

An aerial photograph of a Biorefinery facility situated in a rural landscape. The facility, located in the lower center, features several large, dark, cylindrical storage tanks, a central processing building with smoke rising from it, and large rectangular silos or storage areas. The surrounding area is a patchwork of green and brown agricultural fields, with some solar panels visible on the left. The sky is clear and blue.

BI  CIRC

H1 2024 Interim Report

BioCirc at a glance

Who We Are

BioCirc is a circular bioeconomic company, founded in 2021, that abates CO2 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.

We have offices in Middelfart and Copenhagen and employ more than 300 people.

BioCirc's ownership consists of several entities, including DLG Group, a cooperative and its 25,000 Danish farmers.

What We Do

BioCirc has an extensive biomethane production. We own and operate eight biogas plants in Denmark, representing one of the largest biogas productions globally.

With biogas production at its core, we develop, own and operate circular energy clusters and already have large scale projects in mature development.

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.

A Global Leader – Key figures

~2 TWh

Green energy production capacity

+300

Employees

8

Operating biogas plants

>2,000 ktons

Biomass handling per year

4 million tons

CO2 abated, 2030 target

+5 GWh

Renewable electricity in development



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

Main events in H1 2024

January	February	March	April	May	June
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BioCirc completes the acquisition of **Blåbjerg Biogas**, which was announced in August 2023. This marks our eighth biogas plant acquisition increasing the total biomethane production capacity to +175 million Nm³



BioCirc Blåbjerg Biogas
 Location: Nørre Nebel, Varde
 Biomethane capacity: 11m Nm³
 Biomass capacity: 365 k tonnes/year

BioCirc takes **final investment decision on its first solar park** integrated into Vinkel Biogas, one of the world's largest biogas plants

BioCirc completes **DKK +180 million capital raise** from existing shareholders. Total equity raised of more than DKK 3 billion

BioCirc completes the **acquisition of North-Tec**, a leading German EPC and automation business, strengthening our capacity to develop and implement new biogas technologies and enhance expertise in energy management, thereby accelerating our international expansion



North Tec
 Location: Bredtstedt, Germany

BioCirc **celebrated its annual Employee Day**, where team members from all locations gathered to celebrate BioCirc group exceeding 300 employees and our collective achievements and shared vision

BioCirc wins significant share of the **NECCS fund with total value DKK 1bn in subsidies** for the world's largest biogas CCS project – capturing of biogenic CO₂ at biogas plants, transporting it to offshore storage for permanent storage and create CO₂ removal credits

Farmers now able to invest directly in BioCirc. In a strategic partnership, DLG and BioCirc are committed to ensuring that the value created by the agricultural sector in renewable energy production remains within the sector

BioCirc announces the appointment of Anders Christian Nordstrøm as the **new Power-to-X CEO**. Anders was formerly Ørsted's COO and Senior Vice President, P2X

BioCirc **publishes its first integrated annual report** for highlighting strong 2023 financial result, delivering substantial top- and bottom-line growth in a year characterised by declining gas prices ([Integrated Annual Report 2023](#))

Three of BioCirc's Go Green projects are part of the state-designated areas for energy parks on land.

As a means to achieve Denmark's ambitious climate goals, it has been announced that BioCirc's Go Green energy projects in Jammerbugt, Vesthimmerland and Viborg are part of the government-designated energy parks



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Financial performance in H1 2024

In Q2, BioCirc achieved revenue of 354 million DKK, bringing total H1 2024 revenue to 693 million DKK, with an adjusted EBITDA of 67 million DKK. While impacted by market turbulence, BioCirc is already seeing signs of recovery and stabilisation, supported by the insourcing of certificate trading, favourable gas hedging, and key regulatory approvals for the expansion of Vinkel Biogas facility and construction of Vinkel solar park. These developments position us for strong growth in the second half of 2024.

H1 Financial Performance

The biogas market in the first quarter of 2024 was affected by continued declines in gas prices and market turbulence in the certificate market. Despite these headwinds, BioCirc demonstrated resilience and outperformed the market in H1. This is a testament to our unparalleled in-house expertise in feedstock sourcing, biology, and production across our eight biogas plants. In H1 2024, BioCirc realised revenue of DKK 693 and an adjusted EBITDA of DKK 67 million, which was significantly impacted by a Q2 write-down of certificate revenue. The market turbulence has reaffirmed our focus on strengthening our inhouse certificate trading capabilities improving transparency, revenue stability and reducing dependence on external parties.

Market Challenges and Actions

The certificate market has been notably volatile, leading us to write down a portion of our revenues. The primary causes for this volatility include:

- High import of cheap biofuels from China – a situation that has now been addressed through the EU's introduction of import tariffs
- Decline in ETS prices – caused by an oversupply of 2024 quotas, though this is expected to decrease significantly in 2025
- Changes in ISCC's certification methodology for biomethane – which has now been resolved as Germany overruled the ISCC's method
- Roll-back of Sweden's tax deduction for biomethane – Sweden is actively working on reintroducing this deduction

These market events negatively impacted the certificate prices that BioCirc's trading partners realised from January to May 2024. Data received in July showed larger-than-expected volumes sold at lower prices, leading us to adjust our June revenue, reducing revenue by 31.3 million DKK.

Future Outlook

Despite the market turbulence in the first half of 2024, BioCirc has taken significant steps to ensure long-term stability and growth. One of the most important actions has been the strategic insourcing of certificate trading. By bringing this function in-house, BioCirc is not only improving transparency but also gaining more control over pricing, ensuring greater financial stability. This initiative allows BioCirc to better mitigate market risks and respond more quickly to fluctuations in certificate prices.

In July, BioCirc successfully issued a EUR 70 million senior unsecured bond to support continued growth. The net proceeds will fund key renewable projects, including the expansion of Vinkel Biogas and the development of the Vinkel Solar Park. Securing the environmental permit for the Vinkel Biogas expansion and the building permit for the Vinkel Solar Park in September represents a major achievement for BioCirc, paving the way for significant expansion and positioning us for future growth. The biogas expansion will solidify Vinkel Biogas' position as one of the world's largest biogas plants by more than doubling its biomass handling capacity to over 1 million tonnes per year. Simultaneously, the solar park will enhance BioCirc's ability to hedge energy prices, further strengthening our financial resilience. The solar park will also optimise the financial performance of our Vinkel Biogas facility by enabling cross-asset synergies, including providing power to the biogas facility behind the meter at favourable prices.

Additionally, BioCirc has secured hedging positions at attractive prices that cover approximately 30% of gas volumes for Q4 2024 and 30-40% of volumes for 2025, providing a predictable revenue stream and reducing exposure to volatile market conditions. Since the end of Q1, we have observed an uptick in gas prices, and we expect these prices to stabilise in H2. These proactive measures, combined with improving market conditions, contribute to a strong financial outlook despite the challenges encountered earlier this year.

In summary, despite setbacks in H1 2024, BioCirc expects to achieve profitable growth in 2024, with full-year adjusted EBITDA guidance of 220-230 million DKK. BioCirc realised an adjusted EBITDA of DKK 55 million in the first two months of Q3, which supports our full-year guidance.

Financial highlights H1 2024 DKKm

693

Revenue

67

Adj. EBITDA

60%

Equity ratio

+2.8bn

Equity

Key developments after Q2

- Inhouse certificate trading team in place to handle the majority of certificate trades from October 2024, improving transparency in market prices, enhancing financial stability, and reducing trader dependency
- Hedged 30% of gas volumes in Q4 2024 and 30-40% in 2025, providing a predictable revenue stream and reducing exposure to market volatility
- Secured environmental permit for Vinkel Biogas expansion and a building permit for Vinkel Solar Park in September, enabling cross-asset synergies and significant expansion of production (more than doubling Vinkel Biogas biomass handling capacity)
- Successfully issued a EUR 70 million senior unsecured bond to support continued growth



Viborg Go Green office building

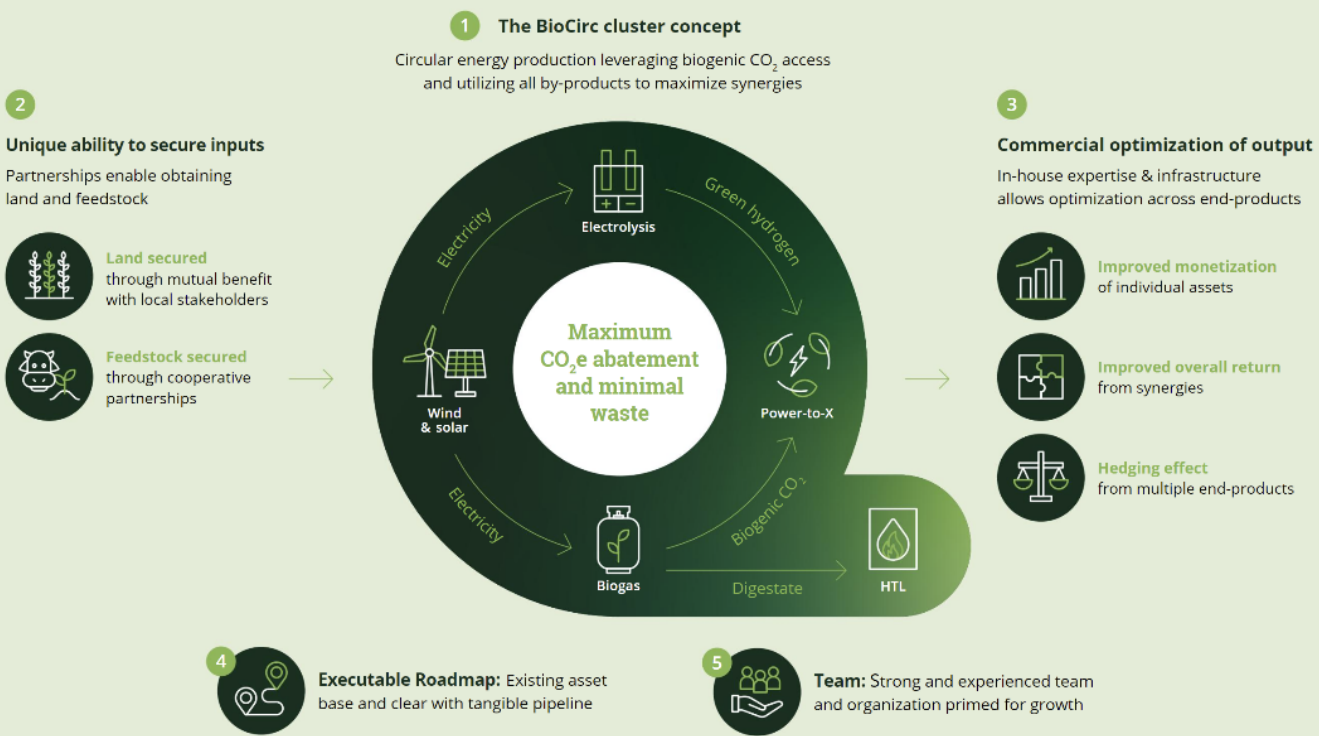
Viborg Go Green

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

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.

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.



A man with short, light brown hair, wearing a black high-visibility vest with yellow-green reflective stripes, is shown in profile, looking intently at a large industrial pipe. He is holding a metal flange with several bolts. The background is a blurred industrial environment with various pipes and machinery. The lighting is dramatic, with strong highlights on the man's face and the pipe.

Consolidated financial statements

Consolidated income statement

Income statement DKKm	Q2 2024	Q1 2024	H1 2024
Revenue	353.8	359.5	692.6
Direct costs	(295.7)	(302.2)	(577.2)
Gross profit	58.1	57.3	115.3
Personnel cost	(28.0)	(18.0)	(46.0)
Administration and sales	(25.9)	(16.5)	(42.4)
Other cost	(3.4)	(2.7)	(6.1)
EBITDA	0.8	20.2	20.9
Adjustments to EBITDA (1)	23.3	22.6	45.9
Adj. EBITDA	24.1	42.8	66.8
Depreciation of tangible assets	(24.9)	(23.8)	(48.7)
Amortisation of intangible assets	(31.4)	(28.9)	(60.3)
EBIT	(55.6)	(32.5)	(88.1)
Net financial loss	(24.2)	(18.7)	(42.9)
EBT	(79.7)	(51.2)	(131.0)
Tax	10.2	5.3	15.5
Net Income	(69.5)	(46.0)	(115.5)

(1) Adjustments to EBITDA DKKm	Q2 2024	Q1 2024	H1 2024
EBITDA	0.8	20.2	20.9
Transaction costs	6.6	5.0	11.6
Certificate trading contracts cost savings	11.2	13.0	24.2
Consulting fees, IFRS and ESG projects	2.2	0.0	2.2
Extraordinary write-down of inventory in Ringsted	0.0	1.9	1.9
Energy-saving grants received historically (non-cash)	(4.7)	(4.7)	(9.3)
Other non-recurring costs	8.0	7.3	15.3
Total adjustments	23.3	22.6	45.9
Adj. EBITDA	24.1	42.8	66.8

Consolidated balance sheet

Balance sheet DKKm	Q2 2024	Q1 2024
Intangible assets	1,859.0	1,890.4
Property, plant, and equipment	2,169.7	2,168.1
Development projects	166.2	135.6
Fixed assets	4,194.8	4,194.0
Inventory	183.8	190.9
Trade receivables	300.3	292.7
Other receivables	32.4	36.7
Cash	36.1	93.9
Current assets	552.6	614.2
Assets	4,747.5	4,808.2

Balance sheet DKKm	Q2 2024	Q1 2024
Equity	2,836.8	2,906.3
Deferred tax	124.0	139.9
Other provisions	14.3	8.7
Provisions	138.3	148.6
Mortgage debt	367.5	370.1
Bank loans	755.0	762.0
Lease liabilities	116.8	85.8
Trade payables	173.5	201.8
Deferred income	222.1	226.7
Other payables	137.5	106.7
Equity and liabilities	4,747.5	4,808.2

Consolidated cash flow statement

Cash flow statement DKKm	Q2 2024
<i>Operating activities</i>	
EBIT	(55.6)
Adjustment for non-cash items	56.3
Interest net	(24.2)
Income tax paid	(5.7)
Change in net working capital	7.2
Cash flow from operating activities	(21.9)
<i>Investing activities</i>	
Acquisition of subsidiaries	(0.0)
Acquisition of intangible and tangible assets	(57.2)
Cash flow from investing activities	(57.2)
<i>Financing activities</i>	
New share issue and shareholder contribution	0.0
Change in mortgage debt and bank loans	(9.7)
Change in lease liabilities	31.0
Cash flow from financing activities	21.3
Cash flow for the period	(57.8)
Cash and cash equivalents at the beginning of the period	93.9
Cash and cash equivalents at end of the period	36.1

Parent company
financial
statements



Parent Company income statement

Income statement DKKm	Q2 2024	Q1 2024	H1 2024
Revenue	0.0	0.0	0.0
Direct costs	0.0	0.0	0.0
Gross profit	0.0	0.0	0.0
Personnel cost	0.0	0.0	0.0
Administration and sales	(0.2)	(0.1)	(0.3)
Other cost	0.0	0.0	0.0
EBITDA	(0.2)	(0.1)	(0.3)
Depreciation of tangible assets	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0
EBIT	(0.2)	(0.1)	(0.3)
Net financial income	20.7	0.6	21.3
Income from investments	(85.6)	(46.4)	(132.0)
EBT	(65.0)	(45.9)	(110.9)
Tax	(4.5)	(0.1)	(4.6)
Net Income	(69.5)	(46.0)	(115.5)

Parent Company balance sheet

Balance sheet DKKm	Q2 2024	Q1 2024
Shares in group companies	1,957.9	2,043.5
Property, plant, and equipment	0.0	0.0
Development projects	0.0	0.0
Fixed assets	1,957.9	2,043.5
Inventory	0.0	0.0
Trade receivables	0.0	0.0
Receivables from group companies	812.8	734.8
Cash	73.3	130.7
Current assets	886.1	865.4
Assets	2,844.0	2,908.9

Balance sheet DKKm	Q2 2024	Q1 2024
Equity	2,836.8	2,906.3
Deferred tax	4.6	0.1
Other provisions	0.0	0.0
Provisions	4.6	0.1
Mortgage debt	0.0	0.0
Bank loans	0.0	0.0
Lease liabilities	0.0	0.0
Trade payables	0.1	0.2
Deferred income	0.0	0.0
Other payables	2.4	2.3
Equity and liabilities	2,844.0	2,908.9

Parent Company cash flow statement

Cash flow statement DKKm	Q2 2024
<i>Operating activities</i>	
EBIT	(0.2)
Adjustment for non-cash items	0.0
Interest net	20.7
Income tax paid	0.0
Change in net working capital	(78.0)
Cash flow from operating activities	(57.4)
<i>Investing activities</i>	
Acquisition of subsidiaries	0.0
Acquisition of intangible and tagible assets	0.0
Cash flow from investing activities	0.0
<i>Financing activities</i>	
New share issue and shareholder contribution	0.0
Change in mortgage debt and bank loans	0.0
Change in lease liabilities	0.0
Cash flow from financing activities	0.0
Cash flow for the period	(57.4)
Cash and cash equivalents at the beginning of the period	130.7
Cash and cash equivalents at end of the period	73.3

Basis of reporting

Basis of preparation

- BioCirc (the “Group”) consists of BioCirc Group Holding ApS and its subsidiaries. BioCirc Group Holding ApS (the “Parent Company”) is a privately held company incorporated in Denmark. The Company’s registered office is at Amaliegade 22, 1256 Copenhagen.
- These financial statements have been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large). The accounting policies applied to these financial statements are consistent with those applied in the annual report for 2023.
- The Group acquired North-Tec, a German EPC company, in March. The consolidated financial statements include the financial results of North-Tec from the acquisition date onward. Therefore, the figures for January and February do not reflect the performance of North-Tec, as its results are only incorporated from March.
- The financial statements are presented in Danish Kroner, which is the functional currency of the Company. The reporting period covers 1 January 2024 to 30 June 2024. Our H1 2024 report was published on 2 October 2024.

Profit and Loss (P&L) items

- **Revenue** consists of sales of gas, certificates, raw materials for biogas plants, grants received, project revenue from EPC activities and other revenue
- **Direct costs** include costs related to biomass and energy consumption, transportation, production personnel, repair and maintenance, and other operating expenses. Project costs relate to the Group’s EPC activity in Germany (incorporated from March to June)
- **Personnel costs** comprise wages and salaries, and social security contributions, pension contributions, etc. for the Group’s employees which are not allocated directly to direct costs
- **Administration and sales** include expenses related to the Group’s activities, including expenses for premises, stationery and office supplies, marketing costs, etc.
- **Other costs** include grants relating to energy-saving funds received (“Energisparetilskud”) and management fees to Maigaard & Molbech. The grants are recognised as deferred income on the balance sheet, which is taken to income on a straight-line basis over the useful life of the asset

- **Depreciation and amortisation** relates to property, plant and equipment, and intangible assets
- **Net financial loss** comprises interest expenses on bank debt, finance leases, foreign exchange gains/losses, tax surcharge under the Danish Tax prepayment scheme, commissions, fees, and interest income, etc.

Balance sheet items

- **Intangible assets** consist of goodwill. Goodwill is amortised on a straight-line basis over its estimated useful life, which is determined by management’s experience in each business area. The amortisation period ranges from 10 to 19 years
- **Property, plant, and equipment** consist of tangible assets used in the company’s operations, such as buildings and machinery. The depreciation period ranges from 3 to 40 years
- **Inventory** include biomass, raw materials, consumables, direct labour costs, and indirect production costs
- **Trade receivables** represent amounts due from the sale of gas and certificates
- **Other receivables** include VAT receivables and other receivables etc.
- **Cash** comprises cash in hand and bank deposits
- **Provisions** include deferred tax relating to all temporary differences between the carrying amount and the tax based value of assets and liabilities and other provisions
- **Mortgage debt** and **bank loans** consists of debt owed to mortgage credit institutions and commercial banks
- **Lease liabilities** relates to assets held under finance leases
- **Trade payables** relates to the amounts owed to suppliers for goods or services
- **Deferred income** comprises energy saving funds received (“Energisparetilskud”) for recognition in subsequent financial years
- **Other payables** consist of corporate tax payable, VAT payable, and other outstanding payables



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Shaping the **Green**
Energy Transition