

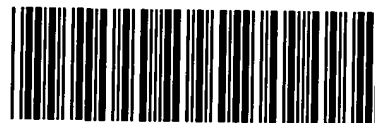


newcleo
Futurable Energy

newcleo Ltd
Company number: 13274878

Annual Report and Financial Statements for the
year ended 31 December 2024

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Strategic Report

The directors present their Strategic Report on the affairs of newcleo Ltd ("newcleo" or the "Company", "we", "us"), and its subsidiaries (together the "Group") for the financial year 1 January 2024 to 31 December 2024 (the "year").

Overview of the Group

The principal activity of the Group is the development of safe, clean, economic, and practically inexhaustible energy for the world, through an innovative combination of existing, accessible technologies. We are designing and building the next generation of advanced modular nuclear reactors ("AMR" or "Generation IV"): the lead-cooled fast reactors ("LFR") fuelled with Mixed Oxide Fuel ("MOX") which will contribute to climate change mitigation and global decarbonisation.

Group restructure:

On 30 September 2024, the Group completed a restructure by transferring the 7 assets, including all subsidiaries, held by newcleo Ltd to a new legal entity in France, newcleo Holding SA (subsequently renamed newcleo SA on 25 November 2024). newcleo Holding SA is a subsidiary owned by newcleo Ltd.

The rationale for the restructure is to strengthen the Group's collaboration with the French government and industry actors and enhance the potential to attract significant funding from EU financial institutions. It is envisaged that future major external investment in the Group will be in newcleo Holding SA. The decision to relocate to France reflects newcleo's unwavering focus on growing its European presence and delivering its ambitious timelines and strategic projects. These include the development of a non-nuclear precursor reactor in Italy by 2026, the establishment of a MOX manufacturing plant in France by 2030, the construction of a prototype reactor in France by 2031, and the delivery of commercial reactors starting from 2033.

Despite the restructure, as at 31 December 2024, and up until the signing of these financial statements, newcleo Ltd is the ultimate holding company of the Group, and consolidated financial statements of the Group are prepared by newcleo Ltd.

Review of the business

During the year, the Group made the following progress:

Financial performance:

During 2024, the Group's programme progressed according to plan. In line with expectations, the Group recorded a net loss of €110.2m (2023: net loss of €57.6m) during the year.

Total revenues generated by the Group during 2024 were €46.7m (2023: €9.1m), with the increase compared to the previous year due to the full-year impact following the completion of the acquisitions of SRS, Fucina, Pompes Rüttschi and Rüttschi Fluid in late-2023.

The Group invested €33.6m (2023: €6.0m) in research and development activities during the year, which was charged to the consolidated statement of profit or loss and other comprehensive income in accordance with the accounting policies outlined in note 2. No amounts were capitalised during the year.

The Group's total asset position at 31 December 2024 was €448.0m (2023: €475.8m).

The directors do not propose a dividend in the year ended 31 December 2024 (2023: nil).

Fund raising:

On 30 September 2024, in conjunction with the restructure of the Group described above, newcleo Ltd closed the UK phase of a Series A capital raise, raising €135.3m, with €70.2m subscribed during the previous year and €65.2m subscribed during 2024 after costs. A redeemable bonds plan has been subsequently opened later in 2024, and a further €31.8m has been subscribed by investors in newcleo Holding SA.

The Group is progressing promising discussions with significant prospective investors and expects further tranches of fund raising to close over time, including a further close before the end of 2025.

The Group's total cash, cash equivalents, short-term investments, less loans (together, "total funds") at 31 December 2024 was €190.9m (2023: €282.1m). The reduction in total funds during the year was in line with expectations and explained primarily by the continuing investment in the Group's development programme and the receipt from investors who subscribed during the year to the ongoing fund raise.

The Group regularly reviews its future programme of activities against the total funds available and prioritises the activities that are most critical to the stage of its development. The Group always acts responsibly and with due care and respect to its shareholders and stakeholders who support its mission. The Group will prioritise its total funds and resources to continue the progress of the R&D, scientific and engineering projects that ultimately support the licensing of its LFR and MOX fuel solution.

The Group has assessed that it has sufficient total funds to progress the critical LFR and fuel programme milestones during 2025 and 2026. See the 'Going Concern' section in the Directors' Report for further information.

Programme performance:

The scope of work that the Group accomplished during 2024 built on the progress from the previous year and has established a strong foundation for the future accomplishment of our strategy. Within the key technical programmes, the following progress was achieved during 2024:

- Within the R&D programme, our Brasimone test facility in Italy opened with five of the planned twelve installations necessary for reactor component qualification completed.
- During April 2024, the UK's Nuclear Industry Association applied for a justification decision for newcleo's lead cooled fast reactor, the LFR-AS-200. The application makes the case that the benefits of clean, firm, flexible power from the LFR-AS-200 would far outweigh any potential risks. The application also demonstrates that the reactor design would support nuclear energy's contribution to a stable and well-balanced electricity grid, which is essential to reduce consumer bills and maintain economic competitiveness. Justification is a regulatory process which requires a UK government decision before any new class or type of practice involving ionising radiation can be introduced in the UK. This is the first ever application for justification of an advanced nuclear technology in the UK.
- On 26 June 2024, newcleo completed the "preparatory stage" set up by the French authorities for developers of small modular reactor projects to facilitate, secure and accelerate the review of licence applications. During the preparatory stage, the French authorities assessed the maturity of newcleo's project and discussed all safety options for its LFR projects and the associated nuclear fuel manufacturing plant. The conclusion of this stage follows numerous technical meetings involving experts from the authorities. The achievement of this preparatory phase is to be followed by the submission of official technical options for both the LFR and the MOX manufacturing plant. The French authorities will then establish a written advice which, along with other considerations derived from the preparatory phase discussions, will allow a faster process to grant the necessary authorisation decrees to newcleo.

- newcleo announced on 2 December 2024 the submission of a Generic Design Assessment (“GDA”) application in Great Britain for its commercial scale LFR-AS-200 technology. The GDA process was developed by the UK’s principal nuclear regulators (the Office for Nuclear Regulation and the Environment Agency) to scrutinise new nuclear power plant designs and assess their acceptability for use in Great Britain.
- On 16 December 2024, newcleo submitted its Safety Option File (DOS) to the Nuclear Safety Authority (ASN) in France for its fuel assembly testing facility. The milestone marks the beginning of a new regulatory phase, during which the project’s key safety options will be reviewed.

Furthermore, important progress was made within our digitalisation as we started to use the PLM software for all the LFR programs.

Partnerships:

The Group’s strategy is to create a manufacturing capability through a mix of European suppliers, key partnerships, and acquisitions. The following progress was achieved during the year:

- In January 2024, newcleo signed an agreement with MAIRE’s subsidiaries NextChem Tech and Tecnimont to apply newcleo’s reactors to decarbonise the chemical industry, including hydrogen production. The agreement, which will power a new model for the “e-Factory for carbon-neutral Chemistry” launched by NextChem Tech, will enable the development, on an exclusive basis, of a conceptual study for carbon-neutral hydrogen production and sustainable chemicals.
- Also in January 2024, newcleo and NAAREA announced the creation of a strategic and industrial partnership dedicated to Generation IV nuclear energy. This initiative is designed to meet the specific needs of the Gen-IV reactors currently under development. The aim is to support all players in their industrial, technological, scientific and regulatory development. It is part of a complementary approach to the essential industrial SMR alliance launched by the European Commission.
- During April 2024, newcleo signed a partnership agreement with the CEA, a French public research organisation at the forefront of technological innovation, particularly in the field of Generation IV nuclear power.
- In August 2024, newcleo signed a cooperation agreement with VUJE to establish closer collaboration on developing advanced modular reactor (AMR) technologies and advanced fuel cycle solutions in the Slovak Republic. The agreement aims to foster closer cooperation between nuclear experts from both companies, focusing on newcleo’s lead-cooled fast reactor (LFR) technology and mixed-oxide (MOX) fuel. A key goal is exploring the potential re-use of Slovakia’s existing spent nuclear fuel to power the reactors – which is central to newcleo’s aim of closing the nuclear fuel cycle.
- In September 2024, Saipem and newcleo signed a collaboration agreement to identify solutions for the offshore application of newcleo’s technology to produce nuclear energy. The objective of the agreement is to study the application of newcleo’s LFR technology to provide zero-emission electricity and process heat to oil and gas offshore installations, thereby improving their sustainability performance. The agreement also allows for the possibility of extending the use of newcleo’s technology to produce zero-emission electricity through floating nuclear units, connected to the electricity grid on land or to other users.
- In October 2024, the LFR proposed by newcleo was selected by the European Industrial Alliance on Small Modular Reactors (“SMRs”). The endorsement is a resounding recognition of the role newcleo’s LFR could play in the delivery of a new European energy mix.
- On 18 December 2024, MAIRE S.p.A. and newcleo signed an agreement for a Joint Venture Company (“JVC”) between MAIRE’s subsidiary NEXTCHEM (Sustainable Technology Solutions) and newcleo to develop a new generation commercial scale power plant, based on newcleo’s LFR-AS-200 technology.

Environmental, Social, and Governance

newcleo is pursuing a sustainability-led model for both our people and the planet. The Group is seeking to achieve end-to-end utility across the value chain: designing, building, and operating reactors as well as supplying MOX fuel for them, processed from existing waste. The Group aims to secure a sustained future for every stage of this journey which will manifest itself in investing in communities, environments, and structures of governance that work together to build it.

The Board of Directors (the "Board") of the Company has established an Environmental, Social and Governance ("ESG") Committee to provide guidance to the Board of the execution of its ESG strategy and responsibilities; reviewing policies, programmes, practices, and initiatives relating to ESG matters; providing guidance to the Board on relevant emerging topics or issues and overseeing the management of ESG matters and compliance with legal and regulatory requirements. The ESG Committee currently comprises one independent non-executive director and two non-executive directors.

In 2024, the Board signed off newcleo's inaugural ESG Policy Statement which informs its overarching principles and objectives as to the Group's commitment to ESG. The Policy Statement aims to complement existing, related policies in the Group, and at its centre are commitments to fulfil legal requirements; identify and focus on the most material ESG factors to the business; seek continuous improvement, and regularly communicate progress.

In addition, since 2023 newcleo has had in place an ESG Ambassadors team comprised of passionate representatives and subject matter experts from across Group locations. The Ambassadors support the ESG Committee in its understanding of ESG topics and support the delivery of the Group's strategic priorities.

ESG Strategy:

The Group's nascent ESG strategy is built around four pillars: Planet, People, Prosperity, and Principles of Governance. These pillars are derived, in part, from the voluntary sustainability framework provided by the World Economic Forum's Stakeholder Capitalism initiative. It was initially introduced to support communication in which relevant policies, processes and initiatives can be assigned. The strategy continues to adapt and evolve to meet developing standards, initiatives, stakeholder expectations and reporting regulations. An updated strategy is currently being developed with supporting ambitions and goals across the four pillars. Furthermore, in recognition of future reporting obligations and as a process for improved strategic decision making, the Group has begun incorporating a double materiality approach to identifying important ESG topics.

newcleo joined the UN Global Compact in 2024, a voluntary initiative for the development, implementation and disclosure of responsible business practices. As part of the Group's commitment to sustainable and responsible business practices, newcleo will seek to continuously embed the Ten Principles of the Global Compact into its strategy, policies and operations. These principles encompass respect for human and labour rights, safeguarding the environment, and working against corruption in all its forms. newcleo will publish its inaugural Communication on Progress – the accountability mechanism of the UN Global Compact – in 2025.

Planet:

newcleo introduced its first Environmental Policy in 2024 which identifies several strategic objectives including promoting the efficient use of resources, minimising the environmental footprint of its sites, and measuring objectives for improving environmental performance within the Group. The Environmental Policy together with the Occupational Health and Safety Policy, will form the basis of the Group's Health, Safety and Environmental ("HSE") management system, which is currently under development, to be in accordance with ISO 14001 and ISO 45001 international standards. newcleo's environmental approach aims to establish a culture that is visible in everything we do; from the day-to-day interactions to the design development,

building, and operating of our systems. This includes the positive reinforcements of behaviours that proactively identify and mitigate environmental risks.

To complement policy developments several environmental initiatives have taken place. A carbon impact baseline from our UK operations was compiled for 2024. Furthermore, recently introduced travel booking systems will allow the Group to more accurately measure the environmental impacts and carbon emissions of its business travel.

newcleo's French team participated in the European Sustainable Development Week with the aim of raising awareness and fostering dialogue around ESG issues in the context of the UN Sustainable Development Goals. The team adapted the event to highlight some of the ESG challenges in the energy sector. There are plans to extend the initiative to our global community in future years.

People:

newcleo is committed to the safety, health, and well-being of workers, contractors, customers, and of the communities it operates. As a part of its commitment, the Group considers the psychological safety as an integral element of general health and well-being. During 2024, a further cohort of UK employees undertook formal mental health first aid training to provide practical support and strengthen the Group's overall approach to employee well-being. Following the successful launch of Mental Health First Aid training in newcleo's UK offices the initiative will be expanded globally.

To support the HSE Management System an Incident Learning and Reporting System has been developed and is in the process of being rolled out across the Group which will strengthen newcleo's management and reporting capabilities.

newcleo supports policies and actions that drive training and development, workforce engagement, and promote diversity and inclusion. In 2023, the Group launched a graduate programme in the UK and promotes internships and apprenticeships. A second cohort of graduates joined the Group in 2024. Furthermore, the Group works closely with several academic institutions, offering scholarships for talented graduates to attend summer schools and projects. In 2024, the Group launched its first full employee engagement survey. Subsequently, the results were shared with all colleagues and included areas for improvement and actions. This survey will be repeated on a regular basis.

To help integrate its diverse workforce and promote a more inclusive, respectful work environment, the Group has introduced global cultural awareness training alongside language courses. newcleo is a supporter of Women in Nuclear ("WiN"), a non-profit organisation which is a strong advocate for sustainability, diversity and gender equality in the nuclear industry. A number of newcleo employees are engaged with WiN Global and its international chapters, including several mentors on the WiN mentoring scheme.

Prosperity:

The Group will support and partner with community and social initiatives that are strategic to its business and consequently has initially prioritised education outreach programmes. The Group's sponsorship and support of a European educational programme, WeSchool, concluded in 2024. It was designed to empower teachers with tools and methodologies to hone students' critical thinking and effectively discuss energy and environmental related issues. The programme reached nearly 6,000 students across schools in Italy, France, and the UK. Continuing the Group's focus on educational outreach, the UK operations will be partnering with an educational charity to inspire young people to pursue careers in science and engineering through events and workshops.

The Group's Global Supply Chain strategy incorporates ESG criteria into the supplier assessment during pre-qualification and ESG requirements into supplier contracts. Furthermore, newcleo seeks to collaborate with key suppliers to manage ESG risks and impacts and identify opportunities. Relatedly, newcleo is committed to improving its practices to combat modern slavery and human trafficking in its own business and supply

chain. With the aim to conduct its business in accordance with internationally recognised human rights standards, practices and guidance, the Group introduced a Human Rights and Modern Slavery policy in 2024.

Principles of governance:

To promote transparency and responsibility for its impacts, people, and communities the Group has introduced several policies and procedures to ensure appropriate business conduct. A Code of Conduct and Ethics was issued and supported by a training programme for employees across the Group. This Code and the training programme will be updated in 2025. newcleo has also introduced other business conduct policies, including an Anti-bribery and Corruption policy, and a Group-wide Whistleblower policy.

Developments in ESG policy and approach has been supported by training and awareness initiatives. These include specific ESG onboarding modules, with plans for delivering bespoke Board and executive level training in 2025.

Streamlined Energy and Carbon Reporting (SECR)

Introduction

In 2024, the Company is required for the first time to report on environmental performance in accordance with the 2018 Regulations of the Companies Act 2006. As such, the Company is providing an overview of the greenhouse gas (GHG) emissions associated with newcleo's UK operations, in alignment with *GHG Protocol - A corporate Accounting and Reporting Standard*. The overview does not provide information related to overseas subsidiaries which are not required to be included.

The scope of the report covers direct emissions (Scope 1) from company-controlled sources, indirect emissions (Scope 2) from purchased electricity and energy, and, where applicable, other indirect emissions (Scope 3).

The reporting period covers from 1 January 2024 to 31 December 2024.

Operational Boundaries

Definition of the operational boundaries began by identifying all GHG sources that the Company should include in its inventory. These were subdivided into three different categories:

Scope 1: DIRECT GHG EMISSIONS are emissions issued from sources directly controlled by the Company, such as stationary combustion equipment used for building heating.

Scope 2: ENERGY INDIRECT EMISSIONS are emissions issued from electricity production, or from the imported heat or vapor consumed in the buildings and equipment operation, provided by an external entity

Scope 3: OTHER INDIRECT GHG EMISSIONS are emissions issued from the Company activities but from sources controlled by external enterprises, such as waste disposal (transport and processing) and the transportation means of employees.

Methodology

This report was produced in accordance 'GHG Reporting Protocol - Corporate Standard' methodology. The Greenhouse Gas recommend that the reporting organization quantifies, minimally, GHG emissions from direct and energy indirect categories (scope 1 and 2 in the Greenhouse Gas Protocol). These must be included in the GHG inventory.

Some GHG sources were excluded since they account for non-significant GHG emissions, as well as quantification was technically not possible (lack of data).

Data inputs have been obtained from actual data for the majority of assessment areas, either from suppliers or direct sources, with some emissions areas obtained from estimates based on benchmarks and other extrapolated data.

ECR requires organisations to express the organisation's emissions by way of at least one intensity ratio. Intensity ratios compare emissions data with an appropriate business metric or financial indicator. At this

stage in the Company's lifecycle, Management have concluded that the metric of full time employee ("FTE") is the most appropriate.

Emissions

Emissions	2024
Scope 1 [tCO2e]	0
Scope 2 [tCO2e]	33
Scope 3 [tCO2e]	525
Intensity ratio [total emissions/FTE]	5

Energy Efficiency Measures to reduce GHG emissions

newcleo's own mission is intrinsically driven by climate-related objectives. We are working to help the world meet its growing energy needs and reach zero emissions by developing the next generation of nuclear energy that is safe, clean and sustainable.

In the current phase of our business, our footprint consists of the energy usage in the buildings where we operate and business travel. The steps we undertook to improve our energy efficiency and environmental footprint include:

- Improved remote collaboration in order to limit the international travel undertaken by our employees.
- Utilisation of travel partner management information systems in order to better monitor travel-related emissions.
- Installed smart meters for electricity data collection in London office.

Following the consolidation of expense claim systems and the business travel management tool, we expect data quality and comparability to improve in the next reporting year; good quality data will further inform the business on where next steps could be taken to reduce newcleo's environmental impact.

Principle risks and uncertainties

The Group applies the fundamental principles that everyone who works for us is responsible for the management of risk and communicates risk in a transparent way informing decision making.

Enterprise risk management:

The Board is responsible for ensuring that there is an appropriate system of risk management in place. To discharge this responsibility the Board established an Audit & Risk Committee which has approved an Enterprise Risk Management ("ERM") Framework and Policy in 2023. The ERM Framework and Policy recognises COSO 2017, ISO 31000 and the Financial Reporting Councils guidance in its approach to risk management and accountability within the Group.

The Group's continuing maturity and refinement of its risk management framework in its application ensures the effective identification and mitigation of the key risks to the Group. The policy sets out clear roles and responsibilities and clear principles which guide the risk management culture within the Group. These include:

- That all employees of newcleo are responsible for the management of risk.
- Decisions are to be made on a risk informed basis.
- The Board has ultimate responsibility for the effectiveness of the management of risk.

The Group's risk appetite can be described as "*Hungry but Cautious*". The risk appetite remains aligned to the achievement of newcleo's strategic intent, and the nature of newcleo's business context. However, newcleo will only accept risks where they are consistent with its core purpose, strategy, and values; where they are well understood and can be effectively managed; and where they are in line with stakeholder expectations and shareholder value enhancement.

In determining its appetite for specific risks, the Board and executive management are guided by the following principles:

1. Risk should be consistent with newcleo's core purpose, strategy, and values.
2. Risks should only be accepted where relevant approvals have been attained.
3. Risks should be actively controlled and monitored through the appropriate implementation of the ERM Framework and Policy and allocation of resources to control risks to acceptable levels.

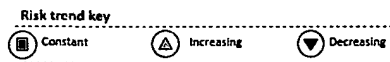
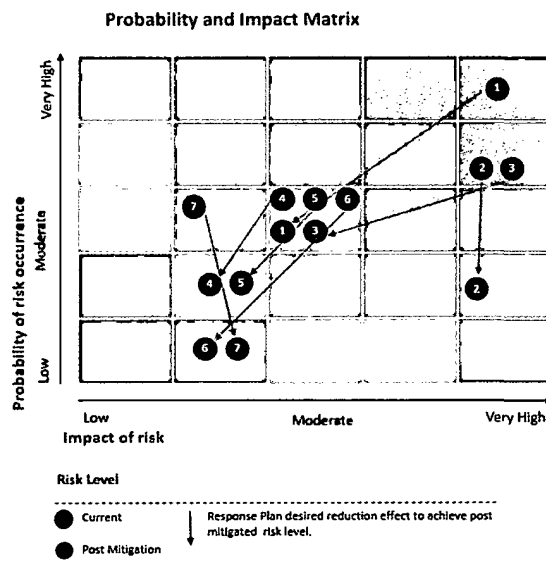
Effectiveness of the systems of Internal control:

The Audit & Risk Committee has responsibility for reviewing the effectiveness and appropriateness of the System of Internal Control. This covers all material controls, in addition to financial reporting, including financial and compliance controls. To realise this responsibility, the Audit & Risk Committee approved an Integrated Assurance Strategy that evaluates the effectiveness of key controls including controls or mitigation actions to mitigate principal risks to an acceptable level of risk. The assurance outcomes are through control assessments and internal audit activities. The Audit & Risk Committee has approved an integrated assurance plan for 2025.

Principal risks assessment:

The principal risks of the Group are described below and mapped onto a risk 'heat map' showing the current risk level (likelihood and impact) and the planned risk level following the completion of mitigation actions:

Principal Risk Title	Risk Owner	Trend
1. Funding & Liquidity	CEO & CFO	▲
2. Achieving the programme schedule	COO	▲
3. Cyber Event	CIO	▲
4. Reliance on key people	People & Culture Director	▼
5. Key Controls Environment	CFO	▼
6. Talent Acquisition and retention	People & Culture Director	▼
7. ESG Reporting	Transformation Director	▼



What is the risk?	Material influencing factors	Risk response / management actions	Risk Level and Trend
1. Funding and liquidity <i>(Risk Owner: CEO and CFO)</i> <ul style="list-style-type: none"> The ability of the Group to continue its research and development programmes is dependent on the continued raising of funds from external sources. 	<ul style="list-style-type: none"> The Group currently has a cash runway to end-2026 based on average cash burn (excluding new fund raising), as outlined in note 2.2 Going Concern. The Group does not expect to earn revenues from its LFR and MOX programmes for several years. 	<ul style="list-style-type: none"> Continued focus on the fund raising programme. Manage cash funds carefully through detailed budgeting, forecasting and programme management. Regular review of cash requirements and forecasts. Maximise opportunities to receive cash from grants, R&D tax credits, and debt financing with particular focus in France and EU. Board review and approval of the flexibility plan, as outlined in note 2.2 Going Concern 	Very High ▲
2. Achieving the programme schedule <i>(Risk Owner: COO)</i> <ul style="list-style-type: none"> The programme schedule may not be achievable. 	<ul style="list-style-type: none"> Resolution of technology design challenges (and opportunities). Timeliness and adequacy of external funding to progress the development programme. Development and delivery of the Fuel Cycle programme to meet strategic milestones of the LFR programmes. 	<ul style="list-style-type: none"> Complete the development of the Brasimone non-nuclear reactor prototype for testing and licensing project to verify and validate the design. Safety & Design Committee oversight of design development. Continual review and validation of the key strategic assumptions and address any agility required in strategy to deliver vision. Strengthening of programme and project management controls, through the Global PMO. 	Very High ▲
3. Cyber-event <i>(Risk Owner: Chief Information Officer)</i> <ul style="list-style-type: none"> newcleo may experience a significant cyber-event resulting in loss of data and/or impact on business systems / activities. 	<ul style="list-style-type: none"> Immature cyber defence controls. Immature cyber awareness among employees. Increased interest from external threat actors. Malicious insider intent. 	<ul style="list-style-type: none"> Continuous investment to improve the data infrastructure design and control strategy. Develop cyber-attack response plan. Continuous monitoring of network activity. Independent testing of controls to identify weaknesses / improvements. Continuous cyber awareness training of employees. Cyber risk insurance policy placement. Policy processes and procedures to be developed and align with ISO 27000. 	Very High ▲

Principal risks assessment (continued)

What is the risk?	Material influencing factors	Risk response / management actions	Risk Level and Trend
<p>4. Reliance on key people <i>(Risk Owner: People & Culture Director)</i></p> <ul style="list-style-type: none"> The Group is reliant on several key individuals / founders. 	<ul style="list-style-type: none"> Key founders of the Group are critical to the continued achievement of the Group's objectives. 	<ul style="list-style-type: none"> Development of succession plans and organisational resource resilience. Improvements to knowledge transfer. Recruitment of experienced leaders to enhance the strategic leadership team and new Group Board appointments to broaden experience. COO appointed to the newcleo Holding SA Board. Technical design maturity continues in a structured programme. 	<p>High</p> <p>▼</p>
<p>5. Key Control Environment <i>(Risk Owner: CFO)</i></p> <ul style="list-style-type: none"> A failure of a key corporate control leading to potential loss, breach of regulations, reputational damage, or other negative impact. 	<ul style="list-style-type: none"> Maturity of the Group's governance and control framework. Rapid growth and complexity of the Group, both employee numbers and legal entity structure. Increased external profile of the Group. Increasingly sophisticated methods applied by external parties to de-fraud and damage companies. 	<ul style="list-style-type: none"> Identification, definition, and ownership of key controls to be developed and implemented as business as usual. Implement a risk-based Integrated Assurance programme for 2025 and complete the annual fraud risk assessment. Mandatory employee training and awareness of key corporate policies and procedures. Integrated Assurance findings and recommendations are implemented by management to improve controls. 	<p>Moderate</p> <p>▼</p>
<p>6. Talent acquisition and retention <i>(Risk Owner: People & Culture Director)</i></p> <ul style="list-style-type: none"> newcleo may not be able to recruit, incentivise and retain the required suitably qualified and experienced personnel ("SQEP"), particularly research, engineering, and project development personnel to achieve the nuclear licensing and programme requirements. 	<ul style="list-style-type: none"> The renaissance in the nuclear sector has resulted in high demand for SQEP. There is a limited nuclear talent pool. newcleo has an ambitious programme schedule. 	<ul style="list-style-type: none"> Implement a global resourcing strategy that responds to local market scarcity. External recruitment support capability procured. Enter strategic partnerships with industry organisations. Employee onboarding and early development in newcleo culture and performance management. Position newcleo as an employer of choice by offering a holistic remuneration package and career progression. Required roles and competencies for critical resource specialisms are reviewed and prioritised for recruitment. Culture improvement programme – one of engagement, cross culture collaboration, career path planning. 	<p>Moderate</p> <p>▼</p>
<p>7. ESG reporting <i>(Risk Owner: Transformation Director)</i></p> <ul style="list-style-type: none"> The Group may not be ready to comply with ESG reporting requirements. 	<ul style="list-style-type: none"> EU climate reporting regulation requirements enacted in January 2024. Rapid growth of the Group, particularly headcount and company acquisitions. 	<ul style="list-style-type: none"> Implement recommendations from third-party review of reporting requirements. Agree the key ESG metrics the Group will collect and report and implement the processes and business tools to capture the data required to meet reporting requirements. ESG Committee and management monitoring of the ESG reporting readiness programme. Recruit resource within the ESG team. 	<p>Moderate</p> <p>▼</p>

Key performance indicators

The nature of the Group's business is such that activities on which the key performance indicators ("KPIs") are based are non-financial and are considered in respect of progress made on its integrated programme of projects. Progress on the development of the LFR and fuel programmes is discussed above.

The total funds held by the Group is also a management KPI and is monitored on a regular basis. The total funds utilised during the year is consistent with expectations based on the progress made on the development programmes.

Future developments

As described above, the Group will prioritise its total funds and resources to progress the R&D, scientific and engineering projects that underpin the licensing of our LFR and MOX fuel solution. Key milestones that are targeted during 2025 include:

- Commission the R&D 'Othello' facility at Brasimone and commence operations of the R&D Energy Centre Laboratory.
- Secure access to land for the future construction of LFRs and the MOX facility
 - during February 2025, newcleo started the land acquisition process for its first LFR-AS-30 reactor in the territory of the Chinon Vienne et Loire community of municipalities in France; and
 - during March 2025, newcleo announced the acquisition of a French site in Chusclan (Gard) to build a Fuel process Assembly Storage Training and Enhanced Reality facility ("FASTER").
- an R&D innovation and training centre supporting the development of its future fuel assembly.
- manufacturing facility in France.
- Complete the basic design of the LFR-AS-30.
- Complete the basic design of the MOX facility.
- Commence the LFR-AS-200 GDA in the United Kingdom.
- Approve the LFR-AS-30 commissioning plan.

Furthermore, the Group intends to make further progress with its business development programme, engaging with potential end-users of its LFR and MOX fuel solution. Recent announcements include:

- In January 2025, newcleo signed two framework agreements with JAVYS and VUJE, two leading Slovakian nuclear companies.
 - The first agreement with Jadrová vyraďovacia spoločnosť ("JAVYS"), Slovakia's state enterprise responsible for spent nuclear fuel management, sets the conditions for establishing a joint venture called the "Centre for Development of Spent Nuclear Fuel Utilisation" which will be tasked with developing and constructing an AMR-based nuclear power plant of up to four LFR-AS-200 reactors at the Jaslovske Bohunice V1 site in the Slovak Republic, and ensuring the development of a nuclear fuel supply route, with the support of the French government, with the ultimate goal of the reprocessing and use of Slovak Republic spent nuclear fuels and enabling long term multi-recycling as part of a closed fuel cycle.
 - The second agreement with VUJE, one of Slovakia's premier nuclear engineering companies, establishes a framework for technical and commercial cooperation to support newcleo's development and implementation of LFR technology primarily in Slovakia.
 - In February 2025, the Emirates Nuclear Energy Company ("ENEC"), and newcleo signed a memorandum of strategic cooperation to explore the use of newcleo's LFR for projects in Europe and the MENA region.
-

- On 10 March 2025, Danieli & C. Officine Meccaniche S.p.A., a world-leader in iron and steel making plants, and newcleo signed a Memorandum of Understanding to explore the integration of newcleo's LFR with Danieli & C. Officine Meccaniche S.p.A.'s steelmaking technology to make a further step in combining the production of green steel with nuclear energy production.

Section 172(1) Statement

The Board of newcleo Ltd is collectively responsible for promoting the long-term success of the Company in accordance with Section 172 of the Companies Act 2006. In performing their duties under s.172, the Directors have acted in good faith and with regard to the likely consequences of their decisions on a broad range of stakeholders, including:

- the long-term impact on the business and its strategic objectives;
- the interests and welfare of newcleo's employees;
- fostering strong relationships with suppliers, customers, governments and partners;
- the impact of newcleo's operations on communities and the environment;
- maintaining high standards of business conduct; and
- acting fairly between shareholders.

This statement sets out how the Directors have considered these matters when carrying out their duties throughout the financial year.

Long-Term Decision-Making and Strategic Direction

The Board's strategic ambition is to deliver clean, safe and affordable nuclear energy through the design and deployment of standardised and investable small modular reactors (SMRs). This long-term vision is guided by our mission to establish newcleo as a world-class enterprise contributing to the global energy transition.

During 2024, the Board undertook a review of newcleo's operating model and approved a range of strategic initiatives in line with our roadmap to regulatory approval and commercial deployment. Principal decisions included:

- endorsing newcleo's organisational restructuring to support growth and regulatory engagement;
- approved the relocation of newcleo's head office from the United Kingdom to France, supporting our strategic positioning in the European energy market and aligning with operational priorities.
- appointing key executives to strengthen technical and commercial leadership;
- approving major contracts and partnerships to progress engineering priorities and supply chain readiness; and
- endorsing policies to support progression through the Generic Design Assessment (GDA) process.

In all cases, the Board carefully considered the long-term implications of these decisions on the Company's resilience, capability and value creation for shareholders.

Employee Engagement and Culture

The Board recognises that our people are central to newcleo's success. We aim to foster an inclusive, innovative and high-performing culture that supports professional growth, wellbeing and safety.

During the year, the Board engaged with employees through all-staff briefings, town halls and an organisation-wide culture survey. These mechanisms helped identify key areas of focus for improvement, which included:

- enhancing our reward and recognition framework;
- strengthening leadership visibility and communication; and
- embedding our values into everyday behaviours.

We continued to invest in technical training, coaching and talent development, with most employees participating in structured learning programmes. Health and safety remained a top priority, with oversight provided through board-level reporting and risk reviews.

Stakeholder and Supply Chain Relationships

Effective engagement with our customers, governments, industry partners and supply chain is critical to achieving *newcleo's* mission. The Board considers stakeholder insights and relationship health when making decisions, supported by regular reporting from the executive team.

Examples during the year include:

- supporting executive engagement with regulators and government departments in the UK and international markets;
- reviewing strategic partnership performance and associated risk mitigations; and
- approving updates to procurement and vendor management processes to enhance transparency and ESG alignment.

Community and Environmental Impact

newcleo's environmental and societal impact is at the core of our purpose. Our sustainability strategy is aligned with our goal of closing the fuel cycle and enabling net zero energy generation.

In 2024, the Board:

- approved *newcleo's* first ESG Policy Statement, setting out ESG pillars as planet, people, prosperity and principles of governance;
- oversaw the activities of the ESG Committee, which monitors regulatory compliance; and
- endorsed community engagement programmes focused on STEM education and regional skills development.
- confirmed that a key pillar of our sustainability mission is the closure of the fuel cycle, which underpins our commitment to long-term energy security and waste minimisation.

These decisions reflect our commitment to supporting the communities in which we operate and leading responsibly in the nuclear sector.

Standards of Business Conduct

The Board is committed to maintaining the highest standards of integrity and governance. We have a Code of Conduct that applies to all employees and stakeholders and is supported by training and reporting mechanisms.

In 2024, the Board:

- approved updates to the Ethics and Compliance Framework;
- received regular updates on whistleblowing cases and compliance monitoring; and
- reviewed internal audit findings and took action to strengthen control environments where necessary.

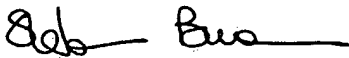
Acting Fairly Between Shareholders

The Board ensures that its decisions are taken in the interests of all shareholders and supports transparency, accountability and fairness. Any significant corporate actions or changes to shareholder rights are considered carefully and, where appropriate, with advice from independent advisers.

In 2024, the Board reaffirmed its commitment to equitable treatment of shareholders in the context of funding discussions and long-term capital planning.

By embedding stakeholder considerations into *newcleo's* governance and decision-making processes, the Board ensures that its actions are aligned with its statutory duties and promote the long-term success of *newcleo Ltd*.

This Strategic Report was approved by the Board on 1st June 2025 and signed on its behalf by:



Stefano Buono, Director and CEO

Registered office: 55 South Audley Street, London, W1K 2QH

Directors' Report

The directors present their annual report on the affairs of the Group, together with the financial statements and auditors's report for the financial year 1 January 2024 to 31 December 2024.

Principal activities

The principal activities undertaken by the Group during the year are described in the Strategic Report.

Directors

The directors, who served throughout the year, and during the period up until the signing of these financial statements, were as follows:

- Stefano Buono
- Manfredi Lefebvre D'Ovidio (appointed 6 May 2025)
- Adrienne Kelbie
- Florence Parly (resigned: 6 May 2025)
- Andrea Ruben Levi
- Raffaele Petrone
- Corine Raoux-Fontanet (resigned: 6 May 2025)
- Carlo Zuccaro (resigned: 31 January 2025)

Directors' indemnities

The Group has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Results and dividends

The financial performance and proposed dividend of the Group during the year are described in the Strategic Report.

Employees

Equality, diversity, and inclusion are core values of the Group, and it is the Group's policy to give full and fair consideration to:

- applications for employment that disabled people make to the Group;
- training, career development and promotion of disabled people; and
- the continuing employment and training of employees who have become disabled while employed by the Group.

Engagement with suppliers, customers, and others

It is the Group's policy to agree payment terms with suppliers when agreeing the terms of each transaction, to pay all accounts payable as they fall due, and to abide by agreed terms of payment.

Political contributions

No political donations were made by the Group during the year (2023: nil).

Research and development

During 2024, the Group continued to progress its R&D programme according to plan. Details are provided in the Strategic Report.

Financial risk management

Details of financial risk management are contained in note 22 to the financial statements.

Existence of branches outside the UK

The legal structure of the Group is detailed in Note 8 of the Company Financial Statements. newcleo Ltd does not have any branches outside of the United Kingdom.

Events after the balance sheet date

Details of significant events since the balance sheet date are contained in note xx to the financial statements.

Going Concern

The consolidated and Company financial statements have been prepared on a going concern basis, on the assumption that the Group and the Company will have access to sufficient financial resources to continue to trade for the foreseeable future, being at least 12 months from the approval of these financial statements.

The Group has commenced initial revenue-generating activities through its acquisitions and is concurrently undertaking significant R&D efforts to develop its strategic LFR and MOX solutions, which are not expected to generate revenues for several years.

In order to deliver its strategy at the current pace of development, further funding will be required. In September 2024, the Group relocated its holding company from the United Kingdom to France and has since engaged in a series of initiatives to secure additional financing:

- The Group is preparing a capital raise, for which several subjects have expressed interest through Letters of Intent (LoI), amounting collectively to €163.5 million.
- On top of these formal LoI, a significant number of prospective investors have shown interest for an investment to be executed within the next twelve months.
- At the "Conseil de Politique Nucléaire" held on 17 March 2025, the French government reaffirmed its commitment to fourth-generation reactors in support of multi-recycling of spent fuel, and newcleo is engaged in the preparation of the funding request that could be assigned before the end of 2025.
- The Group is also applying for a significant number of regional, national and European subsidies.
- In addition, the Group launched a redeemable bond programme which raised more than €30 million in the period to April 2025.

As the precise timing and amounts of these financing initiatives remain uncertain, the directors have prepared financial forecasts based on a strongly conservative plan to reduce the cash burn, and have prioritised key

activities accordingly, to ensure that current cash resources will be sufficient to sustain operations through the end of 2026, even in the improbable scenario of a total absence of equity raises.

Key assumptions underpinning this conservative plan include:

- **Current cash resources and cash burn:** As of 31 December 2024, the Group's total funds amounted to €192 million (€160 million as of 25 April 2025). Measures have been taken to moderate the average monthly cash burn of approximately €13 million, a decision that remains fully within the directors' control.
- **Cash generation opportunities:** The Group is exploring refinancing options for its newly acquired, financially robust subsidiaries, and may also finance other assets such as significant R&D tax credits.
- **Flexibility in development plans with respect to initial budget with key actions being:**
 - A significant reduction in new recruitment from June 2025 onwards without any dismissal of current personnel;
 - Optimisation of the use of external contractors (90 contractors in France and 10 in UK as of 30 April 2025); and
 - Postponement of certain capital expenditure related to the main programme and IT development but not on the Brasimone project, to maintain the delivery date of all technical installation, including the electrical reactor for the end of 2026.

The directors have authorised the immediate implementation of the conservative plan until additional financing materialises. Should this conservative plan persist for more than a few months, this could result in delay of our final milestones in 2030 and 2031. Nevertheless, given the current size and resources of our EU competitors in the LFR segment, our strong patent portfolio, and the significant governmental support in France for 4th generation reactors, the directors do not believe this would materially impact the Group's competitive position. The directors are also confident of securing the necessary funds in good time for the Group and Company to continue as a going concern and have therefore prepared the financial statements on a going concern basis.

The board considers the failure of refinancing options for its profitable subsidiaries or failure to finalise and secure funding within 12 months from the date of approval of these financial statements, as a significant risk for the Group and Company in their ability to continue as a going concern. As such, these conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's and Company's ability to continue as a going concern. The financial statements do not include the adjustments that would arise if the Group and Company were unable to continue as a going concern.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group financial statements in accordance with UK-adopted international accounting standards and the Company financial statements in accordance with UK Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "*Reduced Disclosure Framework*", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;

- state whether applicable UK-adopted international accounting standards have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

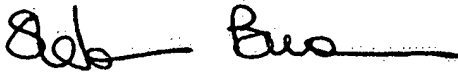
Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Group's and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Group's and Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Board on 1st of June and signed on its behalf by:



Stefano Bueno, Director and CEO

Independent auditors' report to the members of NewCleo Ltd

Report on the audit of the financial statements

Opinion

In our opinion:

- NewCleo Ltd's Group financial statements and Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2024 and of the Group's loss and the Group's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Consolidated Statement of Financial Position and the Company Statement of Financial Position as at 31 December 2024; the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity and Consolidated Cash Flow Statement for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2.2 to the financial statements concerning the Group's and the Company's ability to continue as a going concern. In order to continue as a going concern, the Group and Company needs to secure additional external funding within 12 months from the date of approval of the financial statements. At the time of the approval of the financial statements no such funding is committed. These conditions, along with the other matters explained in note 2.2 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group and the Company were unable to continue as a going concern.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine 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, the directors are responsible for assessing the Group's and 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 the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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 (UK) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to Companies Act 2006 and tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to potential misappropriation of the Group's and Company's assets, in particular cash and cash equivalents. Audit procedures performed by the engagement team included:

- Held discussions with management and those charged with governance, including inquiries of known or suspected instances of non-compliance with laws and regulations and/or fraud;
- Evaluated the design effectiveness of management's control activities designed to prevent and detect irregularities;
- Reviewed meeting minutes of the Board of Directors, Audit & Risk Committee, Nomination and Governance Committee, Finance Committee and Environmental, Social and Governance Committee;
- Challenged assumptions and judgements made by management in their significant accounting estimates and critical accounting judgements and assessed the business rationale for significant contracts and transactions entered. This included an evaluation of whether there was evidence of management bias that represented a risk of material misstatement due to fraud;
- Identified and tested journal entries based on our risk assessment;
- Incorporated elements of unpredictability into our audit procedures, with a focus on cash and cash equivalents;
- Evaluated the completeness of related party transactions identified by management by reviewing the delegated approval process to confirm that vendor selection decisions were appropriately reviewed and approved at the relevant authority level; and
- Reviewed the disclosures in the Annual Report against the specific legal requirements.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

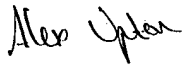
Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or

- certain disclosures of directors' remuneration specified by law are not made; or
- the Company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Alex Upton (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Watford
6 June 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2024

<i>(In thousands of euros)</i>	Notes	2024	2023
Revenue	4	46,743	9,146
Cost of sales		(24,574)	(4,695)
Gross profit		22,169	4,451
Other income	5	17,608	1,006
Administration expenses	5,6	(155,575)	(70,758)
Operating loss		(115,798)	(65,301)
Net book value and proceeds on assets disposals		180	-
Finance income	7	5,232	3,722
Net gain on fair value changes of financial assets held at fair value through profit or loss		1,798	5,714
Finance costs	7	(1,977)	(1,532)
Loss before tax		(110,565)	(57,397)
Income tax on loss	8	402	(204)
Net loss		(110,163)	(57,601)
Items that may be subsequently reclassified to profit or loss			
Currency translation differences		105	54
Actuarial gains and losses on defined benefit plans		16	-
Other comprehensive income		121	54
Total comprehensive loss		(110,042)	(57,547)

The above results were derived from continuing operations.

The accompanying accounting policies and notes 1 to 25 are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

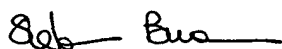
As at 31 December 2024

(In thousands of euros)

		31/12/2024	31/12/2023
ASSETS	Notes		
NON-CURRENT ASSETS			
Goodwill	9	37,281	37,870
Intangible assets	9	46,436	40,256
Property, plant, and equipment	10	58,783	23,741
Right-of-use asset	11	21,612	19,229
Investments		1,027	82
Other long term receivables	12	15,820	2,896
Deferred tax assets	8	1,169	-
TOTAL NON-CURRENT ASSETS		182,128	124,074
CURRENT ASSETS			
Inventories	13	6,951	10,152
Short term investments	18,22	2,199	172,129
Trade and other receivables	14	64,019	54,638
Cash and cash equivalents	15	192,714	114,797
TOTAL CURRENT ASSETS		265,883	351,716
TOTAL ASSETS		448,011	475,790
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Share capital	16	4,620	4,127
Share premium	16	530,911	396,078
Share-based payments reserve	17	12,877	4,562
Consolidated reserves		(187,187)	(78,313)
Capital and reserves attributable to owners		361,221	326,454
Non-controlling interests		22	21
TOTAL EQUITY		361,243	326,475
NON-CURRENT LIABILITIES			
Provisions	19	1,459	800
Lease liabilities	11	18,128	16,159
Borrowings	18	2,283	3,283
Deferred tax liabilities	8	5,783	6,537
TOTAL NON-CURRENT LIABILITIES		27,653	26,779
Provisions	19	103	-
Trade and other payables	21	54,175	118,560
Lease liabilities	11	3,078	2,434
Borrowings	18	1,759	1,542
TOTAL CURRENT LIABILITIES		59,115	122,536
TOTAL LIABILITIES		86,768	149,315
TOTAL EQUITY AND LIABILITIES		448,011	475,790

The accompanying accounting policies and notes 1 to 25 are an integral part of these consolidated financial statements.

The consolidated financial statements of newcleo Ltd (registered number 13274878) were approved and authorised for issue by the Board on 1st June 2025, and were signed on its behalf by:



Stefano Buono, Director and CEO

Consolidated Statement of Changes in Equity
For the year ended 31 December 2024

<i>(In thousand Euros)</i>	Notes	Share Capital	Share Premium	Share-based Payments Reserve	Consolidated Reserves*	Attributable to owners of the parent	Non-controlling interests	Total Equity
Equity at 31 December 2022		4,127	396,078	1,395	(20,766)	380,834	-	380,834
Loss after tax		-	-	-	(57,601)	(57,601)	-	(57,601)
Other comprehensive income		-	-	-	54	54	-	54
Total comprehensive loss		-	-	-	(57,547)	(57,547)	-	(57,547)
Equity-settled share-based payments	17	-	-	3,167	-	3,167	-	3,167
Issue of share capital for share-based payments		-	-	-	-	-	-	-
Issue of share capital		-	-	-	-	-	-	-
Non-controlling interests on acquisition of subsidiary		-	-	-	-	-	21	21
Other movements		-	-	-	-	-	-	-
Equity at 31 December 2023		4,127	396,078	4,562	(78,313)	326,454	21	326,475
Loss after tax		-	-	-	(110,163)	(110,163)	-	(110,163)
Other comprehensive income		-	-	-	121	121	-	121
Total comprehensive loss		-	-	-	(110,042)	(110,042)	-	(110,042)
Equity-settled share-based payments		-	-	8,316	-	8,316	-	8,316
Issue of share capital for share-based payments		-	-	-	-	-	-	-
Issue of share capital		493	134,833	-	-	135,326	-	135,326
Non-controlling interests on subsidiaries		-	-	-	-	-	-	-
Other movements		-	-	-	1,167	1,167	-	1,167
Equity at 31 December 2024		4,620	530,911	12,878	(187,188)	361,221	21	361,242

*Consolidated reserves consist mainly of accumulated deficit and loss of the period and include foreign currency translation reserve and actuarial gains and losses on employee benefits.

The accompanying accounting policies and notes 1 to 25 are an integral part of these consolidated financial statements.

Consolidated Cash Flow Statement
For the year ended 31 December 2024

<i>(In thousand Euros)</i>	Notes	2024	2023
Operating activities			
Net loss before other comprehensive income		(110,163)	(57,601)
<i>Adjustments for:</i>			
Finance income and expenses	7	(3,232)	(2,177)
Income tax (credit) / expense	8	(402)	204
Depreciation of property, plant and equipment and right-of-use assets, amortisation intangible assets and provisions	9,10,11,19	13,121	3,865
Share-based payment expense	17	8,316	3,166
Loss on disposals		429	-
Net gain on fair value changes of financial assets held at fair value through profit or loss	22	(1,798)	(5,714)
Other revenues and expenses without effect on cash flow		(105)	(519)
<i>Changes in working capital:</i>			
Inventory	13	3,301	35
Increase in trade and other receivables	14	(21,046)	3,096
Increase / (decrease) in trade and other payables	21	8,448	(4,511)
Income taxes paid		(1,346)	-
Net cash flows used in operating activities		(104,477)	(60,156)
Investing activities			
Acquisition of subsidiaries	23	-	(67,015)
Acquisition of intangible assets	9	(11,751)	(2,129)
Purchase of property, plant and equipment	10	(37,712)	(14,045)
Proceeds from maturities of short-term investments		358,804	360,998
Purchase of short-term investments		(186,082)	(281,714)
Interest income from short-term investments		3,944	3,709
Decrease in loans and advances made		(970)	-
Proceeds from sale of tangible and intangible assets		33	-
Net cash flows from / (used in) investing activities		126,266	(196)
Financing activities			
Proceeds from issue of shares		61,985	-
Advance subscriptions from shareholders		-	70,160
Repayments of borrowings and lease liabilities		(4,412)	(1,066)
Interest expenses including interest on lease		(1,739)	(1,080)
Other flows used in financing activities	15	(29)	-
Net cash flows from financing activities		55,806	68,014
Net increase in cash and cash equivalents		77,594	7,662
Cash and cash equivalents at the beginning of the period		114,797	106,892
Effect of foreign exchange rate changes		323	243
Cash and cash equivalents at the end of the period		192,714	114,797

The accompanying accounting policies and notes 1 to 25 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

Note 1 - General Information

newcleo Ltd ("newcleo" or "the Company", "we", "us"), and its subsidiaries (together "the Group"), is a private company incorporated in the United Kingdom on 18 March 2021 under the Companies Act 2006 and headquartered in London. The Group is working towards generating safe, clean, economic, and practically inexhaustible energy for the world, through a radically innovative combination of existing, accessible technologies. The address of the Company's registered office is 55 South Audley Street, London, W1K 2QH.

On 30 September 2024, the Group completed a restructure by transferring the assets, including all subsidiaries, held by newcleo Ltd to a new legal entity in France, newcleo SA, owned by newcleo Ltd.

The rationale for the restructure is to strengthen the Group's collaboration with the French government and industry actors and enhance the potential to attract significant funding from EU financial institutions. It is envisaged that future major external investment in the Group will be in newcleo Holding SA. The decision to relocate to France reflects newcleo's unwavering focus on growing its European presence and delivering its ambitious timelines and strategic projects. These include the development of a non-nuclear precursor reactor in Italy by 2026, the establishment of a MOX manufacturing plant in France by 2030, the construction of a prototype reactor in France by 2031, and the delivery of commercial reactors starting from 2033.

Despite the restructure, as at 31 December 2024, and up until the signing of these financial statements, newcleo Ltd is the ultimate holding company of the Group, and consolidated financial statements of the Group are prepared by newcleo Ltd.

These financial statements are presented in Euro (EUR or €).

Note 2 - Material Accounting Policies

2.1 Basis of Preparation

The consolidated financial statements of the Group have been prepared in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The consolidated financial statements have been prepared on a going concern basis and under the historical cost convention, except for the fair value revaluation of certain financial instruments as required under UK-adopted international accounting standards as disclosed in the accounting policies below.

2.2 Going Concern

The consolidated and Company financial statements have been prepared on a going concern basis, on the assumption that the Group and the Company will have access to sufficient financial resources to continue to trade for the foreseeable future, being at least 12 months from the approval of these financial statements.

The Group has commenced initial revenue-generating activities through its acquisitions and is concurrently undertaking significant R&D efforts to develop its strategic LFR and MOX solutions, which are not expected to generate revenues for several years.

In order to deliver its strategy at the current pace of development, further funding will be required. In September 2024, the Group relocated its holding company from the United Kingdom to France and has since engaged in a series of initiatives to secure additional financing:

- The Group is preparing a capital raise, for which several subjects have expressed interest through Letters of Intent (LoI), amounting collectively to €163.5 million.
- On top of these formal LoI, a significant number of prospective investors have shown interest for an investment to be executed within the next twelve months.
- At the "Conseil de Politique Nucléaire" held on 17 March 2025, the French government reaffirmed its commitment to fourth-generation reactors in support of multi-recycling of spent fuel, and newcleo is engaged in the preparation of the funding request that could be assigned before the end of 2025.
- The Group is also applying for a significant number of regional, national and European subsidies.
- In addition, the Group launched a redeemable bond programme which raised more than €30 million in the period to April 2025.

As the precise timing and amounts of these financing initiatives remain uncertain, the directors have prepared financial forecasts based on a strongly conservative plan to reduce the cash burn, and have prioritised key activities accordingly, to ensure that current cash resources will be sufficient to sustain operations through the end of 2026, even in the improbable scenario of a total absence of equity raises.

Key assumptions underpinning this conservative plan include:

- **Current cash resources and cash burn:** As of 31 December 2024, the Group's total funds amounted to €192 million (€160 million as of 25 April 2025). Measures have been taken to moderate the average monthly cash burn of approximately €13 million, a decision that remains fully within the directors' control.
- **Cash generation opportunities:** The Group is exploring refinancing options for its newly acquired, financially robust subsidiaries, and may also finance other assets such as significant R&D tax credits.
- **Flexibility in development plans with respect to initial budget with key actions being:**
 - A significant reduction in new recruitment from June 2025 onwards without any dismissal of current personnel;
 - Optimisation of the use of external contractors (90 contractors in France and 10 in UK as of 30 April 2025); and
 - Postponement of certain capital expenditure related to the main programme and IT development but not on the Brasimone project, to maintain the delivery date of all technical installation, including the electrical reactor for the end of 2026.

The directors have authorised the immediate implementation of the conservative plan until additional financing materialises. Should this conservative plan persist for more than a few months, this could result in delay of our final milestones in 2030 and 2031. Nevertheless, given the current size and resources of our EU competitors in the LFR segment, our strong patent portfolio, and the significant governmental support in France for 4th generation reactors, the directors do not believe this would materially impact the Group's competitive position. The directors are also confident of securing the necessary funds in good time for the

Group and Company to continue as a going concern and have therefore prepared the financial statements on a going concern basis.

The board considers the failure of refinancing options for its profitable subsidiaries or failure to finalise and secure funding within 12 months from the date of approval of these financial statements, as a significant risk for the Group and Company in their ability to continue as a going concern. As such, these conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's and Company's ability to continue as a going concern. The financial statements do not include the adjustments that would arise if the Group and Company were unable to continue as a going concern.

2.3 Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their fair value, with limited exceptions, at the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree (if any), and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

2.4 Recognition and Measurement

Assets are recognised in the consolidated statement of financial position when a present economic resource controlled by the entity as a result of past events has the potential to produce economic benefits, and the value of the asset can be measured reliably. Other assets include the ENEA advance, detailed in note 3.

Liabilities are recognised in the consolidated statement of financial position when we have a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow from us, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost or at fair value, depending on the classification of the items. Measurement subsequent to initial recognition is affected 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 consolidated statement of financial position date are considered at the time of recognition and measurement.

2.5 Basis of Consolidation

The consolidated financial statements include newcleo Ltd and all entities over which the Company has control. We control an entity when we are exposed to, or have rights to, variable returns from our involvement with the entity and have the ability to control those returns through our power over the entity. Accordingly, the consolidated financial statements include newcleo Ltd and the following subsidiary entities:

Company	Domicile	Proportion of Ownership (%)	
		2024	2023
newcleo Spa	Italy	100%	100%
Hydromine Nuclear Energy S.à r.l.	Luxembourg	100%	100%
newcleo Generation (UK) Ltd	United Kingdom	100%	100%
newcleo SA	France	99,98%	-
newcleo Operations	France	99,99%	99,99%
newcleo SA	Switzerland	100%	100%
newcleo Americas LLC	USA	100%	100%
newcleo Real Estate Srl	Italy	100%	100%
Fucina Italia Srl	Italy	100%	100%
Servizi Ricerche e Sviluppo Srl	Italy	100%	100%
Proil Srl	Italy	72%	72%
CCR Internazionale Scrl	Italy	90%	90%
Consorzio SRS Scrl	Italy	65%	65%
newcleo Fuel Innovations	France	100%	100%
newcleo Lead Fast Reactors Innovations	France	100%	100%
Pompes Rüttschi SAS	France	100%	100%
Rüttschi Fluid AG	Switzerland	100%	100%
newcleo SRO	Slovakia	100%	-

2.6 Consolidation Principles

Our subsidiaries are fully consolidated from the date upon which control is transferred to us. They are deconsolidated from the date control ceases.

Hydromine Nuclear Energy S.à r.l. has been liquidated on December 30, 2024 and was fully consolidated until this date.

When necessary, adjustments are made to the financial statements of our subsidiaries to conform their accounting policies to our accounting policies. All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between the members of the Group are eliminated upon consolidation.

2.7 Revenue Recognition

Consultancy services:

The Group provides engineering consultancy services to private companies and public administration bodies through SRS. SRS has a wide team of civil, mechanical, electrical, chemical and nuclear professionals which together offer a full range of design and project development services to its customers. Most SRS' revenues derive from long-term contracts associated with both design of products and systems and providing consultancy services to customers involved mainly in the energy sector.

Some of these contracts provide a combination of engineering, procurement, project management and installation. Others consist in pure engineering consulting projects. Management has determined that contracts of this nature, usually lasting more than one year, have one performance obligation. The final product is highly customized to the specifications of the field and the customers' requirements.

Thus, the customer obtains control of the asset over time, and therefore revenues are recognized over time. The output does not have an alternative use for the Group which has an enforceable right to payment plus reasonable profit for performance completed to date.

Installation of equipment and spare parts:

Goods transferred over time

The Group performs the construction of engineering facilities and equipment relating to the development of safe and clean energy, which includes manufacturing of storage facilities for nuclear waste, decommissioning plants, and activities of steelwork nature through Fucina.

In addition, the Group also performs nuclear installations on operational reactors and engages in the supply of spare parts and maintenance activities on pumps manufactured as part of Rüttschi subsidiaries. The main revenue streams related to long term contracts recognized over time are:

- sales and manufacturing of complex pumps and components with quality documents associated that has long lead time (over one year) and heavy implication of engineering, quality, purchase and production departments
- Sales of engineered pumps based on customer technical specifications with quality documents associated for small nuclear projects
- Sales of engineered pumps based on customer technical specifications for new nuclear power plants with quality documents associated
- Special projects of sales of militarized pumps for nuclear or conventional submarines with quality documents associated

In accordance with IFRS 15, the Group recognises revenue when it transfers control of a product or service to a customer, in an amount that reflects the consideration which the Group expects to receive in exchange for those goods and services. To determine revenue recognition for contracts that are determined to be within the scope of IFRS 15, the Group performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when or as the Group satisfies a performance obligation.

Because of control transferring overtime, revenue is recognized based on the extent of progress towards completion of the performance obligation. To measure progress towards completion the Group chose the input method, specifically the cost-to-cost method. Thus, the stage of completion is determined by the proportion of total external and/or labour costs incurred at the end of the reporting period is an appropriate measure of progress towards complete satisfaction of these performance obligations.

Contract assets are measured at the amount of consideration to which the Group has a right, which is typically the amount of performance obligation satisfied to date less any amounts already invoiced. A contract liability

is recognised when payments are received in advance of work performed. Contract liabilities are recognised as revenue when the performance obligation is satisfied.

For the services described above, payment is in line with agreed milestones with the customer, and therefore a contract asset is recognised over the period in which the services are performed representing the entity's right to consideration for the services performed to date. The agreed milestones do not constitute separate performance obligations under IFRS 15, as these relate to invoicing payments onto the customer only.

Goods transferred point in time

The Group, through Rutschi subsidiaries, sells and manufactures industrial and nuclear pumps and pump components that are identical to some already supplied in the past and requires less time and complexity to produce. The revenue for this stream is recognized according to IFRS 15 when the performance obligation is satisfied which is when the risks and rewards are transferred to the client, upon delivery of goods.

2.8 Foreign Currencies

Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in EUR which is the functional and presentation currency of newcleo Ltd. The parent company financial statements are presented in EUR.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in the profit or loss. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The results and financial position of foreign operations (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- Income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- All resulting exchange differences are recognised in other comprehensive income.

2.9 Research and Development Costs

Expenditure incurred on research and development is distinguished as relating either to a research phase or to a development phase. All research phase expenditure is charged to the consolidated statement of profit or loss and other comprehensive income in the period in which it is incurred. Development expenditure is recognised as an internally generated intangible asset if, and only if all the following conditions have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and

- to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in the consolidated statement of profit or loss and other comprehensive income in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets (capitalised development costs) are reported at cost less accumulated amortisation and impairment losses, on the same basis as intangible assets that are acquired separately. Capitalised development costs are amortised on a straight-line basis over their estimated useful lives once the development is completed and the assets are available for use.

As at the end of the year, the conditions to capitalise internally-generated intangible assets have not been met on most of the projects. Consequently, €33.6m (2023: €6.0m) of research activities undertaken during the year have been charged to the consolidated statement of profit or loss and other comprehensive income, no amount have been capitalised during the year.

2.10 Other income

Research and Development Tax Credits

Tax credits arising from government incentive programmes for R&D are recognised in the consolidated statement of profit or loss and other comprehensive income within Other Income. They are recognised at fair value where there is reasonable assurance that the credit will be received. Any amounts accrued but unpaid as at the balance sheet date are recognised within Other Receivables, current or non-current, depending on the maturity.

Grant income

According to IAS 20, government grants are not recognised until there is reasonable assurance that the entity will comply with the conditions attaching to them and the grants will be received.

Most grant income received by the Group are grants from Bpifrance awarded as part of the financing of the LFR 30 program. This grant consists of a reimbursement of a portion of eligible acquitted expenses, claimed in two stages, and are conditional upon the validation of progress reports on technical deliverables by a technical committee. Consequently, as at 31 December 2024, newcleo has recognized the key step 1, the key step 2 will be recognized once technical dossier will be validated.

Following IAS 20, grants related to income are presented as part of profit or loss, under « Other income » and detailed in note 5 as “Grant income”.

2.11 Administrative Expenses

General and administrative expenses are recognised in the consolidated statement of profit or loss and other comprehensive income in the period to which they relate.

2.12 Employee Benefit Costs

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employment expense in the consolidated statement of profit or loss and other comprehensive income in the periods during which services are rendered by employees.

The Group also has only defined benefit plans, mainly in France and Switzerland and records provisions for employee benefits and other post-employment obligations as well as long service awards. The corresponding obligation is measured using the projected unit credit method. The calculation of this obligation takes into account the provisions of the laws and collective bargaining agreements and actuarial assumptions concerning notably staff turnover, mortality tables, salary increases and inflation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized among equity items in other comprehensive income for the period in which these gains or losses are incurred.

2.13 Leases

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter of the period of the lease term and the useful life of the right-of-use asset.

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment when the risk profile of the entity that enters into the lease is different to that of the Group and the lease does not benefit from a guarantee from the Group.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability using the effective interest method and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability, and makes a corresponding adjustment to the related right-of-use asset, whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate, unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used; and
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group presents right-of-use assets and lease liabilities as a separate line respectively in the consolidated statement of financial position.

2.14 Property, Plant and Equipment

Property, plant, and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant, and equipment. Depreciation is charged straight line to the consolidated statement of profit or loss and other comprehensive income over the estimated useful lives of each part of an item of property, plant, and equipment. Land is not depreciated.

The estimated useful lives are as follows:

- Land: not depreciated
- Buildings: 30 years
- Leasehold improvements: the remaining useful life of the leased property
- Computer equipment: 3 years
- Construction work in progress: 5 years
- Assets under construction: upon completion, over 10 years
- Other tangible assets : the lesser of 5 to 7 years or the remaining useful life of the leased property

Construction work in progress is not depreciated until the asset is ready for use. Depreciation methods, useful lives and residual values are reviewed at each date of the statement of financial position.

In the prior reporting period, the Group has made a change in its depreciation method for computer equipment. Previously, computer equipment was depreciated on a straight-line basis over 5 years, and as of December 2024, the Group has adopted a new depreciation method, depreciating on a straight-line basis over 3 years. The change in useful economic lives represents a change in accounting estimate per IAS 8 and has therefore been applied prospectively, resulting in an adjustment to the carrying amount of computer equipment as of the current and future periods, with no restatement of prior periods. The change in useful economic life has been made to better align the depreciation charges with the expected pattern of consumption of the computer equipment's future economic benefits. The new depreciation method reflects a more accurate estimation of the useful life and residual value.

As a result of the change in depreciation method, the depreciation expense for the current reporting period has been adjusted accordingly. The impact of the change in depreciation policy is an increase of €7,500 relating to December 2024.

Collaboration agreement with ENEA

In March 2022 newcleo Spa signed a framework agreement with ENEA to develop safe and innovative Generation IV nuclear systems. The framework agreement includes the principles for the use of space and services and the collaboration of technical and scientific resources to develop a non-nuclear 'precursor' experimental facility at Brasimone, Italy. Formal agreements were signed in 2023. Management have reviewed the contracts and concluded that costs incurred in 2024 relating to the precursor represent an asset under IAS 16 which will contribute to the generation of future economic benefits for the Group. Consequently, the expenditure incurred of €11m for the year ended 31 December 2024 (2023: €5m) has been recognised as an asset under construction under IAS16: *Property, Plant and Equipment*. The depreciation will start once the assets are ready to use and the useful life will follows the length of the contract. The precursor is designed to be used to allow the Group to assess properties of lead flow around components and component coatings in a reactor of similar design, and as such, is aligned to equipment or complex tools used to create tests, rather than a test facility in its own right.

As such, management determined that the physical characteristics of the precursor were more appropriate to assessing the accounting treatment than the intangible benefit arising through the generation of additional knowledge. If the facility were determined to be an intangible asset, the asset would be assessed under IAS38, and if the facility did not meet the criteria for an intangible asset, costs would be expensed when incurred.

2.15 Intangible Assets

Intangible assets consist of patents, trademarks, software, capitalised development costs, customer relationships, order backlogs and unpatented technology. Where intangible assets are acquired as part of a business combination, the identification, separability, and fair value of the intangible asset at the acquisition date is determined through internal and external studies which will include the determination of the expected useful life. The fair value may be determined on a provisional basis if the accounting for the business combination is incomplete by the end of the reporting period that the combination takes place. Intangible assets are recognised at their fair value at the date of acquisition and are subsequently amortised over their estimated useful lives. The estimated useful lives are as follows:

- Patents: between 5 and 19 years
- Software licences: 5 years
- Capitalised development costs: 5 years
- Customer relationships: between 13 and 15 years
- Order backlog: 2 years
- Unpatented technology: 20 years

Where patents have been purchased in exchange for equity in the Company, see the accounting policy note below regarding "Share-based Payment Transactions of the Group".

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs of the non-SaaS software that are directly attributable to the design and testing of identifiable and unique software Product Lifecycle Management controlled by the Company are recognised as intangible assets where the here below criteria are met. This software is key for the company and will allow the selling to the licences to our future customers. This will enable our customers to access and to manage their design

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Where such qualifying costs are related to projects not completed at the end of the year, they are classified as software under construction.

2.16 Goodwill

Goodwill is initially recognised and measured as set out above in note 2.3.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (CGUs) (or groups of CGUs) being the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. If the recoverable amount, determined by the higher of its value in use (discounted cash flow) or fair value less cost of disposal of the CGU is less than the carrying amount of the CGU, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss recognised for goodwill is not reversed in a subsequent period.

The value in use of each CGU is determined using a discounted cash flow analysis – the estimation of the recoverable value requires significant judgement and involves the use of assumptions and estimates, including future cash flows, discount rates and growth rates. The estimation of the recoverable value is inherently uncertain and may be affected by changes in economic and market conditions, as well as changes in the Group's business operations.

Refer to note 9 for further information regarding the impairment assessment of goodwill – no impairment has been recognised in the current year.

On disposal of a CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2.17 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method. Net realisable value represents the estimated selling price less all estimated costs of completion.

Inventory acquired in the prior year through a business combination has been valued at fair value. Subsequent measurement is at the lower of cost, including fair value on acquisition, and net realisable value. As the inventory acquired at the time of the acquisition is progressively consumed, the fair value uplift on this inventory is written off. The cost of inventories related to the fair value uplift recognised as an expense during the year ended 31 December 2024 is detailed in note 13.

2.18 Impairment of non-current non-financial assets

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss, if any.

Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the CGU to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified. To the extent the carrying value of an asset (or CGU) exceeds its recoverable amount, the

difference is recognised as an expense in the statement of profit or loss. The recoverable amount used for impairment testing is the higher of value in use and fair value less costs of disposal.

Where an impairment has been recorded, at each reporting date, it is considered whether there is any indication that an impairment loss for an asset other than goodwill either no longer exists or has decreased. If there is any such indication, the entity should estimate the recoverable amount and reverse the impairment recognised.

2.19 Income Taxes

Tax on the loss for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of profit or loss and other comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted for each jurisdiction that the Group operates in, at the date of the statement of financial position.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the date of the statement of financial position. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Deferred tax assets on loss carry forward are not accounted for, except for the one recorded in entities prior to business combinations and to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.20 Financial Instruments

Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument and are initially measured at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

Financial assets

On initial recognition, a financial asset is classified and measured at: amortised cost; fair value through other comprehensive income ("FVOCI"); or fair value through profit or loss ("FVTPL"). Financial assets that are debt instruments are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model. The Company does not have financial assets that are equity instruments.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets are designated at fair value through profit or loss if we manage such investments and make purchase and sale decisions based on their fair value in accordance with the associated investment strategy. Attributable transaction costs are recognised in the statement of profit or loss and other comprehensive income as incurred.

Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in the statement of profit or loss and other comprehensive income. Short-term investments include financial assets measured at fair value through profit or loss and may comprise short term bond funds that have a maturity equal or less than 12 months, and money market funds.

Financial assets comprise cash and cash equivalents, short-term investments, and certain elements of trade and other receivables, and other long-term receivables". Refer to note 18 for details. Deposits and investments in money market funds and corporate bonds with a maturity date greater than three months at the point of investment are classified as short-term investments.

The Group did not have any financial assets measured at fair value through other comprehensive loss during the year.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost, lease receivables, trade receivables and contract assets. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions, and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12-months after the reporting date.

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner.

Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Financial liabilities

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Financial liabilities comprise lease liabilities, borrowings, and certain elements of trade and other payables, and other long-term payables. Further details can be seen in note 18.

Trade and other payables

Trade and other payables are non-derivative financial liabilities with fixed or determinable payments and relate to obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are included in current liabilities, except for maturities greater than 12 months after the date of the statement of financial position, classified as non-current liabilities. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

2.21 Finance Income and Finance Costs

Finance income and costs comprise income and expenses, the interest portion related to lease contracts, the interest related to short-term investments and realised and unrealised exchange rate gains and losses on transactions denominated in foreign currencies.

Interest income and interest expenses are stated on an accrual basis using the principal and the effective interest rate. The effective interest rate is the discount rate that is used to discount expected future payments related to the financial asset or the financial liability for the present value of such asset or liability to match their carrying amount.

2.22 Shareholders' Equity

The share capital comprises the nominal amount of the Company's ordinary shares. All shares are fully paid.

Where the Group has received funds from shareholders in anticipation of future share issuance, the total amount will be classified as a liability. The funds received represent consideration for shares that will be issued later in accordance with the terms and conditions of the agreement with shareholders.

2.23 Share-based Payment Transactions of the Group

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instrument as determined at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of the equity-settled share-based transactions are set out in note 17.

The fair value determined at the grant date of the equity-settled share-based payments is recognised over the vesting period using the graded method, based on the Group's estimate of the number of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the vesting estimates, if any, is recognised in the statement of profit or loss and other comprehensive income such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

2.24 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with financial institutions, and investments in term deposits with an original maturity less than 3 months.

Cash that is subject to restrictions or limitations on its use is classified as restricted cash. Restricted cash represents funds that are set aside for specific purposes and cannot be used for other purposes without meeting certain conditions or obtaining necessary approvals.

2.25 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

New and amended IFRS Accounting Standards that are effective for the current year

In the current year, the Group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2024.

- Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants – Amendments to IAS 1;
- Lease Liability in Sale and Leaseback – Amendments to IFRS 16; and
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7.

The adoption of these new Standards has not had a significant impact on the accounting policies, methods of computation or presentation applied by the Group,

At the date of the approval of these financial statements, the Group has not yet applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective:

Standard	IASB effective date
Amendments to IAS21 : "Lack of Exchangeability"	01/01/2025
Amendments to IFRS 9 and IFRS 7: "Amendments to the classification and Measurement of Financial Instruments"	01/01/2026
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 arising from "Annual Improvements Volume 11"	01/01/2026
Amendments to IFRS 9 and IFRS 7: "Contracts Referencing Nature dependent Electricity"	01/01/2026
IFRS 18 : « Presentation and Disclosure in Financial Statements »	01/01/2027
IFRS 19 : « Subsidiaries without Public Accountability : Disclosures »	01/01/2027

The directors do not expect that the adoption of the Standards and Interpretations listed above will have a material impact on the financial information of the Group in future periods.

Note 3 - Critical Accounting Judgments and Key Sources of Estimation Uncertainty

In the application of our accounting policies, we are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

Critical judgments made in the process of applying our accounting policies and that have the most significant effect on the amounts recognised in our consolidated financial statements:

Research and development expenditure capitalisation

The business incurs a significant amount of R&D cost. The point in time at which the business begins capitalisation of any project is a critical accounting judgement. Development costs are only capitalised where an intellectual property meets each of the capitalisation criteria listed in the accounting policy in note 2. Management has reviewed the facts and circumstances of each project in relation to the criteria for capitalisation and have determined that none of the projects met the requirements for capitalisation. Accordingly, no development costs have been capitalised for the year ended 31 December 2024 (2023: nil) and have instead been expensed as incurred.

Grants from Bpifrance

newcleo receives grants consisting in a reimbursement of a portion of eligible acquitted expenses as part of the financing of the LFR 30 program. The grants are claimed in two stages, and disbursement is conditional upon the validation of progress reports on technical deliverables by a technical committee.

According to IAS 20, government grants are not recognised until there is reasonable assurance that the entity will comply with the conditions attaching to them and the grants will be received. In this regard, 6.5€ of grant income from Bpifrance was recognized in 2024.

As of 31 December 2024, 12.0m€ of eligible expenses giving rise to 3.1m€ of grants were acquitted. These expenses were claimed in April 2025, as part of the key step 2 claim. The amount had not yet been validated nor the payment approved by the technical committee at the date these financial statements were authorised for issue. Therefore, management considers that there is no reasonable assurance that the grants will be received and therefore recognition is not appropriate.

Following IAS 20, grants related to income are presented as part of profit or loss, under « Other income » and detailed in note 5 as "Grant income".

Critical estimates and key sources of estimation uncertainty

Estimates used for goodwill impairment review

Goodwill arising on acquisitions of subsidiaries is tested for impairment at least annually, or where there are indications of impairment. Determining whether goodwill is impaired requires an estimation of the value-in-use to which goodwill has been allocated. The value-in-use assessment requires management to estimate future cashflows expected to arise from the CGU, and a suitable discount rate. Management have used the following assumptions for assessing each CGU:

For Rüttschi Group (incorporating Pompes Rüttschi SAS (PRM) and Rüttschi Fluid AG (RFAG)):

The recoverable amount is determined based on a value in use calculation which uses cash flow projections based on financial budgets and plans approved by the directors covering a six-year period, and an estimate of terminal value. Using this method, management have estimated future discounted cashflows of €77.0m, an excess of €10.0m against the carrying value of Rüttschi as at 31 December 2024. The following estimates were used in arriving at this estimate.

- A pre-tax discount rate of 10.2% per cent per annum for PRM (France) and 8% per cent per annum for RFAG (Switzerland) was applied to future cashflows, applying the discounted cashflow method. A 1% increase in each discount rate would reduce the discounted cashflows by €8.5m.
- Forecast sales are based on experience adjusted for factors such as sales/market trends, contracts in progress, and the strategic decisions made in respect of the Rüttschi business plan. A 2% decrease in projected sales according to the business plan would reduce the discounted cash flows by €8.9 million.
- Profits are forecast based on historical experience of operating margins, adjusted for the impact of factors such as changes to product costs. Projections assume an average EBITDA margin of 17% for PRM and 38% for RFAG, in line with historic margins. A reduction of 15% of normative year EBITDA would reduce discounted cashflows by €8.0m.
- Cash conversion is the ratio of operating cash flow to operating profit. Management forecasts cash conversion rates based on historical experience. Cash flows beyond that six-year period have been extrapolated using a steady 2% per annum for PRM (France) and 1% per annum for RFAG (Switzerland). Management estimates that a decrease in perpetual growth rate by 1% would reduce the headroom in Rüttschi by €5.6m.

None of these sensitivities would result in an impairment in the carrying value of goodwill individually, however in combination, as demonstrated by the amount above, could have a material impact.

Although not a material estimate, for SRS Fucina Group, management have conducted a similar exercise and estimate that a decrease in growth rate to zero % would not result in an impairment of the CGU, and an increase in WACC by 12% to 15.5% would reduce the headroom in the CGU of SRS Fucina Group to nil but would not result in an impairment charge.

Revenue and profit recognition

The Group accounts for revenue in accordance with IFRS 15: *Revenue from Contracts with Customers*. For all the Group's contracts, revenue is recognised over time based on stage of completion, determined as costs incurred, or the proportion of the total cost expected to fulfil the consultancy contract that has elapsed at year-end.

The determination of the percentage of completion requires judgement and involves estimation of the progress of the contract, the costs to complete. Management evaluates the percentage of completion considering all available information, including project schedules, cost reports, and forecasts of costs to complete. The transaction price is set within the contract, however there is significant judgement over the costs to complete.

No changes to the estimated total projected costs were noted during the year ended 31 December 2024 and any subsequent events that had a significant impact during the period.

The table below illustrates the sensitivity analysis of the Group's reported profit to a 10% increase or decrease in the estimated future costs to be incurred in the delivery of partially unsatisfied performance obligations relating to the Group's revenue contracts as at 31 December 2024.

	Change in estimated future costs	Effect on profit before tax
		<i>In thousands of euros</i>
Impact on change in the estimated future costs to be incurred in delivering partially unsatisfied performance obligations	+10%	(1,898)
	-10%	1,338

Note 4 - Revenue

The Group derives its revenue from contracts with customers for the transfer of goods and services over time in the following major product lines.

Disaggregation of revenue

(In thousands of euros) 2024 2023

External revenue by type :

Consultancy services	6,004	2,127
Installation of equipment and spare parts	40,739	7,019
Total revenue	46,743	9,146

External revenue by country of sale:

Italy	20,539	8,516
France	16,167	400
Switzerland	10,037	230
Total revenue	46,743	9,146

External revenue by customer location

Europe	32,453	9,146
America	10,138	-
Asia	4,086	-
Middle East	66	-
Total revenue	46,743	9,146

External revenue by timing of revenue

Goods transferred over time	25,974	7,019
Consultancy services transferred over time	5,370	2,127
Goods transferred point in time	15,399	-
Total revenue	46,743	9,146

The transaction price allocated to partially unsatisfied obligations at 31 December 2024 and 2023 are as set out below:

(In thousands of euros) 2024 2023

Consultancy services	2,702	1,218
Construction of equipment and sale of parts	23,820	43,285
Total	26,522	44,503

Contract balances

Receivables, contract assets and contract liabilities from contracts with customers are included within 'Trade and other receivables' and 'Trade and other payables' respectively (notes 14 and 21).

Management estimates €15.4m of the transaction price allocated to the partially unsatisfied contracts as of the year ended 31 December 2024 will be recognised as revenue during the 2025 financial year. Of the remaining 42%, €7m will be in the 2026 financial year.

Note 5 - Other Income and Administrative Expenses**Included within other income are the following:***(In thousands of euros)*

	2024	2023
R&D tax credits	8,351	891
Grant income	7,006	-
Other income	2,251	115
Total other income	17,608	1 006

Included within administrative expenses are the following:*(In thousands of euros)*

	Notes	2024	2023
Staff costs	6	(69,223)	(28,325)
External services		(47,058)	(17,912)
Legal and professional		(2,623)	(7,500)
Depreciation and amortisation	10	(12,873)	(3,933)
Net change on provisions		141	-
Office costs		(7,116)	(3,117)
Recruitment costs		(963)	(1,040)
Advertising and promotion		(1,604)	(2,345)
Travel and subsistence		(5,926)	(3,083)
IT costs		(6,045)	(3,424)
Other costs		(2,285)	(79)
Total Administrative expenses		(155,575)	(70,758)

The directors have agreed with the Group's auditors that the auditors's liability to damages for breach of duty in relation to the audit of the group's financial statements for the year to 31 December 2024 will be limited to the greater of £5.0 million or 5 times the auditors's fees, and that in any event the auditors's liability for damages should be limited to that part of any loss suffered by the Group is just and equitable having regard to the extent to which the auditors, the Group and any third parties are responsible for the loss in question. The shareholders approved this limited liability agreement, as required by the Companies Act 2006, by a resolution dated 17 April 2024.

During the year, the Group made charitable donations totalling €36.1k (2023: €4.6k) to support charitable organisations and causes aligned with the Group's corporate social responsibility initiatives.

The analysis of the auditors' remuneration is as follows:

	2024	2023
Fees payable to the Group's auditors and its associates for the audit of the Group's annual accounts	680	908
Fees payable for the audit of subsidiaries	265	238
Fees payable in respect of prior years, not previously provided for	-	68
Fees payable in respect of other assurance services	-	10
Fees payable in respect of audit related assurance services	26	-
Fees payable in respect of non-audit services	92	-
Fees payable in respect of tax advisory services	4	-
Total Audit Fees	1,067	1,224

Note 6 - Staff Costs

<i>(In thousands of euros)</i>	2024	2023
Wages and salaries	(44,770)	(18,252)
Expenses related to defined contribution plans	(2,026)	(1,159)
Social security costs	(11,221)	(4,101)
Share-based payment expense	(7,892)	(3,171)
Other costs	(3,314)	(1,642)
Total staff costs	(69,223)	(28,325)

	2024	2023
Monthly average number of employees (including executive directors) throughout the year	777	288

The remuneration of the key management personnel of the Group is set out below in aggregate for each of the categories specified in IAS 24: *Related Party Disclosures*.

The comparative figures have been updated to reflect the directors emoluments as per IAS24 requirements.

<i>(In thousands of euros)</i>	2024	2023
Short-term employee benefits	3,012	2,031
Consultancy fees	203	259
Post-employment benefits	177	131
Termination benefits	385	-
Other long-term employee benefits	-	-
Share-based payments	1,121	1,549
Total compensation to key management personnel	4,898	3,970

Directors' emoluments and transactions:

The directors' remuneration during the year was as follows:

<i>(In thousands of euros)</i>	2024	2023
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Directors' emoluments and transactions :

The directors' remuneration during the year was as follows:

Aggregate emoluments	900	382
Other benefits	44	15
Social security costs	-	26
Share-based payments	985	710
Total remuneration	1,929	1,133

No retirement benefits were accrued to any director during the year (2023: nil), and no dividends were paid to any director in the year (2023: nil) in respect of ordinary shares held by the Company's directors.

The aggregate emoluments for the highest paid director during the year were €0.836m (2023: €0.27m) and the pension contributions for that director were €nil (2023: nil). The director was awarded 53,571 share options during the year which vest over four years (2023: 125,000). No options were exercised at the end of the year (2023: nil). The cost to the Group and Company of the share-based payment charge was €0.63m during the year (2023 share-based payment charge €0.57m). Further details on the Group's and Company's share option scheme are disclosed in Note 17.

Note 7 - Finance Income and Finance Expenses

<i>(In thousands of euros)</i>	2024	2023
Interest income	4,943	3,722
Exchange rate gains	289	-
Total finance income	5,232	3,722
Lease interest expense	(1,413)	(868)
Exchange rate losses	(241)	(440)
Interest expense	(296)	(212)
Other finance expenses	(26)	(12)
Total finance costs	(1,977)	(1,532)

Note 8 - Income tax on loss

<i>(In thousands of euros)</i>	2024	2023
Current income tax:		
Current income tax charge	(1,434)	(204)
Deferred tax:		
Origination and reversal of temporary differences	1,836	-
Income tax expense reported in the consolidated statement of profit or loss and other comprehensive income	402	(204)

The charge for the year can be reconciled to the loss before tax as follows:

<i>(In thousands of euros)</i>	2024	2023
Loss before tax	(110,565)	(57,397)
Tax credit at the UK corporation tax rate of 25% (2023: 23.52%)	27,641	13,500
Effect of tax rates of subsidiaries operating overseas	(303)	48
Non-taxable grants and other income	1,845	156
Tax effect of expenses that are not deductible in determining taxable profit	(719)	(699)
Change in unrecognized timing differences	(452)	(838)
Adjustments to brought forward values	-	57
Effect of changes in remeasurement of tax rate (see below)	-	284
Change in unrecognised loss carry forward	(27,547)	(12,712)
Other	(63)	-
Income tax credit / (expense)	402	(204)

Tax credit / (expense)

From 1 April 2023, the main rate of UK corporation tax increased from 19% to 25% and a new 19% small profits rate of corporation tax was introduced for companies whose profits do not exceed GBP 50,000. The impact of the revaluation of closing balances is disclosed as a change in remeasurement of the tax rate.

Deferred tax assets

As part of the acquisitions of SRS Fucina and Rutschi groups, the Group has recognised deferred tax assets related to brought forward losses and timing differences. In addition, the Group has recognised deferred tax assets at 31 December 2024 and 2023 relating to the timing differences arising on leases, following the adoption of IFRIC 23. Outside of these recognised deferred tax assets, in light of the Group's history of losses, recovery of the deferred tax asset arising on cumulative losses is not sufficiently certain, and therefore a deferred tax asset has been recognised only to the extent that it is recoverable against future profits, or where there is a deferred tax liability in the form of fixed asset temporary differences. The Group has tax losses on which a deferred tax asset of €27.5m (2023: €12.7m) has not been recognised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority.

Deferred tax assets that have been recognised are:

<i>(In thousands of euros)</i>	2024	2023
Deferred tax assets		
Deferred tax assets arising on business combinations	1,405	1,409
Temporary differences arising on long-term leases	3,772	3,083
Temporary differences arising on defined benefit plans	95	-
Other temporary differences	327	-
Offset against deferred tax liabilities	(4,430)	(4,492)
Total deferred tax assets	1,169	-

Deferred tax liabilities

Deferred tax liabilities have been recognised following the acquisition of SRS Fucina and Rutschi groups and arise through timing differences on intangible assets that will be amortised in future periods, with the amortisation not allowable for tax deductions.

Deferred tax liabilities that have been recognised are:

<i>(In thousands of euros)</i>	2024	2023
Deferred tax liabilities		
Deferred tax liabilities arising on business combinations	6,195	7,946
Temporary differences arising on long term leases	3,712	3,083
Other temporary differences	304	-
Offset against deferred tax assets	(4,430)	(4,492)
Total deferred tax liabilities	5,781	6,537

Note 9 - Intangible Assets

<i>(In thousands of euros)</i>	Goodwill	Capitalised development costs	Software licences	Patent and trademarks	Unpatented technology	Order backlog	Customer relationships	Assets under construction	Total
<u>Cost :</u>									
At 1 January 2023	-	-	1,649	5,426	-	-	-	-	7,075
Additions	-	-	1,773	27	-	-	-	-	1,800
Additions from business combinations	37,870	1,460	156	1,971	8,597	4,197	16,568	-	70,819
At 31 December 2023	37,870	1,460	3,578	7,424	8,597	4,197	16,568	-	79,694
Additions	-	-	3,099	22	-	-	-	8,630	11,751
Disposals	-	-	(95)	(4)	-	-	-	-	(99)
Transfer and others	(589)	(1,509)	(284)	(238)	1	-	-	1,354	(1,264)
At 31 December 2024	37,281	(49)	6,298	7,205	8,598	4,197	16,568	9,984	90,082
<u>Accumulation amortisation :</u>									
At 1 January 2023	-	-	(302)	(488)	-	-	-	-	(790)
Amortisation charge	-	-	(421)	(357)	-	-	-	-	(778)
At 31 December 2023	-	-	(723)	(845)	-	-	-	-	(1,568)
Amortisation charge	-	-	(1,293)	(365)	(430)	(2,099)	(1,171)	-	(5,357)
Disposals	-	-	109	4	-	-	-	-	113
Transfer and others	-	49	146	254	-	-	-	-	448
At 31 December 2024	-	49	(1,761)	(952)	(430)	(2,099)	(1,171)	-	(6,365)
Carrying amount:									
At 31 December 2023	37,870	1,460	2,855	6,579	8,597	4,197	16,568	-	78,126
At 31 December 2024	37,281	-	4,537	6,252	8,168	2,099	15,397	9,984	83,717

The goodwill amounts were measured on a provisional basis at 31 December 2023. New information was obtained the year following the date of acquisition about facts and circumstances that existed at the date of acquisition. The purchase price allocation for the acquisition, detailed in note 23, has been revised and resulted in a decrease of the Goodwill of €0.6m

The carrying amount of goodwill related to acquisitions that took place in 2023 has been allocated to CGUs as follows:

<i>(In thousands of euros)</i>	2024	2023
SRS & Fucina	1,046	1,046
Rütschi Fluid & Pompes Rütschi	36,235	36,824
Total Goodwill	37,281	37,870

Provisional Goodwill recognized for Rütschi Fluid and Pompes Rütschi has been adjusted during the measurement period, the revised calculation is detailed in note 23.

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. A summary of the goodwill assessment, management estimates and sensitivities is included in Note 3.

Note 10 - Property, plant and equipment

(In thousands of euros)

	Land	Buildings	Computer equipment	Machinery and equipment	Leasehold improvements	Construction work in progress	Other tangible assets	Total
Cost :								
At 1 January 2023	-	-	1,040	124	453	1,302	385	3,304
Additions		493	3,063	2,578	4,707	3,638	806	15,285
Additions from business combinations	1,029	2,764	129	2,092	652	21	145	6,832
At 31 December 2023	1,029	3,257	4,232	4,794	5,812	4,961	1,336	25,421
Additions	-	210	3,320	993	4,910	28,292	2,108	39,832
Disposals	-	-	(93)	(162)	(48)	-	(30)	(333)
Transfer and others	(0)	(420)	(409)	2,157	(191)	(1,700)	87	(477)
At 31 December 2024	1,029	3,046	7,049	7,781	10,482	31,553	3,501	64,442

Accumulation depreciation :

At 1 January 2023	-	-	(205)	(14)	(7)	-	(22)	(248)
Depreciation charge	-	(11)	(652)	(308)	(295)	-	(166)	(1,432)
At 31 December 2023	-	(11)	(857)	(322)	(302)	-	(188)	(1,680)
Depreciation charge	-	(165)	(1,889)	(1,260)	(528)	-	(400)	(4,242)
Disposals	-	-	89	157	17	-	17	280
Transfer and others	-	-	(5)	13	(19)	-	(7)	(17)
At 31 December 2024	-	(176)	(2,661)	(1,412)	(832)	-	(578)	(5,659)

Carrying amount :

At 31 December 2023	1,029	3,246	3,375	4,472	5,510	4,961	1,148	23,741
At 31 December 2024	1,029	2,871	4,388	6,370	9,650	31,553	2,922	58,783

. Construction work in progress is divided as follows:

- €16.3m are related to Materials Lab machineries (e.g. Microscopes)
- €15.8m are related to the construction of Brasimone experimental facilities (e.g. OTHELLO, PRECURSOR) on which newcleo has the right of use as disciplined by the agreement with ENEA detailed in note 3.

As disciplined in article 16 of the agreement, ENEA grants to newcleo the right of use on all these facilities

Additions in the previous year include assets acquired as part of the business combinations, as detailed in note 23.

The total amount of capital commitments as of 31 December 2024 is €46.5m (2023: €12.0m), primarily relating to the construction of the precursor experimental facility at Brasimone, as detailed in note 3.

Note 11 - Leasing

Right-of-use assets

(In thousands of euros)

	Buildings	Equipment	Motor vehicles	Total
Cost :				
At 1 January 2023	10,382	-	-	10,382
Additions	8,719	-	10	8,729
Additions from business combinations	1,905	216	269	2,390
At 31 December 2023	21,006	216	279	21,501
Additions	5,775	251	7	6,033
Disposals	(1,316)	-	(43)	(1,359)
Transfer and others	(386)	27	76	(283)
At 31 December 2024	25,079	494	319	25,892

Accumulated depreciation :

At 1 January 2023	(617)	-	-	(617)
Depreciation charge	(1,628)	(4)	(23)	(1,655)
At 31 December 2023	(2,245)	(4)	(23)	(2,272)
Depreciation charge	(3,327)	(122)	(107)	(3,557)
Disposals	1,476	-	27	1,503
Transfer and others	121	(26)	(49)	47
At 31 December 2024	(3,975)	(152)	(152)	(4,280)

Carrying amount:

At 31 December 2023	18,761	212	256	19,229
At 31 December 2024	21,104	341	167	21,612

The Group entered into leases during the year in the United Kingdom, France and Italy, each for general office facilities. The lease term is based on a contractual agreement and has been determined to range from 3 years to 15 years.

As part of the business acquisitions detailed in note 23, the Group acquired leases in 2023 in respect of office facilities, equipment, and motor vehicles.

*(In thousands of euros)***2024****2023****Short-term leases, included in other operating expenses**

Office leases	521	743
Equipment	32	-
	553	743

Low value leases, rent included in other operating expenses

Office leases	157	-
Equipment	81	-
	238	-
Total	791	743

For short-term leases (defined as leases with a lease term of 12-months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones), the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease liabilities

<i>(In thousands of euros)</i>	Lease liabilities
Cost:	
At 1 January 2023	8,916
Additions	8,228
Additions from business combinations	2,390
Translation differences	125
Interest expense related to lease liabilities	868
Repayment of lease liabilities (including interest)	(1,934)
At 31 December 2023	18,593
Additions	5,942
Translation differences	75
Interest expense related to lease liabilities	1,413
Repayment of lease liabilities (including interest)	(4,817)
At 31 December 2024	21,206
Carrying amount:	
At 31 December 2023	18,593
At 31 December 2024	21,206

The lease liabilities are classified as follows:

<i>(In thousands of euros)</i>	2024	2023
Lease Liabilities		
Current	3,078	2,434
Non Current	18,128	16,160
Total	21,206	18,594

The table below represents the undiscounted cash flow maturity analysis:

<i>(In thousands of euros)</i>	2024	2023
Maturity analysis:		
0-1 year	4,369	3,523
2-5 years	13,792	11,268
More than 5 years	9,307	10,967
Total	27,468	25,758

Note 12 - Other long-term receivables

<i>(In thousands of euros)</i>	2024	2023
Purchases on behalf of ENEA	5,103	1,369
R&D tax credit	7,836	-
Grants receivables-non current	1,418	-
Other long-term assets	1,464	1,527
Total other long-term receivables	15,820	2,896

The purchases on behalf of ENEA represent costs paid by newcleo Srl relating to the Brasimone precursor facility, which are expected to be recovered after 2025 from ENEA, as detailed in note 3.

Note 13 - Inventories

<i>(In thousands of euros)</i>	2024	2023
Raw materials	743	897
Work-in-progress	1,362	2,591
Finished goods	4,847	6,664
Total Inventories	6,951	10,152

The cost of inventories recognised as an expense during the year in respect of continuing operations was €10.1m (2023: €0,3m).

The cost of inventories recognised as an expense includes €0.3m reversal of depreciation on inventories (2023: write-downs of inventory to net realisable value of €0,6m).

In 2023, as part of the business acquisitions detailed in note 23, the Group has acquired inventories recognised at fair value. As the inventory acquired at the time of the acquisition is progressively consumed, the fair value uplift on this inventory is written off. As of 31 December 2024, the cost of inventories related to the fair value uplift recognised as an expense during the year amounts to €3,6m.

Note 14 - Trade and other receivables

<i>(In thousands of euros)</i>	2024	2023
Current		
Trade receivables	15,871	17,450
Loss allowance	(623)	(408)
	15,248	17,042
Shareholder loan	-	10,400
Other receivables	869	1,733
Contract assets	14,899	9,613
Prepayments	4,471	3,123
Advances	1,510	1,247
Accrued income	249	1,456
Social security and other taxes	25,254	8,510
R&D tax credit	1,518	1,514
Total trade and other receivables	64,018	54,638

The average credit period on sales of goods is 60 days. No interest is charged on outstanding trade receivables.

The Group always measures the loss allowance for trade receivables and contract assets at an amount equal to lifetime Expected Credit Loss ("ECL"). The ECL on trade receivables and contract assets are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. No write offs have been made in 2024, primarily as receivables were recorded at fair value following the acquisitions of SRS, Fucina and Rutschi.

The ageing profile of the trade receivables as at 31 December 2024 and at 31 December 2023 is as follows:

<i>(In thousands of euros)</i>	2024	2023
Trade notes and accounts receivable	15 871	17 450
Not due	5 932	9 625
0 to 30 days	1 608	51
30 to 60	531	329
60 to 90 days	58	(374)
90 to 180 days	476	1 218
180 to 360 days	1 394	1 507
360+ days	5 871	5 094
Trade receivables	15 871	17 450

(In thousands of euros)

At 31 December 2024	Not past due	Trade receivables – days past due						Total
		<30	31-60	61-90	91-180	180-360	>360	
ECL rate	0,85%	0,80%	1,18%	0,34%	1,60%	1,26%	6,83%	
Estimated total gross carrying amount at default	5,932	1,608	531	58	476	1,394	5,871	15,871
Lifetime ECL	51	13	6	0	8	18	401	496

At 31 December 2023	Not past due	Trade receivables – days past due						Total
		<30	31-60	61-90	91-180	180-360	>360	
ECL rate	2.13%	2,97%	1.07%	0.00%	0.83%	1.02%	3.37%	
Estimated total gross carrying amount at default	9,625	51	329	(374)	1,218	1,507	5,094	17,450
Lifetime ECL	205	1	4	1	10	15	172	408

The ECL rate on contract assets is 0.85%, resulting in a lifetime ECL of 0.1m€ (2023: ECL rate of 2.13% resulting in a lifetime ECL of 0.2m€).

Note 15 - Cash and cash equivalents

(In thousands of euros)

	2024	2023
Cash equivalents	130,984	32,505
Cash at bank	61,593	82,292
Accrued interest on cash	137	-
Total Cash and cash equivalents	192,714	114,797

(In thousands of euros)

	2024	2023
Unrestricted cash	189,666	114,638
Restricted cash	3,048	159
Total Cash and cash equivalents	192,714	114,797

The restricted cash primarily relates to a pledged term deposit held with Banque Populaire.

Note 16 - Share Capital

The share capital of newcleo Ltd consists of 462 007 424 (2023: 412 659 000) shares at a nominal value of Euro 0,01.

	Number of Shares	Nominal Value €'000
Authorised		
At 1 January 2022	212,659,000	2,127
At 31 December 2022	412,659,000	4,127
At 31 December 2023	412,659,000	4,127
At 31 December 2024	462,007,424	4,620
Issued, and fully paid:		
At 1 January 2022	212 659 000	2,127
Issued during the period	200,000,000	2,000
At 31 December 2022	412,659,000	4,127
Issued during the year	-	-
At 31 December 2023	412,659,000	4,127
Issued during the year	49,348,424	493
At 31 December 2024	462,007,424	4,620

The Company has one class of ordinary shares which carry no right to fixed income.

On 21 March 2022, the Company effected a hundred-for-one subdivision of shares to shareholders, which increased the total number of authorised and issued ordinary shares of 2,126,590 to 212,659,000 and decreased the nominal value of ordinary shares from €1.00 to €0.01. The Company has retrospectively reflected the stock subdivision in all periods presented in these financial statements.

In June 2022, the Company completed a private fund raise, issuing 200,000,000 of ordinary shares for a total value of €300.0m.

In March 2023, the Company launched a further equity raise, and in April 2024, the Company closed a first tranche of the raise and subsequently issued 31,119,972 ordinary shares for a total value of €87.1m. This was followed by a further raise, closing in October 2024, with an additional 18,228,452 shares issued for a total value of €49.6m before expenses.

Note 17 - Share-based payments

The Group operates a share option scheme for employees of the Group and non-employees. In accordance with the terms of the plan, as approved by the Board in June 2023, employees may be granted options to purchase ordinary shares in the Company.

Each share option converts into one ordinary share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

Options are exercisable at a price set and approved by the Board. The vesting period is determined based on the phasing of vesting periods and the Company's assessment of the likelihood of an exit occurring during the vesting period. Vesting of the options is accelerated in the event of a qualifying exit event which ascribes a total value to the Group which has been determined by the Board and subject to approval by the Board. If the options remain unexercised after a period of ten years from the date of grant the options expire. Options are forfeited if the employee leaves the Group before the options vest.

Details of the share options outstanding during the year are as follows:

	2024	
	Number of share options	Weighted average exercise price (in €)
Outstanding at the beginning of year	4,948,845	0.01
Granted during the year	4,813,479	0.01
Forfeited during the year	(412,293)	0.01
Exercised during the year	(499,694)	0.01
Outstanding at the end of the year	8,850,337	0.01
Vested and exercisable at the end of the year	2,229,528	0.01

The options outstanding at 31 December 2024 had a weighted average exercise price of €0.01, and a weighted average remaining contractual life of 13.42 years. In 2024 4,813,479 options were awarded. The aggregate of the estimated fair values of the options granted on those dates is €13.4m. During the year, 499,694 options were exercised with a fair value of €0.9m.

The inputs into the Black-Scholes-Merton model are as follows:

	2024	2023
Weighted average share price	€2.80	€4.00
Weighted average exercise price	€0.01	€0.01
Expected volatility	40%-47.5%	40%-47.5%
Expected life	1-4 Years	1-4 Years
Risk-free rate	3.76%-4.40%	4.58%-5.06%
Expected dividend yields	0.0%	0.0%

Expected volatility was determined by using the historical volatility of a peer group of publicly traded entities over a period which reflects the expected vesting period for the option. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of the graded vesting scheme, non-transferability, exercise restrictions, and behavioural considerations, as well as management's best estimate of the time to a qualifying exit event.

During the year, the Group granted options to non-employees for which the Group determined it was not able to measure the fair value of the services received as the options did not relate to any specifically identifiable goods or services. As such, the Group measured the fair value of the services indirectly, by reference to the fair value of the options granted. The options were measured using a Black-Scholes-Merton model, using the inputs listed above. The aggregate fair value of options granted during the year to non-employees for which

the fair value was measured indirectly was €1.3m and are included in the total estimated fair value of options of €13.4m granted in 2024.

The Group recognised total expenses for employees of €7.9m (2023: €3.2m) related to equity-settled share-based payment transactions in 2024, and for non-employees €0.4m (2023: €0.1m).

Note 18 - Financial Assets and Financial Liabilities

Financial assets and financial liabilities comprise the following:

<i>(In thousands of euros)</i>	Notes	2024	2023
Financial assets			
<i>Financial assets measured at amortized cost</i>			
Short term investments		2,199	65,730
Trade and other receivables 'excluding non-financial assets'	14	16,365	20,231
Cash and cash equivalents	15	192,714	114,797
<i>Financial assets measured at fair value through profit or loss</i>			
Short term investments		-	106,399
Total other Financial assets		211,279	307,157
Financial liabilities			
Lease liabilities	11	21,206	18,593
Trade and other payables 'excluding non-financial liabilities'	21	33,446	98,279
Unsecured bank loans		763	1,090
Secured bank loans		3,279	3,734
Total other Financial Liabilities		58,695	121,696

Financial assets measured at amortised cost comprise fixed term deposits with major banks and fixed term government debt instruments where the deposit term is greater than three months and less than one year at the commencement of the investment. Financial assets measured at fair value through profit or loss comprised of money market fund investments with underlying investments in high-quality, short-term money market instruments.

Bank loans total €4.0m, with €1.7m classified as a current liability, and €2.3m classified as non-current based on the repayment profile.

As part of the business acquisition detailed in note 23, a loan was acquired in Italy with Banca Progetto S.p.A. which was taken out on 1 October 2023 for a total loan value of €1.8m. Variable interest is charged on the loan at €360 + 4.75%, with monthly repayable instalments over 96 months through to expiration at 31 October 2030. As of 31 December 2024, the outstanding balance of this bank loan was €1.5m. €1.3m of the loan is classified as a non-current liability based on the repayment terms, with the remaining €0.2m classified as current given this is due to be repaid within 12 months. The interest expense is recognised in the statement of profit or loss and other comprehensive income under interest expense.

Note 19 - Provisions

<i>In thousands of euros</i>	At 31 December 2023	Opening balance adjustment and reclass	Allowance	Reversal of unused provision	Translation adjustment	At 31 December 2024
Provisions for product warranty	-	150	256	(303)	-	103
Current provisions	-	150	256	(303)	-	103
Pension plan provision	-	484	161	(135)	(5)	505
Provision for site rehabilitation	800	-	-	152	2	955
Non-current provisions	800	484	161	17	(3)	1,459
Total provisions	800	634	417	(286)	(3)	1,563

Note 20 - Employee Benefits

The only post-employment benefits of Group employees correspond to retirement severance benefits and long service awards, mainly in the French and Swiss entities.

Provisions are recorded for retirement liabilities according to the principles described in paragraph 2.12, considering the following assumptions:

	Switzerland 31/12/2024	France 31/12/2024	Switzerland 31/12/2023	France 31/12/2023
Main actuarial assumptions used				
Discount rate	0.95%	3.40%	1.5%	3.20%
Salary increase	1.50%	2.50%	1.75%	2.50%
Inflation	1.00%	2.00%	1.25%	2.00%
Mortality table	100% x BVG 2020	TH/TF 00- 02	100% x LPP 2020GT	TH/TF 00- 02
Average retirement age	65	65	65	65
Social charge	n/a	40%	n/a	40%
Weighted turnover	100% x BVG 2020	2.51%	100% x LPP 2020	2.4%
Lump sum payments at retirement	25%	100%	25%	100%

(In thousands of euros)

2024

Changes in the Defined Benefit Obligation

Opening defined benefit obligation				4,695
Service cost				148
Plan participants' contribution				99
Interest cost				69
Actuarial (gains) losses for the year				310
Benefits paid through pension assets				(171)
Benefits paid by employer				(25)
Plan amendments				(12)
Exchange rate differences				(68)
Closing defined benefit obligation				5,046

(In thousands of euros)

2024

Changes in the Fair Value of Plan Assets

Opening fair value of assets				4,206
Interest income				61
Return on plan assets excluding interest income				326
Plan participants' contribution				93
Company contributions				93
Benefits paid through pension assets				(171)
Administration expense				(5)
Exchange rate differences				(63)
Closing fair value of assets				4,541
Actual return on plan assets				387

(In thousands of euros)

2024

Reconciliation of Funded Status as at

Present value of funded obligation	5,046
Plan assets at fair value	(4,541)
Net liability	505

Note 21 - Trade and other payables*(In thousands of euros)*

2024

2023

Current

Trade payables	20,998	15,550
Social security and other taxes	8,023	3,002
Accrued expenses	10,397	9,339
Payroll liabilities	9,706	7,266
Other payables	2,051	73,349
Contract liabilities	3,000	10,054
Total Trade and other payables	54,175	118,560

Included in other payables as at 31 December 2023 is an amount of €70.2m representing receipts from shareholders in exchange for future shares which have been subscribed but not yet issued. As at 31 December 2024, all shares relating to amounts received from shareholders were issued.

As detailed in note 2 and note 23, in 2023, the Group acquired two companies, SRS and Fucina. The total consideration was €7.0m of which €3.3m was to be settled through the issue of shares in newcleo Ltd and was only issued in 2024.

Note 22 - Financial Risk Management

Capital Management

We manage our capital to ensure that all Group entities will be able to continue as a going concern while maximising the return to shareholders through the optimisation of our debt and equity balance. Our overall strategy in this regard has remained unchanged since incorporation.

Our capital structure consists of short-term investments, as disclosed in note 18, cash and cash equivalents, note 15, borrowings and equity comprising issued capital, reserves, and accumulated deficit, as disclosed in the Consolidated Statement of Equity.

We are not subject to any externally imposed capital requirements. We review our capital structure on an ongoing basis, and such review currently comprises a review of the adequacy of our capital compared to the resources required for carrying out our activities.

Financial Risk Management Objectives

We regularly monitor the access to domestic and international financial markets, manage the financial risks relating to our operations, and analyse exposures to risk, including market risk, such as currency risk and interest rate risk, credit risk and liquidity risk.

We seek to minimise the effects of these risks by managing transactions and holding positions in the various currencies used in our operations. We do not enter into or trade financial instruments for speculative purposes.

Foreign exchange risk

The Group makes purchases in foreign currencies. In order to mitigate significant exposure to foreign currencies, the Group holds cash balances in the appropriate currencies to meet obligations as they fall due and also to service a proportion of future obligations. The Group held approximately 95% (2023: 79.3%) of its cash and cash equivalents in Euros at 31 December 2024.

The bank accounts in currencies other than the functional currency will expose the Group to a foreign currency risk. Changes in the Euro exchange rate would have the following effect on the profit and loss of the Group:

<i>(In thousands of euros)</i>	2024	2023
Foreign exchange risk		
+5% Increase in British Pounds (GBP)	974	748
+5% increase in US Dollars (USD)	50	57
+5% increase in Swiss Franc (CHF)	74	-
-5% Decrease in British Pounds (GBP)	(974)	(748)
-5% Decrease in US Dollars (USD)	(50)	(57)
-5% increase in Swiss Franc (CHF)	(74)	-

Interest Rate Risk Management

The variable interest-bearing financial instruments are short-term investments and investments with original maturities less than three months classified as cash and cash equivalents, and bank loans arising from the acquisition of SRS and Fucina.

Changes in interest rates may cause variations in interest income and expenses resulting from short term interest-bearing assets. Management does not expect the short-term interest rates to decrease significantly

in the immediate foreseeable future, which limits the interest exposure on our short-term investments and bank loans.

Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations under a financial instrument, resulting in financial loss. We consider all of our material counterparties to be creditworthy. Our exposure to credit risk is continuously monitored, in particular, if agreed payments are delayed.

The Group's cash and cash equivalents as at 31 December 2024 are held with major regulated financial institutions. The Group held approximately 99.6% (2023: 92.2%) of its cash and cash equivalents at five of the largest global financial institutions. The credit risk on short-term investments is limited because the counterparties are high-rated funds (AAA rated), banks with high credit ratings assigned by international credit-rating agencies or banks that have been financed by their government.

Credit risk with respect to trade receivables and contract assets is managed by each subsidiary and the quality of a customer is assessed on an individual basis. The Group applies the IFRS 9 simplified approach to measure and account for expected credit losses using a lifetime expected loss allowance for all trade receivables and contract assets, as detailed in note 14.

Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with our Board. We manage liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Further information regarding liquidity risk is contained in the going concern disclosure included in the Directors' Report.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at 31 December to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows. For the lease liability it is for the lease term determined by management and excludes any early lease termination options where management consider they will not be exercised:

<i>In thousands of euros</i>	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
31 December 2024					
Trade and other payables	54,176	-	-	-	54,176
Borrowings	1,759	804	878	601	4,042
Lease liabilities	3,203	2,972	7,337	7,694	21,206
Total	59,137	3,777	8,216	8,294	79,424
31 December 2023					
Trade and other payables	118,560	-	-	-	118,560
Borrowings	1,543	1,068	1,866	348	4,825
Lease liabilities	3,401	6,028	4,838	10,168	24,435
Total	123,504	7,096	6,704	10,516	147,820

Fair value measurement

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table analyses within the fair value hierarchy the Group's financial instruments (by class) measured at fair value as of 31 December 2024:

<i>In thousands of euros</i>	Level 1	Level 2	Level 3	Total
31 December 2024				
<i>Financial assets at fair value through profit or loss</i>				
Short-term investments	-	-	-	-
Total	-	-	-	-
31 December 2023				
<i>Financial assets at fair value through profit or loss</i>				
Short-term investments	106,399	-	-	106,399
Total	106,399	-	-	106,399

There were no transfers among Levels 1, 2 and 3 in the current and prior year.

Financial assets held at fair value through profit or loss consisted of short-term investments. Short-term investments include money market funds in EUR, which all classify for level 1 fair value measurement.

	<i>In thousands of euros</i>
Financial assets at fair value as at 1 January 2023	128,185
Fair value gains	5,714
Purchases	116,000
Disposals	(143,500)
Balance as at 31 December 2023 and 1 January 2024	106,399
Fair value gains	1,798
Purchases	54,000
Disposals	(162,197)
Financial assets at fair value as at 31 December 2024	-
Total	-

Following the transfer of its headquarters to France and the transfer of cash from newcleo Ltd to newcleo SA, the Group has sold all its investments in money market funds and only has bank deposits ad 31 December 2024 recorded as cash and cash equivalent and therefore no longer held any investments measured at fair value.

The carrying value of cash and cash equivalents and trade and other payables are assumed to approximate their fair values, due to their respective short-term nature.

Note 23 - Business acquisitions

Servizi Ricerche e Sviluppo Srl ("SRS") and Fucina Italia Srl ("Fucina")

On 3 October 2023, the Group acquired 100% of the issued share capital of SRS & Fucina. SRS is an engineering company located in Italy and is a worldwide leader in the design and building of nuclear systems, Fucina is a manufacturing company located in Italy, specialising in metallic carpentry, vessels, and containers for radioactive waste, and along with SRS the two firms are jointly referred to as the "SRS Fucina" Group, qualifying as a business as defined in IFRS 3: *Business Combinations*. SRS and Fucina were both acquired as a key step in the Group's industrialisation strategy, as it works to build a fully-integrated approach to nuclear development, operations and waste reduction through targeted acquisitions and partnerships.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

(In thousands of euros)

Financial assets	12,965
Inventory	492
Property, plant, and equipment	4,994
Right of use assets	1,136
Identifiable intangible assets	8,949
Financial liabilities	(21,788)
Net deferred tax liabilities	(830)
Total identifiable assets acquired, and liabilities assumed	5,918
Goodwill	1,046
Total consideration	6,964
Satisfied by:	
Cash	3,776
Share issue	3,188
Total consideration transferred	6,964
Net cash outflow arising on acquisition:	
Cash consideration	3,776
Less: cash and cash equivalent balances acquired	(120)
	3,656

Total consideration of €7m has been agreed at 50% cash, 50% equity in newcleo Ltd, with any price adjustment to be reflected in an adjustment to equity. Following the price adjustment, €3.2m is to be settled through the issue of shares in newcleo Ltd, and the obligation has been recorded as a liability, with shares to be issued in 2024.

All assets acquired and liabilities assumed on acquisition are at fair value. The identifiable intangible assets acquired include unpatented technology of €8.6m, attributable to SRS & Fucina's expertise in the design of equipment, systems, and structures, relating to decommissioning activities of nuclear installations and waste management and the development of nuclear power plants. Most of the technology is not covered by patents and has been internally developed by SRS over time, presenting a competitive advantage and pre-requisite for tenders with clients.

The goodwill of €1m represents the difference between the purchase price over the fair value of the identifiable net assets acquired and represents potential value arising from new customer contracts and buyer specific synergies. None of the goodwill is expected to be deductible for income tax purposes.

Acquisition-related costs (included in administrative expenses) amount to €0.3m in respect of the acquisition of SRS and Fucina.

Pompes Rüttschi SAS

On 19 December 2023, the Group acquired 100% of the issued share capital of Pompes Rüttschi SAS and 100% of the issued share capital of Rüttschi Fluid AG. Pompes Rüttschi SAS and Rüttschi Fluid AG make up the "Rüttschi Group", producers of engineered pumps for nuclear applications located in France and Switzerland respectively.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below. Those provisional amounts presented in 31 December 2023 have been adjusted during the measurement period to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

(In thousands of euros)

	Provisional	Adjusted
Financial assets	11,455	11,455
Inventory	9,695	9,695
Property, plant, and equipment	634	634
Right of use assets	1,254	1,254
Identifiable intangible assets	10,535	10,535
Financial liabilities	(12,907)	(12,907)
Defined benefit obligation	-	(181)
Deferred tax Liabilities	(3,390)	(3,343)
Total identifiable assets acquired, and liabilities assumed	17,276	17,142
Goodwill	16,340	16,474
Total consideration	33,616	33,616
Satisfied by:		
Cash	33,616	33,616
Total consideration transferred	33,616	33,616
Net cash outflow arising on acquisition:		
Cash consideration	33,616	33,616
Less: cash and cash equivalent balances acquired	(455)	(455)
	33,161	33,161

All assets acquired and liabilities assumed on acquisition are at fair value. The identifiable intangible assets acquired include customer contracts of €6.5m, order backlog of €0.8m, brand of €1.8m and licences, certificates, and R&D development costs of €1.4m.

The goodwill of €16.5m represents the excess of the purchase price over the fair value of the identifiable net assets acquired and consists of potential value arising from new customer contracts, buyer specific synergies and the fair value of the assembled workforce. None of the goodwill is expected to be deductible for income tax purposes.

Acquisition-related costs (included in administrative expenses) amount to €0.4m in respect of both Pompes Rüttschi and Rüttschi Fluid.

Rütschi Fluid AG

On 19 December 2023, the Group acquired 100% of the issued share capital of Pompes Rütschi SAS and 100% of the issued share capital of Rütschi Fluid AG, obtaining control of both entities. Pompes Rütschi and Rütschi Fluid make up the Rütschi Group, producers of engineered pumps for nuclear applications located in France and Switzerland respectively.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below. Those provisional amounts presented in 31 December 2023 have been adjusted during the measurement period to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

(In thousands of euros)

	Provisional	Adjusted
Financial assets	9,309	9,309
Property, plant, and equipment	1,164	1,164
Identifiable intangible assets	13,465	13,465
Financial liabilities	-7,820	-6,838
Defined benefit obligation		-303
Deferred tax liabilities	-2,156	-2,113
Total identifiable assets acquired, and liabilities assumed	13,962	14,686
Goodwill	20,484	19,760
Total consideration	34,446	34,446
Satisfied by:		
Cash	34,446	34,446
Total consideration transferred	34,446	34,446
Net cash outflow arising on acquisition:		
Cash consideration	34,446	34,446
Less: cash and cash equivalent balances acquired	-4,248	-4,248
	30,198	30,198

All assets acquired and liabilities assumed on acquisition are at fair value. The identifiable intangible assets acquired include customer contracts of €9.2m and order backlog of €3.1m.

The goodwill of €19.8m represents the excess of the purchase price over the fair value of the identifiable net assets acquired and consists of potential value arising from new customer contracts, buyer specific synergies and the fair value of the assembled workforce. None of the goodwill is expected to be deductible for income tax purposes. Acquisition-related costs (included in administrative expenses) amount to €0.4m in respect of both Pompes Rütschi and Rütschi Fluid.

Note 24 - Related Party Transactions

Our major shareholders, the Board, the executive management, and other key management are considered to be related parties as they can exercise a significant influence on our operations. Related parties also include undertakings in which such persons have significant interests. Additionally, all our Group enterprises are considered related parties.

Apart from remuneration to the Group's Board and key management personnel as specified in note 7, the following transactions took place between the Group and its related parties during the financial year:

<i>In thousands of euros</i>	2024	2023
Other Income		
Elysia Capital Srl	24	24
Lease payments;		
Isola Srl	377	369
Planet Idea Srl	167	275
Total transactions with related parties	568	668

The following table provides the total amount of balances with related parties for the relevant period:

<i>In thousands of euros</i>	31/12/2024	31/12/2023
Amounts due from related parties:		
Amounts due from shareholders	-	10,400
Amounts owed to related parties for lease liabilities:		
Isola Srl	963	1,306
Planet Idea Srl	-	195
Total	963	11,901

newcleo Spa, the Italian subsidiary of newcleo Ltd, has signed a lease in 2021 with Isola Srl for the provision of an Italian head office in Turin. Isola Srl is controlled by the CEO, Stefano Buono as beneficial owner (through BuonoLopera Srl), together with his wife, and with Carlo Zuccaro as Company Director ("Presidente Consoglio"). newcleo Spa incurred costs of €0.4m (2023: €0.4m) in relation to the lease in 2024.

Stefano Buono is the Chairman of Planet Smart City, the entity that owns Planet Idea Srl. During 2024, newcleo Spa entered an arm's length rental agreement with Planet Idea Srl for the use of office and desk space. newcleo Spa incurred costs of €0.2m (2023: €0.3m) in relation to the lease in 2024.

Elysia Capital 1 SCSp, a company beneficially owned by the CEO, Stefano Buono, acquired a total of 20,265,900 ordinary shares of €0.01 each in newcleo Ltd for cash at €1.50 per share. This consisted of cumulative receipts of €20.0m and an undertaking to pay newcleo Ltd, €20.0m. As at 31 December 2023, €9.6m has been received and as at 31 December 2024, the full balance has been received.

Elysia Capital Srl is a company beneficially owned by Carlo Zuccaro. newcleo Spa charged costs to Elysia Capital Srl during 2024 for the use of office space within newcleo Spa's Italian head office in Turin.

Except for the information disclosed above, we have not undertaken any significant transactions with members of the Board, the executive management or the major shareholders, or undertakings in which the identified related parties have significant interests.

Note 25 - Events After the Reporting Period

The 20 February 2025 – Blykalla and *newcleo* have signed an agreement for the joint research and development of materials for lead-cooled fast reactors (LFRs). The partnership entails the exchange of materials, results, and associated data to assist the respective R&D programmes of each party. By combining findings from their individual R&D programmes as well as industrialisation processes, the parties can work toward expediting the commercialisation of LFR technology crucial for Europe's decarbonisation efforts.

The 24 February 2025 – the Emirates Nuclear Energy Company (ENEC) and *newcleo* have signed a memorandum of strategic cooperation to jointly explore global nuclear projects, aiming to leverage our LFR technology for initiatives in Europe and the MENA region.

The 10 March 2024, Danieli & C. Officine Meccaniche S.p.A., a global leader in metallurgy and automation *newcleo* have signed a Memorandum of Understanding (MoU) to explore the integration of the LFR technology with Danieli's steelmaking technologies to produce green steel. This partnership will focus on developing integrated solutions where the LFRs will supply both the electricity and high-temperature heat essential for green steel production.

These elements do not impact the 2024 accounts of *newcleo*. For details on the group's financing, refer to Note 2.2

Company Statement of Financial Position

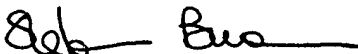
As at 31 December 2024

	Notes	31/12/2024 €'000	31/12/2023 €'000
Assets			
Non-current assets			
Intangible assets	5	769	2,924
Property, plant and equipment	6	19	4,626
Right-of-use assets	7	-	6,288
Investments in subsidiaries	8	255,365	58,844
Intercompany loans	8	5,917	64
Other long-term receivables	9	251	4,377
Total non-current assets		262,321	77,123
Current assets			
Short-term investments	10	-	172,318
Trade and other receivables	11	6,936	104,589
Cash and cash equivalents		15,718	67,070
Total current assets		22,654	343,977
Total assets		284,975	421,100
Equity and liabilities			
Share capital	12	4,620	4,127
Share premium	12	530,911	396,078
Share-based payments reserve		12,877	4,562
Accumulated deficit		(278,289)	(70,503)
Total equity		270,119	334,264
Non-current liabilities			
Provisions		-	279
Lease liabilities	7	-	5,380
Total non-current liabilities		-	5,659
Current liabilities			
Lease liabilities	7	-	232
Trade and other payables	13	14,856	80,945
Total current liabilities		14,856	81,177
Total liabilities		14,856	86,836
Total equity and liabilities		284,975	421,100

The accompanying accounting policies and notes on pages 78 to 86 are an integral part of these financial statements.

The Company reported a loss for the financial year ended 31 December 2024 of €207.8m (2023: loss of €48.5m).

The financial statements of newcleo Ltd (registered number 13274878) on pages 62 to 72 were approved and authorised for issue by the Board on 1 June 2025, and were signed on its behalf by:


Stefano Buono, Director

Company Statement of Changes in Equity

For the year ended 31 December 2024

	Share Capital €'000	Share Premium €'000	Share-based Payments Reserve €'000	Accumulated Deficit €'000	Total €'000
Equity at 31 December 2022	4,127	396,078	1,395	(21,993)	379,607
Loss for the period, being total comprehensive loss	-	-	-	(48,510)	(48,510)
Equity-settled share-based payments	-	-	3,167	-	3,167
Equity at 31 December 2023	4,127	396,078	4,562	(70,503)	334,264
Loss for the year, being total comprehensive loss	-	-	-	(207,786)	(207,786)
Equity-settled share-based payments	-	-	8,315	-	8,315
Issue of share capital	493	134,833	-	-	135,326
Equity at 31 December 2024	4,620	530,911	12,877	(278,289)	270,119

The accompanying accounting policies and notes on pages 78 to 86 are an integral part of these financial statements.

Notes to the Company Financial Statements

Note 1 - Material accounting policies

The separate financial statements of newcleo Ltd (the "Company") are presented as required by the Companies Act 2006. The Company meets the definition of a qualifying entity under FRS 100 *Application of Financial Reporting Requirements* issued by the FRC. Accordingly, these financial statements are prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework*.

The Company is a private company, limited by shares, incorporated in the United Kingdom on 18 March 2021 under the Companies Act 2006 and headquartered in London. The Company is the ultimate holding company of the newcleo Group that is working towards generating safe, clean, economic, and practically inexhaustible energy for the world, through a radically innovative combination of existing, accessible technologies. The address of the Company's registered office is 55 South Audley Street, London, W1K 2QH.

The Company's principal activity is to act as an investment holding company that provides management services to its subsidiaries.

As a qualifying entity, the Company has taken advantage of the following disclosure exemptions permitted by FRS 101, with the equivalent disclosures, including the Company, presented in the Group financial statements:

- The requirements of paragraphs 10(d), 16, 79(a)(iv), 111 and 134 to 136 of IAS 1: *Presentation of Financial Statements*
- The requirements of IAS 7: *Statement of Cash Flows*
- The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- The requirements of paragraphs 17 and 18A of IAS 24: *Related Party Disclosures*
- The requirements in IAS 24 to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- The requirements of paragraphs 45(b) and 46 to 52 of IFRS 2: *Share-based Payment*
- The requirements of IFRS 7: *Financial Instruments: Disclosures*
- The requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16: *Leases*

Where required, equivalent disclosures are given in the consolidated financial statements.

The financial statements have been prepared on the historical cost basis. The material accounting policies adopted are the same as those set out in note 2 to the consolidated financial statements except as noted below.

Investments in subsidiaries:

Investments in subsidiaries are initially recorded at purchase price or at cost. Impairment reviews are undertaken if there is an impairment trigger in accordance with IAS 36. The Company reviews the carrying amounts of its investments to determine whether there is any indication that those assets have suffered an impairment loss by assessing future discounted cashflows for trading subsidiaries, and subsidiaries owned by those subsidiaries, and the carrying value of investments in subsidiaries and the net asset value of the subsidiary for non-trading subsidiaries and sub-subsidiaries. Any impairment is recognised in the profit and loss account, as disclosed in note 8.

Notes to the Company Financial Statements (continued)

Intercompany accounts:

Amounts due from and due to Group companies are unsecured, non-interest bearing and are repayable on demand and are included in trade and other receivables (note 11) and trade and other payables respectively (note 13). Intercompany loans are for a duration of upto one year, with an interest charge based on the lender's bank rate at the time of loan, plus a premium of 0.5%. Balances are recorded in the balance sheet at nominal value less provisions for doubtful accounts. Provisions for doubtful accounts are based on an individual assessment of the receivables due from each subsidiary. The provisions are calculated through assessment of a shortfall against the ability of the subsidiary in conjunction with the assessment of the carrying value of investments in the subsidiaries where a receivable balance exists.

The Company's income during this financial year is generated by amounts due from other UK Group undertakings €1.7m (2023: €1.7m). The major transactions are the recharge of general and administrative expenses.

Note 2 - Critical Accounting Judgements or Key Sources of Estimation Uncertainty

In the application of our accounting policies, we are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments and estimates made in the process of applying our accounting policies and that have the most significant effect on the amounts recognised in our consolidated financial statements are disclosed in note 3 of the consolidated financial statements. In addition, the following estimates have been applied to the Company financial statements;

Impairment of investments in subsidiaries

Investment in subsidiaries is valued at cost of the shares in the subsidiary less any impairment losses. An impairment loss is recognized if the impairment is not considered temporary. Impairment losses are reversed if the reason for the impairment loss disappears in a later period. At each reporting date, the Company assesses its investments in subsidiaries for indications of impairment by assessing the value-in-use of trading subsidiaries using discounted future cashflow projections and comparing the carrying value of non-trading investments with net assets. Future events could cause the assumptions used in these impairment tests to change with a consequent adverse effect on the future results of the Company. The assumptions used for value-in use estimates as part of the goodwill assessment are detailed in note 3 to the consolidated financial statements and are also used to assess the discounted cashflows from subsidiaries which form part of the impairment test. Refer to note 8, "Investments in subsidiaries" for further information.

Note 3 - Loss Before Tax

As permitted by s.408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive incomes is presented in respect of the Company. The loss attributable to the Company is disclosed in the footnote to the Company's statement of financial position.

The Company has not recognised deferred tax balances. The Company has tax losses in the year on which a deferred tax asset of €1.4m (2023: €2.9m) has not been recognised as the Company does not have sufficient taxable profits and history against which these losses could be offset in future periods.

Notes to the Company Financial Statements (continued)

Note 4 - Staff Costs

	2024	2023
	€'000	€'000
Wages and salaries	2,966	3,470
Expenses related to defined contribution plans	147	203
Social security costs	238	564
Share-based payments	1,278	1,241
Other staff costs	72	59
Total staff costs	4,701	5,537

	2024	2023
Monthly average number of employees (including executive directors)		
Being administration and support staff	23	37

On 1 July 2024, all employees excluding directors were transferred to newcleo Generation (UK) Ltd, a wholly owned subsidiary of newcleo Ltd.

Details of the remuneration of the Company's directors are disclosed in note 6 to the consolidated financial statements.

Note 5 - Intangible assets

	Software under construction	Software licences	Patent and trademarks	Total
	€'000	€'000	€'000	€'000
Cost:				
At 1 January 2023	-	410	1,113	1,523
Additions	-	1,682	47	1,729
At 31 December 2023	-	2,092	1,160	3,252
Additions	1,857	196	12	2,065
Disposals	(1,392)	(1,878)	(1,160)	(4,430)
At 31 December 2024	465	410	12	887
Accumulated amortisation:				
At 1 January 2023	-	(15)	(78)	(93)
Amortisation charge	-	(137)	(98)	(235)
At 31 December 2023	-	(152)	(176)	(328)
Amortisation charge	-	(197)	(81)	(278)
Write back on disposals	-	231	257	488
At 31 December 2024	-	(118)	-	(118)
Carrying amount:				
At 31 December 2023	-	1,940	984	2,924
At 31 December 2024	465	292	12	769

Notes to the Company Financial Statements (continued)

Note 6 - Property, plant and equipment

	Computer equipment	Other equipment	Leasehold improvements	Fixture and fittings	Total
	€'000	€'000	€'000	€'000	€'000
Cost:					
At 1 January 2023	76	7	21	-	104
Additions	2,314	78	1,777	614	4,783
At 31 December 2023	2,390	85	1,798	614	4,887
Additions	5,666		756	12	6,434
Disposals	(8,037)	(85)	(2,554)	(626)	(11,302)
At 31 December 2024	19	-	-	-	19
Accumulated depreciation:					
At 1 January 2023	(8)	-	-	-	(8)
Depreciation charge	(101)	(11)	(58)	(83)	(253)
At 31 December 2023	(109)	(11)	(58)	(83)	(261)
Depreciation charge	(686)	(13)	(108)	(93)	(900)
Write back on disposals	795	24	166	176	1,161
At 31 December 2024	-	-	-	-	-
Carrying amount:					
At 31 December 2023	2,281	74	1,740	531	4,626
At 31 December 2024	19	-	-	-	19

Notes to the Company Financial Statements (continued)

Note 7 - Leasing

Right-of-use assets

Offices
€'000

Cost:

At 1 January 2023	6,807
Additions	51
At 31 December 2023	6,858
Additions	-
Disposals	(6,858)

At 31 December 2024 -

Accumulated depreciation:

At 1 January 2023	(114)
Depreciation charge	(456)
At 31 December 2023	(570)
Depreciation charge	(345)
Write back on disposals	915

At 31 December 2024 -

Carrying amount:

At 31 December 2023	6,288
At 31 December 2024	-

Lease liabilities

Offices
€'000

Cost:

At 1 January 2023	(5,815)
Additions	(51)
Translation differences	(127)
Interest expense related to lease liabilities	(493)
Repayment of lease liabilities (including interest)	874
At 31 December 2023	(5,612)
Additions	-
Translation differences	-
Interest expense related to lease liabilities	(370)
Repayment of lease liabilities (including interest)	357
Cancellation of liability following disposal of lease	5,625

At 31 December 2024 -

Carrying amount:

At 31 December 2023	(5,612)
At 31 December 2024	-

Notes to the Company Financial Statements (continued)

During 2024, all right of use asset agreements were cancelled and reassigned to another Group company as part of the restructure of the Group, detailed in the Strategic Report.

The table below represents undiscounted cash flow maturity analysis:

Maturity analysis	2024 €'000	2023 €'000
Less than 1 year	-	708
1 – 5 years	-	2,818
More than 5 years.	-	6,010
Total	-	9,536

Note 8 - Investments in subsidiaries

	Shares in Group undertakings €'000	Loans to Group undertakings €'000
Cost:		
At 1 January 2024	108,558	91,973
Additions	212,604	98,090
Write off of investments and loans on restructure	(95,489)	(11,730)
Loans transferred as contribution in equity in subsidiary	172,416	(172,416)
At 31 December 2024	398,089	5,917
Provisions for impairment:		
At 1 January 2024	(49,714)	(863)
Write back of provisions	49,714	863
Impairment in investments subsequent to restructure	(142,724)	-
At 31 December 2024	(142,724)	-
Net book value:		
At 31 December 2023	58,844	91,110
At 31 December 2024	255,365	5,917

Notes to the Company Financial Statements (continued)

Subsidiaries

Details of the Company's subsidiaries at 31 December 2024 are as follows:

Name	Place of business and registered office address	Principal activity	Holding	Proportion of ownership interest (%)		Proportion of voting power held (%)	
				31 December 2024	31 December 2023	31 December 2024	31 December 2023
newcleo Spa	Via Galliano 27, 10129 Turin, Italy	Developing IP to be licensed to Group companies.	Ordinary shares	100	100	100	100
Hydromine Nuclear Energy S.à r.l	7, rue Robert Stumper L-2557 Luxembourg	Owner of Patents related to reactor design	Ordinary shares	0	100	0	100
newcleo SA	3 Place des Pyramides 75001 Paris France	Holding Company	Ordinary shares	100	0	100	0
newcleo Operations SA	9 Rue des Cuirassiers 69003 Lyon France	Construction and operation of SMRs	Ordinary shares	100	100	100	100
newcleo SA	Switzerland	Non-trading	Ordinary shares	100	100	100	100
newcleo Generation (UK) Ltd	55 South Audley St. London W1K 1JF	Construction and operation of SMRs	Ordinary shares	100	100	100	100
newcleo Americas LLC	1211 35th St.NW, Washington, DC	Non-trading	Ordinary shares	100	100	100	100
Rütschi Fluid AG	Gewerbepark Bata 8 4313 Möhlin, Schweiz	Engineering	Ordinary shares	100	100	100	100
newcleo Real Estate SRL	Via Galliano 27, 10129 Turin, Italy	Real estate	Ordinary shares	100	100	100	100
Fucina Italia Srl	Piombino (LI) LOCALITA' MONTEGEMOLI 12/A CAP 57025	Manufacturing	Ordinary shares	100	100	100	100
Servizi di Ricerca e Sviluppo Srl	Rome, Vicolo delle Palle 25/25B CAP 00186	Engineering	Ordinary shares	100	100	100	100
Proil	Rome, Vicolo delle Palle 25/25B CAP 00186	Engineering	Ordinary shares	72	72	72	72
CCR Internazionale Srl	Rome, Vicolo delle Palle 25/25B CAP 00186	Engineering	Ordinary shares	65	65	65	65
Consorzio SRS Srl	Rome, Vicolo delle Palle 25/25B CAP 00186	Engineering	Ordinary shares	90	90	90	90
Pompes Rütschi SAS	61 avenue de Fribourg 68110 Illzach / France	Manufacturing	Ordinary shares	100	100	100	100
newcleo Fuel Innovations	9 rue des Cuirassiers 69003 Lyon, France	Engineering	Ordinary shares	100	100	100	100
newcleo Lead Fast Reactors Innovations	9 rue des Cuirassiers 69003 Lyon, France	Engineering	Ordinary shares	100	100	100	100
newcleo s.r.o.	Michalská 7 Bratislava 811 01 Slovakia	Construction and operation of SMRs	Ordinary shares	100	100	100	100

As at 31 December 2024, all subsidiaries were held indirectly through the investment in newcleo Holdings SA (renamed newcleo SA on 25 November 2024). Hydromine Nuclear Energy S.à r.l. has been liquidated on December 30, 2024, with assets transferred to other Group companies, and was fully consolidated until this date

Notes to the Company Financial Statements (continued)

Carrying value of investments

Name	2024 €'000	2023 €'000
newcleo Generation (UK) Ltd (UK)	-	6,191
newcleo SPA (formerly Newcleo Srl) (Italy)	-	30,772
newcleo Operations SA (formerly Newcleo SA)(France)	-	18,347
Hydromine Nuclear Energy S.à r.l (Luxembourg)	-	3,534
newcleo SA (Switzerland)	-	-
newcleo Americas LLC	-	-
newcleo SA (France)	255,367	-
Total Balance	255,367	58,844

As detailed in the Strategic Report, in 2024, the Group underwent a restructure, creating an intermediate holding company, newcleo SA, with the intention that this will be the ultimate parent company upon completion of the restructure. All investments held by newcleo Ltd were transferred to newcleo SA in conjunction with cash and other assets in exchange for equity. The total consideration was €398.1m. Following a review of the value in use of each subsidiary held by newcleo SA in December 2024, the total value of the investment was impaired to €255.4m in the year, recording a charge of €142.7m.

Note 9 - Other long-term receivables

	2024 €'000	2023 €'000
Amounts owed by group undertakings	1	3,088
Other long-term receivables	250	1,289
Total	251	4,377

Amounts owed by group undertakings are unsecured, are repayable after 12 months, and do not carry any interest.

Note 10 - Short-term Investments

For information on short term investments, see notes 18 and 21 to the consolidated financial statements. All short-term investments held by newcleo Ltd on 1 January 2024 were subsequently sold, with proceeds used to invest in its subsidiary newcleo SA, as detailed in the Strategic Report. newcleo Ltd did not hold any short-term investments as at 31 December 2024.

Notes to the Company Financial Statements (continued)

Note 11 - Trade and other receivables

	2024	2023
	€'000	€'000
Current:		
Trade receivables	27	26
Amounts owed by Group undertakings	5,846	91,110
Shareholder loan	-	10,400
Prepayments	564	778
Social security and other taxes	490	1,418
Other receivables	9	857
Total	6,936	104,589

Amounts owed by Group undertakings are unsecured, and repayable on demand. No interest is charged on amounts owed by subsidiary undertakings.

The shareholder loan carries interest at 5% and is payable 30 days on demand. It was settled in full in 2024.

Note 12 - Share Capital and Share Premium Account

The movements on these items are disclosed in note 16 to the consolidated financial statements.

Note 13 - Trade and Other Payables

	2024	2023
	€'000	€'000
Current:		
Trade payables	771	2,110
Amounts owed to Group undertakings	13,102	1,257
Social security and other taxes	83	744
Accrued expenses	871	3,486
Accrued consideration payable on acquisition of a subsidiary	-	3,188
Other payables	29	70,160
Total	14,856	80,945

Included in other payables in 2023 is an amount of €70.2m representing receipts from shareholders in exchange for future shares which have been subscribed but not issued as at 31 December 2023, and subsequently converted to equity in 2024. Amounts owed to Group undertakings are unsecured, carry no interest, and the whole amount is repayable on demand.

The accrued consideration payable on acquisition of a subsidiary relates to shares to be issued as part consideration of the acquisition of the SRS Fucina group in 2023, converted to equity in 2024.