

Continuum Holding ApS

c/o Resource Capital ApS, Hammerensgade 1, 1267 København K

Annual report

2023

Company reg. no. 42 27 75 68

The annual report was submitted and approved by the general meeting on the 17 July 2024.

Jesper Kilbæk
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance EUR 146.940 means the amount of EUR 146,940, and that 23,5 % means 23.5 %.

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Management's statement

Today, the Board of Directors and the Executive Board have approved the annual report of Continuum Holding ApS for the financial year 2023.

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

We consider the chosen accounting policy to be appropriate, and 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 true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

København K, 17 July 2024

Executive board

Jesper Kilbæk

Martin Keith Dronfield
CEO

Board of directors

Martin Keith Dronfield
chairman

Dörte Hirschberg

Jesper Kilbæk

Independent auditor's report

To the Shareholder of Continuum Holding ApS

Opinion

We have audited the financial statements of Continuum Holding ApS for the financial year 1 January - 31 December 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. The financial statements are prepared under 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 in accordance with the Danish Financial Statements Act.

Basis for conclusion

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 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We refer to note number 1, where the management states that Continuums lead investor has confirmed that it will invest a further €250k by the the middle of August 2024 which will secure underwrite the organizations basic costs until January 2025 and also that they are working on a Series A investment raise of €2.5million, that will secure the basic costs until at least July 2025, which is expected by the end of Q3 2024 or in Q4 2024.

Our opinion is not qualified because of this.

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.

Independent auditor's report

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report 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 these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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 disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent auditor's report

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 Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that 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 Management's Review.

Copenhagen, 17 July 2024

Martinsen

State Authorised Public Accountants
Company reg. no. 32 28 52 01

Leif Tomasson

State Authorised Public Accountant
mne25346

Company information

The company	Continuum Holding ApS c/o Resource Capital ApS Hammerensgade 1 1267 København K
	Company reg. no. 42 27 75 68 Financial year: 1 January - 31 December
Board of directors	Martin Keith Dronfield, chairman Dörte Hirschberg Jesper Kilbæk
Executive board	Jesper Kilbæk Martin Keith Dronfield, CEO
Auditors	Martinsen Statsautoriseret Revisionspartnerselskab Øster Allé 42 2100 København Ø
Subsidiary	Continuum ApS, København

Management´s review

The principal activities of the company

Continuum Holding ApS' main activities are to provide management services and business development activities cross boarder for group related companies.

Continuum Holding ApS as a "Group" have operating activities through Continuum Composite Transformation UK Ltd. based in Norwich and through Continuum Composite Recycling ApS, Demark.

Continuum has developed the world's first mechanical recycling technology for Thermoset Composites (such as Wind Turbine Blades) and in doing so has the potential to significantly contribute to the reduction (by 100 million tons) the amount of CO2 emitted to atmosphere compared to existing landfill practice by 2050. Alongside our contribution to CO2 emissions reduction, the self-contained Continuum factory uses 100% of the recycled materials to manufacture ultra-high performance and infinitely recyclable construction paneling that can be used for Building Facades, Concrete Formwork, Heavy Duty Doors and Floors and Temporary Building Solutions, our panels offer the industry class leading circular material with an industry carbon footprint of less than 122kg per cubic meters.

As the organization is now 4 years old and have raised over €3million in equity investment, this has powered us to this point and we have achieved a huge amount, however, like all start up organizations, we face the ongoing challenge, and necessity to raise further investment to get us to the point of Financial Closure (FID), the point at which we have the investment required to build our first factory and underwrite our organization, it is at this point (probably in mid-2027) that the company becomes fully revenue earning and ultimately profitable.

Continuum is an exciting organization with a technology that will change the fundamental approach to recycling thermoset composite across Europe, we are tapping into a multi-billion euro market and we are attracting a huge amount of attention across the various industries we serve and as a result has a significant number of investors currently carrying out due diligence prior to investing.

Development in activities and financial matters

The gross loss for the year totals EUR -474.756 against EUR -76.448 last year.

Continuum's lead investor has confirmed that it will invest a further €250k by the middle of August 2024 which will secure underwrite the organizations basic costs until January 2025.

We are working on a Series A investment raise of EUR 2.5 million, that will secure the basic costs until at least July 2025, which is expected by the end of Q3 2024 or in Q4 2024, and for which confidence remains high.

Accounting policies

The annual report for Continuum Holding ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises.

The accounting policies are unchanged from the previous year, and the annual report is presented in euro (EUR).

As discussed in the management report, the condition for going concern has not been met. Assets and liabilities are therefore, in accordance with current accounting policies, measured at expected realizable values.

All value adjustments of assets and liabilities as well as derived operating items are consequently recognized in the income statement, including expected losses, various disposal costs, fees etc.

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 comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, and external costs.

Accounting policies

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

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

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

Staff costs

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

Financial income and expenses

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

Results from investments in subsidiaries

Dividend from investments in subsidiaries is recognised in the financial year in which the dividend is declared.

If the dividend received exceeds the proportionate share of the year's result, this is considered an indication of impairment, which entails a requirement to prepare an impairment test.

Statement of financial position

Intangible assets

Development projects, patents, and licences

Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year.

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 10 years.

Accounting policies

Impairment loss relating to non-current assets

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

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

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

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

Investments

Investments in subsidiaries

Investments in subsidiaries are recognised and measured at cost. If the recoverable amount is lower than the cost price, it shall be written down for impairment to this lower value.

Receivables

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

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Income tax and deferred tax

As administration company, Continuum Holding ApS is liable to the tax authorities for the subsidiaries' corporate income taxes.

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

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Tax receivables from group enterprises" or "Income tax payable to group enterprises"

Accounting policies

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

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

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

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

Liabilities other than provisions

Liabilities other than provisions relating to investment properties are measured at amortised cost.

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

Convertible and profit sharing debt instruments

Convertible bonds are issued at a fixed conversion price and is regarded as composite instruments comprising a financial liability measured at amortised cost and an equity instrument in the form of the integral conversion right. Fair value of the financial liability is determined on the date of issue by applying a market rate for a similar non-convertible debt instrument. The difference between the proceeds from issuing the convertible debt instrument and the fair value of the financial liability, corresponding to the integral option to convert the liability to shareholders' equity, is recognised directly in the shareholders' equity. The value of the financial liability is recognised as long-term debts and subsequently measured at amortised cost. When extending convertible bonds, a calculation is made at amortised cost relative to the extension. Any difference is recognised in the income statement.

Income statement 1 January - 31 December

All amounts in EUR.

<u>Note</u>	<u>2023</u>	<u>2022</u>
Gross profit	-474.756	-76.448
2 Staff costs	-371.177	-55.706
Other financial income	14.454	4.609
Other financial expenses	-168.350	-10.777
Pre-tax net profit or loss	-999.829	-138.322
Net profit or loss for the year	-999.829	-138.322
Proposed distribution of net profit:		
Allocated from retained earnings	-999.829	-138.322
Total allocations and transfers	-999.829	-138.322

Balance sheet at 31 December

All amounts in EUR.

Assets		
<u>Note</u>	<u>2023</u>	<u>2022</u>
Non-current assets		
Acquired concessions, patents, licenses, trademarks, and similar rights	1.200.000	1.200.000
Total intangible assets	1.200.000	1.200.000
Investments in subsidiaries	6.001	6.001
Total investments	6.001	6.001
Total non-current assets	1.206.001	1.206.001
Current assets		
Trade debtors	0	9.574
3 Receivables from group enterprises	649.984	164.024
Receivable corporate tax	1.342	0
Other receivables	32.216	21.418
Claims for payment of contributed capital	943.384	0
Total receivables	1.626.926	195.016
Cash and cash equivalents	32.713	1.252.077
Total current assets	1.659.639	1.447.093
Total assets	2.865.640	2.653.094

Balance sheet at 31 December

All amounts in EUR.

Equity and liabilities		
<u>Note</u>	<u>2023</u>	<u>2022</u>
Equity		
Contributed capital	7.748	6.000
Results brought forward	1.746.083	-139.388
Total equity	1.753.831	-133.388
Liabilities other than provisions		
Convertible and profit-sharing debt instruments	0	1.775.841
Total long term liabilities other than provisions	0	1.775.841
Trade creditors	63.173	7.835
Debt to shareholders and management	853	853
Other payables	1.047.783	1.001.953
Total short term liabilities other than provisions	1.111.809	1.010.641
Total liabilities other than provisions	1.111.809	2.786.482
Total equity and liabilities	2.865.640	2.653.094

1 Uncertainties relating to going concern

4 Contingencies

Statement of changes in equity

All amounts in EUR.

	Contributed capital	Retained earnings	Total
Equity 1 January 2022	6.000	-1.066	4.934
Profit or loss for the year brought forward	0	-138.322	-138.322
Equity 1 January 2023	6.000	-139.388	-133.388
Capital increase by debt conversion	1.372	1.942.292	1.943.664
Cash capital increase	376	943.008	943.384
Profit or loss for the year brought forward	0	-999.829	-999.829
	7.748	1.746.083	1.753.831

Notes

All amounts in EUR.

1. Uncertainties relating to going concern

Continuum's lead investor has confirmed that it will invest a further €250k by the middle of August 2024 which will secure underwrite the organization's basic costs until January 2025.

We are working on a Series A investment raise of €2.5million, that will secure the basic costs until at least July 2025, which is expected by the end of Q3 2024 or in Q4 2024, and for which confidence remains high.

As the Series A investment is not secured there remains a going concern uncertainty.

	<u>2023</u>	<u>2022</u>
2. Staff costs		
Salaries and wages	369.805	55.668
Other costs for social security	<u>1.372</u>	<u>38</u>
	<u>371.177</u>	<u>55.706</u>
Average number of employees	<u>1</u>	<u>1</u>

3. Receivables from group enterprises

184.000 Euro of the receivable is against Continuum ApS, where we have confirmed that the debt (receivable) is subordinated to other debts / creditors.

4. Contingencies

Contingent assets

The company has a deferred tax asset of t.EUR 207., which is not included in the balance sheet.

Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

Any subsequent adjustments of corporate taxes or withholding taxes, etc., may result in changes in the company's liabilities.