

AVISTA OIL Danmark A/S

Juelsmindevej 6
4400 Kalundborg

CVR no. 10 16 92 91

Annual report 2020

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

10 June 2021

Leon Sloth Skovbo
Chairman



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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of AVISTA OIL Danmark A/S for the financial year 1 January – 31 December 2020.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Kalundborg, 10 June 2021

Executive Board:



Leon Sloth Skovbo
CEO

Board of Directors:


Detlev Bruhnke
Chairman
Marc Verfürth

Benedikt Fuhlrott



Independent auditor's report

To the shareholders of AVISTA OIL Danmark A/S

Opinion

We have audited the financial statements of AVISTA OIL Danmark A/S for the financial year 1 January – 31 December 2020 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

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

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

Emphasis of matter regarding matters in the financial statements

We draw attention to note 2, "Material uncertainty related to recognition and measurement", where it is described that there is material uncertainty related to the final settlement of the insurance claims related to the fire in the Company's oil refinery. Our opinion is not modified in respect of this matter.

Management's responsibility for the financial statements

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

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



Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

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

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

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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



Independent auditor's report

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Copenhagen, 10 June 2021

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Jon Beck
State Authorised
Public Accountant
mne32169

Joakim Juul Larsen
State Authorised
Public Accountant
mne32803

AVISTA OIL Danmark A/S
Annual report 2020
CVR no. 10 16 92 91

Management's review

Company details

AVISTA OIL Danmark A/S
Juelsmindevej 6
4400 Kalundborg

CVR no.:	10 16 92 91
Established:	1 March 1986
Registered office:	Kalundborg
Financial year:	1 January – 31 December

Board of Directors

Detlev Bruhnke, Chairman
Marc Verfürth
Benedikt Fuhlrott

Executive Board

Leon Sloth Skovbo, CEO

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 København Ø

Management's review

Operating review

Principal activities

AVISTA OIL Danmark A/S collects Used Lubrication Oil (ULO) in Denmark by the Company's own collection fleet. Additional ULO is imported from Scandinavian and other European countries. The ULO is mainly sold to AVISTA Green's re-refinery in Kalundborg, Denmark. Smaller volumes are sold to other re-refineries in the AVISTA OIL Group as well as 3rd parties.

AVISTA OIL Danmark A/S also collects oil emulsions and other oil/water wastes. The emulsions are treated at the Company's facility in Horsens where water and oil are separated. The water is cleaned so it can be discharged into the Horsens public sewer system, whilst the oil is sold as supporting fuel for heavy industrial purposes.

Development in activities and financial position

The Company realised in 2020 a profit of DKK 5.4 million (2019: DKK 42.6 million). The profits are significantly impacted by income recognised from insurance claims that are included in discontinued operations. At 31 December 2020 the Company's equity amounts to DKK 103.6 million (2019: DKK 98.2 million).

Material uncertainty regarding recognition and measurement

The insurance claims regarding the fire in July 2017 have not been settled with the insurance company. The claims, which are related to operating loss and property damage, are recognised in the annual report with the amounts received from the insurance company during 2017, 2018, 2019, and 2021. The amount received in 2021 is recognised as income in 2020 and as a receivable at 31 December 2020. No additional receivables for unsettled claims has been recognised in the annual report. The settlement of the insurance claims is expected to be significantly higher than the amounts received. A related receivable has not been recognised as there is a considerable dispute between insurer and insured regarding the final settlement and consequently, there is considerable uncertainty related to the proceeds that ultimately will be received.

Measurement of property, plant and equipment

Management has prepared an impairment test of the carrying amount of property, plant and equipment which shows that there is no need for impairment. The test is based on the assumption that the Company's future earnings will improve and is therefore associated with uncertainty.

Events after the balance sheet date

Subsequent of balance sheet date, the Company received a payment from the insurance company of DKK 14.7 million which has been recognised as income in 2020 and as a receivable in the balance sheet. Otherwise, no subsequent event has significantly impacted the figures at balance sheet date.

Financial statements 1 January – 31 December

Income statement

DKK	Note	2020	2019
Gross profit/loss	3	-625,418	1,625,599
Distribution costs	3	-211,578	-952,953
Administrative expenses	3	<u>-8,427,658</u>	<u>-11,158,566</u>
Loss before financial income and expenses		-9,264,654	-10,485,920
Financial income	4	955,077	236,452
Financial expenses	5	<u>-935,123</u>	<u>-644,465</u>
Loss before tax		-9,244,700	-10,893,933
Tax on profit/loss for the year		<u>0</u>	<u>0</u>
Loss from continuing operations		-9,244,700	-10,893,933
Profit from discontinued operations	6	<u>14,683,000</u>	<u>53,457,799</u>
Profit for the year		<u>5,438,300</u>	<u>42,563,866</u>
Proposed profit appropriation			
Proposed dividends for the year		75,516,384	0
Retained earnings		<u>-70,078,084</u>	<u>42,563,866</u>
		<u>5,438,300</u>	<u>42,563,866</u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	2020	2019
ASSETS			
Fixed assets			
Intangible assets	7		
Customer relations		1,794,585	2,009,936
Software		<u>6,272,398</u>	<u>5,884,722</u>
		<u>8,066,983</u>	<u>7,894,658</u>
Property, plant and equipment	8		
Land and buildings		1,373,176	1,478,671
Plant and machinery		26,308,824	33,749,080
Fixtures and fittings, tools and equipment		<u>114,893</u>	<u>2,003,270</u>
		<u>27,796,893</u>	<u>37,231,021</u>
Investments	9		
Deposits		<u>233,061</u>	<u>233,061</u>
Total fixed assets		<u>36,096,937</u>	<u>45,358,740</u>
Current assets			
Inventories	10		
Raw materials and consumables		<u>6,329,693</u>	<u>7,403,583</u>
Receivables			
Trade receivables		4,594,244	6,269,989
Receivables from group entities		75,713,047	69,269,481
Other receivables		14,986,378	1,593,744
Prepayments	11	<u>655,875</u>	<u>220,744</u>
		<u>95,949,544</u>	<u>77,353,958</u>
Cash at bank and in hand		<u>498,232</u>	<u>1,332,238</u>
Total current assets		<u>102,777,469</u>	<u>86,089,779</u>
TOTAL ASSETS		<u><u>138,874,406</u></u>	<u><u>131,448,519</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	2020	2019
EQUITY AND LIABILITIES			
Equity			
Contributed capital	12	500,000	500,000
Retained earnings		27,601,389	97,679,473
Proposed dividends for the financial year		<u>75,516,384</u>	<u>0</u>
Total equity		<u>103,617,773</u>	<u>98,179,473</u>
Provisions			
Other provisions	13	<u>819,500</u>	<u>819,500</u>
Total provisions		<u>819,500</u>	<u>819,500</u>
Liabilities other than provisions			
Non-current liabilities other than provisions			
Lease obligations	14	10,956,950	18,441,741
Other payables		<u>0</u>	<u>368,556</u>
		<u>10,956,950</u>	<u>18,810,297</u>
Current liabilities other than provisions			
Current portion of non-current liabilities		3,122,607	3,580,271
Banks, current liabilities		8,966,789	0
Trade payables		5,192,136	8,239,046
Payables to group entities		1,973,340	485,011
Other payables		<u>4,225,311</u>	<u>1,334,921</u>
		<u>23,480,183</u>	<u>13,639,249</u>
Total liabilities other than provisions		<u>34,437,133</u>	<u>32,449,546</u>
TOTAL EQUITY AND LIABILITIES		<u>138,874,406</u>	<u>131,448,519</u>
Staff costs and incentive schemes	3		
Contractual obligations, contingencies, etc.	15		
Mortgages and collateral	16		
Related party disclosures	17		

Financial statements 1 January – 31 December

Statement of changes in equity

DKK	Contributed capital	Retained earnings	Proposed dividends for the financial year	Total
Equity at 1 January 2020	500,000	97,679,473	0	98,179,473
Transferred over the profit appropriation	0	-70,078,084	75,516,384	5,438,300
Equity at 31 December 2020	500,000	27,601,389	75,516,384	103,617,773

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of AVISTA OIL Danmark A/S for 2020 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Business combinations

Divested or wound-up activities are recognised in the income statement up to the date of divestment or winding-up. Comparative figures are not restated to reflect divestments.

Gains or losses on the divestment of activities are calculated as the difference between the sales amount and the carrying amount of net assets at the date of disposal, including non-amortised goodwill and projected costs of divestment.

Income statement

Gross profit

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Revenue

Revenue from the sale of goods for resale and finished goods, which comprise base oil, bi-products from the re-refining process and oil products used for fuel in heavy industry processes is recognised in the income statement when delivery and transfer of risk has been made before year end.

Revenue is recognised excluding VAT and net of discounts relating to sales.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Production costs

Production costs comprise costs, including depreciation, amortisation, wages and salaries incurred to generate revenue for the year. Such costs include direct and indirect costs for raw materials and consumables, wages and salaries, rent and leases and depreciation of production plant.

Other operating income

Other operating income comprises items secondary to the activities of the entity, including gains on the disposal of intangible assets and property, plant and equipment.

Other operating costs

Other operating costs comprise items secondary to the activities of the entity, including losses on the disposal of intangible assets and property, plant and equipment.

Distribution costs

Distribution costs comprise costs incurred to distribute goods sold during the year.

Administrative expenses

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

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, receivables and payables and transactions denominated in foreign currencies, as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on loss for the year

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

Discontinued operations

Profit/loss after tax on discontinued operations and assets and related liabilities for discontinued operations are recognised as a separate line item without restatement of comparative figures. Income and expenses are specified in the notes.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Balance sheet

Intangible assets

Rights and software is measured at cost less accumulated amortisation and impairment losses. Software is amortised on a straight-line basis over the useful life, which is assessed at 3 years.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal.

Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Production buildings	10-15 years
Administration buildings	20-40 years
Plant and machinery	5-20 years
Fixtures and fittings, tools and equipment	3-15 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Land is not depreciated.

Fixed assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Depreciation is recognised in the income statement as production costs, distribution costs and administrative expenses, respectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Investments

Deposits are recognised at amortised cost.

Leases

On initial recognition, leases for fixed assets that transfer substantially all risks and rewards incident to ownership to the Company (finance leases) are recognised in the balance sheet at the lower of fair value and the net present value of future lease payments. When calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently treated as the Company's other fixed assets.

The capitalised lease obligation is recognised in the balance sheet as a liability at amortised cost, allowing the interest element of the lease payment to be recognised in the income statement over the term of the lease.

All other leases are operating leases. Payments relating to operating leases and other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed as contractual obligations and contingencies, etc.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised write-downs are reversed when the basis for the write-down no longer exists.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as well as the maintenance of depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in cost.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received.

Prepayments

Prepayments recognized under assets comprise payments relating to costs in subsequent years.

Cash at bank and in hand

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

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 based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

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 or equity, respectively.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Provisions

Provisions are recognised when, as a result of past events, the Company has a legal or a constructive obligation, and it is probable that there may be outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at value in use

Provisions with an expected maturity exceeding 1 year from the balance sheet date are discounted at the average bond yield. Re-establishment obligations are recognised at net present value.

Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. 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.

Finance lease obligation comprises the capitalised residual lease obligation of finance leases.

Other liabilities are measured at net realisable value.

Financial statements 1 January – 31 December

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2 Material uncertainty related to recognition and measurement

The insurance claims regarding the fire in July 2017 have not been settled with the insurance company. The claims, which are related to operating loss and property damage, are recognised in the annual report with the amounts received from the insurance company during 2017, 2018, 2019, and 2021. The amount received in 2021 is recognised as income in 2020 and as a receivable at 31 December 2020. No additional receivables for unsettled claims has been recognised in the annual report. The settlement of the insurance claims is expected to be significantly higher than the amounts received. A related receivable has not been recognised as there is a considerable dispute between insurer and insured regarding the final settlement and consequently, there is considerable uncertainty related to the proceeds that ultimately will be received.

DKK	<u>2020</u>	<u>2019</u>
3 Staff costs and incentive schemes		
Staff costs		
Wages and salaries	11,064,548	9,991,571
Pensions	866,439	721,593
Other social security costs	<u>237,371</u>	<u>195,258</u>
	<u>12,168,358</u>	<u>10,908,422</u>
Average number of full-time employees	<u>22</u>	<u>20</u>

Omission in accordance with ÅRL § 98 b, stk. 3 for remuneration of the board of directors and executive board.

4 Financial income

Interest income from group entities	901,954	236,115
Other financial income	6,475	337
Exchange gains	<u>46,648</u>	<u>0</u>
	<u>955,077</u>	<u>236,452</u>

5 Financial expenses

Other financial costs	935,123	456,361
Exchange losses	<u>0</u>	<u>188,104</u>
	<u>935,123</u>	<u>644,465</u>

Financial statements 1 January – 31 December

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6 Discontinued operations

With accounting effect 1 January 2018, the Company carved out the assets and liabilities of its base oil refinery business. Profit after tax of the carved out activity is recognised as a separate line item in the income statement. In the financial year of 2020, there has been income from insurance claims.

DKK	2020	2019
Income from insurance claims	14,683,000	53,457,799
Profit for the year before tax from discounted operations	14,683,000	53,457,799

7 Intangible assets

DKK	Acquired patents	Software	Total
Cost at 1 January 2020	2,349,281	6,638,404	8,987,685
Additions for the year	0	387,676	387,676
Cost at 31 December 2020	2,349,281	7,026,080	9,375,361
Amortisation and impairment losses at 1 January 2020	-339,345	-753,682	-1,093,027
Amortisation for the year	-215,351	0	-215,351
Amortisation and impairment losses at 31 December 2020	-554,696	-753,682	-1,308,378
Carrying amount at 31 December 2020	1,794,585	6,272,398	8,066,983

8 Property, plant and equipment

DKK	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Total
Cost at 1 January 2020	6,597,031	111,651,307	3,452,534	121,700,872
Additions for the year	0	1,679,196	14,445	1,693,641
Cost at 31 December 2020	6,597,031	113,330,503	3,466,979	123,394,513
Depreciation and impairment losses at 1 January 2020	-5,118,359	-76,045,084	-3,306,408	-84,469,851
Depreciation for the year	-105,496	-10,976,595	-45,678	-11,127,769
Depreciation and impairment losses at 31 December 2020	-5,223,855	-87,021,679	-3,352,086	-95,597,620
Carrying amount at 31 December 2020	1,373,176	26,308,824	114,893	27,796,893
Assets held under finance leases	0	14,949,570	0	0

Financial statements 1 January – 31 December

Notes

9 Investments

DKK	<u>Deposits</u>
Cost at 1 January 2020	<u>233,061</u>
Cost at 31 December 2020	<u>233,061</u>
Carrying amount at 31 December 2020	<u>233,061</u>

10 Inventories

DKK	<u>2020</u>	<u>2019</u>
Raw materials and consumables	5,075,673	6,769,934
Finished goods and goods for resale	<u>1,254,020</u>	<u>633,649</u>
	<u>6,329,693</u>	<u>7,403,583</u>

11 Prepayments

Insurances	330,576	63,751
Prepaid rent	311,614	69,352
Fees and contributions	<u>13,685</u>	<u>87,641</u>
	<u>655,875</u>	<u>220,744</u>

12 Equity

The share capital consists of 5,000 shares of a nominal value of DKK 100.

No shares carry any special rights.

All shares rank equally.

13 Provisions

Other provisions

Environmental obligation	<u>819,500</u>	<u>819,500</u>
	<u>819,500</u>	<u>819,500</u>

The provisions are expected to mature as follows:

Over 5 years	<u>819,500</u>	<u>819,500</u>
	<u>819,500</u>	<u>819,500</u>

Other provisions comprise estimated costs for clean-up from the Company's locations

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Notes

14 Liabilities other than provisions

Payments due within 1 year are recognised as current liabilities other than provisions. Other debt is recognised as non-current liabilities other than provisions.

DKK	2020	2019
Non-current liabilities other than provision can be specified as follows:		
Leasing obligations more than 5 years	3,871,074	9,446,809
Leasing obligations between 1 and 5 years	7,085,876	8,994,932
Leasing obligations within 1 year	<u>3,122,607</u>	<u>3,580,271</u>
	<u>14,079,557</u>	<u>22,022,012</u>

15 Contractual obligations, contingencies, etc.

The company is the management company in a Danish joint taxation with Avista Green ApS. The company is therefore liable for income tax, etc. in accordance with the Companies Tax Act. for the jointly taxed companies.

Operating lease obligations

At 31 December 2020, the Company has entered into operating lease obligations of which DKK 293 thousand fall due within 1 year.

16 Mortgages and collateral

Bank debt is secured by mortgage of DKK 3,500,000 and pledge of business assets (inventory and trade receivables) of DKK 21,000,000.

17 Related party disclosures

AVISTA Oil Danmark A/S' related parties comprise the following:

Control

AVISTA OIL AG
Bahnhofstrasse 82
31311 Uetze
Germany

AVISTA OIL AG holds the majority of the contributed capital in the Company

AVISTA OIL Danmark A/S is part of the consolidated financial statements of AVISTA OIL AG, Germany, which is the smallest and largest group, in which the Company is included as a subsidiary.

The consolidated financial statements of AVISTA OIL AG can be obtained by contacting the companies at the addresses above.