2022

Annual report for 2022

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

Adopted at the annual
general meeting on
26 April 2023

Ole Hvelplund
chairman

Table of contents

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 2022.

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 2022 and of the results of the group and the company operations and consolidated cash flows for the financial year 1 January - 31 December 2022.

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, 26 April 2023

Executive board

Ole Hvelplund
CEO

Board of Directors

Jesper Teddy Lok chairman	Steen Parsholt deputy chairman	Sam Abboud
Terrence Majid Tehranian	Daniel Johannes Michael Böhm	Torbjørn Lange
Tanja Jo Dalgaard		

Independent auditor's report

To the shareholder of NGF Partnership K/S

Opinion

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 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for both the group and the parent company as well as consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the group and the parent company's financial position at 31 December 2022 and of the results of the group and the parent company's operations and consolidated cash flows for the financial year 1 January - 31 December 2022 in accordance with 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 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 and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the 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.

- 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, 26 April 2023

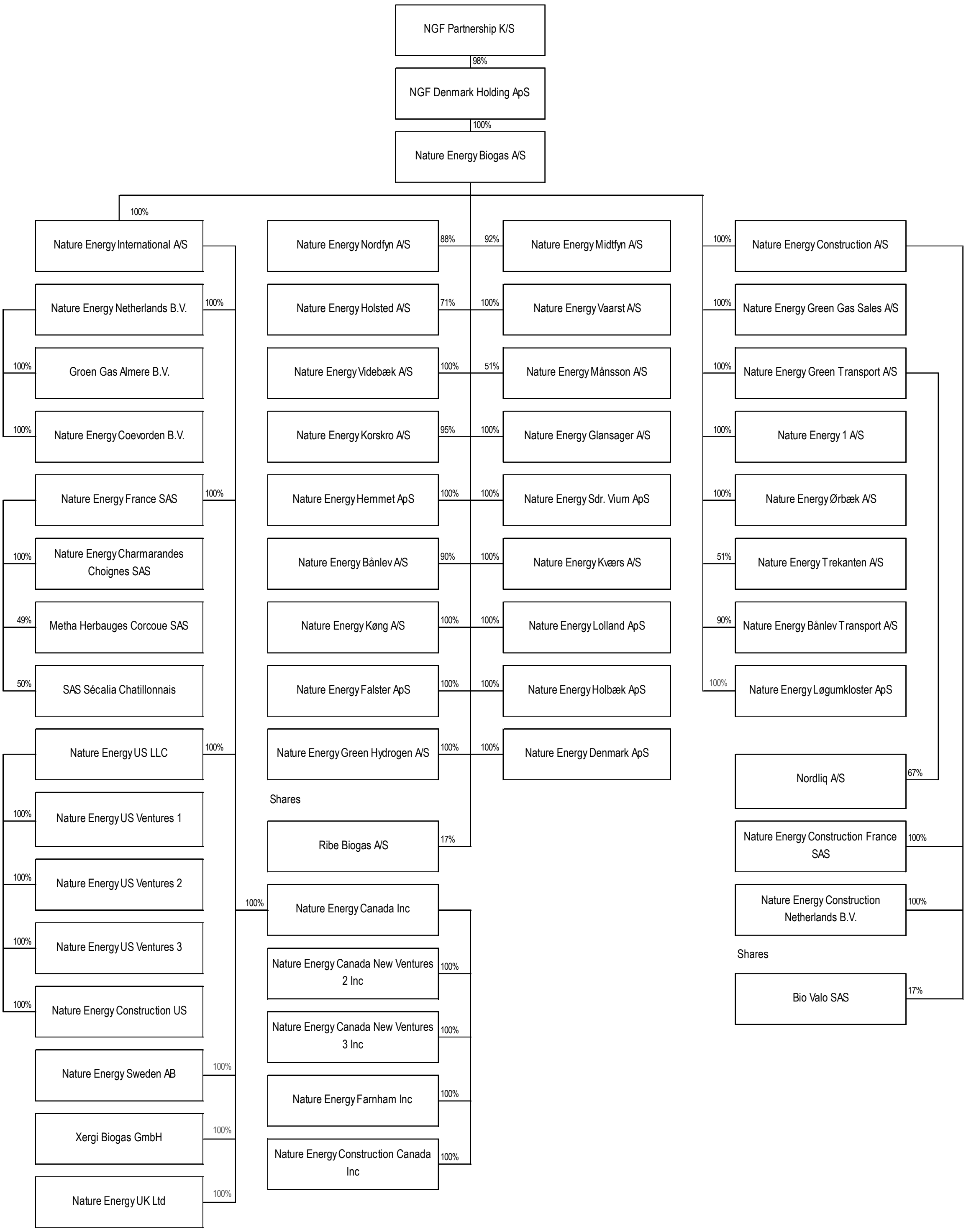
PricewaterhouseCoopers
statsautoriseret revisionspartnerselskab
CVR no. 33 77 12 31

Mads Melgaard State Authorised Accountant MNE no. mne34354	Claus Damhave State Authorised Accountant 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 2022 Domicile: Odense
Board of Directors	Jesper Teddy Lok, chairman Steen Parsholt, deputy chairman Sam Abboud Terrence Majid Tehranian Daniel Johannes Michael Böhm Torbjørn Lange Tanja Jo Dalgaard
Executive board	Ole Hvelplund
Auditors	PricewaterhouseCoopers statsautoriseret revisionspartnerselskab Munkebjergvænget 1, 3. 5230 Odense M

Group chart


NGF Partnership K/S
98%
NGF Denmark Holding ApS
100%
Nature Energy Biogas A/S
100%
Nature Energy International A/S
100%
Nature Energy Netherlands B.V.
100%
Groen Gas Almere B.V.
100%
Nature Energy Coevorden B.V.
100%
Nature Energy France SAS
100%
Nature Energy Charmarandes Choignes SAS
49%
Metha Herbauges Corcoue SAS
50%
SAS Sécalia Chatillonnais
100%
Nature Energy US LLC
100%
Nature Energy US Ventures 1
100%
Nature Energy US Ventures 2
100%
Nature Energy US Ventures 3
100%
Nature Energy Construction US
100%
Nature Energy Sweden AB
100%
Xergi Biogas GmbH
100%
Nature Energy UK Ltd
88%
Nature Energy Nordfyn A/S
71%
Nature Energy Holsted A/S
100%
Nature Energy Videbæk A/S
95%
Nature Energy Korskro A/S
100%
Nature Energy Hemmet ApS
90%
Nature Energy Bånlev A/S
100%
Nature Energy Køng A/S
100%
Nature Energy Falster ApS
100%
Nature Energy Green Hydrogen A/S
Shares
17%
Ribe Biogas A/S
100%
Nature Energy Canada Inc
100%
Nature Energy Canada New Ventures 2 Inc
100%
Nature Energy Canada New Ventures 3 Inc
100%
Nature Energy Farnham Inc
100%
Nature Energy Construction Canada Inc
92%
Nature Energy Midtfyn A/S
100%
Nature Energy Vaarst A/S
51%
Nature Energy Månsson A/S
100%
Nature Energy Glansager A/S
100%
Nature Energy Sdr. Vium ApS
100%
Nature Energy Kværs A/S
100%
Nature Energy Lolland ApS
100%
Nature Energy Holbæk ApS
100%
Nature Energy Denmark ApS
100%
Nature Energy Construction A/S
100%
Nature Energy Green Gas Sales A/S
100%
Nature Energy Green Transport A/S
100%
Nature Energy 1 A/S
100%
Nature Energy Ørbæk A/S
51%
Nature Energy Trekanten A/S
90%
Nature Energy Bånlev Transport A/S
100%
Nature Energy Løgumkloster ApS
67%
Nordliq A/S
100%
Nature Energy Construction France SAS
100%
Nature Energy Construction Netherlands B.V.
Shares
17%
Bio Valo SAS

Financial highlights

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

	Group				
	2022	2021	2020	2019	2018
	MDKK	MDKK	MDKK	MDKK	MDKK
Key figures					
Profit/loss					
Revenue	2,550	1,806	898	693	373
Gross profit	165	770	299	220	84
Profit/loss before amortisation/depreciation and impairment losses	-111	593	149	86	9
Profit/loss before net financials	-374	335	-25	-56	-58
Net financials	-54	-41	-47	-30	-46
Profit/loss for the year	-361	217	-67	-59	171
Balance sheet					
Balance sheet total	3,681	3,202	2,703	2,226	1,702
Equity	827	1,141	933	974	751
Cash flows from:					
- operating activities	-44	375	57	8	-83
- investing activities	-515	-405	-335	-570	-370
- including investment in property, plant and equipment	-517	-417	-364	-445	-393
- financing activities	370	87	358	555	578
The year's changes in cash and cash equivalents	-189	56	80	-6	125
Number of employees	359	268	243	228	181
Financial ratios					
Gross margin	6.5%	42.6%	33.3%	31.7%	22.5%
EBIT margin	-14.7%	18.5%	-2.8%	-8.1%	-15.5%
Return on equity, continuing operations	0.0%	20.9%	-7.0%	-6.8%	-23.9%

For definitions, see the summary of significant accounting policies.

Management's review

Business review

The interests of Nature Energy Group are 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, Nature Energy Green Gas Sales A/S, Nature Energy Green Transport A/S and NGF Denmark Holding ApS.

In 2022, the Group employed an average of 359 employees.

Recognition and measurement uncertainties

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

Unusual matters

The group's financial position at 31 December 2022 and the results of its operations and cash flows for the financial year ended 31 December 2022 are not affected by any unusual matters.

Financial review

The group's income statement for the year ended 31 December 2022 shows a loss of TDKK 361,286, and the balance sheet at 31 December 2022 shows equity of TDKK 826,922.

On 26 November 2022, NGF Partnership K/S decided to accept a purchase offer from Shell Petroleum N.V. This means that the ownership of the subsidiary NGF Denmark Holding ApS and its subsidiaries has changed per 20 February 2023.

Based on the above, the operation of all companies in the group is presented as discontinued operations in the group's income statement and balance sheet.

Management's review

Financing

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

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

The biogas plant at Køng in Zealand was initiated in Spring 2022. biogas plant Kværs in Southern Jutland started production up in end of the year 2022 and was initiated in the beginning of 2023.

Thus, fourteen biogas plants are fully commissioned during 2022 with a combined production of upgraded biogas with a magnitude of 211 million m3 per year.

During 2022 further shared competences for analysis, monitoring, and optimisation of the biogas production has been added to the Nature Energy Group. Efforts with research and development have been increased in order to enable the Group to develop and improve the biogas business further.

Progress is still made to secure the long-term foundation of the Danish biogas business, focusing on developing biogas projects in all of Denmark and abroad. During 2022, significant progress has been made in the maturation of several projects in Denmark.

Moreover, progress in France, USA, Canada and Holland has been made to mature new projects abroad. The construction of the first biogas plant in France has started.

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.

Investments

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

Nature Energy Construction 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 Construction A/S now serves as the Group's EPC business and primarily serve the companies of the Group.

Significant events occurring after the end of the financial year

No events have occured after the balance sheet date, which could significantly affect the Group's financial postition.

Management's review

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 profit concerning the business in 2023 in the range of DKK 10.5 billion to DKK 11.5 billion due to the sale of the NGF Denmark Holding ApS and its subsidiaries.

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 are 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 Group.

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

Currency risk:
Nature Energy currently has loans in Danish Kroner and therefore no currency risks concerning loans. International activities, construction and sales of gas and certificates are primarily made in Danish Kroner and Euros, which entail that the exchange rates do not significantly affect the result, cash flow and equity of the Group.

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

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

Last year's expectation for the result for 2022 was in the range of TDKK 0 - TDKK 20,000, which has been realized at a lower level than expected with a loss after tax of TDKK 361,286, among other things due to fixed sales prices combined with high biomass prices.

Statutory report on corporate social responsibility

Business model:

The Nature Energy Group is Denmark's largest producer of green biogas based on food waste, industrial waste and agricultural by-products. The Nature Energy Group conducts business with sale of the produced gas through the gas grid. In addition, the company sells green certificates.

The Nature Energy Group returns the degassed biomass to the agriculture as manure that is both more effective and environment friendly than before. Since all inputs are mixed in the production, the residual product is a result of different elements that create a natural redistribution of nutrients in the manure. Additionally, the produced manure results in a reduction of nitrate emission into the lakes, rivers, and fjords.

In 2022, the Nature Energy Group on average employs 359 employees and operates 14 biogas plants.

Beside the production of sustainable biogas and manure, the company does research and runs its own laboratory. Therefore, the Nature Energy Group is a forerunner in the technological development within biogas production and its applicability.

The Nature Energy Group is a leading developer of advanced turnkey biogas plants with more than 30 years of experience. We specialize in large-scale plants, with any mix of feedstock, including food waste, straw, manure incl. chicken manure, deep litter, crop residue, industrial organic waste etc.

Management's review

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 suppliers, and so the risk of disrespect of human rights are considered low.

Nature Energy Group do have a policy for human rights, anti-corruption, and bribery. Respect of human rights is to Nature Energy about the condition of all employees in Nature Energy. Nature Energy’s reputation for integrity is our most valuable asset and is directly related to the code of conduct of our employees. The code of conduct includes a thorough description of how we implement policies for human rights, anti-corruption, and bribery and keep us compliant. In Nature Energy we have high standards for business ethics and integrity in all our business operations and there is a zero-tolerance approach for bribery. The code of conduct is available for all employees and all new employees gets together and receive training to learn about Nature Energy and our policies in the code of conduct.

In 2022 all employees in Nature Energy Group have received training of our code of conduct and we have included the training in our onboarding program of new employees. In 2022 there have been no incidents.

We plan to continue the work and focus on human rights, anti-corruption, and bribery in 2023.

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 Group’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.

To prevent future methane leak going forward, the Group will continue with this work.

Management's review

Efforts and results for the environmental and climate impact

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

During 2022, The Nature Energy Group continuously holds both external and internal control of the production plants to minimize emission of methane. Tests are performed to measure the extent of possible methane leak on the sides. Moreover, emission is prevented through frequent checks and maintenance.

Nature Energy Group is market leader in turning many thousands of tons of biomass into green, CO2-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.

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, 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. Nature Energy 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 Group continues to introduce all new employees to the company's employee policies to ensure compliance of applicable rules and guidelines.

Based on the results of the employee survey in 2019, the Group 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 2021 and 2022 with a high level of job satisfaction.

The 2022 level for the employee turnover has reached a satisfying 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 Green Gas Sales A/S offers internships and student positions as well as a cooperation for engineering students from SDU writing their thesis.

Moreover in 2019, the group decided to introduce a number of graduate positions, which had attracted talented employees for future positions. In 2021 the first graduate was promoted to plant manager in Nature Energy Nordfyn A/S and in the start of 2022 two graduates will be permanently employed and more graduate where employed.

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 seven members, currently six men and one woman. NGF Partnership K/S always wants to recruit the best qualified members. The intention is to have the underrepresented gender’s share to one third, we expect to reach the goal within 2025.

The ratio between women and men has not been changed in 2022 and the target has not been reached because the right match hasn’t been found.

NGF Partnership K/S has 57 employees and therefore is obligated to have a policy concerning increase of the underrepresented gender. The Group’s employees should all feel that they have the same opportunities for career and management positions regardless of gender. The employees should feel that the Group has an open and unbiased culture in which the individual can exploit its skills in the best possible way regardless of gender.

On other management levels of the Nature Energy Group an equal composition between genders is aimed at, while considering always to choose the best qualified candidate. As of 31 December 2022, the split between genders is 21%/79% on other management levels. The group expects to increase the level of female representation in the management of the day-to-day business to 30% by the end of 2023.

At any time, the Group aims to have a harmonious and competent management at all levels of the organization therefore occupation of management positions take into account the candidate’s qualifications and competencies relevant to the responsibility. A management position in the organization will always be filled with the best candidate based on an overall assessment.

Management's review

Statutory report on data ethics

Section 99d of the Danish Financial Statements Aet - requires larger companies, which have a policy for data ethics, to supplement the management commentary of the annual report with a report on data ethics.

During 2022, we have worked with data ethics in Nature Energy Group, doing the year Nature Energy formed out a policy for data ethics.

Based on dialogue with stakeholders across the company, it was decided to put in place a policy for data ethics to provide a framework for the company's activities within this area.

The Data Ethics policy outlines that Nature Energy Group is committed to uphold transparency and openness concerning our use of personal and non-personal data.

Nature Energy Group sets high standards in relation to where we collect data and how we use it.

Nature Energy Group will in 2023 initiate further development, analysis, and implementation of further mechanisms and compliance controls to facilitate our work with data ethics. Based on this work, it is our expectation that the policy will be updated accordingly towards the end of 2023.

Achievements in 2022
- Internal policy for data ethics
- Policy for business partners

Planned Activities
- Follow up on the policy
- Identify relevant data processing

Income statement 1 January - 31 December

	Note	Group 2022	Group 2021	Parent company 2022	Parent company 2021
		Discontinued operations TDKK	TDKK	TDKK	TDKK
Revenue	2	**2,549,603**	**1,805,728**	**61,802**	**47,352**
Other operating income	5	70,594	23,768	261	192
Raw materials and consumables		-1,889,143	-844,093	0	0
Other external expenses		-566,551	-215,719	-110,359	-11,393
Gross profit		**164,503**	**769,684**	**-48,296**	**36,151**
Staff costs	3	-275,368	-176,757	-52,564	-35,917
Profit/loss before amortisation/depreciation and impairment losses		**-110,865**	**592,927**	**-100,860**	**234**
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	4	-258,011	-223,738	0	0
Other operating costs		-5,467	-34,070	0	0
Profit/loss before net financials		**-374,343**	**335,119**	**-100,860**	**234**
Income from investments in subsidiaries		0	0	-247,781	176,582
Income from investments in associates		-3	0	0	0
Financial income	6	13,487	3,028	26	0
Financial costs	7	-67,393	-44,316	-1,712	-191
Profit/loss before tax		**-428,252**	**293,831**	**-350,327**	**176,625**
Tax on profit/loss for the year	8	66,966	-77,318	0	0
Profit/loss for the year		**-361,286**	**216,513**	**-350,327**	**176,625**
Distribution of profit	9				

Balance sheet 31 December

	Note	Group 2022	Group 2021	Parent company 2022	Parent company 2021
		Discontinued operations TDKK	TDKK	TDKK	TDKK
Assets					
Completed development projects		0	0	0	0
Acquired patents, licenses and other rights		94,755	67,526	0	0
Goodwill		64,837	74,624	0	0
Intangible assets	10	**159,592**	**142,150**	**0**	**0**
Land and buildings		654,885	465,713	0	0
Plant and machinery		1,565,447	1,251,470	0	0
Other fixtures and fittings, tools and equipment		119,033	109,218	0	0
Property, plant and equipment in progress		212,034	419,301	0	0
Tangible assets	11	**2,551,399**	**2,245,702**	**0**	**0**
Investments in subsidiaries	12	0	0	778,841	1,028,724
Investments in associates	13	34	0	0	0
Other fixed asset investments	14	2,140	2,102	0	0
Fixed asset investments		**2,174**	**2,102**	**778,841**	**1,028,724**
Total non-current assets		**2,713,165**	**2,389,954**	**778,841**	**1,028,724**
Raw materials and consumables		162,950	38,286	0	0
Inventory		**162,950**	**38,286**	**0**	**0**

Balance sheet 31 December (continued)

		Group		Parent company	
	Note	2022	2021	2022	2021
		Discontinued operations TDKK	TDKK	TDKK	TDKK
Assets					
Trade receivables		492,454	395,413	0	0
Receivables from group enterprises		0	0	0	9,205
Other receivables		164,260	115,656	0	21
Deferred tax asset	15	62,748	0	0	0
Prepayments	16	20,083	7,755	0	0
Receivables		**739,545**	**518,824**	**0**	**9,226**
Cash at bank and in hand		**65,588**	**254,447**	**695**	**625**
Total current assets		**968,083**	**811,557**	**695**	**9,851**
Total assets		**3,681,248**	**3,201,511**	**779,536**	**1,038,575**

Balance sheet 31 December

	Note	Group		Parent company	
		2022	2021	2022	2021
		Discontinued operations TDKK	TDKK	TDKK	TDKK
Equity and liabilities					
Reserve for net revaluation under the equity method		0	0	0	236,698
Foreign currency translation reserve		-1,475	-422	-1,053	0
Retained earnings		676,354	1,026,374	675,933	789,254
Non-controlling interests		152,043	114,937	0	0
Equity		**826,922**	**1,140,889**	**674,880**	**1,025,952**
Provision for deferred tax	15	0	6,188	0	0
Other provisions	17	5,465	6,324	0	0
Total provisions		**5,465**	**12,512**	**0**	**0**
Other credit institutions		971,652	1,365,932	0	0
Lease obligations		36,138	29,648	0	0
Other payables		2,605	3,793	0	0
Total non-current liabilities	18	**1,010,395**	**1,399,373**	**0**	**0**

Balance sheet 31 December (continued)

	Note	Group 2022	Group 2021	Parent company 2022	Parent company 2021
		Discontinued operations TDKK	TDKK	TDKK	TDKK

Equity and liabilities

	Note	Group 2022	Group 2021	Parent company 2022	Parent company 2021
Other credit institutions	18	907,029	89,695	0	0
Lease obligation	18	8,822	5,400	0	0
Trade payables		515,033	316,373	42,989	2,048
Payables to group enterprises		0	0	30,231	0
Payables to associates		0	416	0	0
Corporation tax		2,620	23,803	0	0
Other payables		327,538	122,935	31,436	10,575
Deferred income	19	77,424	90,115	0	0
Total current liabilities		**1,838,466**	**648,737**	**104,656**	**12,623**
Total liabilities		**2,848,861**	**2,048,110**	**104,656**	**12,623**
Total equity and liabilities		**3,681,248**	**3,201,511**	**779,536**	**1,038,575**

Significant events occuring after end of reporting period	1
Special items	5
Rent and lease liabilities	20
Contingent liabilities	21
Mortgages and collateral	22
Related parties and ownership structure	23
Fee to auditors appointed at the general meeting	24

Statement of changes in equity

Group

	Foreign currency translation reserve	Retained earnings	Non-controlling interests	Total
Equity at 1 January 2022	-422	1,026,374	114,937	1,140,889
Exchange adjustments	-1,053	0	0	-1,053
Other equity movements	0	307	48,065	48,372
Net profit/loss for the year	0	-350,327	-10,959	-361,286
Equity at 31 December 2022	**-1,475**	**676,354**	**152,043**	**826,922**

Parent company

	Reserve for net revaluation under the equity method	Foreign currency translation reserve	Retained earnings	Total
Equity at 1 January 2022	236,698	0	789,255	1,025,953
Exchange adjustments	0	-1,053	0	-1,053
Other equity movements	307	0	0	307
Net profit/loss for the year	-237,005	0	-113,322	-350,327
Equity at 31 December 2022	**0**	**-1,053**	**675,933**	**674,880**

Cash flow statement 1 January - 31 December

	Note	Group 2022 Discontinued operations TDKK	Group 2021 TDKK
Net profit/loss for the year		-361,286	216,513
Adjustments	25	276,113	342,344
Change in working capital	26	112,824	-142,770
Cash flows from operating activities before financial income and expenses		**27,651**	**416,087**
Interest income and similar income		13,487	3,028
Interest expenses and similar charges		-67,393	-44,316
Cash flows from ordinary activities		**-26,255**	**374,799**
Corporation tax paid		-17,733	0
Cash flows from operating activities		**-43,988**	**374,799**
Purchase of intangible assets		-4,380	-1,608
Purchase of property, plant and equipment		-516,710	-417,021
Fixed asset investments made etc		-112	-7,500
Sale of property, plant and equipment		5,562	11,228
Sale of fixed asset investments etc		0	9,619
Business acquisition		690	0
Cash flows from investing activities		**-514,950**	**-405,282**
Repayment of other long-term debt, netto		-1,188	-11,857
Raising of loans from credit institutions, netto		399,483	94,773
Lease liabilities assumed		9,912	5,565
Raising of loans from associates		0	416
Minority interests		0	615
Dividend paid		-38,128	-2,980
Cash flows from financing activities		**370,079**	**86,532**

Cash flow statement 1 January - 31 December (continued)

	Note	Group	
		2022	2021
		Discontinued operations TDKK	TDKK
Change in cash and cash equivalents		**-188,859**	**56,049**
Cash and cash equivalents		254,447	198,398
Cash and cash equivalents		**65,588**	**254,447**
Analysis of cash and cash equivalents:			
Cash at bank and in hand		65,588	254,447
Cash and cash equivalents		**65,588**	**254,447**

Notes

1 Significant events occuring after end of reporting period

No events have occured after the balance sheet date, which could significantly affect the Group's financial postition.

However, on 26 November 2022, NGF Partnership K/S decided to accept a purchase offer from Shell Petroleum N.V. This means that the ownership of the subsidiary NGF Denmark Holding ApS and all its subsidiaries per 20 February 2023 has changed.

	Group		**Parent company**	
	2022	2021	2022	2021
	Discontinued operations TDKK	TDKK	TDKK	TDKK
2 Revenue				
Sales of Biogas	2,303,619	1,656,709	0	0
Sales of CNG	80,442	96,251	0	0
Sales Construction	18,529	15,322	0	0
Other sales	147,013	37,446	61,802	47,352
Total revenue	**2,549,603**	**1,805,728**	**61,802**	**47,352**

3 Staff costs

Wages and salaries	246,142	151,359	47,333	32,402
Pensions	19,710	17,949	4,880	3,231
Other social security costs	9,516	7,449	351	284
	275,368	**176,757**	**52,564**	**35,917**
Including remuneration to the Executive and Board of Directors	**9,783**	**6,018**	**0**	**0**
Average number of employees	359	268	57	39

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	
	2022	2021	2022	2021
	Discontinued operations TDKK	TDKK	TDKK	TDKK
4 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment				
Depreciation intangible assets	41,541	28,470	0	0
Depreciation tangible assets	216,470	195,268	0	0
	258,011	**223,738**	**0**	**0**
5 Special items				
Closed dispute regarding project development, included within Other operating costs	0	-29,463	0	0
Badwill in connection with business aqusition included within Other operating income and depreciation intangible assets	29,634	0	0	0
	29,634	**-29,463**	**0**	**0**
6 Financial income				
Other financial income	13,487	3,028	26	0
	13,487	**3,028**	**26**	**0**
7 Financial costs				
Financial expenses, group entities	0	0	1,444	164
Other financial costs	67,393	44,316	268	27
	67,393	**44,316**	**1,712**	**191**

Notes

		Group		Parent company	
		2022	2021	2022	2021
		Discontinued operations TDKK	TDKK	TDKK	TDKK
8	**Tax on profit/loss for the year**				
	Current tax for the year	2,620	23,803	0	0
	Deferred tax for the year	-68,936	50,281	0	0
	Adjustment of tax concerning previous years	-650	1,364	0	0
	Adjustment of deferred tax concerning previous years	0	1,870	0	0
		-66,966	**77,318**	**0**	**0**

9	**Distribution of profit**				
	Reserve for net revaluation under the equity method	0	0	-237,005	176,582
	Retained earnings	-350,327	176,625	-113,322	43
		-350,327	176,625	-350,327	176,625
	Non-controlling interests	-10,959	39,888	0	0
		-361,286	**216,513**	**-350,327**	**176,625**

Notes

10 Intangible assets

Group

	Completed development projects	Acquired patents, licenses and other rights	Goodwill	Total
Cost at 1 January 2022	2,695	173,142	107,644	283,481
Additions for the year	0	4,380	12,618	16,998
Transfers for the year	0	41,985	0	41,985
Cost at 31 December 2022	2,695	219,507	120,262	342,464
Impairment losses and amortisation at 1 January 2022	2,695	105,616	33,020	141,331
Impairment losses for the year	0	0	12,618	12,618
Amortisation for the year	0	19,136	9,787	28,923
Impairment losses and amortisation at 31 December 2022	2,695	124,752	55,425	182,872
Carrying amount at 31 December 2022	**0**	**94,755**	**64,837**	**159,592**

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

11 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 2022	569,100	1,799,372	167,157	419,301	2,954,930
Net effect from merger and acquisition	11,426	42,809	288	0	54,523
Additions for the year	12,715	3,216	34,658	467,326	517,915
Disposals for the year	0	-5,976	-4,114	-2,162	-12,252
Transfers for the year	192,961	435,494	1,991	-672,431	-41,985
Cost at 31 December 2022	786,202	2,274,915	199,980	212,034	3,473,131
Revaluations at 1 January 2022	0	8,667	0	0	8,667
Revaluations at 31 December 2022	0	8,667	0	0	8,667
Impairment losses and depreciation at 1 January 2022	103,387	556,569	57,939	0	717,895
Depreciation for the year	27,930	165,551	24,157	0	217,638
Impairment and depreciation of sold assets for the year	0	-3,985	-1,149	0	-5,134
Impairment losses and depreciation at 31 December 2022	131,317	718,135	80,947	0	930,399
Carrying amount at 31 December 2022	**654,885**	**1,565,447**	**119,033**	**212,034**	**2,551,399**
Revaluation less amortisation, depreciation and impairment losses	0	3,688	0	0	
Carrying amount at 31 December 2022 before revaluations	**654,885**	**1,561,759**	**119,033**	**212,034**	
Interest expenses recognised as part of cost of assets	0	0	0	0	40,083
Value of leased assets	0	0	39,933	0	

Notes

	Parent company	
	2022	2021
	TDKK	TDKK
12 Investments in subsidiaries		
Cost at 1 January 2022	792,026	792,291
Additions for the year	0	132
Disposals for the year	-1,356	-397
Cost at 31 December 2022	790,670	792,026
Revaluations at 1 January 2022	236,698	66,525
Exchange adjustment	-1,053	105
Net profit/loss for the year	-247,781	176,582
Other equity movements, net	307	-6,514
Revaluations at 31 December 2022	-11,829	236,698
Carrying amount at 31 December 2022	**778,841**	**1,028,724**

Group

Investments in subsidiaries are specified as follows:

Name	Registered office	Ownership interest
Nature Energy 1 A/S	Odense	100%
Nature Energy Ørbæk A/S	Odense	100%
Nature Energy Korskro A/S	Odense	95%
Nature Energy Vaarst A/S	Odense	100%
Nature Energy Holsted A/S	Odense	71%
Nature Energy Midtfyn A/S	Odense	92%
Nature Energy Nordfyn A/S	Odense	88%
Nature Energy Glansager A/S	Odense	100%
Nature Energy Trekanten A/S	Odense	51%
Nature Energy Holbæk ApS	Odense	100%
Nature Energy Lolland ApS	Odense	100%
Nature Energy Køng A/S	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%

Notes

12 Investments in subsidiaries (continued)

Name	Registered office	Ownership interest
Nature Energy Construction A/S	Odense	100%
Nature Energy Kværs A/S	Odense	100%
Nature Energy Green Hydrogen A/S	Odense	100%
Nature Energy Denmark ApS	Odense	100%
Nature Energy International A/S	Odense	100%
Nature Energy Falster ApS	Odense	100%
Nature Energy Bånlev A/S	Odense	90%
Nature Energy Bånlev Transport A/S	Odense	90%
Nordliq A/S	Odense	67%
Nature Energy Løgumkloster ApS	Odense	100%
Nature Energy Biogas A/S	Odense	98%
NGF Denmark Holding A/S	Odense	98%
Nature Energy Canada Inc	Canada	100%
Nature Energy Canada New Ventures 2 Inc	Canada	100%
Nature Energy Canada New Ventures 3 Inc	Canada	100%
Nature Energy Farnham Inc	Canada	100%
Nature Energy Construction Canada Inc	Canada	100%
Nature Energy US LLC	USA	100%
Nature Energy US Ventures 1	USA	100%
Nature Energy US Ventures 2	USA	100%
Nature Energy US Ventures 3	USA	100%
Nature Energy Construction US	USA	100%
Nature Energy UK Ltd	England	100%
Nature Energy GmbH	Germany	100%
Nature Energy Sweden AB	Sweden	100%
Nature Energy Netherlands B.V.	Netherlands	100%
Groen Gas Almere B.V.	Netherlands	100%
Nature Energy Coevorden B.V.	Netherlands	100%
Nature Energy Construction Netherlands B.V.	Netherlands	100%
Nature Energy Construction France SAS	France	100%
Nature Energy France SAS	France	100%
Nature Energy Chamarandes Choignes SAS	France	100%
Sécalia Chatillonnais SAS	France	50%

Notes

	Group		Parent company	
	2022	2021	2022	2021
	Discontinued operations TDKK	TDKK	TDKK	TDKK
13 Investments in associates				
Cost at 1 January 2022	0	153	0	0
Additions for the year	37	0	0	0
Disposals for the year	0	-153	0	0
Cost at 31 December 2022	37	0	0	0
Revaluations at 1 January 2022	0	0	0	0
Net profit/loss for the year	-3	0	0	0
Revaluations at 31 December 2022	-3	0	0	0
Carrying amount at 31 December 2022	**34**	**0**	**0**	**0**

Group
Investments in associates are specified as follows:

Name	Registered office	Ownership interest
Metha Herbauges Corcué	France	49%

14 Fixed asset investments

Group

	Other fixed asset investments
Cost at 1 January 2022	2,102
Additions for the year	38
Cost at 31 December 2022	2,140
Carrying amount at 31 December 2022	**2,140**

Notes

	Group		Parent company	
	2022	2021	2022	2021
	Discontinued operations TDKK	TDKK	TDKK	TDKK
15 Provision for deferred tax				
at 1 January 2022	6,188	-45,963	0	0
Deferred tax recognized in the income statement	-68,936	52,151	0	0
	0	**6,188**	**0**	**0**
Deferred tax asset				
Deferred tax asset	62,748	0	0	0
Balance at 31 December 2021	**62,748**	**0**	**0**	**0**

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

16 Prepayments

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

17 Other provisions

Balance at beginning of year at 1 January 2022	6,324	1,801	0	0
Provision in year	4,920	6,863	0	0
Applied in the year	-5,779	-2,340	0	0
Balance at 31 December 2022	**5,465**	**6,324**	**0**	**0**
The expected due dates of other provisions are:				
Within one year	4,649	2,569	0	0
Between 1 and 5 years	816	3,755	0	0
	5,465	**6,324**	**0**	**0**

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

Notes

18 Long term debt

	Group		Parent company	
	2022	2021	2022	2021
	Discontinued operations TDKK	TDKK	TDKK	TDKK
Other credit institutions				
After 5 years	625,358	894,264	0	0
Between 1 and 5 years	346,294	471,668	0	0
Non-current portion	971,652	1,365,932	0	0
Within 1 year	907,029	89,695	0	0
Current portion	907,029	89,695	0	0
	1,878,681	**1,455,627**	**0**	**0**
Lease obligations				
After 5 years	10,800	6,706	0	0
Between 1 and 5 years	25,338	22,942	0	0
Non-current portion	36,138	29,648	0	0
Within 1 year	8,822	5,400	0	0
	44,960	**35,048**	**0**	**0**
Other payables				
Between 1 and 5 years	2,605	3,793	0	0
Non-current portion	2,605	3,793	0	0
Within 1 year	2,316	2,739	0	0
Other short-term other debt	325,222	120,196	31,436	10,575
Current portion	327,538	122,935	31,436	10,575
	330,143	**126,728**	**31,436**	**10,575**

19 Deferred income

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

Notes

	Group		Parent company	
	2022	2021	2022	2021
	Discontinued operations TDKK	TDKK	TDKK	TDKK
20 Rent and lease liabilities				
Operating lease liabilities. Total future lease payments:				
Within 1 year	11,241	8,318	1,015	960
Between 1 and 5 years	18,678	21,777	872	977
After 5 years	32,861	31,779	0	0
	62,780	**61,874**	**1,887**	**1,937**

21 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 a sponsorship agreement for TDKK 400 for a 0.5 year period.

The Group is jointly and severally liable to third parties for the subsidiaries' leasing agreements with residual value of TDKK 44,931.

Nature Energy Holsted A/S, Nature Energy Vaarst A/S, Nature Energy Nordfyn A/S, Nature Energy Korskro 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, Nature Energy Bånlev A/S, Nature Energy Kværs A/S and Nature Energy Køng 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 has provided a guarantee of TDKK 20 to third parties.

The Group has entered payment guarantees to third parties of TDKK 231,865.

The Group has provided a guarantee of TDKK 28,470 for subsidiaries' to third parties.

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, 2022, TDKK 721,749.

Notes

	Group		Parent company	
	2022	2021	2022	2021
	Discontinued operations TDKK	TDKK	TDKK	TDKK
22 Mortgages and collateral				
The following assets have been put up as security for debt to mortgage credit institutions:				
Land and buildings	614,747	462,304	0	0
Plant and machinery	1,643,595	1,251,470	0	0
Property, plant and equipment in progress	33,573	0	0	0
	2,291,915	**1,713,774**	**0**	**0**
The following assets have been put up as security for the group's floating charge, TDKK 62,000:				
Plant, machinery, land and buildings	19,619	20,443	0	0
Inventory	28,704	0	0	0
Trade receivables	311,724	20,613	0	0
	360,047	**41,056**	**0**	**0**

23 Related parties and ownership structure

There are no companies with controlling interest.

All related party transactions are made on market terms.

Notes

	Group		Parent company	
	2022	2021	2022	2021
	Discontinued operations TDKK	TDKK	TDKK	TDKK
24 Fee to auditors appointed at the general meeting				
PricewaterhouseCoopers:				
Audit fee	888	724	50	46
Tax advisory services	596	472	368	0
Non-audit services	8,415	642	6,533	0
	9,899	1,838	6,951	46
Others auditors				
Audit fee	349	0	0	0
Non-audit services	1,049	0	0	0
	1,398	0	0	0
	11,297	**1,838**	**6,951**	**46**

	Group	
	2022	2021
	Discontinued operations TDKK	TDKK
25 Cash flow statement - adjustments		
Financial income	-13,487	-3,028
Financial costs	67,393	44,316
Depreciation, amortisation and impairment losses	259,553	223,738
Income from investments in associates	3	0
Tax on profit/loss for the year	-66,966	77,318
Other non-cash items	29,617	0
	276,113	**342,344**
26 Cash flow statement - change in working capital		
Change in inventories	-124,844	-26,657
Change in receivables	-158,044	-287,601
Change in trade payables, etc.	395,712	171,488
	112,824	**-142,770**

Accounting policies

The annual report of NGF Partnership K/S for 2022 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 2022 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.

Accounting policies

Business Combination

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition. Acquired contingent liabilities are recognised at fair value in the Consolidated Financial Statements to the extent that the value can be measured reliably.

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Amortisation of goodwill is allocated in the Consolidated Financial Statements to the operations to which goodwill is related. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

Discontinuing operations

On 26 November 2022, NGF Partnership K/S decided to accept a purchase offer from Shell Petroleum B.V. This means that the ownership of NGF Denmark Holding ApS per 20 February 2023 has changed. All activities has been classified as discontinuing operations.

Accounting policies

Consolidated financial statements

The consolidated financial statements comprise the parent company NGF Partnership KS moder and subsidiaries in which the parent company, directly or indirectly, holds more than 50% of the voting rights or otherwise has a controlling interest. Entities in which the Group holds between 20% and 50% of the voting rights and over which it exercises significant influence, but which it does not control, are considered participating interests or associates, cf. the group chart.

The consolidated financial statements are prepared as a consolidation of the parent company's and subsidiaries' financial statements by aggregating uniform accounting items. On consolidation, intra-group income and expenses, holdings of shares, intra-group balances and dividends as well as realised and unrealised gains and losses on intra-group transactions are eliminated.

Investments in subsidiaries are set off against the proportionate share of the subsidiaries' fair value of net assets and liabilities at the acquisition date.

Entities acquired or formed during the year are recognised in the consolidated financial statements from the date at which control is obtained. Entities sold during the year are recognised in the consolidated income statement until the date of disposal. Comparative figures are not restated for acquisitions or disposals.

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.

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.

Accounting policies

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.

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.

Accounting policies

Special items

Special items 2021 relate a closed dispute regarding project development. The amount is recognized as other operating costs.

Special items 2022 relate to Badwill in connection with business aqusition. The amount is recognized as other operating income and depreciation intangible assets.

Balance sheet

Intangible assets

Goodwill

Gains or losses on disposal of subsidiaries, participating interests 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.

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

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

Accounting policies

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.

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	years	20
Plant and machinery	years	3-20
Other fixtures and fittings, tools and equipment	years	3-10

The fixed assets' residual values are determined at nil.

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.

Accounting policies

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.

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 cost.

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.

Inventory

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

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

Accounting policies

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.

Prepayments

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

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 income for prior years and tax paid on account. Extra payments and repaymentunder the on-account taxation scheme are recognised in the income statement in financial income and expenses.

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

Deferred tax is measured on the basis of the tax rules and at the 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 deffered taxrelates to items recognised in equity.

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

Accounting policies

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.

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.

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’.

Accounting policies

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 $$\frac{\text{Gross Profit x 100}}{\text{Revenue}}$$

EBIT margin $$\frac{\text{Profit/loss before financials x 100}}{\text{Revenue}}$$