16,071**
Paid net finance income/finance costs		-345	-1,605
Cash flow from ordinary activities		**84,637**	**-17,676**
Paid taxes during the year		-246	-
Cash flow from operating activities		**84,391**	**-17,676**
Equity investments in subsidiaries		-2,120	-4,734
Dividends received		47,910	52,500
Cash flow from investment activities		**45,790**	**47,766**
Change in intercompany loan		-8,265	-20,056
Repayment of loan from shareholders		-	-11,959
Cash flow from financing activities		**-8,265**	**-32,015**
Changes in cash and cash equivalents		**121,916**	**-1,925**
Cash and cash equivalents at 1 January		1,190	3,115
Cash and cash equivalents at 31 December	8	**123,106**	**1,190**

Overview of notes

Contents of the notes to the parent company financial statements

1. Summary of significant accounting policies

The annual report for the financial year 1 July 2022 – 30 June 2023 has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements. The Group is classified as a reporting class c entity according to the Danish Financial Statements Act.

Yggdrasil Commodities ApS' annual report is presented in TDKK unless otherwise stated.

For all periods up to and including the year ended 30 June 2022 the Company and its subsidiaries prepared their separate and individual financial statements in accordance with IFRS.

Changes in accounting policies
Amounts owed to third parties amounting to TDKK 6,953 as of 30 June 2022 has been reclassified to other payables in the balance sheet.

Changes in accounting policies has no impact on profit before tax, balance sheet or equity.

Foreign currency translation
Transactions in foreign currencies are translated into the 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.

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
Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The fair value adjustments of sales and purchase commodity contracts that are derivatives are recognised in the statement of profit or loss as net income/loss from commodity derivatives. Trading costs and other costs directly related to the net income are recognised correspondingly.

The fair value adjustments of derivative financial instruments, such as forward currency contracts, that are designated to hedge its foreign currency risks arising from net investments in subsidiaries. are recognised directly in equity.

Income statement

Revenue
Revenue comprises management fees and royalties from the subsidaries within the Group.

In the process of applying IFRS 15, the Company identifies contracts, identifies performance obligations, determines the transaction price, allocate the transaction price and recognise accordingly.

Services provided to the subsidiaries typically include one performance obligation that is recognized on a straight-line basis as revenue over the period for which the services are provided.

The transaction price is the contractually agreed price excluding amounts collected on behalf of third parties, e.g. VAT.

Staff costs
Staff expenses comprise direct wages and salaries, pension contributions,

1. Summary of significant accounting policies

social security contributions, sick leave, bonuses, and share-based payments which are recognized in the year in which the associated services are rendered by employees of the Group.

Share-based payments
Employees of the Parent Company receive remuneration in share-based payments, whereby employees render services as consideration for warrants (equity-settled transactions). The cost of equity-settled transactions is determined by the grant date fair value using option-pricing valuation model. In the financial statements the cost is recognised in staff costs together with a corresponding increase in equity over the period in which the service conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the income statement for a period represents the movement in cumulative expenses recognised at the beginning and at the end of that period.

Administrative expenses
Administrative expenses comprise expenses incurred during the year for management and administration of the Group, including expenses for office premises, marketing, office expenses etc.

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

Tax on profit 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.

The Company is jointly taxed with Danish Group companies. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes.

Balance sheet

Development projects
Costs of development at the Company's own expense are capitalised if the projects are significant, clearly defined and identifiable, where the technical utilisation degree and a potential future market or development potential in the Company are evidenced. It is also required that the Company intends to use the outcome of the project.

The cost of such projects includes direct wages and a share of the Company's indirect costs.

Capitalised development costs are amortised upon completion of the development work on a straight-line basis over the estimated useful lives.

For non-significant projects development costs are expensed.

IT equipment and software
IT equipment and software are measured at cost, added net revaluations and less accumulated depreciation and impairment losses. The basis of depreciation is cost, added net revaluations and less any expected residual value after the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life.

Non-significant costs are expensed.

1. Summary of significant accounting policies

Leases
The Company assesses at contract inception whether a contract is, or contains, a lease, that is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities representing obligations to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain an extension or a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Investments
Equity investments in subsidiaries and associates are measured at the proportionate share of the entities' net asset value calculated in accordance with the Group's accounting policies plus or minus unrealised intra-group gains or losses and plus or minus the residual value of positive and negative goodwill calculated in accordance with the acquisition method. Equity investments in subsidiaries and associates with negative net asset values are measured at DKK 0, and any receivables from these entities are written down to the extent that the receivables are deemed irrecoverable. To the extent that the Parent Company has a legal or constructive obligation to cover a negative balance exceeding the receivable, the residual amount is recognised as provisions.

Receivables
Receivables are measured at amortised cost.

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

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

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

Equity
Dividends

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

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

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

1. Summary of significant accounting policies

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), described as follows, on the basis of the lowest level input that is significant to the fair value measurement as a whole:

Level 1
Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2
Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3
Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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 investing 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.

2. Estimation uncertainties and judgements

Dispute investments

In accordance with the shareholder agreements for the subsidiaries Dvalin ApS and Nidhog ApS, an event has occurred which has had the outcome that the Company has purchased shares held by minority shareholders in the subsidiaries at a total purchase price of DKK 6.9 million. The minority shareholders have objected to this, why the ownership of the shares at year end is therefore legally questioned. For accounting purposes, the assessment has been made that the Company, based on the provisions laid down in the shareholder agreements, exercises control over the shares owned by minority shareholders, and against this background, the subsidiaries Dvalin ApS and Nidhog ApS were recognised as fully-owned subsidiaries at 1 April 2021, and the purchase prices were recognised as liabilities.

The assessment that the Company exercises control over the shares owned by minority shareholders is supported by an opinion from two external lawyers.

The outcome of the dispute with the minority shareholders may have the outcome that the provisions laid down in the shareholder agreements are disregarded. This may have an impact on whether the Company exercises control over the shares owned by minority shareholders and the purchase prices.

The consolidated income statement is not impacted by the outcome of the legal dispute.

The income statement for the Parent Company can be impacted due to recognition based on ownership. Recognised results from shares acquired affect results for the financial year 2022/23 by DKK 33.3 million and for the financial year 2021/22 by DKK 11.6 million.

3. Revenue

TDKK	**2022/23**	**2021/22**
Net revenue from management fee from subsidiaries	30,102	14,417
Royalty from subsidiaries	62,428	-
Revenue	**92,530**	**14,417**

Revenue consists of management fees and royalties to the parent's subsidiaries and is recognised over time.

The consideration is partly fixed and partly dependent on financial performance in the subsidiaries. Typically, the payment terms are 1-30 days and do not include financing components. Due to the nature of the performance obligations there are no return, refunds, warranty, or other similar obligations related to the revenue.

4. Staff costs

TDKK	**2022/23**	**2021/22**
Wages and salaries	15,375	8,952
Share-based payments	91	74
Pension cost (defined contribution plans)	1,116	582
Other social security costs	153	104
Total	**16,735**	**9,712**
Average number of full time employees	22	16

Key management personnel (Others) consists of the Board of Directors and the Executive Board. The compensation paid or payables to key management personnel for employee services is shown below:

TDKK	**2022/23**		
	Executive Board	**Board of Directors**	**Total**
Wages and salaries	1,303	75	1,378
Pension costs	122	-	122
Other social security costs	-	-	-
Total remuneration to Executive Management	**1,425**	**75**	**1,500**

TDKK	**2021/22**		
	Executive Board	**Board of Directors**	**Total**
Wages and salaries	1,176	150	1,326
Pension costs	149	-	149
Other social security costs	-	-	-
Total remuneration to Executive Management	**1,325**	**150**	**1,475**

The Executive Board and the Board of Directors are not covered by Warrant Incentive Program.

4. Staff costs

Share-based payments
To incentivise employees the Group established share-based payment incentive plans for employees.

At 30 June 2022, the Group had established a Warrant Incentive Program.

In March 2022 the Board of Directors approved a share-based program which the Company granted warrants free of charge which give the warrant holders right to buy a specific number of shares in Yggdrasil at a pre-determined price subject to the vesting conditions.

The program is classified as equity-settled as the settlement is predetermined to be settled in shares and with no option for cash-settlement for neither the Company nor the employee.

The key terms and conditions related to vesting of the grant under this program are as follows;

- The granted warrants vest over up till 36 tranches. The program contains a 12-month cliff period which means that 12/36 vest when the employee has 12 months of seniority. Afterwards, the warrants vest linearly each month, i.e. if an employee has been employed for 6 months at the time of grant, 6 months after the grant 6/36 of the warrants vest. Following the cliff period, 1/36 of the warrants vest linearly each month.

- In the event of an exit, i.e. sale of all or more than 50% of the outstanding share capital, a sale of all or the majority of the Group's assets or a listing of the Company's shares (IPO), all unvested warrants shall be considered fully vested.

The warrants can be exercised at the earlier of either an exit or in December 2026.

The remaining maximum term of the program is 4.5 years.

The fair value of warrants granted in 2023 amounts to TDKK 1,106 (2021/22: TDKK 247). No key management personnel are included in the warrant program. The employees that have been given warrants have the option to buy the predefined amount of shares at a predefined value.

Reconciliation of outstanding equity-settled awards:

Employees (number of warrants)	2022/23	2021/22
Outstanding at 1 July	17,297	-
Granted during the year	33,953	17,297
Forfeited during the year	-5,100	-
Outstanding at 30 June	**46,150**	**17,297**

For warrants outstanding at the end of the year, the remaining contractual life is 1 years and 9 months.

Measurement of fair value
Key input the valuation of warrants includes excercise prices in a range of DKK 114-377.

The fair value of granted warrants is estimated using the methods used for tax purposes taking into account the terms and conditions upon which the warrants were granted and an interest rate of 11%.

The total amount recognised in the income statement during 2022/23 was TDKK 91 (2021/22: TDKK 74).

5. Financial income and costs

TDKK	**2022/23**	**2021/22**
Financial income		
Interest income measured at amortised cost	688	1
Exchange rate adjustments, net	923	871
Total financial income	**1,611**	**872**
Financial costs		
Interest expense measured at amortised cost	947	282
Exchange rate adjustments, net	-	-
Other financial expenses	86	160
Total financial expenses	**1,033**	**442**

6. Tax on profit for the year

TDKK	**2022/23**	**2021/22**
Current tax		
Current tax for the year	-14,857	-88
Deferred tax adjustment for the year	–	–
Income tax expense	**-14,857**	**-88**

Reconciliation of effective tax rate

TDKK	**2022/23**	**%**	**2021/22**	**%**
Tax at the Danish tax rate of 22%	-51,619	22.0%	-24,109	22.0%
Tax effects of amounts which are not deductible (taxable) in calculating taxable income:				
Effect of foreign tax rates	–	0.0%	–	0.0%
Non-deductible items	-25	0.0%	-24	0.0%
Non-taxable income	36,787	-15.7%	24,045	-22.0%
Income tax expense	**-14,857**	**6.3%**	**-88**	**0.0%**

7. Equity investments in subsidiaries

TDKK	2022/23	2021/22
Cost at 1 July	34,225	29,491
Additions	2,120	4,734
Dispossals	–	–
Cost at 30 June	36,345	34,225
Value adjustments at 1 July	75,491	16,246
Profit for the year	167,212	109,295
Dividends paid	-47,910	-52,500
Currency adjustments	-12,573	2,450
Disposals	–	–
Value adjustments at 30 June	182,220	75,491
Carrying amount at 30 June	**218,566**	**109,716**

Name/legal form	Registrered office	Equity interest
Thordin ApS	Denmark	100%
Dvalin ApS	Denmark	*100%
Nidhog ApS	Denmark	*100%
Asgard ApS (formerly operating under the name Valhall ApS)	Denmark	100%
Valhall GK	Japan	100%
Future Electricity Trading (GK)	Japan	100%
Japan Power Trading (GK)	Japan	100%
Raijin Energy (GK)	Japan	100%
Yggdrasil Commodities India Ptd.	India	100%

* Including minority shares not assigned due to dispute

8. Cash and cash equivalents

TDKK	**2022/23**	**2021/22**
Cash at bank	123,106	1,190
Counterparty deposits which can be released with a short timeframe	–	–
Total cash at bank and cash equivalents in cash flow statement	123,106	1,190
Deposits secured for guarantees	–	14,499
Purchase price for shares deposited with bank	6,953	6,953
Carrying amount at 30 June	**130,059**	**22,643**

9. Cash flow specifications

TDKK	2022/23	2021/22
Other adjustments		
Warrants	91	74
Financial income	-1,611	-951
Financial costs	1,033	442
Tax on profit for the year	14,857	88
Tax on profit for the year	-167,212	-109,295
Adjustment of subsidiary equity value	**-152,842**	**-109,642**
Changes in net working capital		
Changes in receivables	148	338
Changes in trade and other payables	3,401	-1,765
Changes in deposited cash	14,499	-14,499
	18,048	**-15,927**

10. Changes in liabilities from financing activities

TDKK	**Shareholder loan**	**Total**
2022/23		
Debt as at 1 July 2022	–	–
Proceeds	–	–
Repayments	–	–
Changes	–	–
Cash flows	**–**	**–**
Currency adjustments	–	–
Other	–	–
Non-cash flows	**–**	**–**
Debt as at 30 June 2023	**–**	**–**
2021/22		
Debt as at 1 July 2021	11,959	11,959
Proceeds	–	–
Repayments	-11,959	-11,959
Changes	–	–
Cash flows	**-11,959**	**-11,959**
Currency adjustments	–	–
Other	–	–
Non-cash flows	**–**	**–**
Debt as at 30 June 2022	**–**	**–**

11. Liabilities

TDKK	Carrying amount	**Cash flows including interest**			
		0-1 year	1-5 years	over 5 years	Total
Maturities of liabilities and commitments					
2022/23					
Derivative financial instruments					
Forward currency derivates	-	-	-	-	-
Non-derivative financial instruments:					
Amounts owed to subsidiaries	51,439	51,439	-	-	51,439
Other payables	21,396	21,396	-	-	21,396
Total	**72,835**	**72,835**	**-**	**-**	**72,835**
2021/22					
Derivative financial instruments					
Forward currency derivates	259	259	-	-	259
Non-derivative financial instruments:					
Amounts owed to subsidiaries	28,935	28,935	-	-	28,935
Other payables	11,042	11,042	-	-	11,042
Total	**40,236**	**40,236**	**-**	**-**	**40,236**

The analysis is based on contractual cash flows including interest payments.

Fair value of trade payables and other payables is determined to equal their carrying amount.

The payment obligations are expected to be settled through cash inflows from operating activities.

Leasing

The Parent Company has a lease contract for property with a remaining term of six months (2021/22: six months) and average monthly lease payments of TDKK 60 (2021/22: TDKK 22.5), totalling TDKK 360 (2021/22: TDKK 135). The lease is not recognised as an asset/liability as the lease agreement is a short-term lease.

Furthermore, the Parent Company has lease contracts regardindg equiptment with remaining term up to 24 months (2021/22: 21 months) and average monthly lease payments of TDKK 34 totalling TDKK 500. The leases are not recognies as an asset/liability as they comprise assets of low value.

12. Contractual obligations, contingencies, etc.

Joint tax scheme
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 with-holding taxes could result in an increased liability for the Company.

Charges and security
The following assets have been placed as security with bankers: Shares of investment in certain subsidairies. The value of these assets as of 30 June 2023 constitutes: TDKK 212,209.

Charges and security
Bank guarantees totals TDKK 166,417 at 30 June 2023 (2021/22: TDKK 31,470).

The Company has provided an unlimited surety bond for the Group to Sydbank. The total debt per 30 June 2023 is EUR 0.

Leases
Regarding leasing liabilities refer to disclosures in note 11 (liabilities).

13. Financial instruments by category

TDKK	**2022/23**	**2021/22**
The group holds the following financial instruments:		
Financial assets		
Carried at amortised cost		
Receivables	84,678	53,133
Cash and cash equivalents	137,012	22,643
Financial assets at amortised cost	**221,690**	**75,776**
Financial liabilities		
Carried at amortised cost		
Amounts owed to subsidiaries	51,439	28,935
Other payables	21,396	11,042
Financial liabilities at amortised cost	**72,835**	**39,977**
Carried at fair value through profit or loss (FVPL)		
Financial derivatives	–	259
Financial liabilities at fair value through profit or loss (FVPL)	**–**	**259**
Total financial liabilities	**72,835**	**40,236**

Financial assets and financial liabilities above are not offset, and therefore gross amounts are recognised in the balance sheet.

14. Financial risks and the use of derivative financial instruments

The Company is exposed to a number of financial risks via its subsidiaries who all trade in power according to the section above. In case equity investments in subsidiaries are made in other currencies than DKK, the Company is exposed to currency risk. This risk is partly mitigated by the use of financial derivatives according to the above disclosures.

Management's Statement

The Board of Directors and Executive Board have today considered and adopted the Annual Report of Yggdrasil Commodities ApS for the financial year 1 July 2022 - 30 June 2023.

The Annual Report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial positioan at 30 June 2023 of the Group and the Parent Company and of the results of the Group and Parent Company operations and cash flows for 2022/23.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Group and the Parent Company, of the results for the year and of the financial position of the Group and the Parent Company as well as a description of the most significant risks and elements of uncertainty facing the Group and the Parent Company.

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

Aalborg, 13 October 2023

Executive Board:

Søren Agersbæk Jensen

Søren Bondo Andersen

Board of Directors:

Søren Agersbæk Jensen

Søren Bondo Andersen

Rasmus Nordestgaard Jensen

Independent Auditor's Report

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the Group's and the Parent Company's financial position at 30 June 2023 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 July 2022 to 30 June 2023 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Yggdrasil Commodities ApS-Group for the financial year 1 July 2022 - 30 June 2023, which comprise income statement and statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies, for both the Group and the Parent Company ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International EthicsStandards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.
In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

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

Management's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent 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 in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent 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 Group and the Parent 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Aarhus, 13 October 2023

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Mads Meldgaard
State Authorised Public Accountant
mne24826

Martin S. Toft

Martin Stenstrup Toft
State Authorised Public Accountant
mne42786

Annual Report for the financial year

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  "period": "1 July 2022 - 30 June 2023"

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Yggdrasil Commodities
Niels Jernes Vej 10
9220 Aalborg
Denmark

CVR: DK-40300643

YGGDRASIL