

# **Newscycle Denmark ApS**

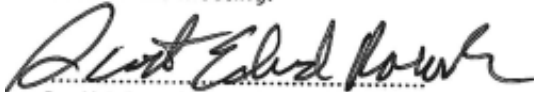
C/O Crowe Statsautoriseret Revisionsinteress, rygårds Allé 104, 2900 Hellerup

CVR no. 35 38 46 93

## Annual report 2023

Approved at the Company's annual general meeting on 8 July 2024

Chair of the meeting:



Scott Edward Roessler

## Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Financial statements 1 January - 31 December	7
Income statement	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10

## 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 2023.

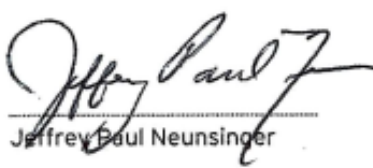
The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

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, 8 July 2024  
Executive Board:




Jeffrey Paul Neunsinger



Scott Edward Roessler

Board of Directors:



Scott Edward Roessler  
Chairman



Jeffrey Paul Neunsinger

## Independent auditor's report

To the shareholders of Newscycle Denmark ApS

### Conclusion

We have conducted an extended review of the financial statements of Newscycle Denmark ApS for the financial year 1 January - 31 December 2023, 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.

Based on the work we have performed, in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

### Basis for conclusion

We conducted our extended review in accordance with the Danish Business Authority's standard on extended review for Small entities and FSR - Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### 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.

### 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 that 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 extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance for our conclusion on the financial statements and perform specifically required supplementary procedures to obtain additional assurance for our conclusion.

An extended review comprises procedures that primarily consist of making enquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

## Independent auditor's report

### Statement on the Management's review

Management is responsible for the Management's review.

Our conclusion 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 extended review 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 extended review, 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, 8 July 2024  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Søren V. Neimann  
State Authorised Public Accountant  
mne32775



Henrik K. Andersen  
State Authorised Public Accountant  
mne36193

## Management's review

### Company details

Name	Newscycle Denmark ApS
Address, Postal code, City	C/O Crowe Statsautoriseret Revisionsinteress, rygårds Allé 104, 2900 Hellerup
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

### Unusual matters having affected the financial statements

#### *Going concern*

The Company has receivables amounting to DKK 21,212 thousand before write down towards affiliated companies in the Group. The receivables are towards Naviga A/S which is owned by NAVIGA Intermediate Holdings LLC.

The consolidated financial statements for 2023 for NAVIGA Intermediate Holdings LLC, includes information about uncertainty of the ability to continue as going concern. On March 29, 2024 NAVIGA Intermediate Holdings LLC did not make an interest payment as required, which resulted in an event of Default on April 5, 2024. Following the presentation of the annual report for NAVIGA Intermediate Holdings LLC, the Group Management has negotiated an extended payment deadline to 30 June 2024, which the Group has not complied with and the Company's debt is again due for payment. The Group Management is negotiating a forbearance agreement with respect to the interest payment. Until this plan has been fully executed Group Management has assessed that there is significant doubt about the Group and the Company's ability to continue as going concern.

Based on the above, the Management in Newscycle Denmark ApS assesses, 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 a consequence of this uncertainty, the management of Newscycle Denmark ApS has chosen to write down its receivables from group entities by DKK 21,212 thousand in the financial year 2023.

On the basis of the impairment test for investments in group entities showing that the value of the expected future cash flows to be higher than the book value, and because the financial statements for Naviga A/S has been prepared under the assumption of going concern, the management of Newscycle Denmark ApS has chosen not to make further write-downs on the investment in group entities.

If the Management in NAVIGA Intermediate Holdings LLC is not able to finalize the forbearance 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 and, therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. As it is Group Managements expectation to get the forbearance plan fulfilled Management of Newscycle Denmark ApS has prepared the financial statements under the assumption of going concern.

### Financial review

The income statement for 2023 shows a loss of DKK 21,076 thousand against a loss of DKK 200 thousand last year, and the balance sheet at 31 December 2023 shows equity of DKK 2,939 thousand.

The profit for the year is negatively impacted by DKK 21,212 thousand in 2023 as a result of impairment of receivables from group entities. As a result of uncertainty about the Group's ability continue as going concern, the Management in Newscycle Denmark ApS has chosen to write down its receivables from group entities. Reference is made to note 3.

### 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	2023	2022
	Other external expenses	-33	-33
	<b>Gross profit</b>	-33	-33
	Write-downs of current assets in excess of normal impairment	-21,212	0
	<b>Profit/loss before net financials</b>	-21,245	-33
5	Financial income	2,075	1,149
6	Financial expenses	-1,905	-1,316
	<b>Profit/loss before tax</b>	-21,075	-200
	Tax for the year	-1	0
	<b>Profit/loss for the year</b>	-21,076	-200
	<b>Recommended appropriation of profit/loss</b>		
	Retained earnings/accumulated loss	-21,076	-200
		-21,076	-200



## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK'000	2023	2022
	<b>ASSETS</b>		
	<b>Fixed assets</b>		
7	<b>Investments</b>		
	Investments in group entities	40,387	40,387
		<u>40,387</u>	<u>40,387</u>
	<b>Total fixed assets</b>	<u>40,387</u>	<u>40,387</u>
	<b>Non-fixed assets</b>		
	<b>Receivables</b>		
8	Receivables from group entities	0	20,491
	Joint taxation contribution receivable	58	0
		<u>58</u>	<u>20,491</u>
	<b>Total non-fixed assets</b>	<u>58</u>	<u>20,491</u>
	<b>TOTAL ASSETS</b>	<u>40,445</u>	<u>60,878</u>
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	Share capital	171	171
	Retained earnings	2,768	23,844
	<b>Total equity</b>	<u>2,939</u>	<u>24,015</u>
	<b>Liabilities other than provisions</b>		
	<b>Current liabilities other than provisions</b>		
	Trade payables	98	65
	Payables to group entities	37,349	36,798
	Income taxes payable	59	0
		<u>37,506</u>	<u>36,863</u>
	<b>Total liabilities other than provisions</b>	<u>37,506</u>	<u>36,863</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u>40,445</u>	<u>60,878</u>

- 1 Accounting policies
- 2 Going concern uncertainties
- 3 Special items
- 4 Staff costs
- 10 Contractual obligations and contingencies, etc.
- 11 Security and collateral
- 12 Related parties

## Financial statements 1 January - 31 December

### Statement of changes in equity

DKK'000	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2023	171	23,844	24,015
Transfer through appropriation of loss	0	-21,076	-21,076
Equity at 31 December 2023	<u>171</u>	<u>2,768</u>	<u>2,939</u>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Newscycle Denmark ApS for 2023 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.

##### Write-downs of current assets in excess of normal impairment

Write-downs of current assets in excess of normal impairment comprise impairment losses on receivables from group entities, which are considered unusual compared to those considered normal write-downs for bad debts.

##### 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.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

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

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.

Tax for the year, which comprises the current income tax charge, joint taxation contributions and deferred tax adjustments, including adjustments arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

### 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

The carrying amount of investments in group entities is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

#### Receivables

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

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

#### 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.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

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.

#### Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

#### Special items

Special items include significant income and expenses that are of a special nature in relation to the Company's profit-generating operating activities. Special items also include other significant amounts of a one-off nature which, in the opinion of management, are not part of the Company's primary operation and which are not assumed to be recurring.

#### 2 Going concern uncertainties

The Company has receivables amounting to DKK 21,212 thousand before write down towards affiliated companies in the Group. The receivables are towards Naviga A/S which is owned by NAVIGA Intermediate Holdings LLC.

The consolidated financial statements for 2023 for NAVIGA Intermediate Holdings LLC, includes information about uncertainty of the ability to continue as going concern. On March 29, 2024 NAVIGA Intermediate Holdings LLC did not make an interest payment as required, which resulted in an event of Default on April 5, 2024. Following the presentation of the annual report for NAVIGA Intermediate Holdings LLC, the Group Management has negotiated an extended payment deadline to 30 June 2024, which the Group has not complied with and the Company's debt is again due for payment. The Group Management is negotiating a forbearance agreement with respect to the interest payment. Until this plan has been fully executed Group Management has assessed that there is significant doubt about the Group and the Company's ability to continue as going concern.

## Financial statements 1 January - 31 December

### Notes to the financial statements

Based on the above, the Management in Newscycle Denmark ApS assesses, 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 a consequence of this uncertainty, the management of Newscycle Denmark ApS has chosen to write down its receivables from group entities by DKK 21,212 thousand in the financial year 2023.

On the basis of the impairment test for investments in group entities showing that the value of the expected future cash flows to be higher than the book value, and because the financial statements for Naviga A/S has been prepared under the assumption of going concern, the management of Newscycle Denmark ApS has chosen not to make further write-downs on the investment in group entities.

If the Management in NAVIGA Intermediate Holdings LLC is not able to finalize the forbearance 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 and, therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. As it is Group Managements expectation to get the forbearance plan fulfilled Management of Newscycle Denmark ApS has prepared the financial statements under the assumption of going concern.

### 3 Special items

Special items include significant income and expenses that are of a special nature in relation to the Company's profit-generating operating activities. Special items also include other significant amounts of a one-off nature which, in the opinion of management, are not part of the Company's primary operation and which are not assumed to be recurring.

As disclosed in the Management's review, the loss for the year is affected by write downs on receivables from group entities that Management does not consider part of the operating activities.

Special items for the year are specified below just as are the items under which they are recognised in the income statement.

DKK'000	2023	2022
<b>Expenses</b>		
Write downs on receivables from group entities	-21,212	0
	-21,212	0
<b>Special items are recognised in the below items of the financial statements</b>		
Write-downs of current assets in excess of normal impairment	-21,212	0
<b>Net profit/loss on special items</b>	-21,212	0

### 4 Staff costs

The Company has no employees.

### 5 Financial income

Interest receivable, group entities	1,968	1,149
Other financial income	107	0
	2,075	1,149

## Financial statements 1 January - 31 December

### Notes to the financial statements

DKK'000	2023	2022
<b>6 Financial expenses</b>		
Interest expenses, group entities	1,905	1,112
Other financial expenses	0	204
	<u>1,905</u>	<u>1,316</u>

### 7 Investments Group entities

Name	Domicile	Interest	Equity DKK'000	Profit/loss DKK'000
Naviga A/S	Denmark	100.00%	-35,980	-82,409

### 8 Receivables from group entities

The Company has unrecognized receivables from group entities of DKK 21,212 thousand as of 31 December 2023. As a result of uncertainty about the Group's ability continue as going concern, the Management in Newscycle Denmark ApS has chosen to write down its receivables from group entities, until the individual companies is able to pay back the intercompany receivables on a stand alone basis.

### 9 Deferred tax

The Company has tax losses at a carrying amount of DKK 12,298 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.

### 10 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.

### 11 Security and collateral

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

### 12 Related parties

#### Information about consolidated financial statements

Parent	Domicile
Newscycle Solutions Holdings Inc.	Bloomington, USA