

Copenhagen Atomics A/S

c/o Alfa Laval, Maskinvej 5, 2860 Søborg

CVR no. 36 71 92 30

Annual report for 2021

Adopted at the annual general meeting on 25 April
2022

Thomas Steenberg
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 2021.

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 2021 and of the results of the company's operations for the financial year 1 January - 31 December 2021.

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, 4 April 2022

Executive board

Thomas Steenberg

Supervisory board

Thomas Jam Pedersen
chairman

Janos Flösser

Peter Szabo

Peter Nerenst

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 2021, 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 2021 and of the results of the company's operations for the financial year 1 January - 31 December 2021 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.

Independent auditor's report

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 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.

Independent auditor's report

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.

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, 4 April 2022

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 2021 Incorporated: 7 April 2015 Domicile: Gladsaxe
Supervisory board	Thomas Jam Pedersen, chairman Janos Flösser Peter Szabo Peter Nerenst Wilfried Gustav Hahn
Executive board	Thomas Steenberg
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 2021 shows a loss of DKK 2.847.207, and the balance sheet at 31 December 2021 shows equity of DKK 31.612.596.

Significant events occurring after the end of the financial year

A cash capital increase of DKK 16,4 mio. has been approved in February 2022.

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

Income statement 1 January - 31 December

	Note	2021 DKK	2020 DKK
Gross profit		-2.342.359	-369.031
Staff costs	1	-2.484.897	-674.152
Profit/loss before amortisation/depreciation and impairment losses		-4.827.256	-1.043.183
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-160.484	-111.932
Profit/loss before net financials		-4.987.740	-1.155.115
Financial costs		-167.185	-14.153
Profit/loss before tax		-5.154.925	-1.169.268
Tax on profit/loss for the year	2	2.307.718	784.118
Profit/loss for the year		-2.847.207	-385.150
Transferred to reserve for development expenditure		14.042.304	3.538.146
Retained earnings		-16.889.511	-3.923.296
		-2.847.207	-385.150

Balance sheet 31 December

	Note	2021 DKK	2020 DKK
Assets			
Development projects in progress		22.539.038	4.536.085
Intangible assets	3	22.539.038	4.536.085
Plant and machinery		369.780	284.461
Other fixtures and fittings, tools and equipment		188.994	264.592
Tangible assets	4	558.774	549.053
Investments in subsidiaries		8.943	0
Fixed asset investments		8.943	0
Total non-current assets		23.106.755	5.085.138
Other receivables		1.298.269	930.335
Corporation tax		3.960.650	922.288
Receivables		5.258.919	1.852.623
Cash at bank and in hand		15.747.267	19.252.438
Total current assets		21.006.186	21.105.061
Total assets		44.112.941	26.190.199

Balance sheet 31 December

	Note	2021	2020
		DKK	DKK
Equity and liabilities			
Share capital		937.074	706.498
Reserve for development expenditure		17.580.450	3.538.146
Retained earnings		13.095.072	932.007
Equity		31.612.596	5.176.651
Provision for deferred tax		1.996.071	343.139
Total provisions		1.996.071	343.139
Other payables		3.955.248	17.573.248
Total non-current liabilities		3.955.248	17.573.248
Prepayments received from customers		1.679.820	356.496
Other payables		1.554.174	677.789
Deferred income		3.315.032	2.062.876
Total current liabilities		6.549.026	3.097.161
Total liabilities		10.504.274	20.670.409
Total equity and liabilities		44.112.941	26.190.199
Contingent liabilities	5		

Statement of changes in equity

	Share capital	Share premium account	Reserve for development expenditure	Retained earnings	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	706.498	0	3.538.146	932.007	5.176.651
Cash capital increase	230.576	29.052.576	0	0	29.283.152
Net profit/loss for the year	0	0	14.042.304	-16.889.511	-2.847.207
Transfer from share premium account	0	-29.052.576	0	29.052.576	0
Equity at 31 December	937.074	0	17.580.450	13.095.072	31.612.596

Notes

	<u>2021</u>	<u>2020</u>
	DKK	DKK
1 Staff costs		
Wages and salaries	12.269.540	1.932.098
Pensions	263.400	22.500
Other social security costs	128.125	80.375
Other staff costs	71.468	18.310
	<u>12.732.533</u>	<u>2.053.283</u>
Transfer to development projects	<u>-10.247.636</u>	<u>-1.379.131</u>
	<u>2.484.897</u>	<u>674.152</u>
Average number of employees	<u>20</u>	<u>3</u>

Notes

	2021	2020
	DKK	DKK
2 Tax on profit/loss for the year		
Current tax for the year	-3.960.650	-922.288
Deferred tax for the year	1.652.932	343.139
Adjustment of tax concerning previous years	0	-204.969
	-2.307.718	-784.118

3 Intangible assets

	Development projects in progress DKK
Cost at 1 January	4.536.085
Additions for the year	18.002.953
Cost at 31 December	22.539.038
Carrying amount at 31 December	22.539.038

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. Phase 1 is expected to be completed in 2022.

Notes

4 Tangible assets

	Plant and machinery	Other fixtures and fittings, tools and equipment	Total
	DKK	DKK	DKK
Cost at 1 January	347.177	377.989	725.166
Additions for the year	170.205	0	170.205
Cost at 31 December	517.382	377.989	895.371
Impairment losses and depreciation at 1 January	62.716	113.397	176.113
Depreciation for the year	84.886	75.598	160.484
Impairment losses and depreciation at 31 December	147.602	188.995	336.597
Carrying amount at 31 December	369.780	188.994	558.774

5 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 2021.

Accounting policies

The annual report of Copenhagen Atomics A/S for 2021 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.

Accounting policies

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.

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. The item is net of refunds made by public authorities.

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.

Accounting policies

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

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 five years.

Licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over the remaining patent period, and licences are amortised over the term of the licence, however not more than 10 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:

	Useful life
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.

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.

Accounting policies

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.