

2020

Annual report for 2020

Nature Energy Green Gas Sales A/S
Ørbækvej 260, 5220 Odense SØ
CVR no. 38 76 56 04

Adopted at the annual
general meeting on
8 April 2021

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 Green Gas Sales 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, 8 April 2021

Executive board

Jonas Clement Gonge Svendsen
director

Supervisory board

Ole Hvelplund
chairman

Kim Kragelund

Jonas Clement Gonge Svendsen

Independent auditor's report

To the shareholder of Nature Energy Green Gas Sales 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 Nature Energy Green Gas Sales 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, 8 April 2021

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

The company

Nature Energy Green Gas Sales A/S
Ørbækvej 260
5220 Odense SØ

CVR no.: 38 76 56 04

Reporting period: 1 January - 31 December 2020

Domicile: Odense

Supervisory board

Ole Hvelplund, chairman
Kim Kragelund
Jonas Clement Gonge Svendsen

Executive board

Jonas Clement Gonge Svendsen, director

Auditors

PricewaterhouseCoopers
statsautoriseret revisionspartnerselskab
Munkebjergvænget 1, 3.
5230 Odense M

Bankers

Danske Bank

Consolidated financial statements

The company is included in the consolidated financial statements of the parent company NGF Partnership K/S

Financial highlights

Seen over a 3-year period, the development of the Company may be described by means of the following financial highlights:

	2020	2019	2018
	MDKK	MDKK	MDKK
Key figures			
Gross profit/loss	59	36	0
Profit/loss before amortisation/depreciation and impairment losses	59	36	12
Profit/loss before net financials	57	33	11
Net financials	1	1	0
Profit/loss for the year	45	27	9
Balance sheet total	202	97	94
Equity	81	36	9
Financial ratios			
Return on assets	38.1%	34.6%	23.4%
Solvency ratio	40.1%	37.1%	9.6%
Return on equity	76.9%	120.0%	200.0%

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and guidelines. For definitions, see the summary of significant accounting policies.

Management's review

Business review

The company's purpose is trade with green gas and green certificates, as well as activities connected to this.

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 and cash flows for the financial year ended 31 December 2020.

Financial review

The company's income statement for the year ended 31 December 2020 shows a profit of TDKK 44,746, and the balance sheet at 31 December 2020 shows equity of TDKK 80,805.

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

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 expects a positive development concerning the business and number of customers in 2021 and a profit in the range of TDKK 30,000 to TDKK 40,000.

Knowledge resources

The company has no research and development activities.

External environment

The company's work with the sale of biogas and green certificates follows the authorities' instructions. The Nature Energy Green Gas Sales A/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 of improvement in the realized result has been realized at a satisfactory level.

Management's review

Special risks - operational risks and financial risks

Operating risk:

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

Nature Energy Green Gas Sales A/S in general is exposed to risk of fluctuations of 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 compliance between the conditions of producing and selling biogas.

Market risk:

The company's most significant risks are associated with the ability to be strongly represented in the areas to which the company's services are directed.

Currency risk:

The company's activities concerning sales and purchases of gas and certificates 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 2020 - 31 December 2020

	<u>Note</u>	<u>2020</u> TDKK	<u>2019</u> TDKK
Gross profit		59,201	35,749
Depreciation, amortisation and impairment of intangible assets	1	<u>-2,504</u>	<u>-2,504</u>
Profit/loss before net financials		56,697	33,245
Financial income	2	1,600	1,889
Financial costs	3	<u>-929</u>	<u>-534</u>
Profit/loss before tax		57,368	34,600
Tax on profit/loss for the year	4	<u>-12,622</u>	<u>-7,614</u>
Profit/loss for the year		<u>44,746</u>	<u>26,986</u>
Distribution of profit	5		

Balance sheet at 31 December 2020

	Note	2020 TDKK	2019 TDKK
Assets			
Goodwill		11,062	13,566
Intangible assets	6	11,062	13,566
Other receivables	7	9,619	30,082
Fixed asset investments		9,619	30,082
Total non-current assets		20,681	43,648
Trade receivables		59,682	33,409
Receivables from group enterprises		114,484	19,300
Other receivables		7,258	91
Deferred tax asset	8	313	321
Receivables		181,737	53,121
Cash at bank and in hand		0	5
Total current assets		181,737	53,126
Total assets		202,418	96,774

Balance sheet at 31 December 2020

	Note	2020 TDKK	2019 TDKK
Equity and liabilities			
Share capital		500	500
Retained earnings		40,305	35,559
Proposed dividend for the year		40,000	0
Equity		80,805	36,059
Other credit institutions	9	7,697	0
Total non-current liabilities	9	7,697	0
Other credit institutions	9	759	0
Trade payables		18,195	14,533
Payables to group enterprises		74,719	38,537
Corporation tax		12,613	7,614
Other payables		7,630	31
Total current liabilities		113,916	60,715
Total liabilities		121,613	60,715
Total equity and liabilities		202,418	96,774
Significant events occurring after the end of the financial year	10		
Contingent liabilities	11		
Related parties and ownership structure	12		

Statement of changes in equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
Equity at 1 January 2020	500	35,559	0	36,059
Net profit/loss for the year	0	4,746	40,000	44,746
Equity at 31 December 2020	500	40,305	40,000	80,805

Notes

	2020 <small>TDKK</small>	2019 <small>TDKK</small>
1 Depreciation, amortisation and impairment of intangible assets		
Depreciation intangible assets	2,504	2,504
	2,504	2,504
2 Financial income		
Income from fixed asset investments	1,556	1,820
Other financial income	44	69
	1,600	1,889
3 Financial costs		
Financial expenses, group entities	162	422
Other financial costs	767	112
	929	534
4 Tax on profit/loss for the year		
Current tax for the year	12,613	7,614
Adjustment of tax concerning previous years	0	551
Adjustment of deferred tax concerning previous years	9	-551
	12,622	7,614
5 Distribution of profit		
Proposed dividend for the year	40,000	0
Retained earnings	4,746	26,986
	44,746	26,986

Notes

6 Intangible assets

	<u>Goodwill</u>
Cost at 1 January 2020	<u>17,531</u>
Cost at 31 December 2020	<u>17,531</u>
Impairment losses and amortisation at 1 January 2020	3,965
Amortisation for the year	<u>2,504</u>
Impairment losses and amortisation at 31 December 2020	<u>6,469</u>
Carrying amount at 31 December 2020	<u><u>11,062</u></u>
Depreciated over	<u>7 years</u>

7 Fixed asset investments

	<u>Other receiv- ables</u>
Cost at 1 January 2020	30,082
Disposals for the year	<u>-20,463</u>
Cost at 31 December 2020	<u>9,619</u>
Carrying amount at 31 December 2020	<u><u>9,619</u></u>

Other receivables of TDKK 976 is due within 1 year.

Notes

	2020 TDKK	2019 TDKK
8 Provision for deferred tax		
Provision for deferred tax at 1 January 2020	-321	230
Deferred tax recognised in income statement	8	-551
Transferred to deferred tax asset	313	321
	<u>0</u>	<u>0</u>
Deferred tax asset		
Calculated tax asset	313	321
Carrying amount	<u>313</u>	<u>321</u>

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

9 Long term debt		
Other credit institutions		
Between 1 and 5 years	7,697	0
Non-current portion	7,697	0
Within 1 year	759	0
Current portion	759	0
	<u>8,456</u>	<u>0</u>

10 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.

Notes

11 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 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 and Nature Energy Green Transport A/S.

The company has pledged promissory note for debt to other credit institutions. The book value of the debt per December 31, 2020 TDKK 8.517.

The company has provided payment guarantee of TDKK 1.934 (2019: TDKK 3.361) to third parties.

12 Related parties and ownership structure

Controlling interest

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

Transactions

Transactions with related parties have been made on market terms.

Consolidated financial statements

The company is included in the consolidated financial statements of the parent company NGF Partnership K/S

Accounting policies

The annual report of Nature Energy Green Gas Sales A/S for 2020 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 2020 is presented in TDKK

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.

Raw materials and consumables

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

Accounting policies

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 external expenses

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

Amortisation, depreciation and impairment losses

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

Financial income and expenses

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

Balance sheet

Intangible assets

Goodwill

Acquired goodwill is measured at cost less accumulated amortisation and impairment losses.

Goodwill is amortised over the expected economic life of the asset, measured by reference to management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is years. The amortisation period is based on the assessment that the entities in question are strategically acquired entities with a strong market position and a long-term earnings profile.

Other securities and investments, fixed assets

Investments are measured at fair value.

Accounting policies

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.

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 state-ment 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 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 le-gislation 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

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.

Accounting policies

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

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.

Financial highlights

Definitions of financial ratios.

Return on assets	$\frac{\text{Profit/loss before financials} \times 100}{\text{Average assets}}$
Equity ratio	$\frac{\text{Equity at year-end} \times 100}{\text{Total assets at year-end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$