

Nil Technology ApS

Diplomvej 381
2800 Kgs.Lyngby

29 31 02 03

Annual report for 2015

(10. financial year)

Adopted at the annual general meeting
on 31 May 2016

Theodor Nielsen
Chairman

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Statement by management on the annual report

Today, the board of directors and the executive board have discussed and approved the annual report of Nil Technology ApS for the financial year 1 January - 31 December 2015.

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

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2015 and of the results of its operations for the financial year 1 January - 31 December 2015.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

We recommend the adoption of the annual report at the annual general meeting.

Kgs. Lyngby, 17 May 2016

Executive Board

Brian Bilenberg Olsen

Theodor Nielsen

Karl Niklas Hansson

Supervisory Board

Shahram Dini
chairman

SH. Salman Hamad Ebrahim
Muhammed Al Khalifa

Gabi Grützner

Brian Bilenberg Olsen

Independent auditor's report

To the Shareholders of Nil Technology ApS

Report on the financial statements

We have audited the financial statements of Nil Technology ApS for the financial year 1 January - 31 December 2015, which comprise summary of significant accounting policies, income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish Audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The audit has not resulted in any qualification.

Opinion

In our opinion, the financial statement give a true and fair view of the company's financial position at 31 December 2015 and of the results of the company's operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Independent auditor's report

Statement on management's review

Pursuant to the Danish Financial Statements Act, we have read the management's review. We have not performed any further procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the management's review is consistent with the financial statements.

Hellerup, 17 May 2016

CVR-no. 33 25 68 76

 Crowe Horwath.

Søren Jonassen
Statsautoriseret revisor

Company details

The company

Nil Technology ApS
Diplomvej 381
2800 Kgs.Lyngby

CVR-no.: 29 31 02 03
Financial year: 1 January - 31 December
Incorporated: 13 January 2006
Domicile: Lyngby-Taarbæk

Board of directors

Shahram Dini, chairman
SH. Salman Hamad Ebrahim Muhamed Al Khalifa,
Gabi Grützner
Brian Bilenberg Olsen

Executive board

Brian Bilenberg Olsen
Theodor Nielsen
Karl Niklas Hansson

Auditors

Crowe Horwath
Statsautoriseret Revisionsinteressentskab
Rygårds Allé 104
2900 Hellerup

Management's review

The company's business concept and goal

NIL Technology ApS is a knowledge-based company that develops and sells advanced nano lithography solutions with a special focus on nanoimprint lithography (NIL) and mastering for nanostructure replication across many many manufacturing platforms.. The mission of NIL Technology is to develop and deliver micro and nanostructures to the world's high tech companies – meeting demands at the highest level. Key competences are within nanoimprint lithography, DUV lithography and electron beam lithography. The company's products include stamps to for nanoimprint lithography, patterning of injection moulding tools, shims for roll to roll printing, nanoimprint lithography service, processing of micro- and nanostructures as well as research and development within different applications using said structures. The company service mainly companies with R&D projects aiming at developing products benefiting from the implementation of nano-scale structures, as well as educational institutions with activities requiring use of nanostructures. The company sees a very interesting trend toward inclusion of nanostructures in various products and especially by use of injection moulding. NIL Technology's vision is to implement nanostructuring production solutions for better health and sustainable living”.

The result of the year is considered satisfactory.

The financial year in outline

In 2015, the company employed 12 people in average, of which 11 are engineers. The company has in 2015 worked with development of its products and has thereby strengthened its IP significantly, and it has participated in research projects NANOPLAST (DK), POLYNANO (DK), NEMI (EC), PLAST4FUTURE (EC), CELLOMATIC (EC), NILSAW (DK/EC), SUPERLENS (EC/DK), and IZADI (EC). By participation in various research and development projects the company has gained large IP value that secures a substantial value base for the future of the company, especially within the area where the company's competences is used in combination with injection moulding.

In general, it is observed that dissemination of nanoimprint (NIL) advances globally and the number of companies using the NIL technology or is in a dedicated development phase based on NIL is increasing.

For the year 2016, the company expects further growth in revenues and launch of new products that will contribute to increased growth and a strengthened competitive position.

Shareholder information:

Dividend distribution: It is the NIL Technology's dividend distribution policy that the shareholders decide the size of the dividend distribution if any at the ordinary general assembly based on the managements annual review. Distribution of dividend has to be made under consideration to the needed consolidation of the equity needed for the company's further operations. NIL Technology ApS does not expect to distribute any dividend based on the annual result of 2015.

Events after the balance sheet date

None

Accounting policies

The annual report of Nil Technology ApS for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act as regards reporting class B.

The accounting policies applied are consistent with those applies last year.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company's and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company's and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

Gross earnings include revenue deducted with cost of goods sold and other external expenses.

Revenue is recognised in the income statement, if delivery is made and risk has been passed to the buyer before the end of the year.

Financial income and expenses

Financial income and expenses include interest income and expenses, debt and transactions in foreign currencies as well as tax surcharges and repayments in accordance with the Danish Tax Prepayment Scheme.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, including changes arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to entries directly in equity.

Accounting policies

Balance sheet

Intangible assets

Acquired licenses is measured at cost less accumulated amortisation. Licenses is armortised straightline over the estimated useful life, which constitutes 5 years.

Development costs

Development cost includes costs, wages and saleries that can be directly linked to the company's development activities and which meet the criteria of such.

After the completion capitalised development costs are amortised bt the straight line method over the estimated usefull life. The amortization period equals to 3 years.

Tangible assets

Items of Tangible assets are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Where individual parts of an item of property, plant and equipment have different useful lives, the cost is divided into separate parts, which are depreciated separately.

Depreciation is provided on a straight-line basis over the expected useful life of the asset based on the following expected useful lives:

Other fixtures and fittings, tools and equipment 3-8 years

Assets costing less than DKK 12,800 are expensed in the year of acquisition.

Gains or losses are recognised in the income statement as other operating income or other operating expenses, respectively.

Stocks

Stocks are measured at using FIFO method. Where the net realisable value is lower than the cost, inventories are carried at this lower value.

The cost of consumables comprises the purchase price plus delivery costs.

Accounting policies

The net realisable value of stocks is determined as the selling price less costs of completion and costs incurred to effect the sale, taking into account marketability, obsolescence and developments in the expected selling price.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value. The value is reduced by provision for bad debts.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Equity

Dividend

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability at the date of declaration by the annual general meeting.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities.

Deferred tax is measured on the basis of the taxation rules and taxation rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Liabilities

Other debts are measured at net realisable value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign-exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement 1 January - 31 December

	Note	2015 DKK	2014 TDKK
Gross profit		7,779,819	6,085
Staff costs	1	<u>-7,253,533</u>	<u>-6,898</u>
Earnings before interest, tax, depreciation and amortisation		526,286	-813
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		<u>-191,764</u>	<u>-269</u>
Profit/loss before financial income and expenses		334,522	-1,082
Financial income	2	150,981	104
Financial costs	3	<u>-1,986</u>	<u>-2</u>
Profit/loss before tax		483,517	-980
Tax on profit/loss for the year	4	<u>0</u>	<u>0</u>
Net profit/loss for the year		<u>483,517</u>	<u>-980</u>
Proposed distribution of profit			
Retained earnings		<u>483,517</u>	<u>-980</u>
		<u>483,517</u>	<u>-980</u>

Balance sheet at 31 December

	<u>Note</u>	<u>2015</u> DKK	<u>2014</u> TDKK
Assets			
Acquired patents		<u>285,290</u>	<u>332</u>
Intangible assets	5	<u>285,290</u>	<u>332</u>
Other fixtures and fittings, tools and equipment		<u>16,900</u>	<u>0</u>
Tangible assets	6	<u>16,900</u>	<u>0</u>
Deposits		<u>57,496</u>	<u>58</u>
Fixed asset investments		<u>57,496</u>	<u>58</u>
Fixed assets total		<u>359,686</u>	<u>390</u>
Finished goods and goods for resale		<u>321,244</u>	<u>0</u>
Stocks		<u>321,244</u>	<u>0</u>
Trade receivables		1,538,468	1,282
Other receivables		162,170	182
Prepayments		<u>79,765</u>	<u>55</u>
Receivables		<u>1,780,403</u>	<u>1,519</u>
Cash at bank and in hand		<u>2,654,911</u>	<u>2,296</u>
Current assets total		<u>4,756,558</u>	<u>3,815</u>
Assets total		<u><u>5,116,244</u></u>	<u><u>4,205</u></u>

Balance sheet at 31 December

	<u>Note</u>	<u>2015</u> DKK	<u>2014</u> TDKK
Liabilities and equity			
Share capital		212,922	213
Retained earnings		<u>-244,044</u>	<u>-652</u>
Equity total	7	<u>-31,122</u>	<u>-439</u>
Trade payables		1,046,688	875
Other payables		1,954,068	687
Deferred income		<u>2,146,610</u>	<u>3,082</u>
Short-term debt		<u>5,147,366</u>	<u>4,644</u>
Debt total		<u>5,147,366</u>	<u>4,644</u>
Liabilities and equity total		<u><u>5,116,244</u></u>	<u><u>4,205</u></u>
Uncertainty about the continued operation (going concern)	10		
Contingencies, etc.	8		
Collateral and security	9		

Notes to the Annual Report

	2015 DKK	2014 TDKK
1 Staff costs		
Wages and salaries	6,270,874	5,965
Pensions	692,880	641
Other social security costs	289,779	292
	7,253,533	6,898
2 Financial income		
Other financial income	150,981	104
	150,981	104
3 Financial costs		
Other financial costs	1,986	2
	1,986	2
4 Tax on profit/loss for the year		
	0	0

Notes to the Annual Report

5 Intangible assets

	Acquired patents
Cost at 1 January 2015	1,489,848
Additions for the year	144,255
Cost at 31 December 2015	1,634,103
Impairment losses and depreciation at 1 January 2015	1,157,336
Amortisation for the year	191,477
at 31 December 2015	1,348,813
Carrying amount at 31 December 2015	285,290

6 Tangible assets

	Other fixtures and fittings, tools and equipment
Cost at 1 January 2015	486,262
Additions for the year	17,187
Disposals for the year	-486,262
Cost at 31 December 2015	17,187
Revaluations at 1 January 2015	0
Revaluations at 31 December 2015	0
Impairment losses and depreciation at 1 January 2015	486,262
Depreciation for the year	287
Reversal of impairment and depreciation of sold assets	-486,262
Impairment losses and depreciation at 31 December 2015	287
Carrying amount at 31 December 2015	16,900

Notes to the Annual Report

7 Equity

	Share capital	Retained earnings	Total
Equity at 1 January 2015	212,922	-651,623	-438,701
Exchange adjustment, foreign	0	-75,938	-75,938
Net profit/loss for the year	0	483,517	483,517
Equity at 31 December 2015	212,922	-244,044	-31,122

8 Contingencies, etc.

A rental obligation for 3 months equal to TDKK 71 rest upon the company.

9 Collateral and security

None

10 Uncertainty about the continued operation (going concern)

The Company has recieved letter of support from Invision Company, and will support the operations and liquidity up to DKK 2,980 mio. in 2016.