

Sustainable Bio Solutions Aabenraa K/S

Sverigesgade 2 st. tv.
DK-5000 Odense C

CVR no. 39 68 28 85

Annual report 2021

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

24 June 2022

Yujin Ide
Chairman of the annual general meeting

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Sustainable Bio Solutions Aabenraa K/S
Annual report 2021
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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Sustainable Bio Solutions Aabenraa K/S for the financial year 1 January – 31 December 2021.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Odense C, 24 June 2022
Executive Board:

Lars Byberg
CEO

Board of Directors:

Stine Birk
Chairman

Yujin Ide

Nigel David Hildyard

Independent auditor's report

To the shareholders of Sustainable Bio Solutions Aabenraa K/S

Opinion

We have audited the financial statements of Sustainable Bio Solutions Aabenraa K/S for the financial year 1 January – 31 December 2021 comprising income statement, balance sheet and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

Independent auditor's report

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.



Independent auditor's report

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

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

Fredericia, 24 June 2022

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Nikolaj Møller Hansen
State Authorised
Public Accountant
mne33220

Michael Lund Siegumfeldt
State Authorised
Public Accountant
mne28662

Sustainable Bio Solutions Aabenraa K/S
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Management's review

Company details

Sustainable Bio Solutions Aabenraa K/S
Sverigesgade 2 st. tv.
DK-5000 Odense C

CVR no.: 39 68 28 85
Established: 28 June 2018
Financial year: 1 January – 31 December

Board of Directors

Stine Birk, Chairman
Yujin Ide
Nigel David Hildyard

Executive Board

Lars Byberg, CEO

Auditor

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

General partner

Sustainable Bio Solutions GP ApS

Management's review

Operating review

Principal activities

Sustainable Bio Solutions Aabenraa K/S' principal activities are within the bioenergy industry.

Financial review

At 31 December 2021, equity amounted to a negative of DKK 32,349,298. The loss was expected as the Company is newly founded and in the process of constructing a biogas production facility in order to support operating activities. The Parent Company, Ecoberry Infrastructure ApS, has undertaken to financially support the Company in the 2022 financial year. During the same period, the Group will not require any repayment.

Events after the balance sheet date

No events have occurred after the balance sheet date of material importance to the annual report for 2021.

Financial statements 1 January – 31 December

Income statement

DKK	Note	2021	2020
Gross loss		-2,700,467	-3,224,264
Staff costs	2	-2,714,863	-187,500
Depreciation, amortisation and impairment losses		-110,316	0
Operating loss		-5,525,646	-3,411,764
Other financial income		130,094	40,119
Other financial expenses	3	-14,144,568	-2,634,052
Loss for the year		-19,540,120	-6,005,697
Proposed distribution of loss			
Retained earnings		-19,540,120	-6,005,697

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2021	31/12 2020
ASSETS			
Fixed assets			
Property, plant and equipment	4		
Land and buildings		11,476,760	11,476,760
Fixtures and fittings, tools and equipment		551,579	0
Property, plant and equipment under construction		<u>342,079,690</u>	<u>132,006,815</u>
		<u>354,108,029</u>	<u>143,483,575</u>
Investments			
Deposits		<u>15,000</u>	<u>15,000</u>
Total fixed assets		<u>354,123,029</u>	<u>143,498,575</u>
Current assets			
Receivables			
Receivables from group entities		2,273,565	0
Other receivables		<u>916,412</u>	<u>24,658,823</u>
		<u>3,189,977</u>	<u>24,658,823</u>
Cash at bank and in hand		<u>10,098,605</u>	<u>2,544,233</u>
Total current assets		<u>13,288,582</u>	<u>27,203,056</u>
TOTAL ASSETS		<u><u>367,411,611</u></u>	<u><u>170,701,631</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2021	31/12 2020
EQUITY AND LIABILITIES			
Equity			
Contributed capital		1,000	1,000
Retained earnings		<u>-32,350,298</u>	<u>-12,810,176</u>
Total equity		<u>-32,349,298</u>	<u>-12,809,176</u>
Liabilities			
Non-current liabilities			
Payables to group entities		<u>376,533,576</u>	<u>162,046,547</u>
Current liabilities			
Trade payables		22,084,275	21,201,633
Payables to group entities		51,281	15,129
Other payables		<u>1,091,777</u>	<u>247,498</u>
		<u>23,227,333</u>	<u>21,464,260</u>
Total liabilities		<u>399,760,909</u>	<u>183,510,807</u>
TOTAL EQUITY AND LIABILITIES		<u><u>367,411,611</u></u>	<u><u>170,701,631</u></u>
Contractual obligations, contingencies, etc.	5		
Mortgages and collateral			

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Sustainable Bio Solutions Aabenraa K/S for 2021 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Gross profit

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Other external costs

Other external costs comprise costs related to sales, administration and office premises etc.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs, payables and transactions denominated in foreign currencies and amortisation of financial assets and liabilities etc.

Property, plant and equipment

Land and plant and machinery are measured at cost less accumulated depreciation and impairment losses.

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

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

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

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

Land is not depreciated.

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

Depreciation is recognised in the income statement as production costs, distribution costs and administrative expenses, respectively.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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

Impairment of fixed assets

The carrying amount of property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

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

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

Receivables

Receivables are measured at amortised cost.

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

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The portfolios are primarily based on the debtors' registered offices and credit rating in accordance with the Company's credit risk management policy. The objective indicators used in relation to portfolios are determined on the basis of historical loss experience.

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

Cash at bank and in hand

Cash at bank and in hand comprises cash.

Liabilities

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

Other liabilities are measured at net realisable value.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Staff costs

Staff costs comprise wages and salaries to the Company's employees.

DKK	2021	2020
2 Staff costs		
Wages and salaries	2,713,505	187,500
Other social security costs	1,358	0
	<u>2,714,863</u>	<u>187,500</u>
Average number of full-time employees	<u>1</u>	<u>1</u>

3 Other financial expenses

Interest expense to group entities	13,614,591	2,085,256
Other financial expenses	529,977	548,796
	<u>14,144,568</u>	<u>2,634,052</u>

4 Property, plant and equipment

DKK	Land and buildings	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
Cost at 1 January 2021	11,476,760	0	132,006,815	143,483,575
Additions for the year	0	661,895	210,072,875	210,734,770
Cost at 31 December 2021	<u>11,476,760</u>	<u>661,895</u>	<u>342,079,690</u>	<u>354,218,345</u>
Depreciation for the year	0	-110,316	0	-110,316
Depreciation and impairment losses at 31 December 2021	0	-110,316	0	-110,316
Carrying amount at 31 December 2021	<u>11,476,760</u>	<u>551,579</u>	<u>342,079,690</u>	<u>354,108,029</u>

5 Contractual obligations, contingencies, etc.

Contingent liabilities

The Company is a party to a pending lawsuit. The Company's Management has objected to the claim of DKK 13 million.