BUUS JENSEN
Statsautoriserede
Revisorer

# NGI Holding ApS

**Virkelyst 5, 9400 Nørresundby**

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

## 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

# 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 Holding ApS 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 consolidated financial statements and the financial statements provide a fair presentation of the assets, equity and liabilities, and the financial position, consolidated and for the company, respectively, at 31 December 2022, and of the result of the activities, consolidated and of the company, respectively, during 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　　Jan Nygaard　　Richard Neil Smith

Tom Bjerg Lauritzen

# Independent auditor's report

**To the Shareholders of NGI Holding ApS**

**Opinion**

We have audited the consolidated financial statements and the parent company financial statements of NGI Holding ApS for the financial year 1 January to 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies for both the Group the Parent Company, as well as consolidated statement of cash flows. The consolidated financial statements and the parent company financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2022, and of the results of the Group and the Company's operations as well as the consolidated cash flows 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 Consolidated Financial Statements and the Parent Company Financial Statements" section of our report. We are independent of the Group 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 Consolidated Financial Statements and the Parent Company Financial Statements**

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

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

**Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements**

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group´s and the 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 consolidated financial statements and the parent company financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group´s and the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements and the parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. 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 internal control that we identify during our audit.

**Statement on Management's Review**

Management is responsible for Management's Review.

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

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

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

Based on the work we have performed, we conclude that Management's Review is in accordance with the 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 Holding ApS<br>Virkelyst 5<br>9400 Nørresundby | |
| | Company reg. no. | 35 63 98 53 |
| | Established: | 14 January 2014 |
| | Domicile: | Aalborg |
| | Financial year: | 1 January - 31 December<br>9th financial year |
| **Board of directors** | Andrea Volpi<br>Jan Nygaard<br>Richard Neil Smith<br>Tom Bjerg Lauritzen | |
| **Managing Director** | Jan Nygaard | |
| **Auditors** | BUUS JENSEN, Statsautoriserede revisorer | |

## Consolidated financial highlights

| DKK in thousands. | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|
| **Income statement:** | | | | | |
| Revenue | 381.112 | 332.842 | 271.742 | 271.878 | 260.298 |
| Gross profit | 209.047 | 181.494 | 138.245 | 129.891 | 122.377 |
| Profit from operating activities | 91.705 | 71.228 | 46.572 | 47.509 | 37.022 |
| Net financials | 749 | -612 | -2.926 | -882 | -2.204 |
| Net profit or loss for the year | 77.319 | 52.974 | 31.996 | 33.620 | 22.918 |
| **Statement of financial position:** | | | | | |
| Balance sheet total | 554.803 | 504.112 | 405.555 | 365.572 | 338.665 |
| Equity | 486.866 | 404.760 | 351.786 | 319.790 | 286.171 |
| **Cash flows:** | | | | | |
| Operating activities | 93.085 | 52.132 | 55.127 | 39.334 | 42.211 |
| Investing activities | -20.346 | -71.128 | -29.805 | -12.931 | -10.233 |
| Financing activities | -21.479 | -560 | 2.059 | -588 | 81.860 |
| Total cash flows | 51.260 | -19.556 | 27.381 | 25.815 | 113.837 |
| **Employees:** | | | | | |
| Average number of full-time employees | 164 | 150 | 133 | 120 | 107 |
| **Key figures in %:** | | | | | |
| Gross margin ratio | 54,9 | 54,5 | 50,9 | 47,8 | 47,0 |
| Profit margin (EBIT-margin) | 24,1 | 21,4 | 17,1 | 17,5 | 14,2 |
| Acid test ratio | 603,1 | 275,0 | 464,2 | 425,4 | 287,9 |
| Solvency ratio | 86,6 | 80,3 | 86,7 | 87,5 | 84,5 |
| Return on equity | 17,1 | 14,0 | 9,5 | 11,1 | 13,1 |

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

### 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 revenue for the group for the year totals DKK 381.112.349 against DKK 332.841.616 last year. Income or loss from ordinary activities after tax totals DKK 68.957.253 against DKK 52.974.170 last year. Management considers the net profit for the year satisfactory and according to expectations from last year.

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

*Financial resources*

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

### Treasury shares

The enterprise’s holding of treasury shares is 600 A shares at DKK 1 each, corresponding to 0,33 % of the contributed capital.

### 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.

### Outlook

The group'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 group 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 large trade receivables are counterparts with good credit ratings.

**Corporate social responsibility**

*As a global group, 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 group 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 Group's policy systematically and proactively to protect the environment and climate in the Group'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 Group 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.

83% of our waste products were recycled.

**Gender diversity**

The group 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 group 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 group'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 group 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 group has not developed a separate policy for data ethics.

## Income statement 1 January - 31 December

All amounts in DKK.

| Note | | Group 2022 | Group 2021 | Parent 2022 | Parent 2021 |
|---|---|---|---|---|---|
| 1 | Revenue | 381.112.349 | 332.841.616 | 0 | 0 |
| 2 | Other operating income | 3.578.845 | 0 | 0 | 0 |
| | Costs of raw materials and consumables | -149.852.656 | -133.438.206 | 0 | 0 |
| | Other external costs | -25.791.132 | -17.909.627 | -16.652 | -17.145 |
| | **Gross profit** | **209.047.406** | **181.493.783** | **-16.652** | **-17.145** |
| 3 | Staff costs | -85.926.045 | -87.203.901 | 0 | 0 |
| | Depreciation, amortisation, and impairment | -31.416.825 | -23.062.065 | 0 | 0 |
| | **Operating profit** | **91.704.536** | **71.227.817** | **-16.652** | **-17.145** |
| | Income from equity investments in subsidiaries | 0 | 0 | 75.923.905 | 52.991.768 |
| | Other financial income | 4.274.247 | 1.685.548 | 32.719 | 0 |
| 4 | Other financial costs | -3.525.433 | -2.297.967 | -185.975 | -12.533 |
| | **Pre-tax net profit or loss** | **92.453.350** | **70.615.398** | **75.753.997** | **52.962.090** |
| 5 | Tax on net profit or loss for the year | -23.496.097 | -17.641.228 | 37.378 | 12.080 |
| 7 | Results for the year after tax on discontinued operations | 8.361.813 | 0 | 0 | 0 |
| **8** | **Net profit or loss for the year** | **77.319.066** | **52.974.170** | **75.791.375** | **52.974.170** |
| | Break-down of the consolidated profit or loss: | | | | |
| | Shareholders in NGI Holding ApS | 75.791.376 | 52.974.170 | | |
| | Non-controlling interests | 1.527.690 | 0 | | |
| | | **77.319.066** | **52.974.170** | | |

## Balance sheet at 31 December

All amounts in DKK.

**Assets**

| Note | | Group 2022 | Group 2021 | Parent 2022 | Parent 2021 |
|---|---|---|---|---|---|
| | **Non-current assets** | | | | |
| 9 | Completed development projects, including patents and similar rights arising from development projects | 11.667.342 | 10.294.375 | 0 | 0 |
| 10 | Concessions, patents, licenses, trademarks, and similar rights acquired | 865.844 | 1.319.973 | 0 | 0 |
| 11 | Goodwill | 161.406.577 | 176.300.598 | 0 | 0 |
| 12 | Development projects in progress and prepayments for intangible assets | 17.526.452 | 18.762.652 | 0 | 0 |
| | Total intangible assets | 191.466.215 | 206.677.598 | 0 | 0 |
| 13 | Property | 44.343.151 | 45.477.500 | 0 | 0 |
| 14 | Plant and machinery | 39.227.544 | 34.247.161 | 0 | 0 |
| 15 | Other fixtures and fittings, tools and equipment | 7.290.367 | 7.003.745 | 0 | 0 |
| | Total property, plant, and equipment | 90.861.062 | 86.728.406 | 0 | 0 |
| 16 | Investments in group enterprises | 0 | 0 | 480.508.321 | 404.584.416 |
| 17 | Other receivables | 5.457.393 | 0 | 0 | 0 |
| | Total investments | 5.457.393 | 0 | 480.508.321 | 404.584.416 |
| | **Total non-current assets** | **287.784.670** | **293.406.004** | **480.508.321** | **404.584.416** |
| | **Current assets** | | | | |
| | Raw materials and consumables | 27.553.143 | 17.031.014 | 0 | 0 |
| | Work in progress | 47.392.420 | 37.604.464 | 0 | 0 |
| | Manufactured goods and goods for resale | 4.747.145 | 7.411.677 | 0 | 0 |
| | Total inventories | 79.692.708 | 62.047.155 | 0 | 0 |

## Balance sheet at 31 December

All amounts in DKK.

| Note | **Assets** | Group 2022 | Group 2021 | Parent 2022 | Parent 2021 |
|---|---|---|---|---|---|
| | Trade receivables | 44.749.121 | 52.697.858 | 0 | 0 |
| 18 | Contract work in progress | 0 | 2.082.509 | 0 | 0 |
| | Receivables from subsidiaries | 451.873 | 1.013.310 | 0 | 0 |
| 19 | Deferred tax assets | 6.137.669 | 7.042.194 | 0 | 0 |
| | Income tax receivables | 0 | 654.419 | 0 | 0 |
| | Tax receivables from group enterprises | 0 | 0 | 2.188.479 | 7.263 |
| | Other receivables | 2.643.693 | 3.901.120 | 0 | 0 |
| 20 | Prepayments and accrued income | 2.130.962 | 1.569.752 | 0 | 0 |
| | Total receivables | 56.113.318 | 68.961.162 | 2.188.479 | 7.263 |
| | Cash on hand and demand deposits | 131.212.628 | 79.697.325 | 8.199.130 | 3.440.286 |
| | **Total current assets** | **267.018.654** | **210.705.642** | **10.387.609** | **3.447.549** |
| | **Total assets** | **554.803.324** | **504.111.646** | **490.895.930** | **408.031.965** |

## Balance sheet at 31 December

All amounts in DKK.

**Equity and liabilities**

| Note | | Group 2022 | Group 2021 | Parent 2022 | Parent 2021 |
|---|---|---|---|---|---|
| | **Equity** | | | | |
| | Contributed capital | 180.159 | 180.159 | 180.159 | 180.159 |
| | Reserve for net revaluation according to the equity method | 0 | 0 | 89.690.549 | 13.766.644 |
| | Reserve for development costs | 22.771.157 | 22.664.480 | 22.771.157 | 22.664.480 |
| | Retained earnings | 457.600.503 | 381.915.804 | 367.909.952 | 368.149.159 |
| | Equity before non-controlling interest. | 480.551.819 | 404.760.443 | 480.551.817 | 404.760.442 |
| | Non-controlling interests | 6.314.161 | 0 | 0 | 0 |
| | **Total equity** | **486.865.980** | **404.760.443** | **480.551.817** | **404.760.442** |
| | **Provisions** | | | | |
| 21 | Provisions for deferred tax | 12.524.232 | 11.673.694 | 0 | 0 |
| 22 | Other provisions | 406.774 | 0 | 0 | 0 |
| | **Total provisions** | **12.931.006** | **11.673.694** | **0** | **0** |
| | **Liabilities other than provisions** | | | | |
| | Lease liabilities | 1.780.213 | 2.163.545 | 0 | 0 |
| | Other payables | 8.954.401 | 8.887.801 | 0 | 0 |
| 23 | Total long term liabilities other than provisions | 10.734.614 | 11.051.346 | 0 | 0 |

## Balance sheet at 31 December

All amounts in DKK.

**Equity and liabilities**

| Note | | Group 2022 | Group 2021 | Parent 2022 | Parent 2021 |
|---|---|---|---|---|---|
| 23 | Current portion of long term liabilities | 352.185 | 21.893.019 | 0 | 0 |
| | Bank loans | 419.259 | 4.571.894 | 0 | 0 |
| | Trade payables | 35.518.640 | 39.478.930 | 15.000 | 14.375 |
| | Payables to group enterprises | 467.501 | 821.466 | 8.178.012 | 3.257.148 |
| | Income tax payable | 2.317.460 | 0 | 2.151.101 | 0 |
| | Other payables | 5.196.679 | 9.860.854 | 0 | 0 |
| | Total short term liabilities other than provisions | 44.271.724 | 76.626.163 | 10.344.113 | 3.271.523 |
| | **Total liabilities other than provisions** | **55.006.338** | **87.677.509** | **10.344.113** | **3.271.523** |
| | **Total equity and liabilities** | **554.803.324** | **504.111.646** | **490.895.930** | **408.031.965** |

**6 Fees for auditor**

**24 Contingencies**

**25 Related parties**

# Consolidated 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 | Non-controlling interests | Total |
|---|---|---|---|---|---|---|
| Equity 1 January 2021 | 180.159 | 0 | 19.406.609 | 332.199.505 | 0 | 351.786.273 |
| Transferred to retained earnings | 0 | 0 | 0 | 52.974.170 | 0 | 52.974.170 |
| Transferred to reserve development costs | 0 | 0 | 3.257.871 | -3.257.871 | 0 | 0 |
| Equity 1 2022 | 180.159 | 0 | 22.664.480 | 381.915.804 | 0 | 404.760.443 |
| Transferred to retained earnings | 0 | 0 | 0 | 75.791.376 | 0 | 75.791.376 |
| Transferred to reserve development costs | 0 | 0 | 106.677 | -106.677 | 0 | 0 |
| Non-controlling interests | 0 | 0 | 0 | 0 | 6.314.161 | 6.314.161 |
| | **180.159** | **0** | **22.771.157** | **457.600.503** | **6.314.161** | **486.865.980** |

## Statement of changes in equity of the parent

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 | 180.159 | 0 | 19.406.609 | 332.199.504 | 351.786.272 |
| Share of profit or loss | 0 | 13.766.644 | 0 | 39.207.526 | 52.974.170 |
| Transferred to reserve development costs | 0 | 0 | 3.257.871 | -3.257.871 | 0 |
| Equity 1 January 2022 | 180.159 | 13.766.644 | 22.664.480 | 368.149.159 | 404.760.442 |
| Share of profit or loss | 0 | 75.923.905 | 0 | -132.530 | 75.791.375 |
| Transferred to reserve development costs | 0 | 0 | 106.677 | -106.677 | 0 |
| | **180.159** | **89.690.549** | **22.771.157** | **367.909.952** | **480.551.817** |

## Statement of cash flows 1 January - 31 December

All amounts in DKK.

| Note | | Group 2022 | 2021 |
|---|---|---|---|
| | Net profit or loss for the year | 77.319.066 | 52.974.170 |
| 26 | Adjustments | 56.530.212 | 41.316.441 |
| 27 | Change in working capital | -20.385.702 | -28.175.143 |
| | Cash flows from operating activities before net financials | 113.463.576 | 66.115.468 |
| | Interest received, etc. | 4.274.248 | 1.685.546 |
| | Interest paid, etc. | -3.525.433 | -2.297.967 |
| | Cash flows from ordinary activities | 114.212.391 | 65.503.047 |
| | Income tax paid | -21.127.615 | -13.371.166 |
| | **Cash flows from operating activities** | **93.084.776** | **52.131.881** |
| | Purchase of intangible assets | -2.760.388 | -7.166.976 |
| | Purchase of property, plant, and equipment | -17.842.448 | -22.620.865 |
| | Sale of property, plant, and equipment | 257.093 | 0 |
| 28 | Acquisition of enterprises and activities | 0 | -41.340.046 |
| | **Cash flows from investment activities** | **-20.345.743** | **-71.127.887** |
| | Long-term payables incurred | 0 | 53.466 |
| | Repayments of long-term payables | -26.265.361 | -613.214 |
| | Cash capital increase | 4.666.134 | 0 |
| | Other cash flows from financing activities | 120.337 | 0 |
| | **Cash flows from investment activities** | **-21.478.890** | **-559.748** |
| | **Change in cash and cash equivalents** | **51.260.143** | **-19.555.754** |
| | Cash and cash equivalents at 1 January 2022 | 79.533.226 | 99.088.980 |
| | **Cash and cash equivalents at 31 December 2022** | **130.793.369** | **79.533.226** |

| | | | |
|---|---|---|---|
| | **Cash and cash equivalents** | | |
| | Cash on hand and demand deposits | 131.212.628 | 79.614.401 |
| | Short-term bank loans | -419.259 | -81.175 |
| | **Cash and cash equivalents at 31 December 2022** | **130.793.369** | **79.533.226** |

## Notes

All amounts in DKK.

**1. Revenue**

**Segmental statement**

Geographical segment

| | Scandinavia | EU | Outside EU | Total |
|---|---|---|---|---|
| Group | 44.348.476 | 215.881.720 | 120.882.153 | 381.112.349 |

| | Group 2022 | Group 2021 |
|---|---|---|
| **2. Other operating income** | | |
| Income from secondary activities | 3.578.845 | 0 |
| | **3.578.845** | **0** |

| | Group 2022 | Group 2021 |
|---|---|---|
| **3. Staff costs** | | |
| Salaries and wages | 76.996.586 | 78.623.725 |
| Pension costs | 6.236.067 | 6.743.787 |
| Other costs for social security | 2.693.392 | 1.836.389 |
| | **85.926.045** | **87.203.901** |
| Average number of employees | 164 | 150 |

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

| | Group 2022 | Group 2021 | Parent 2022 | Parent 2021 |
|---|---|---|---|---|
| **4. Other financial costs** | | | | |
| Financial costs, group enterprises | 0 | 0 | 176.327 | 9.144 |
| Other financial costs | 3.525.433 | 2.297.967 | 9.648 | 3.389 |
| | **3.525.433** | **2.297.967** | **185.975** | **12.533** |

## Notes

All amounts in DKK.

**5. Tax on net profit or loss for the year**

| | | | | |
|---|---|---|---|---|
| Tax on net profit or loss for the year | 21.677.943 | 15.802.555 | -37.378 | -6.534 |
| Adjustment of deferred tax for the year | 1.755.063 | 1.844.219 | 0 | 0 |
| Adjustment of tax for previous years | 63.091 | -5.546 | 0 | -5.546 |
| | **23.496.097** | **17.641.228** | **-37.378** | **-12.080** |

| | Group 2022 | 2021 |
|---|---|---|
| **6. Fees for auditor** | | |
| Total remuneration for BUUS JENSEN, State Authorised Public Accountants | 350.000 | 335.000 |
| | | |
| Remuneration related to statutory audit | 179.500 | 171.000 |
| Tax-related consulting | 21.000 | 10.500 |
| Other services | 149.500 | 153.500 |
| | **350.000** | **335.000** |

All amounts in DKK.

## 7. Discontinued operations

In 2022, as a part of the enterprise's future strategy, the management has decided to discontinue the business segment process, 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.

| | Group 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** |

| | Parent 2022 | Parent 2021 |
|---|---|---|
| **8. Proposed distribution of net profit** | | |
| Reserves for net revaluation according to the equity method | 75.923.905 | 13.766.644 |
| Transferred to retained earnings | 0 | 39.207.526 |
| Allocated from retained earnings | -132.530 | 0 |
| **Total allocations and transfers** | **75.791.375** | **52.974.170** |

All amounts in DKK.

| | | Group 31/12 2022 | 31/12 2021 |
|---|---|---|---|
| **9.** | **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 | -54.153 | 0 |
| | Transfers | 2.560.413 | 1.915.268 |
| | **Cost 31 December 2022** | **25.774.533** | **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 |
| | Reversal of depreciation, amortisation, and impairment loss, assets disposed of | 54.153 | 0 |
| | **Amortisation and writedown 31 December 2022** | **-14.107.191** | **-10.714.699** |
| | **Carrying amount, 31 December 2022** | **11.667.342** | **10.294.375** |

| | | Group 31/12 2022 | 31/12 2021 |
|---|---|---|---|
| **10.** | **Concessions, patents, licenses, trademarks, and similar rights acquired** | | |
| | Cost 1 January 2022 | 12.633.947 | 12.058.472 |
| | Additions concerning company transfer | 260.014 | 0 |
| | Additions during the year | 355.595 | 575.475 |
| | Disposals during the year | -2.933.245 | 0 |
| | **Cost 31 December 2022** | **10.316.311** | **12.633.947** |
| | Amortisation and writedown 1 January 2022 | -11.313.974 | -10.439.171 |
| | Amortisation/impairment loss of additions concerning company transfer | -260.015 | 0 |
| | Amortisation and depreciation  for the year | -809.723 | -874.803 |
| | Reversal of depreciation, amortisation, and impairment loss, assets disposed of | 2.933.245 | 0 |
| | **Amortisation and writedown 31 December 2022** | **-9.450.467** | **-11.313.974** |
| | **Carrying amount, 31 December 2022** | **865.844** | **1.319.973** |

## Notes

All amounts in DKK.

| | | Group | |
|---|---|---|---|
| | | 31/12 2022 | 31/12 2021 |
| **11.** | **Goodwill** | | |
| | Cost 1 January 2022 | 274.737.695 | 248.683.141 |
| | Additions concerning company transfer | 145.594 | 26.054.554 |
| | **Cost 31 December 2022** | **274.883.289** | **274.737.695** |
| | Amortisation and writedown 1 January 2022 | -98.437.097 | -86.002.937 |
| | Amortisation and depreciation for the year | -15.039.615 | -12.434.160 |
| | **Amortisation and writedown 31 December 2022** | **-113.476.712** | **-98.437.097** |
| | **Carrying amount, 31 December 2022** | **161.406.577** | **176.300.598** |
| **12.** | **Development projects in progress and prepayments for intangible assets** | | |
| | Cost 1 January 2022 | 18.762.652 | 16.495.303 |
| | Additions during the year | 1.324.213 | 4.182.617 |
| | Transfers | -2.560.413 | -1.915.268 |
| | **Cost 31 December 2022** | **17.526.452** | **18.762.652** |
| | **Carrying amount, 31 December 2022** | **17.526.452** | **18.762.652** |
| **13.** | **Property** | | |
| | Cost 1 January 2022 | 45.477.500 | 0 |
| | Additions concerning company transfer | 50.873 | 0 |
| | Additions during the year | 208.800 | 45.477.500 |
| | **Cost 31 December 2022** | **45.737.173** | **45.477.500** |
| | Depreciation and writedown 1 January 2022 | 0 | 0 |
| | Amortisation and depreciation for the year | -1.394.022 | 0 |
| | **Depreciation and writedown 31 December 2022** | **-1.394.022** | **0** |
| | **Carrying amount, 31 December 2022** | **44.343.151** | **45.477.500** |

All amounts in DKK.

| | | Group | |
|---|---|---|---|
| | | 31/12 2022 | 31/12 2021 |
| **14.** | **Plant and machinery** | | |
| | Cost 1 January 2022 | 52.673.620 | 33.319.354 |
| | Additions concerning company transfer | 12.838.645 | 0 |
| | Additions during the year | 13.543.014 | 19.354.266 |
| | Disposals during the year | -4.373.975 | 0 |
| | **Cost 31 December 2022** | **74.681.304** | **52.673.620** |
| | Depreciation and writedown 1 January 2022 | -18.426.459 | -12.677.520 |
| | Amortisation/impairment loss of additions concerning company transfer | -12.849.567 | 0 |
| | Amortisation and depreciation for the year | -8.443.450 | -5.748.939 |
| | Reversal of depreciation, amortisation and impairment loss, assets disposed of | 4.265.716 | 0 |
| | **Depreciation and writedown 31 December 2022** | **-35.453.760** | **-18.426.459** |
| | **Carrying amount, 31 December 2022** | **39.227.544** | **34.247.161** |

| | | | |
|---|---|---|---|
| **15.** | **Other fixtures and fittings, tools and equipment** | | |
| | Cost 1 January 2022 | 14.725.849 | 10.796.866 |
| | Additions concerning company transfer | 4.243.466 | 0 |
| | Additions during the year | 2.715.548 | 3.928.983 |
| | Disposals during the year | -1.374.450 | 0 |
| | **Cost 31 December 2022** | **20.310.413** | **14.725.849** |
| | Amortisation and writedown 1 January 2022 | -7.722.104 | -6.135.576 |
| | Amortisation/impairment loss of additions concerning company transfer | -4.299.602 | 0 |
| | Amortisation and depreciation for the year | -2.291.014 | -1.586.528 |
| | Reversal of depreciation, amortisation and impairment loss, assets disposed of | 1.292.674 | 0 |
| | **Amortisation and writedown 31 December 2022** | **-13.020.046** | **-7.722.104** |
| | **Carrying amount, 31 December 2022** | **7.290.367** | **7.003.745** |

All amounts in DKK.

| | | Parent 31/12 2022 | Parent 31/12 2021 |
|---|---|---|---|
| **16.** | **Investments in group enterprises** | | |
| | Cost 1 January 2022 | 390.817.772 | 390.817.772 |
| | **Cost 31 December 2022** | **390.817.772** | **390.817.772** |
| | Revaluations, opening balance 1 January 2022 | 13.766.644 | -39.225.124 |
| | Net profit or loss for the year before amortisation of goodwill | 75.923.905 | 52.991.768 |
| | **Revaluation 31 December 2022** | **89.690.549** | **13.766.644** |
| | **Carrying amount, 31 December 2022** | **480.508.321** | **404.584.416** |

**Group enterprises:**

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

| | | Group 31/12 2022 | Group 31/12 2021 |
|---|---|---|---|
| **17.** | **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.

| | | Group | |
|---|---|---|---|
| | | 31/12 2022 | 31/12 2021 |
| **18.** | **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** |
| **19.** | **Deferred tax assets** | | |
| | Deferred tax assets 1 January 2022 | 7.042.194 | 0 |
| | Deferred tax of the net profit or loss for the year | -904.525 | 7.042.194 |
| | | **6.137.669** | **7.042.194** |
| **20.** | **Prepayments and accrued income** | | |
| | Prepaid expenses | 2.130.962 | 1.569.752 |
| | | **2.130.962** | **1.569.752** |
| **21.** | **Provisions for deferred tax** | | |
| | Provisions for deferred tax 1 January 2022 | 11.673.694 | 6.716.187 |
| | Deferred tax relating to the net profit or loss for the year | 850.538 | 4.957.507 |
| | | **12.524.232** | **11.673.694** |
| **22.** | **Other provisions** | | |
| | Change in other provisions for the year | 406.774 | 0 |
| | | **406.774** | **0** |

All amounts in DKK.

**23. Long term labilities other than provisions**

| Group | 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 | 0 |
| | **11.086.799** | **352.185** | **10.734.614** | **0** |

**24. Contingencies**

**Joint taxation**

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

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

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

**25. Related parties**

**Controlling interest**

Moovimenta AG — Majority shareholder
Römerstrasse 1
4153 Reinach BL
Switzerland

**Transactions**

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

All amounts in DKK.

| | | Group 2022 | 2021 |
|---|---|---|---|
| **26.** | **Adjustments** | | |
| | Depreciation, amortisation, and impairment | 31.424.469 | 23.062.065 |
| | Other financial income | -4.274.247 | -1.685.548 |
| | Other financial costs | 3.525.433 | 2.297.967 |
| | Tax on net profit or loss for the year | 25.854.557 | 17.641.957 |
| | | **56.530.212** | **41.316.441** |

| | | Group 2022 | 2021 |
|---|---|---|---|
| **27.** | **Change in working capital** | | |
| | Change in inventories | -17.645.553 | -11.183.873 |
| | Change in receivables | 11.288.900 | -16.931.416 |
| | Change in trade payables and other payables | -8.571.656 | -59.854 |
| | Other changes in working capital | -5.457.393 | 0 |
| | | **-20.385.702** | **-28.175.143** |

| | | Group 2022 | 2021 |
|---|---|---|---|
| **28.** | **Acquisition of enterprises and activities** | | |
| | Property, plant, and equipment | 0 | 46.139.884 |
| | Inventories | 0 | 4.617.516 |
| | Receivables | 0 | 1.861.839 |
| | Cash on hand and demand deposits | 0 | 82.924 |
| | Bank loans | 0 | -4.490.719 |
| | Mortgage loans | 0 | -20.825.296 |
| | Provisions for deferred tax | 0 | 3.928.906 |
| | Trade payables | 0 | -340.236 |
| | Other payables | 0 | -15.691.966 |
| | Goodwill | 0 | 26.057.194 |
| | | **0** | **41.340.046** |

## Accounting policies

The annual report for NGI Holding ApS 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.

**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 group 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 group 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.

**The consolidated financial statements**

The consolidated income statements 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 exercise control.

*Consolidation policies*

The consolidated financial statements have been prepared as a summary of the parent company's and the group enterprises' financial statements by adding together uniform accounting records calculated in accordance with the group's accounting policies.

Investments in group enterprises are eliminated by the proportionate share of the group enterprises' fair value of net assets and liabilities at the acquisition date.

In the consolidated financial statements, the accounting records of the group enterprises are recognised by 100%. The minority interests' share of the profit for the year and of the equity in the group enterprises, which are not 100% owned, is included in the group's profit and equity, but presented separately.

Purchases and sales of minority interests under continuing control are recognised directly in equity as a transaction between shareholders.

Investments in associates are measured in the statement of financial position at the proportionate share of the enterprises' equity value i calculated in accordance with the parent company's accounting policies and with proportionate elimination of unrealised intercompany gains and losses. In the income statement, the proportional share of the associates' results is recognised after elimination of the proportional share of intercompany gains and losses.

The group activities in joint operations are recognised in the consolidated financial statements record by record.

**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 recognised in the income statement as incurred.

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.

**Non-controlling interests**

Non-controlling interests constitute a share of the group's total equity. By distribution of net profit, profit or loss for the year is distributed on the share attributable to the non-controlling interests and the share attributable to the parent's shareholders respectively.

## 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 operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets, operating loss and conflict compensation as well as salary reimbursements received. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

**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 of the parent 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 parent and the Danish group enterprises are subject to Danish rules on compulsory joint taxation of Danish group enterprises. The parent acts as an administration company in relation to the joint taxation. This means that the total Danish income tax payable by the Danish group companies is paid to the tax authorities by the company.

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 usually 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, usually over 3 years, 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 10 to 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 group 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 group'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 method of consolidation.

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 enterpriseswith 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 an 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**

As administration company, NGI Holding ApS is liable to the tax authorities for the subsidiaries' corporate income taxes.

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 ”Tax receivables from group enterprises" or "Income tax payable to group enterprises"

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.

**Provisions**

Provisions comprise expected costs of warranty commitments, loss on work in progress, restructuring, etc. Provisions are recognised when the group has a legal or actual commitment resulting from a previously occurred event and when it is probable that the settlement of the liability will result in consumption of the financial resources of the group.

Provisions are measured at net realisable value or at fair value. If the fulfilment of a liability is expected to take place far in the future, the liability is measured at fair value.

Guarantee liabilities comprise liabilities for repairs within the guarantee period of 1-5 years. Provisions for warranty commitments are measured on basis of the obtained experience with guarantee work. Provisions with an expected due date later than 1 year from the reporting date are discounted at a rate reflecting risk and maturity of the liability.

**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.

## Statement of cash flows

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

The effect on cash flows derived from the acquisition and sale of enterprises appears separately under cash flows from investment activities. In the statement of cash flows, cash flows derived from acquiries are recognised as of the date of acquisition, and cash flows derived from sold enterprises are recognised until the date of sale.

**Cash flows from operating activities**

Cash flows from operating activities are calculated as the group's share of the profit adjusted for non-cash operating items, changes in the working capital, and corporate income tax paid. Dividend income from equity investments are recognised under “Interest income and dividend received”.

**Cash flows from investment activities**

Cash flows from investment activities comprise payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible assets, property, plant, and equipment, and investments, respectively.

**Cash flows from financing activities**

Cash flows from financing activities include changes in the size or the composition of the group's share capital and costs attached to it, as well as raising loans, repayments of interest-bearing payables and payment of dividend to shareholders.

### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand with deduction of short-term bank debts and short-term securities with a maturity less than 3 months that are readily convertible into cash and which are subject to an insignificant risk of changes in 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.