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Green Island Vécycle ApS

c/o Bloxhub, Bryghuspladsen 8, 3., 1473 København K

Company reg. no. 42 48 76 35

Annual report

1 January - 31 December 2023

The annual report was submitted and approved by the general meeting on the 5 August 2024.

Niels Løber
Chairman of the meeting

Contents

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 DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Green Island Vécycle ApS for the financial year 1 January - 31 December 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, 5 August 2024

Managing Director

Søren Rytoft
cheif executive officer

Board of directors

Niels Holck chairman	Erik Lundegaard Madsen	Niels Løber

Independent auditor's report

To the Shareholders of Green Island Vécycle ApS

Auditor's report on the Financial Statements

Opinion

We have audited the financial statements of Green Island Vécycle ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, 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

Without impacting our conclusion we must point out that there is material uncertainty about the company's ability to continue as a going concern. We refer to management's statement in note 1 in which management explains that the company's capital resources are significantly dependent on projects being completed according to expected timeschedule and other key assumptions. Management expect the company's capital ressources to be sufficient, and therefor, the financial statement have been prepared on a going concern basis.

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.

Reporting obligations in accordance with the Danish Declaration Order § 7, stk. 2 - non-compliance with the Danish Financial Statements Act
Without impacting our conclusion, we must note that the financial statement were submitted late, which may result in management being held accountable.

Aarhus, 5 August 2024

Grant Thornton
Certified Public Accountants
Company reg. no. 34 20 99 36

Brian Christensen
State Authorised Public Accountant
mne35438

Company information

The company	Green Island Vécycle ApS c/o Bloxhub Bryghuspladsen 8, 3. 1473 København K
	Company reg. no. 42 48 76 35 Established: 15 June 2021 Financial year: 1 January - 31 December
Board of directors	Niels Holck, chairman Erik Lundegaard Madsen Niels Løber
Managing Director	Søren Rytoft, cheif executive officer
Auditors	Grant Thornton, Godkendt Revisionspartnerselskab Agerøvej 31A, 2. sal 8381 Tilst
Parent company	Green Island Group ApS
Subsidiary	Green Island Vecycle Ltd., Canada

Management´s review

Description of key activities of the company

The purpose of the company is to engage in business activities related to the technical development of biogas plants and provide advice on their operation, including advising on green supply solutions, as well as activities associated therewith, as determined by the management.

Development in activities and financial matters

The result for the year shows a loss of t.DKK 8.195 against a profit of t.DKK 2.427 last year. Management considers the result of the year as unsatisfactory. After allocation of the loss for the year, the total equity is -5.795 t.DKK.

The company has primarily been working on construction of the first biogas plant in Ontario, Canada, which is almost complete. Because this was a pilot project, there has been delays and several unforseen cost due to technical issues and governmental approvals, which is the main reason for the loss for the year. The customer has approved payment of approx. 700 t.CAD which will cover some of the extra cost which will be invoiced in the fall with the final installment for the project. Management expect that the approved payment for extra cost and the final installment will cover all cost in 2024 regarding the project.

In 2023 a subsidiary has been established in Canada, Green Island Vecycle Ltd. During the year the subsidiary has started building 3 new biogas plants in Ontario and at year end these are at an early stage in the building proces. Management will use the knowledge from the pilot project regarding the technical issues and delays to ensure that these 3 projects are finished in due time and are profitable. Unlike the first project in Canada, Green Island Vecycle Ltd. is the main contractor for these 3 projects. Green Island Vecycle Ltd. will primarily purchase parts for the projects from Green Island Vecycle ApS and project management. Management expect final completion of 1 project in 2024 and 2 other project in the start of 2025.

Management hope to secure deals for further 1-3 biogas plants during the year and expects a net profit in 2024. Upon signing of the financial statement one deal has been signed and there has been given verbal agreement regarding one more deal.

The company is still in a startup phase and is continuously adding skilled employees to the organisation and working on building a pipeline with a critical mass of project.

Management´s review

Material uncertainty related to going concern and financial ressources

Due to the loss of the year the financial ressources are scarce and therefor management are continuously monitoring the financial ressources closely. Management is using a weekly cash budget to secure adaquit financial ressources to ensure that creditor is paid in due time so this will not effect the completion of the projects. The cash flow is based on managements assumptions regarding the construction proces and completion on project milestones. The assumptions is based on a byweekly projectstatus with the customer which also includes updated paymentplan for future installments.

At the end of 2023 Green Island Vecycle Ltd. has received the third installment for the 3 projects, which is the "prepayment for parts", which is a substantinal part of the project payments. In the spring of 2024 Green Island Vecycle Ltd. has made a substantinal unauthorised short term loan to a business partner. The repayment of the loan has unfortunately been delayed. The management has received a partial repayment in the summer of 2024 and expect further partial payment within 1-2 week. Repayment of the residual debt is still unclear. Because Green Island Vecycle ApS is the main supplier to the 3 projects, this will inveitably have an effect on the cash flow. The management has changed the power of attorney for the bank account in Green Island Vecycle Ltd., so all payments has to be approved by the management in Green Island Vecycle ApS. The management in Green Island Vecycle Ltd. has guaranteed that this will not effect payments of creditors in Green Island Vecycle Ltd., but may delay payments for Green Island Vecycle ApS. The management has takens this guarantee into account in the cash budget. Due to the uncertainty of the repayment of the unauthorized loan management has not taken into account repayments besides the forthcoming partial payment within 1-2 weeks.

Management is of the perception that the financial ressources are scarse but will be sufficient if projects are completed as expected and other assumptions are met.

Events occurring after the end of the financial year

Besides what is mentioned above, there is no events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Income statement 1 January - 31 December

All amounts in DKK.

Note		2023	2022
	Gross profit	**-4.369.682**	**4.771.861**
2	Staff costs	-3.753.445	-949.241
	Profit before net financials	**-8.123.127**	**3.822.620**
	Other financial income from group enterprises	46.873	0
	Other financial income	124.676	47.390
	Other financial expenses	-242.931	-758.904
	Pre-tax net profit or loss	**-8.194.509**	**3.111.106**
	Tax on net profit or loss for the year	0	-684.442
	Net profit or loss for the year	**-8.194.509**	**2.426.664**
	Proposed distribution of net profit:		
	Transferred to retained earnings	0	2.426.664
	Allocated from retained earnings	-8.194.509	0
	Total allocations and transfers	**-8.194.509**	**2.426.664**

Balance sheet at 31 December

All amounts in DKK.

Note	Assets	2023	2022
	Non-current assets		
3	Investments in group enterprises	0	0
	Deposits	100.800	60.000
	Total investments	100.800	60.000
	Total non-current assets	**100.800**	**60.000**
	Current assets		
	Trade receivables	39.583	9.601.405
	Receivables from group enterprises	1.563.842	0
	Other receivables	969.763	1.974.047
	Prepayments	42.000	6.557.736
	Total receivables	2.615.188	18.133.188
	Cash and cash equivalents	1.323.986	3.050.700
	Total current assets	**3.939.174**	**21.183.888**
	Total assets	**4.039.974**	**21.243.888**

Balance sheet at 31 December

All amounts in DKK.

Note	Equity and liabilities	2023	2022
	Equity		
	Contributed capital	40.000	40.000
	Retained earnings	-5.834.527	2.359.983
	Total equity	**-5.794.527**	**2.399.983**
	Liabilities other than provisions		
	Prepayments received from customers	0	7.424.190
	Trade payables	2.030.801	10.293.247
	Payables to group enterprises	5.695.733	311.558
	Income tax payable to group enterprises	0	684.442
	Other payables	2.107.967	130.468
	Total short term liabilities other than provisions	9.834.501	18.843.905
	Total liabilities other than provisions	**9.834.501**	**18.843.905**
	Total equity and liabilities	**4.039.974**	**21.243.888**

1 Uncertainties relating to going concern

4 Contingencies

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Reserve for net revaluation according to the equity method	Total
Equity 1 January 2023	40.000	2.359.982	2.399.982
Retained earnings for the year	0	-8.194.509	-8.194.509
	40.000	**-5.834.527**	**-5.794.527**

Notes

All amounts in DKK.

1. Uncertainties relating to going concern

Due to the loss of the year the financial ressources are scarce and therefor management are continuously monitoring the financial ressources closely. Management is using a weekly cash budget to secure adaquit financial ressources to ensure that creditor is paid in due time so this will not effect the completion of the projects. The cash flow is based on managements assumptions regarding the construction proces and completion on project milestones. The assumptions is based on a byweekly projectstatus with the customer which also includes updated paymentplan for future installments.

At the end of 2023 Green Island Vecycle Ltd. has received the third installment for the 3 projects, which is the "prepayment for parts", which is a substantinal part of the project payments. In the spring of 2024 Green Island Vecycle Ltd. has made a substantinal unauthorised short term loan to a business partner. The repayment of the loan has unfortunately been delayed. The management has received a partial repayment in the summer of 2024 and expect further partial payment within 1-2 week. Repayment of the residual debt is still unclear. Because Green Island Vecycle ApS is the main supplier to the 3 projects, this will inveitably have an effect on the cash flow. The management has changed the power of attorney for the bank account in Green Island Vecycle Ltd., so all payments has to be approved by the management in Green Island Vecycle ApS. The management in Green Island Vecycle Ltd. has guaranteed that this will not effect payments of creditors in Green Island Vecycle Ltd., but may delay payments for Green Island Vecycle ApS. The management has takens this guarantee into account in the cash budget. Due to the uncertainty of the repayment of the unauthorized loan management has not taken into account repayments besides the forthcoming partial payment within 1-2 weeks.

Management is of the perception that the financial ressources are scarse but will be sufficient if projects are completed as expected and other assumptions are met.

	2023	2022
2. Staff costs		
Salaries and wages	3.666.405	873.934
Pension costs	52.845	70.857
Other costs for social security	34.195	4.450
	3.753.445	**949.241**
Average number of employees	6	2

Notes

All amounts in DKK.

3. Investments in group enterprises

At the end of 2023 Green Island Vecycle Ltd. has received the third installment for the 3 projects, which is the "prepayment for parts", which is a substantial part of the project payments. In the spring of 2024 Green Island Vecycle Ltd. has made a substantial unauthorised short term loan to a business partner. The repayment of the loan has unfortunately been delayed. The management has received a partial repayment in the summer of 2024 and expect further partial payment within 1-2 week. Repayment of the residual debt is still unclear. The management in Green Island Vecycle Ltd. has guaranteed that this will not effect payments of creditors in Green Island Vecycle Ltd. Due to the uncertainty of the repayment of the unauthorized loan Investment in group enterprises i recognised at 0 DKK.

4. Contingencies

Joint taxation

With Danefaerd ApS, company reg. no 38340360 as administration company, the company is subject to the Danish scheme of joint taxation and is proportionally liable for tax claims within the joint taxation scheme.

The company is proportionally liable for any obligations to withhold tax on interest, royalties, and dividends of the jointly taxed companies.

Accounting policies

The annual report for Green Island Vécycle 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 accounting policies are unchanged from last year, and the annual report is presented in DKK.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

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.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

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 operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets, operating loss and conflict compensation as well as salary reimbursements received. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

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

Accounting policies

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, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from investments in group enterprises

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the investment in the individual entities are recognised in the income statement as a proportional share of the entities' post-tax profit or loss.

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 fixed assets as well as equity investments in group enterprises 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. write-down 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.

Investments

Investments in group enterprises

Investments in group enterprises are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Accounting policies

Investments in group enterprises are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 5-20 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterprises with a strong market position and a long-term earnings profile.

In relation to material assets and liabilities recognised in group enterprises but are not represented in the parent, the following accounting policies have been applied.

Investments in group enterprises with a negative equity value are measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover an negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises transferred to the reserve under equity for net revaluation according to the equity method. Dividends from group enterprises expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in group enterprises.

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

On the acquisition of enterprises, the acquisition method, the uniting-of-interests method or the book value method is applied, cf. the above description under Business combinations.

Deposits
Deposits are measured at amortised cost and represent lease deposits, etc.

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

Accounting policies

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Prepayments
Prepayments recognised under assets comprise incurred costs concerning the following financial year.

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

Income tax and deferred tax
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"

According to the rules of joint taxation, Green Island Vécycle ApS is proportionally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

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.

Accounting policies

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