2018

Annual report for 2018

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

Adopted at the annual
general meeting on
28 May 2019

Ole Hvelplund
chairman

nature energy

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 28 February - 31 December 2018.

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 2018 and of the results of the group and the company operations and consolidated cash flows for the financial year 28 February - 31 December 2018.

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, 13 March 2019

On behalf of the General Partner: NGF General Partner ApS

Executive board

Ole Hvelplund
CEO

Board of Directors

Peter Gæmelke
chairman

Steen Parsholt

Sam Abboud

Terrence Tehranian

Daniel Johannes Michael Böhm

Hüseyin Meric

Independent auditor's report

To the shareholder of NGF Partnership K/S

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2018, and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 28 February - 31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of NGF Partnership K/S for the financial year 28 February - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("financial statements").

Basis for Opinion

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

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.

Independent auditor's report

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 the 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.

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 judgment and maintain professional skepticism 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.

Independent auditor's report

- 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.

Odense, 13 March 2019

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

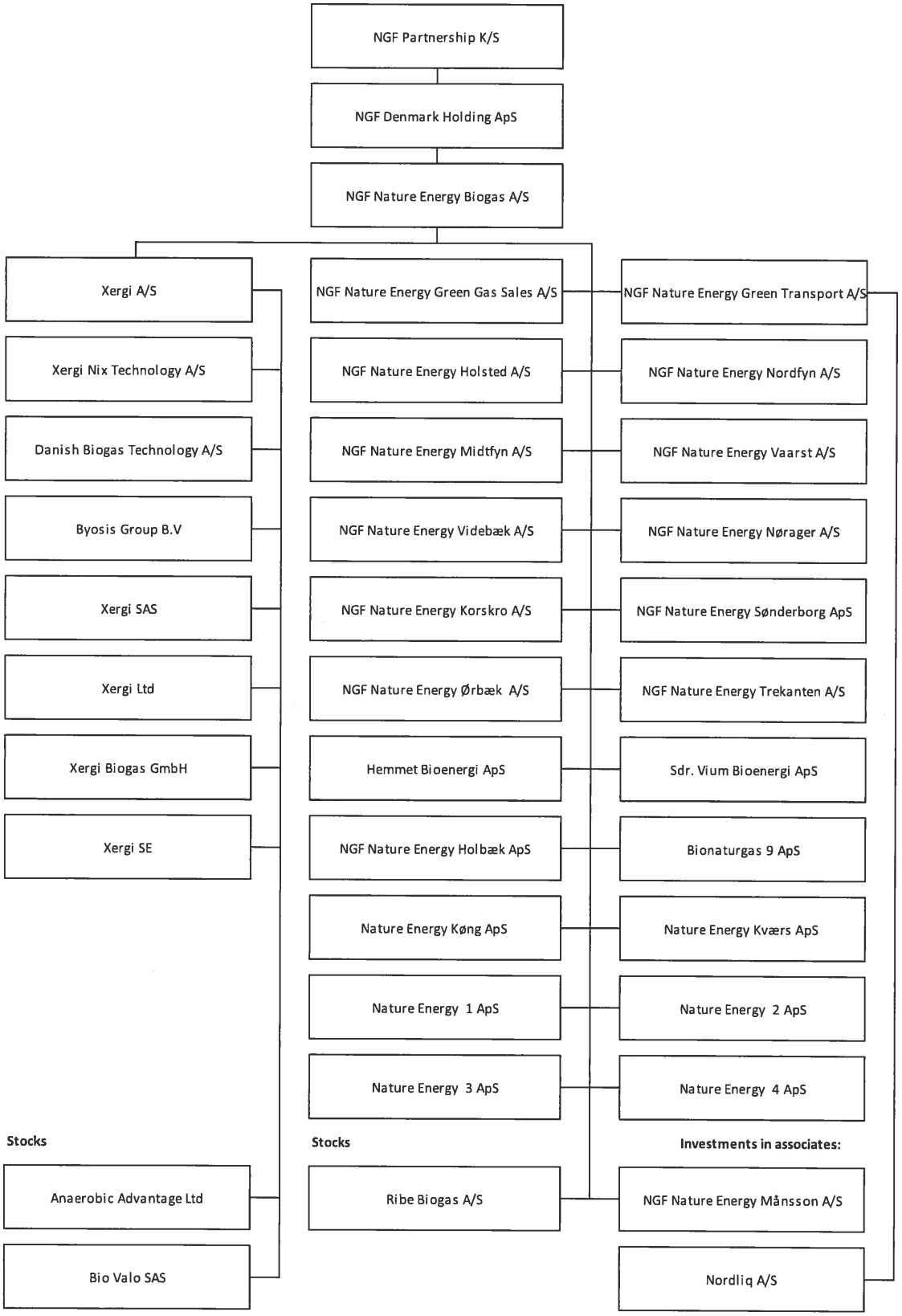
Jesper Lund
State Authorised Accountant
MNE no. mne10845

Line Hedam
State Authorised Accountant
MNE no. mne27768

Company details

The company	NGF Partnership K/S Ørbækvej 260 Odense SØ	
	CVR no.:	39 37 69 89
	Reporting period:	28 February - 31 December 2018
	Domicile:	Odense
Board of Directors	Peter Gæmelke, chairman Steen Parsholt Sam Abboud Terrence Tehranian Daniel Johannes Michael Böhm Hüseyin Meric	
Executive board	Ole Hvelplund, CEO	
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Rytterkasernen 21 5000 Odense C	

Group chart


NGF Partnership K/S
NGF Denmark Holding ApS
NGF Nature Energy Biogas A/S
Xergi A/S
Xergi Nix Technology A/S
Danish Biogas Technology A/S
Byosis Group B.V
Xergi SAS
Xergi Ltd
Xergi Biogas GmbH
Xergi SE
Stocks
Anaerobic Advantage Ltd
Bio Valo SAS
NGF Nature Energy Green Gas Sales A/S
NGF Nature Energy Holsted A/S
NGF Nature Energy Midtfyn A/S
NGF Nature Energy Videbæk A/S
NGF Nature Energy Korskro A/S
NGF Nature Energy Ørbæk A/S
Hemmet Bioenergi ApS
NGF Nature Energy Holbæk ApS
Nature Energy Køng ApS
Nature Energy 1 ApS
Nature Energy 3 ApS
Stocks
Ribe Biogas A/S
NGF Nature Energy Green Transport A/S
NGF Nature Energy Nordfyn A/S
NGF Nature Energy Vaarst A/S
NGF Nature Energy Nørager A/S
NGF Nature Energy Sønderborg ApS
NGF Nature Energy Trekanten A/S
Sdr. Vium Bioenergi ApS
Bionaturgas 9 ApS
Nature Energy Kværs ApS
Nature Energy 2 ApS
Nature Energy 4 ApS
Investments in associates:
NGF Nature Energy Månsson A/S
Nordliq A/S

Financial highlights

The development of the Group may be described by means of the following financial highlights:

	Group
	2018
	MDKK
Key figures	
Profit/loss	
Revenue	373
Gross profit	84
Profit/loss before amortisation/depreciation and impairment losses	9
Profit/loss before net financials	-58
Net financials	-46
Profit/loss for the year	171
Balance sheet	
Balance sheet total	1,702
Equity	751
Cash flows from:	
- operating activities	-83
- investing activities	-370
- including investment in property, plant and equipment	-393
- financing activities	578
The year's changes in cash and cash equivalents	125
Number of employees	181
Financial ratios	
Gross margin	22.5%
EBIT margin	-15.5%
Return on assets	-6.8%
Solvency ratio	44.1%
Return on equity	45.5%
Return on equity, continuing operations	-23.9%

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

Management's review

Business activities

The interests of Nature Energy Group is within the circular business, among others project development and the construction of projects relating to the production and upgrading of green gas to grid and biogas in transports.

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

In 2018, an average of 181 employees were employed by the Group.

Business review

The group income statement for the year ended 31 December shows a profit of TDKK 170,725, and the balance sheet at 31 December 2018 shows equity of TDKK 750,636.

On 31 May 2018, the subsidiary NGF Nature Energy A/S was sold to Energi Fyn Holding A/S.

At the end of 2018, NGF Nature Energy Biogas A/S acquired the companies Xergi A/S, Hemmet Bioenergi ApS and Sdr. Vium Bioenergi ApS.

Management's review

Biogas

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

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

A significant part of the further development of the biogas business was initiated in 2017. The construction of the biogas plant at Korskro was completed in 2018, and in Videbæk a plant is expected commissioned in the beginning of 2019.

The plant in Holsted is currently being expanded and is expected to be completed in the middle of 2019. In Brande the plant was inaugurated in early 2018.

Thus, eight new biogas plants are fully commissioned during 2019 with a combined production of upgraded biogas with a magnitude of 100 million m3 per year.

During 2018 further shared competences for analysis, monitoring, and optimisation of the biogas production has been added to the Nature Energy Group. The main laboratory has been extended in order to enable the Group to develop and improve the biogas business further.

Progress is still made in order to secure the long-term foundation of the Danish biogas business, focusing on developing biogas projects in all of Denmark. During 2018, significant progress has been made in the maturation of projects in Sønderborg and on Zealand along with the expansions of existing plants.

In 2018 Nature Energy was pleased by the extension of the existing CNG plant in Sønderborg. At the end of 2018 a new CNG plant was part of our pipeline in Aalborg, inaugurated in February 2019.

Market

2018 was a changeable year for the Market section that was managed in NGF Nature Energy A/S.

Despite challenging circumstances, including an intensified competitive market, the Market section achieved an increase of the customer share on the B2C of around 1 per cent until the sale in May 2018 to Energi Fyn Holding A/S.

Construction

Xergi is a leading supplier of advanced turnkey biogas plants. Xergi 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.

Management's review

Strategy and objectives

The NGF Nature Energy companies continuously expect to offer green gas and green certificates to a much larger extent and to be able to offer new products derived hereof.

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.

Special risks apart from generally occurring risks in industry

Operating risks

In 2019, the risk assessment will be characterised 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.

Political objectives can change the possibilities and focus of the biogas business.

The company seeks to eliminate or reduce these risks in cooperation with external partners, advice from external specialists and, not least, through gaining the core competences within the Nature Energy companies.

NGF Nature Energy in general is exposed to risk of deviations of gas prices, exchange rates etc. The company handles these risks within the procedures of an established risk policy. Risks are sought eliminated through a high degree of compliance between the conditions of producing and selling biogas.

Currency risks

NGF Nature Energy currently has loans in Danish Kroner and therefore no currency risks concerning loans. International activities, construction and sales of gas and certificates entail that the exchange rates affects the result, cash flow and equity of the company.

Interest-rate risks

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 consists of bank loans as well as loans with other credit institutions.

Credit risks

There are no considerable credit risks for the biogas business, the companies continuously assesses new customers, which may result in demands of pre-payments or other form of deposits and ultimately a termination of the contracts.

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

Management's review

Expectations for 2019

The result from the continued business is expected to be around zero in 2019.

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 input 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 2018, the Nature Energy Group had 350 suppliers and 21 trucks to collect and distribute manure. External transport companies drive the deep litter and industrial waste to the individual plants. On average, the company employs 181 employees and operates 9 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.

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.

Management's review

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 company's ambition to contribute to Denmark's transition towards a green economy based on renewable energy sources.

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

Efforts and results for the environmental and climate impact

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

During 2018, the Nature Energy Group continuously holds both external and internal control of the production plants in order to ensure no emission of methane.

The degassed manure does not smell when it is distributed to the fields and so reduces the odour emission from the agriculture.

Policies on social conditions and stakeholders

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

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

Management's review

Efforts and results regarding social conditions and stakeholders

During 2018, the company continued to introduce all new employees to the company's employee policies in order to ensure compliance of applicable rules and guidelines.

Based on the results of the employee survey in 2017, the Nature Energy Group has presented and executed an action plan in 2018 to the improvement of the employee relations in the individual departments. This has led to a result in the employee survey for 2018 with a high level of job satisfaction.

Despite the increase in the workforce and a varying employee turnover across functions, the 2018 level for the employee turnover has reached a satisfyingly low level.

Throughout the year, the company has continued the cooperation with the University of Southern Denmark (SDU) and the Schools of Marine Engineering and Technology Management in both Svendborg and Fredericia. Through these schools, the Nature Energy Group offers internships and student positions as well as a cooperation for engineering students from SDU writing their thesis.

Policies on human rights

Based on the company's business model and the fact that the main market of the company is Denmark, the company has assessed there to be no risk of negative influence of the human rights to a degree necessary to make policies hereof.

Policies on anti-corruption and bribery

The Nature Energy Group does not tolerate corruption. It is a Nature Energy Group policy not to cooperate with companies or business partners, who conduct any sort of corruption, including extortion or bribery. The Nature Energy Group does not have a separate code of conduct for suppliers. It is, however, a matter that the company continuously addresses towards its business partners.

In the event that employees experience misdemeanour of company policies the Nature Energy Group has a whistle-blower, giving the employees the possibility of an anonymous reporting and a subsequent handling of potential misdemeanours.

Efforts and results for anti-corruption

Throughout the year, the Nature Energy Group continuously has a dialogue with business partners about the behaviour and values that the company wishes to identify with.

There have been no reports on behaviour or incidents during the year that violate the Nature Energy Group policies or values regarding anti-corruption through the established whistle-blower.

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 under-represented 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 Board of Directors. The Board of Directors consists of six members, currently all men. NGF Partnership K/S always wants to recruit the best-qualified members of the Board. The intention is to increase the under-represented gender's share to one-third towards 2024. The ownership has not changed the composition of the Board throughout the year, why the ration between women and men has not changed and the target has not been reached.

On other management levels of the Nature Energy Group an equal composition between genders is aimed for taking into account always to choose the best-qualified candidate. As of 31 December 2018, there is an equality of genders on other management levels.

Recognition and measurement uncertainties

The recognition and measurement of items in the financial statements is not subject to any uncertainty.

Unusual matters

The groups financial position at 31 December 2018 and the results of its operations and cash flows for the financial year ended 31 December 2018 are not affected by any unusual matters.

Income statement 28 February - 31 December

	Note	Group 2018 TDKK	Parent Company 2018 TDKK
Revenue	1	**373,144**	**4,453**
Other operating income		12,577	0
Raw materials and consumables		-186,008	0
Other external expenses		-116,032	-11,561
Gross profit		**83,681**	**-7,108**
Staff costs	2	-74,428	-4,278
Profit/loss before amortisation/depreciation and impairment losses		**9,253**	**-11,386**
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3	-67,096	0
Profit/loss before net financials		**-57,843**	**-11,386**
Income from investments in subsidiaries		0	180,227
Income from investments in associates		1,773	0
Financial income	4	461	0
Financial costs	5	-47,914	-155
Profit/loss before tax		**-103,523**	**168,686**
Tax on profit/loss for the year	6	13,812	0
Profit/loss from continuing operations		**-89,711**	**168,686**
Profit/loss for the year, discontinuing operations	7	260,436	0
Profit/loss for the year		**170,725**	**168,686**
Distribution of profit	8		

Balance sheet 31 December

	Note	Group 2018 TDKK	Parent Company 2018 TDKK
Assets			
Completed development projects		159	0
Acquired patents, licenses and other rights		49,122	0
Goodwill		79,425	0
Development projects in progress		3,293	0
Intangible assets	9	**131,999**	**0**
Land and buildings		270,530	0
Plant and machinery		603,595	0
Other fixtures and fittings, tools and equipment		22,519	0
Property, plant and equipment in progress		263,348	0
Tangible assets	10	**1,159,992**	**0**
Investments in subsidiaries	11	0	688,729
Investments in associates	12	11,129	0
Receivables from associates	13	8,000	0
Other fixed asset investments	13	16,100	0
Other receivables	13	30,952	0
Fixed asset investments		**66,181**	**688,729**
Total non-current assets		**1,358,172**	**688,729**

Balance sheet 31 December (continued)

	Note	Group 2018 TDKK	Parent Company 2018 TDKK
Assets			
Raw materials and consumables		8,702	0
Stocks		**8,702**	**0**
Trade receivables		108,197	0
Contract work in progress	14	8,908	0
Receivables from subsidiaries		0	1,869
Receivables from associates		11,550	0
Other receivables		41,694	0
Deferred tax asset	16	28,684	0
Prepayments	15	11,239	0
Receivables		**210,272**	**1,869**
Cash at bank and in hand		**125,158**	**9,461**
Total current assets		**344,132**	**11,330**
Total assets		**1,702,304**	**700,059**

Balance sheet 31 December

	Note	Group 2018 TDKK	Parent Company 2018 TDKK
Equity and liabilities			
Reserve for net revaluation under the equity method		0	194,329
Retained earnings		698,116	503,787
Non-controlling interests		52,520	0
Equity		**750,636**	**698,116**
Other provisions	17	10,112	0
Total provisions		**10,112**	**0**
Other credit institutions		589,813	0
Other payables		9,909	0
Total non-current liabilities	18	**599,722**	**0**
Other credit institutions	18	49,697	0
Trade payables		97,189	414
Prepayments received recognised in debt	14	26,261	0
Other payables	18	83,660	1,529
Deferred income	19	85,027	0
Total current liabilities		**341,834**	**1,943**
Total liabilities		**941,556**	**1,943**
Total equity and liabilities		**1,702,304**	**700,059**
Significant events occurring after end of reporting period	20		
Rent and lease liabilities	21		
Contingencies, etc.	22		
Mortgages and collateral	23		
Related parties and ownership structure	24		
Fee to auditors appointed at the general meeting	25		

Statement of changes in equity

Group

	Share premium account	Retained earnings	Non-controlling interests	Total
Net effect from merger and acquisition	0	0	45,984	45,984
Cash capital increase	515,328	0	0	515,328
Fair value adjustment of hedging instruments	0	18,655	5,766	24,421
Changes in equity of tax	0	-4,104	-1,269	-5,373
Other equity movements	0	-449	0	-449
Net profit/loss for the year	0	168,686	2,039	170,725
Transfer from share premium account	-515,328	515,328	0	0
Equity at 31 December 2018	**0**	**698,116**	**52,520**	**750,636**

Parent Company

	Share premium account	Reserve for net revaluation under the equity method	Retained earnings	Total
Equity at 28 February 2018	0	0	0	0
Cash capital increase	515,328	0	0	515,328
Other equity movements	0	14,102	0	14,102
Net profit/loss for the year	0	180,227	-11,541	168,686
Transfer from share premium account	-515,328	0	515,328	0
Equity at 31 December 2018	**0**	**194,329**	**503,787**	**698,116**

Cash flow statement 28 February - 31 December

	Note	Group 2018 TDKK
Net profit/loss for the year		170,725
Adjustments	26	-193,040
Change in working capital	27	-8,686
Cash flows from operating activities before financial income and expenses		**-31,001**
Interest income and similar income		461
Interest expenses and similar charges		-47,914
Cash flows from ordinary activities		**-78,454**
Corporation tax paid		-4,525
Cash flows from operating activities		**-82,979**
Purchase of intangible assets		-105,062
Purchase of property, plant and equipment		-392,862
Fixed asset investments made etc		-42,116
Business acquisition		-115,134
Business sale		285,447
Cash flows from investing activities		**-369,727**
Repayment of payables to associates		-8,000
Raising of loans from credit institutions		68,277
Raising of other long-term debt		1,097
Minority interests		1,162
Cash capital increase		515,328
Cash flows from financing activities		**577,864**
Change in cash and cash equivalents		**125,158**
Cash and cash equivalents 28 February 2018		0
Cash and cash equivalents 31 December 2018		**125,158**
Analysis of cash and cash equivalents:		
Cash at bank and in hand		125,158
Cash and cash equivalents 31 December 2018		**125,158**

Notes

		Group	Parent Company
		2018	2018
		TDKK	TDKK
1	**Revenue**		
	Sales of Biogas	317,326	0
	Sales of CNG	14,834	0
	Sales Construction	14,673	0
	Other sales	26,311	4,453
	Total revenue	**373,144**	**4,453**
2	**Staff costs**		
	Wages and salaries	67,829	3,631
	Pensions	4,926	614
	Other social security costs	1,673	33
		74,428	**4,278**
	Remuneration of the Executive board and Board of Directors	**10,709**	**0**
	Average number of employees	181	2

With reference to the Danish Financial Statement Act 98b section 3, as the Executive board in the Parent Company only consisted of one member during 2018, the remuneration has not been disclosed. In the Parent Company no remuneration has been paid to the Board of Directors in 2018.

3	**Depreciation, amortisation and impairment of intangible assets and property, plant and equipment**		
	Depreciation intangible assets	7,838	0
	Depreciation tangible assets	59,406	0
	Gain/loss on disposal	-148	0
		67,096	**0**

Notes

		Group	Parent Company
		2018	2018
		TDKK	TDKK
4	**Financial income**		
	Other financial income	461	0
		461	**0**
5	**Financial costs**		
	Other financial costs	47,914	155
		47,914	**155**
6	**Tax on profit/loss for the year**		
	Current tax for the year	2,312	0
	Deferred tax for the year	-12,029	0
	Adjustment of deferred tax concerning previous years	9	0
		-9,708	**0**
	which breaks down as follows		
	Tax on profit/loss for the year	-13,812	0
	Tax on changes in equity	4,104	0
		-9,708	**0**

Notes

		Group	Parent Company
		2018	2018
		TDKK	TDKK
7	**Income statement, discontinuing operations**		
	Revenue	189,894	0
	Other operating income	261,538	0
	Raw materials and consumables	-163,821	0
	Staff costs	-17,602	0
	Other external expenses	-1,348	0
	Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	-2,306	0
	Financial costs	-15	0
	Tax on profit/loss for the year	-5,904	0
	Profit/loss for the year, discontinuing operations	**260,436**	**0**
		0	0
	Asset, discontinuing operations	**0**	**0**
	Liabilities, discontinuing operations	**0**	**0**
	Net assets, discontinuing operations	**0**	**0**

8	**Distribution of profit**		
	Proposed distribution of profit		
	Reserve for net revaluation under the equity method	0	180,227
	Retained earnings	168,686	-11,541
		168,686	168,686
	Non-controlling interests	2,039	0
		170,725	**168,686**

Notes

9 Intangible assets

Group

	Completed development projects	Acquired patents, licenses and other rights	Goodwill	Development projects in progress	Total
Cost at 28 February 2018	0	0	0	0	0
Net effect from merger and acquisition	2,695	48,004	659	3,293	54,651
Additions for the year	0	8,815	82,111	0	90,926
Transfers for the year	0	14,324	0	0	14,324
Cost at 31 December 2018	2,695	71,143	82,770	3,293	159,901
Impairment losses and amortisation at 28 February 2018	0	0	0	0	0
Net effect from merger and acquisition	1,997	15,351	11	0	17,359
Amortisation for the year	539	6,670	3,334	0	10,543
Impairment losses and amortisation at 31 December 2018	2,536	22,021	3,345	0	27,902
Carrying amount at 31 December 2018	**159**	**49,122**	**79,425**	**3,293**	**131,999**

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.

Development projects relate to the development and testing of equipment for ammonia scrubber/washer system. The projects are expected to be completed in 2019. The projects are progressing according to plan through the use of the resources allocated by Management to the development. The products are expected to be sold in the present market to the Company's existing customers, but also to new customers. Development projects are amortised over 5 years, which is the estimated useful life.

Notes

10 Tangible assets

Group

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress	Total
Cost at 28 February 2018	0	0	0	0	0
Net effect from merger and acquisition	223,450	579,624	10,782	176,215	990,071
Additions for the year	12,267	1,619	20,388	361,486	395,760
Disposals for the year	0	-5,383	-6,626	0	-12,009
Transfers for the year	64,734	192,094	3,157	-274,353	-14,368
Cost at 31 December 2018	300,451	767,954	27,701	263,348	1,359,454
Impairment losses and depreciation at 28 February 2018	0	0	0	0	0
Depreciation for the year	9,727	47,506	2,173	0	59,406
Net effect from merger and acquisition	20,216	118,010	5,900	0	144,126
Impairment and depreciation of sold assets for the year	0	-804	-3,222	0	-4,026
Transfers for the year	-22	-353	331	0	-44
Impairment losses and depreciation at 31 December 2018	29,921	164,359	5,182	0	199,462
Carrying amount at 31 December 2018	**270,530**	**603,595**	**22,519**	**263,348**	**1,159,992**
Interest expenses recognised as part of cost of assets	0	0	0	0	19,338

Notes

		Parent Company
		2018
		TDKK
11	**Investments in subsidiaries**	
	Cost at 28 February 2018	0
	Additions for the year	509,291
	Disposals for the year	-14,891
	Cost at 31 December 2018	494,400
	Revaluations at 28 February 2018	0
	Net profit/loss for the year	180,227
	Other equity movements, net	14,102
	Revaluations at 31 December 2018	194,329
	Carrying amount at 31 December 2018	**688,729**

Notes

Group

Investments in subsidiaries are specified as follows:

Name	Registered office	Ownership interest
NGF Nature Energy Nørager A/S	Odense	100%
NGF Nature Energy Ørbæk A/S	Odense	100%
NGF Nature Energy Korskro A/S	Odense	96%
NGF Nature Energy Vaarst A/S	Odense	83%
NGF Nature Energy Holsted A/S	Odense	71%
NGF Nature Energy Midtfyn A/S	Odense	84%
NGF Nature Energy Nordfyn A/S	Odense	74%
NGF Nature Energy Sønderborg A/S	Odense	100%
NGF Nature Energy Trekanen A/S	Odense	51%
Nature Energy Holbæk ApS	Odense	100%
Bionaturgas 9 ApS	Odense	100%
Nature Energy Køng ApS	Odense	100%
NGF Nature Energy Videbæk A/S	Odense	92%
NGF Nature Energy Green Gas Sales A/S	Odense	100%
NGF Nature Energy Green Transport A/S	Odense	100%
Hemmet Bioenergi ApS	Odense	100%
Sdr. Vium Bioenergi ApS	Odense	100%
Xergi A/S	Støvring	100%
Nature Energy Kværs ApS	Odense	100%
Nature Energy 1 ApS	Odense	100%
Nature Energy 2 ApS	Odense	100%
Nature Energy 3 ApS	Odense	100%
Nature Energy 4 ApS	Odense	100%

Notes

	Group	Parent Company
	2018	2018
	TDKK	TDKK
12 Investments in associates		
Cost at 28 February 2018	0	0
Net effect from merger and acquisition	11,949	0
Additions for the year	153	0
Cost at 31 December 2018	12,102	0
Revaluations at 28 February 2018	0	0
Net effect from merger and acquisition	-2,919	0
Net profit/loss for the year	1,773	0
Other equity movements, net	173	0
Revaluations at 31 December 2018	-973	0
Carrying amount at 31 December 2018	**11,129**	**0**

Group

Investments in associates are specified as follows:

Name	Registered office	Ownership interest
NGF Nature Energy Månsson A/S	Odense	49%

Notes

13 Fixed asset investments

Group

	Receivables from associates	Other fixed asset investments	Other receivables
Cost at 28 February 2018	0	0	0
Net effect from merger and acquisition	8,000	16,100	30,952
Cost at 31 December 2018	8,000	16,100	30,952
Carrying amount at 31 December 2018	**8,000**	**16,100**	**30,952**

Receivables from associated companies consist of the subordinated loan. The loan is remunerated, repayable and can be converted in the event of default.

Other receivables of kDKK 1,322 is due within 1 year.

14 Contract work in progress

	Group 2018 TDKK	Parent Company 2018 TDKK
Work in progress, selling price	-439,413	0
Work in progress, payments received on account	456,766	0
	17,353	**0**
Recognised in the balance sheet as follows:		
Contract work in progress under assets	8,908	0
Prepayments received under liabilities	-26,261	0
	-17,353	**0**

15 Prepayments

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

Notes

	Group	Parent Company
	2018	2018
	TDKK	TDKK
16 Provision for deferred tax		
Intangible assets	3,170	0
Tangible assets	52,207	0
Borrowing costs	-132	0
Accounting provisions and accruals	-18,926	0
Tax loss carry-forward	-65,003	0
Transferred to deferred tax asset	28,684	0
	0	**0**

17 Other provisions		
Net effect from merger and acquisition	4,961	0
Exchange adjustment	-113	0
Provision in year	13,611	0
Applied in the year	-8,347	0
Balance at 31 December 2018	**10,112**	**0**

The expected due dates of other provisions are:		
Within one year	10,112	0
	10,112	**0**

Notes

18 Long term debt

	Group	Parent Company
	2018	2018
	TDKK	TDKK
Other credit institutions		
After 5 years	409,843	0
Between 1 and 5 years	179,970	0
Non-current portion	589,813	0
Within 1 year	26,590	0
Other short-term debt to credit institutions	23,107	0
Current portion	49,697	0
	639,510	**0**
Other payables		
After 5 years	3,675	0
Between 1 and 5 years	6,234	0
Non-current portion	9,909	0
Within 1 year	36,401	0
Other short-term other debt	47,259	1,529
Current portion	83,660	1,529
	93,569	**1,529**

19 Deferred income

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

20 Significant events occurring after end of reporting period

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

Notes

	Group	Parent Company
	2018	2018
	TDKK	TDKK
21 Rent and lease liabilities		
Rent and lease liabilities for group entities.		
Total future lease payments:		
Within 1 year	9,646	0
Between 1 and 5 years	20,866	0
After 5 years	3,991	0
	34,503	**0**

22 Contingencies, etc.

The Group's Danish companies are jointly and severally liable for tax on the Group's jointly taxed income, etc. The total amount of due corporation tax payable is stated in the annual report of NGF Partnership K/S. Furthermore, the Group's Danish companies are jointly and severally liable for Danish taxes in the form of dividend tax and interest tax. Any subsequent corrections to corporate taxes may increase the the Company's commitment.

The Group has signed contracts for 1,900 TDKK for a 3 year period.

The Group has pledged bank account, TDKK 39,744, for collateral for bank balances in subsidiaries; NGF Nature Energy Midtfyn A/S, NGF Nature Energy Vaarst A/S, NGF Nature Energy Korskro A/S, NGF Nature Energy Nordfyn A/S og NGF Nature Energy Green Gas Sales A/S.

The Group guarantees obligations in the subsidiaries Bionaturgas 9 ApS, NGF Nature Energy Kværs ApS, Nature Energy 1 ApS, Nature Energy 2 ApS, Nature Energy 3 ApS and Nature Energy 4 ApS until the companies have submitted annual reports for a subsequent financial year in accordance with section 6 of the Danish Financial Statements Act §6.

The Group has provided a guarantee of TDKK 3.340 to third parties as collateral of subsidiaries' payments.

The Group has provided a guarantee of TDKK 648 to third-parties.

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, 2018, TDKK 83,593.

Notes

	Group	Parent Company
	2018	2018
	TDKK	TDKK
23 Mortgages and collateral		
The following assets have been put up as security for debt to mortgage credit institutions:		
Land and buildings	233,461	0
Plant and machinery	552,797	0
	786,258	**0**
The following assets have been put us as security for the group's floating charge:		
Plant, machinery, land and buildings	12,271	0
Stocks	445	0
Trade receivables	3,274	0
	15,990	**0**

24 Related parties and ownership structure

There are no companies with controlling interest.

All related party transactions are made on market terms.

25 Fee to auditors appointed at the general meeting

PricewaterhouseCoopers:		
Audit fee	325	20
Tax advisory services	201	0
Non-audit services	606	0
	1,132	**20**

Notes

	Group
	2018
	TDKK
26 Cash flow statement - adjustments	
Financial income	-461
Financial costs	47,914
Depreciation, amortisation and impairment losses	67,096
Income from investments in associates	-1,773
Tax on profit/loss for the year	-13,812
Other adjustments	-292,004
	-193,040

27 Cash flow statement - change in working capital	
Change in inventories	1,414
Change in receivables	118,108
Change in trade payables, etc.	-109,553
Fair value adjustments recognised in equity	-18,655
	-8,686

Accounting policies

The annual report of NGF Partnership K/S for 2018 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 2018 is presented in TDKK

Basis of recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of finan-cial 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 attribut-able to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Foreign currency translation

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.

Leases

All 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.'.

Accounting policies

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.

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.

Accounting policies

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.

Balance sheet

Intangible assets

Goodwill

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

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

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

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

Goodwill is amortised over the expected economic life of the asset, measured by reference to management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is 10 years. The amortisation period is based on the assessment that the entities in question are strategically acquired entities with a strong market position and a long-term earnings profile.

Accounting policies

Development projects, patents, licences and other rights

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

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

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

Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over the remaining patent period, and licences are amortised over the term of the licence, however not more than 5 years.

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

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans raised directly for financing the construction of property, plant and equip-ment are recognised in cost over the period of construction. All indirectly attributable borrowing expenses are recognised in the income statement.

The depreciable amount is cost less the expected residual value at the end of the useful life. Land is not depreciated.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

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

Depreciation period and residual value are reassessed annually.

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.

Accounting policies

Investments in subsidiaries and associates

Investments in subsidiaries and associates are recognised and measured under the equity method.

The items"Investments in subsidiaries" and "Investments in associates" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries and associates is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsi-diaries and the associates.

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

Other securities and investments, fixed assets

Investments are measured at fair value.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Stocks

Stocks are measured at cost using the 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 reali-sable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

Accounting policies

Receivables

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

Contract work in progress

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Prepayments

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

Deferred income tax is measured using the balance sheet liability method in respect of temporary dif-ferences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respec-tively.

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

Accounting policies

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the le-gislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Liabilities

Mortgage debt is thus measured at amortised cost, which for cash loans corresponds to the outstanding debt. For bond loans, amortised cost corresponds to an outstanding debt calculated as the underlying cash value of the loan at the time of borrowing, adjusted by amortisation of the value adjustment of the loan at the time of borrowing.

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

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

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.

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.

Accounting policies

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