

IMPLEMENTATION OF THE GROWTH PLAN CONTINUES – SEK 700 M GREEN BOND ISSUED

EVENTS SECOND QUARTER 2021

- Senior green covered corporate bond of SEK 700 million placed under a framework of SEK 1,200 million.
- Obtained a revolving credit facility of up to SEK 300 million.
- The expansion of the Norwegian liquid biogas (LBG) plant in Skogn has started.
- Norway achieved record production in the second quarter, with 29 GWh.

FINANCIALS SECOND QUARTER 2021

- Energy sold increased by 12,8 per cent to 92.6 (82.1) GWh
- Total revenue increased 19.4 per cent, totalling SEK 110.2 (92.3) million.
- Net sales totalled SEK 96.0 (77.4) million, corresponding increase of 24.0%.
- EBITDA was SEK 21.5 (5.8) million.
- Operative EBITDA was SEK 21.5 (13.2) million.
- Operative EBITDA margin was 20.5 (15.8) per cent.
- Profit/loss after tax amounted to SEK -27.6 (-37.4) million.
- Basic and diluted earnings per share totalled SEK -0.90 (-2.23).
- Cash flow from operating activities amounted to SEK 19.8 (26.6) million.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- The growth project in Mönsterås has renewed its application for an investment grant of SEK 155 million, as the Swedish Environmental Protection Agency's maximum period for previously granted support of SEK 108 million has passed.
- The multi-year agreement previously signed between the Group and a customer in Europe for the supply of liquid biogas (LBG) from Sweden has been updated. At the same time, a new multi-year contract has been signed with the same customer in Europe for the supply of LBG from Norway. Deliveries of LBG from Norway are estimated to start in the second half of 2022. It is an important part of Scandinavian Biogas' strategy to expand the supply of liquid biogas.

| GROUP | NOTE | 3 months | | | 6 months | | | 12 months |
|--------------------------------------|------|-----------------|------------------|---------|-----------------|-----------------|---------|-------------------|
| | | Apr–Jun 2021 | Apr–June 2020 | Δ | Jan–Jun 2021 | Jan–Jun 2020 | Δ | Full year 2020 |
| MSEK, unless otherwise stated | | | | | | | | |
| Sold GWh | | 92.6 | 82.1 | 12.8% | 182.8 | 181.8 | 0.8% | 354.7 |
| Net sales | | 96.0 | 77.4 | 24.0% | 193.6 | 174.6 | 10.9% | 338.4 |
| Other income | | 8.5 | 10.3 | -17.3% | 10.8 | 24.5 | -56.1% | 51.8 |
| Total operating income | | 110.2 | 92.3 | 19.4% | 215.4 | 208.1 | 3.5% | 407.4 |
| EBITDA | | 21.5 | 5.8 | 272.8% | 38.4 | 36.9 | 4.1% | 80.6 |
| Operative EBITDA ¹ | | 21.5 | 13.2 | 62.2% | 38.4 | 37.6 | 2.2% | 70.3 |
| Operative EBITDA. % | | 20.5% | 15.8% | 4,7 pe | 18.8% | 20.0% | -1,2 pe | 19.1% |
| Operating results | | 1.5 | -19.9 | -107.5% | -1.8 | -7.2 | 74.6% | -6.0 |
| Earnings per share (SEK) | | -0.90 | -2.23 | na | -1.14 | -2.35 | na | -2.07 |
| Cash flow from operating activities | | 19.8 | 26.6 | -25,6% | 17.9 | 61.9 | -71,1% | 89.4 |
| Debt-to-equity ratio ¹ | | 30.2% | 15.4% | 14.8 pe | 30.2% | 15.4% | 14.8 pe | 33.9% |

1) pe, percentage points. 2) The number of shares for the comparative period has been divided by 10 to obtain comparable data due to the share consolidation that took place in autumn 2020 when 10 shares were merged into 1.

Strategically important milestones achieved



MATTI VIKKULA

President and
CEO

GROUP GOALS

- Production capacity of at least 700 GWh of biogas by 2024.
- Operating income of at least SEK 750 million by 2024.
- Operative EBITDA margin of at least 30 per cent by 2024.
- Equity ratio of at least 25 per cent on an ongoing basis.

The second quarter was an eventful quarter, and we passed several milestones towards our biogas production capacity target of at least 700 GWh by 2024. A key step was the securing of financing, including of a SEK 700 million green corporate bond and an agreement for an additional SEK 300 million credit facility. The funding enable strategically important investment decisions in the Stockholm region.

Other equally important work in the quarter has been the advocacy and discussions with politicians on the benefits of biogas and its positive contribution to a fossil-free society. The societal debate is one-sided, since it focuses too much on emissions from use, i.e. measuring emissions at the exhaust pipe, without considering the full life cycle CO₂ emissions of the vehicle. Research¹⁾ shows that, for some applications, biogas has a superior environmental benefit compared to "green" electricity. The Storting in Norway decided in May that biogas and hydrogen should be treated on equal terms with green electricity. Operationally, the production volume developed positively and GWh sold increased by 12.7 per cent to 92.6 (82.1) GWh. Sales volumes continued to be affected by the pandemic, with slightly lower demand in Sweden, while the Norwegian operations set a new production record.

Total operating income for the quarter increased by 19.4 per cent, totalling SEK 110.2 million. Operating

EBITDA for the period increased by 62.2 per cent and amounted to SEK 21.5 million, corresponding to a margin of 20.5 per cent.

The Swedish operations continue to be affected by Covid-19 and have a lower capacity utilisation due to slightly lower supply of waste volumes and lower demand for biogas. We have applied for Swedish biogas production aid for 2021, which will be paid over a 9-month period (April–December 2021). For the second quarter, we received SEK 5.3 million in biogas subsidies. We are preparing investment decisions on expansion of production capacity and the liquefaction of produced biogas in Södertörn.

The production of liquid biogas (LBG) in Norway is in full production and reached a production record of 29 GWh for the second quarter. The investment project, Skogn II, which is due to be operational in the second half of 2022, is proceeding according to plan. Ekdalens Biotransporter had a weak quarter due to a specific customer's changed transport needs.

Business in Korea was slightly weaker compared to the same period last year. Sales decreased due to planned maintenance measures. Operating EBITDA was also slightly lower compared to the previous year.

SIGNIFICANT EVENTS IN THE SECOND QUARTER OF 2021

PLACEMENT OF GREEN BOND OF SEK 700 MILLION AND REVOLVING CREDIT FACILITY OF SEK 300 MILLION

On 8 June 2021, a senior green secured corporate bond was issued with a nominal amount of SEK 700 million within a framework of SEK 1 200 million and with a maturity of 5 years. On the same day as the issue, a nominal amount of SEK 63.8 million was repurchased. At the same time, a revolving credit facility of up to SEK 300 million was also obtained.

GRADUAL RECOVERY OF VOLUMES SOLD

Energy sold amounted to 92.6 (82.1) GWh, which is a positive recovery since the start of the pandemic. The increase in volume sold is mainly attributable to Norway and Sweden.

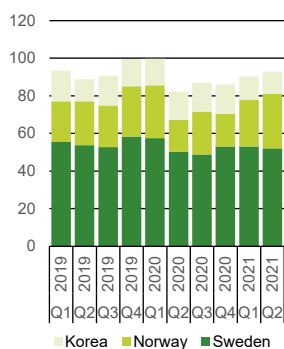
BIOGAS SUBSIDIES AVAILABLE AGAIN

The Swedish biogas production subsidies amounts to SEK 200 million in 2021 and can again be applied for from April, after the break in the first quarter. Management expects the total subsidy amount for 2021 to be received according to plan, but over a nine-month period instead of over twelve months. No payments will be received under the scheme during the first quarter.

NORWAY REACHES PRODUCTION RECORD

Energy sold in Norway amounted to 29.1 (16.8) GWh, setting a production record. Stabilisation measures in previous quarters have been successful.

¹⁾ Source: <https://gmobility.eu/what-is-well-to-wheel/>, <https://www.sciencedirect.com/science/article/pii/S0306261921001562#>

Sold Energy
Group, GWh

GROUP TURNOVER AND PROFIT

SECOND QUARTER

The Group's net sales increased by 24.0 per cent and amounted to SEK 96.0 (77.4) million.

Total revenue, consisting of sales, biogas subsidies and capitalised costs, amounted to SEK 110.2 (92.3) million. Other operating income includes biogas production subsidies and insurance payments. In the second quarter of 2021, no insurance reimbursement was received, while the corresponding quarter last year amounted to SEK 4.1 million for the plant in Norway.

The cost of raw materials and supplies decreased by 11.2 per cent and amounted to SEK 47.3 (53.3) million. Personnel costs totalled SEK 21.4 million, an increase of SEK 4.7 million compared to last year, mainly due to the acquisition of Ekdalens Biotransporter AB in December 2020. It is from that date that the company was consolidated. Ekdalens has 16 employees.

The Group's EBITDA increased by SEK 15.7 million to SEK 21.5 (5.8) million in the quarter. EBITDA was affected in the comparative period by insurance compensation of SEK 4.1 million in the Norwegian operations. Operative EBITDA % was 21.5 per cent (13.2).

Operating income was SEK 1.5 (-19.9) million. Consolidated profit/loss after tax amounted to SEK -27.6 (-37.4) million, of which SEK -6.5 (-6.1) million comes from unrealised exchange rate fluctuations. During the comparison period, the line was charged with a write-down of approximately SEK 6 million regarding concessions in Korea as part of the court decision in July 2020. Financial expenses

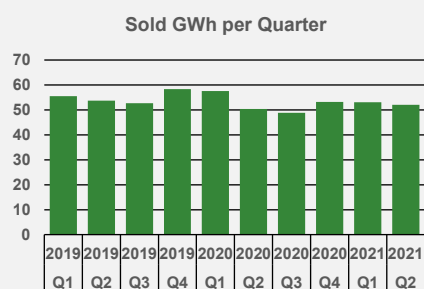
amounted to SEK 26.8 (11.7) million. During the quarter, the Group's loans to credit institutions were repaid in connection with the issuance of the corporate bond of SEK 700 million. In connection with the bond issue, existing loans of SEK 475.8 million were redeemed early. The repayment of the loans resulted in one-off early repayment fees of SEK 6.3 million and the expensing of remaining capitalised transaction costs of SEK 11 million. The remaining financial expenses relate to interest.

PRO FORMA EARNINGS AND PROFIT

The pro forma figures for 2020 reflect the assumption that Ekdalens was a wholly owned subsidiary for the entire of 2020. Net sales for the second quarter of 2020 amounted to SEK 89.9 million pro forma. EBITDA for the second quarter of 2020 amounted to SEK 11.8 million and operative EBITDA to SEK 19.3 million. Operative EBITDA margin was 20.5 per cent, up 0.4 percentage points compared to the pro forma comparative quarter. Ekdalens was acquired on 18 December 2020, and it is from that date that the company was consolidated in the Group.

| MSEK | Pro forma | | | Pro forma | |
|------------------------|-----------------|-----------------|-----------------|-----------------|-------------------|
| | Apr–Jun 2021 | Apr–Jun 2020 | Jan–Jun 2021 | Jan–Jun 2020 | Full year 2020 |
| Net sales | 96.0 | 89.9 | 193.6 | 203.2 | 385.6 |
| EBITDA | 21.5 | 11.8 | 38.4 | 51.6 | 103.6 |
| EBITDA % | 19.5% | 11.3% | 17.8% | 21.8% | 22.8% |
| Operative EBITDA | 21.5 | 19.3 | 38.4 | 52.4 | 93.3 |
| Operative EBITDA. % | 20.5% | 20.1% | 18.8% | 24.2% | 22.4% |

BUSINESS AREA SWEDEN



Events during the quarter

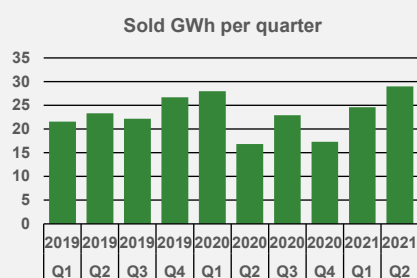
- The volume has gradually normalised, but is still affected by Covid-19.
- The environmental permit for the expansion of Mönsterås have been obtained but are still under appeal.
- The Stockholm LBG project, which aims to convert biogas production in the Stockholm area to liquid biogas (LBG), is progressing and is planned to be carried out at the Södertörn plant.

| SWEDEN | 3 months | | | 6 months | | | 12 months |
|-------------------------------|----------|---------|-------|----------|---------|--------|-----------|
| | Apr–Jun | Apr–Jun | Δ | Jan–Jun | Jan–Jun | Δ | Full year |
| MSEK, unless otherwise stated | 2021 | 2020 | | 2021 | 2020 | | 2020 |
| Sold GWh | 51.5 | 50.3 | 2.4% | 104.6 | 107.9 | -3.1% | 209.8 |
| Net sales | 57.9 | 48.5 | 19.4% | 119.9 | 104.8 | 14.4% | 203.7 |
| Other operating income | 7.4 | 6.3 | 18.0% | 9.3 | 12.4 | -25.4% | 26.5 |
| Total operating income | 69.6 | 57.0 | 22.1% | 137.4 | 120.0 | 14.5% | 241.5 |
| Operating expenses | -51.4 | -43.2 | 19.0% | -104.0 | -90.1 | 15.4% | -182.3 |
| EBITDA, MSEK | 18.2 | 13.1 | 38.8% | 33.4 | 29.9 | 11.8% | 59.1 |
| Operative EBITDA | 18.2 | 13.1 | 38.8% | 33.4 | 29.9 | 11.8% | 59.1 |
| Operative EBITDA, % | 27.9% | 24.0% | | 25.9% | 25.5% | | 25.7% |

Energy sold was 2.4 per cent higher than the same period last year. The volume is still slightly affected by the pandemic. The biogas subsidy was reintroduced from 1 April 2021, and a total of SEK 5.3 million has been received during the quarter.

Total operating income was 22.1 per cent higher compared to the same quarter in 2020. The increase is mainly explained by the acquisition of Ekdalens Biotransporter AB, which was acquired in December 2020. Operative EBITDA was SEK 18.2 (13.1) million. Business Area Sweden processed an average of 182 (194) tonnes of organic waste per day during the quarter.

BUSINESS AREA NORWAY



Events during the quarter

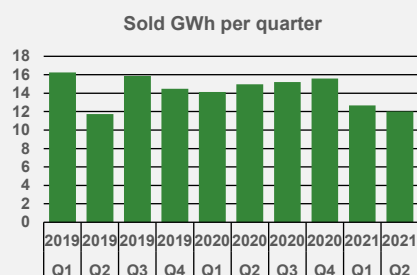
- Production reaches record levels at 29.1 GWh. The full capacity of the plant is 30 GWh for one quarter.
- The project, Skogn II, is on schedule and is expected to be in production by the end of 2022.

| NORWAY | 3 months | | | 6 months | | | 12 months |
|-------------------------------|----------|---------|--------|----------|---------|--------|-----------|
| | Apr–Jun | Apr–Jun | Δ | Jan–Jun | Jan–Jun | Δ | Full year |
| MSEK, unless otherwise stated | 2021 | 2020 | | 2021 | 2020 | | 2020 |
| Sold GWh | 29.1 | 16.8 | 73.2% | 53.7 | 44.8 | 19.9% | 85.0 |
| Net sales | 26.9 | 14.2 | 89.6% | 50.4 | 41.0 | 22.9% | 75.9 |
| Other operating income | 1.1 | 4.4 | -74.0% | 1.1 | 11.4 | -90.0% | 24.4 |
| Total operating income | 29.4 | 20.9 | 40.4% | 54.4 | 56.8 | -4.1% | 106.4 |
| Operating expenses | -22.3 | -14.9 | 49.3% | -43.3 | -35.9 | 20.5% | -70.7 |
| EBITDA, MSEK | 7.1 | 6.0 | 18.3% | 11.1 | 20.8 | -46.7% | 35.8 |
| Operative EBITDA | 7.1 | 1.9 | 207.5% | 11.1 | 9.9 | 11.8% | 13.8 |
| Operative EBITDA, % | 25.4% | 13.2% | | 21.6% | 24.0% | | 17.7% |

Production developed at a record level and reached almost full capacity. Previous maintenance measures have proven to be successful. As part of the high production, operative EBITDA was significantly better than the corresponding period last year.

Total operating income was 40.4 per cent higher compared to the same quarter in 2020 and was SEK 29.4 (20.9) million. Operative EBITDA was SEK 7.1 million (1.9). Business Area Norway processed an average of 195 (266) tonnes of organic waste per day during the quarter.

BUSINESS AREA KOREA



Events during the quarter

- Reduced delivery to customers mainly due to customer's planned maintenance
- Production in July is again at a stable, planned level.

| KOREA | 3 months | | | 6 months | | | 12 months |
|-------------------------------|----------|---------|---------|----------|---------|---------|-----------|
| | Apr–Jun | Apr–Jun | Δ | Jan–Jun | Jan–Jun | Δ | Full year |
| MSEK, unless otherwise stated | 2021 | 2020 | | 2021 | 2020 | | 2020 |
| Sold GWh | 11.9 | 15.0 | -20.7% | 24.8 | 29.1 | -14.8% | 59.9 |
| Net sales | 11.3 | 14.8 | -23.9% | 23.3 | 28.8 | -19.1% | 58.8 |
| Total income | 11.3 | 14.8 | -23.9% | 23.3 | 28.8 | -19.1% | 58.8 |
| Operating expenses | -9.3 | -23.7 | -61.0% | -18.8 | -34.6 | -45.6% | -59.2 |
| EBITDA, MSEK | 2.0 | -8.9 | -122.4% | 4.4 | -5.9 | -175.8% | -0.4 |
| Operative EBITDA | 2.0 | 2.6 | -23.6% | 4.4 | 5.7 | -22.0% | 11.2 |
| Operative EBITDA, % | 17.8% | 17.7% | | 19.1% | 19.8% | | 19.0% |

Production in Korea was weaker compared to the same period last year. Sales were lower than in the corresponding period last year, as a result of planned maintenance measures. Operative EBITDA is slightly lower compared to the previous year. Business Area Korea processed an average of 166 (193) tonnes of organic waste per day during the quarter.

PROFIT AND EARNINGS PER SHARE

Profit/loss after tax amounted to SEK -27.6 (-37.4) million for the period. Basic and diluted earnings per share totalled SEK -0.90 (-2.23).

CASH FLOW

Cash flow from operating activities amounted to SEK 19.8 (26.6) million. Total cash flow for the period amounted to SEK 131.2 (-1.4) million and mainly relates to the refinancing of a large part of the existing borrowings through a bond issue. Cash flow from investments in fixed assets for the period amounted to SEK 37.1 (21.9) million and is mainly attributable to the expansion of the plant in Skogn, Norway.

INVESTMENTS

Investments in tangible and intangible assets during the second quarter totalled SEK 37.7 (21.9) million.

As at 30 June 2021, the carrying amount of the Group's property, plant and equipment and intangible assets was SEK 1 040.1 (955.0) million, of which SEK 289.5 (310.9) million relates to right-of-use assets.

FINANCING

Liquid assets on 30 June 2021 totalled SEK 458.4 (83.8) million.

Operations are financed by equity, corporate bonds and leasing. In Sweden, a major portion of the production facilities are leased under lease agreements with original terms of around 25 years. Non-current interest-bearing liabilities, exclusive of leases, totalled SEK 672.1 (268.8) million on 30 June 2021.

Through the successful December 2020 issue of SEK 350 million, the SEK 700 million green corporate bond and the SEK 300 million revolving credit facility, we have been able to secure funding for the Group's growth plan.

For the future, the Group's ambition is to achieve further growth and is actively working on new growth projects. The Group expects that financing of major future projects will require various types of collaboration and financing, depending on the project's structure and positioning, both own and borrowed capital.

Green financing – equity framework

Scandinavian Biogas has been reviewed by CICERO Shades of Green AS ("CICERO"), which provides a market-leading independent, research-based evaluation of green bonds and sustainability bonds and rates debt in shades of dark green, medium green, and light green to offer investors better insight into environmental quality and climate risks as well as full company assessments.

CICERO has also developed a new method for assessing companies by expanding the green financing framework to include the entire company and its equity, with insight into the green transition ambitions, by adding light, medium and dark brown shades to the three green shades.

Scandinavian Biogas's ratings

CICERO completed its second opinion for Scandinavian Biogas in August 2020, rating the Company's debt financing Dark Green and its governance Good. In November 2020 CICERO awarded Dark Green shading to all Scandinavian Biogas's revenue streams and investments, and rated its governance as being Good.

SIGNIFICANT RISKS AND OPERATIONAL UNCERTAINTIES**Disputes**

Updates on what has happened regarding the Group's unsettled disputes since the beginning of 2020/2021 are provided below. The status is otherwise unchanged; please refer to the 2020 Annual Report for details.

The Korean subsidiary initiated legal proceedings in Ulsan's administrative court in 2017 regarding certain service costs that Ulsan City invoiced to the subsidiary. The court has ruled in various phases that the invoices are not subject to administrative law. Given that the service costs are not subject to administrative law, the Korean subsidiary has initiated a civil lawsuit. A first initial negotiation took place in May 2021.

As previously communicated, one of the Group's suppliers to the project in Skogn, Norway, has made compensation claims, mainly regarding groundworks. A demand for NOK 78 million was filed in October 2018 and was subsequently lowered to NOK 64 million. The Group has, however, previously entered into a settlement agreement with the supplier and continues to be of the opinion that the specified compensation is covered by the settlement. Nevertheless, the Group reserved NOK 5 million in provisions in its Norwegian company in December 2018, pursuant to generally accepted practice. The conciliation process moved to arbitration in the autumn of 2020, as the parties were not able to reach agreement. The Company has filed a counterclaim against the counterparty. The arbitration will continue in 2021. Management's assessment remains that previously reserved amounts are relevant.

Significant risks and uncertainties are detailed in the most recent annual report, which is available at www.scandinavianbiogas.com.

FINANCIAL POSITION

The balance sheet total on 30 June 2021 was SEK 1,635.2 (1,172.9) million. Borrowing related to lease debts totalled SEK 298.9 (315.4) million. Equity was impacted by net profit/loss for the period, by exchange rate differences and by contributions from holdings without a controlling interest. During the period, SEK 1.4 million was received from non-controlling interests based on a capital contribution to one of the Group's subsidiaries.

THE SHARE

The total number of shares is 30,533,852 (168,256,961). The quotient value is SEK 2.0 (0.2) per share. Each share carries one vote. All outstanding shares are ordinary shares and therefore carry the right to equal shares in the assets and profit of Scandinavian Biogas Fuels International AB (publ).

The Company's shares have been listed on the Nasdaq First North Premier Growth Market since 16 December 2020. The subscription price on listing day was SEK 37.50 per share. The share price closed at SEK 34.40 on 30 June 2021.

The shares are listed with stock symbol BIOGAS, with ISIN code SE001542896, and LEI code 549300VWBIVTYSH87870.

OWNERSHIP STRUCTURE ON 30 JUNE 2021, IN PER CENT

| Owners on 30 June 2021 | Number of shares | % |
|------------------------------|-------------------|---------------|
| TrønderEnergi AS | 3,713,272 | 12.2% |
| Bengtssons Tidnings AB | 3,648,376 | 11.9% |
| Ilija Bataljan Invest AB | 2,666,400 | 8.7% |
| Northern Trust | 2,567,174 | 8.4% |
| Länsförsäkringar Småbolag | 2,243,518 | 7.3% |
| Apriori AB | 1,471,674 | 4.8% |
| Fondita Fonder | 1,352,245 | 4.4% |
| Handelsbanken Hållbar Energi | 1,347,484 | 4.4% |
| Lannebo Sverige Hållbar | 1,144,829 | 3.7% |
| Skandia Sverige Hållbar | 800,000 | 2.6% |
| Other | 9,578,880 | 31.4% |
| Total shares | 30,533,852 | 100.0% |

RELATED-PARTY TRANSACTIONS

Until the issue of the corporate bond, the Company had a private credit facility of SEK 200 million with an underlying senior facility. The facility was bridge financing and was raised in September 2020 and defined as related. The facility was repaid in full at the time of the corporate bond issue on 8 June 2021.

EMPLOYEES

On 30 June 2021, the business had a total of 92 (78) employees: 61 (41) in Sweden, 20 (21) in Korea and 15 (16) in Norway. The increased number of employees in Sweden is primarily attributable to the acquisition of Ekdalens Biotransporter AB in late 2020.

PARENT COMPANY

Scandinavian Biogas Fuels International AB (publ) (the "Company") is the Parent Company of the Scandinavian Biogas Group, which comprises several wholly and co-owned companies registered in Sweden, Norway and Korea. The Group's businesses are mainly operated through subsidiaries. Scandinavian Biogas Fuels International AB (publ) is domiciled and headquartered in Stockholm, Sweden.

The Parent Company's total revenue for the second quarter of 2021 was SEK 0.6 (0.8) million. Profit after tax was SEK -7.2 (-65.0) million for the period April to June 2021.

Cash and bank balances at 30 June 2021 amounted to SEK 358.9 (0.3) million. Total assets amounted to SEK 1,388.7 (602.9) million on the same date.

OUTLOOK

There is a great need for renewable energy that can replace fossil fuels, such as coal, oil and natural gas, at reasonable prices. According to various studies of renewable alternatives that can be mass-produced, interest in biogas has increased. This in turn bolsters demand for biogas, which is expected to gain further traction as it becomes more available. In the heavy transport and other sectors, demand for liquid biogas is expected to increase significantly in coming years. However, the market price of fossil energy causes some uncertainty as to the biogas market price as well as the growth of and new investments in renewable energy.

The European Union's "Fit for 55" programme is assumed to increase the need for renewable energy and is tentatively seen as positive for biogas.

The Swedish parliament and government are clearly interested in biogas as a component of the future fossil-free energy solution. Based on the Biogas Commission's proposal, the government's autumn 2020 budget proposed continued subsidies for biogas production and confirmed the preparations for a long-term production subsidy scheme. Conditions for the Swedish biogas industry will be strengthened, and we see a bright future ahead.

The Group's long-term goal is to utilise Scandinavian Biogas's expertise and experience to ensure the expansion of biogas supply and use. Deliveries can be made not only from the Company's facilities but also by third parties, contributing to Group sales via licencing, operating or service agreements, etc.

SIGNATURES

Insurance

The Board of Directors and the Chief Executive Officer hereby declare that the half-yearly report gives a true and fair view of the Parent Company's and the Group's activities, position and results, and describes the principal risks and uncertainties that the Parent Company and the companies in the Group face.

Scandinavian Biogas Fuels International AB (publ)

Stockholm, 23 July 2021

Anders Bengtsson
Chair

David Schelin
Board member

Petra Einarsson
Board member

Tina Telin
Board member

Sara Gustafson
Board member

Håkon Welde
Board member

Matti Vikkula
Chief Executive Officer

Lars Bengtsson
Employee member

This interim report has not been audited by the Company's auditors.

OTHER INFORMATION

Scandinavian Biogas Fuels International AB (publ)
company registration number 556528-4733, info@scandinavianbiogas.com, www.scandinavianbiogas.se

PRESS AND ANALYSTS MEETING ON 23 JULY AT 9:00 AM

Investors, analysts and media are invited to a presentation via Teams, where CEO Matti Vikkula and CFO Anna Budzynski will give a brief presentation of the report followed by a Q&A session.

The presentation will be held in English and recorded to be made available online afterwards.

To participate in the conference, click on [Scandinavian Biogas 2021-Q2 presentation in TEAMS](#), or visit the Scandinavian Biogas website, where you will also find the presentation material and related information. No physical meeting will be held.

Contacts

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Anna Budzynski, CFO, phone: +46 70 043 43 13

Calendar

| | |
|---|---------------|
| Interim Report January–September 2021 | 29 Oct 2021 |
| Financial Statement January–December 2021 | 17 Feb 2022 |
| 2021 Annual Report | 31 March 2022 |

This information is information that Scandinavian Biogas Fuels International AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication on behalf of the contact persons on Thursday, 23 June 2021 at 7:30 am (CEST).

CONSOLIDATED FINANCIAL POSITION IN SUMMARY

| SEK thousand | Note | 30 Jun 2021 | 30 Jun 2020 | 31 Dec 2020 |
|--|------|------------------|------------------|------------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| Intangible assets | | 113,038 | 72,537 | 119,510 |
| Tangible assets | | 637,536 | 571,535 | 600,022 |
| Right-of-use assets | 3 | 289,534 | 310,945 | 295,696 |
| Financial assets | | 27,569 | 37,735 | 39,135 |
| Other non-current assets | | 667 | 1,110 | 889 |
| Total non-current assets | | 1,068,344 | 993,862 | 1,055,252 |
| Current assets | | | | |
| Inventories | | 9,339 | 11,917 | 9,907 |
| Accounts receivable | | 54,127 | 34,994 | 58,584 |
| Other receivables | 5 | 25,085 | 30,548 | 20,125 |
| Prepaid expenses and accrued income | | 19,907 | 17,724 | 16,859 |
| Liquid assets | | 458,375 | 83,828 | 378,771 |
| Total current assets | | 566,833 | 179,011 | 484,246 |
| TOTAL ASSETS | | 1,635,177 | 1,172,873 | 1,539,498 |
| EQUITY | | | | |
| Equity attributable to equity holders of the Parent Company | | | | |
| Share capital | | 61,066 | 33,651 | 61,066 |
| Other paid-in capital | | 1,271,372 | 880,048 | 1,271,372 |
| Translation reserve | | 5,663 | 1,492 | 1,048 |
| Retained earnings, including profit for the period | | -832,459 | -778,906 | -799,948 |
| | | 505,648 | 136,285 | 533,539 |
| Non-controlling interests | | -11,322 | 44,424 | -11,733 |
| Total equity | | 494,320 | 180,709 | 521,805 |
| LIABILITIES | | | | |
| Non-current liabilities | | | | |
| Non-current interest-bearing liabilities | 6 | 946,441 | 566,611 | 765,261 |
| Deferred tax liabilities | | 10,475 | 1,915 | 12,249 |
| Other provisions | | - | 38,564 | 13,063 |
| Total non-current liabilities | | 956,916 | 607,090 | 790,573 |
| Current liabilities | | | | |
| Current interest-bearing liabilities | 6 | 53,623 | 234,955 | 69,713 |
| Accounts payable | | 75,913 | 74,235 | 67,665 |
| Other liabilities | | 10,149 | 30,224 | 33,563 |
| Accrued expenses and deferred income | | 44,256 | 45,660 | 56,179 |
| Total current liabilities | | 183,941 | 385,074 | 227,120 |
| TOTAL EQUITY AND LIABILITIES | | 1,635,177 | 1,172,873 | 1,539,498 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to shareholders of the Parent Company.

| Amounts in SEK thousand | Share capital | Other paid-in capital | Translation reserve | Balance sheet result including profit for the period | Total | Non-controlling interests | Total equity |
|---|---------------|-----------------------|---------------------|--|----------------|---------------------------|----------------|
| Opening balance on 1 January 2020 | 33,651 | 880,048 | 5,297 | -743,173 | 175,823 | 53,098 | 228,922 |
| Profit/loss for the period | | | | -35,733 | -35,733 | -3,728 | -39,461 |
| Exchange differences | | | -3,806 | | -3,806 | -4,946 | -8,752 |
| Total comprehensive income | - | - | -3,806 | -35,733 | -39,539 | -8,674 | -48,213 |
| Total contribution from and value transfers to shareholders. reported directly in equity | - | - | - | - | - | - | - |
| Closing balance on 30 June 2020 | 33,651 | 880,048 | 1,491 | -778,906 | 136,284 | 44,424 | 180,709 |
| Opening balance on 1 January 2021 | 61,066 | 1,271,372 | 1,048 | -799,948 | 533,538 | -11,733 | 521,805 |
| Profit/loss for the period | | | | -32,511 | -32,511 | -2,358 | -34,869 |
| Exchange differences | | | 4,615 | | 4,615 | -11 | 4,604 |
| Total comprehensive income | - | - | 4,615 | -32,511 | -27,896 | -2,369 | -30,265 |
| Contribution from non-controlling interests | | | | | | 2,780 | 2,780 |
| Total contribution from and value transfers to shareholders. reported directly in equity | - | - | - | - | - | 2,780 | 2,780 |
| Closing balance on 30 June 2021 | 61,066 | 1,271,372 | 5,663 | -832,459 | 505,642 | -11,322 | 494,320 |

CONSOLIDATED STATEMENT OF CASH FLOWS

| SEK thousand | Note | 3 months | | 6 months | | 12 months |
|--|------|-----------------|-----------------|-----------------|-----------------|-------------------|
| | | Apr–Jun 2021 | Apr–Jun 2020 | Jan–Jun 2021 | Jan–Jun 2020 | Full year 2020 |
| Cash flow from operating activities | | | | | | |
| Operating results | | 1,525 | -19,890 | -1,838 | -7,228 | -6,038 |
| Amortisation/depreciation | | 19,764 | 25,399 | 39,937 | 43,885 | 85,723 |
| Other non-cash items | | -761 | 20,372 | 2,657 | 19,333 | 18,389 |
| Interest paid | | -6,810 | -8,234 | -10,132 | -15,488 | -30,206 |
| Cash flow from operating activities before changes in working capital | | 13,718 | 17,647 | 30,624 | 40,502 | 67,868 |
| Cash flow from changes in working capital | | | | | | |
| Increase/decrease in inventories | | -567 | 2,058 | 568 | 2,853 | 7,687 |
| Increase/decrease in operating receivables | | -708 | 843 | -3,492 | 15,269 | 11,221 |
| Increase/decrease in operating liabilities | | 7,128 | 6,016 | -9,796 | 3,263 | 2,590 |
| Total changes in working capital | | 6,073 | 8,917 | -12,720 | 21,385 | 21,498 |
| Cash flow from operating activities | | 19,791 | 26,564 | 17,904 | 61,887 | 89,366 |
| Cash flow from investing activities | | | | | | |
| Acquisition of intangible assets | | -567 | -2,083 | -1,608 | -2,417 | -3,244 |
| Acquisition of tangible assets | | -37,122 | -19,800 | -45,677 | -38,158 | -55,496 |
| Disposal of tangible assets | | - | - | - | 41 | 41 |
| Acquisition of subsidiaries | | - | - | - | - | -15,724 |
| Restricted bank balances and other changes in financial assets | | 25,058 | 6,889 | 12,765 | 3,970 | 1,129 |
| Cash flow from investing activities | | -12,631 | -14,994 | -34,520 | -36,564 | -73,294 |
| Cash flow from financing activities | | | | | | |
| New share issue | | | | | | 321,074 |
| Borrowing, net after transaction costs | 6 | 625,200 | - | 627,303 | 197,500 | 410,513 |
| Loan and lease amortisation | 6 | -502,538 | -12,922 | -534,490 | -273,172 | -502,505 |
| Contribution from non-controlling interests | | 1,380 | - | 2,780 | - | - |
| Cash flow from financing activities | | 124,042 | -12,922 | 95,593 | -75,672 | 229,082 |
| Total cash flow for the period | | 131,202 | -1,352 | 78,977 | -50,348 | 245,154 |
| Decrease/increase in cash and cash equivalents | | | | | | |
| Cash and cash equivalents at beginning of period | | 327,480 | 85,934 | 378,771 | 136,384 | 136,384 |
| Exchange differences in cash and cash equivalents | | -805 | -755 | 627 | -2,208 | -2,767 |
| Cash and cash equivalents at end of period | | 458,375 | 83,828 | 458,375 | 83,828 | 378,771 |

PARENT COMPANY INCOME STATEMENT SUMMARY

| PARENT COMPANY MSEK | 3 months | | 6 months | | 12 months |
|--|-----------------|-----------------|-----------------|-----------------|-------------------|
| | Apr–Jun 2021 | Apr–Jun 2020 | Jan–Jun 2021 | Jan–Jun 2020 | Full year 2020 |
| Operating income | | | | | |
| Net sales | 608 | 812 | 1,216 | 1,466 | 3,046 |
| Total operating income | 608 | 812 | 1,216 | 1,466 | 3,046 |
| Operating expenses | -1,741 | -1,215 | -3,774 | -2,393 | -4,748 |
| Operating results | -1,133 | -403 | -2,558 | -927 | -1,702 |
| Net financial items | -6,025 | -64,604 | -1,156 | -70,443 | -72,715 |
| Profit/loss before appropriations and tax | -7,158 | -65,007 | -3,714 | -71,370 | -74,417 |
| Appropriations | | | | | |
| Group contributions received/paid | - | - | - | - | 20,498 |
| Total appropriations | - | - | - | - | 20,498 |
| Profit/loss before tax | -7,158 | -65,007 | -3,714 | -71,370 | 53,919 |
| Income tax | - | - | - | - | - |
| Profit/loss for the period | -7,158 | -65,007 | -3,714 | -71,370 | -53,919 |

PARENT COMPANY BALANCE SHEET SUMMARY

| Amounts in SEK thousand | Note | 30 Jun 2021 | 30 Jun 2020 | 31 Dec 2020 |
|--|------|------------------|----------------|------------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| Financial assets | | | | |
| Participations in group companies | | 359,597 | 230,613 | 355,427 |
| Receivables from group companies | | 643,860 | 343,382 | 432,197 |
| Total financial assets | | 1,003,457 | 573,995 | 787,624 |
| Total non-current assets | | 1,003,457 | 573,995 | 787,624 |
| Current assets | | | | |
| Current receivables | | | | |
| Receivables from group companies | | 25,015 | 24,792 | 12,149 |
| Other receivables | | 31 | - | 1,412 |
| Prepaid expenses and accrued income | | 1,297 | 3,754 | 2,404 |
| Total current receivables | | 26,343 | 28,546 | 15,965 |
| Cash and bank balances | | 358,903 | 332 | 318,495 |
| Total current assets | | 385,246 | 28,878 | 334,460 |
| TOTAL ASSETS | | 1,388,703 | 602,873 | 1,122,084 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | 756,559 | 282,855 | 760,273 |
| Non-current liabilities | | | | |
| Non-current interest-bearing liabilities | 6 | 625,364 | - | 200,000 |
| Liabilities to group companies | | - | 113,719 | 142,217 |
| Total non-current liabilities | | 625,364 | 113,719 | 342,217 |
| Current liabilities | | | | |
| Current interest-bearing liabilities | 6 | - | 200,019 | 19 |
| Accounts payable | | 182 | 356 | 6,955 |
| Liabilities to group companies | | 3,286 | 3,070 | 6,239 |
| Accrued expenses and deferred income | | 3,312 | 2,854 | 6,381 |
| Total current liabilities | | 6,780 | 206,299 | 19,594 |
| TOTAL EQUITY AND LIABILITIES | | 1,388,703 | 602,873 | 1,122,084 |

NOTES

NOTE 1 GENERAL INFORMATION

The Parent Company, Scandinavian Biogas Fuels International AB (publ), CNR 556528-4733, is engaged in business activities in the form of a public limited company and is based in Stockholm, Sweden. The address of the head office is Hölländargatan 21A, 111 60 Stockholm.

Unless otherwise specified, all amounts are stated in SEK thousand. Figures in brackets pertain to the year-earlier period.

NOTE 2 SUMMARY OF ACCOUNTING PRINCIPLES

Scandinavian Biogas Fuels International AB (publ) applies IFRS (International Reporting Standards) as adopted by the European Union. This interim report has been prepared in accordance with IAS 34.

Interim reporting and the Annual Accounts Act. The report for the Parent Company has been prepared in accordance with Chapter 9 of the Annual Accounts Act and RFR 2, Accounting for Legal Entities. The interim report should be read together with the annual financial statements for the year ended 31 December 2020.

Accounting principles used in this report are in accordance with the principles applied the previous financial year.

No other IFRS or IFRIC interpretations that are not yet effective are expected to have any significant impact on the Group.

NOTE 3 RIGHT-OF-USE ASSETS

The Group has leased assets that are reported in accordance with IFRS 16. The Group has used a discount rate of 3.70 per cent for Business Area Sweden and 4.43 per cent for Business Area Norway.

During the January–June 2021 interim period, EBITDA improved by approximately SEK 15.9 (16.1) million, as IFRS 16 reduces operating expenses while simultaneously increasing aggregate depreciation/amortisation and financial expense by a corresponding amount. At the end of the interim period, lease liabilities amounted to SEK 298.9 (315.4) million.

NOTE 4 SEGMENT REPORTING

Scandinavian Biogas's operations are divided into three segments based on geographic location. The Group's operations are managed and reported based on operating segments Business Area Sweden, Business Area Norway and Business Area Korea. Operations also include the Service Centre and Research & Development segment. The business areas are geographic organisations, with the head of each business area reporting directly to the Group's CEO.

Segment data is based on the same accounting policies as those applied by the Group as a whole and is consolidated (i.e. cleared of intra-group items).

All staff in Sweden are employed by the subsidiary Scandinavian Biogas Fuels AB in the Service Centre and R&D segment, which then invoices other Group companies for work performed.

NOTE 4 SEGMENT REPORTING, CONT.

| | 3 months | | 6 months | | Full year 2020 |
|---|----------------|----------------|-----------------|-----------------|-----------------|
| | Apr–Jun 2021 | Apr–Jun 2020 | Jan–Jun 2021 | Jan–Jun 2020 | |
| Revenue. SEK thousand | | | | | |
| Business Area Sweden | 69,573 | 56,997 | 137,445 | 119,997 | 241,473 |
| Business Area Norway | 29,361 | 20,914 | 54,438 | 56,776 | 106,426 |
| Business Area Korea | 11,259 | 14,798 | 23,280 | 28,775 | 58,795 |
| Service Centre and R&D | 4,286 | 2,647 | 9,831 | 7,334 | 16,470 |
| Eliminations | -4,329 | -2,085 | -9,577 | -4,765 | -15,732 |
| Group total | 110,150 | 93,271 | 215,417 | 208,118 | 407,432 |
| Operating expenses. SEK thousand | | | | | |
| Business Area Sweden | -51,369 | -42,165 | -104,022 | -90,107 | -182,325 |
| Business Area Norway | -22,252 | -14,905 | -43,325 | -35,941 | -70,657 |
| Business Area Korea | -9,255 | -23,739 | -18,835 | -34,640 | -59,232 |
| Service Centre and R&D | -10,147 | -7,793 | -20,407 | -15,291 | -30,352 |
| Eliminations | 4,329 | 2,085 | 9,577 | 4,765 | 15,732 |
| Group total | -88,694 | -86,516 | -177,012 | -171,214 | -326,835 |
| Profit/loss. SEK thousand | | | | | |
| EBITDA | | | | | |
| Business Area Sweden | 18,204 | 13,119 | 33,424 | 29,890 | 59,148 |
| Business Area Norway | 7,108 | 6,009 | 11,113 | 20,835 | 35,769 |
| Business Area Korea | 2,004 | -8,940 | 4,445 | -5,865 | -437 |
| Service Centre and R&D | -5,861 | -4,433 | -10,576 | -7,957 | -13,882 |
| Group total | 21,456 | 5,756 | 38,405 | 36,903 | 80,597 |
| Depreciation/amortisation and impairment & Other operating expenses | -19,931 | -25,669 | -40,243 | -44,132 | -86,635 |
| Operating results | 1,525 | -19,913 | -1,838 | -7,228 | -6,038 |

NOTE 5 OTHER CURRENT RECEIVABLES

Other current receivables include SEK 12.7 (12.3) million related to the accrued delay penalty for the facility at Skogn, Norway.

NOTE 6 INTEREST-BEARING LIABILITIES

The carrying amounts and fair values of long-term borrowings are presented below:

| Non-current | Carrying amount | | | Fair value | | |
|------------------------------------|-----------------|----------------|----------------|----------------|----------------|----------------|
| | 30 Jun 2021 | 30 Jun 2020 | 31 Dec 2020 | 30 Jun 2021 | 30 Jun 2020 | 31 Dec 2020 |
| Liabilities to credit institutions | 8,114 | 258,183 | 251,487 | 8,114 | 258,183 | 251,487 |
| Corporate bond | 625,364 | - | - | 625,364 | - | - |
| Bridge financing | - | - | 200,000 | - | - | 200,000 |
| Leasing liabilities | 274,321 | 297,775 | 285,426 | 274,321 | 297,775 | 285,426 |
| Other non-current borrowings | 38,642 | 10,653 | 28,348 | 38,642 | 10,653 | 28,348 |
| | 946,441 | 566,611 | 765,261 | 946,441 | 566,611 | 765,261 |
| Current | | | | | | |
| Liabilities to credit institutions | 2,763 | 17,335 | 35,253 | | | |
| Bridge financing | - | 200,000 | - | | | |
| Leasing liabilities | 24,529 | 17,620 | 16,967 | | | |
| Other current borrowings | 26,331 | - | 17,493 | | | |
| | 53,623 | 234,955 | 69,713 | | | |

The fair value of current borrowing corresponds to the carrying amount, as the discounting effect is not of a material nature. The corporate bond, excluding the repurchase, has a carrying value of SEK 702.6 (0) thousand at fair value as at 30 June 2021. The maturity of the bond is 5 years from the issue date 8 June 2021 and bears interest at (Stibor (3m) + 6%). Transaction costs total approximately SEK 14.9 million, of which SEK 11.1 million was paid during the quarter. In total, corporate bonds with a nominal value of SEK 700 million were issued. On the same day as the issue, a nominal amount of SEK 63.8 million was repurchased. The outstanding nominal amount after repurchasing is SEK 636.2 million. Scandinavian Biogas has the right to sell the SEK 63.8 million on the market at any time. The assessment is that this will happen within the next 2 years.

The corporate bond is listed on the Nasdaq Stockholm corporate bond list with ISIN: SE0015812441. The bond is fortified with loan conditions based on a solvency ratio of at least 22.5 per cent at each quarter. During the term of the bond, the equity ratio will gradually increase to a maximum of 27.5 per cent. In connection with the issue of the bond, a revolving credit facility of SEK 300 million was signed, which can be used for guarantees or liquidity purposes. This facility is also fortified with conditions. At the end of the period, approximately SEK 9 million of the credit facility had been used for guarantees.

Collateral for the corporate bond consists of pledges of shares in subsidiaries and long-term intercompany loans.

NOTE 7 ALTERNATIVE KEY INDICATOR DEFINITION**Operating results/EBIT**

Operating results provide an overview of the Group's total earnings generation and are calculated as operating results before financial items and tax.

Items affecting comparability

Items affecting comparability are the results of events or transactions that are not extraordinary, but are important to note when making comparisons with other periods.

EBITDA

EBITDA is a profitability measure considered by the Group as relevant for investors interested in earnings generation before investments in assets. The Group defines EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) as operating results exclusive of other operating expenses and amortisation/depreciation and impairment of tangible and intangible assets.

| EBITDA | 3 months | | 6 months | | Full year |
|---|---------------|--------------|---------------|---------------|---------------|
| | Apr–Jun | Apr–Jun | Jan–Jun | Jan–Jun | |
| SEK thousand | 2021 | 2020 | 2021 | 2020 | 2020 |
| Operating results | 1,525 | -19,913 | -1,838 | -7,228 | -6,038 |
| Depreciation, amortisation and impairment of tangible and intangible assets | 19,764 | 25,651 | 39,937 | 43,885 | 85,723 |
| Other operating expenses | 167 | 18 | 306 | 247 | 912 |
| EBITDA | 21,456 | 5,756 | 38,405 | 36,904 | 80,597 |

Operative EBITDA

Operating EBITDA is defined as EBITDA adjusted for items affecting comparability.

| OPERATIVE EBITDA | 3 months | | 6 months | | Full year |
|---|---------------|---------------|---------------|---------------|---------------|
| | Apr–Jun | Apr–Jun | Jan–Jun | Jan–Jun | |
| SEK thousand | 2021 | 2020 | 2021 | 2020 | 2020 |
| EBITDA | 21,456 | 5,756 | 38,405 | 36,904 | 80,597 |
| Change in other provisions pertaining to legal dispute in Korea | - | 11,564 | - | 11,564 | 11,625 |
| Insurance compensation in Norway | - | -4,090 | - | -10,891 | -20,381 |
| Government subsidies related to COVID-19 | - | - | - | - | -1,541 |
| Operative EBITDA | 21,456 | 13,230 | 38,405 | 37,577 | 70,301 |

Operative EBITDA percentage

Operating EBITDA percentage is defined as operating EBITDA divided by net sales plus other operating income adjusted for items affecting comparability.

Gross profit/loss

Gross profit/loss is a profitability measure showing the Company's revenues less variable production costs.

Equity/assets ratio

The equity/assets ratio shows the proportion of assets financed with equity. The equity/assets ratio is calculated as the sum of total equity (including non-controlling interests) divided by total assets.

| EQUITY/ASSETS RATIO | 30 Jun 2021 | 30 Jun 2020 | 31 Dec 2020 |
|--|--------------|--------------|--------------|
| Total equity (incl. non-controlling interests) | 494,320 | 180,709 | 521,805 |
| Total assets | 1,635,177 | 1,172,873 | 1,539,498 |
| Equity/assets ratio | 30.2% | 15.4% | 33.9% |

NOTE 8 EVENTS AFTER THE END OF THE PERIOD

Scandinavian Biogas' subsidiary Mönsterås Biogasproduktion AB has renewed its application for an investment grant of SEK 155 million, as the Swedish Environmental Protection Agency's maximum period for previously granted support of SEK 108 million has passed. The Swedish Environmental Protection Agency has therefore decided to withdraw this support.

The multi-year agreement previously signed between the Group and a customer in Europe for the supply of liquid biogas (LBG) from Sweden has been updated. At the same time, a new multi-year contract has been signed with the same customer in Europe for the supply of LBG from Norway. Deliveries of LBG from Norway are estimated to start in the second half of 2022. It is an important part of Scandinavian Biogas' strategy to expand the supply of liquid biogas.

ABOUT SCANDINAVIAN BIOGAS

As one of the Nordic region's largest producers of biogas, Scandinavian Biogas helps customers and partners with what we are best at – designing and operating biogas plants with high resource and energy efficiency. In this way, we support the transition from fossil to renewable energy.

Scandinavian Biogas, founded in 2005, sells renewable energy based on compressed biogas (CBG) and liquid biogas (LBG), as well as several related services. With world-leading expertise in the design and operation of biogas facilities to optimise biogas and bio-fertiliser production, we are market leaders in large-scale biogas production in the Nordic region and Korea.

A fundamental part of Scandinavian Biogas's strategic focus is the development of methods and services to improve biogas and bio-fertiliser production efficiency for established as well as new types of waste. The main feedstocks currently used are wastewater sludge, food waste, salmon farming waste, and residues from industrial processes. Based on our research and development work with new and more efficient methods, biogas can be produced far more cost- and resource-efficiently than ever before, and we work continuously to develop and improve the digestion process when producing biogas from biomass. We also have leading expertise in purification processes for upgrading biogas to vehicle fuel quality and in biogas liquefaction.

Our main products are biogas used in heat production, upgraded and liquid biogas used as vehicle fuel, and bio-fertiliser as a substitute for artificial fertiliser. Focus is on markets in the Nordic region and Korea.

In close collaboration with partners and customers, we also work to identify growth projects outside our Nordic home market. These projects may include value-creation services in the design, construction and operation of new plants and improving existing plants' efficiency through process improvements.

Scandinavian Biogas currently has five plants in operation: three in Sweden, one in Korea, and one in Norway where liquid biogas is produced.

STRATEGY AND BUSINESS MODEL

Through its operations, Scandinavian Biogas supports a sustainable transition from fossil to renewable energy. The Company's strategy is based on utilising the Group's unique engineering expertise and in-depth knowledge of microbiology to expand the production and sale of biogas, in Sweden and internationally.

Scandinavian Biogas's aim is to be world-leading in large-scale biogas and bio-fertiliser production. The Company currently holds a leading position in renewable energy and biogas production in the Nordic region. Scandinavian Biogas works to ensure an increased use of biogas in the energy mix.

The Nordic heavy road transport sector is currently the most significant area for the Company's growth ambitions, although the biogas market is also expected to grow within maritime transport and industry. Demand for liquid biogas (LBG) has increased in recent years, along with the supply of biogas-powered vehicles. This affects the market for compressed biogas (CBG), which is currently local but is expected to develop into regional or national markets in future.

Investments in renewable energy

In recent years, Scandinavian Biogas has made extensive investments to support a fossil-free, circular and sustainable society. The Company's core business is focused on producing renewable energy in the form of biogas. Increased production, and the Company's consequent growth, requires investments in new or existing plants. This applies particularly to production capacity for liquid biogas (LBG). The investment in Skogn, Norway, and the plans for Södertörn are examples of this.

Scandinavian Biogas intends to make significant investments to improve and expand plants in Sweden and Norway.

MARKET AND KEY DRIVERS

Today's infrastructure for gas is well developed, and biogas can easily be blended into existing natural gas flows. Biogas has many advantages as an energy source. It is normally produced from organic waste that has few other uses, which means that biogas extraction increases the circularity of the energy system and the economy. As particle and nitric oxide emissions from biogas are low, there are also local environmental benefits.

The biogas market

Biogas has a wide range of applications. The purpose for which biogas is used is partly determined by conditions and demand in markets where it is produced. In Scandinavia, biogas is used primarily as fuel or for heating, with the greatest growth potential found in the vehicle fuel market and industrial processes. In Korea, biogas is more commonly used to produce industrial heat or electricity.

Liquid biogas

A paradigm shift is currently underway as the advantages of liquid biogas become increasingly apparent for heavy transports and shipping in the Nordic region. The Swedish Environmental Protection Agency, through the Klimatklivet initiative, has granted subsidies for 45 filling stations and the procurement of over 400 heavy lorries run on liquid biogas. More and more gas-powered vessels are being procured by Nordic shipping companies. These may eventually be powered by liquid biogas. The manufacturing industry has also begun to show interest in LBG. Toyota Material Handling in Mjölby, which manufactures industrial forklifts, was one of the first industry operators to do so. A prerequisite for realising the long-term potential of biogas is continuing to scale up LBG production, as it is easier to use gas in liquid form in industry and as vehicle fuel. Liquid biogas is also better suited for longer transports and can therefore open the way for a Scandinavian biogas market. Biogas is currently distributed locally and regionally by lorry or via a gas pipeline network.

