



RSM

RSM Denmark

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Quantafuel Denmark ApS

Greenlab 19, Kåstrup, 7860 Spøttrup

Company reg. no. 42 50 94 77

Annual report

1 January 2023 - 31 March 2024

The annual report was submitted and approved by the general meeting on the 27 August 2024.

Lee James Hodder
Chairman of the meeting

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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 Quantafuel Denmark ApS for the financial year 1 January 2023 - 31 March 2024.

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 March 2024 and of the results of the Company's operations for the financial year 1 January 2023 – 31 March 2024.

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.

Kåstrup, 27 August 2024

Managing Director

Kristin Vinslid

Board of directors

Lee James Hodder

Jens Petter Broby

Independent auditor's report

To the Shareholder of Quantafuel Denmark ApS

Opinion

We have audited the financial statements of Quantafuel Denmark ApS for the financial year 1 January 2023 - 31 March 2024, 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 March 2024, and of the results of the Company's operations for the financial year 1 January 2023 - 31 March 2024 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.

Management's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance 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.

Independent auditor's report

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.

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.

Independent auditor's report

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.

Skive, 27 August 2024

RSM Danmark

Statsautoriseret Revisionspartnerselskab
Company reg. no. 25 49 21 45

Kenny Dam Handberg

State Authorised Public Accountant
mne43515

Company information

The company	Quantafuel Denmark ApS Greenlab 19 Kåstrup 7860 Spøttrup
	Company reg. no. 42 50 94 77 Established: 29 June 2021 Domicile: Skive Financial year: 1 January - 31 March
Board of directors	Lee James Hodder Jens Petter Broby
Managing Director	Kristin Vinslid
Auditors	RSM Danmark Statsautoriseret Revisionspartnerselskab Frugtparken 3 7800 Skive
Parent company	Quantafuel ASA, Norway
Subsidiary	Quantafuel Aalborg ApS, Skive
Participating interest	Resource Denmark ApS, Esbjerg

Management's review

Description of key activities of the company

Like previous years, the activities are to act as a holding company, to make investments, to collect, sort, and process plastic material for recycling, as well as other related activities at the board's discretion.

Development in activities and financial matters

The income statement for the period 01.01. - 31.03.2024 shows a net profit or loss of tDKK 7.331. The balance sheet shows an equity of tDKK 4.000. Management considers the net profit or loss for the year satisfactory, since the company and underlying companies in the group are in the startup phase.

As a result of changes in the company's ownership, the accounting period has been changed to 1 April - 31. March. The current financial year comprises 15 months in the period 1 January 2023 – 31 March 2024.

Accounting policies

The annual report for Quantafuel 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 accounting policies are unchanged from the previous year, and the annual report is presented in DKK. The accounting period has been changed in the current financial year and comprises the period 1 January 2023 – 31 March 2024. The comparative figures in the income statement comprise the period 1 January 2022 – 31 December 2022.

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, write-downs 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.

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.

Accounting policies

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 other operating income and external costs.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise.

Other external expenses comprise expenses incurred for administration and premises.

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 debt and transactions in foreign currency, as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from investments in group enterprises and participating interest

Dividend from investments in group enterprises and participating interest 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.

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.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable by the Danish consolidated companies is paid to the tax authorities by the company.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Accounting policies

Statement of financial position

Property, plant, and equipment in progress

Property, plant, and equipment in progress are measured and recognised as the total costs incurred. When the work has been completed, the total value is transferred to the relevant item under property, plant, and equipment and is amortised from the date of entry into service.

Investments

Investments in group enterprises and participating interest

Investments in group enterprises and participating interest 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.

Deposits

Deposits are measured at amortised cost.

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.

Income tax and deferred tax

As administration company, Quantafuel Denmark 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"

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.

Income statement

All amounts in DKK.

<u>Note</u>	1/1 2023 - 31/3 2024	1/1 2022 - 31/12 2022
Gross profit	-214.308	-3.265.642
Income from investments in group enterprises	0	-653.441
Other financial income from group enterprises	16.228.273	2.539.561
Other financial income	21.269.338	4.499.787
1 Other financial expenses	-27.866.528	-6.408.305
Pre-tax net profit or loss	9.416.775	-3.288.040
Tax on net profit or loss for the year	-2.086.173	-110.886
Net profit or loss for the year	7.330.602	-3.398.926
Proposed distribution of net profit:		
Transferred to retained earnings	7.330.602	0
Allocated from retained earnings	0	-3.398.926
Total allocations and transfers	7.330.602	-3.398.926

Balance sheet

All amounts in DKK.

<u>Note</u>	<u>31/3 2024</u>	<u>31/12 2022</u>
Assets		
Non-current assets		
Property, plant and equipment in progress and prepayments for property, plant and equipment	10.000	50.000
Total property, plant, and equipment	10.000	50.000
Investments in group enterprises	100.000	100.000
Investments in participating interests	66.518.705	66.518.705
Receivables from participating interests	352.401.810	128.673.537
Deposits	15.000	15.000
Total investments	419.035.515	195.307.242
Total non-current assets	419.045.515	195.357.242
Current assets		
Other receivables	968	5.991
Total receivables	968	5.991
Cash and cash equivalents	2.119.792	2.300.385
Total current assets	2.120.760	2.306.376
Total assets	421.166.275	197.663.618

Balance sheet

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>31/3 2024</u>	<u>31/12 2022</u>
Equity		
Contributed capital	100.000	100.000
Retained earnings	3.900.257	-3.430.344
Total equity	<u>4.000.257</u>	<u>-3.330.344</u>
Liabilities other than provisions		
Payables to group enterprises	411.837.715	197.331.537
Total long term liabilities other than provisions	<u>411.837.715</u>	<u>197.331.537</u>
Trade payables	44.838	62.194
Payables to group enterprises	3.156.090	3.470.116
Payables to participating interest	41.202	19.229
Income tax payable to group enterprises	2.086.173	110.886
Total short term liabilities other than provisions	<u>5.328.303</u>	<u>3.662.425</u>
Total liabilities other than provisions	<u>417.166.018</u>	<u>200.993.962</u>
Total equity and liabilities	<u>421.166.275</u>	<u>197.663.618</u>

2 Contingencies

3 Related parties

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2023	100.000	-3.430.345	-3.330.345
Retained earnings for the year	<u>0</u>	<u>7.330.602</u>	<u>7.330.602</u>
	<u>100.000</u>	<u>3.900.257</u>	<u>4.000.257</u>

Notes

All amounts in DKK.

	1/1 2023 - 31/3 2024	1/1 2022 - 31/12 2022
1. Other financial expenses		
Financial costs, group enterprises	27.859.276	6.397.504
Other financial costs	7.252	10.801
	27.866.528	6.408.305

2. Contingencies

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.

3. Related parties

Controlling interest

Quantafuel AS, Lilleakerveien 2C, 0283 Oslo, Norway

Majority shareholder

Consolidated financial statements

The company is included in the consolidated financial statements of Quantafuel AS, Norway.