

VD Holding Denmark ApS

c/o Advokat Klaus Lindblad, Slotsmarken 12, 2970 Hørsholm

Company reg. no. 40 09 78 48

Annual report

17 December 2018 - 31 December 2019

The annual report was submitted and approved by the general meeting on the 16 December 2020.

Klaus Lindblad
Chairman of the meeting

Notes to users of the English version of this document:

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

Contents

| | <u>Page</u> |
|---|-------------|
| Reports | |
| Management's report | 1 |
| Auditor's report on compilation of the financial statements | 2 |
| Management commentary | |
| Company information | 3 |
| Management commentary | 4 |
| Financial statements 17 December 2018 - 31 December 2019 | |
| Income statement | 5 |
| Statement of financial position | 6 |
| Notes | 8 |
| Accounting policies | 9 |

Management's report

Today, the managing director has presented the annual report of VD Holding Denmark ApS for the financial year 17 December 2018 - 31 December 2019.

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

I consider the accounting policies appropriate and, in my opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2019 and of the company's results of activities in the financial year 17 December 2018 – 31 December 2019.

The managing director consider the conditions for audit exemption of the 2018/19 financial statements to be met.

I am of the opinion that the management commentary presents a fair account of the issues dealt with.

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

Hørsholm, 16 December 2020

Managing Director

Verners Dobelis

Auditor's report on compilation of the financial statements

To the shareholder of VD Holding Denmark ApS

We have compiled the financial statements of VD Holding Denmark ApS for the financial year 17 December 2018 - 31 December 2019 based on the company's bookkeeping and on further information provided by you.

The financial statements comprise the accounting policies, income statement, statement of financial position and notes.

We performed this engagement in accordance with the international standard ISRS 4410 applying to compilation engagements.

We have applied our professional expertise to assist you in the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant requirements of the Danish Act on Approved Auditors and Audit Firms and with ethical requirements of the Danish Institute of State Authorised Public Accountants, including principles of integrity, objectivity, professional competence and due care.

The financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

As a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us in order to compile the financial statements. Accordingly, we express neither an audit opinion nor a review opinion as to whether the financial statements have been compiled in accordance with the Danish Financial Statements Act.

Copenhagen, 16 December 2020

BUUS JENSEN

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

Arne Sørensen

State Authorised Public Accountant
mne27757

Company information

| | |
|------------------------------|---|
| The company | VD Holding Denmark ApS c/o Advokat Klaus Lindblad Slotsmarken 12 2970 Hørsholm |
| | Company reg. no. 40 09 78 48 |
| | Established: 17 December 2018 |
| | Domicile: |
| | Financial year: 17 December - 31 December |
| Managing Director | Verners Dobelis |
| Auditors | BUUS JENSEN, Statsautoriserede revisorer |
| Associated enterprise | Waste Plastic Upcycling ApS, Nykøbing Sj |

Management commentary

The principal activities of the company

The purpose of the company is to own capital shares in recycling companies.

Development in activities and financial matters

Income or loss from ordinary activities after tax totals DKK 45.260. Management considers the net loss for the year as expected.

Events occurring after the end of the financial year

After the end of the financial year the company has planned an increase of the contributed capital through conversion of debt.

Income statement

All amounts in DKK.

| <u>Note</u> | 17/12 2018 - 31/12 2019 |
|--|----------------------------|
| Gross loss | -32.520 |
| Other financial income | 1.412 |
| 1 Other financial costs | <u>-14.152</u> |
| Pre-tax net profit or loss | -45.260 |
| Tax on net profit or loss for the year | <u>0</u> |
| Net profit or loss for the year | <u>-45.260</u> |
| Proposed appropriation of net profit: | |
| Allocated from retained earnings | <u>-45.260</u> |
| Total allocations and transfers | <u>-45.260</u> |

Statement of financial position

All amounts in DKK.

| Assets | | |
|---------------------------|----------------------------------|-------------------------|
| <u>Note</u> | | <u>31/12 2019</u> |
| Non-current assets | | |
| 2 | Equity investments in associate | <u>1.789.562</u> |
| | Total investments | <u>1.789.562</u> |
| | Total non-current assets | <u>1.789.562</u> |
| Current assets | | |
| | Cash on hand and demand deposits | <u>52.125</u> |
| | Total current assets | <u>52.125</u> |
| | Total assets | <u>1.841.687</u> |

Statement of financial position

All amounts in DKK.

| Equity and liabilities | | |
|--|--|-------------------------|
| <u>Note</u> | | <u>31/12 2019</u> |
| Equity | | |
| 3 | Contributed capital | 50.000 |
| 4 | Retained earnings | -45.260 |
| | Total equity | <u>4.740</u> |
| Liabilities other than provisions | | |
| | Trade payables | 32.500 |
| | Payables to shareholders and management | 1.119.140 |
| | Other payables | 685.307 |
| | Total short term liabilities other than provisions | <u>1.836.947</u> |
| | Total liabilities other than provisions | <u>1.836.947</u> |
| | Total equity and liabilities | <u>1.841.687</u> |

Notes

All amounts in DKK.

| | | | | 17/12 2018 - 31/12 2019 |
|---|----------------------------|-------------------------|---------------------------------|--|
| 1. Other financial costs | | | | |
| Other financial costs | | | | <u>14.152</u> |
| | | | | 14.152 |
| 2. Equity investments in associate | | | | |
| Additions during the year | | | | <u>1.789.562</u> |
| Cost 31 December 2019 | | | | <u>1.789.562</u> |
| Carrying amount, 31 December 2019 | | | | <u>1.789.562</u> |
| Financial highlights for the enterprise according to the latest approved annual report | | | | |
| | Equity interest | Equity | Results for the year | Carrying amount, VD Holding Denmark ApS |
| Waste Plastic Upcycling ApS, Nykøbing Sj | 20 % | <u>2.387.946</u> | <u>-2.365.134</u> | <u>1.789.562</u> |
| | | <u>2.387.946</u> | <u>-2.365.134</u> | <u>1.789.562</u> |
| 3. Contributed capital | | | | |
| Contributed capital 17 December 2018 | | | | <u>50.000</u> |
| | | | | 50.000 |
| 4. Retained earnings | | | | |
| Retained earnings 17 December 2018 | | | | 0 |
| Retained earnings for the year | | | | <u>-45.260</u> |
| | | | | -45.260 |

Accounting policies

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

The annual report is presented in DKK. The annual report comprises the first financial year and hence comparative figures are not available.

Recognition and measurement in general

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

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

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

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

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

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

Income statement

Gross loss

Gross loss includes other external costs.

Other external costs includes administration costs.

Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the income statement with the amounts concerning the financial year.

Accounting policies

Tax on net profit or loss for the year

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

Statement of financial position

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible assets as well as equity investments in subsidiaries and associates are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation, respectively.

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

The recoverable amount is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow derived from the use of the asset or group of assets.

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

Investments

Equity investment in associate

Equity investment in associate is measured at cost. If the recoverable amount is lower than the cost, writedown for impairment is done to match this lower value.

Cash on hand and demand deposits

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

Liabilities other than provisions

Other liabilities other than provisions are measured at amortised cost which usually corresponds to the nominal value.