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ADDIFAB ApS
Møllehaven 12 A
4040 Jyllinge
Business Registration No
36456469

Annual report 2017

The Annual General Meeting adopted the annual report on 31.05.2018

Chairman of the General Meeting

____
Name: Lasse Guldborg Staal

Contents

Entity details

Entity
ADDIFAB ApS
Møllehaven 12 A
4040 Jyllinge

Central Business Registration No (CVR): 36456469
Registered in: Roskilde
Financial year: 01.01.2017 - 31.12.2017

Board of Directors
Søren Holmark, chairman
Jon Jessen
Finn Mogensen
Trine Aabo Andersen
David Packness Meyer
Henrik Birger Rask

Executive Board
Lasse Guldborg Staal

Auditors
Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of ADDIFAB ApS for the financial year 01.01.2017 - 31.12.2017.

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 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

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.

Jyllinge, 31.05.2018

Executive Board

Lasse Guldborg Staal

Board of Directors

Søren Holmark chairman	Jon Jessen	Finn Mogensen
Trine Aabo Andersen	David Packness Meyer	Henrik Birger Rask

Independent auditor's report

To the shareholders of ADDIFAB ApS

Opinion

We have audited the financial statements of ADDIFAB ApS for the financial year 01.01.2017 - 31.12.2017, which comprise the income statement, balance sheet, statement of changes in equity 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 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017 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:

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 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.

Independent auditor's report

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, 31.05.2018

Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR)
33963556

Henrik Wolff Mikkelsen	Martin Bødker Ravn
State Authorised Public Accountant	State Authorised Public Accountant
Identification No (MNE) mne33747	Identification No (MNE) mne40038

Management commentary

Primary activities

The purpose of the company is to further develop and commercialize the company's proprietary 3D printing technology as well as any activity related as seen fit by the board.

Development in activities and finances

The company has a negative result of DKK 3.819k. Total assets amount to DKK 12.748k and a negative equity of DKK 8.183k.

The company is in the early stage of commercialization, with limited sales to balance substantial investments. The company is mostly financed by loans, hence the negative capital. Based on on-going ramp-up of commercial activities, management has budgeted a positive outcome on liquid assets for 2018 and has secured additional equity during the first months of 2018. Therefore, management expects to be able to execute the investments for 2018 fully without risk for negative liquidity.

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 2017

	Notes	2017 DKK	2016 DKK
Gross profit		**1.961.282**	**407.897**
Staff costs	2	(4.109.310)	(2.566.802)
Depreciation, amortisation and impairment losses		(1.271.451)	(767.182)
Operating profit/loss		**(3.419.479)**	**(2.926.087)**
Other financial income		0	2
Other financial expenses		(1.456.023)	(907.799)
Profit/loss before tax		**(4.875.502)**	**(3.833.884)**
Tax on profit/loss for the year	3	1.056.553	804.940
Profit/loss for the year		**(3.818.949)**	**(3.028.944)**
Proposed distribution of profit/loss			
Retained earnings		(3.818.949)	(3.028.944)
		(3.818.949)	**(3.028.944)**

Balance sheet at 31.12.2017

	Notes	2017 DKK	2016 DKK
Completed development projects		2.675.818	1.222.571
Acquired intangible assets		121.189	131.651
Development projects in progress		4.577.257	3.324.071
Intangible assets	4	**7.374.264**	**4.678.293**
Plant and machinery		80.996	77.764
Other fixtures and fittings, tools and equipment		177.752	159.307
Leasehold improvements		589.550	743.089
Property, plant and equipment	5	**848.298**	**980.160**
Deposits		59.800	59.800
Deferred tax	7	238.997	0
Fixed asset investments	6	**298.797**	**59.800**
Fixed assets		**8.521.359**	**5.718.253**
Work in progress		1.577.095	0
Inventories		**1.577.095**	**0**
Trade receivables		68.643	0
Other receivables		229.838	354.140
Income tax receivable		800.829	729.218
Receivables		**1.099.310**	**1.083.358**
Cash		**1.550.561**	**2.169.048**
Current assets		**4.226.966**	**3.252.406**
Assets		**12.748.325**	**8.970.659**

Balance sheet at 31.12.2017

	Notes	2017 DKK	2016 DKK
Contributed capital		50.000	50.000
Reserve for development expenditure		4.645.670	2.353.072
Retained earnings		(12.879.108)	(6.767.561)
Equity		**(8.183.438)**	**(4.364.489)**
Deferred tax	7	0	16.725
Provisions		**0**	**16.725**
Other payables		16.325.538	10.951.544
Non-current liabilities other than provisions	8	**16.325.538**	**10.951.544**
Current portion of long-term liabilities other than provisions	8	1.017.768	1.302.299
Prepayments received from customers		1.308.800	0
Trade payables		830.369	373.393
Other payables		546.694	329.389
Deferred income		902.594	361.798
Current liabilities other than provisions		**4.606.225**	**2.366.879**
Liabilities other than provisions		**20.931.763**	**13.318.423**
Equity and liabilities		**12.748.325**	**8.970.659**
Going concern	1		
Unrecognised rental and lease commitments	9		
Contingent liabilities	10		

Statement of changes in equity for 2017

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	50.000	2.353.072	(6.767.561)	(4.364.489)
Transfer to reserves	0	2.292.598	(2.292.598)	0
Profit/loss for the year	0	0	(3.818.949)	(3.818.949)
Equity end of year	**50.000**	**4.645.670**	**(12.879.108)**	**(8.183.438)**

Notes

1. Going concern

The Company is in the start-up phase and has not yet fully completed the development of the products, which are expected to be marketed in the future. Although a share capital increase was implemented in February 2018, funding of the current development has primarily been based on loans and thus the Company's equity is negative.

Management has prepared a risk adjusted budget, which shows a continued positive cash position until the end of 2018. The currently planned investments will be implemented as funds are/become available. Based on this, it is Management's opinion, that the company has sufficient cash to continue it's activities throughout 2018.

	2017	**2016**
	DKK	**DKK**
2. Staff costs		
Wages and salaries	3.908.037	2.432.521
Pension costs	96.400	84.000
Other social security costs	75.135	28.397
Other staff costs	29.738	21.884
	4.109.310	**2.566.802**
Average number of employees	**9**	**5**

	2017	**2016**
	DKK	**DKK**
3. Tax on profit/loss for the year		
Current tax	(800.831)	(729.218)
Change in deferred tax	(255.722)	(112.339)
Adjustment concerning previous years	0	36.617
	(1.056.553)	**(804.940)**

Notes

	Completed develop-ment projects DKK	Acquired intangible assets DKK	Develop-ment projects in progress DKK
4. Intangible assets			
Cost beginning of year	1.678.888	197.476	3.324.071
Transfers	2.386.955	0	(2.386.955)
Additions	0	66.436	3.640.141
Cost end of year	**4.065.843**	**263.912**	**4.577.257**
Amortisation and impairment losses beginning of year	(456.317)	(65.825)	0
Amortisation for the year	(933.708)	(76.898)	0
Amortisation and impairment losses end of year	**(1.390.025)**	**(142.723)**	**0**
Carrying amount end of year	**2.675.818**	**121.189**	**4.577.257**

Development projects

The company's development projects comprise adaptation, improvement and development of the items, which the company expects to market in the coming years. At present, the Company has closed deals regarding the capitalized development projects, and it is Management's expectation, that the ongoing projects will incur significant revenues in the coming years.

Notes

	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improve-ments DKK
5. Property, plant and equipment			
Cost beginning of year	97.205	199.134	928.861
Additions	25.192	64.322	39.469
Cost end of year	**122.397**	**263.456**	**968.330**
Depreciation and impairment losses beginning of year	(19.441)	(39.827)	(185.772)
Depreciation for the year	(21.960)	(45.877)	(193.008)
Depreciation and impairment losses end of year	**(41.401)**	**(85.704)**	**(378.780)**
Carrying amount end of year	**80.996**	**177.752**	**589.550**

	Deposits DKK	Deferred tax DKK
6. Fixed asset investments		
Cost beginning of year	59.800	0
Additions	0	238.997
Cost end of year	**59.800**	**238.997**
Carrying amount end of year	**59.800**	**238.997**

	2017 DKK	2016 DKK
7. Deferred tax		
Intangible assets	(1.361.486)	(794.813)
Property, plant and equipment	136.035	105.310
Liabilities other than provisions	198.571	0
Tax losses carried forward	1.265.877	672.778
	238.997	**(16.725)**

Notes

The company has completed it's first customer deliveries and the current pipeline is positive. Based on this Management has reconised the full tax assets, as it is Management's expectation that the company will utilise this within a few years.

	Due within 12 months 2017 DKK	Due within 12 months 2016 DKK	Due after more than 12 months 2017 DKK
8. Liabilities other than provisions			
Other payables	1.017.768	1.302.299	16.325.538
	1.017.768	**1.302.299**	**16.325.538**

	2017 DKK	2016 DKK
9. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	**117.030**	**115.302**

	2017 DKK	2016 DKK
10. Contingent liabilities		
Recourse and non-recourse guarantee commitments	244.000	0
Contingent liabilities in total	**244.000**	**0**

The Entity participates in a Danish joint taxation arrangement where JLP Fællesholding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

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.

The accounting policies applied to these financial statements are consistent with those applied last year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, own work capitalised, other operating income, cost of sales and external expenses.

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.

Own work capitalised

Own work capitalised comprises staff costs and other in-house costs incurred in the financial year and recognised in cost for proprietary intangible assets and property, plant and equipment.

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 as well as social security contributions, pension contributions, etc. for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Accounting policies

Other financial income
Other financial income comprises interest income, net exchange gains on transactions in foreign currencies as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses
Other financial expenses comprise interest expenses, net exchange losses on transactions in foreign currencies, amortisation of financial liabilities as well as 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.

The Entity is jointly taxed with it’s parent. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet
Intellectual property rights etc
Intellectual property rights etc. comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 3 - 5 years.

Accounting policies

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement.

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

Property, plant and equipment
Plant and mashinery, other fixtures and fittings, tools and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

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:

Plant and machinery	5-10 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-5 years

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.

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

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 and indirect production 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.

Accounting policies

Income 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.

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.

Prepayments received from customers
Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

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