

IMEC ApS

Erhvervsparken 7, 4621 Gadstrup

Company reg. no. 20 03 18 83

Annual report

2018/19

The annual report was submitted and approved by the general meeting on the 26 September 2019.

Martin Vestergaard

Chairman of the meeting

Notes:

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

Contents

	<u>Page</u>
Reports	
Management's report	1
Independent auditor's report	2
Management's review	
Company data	5
Management's review	6
Annual accounts 1 May 2018 - 30 April 2019	
Profit and loss account	7
Balance sheet	8
Notes	10
Accounting policies used	13

Management's report

The managing director has today presented the annual report of IMEC ApS for the financial year 1 May 2018 to 30 April 2019.

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

I consider the accounting policies used appropriate, and in my opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 30 April 2019 and of the company's results of its activities in the financial year 1 May 2018 to 30 April 2019.

I am 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.

Gadstrup, 26 September 2019

Managing Director

Martin Vestergaard

Independent auditor's report

To the shareholder of IMEC ApS

Opinion

We have audited the annual accounts of IMEC ApS for the financial year 1 May 2018 to 30 April 2019, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 30 April 2019 and of the results of the company's operations for the financial year 1 May 2018 to 30 April 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

The management's responsibilities for the annual accounts

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

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

Auditor's responsibilities for the audit of the annual accounts

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

Independent auditor's report

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

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the annual accounts, including the disclosures in the notes, and whether the annual accounts reflect the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the management's review

The management is responsible for the management's review.

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

Independent auditor's report

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

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

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

Copenhagen, 26 September 2019

Redmark

State Authorised Public Accountants
Company reg. no. 29 44 27 89

Jan Flemming Moldrup
State Authorised Public Accountant
mne8996

Mark Leerdrup Hansen
State Authorised Public Accountant
mne19802

Company data

The company	IMEC ApS Erhvervsparken 7 4621 Gadstrup Company reg. no. 20 03 18 83 Financial year: 1 May - 30 April
Managing Director	Martin Vestergaard
Auditors	Redmark Statsautoriseret Revisionspartnerselskab Dirch Passers Allé 76 2000 Frederiksberg
Bankers	Spar Nord Bank
Parent company	Imec Holding ApS
Subsidiary	Imec GMBH, Germany

Management's review

The principal activities of the company

The company's activity is sale, design, installation and operation phrase of facilities/instruments for detecting radioactivity/x-rays and instruments (x-ray fluorescence)/LIBS (Laser Induced Breakdown Spectroscopy) for analysis of metals and servicing of systems/instruments.

Development in activities and financial matters

The gross profit for the year is DKK 3.348.000 against DKK 2.426.000 last year. The results from ordinary activities after tax are DKK 154.000 against DKK 750.000 last year. The management consider the results satisfactory.

During the period the development in sales has been satisfactory.

The management considers the results satisfactory.

Change in accounting policy

The company has changed the accounting policy for Equity investments in group enterprises from cost basis to net equity method. Reference is made to the description in the section "Accounting policies used".

Events subsequent to the financial year

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

Profit and loss account 1 May - 30 April

All amounts in DKK.

<u>Note</u>	<u>2018/19</u>	<u>2017/18</u>
Gross profit	3.347.645	2.425.619
1 Staff costs	-1.846.696	-1.458.713
Operating profit	1.500.949	966.906
Income from equity investments in group enterprises	-247.116	0
Other financial income	333.609	48.160
Writedown relating to financial assets	-611.132	0
2 Other financial costs	-531.926	-49.858
Results before tax	444.384	965.208
3 Tax on ordinary results	-290.608	-214.926
Results for the year	153.776	750.282
 Proposed distribution of the results:		
Allocated to results brought forward	153.776	750.282
Distribution in total	153.776	750.282

Balance sheet 30 April

All amounts in DKK.

Assets		
<u>Note</u>	<u>2019</u>	<u>2018</u>
Fixed assets		
4 Production plant and machinery	0	0
5 Other plants, operating assets, and fixtures and furniture	0	0
Tangible fixed assets in total	<u>0</u>	<u>0</u>
6 Equity investment in group enterprise	0	0
Financial fixed assets in total	<u>0</u>	<u>0</u>
Fixed assets in total	<u>0</u>	<u>0</u>
Current assets		
Raw materials and consumables	690.546	923.719
Prepayments for goods	0	1.897.825
Inventories in total	<u>690.546</u>	<u>2.821.544</u>
Trade debtors	1.969.642	218.228
Amounts owed by group enterprises	1.588.508	1.296.291
Deferred tax assets	9.354	4.821
Other debtors	0	21.914
Accrued income and deferred expenses	0	9.000
Debtors in total	<u>3.567.504</u>	<u>1.550.254</u>
Available funds	<u>2.575.181</u>	<u>2.584.001</u>
Current assets in total	<u>6.833.231</u>	<u>6.955.799</u>
Assets in total	<u>6.833.231</u>	<u>6.955.799</u>

Balance sheet 30 April

All amounts in DKK.

<u>Note</u>	<u>2019</u>	<u>2018</u>
Equity and liabilities		
Equity		
7 Contributed capital	125.000	125.000
8 Results brought forward	2.310.146	2.156.370
Equity in total	2.435.146	2.281.370
Liabilities		
Bank debts	19.196	24.097
Trade creditors	1.006.331	252.411
Corporate tax	295.108	214.390
Other debts	3.077.450	4.183.531
Short-term liabilities in total	4.398.085	4.674.429
Liabilities in total	4.398.085	4.674.429
Equity and liabilities in total	6.833.231	6.955.799
9 Mortgage and securities		
10 Contingencies		

Notes

All amounts in DKK.

	<u>2018/19</u>	<u>2017/18</u>
1. Staff costs		
Salaries and wages	1.844.389	1.458.713
Other staff costs	<u>2.307</u>	<u>0</u>
	<u>1.846.696</u>	<u>1.458.713</u>
Average number of employees	<u>2</u>	<u>2</u>
2. Other financial costs		
Financial costs, group enterprises	36.153	0
Other financial costs	<u>495.773</u>	<u>49.858</u>
	<u>531.926</u>	<u>49.858</u>
3. Tax on ordinary results		
Tax of the results for the year, parent company	295.108	214.390
Adjustment for the year of deferred tax	-4.533	536
Adjustment of tax for previous years	<u>33</u>	<u>0</u>
	<u>290.608</u>	<u>214.926</u>
4. Production plant and machinery		
Cost 1 May 2018	<u>131.221</u>	<u>131.221</u>
Cost 30 April 2019	<u>131.221</u>	<u>131.221</u>
Depreciation and writedown 1 May 2018	<u>-131.221</u>	<u>-131.221</u>
Depreciation and writedown 30 April 2019	<u>-131.221</u>	<u>-131.221</u>
Book value 30 April 2019	<u>0</u>	<u>0</u>

Notes

All amounts in DKK.

	<u>30/4 2019</u>	<u>30/4 2018</u>
5. Other plants, operating assets, and fixtures and furniture		
Cost 1 May 2018	36.555	36.555
Disposals during the year	-36.555	0
Cost 30 April 2019	0	36.555
Depreciation and writedown 1 May 2018	-36.555	-36.555
Reversal of depreciation, amortisation and writedown, assets disposed of	36.555	0
Depreciation and writedown 30 April 2019	0	-36.555
Book value 30 April 2019	0	0
6. Equity investment in group enterprise		
Acquisition sum, opening balance 1 May 2018	1.493.360	186.375
Additions during the year	0	1.306.985
Cost 30 April 2019	1.493.360	1.493.360
Revaluations, opening balance 1 May 2018	-1.493.360	0
Results for the year before goodwill amortisation	-247.116	0
Writedown as a result of changes in accounting policies	-611.132	-1.493.360
Revaluation 30 April 2019	-2.351.608	-1.493.360
Offsetting against debtors	858.248	0
Set off against debtors and provisions for liabilities	858.248	0
Book value 30 April 2019	0	0

The financial highlights for the enterprise according to the latest approved annual report

	Share of ownership	Equity	Results for the year	Book value at IMEC ApS
Imec GMBH, Germany	100 %	-858.248	-247.115	0

Notes

All amounts in DKK.

	<u>30/4 2019</u>	<u>30/4 2018</u>
7. Contributed capital		
Contributed capital 1 May 2018	<u>125.000</u>	<u>125.000</u>
	<u>125.000</u>	<u>125.000</u>
8. Results brought forward		
Results brought forward 1 May 2018	2.156.370	2.899.448
Writedown of equity investment as a result of changes in accounting policies	0	-1.493.360
Profit or loss for the year brought forward	<u>153.776</u>	<u>750.282</u>
	<u>2.310.146</u>	<u>2.156.370</u>

9. Mortgage and securities

The company has no mortgage and securities.

10. Contingencies

Contingent liabilities

The company has provided guarantees for the bank debts of Imec GmbH.

Joint taxation

Imec Holding ApS, company reg. no 39413116 being the administration company, the company is subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

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

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

Accounting policies used

The annual report for IMEC ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

Changes in the accounting policies used

The accounting policy for equity investments in group enterprises (subsidiaries) has been changed from cost basis to the equity method. The company considers the equity method to provide a more true and fair view of the equity investments.

Except from the above, the accounting policies used are unchanged compared to last year.

The comparative figures have been adjusted to the changed accounting policies and the effect on Results for the year/Equity in total amount to DKK -1.493.360/DKK -1.493.360 for 2017/18 and DKK 0/DKK 0 for 2018/19.

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 asset can be measured reliably.

Liabilities are recognised in the balance sheet when 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.

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.

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

Accounting policies used

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

Staff costs

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

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.

Interest and other costs concerning loans for financing the production of intangible and tangible fixed assets and concerning the production period are not recognised in the cost of the fixed asset.

Results from equity investment in group enterprise

After full elimination of intercompany profit or loss and deduction of amortisation of consolidated goodwill, the equity investment in the group enterprise is recognised in the profit and loss account at a proportional share of the group enterprise's 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 company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

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

The balance sheet

Tangible fixed assets

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.

Accounting policies used

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:

	<i>Useful life</i>
<i>Technical plants and machinery</i>	<i>5-10 years</i>
<i>Other plants, operating assets, fixtures and furniture</i>	<i>3-5 years</i>

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

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

Financial fixed assets

Equity investment in group enterprise

Equity investment in group enterprise is 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 investment in group enterprise is transferred to the reserves under the equity for net revaluation as per the equity method. Dividend from group enterprise 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 enterprise.

Accounting policies used

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.

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.

Accrued income and deferred expenses

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

Available funds

Available funds comprise cash at bank and in hand.

Equity

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

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

Deferred tax 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

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