UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF WISCONSIN

In re:

NLC Energy Denmark LLC,

Case No. 25 – [not yet filed]
Chapter 11 Proceedings

Debtor.

DISCLOSURE STATEMENT FOR PREPACKAGED PLAN OF REORGANIZATION OF NLC ENERGY DENMARK LLC

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Dated: Milwaukee, Wisconsin
August 14, 2025

NLC Energy Denmark LLC (the "Debtor") has prepared a Prepackaged Plan of Reorganization (the "Plan") under chapter 11 of title 11, United States Code (the "Code") that accompanies this Disclosure Statement. The Debtor intends to file the Plan and this Disclosure Statement with a voluntary petition for relief under chapter 11 with the United States Bankruptcy Court for the Eastern District of Wisconsin (the "Court") on August 16, 2025 (the "Petition Date"). The Debtor is providing this Disclosure Statement to solicit acceptances to the Plan before the Petition Date as part of a prepackaged chapter 11 case.

Unless otherwise noted, all statements in this Disclosure Statement are those of the Debtor and not any other party.

I. INTRODUCTION

On the Petition Date, the Debtor intends to file a voluntary petition for relief under chapter 11 of the Code. The Debtor expects an order for relief to be entered immediately. With the petition, the Debtor will file the Plan, this Disclosure Statement, ballots accepting or rejecting the Plan that have been received, and first day motions to expedite the chapter 11 case and obtain confirmation of the Plan as a prepackaged chapter 11 case.

No applicable nonbankruptcy law applies to the solicitations of acceptances or rejections of the Plan. Accordingly, the Debtor submits that this Disclosure Statement contains adequate disclosure of information for parties from whom the Debtor is soliciting acceptances of the Plan so they can make an informed judgment on whether to cast a ballot to accept or reject the Plan. This Disclosure Statement has been prepared by the Debtor, and its agents and attorneys.

This Disclosure Statement describes the financial background and history of the Debtor, the events that led to the filing of its Case, the financial status of the Debtors during the Cases, an overview of the treatment of Creditors in the Plan, and the means for implementing the Plan.

FOR THE CONVENIENCE OF CREDITORS, THIS DISCLOSURE STATEMENT SUMMARIZES THE TERMS OF THE PLAN, **BUT THE PLAN ITSELF QUALIFIES ALL SUMMARIES**, AND IF ANY INCONSISTENCY EXISTS BETWEEN THE PLAN AND THIS DISCLOSURE STATEMENT, **THE TERMS OF THE PLAN CONTROL.** THIS DISCLOSURE STATEMENT MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN, AND **NOTHING CONTAINED IN IT SHALL CONSTITUTE AN ADMISSION OF ANY FACT OR LIABILITY BY ANY PARTY**, OR BE ADMISSIBLE IN ANY PROCEEDING INVOLVING THE DEBTOR OR ANY OTHER PARTY, OR BE DEEMED CONCLUSIVE EVIDENCE OF THE TAX OR OTHER LEGAL EFFECTS OF THE REORGANIZATION ON THE DEBTOR.

CERTAIN STATEMENTS, BY THEIR NATURE, ARE FORWARD LOOKING AND CONTAIN ESTIMATES AND ASSUMPTIONS. THERE CAN BE NO ASSURANCE THAT SUCH STATEMENTS WILL BE REFLECTIVE OF ACTUAL OUTCOMES.

Capitalized terms that are not defined in this Disclosure Statement shall be as defined in the Plan. Accompanying this Disclosure Statement are copies of the following, which are being served with this Disclosure Statement:

1. The Plan;

2. The Ballot to Accept or Reject the Plan (the "Ballot"); and

3. Notice of (i) Solicitation of Chapter 11 Prepackaged Plan of Reorganization, (ii) Deadline to Submit Ballots for Acceptance or Rejection of Proposed Prepackaged Plan, (iii) Deadlines for Objections to (a) Prepetition Solicitation Procedures, (b) the Adequacy of the Disclosure Statement and (c) Confirmation of the Proposed Prepackaged Plan.

Confirmation Hearing. The Debtor will file a motion requesting the Court to set a hearing to consider confirmation of the Plan. You will be notified when the hearing is set. **Objections to confirmation of the Plan must be filed with the Court and Ballots must be received by the Debtor's attorneys, Kerkman & Dunn, <u>on or before September 12, 2025</u>.** You will receive notice of the date set by the Court to consider confirmation of the Plan. The Debtor has requested September 30, 2025, as the date for the Confirmation Hearing.

II. DEBTOR'S HISTORY AND EVENTS LEADING TO THE CHAPTER 11 FILING

The Creditors from whom ballots are being solicited already have significant background on the Debtor, its business and financial difficulties. However, the following is a brief synopsis of the background.

The Debtor from 2008 until 2016

Individuals that are no longer associated with the Debtor formed it in 2008 as NEW Organic Digestion LLC. By 2016, it was a biogas developer and operator with an existing food waste digestor facility in Denmark, Wisconsin. NEW Organic Digestion owned one anaerobic digester that produced biomethane that was used to produce electricity that it then sold.

Joint Venture with NLC Energy in 2016 to expand the business

In 2016, the NEW Organic Digestion's management met Bruce S. MacDonald and Douglas F. Blough. They decided to form a joint venture to expand the business. MacDonald and Blough formed NLC Energy Venture 30, LLC to participate in the joint venture. From the documents, it appears that NEW Organic Digestion owned the physical facility and that a related company, Big Ox Energy-Denmark LLC, operated it. They called the joint venture NLC Energy-Big Ox LLC. MacDonald and Blough, through NLC Energy Venture 30, were to provide the capital and expertise in credit-tenant financing to fund growth. Big Ox was to provide management expertise and have operational control, utilizing their experience.

The joint venture acquired a facility in South Sioux City, Nebraska, through an entity, Big Ox Siouxland LLC. The acquisition involved complex financing and an agreement with the municipality that included implementing an industrial wastewater treatment plan and the municipality guaranteeing 20 years of payment for wastewater treatment services. Operational problems began shortly after operations started in early 2016. Sewers backed up into residents' homes resulting in multiple legal actions and fines that were settled for $1.8 million. Later, in 2019, a feedstock supplier switched food deliveries to a high fat slurry without notifying management. It caused a foaming event that lasted several weeks. This led to the facility closing in May 2019 for several years. In October 2018, the joint venture also acquired another biogas digestion facility in Riceville, Iowa for $3.2 million.

Construction Expanding the Denmark Facility

To expand the construction at NEW Organic Digestion's physical facility in Denmark, Wisconsin (the "Denmark Facility"), the joint venture retained an engineering firm to design the expansion. NEW Organic Digestion's then existing management prepared projections of the Denmark Facility's production capabilities after construction was completed. Construction was to begin in the summer of 2016. At the time, the joint venture had determined that a new entity, EEC Denmark Tenant LLC, would operate the Denmark Facility.

As part of the planned construction, EEC Denmark Tenant executed a 20-year supply contract with The Regents of the University of California ("UCal") dated August 12, 2016. Based upon the production projections for the Denmark Facility after construction prepared by NEW Organic Digestion's management, UCal agreed to purchase, and EEC Denmark Tenant was required to deliver a minimum quantity certain biomethane produced from food waste that met the requirements of California and Federal law to create environmental attributes.[1]

[1] Environmental attributes are used to determine environmental benefits such as carbon credits or renewable energy certificates, to encourage investment in sustainable solutions. They can be monetized.

Construction was delayed in part due to the joint venture changing construction plans to include construction of a gas transfer pipeline that feeds the Trans Canada pipeline and two decant stations to accept third-party biomethane.

UCal and EEC Denmark Tenant executed Amendment 1 to the UCal contract dated February 1, 2017. The amendment extended the time for the Debtor to be considered passed the construction phase and in the full operating phase. It also granted UCal the right to inspect records and terminate the contract by March 17, 2017, with neither party having liability to the other party for the termination.

NLC Energy Venture 30 or the owner of all its member interests, NLC Energy LLC (collectively, NLC Energy") funded the construction costs, which including machinery, equipment and other personal property, totaled \$97.7 million.[2] The funding was intended to be for a short-term only. NLC Energy had arranged long-term financing after completion of construction with institutions, most of which had provided financing for the unrelated real estate businesses of MacDonald and Blough.

September 28, 2017, financing by the Senior Secured Lenders

NLC Energy used management's production projections and the UCal contract to obtain the post-construction financing. That financing closed on September 28, 2017. Under the financing, NEW Organic Digestion issued 6.25% Series A1 Senior Notes and 7.75% Series A2 Senior Notes. As of June 30, 2025, the total amount outstanding on the notes was \$75.8 million. Liens against the Denmark Facility and all assets secured the notes. Blough executed a guaranty that was subject to certain conditions being met. Ten investors presently hold the notes (collectively, the "Senior Secured Lenders"). The Senior Secured Lenders are identified on Addendum 4.1(a).[3] The Senior Secured Lenders required an assignment of the payments under the UCal contract and other customers as security for the financing and retained Wells Fargo, as their collateral trustee, to receive the assigned payments and manage the financing relationship with the Debtor.

UCal amendments in the fall of 2017

In preparation of the closing of the financing and with UCal's consent, on August 3, 2017, EEC Denmark Tenant assigned the UCal contract to NEW Organic Digestion.

On September 17, 2017, EEC Demark Tenant and UCal executed Amendment 2 to the Transaction Confirmation. It reduced the minimum quality that the must be delivered during the first year after the Denmark Facility became operational. It also extended the date by which the Denmark Facility must become operational to when it in fact was operational.

As September 28, 2017, NEW Organic Digestion was entirely owned by NEW Organic Digestion Investors LLC, which was entirely owned by NEW Organic Digestion Holdings LLC. NEW Organic Digestion Holdings was owned and controlled equally by the two members of the joint venture, NLC Energy and Big Ox.

As of September 28, 2017, NEW Organic Digestion Holdings executed a Pledge and Security Agreement with UCal (the "UCal Pledge Agreement"). Under it, NEW Organic Digestion Holdings pledged its entire equity securities of NEW Organic Digestion Investors. Effectively, this gave UCal the right to own and control NEW Organic Digestion upon a default and if conditions precedent were met. The conditions precedent included replacing Blough as guarantor of the notes held by the Senior Secured Lenders with a guarantor acceptable to them.

Denmark Facility's production of biomethane did not meet projections

The Debtor completed construction and began operations at the new facility in late 2017. The new facility took time to become fully operational. However, production output drastically underperformed projections. Then existing management from Big Ox gave many excuses for the underperformance, including a "learning curve" with

[2] All amounts stated in this Disclosure Statement are rounded or approximate unless the context suggest otherwise. This is done for ease of reading; except where exact amounts are used, they are not relevant for the purposes of this Disclosure Statement.

[3] All "Exhibits" are attached to this Disclosure Statement; "Addenda" are attached to the Plan.

the new technology.

The Debtor's inability to produce the projected biomethane volume meant that the Debtor could not deliver the minimum volume amounts required by the UCal contract after the first year or service the Senior Secured Lenders' notes. NLC Energy made up the shortfall in revenue to keep NEW Organic Digestion operating.

NLC Energy retained its own experts to evaluate operational issues. NLC Energy's experts determined the Denmark Facility's maximum production capabilities and concluded that the projected biomethane volume of production could never be achieved by the facility.

In mid-2018, the then existing operators from Big Ox were refusing input from NLC Energy's engineers, obstructing the engineers' access to data and refusing assistance with operating the Denmark Facility. In mid-September 2018, NLC Energy stopped funding the operational cash shortfalls. In 2019, the Denmark Facility shut down due to storage capacity limits being exceeded that led to near overflows of digesters and lagoons.

NLC Energy acquires ownership and control of NEW Organic Digestion

NLC Energy started partially funding NEW Organic Digestion's operations in July 2019 as part of an agreement to gain control of the operations. By September 2019, the Denmark Facility was under control of management installed by NLC Energy. By August 2020, NLC Energy had gained full ownership of the NEW Organic Digestion and its operations.

The joint venture was dissolved by the execution of a Redemption Agreement executed on July 31, 2020. It provided for a reconciliation of the amounts due each other to be finalized in the future. The Debtor calculates that Big Ox entities owe the NLC Energy entities more than $8 million. The Debtor suspects the $8+ million is uncollectable.

Addressing the financial issues through Cedar Holdings, LLC bridge note

By August 2020, NEW Organic Digestion (now referred to as the "Debtor")[4] had fallen behind with its obligations to the Senior Secured Lenders. The Debtor entered into a bridge note with Cedar Holdings, LLC in the amount of $12 million to bring the obligations current. The Debtor has paid nothing on the Cedar Holdings note and carries the note as a $24.4 million debt as of June 30, 2025, on the Debtor's books. Insiders of the Debtor now control Cedar Holdings.

Addressing the financial issues with UCal

The Debtor's new management also approached UCal to renegotiate the UCal contract. The price that the Debtor sold biomethane to UCal was well below prevailing market rates. New management informed UCal of the Debtor's financial struggles.

Those negotiations resulted in Transaction Confirmation #001A, executed on December 21, 2020, that further amended the UCal contract. The amended terms lowered the volume that the Debtor was required to supply to UCal but also lowered the purchase price. The amended terms also addressed UCal's ability to cover any daily shortfall by purchasing replacement methane on the open market and charging the Debtor for the difference between the contract priced and the amount paid. (With this amendment, which is the last amendment to the contract, the contract is defined as the "UCal Contract.")

In addition, the amended terms added three provisions to penalize the Debtor for breaching the UCal Contract. First, the Debtor was required to share revenue with UCal from the Debtor's sales of methane produced from livestock manure. Under the UCal Contract, UCal only purchased methane produced from food waste. Methane produced from livestock manure has greater CO_2 reductions. This means that the Debtor can monetize environmental attributes from livestock manure at a higher price. Requiring the Debtor to share revenue from methane produced from

[4] NEW Organic Digestion amended its articles of organization to change its name to NLC Energy Denmark LLC effective as of January 1, 2023. However, since at this point existing management and owners now controlled it, it is being referred to as the Debtor.

manure removed the financial incentive to shift production from methane derived from food waste to methane derived from manure waste. This prevents the Debtor from maximizing the profits that can be derived from the limited production capabilities of the Denmark facility. The UCal Contract refers to this revenue-sharing as the "Operational Payment."

Second, to address future delivery shortfalls, the Debtor was required to provide an annually "true-up." The true-up calculated the amount of biomethane delivered to UCal during the year to the minimum amount required by the UCal Contract as amended. The Debtor was required to pay UCal "lost Environmental Attribute Damages" based upon a complex formula.

The UCal liquidated damages provision

Third, the amended terms included a liquidated damages provision that would expire after 6 years. Under the liquidated damages provision, if the Debtor failed to truthfully disclose the sale of biomethane, to pay any amount owed, to provide financial reports or information, or "otherwise engages in willful misconduct to circumvent this Contract," the Debtor commits a "Special Breach." The consequence for a Special Breach is UCal's right to file a stipulated judgment against the Debtor. The judgment amount started at $75 million and continually decreases by the Debtor's performance determined by a complex formula based upon the benefits UCal receives. The liquidated damages provision expires on December 21, 2026 – less than 18 months from now. As of July 31, 2025, the liquidated damages were $62,914,798, which is continually reduced after that date. The Debtor calculates UCal's actual damages for a breach as of July 31, 2025, at $8,592,833 – less than one-seventh of the liquidated damages' amount.

The liquidated damages provision has no relationship with a reasonable estimate of UCal's damages under the UCal Contract, nor was that the intent. Rather, UCal sought to ensure the Debtor's performance and penalize the Debtor for the failure to comply with the UCal Contract. Until December 2020, the UCal Contract never had a penalty or liquidated damages provision. Before the liquidated damages provision was inserted, the Debtor and UCal had no discussions that a liquidated damages provision was needed for the ease of calculating damages if the Debtor breached. No one perceived that damages from a breach would be difficult to prove. For these reasons, the Debtor contends that the liquidated damages provision is unenforceable, and the amount of UCal's Claim for rejection of the UCal Contract is less than $8.6 million.[5]

2022 efforts to seek additional relief from the UCal Contract

In 2022, as the Debtor's financial problems continued, the Debtor went back to UCal to again seek an increase of the purchase price. Renegotiating the price upward was detrimental to California citizens that ultimately fund UCal. UCal represented an upward price adjustment could not be done. Doing so would require approval by the California State Legislature. UCal described that as nearly impossible. Continued performance of the UCal Contract results in continuing losses to the Debtor.

The Debtor's decision to file chapter 11

As the Debtor's financial statements show, with no increase in price for the biomethane sold to UCal, the Debtor continues to operate at a loss. Historical financial information from January 1, 2022, through June 30, 2025, is attached as **Exhibit 1.** NLC Energy, which owns 100% of the EEC Property Holdings LLC, which in turn owns 100% of the Debtor,[6] has continued to fund the losses at the rate of approximately $1 million per month. The facilities at Riceville, Iowa, and Sioux City, Nebraska, are also operating at a loss. Collectively, their gross receipts from sales in 2023 were $14 million. There are no intercompany debts between Riceville, Sioux City and the Debtor entities. NLC Energy has funded their losses and has receivables against each of them.

In February 2025, the Debtor approached the Senior Secured Lenders to discuss the possibility of filing

[5] UCal has a security interest in the proceeds and intangibles environmental attributes. However, the Debtor has not seen evidence that the lien has been perfected or that its priority in these assets is higher than the Senior Secured Lenders.

[6] On December 31, 2022, and January 1, 2023, NLC Energy restructured the companies it directly and indirectly owned. NEW Organic Digestion Holdings and NEW Organic Digestion Investors were merged into EEC Property Holdings. The result is that EEC Property Holdings now owns all member interests of the Debtor subject to the UCal's lien in those interests under the UCal Pledge Agreement.

chapter 11 to put the Debtor on a path toward profitability. Among other things, the lenders requested that the Debtor obtain a valuation.

The Debtor retained a firm approved by the Senior Secured Lenders to provide a "current board advisory analysis." The Debtor and the Senior Secured Lenders sought an indication of value from an independent reputable firm. That firm applied several approaches to value and concluded a discounted cash flow analysis resulted in a range of values from $10.3 to $17.7 million.[7] The Debtor and, upon belief, the Senior Secured Lenders determined that the collateral securing their debt of $75.8 million was woefully insufficient. Under the Plan, the Senior Secured Lenders' total secured claim is was divided into two notes: a Series A1 Note of $20 million that the Debtor can service, first with interest only payments and then after two years with interest and principal payments and a Series A2 Note meant to capture appreciation in value the Denmark Facility with it being marketed after the Petition Date and being paid from the proceeds of the Sale. The Senior Secured Lenders will also have an unsecured claim of $758,452 in total.

The Debtor considers a restructuring under chapter 11 of the Code as the best alternative for the Debtor to reach profitability. As a part of the chapter 11 case, the Debtor will reject the UCal Contract. The result of the rejection on the Debtor's finances is shown in the Debtor's financial projections as **Exhibit 2.** The projections include improved sales prices for methane derived from food waste, productivity improvements that increase the output of methane from both manure and food waste and reduced overhead costs. Additionally, the Debtor will actively market the Denmark facility with a goal of maximizing value. However, the Debtor and Senior Secured Lenders do not intend to sell it at a "fire-price" sale amount. They will market it and can take as long as necessary to obtain a fair price. They could decide to delay marketing it. In the meantime, they will continue to profit from the Debtor's operating its business.

A. Chapter 11 Professionals

The Debtor is represented by the Milwaukee firm of Kerkman & Dunn ("K&D") as its general chapter 11 counsel. The Debtor anticipates hiring no other professionals for the Case.

B. Proceedings During the Case

First Day Motions. On the Petition Date, the Debtor will file first day motions seeking the following relief: (i) authorization to pay prepetition wages and compensation, (ii) establishing a prepackage case and confirmation schedule, including approval of notices to Creditors, (iii) extending the time for the Debtor to file schedules and its statement of financial affairs, to convene a section 341 meeting of creditors, and waiving the requirement to file monthly operating reports and establishing a debtor-in-possession account, and (iv) requesting an emergency hearing on first day motions.

Other Motions. On the Petition Date, the Debtor will file the following motions that will not be on an emergency basis: (i) approval of the Debtor's rejection of UCal's Contract, (ii) estimation of UCal's Claim for purposes of voting on the Plan, (iii) modification of the automatic stay on a final but not interim basis to permit Wells Fargo to administer funds received as provided under the escrow agreement and the Debtor to use cash collateral, (iv)) determination of adequate assurance of payment for utilities and (v) approval of the Debtor's application to retain K&D as its general chapter 11 counsel.

Payment of Trade Claims During the Case. Notwithstanding the requirement that Claims incurred before the Petition Date not be paid, they will be paid – just not by the Debtor. EEC Property Holdings will pay Claims as they are due with member contributions. These will include Claims, rents and amounts due on executory contracts other than the one with UCal. The payments will be from funds of EEC Property Holdings' funds, not the funds of the Debtor. As a result, no Creditor other than the Senior Secured Lenders and UCal will be financially affected by the filing of the Case or the Plan.

Notice of the Case to All Creditors. The Debtor filed a first day motion to approve a notice to Creditors. Because this is a prepackaged case and the only non-insider Creditors affected by it are the Senior Secured Lenders

[7] The valuation firm required as part of the engagement that the report be kept confidential. It was prepared for a limited purpose. The valuation firm sought to eliminate risks associated with a valuation prepared for the limited purposes of assisting the lenders and the Debtor reaching agreement being used by third parties for other uses.

and UCal, the Debtor is proposing a notice that differs from the usual notice sent by the Clerk's office when a case has been commenced. The Debtor is requesting approval of the notice on an emergency basis. It alerts Creditors that a case has been commenced, no proof of claim needs to be filed at this time, their debts will be paid as they become due by EEC Property Holdings, a description of the Plan, and the dates for objections to, and confirmation of the Plan.

Extensions of Time to File Schedules, etc. As a first day motion, the Debtor filed a motion to extend the time to file schedules, the statement of financial affairs, convene the section 341 meeting of creditors, and temporarily waive the filing of monthly operating reports and open a debtor-in-possession bank account. The Debtor seeks to confirm the Plan within 7 weeks. If this Case is confirmed on an expedited basis, none of these matters will assist in the reorganization or be necessary.

Bar Date and Claims Procedure. The Debtor will not be requesting a bar date for filing proofs of claim in the Case. All Claims are unimpaired except the Claims of Senior Secured Lenders, certain insiders and UCal. Creditors with Claims that are unimpaired under the Plan can resort to the applicable State or Federal Court after the Effective Date if a dispute over their Claim arises. The Debtor and the Senior Secured Lenders agree on the Claim amounts for them. As for UCal, the Plan sets UCal's Claim amount. If UCal disputes the amount, UCal can object to the amount stated in the Plan by filing an objection to confirmation of the Plan. The Court will eventually determine the amount of UCal's Claim. Unsecured Claims will share pro-rata in a $500,000 pot. To account for a dispute over the amount of UCal's Claim, the Plan provides for an initial distribution to Class 3 Creditors and final distribution. The initial distribution will pay the pro-rata portion of the undisputed amounts of Class 3 Claims based upon the total possible amounts of Class 3 Claims. A portion of the $500,000 pot available for distribution will be withheld and held in escrow pending the determination of UCal's Claim. Upon UCal's Claim being determined, the escrowed funds will be distributed to UCal and/or the other Class 3 Creditors. Because the only Claim relevant to the Plan that may be disputed is UCal and a procedure in the Plan addresses UCal's Claim, there is no need for a bar date for the filing of proofs of claim.

Cash Collateral and Adequate Protection for the Senior Secured Lenders. The Senior Secured Lenders have a Lien on all the Debtor's assets, including cash collateral. A copy of the security agreement, mortgage and financing statement granting the Liens and perfecting them are attached to the Declaration of Welles Hatch filed on the Petition Date.

The Debtor filed a motion to modify the automatic stay to permit the Senior Secured Lenders to continue funding escrow accounts, make payments and otherwise perform as required under the Prepetition Documents.

Anticipated Hearings in the Case. The Debtor is requesting that the Court hold a hearing on first day motions on August 20, 2025, at which time the Court will set the Confirmation Hearing. The only hearing will be the Confirmation Hearing, which the Debtor is requesting be set on September 30. There may be other hearings after the Confirmation Hearing to determine UCal's Claim and resolve the Debtor's preference action against UCal that is described below.

C. Status of Pending Litigation

There is no pending litigation.

D. Anticipated Litigation

Motion to Estimate UCal's Claim for Voting Purposes. UCal may object to the motion to estimate its Claim for voting purposes on the Plan. UCal may also raise other objections to confirmation of the Plan. The Debtor will request that all objections be heard at the Confirmation Hearing.

Objection to Confirmation, including UCal's Claim Amount. UCal may also contest the amount of its Claim as stated in the Plan. If an objection to the amount is filed, the Plan provides for an initial distribution to Class 3, which includes UCal's Claim. The initial distribution is based upon the maximum amount of Claims. However, the distribution amount will only be for the uncontested amounts of the Claims. The difference will be held in escrow by K&D and distributed after all Class 3 Claims are determined. This allows the Plan to be confirmed, and the amount of the Claim determined at the usual procedural course. It also ensures that the $500,000 pot available for Pro-Rata distribution to Class 3 Creditors is properly allocated based upon the final amount of the Claims.

Preference Action Against UCal. With the notice of the first day motions, the Debtor demanded return of $550,000 from UCal that UCal had received as a preferential transfer. Depending on UCal's response to the demand, the Debtor may file an adversary proceeding to recover the $550,000 preferential transfer under § 547(b).

Under the UCal Contract, the Debtor was required to post a $550,000 letter of credit as security for the Debtor's performance under the UCal Contract. The Debtor did post one, but it expired. After UCal realized the letter of credit expired, UCal demanded that the Debtor post another one. As the Debtor moved toward a final decision to file chapter 11, it delayed posting the letter of credit. On April 22, 2025, UCal gave notice that the Debtor had 30 days to post a letter of credit to cure the default under the UCal Contact of failing to post one. To obtain a letter of credit, the Debor was required to establish an account with $550,000 on deposit at the financial institution issuing the letter of credit as security.

On May 21, 2025, to avoid being in default under the UCal Contract, the Debtor deposited $550,000 of its funds into a segregated account at the financial institution as security for the issuance of the letter of credit. The depositing of the Debtor's funds secured the letter of credit to UCal on account of the Debtor's antecedent debt to UCal, the UCal Contract. The result is a preferential transfer to UCal. *See, Matter of Compton Corp.*, 835 F.2d 584 (5th Cir. 1988); *see also, P.A. Bergner & Co. v. Bank One, Milwaukee, N.A.*, 140 F.3d 1111 (7th Cir. 1997).

E. Third-Party Releases and Exculpation Clauses

Section 4.1(h) affects the guaranty of Blough, a non-debtor third-party. The Senior Secured Lenders agreed to forbear from pursuing Blough if the Debtor performs under the Plan and then release his guaranty upon a sale of Debtor's business if the Senior Secured Lenders receive the amount stated in the Side Agreement. This provision was actively negotiated between the attorneys for Blough and the Senior Secured Lenders. The Senior Secured Lenders also agreed to forbear pursuing Blough while the Debtor performs its obligations to the Senior Secured Lenders before the Confirmation Date as provided in the motion to modify the automatic stay and to grant adequate protection to the Senior Secured Lenders.

9.1 ***Section 9.4 provides for Exculpation.*** Except as otherwise expressly provided by the Plan or the Confirmation Order or other Final Order of the Bankruptcy Court, on the Effective Date, ***the Exculpated Parties and each of their respective agents, representatives, successors and assigns, shall be deemed released and exculpated from any claims, obligations, rights, causes of action and liabilities for any act or omission in connection with, or arising out of, the Case, including the formulation, dissemination and pursuit of confirmation of the Plan, the consummation of the Plan or the administration of the Plan or the property to be distributed under the Plan,*** except for acts or omissions that constitute willful misconduct, gross negligence or fraud, and all such Persons, in all respects, shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan and under the Bankruptcy Code.

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Section 9.5 provides for Limited Releases. Except as otherwise expressly provided or contemplated by the Plan or the Confirmation Order, effective as of the Confirmation Date but subject to the occurrence of the Effective Date, and in consideration of the services of and other forms of consideration being provided by the Released Parties, ***the Debtor, the Debtor's chapter 11 estate and the Reorganized Debtor shall release, waive and discharge unconditionally and forever each of the Released Parties from any and all Claims***, obligations, suits, judgments, damages, rights, causes of action and liabilities whatsoever (including those arising under the Bankruptcy Code), whether known or unknown, foreseen or unforeseen, existing or hereinafter arising in law, equity, or otherwise, based in whole or in part on any act, omission, transaction, event or other occurrence: (i) taking place before the Petition Date in connection with or relating to the Debtor or any of its direct or indirect subsidiaries; and (ii) in connection with, related to, or arising out of this Chapter 11 Case, the formulation, dissemination or pursuit of confirmation of the Plan, the consummation thereof, the administration thereof or the property to be distributed thereunder; provided that the foregoing shall not operate as a waiver of or release from any causes of action arising out of the willful misconduct or the gross negligence of any Released Party unless such Released Party acted in good faith and in a manner that such Released Party reasonably believed to be in or not opposed to the best interests of the Debtor, and with respect to any criminal action or proceeding, had no reasonable cause to believe such Released Party's conduct was unlawful; provided, however, that the foregoing shall not operate as a waiver or release of any rights or obligations arising from and after the Effective Date in respect of any agreements expressly entered into or reaffirmed hereunder as of or following the Effective Date.

There are no other Plan provisions granting third-party releases or including exculpation provisions.

IV. CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS

Claims against, and interests in the Debtor are divided and paid as follows as described below. The total Claim amounts in each class are the Debtor's estimate of the Allowed Amounts.

Administrative Expenses. Administrative expenses are not classified because their treatment is dictated by the Code. Generally, they consist of professional fees and expenses that have accrued during the Case. The Debtor projects that the only administrative expenses in the Case, other than ordinary operating expenses, will be U.S. trustee fees and fees owed its lawyers, K&D. The Debtor estimates K&D's fees after the Petition Date will be less than $100,000. Administrative expenses incurred in the ordinary course of the Debtors' financial affairs will be paid in the ordinary course. Expenses for professionals, including K&D's fees, will be paid by EEC Property Holdings to the extent that the advanced payment retainer was unearned before the Petition Date. Fees of all professionals incurred after the Petition Date, including those of K&D, are subject to approval by the Court. Quarterly fees due the United States Trustee will be paid by EEC Property Holdings and as due.

Priority Claims. Priority Claims generally include unpaid taxes and for goods received by the Debtor within 20 days before the Petition Date. If they have not been paid before the Effective Date, they will be paid on the Effective Date or as they are due. The Debtor estimates there will be a minimum amount of unpaid taxes and Claims for goods delivered within 20 days before the Petition Date. The Debtor is and expects to be current with all its debts on the Petition Date. After the Petition Date, the debts will have been paid by EEC Property Holding and/or NLC Energy.

Class 1: **Senior Secured Lender Secured Claims.** Class 1 consists of the Secured Claims of the Senior Secured Lenders. The aggregate amount of their Claim as of the Effective Date is approximately $76 million. The Senior Secured Lenders' total Secured Claim is deemed to be $75.1 million. Their total Unsecured Claim is deemed to be $758,000.

The Secured claim will be paid with two notes: Series A1 Notes that total $20 million and Series A2 Notes that total $55 million. The amount of each Secured Claim for each Note is deemed to be the amount on **Addendum 4.1(a)** to the Plan. The amounts for each Unsecured Claims are listed on **Addendum 4.3(a).**

The $20 million of Series A1 Notes will be paid interest only at the rate of 6.25% for 24 months after the Effective Date. Commencing on the 25th month after the Effective Date, the Debtor will pay equal monthly installments of principal and interest at the rate of 6.25% amortized over 15 years until the Class 1 Secured Claims are paid in full.

The $55 million of Series A2 Notes will accumulate interest at the rate of 6.25% and will be paid with principal if and when the Denmark Facility is sold. However, as provided in the Side Agreement, Blough will be paying a portion of the interest until the Denmark Facility is sold.

The Senior Secured Lenders will retain their Liens to secure their Class 1 Secured Claims. They are waiving their right to elect to have their Claims treated under §1111(b) of the Code.

The Debtor will actively market itself and business within two months after the Effective Date. A representative of the Senior Secured Lenders will participate in the marketing efforts. The Senior Secured Lenders must approve any offer for it to be accepted. There is no time requirement for a sale. The Debtor will continue operating and a sale will not occur until the Debtor and Senior

Secured Lenders are satisfied that the highest price has been obtained.

The Senior Secured Lenders are also agreeing to forbear from pursuing the guaranty of Blough if the Debtor performs under the Side Agreement before the Effective Date and then under the Plan after the Effective Date. They will agree to discharge his guaranty upon the sale of the Debtor's business occurring and receipt of at least the amount stated in the Side Agreement.

The Prepetition Documents will be amended to include the terms of the Plan.

The unsecured portion of the Senior Secured Lenders' Claims will be treated as Class 3 Unsecured Claims. The Senior Secured Lenders are impaired in both Classes 1 and 3. Each Senior Secured Lender shall have ballots to accept or reject the Plan in both Class 1 and Class 3.

Class 2: **Trade Claims.** Trade Claims are Claims less than $250,000 that were incurred in the ordinary course of the Debtor's business operations. They are unimpaired by the Plan. This means that they retain all their rights as they existed on the Petition Date. They will be paid within 30 days of the Effective Date in full without interest unless they have already been paid by EEC Property Holdings. The Debtor has sought to minimize the Trade Claims and expects they will be approximately $700,000. They are not impaired and will not vote on the Plan.

Class 3: **Unsecured Claims.** Unsecured Claims in Class 3 are listed on **Addendum 4.3(a)** to the Plan. The Class 3 Unsecured Claims total $95.6 million.

Class 3 Claims will share Pro-Rata in a pot of $500,000 to on the 30th day after the Effective Date. The $500,000 will be funded from the recovery of a preference from UCal. If the $500,000 is not received from UCal by the time of distribution, NLC Energy will fund it and be reimbursed after recovery of the preference from UCal.

A creditor, including UCal, may contest the amount of its Claim on Addendum 4.3(a). The Debtor does not expect any Creditor except UCal to contest the amount of its Claim. ***The amount is contested by filing an objection to confirmation of the Plan and must state the amount that the Creditor asserts for the Claim.*** The amount asserted will be used for purposes of the Pro-Rata initial distribution of the $500,000 pot. This will result in a lower initial distribution percentage to all Unsecured Claims. The undisputed amount of the Class 3 Claims will receive a distribution based upon the lower distribution percentage. The balance will be held in escrow by K&D until all Claims are finally determined by the Court or agreement. Then, a second and final distribution will be made to Class 3 Creditors based upon the actual amounts of the Claims. Resolution of final Claim amounts is not necessary to confirm the Plan.

Unsecured Claims in Class 3 are impaired and can vote on the Plan.

Class 4: **Equity Securities of the Debtor.** EEC Property Holdings is the sole holder of the Debtor's Equity Securities.

EEC Property Holdings shall retain its Equity Securities subject to the terms of the Plan. The holder of the Debtor's Equity Securities as of the 30th day after the Effective Date must fund the $500,000 pot for distributions to Class 3 Claims if the preference from UCal has not been recovered. Upon recovery of the preference, the holder shall be reimbursed for the $500,000 paid.

The holder of the Debtor's Equity Securities on the 30th day after the Effective Date shall pay all Administrative Expenses, including professional compensation, that are approved for the Case.

Additionally, the holder of the Debtor's Equity Securities on the 30th day after the Effective Date shall make capital contributions for the Reorganized Debtor to meet its obligations in the ordinary course of its business and this Plan, including payments to the Senior Secured Lenders due to any shortfalls of income from its operations.

The Plan preserves UCal's rights under the UCal Pledge Agreement to obtain all the Equity Securities and control of the Debtor. UCal must file a notice with the Court at least 7 days before the Effective Date of its intent to exercise its rights under the UCal Pledge Agreement. Upon filing the notice, the occurrence of the Effective Date shall be extended and all actions under the Plan to implement its terms shall be stayed until UCal, or its assignee, becomes the holder of the Equity Securities. To exercise its rights, UCal must comply with the UCal Pledge Agreement, including replacing Blough as the guarantor of the Claims of the Senior Secured Lenders with a Person approved as required under the UCal Pledge Agreement. After the Person has been approved as the new guarantor and Blough has been released from his guaranty to the Senior Secured Lenders, the holder of the Equity Securities shall be transferred to UCal.

Upon UCal becoming the holder of the Equity Securities, the Case shall be dismissed. The effect of the dismissal shall be as provided in § 349 of the Code, and all debts and administrative expenses incurred during the pendency of the Case shall continue to be the obligation of the Debtor and not be subject to approval of the Court, including any administrative expenses incurred by the Debtor. After dismissal of the Case, all legal, equitable or contract rights of the holders of all Claims and Administrative Expenses are unaltered by anything that occurred in the Case or by the Court.

EEC Property's Equity Security interest is impaired by the Plan. Its holder can vote on the Plan.

V. MEANS OF EXECUTING THE PLAN

Funding the Plan and Feasibility. The cash to fund the monthly installments to the Senior Secured Lenders under the Plan will come from the Debtor's business operations and from Blough and/or EEC Property Holdings as equity contributions to the Debtor. If UCal exercises its rights under the UCal Pledge Agreement and becomes the holder of the Debtor's Equity Securities, the Case will be dismissed, and Blough and EEC Property Holdings shall have no obligation to provide any funding to the Debtor.

Funding the Plan and Feasibility. The Plan primarily depends on the Debtor's business operations and cash infusions from Blough and EEC Property Holdings to fund the Plan in the near term. Then, the Debtor is expected to operate on a positive cash flow.

The Senior Secured Lenders already have ample information on EEC Property Holdings and its ability to fund the Plan. It has been funding the Debtor in the amount of approximately $1 million per month to date, which presently totals approximately $59.1 million in funding.

Identity of Management After the Effective Date. Effectively, management will remain the same as it has before the Petition Date and during the Case, unless UCal exercises its rights to obtain the Equity Securities of the Debtor and therefore control the Debtor. The Debtor's manager will Blough. Its Chief Financial Officer will be Welles Hatch.

VI. VOTING AND CONFIRMATION

Ballots & Voting Deadline. Please indicate your acceptance or rejection of the Plan by voting in favor of or against the Plan. Please return the ballot so that it is **received on or before September 12, 2025.**

Record Date. For purposes of voting, the date used for determining Creditors in Classes 1 and 3 is July 31, 2025. For UCal the amount in the motion to estimate its claim of $8.6 million is being used. The amounts for the Creditors, other than UCal, will likely differ from the actual amounts as of the Petition Date.

Hearing on Confirmation. After the Petition Date, you will receive notice of the hearing for the Court to consider confirmation of the Plan. The Debtor has requested the Confirmation Hearing be held on September 30, 2025.

Confirmation of Plan With or Without Necessary Acceptances. Section 1129 of the Code sets forth many of the requirements for confirmation of a plan and, among other things, requires that a plan be in the "best interests" of impaired and dissenting holders of claims and interests, and that the plan be feasible. The "best interests" test generally requires that the value of the consideration to be distributed to impaired and dissenting holders of claims and interests under a plan may not be less than those parties would receive if a debtor were liquidated under a hypothetical liquidation occurring under chapter 7 of the Code. A plan must also be determined to be "feasible," which generally requires a finding that there is a reasonable probability that the debtor will be able to perform its obligations under the plan and that the debtor will be able to continue operations without the need for further financial reorganization or liquidation. A plan may be confirmed even if it is not accepted by one or more classes if (a) the plan is accepted by at least one impaired class of claims, and (b) the court finds that the plan does not discriminate unfairly against, and (c) is fair and equitable as to each impaired class which has not accepted the plan.

THE DEBTOR MAY SEEK CONFIRMATION OF THE PLAN UNDER § 1129(B) OF THE CODE IF LESS THAN THE REQUIRED CLASSES VOTE TO ACCEPT THE PLAN.

VII. TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

Executory Contracts and Unexpired Leases. Except for the UCal Contract, all executory contracts and unexpired leases will be assumed and the amount necessary to pay curage amount, if any, will be paid on the Effective Date. The UCal Contract will be subject to a separate motion to reject it. The Debtor will be filing a motion to estimate UCal's Claim resulting from the rejection for purposes of voting. The Plan provides for a mechanism to determine UCal's Claim from rejection of the UCal Contract. UCal's Claim is in Class 3.

VIII. LIQUIDATION ANALYSIS

In a chapter 7 liquidation scenario, Creditors other than Senior Secured Lenders would receive 0% of their Claims. The Senior Secured Lenders have Liens on all the Debtor's assets. The total amount owed to the Senior Secured Lenders is approximately $75.8 million. The value of the Debtor's asset is less than $20 million as described in the Hatch Declaration.

IX. TAX CONSEQUENCES OF PLAN

The Debtor will not have any material tax consequence from confirmation of the Plan. However, EEC Property Holdings, NLC Energy, Blough and MacDonald will have tax consequences and have been consulting their professionals regarding the tax consequences. The Senior Secured Lenders will also have tax consequences. They are sophisticated business enterprises and have the resources to determine the consequences. UCal is a nonprofit organization so it likely has no consequences. No other Creditor is affected by the Plan so it should not have any tax consequences resulting from the Plan. Creditors are urged to consult with a tax expert to analyze the potential tax effects on them from the Plan.

X. DISPUTED CLAIMS

The Debtor is not seeking a bar date. No Claims will be disputed other than the Debtor anticipates that UCal will object to the amount of its Claim and that Claim will eventually be determined by the Court.

XI. EFFECT OF CONFIRMATION

Except as otherwise provided in the Plan or the Confirmation Order, the Confirmation Order vests all property of the estate in the Reorganized Debtor free and clear of all Claims and interests of Creditors. Upon the Effective Date, all Claims against the Debtors shall be discharged except as provided in the Plan. Until a discharge is granted, the automatic stay provisions of § 362 of the Code continue.

XII. CONCLUSION

The Debtor proposes the Plan because its management believes it is in the best interests of all parties. The Plan provides the best option to make its business profitable, retain is employees and satisfy to the maximum extent possible the Claims of Creditors. For these reasons, the Debtor requests that Creditors vote in favor of the Plan.

Dated: August 14, 2025.

<u>/s/ Jerome R. Kerkman</u>
Jerome R. Kerkman
Kerkman & Dunn

Proposed Attorneys for the Debtor

<u>Contact Information</u>:

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Table of Exhibit Contents

NLC Energy Denmark LLC

Profit & Loss

January 2022 through December 2023

Exhibit 1

	Jan - Dec 22	% of Income	Jan - Dec 23	% of Income
Ordinary Income/Expense				
Income				
42100 · RNG Revenue (TA)	2,327,201.60	18.6%	1,674,592.18	15.0%
42300 · Co-Product Revenue (TA)	1,200,390.58	9.6%	1,772,793.14	15.8%
42500 · Services Revenue (TA)	2,166,877.27	17.3%	992,407.43	8.9%
42700 · Incentive Program Rev (TA)	9,223,912.50	73.8%	8,986,997.90	80.3%
49000 · Discounts & Adj (TA)	-2,415,556.33	-19.3%	-2,228,268.85	-19.9%
Total Income	12,502,825.62	100.0%	11,198,521.80	100.0%
Cost of Goods Sold				
51000 · COGS RNG Production	6,448,912.59	51.6%	8,509,952.05	76.0%
52000 · COGS Co-Product (TA)	139,695.19	1.1%	396,943.99	3.5%
Total COGS	6,588,607.78	52.7%	8,906,896.04	79.5%
Gross Profit	5,914,217.84	47.3%	2,291,625.76	20.5%
Expense				
61000 · Operations Dept Exp (TA)	3,842,462.73	30.7%	4,879,728.28	43.6%
62000 · Engineering Dept Exp	0.00	0.0%	84,320.36	0.8%
63000 · Sales&Bus Dev Dept Exp (TA)	242,688.69	1.9%	260,861.32	2.3%
64000 · Marketing Dept Exp (TA)	2,237.13	0.0%	470.40	0.0%
65000 · G&A Dept Expense (TA)	296,978.72	2.4%	478,774.07	4.3%
68000 · Corporate Overhead (TA)	1,998,946.97	16.0%	1,541,281.33	13.8%
78070 · Bank Service Charges	0.00	0.0%	-75.54	0.0%
Total Expense	6,383,314.24	51.1%	7,245,360.22	64.7%
Net Ordinary Income	-469,096.40	-3.8%	-4,953,734.46	-44.2%
Other Income/Expense				
Other Income				
79000 · Other Income	32,065.17	0.3%	26,630.51	0.2%
79010 · Sale of Totes/Pallets	85,461.57	0.7%	86,759.39	0.8%
79020 · Gain/Loss on Sale of Assets	0.00	0.0%	68,021.48	0.6%
79030 · Insurance Claims Received	-25,000.00	-0.2%	0.00	0.0%
79050 · Interest Income	6,736.65	0.1%	93,047.07	0.8%
Total Other Income	99,263.39	0.8%	274,458.45	2.5%
Other Expense				
81010 · Interest Expense	8,120,803.39	65.0%	8,569,755.08	76.5%
81100 · Depreciation Expense	3,505,459.94	28.0%	4,218,638.48	37.7%
81200 · Amortization Expense	103,331.64	0.8%	103,331.64	0.9%
82000 · Credit Sales (Mark to Mkt)	640,403.50	5.1%	-479,964.89	-4.3%
82010 · Bad Debt Expense	0.00	0.0%	1,085,092.59	9.7%
85013 · Incentives Invalidated	0.00	0.0%	847,960.53	7.6%
85016 · Extraordinary Expense	2,769,161.54	22.1%	0.00	0.0%
91000 · Period Gas Prod (MMBtu)-Net	0.00	0.0%	0.00	0.0%
Total Other Expense	15,139,160.01	121.1%	14,344,813.43	128.1%
Net Other Income	-15,039,896.62	-120.3%	-14,070,354.98	-125.6%
Net Income	-15,508,993.02	-124.0%	-19,024,089.44	-169.9%

NLC Energy Denmark LLC
Profit & Loss
January 2024 through June 2025

Exhibit 1

	Jan - Dec 24	% of Income	Jan - Jun 25	% of Income
Ordinary Income/Expense				
Income				
42100 · RNG Revenue (TA)	1,726,570.34	16.7%	1,059,654.06	20.6%
42300 · Co-Product Revenue (TA)	1,481,871.07	14.3%	476,446.28	9.2%
42500 · Services Revenue (TA)	1,062,934.94	10.3%	565,319.68	11.0%
42700 · Incentive Program Rev (TA)	8,587,696.23	83.0%	4,236,676.71	82.2%
49000 · Discounts & Adj (TA)	-2,509,132.31	-24.2%	-1,183,619.00	-23.0%
Total Income	10,349,940.27	100.0%	5,154,477.73	100.0%
Cost of Goods Sold				
51000 · COGS RNG Production	8,218,356.16	79.4%	4,263,112.70	82.7%
52000 · COGS Co-Product (TA)	463,357.21	4.5%	218,409.75	4.2%
Total COGS	8,681,713.37	83.9%	4,481,522.45	86.9%
Gross Profit	1,668,226.90	16.1%	672,955.28	13.1%
Expense				
61000 · Operations Dept Exp (TA)	4,360,329.26	42.1%	2,013,694.47	39.1%
62000 · Engineering Dept Exp	137,835.90	1.3%	101,726.68	2.0%
63000 · Sales&Bus Dev Dept Exp (TA)	147,192.90	1.4%	73,133.52	1.4%
64000 · Marketing Dept Exp (TA)	918.13	0.0%	250.00	0.0%
65000 · G&A Dept Expense (TA)	571,360.97	5.5%	295,837.91	5.7%
68000 · Corporate Overhead (TA)	1,670,765.16	16.1%	1,129,033.02	21.9%
Total Expense	6,888,402.32	66.6%	3,613,675.60	70.1%
Net Ordinary Income	-5,220,175.42	-50.4%	-2,940,720.32	-57.1%
Other Income/Expense				
Other Income				
79000 · Other Income	3,807,752.38	36.8%	22,680.48	0.4%
79010 · Sale of Totes/Pallets	72,129.10	0.7%	71,739.00	1.4%
79020 · Gain/Loss on Sale of Assets	-13,726.00	-0.1%	0.00	0.0%
79050 · Interest Income	93,753.01	0.9%	50,010.34	1.0%
Total Other Income	3,959,908.49	38.3%	144,429.82	2.8%
Other Expense				
81010 · Interest Expense	9,050,633.63	87.4%	4,742,420.86	92.0%
81100 · Depreciation Expense	4,321,490.79	41.8%	2,195,428.29	42.6%
81200 · Amortization Expense	103,331.64	1.0%	51,665.82	1.0%
82000 · Credit Sales (Mark to Mkt)	-320,843.36	-3.1%	-194,029.98	-3.8%
82010 · Bad Debt Expense	1,345.33	0.0%	610.00	0.0%
85016 · Extraordinary Expense	49,382.69	0.5%	0.00	0.0%
91000 · Period Gas Prod (MMBtu)-Net	0.00	0.0%	0.00	0.0%
Total Other Expense	13,205,340.72	127.6%	6,796,094.99	131.8%
Net Other Income	-9,245,432.23	-89.3%	-6,651,665.17	-129.0%
Net Income	-14,465,607.65	-139.8%	-9,592,385.49	-186.1%

NLC Energy Denmark LLC

Balance Sheet-Prior Period

All Transactions

Exhibit 1

	Dec 31, 22	Dec 31, 23
ASSETS		
Current Assets		
Checking/Savings		
10000 · Cash & Cash Equivalents	825,230.41	454,930.13
10008 · Escrow UC/Citizens	0.00	0.00
Total Checking/Savings	825,230.41	454,930.13
Accounts Receivable		
11000 · Accounts Receivable	3,354,993.43	735,467.69
Total Accounts Receivable	3,354,993.43	735,467.69
Other Current Assets		
11300 · Gas Delivered-Not Invoiced	0.00	0.00
11400 · Incentive Earned-Not Submitted	2,337,630.80	3,166,351.17
12000 · Notes Receivable	670,258.90	1,328,380.41
14700 · Inventory	1,480,407.91	1,214,852.00
Total Other Current Assets	4,488,297.61	5,709,583.58
Total Current Assets	8,668,521.45	6,899,981.40
Fixed Assets		
15110 · Buildings-Net	60,813,407.61	58,516,814.52
15210 · Equipment & Machinery-Net	6,097,874.92	5,485,036.06
15310 · Farm Leaseholds-Net	2,159,116.27	2,100,965.88
15410 · Office Equipment-Net	44,094.50	28,776.50
15510 · Plant Site Improvement-Net	2,404,584.30	2,244,784.04
15610 · Vehicles-Net	315,340.59	327,359.97
15910 · Land-Cost	783,120.00	783,120.00
17000 · Construction in Progress-Cost	473,058.79	388,595.95
Total Fixed Assets	73,090,596.98	69,875,452.92
Other Assets		
18000 · Capitalized Loan Fees-Cost	1,453,360.38	1,453,360.38
18005 · A/A - Loan Fees	-370,353.36	-455,819.52
18010 · Capitalized Start Up Costs-Cost	267,981.61	267,981.61
18015 · A/A Start Up Costs	-89,262.08	-107,127.56
Total Other Assets	1,261,726.55	1,158,394.91
TOTAL ASSETS	83,020,844.98	77,933,829.23
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
20000 · Accounts Payable - General	1,132,654.38	927,955.94
Total Accounts Payable	1,132,654.38	927,955.94
Credit Cards		
21000 · Credit Card Balances	4,991.45	0.00
Total Credit Cards	4,991.45	0.00
Other Current Liabilities		

NLC Energy Denmark LLC

Balance Sheet-Prior Period

Exhibit 1

All Transactions	Dec 31, 22	Dec 31, 23
21500 · Accrued Revenue Sharing-UC	457,690.78	417,366.85
21505 · Accrued Revenue Sharing-UPS	350,644.62	474,952.68
22500 · Intercompany Balances	22,577,807.71	35,718,782.90
24000 · Benefits Payable	233,064.75	281,631.43
25500 · Sales Tax Payable	3,743.97	3,955.84
27500 · Security Deposit	6,000.00	0.00
28000 · Accrued Expenses	0.00	256,032.34
Total Other Current Liabilities	23,628,951.83	37,152,722.04
Total Current Liabilities	24,766,597.66	38,080,677.98
Long Term Liabilities		
29435 · N/P Cedar Holdings Bridge	17,063,593.01	20,401,481.66
29440 · N/P Big Ox	3,790,614.43	3,790,614.43
29445 · N/P Movin Materials	87,490.44	0.00
29510 · N/P Series A1 Senior Secured	75,201,023.80	72,573,619.79
29520 · N/P Series A2 Senior Secured	7,781,604.17	7,781,603.34
Total Long Term Liabilities	103,924,325.85	104,547,319.22
Total Liabilities	128,690,923.51	142,627,997.20
Equity		
32500 · Capital - EEC Property Holdings	7,506,734.27	7,506,734.27
39999 · Retained Earnings	-37,667,819.78	-53,176,812.80
Net Income	-15,508,993.02	-19,024,089.44
Total Equity	-45,670,078.53	-64,694,167.97
TOTAL LIABILITIES & EQUITY	83,020,844.98	77,933,829.23

NLC Energy Denmark LLC

Balance Sheet-Prior Period

As of June 30, 2025

Exhibit 1

	Dec 31, 24	Jun 30, 25
ASSETS		
Current Assets		
Checking/Savings		
10000 · Cash & Cash Equivalents	1,266,676.37	981,059.61
10008 · Escrow UC/Citizens	0.00	550,000.00
Total Checking/Savings	1,266,676.37	1,531,059.61
Accounts Receivable		
11000 · Accounts Receivable	851,221.42	561,619.16
Total Accounts Receivable	851,221.42	561,619.16
Other Current Assets		
11400 · Incentive Earned-Not Submitted	0.00	2,737,039.26
12000 · Notes Receivable	1,791,791.38	1,074,123.25
14000 · Prepaids	1,161,180.62	53,513.26
14700 · Inventory	1,071,324.72	861,771.16
Total Other Current Assets	4,024,296.72	4,726,446.93
Total Current Assets	6,142,194.51	6,819,125.70
Fixed Assets		
15110 · Buildings-Net	56,461,260.78	55,297,354.08
15210 · Equipment & Machinery-Net	4,300,798.57	3,570,185.34
15310 · Farm Leaseholds-Net	2,155,148.64	2,508,478.59
15410 · Office Equipment-Net	13,458.50	5,799.50
15510 · Plant Site Improvement-Net	2,399,036.78	2,267,993.90
15610 · Vehicles-Net	256,754.87	237,325.91
15910 · Land-Cost	831,264.00	831,264.00
17000 · Construction in Progress-Cost	542,221.22	151,323.35
Total Fixed Assets	66,959,943.36	64,869,724.67
Other Assets		
18000 · Capitalized Loan Fees-Cost	1,453,360.38	1,453,360.38
18005 · A/A - Loan Fees	-541,285.68	-584,018.76
18010 · Capitalized Start Up Costs-Cost	267,981.61	267,981.61
18015 · A/A Start Up Costs	-124,993.04	-133,925.78
Total Other Assets	1,055,063.27	1,003,397.45
TOTAL ASSETS	74,157,201.14	72,692,247.82
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
20000 · Accounts Payable - General	1,581,094.67	836,023.53
Total Accounts Payable	1,581,094.67	836,023.53
Credit Cards		
21000 · Credit Card Balances	-262.56	-262.56
Total Credit Cards	-262.56	-262.56
Other Current Liabilities		

NLC Energy Denmark LLC

Balance Sheet-Prior Period

As of June 30, 2025

Exhibit 1

	Dec 31, 24	Jun 30, 25
21500 · Accrued Revenue Sharing-UC	87,778.77	
21505 · Accrued Revenue Sharing-UPS	0.00	-2,000.00
22500 · Intercompany Balances	49,469,747.01	57,637,498.75
24000 · Benefits Payable	226,175.25	115,473.53
25500 · Sales Tax Payable	1,230.16	1,211.95
27000 · Taxes Payable	0.00	22,426.04
28000 · Accrued Expenses	0.00	68,465.85
Total Other Current Liabilities	49,784,931.19	57,843,076.12
Total Current Liabilities	51,365,763.30	58,678,837.09
Long Term Liabilities		
29435 · N/P Cedar Holdings Bridge	24,392,393.99	26,671,698.99
29510 · N/P Series A1 Senior Secured	69,777,215.30	68,312,268.68
29520 · N/P Series A2 Senior Secured	7,781,604.17	7,781,604.17
Total Long Term Liabilities	101,951,213.46	102,765,571.84
Total Liabilities	153,316,976.76	161,444,408.93
Equity		
32500 · Capital - EEC Property Holdings	7,506,734.27	7,506,734.27
39999 · Retained Earnings	-72,200,902.24	-86,666,509.89
Net Income	-14,465,607.65	-9,592,385.49
Total Equity	-79,159,775.62	-88,752,161.11
TOTAL LIABILITIES & EQUITY	74,157,201.14	72,692,247.82

NLC Energy Denmark LLC

Statement of Cash Flows

January through December 2022

	Jan - Dec 22
OPERATING ACTIVITIES	
Net Income	-15,508,993.02
Adjustments to reconcile Net Income	
to net cash provided by operations:	
11000 · Accounts Receivable	-1,815,713.72
11300 · Gas Delivered-Not Invoiced	110,257.00
11400 · Incentive Earned-Not Submitted	1,153,947.20
14020 · Prepaid Insurance	454.58
14080 · Prepaid GB Dressed Beef/AFG	205,802.57
14705 · Chemicals Inventory	565,066.73
14710 · Material Inventory	33,675.21
14715 · Spare Parts Inventory	-415,697.01
20000 · Accounts Payable - General	540,156.19
21000 · Credit Card Balances	-25,580.11
21250 · Amex-Sharon N	195.08
21254 · Amex-Jesus T	137.41
21255 · Amex-Holden K	4,658.96
21500 · Accrued Revenue Sharing-UC	-189,143.89
21505 · Accrued Revenue Sharing-UPS	-171,219.50
22510 · I/C Big Ox - Blair LLC	30,000.00
22520 · I/C NLC Energy Riceville LLC	133,405.88
22525 · I/C NLC Energy Siouxville LLC	-42,513.27
22540 · I/C EEC	-11,459,640.32
22560 · I/C NCC	4,045.00
22565 · I/C N-Corp LLC	2,148,709.75
22570 · I/C NLCA LLC	2,070,728.54
22585 · I/C RC Ag	-229,642.00
22610 · I/C Expense Report	-868.35
22615 · I/C EEC Market Group LLC	881,710.44
22620 · I/C NLC Energy LLC	18,847,646.20
24002 · Bonuses Payable	233,064.75
24040 · PTO/Sick Accrual	-58,368.07
25500 · Sales Tax Payable	574.23
27500 · Security Deposit	6,000.00
28002 · Accrued Taxes	-51,786.47
28010 · Accrued Interest	-195,700.00
28090 · Accrued Other Expenses	-113,579.68
Net cash provided by Operating Activities	-3,308,209.69
INVESTING ACTIVITIES	
15120 · Buildings-Cost	-731,887.83
15190 · A/D Building	1,729,566.05
15220 · Equipment & Machinery-Cost	-1,489,385.93
15290 · A/D Equipment & Machinery	1,044,255.95
15051 · Rolling Hills I Dairy	-21,713.30
15054 · Barta Dairy	-65,528.74

	Jan - Dec 23
OPERATING ACTIVITIES	
Net Income	-19,024,089.44
Adjustments to reconcile Net Income	
to net cash provided by operations:	
11000 · Accounts Receivable	2,619,525.74
11400 · Incentive Earned-Not Submitted	-828,720.37
12500 · Note Receivable - NCC	145,992.85
12600 · Note Receivable - Digestor Doc	-126,695.00
12700 · Note Receivable - OCEP LLC	-677,419.36
14715 · Spare Parts Inventory	265,555.91
20000 · Accounts Payable - General	-204,698.44
21250 · Amex-Sharon N	-195.08
21254 · Amex-Jesus T	-137.41
21255 · Amex-Holden K	-4,658.96
21500 · Accrued Revenue Sharing-UC	-40,323.93
21505 · Accrued Revenue Sharing-UPS	124,308.06
22525 · I/C NLC Energy Siouxville LLC	43,140.01
22615 · I/C EEC Market Group LLC	2,573,070.82
22620 · I/C NLC Energy LLC	10,524,764.36
24002 · Bonuses Payable	30,618.14
24040 · PTO/Sick Accrual	17,948.54
25500 · Sales Tax Payable	211.87
27500 · Security Deposit	-6,000.00
28060 · Accrued GBDB/AFG Gate Fees	212,258.34
28090 · Accrued Other Expenses	43,774.00
Net cash provided by Operating Activities	-4,311,769.35
INVESTING ACTIVITIES	
15120 · Buildings-Cost	-11,800.00
15190 · A/D Building	2,308,393.09
15220 · Equipment & Machinery-Cost	-850,916.36
15290 · A/D Equipment & Machinery	1,463,755.22
15053 · Rolling Hills 2 Dairy	41,552.20
15055 · BranchView Dairy	-19,726.80
15062 · United Vision Dairy	-17,382.40
15063 · Neighborhood Dairy	-86,497.98
15064 · Buresh Dairy	-13,161.79
15390 · A/D Farm Leaseholds	153,367.16
15490 · A/D Office Equipment	15,318.00
15520 · Plant Site Improvements-Cost	-73,560.45
15590 · A/D Plant Site Improvements	233,360.71
15620 · Vehicles-Cost	-50,000.00
15629 · A/D Vehicles	37,980.62
17001 · CIP D1 Foam Control	-8,993.84
17002 · CIP Industrial Network	-26,056.00
17012 · CIP Dry Ice Scales and Sales	31,454.28

NLC Energy Denmark LLC

Statement of Cash Flows

January through December 2022

Exhibit 1

	Jan - Dec 22
15055 · BranchView Dairy	-2,413.88
15056 · Heims Dairy	-53,727.50
15057 · D&D Dairy	-47,487.68
15058 · Kostechke Dairy	-406,451.56
15060 · Legend Dairy	41,477.68
15061 · Habek Dairy	-24,897.80
15062 · United Vision Dairy	-415,029.60
15063 · Neighborhood Dairy	-282,114.63
15064 · Buresh Dairy	-290,044.77
15390 · A/D Farm Leaseholds	435,175.74
15420 · Office Equipment-Cost	-45,953.84
15490 · A/D Office Equipment	32,931.92
15590 · A/D Plant Site Improvements	230,176.02
15620 · Vehicles-Cost	-60,027.62
15629 · A/D Vehicles	33,354.26
17010 · CIP Dry Ice Machine	166,761.00
17012 · CIP Dry Ice Scales and Sales	-31,454.28
17015 · CIP Lab Renovation	3,831.70
17031 · CIP South Lagoon	34,550.78
17033 · CIP Manure Loadout Upgrade	231,719.99
17034 · CIP HSW Loadout Improvements	49,425.48
17041 · CIP Heims Dairy	11,742.50
17043 · CIP Kostechke Dairy	382,357.29
17047 · CIP United Vision Dairy	101,327.11
17048 · CIP Neighborhood Dairy	272,645.63
17050 · CIP inCTRL Data Integration	-89,772.66
17065 · CIP Cold Manure Processing	-87,380.87
18005 · A/A - Loan Fees	85,466.16
18015 · A/A Start Up Costs	17,865.48
Net cash provided by Investing Activities	759,358.25
FINANCING ACTIVITIES	
29435 · N/P Cedar Holdings Bridge	2,841,037.16
29445 · N/P Movin Materials	-21,473.56
29510 · N/P Series A1 Senior Secured	2,255,359.98
29520 · N/P Series A2 Senior Secured	390,613.37
32500 · Capital - EEC Property Holdings	-3,141,286.31
Net cash provided by Financing Activities	2,324,250.64
Net cash increase for period	-224,600.80
Cash at beginning of period	1,049,831.21
Cash at end of period	825,230.41

	Jan - Dec 23
17033 · CIP Manure Loadout Upgrade	-5,316.77
17042 · CIP D&D Dairy	3,212.00
17047 · CIP United Vision Dairy	172.84
17048 · CIP Neighborhood Dairy	-172.61
17050 · CIP inCTRL Data Integration	209,772.66
17052 · CIP Gas Tracking Improvement	-345,154.34
17065 · CIP Cold Manure Processing	228,619.62
17077 · CIP DENWPP072 Road Widening	-3,075.00
18005 · A/A - Loan Fees	85,466.16
18015 · A/A Start Up Costs	17,865.48
Net cash provided by Investing Activities	3,318,475.70
FINANCING ACTIVITIES	
29435 · N/P Cedar Holdings Bridge	3,337,888.65
29445 · N/P Movin Materials	-87,490.44
29510 · N/P Series A1 Senior Secured	-2,627,404.01
29520 · N/P Series A2 Senior Secured	-0.83
Net cash provided by Financing Activities	622,993.37
Net cash increase for period	-370,300.28
Cash at beginning of period	825,230.41
Cash at end of period	454,930.13

NLC Energy Denmark LLC

Statement of Cash Flows

January through December 2024

Exhibit 1

	Jan - Dec 24		Jan - Jul 25
OPERATING ACTIVITIES		OPERATING ACTIVITIES	
Net Income	-14,465,607.65	Net Income	-10,227,131.53
Adjustments to reconcile Net Income		Adjustments to reconcile Net Income	
to net cash provided by operations:		to net cash provided by operations:	
11000 · Accounts Receivable	-115,753.73	11000 · Accounts Receivable	-1,340,397.22
11400 · Incentive Earned-Not Submitted	1,374,559.79	11400 · Incentive Earned-Not Submitted	-945,247.88
12500 · Note Receivable - NCC	70,037.23	12500 · Note Receivable - NCC	42,498.26
12600 · Note Receivable - Digestor Doc	6,840.00	12600 · Note Receivable - Digestor Doc	5,545.00
12700 · Note Receivable - OCEP LLC	90,322.56	12700 · Note Receivable - OCEP LLC	52,688.16
		14025 · Prepaid Employee Benefits	-53,513.26
14715 · Spare Parts Inventory	143,527.28	14715 · Spare Parts Inventory	158,970.98
20000 · Accounts Payable - General	653,138.73	20000 · Accounts Payable - General	-724,615.53
21250 · Amex-Sharon N	-262.56	21250 · Amex-Sharon N	777.84
		21251 · Amex-Jody A	4,210.09
		21252 · Amex-Perry W	397.76
		21253 · Amex-Tim M	92.20
		21254 · Amex-Jesus T	152.65
		21257 · Amex-Deanna M	1,600.71
		21258 · Amex-Melissa L	19.13
		21259 · Amex-Kevin B	12.00
21500 · Accrued Revenue Sharing-UC	-329,588.08	21500 · Accrued Revenue Sharing-UC	-87,778.77
21505 · Accrued Revenue Sharing-UPS	-474,952.68	21505 · Accrued Revenue Sharing-UPS	-2,000.00
22570 · I/C NLCA LLC	-2,789,135.41	22620 · I/C NLC Energy LLC	9,367,652.04
22615 · I/C EEC Market Group LLC	-3,400,576.10		
22620 · I/C NLC Energy LLC	19,940,675.62		
24002 · Bonuses Payable	-54,325.17	24002 · Bonuses Payable	-95,837.72
24040 · PTO/Sick Accrual	-1,131.01		
25500 · Sales Tax Payable	-2,725.68	25500 · Sales Tax Payable	-199.39
		27000 · Taxes Payable	22,426.04
28060 · Accrued GBDB/AFG Gate Fees	-212,258.34		
28090 · Accrued Other Expenses	-43,774.00	28090 · Accrued Other Expenses	7,700.00
Net cash provided by Operating Activities	389,010.80	Net cash provided by Operating Activities	-3,811,978.44
INVESTING ACTIVITIES		INVESTING ACTIVITIES	
15120 · Buildings-Cost	-262,052.81		
15190 · A/D Building	2,317,606.55	15190 · A/D Building	1,357,891.16
15220 · Equipment & Machinery-Cost	-348,343.26	15220 · Equipment & Machinery-Cost	-47,051.06
15290 · A/D Equipment & Machinery	1,532,580.75	15290 · A/D Equipment & Machinery	908,146.67
15051 · Rolling Hills I Dairy	-219,956.48	15065 · Steinhorst Farms	-440,762.95
15390 · A/D Farm Leaseholds	165,773.72	15390 · A/D Farm Leaseholds	101,851.24
15490 · A/D Office Equipment	15,318.00	15490 · A/D Office Equipment	8,626.95
15520 · Plant Site Improvements-Cost	-405,086.15		
15590 · A/D Plant Site Improvements	250,833.41	15590 · A/D Plant Site Improvements	152,883.36
15620 · Vehicles-Cost	31,226.74		
15629 · A/D Vehicles	39,378.36	15629 · A/D Vehicles	22,667.12
15910 · Land-Cost	-48,144.00		
17001 · CIP D1 Foam Control	8,993.84		
17002 · CIP Industrial Network	26,056.00		
17013 · CIP Heating Loop Filtration	-36,200.00	17013 · CIP Heating Loop Filtration	-6,320.00

NLC Energy Denmark LLC

Statement of Cash Flows

January through December 2024

Exhibit 1

	Jan - Dec 24		Jan - Jul 25
17033 · CIP Manure Loadout Upgrade	-48,497.00	17020 · CIP Other	-4,619.54
17054 · CIP Steinhorst Dairy	-440,762.95	17054 · CIP Steinhorst Dairy	414,783.05
17052 · CIP Gas Tracking Improvement	345,154.34	17050 · CIP inCTRL Data Integration	-12,945.64
17077 · CIP DENWPP072 Road Widening	-8,369.50	17078 · CIP Re-pipe Feed Transfer Build	-6,873.66
18005 · A/A - Loan Fees	85,466.16	18005 · A/A - Loan Fees	49,855.26
18015 · A/A Start Up Costs	17,865.48	18015 · A/A Start Up Costs	10,421.53
Net cash provided by Investing Activities	3,018,841.20	Net cash provided by Investing Activities	2,508,553.49
FINANCING ACTIVITIES		FINANCING ACTIVITIES	
29435 · N/P Cedar Holdings Bridge	3,990,912.33	29435 · N/P Cedar Holdings Bridge	2,679,447.21
29440 · N/P Big Ox	-3,790,614.43		
29510 · N/P Series A1 Senior Secured	-2,796,404.49	Net 29510 · N/P Series A1 Senior Secured	-1,713,574.45
29520 · N/P Series A2 Senior Secured	0.83		
Net cash provided by Financing Activities	-2,596,105.76	Net cash provided by Financing Activities	965,872.76
Net cash increase for period	811,746.24	Net cash increase for period	-337,552.19
Cash at beginning of period	454,930.13	Cash at beginning of period	1,266,676.37
Cash at end of period	1,266,676.37	Cash at end of period	929,124.18

Exhibit 2

NLC Energy-Denmark LLC

P&L General	Oct-25 Plan	Nov-25 Plan	Dec-25 Plan	*Full Year*
Revenue-RNG	**370,662**	**370,662**	**370,662**	***3,290,664***
Revenue-Co-Product	**103,417**	**103,417**	**103,417**	***1,116,421***
Revenue-Services Revenue-	**95,933**	**95,933**	**95,933**	***1,112,292***
Incentive Programs	**704,650**	**704,650**	**704,650**	***8,542,086***
Gross Revenue	**1,274,662**	**1,274,662**	**1,274,662**	***14,061,464***
Revenue Sharing /Sales Commission	113,867	113,867	113,867	***1,873,021***
Discounts & Adjustments	-	-	-	-
Net Revenue	**1,160,795**	**1,160,795**	**1,160,795**	**12,188,443**
Cost of Good Sold				
COGS-RNG	836,325	655,402	687,863	***8,735,354***
COGS-Co-Product	40,318	39,000	55,547	***499,421***
COGS-Services	-	-	-	-
COGS-Incentive Programs	-	-	-	-
Total Cost of Revenue	**876,644**	**694,403**	**743,410**	***9,234,774***
Gross Profit	**284,151**	**466,392**	**417,384**	***2,953,668***
Gross Margin	***24.5%***	***40.2%***	***36.0%***	***24.2%***
Business Line Margin-RNG	*-125.6%*	*-76.8%*	*-85.6%*	*-165.5%*
Business Line Margin-Co-Product	*61.0%*	*62.3%*	*46.3%*	*55.3%*
Business Line Margin-Services	*100.0%*	*100.0%*	*100.0%*	*100.0%*
Business Line Margin-Incentive Programs	*100.0%*	*100.0%*	*100.0%*	*100.0%*
Operations	436,248	564,965	294,256	***4,680,004***
Engineering	14,260	14,260	14,260	***171,569***
Sales	27,648	27,648	27,648	***267,387***
Marketing	-	-	7,500	***8,350***
G&A	55,061	55,061	55,061	***631,156***
Corporate Overhead	201,133	191,908	191,654	***2,348,129***
Total Operating Expenses	734,349	853,841	590,378	*8,106,594*
Net Operating Profit	**(450,198)**	**(387,449)**	**(172,994)**	***(5,152,926)***
Cumulative Operating Profits	*(4,592,483)*	*(4,979,932)*	*(5,152,926)*	
Operating Margin	*-38.8%*	*-33.4%*	*-14.9%*	*-42.3%*
Interest Expense/All Debt	104,167	104,167	104,167	***3,339,742***
Taxes	-	-	-	-
Depreciation Expense	367,134	367,134	367,134	***4,400,128***
Amortization Expense	8,611	8,611	8,611	***103,332***
Other Income (Expense)	-	-	-	***189,211***
Total Other Income (Expense)	**(479,912)**	**(479,912)**	**(479,912)**	**(7,653,991)**
Net Income	**(930,110)**	**(867,361)**	**(652,906)**	***(12,806,916)***
Cumulative Net Income	*(11,286,650)*	*(12,154,011)*	*(12,806,916)*	
Interest Expense/Sr Debt	*104,167*	*104,167*	*104,167*	*3,339,742*
Period Amort/Sr Debt	-	-	-	*1,713,574*
NOI (after Sr Debt P&I)	**(554,365)**	**(491,615)**	**(277,161)**	**(10,206,242)**
Period End Cash	***1,180,824***	***1,009,464***	***1,280,640***	
Headcount/Total	***30***	***30***	***30***	

NLC Energy-Denmark LLC

BS-Monthly

Exhibit 2

	Plan	Plan	Plan
	Oct-25	**Nov-25**	**Dec-25**
ASSETS	**10**	**11**	**12**
Current Assets			
Operating Cash	(834,111)	(1,005,471)	(734,295)
Escrowed Cash	2,014,935	2,014,935	2,014,935
Total Checking/Savings	**1,180,824**	**1,009,464**	**1,280,640**
Accounts Receivable	882,566	882,566	882,566
Undeposited Funds	-	-	-
Inventory	836,653	836,653	836,653
Delivered-Not Invoiced	-	-	-
Qualified-Not Nominated	2,402,637	2,402,637	2,402,637
Notes Receivable	1,087,772	1,087,772	1,087,772
Other ST Assets	53,513	53,513	53,513
Total Current Assets	**6,443,965**	**6,272,605**	**6,543,781**
Fixed Assets			
Buildings	90,297,352	90,297,352	90,297,352
Equipment	10,013,175	10,013,175	10,013,175
Farm Leaseholds	3,692,249	3,692,249	3,692,249
Office Equipment	224,551	224,551	224,551
Facility Improvements	3,931,287	3,931,287	3,931,287
Vehicles	424,079	424,079	424,079
Construction in Progress	1,041,803	1,041,803	1,041,803
Land (Cost)	831,264	831,264	831,264
Accumulated Depreciation	(46,165,987)	(46,533,122)	(46,900,256)
Capitalized Intangibles			
Capitalized Loan Fees	1,453,360	1,453,360	1,453,360
Capitalized Startup Costs	267,982	267,982	267,982
Accumulated Amortization	(752,388)	(760,999)	(769,610)
Total Fixed Assets	**65,258,727**	**64,882,982**	**64,507,237**
Total Assets	**71,702,692**	**71,155,587**	**71,051,018**
Liabilities			
Current Liabilities			
Accounts Payable	864,635	684,890	733,227
Credit Cards	(263)	(263)	(263)
Accrued Commissions	243,501	243,501	243,501
Other ST Liabilities	114,645	114,645	114,645
Accrued Expenses	132,506	132,506	132,506
Due To 1	-	-	-
Due To 2	-	-	-
Advances from Parent (NLCE)	60,307,826	60,807,826	61,307,826
Total Current Liabilities	**61,662,851**	**61,983,106**	**62,531,443**
Financing-Long Term Liabilities			
N/P Big Ox	-	-	-
N/P Movin Materials	-	-	-
N/P Cedar Holdings Bridge	*(0)*	*(0)*	*(0)*
N/P Senior Secured A1	*20,000,000*	*20,000,000*	*20,000,000*
N/P Senior Secured A2	*0*	*0*	*0*
Total Long Term Liabilities	***20,000,000***	***20,000,000***	***20,000,000***
Total Liabilities	**81,662,851**	**81,983,106**	**82,531,443**
Equity			
Capital-EEC Property Holdings	7,506,734	7,506,734	7,506,734
Adjustments/Converted Debt	80,486,267	80,486,267	80,486,267
Retained Earnings-Prior Years	(86,666,510)	(86,666,510)	(86,666,510)
Retained Earnings-Current Year	(11,286,650)	(12,154,011)	(12,806,916)
Total Equity	**(9,960,159)**	**(10,827,519)**	**(11,480,425)**
Total Liabilities & Equity	**71,702,692**	**71,155,587**	**71,051,018**

Exhibit 2

NLC Energy-Denmark LLC	Plan	Plan	Plan	
CF-Monthly	**Oct-25**	**Nov-25**	**Dec-25**	***Full Year***
CASH FLOW FROM OPERATIONS	**10**	**11**	**12**	
Net Income (Loss)	(930,110)	(867,361)	(652,906)	***(12,806,916)***
ADJUSTMENTS TO RECONCILE NET INCOME (LOSS)				***-***
TO NET CASH PROVIDED BY OPERATIONS:				***-***
Depreciation and amortization	375,745	375,745	375,745	***4,503,460***
	(554,365)	**(491,615)**	**(277,161)**	***(8,303,457)***
Changes in Working Capital				
Decrease (Increase) in Accounts Receivable	-	-	-	***(31,344)***
Decrease (Increase) in Inventory	-	-	-	***234,672***
Decrease (Increase) in Qualified Not Nominated	-	-	-	***(610,846)***
Decrease (Increase) in Other Current Assets	-	-	-	***19,896***
(Decrease) Increase in Accounts Payable	123,977	(179,745)	48,337	***(847,868)***
(Decrease) Increase in Other Current Liabilities	-	-	-	***175,468***
Cash Flow from Operating Activities	**(430,388)**	**(671,360)**	**(228,824)**	***(9,363,480)***
CASH FLOW FROM INVESTING				
(Investment in) Disposal of Fixed Assets	(250,000)	-	-	***(987,396)***
(Investment in) Disposal of Other Term Assets	-	-	-	***-***
Sub Total/Investing Activites	**(250,000)**	**-**	**-**	***(987,396)***
CASH FLOW FROM FINANCING				
Origination (Repayment) of N/P Big Ox	-	-	-	***-***
Origination (Repayment) of N/P Senior Secured A1	-	-	-	***(49,777,215)***
Origination (Repayment) of N/P Senior Secured A2	-	-	-	***(7,781,604)***
Origination (Repayment) of N/P Cedar Holdings Bridge	-	-	-	***(24,392,394)***
(Decrease) Increase in Intercompany Advances	-	-	-	***-***
(Decrease) Increase in Parent Advances	750,000	500,000	500,000	***11,838,079***
Paid In Capital/Issuance of Equity Units	-	-	-	***80,486,267***
SubTotal/Financing Activities	**750,000**	**500,000**	**500,000**	***10,373,133***
Cash Flow from Capital Transactions	**500,000**	**500,000**	**500,000**	***9,385,737***
Net Increase (Decrease) in Cash	**69,612**	**(171,360)**	**271,176**	***22,257***
Beginning Cash	**1,111,212**	**1,180,824**	**1,009,464**	***1,266,676***
Ending Cash	**1,180,824**	**1,009,464**	**1,280,640**	***1,280,640***

Exhibit 2

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N

NLC Energy-Denmark LLC

P&L General	Jan-26 Plan	Feb-26 Plan	Mar-26 Plan	Apr-26 Plan	May-26 Plan	Jun-26 Plan	Jul-26 Plan	Aug-26 Plan	Sep-26 Plan	Oct-26 Plan	Nov-26 Plan	Dec-26 Plan	*FY26 Full Year*
Revenue-RNG	**370,662**	**376,266**	**376,266**	**376,266**	**376,266**	**376,266**	**376,266**	**376,266**	**376,266**	**376,266**	**376,266**	**376,266**	***4,509,592***
Revenue-Co-Product	**103,417**	**180,979**	**180,979**	**180,979**	**180,979**	**180,979**	**180,979**	**180,979**	**180,979**	**180,979**	**180,979**	**180,979**	***2,094,187***
Revenue-Services	**95,933**	**95,933**	**95,933**	**95,933**	**95,933**	**95,933**	**95,933**	**95,933**	**95,933**	**95,933**	**95,933**	**95,933**	***1,151,200***
Revenue-Incentive Programs	**704,650**	**944,906**	**944,906**	**944,906**	**944,906**	**944,906**	**944,906**	**944,906**	**944,906**	**944,906**	**944,906**	**944,906**	***11,098,612***
Gross Revenue	**1,274,662**	**1,598,084**	**1,598,084**	**1,598,084**	**1,598,084**	**1,598,084**	**1,598,084**	**1,598,084**	**1,598,084**	**1,598,084**	**1,598,084**	**1,598,084**	***18,853,591***
Revenue Sharing /Sales Commission	113,867	198,867	198,867	198,867	198,867	198,867	198,867	198,867	198,867	198,867	198,867	198,867	***2,301,399***
Discounts & Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Revenue	**1,160,795**	**1,399,218**	**1,399,218**	**1,399,218**	**1,399,218**	**1,399,218**	**1,399,218**	**1,399,218**	**1,399,218**	**1,399,218**	**1,399,218**	**1,399,218**	**16,552,192**
Cost of Good Sold													
COGS-RNG	769,790	813,740	729,446	760,048	762,355	773,276	779,812	772,789	716,123	776,224	730,074	731,030	***9,114,707***
COGS-Co-Product	42,174	71,154	42,466	56,624	39,747	57,380	40,460	57,017	40,340	40,318	39,000	55,547	***582,230***
COGS-Services	-	-	-	-	-	-	-	-	-	-	-	-	-
COGS-Incentive Programs	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cost of Revenue	**811,964**	**884,894**	**771,912**	**816,672**	**802,102**	**830,656**	**820,272**	**829,806**	**756,463**	**816,543**	**769,075**	**786,577**	***9,696,937***
Gross Profit	**348,831**	**514,324**	**627,306**	**582,546**	**597,116**	**568,562**	**578,946**	**569,412**	**642,755**	**582,675**	**630,143**	**612,641**	***6,855,255***
Gross Margin	***27.4%***	***32.2%***	***39.3%***	***36.5%***	***37.4%***	***35.6%***	***36.2%***	***35.6%***	***40.2%***	***36.5%***	***39.4%***	***38.3%***	***36.4%***
Business Line Margin-RNG	*-107.7%*	*-116.3%*	*-93.9%*	*-102.0%*	*-102.6%*	*-105.5%*	*-107.3%*	*-105.4%*	*-90.3%*	*-106.3%*	*-94.0%*	*-94.3%*	*-102.1%*
Business Line Margin-Co-Product	*59.2%*	*60.7%*	*76.5%*	*68.7%*	*78.0%*	*68.3%*	*77.6%*	*68.5%*	*77.7%*	*77.7%*	*78.5%*	*69.3%*	*72.2%*
Business Line Margin-Services	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*
Business Line Margin-Incentive Programs	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*
Operations	193,475	265,271	284,366	573,627	479,396	404,034	341,269	372,274	445,005	432,522	561,239	290,530	***4,643,009***
Engineering	14,260	14,260	14,260	14,260	14,260	14,260	14,260	14,260	14,260	14,260	14,260	14,260	***171,115***
Sales	11,857	11,857	11,857	11,857	11,857	11,857	11,857	11,857	11,857	11,857	11,857	11,857	***142,282***
Marketing	-	-	-	-	-	-	-	-	-	-	-	-	-
G&A	51,414	51,414	51,414	51,414	51,414	51,377	51,377	51,377	52,159	52,159	52,159	52,159	***619,836***
Corporate Overhead	178,374	178,374	178,374	178,374	178,374	178,374	178,374	178,374	178,374	178,374	178,374	178,374	***2,140,482***
Total Operating Expenses	449,379	521,175	540,270	829,531	735,299	659,901	597,136	628,141	701,654	689,171	817,888	547,180	*7,716,725*
Net Operating Profit	**(100,549)**	**(6,851)**	**87,036**	**(246,985)**	**(138,184)**	**(91,339)**	**(18,190)**	**(58,729)**	**(58,900)**	**(106,496)**	**(187,745)**	**65,461**	***(861,471)***
Cumulative Operating Profits	*(100,549)*	*(107,400)*	*(20,364)*	*(267,349)*	*(405,533)*	*(496,871)*	*(515,061)*	*(573,791)*	*(632,690)*	*(739,186)*	*(926,931)*	*(861,471)*	
Operating Margin	*-8.7%*	*-0.5%*	*6.2%*	*-17.7%*	*-9.9%*	*-6.5%*	*-1.3%*	*-4.2%*	*-4.2%*	*-7.6%*	*-13.4%*	*4.7%*	*-5.2%*
Interest Expense/Sr Debt	*104,167*	*104,167*	*104,167*	*104,167*	*104,167*	*104,167*	*104,167*	*104,167*	*104,167*	*104,167*	*104,167*	*104,167*	*1,250,000*
Period Amort/Sr Debt	-	-	-	-	-	-	-	-	-	-	-	-	-
NOI (after Sr Debt P&I)	**(204,715)**	**(111,018)**	**(17,131)**	**(351,152)**	**(242,350)**	**(195,505)**	**(122,357)**	**(162,896)**	**(163,066)**	**(210,663)**	**(291,912)**	**(38,706)**	**(2,111,471)**
Period End Cash	***1,243,539***	***1,281,030***	***1,352,465***	***1,295,460***	***1,288,739***	***1,321,396***	***1,388,798***	***1,385,306***	***1,399,901***	***1,398,495***	***1,409,765***	***1,388,323***	***1,388,323***
Headcount/Total	***28***	***30***	***30***	***30***	***30***	***30***	***30***	***30***	***30***	***30***	***30***	***30***	

Exhibit 2

NLC Energy-Denmark LLC	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
BS-Monthly	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26
ASSETS	1	2	3	4	5	6	7	8	9	10	11	12
Current Assets												
Operating Cash	(771,396)	(733,906)	(662,470)	(719,475)	(726,196)	(693,539)	(626,137)	(629,629)	(615,034)	(616,440)	(605,170)	(626,613)
Escrowed Cash	2,014,935	2,014,935	2,014,935	2,014,935	2,014,935	2,014,935	2,014,935	2,014,935	2,014,935	2,014,935	2,014,935	2,014,935
Total Checking/Savings	**1,243,539**	**1,281,030**	**1,352,465**	**1,295,460**	**1,288,739**	**1,321,396**	**1,388,798**	**1,385,306**	**1,399,901**	**1,398,495**	**1,409,765**	**1,388,323**
Accounts Receivable	882,566	1,205,988	1,205,988	1,205,988	1,205,988	1,205,988	1,205,988	1,205,988	1,205,988	1,205,988	1,205,988	1,205,988
Inventory	836,653	836,653	836,653	836,653	836,653	836,653	836,653	836,653	836,653	836,653	836,653	836,653
Qualified-Not Nominated	2,402,637	2,402,637	2,402,637	2,402,637	2,402,637	2,402,637	2,402,637	2,402,637	2,402,637	2,402,637	2,402,637	2,402,637
Notes Receivable	1,087,772	1,087,772	1,087,772	1,087,772	1,087,772	1,087,772	1,087,772	1,087,772	1,087,772	1,087,772	1,087,772	1,087,772
Total Current Assets	**6,506,680**	**6,867,593**	**6,939,028**	**6,882,023**	**6,875,303**	**6,907,960**	**6,975,362**	**6,971,870**	**6,986,465**	**6,985,058**	**6,996,329**	**6,974,886**
Fixed Assets												
Buildings	90,297,352	90,297,352	90,297,352	90,297,352	90,297,352	90,297,352	90,297,352	90,297,352	90,297,352	90,297,352	90,297,352	90,297,352
Equipment	10,013,175	10,013,175	10,013,175	10,013,175	10,013,175	10,013,175	10,013,175	10,013,175	10,013,175	10,013,175	10,013,175	10,013,175
Farm Leaseholds	3,692,249	3,692,249	3,692,249	3,692,249	3,692,249	3,692,249	3,692,249	3,692,249	3,692,249	3,692,249	3,692,249	3,692,249
Office Equipment	224,551	224,551	224,551	224,551	224,551	224,551	224,551	224,551	224,551	224,551	224,551	224,551
Facility Improvements	3,931,287	3,931,287	3,931,287	3,931,287	3,931,287	3,931,287	3,931,287	3,931,287	3,931,287	3,931,287	3,931,287	3,931,287
Vehicles	424,079	424,079	424,079	424,079	424,079	424,079	424,079	424,079	424,079	424,079	424,079	424,079
Construction in Progress	1,041,803	1,041,803	1,041,803	1,041,803	1,041,803	1,041,803	1,041,803	1,041,803	1,041,803	1,041,803	1,041,803	1,041,803
Land (Cost)	831,264	831,264	831,264	831,264	831,264	831,264	831,264	831,264	831,264	831,264	831,264	831,264
Accumulated Depreciation	(47,267,169)	(47,634,082)	(48,000,994)	(48,367,907)	(48,734,820)	(49,101,733)	(49,468,646)	(49,835,559)	(50,202,472)	(50,569,384)	(50,936,297)	(51,303,210)
Capitalized Intangibles												
Capitalized Loan Fees	1,453,360	1,453,360	1,453,360	1,453,360	1,453,360	1,453,360	1,453,360	1,453,360	1,453,360	1,453,360	1,453,360	1,453,360
Capitalized Startup Costs	267,982	267,982	267,982	267,982	267,982	267,982	267,982	267,982	267,982	267,982	267,982	267,982
Accumulated Amortization	(778,223)	(786,837)	(795,450)	(804,063)	(812,676)	(821,289)	(829,902)	(838,515)	(847,128)	(855,741)	(864,355)	(872,968)
Total Fixed Assets	**64,131,711**	**63,756,185**	**63,380,659**	**63,005,133**	**62,629,607**	**62,254,081**	**61,878,555**	**61,503,029**	**61,127,503**	**60,751,977**	**60,376,451**	**60,000,925**
Total Assets	**70,638,391**	**70,623,778**	**70,319,687**	**69,887,156**	**69,504,909**	**69,162,041**	**68,853,917**	**68,474,898**	**68,113,968**	**67,737,035**	**67,372,780**	**66,975,811**
Liabilities												
Current Liabilities												
Accounts Payable	800,841	872,772	761,338	805,485	791,114	819,277	809,036	818,439	746,101	805,357	758,539	775,802
Credit Cards	(263)	(263)	(263)	(263)	(263)	(263)	(263)	(263)	(263)	(263)	(263)	(263)
Accrued Commissions	243,501	243,501	243,501	243,501	243,501	243,501	243,501	243,501	243,501	243,501	243,501	243,501
Other ST Liabilities	114,645	114,645	114,645	114,645	114,645	114,645	114,645	114,645	114,645	114,645	114,645	114,645
Accrued Expenses	132,506	132,506	132,506	132,506	132,506	132,506	132,506	132,506	132,506	132,506	132,506	132,506
Advances from Parent (NLCE)	61,407,826	61,807,826	62,007,826	62,257,826	62,507,826	62,707,826	62,907,826	63,057,826	63,307,826	63,457,826	63,807,826	63,807,826
Total Current Liabilities	**62,699,057**	**63,170,988**	**63,259,554**	**63,553,701**	**63,789,330**	**64,017,493**	**64,207,252**	**64,366,655**	**64,544,317**	**64,753,573**	**65,056,755**	**65,074,018**
Financing-Long Term Liabilities												
N/P Cedar Holdings	*(0)*	*(0)*	*(0)*	*(0)*	*(0)*	*(0)*	*(0)*	*(0)*	*(0)*	*(0)*	*(0)*	*(0)*
N/P Senior Secured A1	*20,000,000*	*20,000,000*	*20,000,000*	*20,000,000*	*20,000,000*	*20,000,000*	*20,000,000*	*20,000,000*	*20,000,000*	*20,000,000*	*20,000,000*	*20,000,000*
N/P Senior Secured A2	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Total Long Term Liabilities	***20,000,000***	***20,000,000***	***20,000,000***	***20,000,000***	***20,000,000***	***20,000,000***	***20,000,000***	***20,000,000***	***20,000,000***	***20,000,000***	***20,000,000***	***20,000,000***
Total Liabilities	**82,699,057**	**83,170,988**	**83,259,554**	**83,553,701**	**83,789,330**	**84,017,493**	**84,207,252**	**84,366,655**	**84,544,317**	**84,753,573**	**85,056,755**	**85,074,018**
Equity												
Capital-EEC Property Holdings	7,506,734	7,506,734	7,506,734	7,506,734	7,506,734	7,506,734	7,506,734	7,506,734	7,506,734	7,506,734	7,506,734	7,506,734
Adjustments/Converted Debt	80,486,267	80,486,267	80,486,267	80,486,267	80,486,267	80,486,267	80,486,267	80,486,267	80,486,267	80,486,267	80,486,267	80,486,267
Retained Earnings-Prior Years	(99,473,426)	(99,473,426)	(99,473,426)	(99,473,426)	(99,473,426)	(99,473,426)	(99,473,426)	(99,473,426)	(99,473,426)	(99,473,426)	(99,473,426)	(99,473,426)
Retained Earnings-Current Year	(580,241)	(1,066,785)	(1,459,442)	(2,186,120)	(2,803,996)	(3,375,027)	(3,872,910)	(4,411,332)	(4,949,924)	(5,536,112)	(6,203,550)	(6,617,782)
Total Equity	**(12,060,666)**	**(12,547,210)**	**(12,939,867)**	**(13,666,545)**	**(14,284,421)**	**(14,855,452)**	**(15,353,335)**	**(15,891,757)**	**(16,430,349)**	**(17,016,538)**	**(17,683,975)**	**(18,098,207)**
Total Liabilities & Equity	**70,638,391**	**70,623,778**	**70,319,687**	**69,887,156**	**69,504,909**	**69,162,041**	**68,853,917**	**68,474,898**	**68,113,968**	**67,737,035**	**67,372,780**	**66,975,811**

Exhibit 2

NLC Energy-Denmark LLC **CF-Monthly**

	Plan Jan-26	Plan Feb-26	Plan Mar-26	Plan Apr-26	Plan May-26	Plan Jun-26	Plan Jul-26	Plan Aug-26	Plan Sep-26	Plan Oct-26	Plan Nov-26	Plan Dec-26	Full Year
CASH FLOW FROM OPERATIONS	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	
Net Income (Loss)	(580,241)	(486,544)	(392,657)	(726,678)	(617,876)	(571,031)	(497,883)	(538,422)	(538,592)	(586,189)	(667,438)	(414,232)	*(6,617,782)*
ADJUSTMENTS TO RECONCILE NET INCOME (LOSS)													-
TO NET CASH PROVIDED BY OPERATIONS:													-
Depreciation and amortization	375,526	375,526	375,526	375,526	375,526	375,526	375,526	375,526	375,526	375,526	375,526	375,526	*4,506,311*
	(204,715)	**(111,018)**	**(17,131)**	**(351,152)**	**(242,350)**	**(195,505)**	**(122,357)**	**(162,896)**	**(163,066)**	**(210,663)**	**(291,912)**	**(38,706)**	***(2,111,471)***
Changes in Working Capital													
Decrease (Increase) in Accounts Receivable	-	(323,422)	-	-	-	-	-	-	-	-	-	-	*(323,422)*
Decrease (Increase) in Inventory	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (Increase) in Qualified Not Nominated	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (Increase) in Other Current Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
(Decrease) Increase in Accounts Payable	67,615	71,931	(111,434)	44,147	(14,371)	28,163	(10,241)	9,403	(72,338)	59,256	(46,818)	17,263	*42,576*
(Decrease) Increase in Other Current Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Flow from Operating Activities	**(137,101)**	**(362,509)**	**(128,565)**	**(307,005)**	**(256,721)**	**(167,343)**	**(132,598)**	**(153,492)**	**(235,405)**	**(151,407)**	**(338,730)**	**(21,443)**	***(2,392,317)***
CASH FLOW FROM INVESTING													
(Investment in) Disposal of Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
(Investment in) Disposal of Other Term Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub Total/Investing Activites	-	-	-	-	-	-	-	-	-	-	-	-	-
CASH FLOW FROM FINANCING													
Origination (Repayment) of N/P Senior Secured A1	-	-	-	-	-	-	-	-	-	-	-	-	-
Origination (Repayment) of N/P Senior Secured A2	-	-	-	-	-	-	-	-	-	-	-	-	-
Origination (Repayment) of N/P 1	-	-	-	-	-	-	-	-	-	-	-	-	-
(Decrease) Increase in Intercompany Advances	-	-	-	-	-	-	-	-	-	-	-	-	-
(Decrease) Increase in Parent Advances	100,000	400,000	200,000	250,000	250,000	200,000	200,000	150,000	250,000	150,000	350,000	-	*2,500,000*
Paid In Capital/Issuance of Equity Units	-	-	-	-	-	-	-	-	-	-	-	-	-
SubTotal/Financing Activities	**100,000**	**400,000**	**200,000**	**250,000**	**250,000**	**200,000**	**200,000**	**150,000**	**250,000**	**150,000**	**350,000**	-	***2,500,000***
Cash Flow from Capital Transactions	**100,000**	**400,000**	**200,000**	**250,000**	**250,000**	**200,000**	**200,000**	**150,000**	**250,000**	**150,000**	**350,000**	-	***2,500,000***
Net Increase (Decrease) in Cash	**(37,101)**	**37,491**	**71,435**	**(57,005)**	**(6,721)**	**32,657**	**67,402**	**(3,492)**	**14,595**	**(1,407)**	**11,270**	**(21,443)**	***107,683***
Beginning Cash	**1,280,640**	**1,243,539**	**1,281,030**	**1,352,465**	**1,295,460**	**1,288,739**	**1,321,396**	**1,388,798**	**1,385,306**	**1,399,901**	**1,398,495**	**1,409,765**	***1,280,640***
Ending Cash	**1,243,539**	**1,281,030**	**1,352,465**	**1,295,460**	**1,288,739**	**1,321,396**	**1,388,798**	**1,385,306**	**1,399,901**	**1,398,495**	**1,409,765**	**1,388,323**	***1,388,323***

Exhibit 2

NLC Energy-Denmark LLC

P&L General

	FY25		FY26		FY27	
Revenue-RNG	**Full Year**		**Full Year**		**Full Year**	
Revenue-Co-Product	***3,290,664***	**23.4%**	***4,509,592***	**23.9%**	***4,813,510***	**22.3%**
Revenue-Services Revenue-	***1,116,421***	**7.9%**	***2,094,187***	**11.1%**	***2,380,655***	**11.0%**
Incentive Programs	***1,112,292***	**7.9%**	***1,151,200***	**6.1%**	***1,151,200***	**5.3%**
	8,542,086	**60.7%**	***11,098,612***	**58.9%**	***13,281,045***	**61.4%**
Sales Commission Discounts **Gross Revenue**	***14,061,464***	**100.0%**	***18,853,591***	**100.0%**	***21,626,410***	**100.0%**
& Adjustments	*1,873,021*	**13.3%**	*2,301,399*	**12.2%**	*2,812,623*	**13.0%**
	-	**0.0%**	-	**0.0%**	-	**0.0%**
Cost of Good Sold **Net Revenue**	***12,188,443***	**86.7%**	***16,552,192***	**87.8%**	***18,813,788***	**87.0%**
COGS-RNG						
COGS-Co-Product	*8,735,354*	**62.1%**	*9,114,707*	**48.3%**	*9,290,117*	**43.0%**
COGS-Services	*499,421*	**3.6%**	*582,230*	**3.1%**	*582,230*	**2.7%**
COGS-Incentive Programs	-	**0.0%**	-	**0.0%**	-	**0.0%**
	-	**0.0%**	-	**0.0%**	-	**0.0%**
Total Cost of Revenue	***9,234,774***	**65.7%**	***9,696,937***	**51.4%**	***9,872,347***	**45.6%**
Gross Profit	***2,953,668***	**21.0%**	***6,855,255***	**36.4%**	***8,941,441***	**41.3%**
Gross Margin	***21.0%***		***36.4%***		***41.3%***	
Business Line Margin-RNG	*-98.2%*		*-33.8%*		*-29.1%*	
Business Line Margin-Co-Product	*55.1%*		*53.1%*		*49.4%*	
Business Line Margin-Services	*100.0%*		*100.0%*		*100.0%*	
Operations	*4,680,004*	**33.3%**	*4,643,009*	**24.6%**	*4,354,107*	**20.1%**
Engineering	*171,569*	**1.2%**	*171,115*	**0.8%**	*171,115*	**0.7%**
Sales	*267,387*	**1.2%**	*142,282*	**0.8%**	*142,282*	**0.7%**
Marketing	*8,350*	**1.9%**	-	**0.0%**	-	**0.0%**
G&A	*631,156*	**0.1%**	*619,836*	**3.3%**	*619,836*	**2.9%**
Corporate Overhead	*2,348,129*	**4.5%**	*2,140,482*	**11.4%**	*2,140,482*	**9.9%**
Total Operating Expenses	**8,106,594**	**16.7%**	**7,716,725**	**40.9%**	**7,427,823**	**34.3%**
Net Operating Profit	***(5,152,926)***	**57.7%**	***(861,471)***	**-4.6%**	***1,513,617***	**7.0%**
Operating Margin	*-42.3%*		*-5.2%*		*8.0%*	
Interest Expense/All Debt	*3,339,742*	**0.0%**	*1,250,000*	**6.6%**	*1,250,000*	**5.8%**
Taxes	*0*	**23.8%**	*0*	**0.0%**	*0*	**0.0%**
Depreciation Expense	*4,400,128*	**0.0%**	*4,402,954*	**23.4%**	*4,402,954*	**20.4%**
Amortization Expense	*103,332*	**31.3%**	*103,357*	**0.5%**	*103,357*	**0.5%**
Other Income (Expense)	*189,211*	**0.7%**	*0*	**0.0%**	*0*	**0.0%**
Total Other Income (Expense)	***(7,653,991)***	**1.3%**	***(5,756,311)***	**-30.5%**	***(5,756,311)***	**-26.6%**
Net Income	***(12,806,916)***	**-54.4%**	***(6,617,782)***	**-35.1%**	***(4,242,694)***	**-19.6%**
Cumulative Net Income	-	***-91.1%***		***0.0%***		***0.0%***
Interest Expense/Sr Debt	*3,339,742*	*0.0%*	*1,250,000*	*6.6%*	*1,250,000*	*5.8%*
Period Amort/Sr Debt	*1,713,574*	*23.8%*	-	*0.0%*	*128,205*	*0.6%*
NOI (after Sr Debt P&I)	***(10,206,242)***	**12.2%**	***(2,111,471)***	**-11.2%**	***135,412***	**0.6%**
Period End Cash	***1,280,640***		***1,388,323***		***1,315,295***	
Headcount/Total	***30***		***30***		***28***	
Debt Service Coverage	(1.02)		*(0.69)*		*1.10*	

Exhibit 2

NLC Energy-Denmark LLC

BS-Monthly	Dec-25	Dec-26	Dec-27
ASSETS			
Current Assets	-	-	-
Operating Cash	(734,295)	(626,613)	(699,640)
Escrowed Cash	2,014,935	2,014,935	2,014,935
Total Checking/Savings	**1,280,640**	**1,388,323**	**1,315,295**
Accounts Receivable	882,566	1,205,988	1,428,661
Inventory	836,653	836,653	836,653
Qualified-Not Nominated	2,402,637	2,402,637	2,402,637
Notes Receivable	1,087,772	1,087,772	1,087,772
Total Current Assets	**6,543,781**	**6,974,886**	**7,124,531**
Fixed Assets			
Buildings	90,297,352	90,297,352	90,297,352
Equipment	10,013,175	10,013,175	10,013,175
Farm Leaseholds	3,692,249	3,692,249	3,692,249
Office Equipment	224,551	224,551	224,551
Facility Improvements	3,931,287	3,931,287	3,931,287
Vehicles	424,079	424,079	424,079
Construction in Progress	1,041,803	1,041,803	1,041,803
Land (Cost)	831,264	831,264	831,264
Accumulated Depreciation	(46,900,256)	(51,303,210)	(55,706,164)
Capitalized Intangibles			
Capitalized Loan Fees	1,453,360	1,453,360	1,453,360
Capitalized Startup Costs	267,982	267,982	267,982
Accumulated Amortization	(769,610)	(872,968)	(976,325)
Total Fixed Assets	**64,507,237**	**60,000,925**	**55,494,614**
Total Assets	**71,051,018**	**66,975,811**	**62,619,145**
Liabilities			
Current Liabilities			
Accounts Payable	733,227	775,802	790,035
Credit Cards	(263)	(263)	(263)
Accrued Revenue Sharing	243,501	243,501	243,501
Other ST Liabilities	114,645	114,645	114,645
Accrued Expenses	132,506	132,506	132,506
Advances from Parent (NLCE)	61,307,826	63,807,826	63,807,826
Total Current Liabilities	**62,531,443**	**65,074,018**	**65,088,251**
Financing-Long Term Liabilities			
N/P Cedar Holdings Bridge	*(0)*	*(0)*	*(0)*
N/P Senior Secured A1	*20,000,000*	*20,000,000*	*19,871,795*
N/P Senior Secured A2	*0*	*0*	*0*
Total Long Term Liabilities	***20,000,000***	***20,000,000***	***19,871,795***
Total Liabilities	**82,531,443**	**85,074,018**	**84,960,046**
Equity			
Capital-EEC Property Holdings	7,506,734	7,506,734	7,506,734
Distributions	80,486,267	80,486,267	80,486,267
Retained Earnings-Prior Years	(86,666,510)	(99,473,426)	(106,091,208)
Retained Earnings-Current Year	(12,806,916)	(6,617,782)	(4,242,694)
Total Equity	**(11,480,425)**	**(18,098,207)**	**(22,340,901)**
Total Liabilities & Equity	**71,051,018**	**66,975,811**	**62,619,145**

Exhibit 2

NLC Energy-Denmark LLC

CF-Monthly

CASH FLOW FROM OPERATIONS	Dec-25	Dec-26	Dec-27
Net Income (Loss)	*(12,806,916)*	*(6,617,782)*	*(4,242,694)*
ADJUSTMENTS TO RECONCILE NET INCOME (LOSS)			
TO NET CASH PROVIDED BY OPERATIONS:			
Depreciation and amortization	*4,503,460*	*4,506,311*	*4,506,311*
	(8,303,457)	*(2,111,471)*	*263,617*
Changes in Working Capital			
Decrease (Increase) in Accounts Receivable	*(31,344)*	*(323,422)*	*(222,672)*
Decrease (Increase) in Inventory	*234,672*	-	-
Decrease (Increase) in Qualified Not Nominated	*(610,846)*	-	-
Decrease (Increase) in Other Current Assets	*19,896*	-	-
(Decrease) Increase in Accounts Payable	*(847,868)*	*42,576*	*14,233*
(Decrease) Increase in Other Current Liabilities	*175,468*	-	-
Cash Flow from Operating Activities	*(9,363,480)*	*(2,392,317)*	*55,178*
CASH FLOW FROM INVESTING			
(Investment in) Disposal of Fixed Assets	*(987,396)*	-	-
(Investment in) Disposal of Other Term Assets	-	-	-
Sub Total/Investing Activites	*(987,396)*	-	-
CASH FLOW FROM FINANCING			
Origination (Repayment) of N/P Senior Secured A1	*(49,777,215)*	-	*(128,205)*
Origination (Repayment) of N/P Senior Secured A2	*(7,781,604)*	-	-
Origination (Repayment) of N/P Cedar Holdings Bridge	*(24,392,394)*	-	-
(Decrease) Increase in Intercompany Advances	-	-	-
(Decrease) Increase in Parent Advances	*11,838,079*	*2,500,000*	-
Paid In Capital/Issuance of Equity Units	*80,486,267*	-	-
SubTotal/Financing Activities	*10,373,133*	*2,500,000*	*(128,205)*
Cash Flow from Capital Transactions	*9,385,737*	*2,500,000*	*(128,205)*
Net Increase (Decrease) in Cash	*22,257*	*107,683*	*(73,027)*
Beginning Cash	*1,266,676*	*1,280,640*	*1,388,323*
Ending Cash	*1,280,640*	*1,388,323*	*1,315,295*