NGI A/S

Virkelyst 5, 9400 Nørresundby

Company reg. no. 20 86 17 70

Annual report

1 January - 31 December 2022

The annual report was submitted and approved by the general meeting on the 31 May 2023.

Andrea Volpi
Chairman of the meeting

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Contents

Notes:
- To ensure the greatest possible applicability of this document, IAS/IFRS 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 statement

Today, the board of directors and the managing director have presented the annual report of NGI A/S for the financial year 1 January - 31 December 2022.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2022 and of the company's results of activities in the financial year 1 January – 31 December 2022.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved at the Annual General Meeting.

Nørresundby, 31 May 2023

Managing Director

Jan Nygaard

Board of directors

Andrea Volpi Chairman	Jan Nygaard	Richard Neil Smith

Tom Bjerg Lauritzen

Independent auditor's report

To the Shareholder of NGI A/S

Opinion

We have audited the financial statements of NGI A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022, and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for Opinion

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

Management's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Statement on Management's Review
Management is responsible for Management's Review.

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

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

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

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

Copenhagen, 31 May 2023

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 25th financial year
Board of directors	Andrea Volpi, Chairman Jan Nygaard Richard Neil Smith Tom Bjerg Lauritzen	
Managing Director	Jan Nygaard	
Auditors	BUUS JENSEN, Statsautoriserede revisorer	
Parent company	NGI Holding ApS 35 63 98 53	
Subsidiaries	NGI Leveling System Inc., USA NGI Ejendomme ApS, Denmark Momentum Technologies GmbH, Germany	

Financial highlights

DKK in thousands.	2022	2021	2020	2019	2018
Income statement:					
Revenue	350.057	332.842	271.742	271.878	260.298
Gross profit	188.666	173.955	132.102	125.558	117.706
Profit from operating activities	88.426	70.863	46.126	47.535	37.083
Net financials	1.274	-296	-2.525	-866	-2.922
Net profit or loss for the year	75.924	52.992	32.017	33.655	22.295
Statement of financial position:					
Balance sheet total	543.680	474.699	405.706	365.345	338.401
Investments in property, plant and equipment	15.800	22.621	18.320	8.527	5.503
Equity	480.508	404.585	351.593	319.576	285.921
Employees:					
Average number of full-time employees	157	143	126	113	102
Key figures in %:					
Gross margin ratio	53,9	52,3	48,6	46,2	45,2
Profit margin (EBIT-margin)	25,3	21,3	17,0	17,5	14,2
Acid test ratio	595,6	417,9	458,9	434,2	286,3
Solvency ratio	88,4	85,2	86,7	87,5	84,5
Return on equity	17,2	14,0	9,5	11,1	12,7

Calculations of key figures and ratios follow the recommendations of the Danish Association of Finance Analysts.

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.

Uncertainties about recognition or measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Development in activities and financial matters

The revenue for the year totals DKK 350.057.330 against DKK 332.841.615 last year. Income or loss from ordinary activities after tax totals DKK 67.562.092 against DKK 52.991.768 last year. Management considers the net profit for the year satisfactory and according to expectations from last year.

In the financial year, the company sold the business segment providing sub-contracting work for system providers. Impact from the sale is described in note 5 for discontinued activities and appears in the income statement.

New products

In the financial year, the company has launched several new products, which are expected to have a positive impact on the company's turnover and result going forward.

Financial resources

The company's financial resources is sufficient for the planned operations and investments in the coming years.

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.

Outlook

The company's management's expectation for 2023 are that the company will continue its positive development and improve its gross profit and cash flow in the range of 10-20%.

Branches abroad

The company has a branch in Italy (NGI Italy), the branch constitutes an insignificant share of the company's result

Financial risks and the use of financial instruments

Foreign currency risks

Exports are mainly in EUR and USD. No exchange rate risk hedging agreements will be made.

Credit risks

Deposits on demand are placed at systemic banks. Historically loss on trade receivables has been very low and by large trade receivables are counterparts with good credit ratings.

Events occurring after the end of the financial year

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

Corporate social responsibility

As a global company, we have a Code of Conduct (CoC) to support our values, integrity and way of doing business. Our CoC is fundamental to our strategic business understanding and the way we do business. The CoC is a set of ethical and moral rules which we expect our employees and cooperation partners to follow at all times. Working all over the world, we face dilemmas and challenges every day, and the CoC will support partners during their daily activities in making informed decisions.

We firmly believe that we should behave towards the world around us, which includes society in general, beyond the requirements and regulations. Our employees are educated and trained in applying with the CoC. The CoC applies in all countries in which we do business. In cases where national law is stricter, national law takes precedent.

The purpose of this CoC is to make sure that the company products are manufactured in a way that characterizes a company that acts in a responsible way in relation to all stakeholders. We aim to establish long-lasting relationships with our suppliers and customers to our mutual benefit. It is the intention to encourage commitment to responsible manufacturing and trading. We build our business on cooperation, innovation and knowledge-sharing. We aim to improve hygienic standards worldwide and continuously develop and innovate our products and concepts to satisfy the requirements of our customers. The NGI Hygienic Components group respects the culture, customs and traditions of the countries in which our suppliers and customers work.

The CoC is made available on our website at https://uk.ngi-global.com/sustainability/sustainability-the-ngi-way and contains more detailed information on:

- Human rights and labour rights
- Working hours
- Child labour/young workers
- Discrimination and harassment
- Forced labour
- Health and safety
- Corruption and bribery

Results

No consolidation of data has been made by measurements. follow-up of the company's CoC takes place on an adhoc basis.

External environment

Policies

It is the company's policy systematically and proactively to protect the environment and climate in the company's day-to-day business activities through continuous improvement and development of production methods and products, training of employees and influence of suppliers and stakeholders to live up to customers expectations.

We are taking more initiatives to support a sustainable future and protect the next generation. We are currently taking initiatives within the following areas:

- The CO2 footprint of our products
- Innovation of our products
- Renewable energy
- Waste products

Based on a precautionary approach to environmental and climate challenges, the company takes initiatives promoting greater responsibility and encouraging the development and diffusion of environmentally and climate-friendly technologies in accordance with Principles 6, 8, 12 and 13 of the UN Global Compact.

Results

More than 90% of the CO2 footprint from our products is related to the materials used for manufacturering. Approximately 7% comes from transport from subsuppliers. We will be working with our purchase of materials and logistics in order to reduce the CO2 footprint.

When designing new products, the primary raw material used is stainless steel, whereof 80% can be recycled. Our hygienic mindset results in products that saves resources such as water and detergents while protecting consumers.

An increasing share of our power supply originates from renewable energy sources and we have succeeded in reducing our CO2 emissions with 63% over a 3 year period.

Gender diversity

The company considers a good balance between women and men in senior positions to be an important prerequisite for a diversified innovation and development of the company, as it will ensure that the company utilizes it full talent potential of all employees, and that everyone benefits from the creative dynamics that create better and more balanced decisions and strengthened innovative power. The group therefore continuously strives in creating a framework, among other things through policies in the area, which can help to ensure one equal gender distribution in employment and career development in the group. The company works actively to achieve a "balanced composition of women and men", cf. Section 99b of the Danish Financial Statements Act. This is understood as at least 40% of leaders of each gender in the individual managerial levels.

Target figures for the company's top management

We will strive to meet the target for gender diversity in the board of directors when recruiting new or replacing existing board members.

Policies for the company's other management levels

The company's policy is to continue to have a balanced distribution between the two sexes, so that one gender is not underrepresented. The target figure for the underrepresented gender is 40% and the current figure is 22%.

Data ethics

The company only collects and analyzes data regarding trade with customers and suppliers for its own use. Data constitute ordinary business transactions at company level such as price, quantity, industry, geography etc. Person-sensitive data concerning individual persons are not collected and analyzed. Based on this, the company has not developed a separate policy for data ethics.

Income statement 1 January - 31 December

All amounts in DKK.

Note		2022	2021
1	Revenue	350.057.330	332.841.615
	Other operating income	1.315.669	0
	Costs of raw materials and consumables	-133.052.605	-133.438.206
	Other external expenses	-29.654.464	-25.448.469
	Gross profit	**188.665.930**	**173.954.940**
2	Staff costs	-73.163.898	-80.030.293
	Depreciation, amortisation, and impairment	-27.076.170	-23.062.065
	Operating profit	**88.425.862**	**70.862.582**
	Income from equity investments in subsidiaries	-368.850	361.216
	Other financial income from group enterprises	1.034.955	9.144
	Other financial income	3.840.788	1.582.661
3	Other financial costs	-3.233.315	-2.248.625
	Pre-tax net profit or loss	**89.699.440**	**70.566.978**
4	Tax on net profit or loss for the year	-22.137.348	-17.575.210
5	Results for the year after tax on discontinued operations	8.361.813	0
6	**Net profit or loss for the year**	**75.923.905**	**52.991.768**

Balance sheet at 31 December

All amounts in DKK.

Note	Assets	2022	2021
	Non-current assets		
7	Completed development projects, including patents and similar rights arising from development projects	11.667.340	10.294.375
8	Concessions, patents, licenses, trademarks, and similar rights acquired	865.056	1.317.332
9	Goodwill	137.811.884	150.246.044
10	Development projects in progress and prepayments for intangible assets	17.526.451	18.762.651
	Total intangible assets	167.870.731	180.620.402
11	Plant and machinery	39.073.497	34.008.189
12	Other fixtures and fittings, tools and equipment	6.709.435	6.580.334
	Total property, plant, and equipment	45.782.932	40.588.523
13	Investments in subsidiaries	42.215.188	42.438.444
14	Receivables from subsidiaries	24.848.319	0
15	Other receivables	5.457.393	0
	Total investments	72.520.900	42.438.444
	Total non-current assets	**286.174.563**	**263.647.369**
	Current assets		
	Raw materials and consumables	19.957.144	17.031.014
	Work in progress	45.591.728	36.153.774
	Manufactured goods and goods for resale	4.747.145	4.244.851
	Total inventories	70.296.017	57.429.639
	Trade receivables	44.422.011	51.186.508
16	Contract work in progress	0	2.082.509
	Receivables from group enterprises	31.140.267	18.761.740
	Tax receivables from group enterprises	0	857.881
	Other receivables	2.505.944	3.561.592
17	Prepayments and accrued income	2.016.748	1.537.165
	Total receivables	80.084.970	77.987.395

Balance sheet at 31 December

All amounts in DKK.

Note	Assets	2022	2021
	Cash on hand and demand deposits	107.124.176	75.634.884
	Total current assets	**257.505.163**	**211.051.918**
	Total assets	**543.679.726**	**474.699.287**

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities

Note		2022	2021
	Equity		
	Contributed capital	1.010.000	1.010.000
	Reserve for net revaluation according to the equity method	117.408	486.258
	Reserve for development costs	22.771.157	22.664.480
	Retained earnings	456.609.851	380.423.773
	Total equity	**480.508.416**	**404.584.511**
	Provisions		
18	Provisions for deferred tax	9.202.000	8.560.406
	Total provisions	**9.202.000**	**8.560.406**
	Liabilities other than provisions		
	Lease liabilities	1.780.213	2.163.545
	Other payables	8.954.401	8.887.801
19	Total long term liabilities other than provisions	10.734.614	11.051.346
19	Current portion of long term payables	352.185	1.067.723
	Bank loans	419.259	81.175
	Trade payables	34.694.538	39.124.319
	Payables to group enterprises	1.424.802	2.291.355
	Income tax payable	63.386	0
	Income tax payable to group enterprises	1.888.476	0
	Other payables	4.392.050	7.938.452
	Total short term liabilities other than provisions	43.234.696	50.503.024
	Total liabilities other than provisions	**53.969.310**	**61.554.370**
	Total equity and liabilities	**543.679.726**	**474.699.287**

20 Contingencies

21 Related parties

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Reserve for net revaluation according to the equity method	Reserve for development costs	Retained earnings	Total
Equity 1 January 2021	1.010.000	125.042	19.406.609	331.051.092	351.592.743
Share of profit or loss	0	361.216	0	52.630.552	52.991.768
Transferred from retained earnings	0	0	3.257.871	0	3.257.871
Adjustment 1	0	0	0	-3.257.871	-3.257.871
Equity 1 January 2022	1.010.000	486.258	22.664.480	380.423.773	404.584.511
Share of profit or loss	0	-368.850	0	76.292.755	75.923.905
Transferred from retained earnings	0	0	106.677	-106.677	0
	1.010.000	**117.408**	**22.771.157**	**456.609.851**	**480.508.416**

Notes

All amounts in DKK.

1. Revenue

Segmental statement

	Scandinavia	EU	Outside EU	Total
Geographical segment:	41.190.911	193.634.731	115.231.688	350.057.330

	2022	2021
2. Staff costs		
Salaries and wages	66.221.656	72.118.854
Pension costs	5.912.172	6.743.787
Other costs for social security	1.030.070	1.167.652
	73.163.898	**80.030.293**
Average number of employees	157	143

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

3. Other financial costs

Financial costs, group enterprises	17.678	14.286
Other financial costs	3.215.637	2.234.339
	3.233.315	**2.248.625**

4. Tax on net profit or loss for the year

Tax on net profit or loss for the year	21.373.072	15.689.322
Adjustment of deferred tax for the year	641.594	1.844.219
Adjustment of tax for previous years	63.091	0
Other taxes	59.591	41.669
	22.137.348	**17.575.210**

All amounts in DKK.

5. Discontinued operations

In 2022, as a part of the enterprise's future strategy, the management has decided to discontinue the business segment providing subcontracting work for system providers, which, as a result, is recognised in a separate item in the income statement as ”Post-tax net profit or loss for the year on discontinued operations”.

The comparative figures for 2021 have not been adjusted for discontinued operations.

	2022
Breakdown of post-tax net profit or loss for the year of discontinued operations into principal items:	
Revenue	36.024.848
Expenses	-29.662.718
Profit of goodwill	2.368.869
Profit on tangible assests	1.989.274
Pre-tax profit or loss	10.720.273
Tax on results	-2.358.460
Post-tax net profit or loss for the year of discontinued operations	**8.361.813**

	2022	2021
6. Proposed distribution of net profit		
Reserves for net revaluation according to the equity method	-368.850	361.216
Transferred to retained earnings	76.292.755	52.630.552
Total allocations and transfers	**75.923.905**	**52.991.768**

Notes

All amounts in DKK.

		31/12 2022	31/12 2021
7.	**Completed development projects, including patents and similar rights arising from development projects**		
	Cost 1 January 2022	21.009.074	16.682.282
	Additions during the year	2.259.199	2.411.524
	Disposals during the year	-54.155	0
	Transfers	2.560.413	1.915.268
	Cost 31 December 2022	**25.774.531**	**21.009.074**
	Amortisation and writedown 1 January 2022	-10.714.699	-8.297.064
	Amortisation and depreciation for the year	-3.446.645	-2.417.635
	Depreciation, amortisation and impairment loss for the year, assets disposed of	54.153	0
	Amortisation and writedown 31 December 2022	**-14.107.191**	**-10.714.699**
	Carrying amount, 31 December 2022	**11.667.340**	**10.294.375**
8.	**Concessions, patents, licenses, trademarks, and similar rights acquired**		
	Cost 1 January 2022	12.656.409	12.083.574
	Additions during the year	355.595	572.835
	Disposals during the year	-2.933.245	0
	Cost 31 December 2022	**10.078.759**	**12.656.409**
	Amortisation and writedown 1 January 2022	-11.339.077	-10.464.274
	Amortisation and depreciation for the year	-807.871	-874.803
	Depreciation, amortisation, and impairment loss for the year, assets disposed of	2.933.245	0
	Amortisation and writedown 31 December 2022	**-9.213.703**	**-11.339.077**
	Carrying amount, 31 December 2022	**865.056**	**1.317.332**

All amounts in DKK.

		31/12 2022	31/12 2021
9.	**Goodwill**		
	Cost 1 January 2022	248.683.141	248.683.141
	Cost 31 December 2022	**248.683.141**	**248.683.141**
	Amortisation and writedown 1 January 2022	-98.437.097	-86.002.937
	Amortisation and depreciation for the year	-12.434.160	-12.434.160
	Amortisation and writedown 31 December 2022	**-110.871.257**	**-98.437.097**
	Carrying amount, 31 December 2022	**137.811.884**	**150.246.044**

10.	**Development projects in progress and prepayments for intangible assets**		
	Cost 1 January 2022	18.762.651	16.495.302
	Additions during the year	1.324.213	4.182.617
	Transfers	-2.560.413	-1.915.268
	Cost 31 December 2022	**17.526.451**	**18.762.651**
	Carrying amount, 31 December 2022	**17.526.451**	**18.762.651**

11.	**Plant and machinery**		
	Cost 1 January 2022	64.674.330	45.559.036
	Additions during the year	13.543.014	19.115.294
	Disposals during the year	-4.373.975	0
	Cost 31 December 2022	**73.843.369**	**64.674.330**
	Depreciation and writedown 1 January 2022	-30.666.141	-24.917.202
	Amortisation and depreciation for the year	-8.358.525	-5.748.939
	Impairment loss for the year	4.254.794	0
	Depreciation and writedown 31 December 2022	**-34.769.872**	**-30.666.141**
	Carrying amount, 31 December 2022	**39.073.497**	**34.008.189**
	Lease assets are recognised at a carrying amount of	1.548.148	2.071.445

All amounts in DKK.

		31/12 2022	31/12 2021
12.	**Other fixtures and fittings, tools and equipment**		
	Cost 1 January 2022	17.560.104	14.054.533
	Additions during the year	2.256.763	3.505.571
	Disposals during the year	-1.374.450	0
	Cost 31 December 2022	**18.442.417**	**17.560.104**
	Depreciation and writedown 1 January 2022	-10.979.770	-9.393.242
	Amortisation and depreciation for the year	-2.045.886	-1.586.528
	Impairment loss for the year	146.373	0
	Depreciation, amortisation and impairment loss for the year, assets disposed of	1.146.301	0
	Depreciation and writedown 31 December 2022	**-11.732.982**	**-10.979.770**
	Carrying amount, 31 December 2022	**6.709.435**	**6.580.334**

All amounts in DKK.

		31/12 2022	31/12 2021
13.	**Investments in subsidiaries**		
	Cost 1 January 2022	41.952.186	612.140
	Additions during the year	145.594	41.340.046
	Cost 31 December 2022	**42.097.780**	**41.952.186**
	Revaluations, opening balance 1 January 2022	486.258	125.042
	Net profit or loss for the year before amortisation of goodwill	2.236.602	361.216
	Revaluation 31 December 2022	**2.722.860**	**486.258**
	Amortisation of goodwill, opening balance 1 January 2022	0	0
	Amortisation of goodwill for the year	-2.605.452	0
	Depreciation on goodwill 31 December 2022	**-2.605.452**	**0**
	Carrying amount, 31 December 2022	**42.215.188**	**42.438.444**
	The item includes goodwill with an amount of	23.594.694	26.054.552
	Goodwill is recognised under the item "Additions during the year" with an amount of	145.594	26.054.552

Subsidiaries:

	Domicile	**Equity interest**
NGI Leveling System Inc.	USA	100 %
NGI Ejendomme ApS	Denmark	100 %
Momentum Technologies GmbH	Germany	81 %

Notes

All amounts in DKK.

		31/12 2022	31/12 2021
14.	**Receivables from subsidiaries**		
	Cost 1 January 2022	0	0
	Additions during the year	24.848.319	0
	Cost 31 December 2022	**24.848.319**	**0**
	Carrying amount, 31 December 2022	**24.848.319**	**0**
	Specified as follows:		
	Receivables from NGI Ejendomme ApS	24.848.319	0
		24.848.319	**0**

		31/12 2022	31/12 2021
15.	**Other receivables**		
	Cost 1 January 2022	0	0
	Additions during the year	5.457.393	0
	Cost 31 December 2022	**5.457.393**	**0**
	Carrying amount, 31 December 2022	**5.457.393**	**0**
	Specified as follows:		
	Other receivables	5.457.393	0
		5.457.393	**0**

All amounts in DKK.

		31/12 2022	31/12 2021
16.	**Contract work in progress**		
	Selling price of the production for the period	0	2.082.509
	Contract work in progress, net	**0**	**2.082.509**
17.	**Prepayments and accrued income**		
	Prepaid expenses	2.016.748	1.537.165
		2.016.748	**1.537.165**
18.	**Provisions for deferred tax**		
	Provisions for deferred tax 1 January 2022	8.560.406	6.716.187
	Deferred tax relating to the net profit or loss for the year	641.594	1.844.219
		9.202.000	**8.560.406**

19. Liabilities other than provision

	Total payables 31 Dec 2022	**Current portion of long term payables**	**Long term payables 31 Dec 2022**	**Outstanding payables after 5 years**
Lease liabilities	2.132.398	352.185	1.780.213	0
Other payables	8.954.401	0	8.954.401	2.780.264
	11.086.799	**352.185**	**10.734.614**	**2.780.264**

20. Contingencies

Contingent liabilities

Lease liabilities

The company has entered into lease contracts with rent commitment of DKK 6.715 thousand

Joint taxation

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

All amounts in DKK.

20. Contingencies (continued)

Joint taxation (continued)

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

The jointly taxed enterprises' total known net liability to the Danish tax authorities emerges from the financial statements of the administration company.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

21. 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.

Accounting policies

The annual report for NGI A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (large enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

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

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

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations, amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Recognition of discontinued operations

Discontinued operations represent a considerable part of the enterprise if activities and cash flows, in operational and accounting terms, are recognised separately from the rest of the enterprise and if the entity has either been sold or demerged and held for sale and this sale is expected to be completed within one year in accordance with a formal plan. Also, discontinued operations comprise enterprises which, on acquisition, were classified as held for sale.

Post-tax profit or loss on discontinued operations and value adjustments after tax on related assets and liabilities as well as gains/losses from sales are recognised as separate items in the income statement without restating comparatives. Revenue, costs, value adjustments, and tax on the discontinued operation in question are recognised in the notes. Assets and related liabilities concerning discontinued operations are recognised as separate items in the statement of financial position without restating comparatives and the principal items are specified in the notes.

Assets relating to discontinued operations comprise non-current assets and disposal groups, the disposal of which is expected as a result of discontinued operations. Disposal groups are assets disposed of in whole by sale or similar transaction. Liabilities arising from assets concerning discontinued operations are obligations related directly to these assets and will be transferred upon transaction. Assets are classified as assets relative to discontinued operations when their carrying amount is primarily recovered through disposal within a 12-month period in accordance with a formal plan rather than through continued use.

Assets or disposal groups relative to discontinued operations are measured at the lowest value at the time of an operation being classified as a discontinued operation, or at fair value less sales costs. Assets are not depreciated or amortised as of the time they are classified as discontinued operations.

Foreign currency translation

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. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve in the Consolidated Financial Statement. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Translation adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in equity in the fair value reserve. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised directly in equity.

When recognising foreign group enterprises which are integral units, the monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate prevailing at the time of acquisition or at the time of the subsequent revaluation or write-down for impairment of the asset. Income statement items are translated using the exchange rate prevailing at the date of the transaction. However, items in the income statement derived from non-monetary items are translated using historical prices.

Business combinations

Acquisitions completed by the 1 July 2018 or later (method of consolidation)

Acquisition of group enterprises are dealt with in accordance with the acquisition method, and afterwards the assets and liabilities of the acquired entity are measured at fair value at the date of acquisition. If it is possible to measure the value reliably, acquired contingent liabilities are measured at fair value under the item Equity investments in group enterprises.

The date of acquisition is the date when control of the acquired entity is obtained.

The cost of the acquired entity represents the fair value of the consideration agreed upon, including the considerations that are conditional on future events. Transaction costs directly attributable to the acquisition of group enterprises are added to the equity investment.

Positive differences between the cost of the acquired entity and the identified assets and liabilities are recognised in the equity investment as goodwill, which is amortised on a straight-line basis in the income statement over the expected useful life. Amortisation of goodwill is allocated to the functions to which the goodwill relates. If the difference is negative, this is recognised immediately in the income statement.

If the allocation of the purchase price is not final, positive and negative differences from acquired group enterprises may, as a result of changes in recognition and measurement of the identified net assets, be adjusted up to 12 months from the date of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including depreciation already made.

If the cost includes contingent considerations, these are measured at fair value at the date of acquisition. Subsequently, contingent considerations at fair value are measured again. Value adjustments are recognised in the income statement.

In case of step-by-step acquisitions, the value of the hitherto equity holding in the acquired entity is measured again at the fair value at the date of acquisition. The difference between the carrying amount of the hitherto equity investment and the fair value is recognised in the income statement.

Income statement

Revenue

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income

Other external costs

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

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

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from equity investments in subsidiaries

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the individual group enterprises are recognised in the income statement as a proportional share of the group enterprises' post-tax profit or loss.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

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

Statement of financial position

Intangible assets

Development projects, patents, and licences

Development costs comprise salaries, wages, and amortisation directly attributable to development activities.

Clearly defined and identifiable development projects are recognised as intangible assets provided that they are proven to be technically practicable, that sufficient resources and a potential market or development opportunity exist, and insofar as the intention is to produce, market or utilise the project. It is, however, a condition that the cost can be reliably calculated and that a sufficiently high degree of certainty indicates that future earnings will cover the costs of production, sales, and administration. Other development costs are recognised in the income statement concurrently with their realisation.

Development costs recognised in the statement of financial position are measured at cost less accrued amortisations and writedowns for impairment.

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

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 5 years.

Profit and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss are recognised in the income statement as other operating income or other operating expenses, respectively.

Goodwill

Acquired goodwill is measured at cost with deduction of accumulated amortisation. Goodwill is amortised over the estimated useful life, which is determined on the basis of management’s experience in the individual business areas. Goodwill is amortised on a straightline basis over the amortisation period, which is set at 20 years. The amortisation period is determined on the basis of an expected pay-back period, being the longer for strategical acquirees with a strong market position and an expected longterm earnings profile.

Tangible assets

Tangible assets are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less 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 carrying amount, the depreciation is discontinued.

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

The cost comprises acquisition cost and costs directly associated with 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, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Plant and machinery	5-8 years
Other fixtures and fittings, tools and equipment	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Leases

The enterprise will be applying IAS 17 as its base of interpretation for recognition of classification and recognition of leases.

At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the company holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value of the asset being leased or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

All other leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in subsidiaries 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 for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Investments

Investments in subsidiaries

Investments in subsidiaries are recognised and measured by applying the equity method. The equity method is used as a measurement method.

Investments in subsidiaries are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 5-20 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterprises with a strong market position and a long-term earnings profile.

Investments in subsidiaries with a negative equity value are measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover a negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of equity investments in subsidiaries transferred to the reserve under equity for net revaluation according to the equity method. Dividends from subsidiaries expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in subsidiaries.

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

On the acquisition of enterprises, the acquisition method, the uniting-of-interests method or the book value method is applied, cf. the above description under Business combinations.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables
Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Contract work in progress
Contract work in progress is measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion on the reporting date and the total expected income from the individual work in progress. The stage of completion is calculated as the share of costs incurred in proportion to the estimated total costs of the individual work in progress.

When the selling price of the individual work in progress cannot be determined reliably, the selling price is measured at the costs incurred or at net realisable value, if this is lower.

The individual work in progress is recognised in the statement of financial position under accounts receivables or liabilities. Net assets consist of the sum of the work in progress, where the selling price of the work performed exceeds invoicing on account. Net liabilities consist of the sum of the work in progress, where invoicing on account exceeds the selling price.

Costs in connection with sales work and the procurement of contracts are recognised in the income statement when incurred.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Equity

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries, associates and equity interests proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.

Reserve for development costs

The reserve for development costs comprises recognised development costs less related deferred tax liabilities.

The reserve cannot be used as dividends or for covering losses.

The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done 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 equity.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as ”Income tax receivable” or “Income tax payable”.

According to the rules of joint taxation, NGI A/S is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, 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. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

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

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Segmental statement

Information on activity and geographical markets is provided. The segmental statement complies with the consolidated accounting policies, risks, and management control systems of the company.