

Newsycle Denmark ApS

C/O Crowe Statsautoriseret Revisionsinteress, 2900 Hellerup

CVR no. 35 38 46 93

Annual report 2022

Approved at the Company's annual general meeting on 10 July 2023

Chair of the meeting:

DocuSigned by:

Scott Roessler

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Scott Edward Roessler

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Newscycle Denmark ApS for the financial year 1 January - 31 December 2022.

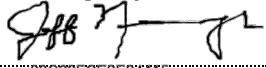
The annual report is prepared in accordance with the Danish Financial Statements Act.

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

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

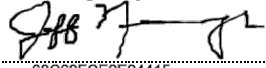
Hellerup, 10 July 2023
Executive Board:

DocuSigned by:

88C89FCE2E24415
Jeffrey Paul Neunsinger

DocuSigned by:
Scott Roessler
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Scott Edward Roessler

Board of Directors:

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Scott Roessler
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Scott Edward Roessler
Chairman

DocuSigned by:

88C89FCE2E24415
Jeffrey Paul Neunsinger

Independent auditor's report

To the shareholders of Newscycle Denmark ApS

Opinion

We have audited the financial statements of Newscycle Denmark ApS for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

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

Basis for opinion

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

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Material uncertainty related to going concern

We draw attention to note 2 of the financial statements, which states that there is uncertainty about the Groups ability to continue as going concern. As stated in note 2 of the financial statement, these factors indicate that there are material uncertainties which may create significant uncertainty about the company's going concern.

We have not modified our opinion in respect of this matter.

Emphasis of matter in the financial statements

We draw attention to note 3 of the financial statements, which states that the valuation of receivables from affiliated companies and investments in group entities is subject to material uncertainty.

We have not modified our opinion in respect of this matter.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Aalborg, 10 July 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Søren V. Nejmann
State Authorised Public Accountant
mne32775



Henrik K. Andersen
State Authorised Public Accountant
mne36193

Management's review

Company details

Name	Newscycle Denmark ApS C/O Crowe Statsautoriseret Revisionsinteress, 2900 Hellerup
Address, Postal code, City	
CVR no.	35 38 46 93
Established	25 June 2013
Registered office	København
Financial year	1 January - 31 December
Board of Directors	Scott Edward Roessler, Chairman Jeffrey Paul Neunsinger
Executive Board	Jeffrey Paul Neunsinger Scott Edward Roessler
Auditors	EY Godkendt Revisionspartnerselskab Østre Havnegade 65, 9000 Aalborg, Denmark

Management's review

Business review

Newscycle Denmark ApS is a holding company with the purpose of owning shares in Naviga A/S

Recognition and measurement uncertainties

The Company's ability to prepare the annual report for 2022 as a going concern is depending on the Company's receivable to be of value, and that the subsidiary Naviga A/S can propose and pay dividend, so that the Company is able to fulfil its obligation to pay back its debt, if this is requested. Based on uncertainty about the valuation of receivables from affiliated companies in the subsidiary Naviga A/S, there is uncertainty about the subsidiary's ability to continue as going concern.

The uncertainty about the valuation of receivables from affiliated companies and thus the valuation of investments in group entities is caused, due to the fact that the consolidated financial statements for 2022 for NAVIGA Intermediate Holdings LLC, includes information about uncertainty of the ability to continue as going concern. The Naviga Group has an outstanding debt to credit institutions, that matures the 29th of December 2023. The Management in NAVIGA Intermediate Holdings LLC has a plan to recapitalize the Company during the fiscal year 2023, but as this plan is not certain to be completed before the maturity date of the debt, Group Management has assessed that there is significant doubt about the Group and the Company's ability to continue as going concern, until the plan has been fulfilled.

Based on the above, the Management in Newscycle Denmark ApS assess, that there is a significant uncertainty related to the valuation of the intercompany receivables and investments in group entities, as the affiliated companies may not have sufficient funding to repay these receivables. As it is Group Managements expectation to get the recapitalization plan fulfilled, the Management of Newscycle Denmark ApS has not written down the intercompany receivables or investments in group entities, as of 31 December 2022.

If the Management in NAVIGA Intermediate Holdings LLC is not able to finalize the recapitalization plan, and if Newscycle Denmark ApS is demanded to repay its intercompany debt, Newscycle Denmark ApS, will not have sufficient financing and liquidity to do so from a stand-alone standpoint, and will in this case not be able to secure financing by requesting payment and/or dividend from affiliated companies.

As a consequence of this, Management of Newscycle Denmark ApS assesses that there is substantial doubt about the Company's ability to continue as going concern. As it is Group Managements expectation to get the recapitalization plan fulfilled Management of Newscycle Denmark ApS has prepared the financial statements under the assumption of going concern.

For further description Management refers to note 2 and 3.

Financial review

The income statement for 2022 shows a loss of DKK 200 thousand against a loss of DKK 274 thousand last year, and the balance sheet at 31 December 2022 shows equity of DKK 24,015 thousand.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2022	2021
	Other external expenses	-33	-39
	Gross profit	-33	-39
4	Financial income	1,149	708
5	Financial expenses	-1,316	-943
	Profit/loss for the year	-200	-274
	Recommended appropriation of profit/loss	-200	-274
	Retained earnings/accumulated loss	-200	-274

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2022	2021
	ASSETS		
	Fixed assets		
6	Investments		
	Investments in group entities	40,387	40,387
		<u>40,387</u>	<u>40,387</u>
	Total fixed assets	<u>40,387</u>	<u>40,387</u>
	Non-fixed assets		
	Receivables		
	Receivables from group entities	20,491	18,432
		<u>20,491</u>	<u>18,432</u>
	Total non-fixed assets	<u>20,491</u>	<u>18,432</u>
	TOTAL ASSETS	<u>60,878</u>	<u>58,819</u>
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	171	171
	Retained earnings	23,844	24,044
	Total equity	<u>24,015</u>	<u>24,215</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	65	33
	Payables to group entities	36,798	34,571
		<u>36,863</u>	<u>34,604</u>
	Total liabilities other than provisions	<u>36,863</u>	<u>34,604</u>
	TOTAL EQUITY AND LIABILITIES	<u>60,878</u>	<u>58,819</u>

- 1 Accounting policies
- 2 Going concern uncertainties
- 3 Recognition and measurement uncertainties
- 8 Contractual obligations and contingencies, etc.
- 9 Collateral
- 10 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Total
Equity at 1 January 2022	171	24,044	24,215
Transfer through appropriation of loss	0	-200	-200
Equity at 31 December 2022	171	23,844	24,015

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Newscycle Denmark ApS for 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

In accordance with section 110(1) of the Danish Financial Statements Act, consolidated financial statements have not been prepared.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to administration etc.

Profit/loss from investments in group entities

The item includes dividend received from group entities in so far as the dividend does not exceed the accumulated earnings in the group entity in the period of ownership.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

The parent company is covered by the Danish rules on mandatory joint taxation of the Group's Danish group entities. Group entities are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The parent company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Balance sheet

Investments in group entities

Investments in subsidiaries are measured at cost, which includes the cost of acquisition calculated at fair value plus direct costs of acquisition. If there is evidence of impairment, an impairment test is conducted. Where the carrying amount exceeds the recoverable amount, a write-down is made to such lower value.

Impairment of fixed assets

Every year, investments in subsidiaries are reviewed for impairment. Where there is indication of impairment, an impairment test is made for each individual asset or group of assets, respectively, generating independent cash flows. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount.

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

Write-down is made for expected losses at the net realisable value.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

As management company for all the entities in the joint taxation arrangement, the parent company is liable for payment of the group entities' income taxes vis à vis the tax authorities as the group entities pay their joint taxation contributions. Joint taxation contributions payable or receivable are recognised in the balance sheet as income tax receivables or payables.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Other liabilities are measured at net realisable value.

2 Going concern uncertainties

The Company's ability to prepare the annual report for 2022 as a going concern is depending on the company's receivable to be of value, and that the subsidiary Naviga A/S can propose and pay dividend, so that the Company is able to fulfill its obligation to pay back its debt, if this is requested. Based on uncertainty about the valuation of receivables from affiliated companies in the subsidiary Naviga A/S, there is uncertainty about the subsidiary's ability to continue as going concern.

The uncertainty about the valuation of receivables from affiliated companies and thus the valuation of investments in group entities is caused, due to the fact that the consolidated financial statements for 2022 for NAVIGA Intermediate Holdings LLC, includes information about uncertainty of the ability to continue as going concern. The Naviga Group has an outstanding debt to credit institutions, that matures the 29th of December 2023. The Management in NAVIGA Intermediate Holdings LLC has a plan to recapitalize the Company during the fiscal year 2023, but as this plan is not certain to be completed before the maturity date of the debt, Group Management has assessed that there is significant doubt about the Group and the Company's ability to continue as going concern, until the plan has been fulfilled.

Based on the above, the Management in Newscycle Denmark ApS assess, that there is a significant uncertainty related to the valuation of the intercompany receivables and investments in group entities, as the affiliated companies may not have sufficient funding to repay these receivables. As it is Group Managements expectation to get the recapitalization plan fulfilled, the Management of Newscycle Denmark ApS has not written down the intercompany receivables or investments in group entities, as of 31 December 2022.

If the Management in NAVIGA Intermediate Holdings LLC is not able to finalize the recapitalization plan, and if Newscycle Denmark ApS is demanded to repay its intercompany debt, Newscycle Denmark ApS, will not have sufficient financing and liquidity to do so from a stand-alone standpoint, and will in this case not be able to secure financing by requesting payment and/or dividend from affiliated companies.

As a consequence of this, Management of Newscycle Denmark ApS assesses that there is substantial doubt about the Company's ability to continue as going concern. As it is Group Managements expectation to get the recapitalization plan fulfilled Management of Newscycle Denmark ApS has prepared the financial statements under the assumption of going concern.

3 Recognition and measurement uncertainties

As described above, there is uncertainty associated with the valuation of receivables from affiliated companies in the subsidiary Naviga A/S, as the repayment horizon on the receivables is unknown and the repayment is dependent on the group's recapitalization plan for 2023.

Based on the above, the Management in Newscycle Denmark ApS assess, that there is an uncertainty related to the valuation of the intercompany receivables and in investments in group entities. As it is Management in Newscycle Denmark ApS's expectation to get the recapitalization plan fulfilled, the intercompany related receivables and investments in group entities have not been written down.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	2022	2021
4 Financial income		
Interest receivable, group entities	1,149	708
	<u>1,149</u>	<u>708</u>
5 Financial expenses		
Interest expenses, group entities	1,112	680
Other financial expenses	204	263
	<u>1,316</u>	<u>943</u>

6 Investments
Group entities

Name	Domicile	Interest	Equity DKK'000	Profit/loss DKK'000
Naviga A/S	Denmark	100.00%	46,430	-9,436

7 Deferred tax

The Company has tax losses at a carrying amount of DKK 12,327 thousand. As it is uncertain if these tax losses can be utilised within a foreseeable future, their carrying amount has not been recognised in the financial statements.

8 Contractual obligations and contingencies, etc.

Other contingent liabilities

As management company, the Company is jointly taxed with other Danish group entities and is jointly and severally with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends falling due for payment.

9 Collateral

The Company has placed its shares in the subsidiary Naviga A/S as security for loans to other companies in the group.

10 Related parties

Information about consolidated financial statements

Parent	Domicile
Newscycle Solutions Holdings Inc.	Bloomington, USA