BUUS JENSEN
STATSAUTORISEREDE REVISORER

# NGI Holding ApS

**Virkelyst 5, 9400 Nørresundby**

**Company reg. no. 35 63 98 53**

## Annual report

## 1 January - 31 December 2017

The annual report have been submitted and approved by the general meeting on the 31 May 2018.

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Kim Karlov Nielsen
Chairman of the meeting

Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.

# Contents

# Management's report

The board of directors and the managing director have today presented the annual report of NGI Holding ApS for the financial year 1 January to 31 December 2017.

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 consolidated annual accounts and the annual accounts provide a true and fair view of the assets, the liabilities and the financial position, consolidated and for the company respectively as on 31 December 2017, and of the results of the activities, consolidated and of the company respectively and of consolidated cash flows in the financial year 1 January to 31 December 2017.

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

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

Nørresundby, 24 April 2018

**Managing Director**

Jan Nygaard

**Board of directors**

| | | |
|---|---|---|
| Stig Løkke Pedersen | Bo Jonny Olsson | Steffen Kjeld Thomsen |
| Mads Nygaard | Jacob Sjørslev Frandsen | |

## Independent auditor's report

**To the shareholders of NGI Holding ApS**

**Opinion**

We have audited the consolidated annual accounts and the annual accounts of NGI Holding ApS for the financial year 1 January to 31 December 2017, which comprise accounting policies used, profit and loss account, balance sheet, statement of changes in equity and notes, consolidated and for the company respectively and consolidated cash flow statement. The consolidated annual accounts and the annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated annual accounts and the annual accounts give a true and fair view of the assets, liabilities and financial position, consolidated and for the company respectively at 31 December 2017 and of the results of the company's operations, consolidated and for the company respectively and of consolidated cash flows for the financial year 1 January to 31 December 2017 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 consolidated annual accounts and 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 consolidated annual accounts and the annual accounts**

The management is responsible for the preparation of consolidated annual accounts and 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 consolidated annual accounts and annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual accounts and the annual accounts, the management is responsible for evaluating the group's and 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 consolidated annual accounts and the annual accounts, unless the management either intends to liquidate the group or 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 consolidated annual accounts and the annual accounts**

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts and 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 consolidated annual accounts and the annual accounts.

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

- Identify and assess the risks of material misstatement in the consolidated annual accounts and 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 group’s and 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 consolidated annual accounts and 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 group’s and 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 consolidated annual accounts and 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 group and the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the consolidated annual accounts and the annual accounts, including the disclosures in the notes, and whether the consolidated annual accounts and the annual accounts reflect the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or the business activities within the group to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in 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 consolidated annual accounts and the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the consolidated annual accounts and 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 consolidated annual accounts and 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 consolidated annual accounts or 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, 24 April 2018

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

Ulrik Nørskov
State Authorised Public Accountant
MNE-nr. 29456

## Company data

| | | |
|---|---|---|
| **The company** | NGI Holding ApS<br>Virkelyst 5<br>9400 Nørresundby | |
| | Company reg. no. | 35 63 98 53 |
| | Established: | 14 January 2014 |
| | Domicile: | |
| | Financial year: | 1 January - 31 December<br>4th financial year |
| **Board of directors** | Stig Løkke Pedersen<br>Bo Jonny Olsson<br>Steffen Kjeld Thomsen<br>Mads Nygaard<br>Jacob Sjørslev Frandsen | |
| **Managing Director** | Jan Nygaard | |
| **Auditors** | BUUS JENSEN, Statsautoriserede revisorer | |

## Consolidated financial highlights

| DKK in thousands. | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|
| **Profit and loss account:** | | | | |
| Gross profit | 110.073 | 96.550 | 84.419 | 65.246 |
| Results from operating activities | 33.755 | 31.270 | 25.307 | 17.641 |
| Net financials | -7.684 | -4.601 | -6.569 | -4.439 |
| Results for the year | 18.364 | 18.015 | 11.518 | 8.376 |
| **Balance sheet:** | | | | |
| Balance sheet sum | 313.872 | 300.020 | 309.768 | 319.803 |
| Equity | 63.695 | 146.009 | 128.169 | 189.769 |
| **Cash flow:** | | | | |
| Operating activities | 25.058 | 44.706 | 43.254 | 24.440 |
| Investment activities | -8.029 | -5.352 | -5.815 | -302.860 |
| Financing activities | -69.760 | -42.992 | -54.990 | 284.396 |
| Cash flow in total | -52.732 | -3.638 | -17.551 | 5.977 |
| **Employees:** | | | | |
| Average number of full time employees | 98 | 85 | 80 | 74 |
| **Key figures in %:** | | | | |
| Acid test ratio | 63,7 | 87,7 | 102,4 | - |
| Solvency ratio | 20,3 | 48,7 | 41,4 | 59,3 |
| Return on equity | 17,5 | 13,1 | 7,2 | 8,8 |

The calculation of key figures and ratios does in all material respects follow the Danish Association of Finance Analysts' recommendations and does only in a few respects deviate from the recommendations.

The key figures appearing from the survey have been calculated as follows:

**Acid test ratio** $$\frac{\text{Current assets x 100}}{\text{Short-term liabilities}}$$

**Equity share** $$\frac{\text{Equity, closing balance x 100}}{\text{Assets in total, closing balance}}$$

**Return on equity** $$\frac{\text{Results for the year x 100}}{\text{Average equity}}$$

## Management's review

### The principal activities of the group

The Group'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 results from ordinary activities after tax are DKK 18.364.000 against DKK 18.015.000 last year. The management consider the results satisfactory.

### Own shares

The enterprise' holding of own shares is 600 A shares of DKK 1 each, corresponding to 0,16 % of the contributed capital.

During the year, the enterprise acquired 1.400 own shares of DKK 1 each. The purchase price represents DKK 1,994,832. The purchase of shares relates to shares Bought from employees wishing to sell their shares.

During the year, the enterprise has disposed of 800 own shares of DKK 1 each. The selling price is DKK 1,139,904. The sales of shares relates to shares sold to employees wishing to buy more shares.

### Special risks

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

Exchange rate risks:
Exports are mainly in EUR, USD and GBP. The Group's admission of loans are mainly in EUR. No exchange rate risk hedging agreements will be made.

Interest risks:
Interest-bearing debt constitutes a significant amount, and an increase in interest rates could lead to a significantly higher interest expense. Due to the current interest rate variable at a very low level, there have been no agreements for hedging the interest rate risk. The Group's management continuously assesses developments in the interest rate level, if the interest rate level changes considerably, financial instruments will be used to hedge the risk.

### Research and development activities

Continuous adaptation and improvement of the Group'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 Group's management's expectation for 2018 are that the Group will continue its positive development and improve its gross profit and cash flow.

## Accounting policies used

The annual report for NGI Holding ApS 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).

**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 group 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 group 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.

**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.

**The consolidated annual accounts**

The consolidated annual accounts comprise the parent company NGI Holding ApS and those group enterprises of which NGI Holding ApS directly or indirectly owns more than 50 % of the voting rights or in other ways has controlling interest. As it appears from the group chart, enterprises of which the group owns between 20 and 50 % of the voting rights and exercises considerable, but not controlling interest are considered associated enterprises.

By the consolidation, elimination of intercompany income and costs, shareholding, intercompany balances and dividends and realised and unrealised gains and losses from transactions among the consolidated enterprises takes place.

Equity interests in group enterprises are settled by the proportional share of the group enterprises' trade value of net assets and liabilities at the date of acquisition.

Newly acquired or newly established enterprises are recognised in the consolidated annual accounts as of the date of acquisition. Disposed or terminated enterprises are recognised in the consolidated annual accounts until the date of disposal. In relation to newly acquired, disposed or terminated enterprises, comparative figures are not adjusted.

In connection with the acquisition of new enterprises, the acquisition method is applied, by which the acquirees' identifiable assets and liabilities are measured at fair value at the time of acquisition. Costs for restructuring which are recognised in the acquiree before the acquisition date and which have not been agreed upon as part of the acquisition, are recognised in the pre-acquisition balance sheet and thereby forms part of the measurement of goodwill. Restructuring decided by the acquiree is recognised in the profit and loss account. The tax effect of the revaluations carried out is taken into consideration.

Positive balances (goodwill) between cost and fair value of the acquired, identifiable assets and liabilities, including provisions for restructuring, are recognised under intangible fixed assets and in accordance with an individual evaluation allocated on a systematic basis over their useful lives in the profit and loss account. 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.

Goodwill and negative goodwill from acquirees may be adjusted until 12 months after the acquisition.

In case of business combinations such as acquisition and sale of equity investments, mergers, demergers, addition of assets and exchange of shares etc. with participation of enterprises under the control of the parent company, the book-value method is applied, in which case the merger is considered implemented at the date of acquisition without any restatement of the comparative figures. Differences between the agreed consideration and the book value of the acquiree are recognised in the equity.

## The profit and loss account

**Gross profit**

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

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

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

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

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

**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, amortisation and writedown for the year and gains and losses on disposal of intangible and tangible fixed assets.

**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.

Dividend from equity investments is recognised in the financial year where the dividend is declared.

### Results from equity investments in group enterprises

After full elimination of intercompany profit or loss and deduction of amortisation of consolidated goodwill, the equity investment in the individual group enterprises are recognised in the profit and loss account at a proportional share of the group enterprises' results after tax.

### 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 parent company and the Danish group enterprises are subject to the Danish rules on compulsory joint taxation of the consolidated Danish enterprises.

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

## The balance sheet

### Intangible fixed assets

### Development projects, patents, and licences

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

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

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

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

Patents and licenses are measured at cost with deduction of accrued amortisation. Patents are amortised on a straight-line basis over the remaining patent period, and licenses are amortised, usually over 3 years, however, for a maximum of 10 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. Profit or loss is recognised in the profit and loss account under amortisation.

**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 company having a strong position in its market areas and is the market leader in its core area. During the past 5 years, the Group 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**

Land and buildings are measured at cost with addition of revaluations and with deduction of accrued depreciation and writedown. Land is not depreciated.

Land and buildings are revaluated on the basis of regular, independent evaluation of the fair value. The net revaluation at fair value adjustment is recognised directly on the equity after deduction of deferred tax and tied up in a particular revaluation reserve. Net impairment at fair value adjustments is recognised in the profit and loss account.

The basis of depreciation is cost with the addition of revaluations at fair value and with the deduction of expected residual value after the end of the useful life of the asset.

Reversal of previous revaluations and recognised deferred taxes concerning revaluations are recognised directly in the company's equity.

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

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

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

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

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

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

| | *Useful life* | *Residual value* |
|---|---|---|
| *Technical plants and machinery* | *5-8 years* | *0-20 %* |
| *Other plants, operating assets, fixtures and furniture* | *3-5 years* | *0-20 %* |

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 loss is recognised in the profit and loss account under depreciation.

**Leasing contracts**

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

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

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

**Writedown of fixed assets**

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

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

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

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

### Financial fixed assets

#### Equity investments in group enterprises

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

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

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

### Inventories

Inventories are measured at cost on basis of measured average prices. In case the net realisable value is lower than the cost, writedown takes place at 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. Furthermore, it is a requirement that before work is commenced, a binding contract is to be been entered into, implying penalty or damages in case of subsequent cancellation.

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.

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.

**Securities and equity investments**

Securities and equity investments recognised as current assets are measured at fair value on the balance sheet date.

**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 Holding ApS is proportionally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

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

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

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

### Liabilities

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

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

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

## The cash flow statement

The cash flow statement shows the cash flow of the group for the year, divided in cash flows deriving from operating activities, investment activities, and financing activities respectively, the changes in the liabilities, and the available funds at the beginning and the end of the year respectively.

The effect of cash flow deriving from purchase and sale of enterprises appears separately under cash flow from investment activities. In the cash flow statement, cash flow deriving from purchased enterprises is recognised as of the date of acquisition, and cash flow deriving from sold enterprises is recognised until the sales date.

**Cash flow from operating activities**

Cash flow from operating activities are calculated as the results for the year adjusted for non-cash operating items, the change in the working capital, and corporate tax paid.

**Cash flow from investment activities**

Cash flow from investment activities comprises payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible and tangible fixed assets and fixed asset investments respectively.

**Cash flow from financing activities**

Cash flow from financing activities comprises changes in the size or the composition of the share capital and the costs in this connection. Furthermore, these activities comprise borrowings, instalments on interestbearing debt, and payment of dividend to the shareholders.

**Available funds**

Available funds comprise cash funds with deduction of short-term bank debt and short-term securities with a term of less than 3 months which can easily be converted into cash funds and on which only an insignificant risk of value changes exists.

## Profit and loss account 1 January - 31 December

All amounts in DKK.

| Note | | Group 2017 | Group 2016 | Parent company 2017 | Parent company 2016 |
|---|---|---|---|---|---|
| | **Gross profit** | **110.073.328** | **96.550.169** | **-47.407** | **-44.866** |
| 1 | Staff costs | -57.915.003 | -47.675.617 | 0 | 0 |
| | Depreciation and writedown relating to fixed assets | -18.403.042 | -17.604.858 | 0 | 0 |
| | **Operating profit** | **33.755.283** | **31.269.694** | **-47.407** | **-44.866** |
| | Income from equity investments in group enterprises | 0 | 0 | 18.451.240 | 18.713.715 |
| | Income from other equity investments, securities and debtors which are fixed assets | 81.480 | 0 | 81.480 | 0 |
| | Other financial income | 451.661 | 40.273 | 0 | 0 |
| 2 | Other financial costs | -8.217.604 | -4.641.769 | -132.718 | -839.694 |
| | **Results before tax** | **26.070.820** | **26.668.198** | **18.352.595** | **17.829.155** |
| 3 | Tax on ordinary results | -7.706.529 | -8.652.892 | 11.696 | 186.151 |
| | **Results from ordinary activities after tax** | **18.364.291** | **18.015.306** | **18.364.291** | **18.015.306** |
| **4** | **Results for the year** | **18.364.291** | **18.015.306** | **18.364.291** | **18.015.306** |

## Balance sheet 31 December

All amounts in DKK.

**Assets**

| Note | | Group 2017 | Group 2016 | Parent company 2017 | Parent company 2016 |
|---|---|---|---|---|---|
| | **Fixed assets** | | | | |
| 5 | Completed development projects, including patents and similar rights arising from development projects | 6.881.568 | 4.709.971 | 0 | 0 |
| 6 | Acquired concessions, patents, licenses, trademarks and similar rights | 5.355.757 | 4.642.013 | 0 | 0 |
| 7 | Goodwill | 199.982.686 | 212.416.846 | 0 | 0 |
| | Intangible fixed assets in total | 212.220.011 | 221.768.830 | 0 | 0 |
| 8 | Production plant and machinery | 3.532.003 | 4.469.131 | 0 | 0 |
| 9 | Other plants, operating assets, and fixtures and furniture | 1.771.191 | 1.687.876 | 0 | 0 |
| | Tangible fixed assets in total | 5.303.194 | 6.157.007 | 0 | 0 |
| 10 | Equity investments in group enterprises | 0 | 0 | 64.035.365 | 155.584.125 |
| | Financial fixed assets in total | 0 | 0 | 64.035.365 | 155.584.125 |
| | **Fixed assets in total** | **217.523.205** | **227.925.837** | **64.035.365** | **155.584.125** |

## Balance sheet 31 December

All amounts in DKK.

**Assets**

| Note | | Group 2017 | Group 2016 | Parent company 2017 | Parent company 2016 |
|---|---|---|---|---|---|
| | **Current assets** | | | | |
| | Raw materials and consumables | 8.583.874 | 11.712.445 | 0 | 0 |
| | Work in progress | 23.887.253 | 18.029.336 | 0 | 0 |
| | Manufactured goods and trade goods | 3.364.988 | 2.937.823 | 0 | 0 |
| | Inventories in total | 35.836.115 | 32.679.604 | 0 | 0 |
| | Trade debtors | 34.756.759 | 25.965.017 | 0 | 0 |
| | Work in progress for the account of others | 4.124.239 | 2.899.852 | 0 | 0 |
| 11 | Deferred tax assets | 0 | 0 | 44.643 | 48.854 |
| | Receivable corporate tax | 0 | 0 | 21.702 | 189.486 |
| | Other debtors | 3.978.132 | 2.235.657 | 0 | 0 |
| 12 | Accrued income and deferred expenses | 573.304 | 262.027 | 0 | 2.618 |
| | Debtors in total | 43.432.434 | 31.362.553 | 66.345 | 240.958 |
| | Other securities and equity investments | 28.819 | 0 | 28.819 | 0 |
| | Securities in total | 28.819 | 0 | 28.819 | 0 |
| | Available funds | 17.051.745 | 8.052.480 | 1.458.845 | 1.686.065 |
| | **Current assets in total** | **96.349.113** | **72.094.637** | **1.554.009** | **1.927.023** |
| | **Assets in total** | **313.872.318** | **300.020.474** | **65.589.374** | **157.511.148** |

## Balance sheet 31 December

All amounts in DKK.

**Equity and liabilities**

| Note | | Group 2017 | Group 2016 | Parent company 2017 | Parent company 2016 |
|---|---|---|---|---|---|
| | **Equity** | | | | |
| 13 | Contributed capital | 365.115 | 364.115 | 365.115 | 364.115 |
| | Reserve for development expenditure | 4.953.764 | 1.484.842 | 4.953.764 | 1.484.842 |
| | Results brought forward | 58.375.963 | 44.160.522 | 58.375.963 | 44.160.522 |
| | Proposed dividend for the financial year | 0 | 100.000.000 | 0 | 100.000.000 |
| | **Equity in total** | **63.694.842** | **146.009.479** | **63.694.842** | **146.009.479** |
| | **Provisions** | | | | |
| 14 | Provisions for deferred tax | 2.482.466 | 1.467.631 | 0 | 0 |
| | **Provisions in total** | **2.482.466** | **1.467.631** | **0** | **0** |
| | **Liabilities** | | | | |
| 15 | Bank debts | 94.948.687 | 59.212.813 | 0 | 0 |
| 16 | Leasing liabilities | 1.476.330 | 1.746.285 | 0 | 0 |
| 17 | Other debts | 0 | 9.385.458 | 0 | 9.385.458 |
| | Long-term liabilities in total | 96.425.017 | 70.344.556 | 0 | 9.385.458 |
| | Short-term part of long-term liabilities | 26.306.910 | 21.468.933 | 0 | 0 |
| | Bank debts | 84.996.065 | 23.264.989 | 0 | 0 |
| | Trade creditors | 29.336.485 | 25.830.882 | 10.500 | 10.000 |
| | Debt to group enterprises | 0 | 0 | 1.884.032 | 2.106.211 |
| | Corporate tax | 80.137 | 5.205.066 | 0 | 0 |
| | Other debts | 10.550.396 | 6.428.938 | 0 | 0 |
| | Short-term liabilities in total | 151.269.993 | 82.198.808 | 1.894.532 | 2.116.211 |
| | **Liabilities in total** | **247.695.010** | **152.543.364** | **1.894.532** | **11.501.669** |
| | **Equity and liabilities in total** | **313.872.318** | **300.020.474** | **65.589.374** | **157.511.148** |

## Balance sheet 31 December

All amounts in DKK.

**Equity and liabilities**

| Note | | Group 2017 | Group 2016 | Parent company 2017 | Parent company 2016 |
|---|---|---|---|---|---|
| **18** | **Mortgage and securities** | | | | |
| **19** | **Contingencies** | | | | |
| **20** | **Related parties** | | | | |

## Consolidated statement of changes in equity

All amounts in DKK.

| | Contributed capital | Share premium account | Reserve for development expenditure | Results brought forward | Proposed dividend for the financial year | In total |
|---|---|---|---|---|---|---|
| Equity 1 January 2016 | 364.115 | 0 | 0 | 127.805.058 | 0 | 128.169.173 |
| Profit or loss for the year brought forward | 0 | 0 | 0 | -81.984.694 | 100.000.000 | 18.015.306 |
| Regulation of own shares | 0 | 0 | 0 | -175.000 | 0 | -175.000 |
| Transferred to reserve for development costs | 0 | 0 | 1.666.921 | -1.666.921 | 0 | 0 |
| Depreciation on reserve for development costs | 0 | 0 | -182.079 | 182.079 | 0 | 0 |
| Equity 1 January 2017 | 364.115 | 0 | 1.484.842 | 44.160.522 | 100.000.000 | 146.009.479 |
| Cash capital increase | 1.000 | 38.028.146 | 0 | 0 | 0 | 38.029.146 |
| Distributed dividend | 0 | 0 | 0 | 0 | -100.000.000 | -100.000.000 |
| Profit or loss for the year brought forward | 0 | 0 | 0 | 18.364.291 | 0 | 18.364.291 |
| Distributed extraordinary dividend adopted during the financial year. | 0 | 0 | 0 | -38.028.146 | 0 | -38.028.146 |
| Share premium Transfer | 0 | -38.028.146 | 0 | 38.028.146 | 0 | 0 |
| Regulation of own shares | 0 | 0 | 0 | -679.928 | 0 | -679.928 |
| Transferred to reserve for development costs | 0 | 0 | 3.412.128 | -3.412.128 | 0 | 0 |
| Depreciation on reserve for development costs | 0 | 0 | 56.794 | -56.794 | 0 | 0 |
| | **365.115** | **0** | **4.953.764** | **58.375.963** | **0** | **63.694.842** |

## Statement of changes in equity of the parent company

All amounts in DKK.

| | Contributed capital | Reserve for development expenditure | Results brought forward | Proposed dividend for the financial year | In total |
|---|---|---|---|---|---|
| Equity 1 January 2016 | 364.115 | 0 | 127.805.058 | 0 | 128.169.173 |
| Profit or loss for the year brought forward | 0 | 0 | -81.984.694 | 100.000.000 | 18.015.306 |
| Regulation of own shares | 0 | 0 | -175.000 | 0 | -175.000 |
| Transferred from results brought forward | 0 | 1.666.921 | -1.666.921 | 0 | 0 |
| Depreciation on reserve for development costs | 0 | -182.079 | 182.079 | 0 | 0 |
| Equity 1 January 2017 | 364.115 | 1.484.842 | 44.160.522 | 100.000.000 | 146.009.479 |
| Cash capital increase | 1.000 | 0 | 0 | 0 | 1.000 |
| Distributed dividend | 0 | 0 | 0 | -100.000.000 | -100.000.000 |
| Profit or loss for the year brought forward | 0 | 0 | 18.364.291 | 0 | 18.364.291 |
| Distributed extraordinary dividend adopted during the financial year. | 0 | 0 | -38.028.846 | 0 | -38.028.846 |
| Share premium Transfer | 0 | 0 | 38.028.846 | 0 | 38.028.846 |
| Regulation of own shares | 0 | 0 | -679.928 | 0 | -679.928 |
| Transferred from results brought forward | 0 | 3.412.128 | -3.412.128 | 0 | 0 |
| Depreciation on reserve for development costs | 0 | 56.794 | -56.794 | 0 | 0 |
| | **365.115** | **4.953.764** | **58.375.963** | **0** | **63.694.842** |

## Cash flow statement

All amounts in DKK.

| Note | | Group 2017 | 2016 |
|---|---|---|---|
| | Results for the year | 18.364.291 | 18.015.306 |
| 21 | Adjustments | 33.794.034 | 30.859.246 |
| 22 | Change in working capital | -7.599.331 | 10.088.534 |
| | Cash flow from operating activities before net financials | 44.558.994 | 58.963.086 |
| | Interest received and similar amounts | 533.141 | 40.273 |
| | Interest paid and similar amounts | -8.217.604 | -4.641.769 |
| | Cash flow from ordinary activities | 36.874.531 | 54.361.590 |
| | Corporate tax paid | -11.816.624 | -9.655.358 |
| | **Cash flow from operating activities** | **25.057.907** | **44.706.232** |
| | Purchase of intangible fixed assets | -6.299.531 | -4.653.998 |
| | Purchase of tangible fixed assets | -1.738.878 | -697.693 |
| | Sale of tangible fixed assets | 38.000 | 0 |
| | Other cash flows from (spent in) investment activities | -28.819 | 0 |
| | **Cash flow from investment activities** | **-8.029.228** | **-5.351.691** |
| | Raising of long-term debts | 111.620.379 | 0 |
| | Repayments of long-term debt | -80.701.941 | -42.817.372 |
| | Purchase of treasury shares | -1.994.832 | -175.000 |
| | Sale of treasury shares | 1.314.904 | 0 |
| | Cash capital increase | 38.029.846 | 0 |
| | Dividend paid | -138.028.846 | 0 |
| | **Cash flow from financing activities** | **-69.760.490** | **-42.992.372** |
| | **Changes in available funds** | **-52.731.811** | **-3.637.831** |
| | Available funds 1 January 2017 | -15.212.509 | -11.574.678 |
| | **Available funds 31 December 2017** | **-67.944.320** | **-15.212.509** |
| | **Available funds** | | |
| | Available funds | 17.051.745 | 8.052.480 |
| | Short-term bank debts | -84.996.065 | -23.264.989 |
| | **Available funds 31 December 2017** | **-67.944.320** | **-15.212.509** |

## Notes

All amounts in DKK.

| | | Group 2017 | Group 2016 |
|---|---|---|---|
| **1.** | **Staff costs** | | |
| | Salaries and wages | 51.101.320 | 41.861.453 |
| | Pension costs | 4.157.650 | 3.474.164 |
| | Other costs for social security | 811.925 | 777.643 |
| | Other staff costs | 1.844.108 | 1.562.357 |
| | | **57.915.003** | **47.675.617** |
| | Average number of employees | 98 | 85 |

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

| | | Group 2017 | Group 2016 | Parent company 2017 | Parent company 2016 |
|---|---|---|---|---|---|
| **2.** | **Other financial costs** | | | | |
| | Financial costs, group enterprises | 0 | 0 | 47.226 | 97.084 |
| | Other financial costs | 8.217.604 | 4.641.769 | 85.492 | 742.610 |
| | | **8.217.604** | **4.641.769** | **132.718** | **839.694** |
| **3.** | **Tax on ordinary results** | | | | |
| | Tax of the results for the year, parent company | 7.673.720 | 8.217.066 | -21.702 | -189.486 |
| | Adjustment for the year of deferred tax | 1.014.835 | -373.013 | 4.211 | -48.854 |
| | Adjustment of tax for previous years | -982.026 | 808.839 | 5.795 | 52.189 |
| | | **7.706.529** | **8.652.892** | **-11.696** | **-186.151** |

## Notes

All amounts in DKK.

| | | Parent company 2017 | Parent company 2016 |
|---|---|---|---|
| **4.** | **Proposed distribution of the results** | | |
| | Dividend for the financial year | 0 | 100.000.000 |
| | Allocated to results brought forward | 18.364.291 | 0 |
| | Allocated from results brought forward | 0 | -81.984.694 |
| | **Distribution in total** | **18.364.291** | **18.015.306** |

| | | Group 31/12 2017 | Group 31/12 2016 |
|---|---|---|---|
| **5.** | **Completed development projects, including patents and similar rights arising from development projects** | | |
| | Cost 1 January 2017 | 7.888.654 | 6.221.733 |
| | Additions during the year | 3.412.128 | 1.666.921 |
| | **Cost 31 December 2017** | **11.300.782** | **7.888.654** |
| | Amortisation and writedown 1 January 2017 | -3.178.683 | -1.694.072 |
| | Amortisation for the year | -1.240.531 | -1.484.611 |
| | **Amortisation and writedown 31 December 2017** | **-4.419.214** | **-3.178.683** |
| | **Book value 31 December 2017** | **6.881.568** | **4.709.971** |
| **6.** | **Acquired concessions, patents, licenses, trademarks and similar rights** | | |
| | Cost 1 January 2017 | 6.812.071 | 3.824.994 |
| | Additions during the year | 2.887.403 | 2.987.077 |
| | **Cost 31 December 2017** | **9.699.474** | **6.812.071** |
| | Amortisation and writedown 1 January 2017 | -2.170.058 | -1.283.334 |
| | Amortisation for the year | -2.173.659 | -886.525 |
| | Adjustment of writedown, opening balance | 0 | -199 |
| | **Amortisation and writedown 31 December 2017** | **-4.343.717** | **-2.170.058** |
| | **Book value 31 December 2017** | **5.355.757** | **4.642.013** |

## Notes

All amounts in DKK.

| | | Group | |
|---|---|---|---|
| | | 31/12 2017 | 31/12 2016 |
| **7.** | **Goodwill** | | |
| | Cost 1 January 2017 | 248.683.141 | 248.683.141 |
| | **Cost 31 December 2017** | **248.683.141** | **248.683.141** |
| | Amortisation and writedown 1 January 2017 | -36.266.295 | -23.832.136 |
| | Amortisation for the year | -12.434.160 | -12.434.159 |
| | **Amortisation and writedown 31 December 2017** | **-48.700.455** | **-36.266.295** |
| | **Book value 31 December 2017** | **199.982.686** | **212.416.846** |
| **8.** | **Production plant and machinery** | | |
| | Cost 1 January 2017 | 10.652.350 | 10.351.052 |
| | Additions during the year | 752.997 | 301.298 |
| | **Cost 31 December 2017** | **11.405.347** | **10.652.350** |
| | Depreciation and writedown 1 January 2017 | -6.183.219 | -4.397.814 |
| | Depreciation for the year | -1.690.125 | -1.785.405 |
| | **Depreciation and writedown 31 December 2017** | **-7.873.344** | **-6.183.219** |
| | **Book value 31 December 2017** | **3.532.003** | **4.469.131** |
| | Leased assets are included with a book value of | 1.629.081 | 2.371.927 |

All amounts in DKK.

| | | Group 31/12 2017 | Group 31/12 2016 |
|---|---|---|---|
| **9.** | **Other plants, operating assets, and fixtures and furniture** | | |
| | Cost 1 January 2017 | 4.222.587 | 3.826.192 |
| | Additions during the year | 985.881 | 396.395 |
| | Disposals during the year | -340.777 | 0 |
| | **Cost 31 December 2017** | **4.867.691** | **4.222.587** |
| | Amortisation and writedown 1 January 2017 | -2.534.711 | -1.520.652 |
| | Depreciation for the year | -896.966 | -1.014.158 |
| | Depreciation, amortisation and writedown for the year, assets disposed of | 335.177 | 0 |
| | Adjustment of writedown, opening balance | 0 | 99 |
| | **Amortisation and writedown 31 December 2017** | **-3.096.500** | **-2.534.711** |
| | **Book value 31 December 2017** | **1.771.191** | **1.687.876** |

| | | Parent company 31/12 2017 | Parent company 31/12 2016 |
|---|---|---|---|
| **10.** | **Equity investments in group enterprises** | | |
| | Acquisition sum, opening balance 1 January 2017 | 191.227.688 | 190.944.519 |
| | **Cost 31 December 2017** | **191.227.688** | **190.944.519** |
| | Revaluations, opening balance 1 January 2017 | -35.360.394 | -54.074.109 |
| | Results for the year before goodwill amortisation | 18.168.071 | 18.713.715 |
| | Dividend | -110.000.000 | 0 |
| | **Writedown 31 December 2017** | **-127.192.323** | **-35.360.394** |
| | **Book value 31 December 2017** | **64.035.365** | **155.584.125** |

**Group enterprises:**

| | **Domicile** | **Share of ownership** |
|---|---|---|
| NGI A/S | Nørresundby | 100 % |
| NGI Leveling System Inc. | USA | 100 % |

## Notes

All amounts in DKK.

| | | Parent company | |
|---|---|---|---|
| | | 31/12 2017 | 31/12 2016 |
| **11.** | **Deferred tax assets** | | |
| | Deferred tax assets 1 January 2017 | 48.854 | 0 |
| | Deferred tax of the results for the year | -4.211 | 48.854 |
| | | **44.643** | **48.854** |

| | | Group | | Parent company | |
|---|---|---|---|---|---|
| | | 31/12 2017 | 31/12 2016 | 31/12 2017 | 31/12 2016 |
| **12.** | **Accrued income and deferred expenses** | | | | |
| | Prepaid insurance | 573.304 | 262.027 | 0 | 2.618 |
| | | **573.304** | **262.027** | **0** | **2.618** |

**13. Contributed capital**

The share capital consists of 134.664 A shares, each with a nominal value of DKK 1, 229.451 B shares, each with a nominal value of DKK 1 and 1.000 C shares, each with a nominal value of DKK 1

| | | Group | |
|---|---|---|---|
| | | 31/12 2017 | 31/12 2016 |
| **14.** | **Provisions for deferred tax** | | |
| | Provisions for deferred tax 1 January 2017 | 1.467.631 | 1.840.644 |
| | Deferred tax of the results for the year | 1.014.835 | -373.013 |
| | | **2.482.466** | **1.467.631** |
| **15.** | **Bank debts** | | |
| | Bank debts in total | 121.005.837 | 80.177.821 |
| | Share of amount due within 1 year | -26.057.150 | -20.965.008 |
| | | **94.948.687** | **59.212.813** |
| | Share of liabilities due after 5 years | 0 | 0 |

All amounts in DKK.

| | | Group 31/12 2017 | Group 31/12 2016 |
|---|---|---|---|
| **16.** | **Leasing liabilities** | | |
| | Leasing liabilities in total | 1.726.090 | 2.250.210 |
| | Share of amount due within 1 year | -249.760 | -503.925 |
| | | **1.476.330** | **1.746.285** |
| | Share of liabilities due after 5 years | 0 | 716.225 |

| | | Group 31/12 2017 | Group 31/12 2016 | Parent company 31/12 2017 | Parent company 31/12 2016 |
|---|---|---|---|---|---|
| **17.** | **Other debts** | | | | |
| | **Other debts in total** | **0** | **9.385.458** | **0** | **9.385.458** |
| | Share of liabilities due after 5 years | 0 | 0 | 0 | 0 |

## 18. Mortgage and securities

**Parent Company**

The Parent company has placed the shares in the subsidiary NGI A/S for collateral for the commitment with banks.

**Group**

For bank debts, the Group has provided security in Group assets representing a nominal value of DKK 50.000.000.

The shares in the subsidiary NGI A/S have been secured for the commitment with the Group's banks.

All amounts in DKK.

**19. Contingencies**

**Contingent liabilities**

Leasing liabilities

In addition to financial leasing contracts, the Group has entered into operational leasing contracts with an average annual leasing payment of DKK 88.000. The leasing contracts have 19 months left to run, and the total outstanding leasing payment is DKK 136.000.

Recourse guarantee commitments

The Group has entered into lease contracts with rent commitment of DKK 1.137.000.

Warranty commitments

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

**Joint taxation**

Adelis Services I ApS, company reg. no 36 53 72 56 being the administration company, the company is subject to the Danish scheme of joint taxation and it is proportionally liable for tax claims within the joint taxation scheme.

The company is proportionally liable for any obligation to withhold tax on interest, royalties and dividends of the jointly taxed companies.

The liabilities amount to a maximum corresponding to that share of the company capital, which is owned directly or indirectly by the ultimate parent company.

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

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

# Notes

All amounts in DKK.

**20. Related parties**

**Controlling interest**

| | |
|---|---|
| Adelis Equity Partners Fund I AB<br>Biblioteksgatan 11<br>SE-111 46 Stockholm<br>Sweden | Majority shareholder |

**Transactions**

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

| | | Group | |
|---|---|---|---|
| | | 2017 | 2016 |
| **21.** | **Adjustments** | | |
| | Depreciation and amortisation | 18.403.042 | 17.604.858 |
| | Other financial income | -533.141 | -40.273 |
| | Other financial costs | 8.217.604 | 4.641.769 |
| | Tax on ordinary results | 7.706.529 | 8.652.892 |
| | | **33.794.034** | **30.859.246** |
| **22.** | **Change in working capital** | | |
| | Change in inventories | -3.156.511 | -717.583 |
| | Change in debtors | -12.069.881 | -1.185.450 |
| | Change in trade creditors and other liabilities | 7.627.061 | 11.991.567 |
| | | **-7.599.331** | **10.088.534** |