

LED iBond International A/S

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## *Interim report for the first half year of 2020:* **Short-term impact from COVID-19, but outlook remains unchanged**

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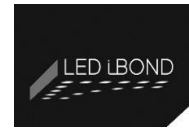
Today, LED iBond International's (LED iBond) Board of Directors approved the interim report for the first half-year (H1) of 2020. Highlights of the report include:

### **Business development**

- During the first half of 2020, the company completed deliveries and implementation of 3,600 "smart" shelves for Deichman Bjørvika, Oslo's new main library, which was inaugurated on 18 June.
- In the reporting period, LED iBond also completed an order from ThyssenKrupp Denmark for more than 100 elevator ceilings for a number of Banedanmark's railway stations.
- Sales to Nobia, Europe's leading supplier of kitchens, went up by 30 % during H1.
- In H1, the spin-off company LED Livestock finalised a series of field tests and is currently negotiating for the first order for its highly specialised LED lighting system for broiler poultry farming.
- During Q2, the company has worked extensively on the development of the new handheld disinfection device "puriZAP", which uses LED-generated UV-C light for neutralising bacteria and virus. The company expects to finalise product development during Q3 as planned.
- In Q2, the Danish Energy Technology Development and Demonstration Program (EUDP), awarded a grant of DKK 9.6 million for a project centred around LED iBond's flagship product Tracy®. Of this grant, LED iBond will receive DKK 6.1 million over a period of two years.

### **Financial development**

- In general, LED iBond's quarterly revenue can be expected to fluctuate substantially subject to the specific timing of the company's recognition of income from larger projects. For H1, LED iBond generated revenues of TDKK 2,372, which represents a decline of 40.8 % compared to H1



of 2019. This drop in revenue was caused by the negative market effects of COVID-19, obscuring a strong underlying growth of 22.7 % in business activities in Q1.

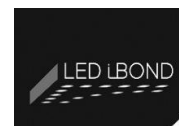
- EBITDA came in at TDKK -5,316 in H1, as compared to TDKK -1,396 for the year-earlier period. Almost half of this decline in EBITDA is due to the fact that the year-earlier EBITDA includes a significant grant, whereas LED iBond did not receive any grants during the reporting period. The impact of COVID-19 and increased corporate branding expenses ahead of the IPO in June 2020 are also weighing down on EBITDA for the reporting period.
- Even though COVID-19 may slow down LED iBond’s smart building activities for the rest of the year, product launches for the disinfection and vertical farming markets can be expected to compensate – at least partially - for the adverse effects of the pandemic. Therefore, LED iBond maintains its financial outlook:
  - Full year positive cash flow from operations in 2021
  - Revenue of DKK 100 million in 2022
  - Long-term EBITDA-margin above 30 %

**Rolf H. Sprunk-Jansen, CEO of LED iBond, says:**

“I’m truly grateful to the many investors that decided to take part in our IPO in June. They gave LED iBond a strong vote of confidence and provided us with the financial strength to continue building our presence in the global markets for smart buildings, UV disinfection and vertical farming.

We’re encouraged by the successful delivery of elevator ceilings to Banedanmark, which reinforces our belief that the elevator ceiling market segment will become an important market segment for the business in the years to come. In addition, we are now ready to introduce the disinfection device “puriZAP” to the market and more disinfection products will follow.

So, even in the face of the current COVID-19 challenges, we’re very confident that we will be able to push through and keep our promise to the new shareholders.”




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**Financial key figures for Q2 2020 and H1 2020**

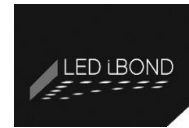
TDKK	Q2 2020	Q2 2019	%	H1 2020	H1 2019	%
<b><i>Profit &amp; Loss</i></b>						
Revenue of goods sold	354	2,361	-85%	2,372	4,005	-41%
Grants	0	66	-100%	0	1,763	-100%
<b>EBITDA</b>	<b>-3,453</b>	<b>-1,443</b>	<b>-139%</b>	<b>-5,316</b>	<b>-1,396</b>	<b>-281%</b>
<b>EBIT</b>	<b>-6,132</b>	<b>-3,606</b>	<b>-70%</b>	<b>-10,665</b>	<b>-5,723</b>	<b>-86%</b>
<b>Profit/loss before tax</b>	<b>-9,910</b>	<b>-4,180</b>	<b>-137%</b>	<b>-14,683</b>	<b>-6,870</b>	<b>-114%</b>
<b>Profit/loss</b>	<b>-7,730</b>	<b>-3,260</b>	<b>-137%</b>	<b>-11,453</b>	<b>-5,359</b>	<b>-114%</b>
<b><i>Balance Sheet</i></b>						
Total assets				70,792	62,633	13%
Total equity				50,364	15,550	223%
Net working capital				20,383	5,794	252%
Net interest-bearing debt.				13,061	41,613	-69%
<b><i>Cash flow statement</i></b>						
Cash flow from operating activity	-904	-2,378	62%	-5,923	-2,627	-125%
Cash flow from investing activity	-2,661	-2,036	-31%	-4,060	-4,557	11%
Cash flow from financing activity	17,610	0	N/A	24,010	0	N/A
Change in cash and cash equivalents	14,045	-4,414	418%	14,027	-7,184	295%

**Further Information**

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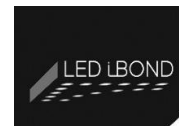
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**About LED iBond International A/S**

Founded in 2014, LED iBond International offers innovative solutions for integrating light and data, based on the company's deep knowledge of modern LED technology and many years of development. The patented technology includes the lightest and thinnest LED basis available, offering a unique value proposition combining total design flexibility, full IoT integration and low total costs of ownership. LED iBond's technology has been deployed in many projects, ranging from intelligent shelf lighting to large scale indoor illumination projects such as the installation of 3.2 kilometres of Tracy®, the company's innovative flagship product, at DTU, the Technical University of Denmark.

Due to the data transfer capabilities, superior form factor and cooling properties of the technology platform, LED iBond is focusing on three key markets: smart housing, UV disinfection and vertical farming, all projected to show significant growth in the years to come.



# INTERIM FINANCIAL REPORT

## FIRST HALF YEAR OF 2020

### OPERATIONAL REVIEW, H1 2020

Four out of the first six months of 2020, H1, have been strongly affected by COVID-19, making direct customer interactions almost impossible. Nevertheless, LED iBond International A/S (LED iBond) has completed the delivery of several projects in the reporting period.

#### Smart building market

Deichmanske Bjørvika, Oslo's new main library, planned for a grand opening on 28 March, which was then postponed until 18 June due to COVID-19 restrictions. LED iBond has supplied 3,600 "smart" shelves for the library's multimedia racks with built-in LEDs in three rows to ensure an even light distribution over the shelf area. Mounted with asymmetrical optics, the LEDs are controlled by NFC technology via an app for mobile devices.

The company completed delivery of an order for more than 100 elevator ceilings for ThyssenKrupp Denmark for railway stations across Denmark. Designed for heavy use in public spaces, LED iBond's elevator ceilings are fitted individually to elevators, featuring LED lighting and integrated emergency lighting. LEDs are furnished with a glass segment for protection. The ceiling design includes the possibility to integrate 2-way communication.

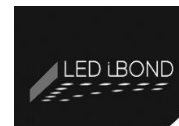
Sales to Nobia, Europe's leading kitchen manufacturer, have increased by 30% during the first half of 2020. Despite COVID-19, the climate for home improvements – including new kitchens as well as refurbishment projects – has generally been positive. The 'LED iBond Kitchen' brand enjoys growing adoption in the market and the company's market share is improving.

LED Livestock, LED iBond's spin-off company for optimising welfare and productivity in livestock productions, has finalised an extensive range of field tests and is currently negotiating for the first order for its highly specialised LED lighting system for broiler poultry farming, featuring RGB-W LEDs and optional integration of digital cameras, sensors etc.

#### UV disinfection market

During Q2, LED iBond has worked extensively on the development of the first version of the new handheld disinfection device "puriZAP" in co-operation with its spin-off company LED Viruskill. The device uses LED-generated UV-C light for neutralising bacteria and virus. The company expects to finalise product development during Q3 as planned.

In addition, the company is working to broaden its UV-C based LED technology for disinfection to other application areas, including luggage transportation systems at airports.



### **Vertical farming market**

For the vertical farming market, LED iBond has developed a product line of highly specialised LED shelves for mobile racks, which combine coloured LEDs for optimal growth scenarios with a unique cooling and ventilation system with extended lifetime and minimal maintenance. The first products are presently being tested with a Danish industry leader.

### **Grants**

During Q2, the Energy Technology Development and Demonstration Program (EUDP), managed by the Danish Energy Agency, awarded a grant of DKK 9.6 million for the project "LED Light as IoT infrastructure for buildings and industrial applications". Of this grant, LED iBond will receive DKK 6.1 million over a period of two years. The project is centred around LED iBond's flagship product Tracy®, which will serve as the base for a new smart LED infrastructure system for the green and smart buildings of the future.

## **INITIAL PUBLIC OFFERING**

At LED iBond's IPO in June 2020, the offering was oversubscribed by a factor of 11.2 times. A total of 4,691,860 new shares were subscribed at a price of DKK 6.88 per share, equivalent to a gross value of the offering of DKK 32.3 million. The first day of trading at Nasdaq First North Growth Market Denmark was 15 June 2020 under the ticker 'LEDIBOND' and permanent ISIN code DK0061274529.

## **FINANCIAL REVIEW, H1 2020**

### **Revenue**

In Q1, the company generated a revenue of TDKK 2,018, up TDKK 374 or 22.7 % on the year earlier Q1. However, due to the negative market impact from COVID-19, Q2 revenue came to TDKK 354, down TDKK 2,007 or 85.0% relative to the same period in the previous year.

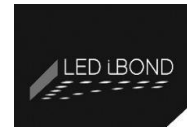
Revenue for the first half of 2020 amounted to TDKK 2,372, compared to TDKK 4,005 in the first half of 2019, a decline of 40.8 %.

### **Grants**

During H1, LED iBond did not receive any grants. In the same period of 2019, LED iBond received grants of TDKK 1,829.

### **Expenses**

Total expenses amounted to TDKK 2,666 in H1, an increase of 60.7 % relative to H1 of 2019. The expense increase is due to a small increase in premises cost of TDKK 15, an increase in development costs of



TDKK 292, a decrease in travel cost of TDKK 151, an increase in sales and marketing costs of TDKK 380 and an increase in administrative expenses of TDKK 471.

Expenses directly related to the IPO are booked under financial expenses.

### **Profit & loss**

H1 operating loss, EBIT, came to TDKK 10,665 against TDKK 5,723 in H1 of 2019.

Total financial expenses amounted to TDKK 4,018 in H1 against TDKK 1.147 in the year earlier H1, of which IPO costs amounted to TDKK 3,460.

Other financial expenses amounted to TDKK 558, negatively impacted by loan costs.

For H1, the result before tax is a loss of TDKK 14,683 against a loss of TDKK 6,870 in H1 of 2019. In addition to the increased expenses and the IPO costs, the result is negatively impacted by the increase in depreciations, amortization, and impairments, which added up to TDKK 5,349 in H1, compared to TDKK 4,327 in H1 of 2019.

### **Cash flow and investments**

The total cash flow for H1 showed an inflow of TDKK 14,027 due to the proceeds from the IPO in June 2020, against an outflow of TDKK 7,184 in H1 of 2019.

In H1, cash flow from operations amounted to an outflow of TDKK 5,923 against an outflow of TDKK 2,627 in H1 of 2019. The increase in the cash outflow is mainly due to costs related to the IPO.

Cash flow from investments in H1 was an outflow of TDKK 4,060 against an outflow of TDKK 4,557 in H1 of 2019.

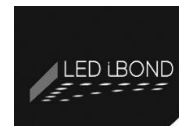
Cash flow from financing show an inflow of TDKK 24,010, which is mainly due to the IPO. The cash flow from financing in H1 of 2019 was TDKK 0.

### **Equity and net cash**

As of June 30, 2020, the company equity amounted to TDKK 50,364 against TDKK 32,656 on December 31, 2019. This mainly relates to the proceeds from the initial public offering of shares in June 2020. On June 30, 2020, net cash amounted to TDKK 20,383, compared to TDKK 6,356 on December 31, 2019.

### **Numbers of Shares**

On June 30, 2020, the number of outstanding shares in LED iBond International A/S was 12,691,860, against 6,656,700 on December 31, 2019.



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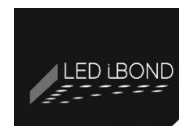
**Financial calendar**

- Interim report 2020 (Q3)            23 November 2020
- Annual report 2020                22 March 2021
- Annual General Meeting            26 April 2021

**Forward-looking statements**

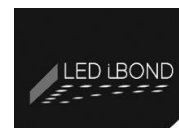
In this report, statements about the future reflect LED iBond International A/S' current expectations for future events and results. These expectations are subject to uncertainty, risks and other matters that are out of the company's control or otherwise difficult to predict, including the future effects of the COVID-19 pandemic.





## INCOME STATEMENT

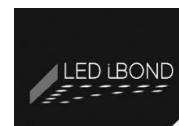
TDKK	Note	Q2 2020	Q2 2019	H1 2020	H1 2019
<b>Net revenue</b>		354	2,361	2,372	4,005
Grants		0	66	0	1,763
Cost of sales		-386	-1,535	-1,628	-2,579
Other external expenses	2	-1,474	-834	-2,666	-1,659
<b>GROSS PROFIT/LOSS</b>		<b>-1,506</b>	<b>58</b>	<b>-1,922</b>	<b>1,530</b>
Staff costs		-1,947	-1,501	-3,394	-2,926
Depreciations, amortisation, impairment		-2,679	-2,163	-5,349	-4,327
<b>OPERATING PROFIT/LOSS</b>		<b>-6,132</b>	<b>-3,606</b>	<b>-10,665</b>	<b>-5,723</b>
Other financial expenses		-3,778	-574	-4,018	-1,147
<b>PROFIT/LOSS BEFORE TAX</b>		<b>-9,910</b>	<b>-4,180</b>	<b>-14,683</b>	<b>-6,870</b>
Tax on profit/loss for the period		2,180	920	3,230	1,511
<b>PROFIT/LOSS FOR THE PERIOD</b>		<b>-7,730</b>	<b>-3,260</b>	<b>-11,453</b>	<b>-5,359</b>
<b>PROPOSED DISTRIBUTION OF PROFIT/LOSS</b>					
Retained profit		-7,730	-3,260	-11,453	-5,359
Result per share		-0.86	-0.60	-1.40	-0.99
Diluted result per share		-0.86	-0.60	-1.40	-0.99
Average amount of shares		8,938,372	5,397,040	8,206,840	5,397,040



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## COMPREHENSIVE INCOME

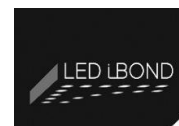
<b>TDKK</b>	<b>Q2 2020</b>	<b>Q2 2019</b>	<b>H1 2020</b>	<b>H1 2019</b>
Profit/loss for the period	-7,730	-3,260	-11,453	-5,359
Other comprehensive income	0	0	0	0
<b>Comprehensive income in total</b>	<b>-7,730</b>	<b>-3,260</b>	<b>-11,453</b>	<b>-5,359</b>
<b>Distribution of comprehensive income</b>				
Retained profit/loss	-7,730	-3,260	-11,453	-5,359



## BALANCE SHEET

### Assets

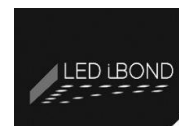
TDKK	Note	30 June 2020	31 Dec. 2019
Completed development projects		24,796	25,256
Software		12	18
Patents and other rights		2,821	3,599
<b>Intangible fixed assets</b>		<b>27,629</b>	<b>28,873</b>
Production plant and machinery		6,982	7,591
Other plants, fixtures and furniture		68	128
<b>Tangible fixed assets</b>		<b>7,050</b>	<b>7,719</b>
Equity in associated enterprises		652	27
Deposits		270	225
<b>Financial fixed assets</b>		<b>922</b>	<b>252</b>
<b>Total fixed assets</b>		<b>35,601</b>	<b>36,844</b>
Stocks		4,795	4,564
<b>Inventories in total</b>		<b>4,795</b>	<b>4,564</b>
Account receivable		9	817
Deferred tax assets		7,035	6,179
Tax receivable		2,373	2,342
Other receivables		301	308
Accrued expenses		295	615
<b>Current assets</b>		<b>10,013</b>	<b>10,259</b>
<b>Cash</b>		<b>20,383</b>	<b>6,356</b>
<b>Total current assets</b>		<b>35,191</b>	<b>21,179</b>
<b>Total assets</b>		<b>70,792</b>	<b>58,023</b>



## BALANCE SHEET

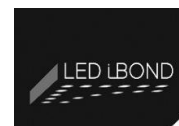
### Liabilities

TDKK	Note	30 June 2020	31 Dec. 2019
Share capital		635	333
Share premium account	4	28,925	0
Reserve for development expenditures		17,294	17,294
Results brought forward		3,510	15,029
<b>Equity in total</b>		<b>50,364</b>	<b>32,656</b>
Loan		11,013	15,638
Other debt		1,272	1,272
<b>Long-term liabilities</b>		<b>12,285</b>	<b>16,910</b>
Short-term part of long-term liabilities		2,048	1,300
Bank debt		0	1
Account payables		4,205	4,159
Other debt		1,890	2,997
<b>Short-term liabilities</b>		<b>8,143</b>	<b>8,457</b>
<b>Total liabilities</b>		<b>20,428</b>	<b>25,367</b>
<b>Total liabilities and equity</b>		<b>70,792</b>	<b>58,023</b>



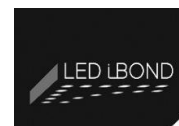
## EQUITY

TDKK	Share capital	Share premium account	Reserve for development expenditure	Result brought forward	Total
Equity, 1 Jan. 2019	270	0	16,763	2,567	19,600
Capital increase	63	29,854	0	0	29,917
Transferred from share premium account	0	-29,854	0	29,854	0
Profit or loss for the year brought forward	0	0	0	-16,861	-16,861
Transferred to reserve for development expenditures	0	0	531	-531	0
Other comprehensive income	0	0	0	0	0
<b>Equity, 31 Dec 2019</b>	<b>333</b>	<b>0</b>	<b>17,294</b>	<b>15,029</b>	<b>32,656</b>
Equity, 1 Jan. 2020	333	0	17,294	15,029	32,656
Capital increase	302	29,766	0	-66	30,002
Costs related to the listing on Nasdaq First North	0	-841	0	0	-841
Transferred from share premium account	0	0	0	0	0
Profit or loss for the year brought forward	0	0	0	-11,453	-11,453
Transferred to reserve for development expenditures	0	0	0	0	0
Other comprehensive income	0	0	0	0	0
<b>Equity 30 June 2020</b>	<b>635</b>	<b>28,925</b>	<b>17,294</b>	<b>3,510</b>	<b>50,364</b>



## CASH FLOW STATEMENT

TDKK	Q2 2020	Q2 2019	H1 2020	H1 2019
EBITDA	-2,842	-1,443	-5,316	-1,396
Financial cost	-3,778	-137	-4,016	-377
<b>Cash flow from P&amp;L</b>	<b>-6,620</b>	<b>-1,580</b>	<b>-9,332</b>	<b>-1,773</b>
Changes in receivables	597	375	763	300
Changes in stocks	-118	-201	-231	-1,191
Changes in other receivables	7	-58	7	-59
Changes in accrued expenses	1,576	-15	-168	-9
Changes in payables	1,312	-899	696	105
<b>Changes in working capital</b>	<b>3,374</b>	<b>-798</b>	<b>1,067</b>	<b>-854</b>
Tax receivable disbursed	2,342	0	2,342	0
<b>Cash flow from operations</b>	<b>-904</b>	<b>-2,378</b>	<b>-5,923</b>	<b>-2,627</b>
Investment in IPR	-2,039	-1,963	-3,423	-4,407
Investments in fixtures and furniture	-9	-73	-9	-150
Investments in equipment	0	0	-3	0
Equity investments	-613	0	-625	0
<b>Cash flow from investments</b>	<b>-2,661</b>	<b>-2,036</b>	<b>-4,060</b>	<b>-4,557</b>
Cash capital increase	235	0	235	0
Changes in share premium account	28,925	0	28,925	0
Loan proceeds	0	0	6,400	0
Loan repayments	-11,550	0	-11,550	0
<b>Cash flow from financing</b>	<b>17,610</b>	<b>0</b>	<b>24,010</b>	<b>0</b>
<b>Change in cash</b>	<b>14,045</b>	<b>-4,414</b>	<b>14,027</b>	<b>-7,184</b>
Cash beginning of period	6,338	10,208	6,356	12,978
<b>Cash end of period</b>	<b>20,383</b>	<b>5,794</b>	<b>20,383</b>	<b>5,794</b>



## NOTES

### 1. Accounting policy

The Interim Financial Statement for LED iBond International A/S are presented as a condensed financial statement in accordance with IAS 34, Presentation of Interim Financial Statements approved by the EU and additional disclosure requirements for companies admitted for trading on Nasdaq First North.

The used accounting policy is unchanged compared to the accounting policy used in the Annual Financial Report for 2019, However, the Interim Financial Statement must meet the disclosure requirements for companies listed on Nasdaq First North. Please refer to the Annual Report for 2019 for a more detailed description of the Accounting Policies used.

The Interim Financial Statement for LED iBond International A/S has neither been audited nor reviewed.

### 2. Total expenses

TDKK	H1 2020	H1 2019
Premises	571	556
Development & patents	292	0
Travel	145	296
Sales & Marketing	563	183
Administration	1.095	624
<b>Other expenses in total</b>	<b>2.666</b>	<b>1.659</b>

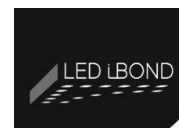
### 3. Tax

The tax income recognized in the income statement for the first half of 2020, is calculated based on the result before tax, and an estimated effective tax rate for the year 2020 on 22%.

The company's expected tax loss for the first half of 2020, is not expected to be used in full, in the joint taxation in which the company is included. Only an asset corresponding to the share that is expected to be used in joint taxation is recognized.

### 4. IPO / Equity

In connection with LED iBond International A/S listing on Nasdaq First North, a capital increase of TDKK 29,766 has been made, of which the increase in share capital amount to TDKK 302. Costs related to the listing on Nasdaq First North amount to a total of TDKK 4,300, of which approx. 20 %, equivalent to TDKK 841, is booked directly on the equity. The remaining part of the cost is booked in the profit and loss as a financial cost.



## 5. Related parties

The following parties have controlling influence on LED iBond International A/S

Name	Based	Basis for influence	Ownership
NLR Invest ApS	Kongens Lyngby	Parent company	26.60%
Laromini ApS	Kongens Lyngby	Parent company	21.74%
Green Technology Investment ApS	Kongens Lyngby	Parent company	14.42%

There have been no changes to agreements or the classification of transactions with related parties since 31 December 2019. There are no significant transactions with related parties in the first half of 2020.

## 6. Events after the closing date

There have been no significant events after the closing date.