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Havneholmen 29  
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CVR no. 20 22 26 70

**BIOMASON DENMARK APS**  
**C/O GORRISSSEN FEDERSPIEL, AXELTORV 2, 1609 KØBENHAVN V**  
**ANNUAL REPORT**  
**1 JANUARY - 31 DECEMBER 2023**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 28 June 2024**

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**Lily Low Parshall Wachter**

*The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.*

**CVR NO. 43 07 30 01**

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**COMPANY DETAILS****Company**

Biomason Denmark ApS  
c/o Gorrissen Federspiel, Axeltorv 2  
1609 Copenhagen V

CVR No.: 43 07 30 01  
Established: 15 February 2022  
Municipality: Copenhagen  
Financial Year: 1 January - 31 December

**Executive Board**

Lily Low Parshall Wachter

**Auditor**

BDO Statsautoriseret revisionsaktieselskab  
Havneholmen 29  
1561 Copenhagen V

## MANAGEMENT'S STATEMENT

Today the Executive Board have discussed and approved the Annual Report of Biomason Denmark ApS for the financial year 1 January - 31 December 2023.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

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

The Management Commentary includes in my opinion a fair presentation of the matters dealt with in the Commentary.

The Executive Board remain of the opinion that the conditions for opting out of audit have been fulfilled.

I recommend the Annual Report be approved at the Annual General Meeting.

København V, 28 June 2024

Executive Board

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Lily Low Parshall Wachter

## AUDITOR'S REPORT ON COMPILATION OF FINANCIAL INFORMATION

To the Shareholder of Biomason Denmark ApS

We have compiled these Financial Statements of Biomason Denmark ApS for the financial year 1 January - 31 December 2023 based on the Company's accounting records and other information provided by Management.

These Financial Statements comprise income statement, balance sheet, statement of changes in equity, notes and accounting policies.

We performed this compilation engagement in accordance with the International Standard, Compilation Engagements.

We have applied our professional expertise to assist Management in the preparation and presentation of these Financial Statements in accordance with the Danish Financial Statements Act. We have complied with relevant statutory provisions of the Danish Audit Act and International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), including principles of integrity, objectivity, professional behaviour, and due care.

These Financial Statements and the accuracy and completeness of the information used to compile these Financial Statements are Management's responsibility.

Since an engagement to compile financial information is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided by Management to us to compile these Financial Statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 28 June 2024

BDO Statsautoriseret revisionsaktieselskab  
CVR no. 20 22 26 70

Søren Søndergaard Jensen  
State Authorised Public Accountant  
MNE no. mne32069

## MANAGEMENT COMMENTARY

### **Principal activities**

The principal activities comprise to engage in business activities within trade and industry, and any other related businesses.

### **Significant events after the end of the financial year**

No events have occurred after the end of the financial year of material importance for the Company's financial position.

### **Assumption with respect to going concern**

The company has lost more than 50 % of its share capital, and are therefore subject to the Danish Company Law.

Further, the company has received a letter of comfort regarding financial support from the parent company Biomason Inc. Will provide the necessary financial support, if the company are not able by its own to fulfill its financial liabilities.

Based on this, it is Managements assessment thats the company is going concern.

**INCOME STATEMENT 1 JANUARY - 31 DECEMBER**

	Note	2023 DKK	2022 DKK
<b>GROSS LOSS</b> .....		<b>-17.699.814</b>	<b>-3.427.874</b>
Staff costs.....	1	-3.499.372	-1.263.946
Depreciation, amortisation and impairment losses.....		-1.554.084	0
<b>OPERATING LOSS</b> .....		<b>-22.753.270</b>	<b>-4.691.820</b>
Other financial income.....		586.355	248.733
Other financial expenses.....	2	-1.346.590	0
<b>LOSS BEFORE TAX</b> .....		<b>-23.513.505</b>	<b>-4.443.087</b>
Tax on profit/loss for the year.....		0	0
<b>LOSS FOR THE YEAR</b> .....		<b>-23.513.505</b>	<b>-4.443.087</b>
<b>PROPOSED DISTRIBUTION OF PROFIT</b>			
Retained earnings.....		-23.513.505	-4.443.087
<b>TOTAL</b> .....		<b>-23.513.505</b>	<b>-4.443.087</b>

## BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2023 DKK	2022 DKK
Production plant and machinery.....		9.635.319	0
Tangible fixed assets in progress and prepayment.....		0	6.047.568
<b>Property, plant and equipment.....</b>	<b>3</b>	<b>9.635.319</b>	<b>6.047.568</b>
Rent deposit and other receivables.....		130.271	301.231
<b>Financial non-current assets.....</b>	<b>4</b>	<b>130.271</b>	<b>301.231</b>
<b>NON-CURRENT ASSETS.....</b>		<b>9.765.590</b>	<b>6.348.799</b>
Trade receivables.....		23.360	0
Other receivables.....		385.034	1.236.712
Prepayments.....		47.439	5.409
<b>Receivables.....</b>		<b>455.833</b>	<b>1.242.121</b>
<b>Cash and cash equivalents.....</b>		<b>3.903.014</b>	<b>1.793.837</b>
<b>CURRENT ASSETS.....</b>		<b>4.358.847</b>	<b>3.035.958</b>
<b>ASSETS.....</b>		<b>14.124.437</b>	<b>9.384.757</b>



## BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2023 DKK	2022 DKK
Share Capital.....		40.000	40.000
Retained earnings.....		-27.956.592	-4.443.087
<b>EQUITY.....</b>		<b>-27.916.592</b>	<b>-4.403.087</b>
Trade payables.....		263.241	4.790.667
Debt to Group companies.....		41.232.674	6.858.814
Other liabilities.....		269.276	95.537
Accrued expenses.....		275.838	2.042.826
<b>Current liabilities.....</b>		<b>42.041.029</b>	<b>13.787.844</b>
<b>LIABILITIES.....</b>		<b>42.041.029</b>	<b>13.787.844</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>14.124.437</b>	<b>9.384.757</b>
 Contingencies etc.	 5		
Charges and securities	6		
Assumption with respect to going concern	7		

## EQUITY

DKK	Share Capital	Retained earnings	Total
Equity at 1 January 2023.....	40.000	-4.443.087	-4.403.087
Proposed profit allocation.....		-23.513.505	-23.513.505
<b>Equity at 31 December 2023 .....</b>	<b>40.000</b>	<b>-27.956.592</b>	<b>-27.916.592</b>

## NOTES

	2023 DKK	2022 DKK	Note
<b>Staff costs</b>			<b>1</b>
Average number of full time employees	5	3	
Wages and salaries.....	3.060.180	1.119.474	
Pensions.....	368.008	141.128	
Other staff costs.....	71.184	3.344	
	<b>3.499.372</b>	<b>1.263.946</b>	
<b>Other financial expenses</b>			<b>2</b>
Group enterprises.....	1.346.590	0	
	<b>1.346.590</b>	<b>0</b>	
<b>Property, plant and equipment</b>			<b>3</b>
		Tangible fixed	
		Production plant	
		assets in progress	
		and prepayment	
DKK			
Cost at 1 January 2023.....	0	6.047.568	
Additions.....	11.189.403	0	
Disposals.....	0	-6.047.568	
Cost at 31 December 2023.....	<b>11.189.403</b>	<b>0</b>	
Depreciation for the year.....	1.554.084		
Depreciation and impairment losses at 31 December 2023....	<b>1.554.084</b>	<b>0</b>	
Carrying amount at 31 December 2023.....	<b>9.635.319</b>	<b>0</b>	
<b>Financial non-current assets</b>			<b>4</b>
		Rent deposit and	
		other receivables	
DKK			
Additions.....		130.271	
Cost at 31 December 2023.....		<b>130.271</b>	
Carrying amount at 31 December 2023.....		<b>130.271</b>	
<b>Contingencies etc.</b>			<b>5</b>
<b>Contingent liabilities</b>			
None			
<b>Charges and securities</b>			<b>6</b>
None			

**NOTES****Note****Assumption with respect to going concern****7**

The company has lost more than 50 % of its share capital, and are therefore subject to the Danish Company Law.

Further, the company has received a letter of comfort regarding financial support from the parent company Biomason Inc. Will provide the necessary financial support, if the company are not able by its own to fulfill its financial liabilities.

Based on this, it is Managements assessment that the company is going concern.

## ACCOUNTING POLICIES

The Annual Report of Biomason Denmark ApS for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

## INCOME STATEMENT

### Net revenue

Net revenue from the sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received.

Where products with a high degree of individual adjustment are delivered, recognition in net revenue is made as and when the production progresses, the net revenue being equal to the sales value of the work performed for the year (the production method). This method is applied when the total income and expenses regarding the contract and the degree of completion at the Balance Sheet date can be reliably assessed, and it is likely that the financial benefits will flow to the Company.

When the result of contract work cannot be assessed reliably, revenue is only recognised corresponding to the related costs and only to the extent that it is likely that they will be recovered.

Rental income is accrued to cover the period up to the end of the financial year. Payments charged to cover heating are not included in rental income.

Sale of services is generally recognised on the basis of a measurable degree of completion, using straight-line recognition of services delivered over time in a regular pattern. Where the degree of completion is not measurable or the sales value or the total costs of completion are uncertain, revenue is recognised by the amount that the enterprise as a maximum believes to have a right to claim and is expected to be received for services delivered at the Balance Sheet date.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

### Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

### Other external expenses

Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing and premises etc.

### Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Company's employees.

### Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

### Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

## ACCOUNTING POLICIES

### BALANCE SHEET

#### **Tangible fixed assets**

Land and buildings, production plant and machinery, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

#### **Financial non-current assets**

##### **Impairment of fixed assets**

The carrying amount of tangible assets together with fixed assets, which are not measured at fair value, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

#### **Receivables**

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Write-off is performed to provide for losses when an objective indication has been assessed to have incurred that a receivable or a portfolio of receivables are impaired. If there is an objective indication that an individual receivable is impaired, the write-off is performed at individual level.

Receivables for which there are no objective indication of impairment at individual level are assessed at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' registered office and credit rating in accordance with the Company's policy for credit risk management. The objective indicators, which are applied for portfolios, are determined based on the historical loss experiences.

Write-off is determined as the difference between the carrying amount of receivables and the present value of the expected cash flows, including realisable value of any received collaterals. The effective interest rate is used as discount rate for the single receivable or portfolio.

#### **Accruals, assets**

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

## ACCOUNTING POLICIES

### **Tax payable and deferred tax**

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

### **Liabilities**

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

### **Accruals, liabilities**

Accruals recognised as liabilities include payments received regarding income in subsequent years.