Annual Report 2018

Xergi A/S

Hermesvej 1

9530 Støvring

Denmark

CVR-nr. 27 06 24 66

The Annual Report was presented and adopted at the Annual General Meeting of the Company

on 1 March 2019

chairman

Contents

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Xergi A/S for the financial year 1 January – 31 December 2018.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position at 31 December 2018 of the Company and of the results of the Company operations and cash flows for 2018.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Odense, 1 March 2019

Executive Board:

William Tobin
Executive Officer

Board of Directors:

Ole Hvelplund
Chairman

Kim Kragelund
Deputy Chairman

Helene Kure Løftgaard

Hans Henrik Dahl Andersen

Independent Auditor's Report

To the Shareholders of Xergi A/S

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Odense, 1 March 2019

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR-nr. 33 77 12 31

Jesper Lund
State Authorised Public Accountant
mne10845

Line Hedam
State Authorised Public Accountant
mne27768

Management's Review

The Company

Xergi A/S
Hermesvej 1
DK-9530 Støvring

Telephone:	+45 99 35 16 00
Website:	www.xergi.com
E-mail:	mail@xergi.com
CVR-nr.:	27 06 24 66
Founded:	30 December 2002
Municipality of reg. office:	Rebild Kommune, Denmark

Board of Directors

Ole Hvelplund (Chairman)
Kim Kragelund (Deputy Chairman)
Hans Henrik Dahl Andersen
Helene Kure Løftgaard

Executive Board

William Tobin, Executive Officer

Auditors

PRICEWATERHOUSECOOPERS
Statsautoriseret Revisionspartnerselskab
Rytterkasernen 21
DK-5000 Odense C

Management's Review

Financial Highlights

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Key Figures					
Revenue	196,5	116,5	92,6	299,4	216,8
Operating income	-13,8	0,5	-4,2	20,0	16,2
Net financials	-4,3	0,4	0,3	-0,5	1,6
Earnings before tax	-30,7	0,7	-4,5	22,2	16,4
Net profit/loss for the year	**-27,7**	**0,5**	**-2,8**	**20,3**	**12,6**
Fixed assets	29,1	59,2	50,0	40,7	37,9
Current assets	107,1	82,7	49,4	96,8	126,3
Balance sheet total	**136,2**	**141,9**	**99,4**	**137,5**	**164,2**
Share capital	24,0	24,0	24,0	24,0	24,0
Equity	**37,4**	**66,2**	**68,0**	**68,7**	**47,9**
Provisions	3,3	3,4	5,6	6,2	9,3
Debt	95,5	72,2	25,8	62,5	107,1
Financial Highlights					
Profit margin	-7,0%	0,5%	-4,5%	6,7%	7,5%
Return on assets	-10,0%	0,5%	-3,8%	15,8%	15,5%
Gross margin	3,7%	16,9%	15,5%	12,8%	14,9%
Liquidity ratio	112,1%	114,4%	191,5%	154,8%	118,0%
Solvency ratio	27,5%	46,7%	68,4%	50,0%	29,2%
Return on equity	-53,4%	0,7%	-4,1%	34,8%	30,3%
Average number of employees	**58**	**58**	**67**	**73**	**64**

Financial Highlights:

The ratios have been prepared in accordance with definitions in the section under accounting policies.

Management's Review

Management's review

Principal activities

Xergi principal activity is the design, construction and commissioning of turnkey biogas plants.

Development in the year

Revenue for the financial year reached DKK 196m. The result for the year after tax shows a loss of DKK 27.677m.

Future expectations

The company expects a positive result for 2019.

Significant events after the end of the financial year

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Financial Statements 1 January – 31 December

Income Statement

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	Note	2018	2017
Revenue		196.464	116.477
Cost of sales		-189.220	-96.757
Gross profit/loss		7.244	19.720
Distribution expenses		-5.294	-6.318
Administrative expenses		-15.786	-12.872
Operating profit/loss		-13.836	530
Income from investments in subsidiaries		-12.584	-550
Income from investments in associates		0	260
Financial income	2	1.677	933
Financial expenses	3	-5.977	-489
Profit/loss before tax		-30.720	684
Tax on profit/loss for the year	4	3.043	-188
Net profit/loss for the year		-27.677	496

Financial Statements 1 January – 31 December

Balance Sheet

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	Note	2018	2017
ASSETS			
Fixed assets			
Intangible assets	5		
Software		95	126
Completed development projects		159	698
		254	824
Tangible fixed assets	6		
Leasehold improvements		29	44
Production plants and machinery		1.613	1.602
Other fixtures and fittings, tools and equipment		225	108
		1.867	1.754
Financial fixed assets			
Investments in subsidiaries	7	12.825	21.345
Other investments	8	14.200	35.266
		27.025	56.611
Total fixed assets		29.146	59.189
Current assets			
Inventories			
Raw materials and consumables		2.119	1.263
Goods in production		0	373
Inventories		2.119	1.636
Receivables			
Trade receivables		13.585	50.502
Contract work in progress	9	1.485	1.177
Receivables from group enterprises		74.832	17.184
Deferred tax	10	9.706	6.664
Outstanding company tax	11	16	1.713
Other receivables		3.786	1.427
Prepayments	12	1.420	1.469
		104.830	80.136
Cash at bank and in hand		107	900
Total current assets		107.056	82.672
TOTAL ASSETS		136.202	141.861

Financial Statements 1 January – 31 December

Balance Sheet

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	Note	2018	2017
LIABILITIES AND EQUITY			
Equity			
Share capital	13	24.000	24.000
Retained earnings		13.417	42.229
Total equity		37.417	66.229
Provisions			
Provisions	14	3.291	3.396
Provision for deferred tax	10	0	0
Total provisions		3.291	3.396
Debt			
Short-term debt			
Credit institutions		19.961	9.865
Contract work in progress	9	20.540	35.180
Trade payables		26.747	14.173
Payables for subsidiaries		13.551	716
Company tax	11	0	207
Other payables		14.695	12.095
Total short-term debt		95.494	72.236
Total debt		95.494	72.236
TOTAL LIABILITIES AND EQUITY		136.202	141.861

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Financial Statements 1 January – 31 December

Statement of Changes in Equity

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	Note	Share capital	Retained earnings	Total
Equity at 1 January 2017		24.000	43.952	67.952
Exchange adjustments related to hedging contracts		0	-1.995	-1.995
Exchange adjustments relating to foreign entities		0	-224	-224
Net profit/loss for the year	19	0	496	496
Equity at 1 January 2018		24.000	42.229	66.229
Exchange adjustments related to hedging contracts		0	-996	-996
Exchange adjustments relating to foreign entities		0	-139	-139
Net profit/loss for the year	19	0	-27.677	-27.677
Equity at 31 December 2018		24.000	13.417	37.417

Financial Statements 1 January – 31 December

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1 Accounting policies

The annual report of Xergi A/S for 2018 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

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

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

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

Foreign currency translation

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the date of transaction. Exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at closing rates. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are recognised at cost and subsequently at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables and payables, respectively.

Fair value adjustments of derivative financial instruments designated as and qualifying for recognition as a fair value hedge of recognised assets and liabilities are recognised in the income statement together with changes in the value of the hedged asset or liability.

Changes in the fair value of derivative financial instruments classified as and qualifying for recognition as an instrument used for hedging future transactions are recognised directly in the balance sheet. When the hedged transactions are realised, the accumulated changes are recognised as part of the cost of the relevant financial statement items.

Financial Statements 1 January – 31 December

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1 Accounting policies (continued)

Income statement

Revenue

Revenue from the sale of services and goods for resale is recognised in the income statement provided that delivery and transfer of risk to the buyer have taken place before year end and that the income can be reliably measured and is expected to be received.

Construction contracts are recognised in revenue by reference to the stage of completion. Accordingly, revenue corresponds to the selling price of work performed during the year (percentage of completion method). Revenue is recognised when total income and expenses relating to the contract and the stage of completion at the balance sheet date can be reliably measured, and when it is probable that future economic benefits, including payments, will flow to the Group.

Revenue is measured ex VAT, taxes and discounts in relation to the sale.

Production costs

The item comprises expenses incurred in generating the revenue for the year, Such costs include direct and indirect costs related to raw materials and consumables, wages and salaries as well as amortisation/depreciation.

Production costs also comprise development costs that do not qualify for capitalisation and amortisation of capitalised development costs, patents and rights.

Distribution costs

Distribution costs comprise costs incurred to generate the year's earnings are recognised, including sales campaigns, etc., carried out in the year, including costs related to sales staff, advertising, exhibitions and amortisation/depreciation.

Administrative expenses

Administrative expenses comprise costs incurred in the year to manage and administer the Group, including expenses related to administrative staff, management, office premises, office expenses and amortisation/depreciation.

Other operating income and expenses

Other operating income and expenses comprises items secondary to the primary activities of the companies.

Financial Statements 1 January – 31 December

Notes

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1 Accounting policies (continued)

Profit from investments in group entities

The proportionate share of the result after tax of the individual group entities are recognised in the income statement of the parent company after full elimination of intra-group profits/losses.

Profit/loss from equity investments in joint ventures and associates

The proportionate share of the result after tax and non-controlling interests of the individual joint ventures are recognised in the parent company's income statement after elimination of the proportionate share of intra-group profits/losses.

Financial income and expenses

Financial income and expenses comprise interest income and expense as well as gains and losses on payables and transactions denominated in foreign currencies.

Tax for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognized in the income statement, whereas the tax attributable to equity transactions is recognized directly in equity. .

Financial Statements 1 January – 31 December

Notes

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1 Accounting policies (continued)

Balance sheet

Intangible assets

Software is measured at cost less accumulated amortisation and impairment losses. Software is amortised on a straight-line basis over the estimated useful life of 2-7 years.

The useful life of intangible assets may exceed five years. The useful life is determined based on an individual assessment of the individual assets.

Development costs comprise costs, salaries and depreciation directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and where the technical rate of utilisation, sufficient resources and a potential future market or development potential in the company can be demonstrated, and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs, administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs, which are recognised in the balance sheet, are measured at the lower of cost less accumulated amortisation and recoverable amount. Completed development projects are amortised on a straight-line basis over the estimated useful life of the assets. The amortisation period is 5-10 years.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. The gains or losses are recognised in the income statement as other operating income or other operating costs.

Financial Statements 1 January – 31 December

Notes

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1 Accounting policies (continued)

Property, plant and equipment

Plant and machinery, fixtures and fittings, tools and equipment as well as leasehold improvements are measured at cost less accumulated depreciation.

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

Depreciation is provided on a straight-line basis over the expected useful lives of the assets, which are as follows:

Leasehold improvements	5 years
Plant and machinery	5-8 years
Fixtures and fittings, tools and equipment	3-8 years

The basis of depreciation is based on the residual value of the asset at the end of its useful life and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised in future periods as a change in accounting estimates.

Depreciation is recognised in the income statement under 'Production costs', 'Distribution costs' and 'Administrative expenses', respectively.

Gains and losses on the disposal of property, plant and equipment are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. The gains or losses are recognised in the income statement as other operating income or other operating costs.

Investments

Other equity investments

Unlisted shares are recognised at the lower of cost or fair value.

Financial Statements 1 January – 31 December

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1 Accounting policies (continued)

Investments in group entities/joint ventures and associates

Investments in group entities/joint ventures and associates are measured at the proportionate share of the entities' net asset value calculated in accordance with the Group's accounting policies with adjustments for unrealised intra-group profits and losses and any residual value of positive goodwill determined in accordance with the purchase method of accounting.

Negative goodwill is immediately recognised in the income statement for acquisitions after 1 January 2017. Negative goodwill from previous acquisitions are recognised on a straight-line basis over five years.

Net revaluation of investments in group entities/joint ventures and associates is recognised under equity in the reserve for net revaluation according to the equity method to the extent that the carrying amount exceeds cost.

Impairment of assets

The carrying amount of intangible assets, property, plant and equipment, investments in subsidiaries and unlisted shares is tested annually for evidence of impairment other than the decrease in value reflected by depreciation.

Impairment tests are conducted on individual assets or groups of assets when there is indication of impairment. Assets are written down to the lower of the carrying amount and the recoverable amount.

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the net present value of the expected cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for write-down no longer exists.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale, raw materials and work in progress are measured at cost, comprising purchase price plus delivery costs

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct labour and indirect production costs. Indirect production costs include the indirect cost of material and maintenance and depreciation of production machinery, buildings and equipment as well as expenses relating to plant administration and management.

Financial Statements 1 January – 31 December

Notes

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1 **Accounting policies (continued)**

Inventories (continued)

The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined by taking into account marketability, obsolescence and developments in the expected selling price.

Receivables

Receivables are measured at amortised cost. Provisions are made for bad debts based on an individual assessment.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured according to the stage of completion at the balance sheet date and the expected aggregate income from the individual contract.

When the selling price of a contract cannot be measured reliably, the selling price is measured at the lower of costs incurred and net realisable value.

The individual contract is recognised in the balance sheet as receivables or payables depending on the net value of the sales amount less on account invoicing and prepayments.

Selling costs and expenses incurred in securing contracts are recognised in the income statement as incurred.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Financial Statements 1 January – 31 December

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1 Accounting policies (continued)

Income tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on prior-year taxable income and tax paid on account.

Joint taxation contribution payable and receivable is recognised in the balance sheet as "Corporation tax receivable" or "Corporation tax payable".

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax base of tax losses carried forward, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

Deferred tax is calculated according to the tax rules and tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to materialise as current tax.

Other provisions

Provisions comprise anticipated costs related to warranties, loss on work in progress etc. Provisions are recognised when, as a consequence of an event occurring before or at the balance sheet date, the entity has a legal or a constructive obligation, the settlement of which is likely to result in an outflow from the entity of economic benefit.

Warranty commitments include expenses for remedial action in respect of the contract work within the warranty period of 1-5 years. Provisions for warranty commitments are measured and recognised based on experience gained from guarantee work.

Provisions are made for the total expected loss on the construction contract when it is deemed likely that the total costs will exceed the total income from the contract work in progress. The provision is recognised under production costs.

Liabilities

Debt to credit institutions is recognised at the date of borrowing at the net proceeds received less transaction costs. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest method. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Financial Statements 1 January – 31 December

Notes

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1 Accounting policies (continued)

Accruals and deferred income

Deferred income comprises payments received concerning income in subsequent years.

Cash and cash equivalents

Cash comprises cash funds.

Financial ratios

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Profit margin	$\frac{\text{Operating profit (EBIT) x 100}}{\text{Revenue}}$
Return on capital employed	$\frac{\text{Operating profit x 100}}{\text{Average operating assets}}$
Operating assets	Operating assets comprise total assets less cash
Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Current ratio	$\frac{\text{Current assets x 100}}{\text{Current liabilities}}$
Solvency ratio	Total equity (ultimo)/Total liabilities (ultimo)
Return on equity	$\frac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$

Financial Statements 1 January – 31 December

Notes

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		2018	2017
2	**Financial income**		
	Interest received from subsidiaries	297	248
	Foreign exchange gains	405	455
	Other financial income	975	230
		1.677	933
3	**Financial expenses**		
	Interest paid to subsidiaries	30	264
	Foreign exchange losses	5.802	176
	Other financial expenses	145	49
		5.977	489
4	**Tax on profit/loss for the year**		
	Current tax	0	-22
	Adjustment of tax previous years	-1	0
	Adjustment of deferred tax of the year	-3.042	210
		-3.043	188

Financial Statements 1 January – 31 December

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5 Intangible assets

	Software	Completed development projects	Total
Cost at 1 January 2018	4.612	2.695	7.307
Additions for the year	0	0	0
Disposals for the year	0	0	0
Cost at 31 December 2018	4.612	2.695	7.307
Impairment losses and amortisation at 1 January 2018	-4.486	-1.997	-6.483
Impairment losses and amortisation of sold assets	0	0	0
Impairment losses and amortization at 31 December 2018	-31	-539	-570
Cost at 31 December 2018	-4.517	-2.536	-7.053
Carrying amount at 31 December 2018	95	159	254
Amortised over	7 years	5 years	

Completed development projects relate to the development and test of machines to the pretreatment and transport of biomasses. Development activities were completed in 2014 and will be amortised over 5 years.

6 Tangible fixed assets

	Leasehold improvements	Production plants and machinery	Other fixtures and fittings, tools and equipment	Total
Cost at 1 January 2018	262	3.831	982	5.075
Additions for the year	0	104	220	324
Disposals for the year	0	0	-111	-111
Cost at 31 December 2018	262	3.935	1.091	5.288
Impairment losses and depreciation at 1 January 2018	-218	-2.229	-874	-3.321
Depreciation of sold assets	0	0	111	111
Depreciation of the year	-15	-93	-103	-211
Impairment losses and depreciation at 1 December 2018	-234	-2.322	-866	-3.422
Carrying amount at 31 December 2018	29	1.613	225	1.867
Depreciated over	5 years	5 - 8 years	3 - 8 years	

Financial Statements 1 January – 31 December

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		2018	2017
7	**Investment in subsidiaries**		
	Cost at 1 January	44.598	42.176
	Additions for the year	0	2.422
	Cost at 31 December	44.598	44.598
	Value adjustments at 1 January	-23.253	-21.105
	Exchange and value adjustments of hedging transactions.	-1.036	-1.598
	Adjustment for negative equity in subsidiary	5.100	0
	Net profit/loss for the year	-12.584	-550
	Value adjustments at 31 December	-31.773	-23.253
	Carrying amount at 31 December 2018	12.825	21.345
	Including goodwill to be amortised in future periods	536	648

Name	Place of registered office	Vote and ownership
Danish Biogas Technology A/S	Denmark	100%
Xergi NIX Technology A/S	Denmark	100%
Xergi Limited	England	100%
Xergi SAS	France	100%
Xergi Biogas GmbH	Germany	100%
Byosis B.V.	Holland	38%

		2018	2017
8	**Other investments**		
	Cost at 1 January	35.266	26.296
	Additions for the year	0	8.262
	Disposals for the year	-21.066	0
	Transferred from associates	0	708
	Cost at 31 December	14.200	35.266

Other investments relates to shares in non-listed Danish, English and French companies.

Financial Statements 1 January – 31 December

Notes

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		2018	2017
9	**Contract work in progress**		
	Selling price	210.229	56.478
	Invoicing on account	-229.824	-90.481
	Contract work in progress 31 December	-19.055	-34.003
	Included in the balance sheet		
	Contract work in progress (assets)	1.485	1.177
	Contract work in progress (liabilities)	-20.540	-35.180
	Contract work in progress 31 December	-19.055	-34.003
10	**Deferred tax**		
	Deferred tax at 1 January	-6.664	-6.874
	Amounts recognised for the year	-3.042	210
	Deferred tax at 31 December (asset)	-9.706	-6.664
	Included in the balance sheet		
	Deferred tax (assets)	-9.706	-6.664
	Deferred tax (liabilities)	0	0
		-9.706	-6.664
11	**Corporate tax**		
	Receivable corporate tax at 1 January	1.506	1.304
	Exchange adjustment	0	0
	Current tax on profit for the year	0	22
	Paid corporate tax for the year	-1.490	180
	Receivable corporate tax at 31 December	16	1.506
	Included in the balance sheet		
	Receivable corporate	16	1.713
	Corporate tax payable	0	-207
	Receivable corporate tax at 31 December	16	1.506

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		2018	2017
12	**Prepayments**		
	Prepaid rent	104	103
	Prepaid insurance premium	444	574
	Other prepayments	872	792
		1.420	1.469

13 Equity

The share capital consists of 24,000 shares of a nominal value of DKK 1,000. No shares carry any special rights.

There have been no changes in the share capital in the last 5 years.

14 Other provisions

	2018	2017
Warranty obligation at 1 January	3.396	5.635
Provision for the year	4.579	1.344
Provision for the year, paid	-4.683	-270
Provision for the year, reversed	0	-3.313
Warranty obligation at 31 December	3.291	3.396

The provisions are expected to mature as follows:

	2018	2017
0-1 years	3.291	3.396
1-5 years	0	0
Warranty obligation at 31 December	3.291	3.396

Warranty provisions comprise the company's normal 1 year/5 year warranty on completed projects, primarily booked with regards to AB requirements.

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	2018	2017

15 Operational leases, rent commitments and security

Operational leases, rent commitments

	2018	2017
Legal obligations (operational leases) due for payment within 5 years	1.093	1.174
Rent commitments (annual leases)	1.658	1.643

Security

	2018	2017
Performance bonds.	628	61.886

16 Staff

	2018	2017
Wages and salaries	48.107	37.914
Pensions	365	414
Other social security expenses	624	647
	49.096	38.975
Including remuneration to the Executive and Supervisory Boards	8.394	3.357
Average number of employees	58	58

17 Related parties

Xergi A/S's related parties comprise:

Controlling interest

NGF Nature Energy Biogas A/S owns 100% of the share capital in the company. NGF Nature Energy Biogas A/S is 100% owned by NGF Partnership K/S. Both companies have registered address at Ørbækvej 260, 5220 Odense SØ.

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18 Contingent liabilities

The company has issued a guarantee for Xergi Limited, which is a subsidiary of the company. The guarantee relates to the subsidiary's financial arrangement with the company's bank for DKK 1m. The arrangement amounts to DKK 0m as at 31 December 2018 (2017: DKK 0m).

	2018	2017
19 Proposal for distribution of profit		
Proposal for distribution of loss		
Retained earnings	-27.677	496
	-27.677	496