



FOM Technologies A/S

Artillerivej 86, 1.
2300 Copenhagen S
CVR No. 34715726

Annual report 2020

The Annual General Meeting adopted the
annual report on 11.03.2021

Henrik Asboe

Chairman of the general meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2020	9
Balance sheet at 31.12.2020	10
Statement of changes in equity for 2020	12
Cash flow statement for 2020	13
Notes	14
Accounting policies	17

Entity details

Entity

FOM Technologies A/S

Artillerivej 86, 1.

2300 Copenhagen S

CVR No.: 34715726

Registered office: Copenhagen S

Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Helge Holm-Larsen, Chairman

Søren Ulstrup

Knud Foldschack

Signe Antvorskov Krag

Executive Board

Michael Henrik Stadi, Chief Executive Officer

Martin Kiener, Executive Officer

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of FOM Technologies A/S for the financial year 01.01.2020 - 31.12.2020.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations and cash flows for the financial year 01.01.2020 - 31.12.2020.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 25.02.2021

Executive Board

Michael Henrik Stadi
Chief Executive Officer

Martin Kiener
Executive Officer

Board of Directors

Helge Holm-Larsen
Chairman

Søren Ulstrup

Knud Foldschack

Signe Antvorskov Krag

Independent auditor's report

To the shareholders of FOM Technologies A/S

Opinion

We have audited the financial statements of FOM Technologies A/S for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations and cash flows for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 judgement and maintain professional scepticism throughout the audit. We also:

- 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that the management commentary 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 the management commentary.

Copenhagen, 25.02.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Mads Juul Hansen

State Authorised Public Accountant
Identification No (MNE) mne44386

Management commentary

Financial highlights

	2020 DKK'000	2019 DKK'000
Key figures		
Revenue	6,789	8,273
Gross profit/loss	77	3,023
Operating profit/loss	(5,952)	(463)
Net financials	(211)	(66)
Profit/loss for the year	(5,843)	(461)
Total assets	15,242	6,675
Equity	11,829	4,511
Cash flows from (used in) operating activities	(5,214)	(4,163)
Cash flows from (used in) investing activities	(211)	(92)
Cash flows from (used in) financing activities	13,056	3,000
Ratios		
Gross margin (%)	1.13	36.54
Equity ratio (%)	77.61	67.58
Earnings per share (in DKK)	(0,79)	(1,21)
Earnings per share diluted	(0,79)	(1,21)
Average number of employees	8	6

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Gross margin (%):

$\frac{\text{Gross profit/loss} * 100}{\text{Revenue}}$

Return on equity (%):

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Total assets}}$

Primary activities

As in previous years, FOM Technologies A/S's primary activities were sale of machinery for material research.

Description of material changes in activities and finances

The financial year 2020 has, for better or worse, been absolutely extraordinary. A listing of the company in the midst of a global COVID-19 crisis has partly strengthened the capital base, but has also put a temporary stick in the wheel of the ambitious growth strategy outlined in connection with the Initial Public Offering.

The development of the company's revenue is characterized by a global lock-down within virtually all of the company's core customer segments, but still lands within the most recently reported revenue guidance. Despite the global epidemic situation, the company has continued its aggressive investment in innovation, development of new products, establishment of strategic partnerships, building of a global distribution network, scaling in the number of employees and of the company's organization. All these simultaneous initiatives have resulted in earnings, slightly below the most recently announced earnings guidance.

With a strengthened capital base and a tremendous investment in the company's future platform, we consider the year's result to be satisfactory.

Applied accounting policies have been changed for development projects, which are expensed in the income statement according to the Danish Financial Statements Act reporting class B. Changes have no accounting or taxable effect in 2020 or in the comparison figures.

Apart from above, the applied accounting policies are unchanged compared to last year.

Outlook

Forecast of the future financial numbers are as follow:

Revenue (DKK): 16.000.000 to 20.000.000

EBIT (DKK): (2.000.000) to 0

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2020

	Notes	2020 DKK	2019 DKK
Revenue		6,788,942	8,273,204
Other operating income		325,845	5,062,475
Cost of sales		(3,705,243)	(7,238,971)
Other external expenses		(3,332,083)	(3,073,624)
Gross profit/loss		77,461	3,023,084
Staff costs	1	(5,999,564)	(3,472,876)
Depreciation, amortisation and impairment losses	2	(30,239)	(12,818)
Operating profit/loss		(5,952,342)	(462,610)
Other financial income		115,566	0
Other financial expenses	3	(326,696)	(66,074)
Profit/loss before tax		(6,163,472)	(528,684)
Tax on profit/loss for the year	4	320,084	67,997
Profit/loss for the year		(5,843,388)	(460,687)
Proposed distribution of profit and loss:			
Retained earnings		(5,843,388)	(460,687)
Proposed distribution of profit and loss		(5,843,388)	(460,687)

Balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Acquired licences		53,437	0
Acquired trademarks		66,523	0
Intangible assets	5	119,960	0
Other fixtures and fittings, tools and equipment		87,976	68,038
Property, plant and equipment	6	87,976	68,038
Investments in group enterprises		40,800	0
Deposits		62,500	62,500
Other financial assets	7	103,300	62,500
Long-term assets		311,236	130,538
Manufactured goods and goods for resale		2,113,750	746,154
Inventories		2,113,750	746,154
Trade receivables		2,387,685	2,231,073
Contract work in progress	8	0	206,996
Other receivables		1,298,166	1,924,576
Income tax receivable		276,714	23,468
Prepayments		94,516	131,917
Receivables		4,057,081	4,518,030
Cash		8,759,858	1,279,908
Assets		15,241,925	6,674,630

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital		741,941	555,556
Retained earnings		11,086,629	3,955,647
Equity		11,828,570	4,511,203
Deferred tax		0	45,454
Other payables		271,486	50,478
Deferred income		249,900	499,800
Non-current liabilities other than provisions	9	521,386	595,732
Bank loans	10	46,225	196,744
Trade payables		1,482,296	188,176
Other payables		1,113,548	932,875
Deferred income		249,900	249,900
Current liabilities other than provisions		2,891,969	1,567,695
Liabilities other than provisions		3,413,355	2,163,427
Equity and liabilities		15,241,925	6,674,630
Unrecognised rental and lease commitments	12		
Assets charged and collateral	13		

Statement of changes in equity for 2020

	Contributed capital DKK	Share premium DKK	Retained earnings DKK	Total DKK
Equity beginning of year	555,556	0	3,955,647	4,511,203
Increase of capital	186,385	15,814,816	0	16,001,201
Transferred from share premium	0	(15,814,816)	15,814,816	0
Costs related to equity transactions	0	0	(2,840,446)	(2,840,446)
Profit/loss for the year	0	0	(5,843,388)	(5,843,388)
Equity end of year	741,941	0	11,086,629	11,828,570

Cash flow statement for 2020

	Notes	2020 DKK	2019 DKK
Operating profit/loss		(5,952,342)	(462,610)
Amortisation, depreciation and impairment losses		30,239	12,818
Working capital changes	11	792,500	(3,613,161)
Cash flow from ordinary operating activities		(5,129,603)	(4,062,953)
Financial income received		115,566	0
Financial expenses paid		(221,696)	(66,074)
Taxes refunded/(paid)		21,384	(34,257)
Cash flows from operating activities		(5,214,349)	(4,163,284)
Acquisition etc of intangible assets		(129,088)	0
Acquisition etc of property, plant and equipment		(41,049)	(44,786)
Acquisition of financial fixed asset		(40,800)	(47,250)
Cash flows from investing activities		(210,937)	(92,036)
Free cash flows generated from operations and investments before financing		(5,425,286)	(4,255,320)
Cash increase of capital		16,001,201	3,000,240
Costs incurred during change of contributed capital		(2,945,446)	0
Cash flows from financing activities		13,055,755	3,000,240
Increase/decrease in cash and cash equivalents		7,630,469	(1,255,080)
Cash and cash equivalents beginning of year		1,083,164	2,338,244
Cash and cash equivalents end of year		8,713,633	1,083,164
Cash and cash equivalents at year-end are composed of:			
Cash		8,759,858	1,279,908
Short-term debt to banks		(46,225)	(196,744)
Cash and cash equivalents end of year		8,713,633	1,083,164

Notes

1 Staff costs

	2020	2019
	DKK	DKK
Wages and salaries	5,506,061	3,231,970
Pension costs	373,891	103,409
Other social security costs	46,653	31,614
Other staff costs	72,959	105,883
	5,999,564	3,472,876
Average number of full-time employees	8	5

2 Depreciation, amortisation and impairment losses

	2020	2019
	DKK	DKK
Amortisation of intangible assets	9,128	0
Depreciation of property, plant and equipment	21,111	12,818
	30,239	12,818

3 Other financial expenses

	2020	2019
	DKK	DKK
Other interest expenses	221,696	66,074
Other financial expenses	105,000	0
	326,696	66,074

Other interest expenses consists of financial cost relating to the IPO introduction.

4 Tax on profit/loss for the year

	2020	2019
	DKK	DKK
Current tax	(274,630)	(67,997)
Change in deferred tax	(45,454)	0
	(320,084)	(67,997)

5 Intangible assets

	Acquired licences DKK	Acquired trademarks DKK
Additions	56,250	72,838
Cost end of year	56,250	72,838
Amortisation for the year	(2,813)	(6,315)
Amortisation and impairment losses end of year	(2,813)	(6,315)
Carrying amount end of year	53,437	66,523

6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	96,092
Additions	41,049
Disposals	(13,338)
Cost end of year	123,803
Depreciation and impairment losses beginning of year	(28,054)
Depreciation for the year	(21,111)
Reversal regarding disposals	13,338
Depreciation and impairment losses end of year	(35,827)
Carrying amount end of year	87,976

7 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	0	62,500
Additions	40,800	0
Cost end of year	40,800	62,500
Carrying amount end of year	40,800	62,500

8 Contract work in progress

	2020 DKK	2019 DKK
Contract work in progress	0	206,996
	0	206,996

9 Non-current liabilities other than provisions

	Due after more than 12 months 2020 DKK	Outstanding after 5 years 2020 DKK
Other payables	271,486	271,486
Deferred income	249,900	0
	521,386	271,486

10 Bank loans

Bank loans consists of mastercard debt.

11 Changes in working capital

	2020 DKK	2019 DKK
Increase/decrease in inventories	(1,367,596)	(31,110)
Increase/decrease in receivables	714,195	(1,574,536)
Increase/decrease in trade payables etc	1,445,901	(2,007,515)
	792,500	(3,613,161)

12 Unrecognised rental and lease commitments

	2020 DKK	2019 DKK
Liabilities under rental or lease agreements until maturity in total	74,500	62,500

The company has entered into rental agreement with 3 monts notice.

13 Assets charged and collateral

Company pledge, nom. 1,000 t.DKK. in the company's inventory, debtors, intangible assets has been deposited as security for account with credit institution.

Collateral provided for group enterprises

The Entity has guaranteed MLMC Therapeutics ApS undrawn credit facility of 85 t.DKK the 31.12.2020.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

Changes in accounting policies

Applied accounting policies have been changed for development projects, which are expensed in the income statement according to the Danish Financial Statements Act reporting class B. Changes have no accounting or taxable effect in 2020 or in the comparison figures.

Apart from above, the applied accounting policies are unchanged compared to last year.

Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation relating to property, plant and equipment and intangible assets comprise depreciation, amortisation for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, financial cost relating to IPO introduction of existing shares, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement. Intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 5 years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price as well as costs directly related to the acquisition until the time when the asset is ready to be put into operation.

The cost price for an asset is divided into separate components, that are depreciated separately, if the useful life of the individual components is significantly different.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	5 years
--	---------

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts, and finance costs are recognised in the income statement as incurred.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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

Other operating income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, inception of finance leases, repayments of interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.