

NIL Technology ApS

Diplomvej 381
2800 Kgs.Lyngby

CVR no. 29 31 02 03

Annual report for 2018

(13th Financial year)

Adopted at the annual general meeting
on 29 May 2019

Theodor Nielsen
chairman

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Statement by management on the annual report

The supervisory and executive boards have today discussed and approved the annual report of NIL Technology ApS for the financial year 1 January - 31 December 2018.

The annual report is 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 2018 and of the results of the company's operations for the financial year 1 January - 31 December 2018.

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

Management recommends that the annual report should be approved by the company in general meeting.

Kgs. Lyngby, 24 April 2019

Executive board

Brian Bilenberg

Theodor Nielsen

Karl Niklas Hansson

Supervisory board

Henrik Nielsen
chairman

Ali Abdulwahab Alhasan

Jean Adolphe Schmitt

Bo Ilsøe

Christian René Tang-Jespersen

Theodor Nielsen

Independent auditor's report

To the shareholders of NIL Technology ApS

Opinion

We have audited the financial statements of NIL Technology ApS for the financial year 1 January - 31 December 2018, which comprise a summary of significant accounting policies, income statement, balance sheet and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2018 and of the results of the company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for Opinion

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

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Independent auditor's report

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

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

Statement on management's review

Management is responsible for management's review.

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

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

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

Independent auditor's report

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 Statements Act. We did not identify any material misstatement of management's review.

Hellerup, 24 April 2019

CVR no. 33 25 68 76



Søren Jonassen
Statsautoriseret revisor
MNE no. mne18488

Company details

The company

NIL Technology ApS
Diplomvej 381
2800 Kgs.Lyngby

CVR no.: 29 31 02 03

Reporting period: 1 January - 31 December 2018

Incorporated: 13. January 2006

Domicile: Lyngby-Taarbæk

Supervisory board

Henrik Nielsen, chairman
Ali Abdulwahab Alhasan
Jean Adolphe Schmitt
Bo Ilsøe
Christian René Tang-Jespersen
Theodor Nielsen

Executive board

Brian Bilenberg
Theodor Nielsen
Karl Niklas Hansson

Auditors

Crowe
Statsautoriseret Revisionsinteressentskab v.m.b.a.
Rygårds Allé 104
2900 Hellerup

Management's review

Business activities

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 manufacturing platforms including injection moulding. 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 masters and 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 sees a very interesting trend toward inclusion of nanostructures in various products. NIL Technology's vision is to implement nanostructuring production solutions for better health and sustainable living.

The result of the year is considered satisfactory.

Financial review

Ultimo 2018, the company employed 20 people, of which 18 are engineers or scientists. The company has in 2018 worked with development of its products and has thereby strengthened its IP significantly, and it has participated in research projects IZADI (EC), MARS (EC), PROSURF (EC), CPB (DK), EMPIR (EC), ADIMA (SE), FASTFACEREC (EC), and SMARTFLEX (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.

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 2019, the company expects further growth in revenues and launch of new products that will contribute to increased growth and a strengthened competitive position.

The company has secured capital to supports its growth in an investment round completed in December 2018.

Management's review

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 management's 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 2018.

Shareholders with more than 5% ownership:

- Invision Company Limited
- Jolt Capital III FPCI
- Nokia Growth Partners IV L.P.
- Bilenberg Invest ApS
- Theodor Invest ApS
- HNI Trading ApS

Significant events occurring after end of reporting period

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Accounting policies

The annual report of NIL Technology ApS for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied are consistent with those of 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 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 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

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

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.

Accounting policies

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, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Intangible assets

Development projects, patents and licences

Development costs comprise costs, wages/salaries and amortisation losses that are directly and indirectly attributable to the company's development activities.

Developments projects recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

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 13,500 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 cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised 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 recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

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 in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

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 2018 - 31 December 2018

	<u>Note</u>	<u>2018</u> DKK	<u>2017</u> TDKK
Gross profit		13,909,531	11,528
Staff costs	1	<u>-11,711,815</u>	<u>-9,324</u>
Profit/loss before amortisation/depreciation and impairment losses		2,197,716	2,204
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		<u>-198,794</u>	<u>-126</u>
Profit/loss before net financials		1,998,922	2,078
Financial income	2	48,869	0
Financial costs	3	<u>-35,318</u>	<u>-378</u>
Profit/loss before tax		2,012,473	1,700
Tax on profit/loss for the year	4	<u>-181,014</u>	<u>2,345</u>
Profit/loss for the year		<u>1,831,459</u>	<u>4,045</u>
Recommended appropriation of profit/loss			
Retained earnings		<u>1,831,459</u>	<u>4,045</u>
		<u>1,831,459</u>	<u>4,045</u>

Balance sheet at 31 December 2018

	<u>Note</u>	<u>2018</u> DKK	<u>2017</u> TDKK
Assets			
Acquired patents		682,527	622
Intangible assets	5	<u>682,527</u>	<u>622</u>
Other fixtures and fittings, tools and equipment		181,371	11
Property, plant and equipment in progress		396,384	176
Tangible assets	6	<u>577,755</u>	<u>187</u>
Deposits		85,089	83
Fixed asset investments		<u>85,089</u>	<u>83</u>
Total non-current assets		<u>1,345,371</u>	<u>892</u>
Finished goods and goods for resale		601,114	526
Stocks		<u>601,114</u>	<u>526</u>
Trade receivables		5,538,077	2,368
Other receivables		1,894,251	1,639
Deferred tax asset		2,163,557	2,345
Prepayments		1,201,548	102
Receivables		<u>10,797,433</u>	<u>6,454</u>
Cash at bank and in hand		<u>68,251,166</u>	<u>5,874</u>
Total current assets		<u>79,649,713</u>	<u>12,854</u>
Total assets		<u><u>80,995,084</u></u>	<u><u>13,746</u></u>

Balance sheet at 31 December 2018

	<u>Note</u>	<u>2018</u> DKK	<u>2017</u> TDKK
Equity and liabilities			
Share capital		425,300	265
Reserve for unpaid share capital		551,319	127
Retained earnings		58,731,218	10,025
Equity	7	<u>59,707,837</u>	<u>10,417</u>
Trade payables		<u>0</u>	<u>304</u>
Total non-current liabilities		<u>0</u>	<u>304</u>
Trade payables		4,537,866	1,880
Other payables		990,709	753
Deferred income		15,758,672	392
Total current liabilities		<u>21,287,247</u>	<u>3,025</u>
Total liabilities		<u>21,287,247</u>	<u>3,329</u>
Total equity and liabilities		<u>80,995,084</u>	<u>13,746</u>
Contingencies, etc.	8		
Mortgages and collateral	9		

Notes

	2018 DKK	2017 TDKK
1 Staff costs		
Wages and salaries	9,892,109	7,990
Pensions	1,250,846	938
Other social security costs	568,860	396
	11,711,815	9,324
Average number of employees	15	14
2 Financial income		
Other financial income	48,869	0
	48,869	0
3 Financial costs		
Other financial costs	35,318	378
	35,318	378
4 Tax on profit/loss for the year		
Deferred tax for the year	181,014	-2,345
	181,014	-2,345

Notes

5 Intangible assets

	Acquired patents
Cost at 1 January 2018	1,898,431
Additions for the year	253,443
Cost at 31 December 2018	2,151,874
Impairment losses and amortisation at 1 January 2018	1,276,955
Depreciation for the year	192,392
Impairment losses and amortisation at 31 December 2018	1,469,347
Carrying amount at 31 December 2018	682,527

6 Tangible assets

	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress
Cost at 1 January 2018	17,186	176,197
Additions for the year	177,744	220,187
Cost at 31 December 2018	194,930	396,384
Impairment losses and depreciation at 1 January 2018	7,160	0
Depreciation for the year	6,399	0
Impairment losses and depreciation at 31 December 2018	13,559	0
Carrying amount at 31 December 2018	181,371	396,384

Notes

7 Equity

	Share capital	Reserve for unpaid share capital	Retained earnings	Total
Equity at 1 January 2018	264,680	126,720	10,023,620	10,415,020
Cash capital increase	160,620	424,599	46,975,979	47,561,198
Exchange adjustment, foreign	0	0	-99,840	-99,840
Net profit/loss for the year	0	0	1,831,459	1,831,459
Equity at 31 December 2018	425,300	551,319	58,731,218	59,707,837

8 Contingencies, etc.

A rental obligation for 3 months equal to TDKK 130 rest upon the company.

The company has entered into lease agreements with a total liability of TDKK 52.

9 Mortgages and collateral

None