

# Implementation of the growth plan continues – SEK 700 M green bond issued

**Scandinavian Biogas, quarterly report, April-June 2021**

## 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.

## Strategically important milestones achieved

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 CO<sub>2</sub> emissions of the vehicle. Research<sup>1)</sup> 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 is[1]sue, 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.

Matti Vikkula, President and CEO

*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).*

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

## Other information

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**Scandinavian Biogas** is a leading Nordic producer of biogas as a vehicle fuel and also fertilizer. The biogas, which is CO<sub>2</sub>-neutral, is extracted from sewage sludge and waste from households and agriculture, as well as industrial organic waste. Today, there are facilities in Sweden, Norway and South Korea. In 2020, the company delivered 354 GWh to the market. Scandinavian Biogas has 92 employees and in 2020 had total sales of SEK 455 million (pro forma). The head office is located in Stockholm and the company is listed on Nasdaq Stockholm First North Premier, the company's Certified Adviser is Erik Penser Bank AB, telephone: +46 (0) 8-463 80 00, [certifiedadviser\(at\)penser.se](mailto:certifiedadviser@penser.se), [www.scandinavianbiogas.com](http://www.scandinavianbiogas.com)