



Addifab ApS

Møllehaven 12 A
4040 Jyllinge
CVR No. 36456469

Annual report 2019

The Annual General Meeting adopted the
annual report on 25.05.2020

Lasse Guldborg Staal

Chairman of the General Meeting

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Entity details

Entity

Addifab ApS

Møllehaven 12 A

4040 Jyllinge

CVR No.: 36456469

Registered office: Roskilde

Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Jon Jessen

Patrick Georges Suel

Finn Mogensen

David Packness Meyer, formand

Henrik Birger Rask

Executive Board

Lasse Guldborg Staal, adm. dir

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

P. O. Box 1600

0900 Copenhagen C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Addifab ApS for the financial year 01.01.2019 - 31.12.2019.

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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

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 , 25.05.2020

Executive Board

Lasse Guldborg Staal
adm. dir

Board of Directors

Jon Jessen

Patrick Georges Suel

Finn Mogensen

David Packness Meyer
formand

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 01.01.2019 - 31.12.2019, 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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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, 25.05.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Henrik Wolff Mikkelsen

State Authorised Public Accountant
Identification No (MNE) mne33747

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 related activities.

Development in activities and finances

The company has a negative result of DKK 8,737k. Total assets amount to DKK 31,350k and a negative equity of DKK 17,308k.

The company is in the early stage of commercialization. However, there have been a significant increase in sales towards the end of 2019, where the company received several orders from Danish and international customers.

The company is mostly financed by loans, hence the negative equity. In 2019, the company secured a convertible loan from Mitsubishi of mEUR 3. The company continues to look for investments to support international scaleup, and to ensure that the company can meet the increased demand for its products.

Based on the increase in commercial activities, management has budgeted a small loss for 2020. The management expects to be able to execute the investments for 2020 fully without risk for negative liquidity.

Events after the balance sheet date

After the end of the financial year the Covid-19 crisis has occurred. The company will be affected by general travel restrictions and may not being able to install machines for certain customers. Furthermore, supply chain disturbances may affect the company, and alternative suppliers are being developed for critical items. Depending on the development of the Covid-19 and the restrictions in general, this might have an influence on the company's result for 2020

Income statement for 2019

	Notes	2019 DKK	2018 DKK
Gross profit/loss		6,620,981	4,122,743
Staff costs	2	(9,700,550)	(6,688,374)
Depreciation, amortisation and impairment losses		(4,692,277)	(1,378,329)
Operating profit/loss		(7,771,846)	(3,943,960)
Other financial income		8,564	918
Other financial expenses		(2,237,054)	(1,657,342)
Profit/loss before tax		(10,000,336)	(5,600,384)
Tax on profit/loss for the year	3	1,263,026	657,898
Profit/loss for the year		(8,737,310)	(4,942,486)
Proposed distribution of profit and loss			
Retained earnings		(8,737,310)	(4,942,486)
Proposed distribution of profit and loss		(8,737,310)	(4,942,486)

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK	2018 DKK
Completed development projects	5	1,792,509	1,742,109
Acquired intangible assets		0	0
Development projects in progress	5	10,074,973	8,654,054
Intangible assets	4	11,867,482	10,396,163
Plant and machinery		1,771,287	1,696,914
Other fixtures and fittings, tools and equipment		86,853	148,883
Leasehold improvements		327,147	555,411
Property, plant and equipment	6	2,185,287	2,401,208
Deposits		163,148	82,488
Other financial assets	7	163,148	82,488
Fixed assets		14,215,917	12,879,859
Work in progress		1,713,362	1,260,205
Inventories		1,713,362	1,260,205
Trade receivables		2,474,126	58,109
Receivables from group enterprises		896,893	0
Other receivables		245,484	317,071
Income tax receivable		1,263,026	896,893
Receivables		4,879,529	1,272,073
Cash		10,541,612	1,700,009
Current assets		17,134,503	4,232,287
Assets		31,350,420	17,112,146

Equity and liabilities

	Notes	2019 DKK	2018 DKK
Contributed capital		53,506	53,506
Reserve for development expenditure		9,256,636	7,867,257
Retained earnings		(26,618,262)	(16,491,573)
Equity		(17,308,120)	(8,570,810)
Other payables		40,424,747	21,811,770
Non-current liabilities other than provisions	8	40,424,747	21,811,770
Current portion of non-current liabilities other than provisions	8	2,152,000	1,000,000
Bank loans		64,732	29,474
Prepayments received from customers		1,929,322	0
Trade payables		1,232,479	577,477
Other payables		776,604	1,132,070
Deferred income		2,078,656	1,132,165
Current liabilities other than provisions		8,233,793	3,871,186
Liabilities other than provisions		48,658,540	25,682,956
Equity and liabilities		31,350,420	17,112,146
Going concern	1		
Unrecognised rental and lease commitments	9		
Contingent liabilities	10		
Assets charged and collateral	11		

Statement of changes in equity for 2019

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	53,506	7,867,257	(16,491,573)	(8,570,810)
Transfer to reserves	0	1,389,379	(1,389,379)	0
Profit/loss for the year	0	0	(8,737,310)	(8,737,310)
Equity end of year	53,506	9,256,636	(26,618,262)	(17,308,120)

Notes

1 Going concern

The Company is in the early stages of commercialization phase and has not yet fully completed the development of the products, which are expected to be marketed in the future. Although 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 2020. The currently planned investments will be implemented as funds are/become available. Based on this, Management has prepared the financial statements in accordance with the going concern assumption.

2 Staff costs

	2019	2018
	DKK	DKK
Wages and salaries	9,073,701	6,361,778
Pension costs	325,916	166,800
Other social security costs	159,082	83,950
Other staff costs	141,851	75,846
	9,700,550	6,688,374
Average number of full-time employees	20	13

3 Tax on profit/loss for the year

	2019	2018
	DKK	DKK
Current tax	(1,263,026)	(896,895)
Change in deferred tax	0	238,997
	(1,263,026)	(657,898)

4 Intangible assets

	Completed development projects DKK	Acquired intangible assets DKK	Development projects in progress DKK
Cost beginning of year	4,065,843	263,912	8,654,054
Additions	787,798	0	4,953,228
Cost end of year	4,853,641	263,912	13,607,282
Amortisation and impairment losses beginning of year	(2,323,734)	(263,912)	0
Impairment losses for the year	0	0	(3,532,309)
Amortisation for the year	(737,398)	0	0
Amortisation and impairment losses end of year	(3,061,132)	(263,912)	(3,532,309)
Carrying amount end of year	1,792,509	0	10,074,973

5 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.

6 Property, plant and equipment

	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	1,797,989	291,219	1,141,317
Additions	206,649	0	0
Cost end of year	2,004,638	291,219	1,141,317
Depreciation and impairment losses beginning of year	(101,075)	(142,336)	(585,906)
Depreciation for the year	(132,276)	(62,030)	(228,264)
Depreciation and impairment losses end of year	(233,351)	(204,366)	(814,170)
Carrying amount end of year	1,771,287	86,853	327,147

7 Financial assets

	Deposits DKK
Cost beginning of year	82,488
Additions	80,660
Cost end of year	163,148
Carrying amount end of year	163,148

8 Non-current liabilities other than provisions

	Due within 12 months 2019 DKK	Due within 12 months 2018 DKK	Due after more than 12 months 2019 DKK
Other payables	2,152,000	1,000,000	40,424,747
	2,152,000	1,000,000	40,424,747

9 Unrecognised rental and lease commitments

	2019 DKK	2018 DKK
Liabilities under rental or lease agreements until maturity in total	240,900	184,080

10 Contingent liabilities

	2019 DKK	2018 DKK
Recourse and non-recourse guarantee commitments	107,413	245,687
Contingent liabilities	107,413	245,687

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.

11 Assets charged and collateral

Loans from Vækstfonden are secured by a corporate mortgage of nominal DKK 6 million in the following assets; Intangible assets, tangible assets, inventories and trade receivables.

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.

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.

Public grants

Public grants are recognised when a final commitment has been received from the grantor and it is probable that the conditions of the grant will be fulfilled. Grants are recognised as income in the income statement as earned. Grants awarded for acquisition of assets are recognised as deferred income in the balance sheet, which is taken to income on a straight-line basis over the useful life of the asset.

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 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, and 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.

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 its 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 less deferred tax 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.

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

Property, plant and equipment

Plant and machinery, 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. Straightline depreciation is made on the basis of the following estimated useful lives of the assets:

Plant and machinery	5-10years
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.

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.

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.