

# Sustainable Bio Solutions

## Aabenraa K/S

Hjerneshøjvej 10  
DK-6200 Aabenraa

CVR no. 39 68 28 85

### Annual report 2023

The annual report was presented and approved at  
the Company's annual general meeting on

8 July 2024

Yujin Ide

Chairman of the annual general meeting

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## **Statement by the Board of Directors and the Executive Board**

The Board of Directors and the Executive Board have today discussed and approved the annual report for Sustainable Bio Solutions Aabenraa K/S for the financial year 1 January - 31 December 2023.

The annual report has been prepared in accordance with the Danish 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 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Aabenraa, 8 July 2024  
Executive Board:

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Lars Byberg

Board of Directors:

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Stine Birk  
Chairman

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Nigel David Hildyard

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Yujin Ide



## Independent auditor's report

### To the shareholder of Sustainable Bio Solutions Aabenraa K/S

#### Opinion

We have audited the financial statements of Sustainable Bio Solutions Aabenraa K/S for the financial year 1 January - 31 December 2023, comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish 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 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

#### Basis for 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 responsibility 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 that 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 as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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 judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company 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.



## Independent auditor's report

- 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 the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 the Management's review.

Fredericia, 8 July 2024

**KPMG**  
Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98

Michael Lund Siegumfeldt  
State Authorised Public Accountant  
mne28662

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## Management's review

### Company details

Sustainable Bio Solutions Aabenraa K/S  
Hjerneshøjvej 10  
DK-6200 Aabenraa

CVR no.:	39 68 28 85
Established:	28 June 2018
Registered office:	Aabenraa
Financial year:	1 January - 31 December

### Board of Directors

Stine Birk, Chairman  
Nigel David Hildyard  
Yujin Ide

### Executive Board

Lars Byberg

### Auditor

KPMG  
Statsautoriseret Revisionspartnerselskab  
Vesterballevej 27, 2.  
DK-7000 Fredericia  
CVR no. 25 57 81 98

## Management's review

### Financial highlights

DKK	2023	2022	2021	2020	2019
Gross profit/loss	25,870,144	28,320,631	-2,700,467	-3,224,264	-3,496,676
Operating profit/loss	-2,652,568	5,931,491	-5,525,645	-3,411,764	-3,496,676
Loss from financial income and expenses	-35,727,740	-32,720,623	-14,014,474	-2,593,933	-308,057
Loss for the year	-38,380,308	-26,789,132	-19,540,119	-6,005,697	-3,804,733
Total assets	508,054,751	600,800,796	367,411,612	170,701,631	29,528,314
Investments in property, plant and equipment	9,056,882	123,426,678	210,734,770	115,009,466	14,232,849
Equity	-97,518,737	-59,138,429	-32,349,297	-12,809,176	-6,803,479
Current ratio	50.5%	104.9%	57.2%	126.7%	147.1%
Return on equity	49.0%	58.6%	43.2%	30.6%	77.6%
Solvency ratio	-19.2%	-9.8%	-8.8%	-7.5%	-12.8%
Average number of full-time employees	3	3	1	1	0

The financial ratios have been calculated as follows:

Current ratio

$\text{Current assets} \times 100 / \text{Current liabilities}$

Return on equity

$\text{Profit/loss after tax} \times 100 / \text{Average equity}$

Solvency ratio

$\text{Equity ex. non-controlling interests year end} \times 100 / \text{Total equity and liabilities at year end}$

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## **Management's review**

### **Operating review**

#### **Principal activities**

Sustainable Bio Solutions Aabenraa K/S has built and continues to develop one of the largest biogas plants in Denmark.

### **Development in activities and financial position**

#### **Loss for the year (including comparison with forecasts previously announced)**

The Company's income statement for 2023 shows a loss of DKK 38,380,308 as against a loss DKK 26,789,132 in 2022. The business generated an operating profit before interest and depreciation of DKK 22,345,500 as it completed its first full year of gas production, although the plant continues to work towards full capacity during 2024. Loss after depreciation of DKK 2,652,568 was primarily due to the plant remaining in commissioning/ramp up during 2023, along with the impact of a long sales cycle for green certificates and a substantial fall in gas prices during 2023.

Equity in the Company's balance sheet at 31 December 2023 stood at a negative of DKK 97,518,737 as against a negative of DKK 59,138,429 in 2022. It is Management's assessment that the negative equity will be restored over future profits. The Parent Company, Ecoberry Infrastructure ApS, has undertaken to financially support the Company in the 2024 financial year. During the same period, the Group will not require any repayment of shareholder loans unless permitted by free cash flows.

#### **Outlook**

Management expects that once the Klipleve plant reaches full production capacity, it will generate well above DKK 400m annual revenues for the Group, contributing operating profits upwards of DKK 40m per annum throughout the subsidy period ending in 2042, and the Group's net result should therefore be positive on an annual basis from 2025 onwards.

#### **Events after the balance sheet date**

No events have occurred after the balance sheet date of material importance to the annual report for 2023.

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## Financial statements 1 January – 31 December

### Income statement

DKK	Note	2023	2022
<b>Gross profit</b>		25,870,144	28,320,631
Staff costs	2	-3,524,644	-11,545,366
Depreciation of property, plant and equipment		-24,998,068	-10,843,774
<b>Profit/loss before financial income and expenses</b>		-2,652,568	5,931,491
Other financial income		200,544	39,850
Other financial expenses	3	-35,928,284	-32,760,473
<b>Loss for the year</b>	4	-38,380,308	-26,789,132

## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	31/12 2023	31/12 2022
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Property, plant and equipment</b>	5		
Land and buildings		50,251,094	52,043,499
Plant and machinery		400,165,104	413,927,757
Fixtures, fittings, tools and equipment		333,549	719,677
		<u>450,749,747</u>	<u>466,690,933</u>
<b>Financial assets</b>			
Deposits	6	15,000	15,000
<b>Total fixed assets</b>		<u>450,764,747</u>	<u>466,705,933</u>
<b>Current assets</b>			
<b>Receivables</b>			
Trade receivables		48,115,186	8,659,881
Other receivables		8,639,282	43,485,630
Prepayments	7	530,973	236,110
		<u>57,285,441</u>	<u>52,381,621</u>
<b>Cash at bank and in hand</b>		4,563	81,713,242
<b>Total current assets</b>		<u>57,290,004</u>	<u>134,094,863</u>
<b>TOTAL ASSETS</b>		<u>508,054,751</u>	<u>600,800,796</u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	31/12 2023	31/12 2022
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital	8	1,000	1,000
Retained earnings		-97,519,737	-59,139,429
<b>Total equity</b>		<u>-97,518,737</u>	<u>-59,138,429</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Payables to group entities	9	492,106,164	532,106,164
<b>Current liabilities</b>			
Debt to credit institutions		8,294,220	0
Trade payables		25,393,330	67,640,856
Payables to group entities	9	70,390,067	28,931,110
Other payables, including taxes payable		9,389,707	31,261,095
		<u>113,467,324</u>	<u>127,833,061</u>
<b>Total liabilities</b>		<u>605,573,488</u>	<u>659,939,225</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>508,054,751</u>	<u>600,800,796</u>

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## Financial statements 1 January – 31 December

### Statement of changes in equity

DKK	Contributed capital	Retained earnings	Total
Equity at 1 January 2023	1,000	-59,139,429	-59,138,429
Transferred over the distribution of loss	0	-38,380,308	-38,380,308
<b>Equity at 31 December 2023</b>	<b>1,000</b>	<b>-97,519,737</b>	<b>-97,518,737</b>

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## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of Sustainable Bio Solutions Aabenraa K/S for 2023 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year, except transition to accounting class C medium.

#### Change of reporting class

The annual report of Sustainable Bio Solutions Aabenraa K/S for 1 January - 31 December 2023 has been prepared in accordance with the provisions applying to reporting class C entities under the Danish Financial Statements Act. The transition compared to the previous financial year from the provisions applying to reporting class B entities under the Danish Financial Statements Act has not resulted in changes to recognition and measurement.

#### Omission of cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of Ecoberry Infrastructure ApS.

### Income statement

#### Revenue

Revenue is recognised when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are deducted from revenue.

#### Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year.

#### Other operating income

Other operating income comprises items secondary to the activities of the Company, including gains on the disposal of intangible assets and property, plant and equipment as well as payroll refunds.

#### Other external costs

Other external costs comprise costs for distribution and sales costs, costs for advertising, administrative expenses, costs of premises, bad debts, etc.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

##### Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs.

##### Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

### Balance sheet

#### Property, plant and equipment

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

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Buildings	20 years
Plant and machinery	10-20 years
Fixtures, fittings, tools and equipment	3 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Land is not depreciated.

Fixed assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

#### Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in subsidiaries and participating interests (including associates) is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

the useful life.

#### Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

#### Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

#### Cash at bank and in hand

Cash at bank and in hand comprise cash and bank deposits.

#### Equity

##### *Dividends*

The expected dividend payment for the year is disclosed as a separate item under equity.

#### Liabilities

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at net realisable value.

## Financial statements 1 January – 31 December

### Notes

#### 2 Staff costs

DKK	2023	2022
Wages and salaries	3,510,698	11,534,633
Other social security costs	13,946	10,733
	<u>3,524,644</u>	<u>11,545,366</u>
Average number of full-time employees	<u>3</u>	<u>3</u>

Staff costs include remuneration and pensions of the Executive Board and Board of Directors at an amount of DKK. 2,478 thousand.

In accordance with section 98b(3) of the Danish Financial Statements Act, remuneration of the Executive Board and Board of Directors is presented as an aggregate single amount. As the annual report of Sustainable Bio Solutions Aabenraa K/S for 2022 was prepared in accordance with reporting class B entities, no remuneration for the comparative figures is disclosed.

#### 3 Other financial expenses

DKK	2023	2022
Interest paid to group entities	34,586,901	31,199,117
Other interest expenses	993,703	1,486,821
Exchange losses	347,680	74,535
	<u>35,928,284</u>	<u>32,760,473</u>

#### 4 Proposed distribution of loss

DKK	2023	2022
Retained earnings	-38,380,308	-26,789,132
	<u>-38,380,308</u>	<u>-26,789,132</u>

## Financial statements 1 January – 31 December

### Notes

#### 5 Property, plant and equipment

DKK	Land and buildings	Plant and machinery	Fixtures, fittings, tools and equipment	Total
Cost at 1 January 2023	53,024,697	423,514,179	1,106,146	477,645,022
Additions	169,992	8,886,890	0	9,056,882
Cost at 31 December 2023	53,194,689	432,401,069	1,106,146	486,701,904
Depreciation and impairment at 1 January 2023	-981,198	-9,586,422	-386,469	-10,954,089
Depreciation for the year	-1,962,397	-22,649,543	-386,128	-24,998,068
Depreciation and impairment at 31 December 2023	-2,943,595	-32,235,965	-772,597	-35,952,157
<b>Carrying amount at 31 December 2023</b>	<b>50,251,094</b>	<b>400,165,104</b>	<b>333,549</b>	<b>450,749,747</b>

#### 6 Financial asset

DKK	Deposits
Cost at 1 January 2023	15,000
Cost at 31 December 2023	15,000
<b>Carrying amount at 31 December 2023</b>	<b>15,000</b>

#### 7 Prepayments

Prepayments constitute prepaid costs relating to the subsequent period.

#### 8 Contributed capital

As general partner, Sustainable Bio Solutions GP ApS is a fully responsible participant with unlimited liability for Sustainable Bio Solutions Aabenraa K/S' obligations.

#### 9 Non-current liabilities other than provisions

DKK	31/12 2023	31/12 2022
Payables to group entities:		
0-1 year	70,390,067	28,931,110
1-5 year	200,000,000	532,106,164
>5 year	292,106,164	0
	<b>562,496,231</b>	<b>561,037,274</b>

## Financial statements 1 January – 31 December

### Notes

#### 10 Contractual obligations, contingencies, etc.

##### Contingent liabilities

DKK	31/12 2023	31/12 2022
The following assets have been provided as collateral with bankers: Company charge of DKK 25,000 thousand on machinery and equipment, etc. of a total carrying amount of:	<u>448,613,839</u>	<u>423,307,315</u>

#### 11 Related parties disclosure

Sustainable Bio Solutions Aabenraa K/S' related parties comprise the following:

##### Control

Ecoberry Infrastructure ApS, Sverigesgade 2,1, 5000 Odense.

Ecoberry Infrastructure ApS holds the majority of the contributed capital in the Company.

Sustainable Bio Solutions Aabenraa K/S is part of the consolidated financial statements of Ecoberry Infrastructure ApS, Odense, which is the smallest and largest group, in which the Company is included as a subsidiary.

The consolidated financial statements of Ecoberry Infrastructure ApS can be obtained by contacting the Company at the above address.

##### Related party transactions

DKK	31/12 2023
Interest expenses to the Parent Company	-34,586,901
Management fee	99,391
Repayment of debt to Parent Company	33,036,810