

Lumina Sustainable Materials A/S

Nuukullak 2 104, 3900 Nuuk
CVR-nr. 12 75 97 11

Annual Report 2024

1 April - 31 December

The Annual Report has been presented and adopted at the
Company's Annual General Meeting on 24 July 2025

Martin Hannes

Contents

Company Details

| | |
|-----------------|---|
| Company Details | 3 |
|-----------------|---|

Statement and Report

| | |
|------------------------------|-----|
| Management's Statement | 4 |
| Independent Auditor's Report | 5-7 |

Management Commentary

| | |
|-----------------------|------|
| Management Commentary | 8-10 |
|-----------------------|------|

Financial Statements 1 April - 31 December

| | |
|---------------------|-------|
| Income Statement | 11 |
| Balance Sheet | 12-13 |
| Equity | 14 |
| Notes | 15-18 |
| Accounting Policies | 19-25 |

Company Details

| | |
|---------------------------|---|
| Company | Lumina Sustainable Materials A/S Nuukullak 2 104 3900 Nuuk |
| | CVR No.: 12 75 97 11 Established: 13 April 2015 Municipality: Sermersooq Financial Year: 1 April - 31 December |
| Board of Directors | Martin Roy Hannes, chairman Per Buhl Olsen Lars Knøsgaard Jensen |
| Executive Board | Bent Jensen |
| Auditor | BDO Statsautoriseret revisionsaktieselskab Imaneq 33, 7. etage, Box 20 GL-3900 Nuuk |

Management's Statement

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Lumina Sustainable Materials A/S for the financial year 1 April - 31 December 2024.

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

In our opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2024 and of the results of the Company's operations for the financial year 1 April - 31 December 2024.

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

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

Nuuk, 24 July 2025

Executive Board

Bent Jensen

Board of Directors

Martin Roy Hannes
Chairman

Per Buhl Olsen

Lars Knøsgaard Jensen

Independent Auditor's Report

To the Shareholders of Lumina Sustainable Materials A/S

Qualified Opinion

We have audited the Financial Statements of Lumina Sustainable Materials A/S for the financial year 1 April - 31 December 2024, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Greenlandic Financial Statements Act.

Except for the possible effects of the matter described in the "Basis for Qualified Opinion" paragraph, it is our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2024 and of the results of the Company's operations for the financial year 1 April - 31 December 2024 in accordance with the Greenlandic Financial Statements Act.

Basis for Qualified Opinion

The financial statement for 2023/24 was provided with a disclaimer of opinion regarding the company's noncurrent assets totaling DKK '000 321,979 related to mining operations, dividend yielding debt instruments amounting to DKK '000 197,685 and other reserves under equity amounting to DKK '000 48,610. Our opinion on the current period financial statement for 2024 is modified due to the possible impact of the above-mentioned matter on the comparability between the current period figures and the comparative figures.

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Greenland. 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 (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the Financial Statements in Greenland, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. In our opinion, the evidence we have obtained is sufficient and appropriate to provide a basis for our qualified conclusion.

Material uncertainty relating to Going Concern

We point out that there is significant uncertainty that may cast substantial doubt on the company's ability to continue as a going concern. We refer to note Information on uncertainty with respect to going concern in the annual report, which states that the company has negative equity as of the balance sheet date. In addition, there are liquidity challenges that may affect the company's ability to meet its obligations as they fall due. Management has initiated measures to improve the company's financial position, including obtaining further financing such as debt or equity. It is management's assessment that these measures will be sufficient to ensure the company's continued operation, and therefore the financial statements have been prepared assuming the company will continue as a going concern. Our conclusion is not modified in respect of this matter.

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 Greenlandic 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

Independent Auditor's Report

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 Greenland 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 Greenland, 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 Commentary

Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover Management Commentary, 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 Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Independent Auditor's Report

Moreover, it is our responsibility to consider whether Management Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management Commentary is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management Commentary.

Nuuk, 24 July 2025

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Claus Bech
State Authorised Public Accountant
MNE no. mne31453

Management Commentary

Management Executive Summary

Whilst Lumina Sustainable Materials A/S has continued to operate and perform under significant regulatory constraints and delayed timelines imposed by the Greenlandic Department of Mineral Resources, the steadfast and ongoing support of the existing investors is resolute and continues to enable company growth and a positive outlook, particularly in terms of qualifying Lumina Sustainable Materials A/S's role within the Lumina Global company landscape.

Lumina Sustainable Materials A/S remains confident in its ability to play a steady role in the global delivery of sustainable material and is confident, coupled with the demonstrable ongoing investor support, that once the delays of regulatory imposition are surpassed the company will operate in a financially optimistic manner.

Principal activities

Lumina Sustainable Materials A/S continues to position itself as a leader in innovative material science, addressing pressing manufacturing challenges through industry-leading sustainability. The company is focused on the development and operations of the White Mountain Anorthosite Mine located in Kangerlussuaq, Greenland. This mine is the cornerstone for producing sustainable materials for a variety of industries.

During 2024, the Company completed improvements to the infrastructure and facility at the mine in Greenland enabling the Company to focus on increased production and sales. In 2024 the Company expanded its customer portfolio as well as the sales volumes. The Company continued progressing on its mission to utilize the advantageous mineral specifications of Anorthosite either directly or mixed with other ingredients to create advanced materials for Global distribution. The continued effort to create markets and demands from the biproduct waste material from the grinding process, and by this taking another step to become a zero-emission mining and advanced materials company, is an ongoing process, which the Company remains committed to. The Company also worked with increased focus obtaining several new exploration licenses for several minerals in different areas of Greenland.

The management is still engaged in applying for and securing the necessary changes to the existing License by working closely together with the Greenlandic Department of Mineral Resources and Justice. In 2024 an addendum to the general approvals under License 2015-39 was issued, which allows the Company to increase extraction of ore to 400,000 tpa. Furthermore, the Company can now export coarser material with the intend of further processing outside of Greenland. This has been an important step to secure consistency in the delivery of products to the global markets. While the company over the past years has built a strong position in providing products for the for E-glass production in Europe, the Company has been able to negotiate and enter large commercial engagement on the North American market successfully in 2024.

Unusual matters

In connection with the preparation of the annual report of 2024 the Management has reversed the impairment of development projects, accounting for normal amortization.

An impairment test prepared by management indicates that the recoverable amount now exceeds the carrying amount after the reversal. This test is based on expected future cash flows, which have been discounted to their present value. The reversal of impairment of development projects completed has been recorded in 2024 and impacts the result positively with DKK '000 191,090.

It has been found that the recognition and measurement of the company's convertible bonds in previous years were incorrect. The option element of the convertible bonds was previously recognized directly in equity, where it should have been recognized as a liability. Additionally, the measurement of both the option element and debt element of the convertible bonds was incorrect. As a result, there is an adjustment in the financial year regarding this.

Management Commentary

Unusual matters (continued)

The option element has been measured at fair value as of 31.12.2024 and recognized. It has been practically impossible to determine the fair value of the option element retrospectively, so it has not been possible to adjust the comparative figures. The debt element has been measured based on the values available as of 31.12.2024, and the approximate amortization for the year has been recognized in the income statement.

The comparative figures have not been adjusted as it has been practically impossible to determine the impact on these.

For convertible bonds, the following changes have been made:

- The debt element of the convertible bonds was increased from DKK '000 198,830 to DKK '000 216,060 as of 1.4.2024. During the year, there was an additional increase in the debt element of the convertible bonds totaling DKK '000 26,852 from new convertible bond contracts. Amortization of the debt element totaling DKK '000 26,852 and a foreign exchange adjustment (expense) of DKK '000 8,811 have been recognized in the income statement.

- Other reserves under equity, which previously represented the option element, have been reduced from DKK '000 48,610 to DKK '000 0. Instead, other liabilities have been recognized for an option element totaling DKK '000 40,432. There were additions to the option element totaling DKK '000 14,364 during the year, and a foreign exchange adjustment (expense) of DKK '000 1,168.

Recognition and measurement uncertainty

The company's financial performance remains highly dependent on several external factors, including market prices, the regulatory landscape and worldwide inflation and increase in energy prices. While the company has seen strong results and agreements for E-glass production in Europe previous years, and the negotiations for large commercial engagement on the North American market has started to unfold successfully, the uncertainties impact the recognition of revenue, especially given the long-term nature of the development and sales cycles for anorthosite-based products combined with the fact that though freight- and energy costs are lower than two years ago, the prices remain elevated, which directly impacts on the cost of exporting Lumina's products to North America, Europe and Asia. However, Lumina has successfully expanded its local workforce, reducing its reliance on foreign contractors.

Management draws attention to the fact that there is significant uncertainty regarding the company's ability to continue as a going concern. The company has negative equity as of the balance sheet date. In addition, there are liquidity challenges that may affect the company's ability to meet its obligations as they fall due.

Management has initiated measures to improve the company's financial position, including obtaining further financing such as debt or equity. In addition to this, holders of convertible loan notes have confirmed to either convert the notes to equity or extend the maturity of the notes beyond the current fiscal year by not seeking repayment. It is management's assessment that these measures will be sufficient to ensure the company's continued operations.

The financial statements have therefore been prepared on a going concern basis. If the company is unable to obtain further financing, it may have a significant adverse impact on the company's future operations and its ability to meet its obligations.

Management Commentary

Development in activities and financial and economic position

The company recorded a net profit of DKK '000 93,835 for the financial year, an increase from the previous year's loss of DKK '000 161,044. The net profit is impacted by a reversal of impairment of development projects completed with DKK '000 191,090.

The company has changed its fiscal year-end from March 31st to December 31st. The transition will affect the current reporting year with a shorter period from April 1st, 2024 to December 31st, 2024. The change will not be affecting the comparative figures from prior years.

Throughout 2024, Lumina secured additional financing from Lumina Global of USD '000 6,000 in convertible loans to support its operational and capital expenditure. These funds were directed toward finishing capital projects, regarding improvements to production facilities at the White Mountain site, ensuring that full production could be obtained from 2025. Lenders providing capital in form of convertible notes have expressed their intention to exercise their option to convert these loans into equity to increase the equity of Lumina Sustainable Materials A/S. Furthermore, secured lenders to Lumina Sustainable Materials A/S have agreed to suspend further interest accruals on the senior debt outstanding as further direct support to the company.

Lumina has successfully continued to target markets such as the E-glass, anconcrete (CO₂-free cement), and polymer industries, with a significant emphasis on diversifying its product portfolio. Several test materials have been delivered to prospective clients, with positive responses and promising future contract negotiations.

Following the financial year-end, the company has focused on entering full production providing products to markets in Europe and North America.

Additionally, a new Government with an expressed interest towards the Greenlandic businesses in general as well as a continued will to work toward finding solutions to regulatory challenges for Lumina specifically, has been well received as this is important in order for the Company to execute its strategy and achieve its goals.

Significant events after the end of the financial year

In May 2025 a new chairman of the Board of Directors was appointed at an extraordinary general assembly.

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

Outlook

With the continued expansion of its product range and the completion of significant capital projects, allowing the Company full production, Lumina is positioned for growth in 2025 and onwards. The company anticipates entering into more commercial contracts and tapping into new markets across North America, South America, Europe, and Asia. Management expects a busy year ahead with both operational and financial developments contributing to stronger cash flow and financial position.

Treasury shares

The amount of own shares comprise of 20,491,491 A shares in the denomination of 1 DKK each equal to 31.1% of the total share capital.

Income Statement 1 April - 31 December

| | Note | 2024 DKK '000 | 12 months 2023/24 DKK '000 |
|--|------|------------------|----------------------------------|
| Gross loss | | -8,009 | -40,459 |
| Staff costs | 1 | -17,670 | -23,526 |
| Depreciation, amortisation and impairment losses | 2 | 182,160 | -15,830 |
| Operating profit | | 156,481 | -79,815 |
| Other financial income | | 254 | 119 |
| Other financial expenses | | -62,889 | -81,348 |
| Profit before tax | | 93,846 | -161,044 |
| Tax on profit/loss for the year | 3 | -11 | 0 |
| Profit for the year | | 93,835 | -161,044 |
| Proposed distribution of profit | | | |
| Retained earnings | | 93,835 | -161,044 |
| Total | | 93,835 | -161,044 |

Balance Sheet at 31 December

| Assets | Note | 2024 DKK '000 | 31.03 2024 DKK '000 |
|--|------|------------------|---------------------------|
| Development projects completed | | 422,993 | 234,700 |
| Intangible assets | 4 | 422,993 | 234,700 |
| Other plant, machinery tools and equipment | | 103,128 | 25,893 |
| Tangible fixed assets in progress and prepayment | | 2,214 | 61,386 |
| Property, plant and equipment | 5 | 105,342 | 87,279 |
| Rent deposit and other receivables | | 6 | 0 |
| Financial non-current assets | 6 | 6 | 0 |
| Non-current assets | | 528,341 | 321,979 |
| <hr/> | | | |
| Raw materials and consumables | | 4,764 | 4,021 |
| Inventories | | 4,764 | 4,021 |
| Trade receivables | | 28,690 | 410 |
| Other receivables | | 10,277 | 241 |
| Prepayments | | 2,282 | 4,673 |
| Receivables | | 41,249 | 5,324 |
| Cash and cash equivalents | 7 | 14,393 | 17,191 |
| Current assets | | 60,406 | 26,536 |
| <hr/> | | | |
| Assets | | 588,747 | 348,515 |
| <hr/> | | | |

Balance Sheet at 31 December

| | | 2024 | 31.03 2024 |
|---|------|-----------------|-----------------|
| | Note | DKK '000 | DKK '000 |
| Equity and liabilities | | | |
| Share capital | 8 | 65,885 | 65,885 |
| Other reserves | | 0 | 48,610 |
| Reserve for development costs | | 33,722 | 34,731 |
| Retained earnings | | -386,725 | -472,519 |
| Equity | | -287,118 | -323,293 |
| <hr/> | | | |
| Other provisions | 9 | 10,000 | 10,000 |
| Provisions | | 10,000 | 10,000 |
| <hr/> | | | |
| Convertible and dividend-yielding debt instruments | | 156,273 | 197,685 |
| Debt to other credit institutions | | 449,711 | 432,456 |
| Lease liabilities | | 3,679 | 3,427 |
| Non-current liabilities | 10 | 609,663 | 633,568 |
| <hr/> | | | |
| Convertible and dividend-yielding debt instruments | | 128,007 | 0 |
| Bank debt | | 25 | 54 |
| Lease liabilities | | 1,591 | 809 |
| Trade payables | | 11,635 | 4,850 |
| Corporation tax payable | | 868 | 0 |
| Other liabilities | | 114,076 | 22,527 |
| Current liabilities | | 256,202 | 28,240 |
| Liabilities | | 865,865 | 661,808 |
| <hr/> | | | |
| Equity and liabilities | | 588,747 | 348,515 |
| <hr/> | | | |
| Information on uncertainty with respect to going concern | 11 | | |
| Information on significant uncertainties at recognition and measurement | 12 | | |

Equity

| DKK '000 | Share capital | Other reserves | Reserve for development costs | Retained earnings | Total |
|--|---------------|----------------|-------------------------------|-------------------|-----------------|
| Equity at 1 April 2024 | 65,885 | 48,610 | 34,731 | -472,518 | -323,292 |
| Change of equity due to correction of errors | | -48,610 | | -9,051 | -57,661 |
| Adjusted equity at 1 April 2024 | 65,885 | 0 | 34,731 | -481,569 | -380,953 |
| Proposed profit allocation | | | | 93,835 | 93,835 |
| Other legal bindings | | | | | |
| Revaluations in the year | | | -2,798 | 2,798 | 0 |
| Transfers | | | | | |
| Other transfers | | | 1,090 | -1,090 | 0 |
| Tax on changes in equity | | | 699 | -699 | 0 |
| Equity at 31 December 2024 | 65,885 | 0 | 33,722 | -386,725 | -287,118 |

Other reserves relates to the equity related part of the convertible debt, which has changed due to correction of errors.

Notes

| | 2024 DKK '000 | 12 months 2023/24 DKK '000 |
|---------------------------------------|------------------|----------------------------------|
| 1 Staff costs | | |
| Average number of full time employees | 39 | 37 |
| Wages and salaries | 17,175 | 23,084 |
| Pensions | 226 | 209 |
| Social security costs | 269 | 233 |
| | 17,670 | 23,526 |

2 | Special items

Reversal of impairment of development projects completed has been recorded in 2024 and impacts the result positively.

| | | |
|--|----------------|----------|
| Depreciation, amortisation and impairment losses | 191,090 | 0 |
| | 191,090 | 0 |

3 | Tax on profit/loss for the year

| | | |
|--|-----------|----------|
| Calculated tax on taxable income of the year | 11 | 0 |
| | 11 | 0 |

4 | Intangible assets

| DKK '000 | Development projects completed |
|--|--------------------------------------|
| Cost at 1 April 2024 | 432,602 |
| Disposals | -1,468 |
| Cost at 31 December 2024 | 431,134 |
| Amortisation at 1 April 2024 | 197,901 |
| Reversal of impairment | -191,090 |
| Amortisation for the year | 1,330 |
| Amortisation at 31 December 2024 | 8,141 |
| Carrying amount at 31 December 2024 | 422,993 |

Development projects completed

Lumina Sustainable Materials is an innovative material science company tackling today's most pressing manufacturing challenges through industry-leading sustainability. The Company is developing the White Mountain Anorthosite Mine located on the Kangerlussuaq fjord on the west coast of Greenland. It may also acquire, explore and evaluate other resource completed. The Company currently holds the exploitation license 2015-39.

Notes

4 | Intangible fixed assets (continued)

Management has reversed the impairment of development projects, accounting for normal amortization. An impairment test prepared by management indicates that the recoverable amount now exceeds the carrying amount after the reversal. This test is based on expected future cash flows, which have been discounted to their present value.

5 | Property, plant and equipment

| DKK '000 | Other plant, machinery tools and equipment | Tangible fixed assets in progress and prepayment |
|---|--|--|
| Cost at 1 April 2024 | 125,921 | 61,453 |
| Transferred | 79,752 | -79,752 |
| Additions | 5,083 | 20,513 |
| Cost at 31 December 2024 | 210,756 | 2,214 |
| Depreciation and impairment losses at 1 April 2024 | 100,027 | 0 |
| Depreciation for the year | 7,601 | |
| Depreciation and impairment losses at 31 December 2024 | 107,628 | 0 |
| Carrying amount at 31 December 2024 | 103,128 | 2,214 |
| Finance lease assets | 6,133 | |

6 | Financial non-current assets

| DKK '000 | Rent deposit and other receivables |
|--|------------------------------------|
| Additions | 6 |
| Cost at 31 December 2024 | 6 |
| Carrying amount at 31 December 2024 | 6 |

7 | Cash and cash equivalents

Of the company's cash assets, DKK '000 11,061 remains in deposit accounts.

Notes

| | 2024 | 31.03 2024 |
|--|---------------|---------------|
| | DKK '000 | DKK '000 |
| 8 Share capital | | |
| Allocation of Share capital: | | |
| A shares, 20,491,491 unit in the denomination of 1 DKK | 20,492 | 20,492 |
| B shares, 45,393,450 unit in the denomination of 1 DKK | 45,393 | 45,393 |
| | 65,885 | 65,885 |

9 | Other provisions

The due dates for provisions are expected to be:

| | | |
|--------|---------------|---------------|
| > 1 år | 10,000 | 10,000 |
| | 10,000 | 10,000 |

10 | Long-term liabilities

| DKK '000 | 31/12 2024 total liabilities | Repayment next year | Debt outstanding after 5 years | 31/3 2024 total liabilities |
|-------------------------------------|---------------------------------|------------------------|-----------------------------------|--------------------------------|
| Debt to other credit institutions | 284,280 | 128,007 | 0 | 197,685 |
| Debt to mortgage credit institution | 449,711 | 0 | 0 | 432,456 |
| Lease liabilities | 5,270 | 1,591 | 0 | 4,236 |
| | 739,261 | 129,598 | 0 | 634,377 |

Convertible and dividend-yielding debt instruments

Convertible and dividend-yielding debt instruments is 13 loans. All loans are repayable with 200 per cent of the original Loan Amount upon maturity.

3 of the loans have a maturity date in 2025. However, creditor has the option to convert into 33,112,582 B-shares.

2 of the loans have a maturity date in 2027. However, creditor has the option to convert into 9,933,775 B-shares.

5 of the loans have a maturity date in 2028. However, creditor has the option to convert into 39,735,100 B-shares.

3 of the loans has a maturity date in 2029. However, creditor has the option to convert into 31,456,954 B-shares.

Notes

11 | Information on uncertainty with respect to going concern

Management draws attention to the fact that there is significant uncertainty regarding the company's ability to continue as a going concern. The company has negative equity as of the balance sheet date. In addition, there are liquidity challenges that may affect the company's ability to meet its obligations as they fall due.

Management has initiated measures to improve the company's financial position, including obtaining further financing such as debt or equity. In addition to this, holders of convertible loan notes have confirmed to either convert the notes to equity or extend the maturity of the notes beyond the current fiscal year by not seeking repayment. It is management's assessment that these measures will be sufficient to ensure the company's continued operations.

The financial statements have therefore been prepared on a going concern basis. If the company is unable to obtain further financing, it may have a significant adverse impact on the company's future operations and its ability to meet its obligations.

12 | Information on significant uncertainties at recognition and measurement

The company's financial performance remains highly dependent on several external factors, including market prices, the regulatory landscape and worldwide inflation and increase in energy prices. While the company has seen strong results and agreements for E-glass production in Europe previous years, and the negotiations for large commercial engagement on the North American market has started to unfold successfully, the uncertainties impact the recognition of revenue, especially given the long-term nature of the development and sales cycles for anorthosite-based products combined with the fact that though freight- and energy costs are lower than two years ago, the prices remain elevated, which directly impacts on the cost of exporting Lumina's products to North America, Europe and Asia. However, Lumina has successfully expanded its local workforce, reducing its reliance on foreign contractors.

Accounting Policies

The Annual Report of Lumina Sustainable Materials A/S for 2024 has been presented in accordance with the provisions of the Greenlandic 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, except for the following changes.

Comparative figures

The company has changed its fiscal year-end from March 31st to December 31st. The transition will affect the current reporting year with a shorter period from April 1st, 2024 to December 31st, 2024. The change will not be affecting the comparative figures from prior years.

Accounting Policies

Change of equity resulting from material misstatement

It has been found that the recognition and measurement of the company's convertible bonds in previous years were incorrect. The option element of the convertible bonds was previously recognized directly in equity, where it should have been recognized as a liability. Additionally, the measurement of both the option element and debt element of the convertible bonds was incorrect. As a result, there is an adjustment in the financial year regarding this

The option element has been measured at fair value as of 31.12.2024 and recognized. It has been practically impossible to determine the fair value of the option element retrospectively, so it has not been possible to adjust the comparative figures. The debt element has been measured based on the values available as of 31.12.2024, and the approximate amortization for the year has been recognized in the income statement. The comparative figures have not been adjusted as it has been practically impossible to determine the impact on these.

For convertible bonds, the following changes have been made:

- The debt element of the convertible bonds was increased from DKK '000 198,830 to DKK '000 216,060 as of 1.4.2024. During the year, there was an additional increase in the debt element of the convertible bonds totaling DKK '000 26,852 from new convertible bond contracts. Amortization of the debt element totaling DKK '000 26,852 and a foreign exchange adjustment (expense) of DKK '000 8,811 have been recognized in the income statement.*
- Other reserves under equity, which previously represented the option element, have been reduced from DKK '000 48,610 to DKK '000 0. Instead, other liabilities have been recognized for an option element totaling DKK '000 40,432. There were additions to the option element totaling DKK '000 14,364 during the year, and a foreign exchange adjustment (expense) of DKK '000 1,168.*

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.

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

Changes in inventories of finished goods and work in progress

Changes in inventories of finished good and work in progress comprise decreases or increases got the financial year in inventories of finished goods and work in progress. This item includes ordinary write downs of such inventories. Changes in inventories of raw materials are included in costs of raw materials and consumables.

Accounting Policies

Other operating income

Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible assets, operating loss and conflict compensations, as well as salary refunds. Compensations are recognised when the income is estimated to be realisable.

Other external expenses

Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, operating lease expenses, etc

Payments related to operating lease expenses and other lease agreements are recognised in the Income Statement over the contract period. The Company's total liability concerning operating and other lease agreements are stated under contingencies, 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

Intangible fixed assets

Tangible assets acquired are measured at cost less accumulated amortisation and impairment losses. Cost comprises the acquisition and preparation price, cost directly attributable to the acquisition and preparation costs of the asset until the time when the asset is ready to be put into operation.

Intangible assets depreciation are based at cost minus estimated residual value after the end of useful life.

Intangible assets are depreciated from the start of production according to the Unit of Production method based on produced and expected recoverable amounts of ore.

Intangible assets are written down to the lower recoverable amount and carrying amount.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises of the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

Interest expenses on loans for the financing of the manufacture of property, plant and equipment are included in cost if they relate to the manufacturing period. All other finance costs are recognised in the income statement.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the estimated useful lives of the assets.

For leasehold improvement and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

| | Useful life | Residual value |
|-------------------------------------|-------------|----------------|
| Other plant, fixtures and equipment | 5-10 years | 0% |

Accounting Policies

Lease liabilities

Lease liabilities relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease liabilities are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Financial non-current assets

The Other securities include bonds and mortgages expected to be held to maturity and are measured at amortised cost.

Impairment of fixed assets

The carrying amount of intangible fixed assets and property, plant and equipment 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.

Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct payroll cost and other direct production cost.

Indirect production costs comprise indirect materials and labour costs, of maintenance of depreciation of and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management. Finance costs are not included in cost.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

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.

Accounting Policies

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. Accruals are measured at cost.

Cash and cash equivalents

Cash and cash equivalents include cash at bank.

Other provisions for liabilities

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

On acquisition of enterprises and investments in group enterprises, provisions are made for costs relating to restructuring in the acquired enterprise that were decided and published at the acquisition date at the latest.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

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.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Accounting Policies

Convertible and dividend-yielding debt instruments

Convertible and dividend-yielding debt instruments are split into an option element, which is recognized at fair value, and a debt element, which is recognized at amortized cost:

Option element:

- *The option element is initially recognized at fair value.*
- *The fair value is determined annually on the balance sheet date, and the adjustment is recognized in the income statement.*

Debt element:

- *The debt is recognized and measured at amortized cost.*
- *At initial recognition, the debt is the residual amount between the fair value of the derivative and the principal amount.*
- *The debt must be amortized over the 5-year term to 200% of the principal amount.*

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the Income Statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the Balance Sheet date are translated at the exchange rate on the Balance Sheet date. The difference between the exchange rate on the Balance Sheet date and the exchange rate at the date when the receivables or payables come into existence recognised in the Income Statement as financial income or expenses.