

# 2021

Annual report for 2021

**Nature Energy Construction A/S**  
Ørbækvej 260, 5220 Odense SØ  
CVR no. 27 06 24 66

Adopted at the annual  
general meeting on  
25 March 2022

Jacob Federspiel  
chairman

**nature**  
**energy**

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## **Statement by management on the annual report**

The supervisory and executive boards have today discussed and approved the annual report of Nature Energy Construction A/S for the financial year 1 January - 31 December 2021.

The annual report is 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 financial position at 31 December 2021 and of the results of the company's operations for the financial year 1 January - 31 December 2021.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Odense, 25 March 2022

### **Executive board**

Hans Henrik Dahl Andersen  
Director

### **Supervisory board**

Ole Hvelplund  
chairman

Kim Kragelund  
deputy chairman

Hans Henrik Dahl Andersen

# Independent auditor's report

## *To the shareholder of Nature Energy Construction A/S*

### **Opinion**

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2021 and of the results of the company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the financial statements of Nature Energy Construction A/S for the financial year 1 January - 31 December 2021, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under 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 requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Management's responsibilities 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 as management determines is necessary to enable the preparation of the 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.

### **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 judgement and maintain professional scepticism throughout the audit. We also:

## Independent auditor's report

- 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 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.

### **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.

## Independent auditor's report

Based on the work we have performed, we conclude that 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 management's review.

Odense, 25 March 2022

PricewaterhouseCoopers  
statsautoriseret revisionspartnerselskab  
CVR no. 33 77 12 31

Mads Melgaard  
statsautoriseret revisor  
MNE no. mne34354

Claus Damhave  
statsautoriseret revisor  
MNE no. mne34166

## Company details

Nature Energy Construction A/S  
Ørbækvej 260  
5220 Odense SØ

CVR-no. 27 06 24 66

Financial year: 1 January - 31 December 2021

Domicile: Odense

### Supervisory Board

Ole Hvelplund, chairman  
Kim Kragelund, deputy chairman  
Hans Henrik Dahl Andersen

### Executive Board

Hans Henrik Dahl Andersen, director

### Auditors

PricewaterhouseCoopers  
statsautoriseret revisionspartnerselskab  
Munkebjergvænget 1, 3.  
5230 Odense M

### Bankers

Danske Bank

### Consolidated financial statements

The company is reflected in the group report as the parent company NGF Partnership K/S.

## Financial highlights

Seen over a 5-year period, the development of the Company may be described by means of the following financial highlights:

|  | 2021  | 2020   | 2019  | 2018   | 2017  |
|--|-------|--------|-------|--------|-------|
|  | MDKK  | MDKK   | MDKK  | MDKK   | MDKK  |
| <b>Key figures</b>   |       |        |       |        |       |
| Gross profit/loss  | 32    | 51     | 61    | 7      | 20    |
| Profit/loss before<br>amortisation/depreciation and<br>impairment losses | -4    | 25     | 31    | -13    | 1     |
| Profit/loss before net financials  | -5    | 24     | 29    | -26    | 0     |
| Profit/loss for the year   | 2     | -6     | 20    | -28    | 1     |
| Balance sheet total  | 125   | 286    | 216   | 136    | 142   |
| Investment in property, plant and<br>equipment                           | 0     | 0      | 1     | 0      | 0     |
| Equity   | 29    | 52     | 58    | 37     | 66    |
| Number of employees  | 47    | 36     | 47    | 58     | 58    |
| Return on assets   | -2.4% | 9.6%   | 16.5% | -18.7% | 0.0%  |
| Solvency ratio   | 23.2% | 18.2%  | 26.9% | 27.2%  | 46.5% |
| Return on equity   | 4.9%  | -10.9% | 42.1% | -54.4% | 1.5%  |

For definitions, see the summary of significant accounting policies.

Due to the merger in 2019, comparative figures have been adjusted back from 2018.



## **Management's review**

### **Business review**

The company's purpose is to conduct business in the field of environment and energy. The company designs and builds turnkey biogas plants.

### **Recognition and measurement uncertainties**

The recognition and measurement of items in the annual report is not associated with any uncertainty.

### **Unusual matters**

The company's financial position at 31 December 2021 and the results of its operations for the financial year ended 31 December 2021 are not affected by any unusual matters.

### **Financial review**

The company's income statement for the year ended 31 December 2021 shows a profit of TDKK 1,716, and the balance sheet at 31 December 2021 shows equity of TDKK 28,757.

COVID-19 has not effected the company's performance.

Managemant finds the result for the year satisfactory compared to 2020.

### **Significant events occurring after the end of the financial year**

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

### **Objectives and expectations for the coming year**

The company acts as the Group's EPC business by primarily serve the Group companies. The company expects a profit for next year in the range of TDKK 15,000 to TDKK 25,000.

### **Knowledge resources**

The company has no research and development activities.

### **External environment**

The company's work with the design and construction of turnkey biogas plants follows the authorities' instructions. Nature Energy Construction A/S's business does not have a special impact on the external environment.

### **The past year and follow-up on last year's expected development**

Last year's expectation concerning the realized result 2021 has not been realized at a satisfactory level.

## Management's review

### **Special risks - operational risks and financial risks**

#### Operating risks:

The company seeks to eliminate or reduce operational risk in collaborations with external partners, advice from external specialists and not least through building relevant competencies in the Nature Energy companies.

#### Market risks:

Nature Energy Construction A/S is generally exposed for risk concerning prices for construction materials. The company handles these risks within the procedures of an established risk policy. Risks are sought eliminated through a high degree of fixed price agreement with subcontractors.

Moreover the company's ability to obtain new projects is a risk.

#### Currency risks:

The company's activities concerning sales and purchases are primarily made in Danish kroner or Euros which entail that the exchange rates effects the result, cash flow and equity of the company.

## Income statement 1 January - 31 December

|  | Note | 2021<br><small>TDKK</small> | 2020<br><small>TDKK</small> |
|--|------|-----------------------------|-----------------------------|
| <b>Gross profit</b>  |      | <b>31,939</b>               | <b>51,109</b>               |
| Staff costs  | 1    | -35,560                     | -26,133                     |
| <b>Profit/loss before amortisation/depreciation and impairment losses</b>                        |      | <b>-3,621</b>               | <b>24,976</b>               |
| Depreciation, amortisation and impairment of intangible assets and property, plant and equipment | 2    | -659                        | -684                        |
| Other operating costs  |      | -679                        | -505                        |
| <b>Profit/loss before net financials</b>   |      | <b>-4,959</b>               | <b>23,787</b>               |
| Income from investments in subsidiaries  | 3    | 5,099                       | -6,011                      |
| Financial income   | 4    | 479                         | 1,481                       |
| Financial costs  | 5    | -484                        | -15,392                     |
| <b>Profit/loss before tax</b>  |      | <b>135</b>                  | <b>3,865</b>                |
| Tax on profit/loss for the year  | 7    | 1,581                       | -9,705                      |
| <b>Profit/loss for the year</b>  |      | <b>1,716</b>                | <b>-5,840</b>               |
| Distribution of profit   | 8    |                             |                             |

## Balance sheet 31 December

|  | Note | 2021<br>TDKK   | 2020<br>TDKK   |
|--|------|----------------|----------------|
| <b>Assets</b>                                    |      |                |                |
| Completed development projects                   |      | 0              | 0              |
| Acquired patents                                 |      | 0              | 0              |
| Software   |      | 7              | 35             |
| <b>Intangible assets</b>                         | 9    | <b>7</b>       | <b>35</b>      |
| Plant and machinery                              |      | 546            | 884            |
| Other fixtures and fittings, tools and equipment |      | 593            | 449            |
| Leasehold improvements                           |      | 0              | 0              |
| <b>Tangible assets</b>                           | 10   | <b>1,139</b>   | <b>1,333</b>   |
| Investments in subsidiaries                      | 11   | 0              | 7,131          |
| Other fixed asset investments                    | 12   | 112            | 112            |
| <b>Fixed asset investments</b>                   |      | <b>112</b>     | <b>7,243</b>   |
| <b>Total non-current assets</b>                  |      | <b>1,258</b>   | <b>8,611</b>   |
| Trade receivables                                |      | 1,116          | 1,139          |
| Contract work in progress                        | 13   | 49,337         | 11,824         |
| Receivables from group enterprises               |      | 65,090         | 258,527        |
| Other receivables                                |      | 1,287          | 1,272          |
| Deferred tax asset                               | 14   | 6,754          | 3,389          |
| Prepayments                                      | 15   | 65             | 0              |
| <b>Receivables</b>                               |      | <b>123,649</b> | <b>276,151</b> |
| <b>Cash at bank and in hand</b>                  |      | <b>190</b>     | <b>1,641</b>   |
| <b>Total current assets</b>                      |      | <b>123,839</b> | <b>277,792</b> |
| <b>Total assets</b>                              |      | <b>125,097</b> | <b>286,403</b> |

## Balance sheet 31 December

|  | Note | 2021<br>TDKK   | 2020<br>TDKK   |
|--|------|----------------|----------------|
| <b>Equity and liabilities</b>                                    |      |                |                |
| Share capital  |      | 24,000         | 24,000         |
| Foreign currency translation reserve                             |      | 0              | -537           |
| Retained earnings  |      | 4,757          | 3,216          |
| Proposed dividend for the year                                   |      | 0              | 25,000         |
| <b>Equity</b>  |      | <b>28,757</b>  | <b>51,679</b>  |
| Provisions relating to investments in group entities             | 11   | 0              | 245            |
| Other provisions   | 16   | 5,710          | 651            |
| <b>Total provisions</b>  |      | <b>5,710</b>   | <b>896</b>     |
| Other payables   |      | 0              | 2,388          |
| <b>Total non-current liabilities</b>                             | 17   | <b>0</b>       | <b>2,388</b>   |
| Trade payables   |      | 36,303         | 42,115         |
| Contract work in progress, liabilities                           | 13   | 15,571         | 147,854        |
| Payables to group enterprises                                    |      | 27,123         | 2,795          |
| Corporation tax  |      | 0              | 1,810          |
| Other payables   | 17   | 11,633         | 36,866         |
| <b>Total current liabilities</b>                                 |      | <b>90,630</b>  | <b>231,440</b> |
| <b>Total liabilities</b>   |      | <b>90,630</b>  | <b>233,828</b> |
| <b>Total equity and liabilities</b>                              |      | <b>125,097</b> | <b>286,403</b> |
| Significant events occurring after the end of the financial year | 18   |                |                |
| Rent and lease liabilities                                       | 19   |                |                |
| Contingent liabilities   | 20   |                |                |
| Mortgages and collateral   | 21   |                |                |
| Related parties and ownership structure                          | 22   |                |                |

## Statement of changes in equity

|                                   | Share capital | Foreign<br>currency<br>translation<br>reserve | Retained<br>earnings | Proposed<br>dividend for the<br>year | Total         |
|-----------------------------------|---------------|---|----------------------|--------------------------------------|---------------|
| Equity at 1 January 2021          | 24,000        | -537  | 3,215                | 25,000                               | 51,678        |
| Exchange adjustments              | 0             | 363   | 0                    | 0                                    | 363           |
| Ordinary dividend paid            | 0             | 0   | 0                    | -25,000                              | -25,000       |
| Transfers, reserves               | 0             | 174   | -174                 | 0                                    | 0             |
| Net profit/loss for the year      | 0             | 0   | 1,716                | 0                                    | 1,716         |
| <b>Equity at 31 December 2021</b> | <b>24,000</b> | <b>0</b>                                      | <b>4,757</b>         | <b>0</b>                             | <b>28,757</b> |

## Notes

|   | 2021<br><small>TDKK</small> | 2020<br><small>TDKK</small> |
|---|-----------------------------|-----------------------------|
| <b>1 Staff costs</b>  |                             |                             |
| Wages and salaries  | 32,472                      | 24,257                      |
| Pensions  | 1,669                       | 667                         |
| Other social security costs   | 275                         | 145                         |
| Other staff costs   | 1,144                       | 1,064                       |
|   | <b>35,560</b>               | <b>26,133</b>               |
| <br>  |                             |                             |
| Average number of employees   | 47                          | 36                          |
| <br>  |                             |                             |
| According to section 98 B(3) of the Danish Financial Statements Act, remuneration to the Executive Board and the Board of Directors has not been disclosed. |                             |                             |
| <br>  |                             |                             |
| <b>2 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment</b>   |                             |                             |
| Depreciation intangible assets  | 28                          | 30                          |
| Depreciation tangible assets  | 631                         | 654                         |
|   | <b>659</b>                  | <b>684</b>                  |
| <br>  |                             |                             |
| <b>3 Income from investments in subsidiaries</b>  |                             |                             |
| Share of profits of subsidiaries  | 5,099                       | -5,626                      |
| Amortisation of goodwill  | 0                           | -385                        |
|   | <b>5,099</b>                | <b>-6,011</b>               |
| <br>  |                             |                             |
| <b>4 Financial income</b>   |                             |                             |
| Interest received from subsidiaries   | 194                         | 301                         |
| Other financial income  | 258                         | 1,162                       |
| Exchange adjustments  | 27                          | 18                          |
|   | <b>479</b>                  | <b>1,481</b>                |

## Notes

|  | 2021<br><small>TDKK</small> | 2020<br><small>TDKK</small> |
|--|-----------------------------|-----------------------------|
| <b>5 Financial costs</b>                             |                             |                             |
| Impairment losses on financial assets                | 0                           | 14,088                      |
| Financial expenses, group entities                   | 51                          | 156                         |
| Other financial costs                                | 433                         | 1,148                       |
|  | <u>484</u>                  | <u>15,392</u>               |
|  | <u><u>484</u></u>           | <u><u>15,392</u></u>        |
| <b>6 Special items</b>                               |                             |                             |
| Impairment losses on fixed assets investments        | 0                           | -14,088                     |
|  | <u>0</u>                    | <u>-14,088</u>              |
|  | <u><u>0</u></u>             | <u><u>-14,088</u></u>       |
| <b>7 Tax on profit/loss for the year</b>             |                             |                             |
| Current tax for the year                             | 0                           | 1,810                       |
| Deferred tax for the year                            | -1,077                      | 3,479                       |
| Adjustment of tax concerning previous years          | 1,784                       | -1,047                      |
| Adjustment of deferred tax concerning previous years | -2,288                      | 5,463                       |
|  | <u>-1,581</u>               | <u>9,705</u>                |
|  | <u><u>-1,581</u></u>        | <u><u>9,705</u></u>         |
| <b>8 Distribution of profit</b>                      |                             |                             |
| Proposed dividend for the year                       | 0                           | 25,000                      |
| Retained earnings                                    | 1,716                       | -30,840                     |
|  | <u>1,716</u>                | <u>-5,840</u>               |
|  | <u><u>1,716</u></u>         | <u><u>-5,840</u></u>        |



## Notes

### 9 Intangible assets

|   | Completed<br>development<br>projects | Acquired patents | Software | Total    |
|---|--------------------------------------|------------------|----------|----------|
| Cost at 1 January 2021                                    | 2,695                                | 31,028           | 4,612    | 38,335   |
| Cost at 31 December 2021                                  | 2,695                                | 31,028           | 4,612    | 38,335   |
| Impairment losses and<br>amortisation at 1 January 2021   | 2,695                                | 31,028           | 4,577    | 38,300   |
| Amortisation for the year                                 | 0                                    | 0                | 28       | 28       |
| Impairment losses and<br>amortisation at 31 December 2021 | 2,695                                | 31,028           | 4,605    | 38,328   |
| <b>Carrying amount at 31 December<br/>2021</b>            | <b>0</b>                             | <b>0</b>         | <b>7</b> | <b>7</b> |

Completed development projects relate to the development and testing of machines for transporting biomass. The development activities were completed in 2014 and depreciated over 5 years.

## Notes

### 10 Tangible assets

|   | Plant and<br>machinery | Other fixtures<br>and fittings, tools<br>and equipment | Leasehold<br>improvements | Total               |
|---|------------------------|--|---------------------------|---------------------|
| Cost at 1 January 2021                                    | 3,946                  | 1,767  | 262                       | 5,975               |
| Additions for the year                                    | 0                      | 439  | 0                         | 439                 |
| Cost at 31 December 2021                                  | <u>3,946</u>           | <u>2,206</u>   | <u>262</u>                | <u>6,414</u>        |
| Impairment losses and<br>depreciation at 1 January 2021   | 3,062                  | 1,318  | 262                       | 4,642               |
| Depreciation for the year                                 | 338                    | 295  | 0                         | 633                 |
| Impairment losses and<br>depreciation at 31 December 2021 | <u>3,400</u>           | <u>1,613</u>   | <u>262</u>                | <u>5,275</u>        |
| <b>Carrying amount at 31 December<br/>2021</b>            | <b><u>546</u></b>      | <b><u>593</u></b>                                      | <b><u>0</u></b>           | <b><u>1,139</u></b> |

## Notes

|   | 2021<br><small>TDKK</small> | 2020<br><small>TDKK</small> |
|---|-----------------------------|-----------------------------|
| <b>11 Investments in subsidiaries</b>                                       |                             |                             |
| Cost at 1 January 2021  | 31,676                      | 34,098                      |
| Disposals for the year  | -31,676                     | -2,422                      |
| Cost at 31 December 2021  | <u>0</u>                    | <u>31,676</u>               |
| Revaluations at 1 January 2021  | -24,545                     | -21,742                     |
| Disposals for the year  | 19,083                      | 119                         |
| Exchange adjustment   | 363                         | -537                        |
| Net profit/loss for the year  | 5,099                       | -5,626                      |
| Amortisation of goodwill  | 0                           | -385                        |
| Equity investments with negative net asset value amortised over receivables | 0                           | 3,381                       |
| Equity investments with negative net asset value transferred to provisions  | <u>0</u>                    | <u>245</u>                  |
| Revaluations at 31 December 2021  | <u>0</u>                    | <u>-24,545</u>              |
| <b>Carrying amount at 31 December 2021</b>                                  | <b><u>0</u></b>             | <b><u>7,131</u></b>         |

Investments in subsidiaries are specified as follows:

| Name                     | Registered office | Ownership interest |
|--------------------------|-------------------|--------------------|
| Nature Energy UK Limited | England           | 0%                 |
| Nature Energy France SAS | France            | 0%                 |
| Nature Energy GmbH       | Germany           | 0%                 |

## Notes

### 12 Fixed asset investments

|  | <u>Other fixed asset<br/>investments</u> |
|--|--|
| Cost at 1 January 2021                     | 112                                      |
| Cost at 31 December 2021                   | <u>112</u>                               |
| <b>Carrying amount at 31 December 2021</b> | <b><u><u>112</u></u></b>                 |

### 13 Contract work in progress

|  | <u>2021</u>                 | <u>2020</u>                   |
|--|-----------------------------|-------------------------------|
|  | TDKK                        | TDKK                          |
| Work in progress, selling price                | 853,841                     | 583,867                       |
| Work in progress, payments received on account | <u>-820,075</u>             | <u>-719,897</u>               |
|  | <b><u><u>33,766</u></u></b> | <b><u><u>-136,030</u></u></b> |

Recognised in the balance sheet as follows:

|  |                             |                               |
|--|-----------------------------|-------------------------------|
| Contract work in progress under assets | 49,337                      | 11,824                        |
| Prepayments received under liabilities | <u>-15,571</u>              | <u>-147,854</u>               |
|  | <b><u><u>33,766</u></u></b> | <b><u><u>-136,030</u></u></b> |

### 14 Provision for deferred tax

|   |                        |                        |
|---|------------------------|------------------------|
| Provision for deferred tax at 1 January 2021          | -3,389                 | -12,331                |
| Deferred tax recognised in income statement           | -3,365                 | 8,942                  |
| Transferred to deferred tax asset                     | <u>6,754</u>           | <u>3,389</u>           |
| <b>Provision for deferred tax at 31 December 2021</b> | <b><u><u>0</u></u></b> | <b><u><u>0</u></u></b> |

#### Deferred tax asset

|                        |                            |                            |
|------------------------|----------------------------|----------------------------|
| Calculated tax asset   | <u>6,754</u>               | <u>3,389</u>               |
| <b>Carrying amount</b> | <b><u><u>6,754</u></u></b> | <b><u><u>3,389</u></u></b> |

The recognized tax asset consists primarily of different depreciation on tangibile and intangibile assets.

## Notes

### 15 Prepayments

Prepayments comprise prepaid expenses regarding rent, insurance premiums, subscriptions and interest as well as fair value adjustments of derivative financial instruments with a positive fair value.

|  | 2021<br>TDKK | 2020<br>TDKK |
|--|--------------|--------------|
| <b>16 Other provisions</b>                     |              |              |
| Balance at beginning of year at 1 January 2021 | 651          | 1,521        |
| Provision in year                              | 6,863        | 590          |
| Applied in the year                            | -1,804       | -1,460       |
| <b>Balance at 31 December 2021</b>             | <b>5,710</b> | <b>651</b>   |

The expected due dates of other provisions are:

|                                    |              |            |
|------------------------------------|--------------|------------|
| Within one year                    | 2,569        | 503        |
| Between 1 and 5 years              | 3,141        | 148        |
| <b>Balance at 31 December 2021</b> | <b>5,710</b> | <b>651</b> |

Guarantee provisions include the company's guarantee for completed projects in accordance with the AB rules.

### 17 Long term debt

#### Other payables

|                             |               |               |
|-----------------------------|---------------|---------------|
| After 5 years               | 0             | 2,388         |
| Non-current portion         | 0             | 2,388         |
| Other short-term other debt | 11,633        | 36,866        |
| Current portion             | 11,633        | 36,866        |
|                             | <b>11,633</b> | <b>39,254</b> |

### 18 Significant events occurring after the end of the financial year

No significant events have occurred after the balance sheet date that have a significant impact on the assessment of the annual report.

### 19 Rent and lease liabilities

Operating lease liabilities.

Total future lease payments:

|                       |              |              |
|-----------------------|--------------|--------------|
| Within 1 year         | 1,533        | 1,385        |
| Between 1 and 5 years | 265          | 62           |
|                       | <b>1,798</b> | <b>1,447</b> |

## Notes

### 20 Contingent liabilities

The Group's Danish companies are jointly and severally liable for tax on the Group's jointly taxed income, etc. The total amount of due corporation tax payable is stated in the annual report of NGF Partnership K/S, which is the company that administers co-taxation. Furthermore, the Group's Danish companies are jointly and severally liable for Danish taxes in the form of dividend tax and interest tax. Any subsequent corrections to corporate taxes may increase the the Company's commitment.

### 21 Mortgages and collateral

The company has provided payment guarantee of TDKK 40 (2020: TDKK 79) to third parties.

The company is unlimited jointly and severally liable to banks for the subsidiaries; Nature Energy Holsted A/S, Nature Energy Midtfyn A/S, Nature Energy Nordfyn A/S, Nature Energy Vaarst A/S, Nature Energy Kors kro A/S, Nature Energy Videbæk A/S, Nature Energy Hemmet ApS, Nature Energy Sdr. Vium ApS, Nature Energy Månsson A/S, Nature Energy Bånlev A/S, Nature Energy Glansager A/S and Nature Energy Green Transport A/S.

### 22 Related parties and ownership structure

#### Controlling interest

NGF Partnership K/S  
NGF Denmark Holding ApS  
Nature Energy Biogas A/S

#### Transactions

Transactions with related parties have been made on market terms.

#### Consolidated financial statements

The company is reflected in the group report as the parent company NGF Partnership K/S.

## Accounting policies

The annual report of Nature Energy Construction A/S for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied are consistent with those of last year.

The annual report for 2021 is presented in TDKK.

Pursuant to sections §112, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

### Basis of recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### Income statement

#### Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

## **Accounting policies**

Work in progress for third parties (construction contracts) is recognized as production is carried out, whereby the net turnover corresponds to the sales value of the work performed during the year (the production method). This method is used when the total revenue and costs of the construction contract and the degree of completion on the balance sheet date can be measured reliably and it is probable that the economic benefits, including payments, will access the company. Costs incurred in relation to the expected total are used as the degree of completion costs on the construction contract.

Services are recognized in line with the performance of the service to which the contract relates when using the production method, whereby the net turnover corresponds to the sales value of the service performed during the year. The method used when the total income and expenses on the service and the degree of completion on the balance sheet date can be calculated reliably and it is likely that the financial benefits, including payments, will accrue to the company. As a degree of completion, costs incurred in relation to the expected total costs are used the service

### **Raw materials and consumables**

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

### **Other operating income**

Other operating income comprises items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and items of property, plant and equipment.

### **Other operating expenses**

Other operating expenses comprise items of a secondary nature relative to the company's activities, including losses on the sale of intangible assets and items of property, plant and equipment.

### **Other external expenses**

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

### **Staff costs**

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

### **Amortisation, depreciation and impairment losses**

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.



## Accounting policies

### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

### Income from investments in subsidiaries, associates and participating interests

The proportionate share of the profit/loss for the year of subsidiaries is recognised in the company's income statement after full elimination of intra-group profits/losses.

### Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Danish group enterprises. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

## Balance sheet

### Intangible assets

#### *Development projects, patents and licences*

Development costs comprise costs, wages/salaries and amortisation losses that are directly and indirectly attributable to the company's development activities.

Development projects recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually five years.

Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over the remaining patent period, and licences are amortised over the term of the licence, however not more than years.

### Tangible assets

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

## Accounting policies

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

|  |       |     |
|--|-------|-----|
| Plant and machinery                              | years | 5,8 |
| Other fixtures and fittings, tools and equipment | years | 3-8 |
| Leasehold improvements                           | years | 5   |

The useful life and residual value are re-assessed annually. A change is accounted for as an accounting estimate, and the impact on amortisation/depreciation is recognised going forward.

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

### Leases

All leases are operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The company's total liabilities relating to operating leases and other rent agreements are disclosed under 'Contingencies, etc.'.

### Investments in subsidiaries, associates and participating interests

Investments in subsidiaries and associates are measured in the parent company financial statements using the equity method.

The items "Investments in subsidiaries" and "Investments in associates" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries and associates is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries and the associates.

Investments in subsidiaries, associates and participating interests with a negative net asset value are measured at DKK 0, and the carrying amount of any receivables from these entities is reduced to the extent that they are considered irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the receivable, the balance is recognised under provisions.

## Accounting policies

### Other securities and investments, fixed assets

Investments are measured at cost. In cases where the cost price exceeds the recoverable amount, it is written down to this lower value.

### Impairment of fixed assets

The carrying amount of intangible assets and other investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

### Receivables

Receivables are measured in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

### Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured by reference to the stage of completion at the balance sheet date and the expected aggregate income from the individual work in progress. The stage of completion is determined as the share of the expenses incurred relative to the expected total expenses for the individual work in progress.

Where the selling price of work in progress cannot be estimated reliably, the selling price is measured at the lower of costs incurred and net realisable value.

The individual work in progress is recognised in the balance sheet under receivables or payables. Net assets comprise the sum of work in progress where the selling price of the work performed exceeds invoicing on account. Net liabilities comprise the sum of work in progress where invoicing on account exceeds the selling price.

Selling costs and costs incurred in securing contracts are recognised in the income statement as incurred.

### Special items

Special items relate to impairment losses on fixed assets investments.

### Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

## Accounting policies

### Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

### Equity

#### Dividends

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

#### Provisions

Provisions comprise expected expenses relating to warranty commitments, losses on work in progress, restructuring, etc. Provisions are recognised when, as a result of a past event, the company has a legal or constructive obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Warranty commitments include expenses for remedial action within the warranty period of 1-5 years. Provisions for warranty commitments are measured and recognised based on experience gained from guarantee work. Provisions with an expected maturity of more than one year from the balance sheet date are discounted using a rate that reflects the risk and maturity of the liability.

#### Income tax and deferred tax

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the assets are expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

## Accounting policies

### Liabilities

Other debts are measured at amortised cost, substantially corresponding to nominal value.

### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

Receivables and 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.

Fixed assets acquired in foreign currencies are translated at the exchange rate at the transaction date.

### Cash flow statement

No cash flow statement has been prepared for the parent company, as the parent company's cash flows are included in the consolidated cash flow statement, see section 86(4) of the Danish Financial Statements Act.

### Financial highlights

Definitions of financial ratios.

|                  |  |
|------------------|--|
| Return on assets | $\frac{\text{Profit/loss before financials} \times 100}{\text{Average assets}}$                  |
| Solvency ratio   | $\frac{\text{Equity, end of year} \times 100}{\text{Total assets at year-end}}$                  |
| Return on equity | $\frac{\text{Profit/loss from ordinary operations after tax} \times 100}{\text{Average equity}}$ |