

## **NIL Technology ApS**

Haldor Topsøes Allé 1  
2800 Kgs.Lyngby

CVR no. 29 31 02 03

### **Annual report for 2019**

(14th Financial year)

Adopted at the annual general meeting  
on 29 May 2020

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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 2019.

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 2019 and of the results of the company's operations for the financial year 1 January - 31 December 2019.

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, 28 April 2020

### **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 2019, which comprise income statement, balance sheet, notes and summary of significant accounting policies. 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 2019 and of the results of the company's operations for the financial year 1 January - 31 December 2019 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, 28 April 2020

CVR no. 33 25 68 76



Søren Jonassen

State Authorized Public Accountant

MNE no. mne18488

## Company details

### The company

NIL Technology ApS  
Haldor Topsøes Allé 1  
2800 Kgs.Lyngby

CVR no.: 29 31 02 03

Reporting period: 1 January - 31 December 2019

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 review**

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. 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, replication of optical components, 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.

### **Financial review**

By end of 2019, the company employed 37 people. The company has in 2019 worked with development of its products and has thereby strengthened its IP significantly, and it has participated in several research projects. 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) and nano-replication advances globally and the number of companies using the NIL technology or is in a dedicated development phase based on NIL is increasing.

The result of the year is considered satisfactory.

For the year 2020, the company expects no growth in revenues and will launch new products and services that will contribute to increased future growth and a strengthened competitive position. The required capital is in place to continue the growth of the company.

### **Significant events occurring after the end of the financial year**

After the balance sheet date, the most of the world have been impacted by the COVID-19 virus. Several countries are seeing different forms of lock-downs. Although this will have a financial impact on the company, we do not believe it will have a significant impact on our continued growth and ability to continue our plans.



## **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 2019.

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

## **Accounting policies**

The annual report of NIL Technology ApS for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act concerning reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

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 installments 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.

### **Revenue**

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

## **Accounting policies**

### **Financial income and expenses**

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on foreign currency transactions, amortisation of mortgage loans and surcharges and allowances under the advance-payment-of-tax scheme, etc.

### **Profit/loss from investments in subsidiaries and associates**

Dividend from investments is recognised in the reporting year in which the dividend is declared.

### **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***

Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over the remaining patent period, and licences are amortised over the term of the licence, however not more than 5 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
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Assets costing less than DKK 13,800 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.

## **Accounting policies**

### **Leases**

Leases for items of property, plant and equipment that transfer substantially all the risks and rewards incident to ownership to the company (finance leases) are recognised in the balance sheet as assets. On initial recognition, assets are measured at estimated cost, corresponding to the lower of fair value of the leased asset and the present value of the future lease payments. In calculating the net present value of the future lease payments, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the company's other non-current assets.

The capitalised residual lease commitment is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

All other leases are operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The company's total liabilities relating to operating leases and other rent agreements are disclosed under 'Contingencies, etc.'.

### **Investments in subsidiaries and associates**

Investment in subsidiaries and associates are measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value.

### **Impairment of fixed assets**

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is tested for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

### **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.

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.

## **Accounting policies**

### **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 rules and taxation rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

#### **Liabilities**

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

#### **Deferred income**

Deferred income recognised under 'Current liabilities' comprises payments received concerning income in subsequent financial years.

#### **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 2019 - 31 December 2019**

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> TDKK
<b>Gross profit</b>		<b>5,421,626</b>	<b>13,908</b>
Staff costs	1	-17,959,775	-11,712
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		<u>-392,169</u>	<u>-198</u>
<b>Profit/loss before net financials</b>		<b>-12,930,318</b>	<b>1,998</b>
Financial income		114,453	49
Financial costs		<u>-212,465</u>	<u>-35</u>
<b>Profit/loss before tax</b>		<b>-13,028,330</b>	<b>2,012</b>
Tax on profit/loss for the year	2	<u>0</u>	<u>-181</u>
<b>Profit/loss for the year</b>		<b><u>-13,028,330</u></b>	<b><u>1,831</u></b>
<b>Recommended appropriation of profit/loss</b>			
Retained earnings		<u>-13,028,330</u>	<u>1,831</u>
		<b><u>-13,028,330</u></b>	<b><u>1,831</u></b>

## Balance sheet at 31 December 2019

	Note	2019 DKK	2018 TDKK
<b>Assets</b>			
Acquired patents		658,843	682
<b>Intangible assets</b>	3	<b>658,843</b>	<b>682</b>
Other fixtures and fittings, tools and equipment		12,399,739	182
Property, plant and equipment in progress		0	396
<b>Tangible assets</b>	4	<b>12,399,739</b>	<b>578</b>
Investments in subsidiaries	5	141,498	0
Deposits		5,519	85
<b>Fixed asset investments</b>		<b>147,017</b>	<b>85</b>
<b>Total non-current assets</b>		<b>13,205,599</b>	<b>1,345</b>
Finished goods and goods for resale		773,860	601
<b>Stocks</b>		<b>773,860</b>	<b>601</b>
Trade receivables		5,735,143	5,538
Receivables from subsidiaries		489,341	0
Other receivables		1,608,406	1,894
Deferred tax asset		2,163,557	2,164
Prepayments		745,686	1,202
<b>Receivables</b>		<b>10,742,133</b>	<b>10,798</b>
<b>Cash at bank and in hand</b>		<b>43,065,735</b>	<b>68,250</b>
<b>Total current assets</b>		<b>54,581,728</b>	<b>79,649</b>
<b>Total assets</b>		<b>67,787,327</b>	<b>80,994</b>

## Balance sheet at 31 December 2019

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> TDKK
<b>Equity and liabilities</b>			
Share capital		434,646	425
Reserve for unpaid share capital		551,319	551
Retained earnings		<u>47,268,792</u>	<u>58,731</u>
<b>Equity</b>	<b>6</b>	<b><u>48,254,757</u></b>	<b><u>59,707</u></b>
Lease obligations		9,841,877	0
Other payables		<u>475,795</u>	<u>0</u>
<b>Total non-current liabilities</b>	<b>7</b>	<b><u>10,317,672</u></b>	<b><u>0</u></b>
Short-term part of lon-term debt	7	431,623	0
Trade payables		4,959,829	4,538
Other payables		1,784,001	990
Deferred income		<u>2,039,445</u>	<u>15,759</u>
<b>Total current liabilities</b>		<b><u>9,214,898</u></b>	<b><u>21,287</u></b>
<b>Total liabilities</b>		<b><u>19,532,570</u></b>	<b><u>21,287</u></b>
<b>Total equity and liabilities</b>		<b><u>67,787,327</u></b>	<b><u>80,994</u></b>
Contingent liabilities	8		
Mortgages and collateral	9		



## Notes

	2019 DKK	2018 TDKK
<b>1 Staff costs</b>		
Wages and salaries	15,384,862	9,892
Pensions	1,860,561	1,251
Other social security costs	714,352	569
	<b>17,959,775</b>	<b>11,712</b>
Average number of employees	27	19
<b>2 Tax on profit/loss for the year</b>		
Deferred tax for the year	0	181
	<b>0</b>	<b>181</b>

## Notes

### 3 Intangible assets

	Acquired patents
Cost at 1 January 2019	2,151,874
Additions for the year	206,306
Cost at 31 December 2019	2,358,180
Impairment losses and amortisation at 1 January 2019	1,469,347
Depreciation for the year	229,990
Impairment losses and amortisation at 31 December 2019	1,699,337
<b>Carrying amount at 31 December 2019</b>	<b>658,843</b>

### 4 Tangible assets

	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress
Cost at 1 January 2019	194,930	396,384
Additions for the year	11,982,463	1,700
Transfers for the year	398,084	-398,084
Cost at 31 December 2019	12,575,477	0
Impairment losses and depreciation at 1 January 2019	13,559	0
Depreciation for the year	162,179	0
Impairment losses and depreciation at 31 December 2019	175,738	0
<b>Carrying amount at 31 December 2019</b>	<b>12,399,739</b>	<b>0</b>
Value of leased assets	11,414,000	0

## Notes

	2019 DKK	2018 TDKK
<b>5 Investments in subsidiaries</b>		
Additions for the year	141,498	0
Cost at 31 December 2019	141,498	0
Revaluations at 1 January 2019	0	0
Revaluations at 31 December 2019	0	0
<b>Carrying amount at 31 December 2019</b>	<b>141,498</b>	<b>0</b>

Investments in subsidiaries are specified as follows:

Name	Registered office	Share capital	Ownership interest
NILT Switzerland GmbH	Zürich, Schweiz	134.900	100%
NILT US, Inc.	Delaware, USA	6.598	100%

## Notes

### 6 Equity

	Share capital	Reserve for unpaid share capital	Retained earnings	Total
Equity at 1 January 2019	425,300	551,319	58,731,218	59,707,837
Cash capital increase	9,346	0	1,608,454	1,617,800
Exchange adjustment, foreign	0	0	-42,550	-42,550
Net profit/loss for the year	0	0	-13,028,330	-13,028,330
<b>Equity at 31 December 2019</b>	<b>434,646</b>	<b>551,319</b>	<b>47,268,792</b>	<b>48,254,757</b>

### 7 Long term debt

	Debt at 1 January 2019	Debt at 31 December 2019	Instalment next year	Debt outstanding after 5 years
Lease obligations	0	10,273,500	431,623	0
Other payables	0	475,795	0	0
	<b>0</b>	<b>10,749,295</b>	<b>431,623</b>	<b>0</b>

### 8 Contingent liabilities

A rental obligation for 23 months equal to TDKK 1,652 rest upon the company.

The company has entered into operational lease agreements with a total liability of TDKK 37.

### 9 Mortgages and collateral

The company has provided a payment guarantee, TDKK 538 to lessor.