

Copenhagen Atomics A/S

c/o Alfa Laval, Maskinvej 5, 2860 Søborg

CVR no. 36 71 92 30

Annual report for 2022

Adopted at the annual general meeting on 8 May
2023

Andreas Salmony
chairman



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Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of Copenhagen Atomics A/S for the financial year 1 January - 31 December 2022.

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

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2022 and of the results of the company's operations for the financial year 1 January - 31 December 2022.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Søborg, 8 May 2023

Executive board

Mads Peter Steenberg
CEO

Thomas Steenberg
director

Supervisory board

Thomas Jam Pedersen
chairman

Janos Flösser

Peter Szabo

Stefan Helmut Friedrich Richter

Wilfried Gustav Hahn

Independent auditor's report

To the shareholders of Copenhagen Atomics A/S

Opinion

We have audited the financial statements of Copenhagen Atomics A/S for the financial year 1 January - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2022 and of the results of the company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements, that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Independent auditor's report

Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

Copenhagen, 8 May 2023

Baker Tilly Denmark
Godkendt Revisionspartnerselskab
CVR no. 35 25 76 91

Morten Friis Munksgaard
statsautoriseret revisor
MNE no. mne34482

Company details

The company

Copenhagen Atomics A/S
c/o Alfa Laval, Maskinvej 5
2860 Søborg

CVR no.: 36 71 92 30

Reporting period: 1 January - 31 December 2022
Incorporated: 7 April 2015

Domicile: Gladsaxe

Supervisory board

Thomas Jam Pedersen, chairman
Janos Flösser
Peter Szabo
Stefan Helmut Friedrich Richter
Wilfried Gustav Hahn

Executive board

Mads Peter Steenberg, CEO
Thomas Steenberg, director

Auditors

Baker Tilly Denmark
Godkendt Revisionspartnerselskab
Poul Bundgaards Vej 1, 1.
2500 Valby

Management's review

Business review

The company develops technologies and processes for Thorium energy including related services such as waste burners and molten salt chemistry. The company also promotes the international awareness of Thorium energy and related technologies.

Financial review

The company's income statement for the year ended 31 December 2022 shows a loss of DKK 7.340.203, and the balance sheet at 31 December 2022 shows equity of DKK 163.339.122.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Income statement 1 January - 31 December

	Note	2022	2021
		DKK	DKK
Gross profit		-6.137.847	-2.342.359
Staff costs	1	-5.920.819	-2.484.897
Profit/loss before amortisation/depreciation and impairment losses		-12.058.666	-4.827.256
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-205.723	-160.484
Profit/loss before net financials		-12.264.389	-4.987.740
Financial income		385.148	0
Financial costs	2	-159.352	-167.185
Profit/loss before tax		-12.038.593	-5.154.925
Tax on profit/loss for the year	3	4.698.390	2.307.718
Profit/loss for the year		-7.340.203	-2.847.207
Transferred to reserve for development expenditure		23.728.262	14.042.304
Retained earnings		-31.068.465	-16.889.511
		-7.340.203	-2.847.207

Balance sheet 31 December

	Note	2022	2021
		DKK	DKK
Assets			
Development projects in progress		52.713.900	22.539.038
Intangible assets	4	52.713.900	22.539.038
Plant and machinery	5	379.042	369.780
Other fixtures and fittings, tools and equipment	5	219.996	188.994
Tangible assets		599.038	558.774
Investments in subsidiaries		8.943	8.943
Fixed asset investments		8.943	8.943
Total non-current assets		53.321.881	23.106.755
Other receivables		4.187.767	1.298.269
Corporation tax		5.500.000	3.960.650
VAT and duties receivables		2.900	0
Receivables		9.690.667	5.258.919
Cash at bank and in hand		115.425.337	15.747.267
Total current assets		125.116.004	21.006.186
Total assets		178.437.885	44.112.941

Balance sheet 31 December

	Note	2022	2021
		DKK	DKK
Equity and liabilities			
Share capital		1.362.818	937.074
Revaluation reserve		41.308.712	17.580.450
Retained earnings		120.667.592	13.095.072
Equity		163.339.122	31.612.596
Provision for deferred tax		2.797.681	1.996.071
Total provisions		2.797.681	1.996.071
Other payables		0	3.955.248
Total non-current liabilities		0	3.955.248
Prepayments received from customers		4.862.616	1.679.820
Other payables		1.809.913	1.554.174
Deferred income		5.628.553	3.315.032
Total current liabilities		12.301.082	6.549.026
Total liabilities		12.301.082	10.504.274
Total equity and liabilities		178.437.885	44.112.941
Contingent liabilities	6		

Statement of changes in equity

	Share capital	Revaluation reserve	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	937.074	17.580.450	13.095.072	31.612.596
Cash capital increase	425.744	0	138.640.985	139.066.729
Net profit/loss for the year	0	23.728.262	-31.068.465	-7.340.203
Equity at 31 December	1.362.818	41.308.712	120.667.592	163.339.122

Notes

	2022	2021
	DKK	DKK
1 Staff costs		
Wages and salaries	21.681.606	12.269.540
Pensions	612.728	263.400
Other social security costs	109.721	102.321
Other staff costs	196.822	97.272
	22.600.877	12.732.533
Transfer to development projects	-16.680.058	-10.247.636
	5.920.819	2.484.897
Average number of employees	32	20
2 Financial costs		
Other financial costs	159.352	167.185
	159.352	167.185

Notes

	<u>2022</u>	<u>2021</u>
	DKK	DKK
3 Tax on profit/loss for the year		
Current tax for the year	-5.500.000	-3.960.650
Deferred tax for the year	801.610	1.652.932
	<u>-4.698.390</u>	<u>-2.307.718</u>
4 Intangible assets		Development projects in progress
		<u>DKK</u>
Cost at 1 January		22.539.038
Additions for the year		30.174.862
Cost at 31 December		<u>52.713.900</u>
Carrying amount at 31 December		<u>52.713.900</u>

Development projects primarily include the development of small standardized nuclear reactors based on thorium salt melting technology. The development project is divided into 3 phases.

Notes

5 Tangible assets

	Plant and machinery	Other fixtures and fittings, tools and equipment	Total
	DKK	DKK	DKK
Cost at 1 January	517.382	377.989	895.371
Additions for the year	122.987	123.000	245.987
Cost at 31 December	640.369	500.989	1.141.358
Impairment losses and depreciation at 1 January	147.602	188.995	336.597
Depreciation for the year	113.725	91.998	205.723
Impairment losses and depreciation at 31 December	261.327	280.993	542.320
Carrying amount at 31 December	379.042	219.996	599.038

6 Contingent liabilities

The company has entered into a tenancy agreement which is subject to a termination period. The rental obligation accounts for DKK 713 thousand at 31 December 2022.

7 Mortgages and collateral

Cash deposits of DKK 1.369k have been provided as security for fulfillment of contracts.

The company has put up guarantees totalling DKK 1.363k as security for fulfillment of contracts.

Accounting policies

The annual report of Copenhagen Atomics A/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

Revenue

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

Expenses for raw materials and consumables

Costs of raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

Accounting policies

Other operating income

The item Other operating income includes items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and items of property, plant and equipment, operating losses, indemnities relating to operating losses and conflicts as well as payroll refunds. Indemnities are recognised when it is more probable than not that the company is going to be indemnified.

Other external costs

Other external costs include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

Balance sheet

Intangible assets

Development projects

Development costs comprise costs, wages/salaries and amortisation losses that are directly and indirectly attributable to the company's development activities.

Developments projects recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Accounting policies

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually ten years.

Tangible assets

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

Plant and machinery	5 years
Other fixtures and fittings, tools and equipment	5 years

Investments in subsidiaries

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

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Provisions

Provisions comprise expected expenses relating to warranty commitments, losses on work in progress, restructuring, etc. Provisions are recognised when, as a result of a past event, the company has a legal or constructive obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Liabilities

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