RSM Denmark

Statsautoriseret
Revisionspartnerselskab

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Resource Denmark ApS

Veldbæk Industrivej 18, 6705 Esbjerg Ø

Company reg. no. 42 51 51 91

Annual report

1 January - 31 December 2024

The annual report was submitted and approved by the general meeting on the 25 June 2025.

Lee James Hodder
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 Resource Denmark ApS for the financial year 1 January - 31 December 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 December 2024 and of the results of the Company's operations for the financial year 1 January – 31 December 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.

Esbjerg, 25 June 2025

Managing Director

Flemming Horn Nielsen

Board of directors

Lee James Hodder	Amie Louise Stringer	Martin Sichelkow
Teresa Rebuelta Merino		

Independent auditor's report

To the Shareholders of Resource Denmark ApS

Opinion

We have audited the financial statements of Resource Denmark ApS for the financial year 1 January - 31 December 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 December 2024, and of the results of the Company's operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

Basis for Opinion

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.

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.

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, 25 June 2025

RSM Danmark
Statsautoriseret Revisionspartnerselskab
Company reg. no. 25 49 21 45

Kenny Dam Handberg
State Authorised Public Accountant
mne43515

Company information

The company	Resource Denmark ApS Veldbæk Industrivej 18 6705 Esbjerg Ø	
	Company reg. no.	42 51 51 91
	Established:	1 July 2021
	Domicile:	Esbjerg
	Financial year:	1 January - 31 December
Board of directors	Lee James Hodder Amie Louise Stringer Martin Sichelkow Teresa Rebuelta Merino	
Managing Director	Flemming Horn Nielsen	
Auditors	RSM Danmark Statsautoriseret Revisionspartnerselskab Frugtparken 3 7800 Skive	

Description of key activities of the company

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

Major activities and financial results

2024 was an eventful year for ReSource Denmark. In the first half of the year, our facility in Esbjerg went through the final construction phase, through commissioning and into commercial operations on the 29th of May.

In the second half of the year, the facility received mainly post-consumer household waste from Danish households as it has been designed for initially with one day-shift as activities were ramped up gradually. This approach was purposely chosen to gain as much operational experience as possible, before we introduce bigger volumes. This ramp-up phase allows us to progressively optimize operations, train personnel in a safe environment and implement the necessary processes. On the 7th of October we introduced our 2nd shift of operators in an evening shift.

As the facility has purposely been built to cater for large volumes to achieve economies of scale, the ramp-up period is, as expected, associated with accounting losses, also given the significant CAPEX outlay and corresponding depreciation and amortization scehdule.

In second half of 2024, we secured further intake volumes starting from the 1st of January 2025, thereby allowing the Company to continue its ramp-up trajectory according to plan. In addition, we continue to strengthen the agreements and corporation with offtakers of the various sorted fractions.

Future outlook

As planned from the beginning, 2025 will be a continuation of the aforementioned ramp-up period as processed volumes continue to grow, the team of ReSource Denmark strengthens, and we streamline operations. The target of becoming operationally cash flow positive in 2025 is still within reach, and our outlook on the future remains positive given Denmark's ambitious goals within recycling and the competitive edge of our facility has given its size, location and state-of-the-art technology.

Financial resources

Management has prepared the annual report under the assumption of going concern, given its positive future outlook and the backing of its financially strong shareholders.

Events occurring after the end of the financial year

A big focus at the end of 2024 and the beginning of 2025 has been to secure volumes related to tenders under the extended producer responsibility (EPR) regime. In February 2025, the company was successful in winning a large tender with VANA with effective date as of October 1st, 2025. The contract duration is more than 3 years and with a volume of approximately half of the plant's capacity. This will give a solid operational and financial foundation for future cash flows for the Company. Additional smaller EPR tenders are on-going in Denmark as the Company continues to help Denmark close the loop on its plastic waste streams, making them circular thereby turning waste into a valuable resource.

Other than this, no events have occured after the end of the financial year, which may change the financial position of the entity as of December 31st, 2024 substantially.

The annual report for Resource 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 last year, and the annual report is presented in DKK.

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.

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.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Income statement

Gross loss

Gross loss comprises the revenue, cost of sales, other operating income, and external costs.

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 salary reimbursements received.

Other external expenses comprise expenses incurred for sales, advertising, administration, premises, 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.

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of tangible assets.

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.

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

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment. Land is not subject to depreciation.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Buildings	10-50 years
Plant and machinery	10-20 years
Other fixtures and fittings, tools and equipment	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

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.

Leases

The enterprise will be applying IAS 17 as its base of interpretation for recognition of classification and recognition of leases.

At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the company holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value of the asset being leased or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

All other leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Investments

Deposits

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

Inventories

Costs of goods for raw materials, and consumables comprise acquisition costs plus delivery costs.

Receivables

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

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.

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.

Equity

Share premium

Share premium comprises premium payments made in connection with the issue of shares. Costs incurred for carrying through an issue are deducted from the premium.

The premium reserve can be used for dividend, for issuing bonus shares, and for covering losses.

Liabilities other than provisions

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

Income statement 1 January - 31 December

All amounts in DKK.

Note		2024	2023
	Gross profit	**-65.526**	**-7.340.299**
2	Staff costs	-17.567.503	-4.898.216
	Depreciation and impairment of property, plant, and equipment	-19.817.764	-87.231
	Operating profit	**-37.450.793**	**-12.325.746**
	Other financial income	825.816	2.484.273
	Other financial expenses	-40.266.118	-23.537.268
	Pre-tax net profit or loss	**-76.891.095**	**-33.378.741**
	Tax on net profit or loss for the year	0	0
	Net profit or loss for the year	**-76.891.095**	**-33.378.741**
	Proposed distribution of net profit:		
	Allocated from retained earnings	-76.891.095	-33.378.741
	Total allocations and transfers	**-76.891.095**	**-33.378.741**

Balance sheet at 31 December

All amounts in DKK.

Note	Assets	2024	2023
	Non-current assets		
	Land and buildings	597.176.554	0
	Plant and machinery	170.669.697	3.856.075
3	Other fixtures, fittings, tools and equipment	5.210.148	1.292.003
	Property, plant and equipment in progress and prepayments for property, plant and equipment	0	727.644.140
	Total property, plant, and equipment	773.056.399	732.792.218
	Deposits	500	11.985
	Total investments	500	11.985
	Total non-current assets	**773.056.899**	**732.804.203**
	Current assets		
	Raw materials and consumables	179.802	2.344.418
	Total inventories	179.802	2.344.418
	Trade receivables	13.897.470	541.729
	Receivables from participating interest	32.708	32.708
	Other receivables	8.178.172	49.551.881
	Prepayments	925.925	301.489
	Total receivables	23.034.275	50.427.807
	Cash and cash equivalents	4.647.041	35.550.952
	Total current assets	**27.861.118**	**88.323.177**
	Total assets	**800.918.017**	**821.127.380**

Balance sheet at 31 December

All amounts in DKK.

Note	Equity and liabilities	2024	2023
	Equity		
	Contributed capital	100.002	100.002
	Share premium	0	132.937.408
	Retained earnings	8.553.355	-47.492.958
	Total equity	**8.653.357**	**85.544.452**
	Liabilities other than provisions		
	Lease liabilities	135.776	0
	Payables to shareholders and management	778.457.008	631.876.216
4	Total long term liabilities other than provisions	778.592.784	631.876.216
4	Current portion of long term liabilities	24.405	0
	Prepayments received from customers	519.530	541.729
	Trade payables	8.339.922	100.512.971
	Payables to shareholders and management	255.780	1.890.023
	Other payables	4.532.239	761.989
	Total short term liabilities other than provisions	13.671.876	103.706.712
	Total liabilities other than provisions	**792.264.660**	**735.582.928**
	Total equity and liabilities	**800.918.017**	**821.127.380**

1 Financial resources

5 Charges and security

6 Contingencies

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Share premium	Retained earnings	Total
Equity 1 January 2024	100.002	132.937.408	-47.492.958	85.544.452
Retained earnings for the year	0	0	-76.891.095	-76.891.095
Transferred to retained earnings	0	-132.937.408	132.937.408	0
	100.002	**0**	**8.553.355**	**8.653.357**

Notes

All amounts in DKK.

1. Financial resources

Management has prepared the annual report under the assumption of going concern, given its positive future outlook and the backing of its financially strong shareholders. Furthermore the shareholders has issued a letter of comfort in which they confirm they will provide the expected financing.

	2024	2023
2. Staff costs		
Salaries and wages	15.433.408	4.353.279
Pension costs	1.944.468	509.644
Other costs for social security	189.627	35.293
	17.567.503	**4.898.216**
Average number of employees	28	7
3. Other fixtures, fittings, tools and equipment		
Lease assets are recognised at a carrying amount of	177.000	0

4. Long term labilities other than provisions

	Total payables 31 Dec 2024	Current portion of long term payables	Long term payables 31 Dec 2024	Outstanding payables after 5 years
Lease liabilities	160.181	24.405	135.776	0
Payables to shareholders and management	778.457.008	0	778.457.008	778.457.008
	778.617.189	**24.405**	**778.592.784**	**778.457.008**

5. Charges and security

As security for suppliers, deposit accounts have been pledged for a total value of DKK 4.776 thousand as of 31 December 2024.

All amounts in DKK.

6. Contingencies

Contingent liabilities

Lease liabilities

In addition to finance leases, the company has entered into operational leases with an average monthly lease payment of DKK 52.039. The leases have up to 61 months to maturity and total outstanding lease payments total DKK 642.421.