



Maigaard & Molbech II ApS

Haraldsvej 60, 1.
8960 Randers SØ
CVR No. 42844918

Annual report 2024

The Annual General Meeting adopted the
annual report on 09.07.2025

Claus Molbech Bendtsen
Chairman of the General Meeting

Contents

Entity details	2
Statement by Management on the annual report	3
Independent auditor's report	4
Management commentary	7
Consolidated income statement for 2024	16
Consolidated balance sheet at 31.12.2024	17
Consolidated statement of changes in equity for 2024	20
Consolidated cash flow statement for 2024	21
Notes to consolidated financial statements	23
Parent income statement for 2024	36
Parent balance sheet at 31.12.2024	37
Parent statement of changes in equity for 2024	39
Notes to parent financial statements	40
Accounting policies	42

Entity details

Entity

Maigaard & Molbech II ApS
Haraldsvej 60, 1.
8960 Randers SØ

Business Registration No.: 42844918
Registered office: Randers
Financial year: 01.01.2024 - 31.12.2024

Executive Board

Claus Molbech Bendtsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus C

Statement by Management on the annual report

The Executive Board has today considered and approved the annual report of Maigaard & Molbech II ApS for the financial year 01.01.2024 - 31.12.2024.

The annual report is presented in accordance with the Danish Financial Statements Act.

In my opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2024 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2024 - 31.12.2024.

I believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

I recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 09.07.2025

Executive Board

Claus Molbech Bendtsen

Independent auditor's report

To the shareholders of Maigaard & Molbech II ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of Maigaard & Molbech II ApS for the financial year 01.01.2024 - 31.12.2024, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2024 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2024 - 31.12.2024 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group 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 consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent 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 consolidated financial statements and the parent 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 Group's and the Entity'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 consolidated financial statements and the parent 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 Group's and the Entity'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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements and the parent financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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 commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Aarhus, 09.07.2025

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Morten Gade Steinmetz

State Authorised Public Accountant
Identification No (MNE) mne34145

Management commentary

Financial highlights

	2024	2023	2021/22
	DKK'000	DKK'000	DKK'000
Key figures			
Revenue	1,480,701	1,132,493	867,130
Gross profit/loss	273,839	283,245	197,794
EBITDA	73,766	179,380	166,608
Operating profit/loss	(217,153)	(5,297)	14,053
Net financials	(92,891)	(39,684)	(17,468)
Profit/loss for the year	(263,800)	(52,732)	(21,760)
Profit for the year excl. minority interests	50	(35)	21
Balance sheet total	5,269,602	4,548,059	2,743,550
Investments in property, plant and equipment	603,676	1,448,170	1,808,913
Equity	2,740,185	2,607,450	1,197,737
Equity excl. minority interests	76	26	61
Cash flows from operating activities	(4,069)	(146,335)	511,860
Cash flows from investing activities	(826,582)	(1,349,518)	(2,604,013)
Cash flows from financing activities	842,800	1,681,367	2,139,226
Ratios			
Gross margin (%)	18.49	25.01	22.81
Net margin (%)	(17.82)	(4.66)	(2.51)
Equity ratio (%)	0.00	0.00	0.00
Gross margin (%):			
<u>Gross profit/loss * 100</u>			
Revenue			
Net margin (%):			
<u>Profit/loss for the year * 100</u>			
Revenue			
Equity ratio (%):			
<u>Equity excl. minority interests * 100</u>			
Balance sheet total			

Primary activities

The Group's activities are split into three segments consisting of biogas, EPC and all other segments. The biogas segment encompasses the entire value chain of BioCirc's biogas operations, including biogas production facilities, supply chain entities, and certain trading activities related to biogas. The EPC segment comprises the activities of North-Tec, a Germany-based entity acquired in 2024, specializing in Engineering, Procurement, and Construction (EPC) of biogas plants. All other segments consist of among others support functions, which exist solely to support core activities and do not independently contribute to financial performance.

The Parent Company's primary activities consist of holding shares in the entities listed in Note 24 and engaging in consulting activities.

Development in activities and finances

The consolidated income statement for the period 01.01.24 – 31.12.24 shows a loss after tax of DKK 263,8 million and DKK 263.8 million in the parent company. The loss for the year is affected by non-recurring costs resulting from acquisition and preparation of business plans, as well as depreciation and interest expenses associated with the group's continued investments in its portfolio and expansion of its asset base. Significant elements in 2024 include the strategic investment in our EPC business, North-Tec, and the expansion of our biogas operations through the integration of Blaabjerg Biogas. Additionally, there has been a substantial increase in financing to support the growth of our biogas plant portfolio and to acquire additional land for future development. The year also saw the successful issuance of corporate bonds and a capital raise completed in early 2024, both of which have contributed to strengthening the groups financial position and supporting our long-term growth strategy. Finally, the balance sheet as of 31.12.24 shows equity of DKK 2,740.2 million for the group, reflecting the company's stable financial base.

The Parent Company revenue is DKK 31.4 million in 2024, compared to DKK 21.4 million in 2023. This increase is a consequence of further consultancy services. The profit for the year remains close to zero, consistent with the previous year.

Unusual circumstances affecting recognition and measurement.

Doing preparation of the consolidated financial statements errors in previous periodes were corrected, including corrections to componentization of production assets and recognition of revenue related to the sale of certificates as described below and in the description of accounting policies.

Correction of revenue related to the sale of certificates.

The error arose because previously recognized revenue, based on Management's estimates, was not appropriately constrained such that it was highly probable that a significant revenue reversal would not occur, as required by applicable accounting principles for variable consideration subject to such significant and prolonged uncertainty.

As at 1 January 2023, the correction resulted in a reduction in trade receivables of DKK 53.6 million and a reduction in deferred tax liabilities of DKK 11.8 million, with a corresponding net reduction in opening retained earnings of DKK 41.8 million.

For the year ended 31 December 2023, the correction resulted in a decrease in recognized revenue of DKK 10.1 million. As at 31 December 2023, trade receivables were reduced by DKK 56.2 million. Concurrently, the following movements affected total liabilities:

- Trade payables increased by DKK 10.3 million due to the reclassification of credit balances that had arisen within trade receivables.

- Net deferred tax liabilities decreased by DKK 14.6 million. These movements resulted in a net decrease in total liabilities of DKK 4.3 million.
- Retained earnings decreased by DKK 51.9 million.

Corrections to componentization of production assets

Management determined that, it had not initially exercised sufficient judgment in assessing the appropriate level of componentization of its production assets after acquisition, particularly in deciding whether individual items should have been aggregated or recognized as separate components. As a result, Management considers the level of componentization to have been overly broad, leading to inappropriate depreciation schedules for certain assets and accounting issues related to the treatment of replacement parts.

As at 1 January 2023, the correction resulted in an increase in the carrying amount of property, plant and equipment of DKK 5.3 million, an increase in deferred tax liabilities of DKK 1.2 million, and a corresponding net increase in opening retained earnings of DKK 4.1 million.

For the year ended 31 December 2023, the correction resulted in an increase in depreciation expense of DKK 31.5 million. As at 31 December 2023, due to the correction, the carrying amount of property, plant and equipment was reduced by DKK 35.1 million, deferred tax liabilities were reduced by DKK 7.7 million, and retained earnings were reduced by DKK 27.4 million.

The corrections of errors at 1 January 2023 resulted in a reduction in trade receivables of DKK 53,6 million and a reduction in deferred tax liabilities of DKK 11,8 million, with a corresponding net reduction in opening retained earnings of DKK 41,8 million.

Profit/loss for the year in relation to expected developments

In 2024, financial performance was impacted by a number of factors, resulting in outcomes that fell short of the initial projections outlined in our 2023 annual report. At the time, it was anticipated that the 2024 result would be in line with the 2023 figures which showed a loss of DKK 52.7 million. In 2024, gas prices were lower than in previous years, which negatively affected revenue and temporarily reduced the profitability of production due to input costs being misaligned with the rapidly declining gas market. Additionally, volatility in the biomethane certificate market – driven by factors previously outlined – together with an unexpected write-down of certificate revenue from a terminated trading partner who realized lower-than-expected prices, further impacted overall profitability. Lastly, during 2024, we increased our debt, leading to higher interest expenses that further impacted the result. In conclusion, while the financial results have been below initial projections, management views the performance satisfactory given broader market developments.

The parent company has a revenue of DKK 30 million and a profit close to zero, which is in line with management's expectations.

Uncertainty relating to recognition and measurement

The management has performed an impairment test of recognised goodwill based on a value in use calculation. The calculation of value in use is based on management's expectations of future cash flows based on budgets approved by management.

Several assumptions and estimates are incorporated into these calculations, including future market conditions, operating expenses, inflation, the life of the production facilities and production volumes for these assets. Although the assumptions used in the impairment test naturally come with uncertainties, they represent management's best estimates.

Management has determined that the most important inputs for the preparation of value-in-use calculations include future gas and certificate prices, production volumes and the discount rate. In management's opinion, estimates related to future certificate prices represent the key assumption that carries the most significant uncertainty. This uncertainty is primarily driven by factors inherent in the certificate market, such as potential changes in national and international regulatory frameworks and developing companies' demand for green attributes.

Outlook

Based on our current expectations and prevailing market conditions, we anticipate overall positive business momentum in 2025. In terms of revenue for the group, we expect a modest increase of 5-10% compared to 2024, supported by positive year-to-date gas prices, a sizeable hedging position providing a robust floor under gas revenue for the remainder of the year, and a continued execution of our operational and commercial strategy.

Reported EBITDA for the group is expected to grow significantly compared to the level recorded in 2024 with a forecasted result of DKK 100-200 million. This development is driven by higher earnings from certificate sales (as the insourcing of trading greatly reduces trading costs), full-year impact of operational efficiency initiatives launched in 2024, ongoing cost discipline, as well as the go-live on the Vinkel Solar Park.

The main variables that can affect the overall result, negatively as well as positively, are gas and certificate prices.

The group's financial position for 2025 is expected to be strengthened by the recent internal financing round that raised DKK 300 million in cash through the issuance of new shares primarily to existing shareholders and employees.

Use of financial instruments

The Group's principal financial liabilities consist of its mortgages, bank debt, and bonds, as well as trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables and cash and cash equivalents, which derive directly from its operations. The Group does not engage in derivative transactions.

The risks arising from the Group's financial instruments include market risk (covering interest rate risk), credit risk, and liquidity risk. Given the fixed exchange rate policy between DKK and EUR, the Group's exposure to foreign currency risk from EUR-denominated transactions is not considered significant.

Management monitors these financial risks on an ongoing basis and makes decisions regarding risk mitigation as deemed necessary in the context of the Group's objectives. Currently, the Group's practice does not involve the use of derivative financial instruments for hedging purposes, and consequently, hedge accounting is not applied.

Market risk - Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Group's exposure to changes in market interest rates relates primarily to its mortgages, bank debt, and bonds, all of which are variable.

To mitigate this risk, the Group primarily considers early repayment or refinancing of its variable rate loans when market conditions are favorable. This strategy helps lock in more predictable interest costs and manage overall interest expense volatility. For the purpose of the interest rate sensitivity analysis,

Management has determined that a +/- 1 percentage point (100 basis points) change in the variable interest rate represents a reasonably possible change.

Credit risk

Credit risk represents the potential for financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This risk primarily arises from the Group's trade receivables, cash and cash equivalents, and deposits with banks and financial institutions.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of the counterparty. However, Management also considers the default risk associated with the industry and country in which the customer operates.

Generally, Management considers the Group's credit risk to be minimal.

Trade receivables

The Group's counterparties include public bodies and publicly regulated entities such as grid operators, from which the vast majority of the Group's revenue is generated, as well as, to a lesser degree, corporate entities. Management has determined that all of the Group's counterparties have very high credit ratings. Consequently, the Group considers its credit risk related to trade receivables from these counterparties to be insignificant.

In managing credit risk related to construction contracts, the Group closely monitors its customers, which are primarily large corporate entities. Customers are categorized based on several criteria, including credit characteristics, geographic location, industry, trading history with the Group, and any history of financial difficulties. The Group considers its credit risk associated with trade receivables from construction contracts to be insignificant.

No loss allowances were recognized for trade receivables during the periods presented.

Cash and cash equivalents

Credit risk from balances with banks and financial institutions is managed by the Group's finance department in accordance with the Group's policy.

The credit risk on bank deposits is limited, as counterparties holding significant deposits are banks with high credit ratings (minimum A3/A-) assigned by international credit-rating agencies. The Group's policy is to invest its cash deposits only with highly rated financial institutions. Accordingly, the Group considers its cash and cash equivalents to have low credit risk.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with Management, which has established an appropriate liquidity risk management framework to oversee the Group's short-, medium-, and long-term funding and liquidity requirements.

The Group manages liquidity risk by maintaining adequate reserves, banking facilities, and reserve borrowing facilities. This is achieved through continuous monitoring of forecasted and actual cash flows and by aligning the maturity profiles of financial assets and liabilities.

The following tables present the Group's remaining contractual maturities for its financial liabilities. The tables are prepared based on the undiscounted cash flows of financial liabilities, using the earliest possible payment date on which the Group may be required to settle its obligations. Both interest and principal cash flows are included.

As the Group's financial liabilities are subject to floating interest rates, the undiscounted amounts are derived from interest rate curves as of the balance sheet date.

Knowledge resources

An essential part of the group's continued success is dependent on our specialized employees, with deep expertise in biogas, innovative energy technologies, and engineering. These are crucial to both our daily operations and our strategic expansion. Their comprehensive understanding of renewable energy systems drives our efficiency and innovation. As we advance, their skills will continue to be instrumental in transforming energy practices and sustaining our growth in the circular bioeconomy.

Research and development activities

The group's development projects consist of internally developed software solutions designed to support the group's data and reporting processes and improve its operational and strategic activities. The software solutions are intended exclusively for internal use with the aim of reducing costs and optimizing operations. See note 10 to the consolidated financial statements for supplementary information.

Statutory report on corporate social responsibility

The following reporting is in accordance with the Danish Financial Statements Act §99a. The business model is described in the primary activities above.

Environmental performance

In the group we are fully dedicated to promoting sustainability and environmental protection, actively applying the principles of circular bioeconomy. We continuously work with our social responsibility and seek to reduce CO₂ emissions by working towards the establishment of land-based circular energy clusters. These energy clusters will incorporate biogas production, photovoltaic and wind farms, as well as advanced technologies such as Power-to-X, biorefining of grass and HTL. The establishment of these energy islands will ensure surplus heat for local communities, contribute to meeting the municipalities' 2030 climate goals and ensure green local production of electricity, gas, fuel and heat.

The biogas production contributes significantly to the reduction of agricultural CO₂ emissions and reduces society's dependence on fossil fuels. Over the past year, we have stepped up our efforts to optimize our production processes with the aim of minimizing waste and maximizing energy production. Our latest acquisition of North-Tec further strengthens this ability as we increase the usage of digitalized operations contributing to increased stability as well as improved resource consumption. In addition, we will continue to focus on providing our partners with an efficient biomass collection and delivery system. Our operational activities ensure that CO₂ emissions are minimized through energy efficiency and that the degassed biomass is returned to agriculture as a valuable raw material.

Our operational work with biogas production and green certificates strictly follows the authorities' instructions. This includes actively managing environmental risks related to biogas production, such as methane leakage, noise, and odour. We carry out regular monitoring to ensure methane leakages remain well below Danish regulatory targets. We implement targeted noise-reduction measures including noise barriers, acoustic enclosures, and other engineered solutions designed to limit sound propagation from operational activities. We engage proactively with local communities and follow a comprehensive odour management plan to ensure odour

is handled effectively. Odour mitigation remains a focus area, and we are committed to ongoing improvements in collaboration with external partners. Although a fully formalized policy is still under development, several environmentally friendly practices have already been implemented at our biogas plants. The risk of environmental damage is recognized and a future environmental policy will be aimed at minimizing this risk and ensuring compliance with all environmental regulations.

Social and Staff Conditions

We wish to ensure the best possible safety for employees and strive tirelessly to ensure a positive working environment. The risks of inadequate personnel policies, such as low employee satisfaction, high staff turnover and the safety of our employees, are recognized.

In response to these risks, we have in 2024 strengthened several practices to promote social and state conditions, complementing our employee handbook. These practices, including our QHSE (Quality, Health, Safety and Environment) policy and QHSE organisation, have been collected and made available in a single platform for our employees creating one-source-of-truth for our QHSE-efforts. Additionally, the platform allows employees to report areas for improvement including accidents, near-miss accidents and other incidents ensuring a systematic approach for recognizing and following up on areas for improvement. To ensure a systematic approach to our QHSE activities, our QHSE organisation has established and follows an annual wheel ensuring regular discussion and follow-up on occupational health and safety work. As a result, we expect fewer accidents to occur in the future. Furthermore, we have introduced interdisciplinary forums across the group to share knowledge and experience across employee groups.

In the future, we are considering developing a further and more comprehensive policy to promote a healthy working environment and strengthen social conditions.

Human Right

Notwithstanding the fact that our activities take place in countries and with partners where there are no special issues regarding respect for human rights, we have a deep understanding of the importance of human rights in our practice, and the risks of non-compliance with human rights standards, including potential violations and reputational damage, are recognized. To counter these risks, adequate principles to safeguard human rights forms part of our Code of Conduct. When engaging with business relations we strive to implement our Code of Conduct in contracts unless the business partners themselves apply and commit to similar clear guidelines. In addition, the principles laid out in our Code of Conduct are drawn up to ensure respect and observance internally in our organization. Our Code of Conduct is based on, amongst others, the UN Global Compact, OECD Guidelines for Multinational Enterprises, legislative initiatives from the European Union (e.g. Corporate Sustainability Due Diligence Directive) and the UN Guiding Principles on Business and Human Rights.

In 2024, there were no recorded incidents that negatively affected human rights. We remain committed to prioritizing human rights, and are further exploring ways to secure human rights in our business going forward.

Sustainable procurement

When establishing, developing and operating our production facilities we rely on various suppliers of goods and services. We want to eliminate any negative social or environmental impacts not only within The Group but also throughout the supply chain we rely on and work together with.

In 2023 we incorporated corporate social responsibility principles into our procurement processes and decisions by the introduction of our Code of Conduct. The Code of Conduct requires our suppliers to commit to a range of ethical practices, anti-corruption, and sustainability. It is our ambition to always include the Code of Conduct for

suppliers into new agreements with suppliers to drive them towards higher standards.

Zero tolerance for discrimination etc.

In Maigaard & Molbech II ApS we have an absolute zero tolerance for discrimination, bullying and harassment. Our strict principles on this are explicitly stated in our Code of Conduct and in our employee handbook. To enable individuals to securely inform us about non-compliance incidents within this area and others we have launched an internal whistleblower hotline.

Business ethics and anti-corruption

Business ethics and anti-corruption are foundational pillars within our sustainability framework, underlining our dedication to fostering an ethical, transparent, and accountable business environment. As part of our sustainability agenda, we are strongly committed to seek to avoid and address ethical breaches that may arise as a result of our activities.

The risks associated with inadequate anti-corruption policies, including legal sanctions and reputational damage, are recognized in our organization. We have a zero-tolerance for bribery and corruption, and central to our risk management strategy is our Code of Conduct, which serves as the cornerstone of our ethical practices, incorporating an anti-corruption policy statement, which outlines our expectations for ethical behavior.

In recognition of the evolving nature of global business practices and the need for specialized focus in certain areas, we are in the process of introducing a dedicated anti-corruption policy. This forthcoming policy will offer detailed guidance on specific issues such as gifts, facilitation payments, and political and charitable contributions, ensuring that our team members are well-equipped to uphold our ethical standards in a variety of situations.

Moreover, the recent establishment of our whistleblower hotline, which may be used to inform us about – among other things – concerns in terms of business ethics, marks an enhancement to our framework. As we continue to expand our business, our focus on business ethics and anti-corruption will remain central in our activities. Looking ahead to 2025, we will review and update our policies to ensure they remain robust, relevant, and aligned with our evolving business activities.

Statutory report on data ethics policy

We have considered the relevance and impact of implementing a data ethics policy in accordance with the Danish Financial Statements Act §99d. Our management has a strong focus on handling data in the group to ensure that it is processed in accordance with applicable rules and laws, including data covered by the European General Data Protection Regulation (GDPR). As a relatively new enterprise still in the process of establishing our operational frameworks, Maigaard & Molbech II ApS has not yet formalized a data policy. We are currently focusing on building a robust foundation for our various functions and expect to develop and implement comprehensive data management policies in 2024. This will align with our commitment to transparency and excellence as we continue to grow and evolve. While we have yet to implement a full data ethics policy in accordance with the Danish Financial Statements Act §99d, during 2024, we have formalized how we handle personal data internally in the Group providing clear guidelines and transparency for employees.

Nevertheless, when determining the company's business strategies and carrying out the company's activities, we do to a large extent take into account generally accepted principles and good business ethics, and applicable legislation is constantly ensured.

Events after the balance sheet date

Capital increase

On 3 April 2025, subsequent to the reporting period end, the minorities interest in the Group has completed an internal financing round raising DKKm 300 in cash through the issuance of new shares primarily to existing shareholders and employees. The proceeds are designated to primarily fund significant strategic capital projects commencing or ongoing in 2025, including the major expansion of the Vinkel biogas plant, the development of an adjacent solar park, and the construction of five carbon capture plants across various locations.

The increase in equity will be recognized in 2025.

Acquisition of biogas project rights in Canada

On 24 January 2025, the Group acquired the project rights for Rimrock RNG, a planned large-scale biogas facility in Alberta, Canada. These rights were purchased from the Canadian company Tidewater Renewables.

The total purchase price for the project rights was USDm 7.8 million in cash. Of this amount, USDm 4.7 was paid at closing.

A further USDm 3.1 may become payable by the Group upon the satisfaction of certain post-closing conditions on or before 30 December 2025.

The transaction does not constitute a business combination

Consolidated income statement for 2024

	Notes	2024 DKK'000	2023 DKK'000
Revenue	2	1,480,701	1,132,493
Changes in inventories of finished goods and work in progress		37,353	0
Own work capitalised		24,298	10,170
Other operating income		10,062	32,402
Costs of raw materials and consumables		(726,089)	(591,636)
Other external expenses	3	(552,486)	(300,184)
Gross profit/loss		273,839	283,245
Staff costs	4	(188,881)	(78,830)
Depreciation, amortisation and impairment losses	5	(290,919)	(184,677)
Other operating expenses	6	(11,192)	(25,035)
Operating profit/loss		(217,153)	(5,297)
Other financial income		6,405	10,052
Other financial expenses		(99,296)	(49,736)
Profit/loss before tax		(310,044)	(44,981)
Tax on profit/loss for the year	7	46,244	(7,751)
Profit/loss for the year	8	(263,800)	(52,732)

Consolidated balance sheet at 31.12.2024

Assets

	Notes	2024 DKK'000	2023 DKK'000
Completed development projects	10	43,739	43,739
Acquired rights		125,293	17,998
Goodwill		1,010,284	930,918
Development projects in progress	10	7,590	2,865
Intangible assets	9	1,186,906	995,520
Land and buildings		587,978	536,801
Plant and machinery		2,362,725	2,272,480
Other fixtures and fittings, tools and equipment		87,768	68,221
Property, plant and equipment in progress		262,363	100,349
Prepayments for property, plant and equipment		64,681	846
Property, plant and equipment	11	3,365,515	2,978,697
Deposits		1,109	369
Financial assets	12	1,109	369
Fixed assets		4,553,530	3,974,586
Raw materials and consumables		100,689	103,148
Work in progress		9,705	8,276
Manufactured goods and goods for resale		41,104	6,821
Prepayments for goods		0	4,000
Inventories		151,498	122,245
Trade receivables		200,662	157,918
Contract work in progress		51,695	0
Receivables from group enterprises		0	40
Other receivables		61,960	56,045
Prepayments	13	5,521	4,638
Receivables		319,838	218,641
Cash		244,736	232,587

Current assets	716,072	573,473
<hr/>		
Assets	5,269,602	4,548,059
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Equity and liabilities

	Notes	2024 DKK'000	2023 DKK'000
Contributed capital		40	40
Retained earnings		36	(14)
Equity belonging to Parent's shareholders		76	26
Equity belonging to minority interests		2,740,109	2,607,424
Equity		2,740,185	2,607,450
Deferred tax	14	238,301	280,958
Other provisions	15	19,798	3,642
Provisions		258,099	284,600
Mortgage debt		313,430	235,337
Bank loans		661,022	507,320
Lease liabilities		92,415	40,383
Loans raised by the issuance of bonds	16	470,564	0
Other payables		0	350
Deferred income	17	213,685	211,159
Non-current liabilities other than provisions	18	1,751,116	994,549
Current portion of non-current liabilities other than provisions	18	94,778	69,031
Bank loans		67,940	360,528
Contract work in progress		49,352	0
Trade payables		242,886	196,195
Tax payable		0	8,159
Other payables		65,246	27,547
Current liabilities other than provisions		520,202	661,460
Liabilities other than provisions		2,271,318	1,656,009
Equity and liabilities		5,269,602	4,548,059
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	21		
Contingent liabilities	22		
Assets charged and collateral	23		
Subsidiaries	24		

Consolidated statement of changes in equity for 2024

	Contributed capital DKK'000	Retained earnings DKK'000	Equity belonging to Parent's shareholders DKK'000	Equity belonging to minority interests DKK'000	Total DKK'000
Equity beginning of year	40	(14)	26	2,686,736	2,686,762
Adjustment of material errors	0	0	0	(79,312)	(79,312)
Adjusted equity, beginning of year	40	(14)	26	2,607,424	2,607,450
Increase of capital	0	0	0	396,535	396,535
Profit/loss for the year	0	50	50	(263,850)	(263,800)
Equity end of year	40	36	76	2,740,109	2,740,185

Consolidated cash flow statement for 2024

	Notes	2024 DKK'000	2023 DKK'000
Operating profit/loss		(217,153)	(5,297)
Amortisation, depreciation and impairment losses		290,919	184,677
Other provisions		4,783	3,642
Working capital changes	19	18,273	(262,015)
Cash flow from ordinary operating activities		96,822	(78,993)
Financial income received		6,405	10,054
Financial expenses paid		(99,296)	(49,736)
Taxes refunded/(paid)		(8,000)	(27,660)
Cash flows from operating activities		(4,069)	(146,335)
Acquisition etc. of intangible assets		(120,000)	(46,604)
Acquisition etc. of property, plant and equipment		(404,000)	(370,527)
Sale of property, plant and equipment		12,218	15,213
Acquisition of enterprises	20	(314,800)	(947,600)
Cash flows from investing activities		(826,582)	(1,349,518)
Free cash flows generated from operations and investments before financing		(830,651)	(1,495,853)
Loans raised		266,900	93,896
Repayments of loans etc.		(267,200)	(53,681)
Repayment of debt to group enterprises		0	(10,000)
Repayment of lease liabilities		(24,100)	(11,317)
Cash capital increase		396,600	1,500,161
Proceeds from bonds		470,600	0
Development in short-term bank debt		0	162,308
Cash flows from financing activities		842,800	1,681,367
Increase/decrease in cash and cash equivalents		12,149	185,514
Cash and cash equivalents beginning of year		232,587	47,073
Cash and cash equivalents end of year		244,736	232,587

Cash and cash equivalents at year-end are composed of:

Cash	244,736	232,587
Cash and cash equivalents end of year	244,736	232,587

Notes to consolidated financial statements

1 Events after the balance sheet date

Capital increase

On 3 April 2025, subsequent to the reporting period end, the minorities interest in the Group has completed an internal financing round raising DKKm 300 in cash through the issuance of new shares primarily to existing shareholders and employees. The proceeds are designated to primarily fund significant strategic capital projects commencing or ongoing in 2025, including the major expansion of the Vinkel biogas plant, the development of an adjacent solar park, and the construction of five carbon capture plants across various locations.

The increase in equity will be recognized in 2025.

Acquisition of biogas project rights in Canada

On 24 January 2025, the Group acquired the project rights for Rimrock RNG, a planned large-scale biogas facility in Alberta, Canada. These rights were purchased from the Canadian company Tidewater Renewables.

The total purchase price for the project rights was USDm 7.8 million in cash. Of this amount, USDm 4.7 was paid at closing.

A further USDm 3.1 may become payable by the Group upon the satisfaction of certain post-closing conditions on or before 30 December 2025.

The transaction does not constitute a business combination

2 Revenue

	2024 DKK'000	2023 DKK'000
Denmark	1,255,701	1,132,493
Other	225,000	0
Total revenue by geographical market	1,480,701	1,132,493
Sale of gas	525,701	425,493
Sale of certificates	255,000	263,000
Government grants	403,000	319,000
Other revenue	124,000	125,000
Construction contracts	173,000	0
Total revenue by activity	1,480,701	1,132,493

3 Fees to the auditor appointed by the Annual General Meeting

	2024	2023
	DKK'000	DKK'000
Statutory audit services	1,800	938
Other assurance engagements	400	300
Tax services	2,500	1,184
Other services	14,200	7,611
	18,900	10,033

4 Staff costs

	2024	2023
	DKK'000	DKK'000
Wages and salaries	168,030	69,012
Pension costs	10,980	8,115
Other social security costs	9,871	1,703
	188,881	78,830
Average number of full-time employees	193	98

Special incentive programmes

Warrant programme - Equity-settled share-based payment transactions that are not recognised before exercise

In April 2023, the Board of Directors, the Executive Board and other key employees of the subsidiary BioCirc Group Holding ApS became part of a special incentive programme, through which warrants are earned. The exercise price ranges from DKK 200 to 800, with an annual increase of 3% to 10% each April. The covered warrants are issued with the following general terms:

- Each earned warrant grants the participant the right (but not the obligation) to subscribe for one new Class A share in BioCirc Group Holding ApS at a predetermined exercise price.
- Warrants are earned over a period of 7 years and can then be exercised. The earning of warrants is contingent upon the participant's employment within the Group. If a participant leaves the Group, the right to all warrants is forfeited.
- Warrants will be fully earned before the end of year 7 in the event of an "exit event," after which warrants can be exercised. In the event of an exit event, both the participant and Management can agree to settle warrants in cash.

The total number of warrants outstanding are 270.359 (2023: 245.125). The weighted-average exercise price per warrant outstanding at the expected date of exercise is DKK 928 (2023: DKK 450) taking into account the impact of the annual increases of the exercise price.

The disclosure of the group management remuneration falls within section 98b(3)(2) of the Danish Financial Statements Act.

5 Depreciation, amortisation and impairment losses

	2024	2023
	DKK'000	DKK'000
Amortisation of intangible assets	86,106	62,396
Depreciation on property, plant and equipment	204,813	122,281
	290,919	184,677

6 Other operating expenses

Other operating expenses consist of a release sum related to the termination of an agreement regarding the sale of certificates, as well as losses from the sale of fixed assets.

7 Tax on profit/loss for the year

	2024	2023
	DKK'000	DKK'000
Current tax	0	3,746
Change in deferred tax	(44,988)	1,977
Adjustment concerning previous years	(1,256)	2,028
	(46,244)	7,751

8 Proposed distribution of profit/loss

	2024	2023
	DKK'000	DKK'000
Retained earnings	50	(35)
Minority interests' share of profit/loss	(263,850)	(52,697)
	(263,800)	(52,732)

9 Intangible assets

	Completed development projects DKK'000	Acquired rights DKK'000	Goodwill DKK'000	Development projects in progress DKK'000
Cost beginning of year	43,739	38,114	1,046,883	2,865
Additions	0	120,000	152,767	4,725
Cost end of year	43,739	158,114	1,199,650	7,590
Amortisation and impairment losses beginning of year	0	(20,116)	(115,965)	0
Amortisation for the year	0	(12,705)	(73,401)	0
Amortisation and impairment losses end of year	0	(32,821)	(189,366)	0
Carrying amount end of year	43,739	125,293	1,010,284	7,590

Goodwill

The management has performed an impairment test of recognised goodwill based on a value in use calculation. The calculation of value in use is based on management's expectations of future cash flows based on budgets approved by management.

Several assumptions and estimates are incorporated into these calculations, including future market conditions, operating expenses, inflation, the life of the production facilities and production volumes for these assets. Although the assumptions used in the impairment test naturally come with uncertainties, they represent management's best estimates.

Management has determined that the most important inputs for the preparation of value-in-use calculations include future gas and certificate prices, production volumes and the discount rate. In management's opinion, estimates related to future certificate prices represent the key assumption that carries the most significant uncertainty. This uncertainty is primarily driven by factors inherent in the certificate market, such as potential changes in national and international regulatory frameworks and developing companies' demand for green attributes.

The assessment indicates that the calculated recoverable amounts for these CGUs currently exceed their carrying amounts with a substantial margin. Management's sensitivity analysis concludes that this existing headroom is sufficient to absorb the impact of potential adverse changes considered reasonably possible for these key assumptions.

10 Development projects

The Group's development projects consist of internally developed software solutions designed to support the Group's data and reporting processes and enhance its operational and strategic activities. The software solutions are intended entirely for internal use, aiming to reduce costs and optimize operations.

No material research expenditures or development expenditures that did not meet the criteria for capitalization were recognized as expenses during the periods.

Development projects in progress are tested for impairment as part of the cash generating unit to which they relate and not individually as they do not generate independent cash inflows.

11 Property, plant and equipment

	Land and buildings DKK'000	Plant and machinery DKK'000	Other fixtures and fittings, tools and equipment DKK'000	Property, plant and equipment in progress DKK'000	Prepayments for property, plant and equipment DKK'000
Cost beginning of year	548,700	2,399,866	79,300	100,349	846
Addition through business combinations etc	4,466	0	7,100	0	0
Transfers	(69,753)	65,057	6,451	(227)	(846)
Additions	123,942	216,902	23,763	162,822	64,681
Disposals	(9,048)	(2,200)	(1,382)	(581)	0
Cost end of year	598,307	2,679,625	115,232	262,363	64,681
Depreciation and impairment losses beginning of year	(11,900)	(127,693)	(11,100)	0	0
Transfers	9,420	(8,669)	(749)	0	0
Depreciation for the year	(7,849)	(180,776)	(16,188)	0	0
Reversal regarding disposals	0	238	573	0	0
Depreciation and impairment losses end of year	(10,329)	(316,900)	(27,464)	0	0
Carrying amount end of year	587,978	2,362,725	87,768	262,363	64,681
Recognised assets not owned by Entity	0	76,306	46,938	0	0

The line "Transfer" is a part of corrections to componentization of production assets as described in the accounting policies, section Material errors in previous years.

The Group has in 2022 and 2023 entered into warrant arrangements with various landowners according to which, BioCirc Holding III ApS (a shareholding entity in the subsidiary BioCirc Group Holding ApS) has granted a number of warrants to landowners as part of a framework agreement related to the Group's future construction projects on the landowners' properties. No such warrants have been issued in 2024.

Under the arrangement, the Group receives the option to utilize the land owned by the landowner for the purpose of establishing various production assets in the future. A symmetrical recharge arrangement is in place between BioCirc Holding III ApS and BioCirc Group Holding ApS, requiring BioCirc Group Holding ApS to reimburse BioCirc Holding III ApS in warrants for the share-based payments granted to the landowners. These arrangements are considered equity-settled share-based payment transactions and not recognised in the financial statements of the Group. In 2023 the warrants issued represented an estimated fair value of DKKm 13.4.

12 Financial assets

	Deposits DKK'000
Cost beginning of year	400
Transfers	500
Additions	209
Cost end of year	1,109
Carrying amount end of year	1,109

13 Prepayments

Prepayments comprises accrual of costs relating to subsequent financial years.

14 Deferred tax

	2024 DKK'000	2023 DKK'000
Intangible assets	12,000	10,100
Property, plant and equipment	285,801	337,558
Receivables	(19,500)	(14,200)
Liabilities other than provisions	(40,000)	(42,700)
Tax losses carried forward	0	(9,800)
Deferred tax	238,301	280,958

	2024 DKK'000	2023 DKK'000
Changes during the year		
Beginning of year	280,958	194,085
Recognised in the income statement	(44,987)	1,977
Recognized upon acquisition of new companies within the group	2,330	84,896
End of year	238,301	280,958

15 Other provisions

Other provisions comprise provisions for payment of a tax dispute and warranties in connection with sold goods and services. The provisions are expected to be settled within the next year.

16 Loans raised by the issuance of bonds

	Amounts outstanding DKK'000	Interest rate agreed %
Issued bonds	470,600	EURIBOR-1 + 6%
	470,600	

On 14 July 2024, the Group resolved to issue a series of bonds totaling EUR 70,000,000. The carrying amount of the bond issue, net of transaction costs, is outlined above. The bonds will mature and be repaid in full on 19 July

2028, but the Group retains the option to redeem all or part of the outstanding bonds before maturity.

Each bond has a nominal amount of EUR 100,000 and accrues interest at a floating rate equal to EURIBOR plus a fixed margin of 6%. The Group may redeem the bonds at various premium levels depending on the timing of redemption. These levels include a make-whole amount if redeemed before July 2026. For redemptions occurring from July 2026 onwards, the premium over the nominal amount starts at 3% and gradually reduces to 0.75% as the bonds approach their maturity date. In all redemption scenarios, accrued and unpaid interest is also payable

17 Deferred income

The Group has also received government grants for the construction or expansion of the Group's production assets from the Danish state. The compensation is received upfront and initially recognized as deferred income. The compensation is recognized as other income on a systematic basis over the useful life of the production asset, in line with its proportionate depreciation charges. There are no unfulfilled conditions or other contingencies attached to these grants.

18 Non-current liabilities other than provisions

	Due within 12 months 2024 DKK'000	Due within 12 months 2023 DKK'000	Due after more than 12 months 2024 DKK'000	Outstanding after 5 years 2024 DKK'000
Mortgage debt	11,673	7,106	313,430	336,000
Bank loans	54,621	33,813	661,022	453,000
Lease liabilities	19,627	9,501	92,415	0
Loans raised by the issuance of bonds	0	0	470,564	0
Deferred income	8,857	18,611	213,685	0
	94,778	69,031	1,751,116	789,000

19 Changes in working capital

	2024 DKK'000	2023 DKK'000
Increase/decrease in inventories	(16,500)	(18,115)
Increase/decrease in receivables	(7,900)	(72,148)
Increase/decrease in trade payables etc.	42,673	(171,752)
	18,273	(262,015)

20 Acquisition of enterprises

	2024	2023
	'000DKK	'000DKK
Property, plant and equipment	10,400	567,100
Inventories	21,400	12,500
Receivables	85,000	67,000
Bank loans	(1,700)	(174,800)
Deferred tax	(2,600)	(83,700)
Trade payables	(28,200)	(26,300)
Other payables	(49,100)	(7,100)
Provisions	(20,500)	0
Deferred income	0	(44,300)
	14,700	310,400
Goodwill	152,800	224,000
Total consideration	167,500	534,400
Asset acquisitions, net of cash acquired	147,300	413,200
Cash consideration	314,800	947,600

Acquisitions in 2024

On 29 February 2024, the Group acquired 100% of the shares of North-Tec Maschinenbau GmbH, North-Tec Service UG, North-Tec Industry GmbH, and North-Tec Danmark A/S (jointly, 'North-Tec'), a non-listed group of companies based in Germany specializing in the development, production, repair, and automation of biogas equipment and components, including complete plant solutions.

The acquisition was negotiated and executed as a single, combined transaction. The acquisition was executed to strengthen the Group's technological capabilities by integrating EPC expertise and advanced software solutions. It also enhances the Group's ability to develop biogas technologies, improve energy management, and accelerate international expansion.

North-Tec was acquired in cash. Pursuant to the agreement with the former owners, they subsequently invested in the Parent company in exchange for new Class A shares, following the completion of the acquisition.

The goodwill of DKKm 152.8 comprises the value of North-Tec's specialized, assembled workforce, as well as the expected synergies arising from the acquisition, including cost savings, increased market share, and the alignment with BioCirc's vision of being a one-stop shop for all biogas-related products and services.

Acquisitions in 2023

On 10 November 2023, the Group acquired 100% of the shares in Naturbiogas Sode A/S (subsequently renamed BioCirc Haderslev Biogas ApS), an entity managing and operating a biogas plant in Haderslev, Denmark. The acquisition was executed to strengthen the Group's production capacity and support its overall strategy of expanding its footprint in the renewable energy sector.

Naturbiogas Sode A/S was acquired in cash. Pursuant to the agreement with the former owners, they subsequently invested in the Parent company in exchange for new Class A shares, following the completion of the acquisition.

The goodwill of DKKm 224 comprises the value of the company's workforce as well as the expected synergies arising from the acquisition, including cost savings, combined asset benefits, and potential future revenue increases from additional certificates, CO2 storage, and bioethanol production using Power-to-X technologies.

21 Unrecognised rental and lease commitments

	2024 DKK'000	2023 DKK'000
Total liabilities under rental or lease agreements until maturity	15,963	2,239

The Group leases a number of machinery, office premises and storage units as operating leases to external parties. The leases have terms of between 1-5 years.

22 Contingent liabilities

Variable and contingent payment agreements

Asset acquisitions of production assets may contain contingent payments that depend on the occurrence of future events (e.g., the obtainment of various permits). The contingent additional not recognized payments are estimated to be between DKKm 24 and DKKm 34.5.

As per the Group's policy, these payments will be capitalized as part of the Group's production assets once the underlying conditions related to the payments are triggered.

Capital commitments

As at 31 December 2024, the Group has contracted for significant capital expenditures for property, plant and equipment at an amount of DKKm 307.2.

The Group also has a binding agreement in place to acquire a plot of land. Finalizing the purchase requires the completion of certain administrative and legal formalities, which are currently in progress and anticipated to conclude during 2025. The final purchase price and other terms will be established once all formalities are settled.

23 Assets charged and collateral

Mortgage debt amount of DKKm 332,8 is secured by way of mortgage on properties with a nominal value of DKKm 272,1. The mortgage also comprises the plant and machinery deemed part of the property.

The carrying amount of mortgaged properties is DKKm 259,1 and the carrying amount of mortgaged plant is DKKm 659,4.

Payables to credit institutions amount of DKKm 325,1 are secured by a floating charge of DKKm 101,0 on goodwill, intellectual property rights, motor vehicles, other fixtures and fittings, tools and equipment, inventories, trade receivables as well as other fuels and consumables. The total carrying amount of the assets concerned is DKKm 295,6.

Lease liabilities are secured by way of a deposited mortgage deed registered to the mortgagor in the nominal amount of DKKm 0,5 on plant and machinery.

Bank loans amount of DKKm 740,7 are secured by way of a deposited mortgage deed registered to the mortgagor on plant and properties of DKKm 458,4 nominal.

The carrying amount of mortgaged properties is DKKm 208,9 and the carrying amount of mortgaged plant is DKKm 1.370,7.

The Group has issued an all-monies mortgage of DKKm 8,0 with a charge on plant and machinery, other fixtures and fittings, tools and equipment, inventories as well as trade receivables of a carrying amount of DKKm 16,0. The all-monies mortgage has been provided as security for all payables amount of DKKm 740,7 to the Group's bank.

Current settlements for gas have been assigned as security by the Group to credit institutions.

Certain plant and machinery as well as other fixtures, fittings, tools and equipment have been financed using finance leases. The carrying amount of assets held under finance leases is DKKm 123,1.

24 Subsidiaries

	Registered in	Corporate form	Ownership %
BioCirc Group Holding ApS	Denmark	ApS	0.01
BioCirc Group ApS *	Denmark	ApS	0.01
BioCirc North America ApS *	Denmark	ApS	0.01
Bio Recycling ApS *	Denmark	ApS	0.01
BioCirc Blåbjerg Biogas ApS *	Denmark	ApS	0.01
BioCirc CCS Holding ApS *	Denmark	ApS	0.01
BioCirc CO2 ApS *	Denmark	ApS	0.01
BioCirc Canada Holdings Inc. *	Canada	Inc.	0.01
BioCirc Carbon & Renewables ApS *	Denmark	ApS	0.01
BioCirc Favrskov Biogas ApS *	Denmark	ApS	0.01
BioCirc Favrskov CCS K/S *	Denmark	K/S	0.01
BioCirc Favrskov Go Green ApS *	Denmark	ApS	0.01
BioCirc Germany GmbH *	Germany	GmbH	0.01
BioCirc Group ApS *	Denmark	ApS	0.01
BioCirc Group Holding ApS *	Denmark	ApS	0.01
BioCirc Grønhøj ApS *	Denmark	ApS	0.01
BioCirc Grønhøj Biogas ApS *	Denmark	ApS	0.01
BioCirc Grønhøj CCS K/S *	Denmark	K/S	0.01
BioCirc Grønhøj Vind ApS *	Denmark	ApS	0.01
BioCirc Haderslev Biogas ApS *	Denmark	ApS	0.01
BioCirc Haderslev CCS K/S *	Denmark	K/S	0.01
BioCirc Haderslev Go Green ApS *	Denmark	ApS	0.01
BioCirc Iglsø ApS *	Denmark	ApS	0.01
BioCirc Iglsø Biogas ApS *	Denmark	ApS	0.01
BioCirc Jammerbugt Park ApS *	Denmark	ApS	0.01
BioCirc Komplementarselskab ApS *	Denmark	ApS	0.01
BioCirc North America ApS *	Denmark	ApS	0.01
BioCirc North-Tec Holding GmbH *	Germany	GmbH	0.01
BioCirc Ringsted Biogas ApS *	Denmark	ApS	0.01
BioCirc Ringsted Go Green ApS *	Denmark	ApS	0.01
BioCirc Skive Go Green ApS *	Denmark	ApS	0.01
BioCirc Storage ApS *	Denmark	ApS	0.01
BioCirc Trading ApS *	Denmark	ApS	0.01

	Registered in	Corporate form	Ownership %
BioCirc US Holdings Inc *	USA	Inc.	0.01
BioCirc Vesthimmerland Hydrogen ApS *	Denmark	ApS	0.01
BioCirc Vesthimmerland Biogas ApS *	Denmark	ApS	0.01
BioCirc Vesthimmerland CCS K/S *	Denmark	K/S	0.01
BioCirc Vesthimmerland Go Green ApS *	Denmark	ApS	0.01
BioCirc Vesthimmerland Park ApS *	Denmark	ApS	0.01
BioCirc Viborg Park ApS *	Denmark	ApS	0.01
BioCirc Vinkel Biogas ApS *	Denmark	ApS	0.01
BioCirc Vinkel CCS K/S *	Denmark	K/S	0.01
BioCirc Vinkel Park ApS *	Denmark	ApS	0.01
Hvilsom Renewables K/S *	Denmark	K/S	0.01
Iglsø Agro A/S *	Denmark	A/S	0.01
Iglsø Renewables K/S *	Denmark	K/S	0.01
Kvorning Renewables K/S *	Denmark	K/S	0.01
Mariagerfjord Go Green K/S *	Denmark	K/S	0.01
NORTH-TEC Danmark ApS *	Denmark	ApS	0.01
NORTH-TEC Industry GmbH *	Germany	GmbH	0.01
NORTH-TEC Maschinenbau GmbH *	Germany	GmbH	0.01
NORTH-TEC Service UG *	Germany	UG	0.01
Sjørring Renewables K/S *	Denmark	K/S	0.01
Skive Go Green Power K/S *	Denmark	K/S	0.01
Tagmarken Sol K/S *	Denmark	K/S	0.01
VHB Planteavl ApS *	Denmark	ApS	0.01
VHB Økologi ApS *	Denmark	ApS	0.01
Vester Lyby Renewables K/S *	Denmark	K/S	0.01
Vesthimmerland Go Green K/S *	Denmark	K/S	0.01
Viborg Go Green ApS *	Denmark	ApS	0.01
Viborg Go Green Power K/S *	Denmark	K/S	0.01
Vinkel Sol K/S *	Denmark	K/S	0.01
BioCirc Manco ApS	Denmark	ApS	0.01

The share capital of the directly owned subsidiaries Biocirc Group Holding ApS and Biocirc Manco ApS comprises Class A shares and Class B share. The Class B share carries 100% of the voting rights; Class A shares carry no voting rights. The parent company Maigaard & Molbech II ApS owns 0.01% of Class A shares and all class of B shares, which give the company 100% of the voting rights of Biocirc Group Holding ApS and Biocirc Manco ApS. Subsidiaries marked with * are indirectly owned subsidiaries where the percentages listed are the indirect ownership percentage (economic ownership).

Parent income statement for 2024

	Notes	2024 DKK'000	2023 DKK'000
Revenue	2	31,400	21,439
Other external expenses		(25,294)	(21,357)
Gross profit/loss		6,106	82
Staff costs	3	(6,000)	0
Operating profit/loss		106	82
Other financial income		7	5
Other financial expenses		(3)	(4)
Profit/loss before tax		110	83
Tax on profit/loss for the year	4	(83)	(119)
Profit/loss for the year	5	27	(36)

Parent balance sheet at 31.12.2024

Assets

	Notes	2024 DKK'000	2023 DKK'000
Receivables from group enterprises		40	40
Other receivables		0	143
Receivables		40	183
Cash		740	5
Current assets		780	188
Assets		780	188

Equity and liabilities

	Notes	2024 DKK'000	2023 DKK'000
Contributed capital		40	40
Retained earnings		12	(15)
Equity		52	25
Trade payables		52	20
Tax payable		83	119
Other payables		593	24
Current liabilities other than provisions		728	163
Liabilities other than provisions		728	163
Equity and liabilities		780	188
Events after the balance sheet date	1		
Contingent liabilities	6		
Transactions with related parties	7		

Parent statement of changes in equity for 2024

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	40	(15)	25
Profit/loss for the year	0	27	27
Equity end of year	40	12	52

Notes to parent financial statements

1 Events after the balance sheet date

No events have occurred in parent company after the balance sheet date to this date, which would influence the evaluation of this annual report. For events after the balance sheet date in the Group, it is disclosed in note 1 in notes to consolidated financial statements.

2 Revenue

	2024	2023
	DKK'000	DKK'000
Management fee	31,400	21,439
Total revenue by activity	31,400	21,439

3 Staff costs

	2024	2023
	DKK'000	DKK'000
Wages and salaries	6,000	0
	6,000	0
Average number of full-time employees	1	1

The disclosure of the group management remuneration falls within section 98b(3)(2) of the Danish Financial Statements Act.

4 Tax on profit/loss for the year

	2024	2023
	DKK'000	DKK'000
Current tax	83	119
	83	119

5 Proposed distribution of profit and loss

	2024	2023
	DKK'000	DKK'000
Retained earnings	27	(36)
	27	(36)

6 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

7 Transactions with related parties

	Subsidiaries
	DKK'000
The company's received loan	40
Management fee	31,400

The company owns shares in BioCirc Group Holding ApS, BioCirc Group Holding III ApS and BioCirc Manco ApS. The company's shares are recognised and measured at cost price and as of 31.12.2024 are recognised at 3 DKK. The company has 100% voting rights in BioCirc Group Holding ApS og BioCirc Manco ApS. There have been no movements in shares in 2023 or 2024.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

Material errors in previous years

Recognition of revenue related to the sale of certificates

A prior period error relating to revenue recognition for certificate sales to balancing-responsible parties was corrected with effect from 1 January 2023.

The consideration for these sales is variable and subject to significant uncertainty driven by external factors outside the Group's direct control (including final spot market prices achieved by the balancing-responsible party and potential pooling effects with other market participants), with the final consideration amount typically not known until more than 12 months after the initial transfer of the certificates.

The error arose because previously recognized revenue, based on Management's estimates, was not appropriately constrained such that it was highly probable that a significant revenue reversal would not occur, as required by applicable accounting principles for variable consideration subject to such significant and prolonged uncertainty. In Management's view, this principle is consistent between previous GAAP and IFRS.

Going forward, the Group will recognize revenue equivalent to the minimum guaranteed amount determined at contract inception, recognizing any further variable consideration only when the associated uncertainty is resolved such that a significant revenue reversal is highly probable not to occur.

As at 1 January 2023, the correction resulted in a reduction in trade receivables of DKKm 53.6 and a reduction in deferred tax liabilities of DKKm 11.8, with a corresponding net reduction in opening retained earnings of DKKm 41.8.

For the year ended 31 December 2023, the correction resulted in a decrease in recognized revenue of DKKm 10.1. As at 31 December 2023, trade receivables were reduced by DKKm 56.2. Concurrently, the following movements affected total liabilities:

- Trade payables increased by DKKm 10.3 due to the reclassification of credit balances that had arisen within trade receivables.
- Net deferred tax liabilities decreased by DKKm 14.6. These movements resulted in a net decrease in total liabilities of DKKm 4.3.

Retained earnings decreased by DKKm 51.9

Componentization of production assets

In connection with the process of adoption of IFRS in Biocirc Group, Management determined that, under previous GAAP, it had not initially exercised sufficient judgment in assessing the appropriate level of componentization of its production assets after acquisition, particularly in deciding whether individual items should have been aggregated or recognized as separate components. As a result, Management considers the level of componentization to have been overly broad, leading to inappropriate depreciation schedules for certain assets and accounting issues related to the treatment of replacement parts.

Management considers this an error under previous GAAP rather than a change in accounting estimates or an effect of adoption of IFRS.

To quantify the correction, Management developed a standardized componentization 'blueprint', derived from a detailed analysis of a representative biogas plant, which established standard asset subclasses, typical cost allocation proportions within broader asset categories, and associated useful lives. The blueprint was subsequently applied to the acquisition-date fair values of the identifiable assets of the other biogas plants to calculate the componentization correction.

Applying such methodology has inherent uncertainties; however, Management deems the potential differences arising from using this approach to be immaterial, as all biogas plants consist of similar main components (such as feeding systems, tanks, and upgrading systems). In addition, the types of pumps and mixers used are generally consistent across all plants.

By correcting this error, the Group ensures that the carrying amounts of production assets better reflect their individually significant components, in line with IAS 16 requirements.

As at 1 January 2023, the correction resulted in an increase in the carrying amount of property, plant and equipment of DKKm 5.3, an increase in deferred tax liabilities of DKKm 1.2, and a corresponding net increase in opening retained earnings of DKKm 4.1.

For the year ended 31 December 2023, the correction resulted in an increase in depreciation expense of DKKm 31.5.

As at 31 December 2023, due to the correction, the carrying amount of property, plant and equipment was reduced by DKKm 35.1, deferred tax liabilities were reduced by DKKm 7.7, and retained earnings were reduced by DKKm 27.4.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds 50% of the voting rights and exercises significant, but not controlling, influence are regarded as associates.

In preparing the consolidated financial statements, the financial statements of the subsidiary are adjusted to align with the Group's accounting policies. Intra-group income, expenses, shareholdings, balances, and dividends, along with realized and unrealized gains and losses arising from intra-group transactions, are eliminated from our consolidated financial statements.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in Management's proposal for the distribution of net profit/loss and equity, respectively.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Business combinations

Newly acquired or newly established enterprises are recognised in the financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised in intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful lives. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful life is reassessed annually. Negative balances (negative goodwill) are recognised as income in the income statement.

The uniting-of-interests method is applied on acquisition of enterprises, mergers, demergers, contributions of assets and exchanges of shares, etc. in which the enterprises concerned are controlled by the Parent. Under the uniting-of-interests method, the acquiree's assets and liabilities are recognised at their carrying amounts, adjusted for any differences in accounting policies. The difference between the consideration agreed and the carrying amount of the acquiree is recognised in equity. The comparative figures are restated.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in the translation reserve in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in the translation reserve in equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Public grants

Public grants are recognised when a final commitment has been received from the grantor and it is probable that the conditions of the grant will be fulfilled. Grants are recognised as income in the income statement as earned. Grants awarded for acquisition of assets are recognised as deferred income in the balance sheet, which is taken to income on a straight-line basis over the useful life of the asset. For subsidies for gas prices see below under "The nature of the Group's revenue".

Income statement

The nature of the Group's revenue

Sale of gas

The Group sells gas generated from its biogas plants to the network through balancing responsible parties at spot prices. Each unit of gigajoule biogas is accounted for as a separate performance obligation, recognized at a point in time (upon physical delivery of the biogas). Invoices are issued on a monthly basis and payment terms are 30 days from invoice date.

During the second half of 2024, the Group began entering into fixed-price contracts with counterparties to supply a specific quantity of biogas at a predetermined price per unit over a defined period (generally under one year).

The sale of biogas under these arrangements represents a single performance obligation that is satisfied over time, comprising a series of distinct goods that are substantially the same and that have the same pattern of transfer to the customer. This is because the customer simultaneously receives and consumes the benefits of the gas provided by the Group's performance as the Group performs.

Invoices are issued monthly, with payment due within 10-30 days from the invoice date.

Sale of certificates

The Group's certificates are generated in line with the production of biogas. Starting in the second half of 2024, the majority of certificates are sold to customers on a contract-to-contract basis, where the Group commits to transferring a specific number of certificates to a customer over a defined period (generally under a year) at a fixed price per certificate. Each certificate is accounted for as a separate performance obligation and is recognized at a point in time (upon delivery). Invoices are issued monthly, and payment terms are generally 15 days from the invoice date.

Prior to the second half of 2024, the majority of the certificates were transferred alongside biogas production to the balancing responsible party. The net profit from a subsequent sale to an end customer was split between the Group and the balancing responsible party according to a predefined agreement, with the Group receiving a guaranteed minimum payment through an advance payment.

Under this arrangement, each certificate was accounted for as a separate performance obligation. Revenue was recognized at a point in time (upon delivery). The amount recognized was constrained to the minimum payment until the uncertainties regarding the consideration were fully resolved (i.e., when the subsequent sale occurred and the net profit could be determined). Invoices were issued monthly, and payment terms were 30 days from the invoice date.

Government grants

The Group's biogas production is financially supported by government subsidy schemes (see note 6 for details about the Group's received government grants). These subsidy schemes are set to expire between 2037 and 2040. As the government grants are received in the form of subsidies for gas sales, intended to guarantee certain gas prices.

Construction contracts

The Group enters into contracts with customers for the renovation, upgrading or construction projects of biogas plants on the customer's land. These contracts comprise a single performance obligation (i.e., the construction project).

Revenue is recognized over time as construction progresses and is measured in proportion to the costs incurred relative to the total expected costs for constructing the biogas plant (i.e., a cost-to-cost method). Management has determined that this method best reflects the Group's effort in satisfying the performance obligation.

The transaction price is generally fixed. Payment terms are typically set in accordance with a milestone payment schedule, where the achievement of specific project milestones triggers a payment. If the services rendered by the Group exceed the payments, a contract asset is recognized. If the payments exceed the services rendered, a contract liability is recognized.

Payments are generally due 14 days after the receipt of the invoice.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Changes in inventories of finished goods and work in progress

Changes in inventories of finished goods and work in progress comprise decreases or increases for the financial year in inventories of finished goods and work in progress. This item includes normal writedowns of such inventories. Changes in inventories of raw materials are included in costs of raw materials and consumables.

Own work capitalised

Own work capitalised comprises staff costs and other costs incurred in the financial year and recognised in cost for proprietary intangible assets and property, plant and equipment.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including profit from the sale of intangible assets and property, plant and equipment.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and normal writedowns of the relevant inventories.

Other external expenses

Other external expenses comprise costs not directly related to the Group's biogas and certificate sales, employee benefit expenses, and depreciation, amortization and impairment. It includes items such as contract termination costs, service expenses for maintenance and repair, project-related expenses from construction contracts, various expenses of a general administrative nature, and transaction costs related to business combinations.

Staff costs

Staff costs comprise wages and salaries, and social security contributions, pension contributions, etc. for entity staff.

Share-based payments

Equity-settled share-based payments in the form of warrants to employees and others providing similar services are not recognised in the financial statements until they are exercised. When exercised, the transactions are recognised directly in equity. See note for staff costs for further disclosures.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year.

Other operating expenses

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities, including loss from the sale of intangible assets and property, plant and equipment.

Other financial income

Other financial income comprises , including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Parent is jointly taxed with all of its Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 10 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc.

Intellectual property rights etc. comprise acquired intellectual property rights.

The cost of development projects comprises costs that are directly and indirectly attributable to the Group's development activities.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the Group can be established, and where the intention is to manufacture, market, or apply the project, are recognised as intangible assets if there is sufficient certainty that the value-in-use of future earnings can cover production costs, selling and administrative expenses and the development costs.

Development projects which do not meet the criteria for recognition in the balance sheet are recognised as costs in the income statements when they are incurred.

Capitalised development costs are amortised from the date of completion on a straight-line basis over the period in which the development work is expected to generate economic benefits.

The period of amortisation is ten years.

An amount equal to the recognised development costs is recognised in the item "Reserve for development projects" under equity. The reserve is continuously reduced by amortisation and impairment losses on development projects.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised on a straight-line basis over the term of the agreement.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

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

For acquired and internally developed production assets, including production assets under construction, the cost includes the purchase price as well as directly attributable costs necessary to bring the production asset to the location and condition required for it to operate as intended by Management. This includes incremental costs that would have been avoided only if the asset had not been acquired.

Equity-settled share-based payment transactions with suppliers (e.g., landowners), for which the Group receives or acquires property, plant and equipment (e.g., production assets under construction) are not recognised in the financial statements. When exercised, the equity transactions are recognised directly in equity. See note for property, plant and equipment for further disclosures.

Variable payments for acquiring production assets, contingent on future events such as the obtainment of regulatory permits, are initially excluded from the asset's cost. Upon the occurrence of the triggering event, a liability is recognized, adjusting the asset's cost accordingly. Any subsequent changes in the liability also adjust the asset's cost.

Expenses related to equity-settled share-based payment transactions with suppliers of goods and services related to the Group's production assets are not capitalized as part of the cost of the production asset.

Upon initial recognition, the Group's production assets is separated into significant components, where each component is depreciated separately over its individual useful life. Depreciation commences when the assets are ready for their intended use. Land is not depreciated.

Depreciation is recognized over the assets useful lives, using the straight-line method:

	Useful life
Buildings	5 to 40
Plant and machinery	3 to 40
Other fixtures and fittings, tools and equipment	3 to 30

The estimated useful lives are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Management has determined that the residual values for all asset types are generally zero by the end of the useful life.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognized as other income or expense in the income statement

Inventories

Raw materials, work in progress and finished goods related to biogas are stated at the lower of cost and net realizable value.

Cost comprises of direct materials, direct labour and an appropriate proportion of variable and fixed overhead

expenditure that is directly attributable, with the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of first-in-first-out (FIFO) method. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a contract in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet in receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts, and finance costs are recognised in the income statement as incurred. However, costs which arise directly from securing contracts and which are expected to be recovered, are recognised over the term of the contract.

Prepayments

Prepayments represent costs paid in advance relating to for goods or services yet to be received or consumed (primarily related to construction contracts). These are initially recognized as assets and are subsequently charged as an expense as 'other expenses' over the period benefiting from the expenditure

Cash

Cash comprises cash in hand and bank deposits.

Minority interests

On initial recognition, minority interests are measured at the minority interests' share of the acquiree's net assets measured at fair value. No goodwill related to the minority interests' equity interests in the acquiree is recognised.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other provisions

Other provisions are recognised and measured as the best estimate of the expenses required to discharge the obligations 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.

Mortgages, bank debt and issued bonds

Mortgages, bank debt and issued bonds are initially recognized at fair value, net of transaction costs incurred, and subsequently measured at amortized cost using the effective interest method.

Amortized cost is calculated by accounting for any discount or premium on issuance, as well as fees or costs that form an integral part of the effective interest rate. The effective interest rate amortization is recognized as financial expenses in the income statement

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.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

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

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Deferred income

Deferred income primarily relates to government grants received for assets and is credited to the income statement in the line item 'other income' over the same period in which the related asset is depreciated.

Government grants

Government grants intended as compensation for the price of biogas, received through subsidy schemes structured as Contracts for Difference (CfD), are recognized in line with the generation of biogas and are presented as revenue.

Government grants received for the construction or expansion of production assets are initially recognized as deferred income and subsequently recognized as other income over the useful life of the related asset, in line with its depreciation.

Cash flow statement

Cash flows from operating activities are determined using the indirect method as operating profit before amortization, depreciation and impairment (EBITDA) adjusted for changes in operating items without cash flow effect. Cash flows from investing activities comprise payments in connection with the purchase and sale of

property, plant and equipment, business combinations (net of cash acquired), asset acquisitions (net of cash acquired), as well as development expenditures.

Cash flows from financing activities comprise changes in the size or composition of equity and loans, including principal payments on lease liabilities. Cash and cash equivalents comprise cash.