NGI A/S

Virkelyst 5, 9400 Nørresundby

Company reg. no. 20 86 17 70

Annual report

1 January - 31 December 2018

The annual report was submitted and approved by the general meeting on the 22 May 2019.

Kim Karlov Nielsen
Chairman of the meeting

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Notes:
- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of NGI A/S for the financial year 1 January to 31 December 2018.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2018 and of the company's results of its activities in the financial year 1 January to 31 December 2018.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Nørresundby, 22 May 2019

Managing Director

Jan Nygaard

Board of directors

Andrea Volpi Chairman	Jan Nygaard	Richard Neil Smith

Independent auditor's report

To the shareholder of NGI A/S

Opinion

We have audited the annual accounts of NGI A/S for the financial year 1 January to 31 December 2018, which comprise accounting policies used, profit and loss account, balance sheet, statement of changes in equity and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

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

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section “Auditor’s responsibilities for the audit of the annual accounts”. We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

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

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management’s preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management’s review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the annual accounts, our responsibility is to read the management’s review and in that connection consider whether the management’s review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 22 May 2019

BUUS JENSEN
State Authorised Public Accountants
Company reg. no. 16 11 90 40

Ulrik Nørskov
State Authorised Public Accountant
mne29456

Benjamin Møller Obel
State Authorised Public Accountant
mne44149

Company data

The company	NGI A/S Virkelyst 5 9400 Nørresundby	
	Company reg. no.	20 86 17 70
	Established:	14 May 1998
	Domicile:	Aalborg
	Financial year:	1 January - 31 December 23rd financial year
Board of directors	Andrea Volpi, Chairman Jan Nygaard Richard Neil Smith	
Managing Director	Jan Nygaard	
Auditors	BUUS JENSEN, Statsautoriserede revisorer	

Financial highlights

DKK in thousands.	2018	2017	2016	2015	2014
Profit and loss account:					
Gross profit	119.735	107.032	93.469	82.920	72.776
Results from operating activities	37.083	33.746	31.351	37.801	32.621
Net financials	-2.922	-7.577	-3.799	-934	-1.235
Results for the year	22.295	18.451	18.714	28.255	23.808
Balance sheet:					
Balance sheet sum	338.401	314.383	301.943	102.313	97.808
Investments in tangible fixed assets represent	5.503	1.739	698	1.287	0
Equity	285.921	64.035	155.584	49.732	39.430
Employees:					
Average number of full time employees	102	93	82	78	74
Key figures in %:					
Acid test ratio	286,3	63,7	87,7	195,9	192,4
Solvency ratio	84,5	20,4	51,5	48,6	40,3
Return on equity	12,7	16,8	18,2	63,4	52,9

The calculation of key figures and ratios follow the Danish Association of Finance Analysts' recommendations.

The financial highlights for 2016 were influenced by a completed intra-group merger at the beginning of 2016.

The principal activities of the company

The company's purpose is developing, producing and selling steel and rubber components as semifinished products to the machine industry.

Development in activities and financial matters

The gross profit for the year is DKK 119.735.000 against DKK 107.032.000 last year. The results from ordinary activities after tax are DKK 22.295.000 against DKK 18.451.000 last year. The management consider the results satisfactory.

Special risks

Operating risks

The company's purchase price on raw material is largely dependent on developments in the steel price. The company has uncovered this risk, as the company's sales prices also vary with the development.

Exchange rate risks

Exports are mainly in EUR, USD and GBP. The company's admission af loans are mainly in EUR. No exchange rate risk hedging agreements will be made.

Research and development activities

Continuous adaptation and improvement of the company's products are being made. Costs associated in the development of products are recognised under development projects in the balance sheet.

The expected development

The company's management's expectation for 2019 are that the company will continue its positive development and improve its gross profit and cash flow.

Accounting policies used

The annual report for NGI A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class C enterprises (medium sized enterprises).

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

No consolidated annual accounts have been prepared, cf. section 112(1) of the Danish Financial Statements Act. The annual accounts of NGI A/S and its group enterprises are included in the consolidated annual accounts for NGI Holding ApS, Aalborg, CVR nr. 35 63 98 53.

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement for the enterprise has been prepared, as the relevant information is included in the consolidated annual accounts of NGI Holding ApS.

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Accounting policies used

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

In case the foreign group enterprises and associated enterprises meet the criteria for being independent units, the profit and loss accounts are translated by using actual exchange rate for the period in question, and the balance sheet items are translated by using the closing rate. Differences arising in connection with the translation of the equity of foreign group enterprises at the beginning of the year to the closing rate are recognised directly in the equity. The same goes for differences arising in connection with translation of the profit and loss accounts from average exchange rate to the closing rate.

The profit and loss account

Gross profit

The gross profit comprises the net turnover, changes in inventories of finished goods and work in progress, work performed for own purposes and capitalised, other operating income, and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Contract work in progress concerning construction contracts is recognised concurrently in the net turnover with the progress of the production. Thus the net turnover corresponds to the sales value of the completed productions of the year (the production method). The net turnover is recognised when the total income and costs of the contract and the scope of completion on the balance sheet date can be determined reliably, and when it is likely that the financial benefits will be received by the company.

When the results of a contract can not be determined reliably, the net turnover is only recognised on a cost basis, however, to the extent that it is probable that the costs will be recovered.

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprise accounting items of secondary nature in proportion to the principal activities of the enterprise, including gains on disposal of intangible and tangible fixed assets.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

Intangible fixed assets

Development projects, patents, and licences

Development costs comprise e.g. salaries, wages, and amortisation which directly refer to the development activities.

Clearly defined and identifiable development projects are recognised as intangible fixed assets provided that the technical feasibility, sufficient resources, and a potential market or a development opportunity can be demonstrated, and provided that it is the intention to produce, market or utilise the project. It is, however, a condition that the cost can be calculated reliably and that a sufficiently high degree of certainty indicates that future earnings will cover the costs for production, sales, and administration. Other development costs are recognised in the profit and loss account concurrently with their realisation.

Development costs recognised in the balance sheet are measured at cost with deduction of accrued depreciation and writedown.

After completion of the development work, capitalised development costs are amortised on a straight line basis over the estimated financial useful life. Usually, the amortisation period is 5 years.

Patents and licenses are measured at cost with deduction of accrued amortisation. Patents are amortised on a straight-line basis over the remaining patent period, and licenses are amortised, usually over 3 years, however, for a maximum of 5 years.

Gain and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price with deduction of sales costs and the book value at the time of the sale. Gain or loss are recognised in the profit and loss account as other operating income or other operating expenses respectively.

Goodwill

Goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. The amortisation period is determined on the basis og company having a strong position in its market areas and is the market leader in its core area. During the past 5 years, the company has realised rising earnings and based on management's expectations, the company has positive expectations for future earnings. Based on this, a amortisation period of 20 years is incorporated in the financial statement.

Tangible fixed assets

Other tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

	Useful life
Technical plants and machinery	*5-8 years*
Other plants, operating assets, fixtures and furniture	*3-5 years*

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

Leasing contracts

At the first recognition in the balance sheet, leasing contracts concerning tangible fixed assets by which the company holds all essential risks and advantages attached to the proprietary right (financial leasing) are measured either at fair value or at the present value of the future leasing services, whichever value is lower. When calculating the present value, the internal interest rate of the leasing contract or alternatively the borrowing rate of the enterprise is used as discount rate. Afterwards, financially leased assets are treated in the same way as other similar tangible assets.

The capitalised residual leasing liability is recognised in the balance sheet as a liability, and the interest part of the leasing contract is recognised in the profit and loss account over the term of the contract.

All other leasing contracts are considered operational leasing. Payments in connection with operational leasing and other rental agreements are recognised in the profit and loss account over the term of the contract. The company's total liabilities concerning operational leasing and rental agreements are recognised under contingencies etc.

Writedown of fixed assets

The book values of both intangible and tangible fixed assets as well as equity investments in subsidiaries and associated enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets respectively. Writedown takes place to the recoverable amount, if this value is lower than the book value.

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Previously recognised writedown is reversed when the condition for the writedown no longer exist. Writedown relating to goodwill is not reversed.

Financial fixed assets

Equity investments in group enterprises

Equity investments in group enterprises are recognised in the balance sheet at a proportional share under the equity method, the value being calculated on the basis of the accounting policies of the parent company by the deduction or addition of unrealised intercompany profits and losses, and with the addition or deduction of residual value of positive or negative goodwill measured by applying the acquisition method.

Group enterprises and associated enterprises with negative equity are recognised without any value, and to the extent they are considered irrevocable, amounts owed by these companies are written down by the parent's share of the equity. If the negative equity exceeds the debtors, the residual amount is recognised under liability provisions to the extent the parent has a legal or actual liability to cover the negative equity of the subsidiary.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises are transferred to the reserves under the equity for net revaluation as per the equity method. Dividends from group enterprises expected to be decided before the approval of this annual report are not subject to a limitation of the revaluation reserves. The reserves are adjusted by other equity movements in group enterprises.

Inventories

Inventories are measured at cost on basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

The cost for manufactured goods and works in progress comprises the cost for raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance of and depreciation on machinery, factory buildings and equipment applied during the production process, and costs for factory administration and factory management. Borrowing costs are not recognised in cost.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Work in progress for the account of others

Contract work in progress is measured at the selling price of the work performed, however with deduction of invoicing on account and expected losses. Contract work in progress is characterised by the manufactured goods featuring a high level of individualisation in the design.

The selling price is measured on the basis of the stage of completion on the balance sheet date and the total expected income from the individual contracts. The stage of completion is determined on the basis of an evaluation of the work performed, usually determined as the ratio of the costs incurred to the total expected cost of the contract in question.

When it is probable that the total contract costs will exceed the total contract revenue, the expected contract loss is immediately recognised as costs and provisions.

If the results of a contract can not be estimated reliably, the selling price is only recognised on a cost basis, however, to the extent that it is probable that the costs will be recovered.

Contracts for which the selling price of the work performed exceeds invoicing on account and expected losses are recognised as trade debtors. Contracts for which invoicing on account and expected losses exceed the selling price are recognised as liabilities.

Prepayments from customers are recognised under liabilities.

Costs in connection with sales work and the achievement of contracts are recognised in the profit and loss account when incurred.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

Equity

Reserves for development costs

Reserves for development costs comprise recognised development costs with deduction of related deferred tax liabilities. The reserves can not be used as dividend or for payment of losses. The reserves are reduced or dissolved if the recognised development costs are amortised or abandoned. This takes place by direct transfer to the distributable reserves of the equity.

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under the equity. Proposed dividend is recognised as a liability at the time of approval by the general meeting (the time of declaration).

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, NGI A/S is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carry-over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

Financial liabilities related to borrowings are recognised at the received proceeds with the deduction of transaction costs incurred. In following periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value by use of the effective interest. The difference between the proceeds and the nominal value is recognised in the profit and loss account during the term of the loan.

Also capitalised residual leasing liabilities in connection with financial leasing contracts are recognised in the financial liabilities.

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

Profit and loss account 1 January - 31 December

All amounts in DKK.

Note		2018	2017
	Gross profit	**119.734.750**	**107.032.426**
1	Staff costs	-63.800.783	-54.882.981
	Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-18.851.328	-18.403.042
	Operating profit	**37.082.639**	**33.746.403**
	Other financial income from group enterprises	17.662	47.226
	Other financial income	1.986.123	449.728
2	Other financial costs	-4.925.968	-8.073.892
	Results before tax	**34.160.456**	**26.169.465**
3	Tax on ordinary results	-11.865.347	-7.718.225
	Results from ordinary activities after tax	**22.295.109**	**18.451.240**
4	**Results for the year**	**22.295.109**	**18.451.240**

Balance sheet 31 December

All amounts in DKK.

Assets

Note		2018	2017
	Fixed assets		
5	Completed development projects, including patents and similar rights arising from development projects	10.028.341	6.881.568
6	Acquired concessions, patents, licenses, trademarks and similar rights	3.138.994	5.355.757
7	Goodwill	187.548.524	199.982.684
	Intangible fixed assets in total	200.715.859	212.220.009
8	Production plant and machinery	6.526.913	3.532.003
9	Other plants, operating assets, and fixtures and furniture	1.690.821	1.771.191
	Tangible fixed assets in total	8.217.734	5.303.194
10	Equity investments in group enterprises	465.498	465.498
	Financial fixed assets in total	465.498	465.498
	Fixed assets in total	**209.399.091**	**217.988.701**
	Current assets		
	Raw materials and consumables	9.856.287	8.583.874
	Work in progress	25.947.763	23.887.253
	Manufactured goods and trade goods	3.770.798	3.364.988
	Inventories in total	39.574.848	35.836.115
	Trade debtors	40.015.273	34.756.759
11	Work in progress for the account of others	1.251.636	4.124.239
	Amounts owed by group enterprises	516.933	1.884.032
	Receivable corporate tax	650.561	0
	Other debtors	1.633.400	3.978.132
12	Accrued income and deferred expenses	557.052	573.304
	Debtors in total	44.624.855	45.316.466
	Available funds	44.801.877	15.242.139
	Current assets in total	**129.001.580**	**96.394.720**
	Assets in total	**338.400.671**	**314.383.421**

Balance sheet 31 December

All amounts in DKK.

Note	Equity and liabilities	2018	2017
	Equity		
	Contributed capital	1.010.000	1.010.000
	Reserve for development expenditure	7.123.583	4.953.764
	Results brought forward	277.786.975	58.071.696
	Equity in total	**285.920.558**	**64.035.460**
	Provisions		
13	Provisions for deferred tax	2.979.670	2.527.109
	Provisions in total	**2.979.670**	**2.527.109**
	Liabilities		
	Bank debts	0	94.948.687
	Leasing liabilities	4.446.134	1.476.330
	Long-term liabilities in total	4.446.134	96.425.017
14	Liabilities	587.927	26.306.910
	Bank debts	145.111	84.996.065
	Trade creditors	37.778.762	29.325.985
	Debt to group enterprises	0	344.375
	Corporate tax	0	101.839
	Other debts	6.542.509	10.320.661
	Short-term liabilities in total	45.054.309	151.395.835
	Liabilities in total	**49.500.443**	**247.820.852**
	Equity and liabilities in total	**338.400.671**	**314.383.421**

15 Contingencies

16 Related parties

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Reserve for development expenditure	Results brought forward	Proposed dividend for the financial year	In total
Equity 1 January 2017	1.010.000	1.484.842	43.089.378	110.000.000	155.584.220
Distributed dividend	0	0	0	-110.000.000	-110.000.000
Profit or loss for the year brought forward	0	0	18.451.240	0	18.451.240
Transferred to reserve for development costs	0	3.412.128	0	0	3.412.128
Depreciation on reserve for development costs	0	56.794	0	0	56.794
Transferred to reserve for development costs	0	0	-3.412.128	0	-3.412.128
Depreciation on reserve for development costs	0	0	-56.794	0	-56.794
Equity 1 January 2018	1.010.000	4.953.764	58.071.696	0	64.035.460
Profit or loss for the year brought forward	0	0	22.295.109	0	22.295.109
Transferred to reserve for development costs	0	1.955.571	0	0	1.955.571
Depreciation on reserve for development costs	0	214.248	0	0	214.248
Group Contribution	0	0	199.589.989	0	199.589.989
Transferred to reserve for development costs	0	0	-1.955.571	0	-1.955.571
Depreciation on reserve for development costs	0	0	-214.248	0	-214.248
	1.010.000	**7.123.583**	**277.786.975**	**0**	**285.920.558**

All amounts in DKK.

		2018	2017
1.	**Staff costs**		
	Salaries and wages	56.405.261	48.257.250
	Pension costs	4.627.845	4.157.650
	Other costs for social security	738.993	645.289
	Other staff costs	2.028.684	1.822.792
		63.800.783	**54.882.981**
	Average number of employees	102	93

Pursuant to section 98b of the Danish Financial Statements Act. 3, second paragraph, information on management's remuneration is omitted.

		2018	2017
2.	**Other financial costs**		
	Financial costs, group enterprises	3.040	3.474
	Other financial costs	4.922.928	8.070.418
		4.925.968	**8.073.892**
3.	**Tax on ordinary results**		
	Tax of the results for the year	11.412.786	7.695.422
	Adjustment for the year of deferred tax	452.561	1.010.624
	Adjustment of tax for previous years	0	-987.821
		11.865.347	**7.718.225**
4.	**Proposed distribution of the results**		
	Allocated to results brought forward	22.295.109	18.451.240
	Distribution in total	**22.295.109**	**18.451.240**

Notes

All amounts in DKK.

		31/12 2018	31/12 2017
5.	**Completed development projects, including patents and similar rights arising from development projects**		
	Cost 1 January 2018	11.565.941	8.153.813
	Additions during the year	4.453.669	3.412.128
	Cost 31 December 2018	**16.019.610**	**11.565.941**
	Amortisation and writedown 1 January 2018	-4.684.373	-3.443.842
	Amortisation and writedown for the year	-1.306.896	-1.240.531
	Amortisation and writedown 31 December 2018	**-5.991.269**	**-4.684.373**
	Book value 31 December 2018	**10.028.341**	**6.881.568**

6.	**Acquired concessions, patents, licenses, trademarks and similar rights**		
	Cost 1 January 2018	9.724.577	6.837.174
	Additions during the year	325.868	2.887.403
	Cost 31 December 2018	**10.050.445**	**9.724.577**
	Amortisation and writedown 1 January 2018	-4.368.820	-2.195.161
	Amortisation and writedown for the year	-2.542.631	-2.173.659
	Amortisation and writedown 31 December 2018	**-6.911.451**	**-4.368.820**
	Book value 31 December 2018	**3.138.994**	**5.355.757**

7.	**Goodwill**		
	Cost 1 January 2018	248.683.141	248.683.141
	Cost 31 December 2018	**248.683.141**	**248.683.141**
	Amortisation and writedown 1 January 2018	-48.700.457	-36.266.297
	Amortisation and writedown for the year	-12.434.160	-12.434.160
	Amortisation and writedown 31 December 2018	**-61.134.617**	**-48.700.457**
	Book value 31 December 2018	**187.548.524**	**199.982.684**

Notes

All amounts in DKK.

		31/12 2018	31/12 2017
8.	**Production plant and machinery**		
	Cost 1 January 2018	23.645.029	22.892.032
	Additions during the year	4.788.012	752.997
	Disposals during the year	-104.000	0
	Cost 31 December 2018	**28.329.041**	**23.645.029**
	Depreciation and writedown 1 January 2018	-20.113.026	-18.422.901
	Depreciation and writedown for the year	-1.772.238	-1.690.125
	Writedown for the year	83.136	0
	Depreciation and writedown 31 December 2018	**-21.802.128**	**-20.113.026**
	Book value 31 December 2018	**6.526.913**	**3.532.003**
	Leased assets are included with a book value of	4.574.788	1.629.081
9.	**Other plants, operating assets, and fixtures and furniture**		
	Cost 1 January 2018	8.125.357	7.480.253
	Additions during the year	715.036	985.881
	Disposals during the year	0	-340.777
	Cost 31 December 2018	**8.840.393**	**8.125.357**
	Depreciation and writedown 1 January 2018	-6.354.166	-5.792.377
	Depreciation and writedown for the year	-795.406	-896.966
	Depreciation and writedown, disposed of assets	0	335.177
	Depreciation and writedown 31 December 2018	**-7.149.572**	**-6.354.166**
	Book value 31 December 2018	**1.690.821**	**1.771.191**

All amounts in DKK.

		31/12 2018	31/12 2017
10.	**Equity investments in group enterprises**		
	Acquisition sum, opening balance 1 January 2018	612.140	612.140
	Cost 31 December 2018	**612.140**	**612.140**
	Revaluations, opening balance 1 January 2018	-146.642	-146.642
	Revaluation 31 December 2018	**-146.642**	**-146.642**
	Book value 31 December 2018	**465.498**	**465.498**

Group enterprises:

	Domicile	Share of ownership
NGI Leveling System Inc.	USA	100 %

		31/12 2018	31/12 2017
11.	**Work in progress for the account of others**		
	Sales value of the production of the period	1.251.636	4.124.239
	Work in progress for the account of others, net	**1.251.636**	**4.124.239**
12.	**Accrued income and deferred expenses**		
	Prepaid expenses	557.052	573.304
		557.052	**573.304**
13.	**Provisions for deferred tax**		
	Provisions for deferred tax 1 January 2018	2.527.109	1.516.485
	Deferred tax of the results for the year	452.561	1.010.624
		2.979.670	**2.527.109**

All amounts in DKK.

14. Liabilities

	Instalments first year	Outstanding debt after 5 years	Debt in total 31 Dec 2018	Debt in total 31 Dec 2017
Bank debts	0	0	0	121.005.837
Leasing liabilities	587.927	0	5.034.061	1.726.090
	587.927	**0**	**5.034.061**	**122.731.927**

15. Contingencies

Contingent liabilities

Leasing liabilities

In addition to financial leasing contracts, the company has entered into operational leasing contracts with an average annual leasing payment of DKK 88.000. The leasing contracts have 6 months left to run, and the total outstanding leasing payment is DKK 48.000.

The company has entered into lease contracts with rent commitment of DKK 1.366.000.

Warranty commitments and other contingent liabilities

The company has provided guarantees for third parties for a total of DKK 1.973.000.

Joint taxation

NGI Holding ApS, company reg. no 35639853 being the administration company, the company is subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

The company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

The jointly taxed enterprises' total, known net liability to the Danish tax authorities appears from the annual accounts of the administration company.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.

NGI A/S has withdrawn from joint taxation as of the 3 of May 2018, as from the time of withdrawal from the joint taxation, the company is not liable for any tax claims against the other jointly taxed companies.

Notes

All amounts in DKK.

16. Related parties

Controlling interest

NGI Holding ApS, Virkelyst 5, 9400 Nørresundby	Majority shareholder

Transactions

All transactions with related parties have been carried out on market terms.