2023
Annual report

A Circular Future for
Local Communities

BIOCIRC


BIOCIRC

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Management review

BioCirc at a glance

Our business

BioCirc is a circular bioeconomic company that abates CO_2e emissions by producing green energy in the form of electricity, gas, fuel and heat in integrated energy clusters.

We act as a one-stop-shop for municipalities that need to accelerate the green transition, and our concept ensures true circularity, job creation and a renewable energy transition locally.

BioCirc has an extensive biomethane production. We own and operate eight biogas plants in Denmark, representing one of the largest biogas productions globally, and with several plants in the pipeline, we expect to continue our growth in the years ahead.

Our current biogas operations and future energy clusters act as key levers to reach a full and fair green transition, and our solutions address decarbonization of some of the hardest sectors to transform.

Vision

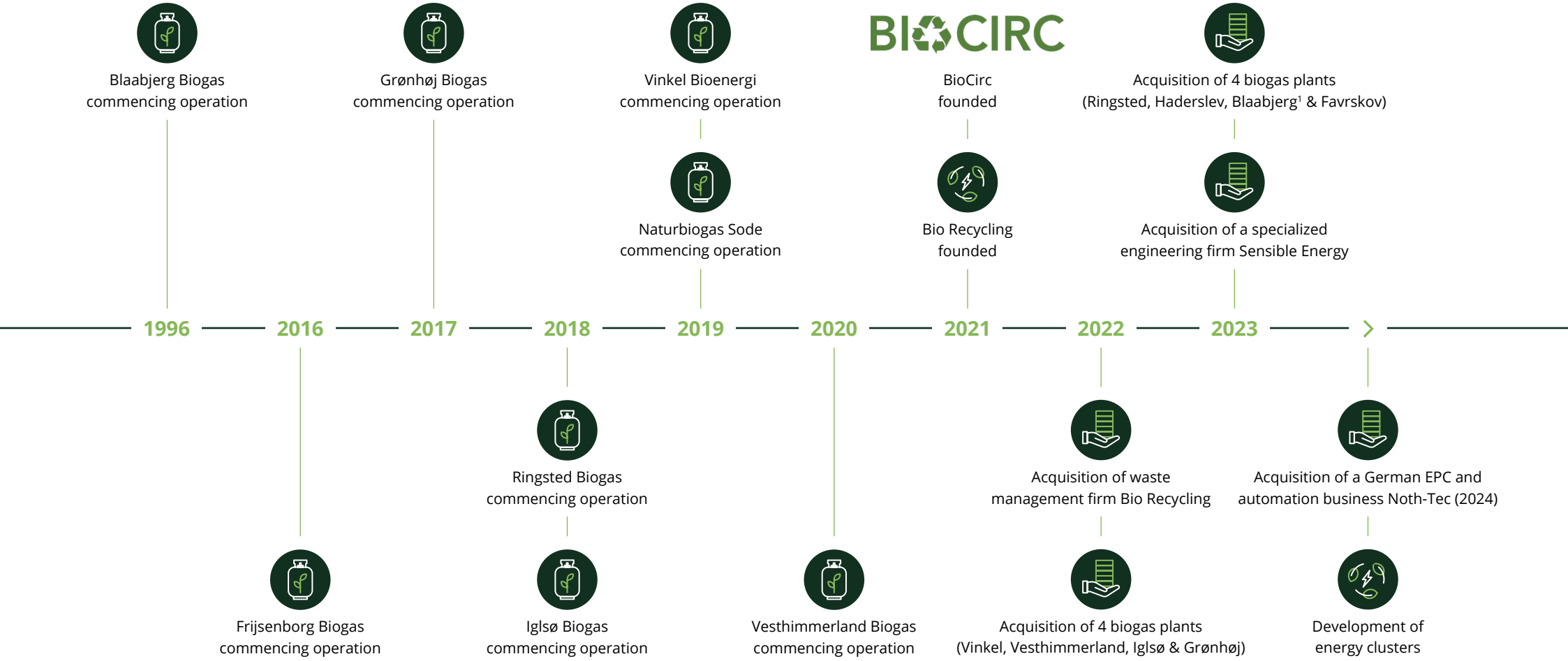
Best-in-class developer, owner and operator of green energy clusters, displacing the use of fossil energy locally

Mission

Help local communities implementing a full and fair green transition today, to ensure our children have a safer and more sustainable future

Our development

BioCirc was founded in 2021 on the basis of modern biogas facilities and a waste management firm, with energy clusters in active development to establish the integrated platform.



1 Signing 2023 – closing 2024.

Message from the Chair

BioCirc is rooted in local communities, committed to driving genuine, bottom-up changes. We believe this approach is crucial for global society to successfully navigate the green transition. By fostering local partnerships, we aim to create a global impact.

Michael Haaning
Chair, BioCirc Group

BioCirc, established just two years ago, has already matured significantly, making a substantial positive impact on addressing the climate crisis – an issue of paramount importance to both current and future generations. However, our journey does not end here. We're proud but not satisfied.

The time is now

Maintaining the status quo is not an option when it comes to addressing climate challenges. It's critical to confront the immediacy of the climate crisis facing us, a crisis that threatens the very fabric of our global ecosystem. Fortunately, the recognition of this urgency has increasingly become widespread, cutting across political, social, and economic divides.

Nonetheless, there remains a significant gap between stated ambitions and the actual implementation of solutions. Time is running out, and we believe that a new approach is necessary if we are to succeed in tackling the climate crisis effectively. An approach where renewable energy projects not only mitigate environmental impact but also benefit those directly affected, turning them into a community asset rather than a source of discontent.

Tangible solutions – grounded in reality

At the heart of our strategy and operating model is the principle of local partnerships. By empowering communities, landowners, farmers, and local industries to be part of a locally driven green transition, we create a robust foundation for sustainable change. This approach is not just about fostering a sense of responsibility; it ensures that the benefits of green initiatives are directly experienced by those most affected. By involving local stakeholders in the decision-making process, we ensure that our projects are not only environmentally sustainable but also socially fair.

Local partnerships – global impact

Local partnerships are the cornerstone of our model, but the impact of our work is designed to be global. Our model, while rooted in local engagement, has the flexibility to be adapted and implemented worldwide, acknowledging the universal nature of our shared environmental challenges.

We recognize the disparity between the current conversation and the actions taken. There's a clear need to shift from talk to decisive, impactful measures – from policy statements to actual projects on the ground.

This means moving beyond mere rhetoric to the implementation of tangible solutions that are grounded in reality, solutions that can make a significant difference in our global fight against climate change.

A shared journey

This journey towards sustainability is one we do not embark upon alone but in concert with our numerous partners. To landowners, farmers, municipalities, and many others – your support and collaboration are the bedrock of our progress. Your active involvement and dedication are indispensable as we forge ahead towards a greener horizon.

As we continue to navigate this path together, let us remember that our collective efforts are not merely about addressing the immediate challenges of climate change but about laying the groundwork for a more sustainable and equitable future for the generations to come.

Letter from the CEO

BioCirc's journey is a dedication to creating local impact in a race against global challenges. As the world continues its relentless battle against climate change, we take a local perspective and address what matter the most – abating greenhouse gas emissions.

Like many years before, 2023 once again brought to the forefront the critical issue of global warming, primarily driven by fossil fuel-based energy production. The discussions have re-emphasized the need for urgent and decisive action. The importance of this shift has been further demonstrated by Europe's quest for energy independence, and the expansion of renewable energy sources is not just a choice but a necessity, now more than ever.

Whilst having a clear mission of enabling communities implementing a full and fair green transition, to ensure a sustainable future, we also have to look back at a pioneering year for BioCirc as an organization.

The year 2023 has been a defining period in our quest to redefine the landscape of sustainable energy. In these times of transformation, our collective efforts have not only created measurable results but have also set the course for our vision of effectively replacing local fossil energy use with sustainable alternatives, which will be the foundation for our continued focus on scaling our geographical footprint, hence positively impacting the society with sustainable green energy.

Reflecting on our growth and achievements

This past year has been one of significant growth and achievement for BioCirc. We have seen our team grow from a modest beginning of around 60 employees to over 150[1] dedicated professionals, each bringing unique expertise and passion to our mission. Just before summer of 2023, DLG and its 25,000

1 Today (Q2 2024) BioCirc has a head count of approx. 290 people.

Danish farmers entered BioCirc's owner group, which has connected our core business even closer to the Danish agricultural sector.

As a business we have grown significantly in 2023. We have welcomed a specialized engineering firm and four new biogas plants into our fold, enhancing our capacity to produce renewable energy significantly. Our annual biomethane production capacity now stands at ~175 million m^3, corresponding to the power consumption of around 430,000 average Danish households.

In the beginning of 2024, we continued to strengthen the organization with our first international acquisition. North-Tec, a leading German EPC and automation business joined BioCirc, adding approx. 90 colleagues to the BioCirc team.

Deepening our impact through partnerships

Our progress this year has been strengthened by the unwavering support of our business partners and suppliers. This collaboration has been pivotal in the ongoing developments of five Go Green energy clusters, each a beacon of sustainable practices and community development. These partnerships extend beyond mere business transactions; they are the platform upon which we build a more sustainable future.

Embarking on new ventures

As we look to the future, we are excited to unveil our growth blueprint. This strategic plan outlines our ambitious expansion into Germany and North America, marking the beginning of a new chapter in our journey. These regions present unique opportunities for us to replicate our concept of integrated circular energy clusters and expanding green biogas production to new markets. The cornerstone of our expansion is about embedding our commitment to sustainability in local communities, fostering job creation, and making significant abatement in greenhouse gas emission.

In an effort of achieving Denmark's ambitious climate targets by enabling negative CO_2 emissions through carbon capture and storage (CCS), we secured a significant share of the NECCS fund, in April 2024. We are now committed to develop the largest CCS project in biogas to date. From 2026 to 2036 we will capture and permanently store over 1,000,000 tons of biogenic CO_2 from our production.

Navigating challenges with resilience

Our path forward is not without its challenges. As we expand into new markets, we are mindful of the complexities and opportunities these ventures present. We are prepared to navigate these challenges with the resilience and innovation that have become the trademark of BioCirc. Our commitment to continuous improvement and excellence will guide us as we turn these challenges into opportunities for growth and impact.

Financial resilience and growth

BioCirc's financial results for 2023 reflect our resilient and ambitious growth trajectory.

Our revenue grew by 30% to DKK 1,145.4 million – an uplift generated both by lifting like-for-like performance of our existing assets as well as adding additional biogas plants to BioCirc's business. Normalized EBITDA reached DKK 372.2 million, which is a testament to the increasing demand for sustainable solutions and our capability to meet these needs effectively. I am proud that we have managed such performance despite the significant decline in gas prices compared to 2022.

With DKK 1,819 million invested in 2023, we continue to show our dedication to generating long-term sustainable growth.

A future rooted in innovation and sustainability

In closing, I wish to express my deepest appreciation to every member of the BioCirc family. Your dedication, hard work, and belief in our vision have been instrumental in our success. As we embark on this exciting new phase, let us continue to work together, innovate, and lead the way in transforming local societies whilst making our world more sustainable and circular.

Bertel Maigaard
CEO, BioCirc Group

A Global Leader – Key Figures

140 → 230 ktons/CO_2e

CO_2e abatement from 2022 to 2023[1]

105 → 175 mm³

Biomethane capacity growth from 2022 to 2023

~2

TWh of green energy production capacity

5+

GWh of renewable electricity in development

60 → 150

Employee growth in 2023[2]

8

Biogas plants in operation

1,145,415

Revenue DKK'000

372,200

Normalized EBITDA DKK'000

>2,000 ktons

Total biomass handling in 2023

1 From Biocirc's eight plants – Calculation of net CO_2e abatement from our biomethane production: Encompasses GHG emission reductions achieved through the displacement of fossil natural gas and the removal of manure from farms, deducted any additional GHG emissions emitted from the extraction, transportation, and processing of all our feedstocks. Measured from the commencing of operations up until today (p. 69 for in-depth explanation).
2 2023 employee head count includes Blaabjerg Biogas employees. Today (Q2 2024) BioCirc has a head count of approx. 290 people.

Robust Financial Growth in 2023

BioCirc delivered a strong 2023 financial result, delivering substantial top- and bottom-line growth in a year characterized by declining gas prices. We continued to invest heavily into realizing BioCirc's long-term growth ambition, while simultaneously integrating and optimizing our portfolio of leading biogas facilities.

Full-year revenue increased by 30% to DKK 1,145.4 million in 2023 from DKK 867 million in 2022 – net impact on growth was positively impacted from acquisitions in 2023. The strong topline development was delivered despite gas prices taking a step back in 2023 to 40 EUR/MWh compared to the exceptional level of 136 EUR/MWh in 2022. Organic growth continued to contribute positively to the revenue with our existing assets delivering a 20% like-for-like increase in biogas production output. The revenue and production performance results are a testament to the strong development of in-house capabilities across the business, including very strong operational performance across our facilities.

Full-year normalized EBITDA grew to DKK 372.2 million in 2023 – a 41% increase from DKK 264.5 million the year prior underlining the healthy nature of the business. Full-year capital expenditure totaled DKK 1,819 million, mainly consisting of investments related to plant additions, facility upgrades and property. Operating profit & loss dropped to DKK 47.9 million, reflecting non-recurring costs of further expanding and utilizing the scale of the business while also incurring in relation to insourcing of the biomethane certificate sales and trading.

Financial Highlights

(DKKm)	2023	2022
Key figures		
Revenue	1,145.4	867.1
Gross profit/loss	297.0	197.8
EBITDA	192.2	166.6
Normalized EBITDA[1]	372.2	264.5
Operating profit/loss	47.9	13.9
Net financials	(39.7)	(17.5)
Profit/loss for the year	(11.1)	(21.8)
Profit for the year excl. minority interests	(11.1)	(12.8)
Balance sheet total	4,639.2	2,728.1
Investments in property, plant and equipment	1,448.2	1,928.1
Equity	2,686.7	1,197.7
Equity excl. minority interests	2,686.7	1,027.8
Cash flows from operating activities	(145.8)	511.3
Cash flows from investing activities	(1,349.5)	(2,604.0)
Cash flows from financing activities	1,681.4	2,139.2
Ratios		
Gross margin (%)	25.93%	22.81%
Net margin (%)	(0.97%)	(2.51%)
Equity ratio (%)	57.91%	37.67%

Normalized EBITDA involves adjustments to ensure accuracy. This involves normalizing revenue from historical certificate sales contracts from, adjusting transaction costs related to acquisitions, accounting for buyout fees on two certificate sales contracts, adjustment for management fee from group entities, compensation from legal dispute in Recycling and other income of amortization on received energy saving funds. These modifications provide a more precise depiction of the company's operational performance.

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Gross margin (%): $\frac{\text{Gross profit/loss x 100}}{\text{Revenue}}$

Net margin (%): $\frac{\text{Profit/loss for the year x 100}}{\text{Revenue}}$

Equity ratio (%): $\frac{\text{Equity excl. minority interests x 100}}{\text{Balance sheet total}}$

Primary activities

The Group's activities consist of establishing and operating biogas plants, providing support for biogas plants, and developing energy islands on land. During the financial year, the Group acquired a number of enterprises within the biogas sector and its related industries. The Group was established on 4 January 2022.

Development in activities and finances

The income statement for the period 01.01.23 – 31.12.23 shows a loss after tax of DKKm 11.1. The balance sheet shows equity of DKK 2,686.7m. The loss for the year is affected by non-recurring costs resulting from acquisitions and preparation of business plans. Management considers the financial performance unsatisfactory.

Profit/loss for the year in relation to expected developments

Last year, there were no official expectations, but this year, the group's second accounting period has met expectations, with strong financial stability and growth.

Unusual circumstances affecting recognition and measurement.

The year's result has been positively affected by DKKm 74.1 before tax due to a revised estimate the usefule life of goodwill and part of the company's fixed assets. The depreciation horizon for goodwill has been extended from 10 years to a depreciation period equivalent to the remaining period of the plant. The depreciation period for tangible fixed assets has also been reassessed, as the useful life of a larger proportion of the production facilities has been estimated to be longer than initially assumed. Overall, there has been an extension from 20-40 years, while for properties, it has been changed from 30 to 40 years. Other assets have also been reassessed based on current technical knowledge and expectations of useful life, and this has been done asset by asset.

Outlook

Next year's result is expected to be in line with this year's result.

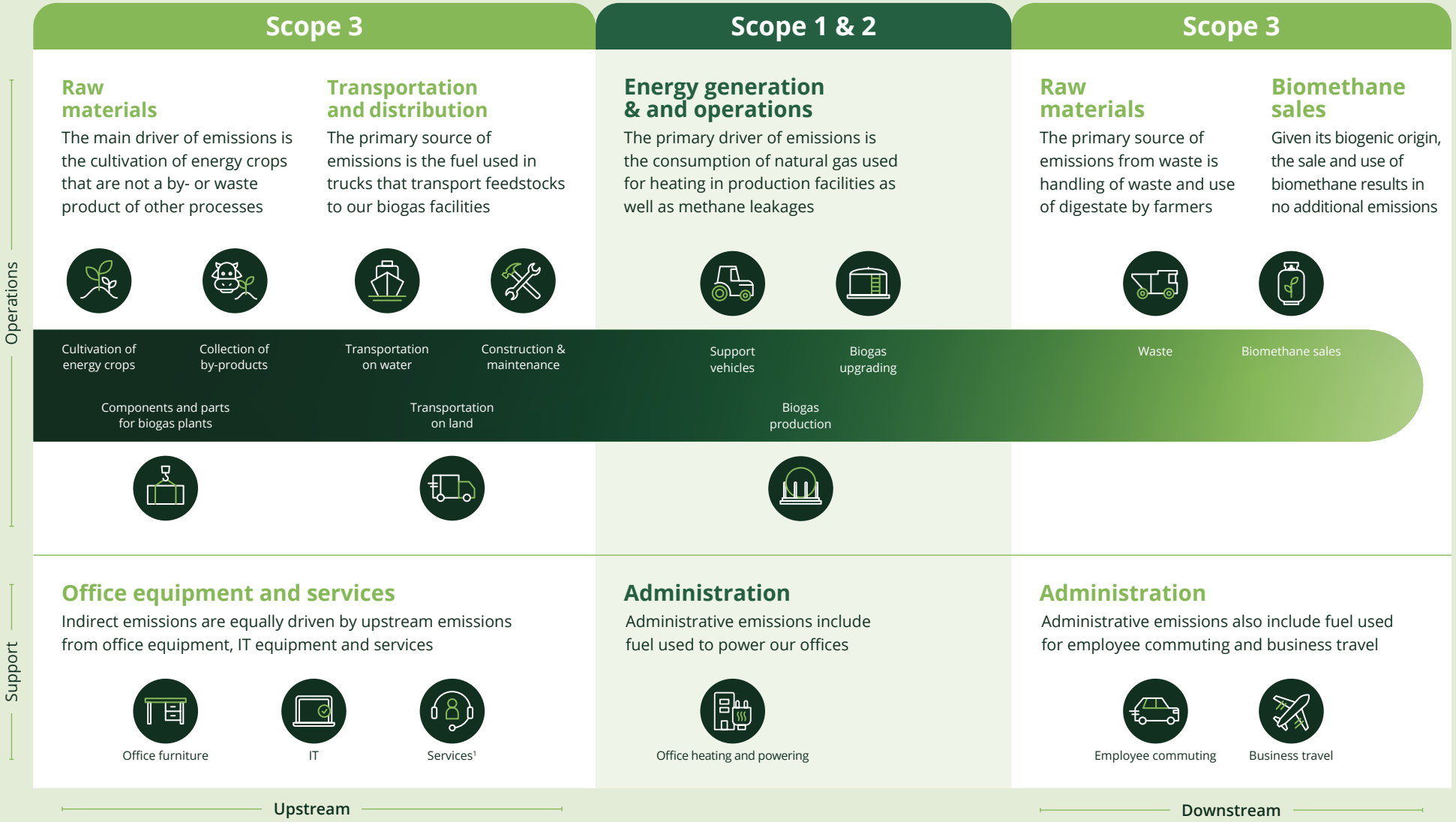
BioCirc Virkel Biogas

Our impact

We harness innovation to facilitate a full and fair green transition at the local level, turning sectors and stakeholders into partners. Together, we can shape a sustainable future that creates real impact.

Creating a renewable and circular future for BioCirc’s value chain

Enabling a sustainable future starts with ourselves. We continuously work on decarbonizing our own operations and energy production (scope 1 and 2) and have a committed focus on lowering our total carbon footprint (scope 1-3).

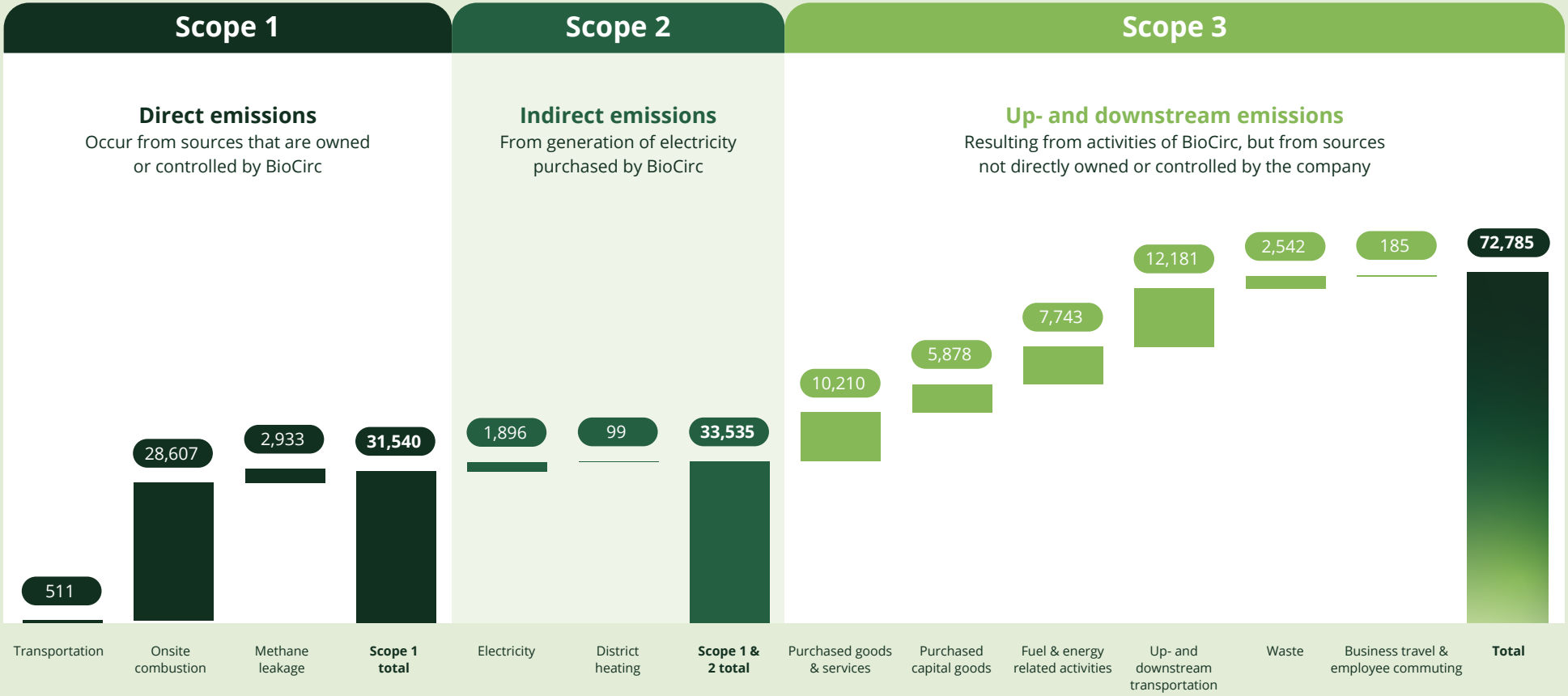


1 E.g. IT services, accountants and consultants.
Source: BioCirc emissions data; DEFRA; Danish Energy Agency.


OPEN

BioCirc CO_2e emissions in tCO_2e, 2023

BioCirc total CO_2e emissions largely attributed to scope 1 and 3 emission sources;
Onsite combustion and up-and downstream transportation accounting for largest share.



Note: See 'reporting principles and compliance' section for in-depth explanation of categories and calculations (pp. 66-67).

Sustainability commitment & strategy

Our commitment goes beyond traditional energy production. We are paving the way for land-based circular energy clusters that ensure a full and fair green transition locally.

BioCirc is at the Forefront of Green Energy Transition

We aim to play a substantial part of the solution to reach Denmark's climate goals and address some of the hardest sectors to decarbonize

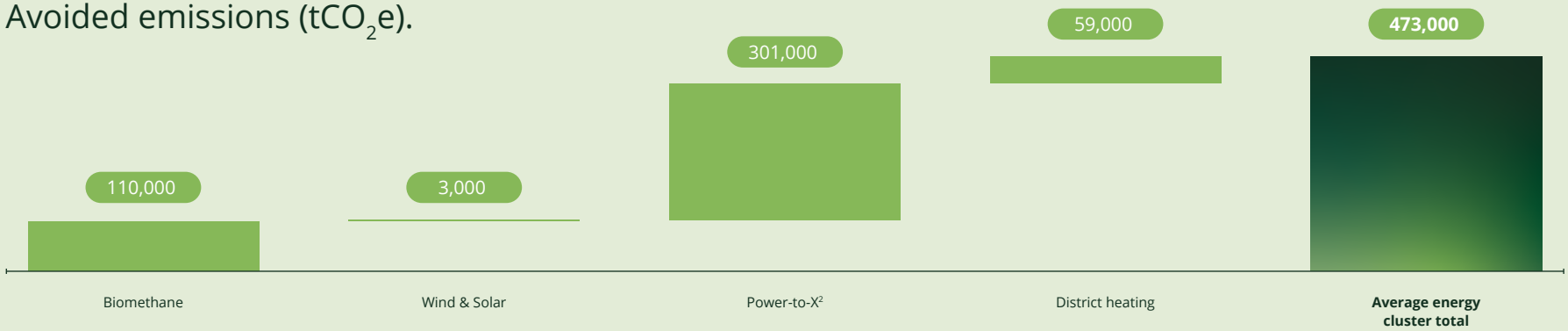
BioCircs aim is to lead the change towards a greener and more sustainable future. Our comprehensive strategy integrates the production of green energy, including electricity, gas, fuel, and heat, to foster a complete green transition within local communities. In a committed race to decarbonize local communities, we focus on transforming the most challenging sectors, such as agriculture, industry and heavy transportation, into greener sectors than they historically were.

Circular energy clusters are unique as they combine production of renewable electricity, green gas, e-fuels, and district heating, outpacing traditional single technology renewable projects in efficiency and CO_2e abatement. With our current pipeline,

BioCirc is set to contribute significantly to the emissions reductions required to achieve Net Zero in Denmark, marking a critical step in our journey towards a fully sustainable and circular economy.

CO_2e reductions from BioCirc average energy cluster[1]

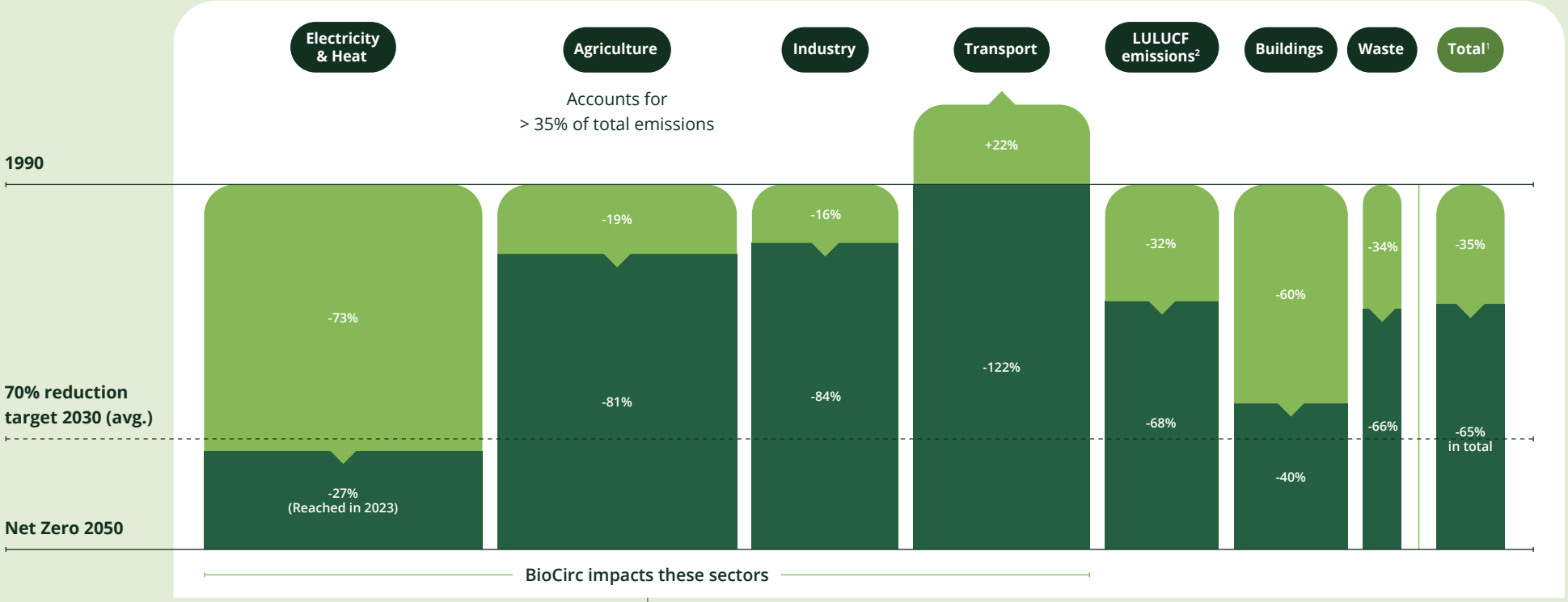
Avoided emissions (tCO_2e).



1 Modelled on Viborg. See 'reporting principles and compliance' for methodology and assumptions (p. 69).
2 Includes e-methanol, green hydrogen and CCU, among other

BioCirc addresses the highest impact industries, including the hardest to abate sectors of agriculture and transport

Relative development of emissions in Denmark by sector 1990–2050 in % of 1990 emissions[1].



Reduction/increase of emission from 1990 to 2020

Reduction of emissions needed to reach Net Zero in 2050

Electricity & heat
Replacement of fossil-fueled electricity & heat generation with wind, solar and biogas

Agriculture
Improved agricultural management and displacement of manure emissions

Industry
Production of green hydrogen replacing fossil fuels used, e.g. in refineries and chemicals

Transport
Production of sustainable e-fuels, e.g., e-methanol and SAF, replacing fossil fuel oils in shipping and aviation

1 Width describes 1990 emissions (79 million tons CO_2e per year); length describes share of abatement 1990-2050.
2 Land Use, Land Use Change and Forestry emissions.
Source: UNFCC.

Aligned with United Nations SDGs

BioCirc observes the climate science while aligning its business practices with it. We are already a leader within green gas production and our continued push in developing bioeconomic energy clusters, shows our commitment to lowering CO_2e emissions in line with the objective to limit global warming to 1.5°C.

We have formed strategic partnerships with institutions such as Aarhus University to lead the transition towards a safer future for our children and society in general.

Our business practice in communities and our overall mission of a local and global carbon reduction echoes with SDGs 7 and 13, of ensuring affordable clean energy and taking urgent climate action.

Ensure access to affordable, reliable, sustainable, and modern energy for all.

Take urgent action to combat climate change and its impacts.

We're a facilitator to the green shift not a spectator. Our strategic investments in green solutions and biotechnology ignite economic growth within local ecosystems and supply chains, aligned with SDG 8.

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

We're committed in diminishing potential risks associated with the green transition, reinforcing resilience in the communities and environments we engage with, unwavering to SDGs 12 and 15.

Ensure sustainable consumption and production patterns.

Promote sustainable ecosystems, manage forests, combat desertification, reverse land degradation, halt biodiversity loss.

BioCirc Sode Biogas

What matters the most

In the process of laying the groundwork for our sustainability reporting, we undertook a comprehensive materiality assessment. This involved a thorough examination of both our business' impacts and the materiality of sustainability-related issues through a dual-lens perspective: **societal impact**[1], focusing on our effects on the external environment, and **business impact**[2], highlighting external influences on our operations. Utilizing the foundational guidance provided by EFRAG, alongside our analytical efforts, we crafted a matrix, and a framework for consolidating and prioritizing findings.

Our analysis commenced with an internal review (inside-out) of BioCirc's contributions and impacts to environmental and societal changes, building upon our ongoing evaluations of sustainability impacts stemming from our operations and supply chain. Given the broad scope of ESRS guidelines concerning double materiality and evaluation criteria, we opted to streamline our stakeholder engagement to include only in-house experts for this assessment of our sustainability impacts.

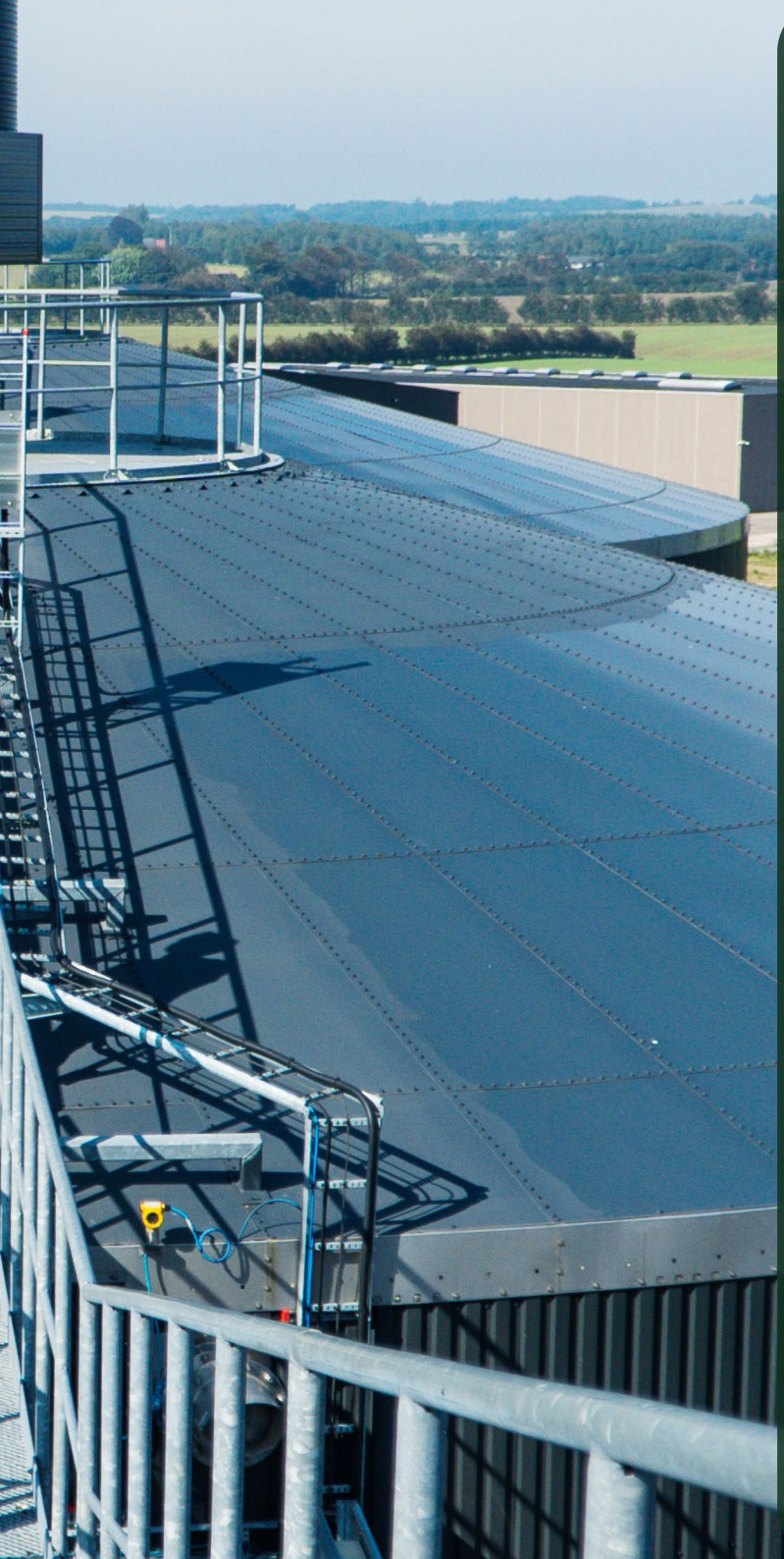
Results

Our findings reveal the significant areas where we affect both the environment and society, with the results categorized by themes. This revealed that **CO_2e emissions, Ecological Impact, and Community Impact** stand out as the dominant sustainability impact areas. These areas are intrinsically tied to our initiatives aimed at fostering fair and environmentally friendly green transition. Our efforts are dedicated to ensuring the energy transition is fair and encompasses all stakeholders and deliver tangible benefits to the communities we serve.

1 Diversity, equity & inclusion.
2 Supply chain.

Materiality assessment

1 Diversity, equity & inclusion.
2 Supply chain



The climate challenge & our response

Our biogas operations and future energy clusters act as key levers to reach a full and fair green transition, and our solutions address decarbonization of some of the hardest sectors to transform.

1 The BioCirc cluster concept

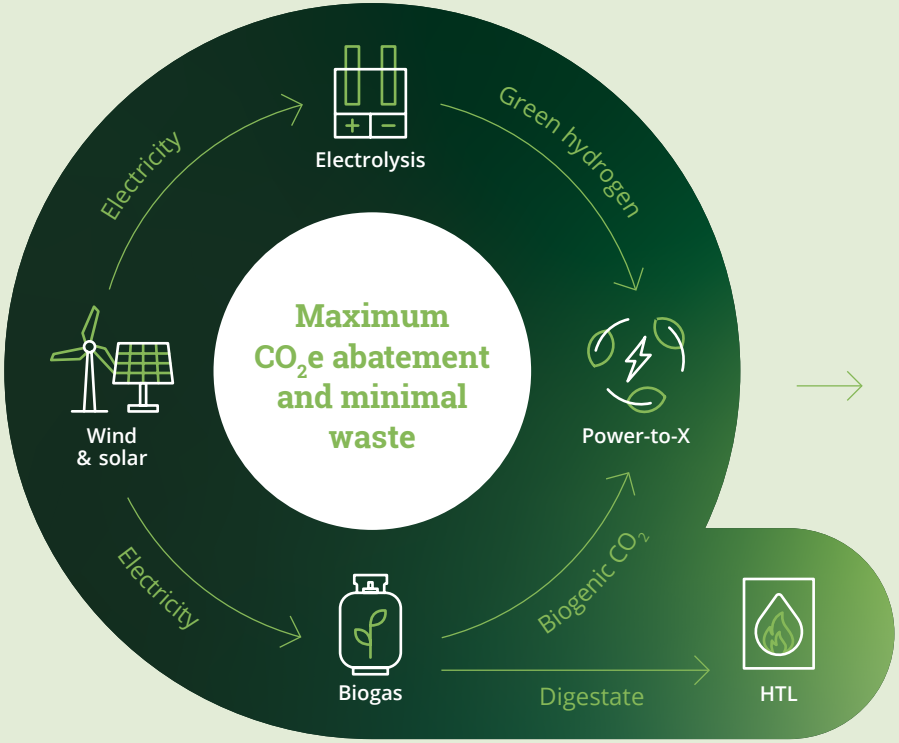
Circular energy production leveraging biogenic CO_2 access and utilizing all by-products to maximize synergies

2 Unique ability to secure inputs

Partnerships enable obtaining land and feedstock

Land secured through mutual benefit with local stakeholders

Feedstock secured through cooperative partnerships



3 Commercial optimization of output

In-house expertise & infrastructure allows optimization across end-products

Improved monetization of individual assets

Improved overall return from synergies

Hedging effect from multiple end-products

4

Executable Roadmap: Existing asset base and clear with tangible pipeline

5

Team: Strong and experienced team and organization primed for growth

The cluster concept – a unique solution to address the climate challenge

BioCirc's cluster concept encompasses innovation within circular bioeconomy, embodying a vision where green energy technologies unite to create a sustainable path. At the core of our operations lies the development of unique circular energy clusters, a model that seamlessly blends renewable energy technologies such as solar, wind, biogas, HTL[1] and Power-to-X solutions. This multifaceted approach not only ensures the production of renewable electricity, but also plays a pivotal role in significantly reducing CO_2e emissions, marking a substantial leap beyond the capabilities of traditional renewable energy projects.

BioCirc's cluster concept is designed to foster a circular energy system. This system excels by utilizing by-products from its production facilities, thereby embodying a holistic solution to the global climate crisis. Through this innovative model, we provide a robust, local answer to a universal challenge, positioning our clusters as crucial instruments in the green transition across various industries. Our clusters not only aim to decarbonize but also to revitalize, bringing about a transformation that extends beyond environmental benefits to touch upon the very fabric of local economies and communities.

Central to the effectiveness of BioCirc's clusters is their role in local job creation. The establishment of these energy clusters serves as a catalyst for economic growth within municipalities, generating employment opportunities that engage the local workforce in sustainable practices. This approach not only bolsters the green economy but also strengthens community ties, ensuring that the transition to green energy is both inclusive and beneficial for all stakeholders involved.

Moreover, BioCirc's energy clusters are designed to be adaptable and scalable, allowing for the integration of new technologies as they emerge. This strategy ensures that our clusters remain at the forefront of innovation, capable of meeting the evolving demands of the energy sector and the wider environmental landscape. By fostering partnerships with municipalities, industries, and other stakeholders, BioCirc's clusters are developed with a collaborative spirit, ensuring that each project is tailored to meet the specific needs and resources of the local community.

The cluster concept also highlights BioCirc's commitment to addressing the highest impact industries, including those traditionally considered difficult to decarbonize, such as agriculture and heavy transport. By focusing on these sectors, BioCirc not only contributes to reducing CO_2e emissions but also paves the way for a comprehensive green transition that encompasses all aspects of society.

BioCirc has continued to invest in cluster development projects in 2023 and the concept is in progress to be realized in several locations in Denmark, as part of our current pipeline. Through the creation of integrated circular energy clusters, BioCirc is making a tangible impact on local communities, fostering economic growth, and driving the global transition towards a sustainable and green economy. With our eyes set on the future, BioCirc continues to expand its vision, working tirelessly to become an international player in the development, ownership, and operation of diverse energy clusters. Our commitment to innovation, sustainability, and community empowerment is steadfast, as we continue on our mission to facilitate a full green transition, transforming the energy landscape and contributing significantly to the global fight against climate change.

1 Hydrothermal liquefaction (HTL) - a thermal depolymerization process to convert biomass into energy.

Sourcing of local and CO_2e-reducing feedstock

We source feedstock locally to minimize transportation and increase the degassing of local waste. This ensures CO_2e-reductions without compromising our efficient production of green biomethane, making us a green transitional leader both within the industry and society.

Having the right feedstock sourcing strategy is crucial to allow a stable supply of biomasses and essentially a stable production of green biomethane. At BioCirc, we have dedicated teams consisting of biological and commercial experts who make use of their immense insights to ensure the biologically and commercially most attractive sourcing of feedstock from a variety of different feedstock providers.

While sourcing feedstock, we follow a clear sourcing strategy with a strong focus on making use of local feedstock that is placed close to our production facilities. By doing so, we minimize the CO_2e-emissions connected to transporting the feedstock from the providers and to our production facilities.

As a natural part of our strategy for sourcing feedstock, we also seek to establish close partnerships on waste treatment with local agricultural and industrial suppliers situated in the vicinity of our production facilities. We wish to do so as it provides BioCirc with an opportunity to help minimize waste related CO_2e-emissions from the production of a great variety of products with huge societal benefits. For example, BioCirc produces green biomethane whilst simultaneously degassing agricultural waste that will be delivered back to farmers as low CO_2e-emitting fertilizer, enabling us in collaboration with our agricultural partners to further leverage the societal gains from producing green biomethane. Thereby we can also help turn waste into value for a crucial part of our supply chain.

At BioCirc, we are convinced that a feedstock sourcing strategy with a strong focus on local suppliers is right, both for us, but also for our stakeholders who benefit from the societal gains related to the CO_2e-reductions that our common efforts create. In other words, we believe that our feedstock sourcing strategy will be a valuable contribution that will help make us capable of delivering on our mission: to help local communities implementing a full and fair green transition today, to ensure our children have a safer and more sustainable future.

Local Engagement and Social Responsibility

Introduction to Biocirc local commitments – Giving back to the communities and finding fair solutions

At the core of BioCirc's operations are local communities.

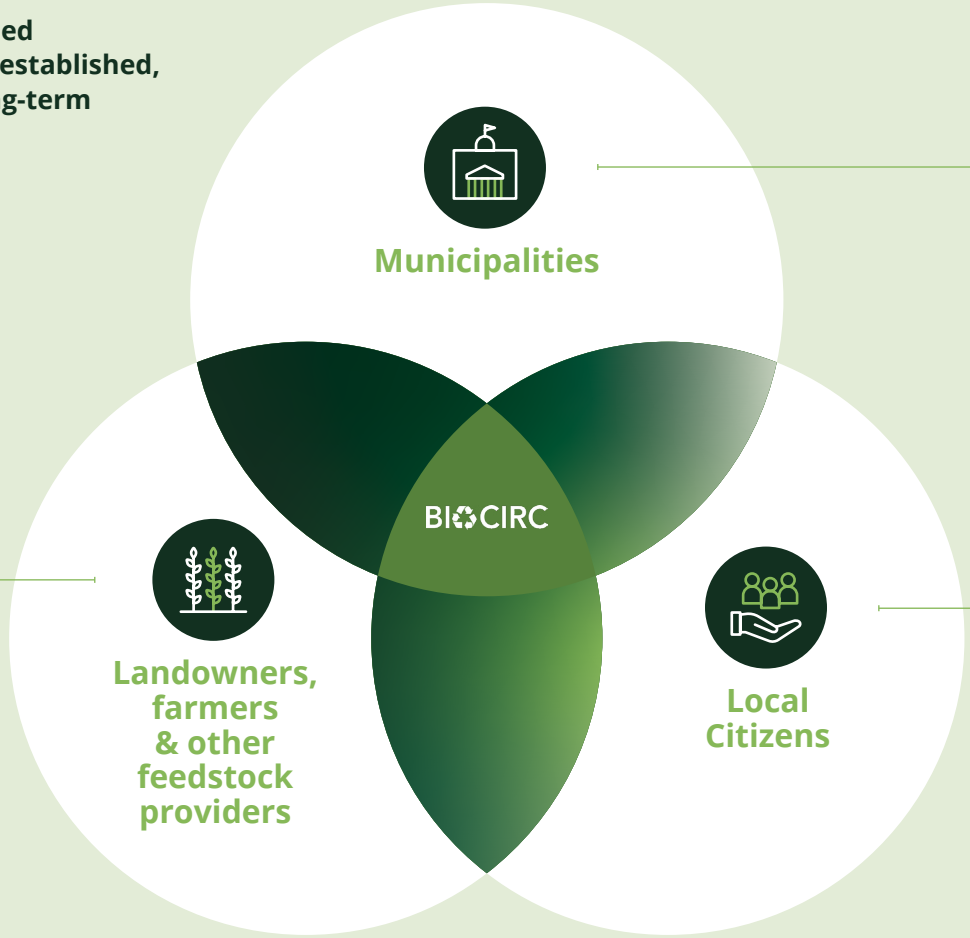
Our conviction lies in the necessity of a symbiotic model where every stakeholder benefits. This includes the farmer who gains access to efficient waste management solutions for materials like manure and deceased animals and use their land in multifaceted ways that support both their competitive edge and environmental targets, such as reducing CO_2e and nitrogen emissions.

It includes local municipalities that become hubs for green energy and contributing to the reduction of carbon footprints through eco-friendly fuel alternatives and responsible organic waste disposal.

And finally, it includes local communities as a whole that receive a portion of RES profits channeled into local development funds, ensuring access to affordable, local energy sources and fostering job opportunities beyond urban centers, thus driving sustainable economic growth.

Energy clusters benefit all stakeholders, across municipalities, farmers & local citizens, enabling a green transition and local impact

Unique ownership-based partnership structure established, securing feedstock long-term



- One-stop shop for local green energy transformation
- Reduce carbon footprint from fuels
- Disposal of organic waste without CO_2e evasion

- Sustainable and efficient way of handling waste (manure etc.)
- Multiple uses of land enabling farmers to achieve green goals (both CO_2e and nitrogen) and staying competitive

- % of RES profits paid to local development fund
- Access to cheap and local energy (electricity and district heating)
- Attractive jobs outside of urban cores

Valuing our team

Our culture is rooted in strong teamwork, an entrepreneurial and innovative spirit. We have high ambitions – both in our energy development endeavors and when it comes to our people.

An innovative and entrepreneurial organization

Employee Value Proposition: A framework for growth

Local roots & global mindset

Encouraging employees to contribute to local initiatives while embracing a vision that transcends borders

Career development & learning opportunities

Offering pathways for professional growth and continuous learning

Entrepreneurial spirit & space for the individual

Fostering an environment where innovation thrives, and individual contributions are valued

Curious heads & competent hands

Combining intellectual curiosity with the expertise to execute our vision

At the center of BioCirc lies a workforce driven by an innovative and entrepreneurial spirit. We are proud to bring together a group of professionals all sharing a strong commitment to enhance our mission towards helping local communities implement a full and fair green transition – starting today.

Cultivating excellence and commitment

Despite being in the early stages of its journey, BioCirc has a strong culture, characterized by an ambitious focus on personal responsibility, individual growth, and collective success. We try our best to cultivate an environment that allows our employees to develop, personally and professionally, meanwhile unlocking our team to reach its full potential. We are equally focused on finding a balance between personal achievement and support for our overarching goals, that helps strengthening our evolving culture, driving us toward a shared vision of a sustainable future.

Fostering teamwork and collaboration

At BioCirc, we value the power of collaboration and actively encourage our employees to engage with colleagues across different departments. This emphasis on teamwork not only strengthens our organizational fabric but also promotes a sense of unity and shared purpose. Our approach is underpinned by an Employee Value Proposition that is dedicated to personal and professional development within the framework of our mission.

Employee Value Proposition: A framework for growth

Our EVP is designed to articulate the benefits of being part of BioCirc, addressing the question, "What's in it for me?" for every employee. It encompasses four key pillars:

- **Local roots & global mindset:** Encouraging employees to contribute to local initiatives while embracing a vision that transcends borders.
- **Career development & learning opportunities:** Offering pathways for professional growth and continuous learning.
- **Entrepreneurial spirit & space for the individual:** Fostering an environment where innovation thrives, and individual contributions are valued.
- **Curious heads & competent hands:** Combining intellectual curiosity with the expertise to execute our vision.

These pillars serve as the foundation for our unique culture, one that is continually evolving thanks to the contributions and initiatives of our team members. Each individual's efforts and insights are integral to the fabric of our organization, reinforcing our commitment to curiosity, excellence, and sustainable impact.

Embracing diversity and inclusion

Our commitment to diversity and inclusion is a cornerstone of our organizational ethos. We strive to be an equal opportunity employer, cultivating an environment where diversity is celebrated, and mutual respect is paramount. In the coming year, we are dedicated to advancing this goal, ensuring our team reflects a wide range of backgrounds and perspectives. This diversity not only enriches our culture but also enhances our ability to innovate and adapt, crucial qualities in the rapidly evolving landscape of green technology and sustainability.

Knowledge-driven organization

An essential part of BioCirc's continued succes is dependant on our specialized employees, with deep expertise in biogas, innovative energy technologies, and engineering. Thes 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.

Looking ahead

As BioCirc continues to grow and evolve, our focus remains steadfast on building a culture that embodies our core values of innovation and sustainability. By fostering an environment that encourages personal development, collaboration, and diversity, we are not only advancing our mission but also ensuring that BioCirc remains at the forefront of the green transition. Our journey is marked by continuous learning, adaptation, and a relentless pursuit of excellence, as we work together to create a more sustainable future for all.

Our workplace: A Reflection of Our Culture

In our commitment to fostering a transparent, inclusive, and engaging work environment, BioCirc continuously assess our employees' sentiments and perspectives regarding their experiences within our organization. We are pleased to report that the assessment yielded overwhelmingly positive results, highlighting the effectiveness of our efforts to create a nurturing and productive work setting.

Key findings from our assessment

The assessment covered various aspects of our workplace culture, with a focus on appreciation, security, autonomy, communication, and clarity of roles. Here are some insights derived from the feedback provided by our team:

- **Appreciation of work:** An impressive 85% of our employees feel that their work is valued, reflecting a culture of openness, trust, and mutual respect. This is a testament to the supportive environment we have cultivated, where contributions at all levels are recognized and celebrated.
- **Workplace security:** Our zero-tolerance policy towards bullying is validated by a 100% response rate indicating the absence of such behavior. This underscores our commitment to maintaining a safe and secure environment for all employees.
- **Autonomy and influence:** A remarkable 93% of our team members believe they have a significant influence over their workload and the manner in which it is executed. This demonstrates our dedication to empowering individuals, allowing them the freedom to manage their responsibilities and tackle challenges creatively.

Diverse perspectives: Drivers' feedback

The feedback from our drivers, a crucial component of our operational team, offered additional insights:

- **Communication and information clarity:** All drivers reported receiving clear and organized information regarding their duties, highlighting the efficiency of our communication channels and the structured nature of our operational processes.
- **Clarity of expectations:** Due to our fast growth, we have identified an area of extra focus; 'clarity of roles and expectations'. To ensure satisfaction with the clarity of our employees roles and expectations, we strive to improve in all areas leaving initiatives for a more structured way of working within this space. We have acknowledged feedback from the area and are actively developing plans to address these.

Moving forward: Action plans and commitments

The results of our workplace assessment are a source of pride and a clear indicator of the positive culture we have built at BioCirc. However, we recognize that there is always room for growth and improvement. The areas highlighted for improvement, particularly regarding clarity of roles and responsibilities, are now the focus of our dedicated action plans. By addressing the areas highlighted for enhancement and building on our strengths, we are committed to making BioCirc not only a leader in the green transition but also an exemplary workplace that nurtures talent and encourages innovation.

About the assessment

The assessment was carried out during October 2023 and was a company-wide survey, conducted anonymously. There were over 100 participants and employees were divided into groups of 3 based on their function at the company, 1) office and administration, 2) transportation, and 3) operations. Each group received a standard set of questions while some questions differed based on the groups. We were very pleased with the response rate of the assessment at approx. 80%, however we are actively working towards improving it moving forward.

BioCirc Vesthimmerland Biogas

Cases

We act as a one-stop-shop for municipalities that need to accelerate the green transition, and our concept ensures true circularity, job creation and a renewable energy transition locally.

Viborg Go Green, a pioneering circular energy cluster

At the forefront of BioCirc's innovative ventures is the 'Viborg Go Green' energy cluster project. This project embodies the essence of integrated circular energy clusters, combining an array of green technologies such as solar, wind, biogas, HTL, and Power-to-X to create a robust circular energy system. BioCirc's energy cluster concept not only generates renewable electricity, green gas, e-fuels, and district heating but also stands as a beacon for CO_2e emission reduction, outpacing traditional single technology renewable projects in efficiency and impact.

A robust solution locally with a global impact

'Viborg Go Green' is a strategic response to the ambitious plans for CO_2e neutrality in Viborg Municipality, aiming to establish a land-based circular energy cluster that embodies the synergy of biogas production, solar and wind parks, alongside cutting-edge technologies like Power-to-X, and grass bio-refining. This holistic approach ensures the provision of surplus heat to local communities, fulfilling municipal 2030 climate goals and fostering a green local production of electricity, green gas, fuel, and heat.

The project plans to establish solar installations across 600 hectares and 17 wind turbines, utilizing the complementary nature of these technologies to ensure stable electricity production. 'Viborg Go Green' not only supports local energy independence but also propels the municipality towards its CO_2e-neutral goals.

Central to 'Viborg Go Green' is the development of an industrial cluster housing a Power-to-X facility for producing green liquid fuels, directly addressing the challenge of reducing fossil fuel dependence in the heavy transportation industry. BioCirc's vision for developing circular green energy clusters represents a significant stride towards replacing fossil fuels with renewable sources, ensuring the project's sustainability for all stakeholders.

Community engagement is a cornerstone

BioCirc actively solicits feedback, ideas, and concerns from citizens, associations, politicians, and other stakeholders, aiming to create a valuable asset for the local community that champions green transition, growth, and environmental well-being.

The project's impact on nature has been meticulously assessed, ensuring limited direct impact on protected areas and thorough investigation of potential effects on flora and fauna. Moreover, upon completion 'Viborg Go Green' is expected to create approximately 100 new jobs, spanning skilled, unskilled, and academic positions, with numerous permanent roles emerging in the local economy, including those in transport and supply chains. This will bolster local employment and sustain attractive job opportunities within the community.

The ambition

By harnessing the potential of biogas, wind, and solar energy, along with innovative technologies like Power-to-X, 'Viborg Go Green' exemplifies BioCirc's commitment to driving the green transition. This project not only showcases the integration of sustainable practices within the agricultural sector but also highlights the collaborative effort required to achieve a sustainable, circular, and green energy-powered future. Through 'Viborg Go Green', BioCirc is setting a precedent for how energy clusters can play a pivotal role in the global climate challenge, fostering a sustainable future for Viborg and beyond.

Viborg Go Green

BioCirc's unique concept rests upon four pillars

One solution for local communities

BioCirc is a one-stop-shop for municipalities that need to accelerate the green transition

Circular use of all by-products

BioCirc's energy clusters use all by-products and maximize the use of energy to abate as much CO_2e as possible

Production of several types of energy – not just electricity

BioCirc's concept ensures production of green gas, fuel, and heat in addition to production of green electricity; supports full green transition

Model includes fairness towards local communities

BioCirc's concept ensures that project value creation is shared with local communities

A key partner and a vital sector in creating local impact

The agricultural sector is a valued partner for BioCirc, and the continued strengthening of the relationship marks a fundamental step in integrating green practices within farming operations, reflecting a broader commitment to environmental stewardship and the circular economy. This partnership is symbolic of the agricultural community's active role in addressing climate change and advancing sustainable energy development.

The foundation of this relationship is built on the conversion of agricultural waste materials, including livestock manure and crop residues, into renewable energy. This collaboration showcases how integrated efforts can significantly advance circular economy principles and combat climate change within and beyond the realm of agriculture.

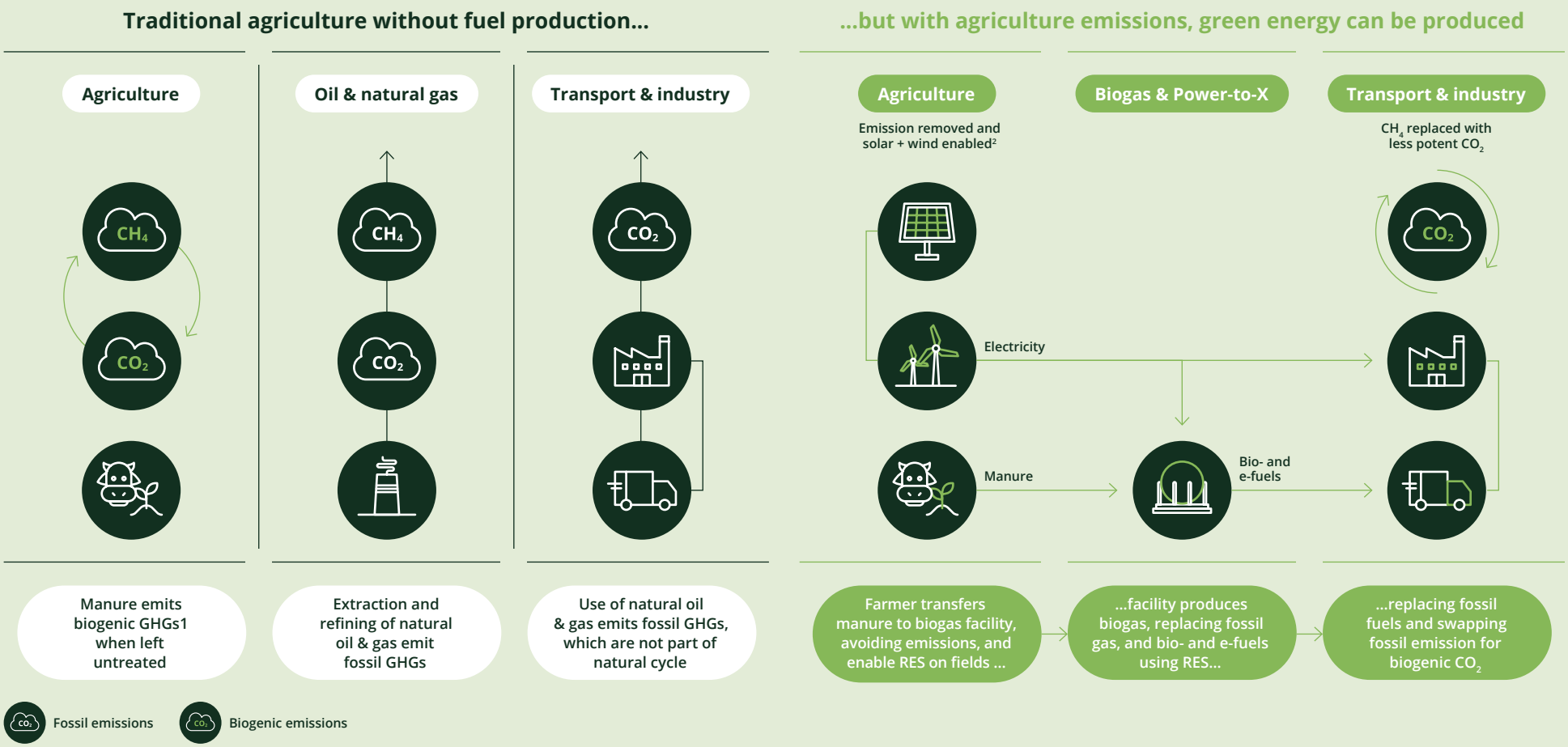
A significant development in this partnership was the entry of DLG and its 25,000 Danish farmers into BioCirc's owner group just before the summer of 2023. This strategic alliance has not only strengthened the ties between BioCirc and the Danish agricultural sector but has also underscored the importance of close collaboration between biogas producers and the farming community. It highlights a shared vision for a sustainable future, where agricultural practices are seamlessly integrated with renewable energy production to create a more resilient and environmentally friendly food system, and a transformation of the energy systems as we know it.

The inclusion of DLG and its extensive network of Danish farmers in BioCirc's ownership structure has deepened the connection between biogas production and agricultural operations. This partnership not only facilitates the efficient management of organic waste but also fosters innovation and the adoption of new technologies, such as Power-to-X, which promise to unlock new sustainable energy pathways and further reduce the carbon footprint of the agricultural sector.

This collaboration represents a forward-thinking approach to agriculture, where sustainability, energy production, and circular economy principles are interwoven into the fabric of the sector. The agricultural community's active participation in biogas production not only highlights its role in Denmark's transition to a green economy but also sets a precedent for how agriculture can contribute to global environmental goals.

As the partnership between the agricultural sector and BioCirc's biogas division continues to evolve, it stands as a testament to the power of collaboration in achieving a sustainable future. By integrating renewable energy production with farming practices, the sector is paving the way for a more sustainable, circular, and resilient agricultural system, ensuring a healthier planet for future generations.

Agriculture as facilitator of green transition across industries by providing inputs to green fuel production



Note: Illustrative and non-exhaustive process. The different steps emit multiple GHG types; takeaway of abatement in process holds true. 1. Greenhouse gases. 2. ~1% slippage of methane in biogas facility.

BioCirc Vinkel Biogas

Biogas, pioneering energy security and local circularity

BioCirc's biogas operations embody a commitment to sustainable energy development and local circularity. At the core of our business lies the transformation of organic waste into biogas, a process showcasing how renewable gases are not only aiding in significant greenhouse gas emission abatement across various sectors but also play a crucial role in ensuring Denmark's and Europe's energy security.

In these plants, a wide array of organic waste, sourced from local farms, industries, and households, is converted into valuable green biogas. This conversion process, carried out in state-of-the-art digesters, results in the production of both biogas and a nutrient-rich digestate. This approach exemplifies an overall adherence to the principles of a circular economy but also underlines the importance of scaling the biogas sector, as it plays an active role in minimizing waste and maximizing resource utilization.

The multifunctionality of biogas as produced at BioCirc's facilities is central to our corporate identity. It serves as a cornerstone in our strategy to provide sustainable energy solutions while simultaneously reducing dependence on fossil fuels. After undergoing a purification process, this biogas is integrated into the national grid, directly substituting traditional natural gas. This is a critical step in providing various sectors, including transportation and industrial production, with cleaner, more sustainable alternatives. Our biogas also finds its use in residential heating, thereby influencing consumers consumption towards sustainability.

Moreover, the strategic significance of biogas in our portfolio extends to its role in energy storage. It acts as an effective buffer for renewable energy, storing excess production from sources like solar and wind power. This capability makes biogas a reliable energy source, particularly in periods when renewable generation is insufficient, thus ensuring continuous energy supply and security.

Our commitment to sustainable agricultural practices is also evident in our biogas operations. A significant portion of the biogas is derived from livestock manure, which after processing, yields high-quality, eco-friendly fertilizer. This not only reduces methane emissions for the farmers but also improves soil health and crop yields, reinforcing our dedication to cooperating closely with local agricultural communities.

BioCirc's active engagement with local communities forms a critical aspect of our biogas business model. Encouraging citizens to segregate and contribute organic waste, we promote a collective responsibility towards environmental sustainability. This community involvement is pivotal in our comprehensive strategy to drive a green transition at the local level, and at our Vinkel plant we harness the energy from residential organic waste.

Looking to the future, BioCirc is steadfast in its commitment to exploring and integrating innovative solutions like Power-to-X, where electricity and the biogenic CO_2 from biogas merge to forge new, sustainable energy pathways. Such initiatives are essential in transitioning traditionally fossil fuel-dependent sectors to greener alternatives, aligning with our vision of making biogas one of the foremost energy sources of the future.

In conclusion, BioCirc's biogas business stands as a shining example of our dedication to advancing sustainable energy solutions and environmental responsibility. Through our active efforts to create circularity locally and develop biogas as a key future energy source, we are not only responding to the immediate needs of energy security but are also paving the way for a sustainable, circular and green energy-powered future.

Risk & governance

As we scale our business, risk management is crucial, continuously evolving with our growth. It’s integral to building our organization, ensuring we’re aware of and addressing risks effectively.

Risks and risk management

Our business environment

We operate in everchanging and growing energy markets. Understanding and handling risks is critical to the growth and success of our business as well as for us being a reliable partner towards our business partners and the communities we operate in.

As a fast-growing biogas producer and developer of energy clusters within Denmark with strong ambitions to grow abroad, we are and will on an ongoing basis be exposed to a variety of risks.

Risk awareness and risk management is an integral part of how we go along doing business and we are well-aware of our major risks. Besides business risks (incl. financial risks), we are exposed to risks in connection with legal compliance, ESG, and sustainability, both at a strategic and operational level.

Risk management

The purpose of our risk management program is to identify and quantify our risks and decide how best to manage and mitigate them. We assess the extent to which individual risks are acceptable or perhaps even desirable as well as the extent to which these risks can be reduced to ensure an optimum balance between the risk and return.

We define risks as factors that with some likelihood materialize and impact our ability to sustain and create value and our ability to achieve the strategic targets set for our organization.

All business lines and selected staff functions identify, prioritise and mitigate risks on an ongoing basis as an integrated part of the day-to-day job. In addition, on an annual basis we consolidate our risks and perform a risk assessment with the overall objective of identifying our most significant risks on a group level. When considering risks and the mitigation hereof, we pay attention to whether such risks are short-term, medium-term, long- term or recurring.

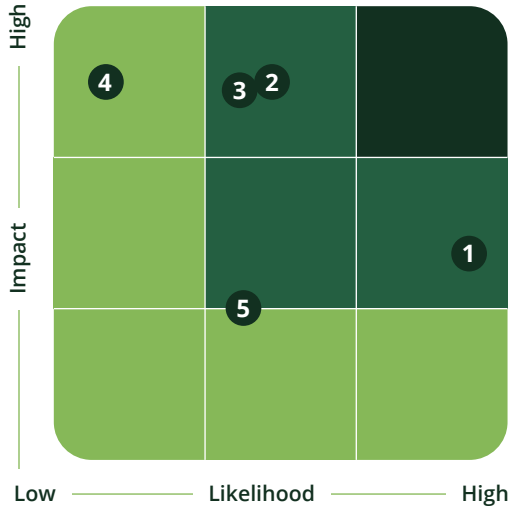
Our Board of Directors oversees our risk management in a structured way in line with our annual wheel for the Board of Directors. The responsibility for each of the individual risks identified as part of the annual risk assessment rests with the relevant individual manager.

Besides business risks (incl. financial risks), we also manage risks in connection with legal compliance and sustainability risks, both at a strategic and operational level.

Risks forms a natural part of our activities, and our risk profile changes continuously as we grow and expand. Risk awareness and risk management is an integral part of how we go along doing business and we are well-aware of our major risks.

Key risks

Likelihood and impact



Risk area	Description	Impact	Mitigating actions
1 **Regulatory risks (biomethane)**	Production and sale of biomethane takes place within a complex regulatory framework with great importance to revenue and costs. Existing regulation is subject to change and new regulation is being introduced on an ongoing basis.	• Changes to the regulatory framework could entail decreased revenue and/or increased costs, both of which would have an adverse impact on profit. • Excessive adverse regulatory changeability could have a negative impact on investors' willingness to invest in the biomethane sector, thus, posing a challenge towards future growth ambitions.	• Continuous dialogue with authorities on regulatory matters. • Ongoing analyses being made on how to best position and optimize BioCirc given existing and possible future regulation.
2 **Market risks (biomethane)**	Costs of inputs and the sales prices of biomethane are defined in external markets. BioCirc has no control over developments in the external markets.	• Adverse changes to input and output prices could entail decreased revenue and/or increased costs, both of which would have an adverse impact on profit.	• Prices for parts of sold biomethane volumes have been hedged. • Increasing shares of feedstock are locked-in on long-term contracts. • Gas prices and some input costs correlate, providing some natural hedge.
3 **IT Security Risks (biomethane)**	Disruption to IT systems, such as cyber-attacks or infrastructure failure resulting in business disruption.	• Could limit our ability to maintain operations and potentially to the flaring of biogas and lost guarantees of origin. • Could have an adverse impact on profits and reputation. • Could have a negative impact on future investor's investment appetite and hence on our growth ambitions.	• Company-wide information and security awareness activities. • Continuity plans for non-availability of IT systems. • Company-wide internal audit of IT security controls. • Detection and protection mechanisms in IT systems and business processes.
4 **Planning risks**	Local and environmental planning processes are key factors affecting project progress. Delays and restrictions may limit speed and scope of energy clusters and power projects.	• Unforeseen challenges related to planning may reduce scope of projects and require changes to design and delivery. • Delays to first commercial operation day of our assets.	• Strong focus on close dialogues with relevant permitting authorities and engagement with local communities early on in project planning.
5 **Macro environment**	Adverse movements in macro factors including interest rates, market prices of key products incl. Biogas, electricity and fuels influence project as well as supply chain disruptions as experienced during the COVID-19 pandemic influence project success.	• Macro factors influence total costs of delivering projects as well as revenue from projects. May cause delays or discontinuation in worst case scenarios.	• Employ hedging strategies including PPAs and long term offtake agreements across power, Power-to-X and biomethane products. • Establish resilient supply chain setup to secure assets on time.

Governance

BioCirc's corporate governance consists of the following elements: management, corporate culture, corporate policies, risk management as well as audits and communications.

BioCirc has a two-tier management structure consisting of the Board of Directors and the Executive Board.

Board of Directors

The Board of Directors is responsible for the overall and strategic management of the company. The Board of Directors lays down the company's strategy and makes decisions concerning major investments and divestments, the capital base, key policies, control and audit matters, risk management, and significant operational issues.

Our board members have different educational backgrounds within finance, economics, law and professional experience from the energy or other industries, private equity, and private investments.

A description of the individual board members, including their other executive positions, independence, and how the individual board members contribute to the required competences can be found in the following pages.

Executive Board

The Executive Board undertakes together the day-to-day operation and management of BioCirc. The Chief Executive Officer is overall responsible for the day-to-day management of the business whereas the remaining members of the Executive Board manage their respective areas of responsibility with reference to the Chief Executive Officer.

Together with the Board of Directors, the Executive Board ensures that the capital resources and liquidity of the company are always adequate and appropriate considering BioCirc's financial position and business prospects. The Executive Board also ensures that the corporate strategy is implemented with a view to long-term value creation and sustainability.

The Executive Board ensures that the company has an efficient organisational structure with effective lines of communication and reporting; that the necessary dedicated and skilled human resources are always present; and that clear instructions on roles and responsibilities are given to all members of the management team. The Executive Board usually meets twice a month or as requested by the Chief Executive Officer.

Board of Directors

Michael Haaning
Chair

Member since 2023

Bertel Maigaard
Board member

Member since 2022

Jesper Pagh
Board member

Member since 2023

Henrik Pedersen
Board member

Member since 2022

Jens Bak Ibsen
Board member

Member since 2022

Niels Dengsø Jensen
Board member

Member since 2023

Claus Molbech Bendtsen
Board member

Member since 2022

Executive management

Bertel Maigaard
CEO, Biocirc Group

Created and executed BioCirc vision, development, strategy and organization

Previous CCO & CFO roles, investment roles in PE

Thomas Tranekær
COO and Deputy CEO

Responsible for overall company direction setting and organisational steering and build-up with CEO

Held senior positions at Boston Consulting Group, City of Copenhagen and Danish Ministry of Finance

Jakob Schiønnemann
Chief Financial & Strategy Officer

Oversees BioCirc's financial activities and integrated corporate & business development

Formerly Principal at Boston Consulting Group

Mathias Ege Dahl Jensen
CTO

Manages all technology-related activities in build-out of new assets

Previous Project Director at New Power Partners and Group Head roles at MAKEEN/Kosan Crisplant

Peter Kristensen
CDO

Responsible for exploring and developing new business areas, solutions, and market expansions

Former managing partner at Grosvenor Food and AgTech, CEO of Synomics and Director at Genus PIC

Kenneth Hansen
CEO Biogas

Manages all biogas assets from origination to operations

Previously CEO & co-founder of Bio Recycling

Simon Sørensen
CEO Power

Responsible all power related activities from development to operations

Former Project Manager at Energinet (TSO) and Sergent in The Danish Armed Forces

Governance – CSR

At BioCirc, we are fully committed to conduct our business in a manner that respects and protects the environment, supports social well-being, including human rights, and upholds a strong corporate governance in line with good practice corporate social responsibility.

Our corporate social responsibility principles underpin every aspect of our operations, shaping our decision-making and strategic direction. By integrating corporate social responsibility considerations into our business practices, we aim to create long-term value for our stakeholders while positively contributing to the world around us.

We hold ourselves and our partners accountable to the highest levels of integrity, transparency, and compliance with laws and regulations.

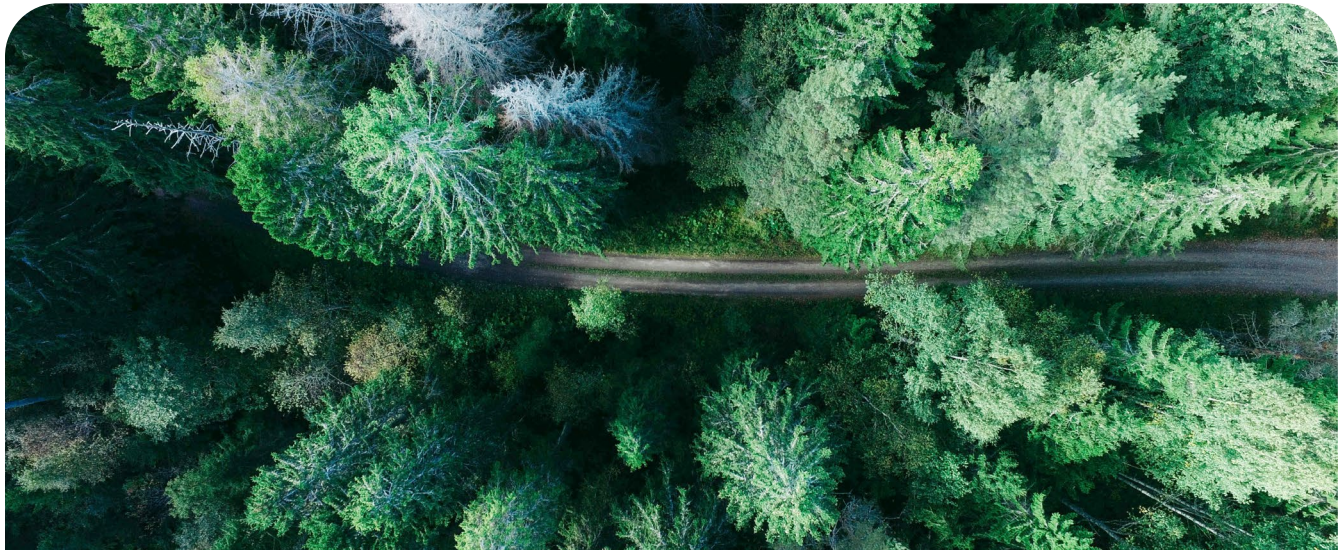
The basis for our corporate social responsibility is our Code of Conduct which was implemented during 2023. The Code of Conduct is applicable for our business relations as well as for us as a company including our employees and as such it creates a shared commitment to responsible, sustainable, and ethical business behaviour. In addition to our Code of Conduct our principles for meeting our obligations in terms of corporate social responsibility is set out in various internal policies, including our employee handbook.

Our Code of Conduct and related policies reflects our commitment to conduct business responsibly, ethically, and sustainably across our entire value chain and the purpose of the Code of Conduct is therefore to:

- Provide clarity on our values and principles, and define the environmental, social, ethical, and legal standards that we expect our Business Partners to meet.
- Communicate our commitment to responsible business practices and the importance we place on integrity, respect, and sustainability.
- Require and encourage our Business Partners to uphold human rights, labour standards, and environmental sustainability.
- Encourage Business Partners to actively contribute to our shared goals of responsible and sustainable business practices.

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.

We have recently established a whistleblower hotline which may be used should any of our employees become aware of inappropriate behaviour in breach of our guidelines.



Environmental matters

At BioCirc 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 CO_2 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.

Our operational work with biogas production and green certificates strictly follows the authorities' instructions.

The biogas production contributes significantly to the reduction of agricultural CO_2 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. In addition, we will continue to focus on providing our partners with an efficient biomass collection and delivery system. Our operational activities ensure that CO_2 emissions are minimized through energy efficiency and that the degassed biomass is returned to agriculture as a valuable raw material.

We have a constant focus on environmental aspects in general, including emissions and consumption of resources, and as a leading energy developer and biogas producer, we recognize our role and responsibility in the society. As set out above, in the field of energy development and biogas production, we have a deep commitment to environmental protection. 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.

Land management and operation in local communities

We rely on land and local communities to operate and expand our business in local communities.

When we operate and develop our biogas plants and in relation to our ambition on developing energy clusters, we use conventional agricultural land within local communities.

When screening for new areas to develop as we grow, we must ensure we do not encroach on areas that are of high natural or cultural value. We rely heavily on local support from the community we want to develop and operate in. To address concerns and secure support from the local community, we engage openminded with stakeholders (e.g. neighbors, local organizations, the municipality, politicians etc.) early in the process and throughout the development and construction phase.

When operating our production facilities, we strive to reduce any inconvenience in terms of smell, noise, aesthetics, transportation etc. in the local communities.

As of today, BioCirc does not have formally adopted written and specific policies within the above aspects. However, in daily operation and when developing new projects, we are aware of the matters, and we are considering if and how to potentially formalize our current approach in this area.

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, and in addition to our employee handbook, we have already today implemented standards that support our employees. However, we are considering to develop a further and more comprehensive policy to promote a healthy working environment and strengthen social conditions.

Human rights

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.

In 2023, 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.

Diversity and gender representation in the organization

BioCirc is committed to enhancing diversity in areas such as experience, educational background and in gender at all levels of management. Our aim, reflective of our broader diversity objectives, includes increasing female leadership within the organization. We recognize the current underrepresentation of women at the management level, and despite being a newly established company, we acknowledge the need for a more gender-diverse management team.

Women are currently underrepresented at the group's management levels due to the group's status as a newly established company, which is further supported by the fact that the organization primarily has expanded in the biogas sector. To address this, we have set an intermediate target for gender representation within our board at 25%, adding two women to the board, which we seek to achieve by 2027. Currently, the board consists of 0 women and 7 men, hence our board lacks female members.

Gender composition 2023: Members of the Board

	2023
Members in total	7
Underrepresented gender (0) in percentage	0%
Minimum compostion 2027 in percentage	25%
Year of goal achievement	2027

We have clear targets for gender diversity in our management levels, and it is expected that the proportion of women in the management levels will increase over the coming years. When looking at the other management levels, our approach to achieving an equal composition includes focusing on the competencies and potential of individual employees, while also recognizing the value of diversity in enhancing our organizational strength and innovation. We are exploring policies to support this ambition, such as targeted recruitment strategies to attract female candidates, diversified interview panels, flexible working arrangements, and regular monitoring and reporting on gender diversity.

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 BioCirc 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 BioCirc 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.

Data ethics

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, BioCirc 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.

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.

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.

Reporting principles and compliance – CO_2e emissions

BioCirc's total CO_2e emissions has been calculated in accordance with the Greenhouse Gas Protocol

Internal guidelines

Scope 1 emissions comprise direct CO_2e emissions from sources owned or controlled by BioCirc, calculated in accordance with the Greenhouse Gas Protocol. It covers diesel and other fuels for our fleet of vehicles, mainly tractors, as well as onsite combustion and methane leakage. Onsite combustion comprises of fuels for heating (natural gas, straw & wood chips, and oil) and the flaring of biogas. Methane leakage comprises inadvertent leaks associated with the biomethane production. Fuel consumption data is based on an estimate of the diesel consumption used per vehicle per day. Onsite combustion is calculated from actual volume consumption or utility invoices. Volumes of methane leakages has been identified by an external assessment conducted by a 3rd party provider with compliant equipment as per instructions from the Danish Energy Agency. BioCirc average leakage rate is markedly lower than Danish regulation targets. Activity data is multiplied with emission factors from DEFRA, ISCC and Danish Energy Agency.

Scope 2 emissions comprise indirect CO_2e emissions from electricity and heating consumption in plants and buildings leased or owned by BioCirc, calculated in accordance with the Greenhouse Gas Protocol. Consumption data includes metered readings, supplier data or extrapolated from statistical sources based on m^2 occupancy. Location-based emissions are calculated using emission factors for electricity grid mix and district heating mix from Danish Energy Agency and HOFOR Miljødeklaration. Unavailable data at time of reporting has been extrapolated from available emissions based on m^2 occupancy.

Scope 3 emissions comprise the 8 most material categories out of the 15 scope 3 categories as specified by the Greenhouse Gas Protocol. Remaining categories are not material and hence not reported on.

Purchased goods and services (category 1) include emissions relating to external supplier spend. Emissions from purchased goods and services mainly relate to purchase of non-waste raw materials, such as maize and grass. Other emissions occur from various purchases of components and parts to vehicles and plants, office articles and furniture, and lastly IT equipment & IT support. Emissions are calculated from a mix of weight or quantity, direct spend and supplier data with extrapolations applied as necessary. Supplier spend data is multiplied with relevant emission factors from ISCC and NAICS v1.2.

Capital goods (category 2) include emissions from acquisition of machinery used in connection with biogas production and buildings. Emissions are calculated from direct spend and multiplied with relevant emission factors derived from NAICS v1.2.

Fuel and energy related activities (category 3) include upstream emissions of purchased fuels and electricity, heating as well as transmission and distribution losses. Consumption data is identical to what is used for BioCirc scope 1 and 2 (except methane leakages). Emission factors are applied from the International Energy Agency (IEA) and DEFRA.

Up- and downstream transportation and distribution (category 3 & 8) include emissions from the in-bound transport of raw materials to the biogas facilities and out-bound digestate. As a result of unavailable mileage data from suppliers and volumes transported at the time of reporting, emissions has been extrapolated based on transport emissions reported in our ISCC certificates – an established and recognized certificate system whose emission factors and methodology follows EU guidance. These has been conducted by a third party provider. Specific activity data from Bio Recycling (a subsidiary to BioCirc) has been calculated based on fuel consumption from mileage data – in cases with unavailable mileage, an extrapolation of average km distance travelled has been applied. Activity data has been multiplied by appropriate emission factors from DEFRA, ISCC and International Energy Agency.

Waste disposal (category 5) includes waste disposal associated with bi-products of biomethane production, mainly digestate not included in category 3 and 8. These emissions relate to the treatment/application of digestate by farmers. Waste disposal data is collected from actual tons and multiplied by emissions factor for digestate from Danish Technical University.

Business travel (category 6) includes emissions related to air travel, taxi travel and car leasing. Air travel is based on spend

data and then extrapolated to km distance flown based on assuming an average ratio of spend to km flown. Taxi travel and car leasing is based on spend data. Relevant emission factors are applied from NAICS v1.2.

Employee commuting (category 7) includes travel to and from the workplace for BioCirc employees. Due to a sizable number of employees, it has been necessary to base calculations on a number of assumptions. Distinction between commute to offices and facilities has been made assuming respectively 220 and 200 working days, while assuming 5% of employees with electric cars and 15% who bike to the office with the rest being transported by cars. Activity data has been multiplied by appropriate emission factors from DEFRA.

Reporting principles and compliance – CO_2e abatement and future outlook on reporting principles

Methodology – CO_2e abatement potential for average energy cluster

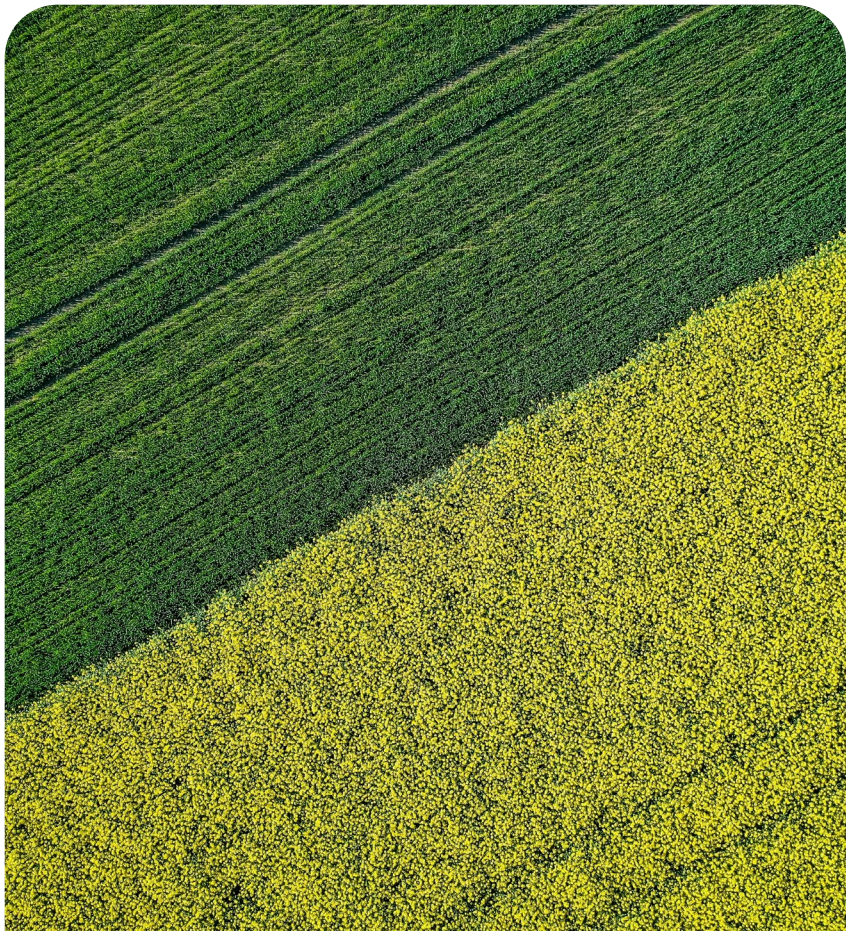
Calculating the CO_2e abatement potential of the average energy cluster in the BioCirc portfolio rests on certain key assumptions. An overview of the outputs produced by an average BioCirc energy cluster is evident from pp. 24. The annual output produced, renewable electricity, green gas, e-fuels, and district heating is based on an average of submitted production to relevant authorities. Output volumes are multiplied by a relevant emission factor that stem from recognized and reputable sources, incl., RED II, EU Methodology for GHG Emission Avoidance Calculation, Danish Methanol Association, and Stiesdahl.

Methodology – CO_2e abatement for 2022 and 2023

The calculation methodology behind BioCirc CO_2e abatement figures for 2022 and 2023 rests on the annual biomethane production volumes recorded, and then multiplied by the net emissions per cubic meter of biomethane produced. The net emissions abated per cubic meter biomethane produced takes the full value-chain into account, i.e., extraction of raw materials, transportation, agricultural management and displacement of natural gas – specifically, also factoring in the specific feedstock mix used.

Future outlook on reporting principles and expected changes

Extensive work still remains to ensure the robustness of the activities subject to the reporting requirements and BioCirc is actively taking the necessary steps to ensure the most precise and valid reporting going forward.



Entity details

Entity
BioCirc Group Holding ApS
Amaliegade 22, 1.
1256 Copenhagen K

Business Registration No.: 43302485
Registered office: Copenhagen
Financial year: 01.01.2023 - 31.12.2023

Board of Directors
Jens Bak Ibsen
Jens Henrik Pontoppidan Pedersen
Michael Haaning
Bertel David Maigaard
Jesper Pagh
Niels Dengsø Jensen
Claus Molbech Bendtsen

Executive Board
Bertel David Maigaard
Claus Molbech Bendtsen

Auditors
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Design
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