

# 2020

Annual report for 2020

**NGF Nature Energy Biogas A/S**  
**Ørbækvej 260, 5220 Odense SØ**  
**CVR no. 34 61 40 91**

Adopted at the annual  
general meeting on  
28 April 2021

Ole Hvelplund  
chairman

**nature**  
**energy**



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## Statement by management on the annual report

The Board of Directors and Executive board have today discussed and approved the annual report of NGF Nature Energy Biogas A/S for the financial year 1 January - 31 December 2020.

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 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020.

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, 28 April 2021

### Executive board

Ole Hvelplund  
CEO

### Board of Directors

Peter Gæmelke  
chairman

Steen Parsholt  
deputy chairman

Sam Abboud

Terrence Majid Tehranian

Martin Dan Jeppesen  
employee representative

Alex Juhl Burchall  
employee representative



# Independent auditor's report

*To the shareholder of NGF Nature Energy Biogas A/S*

## **Opinion**

In our opinion, the financial statements give a true and fair view of the company's 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.

We have audited the financial statements of NGF Nature Energy Biogas A/S for the financial year 1 January - 31 December 2020, 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. 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, 28 April 2021

PricewaterhouseCoopers  
statsautoriseret revisionspartnerselskab  
CVR no. 33 77 12 31

Mads Melgaard  
State Authorised Accountant  
MNE no. mne34354

Claus Damhave  
statsautoriseret revisor  
MNE no. mne34166



## Company details

### The company

NGF Nature Energy Biogas A/S  
Ørbækvej 260  
5220 Odense SØ

CVR no.: 34 61 40 91

Reporting period: 1 January - 31 December 2020

Domicile: Odense

### Board of Directors

Peter Gæmelke, chairman  
Steen Parsholt, deputy chairman  
Sam Abboud  
Terrence Majid Tehranian  
Martin Dan Jeppesen, employee representative  
Alex Juhl Burchall, employee representative

### Executive board

Ole Hvelplund

### Auditors

PricewaterhouseCoopers  
statsautoriseret revisionspartnerselskab  
Munkebjergvænget 1, 3.  
5230 Odense M

### Bankers

Danske Bank

**Consolidated financial statements** The company is reflected in the group report for NGF Partnership K/S



## **Management's review**

### **Business activities**

NGF Nature Energy Biogas A/S fulfils the interests of the Nature Energy Group within the circular business, among others project development and the construction of projects relating to the production and upgrading of green gas to grid and biogas in transports.

NGF Nature Energy Biogas A/S is 100 % owned by NGF Denmark Holding ApS.

The company is the parent company to a number of biogas subsidiaries, project companies, Nature Energy Green Gas Sales A/S, Nature Energy Green Transport A/S and Nature Energy Støvring A/S.

NGF Nature Energy Biogas A/S is moreover responsible for the service functions of the other group companies.

In 2020, an average of 56 employees were employed by NGF Nature Energy Biogas A/S.

### **Business review**

The company's income statement for the year ended 31 December 2020 shows a loss of TDKK 64,059, and the balance sheet at 31 December 2020 shows equity of TDKK 855,758.

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



## Management's review

### *Financial review*

The result reflects the allocation of resources necessary to select and mature the biogas pipeline projects.

A design and construction phase of about 1 to 2 years is estimated, before revenue from the biogas production are expected.

A significant part of the further development of the biogas business was initiated in 2018. The construction of the biogas plant at Glansager was started in 2019 as well as the expansions of Månsso, Midtfyn, Nordfyn and Bålev. All five plants are commissioned in 2020.

The construction of the biogas plants at Kvær in Southern Jutland and Køng in Zealand was initiated in Autumn 2020.

Thus, eleven biogas plants are fully commissioned at the beginning of 2021 with a combined production of upgraded biogas with a magnitude of 170 million m<sup>3</sup> per year.

During 2020 further shared competences for analysis, monitoring, and optimisation of the biogas production has been added to the Nature Energy Group. The main laboratory has been extended in order to enable the Group to develop and improve the biogas business further.

Progress is still made in order to secure the long term foundation of the Danish biogas business, focusing on developing biogas projects in all of Denmark and abroad. During 2020, significant progress has been made in the maturation of projects Lolland and Falster.

With green gas to grid a continuously stabile heat is secured to thousands of customers, directly from the natural gas grid and indirectly from the gas heated district heating plants to an efficient production of process energy, e.g. to Danish companies depending on the highly efficient heat that can almost only be supplied through gas.

### **Recognition and measurement uncertainties**

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

### **Unusual matters**

No unusual matters have effected the company's financial position at 31 December 2020 and the results of its operations for the financial year ended 31 December 2020.

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

No events have occurred after the balance sheet date, which could significantly effect the company's financial position. See also the discussion of subsequent events described in note 16.



## **Management's review**

### **Knowledge resources**

The company has research and development activities concerning the group's biogas activities.

### **External environment**

The company's work follows the authorities' instructions.

Nature Energy is market leader in turning many thousands of tons of biomass into green, CO<sub>2</sub>-neutral gas as effectively as possible. We collect and deliver biomass from businesses, agriculture and households and return the degassed biomass to the agriculture that recycles nutrients.

This is circular economy at its best. At the same time, we always make sure that the surrounding community remains as undisturbed as possible by transport and odors.

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

Last year's expectation concerning the realized result for 2020 has been realized at a lower level than expected due to low market prices for gas. However, the cost level and the performance of biogas production has been satisfactory.

### **Strategy, objectives and expectations for the coming year**

The Nature Energy companies continuously expect to offer green gas and green certificates to a much larger extent and to be able to offer new products derived hereof.

With green gas to grid a continuously stabile heat is secured to thousands of customers, directly from the natural gas grid and indirectly from the gas heated district heating plants to an efficient production of process energy, e.g. to Danish companies depending on the highly efficient heat that can almost only be supplied through gas.

The company expects a positive development concerning the business in 2021 and a profit in the range of TDKK 55,000 to TDKK 75,000.

### **Construction**

Nature Energy Støvring is a leading supplier of advanced turnkey biogas plants. Støvring designs and builds award winning biogas plants. Based upon more than 30 years' experience, the company has developed plant concepts, which are flexible, robust in their construction, reliable in operations, and easy to operate.

### **Special risk - operational risk and financial risk**

Operating risk:

In 2021, the risk assessment will be characterized by the challenges related to securing a stable and optimal operation and production of the biogas plants. Securing the right sourcing of biomasses and hereby achieving the best production volume will have great impact of the profitability of the plants.



## Management's review

### **Political objectives can change the possibilities and focus of the biogas business.**

The company seeks to eliminate or reduce these risks in cooperation with external partners, advice from external specialists and, not least, through gaining the core competences within the Nature Energy companies.

Nature Energy in general is exposed to risk of fluctuations in gas prices, exchange rates etc. The company handles these risks within the procedures of an established risk policy. Risks are sought eliminated through a high degree of correlation between the conditions of purchase and sale of natural gas, biomasses etc.

#### Currency risk:

Nature Energy currently has loans in Danish Kroner and therefore no currency risks concerning loans. International activities, construction and sales of gas and certificates entail that the exchange rates affects the result, cash flow and equity of the company.

#### Interest rate risk:

The biogas companies' long term debt are related to the companies' construction of biogas plants and potentially has a significant impact on the companies' financials. The biogas companies' long-term debt consists of bank loans as well as loans with other credit institutions.

#### Credit risk:

There are no considerable credit risks for the biogas business, the companies continuously assesses new customers, which may result in demands of pre payments or other form of deposits and ultimately a termination of the contracts.

Before signing of contracts, the construction business performs credit assessments of larger business partners.



## Income statement 1 January - 31 December

	Note	2020 TDKK	2019 TDKK
<b>Gross profit</b>		<b>-15,880</b>	<b>-13,214</b>
Staff costs	1	-42,814	-34,522
<b>Profit/loss before amortisation/depreciation and impairment losses</b>		<b>-58,694</b>	<b>-47,736</b>
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	-12,542	-9,945
Other operating costs		-929	-878
<b>Profit/loss before net financials</b>		<b>-72,165</b>	<b>-58,559</b>
Income from investments in subsidiaries	3	-23,261	-10,591
Income from investments in associates	5	-3,370	-1,670
Financial income	6	26,721	26,884
Financial costs	7	-1,817	-3,469
<b>Profit/loss before tax</b>		<b>-73,892</b>	<b>-47,405</b>
Tax on profit/loss for the year	8	9,833	7,407
<b>Profit/loss for the year</b>		<b>-64,059</b>	<b>-39,998</b>
<b>Recommended appropriation of profit/loss</b>			
Retained earnings		-64,059	-39,998
		<b>-64,059</b>	<b>-39,998</b>



## Balance sheet 31 December

	Note	2020 TDKK	2019 TDKK
<b>Assets</b>			
Acquired patents, licenses and other rights		5,892	10,446
Development projects in progress		0	818
<b>Intangible assets</b>	9	<b>5,892</b>	<b>11,264</b>
Land and buildings		31,684	35,109
Other fixtures and fittings, tools and equipment		7,745	3,720
Property, plant and equipment in progress		751	0
<b>Tangible assets</b>	10	<b>40,180</b>	<b>38,829</b>
Investments in subsidiaries	11	675,230	659,980
Investments in associates	12	0	28,857
Receivables from subsidiaries	13	8,000	8,000
Other fixed asset investments	13	1,900	1,900
<b>Fixed asset investments</b>		<b>685,130</b>	<b>698,737</b>
<b>Total non-current assets</b>		<b>731,202</b>	<b>748,830</b>
Finished goods and goods for resale		9,163	9,047
<b>Stocks</b>		<b>9,163</b>	<b>9,047</b>
Trade receivables		154	336
Receivables from group enterprises		241,832	184,404
Receivables from associates		0	32,050
Other receivables		6,813	6,653
Deferred tax asset	15	27,587	21,334
<b>Receivables</b>		<b>276,386</b>	<b>244,777</b>
<b>Cash at bank and in hand</b>		<b>173,283</b>	<b>61,217</b>
<b>Total current assets</b>		<b>458,832</b>	<b>315,041</b>
<b>Total assets</b>		<b>1,190,034</b>	<b>1,063,871</b>



## Balance sheet 31 December

	Note	2020 TDKK	2019 TDKK
<b>Equity and liabilities</b>			
Share capital		12,918	12,918
Retained earnings		842,840	905,316
<b>Equity</b>	14	<b>855,758</b>	<b>918,234</b>
Provisions relating to investments in group entities	11	8,938	2,029
<b>Total provisions</b>		<b>8,938</b>	<b>2,029</b>
Other credit institutions		34,580	35,425
Other payables		3,287	1,047
<b>Total non-current liabilities</b>	16	<b>37,867</b>	<b>36,472</b>
Other credit institutions	16	1,609	900
Trade payables		11,217	6,497
Payables to group enterprises		252,626	74,296
Other payables		22,019	25,443
<b>Total current liabilities</b>		<b>287,471</b>	<b>107,136</b>
<b>Total liabilities</b>		<b>325,338</b>	<b>143,608</b>
<b>Total equity and liabilities</b>		<b>1,190,034</b>	<b>1,063,871</b>
Rent and lease liabilities	17		
Contingent liabilities	18		
Mortgages and collateral	19		
Related parties and ownership structure	20		



## Statement of changes in equity

	Share capital	Retained earnings	Total
Equity at 1 January 2020	12,918	905,316	918,234
Other equity movements	0	1,583	1,583
Net profit/loss for the year	0	-64,059	-64,059
<b>Equity at 31 December 2020</b>	<b>12,918</b>	<b>842,840</b>	<b>855,758</b>



## Notes

	2020 TDKK	2019 TDKK
<b>1 Staff costs</b>		
Wages and salaries	37,811	30,236
Pensions	3,172	2,672
Other social security costs	615	446
Other staff costs	1,216	1,168
	<b>42,814</b>	<b>34,522</b>
Average number of employees	56	47
<b>2 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment</b>		
Depreciation intangible assets	7,502	5,207
Depreciation tangible assets	5,040	4,738
	<b>12,542</b>	<b>9,945</b>
<b>3 Income from investments in subsidiaries</b>		
Share of profits of subsidiaries	-23,261	-10,591
	<b>-23,261</b>	<b>-10,591</b>
<b>4 Special items</b>		
Impairment losses on fixed assets investments in subsidiaries	-14,088	0
	<b>-14,088</b>	<b>0</b>
<b>5 Income from investments in associates</b>		
Share of profits of associates	-3,370	-1,670
	<b>-3,370</b>	<b>-1,670</b>



## Notes

	2020 TDKK	2019 TDKK
<b>6 Financial income</b>		
Interest received from subsidiaries	24,125	25,484
Interest received from associates	2,059	1,068
Other financial income	531	332
Exchange adjustments	6	0
	<b>26,721</b>	<b>26,884</b>
<b>7 Financial costs</b>		
Financial expenses, group entities	0	1,557
Other financial costs	1,817	1,912
	<b>1,817</b>	<b>3,469</b>
<b>8 Tax on profit/loss for the year</b>		
Deferred tax for the year	-9,833	-7,407
Adjustment of tax concerning previous years	-3,579	-7,137
Adjustment of deferred tax concerning previous years	3,579	7,137
	<b>-9,833</b>	<b>-7,407</b>



## Notes

### 9 Intangible assets

	Acquired patents, licenses and other rights	Development projects in progress	Total
Cost at 1 January 2020	19,594	818	20,412
Additions for the year	2,130	0	2,130
Transfers for the year	818	-818	0
Cost at 31 December 2020	22,542	0	22,542
Impairment losses and amortisation at 1 January 2020	9,148	0	9,148
Amortisation for the year	7,502	0	7,502
Impairment losses and amortisation at 31 December 2020	16,650	0	16,650
<b>Carrying amount at 31 December 2020</b>	<b>5,892</b>	<b>0</b>	<b>5,892</b>



## Notes

### 10 Tangible assets

	Land and buildings	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress	Total
Cost at 1 January 2020	40,981	5,764	0	46,745
Additions for the year	0	1,590	4,801	6,391
Transfers for the year	0	4,050	-4,050	0
Cost at 31 December 2020	40,981	11,404	751	53,136
Impairment losses and depreciation at 1 January 2020	5,872	2,044	0	7,916
Depreciation for the year	3,425	1,615	0	5,040
Impairment losses and depreciation at 31 December 2020	9,297	3,659	0	12,956
<b>Carrying amount at 31 December 2020</b>	<b>31,684</b>	<b>7,745</b>	<b>751</b>	<b>40,180</b>



## Notes

	2020	2019
	TDKK	TDKK
<b>11 Investments in subsidiaries</b>		
Cost at 1 January 2020	714,151	431,349
Additions for the year	5,185	288,485
Disposals for the year	-654	-5,683
Transfers for the year	31,500	0
Cost at 31 December 2020	750,182	714,151
Revaluations at 1 January 2020	-54,171	-31,062
Net profit/loss for the year	13,532	31,312
Transfers for the year	-6,254	0
Other equity movements, net	1,825	-14,547
Amortisation of goodwill	-6,248	-6,044
Change in intercompany profit on tangible assets	-30,545	-35,859
Equity investments with negative net asset value transferred to provisions	6,909	2,029
Revaluations at 31 December 2020	-74,952	-54,171
<b>Carrying amount at 31 December 2020</b>	<b>675,230</b>	<b>659,980</b>
Remaining positive difference included in the above carrying amount at 31 December 2020	65,939	



## Notes

Investments in subsidiaries are specified as follows:

Name	Registered office	Ownership interest
Nature Energy Nørager A/S	Odense	100%
Nature Energy Ørbæk A/S	Odense	100%
Nature Energy Korskro A/S	Odense	95%
Nature Energy Vaarst A/S	Odense	83%
Nature Energy Holsted A/S	Odense	71%
Nature Energy Midtfyn A/S	Odense	92%
Nature Energy Nordfyn A/S	Odense	88%
Nature Energy Glansager A/S	Odense	100%
Nature Energy Trekanten A/S	Odense	51%
Nature Energy Holbæk ApS	Odense	100%
Nature Energy Lolland ApS	Odense	100%
Nature Energy Køng ApS	Odense	100%
Nature Energy Månsson A/S	Odense	51%
Nature Energy Videbæk A/S	Odense	100%
Nature Energy Green Gas Sales A/S	Odense	100%
Nature Energy Green Transport A/S	Odense	100%
Nature Energy Hemmet ApS	Odense	100%
Nature Energy Sdr. Vium ApS	Odense	100%
Nature Energy Støvring A/S	Odense	100%
Nature Energy Kværs ApS	Odense	100%
Nature Energy 1 ApS	Odense	100%
Nature Energy 2 ApS	Odense	100%
Nature Energy 3 ApS	Odense	100%
Nature Energy Falster ApS	Odense	100%
Nature Energy Canada Inc	Canada	100%
Nature Energy Bånlev Transport A/S	Odense	90%
Nature Energy Bånlev A/S	Odense	90%
Nature Energy Gastankstationer ApS	Odense	100%



## Notes

	2020 TDKK	2019 TDKK
<b>12 Investments in associates</b>		
Cost at 1 January 2020	31,500	11,949
Additions for the year	0	19,551
Transfers for the year	-31,500	0
Cost at 31 December 2020	0	31,500
Revaluations at 1 January 2020	-2,643	-973
Net profit/loss for the year	-3,370	-1,670
Transfers for the year	6,255	0
Other equity movements, net	-242	0
Revaluations at 31 December 2020	0	-2,643
<b>Carrying amount at 31 December 2020</b>	<b>0</b>	<b>28,857</b>

### 13 Fixed asset investments

	Receivables from subsidiaries	Other fixed asset investments
Cost at 1 January 2020	8,000	1,900
Cost at 31 December 2020	8,000	1,900
<b>Carrying amount at 31 December 2020</b>	<b>8,000</b>	<b>1,900</b>

Receivables from subsidiaries and associated companies consist of the subordinated loan. The loan is remunerated, repayable and can be converted in the event of default.

### 14 Equity

The share capital has developed as follows:

	2020 TDKK	2019 TDKK	2018 TDKK	2017 TDKK	2016 TDKK
Share capital at 1 January 2020	12,918	3,000	3,000	2,500	2,500
Additions for the year	0	6,589	3,329	500	0
<b>Share capital</b>	<b>12,918</b>	<b>9,589</b>	<b>6,329</b>	<b>3,000</b>	<b>2,500</b>



## Notes

	2020 TDKK	2019 TDKK
<b>15 Provision for deferred tax</b>		
Provision for deferred tax	-27,587	-21,334
Transferred to deferred tax asset	27,587	21,334
	<b>0</b>	<b>0</b>
<b>Deferred tax asset</b>		
Calculated tax asset	27,587	21,334
<b>Carrying amount</b>	<b>27,587</b>	<b>21,334</b>

The recognized tax asset consists primarily of tax loss carryforwards, which are expected to be utilized within the next 3-5 years.

## 16 Long term debt

### Other credit institutions

After 5 years	27,777	29,023
Between 1 and 5 years	6,803	6,402
Non-current portion	34,580	35,425
Other short-term debt to credit institutions	1,609	900
Current portion	1,609	900
	<b>36,189</b>	<b>36,325</b>

### Other payables

After 5 years	3,287	1,047
Non-current portion	3,287	1,047
Other short-term other debt	22,019	25,443
Current portion	22,019	25,443
	<b>25,306</b>	<b>26,490</b>



## Notes

	2020 TDKK	2019 TDKK
<b>17 Rent and lease liabilities</b>		
Operating lease liabilities. Total future lease payments:		
Within 1 year	470	240
Between 1 and 5 years	785	28
After 5 years	0	0
	<b>1,255</b>	<b>268</b>

## 18 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.

The Company has signed contracts for 1,900 TDKK for a 2,5 year period.

The Company has pledged bank account, TDKK 1,936, for collateral for bank balances in subsidiaries; Nature Energy Midtfyn A/S, Nature Energy Holsted A/S, Nature Energy Vaarst A/S, Nature Energy Kors kro A/S, Nature Energy Videbæk A/S, Nature Energy Nordfyn A/S og Nature Energy Green Gas Sales A/S.

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 Glansager A/S, Nature Energy Bånlev A/S, Nature Energy Green Gas Sales A/S and Nature Energy Green Transport A/S.

The Company guarantees obligations in the subsidiary Nature Energy 1 ApS until the companies have submitted annual reports for a subsequent financial year in accordance with section 6 of the Danish Financial Statements Act §6.

The Company is jointly and severally liable to third parties for the subsidiaries' leasing agreements with residual value of TDKK 20,392.

The Company has provided a guarantee of TDKK 20 to third-parties.

### Cash pool

The Company is included in a cash pool agreement with subsidiaries and guarantees for these companies' obligations in relation to credit in the cash pool facility account.

### Pledged shares

The Company has provided shares in subsidiaries as collateral for debt to other credit institutions. The book value of the shares per December 31, 2020, TDKK 546,529.



## Notes

	2020	2019
	TDKK	TDKK
<b>19 Mortgages and collateral</b>		
The following assets have been put up as security for debt to mortgage credit institutions:		
Land and buildings	31,684	35,109
	<b>31,684</b>	<b>35,109</b>

## 20 Related parties and ownership structure

### Controlling interest

NGF Partnership K/S  
NGF Denmark Holding ApS

### Consolidated financial statements

The company is reflected in the group report for NGF Partnership K/S



## Accounting policies

The annual report of NGF Nature Energy Biogas A/S for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

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

The annual report for 2020 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 attributable to the asset 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 out of 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

#### Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, expenses for raw materials and consumables and other external expenses.

#### 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**

### **Expenses for 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 and expenses**

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and 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 expenses comprise wages and salaries as well as payroll expenses other than production wages.

### **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.

### **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 and associates**

The items "Income from investments in subsidiaries" and "Income from investments in associates" in the income statement include the proportionate share of the profit for the year.

### **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.



## Accounting policies

### Balance sheet

#### Intangible assets

##### *Acquired patents, licenses and other rights*

Acquired patents, licences and other rights 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 and other rights are amortised over the term of the licence or the other right, however not more than 5 years.

#### Tangible assets

Items of land and buildings, 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. Land is not depreciated.

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

Interest expenses on loans obtained specifically for the purpose of financing the manufacturing of items of property, plant and equipment are included in cost over the manufacturing period. All indirect, attributable borrowing costs are recognised in the income statement.

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

Land and buildings	20	years
Other fixtures and fittings, tools and equipment	3-10	years

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.'.



## **Accounting policies**

### **Investments in subsidiaries and associates**

Investments in subsidiaries and associates are recognised and measured under 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.

### **Other securities and investments, fixed assets**

Investments are measured at fair value.

### **Impairment of fixed assets**

The carrying amounts of intangible assets and property, plant and equipment 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.

### **Stocks**

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

### **Receivables**

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



# Accounting policies

## Special items

Special items relate to impairment losses on fixed assets investments in subsidiaries.

## Equity

### Dividends

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

### 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 income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is 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.

### Liabilities

Mortgage debt is thus measured at amortised cost, which for cash loans corresponds to the outstanding debt. For bond loans, amortised cost corresponds to an outstanding debt calculated as the underlying cash value of the loan at the time of borrowing, adjusted by amortisation of the value adjustment of the loan at the time of borrowing.

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

The compensated absence commitment which the company's employees earn during the transitional period from 1 September 2019 to 31 August 2020, is administered by the company and is paid in to the Danish Holiday Fund before the employee reaches the pensionable age. Other debt is measured at amortised cost, which usually corresponds to the nominal value.

### Deferred income

Deferred income comprises payments received in respect of income in subsequent years.



## **Accounting policies**

### **Foreign currency translation**

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

### **Cash flow statement**

Pursuant to sections §86, of the Danish Financial Statements Act, no cash flow statement has been prepared for the company, as the company's cash flows are included in the consolidated cash flow statement.