BUUS JENSEN
Statsautoriserede
Revisorer

Tantaline CVD ApS

Nordborgvej 81, 6430 Nordborg

Company reg. no. 38 25 45 45

Annual report

1 January - 31 December 2020

The annual report was submitted and approved by the general meeting on the 24 June 2021.

Søren Skov
Chairman of the meeting

Contents

Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

Management's report

Today, the board of directors and the managing director have presented the annual report of Tantaline CVD ApS for the financial year 1 January - 31 December 2020.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the company's results of activities in the financial year 1 January – 31 December 2020.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

Nordborg, 24 June 2021

Managing Director

Emmanuel Lakios

Board of directors

Emmanuel Lakios chairman	Thomas McNeill	Søren Skov

Independent auditor's report

To the shareholder of Tantaline CVD ApS

Opinion

We have audited the financial statements of Tantaline CVD ApS for the financial year 1 January - 31 December 2020, which comprise income statement, statement of financial position, statement of changes in equity, notes and accounting policies. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the results of the company's activities for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section “Auditor’s responsibilities for the audit of the financial statements”. We are independent of the company in accordance with international ethical requirements for auditors (IESBA’s Code of Ethics), 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.

Material uncertainties concerning the company’s ability to continue as a going concern

We draw attention to note 1 in the annual accounts, which indicates that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. It is a material condition for the company's ability to continue as a going concern that the company can realize the expected growth in revenue and improvement in the net results and extend the office lease per Management expectations. Our opinion is not modified in respect of this matter.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 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 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 including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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 international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment 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 the 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 preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 the internal control that we identify during our audit.

Independent auditor's report

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on and the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Copenhagen, 24 June 2021

BUUS JENSEN
State Authorised Public Accountants
Company reg. no. 16 11 90 40

Michael Markussen
State Authorised Public Accountant
mne34295

Company information

The company	Tantaline CVD ApS Nordborgvej 81 6430 Nordborg	
	Company reg. no.	38 25 45 45
	Established:	14 December 2016
	Domicile:	Sønderborg, Denmark
	Financial year:	1 January - 31 December
Board of directors	Emmanuel Lakios, chairman Thomas McNeill Søren Skov	
Managing Director	Emmanuel Lakios	
Auditors	BUUS JENSEN, Statsautoriserede revisorer	

Management commentary

The principal activities of the company

The principal activities are treatment of metal components.

Development in activities and financial matters

The results after tax totals DKK -1,476,000 for the year 2020 against DKK -1.854.000 for the year 2019. Management finds the improved results as expected.

As the equity represents less than half of the subscribed capital, the Company is subject to the Danish Companies Act section 119 regarding loss of capital. Management will continue to assess its ability to recover the capital by striving to be profitable in the coming years or by converting payables to group enterprises into equity.

Management refers to note 1 in the financial statements, in which the management describes the company's financial situation.

Income statement 1 January - 31 December

All amounts in DKK.

Note		2020	2019
	Gross profit	**3.304.261**	**1.945.077**
2	Staff costs	-3.583.675	-3.131.874
	Depreciation, amortisation, and impairment	-2.463.438	-342.196
	Operating profit	**-2.742.852**	**-1.528.993**
	Other financial income	1.312.543	0
3	Other financial costs	-45.247	-324.762
	Pre-tax net profit or loss	**-1.475.556**	**-1.853.755**
	Tax on net profit or loss for the year	0	0
	Net profit or loss for the year	**-1.475.556**	**-1.853.755**
	Proposed appropriation of net profit:		
	Allocated from retained earnings	-1.475.556	-1.853.755
	Total allocations and transfers	**-1.475.556**	**-1.853.755**

Statement of financial position at 31 December

All amounts in DKK.

Note	Assets	2020	2019
	Non-current assets		
4	Patents, licenses, trademarks, and similar rights acquired	0	493.500
	Total intangible assets	0	493.500
5	Plant and machinery	0	1.939.288
	Total property, plant, and equipment	0	1.939.288
	Total non-current assets	**0**	**2.432.788**
	Current assets		
	Raw materials and consumables	344.790	226.797
	Total inventories	344.790	226.797
	Trade receivables	500.814	161.760
	Receivables from group enterprises	11.800	0
	Other receivables	0	81.325
	Prepayments and accrued income	182.268	95.892
	Total receivables	694.882	338.977
	Cash on hand and demand deposits	2.160.338	762.457
	Total current assets	**3.200.010**	**1.328.231**
	Total assets	**3.200.010**	**3.761.019**

Statement of financial position at 31 December

All amounts in DKK.

Equity and liabilities

Note		2020	2019
	Equity		
	Contributed capital	50.000	50.000
	Retained earnings	-12.603.754	-11.128.198
	Total equity	**-12.553.754**	**-11.078.198**
	Liabilities other than provisions		
	Other payables	0	117.000
	Total long term liabilities other than provisions	0	117.000
	Trade payables	244.590	399.299
6	Payables to group enterprises	14.487.892	13.997.199
	Other payables	1.021.282	325.719
	Total short term liabilities other than provisions	15.753.764	14.722.217
	Total liabilities other than provisions	**15.753.764**	**14.839.217**
	Total equity and liabilities	**3.200.010**	**3.761.019**

1 Uncertainties concerning the enterprise's ability to continue as a going concern

7 Contingencies

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Total
Equity 1 January 2019	50.000	-9.274.443	-9.224.443
Retained earnings for the year	0	-1.853.755	-1.853.755
Equity 1 January 2020	50.000	-11.128.198	-11.078.198
Retained earnings for the year	0	-1.475.556	-1.475.556
	50.000	**-12.603.754**	**-12.553.754**

Notes

All amounts in DKK.

		2020	2019
1.	**Uncertainties concerning the enterprise's ability to continue as a going concern**		

The company has incurred a net loss of DKK -1,476,000 during the year ended 31st December 2020, and, as of that date, the company's liabilities exceeded its total assets by DKK 12,554.000. The net loss for the year has improvement compared to DKK -1,854,000 in the prior year ended 31st December 2019.

During the first half of 2020, unfortunately, COVID-19 affected the global markets, not to mention our short-term sales and operations.

Management anticipates the Denmark operations may improve in 2021. This is realized by additional revenue and improved operational efficiency, although the timing of such is uncertain at this time.

During the first quarter of 2021, the company entered into an office lease extension through 31st December 2021. At the time of completion of the financial statements, discussion for further extension is in process. However, there is no guarantee for the outcome.

It is a material condition for the company's ability to continue as a going concern that the company can realize the expected growth in revenue and improvement in the net results and extend the office lease per Management expectations. Based on these assumptions, Management anticipates to have the necessary liquidity to finance the planned operations.

		2020	2019
2.	**Staff costs**		
	Salaries and wages	3.047.711	2.693.819
	Pension costs	477.277	377.492
	Other costs for social security	58.687	60.563
		3.583.675	**3.131.874**
	Average number of employees	7	7
3.	**Other financial costs**		
	Other financial costs	45.247	324.762
		45.247	**324.762**

Notes

All amounts in DKK.

4. Patents, licenses, trademarks, and similar rights acquired

Cost 1 January 2020	705.000	705.000
Cost 31 December 2020	**705.000**	**705.000**
Amortisation and writedown 1 January 2020	-211.500	-141.000
Amortisation and depreciation for the year	-70.500	-70.500
Impairment loss for the year	-423.000	0
Amortisation and writedown 31 December 2020	**-705.000**	**-211.500**
Carrying amount, 31 December 2020	**0**	**493.500**

5. Plant and machinery

Cost 1 January 2020	2.722.138	2.707.138
Additions during the year	30.650	15.000
Cost 31 December 2020	**2.752.788**	**2.722.138**
Depreciation and writedown 1 January 2020	-782.850	-511.154
Amortisation and depreciation for the year	-546.432	-271.696
Impairment loss for the year	-1.423.506	0
Depreciation and writedown 31 December 2020	**-2.752.788**	**-782.850**
Carrying amount, 31 December 2020	**0**	**1.939.288**

6. Payables to group enterprises

The loan payable does not have an established maturity date or required payments.

7. Contingencies

Contingent liabilities

	31/12 2020 DKK in thousands
Rent commitments	170
Total contingent liabilities	**170**

Accounting policies

The annual report for Tantaline CVD ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Income statement

Gross profit

Gross profit comprises the revenue and external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs incurred for production, distribution, sales, advertising, administration, premises and loss on receivables.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from equity investment in

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Intangible assets

Patents, and licences

IP rights are measured at cost less accrued amortisation. IP rights are amortised on a straightline basis over the estimated useful economic life. The amortisation period is 10 years.

Profit and loss from the sale of IP rights are measured as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss are recognised in the income statement as other operating income or other operating expenses, respectively.

Plant and machinery

Plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Plant and machinery	5 years	50 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired.If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.