

NGI A/S
Virkelyst 5, 9400 Nørresundby

Company reg. no. 20 86 17 70

Annual report
1 January - 31 December 2019

The annual report was submitted and approved by the general meeting on the 13 May 2020.

Andrea Volpi
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 2019.

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 2019 and of the company's results of its activities in the financial year 1 January to 31 December 2019.

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

We recommend that the annual report be approved by the general meeting.

Nørresundby, 29 April 2020

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 2019, 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 2019 and of the results of the company's operations for the financial year 1 January to 31 December 2019 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.

Independent auditor's report

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.

Independent auditor's report

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, 29 April 2020

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 information

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
24th 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.	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Profit and loss account:					
Gross profit	125.558	117.706	107.032	93.469	82.920
Results from operating activities	47.535	37.083	33.746	31.351	37.801
Net financials	-866	-2.922	-7.577	-3.799	-934
Results for the year	33.655	22.295	18.451	18.714	28.255
Balance sheet:					
Balance sheet sum	365.345	338.401	314.383	301.943	102.313
Investments in tangible fixed assets represent	5.123	5.503	1.739	698	1.287
Equity	319.576	285.921	64.035	155.584	49.732
Employees:					
Average number of full time employees	113	102	93	82	78
Key figures in %:					
Acid test ratio	423,7	286,3	87,7	195,9	192,4
Solvency ratio	87,5	84,5	20,4	51,5	48,6
Return on equity	11,1	12,7	16,8	18,2	63,4

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

The financial highlights for 2017 were influenced by a completed intra-group merger at the beginning of 2016.

Management commentary

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 125.558.000 against DKK 117.706.000 last year. The results from ordinary activities after tax are DKK 33.655.000 against DKK 22.295.000 last year.

The development in profit and cash flows are in line with management's expectations from 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 and USD. 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 2020 are that the company will continue its positive development and improve its gross profit and cash flow.

Accounting policies

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

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.

Income statement

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.

Accounting policies

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.

Accounting policies

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 of the 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.

Accounting policies

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:

	<i>Useful life</i>
<i>Technical plants and machinery</i>	<i>5-8 years</i>
<i>Other plants, operating assets, fixtures and furniture</i>	<i>3-5 years</i>

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.

Leases

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

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

Leases are regarded as operating leases. Payments in connection with operating leases and other rental agreements are recognised in the profit and loss account over the term of the contract. The company's total liabilities concerning operating leases 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.

Accounting policies

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.

Newly taken over or newly established companies are recognised in the annual accounts as of the time of acquisition. Sold or liquidated companies are recognised at the time of cession.

Profit or loss in connection with the sale of group enterprises are measured as the difference between the sales amount and the book value of net assets at the time of the sale, inclusive of remaining consolidated goodwill and expected costs for sale and cession. Profit and loss are recognised in the profit and loss account under net financials.

In connection with the acquisition of new group enterprises and associated enterprises, the acquisition method is applied, by which the acquirees' assets and liabilities are measured at fair value at the time of acquisition. Provisions for payment of costs for decided restructuring activities in the acquirees in relation to the acquisition are recognised. The tax effect of the revaluations carried out is taken into consideration.

Accounting policies

Positive differences (goodwill) between cost and fair value of identifiable, acquired assets and liabilities, inclusive of liability provisions for restructuring, are recognised under equity investments in group enterprises, and they are amortised over their estimated useful life. The useful life is determined on the basis of the management's experience with the individual business areas. The amortisation period is maximum 20 years, being the longer for strategic acquirees with a strong market position and a long-range earnings potential. The book value of goodwill is evaluated currently and written down in the profit and loss account in those cases where the book value exceeds the expected future net income from the enterprise or the activity, to which the goodwill is attached. Negative balances (negative goodwill) is recognised as income in the profit and loss account at the date of acquisition when the general requirements for recognition of income are met.

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.

Accounting policies

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.

Accounting policies

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.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2019</u>	<u>2018</u>
Gross profit	125.558.073	117.706.066
1 Staff costs	-59.663.237	-61.772.099
Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-18.360.030	-18.851.328
Operating profit	47.534.806	37.082.639
Other financial income from group enterprises	13.216	17.662
Other financial income	988.039	1.986.123
2 Other financial costs	-1.866.826	-4.925.968
Results before tax	46.669.235	34.160.456
3 Tax on ordinary results	-13.014.041	-11.865.347
Results from ordinary activities after tax	33.655.194	22.295.109
4 Results for the year	33.655.194	22.295.109

Statement of financial position 31 December

All amounts in DKK.

<u>Note</u>	<u>2019</u>	<u>2018</u>
Assets		
Fixed assets		
5 Completed development projects, including patents and similar rights arising from development projects	1.619.435	2.421.720
6 Acquired concessions, patents, licenses, trademarks and similar rights	1.794.696	3.138.994
7 Goodwill	175.114.364	187.548.524
8 Development projects in progress and prepayments for intangible fixed assets	14.037.517	7.606.620
Intangible fixed assets in total	<u>192.566.012</u>	<u>200.715.858</u>
9 Production plant and machinery	8.149.837	6.526.913
10 Other plants, operating assets, and fixtures and furniture	2.788.515	1.690.821
Tangible fixed assets in total	<u>10.938.352</u>	<u>8.217.734</u>
11 Equity investments in group enterprises	465.498	465.498
Financial fixed assets in total	<u>465.498</u>	<u>465.498</u>
Fixed assets in total	<u>203.969.862</u>	<u>209.399.090</u>
Current assets		
Raw materials and consumables	10.979.673	9.856.287
Work in progress	32.514.793	25.947.763
Manufactured goods and trade goods	4.389.333	3.770.798
Inventories in total	<u>47.883.799</u>	<u>39.574.848</u>
Trade debtors	36.231.034	40.015.273
12 Work in progress for the account of others	891.343	1.251.636
Amounts owed by group enterprises	2.043.803	516.933
Tax receivables from group enterprises	1.858.398	650.561
Other debtors	1.400.608	1.633.400
13 Accrued income and deferred expenses	1.029.705	557.052
Debtors in total	<u>43.454.891</u>	<u>44.624.855</u>
Available funds	<u>70.036.256</u>	<u>44.801.877</u>
Current assets in total	<u>161.374.946</u>	<u>129.001.580</u>
Assets in total	<u>365.344.808</u>	<u>338.400.670</u>

Statement of financial position 31 December

All amounts in DKK.

<u>Note</u>	<u>2019</u>	<u>2018</u>
Equity and liabilities		
Equity		
Contributed capital	1.010.000	1.010.000
Reserve for development expenditure	12.210.083	7.123.583
Results brought forward	306.355.669	277.786.975
Equity in total	<u>319.575.752</u>	<u>285.920.558</u>
Provisions		
14 Provisions for deferred tax	3.852.109	2.979.670
Provisions in total	<u>3.852.109</u>	<u>2.979.670</u>
Liabilities		
Leasing liabilities	3.833.392	4.446.134
15 Long-term liabilities in total	<u>3.833.392</u>	<u>4.446.134</u>
15 Short-term part of long-term liabilities	612.661	587.927
Bank debts	300.482	145.111
Trade creditors	29.772.871	37.778.762
Debt to group enterprises	517.541	0
Other debts	6.880.000	6.542.508
Short-term liabilities in total	<u>38.083.555</u>	<u>45.054.308</u>
Liabilities in total	<u>41.916.947</u>	<u>49.500.442</u>
Equity and liabilities in total	<u>365.344.808</u>	<u>338.400.670</u>
16 Contingencies		
17 Related parties		

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Reserve for development expenditure	Results brought forward	In total
Equity 1 January 2018	1.010.000	4.953.764	58.071.696	64.035.460
Profit or loss for the year brought forward	0	0	22.295.109	22.295.109
Transferred to reserve for development costs	0	1.955.571	0	1.955.571
Depreciation on reserve for development costs	0	214.248	0	214.248
Group Contribution	0	0	199.589.989	199.589.989
Transferred to reserve for development costs	0	0	-1.955.571	-1.955.571
Depreciation on reserve for development costs	0	0	-214.248	-214.248
Equity 1 January 2019	<u>1.010.000</u>	<u>7.123.583</u>	<u>277.786.975</u>	<u>285.920.558</u>
Profit or loss for the year brought forward	0	0	33.655.194	33.655.194
Transferred to reserve for development costs	0	5.086.500	0	5.086.500
Transferred to reserve for development costs	0	0	-5.086.500	-5.086.500
	<u>1.010.000</u>	<u>12.210.083</u>	<u>306.355.669</u>	<u>319.575.752</u>

Notes

All amounts in DKK.

	<u>2019</u>	<u>2018</u>
1. Staff costs		
Salaries and wages	53.577.711	56.405.261
Pension costs	5.193.942	4.627.845
Other costs for social security	<u>891.584</u>	<u>738.993</u>
	<u>59.663.237</u>	<u>61.772.099</u>
Average number of employees	<u>113</u>	<u>102</u>
Pursuant to section 98b of the Danish Financial Statements Act. 3, second paragraph, information on management's remuneration is omitted.		
2. Other financial costs		
Financial costs, group enterprises	2.691	3.040
Other financial costs	<u>1.864.135</u>	<u>4.922.928</u>
	<u>1.866.826</u>	<u>4.925.968</u>
3. Tax on ordinary results		
Tax of the results for the year	12.141.602	11.412.786
Adjustment for the year of deferred tax	<u>872.439</u>	<u>452.561</u>
	<u>13.014.041</u>	<u>11.865.347</u>
4. Proposed distribution of the results		
Allocated to results brought forward	<u>33.655.194</u>	<u>22.295.109</u>
Distribution in total	<u>33.655.194</u>	<u>22.295.109</u>

Notes

All amounts in DKK.

	<u>31/12 2019</u>	<u>31/12 2018</u>
5. Completed development projects, including patents and similar rights arising from development projects		
Cost 1 January 2019	8.412.989	7.264.929
Additions during the year	<u>228.300</u>	<u>1.148.060</u>
Cost 31 December 2019	<u>8.641.289</u>	<u>8.412.989</u>
Amortisation and writedown 1 January 2019	-5.991.269	-4.684.373
Amortisation and writedown for the year	<u>-1.030.585</u>	<u>-1.306.896</u>
Amortisation and writedown 31 December 2019	<u>-7.021.854</u>	<u>-5.991.269</u>
Book value 31 December 2019	<u>1.619.435</u>	<u>2.421.720</u>
6. Acquired concessions, patents, licenses, trademarks and similar rights		
Cost 1 January 2019	10.050.444	9.724.577
Additions during the year	1.149.187	325.868
Disposals during the year	<u>-102.500</u>	<u>0</u>
Cost 31 December 2019	<u>11.097.131</u>	<u>10.050.445</u>
Amortisation and writedown 1 January 2019	-6.911.451	-4.368.820
Amortisation and writedown for the year	-2.493.484	-2.542.631
Depreciation, amortisation and writedown for the year, assets disposed of	<u>102.500</u>	<u>0</u>
Amortisation and writedown 31 December 2019	<u>-9.302.435</u>	<u>-6.911.451</u>
Book value 31 December 2019	<u>1.794.696</u>	<u>3.138.994</u>

Notes

All amounts in DKK.

	<u>31/12 2019</u>	<u>31/12 2018</u>
7. Goodwill		
Cost 1 January 2019	248.683.141	248.683.141
Cost 31 December 2019	<u>248.683.141</u>	<u>248.683.141</u>
Amortisation and writedown 1 January 2019	-61.134.617	-48.700.457
Amortisation and writedown for the year	-12.434.160	-12.434.160
Amortisation and writedown 31 December 2019	<u>-73.568.777</u>	<u>-61.134.617</u>
Book value 31 December 2019	<u>175.114.364</u>	<u>187.548.524</u>
8. Development projects in progress and prepayments for intangible fixed assets		
Cost 1 January 2019	7.606.621	4.301.321
Additions during the year	6.659.196	4.201.244
Disposals during the year	-228.300	-895.945
Cost 31 December 2019	<u>14.037.517</u>	<u>7.606.620</u>
Book value 31 December 2019	<u>14.037.517</u>	<u>7.606.620</u>
9. Production plant and machinery		
Cost 1 January 2019	28.329.041	23.645.029
Additions during the year	3.382.137	4.788.012
Disposals during the year	-22.000	-104.000
Cost 31 December 2019	<u>31.689.178</u>	<u>28.329.041</u>
Depreciation and writedown 1 January 2019	-21.802.128	-20.113.026
Depreciation and writedown for the year	-1.759.213	-1.772.238
Writedown for the year	22.000	83.136
Depreciation and writedown 31 December 2019	<u>-23.539.341</u>	<u>-21.802.128</u>
Book value 31 December 2019	<u>8.149.837</u>	<u>6.526.913</u>
Leased assets are included with a book value of	<u>3.671.137</u>	<u>4.574.788</u>

Notes

All amounts in DKK.

	<u>31/12 2019</u>	<u>31/12 2018</u>
10. Other plants, operating assets, and fixtures and furniture		
Cost 1 January 2019	8.840.394	8.125.357
Additions during the year	1.740.401	715.036
Disposals during the year	<u>-976.525</u>	<u>0</u>
Cost 31 December 2019	<u>9.604.270</u>	<u>8.840.393</u>
Depreciation and writedown 1 January 2019	-7.149.572	-6.354.166
Depreciation and writedown for the year	-642.708	-795.406
Writedown for the year	<u>976.525</u>	<u>0</u>
Depreciation and writedown 31 December 2019	<u>-6.815.755</u>	<u>-7.149.572</u>
Book value 31 December 2019	<u>2.788.515</u>	<u>1.690.821</u>
11. Equity investments in group enterprises		
Acquisition sum, opening balance 1 January 2019	<u>612.140</u>	<u>612.140</u>
Cost 31 December 2019	<u>612.140</u>	<u>612.140</u>
Revaluations, opening balance 1 January 2019	<u>-146.642</u>	<u>-146.642</u>
Revaluation 31 December 2019	<u>-146.642</u>	<u>-146.642</u>
Book value 31 December 2019	<u>465.498</u>	<u>465.498</u>
Group enterprises:		
	Domicile	Share of ownership
NGI Leveling System Inc.	USA	100 %
12. Work in progress for the account of others		
Sales value of the production of the period	<u>891.343</u>	<u>1.251.636</u>
Work in progress for the account of others, net	<u>891.343</u>	<u>1.251.636</u>
13. Accrued income and deferred expenses		
Prepaid expenses	<u>1.029.705</u>	<u>557.052</u>
	<u>1.029.705</u>	<u>557.052</u>

Notes

All amounts in DKK.

	<u>31/12 2019</u>	<u>31/12 2018</u>
14. Provisions for deferred tax		
Provisions for deferred tax 1 January 2019	2.979.670	2.527.109
Deferred tax of the results for the year	872.439	452.561
	<u>3.852.109</u>	<u>2.979.670</u>

15. Liabilities

	<u>Debt in total 31 Dec 2019</u>	<u>Short-term part of long- term liabilities</u>	<u>Long-term debt 31 Dec 2019</u>	<u>Outstanding debt after 5 years</u>
Leasing liabilities	4.446.053	612.661	3.833.392	1.432.430
	<u>4.446.053</u>	<u>612.661</u>	<u>3.833.392</u>	<u>1.432.430</u>

16. Contingencies

Contingent liabilities

Leasing liabilities

The company has entered into lease contracts with rent commitment of DKK 7.980.000.

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 total tax payable under the joint taxation amounts to DKK 0 thousand.

The liability relating to obligations in connection with withholding tax on dividends, interest and royalties represents an estimated maximum of DKK 0 thousand.

Notes

All amounts in DKK.

16. Contingencies (continued)

Joint taxation (continued)

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

17. 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.