

# 2020

Annual report for 2020

**NGF Partnership K/S**  
**Ørbækvej 260, Odense SØ**  
**CVR no. 39 37 69 89**

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 Partnership K/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 consolidated financial statements and parent financial statements give a true and fair view of the company and the group financial position at 31 December 2020 and of the results of the group and the company operations and consolidated cash flows 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

Daniel Johannes Michael Böhm

Torbjørn Lange

# Independent auditor's report

*To the shareholder of NGF Partnership K/S*

## **Opinion**

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2020, and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of NGF Partnership K/S for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("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 consolidated financial statements and parent company" section of our report. We are independent of the group 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 consolidated financial statements and the financial statements**

Management is responsible for the preparation of consolidated financial statements and parent company 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 consolidated financial statements and the parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and parent company financial statements, management is responsible for assessing the group's and the parent 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 consolidated financial statements and parent company financial statements unless management either intends to liquidate the group or the company or to cease operations, or has no realistic alternative but to do so.

## Independent auditor's report

### **Auditor's responsibilities for the audit of the consolidated financial statements and parent company financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and parent company 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 consolidated financial statements and parent company financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the parent 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 consolidated financial statements and parent company 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 group's and the parent 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 consolidated financial statements and parent company 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 group and the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the consolidated financial statements and parent company financial statements, including the disclosures, and whether the consolidated financial statements and parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

## Independent auditor's report

- Obtain sufficient and appropriate audit evidence regarding the financial information for the group's entities or business activities to express an opinion on the consolidated financial statements. We are responsible for directing, supervising and conducting the audit of the group. We alone are responsible for our audit opinion.

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 consolidated financial statements and parent company 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 consolidated financial statements and parent company financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the consolidated financial statements and parent company 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.

Based on the work we have performed, we conclude that management's review is in accordance with the consolidated financial statements and parent company 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 Partnership K/S  
Ørbækvej 260  
Odense SØ

CVR no.: 39 37 69 89

Reporting period: 1 January - 31 December 2020

Domicile: Odense

### Board of Directors

Peter Gæmelke, chairman  
Steen Parsholt, deputy chairman  
Sam Abboud  
Terrence Majid Tehranian  
Daniel Johannes Michael Böhm  
Torbjørn Lange

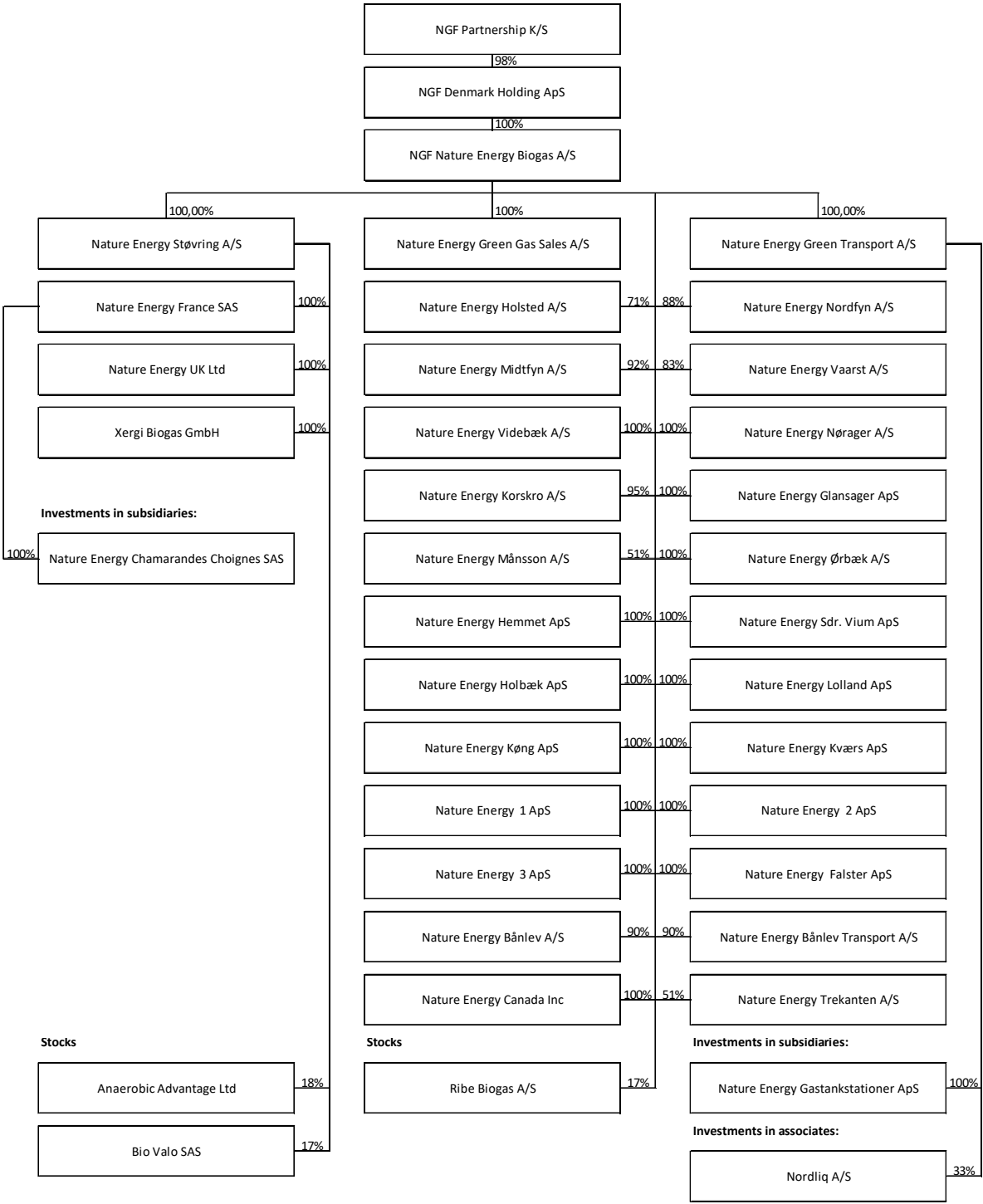
### Executive board

Ole Hvelplund

### Auditors

PricewaterhouseCoopers  
statsautoriseret revisionspartnerselskab  
Munkebjergvænget 1, 3.  
5230 Odense M

# Group chart





## Financial highlights

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

	<b>Group</b>		
	2020	2019	2018
	<small>MDKK</small>	<small>MDKK</small>	<small>MDKK</small>
<b>Key figures</b>			
<b>Profit/loss</b>			
Revenue	898	693	373
Gross profit	299	220	84
EBITDA	149	86	9
Profit/loss before net financials	-25	-56	-58
Net financials	-47	-30	-46
Profit/loss for the year	-67	-59	171
<b>Balance sheet</b>			
Balance sheet total	2,703	2,226	1,702
Equity	933	974	751
<b>Cash flows from:</b>			
- operating activities	57	8	-83
- investing activities	-335	-570	-370
- including investment in property, plant and equipment	-364	-445	-393
- financing activities	358	555	578
The year's changes in cash and cash equivalents	80	-6	125
Number of employees	243	228	181
<b>Financial ratios</b>			
Gross margin	33.3%	31.7%	22.5%
EBIT margin	-2.8%	-8.1%	-15.5%
Return on assets	-1.0%	-2.9%	-6.8%
Solvency ratio	34.5%	43.8%	44.1%
Return on equity	-7.0%	-6.8%	45.5%
Return on equity, continuing operations	-7.0%	-6.8%	-23.9%

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 activities

The interests of Nature Energy Group is 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.

The Group comprises a number of biogas companies, project companies, construction companies, NGF Nature Energy Green Gas Sales A/S, NGF Nature Energy Green Transport A/S and NGF Denmark Holding ApS.

In 2020, the Group employed an average of 243 employees.

### Business review

The group's income statement for the year ended 31 December 2020 shows a loss of TDKK 67,134, and the balance sheet at 31 December 2020 shows equity of TDKK 932,510.

End December 2020 Nature Energy Støvring A/S divested it's shares in Byosis BV.

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

## Management's review

### *Biogas*

NGF Nature Energy Biogas A/S allocates the necessary resources to select and mature the biogas pipeline projects.

The company estimates a design and construction phase of about 1 - 2 years, 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 Månsson, Midtfyn, Nordfyn and Bånlev. All five projects were completed in 2020.

The construction of the biogas plants at Kværs 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 of 170 million m<sup>3</sup> per year.

During 2020 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, progress has been made in the maturation of projects on 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.

### *Construction*

Nature Energy Støvring A/S has been a leading supplier of advanced turnkey biogas plants for several years.

Nature Energy Støvring A/S 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.

Nature Energy Støvring A/S changed its focus during 2019, as the company now serves as the Group's EPC business and primarily serve the companies of the Group.

## Management's review

### Special risk - operational risk and financial risk

#### Operating risk:

The risk picture 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 along with securing the output of the degassed biomasses in the animal dense agricultural areas.

The existing and planned plants is secured 20 years of PSO subsidies from commissioning. Political objectives can change the possibilities and focus of the future 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 Group in general is exposed to risk of deviations of gas prices, biomass supply, exchange rates etc. The company handles these risks within the procedures of an established risk policy. Risks are sought mitigated through a high degree of compliance between the conditions of producing and selling biogas, buying 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 are primarily made in Danish Kroner and Euros, which entail that the exchange rates effects 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 loans have variable interest rates and consists of bank loans as well as loans with other credit institutions.

#### Credit risk:

There is no considerable credit risk for the biogas business, the companies continuously assess new customers, which may result in demands of prepayments or other form of deposits and ultimately a termination of the contracts.

Before signing of a supplier contract the construction business performs credit assessments of larger business partners.

# Management's review

## Statutory report on corporate social responsibility

### *Risk analysis*

Risk is defined as the negative impact that the environment and climate, human rights, anti-corruption, and bribery, as well as the social and employee conditions can have on the stakeholders of the Nature Energy Group, or the negative impact that the Group itself may have on these subjects. Risk is estimated based on “the principle of essence” and is the sum of probability and impact. The risk analysis itself connected to the subject in question will follow the phrasing of the concerned policies of the area.

Nature Energy Group's primary activities take place in Denmark, which is considered one of the least corrupt countries according to Transparency International.

Nature Energy Group has a close relationship with employees and suppliers, and so the risk of disrespect of human rights is considered low.

### *Policy for environment and climate*

The Nature Energy Group wants to reduce the emission of greenhouse gasses from the Danish agriculture and to reduce the usage of fossil fuels by making them redundant. It is the group's ambition to contribute to Denmark's transition towards a green economy based on renewable energy sources.

The company's risk to affect the environment and climate negatively is assessed to be limited. The primary risk consists of methane leak from the biogas plants. In the production of biogas, there is a risk that methane leaches from the plant. This is prevented through frequent checks and maintenance.

### *Efforts and results for the environmental and climate impact*

*Description of how the company translates its corporate social responsibility policies into action:*

Throughout the year, the Nature Energy Group commissioned one new biogas plant and finished the expansion of one plant so the capacity for the production of sustainable biogas was increased. In addition, the Nature Energy Group's number of trucks was increased, increasing the distribution of renewable manure.

During 2020, the Nature Energy Group continuously holds both external and internal control of the production plants in order to minimize emission of methane.

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.

## Management's review

### *Policies on social conditions and stakeholders*

The Nature Energy Group largely is dependent on being able to attract and retain skilled and satisfied employees and to secure the conditions within which they perform. Against this background, the Nature Energy Group has a number of established objectives and guidelines to approach health, safety and other employee matters.

It is the Nature Energy Group's ambition to conduct the production with the least negative impact of the surrounding areas, including neighbors etc. The Group continuously endeavors to ensure a production that to a lesser extent is of any inconvenience to the local area and its citizens.

### *Efforts and results regarding social conditions and stakeholders*

The company continues to introduce all new employees to the company's employee policies in order to ensure compliance of applicable rules and guidelines.

Based on the results of the employee survey in 2019, the Nature Energy Group has presented and executed an action plan in 2020 to improve and maintain employee relations in the individual departments. This has led to a result in the employee survey for 2020 with a high level of job satisfaction.

The 2020 level for the employee turnover has reached a satisfyingly low level.

Throughout the year, the company has continued the cooperation with the University of Southern Denmark (SDU) and the Schools of Marine Engineering and Technology Management in both Svendborg and Fredericia. Through these schools, the Nature Energy Group offers internships and student positions as well as a cooperation for engineering students from SDU writing their thesis. Moreover, the Group has decided to introduce a number of graduate positions, which will attract talented employees for future positions.

## Management's review

### Statutory report on the underrepresented gender

#### *Review on gender equality; targets for senior management*

The Nature Energy Group is covered by the Danish Law of The Financial Reporting Statement Act § 99b of the underrepresented gender. NGF Partnership K/S is the only entity of the Group covered by the disclosure requirements by The Financial Reporting Statement Act § 99b. The review on gender equality of the senior management is limited to that particular company.

For the included companies of the Nature Energy Group is applicable that the Board of Directors are the top management level.

The Board of Directors of NGF Partnership K/S wants to ensure an always qualified composition. The Board of Directors consists of six members, currently all men. NGF Partnership K/S always wants to recruit the best qualified members. The intention is to increase the underrepresented gender's share to one third towards 2024. The ratio between women and men has not changed and the target has not been reached.

On other management levels of the Nature Energy Group an equal composition between genders is aimed at, while taking into account always to choose the best qualified candidate. As of 31 December 2020 the split between genders are 25/75 on other management levels.

### Expected development of the company, including specific prerequisites and uncertainties

#### Strategy and objectives

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 70,000 to TDKK 90,000.

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

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

#### Unusual matters

The group's financial position at 31 December 2020 and the results of its operations and cash flows for the financial year ended 31 December 2020 are not affected by any unusual matters.

#### Recognition and measurement uncertainties

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

## **Management's review**

### **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.



## Income statement 1 January - 31 December

	Note	Group		Parent company	
		2020	2019	2020	2019
		TDKK	TDKK	TDKK	TDKK
<b>Revenue</b>	1	<b>897,899</b>	<b>693,394</b>	<b>41,790</b>	<b>18,924</b>
Other operating income	6	20,534	50,381	169	93
Raw materials and consumables		-510,204	-423,620	0	0
Other external expenses		-109,541	-100,448	-9,664	-10,464
<b>Gross profit</b>		<b>298,688</b>	<b>219,707</b>	<b>32,295</b>	<b>8,553</b>
Staff costs	2	-149,355	-134,039	-31,868	-20,659
<b>Profit/loss before amortisation/depreciation and impairment losses</b>		<b>149,333</b>	<b>85,668</b>	<b>427</b>	<b>-12,106</b>
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3	-170,325	-130,736	0	0
Other operating costs		-3,605	-11,126	0	0
<b>Profit/loss before net financials</b>		<b>-24,597</b>	<b>-56,194</b>	<b>427</b>	<b>-12,106</b>
Income from investments in subsidiaries		0	0	-63,917	-39,945
Income from investments in associates		-3,370	-1,670	0	0
Financial income	4	3,871	4,579	0	8
Financial costs	5	-47,280	-33,175	-267	-238
<b>Profit/loss before tax</b>		<b>-71,376</b>	<b>-86,460</b>	<b>-63,757</b>	<b>-52,281</b>
Tax on profit/loss for the year	7	4,242	27,183	0	0
<b>Profit/loss for the year</b>		<b>-67,134</b>	<b>-59,277</b>	<b>-63,757</b>	<b>-52,281</b>
Distribution of profit	8				

## Balance sheet 31 December

	Note	Group		Parent company	
		2020	2019	2020	2019
		TDKK	TDKK	TDKK	TDKK
<b>Assets</b>					
Completed development projects		0	0	0	0
Acquired patents, licenses and other rights		84,601	53,940	0	0
Goodwill		84,411	94,584	0	0
Development projects in progress		0	4,112	0	0
<b>Intangible assets</b>	9	<b>169,012</b>	<b>152,636</b>	<b>0</b>	<b>0</b>
Land and buildings		486,078	334,574	0	0
Plant and machinery		1,428,949	860,574	0	0
Other fixtures and fittings, tools and equipment		58,859	29,343	0	0
Property, plant and equipment in progress		60,558	395,343	0	0
<b>Tangible assets</b>	10	<b>2,034,444</b>	<b>1,619,834</b>	<b>0</b>	<b>0</b>
Investments in subsidiaries	11	0	0	858,816	921,181
Investments in associates	12	153	29,010	0	0
Other fixed asset investments	13	2,102	16,190	0	0
Other receivables	13	9,619	30,082	0	0
<b>Fixed asset investments</b>		<b>11,874</b>	<b>75,282</b>	<b>858,816</b>	<b>921,181</b>
<b>Total non-current assets</b>		<b>2,215,330</b>	<b>1,847,752</b>	<b>858,816</b>	<b>921,181</b>

## Balance sheet 31 December (continued)

	Note	Group		Parent company	
		2020	2019	2020	2019
		TDKK	TDKK	TDKK	TDKK
<b>Assets</b>					
Raw materials and consumables		11,629	14,669	0	0
<b>Stocks</b>		<b>11,629</b>	<b>14,669</b>	<b>0</b>	<b>0</b>
Trade receivables		155,367	117,324	0	0
Receivables from group enterprises		0	0	11,242	241
Receivables from associates		0	32,050	0	0
Other receivables		67,786	47,588	0	301
Deferred tax asset	14	45,963	44,711	0	0
Prepayments	15	8,070	3,373	0	0
<b>Receivables</b>		<b>277,186</b>	<b>245,046</b>	<b>11,242</b>	<b>542</b>
<b>Cash at bank and in hand</b>		<b>198,398</b>	<b>118,874</b>	<b>368</b>	<b>4,778</b>
<b>Total current assets</b>		<b>487,213</b>	<b>378,589</b>	<b>11,610</b>	<b>5,320</b>
<b>Total assets</b>		<b>2,702,543</b>	<b>2,226,341</b>	<b>870,426</b>	<b>926,501</b>

## Balance sheet 31 December

	Note	Group		Parent company	
		2020	2019	2020	2019
		TDKK	TDKK	TDKK	TDKK
<b>Equity and liabilities</b>					
Reserve for net revaluation under the equity method		0	0	66,525	129,181
Foreign currency translation reserve		-527	0	0	0
Retained earnings and share premium		856,263	918,232	789,211	789,051
Non-controlling interests		76,774	55,872	0	0
<b>Equity</b>		<b>932,510</b>	<b>974,104</b>	<b>855,736</b>	<b>918,232</b>
Other provisions	16	1,801	6,414	0	0
<b>Total provisions</b>		<b>1,801</b>	<b>6,414</b>	<b>0</b>	<b>0</b>
Other credit institutions		1,293,174	836,997	0	0
Lease obligations		25,510	0	0	0
Other payables		15,650	16,479	2,343	820
<b>Total non-current liabilities</b>	17	<b>1,334,334</b>	<b>853,476</b>	<b>2,343</b>	<b>820</b>
Other credit institutions	17	67,680	42,319	0	0
Lease obligation	17	3,973	0	0	0
Trade payables		183,065	194,528	179	199
Payables to group enterprises		0	0	0	675
Other payables		77,073	75,475	12,168	6,575
Deferred income	18	102,107	80,025	0	0
<b>Total current liabilities</b>		<b>433,898</b>	<b>392,347</b>	<b>12,347</b>	<b>7,449</b>
<b>Total liabilities</b>		<b>1,768,232</b>	<b>1,245,823</b>	<b>14,690</b>	<b>8,269</b>
<b>Total equity and liabilities</b>		<b>2,702,543</b>	<b>2,226,341</b>	<b>870,426</b>	<b>926,501</b>
Rent and lease liabilities	19				
Contingent liabilities	20				
Mortgages and collateral	21				
Related parties and ownership structure	22				
Fee to auditors appointed at the general meeting	23				

## Statement of changes in equity

### Group

	Foreign currency translation reserve	Retained earnings and share premium	Non-controlling interests	Total
Equity at 1 January 2020	0	918,232	55,872	974,104
Exchange adjustments	-527	0	0	-527
Purchase of minority shares	0	0	27,736	27,736
Sale of minority shares	0	0	-3,338	-3,338
Other equity movements	0	1,788	-119	1,669
Net profit/loss for the year	0	-63,757	-3,377	-67,134
<b>Equity at 31 December 2020</b>	<b>-527</b>	<b>856,263</b>	<b>76,774</b>	<b>932,510</b>

### Parent company

	Reserve for net revaluation under the equity method	Retained earnings and share premium	Total
Equity at 1 January 2020	129,181	789,051	918,232
Other equity movements	1,261	0	1,261
Net profit/loss for the year	-63,917	160	-63,757
<b>Equity at 31 December 2020</b>	<b>66,525</b>	<b>789,211</b>	<b>855,736</b>

## Cash flow statement 1 January - 31 December

	Note	Group	
		2020 TDKK	2019 TDKK
Net profit/loss for the year		-67,134	-59,277
Adjustments	24	211,610	117,792
Change in working capital	25	-58,170	-20,883
<b>Cash flows from operating activities before financial income and expenses</b>		<b>86,306</b>	<b>37,632</b>
Interest income and similar income		3,871	4,579
Interest expenses and similar charges		-33,192	-33,174
<b>Cash flows from ordinary activities</b>		<b>56,985</b>	<b>9,037</b>
Corporation tax paid		0	-629
<b>Cash flows from operating activities</b>		<b>56,985</b>	<b>8,408</b>
Purchase of intangible assets		-2,130	-37,420
Purchase of property, plant and equipment		-364,427	-445,401
Fixed asset investments made etc		0	-17,101
Sale of property, plant and equipment		1,080	0
Sale of fixed asset investments etc		22,765	5,000
Business acquisition		7,435	-74,987
<b>Cash flows from investing activities</b>		<b>-335,277</b>	<b>-569,909</b>
Repayment of payables to associates		0	8,000
Repayment of other long-term debt		-7,511	0
Raising of loans from credit institutions		338,789	239,806
Lease liabilities assumed		24,943	0
Raising of other long-term debt		0	6,570
Minority interests		0	3,241
Cash capital increase		1,595	297,600
<b>Cash flows from financing activities</b>		<b>357,816</b>	<b>555,217</b>
<b>Change in cash and cash equivalents</b>		<b>79,524</b>	<b>-6,284</b>
Cash and cash equivalents		118,874	125,158
<b>Cash and cash equivalents</b>		<b>198,398</b>	<b>118,874</b>
Analysis of cash and cash equivalents:			
Cash at bank and in hand		198,398	118,874
<b>Cash and cash equivalents</b>		<b>198,398</b>	<b>118,874</b>

## Notes

	<b>Group</b>		<b>Parent company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	TDKK	TDKK	TDKK	TDKK
<b>1 Revenue</b>				
Sales of Biogas	783,495	578,053	0	0
Sales of CNG	61,389	38,167	0	0
Sales Construction	12,430	53,301	0	0
Other sales	40,585	23,873	41,790	18,924
<b>Total revenue</b>	<b>897,899</b>	<b>693,394</b>	<b>41,790</b>	<b>18,924</b>
<b>2 Staff costs</b>				
Wages and salaries	134,805	121,790	28,944	19,067
Pensions	10,399	7,612	2,677	1,382
Other social security costs	4,151	4,637	247	210
	<b>149,355</b>	<b>134,039</b>	<b>31,868</b>	<b>20,659</b>
<b>Remuneration of the Executive Board and Board of Directors</b>	<b>5,298</b>	<b>4,937</b>	<b>0</b>	<b>0</b>
Average number of employees	243	228	36	21

With reference to the Danish Financial Statement Act 98b section 3, as the Executive board in the Parent Company only consisted of one member, the remuneration has not been disclosed. In the Parent Company no remuneration has been paid to the Board of Directors.

## Notes

	Group		Parent company	
	2020 TDKK	2019 TDKK	2020 TDKK	2019 TDKK
<b>3 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment</b>				
Depreciation intangible assets	27,940	22,719	0	0
Depreciation tangible assets	142,385	108,017	0	0
	<b>170,325</b>	<b>130,736</b>	<b>0</b>	<b>0</b>
<b>4 Financial income</b>				
Other financial income	3,871	4,579	0	8
	<b>3,871</b>	<b>4,579</b>	<b>0</b>	<b>8</b>
<b>5 Financial costs</b>				
Impairment losses on financial assets	14,088	0	0	0
Financial expenses, group entities	0	0	162	129
Other financial costs	33,192	33,175	105	109
	<b>47,280</b>	<b>33,175</b>	<b>267</b>	<b>238</b>
<b>6 Special items</b>				
Recognition of negative goodwill	0	33,768	0	0
Impairment losses on fixed assets investments	-14,088	0	0	0
	<b>-14,088</b>	<b>33,768</b>	<b>0</b>	<b>0</b>



## Notes

	Group		Parent company	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
<b>7 Tax on profit/loss for the year</b>				
Deferred tax for the year	-8,494	-28,051	0	0
Adjustment of tax concerning previous years	-2,990	-11,157	0	0
Adjustment of deferred tax concerning previous years	7,242	12,025	0	0
	<b>-4,242</b>	<b>-27,183</b>	<b>0</b>	<b>0</b>
<b>8 Distribution of profit</b>				
Reserve for net revaluation under the equity method	0	0	-63,917	-39,945
Retained earnings	-63,757	-52,281	160	-12,336
	-63,757	-52,281	-63,757	-52,281
Non-controlling interests	-3,377	-6,996	0	0
	<b>-67,134</b>	<b>-59,277</b>	<b>-63,757</b>	<b>-52,281</b>

## Notes

### 9 Intangible assets

#### Group

	Completed development projects	Acquired patents, licenses and other rights	Goodwill	Development projects in progress	Total
Cost at 1 January 2020	2,695	119,834	107,644	4,112	234,285
Net effect from merger and acquisition	0	7,374	0	0	7,374
Additions for the year	0	2,130	0	0	2,130
Disposals for the year	0	-94	0	-3,294	-3,388
Transfers for the year	0	42,290	0	-818	41,472
Cost at 31 December 2020	<u>2,695</u>	<u>171,534</u>	<u>107,644</u>	<u>0</u>	<u>281,873</u>
Impairment losses and amortisation at 1 January 2020	2,695	65,894	13,060	0	81,649
Net effect from merger and acquisition	0	3,279	0	0	3,279
Amortisation for the year	0	17,767	10,173	0	27,940
Impairment and amortisation of sold assets for the year	0	-7	0	0	-7
Impairment losses and amortisation at 31 December 2020	<u>2,695</u>	<u>86,933</u>	<u>23,233</u>	<u>0</u>	<u>112,861</u>
<b>Carrying amount at 31 December 2020</b>	<b><u>0</u></b>	<b><u>84,601</u></b>	<b><u>84,411</u></b>	<b><u>0</u></b>	<b><u>169,012</u></b>

Completed development projects include the development and testing of machines for shredding and transporting biomass. The machines were completed and taken into use in 2014 and amortized over 5 years.

## Notes

### 10 Tangible assets

#### Group

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress	Total
Cost at 1 January 2020	385,393	1,133,483	62,078	383,383	1,964,337
Net effect from merger and acquisition	28,890	92,957	22,928	135,307	280,082
Additions for the year	0	5,197	11,780	347,450	364,427
Disposals for the year	0	-13,229	-413	0	-13,642
Transfers for the year	147,898	632,492	-16,280	-805,582	-41,472
Cost at 31 December 2020	562,181	1,850,900	80,093	60,558	2,553,732
Revaluations at 1 January 2020	0	8,667	0	0	8,667
Revaluations at 31 December 2020	0	8,667	0	0	8,667
Impairment losses and depreciation at 1 January 2020	50,819	281,576	32,735	0	365,130
Depreciation for the year	21,072	114,466	6,847	0	142,385
Net effect from merger and acquisition	4,212	25,219	1,234	0	30,665
Impairment and depreciation of sold assets for the year	0	-9,851	-374	0	-10,225
Transfers for the year	0	19,208	-19,208	0	0
Impairment losses and depreciation at 31 December 2020	76,103	430,618	21,234	0	527,955
<b>Carrying amount at 31 December 2020</b>	<b>486,078</b>	<b>1,428,949</b>	<b>58,859</b>	<b>60,558</b>	<b>2,034,444</b>
Revaluation less amortisation, depreciation and impairment losses	0	4,822	0	0	
<b>Carrying amount at 31 December 2020 before revaluations</b>	<b>486,078</b>	<b>1,424,127</b>	<b>58,859</b>	<b>60,558</b>	
Interest expenses recognised as part of cost of assets	0	0	0	0	29,874
Value of leased assets	0	0	29,583	0	

## Notes

	Parent company	
	2020	2019
	TDKK	TDKK
<b>11 Investments in subsidiaries</b>		
Cost at 1 January 2020	792,000	494,400
Additions for the year	291	297,600
Cost at 31 December 2020	792,291	792,000
Revaluations at 1 January 2020	129,181	194,329
Net profit/loss for the year	-63,917	-39,945
Other equity movements, net	1,261	-25,203
Revaluations at 31 December 2020	66,525	129,181
<b>Carrying amount at 31 December 2020</b>	<b>858,816</b>	<b>921,181</b>

## Notes

### Group

Investments in subsidiaries are specified as follows:

Name	Registered office	Vote and ownership interest
Nature Energy Nørager A/S	Odense	100%
Nature Energy Ørbæk A/S	Odense	100%
Nature Energy Kors kro 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 Sønderborg 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	Støvring	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 Bånlev A/S	Odense	90%
Nature Energy Bånlev Transport A/S	Odense	90%
Nature Energy Gastankstationer ApS	Odense	100%
NGF Nature Energy Biogas A/S	Odense	100%
NGF Denmark Holding A/S	Odense	98%
Nature Energy France SAS	France	100%
Nature Energy UK Ltd	England	100%
Xergi Biogas GmbH	Germany	100%
Nature Energy Canada Inc	Canada	100%

## Notes

	Group		Parent company	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
<b>12 Investments in associates</b>				
Cost at 1 January 2020	31,653	12,102	0	0
Additions for the year	0	19,551	0	0
Disposals for the year	-31,500	0	0	0
Cost at 31 December 2020	153	31,653	0	0
Revaluations at 1 January 2020	-2,643	-973	0	0
Net profit/loss for the year	-3,370	-1,670	0	0
Transfers for the year	6,255	0	0	0
Other equity movements, net	-242	0	0	0
Revaluations at 31 December 2020	0	-2,643	0	0
<b>Carrying amount at 31 December 2020</b>	<b>153</b>	<b>29,010</b>	<b>0</b>	<b>0</b>

### Group

Investments in associates are specified as follows:

Name	Registered office	Ownership interest
Nordliq A/S	Randers	33%

## Notes

### 13 Fixed asset investments

#### Group

	Other fixed asset investments	Other receiv- ables
Cost at 1 January 2020	16,190	30,082
Disposals for the year	0	-20,463
Cost at 31 December 2020	<u>16,190</u>	<u>9,619</u>
Impairment losses for the year	<u>14,088</u>	<u>0</u>
Impairment losses at 31 December 2020	<u>14,088</u>	<u>0</u>
<b>Carrying amount at 31 December 2020</b>	<b><u>2,102</u></b>	<b><u>9,619</u></b>

Other fixed assets investments consist of the investments in entities.  
Other receivables of TDKK 976 is due within 1 year.

	Group		Parent company	
	2020 TDKK	2019 TDKK	2020 TDKK	2019 TDKK
<b>14 Provision for deferred tax</b>				
at 1 January 2020	-44,711	-28,685	0	0
Deferred tax recognized in the income statement	-1,252	-16,026	0	0
Transferred to deferred tax asset	<u>45,963</u>	<u>44,711</u>	<u>0</u>	<u>0</u>
	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>
<b>Deferred tax asset</b>				
Deferred tax asset	<u>45,963</u>	<u>44,711</u>	<u>0</u>	<u>0</u>
<b>Balance at 31 December 2020</b>	<b><u>45,963</u></b>	<b><u>44,711</u></b>	<b><u>0</u></b>	<b><u>0</u></b>

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

### 15 Prepayments

Prepayments comprise prepaid expenses regarding rent, insurance premiums, subscriptions and interest.

## Notes

	Group		Parent company	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
<b>16 Other provisions</b>				
Balance at beginning of year at 1 January 2020	6,414	10,112	0	0
Exchange adjustment	0	372	0	0
Provision in year	590	2,720	0	0
Applied in the year	-5,203	-6,790	0	0
<b>Balance at 31 December 2020</b>	<b>1,801</b>	<b>6,414</b>	<b>0</b>	<b>0</b>

The expected due dates of other provisions are:

Within one year	1,653	6,414	0	0
Between 1 and 5 years	148	0	0	0
	<b>1,801</b>	<b>6,414</b>	<b>0</b>	<b>0</b>

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



## Notes

### 17 Long term debt

	Group		Parent company	
	2020 TDKK	2019 TDKK	2020 TDKK	2019 TDKK
<b>Other credit institutions</b>				
After 5 years	884,820	576,289	0	0
Between 1 and 5 years	408,354	260,708	0	0
Non-current portion	1,293,174	836,997	0	0
Within 1 year	67,680	41,246	0	0
Other short-term debt to credit institutions	0	1,073	0	0
Current portion	67,680	42,319	0	0
	<b>1,360,854</b>	<b>879,316</b>	<b>0</b>	<b>0</b>
<b>Lease obligations</b>				
After 5 years	5,824	0	0	0
Between 1 and 5 years	19,686	0	0	0
Non-current portion	25,510	0	0	0
Within 1 year	3,973	0	0	0
	<b>29,483</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other payables</b>				
After 5 years	10,732	7,544	2,343	820
Between 1 and 5 years	4,918	8,935	0	0
Non-current portion	15,650	16,479	2,343	820
Within 1 year	1,060	2,131	0	0
Other short-term other debt	76,013	73,344	12,168	6,575
Current portion	77,073	75,475	12,168	6,575
	<b>92,723</b>	<b>91,954</b>	<b>14,511</b>	<b>7,395</b>

### 18 Deferred income

Deferred income consists of payments received in respect of income in subsequent financial years.

## Notes

	Group		Parent company	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
<b>19 Rent and lease liabilities</b>				
Rent and lease liabilities for group entities. Total future lease payments:				
Within 1 year	8,268	7,633	770	650
Between 1 and 5 years	15,055	17,809	660	499
After 5 years	1,560	3,375	0	0
	<b>24,883</b>	<b>28,817</b>	<b>1,430</b>	<b>1,149</b>

## 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. 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 Group has signed contracts for TDKK 1,900 for a 2.5 year period.

The Group 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 Korsbro A/S, Nature Energy Videbæk A/S, Nature Energy Nordfyn A/S og Nature Energy Green Gas Sales A/S.

Nature Energy Holsted A/S, Nature Energy Vaarst A/S, Nature Energy Nordfyn A/S, Nature Energy Korsbro A/S, Nature Energy Månsson A/S, Nature Energy Videbæk A/S, Nature Energy Midtfyn A/S, Nature Energy Hemmet A/S, Nature Energy Sdr. Vium ApS, Nature Energy Glansager A/S and Nature Energy Bånlev A/S has assigned ongoing subsidies to secure payment of services.

A bankaccount, with book value TDKK 60, is pledge as security for disposal of a silo.

The Group 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 Group has pledged promissory note for debt to other credit institutions. The book value of the debt per December 31, 2020 TDKK 8,517.

The Group is jointly and severally liable to third parties for the subsidiaries' leasing agreements with residual value of TDKK 24,525.

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

The Group has entered payment guarantees to third parties of TDKK 10,993 for Nature Energy Green Gas Sales A/S, Nature Energy Støvring, Nature Energy France SAS and Nature Energy UK Ltd.

## Notes

### 20 Contingent liabilities (continued)

Nature Energy Månsson A/S has a pending case regarding reduction of capex subsidy, which can amount to a maximum of TDKK 1,853. The case is awaiting the Danish Environment and Food Appeals Board's decision.

#### Pledged shares

The Group has provided shares in a subsidiary as collateral for debt to other credit institutions. The book value of the shares per December 31, 2020, TDKK 632,605.

	Group		Parent company	
	2020 TDKK	2019 TDKK	2020 TDKK	2019 TDKK
<b>21 Mortgages and collateral</b>				
<b>The following assets have been put up as security for debt to mortgage credit institutions:</b>				
Land and buildings	465,966	299,306	-	-
Plant and machinery	1,477,721	820,340	-	-
Inventory	2,982	-	-	-
	<u>1,946,669</u>	<u>1,119,646</u>	<u>-</u>	<u>-</u>
<b>The following assets have been put up as security for the group's floating charge:</b>				
Plant, machinery, land and buildings	14,159	11,696	-	-
Trade receivables	14,350	1,754	-	-
	<u>28,509</u>	<u>13,450</u>	<u>-</u>	<u>-</u>

### 22 Related parties and ownership structure

There are no companies with controlling interest.

All related party transactions are made on market terms.

## Notes

	<b>Group</b>		<b>Parent company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<small>TDKK</small>	<small>TDKK</small>	<small>TDKK</small>	<small>TDKK</small>
<b>23 Fee to auditors appointed at the general meeting</b>				
PricewaterhouseCoopers:				
Audit fee	610	510	45	30
Tax advisory services	604	545	0	263
Non-audit services	717	697	0	30
	<u>1,931</u>	<u>1,752</u>	<u>45</u>	<u>323</u>
BDO:				
Audit fee	0	50	0	0
Tax advisory services	0	50	0	0
Non-audit services	0	175	0	0
	<u>0</u>	<u>275</u>	<u>0</u>	<u>0</u>
	<u><b>1,931</b></u>	<u><b>2,027</b></u>	<u><b>45</b></u>	<u><b>323</b></u>

## Notes

	Group	
	2020	2019
	TDKK	TDKK
<b>24 Cash flow statement - adjustments</b>		
Financial income	-3,871	-4,579
Financial costs	47,280	33,175
Depreciation, amortisation and impairment losses	170,325	130,736
Income from investments in associates	3,370	1,670
Tax on profit/loss for the year	-4,242	-27,183
Other adjustments	-1,252	-16,027
	<b>211,610</b>	<b>117,792</b>
<b>25 Cash flow statement - change in working capital</b>		
Change in inventories	3,040	-5,967
Change in receivables	-12,152	-118,767
Change in trade payables, etc.	-49,058	103,851
	<b>-58,170</b>	<b>-20,883</b>

## **Accounting policies**

The annual report of NGF Partnership K/S for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large 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.

### **Changes in accounting policies**

The Company's accounting policy has been changed in 2020 to reflect the amendments made to the Danish Financial Act. The change has resulted in reclassification between equity reserves. The change has not affected the net result for the year or the equity at year end.

### **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**

### **Segment information**

Information is provided on business segments. The segment information is provided in consideration of the Group's accounting policies, risks, internal reporting and management control. The Group's activities are regarded as the primary segment area.

### **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.

## **Accounting policies**

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

### **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**

The Parent Company is not an independent tax subject, consequently no tax has been included in the annual report.

Tax for the year in the Group 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.

## Accounting policies

The Group is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

### Balance sheet

#### Intangible assets

##### *Goodwill*

Gains or losses on disposal of subsidiaries and associates are stated as the difference between the sales amount and the carrying amount of net assets at the date of disposal plus non-amortised goodwill and anticipated disposal costs.

Acquisitions of entities are accounted for using the purchase method, according to which the acquirees' identifiable assets and liabilities are measured at fair value at the date of acquisition. Provision is made for expenses to adopted and announced plans to restructure the acquired entity in connection with the acquisition. Allowance is made for the tax effect of revaluations made.

Any excess of the cost over the fair value of the identifiable assets and liabilities acquired (goodwill), including restructuring provisions, is recognised as intangible assets and amortised on a systematic basis in the income statement based on an individual assessment of the useful life of the asset. Goodwill arising on acquisition can be restated until the end of the year after the acquisition.

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 10 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.

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

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

Developments 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 5 years.



## Accounting policies

Rights is measured at cost less accumulated amortisation. Rights is amortised on a straight-line basis over its useful life, which is assessed at 7-10 years.

### Tangible assets

Items of land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost added revaluations and 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
Plant and machinery	3-10	years
Other fixtures and fittings, tools and equipment	3	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

Leases for items of property, plant and equipment that transfer substantially all the risks and rewards incident to ownership to the company (finance leases) are recognised in the balance sheet as assets. On initial recognition, assets are measured at estimated cost, corresponding to the lower of fair value of the leased asset and the present value of the future lease payments. In calculating the net present value of the future lease payments, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the company's other non-current assets.

The capitalised residual lease commitment is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

## Accounting policies

All other 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 and associates

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.

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.

### 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 1. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

## Accounting policies

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.

### Special items

Special items in 2020 relate to impairment losses on fixed assets investments. The amount is recognized as financial costs.

Negative goodwill has in 2019 been recognized in connection with the purchase of Nature Energy Gastankstationer ApS. The amount is recognized as other operating income.

### 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.

## Accounting policies

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.

### 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

The cash flow statement shows the group's cash flows for the year, broken down under cash flows from operating, investing and financing activities, the year's changes in cash and cash equivalents and the group's cash and cash equivalents at the beginning and at the end of the year.

The cash flow effect of additions and disposals of entities is shown separately under cash flows from investing activities. The cash flow statement includes cash flows from acquired entities from the time of acquisition, and cash flows from sold entities are included until the date of sale.

## Accounting policies

### Cash flows from operating activities

Cash flows from operating activities are stated as the group's profit or loss for the year, adjusted for non-cash operating items, changes in working capital and paid income taxes. Dividend income from investments is recognised under 'Interest income and dividend received'.

### Cash flows from investing activities

Cash flows from investing activities comprise payments related to the acquisition and sale of entities and activities as well as intangible assets, property, plant and equipment and investments.

### Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the group's share capital and related costs, as well as the raising of loans, repayment of interest-bearing debt and payment of dividends to shareholders.

### 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.

### Financial highlights

Definitions of financial ratios.

Gross margin ratio	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
EBIT margin	$\frac{\text{Profit/loss before financials} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit/loss before financials} \times 100}{\text{Average assets}}$
Solvency ratio	$\frac{\text{Equity at year-end} \times 100}{\text{Total assets at year-end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$
Return on equity, continuing operations	$\frac{\text{Net profit for the year, continuing operations} \times 100}{\text{Average equity}}$