

2018

Annual report for 2018

NGF Denmark Holding ApS
Ørbækvej 260, 5220 Odense SØ
CVR no. 38 67 97 75

Adopted at the annual
general meeting on
28 May 2019

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 Denmark Holding ApS for the financial year 1 January - 31 December 2018.

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 2018 and of the results of the company's operations for the financial year 1 January - 31 December 2018.

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

Odense, 13 March 2019

Executive board

Ole Hvelplund
CEO

Board of Directors

Peter Gæmelke
chairman

Steen Parsholt

Daniel Johannes Michael Böhm

Terrence Majid Tehranian

Hüseyin Meric

Sam Abboud

Independent auditor's report

To the shareholder of NGF Denmark Holding ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the company's financial position at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of NGF Denmark Holding ApS for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

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

Odense, 13 March 2019

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

Jesper Lund
State Authorised Accountant
MNE no. mne10845

Line Hedam
State Authorised Accountant
MNE no. mne27768

Company details

The company

NGF Denmark Holding ApS
Ørbækvej 260
5220 Odense SØ

CVR no.: 38 67 97 75
Reporting period: 1 January - 31 December 2018
Domicile: Odense

Board of Directors

Peter Gæmelke, chairman
Steen Parsholt
Daniel Johannes Michael Böhm
Terrence Majid Tehranian
Hüseyin Meric
Sam Abboud

Executive board

Ole Hvelplund, CEO

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Rytterkasernen 21
5000 Odense C

Group report

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

Income statement 1 January - 31 December

| | <u>Note</u> | <u>2018</u> TDKK | <u>2017</u> TDKK |
|---|-------------|-----------------------|---------------------|
| Gross profit | | -15,966 | -5 |
| Profit/loss before net financials | | -15,966 | -5 |
| Income from investments in subsidiaries | 4 | 198,399 | 0 |
| Financial costs | 2 | <u>-92</u> | <u>0</u> |
| Profit/loss before tax | | 182,341 | -5 |
| Tax on profit/loss for the year | 3 | <u>38</u> | <u>0</u> |
| Profit/loss for the year | | <u>182,379</u> | <u>-5</u> |
| Reserve for net revaluation under the equity method | | 198,399 | 0 |
| Retained earnings | | <u>-16,020</u> | <u>-5</u> |
| | | <u>182,379</u> | <u>-5</u> |

Balance sheet 31 December

| | <u>Note</u> | <u>2018</u> TDKK | <u>2017</u> TDKK |
|---------------------------------|-------------|------------------------------|-------------------------|
| Assets | | | |
| Investments in subsidiaries | 4 | <u>684,656</u> | <u>0</u> |
| Fixed asset investments | | <u>684,656</u> | <u>0</u> |
| Total non-current assets | | <u>684,656</u> | <u>0</u> |
| Receivables from subsidiaries | | 12,000 | 0 |
| Other receivables | | 0 | 50 |
| Deferred tax asset | | <u>38</u> | <u>0</u> |
| Receivables | | <u>12,038</u> | <u>50</u> |
| Cash at bank and in hand | | <u>340</u> | <u>0</u> |
| Total current assets | | <u>12,378</u> | <u>50</u> |
| Total assets | | <u><u>697,034</u></u> | <u><u>50</u></u> |

Balance sheet 31 December

| | <u>Note</u> | <u>2018</u> TDKK | <u>2017</u> TDKK |
|---|-------------|------------------------------|-------------------------|
| Equity and liabilities | | | |
| Share capital | | 11,579 | 50 |
| Reserve for net revaluation under the equity method | | 212,601 | 0 |
| Retained earnings | | <u>472,774</u> | <u>-5</u> |
| Equity | 5 | <u>696,954</u> | <u>45</u> |
| Other payables | | <u>80</u> | <u>5</u> |
| Total current liabilities | | <u>80</u> | <u>5</u> |
| Total liabilities | | <u>80</u> | <u>5</u> |
| Total equity and liabilities | | <u><u>697,034</u></u> | <u><u>50</u></u> |
| Main activity | 1 | | |
| Contingencies, etc. | 6 | | |

Statement of changes in equity

| | Share capital | Share premium account | Reserve for net revaluation under the equity method | Retained earnings | Total |
|-------------------------------------|---------------|-----------------------|---|-------------------|----------------|
| Equity at 1 January 2018 | 50 | 0 | 0 | -5 | 45 |
| Cash capital increase | 11,629 | 503,699 | 0 | 0 | 515,328 |
| Cash capital reduction | -100 | 0 | 0 | -14,900 | -15,000 |
| Other equity movements | 0 | 0 | 14,202 | 0 | 14,202 |
| Net profit/loss for the year | 0 | 0 | 198,399 | -16,020 | 182,379 |
| Transfer from share premium account | 0 | -503,699 | 0 | 503,699 | 0 |
| Equity at 31 December 2018 | 11,579 | 0 | 212,601 | 472,774 | 696,954 |

Notes

1 Main activity

The company's purpose is to invest in projects and companies engaged in the production of biogas and associated companies, including other forms of renewable energy.

| | <u>2018</u> TDKK | <u>2017</u> TDKK |
|---|-----------------------|---------------------|
| 2 Financial costs | | |
| Other financial costs | 92 | 0 |
| | <u>92</u> | <u>0</u> |
| 3 Tax on profit/loss for the year | | |
| Deferred tax for the year | -38 | 0 |
| | <u>-38</u> | <u>0</u> |
| 4 Investments in subsidiaries | | |
| Cost at 1 January 2018 | 0 | 0 |
| Additions for the year | 472,055 | 0 |
| Cost at 31 December 2018 | <u>472,055</u> | <u>0</u> |
| Revaluations at 1 January 2018 | 0 | 0 |
| Net profit/loss for the year | 199,261 | 0 |
| Other equity movements, net | 14,202 | 0 |
| Amortisation of goodwill | -862 | 0 |
| Revaluations at 31 December 2018 | <u>212,601</u> | <u>0</u> |
| Carrying amount at 31 December 2018 | <u>684,656</u> | <u>0</u> |
| Remaining positive difference included in the above carrying amount at 31 December 2018 | <u>9,478</u> | |

Notes

Investments in subsidiaries are specified as follows:

| <u>Name</u> | <u>Registered office</u> | <u>Ownership interest</u> |
|------------------------------|--------------------------|---------------------------|
| NGF Nature Energy Biogas A/S | Odense | 100% |

5 Equity

The share capital has developed as follows:

| | <u>2018</u> | <u>2017</u> |
|---------------------------------|----------------------|---------------------|
| | <small>TDKK</small> | <small>TDKK</small> |
| Share capital at 1 January 2018 | 50 | 50 |
| Additions for the year | 11,629 | 0 |
| Disposals for the year | -100 | 0 |
| Share capital | <u>11,579</u> | <u>50</u> |

6 Contingencies, etc.

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. 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.

Accounting policies

The Annual Report of NGF Denmark Holding ApS for 2018 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 2018 is presented in TDKK

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

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.

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 transactions are considered cash flow hedges, the value adjustments are taken directly to 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 measured at the exchange rate at the transaction date.

Accounting policies

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.

Raw materials and consumables

Costs of raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

Other external expenses

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

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 wholly owned Danish subsidiaries. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Accounting policies

Balance sheet

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.

Subsidiaries and associates with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

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.

Receivables

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

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 in-come 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.

Accounting policies

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 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.

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.

Liabilities

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

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.