

EU AND SWEDEN MAKE LONG-TERM INVESTMENT IN BIOGAS IN THE TRANSITION TO A CIRCULAR ECONOMY

SIGNIFICANT EVENTS IN THE THIRD QUARTER OF 2021

- The government has proposed an extended and long-term investment in biogas up to and including 2040.
- Stable high production in the Norwegian plant.
- The growth plan is progressing; in Norway, Skogn II is on track; and in Sweden, an investment decision has been made on the Stockholm Bio-LNG (liquid biogas) project.
- Extended agreement regarding delivery of Bio-LNG (liquid biogas) with the Dutch filling station chain Rolande has been signed.

RESULTS OF THIRD QUARTER 2021

- Energy sold increased by 3.8% to 90.2 (86.9) GWh.
- Net sales totalled SEK 95.4 (81.5) million, corresponding to an increase of 17.1%.
- Total income, including capitalised work, increased by 15.8% and amounted to SEK 111.1 (95.9) million.
- EBITDA was SEK 29.0 (22.9) million.
- Operative EBITDA was SEK 23.3 (17.9) million.
- The operative EBITDA margin was 23.0 (20.4) %.
- Profit/loss after tax amounted to SEK -4.9 (-11.8) million.
- Basic and diluted earnings per share totalled SEK -0.16 (-0.70).
- Cash flow from operating activities amounted to SEK 27.0 (-14.9) million.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- An agreement with a technology provider for the liquid biogas (Bio-LNG) project in Stockholm has been signed.
- The Norwegian plant has obtained ISCC Certification and can thereby offer a premium Bio-LNG with audited proof of sustainability.
- The dispute process with the supplier in Norway has been resolved by signing a settlement agreement between the parties.
- No other significant events occurred after the end of the period.

GROUP	3 months			9 months			12 months
	Jul-Sep 2021	Jul-Sep 2020	Δ	Jan-Sep 2021	Jan-Sep 2020	Δ	Full year 2020
SEK million, unless otherwise stated							
Sold GWh	90.2	86.9	3,8%	273.0	268.7	1,6%	354.7
Net sales	95.4	81.5	17.1%	289.0	256.1	12.9%	338.4
Other income	11.4	11.0	3,7%	22.1	35.5	-37.6%	51.8
Total revenue, including capitalised work	111.1	95.9	15.8%	326.5	304.1	7,4%	407.4
EBITDA	29.0	22.9	27.0%	67.5	59.8	12.8%	80.6
Operative EBITDA	23.3	17.9	30.4%	61.7	55.3	11.6%	70.3
Operative EBITDA %	23.0%	20.4%	2,6pe	20.2%	20.1%	0,1pe	19.1%
Operative results	8.5	1.6	na	6.7	-5.6	na	-6.0
Earnings per share (SEK) ¹	-0.16	-0.70	na	-1.30	-3.04	na	-2.07
Cash flow from operative activities	27.0	-14.9	na	44.9	47.0	-11.9%	89.4
Equity/assets ratio	30.2%	14.9%	15.0pe	29.9%	14.9%	15.0pe	33.9%

1) The number of shares for the comparative period was 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.

Long-awaited EU decision sets the stage for future growth



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% by 2024.
- Equity ratio of at least 25% on an ongoing basis.

In the third quarter, we received the long-awaited proposal from the EU stating that biogas is an essential part of the EU's green transition, to achieve the goal of becoming the world's first climate-neutral region by 2050. The EU is proposing that a third of the €1.8 billion investment should go to the "Green Deal," which includes biogas in the transition. For our part, it was also important that the Swedish government announced in its fall budget an expanded, long-term investment in biogas to and including 2040. For biogas specifically, next year will see a new production subsidy of around SEK 500 million, rising to SEK 700 million per year thereafter. In addition, it is proposed to significantly increase the climate change initiative, "Klimatklivet". The budget proposal will be adopted by Parliament in November and the support package is then planned to be introduced in 2022. The aim of the initiatives is to create a circular economy and switch to more sustainable energy in the transport sector and industry (Swedish Gas Association). This is a crucial announcement for us and the whole biogas market, as it creates a long-term level playing field for producers, vehicle manufacturers and transport companies, to name a few. It also means that, assuming the budget is adopted by Parliament, the risks of investing in biogas are significantly reduced compared to previously since biogas is now confirmed for the long-term throughout the EU.

Political announcements aside, business has developed in line with expectations. We have continued to develop and invest in capacity expansion and to create the conditions necessary to achieve our growth targets. The expansion of Skogn II in Norway is progressing, and we expect to start deliveries in the second half of 2022. In Sweden, we also signed an agreement to expand the production capacity of liquid biogas in the Stockholm Bio-LNG project.

SIGNIFICANT EVENTS IN THE THIRD QUARTER OF 2021

EU AND SWEDEN MAKE LONG-TERM INVESTMENTS IN BIOGAS

Proposals from the EU that establish biogas as a key part of the EU's green transition, to achieve the goal of becoming the world's first climate-neutral region by 2050. The Swedish government has set out in its autumn budget an extended and long-term biogas investment through 2040. It includes new production subsidies of around SEK 500 million, increasing thereafter to SEK 700 million per year. In addition, it is proposed to significantly expand the climate change initiative "Klimatklivet".

STABLE HIGH PRODUCTION IN NORWAY

The plant in Norway has had high, stable production during the quarter. Past maintenance actions have been successful for production over time

Following negotiations with Dutch gas distributor Rolande, which has around 50 filling stations in the country, we have now extended our agreement on the supply of liquid biogas (Bio-LNG) from Sweden and Norway. We expect the first deliveries to Rolande to start in the second half of next year and that annual volumes will eventually reach around 90 GWh.

We continue to see covid-19 effects with some negative impact on the Swedish operations, which means that the plants have not been operating at full capacity. Operations in Norway are developing as expected and are delivering significantly better than last year. Operations in Korea delivered a stable quarter, slightly better than last year. Fossil fuel price increases are presumed to have a positive impact, at least in the short term.

In summary, an operationally positive quarter with our total biogas deliveries increasing from 86,9 GWh to 90.2 GWh, corresponding to +3.8% compared to last year. Total operating income in the third quarter, which is the weakest quarter of the year in terms of sales, increased by 15.8% and amounted to SEK 111.1 million. Operative EBITDA for the period increased by 30.4% and amounted to SEK 23.3 million, corresponding to a margin of 23.0%.

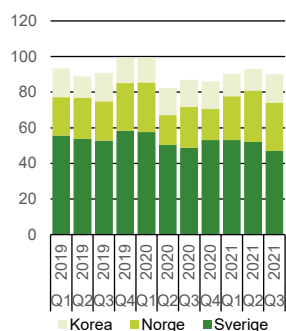
It is very positive that the market is developing in line with our expectations and that demand for liquid biogas (Bio-LNG) is increasing, driven mainly by the heavy transport sector. We expect continued good long-term development with the EU decision (EC Green Deal) and the reports from the Swedish government of a significant increase in investment in the production of biogas in Sweden.

THE GROWTH PLAN IS PROGRESSING

The project in Norway is progressing according to plan. In Sweden, investment decisions have been taken for the Stockholm Bio-LNG (liquid biogas) project. The project planning is proceeding with the next phase.

EXTENDED DELIVERY AGREEMENT OF BIO-LNG

Extended the agreement with the Dutch gas distributor Rolande about deliveries of liquid biogas (Bio-LNG) to Rolande's distribution network of filling stations. Roland distributes gas in the Netherlands, Belgium and Germany. The volume of the agreement replaces a previously published agreement.

Sold energy
Group, GWh

GROUP TURNOVER AND PROFIT

THIRD QUARTER

The Group's net sales increased by 17.1% and amounted to SEK 95.4 (81.5) million.

Total revenue, consisting of sales, biogas subsidies and capitalised costs, amounted to SEK 111.1 (95.9) million. Other operating income mainly includes biogas production subsidies and items affecting comparability. During the third quarter, customer compensation of SEK 5.8 million was agreed as part of the joint agreement to terminate a previous contract for the supply of Bio-LNG (liquid biogas). The item is a non-comparable item in the quarter.

Costs of raw materials and supplies were broadly in line with the previous year and amounted to SEK 42.6 (42.8) million. Personnel costs totalled SEK 19.8 (16.3) million, an increase of SEK 3.5 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 6.1 million to SEK 29.0 (22.9) million in the quarter. EBITDA was affected in the comparative period by insurance compensation in the Norwegian operations of SEK 3.5 million and covid-related government support of SEK 1.6 million. In the current period, EBITDA was

impacted by the compensation of SEK 5.8 million. Operative EBITDA was SEK 23.3 (17.9) million.

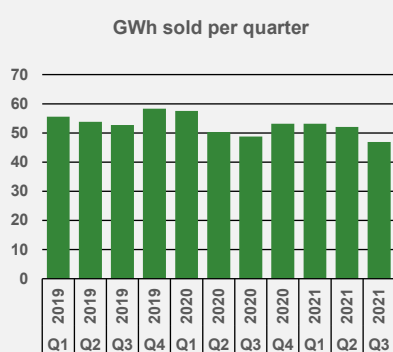
Operating income was SEK 8,5 (1.6) million. The consolidated profit after tax amounted to SEK -4.9 (-11.8) million, of which SEK 1.4 (-1.3) million comes from exchange rate differences. Depreciation and amortisation of fixed assets amounted to SEK -20.3 (-21.0) million. Financial expenses amounted to SEK -15.6 (-12.3) million. Financial expenses consist mainly of external interest. A small portion relates to accrued financial expenses related to the issued bond.

PRO FORMA SALES AND PROFIT

The pro forma figures for 2020 reflect the assumption that Ekdalens was a wholly owned subsidiary for all of 2020. Net sales for January to September 2020 amounted to SEK 294.0 million pro forma. EBITDA for January to September 2020 amounted to SEK 78.6 million and operative EBITDA to SEK 74.3 million. The operative EBITDA margin was 23.7%. Ekdalens was acquired on 18 December 2020, and it is from that date that the company was consolidated in the Group.

MSEK	Pro forma		
	Jan-Sep 2021	Jan-Sep 2020	Full year 2020
Net sales	289,0	294,0	385,6
EBITDA	67,5	78,6	103,6
EBITDA %	20,7%	23,0%	22,8%
Operative EBITDA	61,7	74,3	93,3
Operative EBITDA%	20,2%	23,7%	22,4%

BUSINESS AREA SWEDEN



Events during the quarter

- Volume still partly affected by covid-19 but also related to minor production stoppages
- The investment decision for the Stockholm Bio-LNG project has been taken. The environmental permit for the expansion of Mönsterås has been obtained.

SWEDEN SEK million, unless otherwise state	3 months			9 months			12 m
	Jul-Sep 2021	Jul-Sep 2020	Δ	Jan-Sep 2021	Jan-Sep 2020	Δ	Full year 2020
Sold GWh	46.9	48.8	-3.8%	151.5	156.7	-3.3%	209.8
Net sales	56.1	46.5	20.7%	176.0	151.3	16.3%	203.7
Other income	5.3	5.5	-3.6%	14.6	23.5	-37.9%	26.5
Total revenue, including capitalised work	64.2	55.2	16.2%	201.7	175.2	15.1%	241.5
Operating expenses	-44.4	-42.0	-5.8%	-148.4	-132.1	-12.4%	-182.3
EBITDA	19.8	13.3	49.0%	53.2	43.2	23.3%	59.1
Operative EBITDA	19.8	13.3	49.0%	53.2	43.2	23.3%	59.1
Operative EBITDA %	32.3%	25.6%	6.7%	27.9%	24.7%	3.2%	25.7%

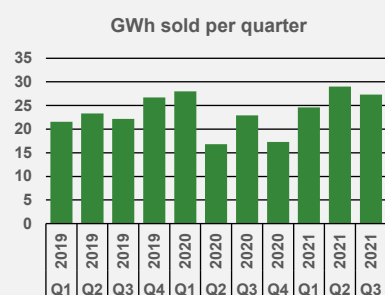
Energy sold was 3.8% lower than the same period last year. Volumes continue to be slightly affected by the pandemic and some minor production stoppages.

Total income was 16.2% 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 19.8 (13.3) million.

Business area Sweden processed a total of 177 (196) tonnes of organic waste per day during the quarter.

An agreement with a technology provider for the liquid biogas (Bio-LNG) project in Stockholm was signed after the end of the period.

BUSINESS AREA NORWAY



Events during the quarter

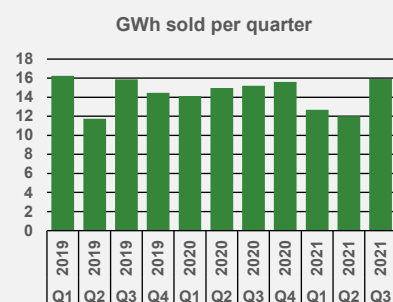
- Production remains stable and high.
- The project, Skogn II, is on schedule and is expected to be in production by the end of 2022.
- The plant has received ISCC-certification.

NORWAY SEK million, unless otherwise state	3 months			9 months			12 m
	Jul-Sep 2021	Jul-Sep 2020	Δ	Jan-Sep 2021	Jan-Sep 2020	Δ	Full year 2020
Sold GWh	27.3	22.9	19.4%	81.1	67.7	19.8%	85.0
Net sales	24.9	20.5	21.3%	75.3	61.2	23.0%	75.9
Other income	5.7	5.0	14.2%	7.0	16.3	-57.3%	24.4
Total revenue, including capitalised work	32.0	26.9	21.4%	86.5	83.2	4.0%	106.4
Operating expenses	-22.0	-18.3	22.3%	-65.3	-53.9	21.1%	-70.7
Items affecting comparability	5.8	5.0	15.5%	5.8	16.2	-64.3%	21.9
EBITDA	10.0	8.4	19.5%	21.1	29.2	-27.7%	35.8
Operative EBITDA	4.2	3.4	25.3%	15.4	13.0	17.9%	13.8
Operative EBITDA %	17.1%	16.5%	0.6%	20.1%	21.3%	-1.2%	17.7%

Production remains stable and high. As part of the high production, operative EBITDA was better than the corresponding period last year.

Total operating income was 21.4% higher compared to the same quarter in 2020. Operative EBITDA was SEK 4.2 (3.4) million. EBITDA was SEK 10.0 (8.4) million. During the quarter, compensation of 5,8 MSEK was received in accordance with an agreement as a result of the termination of a previously concluded sales agreement. Business Area Norway processed an average of 215 (237) tonnes of organic waste per day during the quarter.

BUSINESS AREA KOREA



Events during the quarter

- Stable production and customer demand.
- Kenny Cho, general manager in Korea, has resigned and alternative solutions are being reviewed.

KOREA SEK million, unless otherwise state	3 months			9 months			12 m
	Jul-Sep 2021	Jul-Sep 2020	Δ	Jan-Sep 2021	Jan-Sep 2020	Δ	Full year 2020
Sold GWh	15.9	15.2	4.7%	40.3	44.3	-9.0%	59.9
Net sales	14.4	14.8	-2.6%	37.7	43.6	-13.5%	58.8
Total revenue, including capitalised work	14.4	14.8	-2.6%	37.7	43.6	-13.5%	58.8
Operating expenses	-10.4	-11.7	-10.9%	-29.2	-46.3	-36.9%	-59.2
Items affecting comparability					-11.6		-11.6
EBITDA	4.1	3.2	28.4%	8.5	-2.7	-413.7%	-0.4
Operative EBITDA	4.1	3.2	28.4%	8.5	8.9	-4.0%	11.2
Operative EBITDA %	28.1%	21.3%	6.8%	22.5%	20.3%	2.2%	19.0%

Production was in line with the corresponding period last year. Operative EBITDA is slightly higher compared to the previous year. Operative EBITDA was SEK 4.1 (3.3) million. Business Area Korea processed an average of 206 (205) tonnes of organic waste per day during the quarter.

EARNINGS AND EARNINGS PER SHARE

Profit/loss after tax amounted to SEK -4.9 (-11.8) million for the period. Basic and diluted earnings per share totalled SEK -0.16 (-0.70).

CASH FLOW

Cash flow from operating activities for the quarter amounted to SEK 27.0 (-14.9) million. Total cash flow for the third quarter amounted to SEK -21.8 (-31.2) million and mainly relates to investments in property, plant and equipment and payment of the additional purchase price of 13,7 MSEK due to the acquisition of Ekdalens Biotransporter, which was completed in December 2020. Cash flow from investments in fixed assets for the period amounted to SEK 36.1 (11.5) million and is mainly attributable to the expansion of the plant in Skogn, Norway. During the quarter, investment grants of SEK 15.4 (0.0) million were received. The contribution is reported on a separate line in the cash flow statement.

INVESTMENTS

Investments in tangible fixed and intangible assets amounted in the third quarter to SEK 38.0 (10.0) million. Investments in tangible and intangible fixed assets, net of investment grants, amounted to SEK 22.5 (10.0) million.

As at 30 September 2021, the carrying amount of the Group's property, plant and equipment and intangible assets was SEK 1,072.5 (972.3) million, of which SEK 284.1 (299.7) million relates to right-of-use assets.

FINANCING

Liquid assets on 30 September 2021 totalled SEK 436.5 (52.3) 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 659.2 (465.2) million on 30 June 2021.

Through the successful issue in December 2020 of SEK 350 million, the green corporate bond of SEK 700 million and the revolving credit facility of SEK 300 million, we have secured the financing of the Group's current 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.

The equity ratio for the period was 30.2 (14.9) %.

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 late 2020 / early 2021 are provided below. The status is otherwise unchanged; please refer to the 2020 Annual Report for details.

The Korean subsidiary has initiated civil litigation regarding certain service costs, as previously reported. A first initial negotiation took place in May 2021 and the outcome was received in September. The judgment had a negative outcome and is under appeal. The service costs have already been recognised in full.

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. In October 2021, the parties have agreed and signed a settlement agreement. The settlement has no effect on the result as the amount has previously been fully reserved. The value of tangible fixed assets will be reduced somewhat as part of the settlement.

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 September 2021 was SEK 1,627.9 (1,133.6) million. Borrowing related to lease debts totalled SEK 294.5 (305.4) million. Equity changed during the quarter with the profit for the period and the change in translation differences.

THE SHARE

The number of shares amounts to 30,533,852 (168,256,961) shares. 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 35.00 on 30 September 2021.

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

OWNERSHIP STRUCTURE ON 30 SEPTEMBER, %

Owners on 30 September 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 Trustee	2,656,151	8.7%
Länsförsäkringar Småbolag	1,751,940	5.7%
Apriori AB	1,471,674	4.8%
Handelsbanken Hållbar Energi	1,382,793	4.5%
Fondita Fonder	1,352,245	4.4%
BNP Paribas Luxemburg	830,826	2.7%
Skandia Sverige Hållbar	800,000	2.6%
Lannebo Sverige Hållbar	619,365	2.0%
Other	9,640,810	31.6
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 September 2021, the company had a total of 96 (77) employees: 60 (41) in Sweden, 19 (20) in Korea and 17 (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 partly 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 third quarter of 2021 was SEK 0.6 (0.9) million. Profit after tax was SEK 1.6 (-3.0) million for the period July to September 2021.

Cash and bank balances at 30 September 2021 amounted to SEK 324,4 (0,0) million. The balance sheet total amounted to SEK 1,386.6 (605.9) 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. The government's autumn 2021 budget proposed continued subsidies for biogas production and confirmed the preparations for a long-term production subsidy scheme through 2040. 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

Scandinavian Biogas Fuels International AB (publ)

Stockholm, 29 October 2021

Anders Bengtsson
Chair

David Schelin
Board member

Petra Einarsson
Board member

Tina Helin
Board member

Sara Anderson
Board member

Håkon Welde
Board member

Matti Vikkula
Chief Executive Officer

Lars Bengtsson
Employee member

OTHER INFORMATION

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

PRESS AND ANALYSTS MEETING ON 29 OCTOBER AT 10:00 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-Q3 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.

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 Friday, 29 October 2021 at 7:30 am (CEST).

Contacts

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

Calendar

Financial Statement January–December 2021	17 Feb 2022
2021 Annual Report	31 March 2022

Auditor's report

INTRODUCTION

We have reviewed the condensed interim financial information (interim report) of Scandinavian Biogas Fuels International AB as at 30 September 2021 and for the nine-month period then ended. The Board of Directors and the Chief Executive Officer are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

FOCUS AND SCOPE OF THE OVERALL REVIEW

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, performing analytical reviews, and performing other review procedures. A review audit has a different focus and a much smaller scope compared to the focus and scope of an audit under ISA and generally accepted auditing standards. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified if an audit had been carried out. Therefore, the stated conclusion based on a review does not provide the assurance that a stated conclusion based on an audit does.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information has not been prepared, in all material respects, in accordance with IAS 34 and the Annual Accounts Act for the Group and in accordance with the Annual Accounts Act for the Parent Company.

Uppsala, 29 October 2021

Öhrlings PricewaterhouseCoopers AB

Lars Kylberg
Chartered Accountant
Principal Auditor

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, SUMMARY

GROUP	Note	3 months		9 months		12 m
		Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Full year 2020
SEK thousand						
Net sales		95,439	81,499	288,993	256,076	338,386
Capitalised work on own account		4,260	3,476	15,372	12,516	17,286
Other income		11,360	10,957	22,111	35,458	51,760
Total	4	111,059	95,932	326,476	304,050	407,432
Raw materials and consumables		-42,636	-42,833	-138,010	-147,016	-197,659
Other external costs		-19,615	-13,966	-58,388	-46,161	-58,720
Personnel costs		-19,761	-16,258	-62,626	-51,094	-70,456
Depreciation, amortisation and impairment of tangible and intangible assets		-20,331	-21,027	-60,268	-64,912	-85,723
Other operating expenses		-188	-266	-494	-513	-912
Total		-102,531	-94,350	-319,786	-309,696	-413,470
Operating results		8,528	1,582	6,690	-5,646	-6,038
Net exchange differences		1,352	-1,335	900	-7,977	-9,441
Other financial income		252	29	392	159	214
Other financial expenses		-15,561	-12,253	-49,275	-38,416	-49,203
Net financial items		-13,957	-13,559	-47,983	-46,234	-58,430
Profit/loss before tax		-5,429	-11,977	-41,293	-51,880	-64,468
Income tax		486	219	1,481	661	1,273
Profit/loss for the period		-4,943	-11,758	-39,812	-51,219	-63,195
Other comprehensive income						
<i>Items that may be reclassified to profit or loss for the period</i>						
Exchange differences		1,972	-572	6,580	-9,319	-7,572
Other comprehensive income for the period, net after tax		1,972	-572	6,580	-9,319	-7,572
Total comprehensive income for the period		-2,971	-12,330	-33,232	-60,538	-70,767
Profit/loss for the period attributable to:						
Parent Company shareholders		-3,817	-9,919	-36,238	-45,652	-56,775
Non-controlling interests		-1,126	-1,839	-3,484	-5,567	-6,420
Total		-4,943	-11,758	-39,812	-51,219	-63,195
Total comprehensive income for the period attributable to:						
Parent Company shareholders		-2,128	-10,163	-30,020	-49,702	-61,024
Non-controlling interests		-843	-2,167	-3,212	-10,836	-9,743
Total		-2,971	-12,330	-33,232	-60,538	-70,767
Earnings per share, basic and diluted, SEK		-0.16	-0.70	-1.30	-3.04	-2.07

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, SUMMARY

SEK thousand	Note	30 Sep 2021	30 Sep 2020	31 Dec 2020
ASSETS				
Non-current assets				
Intangible assets		109,738	68,785	119,510
Tangible assets		650,232	570,233	600,022
Right-of-use assets	3	284,062	299,696	295,696
Financial assets		27,945	32,550	39,135
Other non-current assets		556	1,000	889
Total non-current assets		1,072,533	972,264	1,055,252
Current assets				
Inventories		7,005	10,284	9,907
Accounts receivable		58,727	55,009	58,584
Other receivables		30,250	24,381	20,125
Prepaid expenses and accrued income		22,931	19,408	16,859
Liquid assets		436,461	52,292	378,771
Total current assets		555,374	161,374	484,246
TOTAL ASSETS		1,627,907	1,133,638	1,539,498
EQUITY				
Equity attributable to equity holders of the Parent Company				
Share capital		61,067	33,651	61,067
Other paid-in capital		1,271,371	880,048	1,271,372
Translation reserve		7,352	1,247	1,048
Retained earnings, including comprehensive income for the period		-836,276	-788,824	-799,948
		503,514	126,122	533,539
Non-controlling interests		-12,165	42,257	-11,733
Total equity		491,349	168,379	521,805
LIABILITIES				
Non-current liabilities				
Non-current interest-bearing liabilities	5	929,616	754,072	765,261
Deferred tax liabilities		10,889	1,892	12,249
Other provisions		-	39,115	13,063
Total non-current liabilities		940,505	795,079	790,573
Current liabilities				
Current interest-bearing liabilities	5	47,731	33,794	69,713
Accounts payable		78,212	59,744	67,665
Other liabilities		21,367	23,432	33,563
Accrued expenses and deferred income		48,743	53,210	56,179
Total current liabilities		196,053	170,180	227,120
TOTAL EQUITY AND LIABILITIES		1,627,907	1,133,638	1,539,498

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to shareholders of the Parent Company

Amount 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				-45,651	-45,651	-5,567	-51,219
Exchange differences			-4,051		-4,051	-5,269	-9,320
Total comprehensive income	-	-	-4,051	-45,651	-49,702	-10,836	-60,538
Total contribution from and value transfers to shareholders reported directly in equity	-	-	-	-	-	-	-
Closing balance on 30 Sep 2020	33,651	880,048	1,246	-788,824	126,121	42,257	168,379
Opening balance on 1 Jan 2021	61,067	1,271,371	1,048	-799,948	533,538	-11,733	521,805
Profit/loss for the period				-36,328	-36,328	-3,484	-39,812
Exchange differences			6,304		6,304	272	6,576
Total comprehensive income	-	-	6,304	-36,328	-30,024	-3,212	-33,236
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 Sep 2021	61,067	1,271,371	7,352	-836,276	503,514	-12,165	491,349

CONSOLIDATED STATEMENT OF CASH FLOWS

GROUP	Note	3 months		9 months		12 months
		Jul–Sep 2021	Jul–Sep 2020	Jan–Sep 2021	Jan–Sep 2020	Full year 2020
SEK thousand						
Cash flow from operating activities						
Operating results		8,528	1,582	6,690	-5,646	-6,038
Amortisation/depreciation		20,331	21,027	60,268	64,912	85,723
Other non-cash items		644	-733	3,301	18,600	18,389
Interest received		-	-	-	-	-
Interest paid		-9,783	-9,182	-19,915	-24,670	-30,206
Cash flow from operating activities before changes in working capital		19,720	12,694	50,344	53,196	67,868
Cash flow from changes in working capital						
Increase/decrease in inventories		2,334	1,633	2,902	4,486	7,687
Increase/decrease in operating receivables		-12,848	-15,532	-16,340	-263	11,221
Increase/decrease in operating liabilities		17,792	-13,732	7,996	-10,469	2,590
Total changes in working capital		7,278	-27,631	-5,442	-6,246	21,498
Cash flow from operating activities		26,998	-14,937	44,902	46,950	89,366
Cash flow from investing activities						
Acquisition of intangible assets		-1,940	1,546	-3,548	-871	-3,244
Acquisition of tangible assets		-36,062	-11,505	-81,739	-49,663	-55,496
Disposal of tangible assets		-	-	-	41	41
Investment grants received		15,455	-	15,455	-	-
Acquisition of subsidiaries		-13,703	-	-13,703	-	-15,724
Restricted bank balances and other changes in financial assets		-	5,019	12,765	8,989	1,129
Cash flow from investing activities		-36,250	-4,941	-70,770	-41,504	-73,294
Cash flow from financing activities						
New share issue		-	-	-	-	321,074
Loans raised	5	-	199,000	627,403	396,500	410,513
Loan and lease amortisation	5	-12,501	-210,348	-546,991	-483,520	-502,505
Contribution to/from non-controlling interests		-	-	2,780	-	-
Cash flow from financing activities		-12,501	-11,348	83,092	-87,020	229,082
Total cash flow for the period		-21,753	-31,226	57,224	-81,573	245,154
Decrease/increase in cash and cash equivalents						
Cash and cash equivalents at beginning of period		458,375	83,828	378,771	136,384	136,384
Exchange differences in cash and cash equivalents		-161	-310	466	-2,519	-2,767
Cash and cash equivalents at end of period		436,461	52,292	436,461	52,292	378,771

PARENT COMPANY INCOME STATEMENT SUMMARY

PARENT COMPANY SEK million	3 months		9 months		12 months
	Jul–Sep 2021	Jul–Sep 2020	Jan–Sep 2021	Jan–Sep 2020	Full year 2020
Operating income					
Net sales	608	926	1,824	2,392	3,046
Total operating income	608	926	1,824	2,392	3,046
Operating expenses	-1,482	-1,174	-5,256	-3,567	-4,748
Operating results	-874	-248	-3,432	-1,175	-1,702
Net financial items	2,462	-2,736	1,306	-73,179	-72,715
Profit/loss before appropriations and tax	1,588	-2,984	-2,126	-74,354	-74,417
Appropriations					
Group contributions received/paid	-	-	-	-	20,498
Total appropriations	-	-	-	-	20,498
Profit/loss before tax	1,588	-2,984	-2,126	-74,354	53,919
Income tax	-	-	-	-	-
Profit/loss for the period	1,588	-2,984	-2,126	-74,354	-53,919

PARENT COMPANY BALANCE SHEET SUMMARY

Amount in SEK thousand	Note	30 Sep 2021	30 Sep 2020	31 Dec 2020
ASSETS				
Non-current assets				
Financial assets				
Financial assets		372,597	238,613	355,427
Receivables from group companies		652,834	346,453	432,197
Total financial assets		1,025,431	585,066	787,624
Total non-current assets		1,025,431	585,066	787,624
Current assets				
Current receivables				
Receivables from group companies		35,525	17,070	12,149
Other receivables		281	25	1,412
Prepaid expenses and accrued income		994	3,712	2,404
Total current receivables		36,800	20,807	15,965
Cash and bank balances		324,356	23	318,495
Total current assets		361,156	20,830	334,460
TOTAL ASSETS		1,386,587	605,896	1,122,084
EQUITY AND LIABILITIES				
Equity				
Tied equity		63,111	35,695	63,111
Free equity		695,042	244,177	697,162
Total equity		758,153	279,872	760,273
Non-current liabilities				
Non-current interest-bearing liabilities	7	622,526	200,000	200,000
Liabilities to Group companies		-	121,719	142,217
Total non-current liabilities		622,526	321,719	342,217
Current liabilities				
Current interest-bearing liabilities	7	-	19	19
Accounts payable		1,399	392	6,955
Liabilities to Group companies		602	3,033	6,239
Accrued expenses and deferred income		3,907	861	6,381
Total current liabilities		5,908	4,305	19,594
TOTAL EQUITY AND LIABILITIES		1,386,587	605,896	1,122,084

NOTES

NOTE 1 GENERAL INFORMATION

Parent Company Scandinavian Biogas Fuels International AB (publ), CRN 556528-4733, operates as a public limited liability company and is registered in Stockholm, Sweden. The headquarters are located at Hölländargatan 21A, 111 60, Stockholm, Sweden.

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

NOTE 2 SUMMARY OF ACCOUNTING POLICIES

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 in conjunction with the annual accounts for the financial year ending 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

During the interim period January to September 2021, EBITDA improved by approximately SEK 23.4 (24.2) million, as IFRS 16 reduces operating expenses while simultaneously increasing aggregate depreciation/amortisation and financial expenses by a corresponding amount. At the end of the interim period, lease liabilities amounted to SEK 294.5 (305.4) 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 in-tragroup 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		9 months		Full year 2020
	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	
Revenue, SEK thousand					
Business Area Sweden	64,209	55,248	201,654	175,245	241,473
Business Area Norway	32,049	26,393	86,487	83,170	106,426
Business Area Korea	14,441	14,820	37,722	43,596	58,795
Service Centre and R&D	4,302	1,906	14,133	9,240	16,470
Eliminations	-3,942	-2,436	-13,520	-7,201	-15,732
Group total	111,059	95,931	326,476	304,050	407,432
Operating expenses, SEK thousand					
Business Area Sweden	-44,401	-41,954	-148,423	-132,061	-182,325
Business Area Norway	-22,017	-17,997	-65,342	-53,938	-70,657
Business Area Korea	-10,389	-11,665	-29,225	-46,305	-59,232
Service Centre and R&D	-9,147	-3,877	-29,554	-19,168	-30,352
Eliminations	3,942	2,436	13,520	7,201	15,732
Group total	-82,012	-73,056	-259,024	-244,271	-326,835
Profit/loss, SEK thousand					
EBITDA					
Business Area Sweden	19,808	13,294	53,232	43,184	59,148
Business Area Norway	10,032	8,398	21,144	29,232	35,769
Business Area Korea	4,052	3,155	8,497	-2,710	-437
Service Centre and R&D	-4,845	-1,971	-15,421	-9,928	-13,882
Group total	29,047	22,876	67,452	59,779	80,597
Depreciation/amortisation and impairment & Other operating expenses	-20,519	-21,293	-60,762	-65,425	-86,635
Operating results	8,528	1,582	6,690	-5,646	-6,038

NOTE 5 INTEREST-BEARING LIABILITIES

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

Non-current	Carrying amount			Fair value		
	30 Sep 2021	30 Sep 2020	31 Dec 2020	30 Sep 2021	30 Sep 2020	31 Dec 2020
Liabilities to credit institutions	7,272	254,275	251,487	7,272	254,275	251,487
Corporate bond	622,526	-	-	626,026	-	-
Bridge financing	-	200,000	200,000	-	200,000	200,000
Liabilities related to finance leases	270,456	288,884	285,426	270,456	288,884	285,426
Other non-current borrowings	29,362	10,913	28,348	38,718	10,913	28,348
	929,616	754,072	765,261	942,472	754,072	765,261
Current						
Liabilities to credit institutions	2,763	17,264	35,253	2,763	17,264	35,253
Bridge financing						
Liabilities related to finance leases	24,068	16,530	16,967	24,068	16,530	16,967
Other current borrowings	20,900	-	17,493	20,900	-	17,493
	47,731	33,794	69,713	47,731	33,794	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 703.5 (0,0) million at fair value as at 30 September 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 14,7 million, of which SEK 2.9 million was paid in the third 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% each quarter. Over the life of the bond, the solvency ratio will be gradually increased to a maximum of 27.5%. The loan conditions have been satisfied for the period. In connection with the issuance of the bond, a revolving credit facility of up to SEK 300 million was signed, which can be used for guarantees or cash. 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 6 ALTERNATIVE KEY FIGURE DEFINITIONS**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		9 months		Full year
	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	
SEK thousand					
Operating results	8,528	1,582	6,690	-5,646	-6,038
Depreciation, amortisation and impairment of tangible and intangible assets	20,331	21,027	60,268	64,912	85,723
Other operating expenses	188	266	494	513	912
EBITDA	29,047	22,875	67,452	59,779	80,597

Operative EBITDA

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

OPERATIVE EBITDA	3 months		9 months		Full year
	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	
SEK thousand					
EBITDA	29,047	22,875	67,452	59,779	80,597
Change in other provisions pertaining to legal dispute in Korea				11,677	11,625
Insurance compensation in Norway		-3,453		-14,651	-20,381
Government subsidies related to covid-19		-1,553		-1,553	-1,541
Compensation agreement	-5,782		-5,782		
Operative EBITDA	23,265	17,869	61,670	55,252	70,301

Operative EBITDA percentage

Operative EBITDA percentage is defined as operative 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 Sep 2021	30 Sep 2020	31 Dec 2020
Total equity (incl. non-controlling interests)	491,349	168,379	521,805
Total assets	1,627,907	1,133,638	1,539,498
Equity/assets ratio	30.2%	14.9%	33.9%

NOTE 7 EVENTS AFTER THE END OF THE PERIOD

An agreement with a technology provider for the liquid biogas (Bio-LNG) project in Stockholm has been signed.

The dispute process with the supplier in Norway has been resolved by signing a settlement agreement between the parties. The settlement has no effect on the result as the amount has previously been fully reserved.

The Norwegian plant has obtained ISCC Certification and can thereby offer a premium Bio-LNG with audited proof of sustainability. ISCC is a globally applicable sustainability certification system, carried out by an external third-party auditor. It covers all sustainable feedstocks, including agricultural and forestry biomass, circular and bio-based materials and renewables. ISCC certifications are in line with EUs Renewable Energy Directive (REDII). Bio-LNG with such proof of sustainability is a premium product, accessing markets requiring such documentation by customer or regulatory demands. Such certification is increasingly being demanded for premium market segments.

No other significant events have occurred after the end of the period.

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. At the same time, 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.

