

ANNUAL REPORT **2021**

A large, semi-transparent background image of a white truck is positioned on the left side of the cover. On the right side, there are two smaller, semi-transparent images: one showing a large industrial facility with several green cylindrical tanks, and another showing a close-up of a large metal tank structure.

Contents

3	About Scandinavian Biogas	62	Board of Directors' report
4	2021 in brief	67	Consolidated statement of comprehensive income
6	Word from CEO	68	Consolidated financial position
8	The share and shareholders	70	Consolidated statement of changes in equity
10	Strategy and business model	71	Consolidated statement of cash flows
16	Market and key drivers	72	Parent company income statement
24	Cost-efficient, large-scale biogas plants	73	Parent company financial position
26	Sweden	75	Parent company statement of changes in equity
29	Norway	76	Parent company statement of cash flows
31	Korea	77	Notes
34	Sustainability	98	Auditor's report
39	We promote a fossil-free, circular, and sustainable society	101	About the Sustainability Report
42	Green Financing Report	104	Glossary
45	We ensure efficient and responsible operations	105	GRI-index
46	Efficient operations & managing environmental impacts	107	Shareholder information and investor relations
49	Responsible operations		
51	We are an attractive employer		
54	Corporate governance report		
57	Board of Directors		
59	Executive management		
60	Board of Directors' report on internal control over financial reporting		

Contact

Scandinavian Biogas
Holländargatan 21A
111 60 Stockholm

+46 (0)8 503 872 20
info@scandinavianbiogas.com
www.scandinavianbiogas.com

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

About Scandinavian Biogas

Scandinavian Biogas is one of the Nordic region's largest producers of biogas. Through our operations, we promote a sustainable conversion from fossil to renewable energy. Scandinavian Biogas helps customers and partners with what we are best at – designing and operating biogas plants with high resource and energy efficiency.

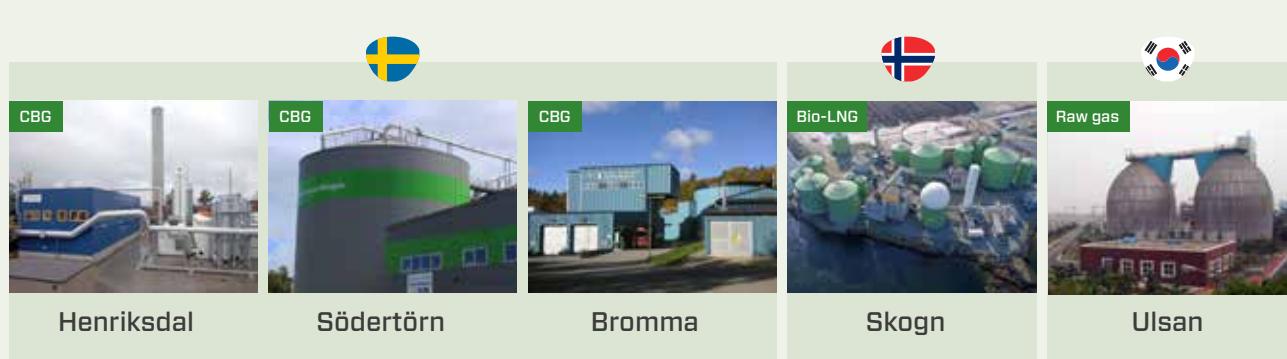
Scandinavian Biogas, founded in 2005, is focused on expanding the use of biogas as part of the energy mix. With world-leading expertise in the design and operation of biogas facilities to optimise biogas and bio-fertiliser production, we are market leaders in large-scale biogas production in the Nordic 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 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. In the production of biogas from biomass we work continuously to develop and improve the digestion process. We also have leading expertise in purification processes for upgrading biogas to vehicle fuel quality, as well as in biogas liquefaction.

We produce and sell renewable energy based on CBG (compressed biogas) and Bio-LNG (liquid biogas).¹ Our main products are biogas used in heat production, upgraded and Bio-LNG used as vehicle fuel, and bio-fertiliser as a substitute for artificial fertiliser. While our focus is on Nordic markets, there is growing interest in Bio-LNG elsewhere in Europe.

In close collaboration with partners and customers, we also work to identify growth projects outside the Nordic region. These projects include value-creation services in the design, construction and operation of new plants and improving existing plants' efficiency through process improvements. We also work with identifying existing plants as potential acquisition targets.

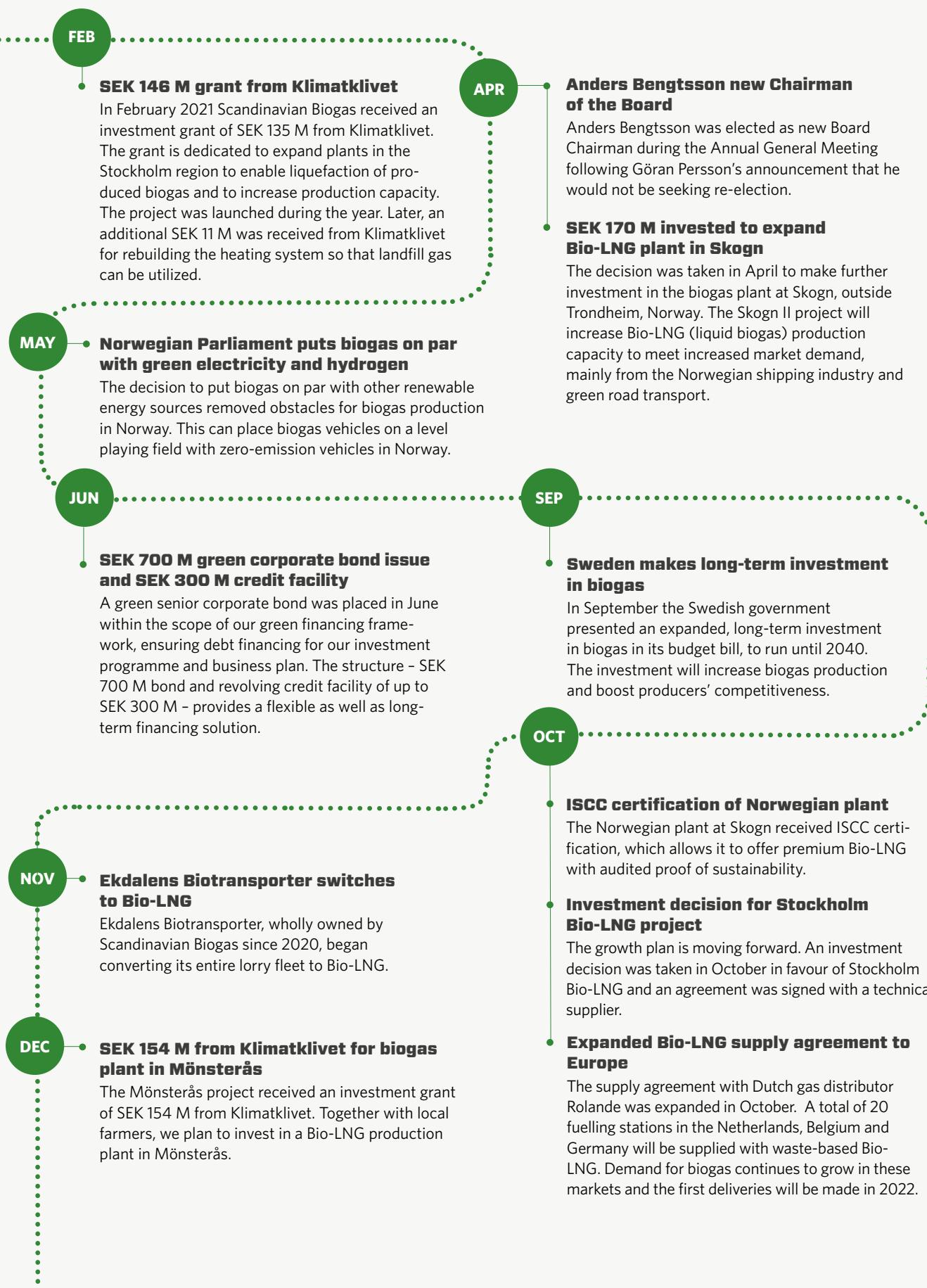
We have been listed on Nasdaq First North Premier Growth Market since December 2020. Scandinavian Biogas is the first company to receive a 100% Dark Green shading rating, the highest possible rating from CICERO Shades of Green AS, for all revenue streams and investments.



Biogas is an essential energy source for society's conversion to renewable energy. Scandinavian Biogas is working actively to accelerate our operations in the Nordic region and Europe, recruit more employees and work closely with more partners.

1. Since 2021 Scandinavian Biogas has used the term Bio-LNG for liquid biogas, which was previously referred to as LBG. LNG stands for Liquified Natural Gas. Liquid biogas has two names: LBG (liquified biogas) and Bio-LNG (liquified biomethane). The latter term is used to indicate a sustainable and renewable liquid biogas, and is the term used most widely within the industry

2021 in brief



Summary of 2021

Group biogas sales¹

366
GWh (355)

Group management of organic waste and residues

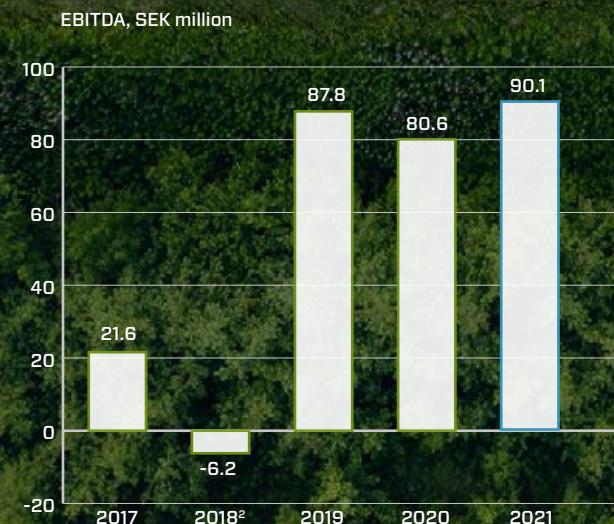
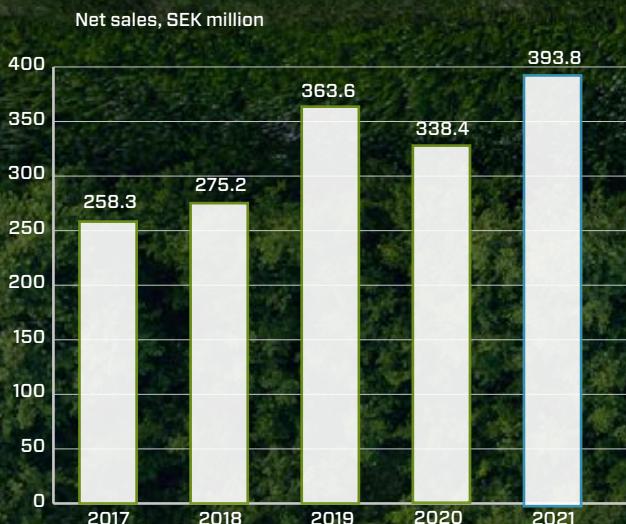
294,285
tonnes

Consolidated net sales

394
MSEK (338)

Emissions reduction for the Group

93,244
tonnes CO₂ eq



Scandinavian Biogas Fuels International AB

Group, MSEK	2021	2020	2019	2018	2017
Sold GWh	366	355	352	278	270
Net sales	393.8	338.4	363.6	275.2	258.4
Other income	36.6	51.8	31.5	21.9	15.1
Total revenue, including capitalised work	451.1	407.4	407.1	310.2	289.3
EBITDA	90.1	80.6	87.8	-6.2	21.6
Operating EBITDA	80.9	70.3	75.8	15.6	35.2
Operating EBITDA %	19.2%	19.1%	19.2%	5.3%	12.9%
Operating profit/loss	5.0	-6.0	-1.9	-71.8	-42.2
Earnings per share (SEK) ³	-1.27	-2.07	-3.32	-10.26	-7.01
Cash flow from operating activities	55.7	89.4	0.0	-1.8	13.8
Balance sheet total	1,653.2	1,539.5	1,294.1	1,234.8	1,161.2
Equity/Assets ratio	30.2%	33.9%	17.7%	10.7%	19.7%

See Note 37 for Definitions.

1. Biogas sales includes CBG, Bio-LNG, raw biogas and to a lesser extent CNG.

2. In 2018 the Group had non-recurring costs pertaining to disputes and penalty fees corresponding to SEK 21.8 million (13.6), which reduced EBITDA. Business Area Norway's EBITDA was SEK -14.8 million (-7.7), as the plant at Skogn was not commissioned until June 2018.

3. A share merger 1-for-10 was conducted during autumn 2020 and, accordingly, the number of shares for the periods 2016-2019 has been divided by 10 to produce comparable data.

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Word from CEO

New 2030 long-term goal for biogas in Europe

2021 was a positive, eventful year for Scandinavian Biogas. The year was marked by major investments to increase the production capacity of Bio-LNG (liquid biogas). We saw growing interest in Bio-LNG, with demand driven by the ongoing paradigm shift in the heavy transport sector. Bio-LNG is increasingly viewed as an effective fuel for achieving society's goal of converting to renewable energy.

Given the extremely attractive industrial prospects for biogas, Scandinavian Biogas aims to achieve an annual production capacity for biogas – mainly Bio-LNG – of at least 3 TWh in Europe by 2030. Based on the previously communicated business plan, our goal of achieving annual capacity at least 700 GWh by 2024 remains unchanged.

In 2021 we made significant advances on our journey after an eventful previous year. Since 2020, Scandinavian Biogas has been listed on Nasdaq First Premier Growth Market with a 100 per cent Dark Green shading rating. The clear growth strategy we set in 2020 extends through 2024 and focuses on increasing production capacity and profitability. Our main focus in 2021 has been following the growth plan and planning for capacity expansion. As a market-leading biogas producer we are well on our way to our long-term goal, and we continue to support the transition to a fossil-free society.

Robust recovery and growth

During 2021, as our business recovered from the effects of the Covid-19 pandemic, we saw increased interest in our products from many players. Operationally, the year started out well, with all plants seeing a gradual recovery of volumes sold. Business then continued to develop positively. We had a strong finish of the year, breaking production and sales records in the fourth quarter as reflected in both turnover and earnings. We are reporting growth of just over 8 per cent for the year and the highest figures so far in our history, with net sales of SEK 393.8 million (338.4). It is gratifying that we maintain stable profitability, with operating EBITDA of 80.9 (70.3) and an operating EBITDA margin of 19.2 per cent (19.1).

Looking ahead, focus is on meeting the increased demand for Bio-LNG and the expansion of deliveries this will entail. We also anticipate higher return on future investments and are working to ensure that fixed costs do not increase at the same rate as sales.

Investment decisions for the plants in Sweden and Norway

During the year we continued our work on developing and investing in capacity expansion pursuant to our growth plan. One important step was securing financing for the growth plan with investment grants from Klimatklivet and the EU Commission, and with an SEK 700 million green corporate bond and a revolving credit facility of up to SEK 300 million.

Several investment decisions were also taken for existing and new biogas plants. The expansion of Skogn II started during

the year and an investment decision was taken for Stockholm Bio-LNG. Together with local farmers, we plan to invest in a Bio-LNG production plant in Mönsterås. We will also be investing approximately SEK 300 million in our plant at Gladö Kvarn, Söder torn. The plant is expected to be in production in late 2023 and become Northern Europe's largest Bio-LNG production facility.

Increased demand for Bio-LNG in more sectors

The advantages of Bio-LNG are becoming increasingly apparent for heavy transport and shipping in the Nordic region and Europe. Liquid biogas, with properties that allow it to be transported much more cost efficiently over long distances, has fundamentally changed the market. Meanwhile, the search for alternative fuels for heavy transport has highlighted biogas as an attractive alternative for many, as it is already available for use, mainly in lorries and buses. Industrial companies and hauliers are also showing greater interest in Bio-LNG as a fuel.

As further proof of the growing interest in Bio-LNG in Europe, Scandinavian Biogas expanded its supply agreement with Dutch gas distributor Rolande in 2021. The agreement covers deliveries of waste-based Bio-LNG to Rolande's distribution network of fuelling stations, supplying lorries in the Netherlands, Belgium and Germany with Bio-LNG. This represents our first major international supply agreement.

These events, and the fast-growing demand for Bio-LNG, indicate a paradigm shift in which more and more sectors view biogas as a contributing factor to a green transition. This is largely a result of regulatory decisions that set high targets for biofuel use, as well as the rapid technological development that opens the door for smaller, more competitive facilities.

Given the extremely attractive industrial prospects for biogas, Scandinavian Biogas aims to achieve an annual production capacity for biogas – mainly Bio-LNG – of at least 3 TWh in Europe by 2030. Based on the previously communicated business plan, our goal of achieving annual capacity at least 700 GWh by 2024 remains unchanged.

The targeted growth will be based on organic growth as well as acquisitions. In the initial phase, investments will be made in Northern and Central Europe. To capitalise on these opportunities, we decided during the year to add a Growth Opportunities Executive to our organisation. Michael Wallis Olausson, Managing Director Sweden, has taken on the new role as from 1 February 2022, with a focus on accelerating growth.

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

“ Our main focus in 2021 has been following the growth plan and planning for capacity expansion. As a market-leading biogas producer we are well on our way to our long-term goal, and we continue to support the transition to a fossil-free society.

Long-term investments and production subsidies for biogas

It is also gratifying that several positive regulatory decisions favouring biogas were taken on the national and EU levels during the year. In its 2021 autumn budget the Swedish Parliament presented an expanded, long-term investment in biogas, to run until 2040. The budget now includes a 2022 biogas production subsidy of SEK 500 million, which will increase to SEK 700 million in following years. Klimatkivet was also provided more funds for 2021 and following years, which will be instrumental in expanding biogas production in Sweden. This is important, not least in terms of meeting future EU requirements regarding biological biowaste recycling and manure digestion, areas where we are well positioned. In Norway, the Parliament has put biogas on par with green electricity.

Another key event was the EU's specification that biogas will play a central role in the EU's green conversion, and the introduction of the EU's green taxonomy. The EU Commission will, over a 10-year transition period, list natural gas as a sustainable form of energy in the taxonomy for green investments. Concentrated efforts are being made in Sweden and other countries to ensure that natural gas is fully classified as sustainable. Advocacy and discussions with politicians are an essential component of market development, as it is important to capture all of a vehicle's emissions over its life cycle when classifying sustainable fuels. These political decisions provide a clear signal that biogas plays a key role in the conversion of our society to achieve climate goals.

Part of the circular economy

In accordance with our overarching sustainability goals, we continued to expand our sustainability work and reporting during the year to cover the entire Group. Among other things, we received ICSS certification for our Norwegian plant and aim to obtain certification in Sweden as well.

To create a safe work environment, protect our employees and reduce the spread of contagion, we maintained our focus on following the Swedish Public Health Agency's recommendations in 2021.

We conducted an energy survey late in the year at Södertörn and identified a series of energy-saving measures. As a next step, decisions will be taken during 2022 on how these measures will be implemented.

We are also reviewing options for setting clearer social and environmental standards for our suppliers. We have started to formulate goals in this area and will be developing this work in 2022.

For 2021 we are publishing our very first annual green financing report, in which we provide details on investments and their effects. This is in line with the green financing framework we established in 2020. The framework is based on international principles, such as the ICMA Green Bond Principles 2018. We can confirm that several important steps were made during the year to move forward with our major investment projects.

Heightened ambitions to continue increasing growth

The past year was marked by important milestones in our growth journey and by announcements on conditions essential to the expansion of biogas production. We anticipate a continued positive long-term development and increased demand for biogas. Our current pipeline of potential growth projects and opportunities is very well aligned with our new 2030 production target to achieve annual biogas production of 3 TWh.

I would like to thank all our employees and our directors, who have been under the leadership of our new Board Chairman Anders Bengtsson since 29 April 2021. I would also like to thank Göran Persson for his 10-year contribution as Chairman of the Board. Together, we have succeeded in taking rapid strides forward in the face of the pandemic. Furthermore I would like to thank our customers, partners and owners for their confidence in us.

Since late February 2022, the war in Ukraine has had a major impact on the security policy situation in Europe. The energy market has also been significantly affected and energy prices have risen. To reduce imports of Russian gas, in March 2022 the EU Commission increased the 2030 target for biomethane, announced in summer 2021 as part of the Fit for 55 programme, from 17 bcm (> 170 TWh) to 35 bcm (> 350 TWh).

While it is still too early to assess the war's long-term impact on the biogas industry, it appears obvious that prices in future sales contracts will be more variable than they have traditionally been.

A significant number of Scandinavian Biogas's supply agreements in Sweden will be renegotiated in coming years as our agreements with SL expire. Also, with a reduced supply of Russian artificial fertiliser, there are likely to be new opportunities for bio-fertiliser.

The Group's long-term objective is to use Scandinavian Biogas's expertise and experience to ensure growth for biogas deliveries and biogas consumption. There is great need for renewable energy, and we will continue to support the transition to a fossil-free society. As a market-leading producer of biogas in the Nordic region and Europe, we are well positioned to meet a growing market.



Stockholm, March 2022

Matti Vikkula

President and CEO

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

The share and shareholders

The Scandinavian Biogas share has been listed on Nasdaq First North Premier Growth Market since 16 December 2020.

Scandinavian Biogas's market capitalisation totalled approximately SEK 977,083,264 million on 31 December 2021. The number of shareholders at year-end was approximately 2,446. The total number of shares and votes in Scandinavian Biogas totalled 30,533,852 on 31 December 2021.

Share performance and trading volume

During the period 4 January – 30 December 2021, approximately 9.3 million shares in Scandinavian Biogas were traded on Nasdaq Stockholm, corresponding to a value of approximately SEK 408 million. The average daily turnover for the Scandinavian Biogas share was 36,954 shares at an average price of SEK 43.7.

During 2021 the Scandinavian Biogas share price decreased 26 per cent, from SEK 43.4 to SEK 32.3. The highest price paid in 2021 was SEK 62.0 on 10 February 2021, and lowest price was SEK 26.0 on 27 December 2021. The share price at 30 December 2021 was SEK 32.0 (last paid). The market value of all shares in the Company totalled SEK 977.1 million at 31 December 2021.

Scandinavian Biogas Fuels International AB (publ)

Trading venue	Nasdaq Nordic
Share name	Scandinavian Biogas Fuels Int
Short name (ticker)	BIOGAS
ISIN code	SE001542896
Segment	Premier
Sector	Energy
Currency	SEK
Total number of outstanding shares	30,533,852
Total number of shares listed on	
Nasdaq Stockholm	30,533,852
Closing price, 30 Dec 2021	32.0 SEK
Market value, 31 Dec 2021	SEK 977.1 million
Certified Adviser	Erik Penser Bank AB

The first dark green share

Scandinavian Biogas is the first company to receive a 100 per cent "Dark Green shading" rating – the highest possible rating from CICERO Shades of Green AS ("CICERO") – for all of its revenue streams and investments, making Scandinavian Biogas the first dark green share to be listed on Nasdaq Nordic.

Green financing framework with independent "Dark Green" rating

In September 2020, Scandinavian Biogas established a green framework for future debt financing as part of its financial sustainability focus. The framework is designed in line with the Green Loan Principles and Green Bond Principles produced by the ICMA (International Capital Market Association). The framework was reviewed by an independent third party, CICERO, and received a "Dark Green" rating, including regulatory documentation and reporting standards.

Prior to the listing on Nasdaq First North Premier Growth Market in 2020, the green framework was expanded to include the share. With this arrangement, the Company wants to demonstrate how it intends to use future financing for green purposes, thereby promoting a greener energy conversion in society. The green equity framework gives investors greater insight into the Company's sustainability work and the opportunity to examine and compare the Company's sustainability performance. CICERO deems that Scandinavian Biogas's activities are aligned with the EU's taxonomy.

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Share capital and capital structure

Scandinavian Biogas's share capital totalled SEK 61,067,704 at 31 December 2021. The total number of shares was 30,533,852. The quota value is SEK 2.0. The Company holds no own shares.

On 8 June 2021, Scandinavian Biogas issued a green senior corporate bond with a nominal amount of SEK 700 million within a SEK 1,200 million framework and with a five-year maturity. On the same date, a nominal amount of SEK 63.8 million was repurchased and a revolving credit facility of up to SEK 300 million was obtained. No further issues were conducted in 2021.

Scandinavian Biogas's largest shareholders as at 31 December 2021

Shareholders	Number of shares	%
TrønderEnergi AS	3,713,272	12.2%
Bengtssons Tidnings AB	3,648,376	11.9%
Nothern Trust	2,717,184	8.9%
Ilija Batljan Invest AB	2,666,400	8.7%
Länsförsäkringar Småbolag	2,251,027	7.4%
Apriori AB	1,471,674	4.8%
Handelsbanken Hållbar Energi	1,347,639	4.4%
Skandia Sverige Hållbar	800,000	2.6%
Lannebo Sverige Hållbar	799,365	2.6%
Fondita 2000+	755,244	2.5%
Other shareholders	10,363,671	33.9%
Total	30,533,852	100%

Share price development 2021, SEK



Strategy and business model

Scandinavian Biogas promotes the conversion to a fossil-free society by converting primarily local organic waste into renewable energy in the form of biogas and bio-fertiliser. 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 Scandinavia and internationally. Scandinavian Biogas has an ambitious growth strategy designed to seize opportunities in markets in which the Company operates. During the year Scandinavian Biogas surpassed several key milestones in its investment projects, and the Company is following the 2024 growth plan. Among other things, the expansion of Stockholm Bio-LNG and Skogn II have commenced.

Scandinavian Biogas aims 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 Bio-LNG (liquid biogas) has increased steadily in recent years, along with the supply of biogas-powered vehicles in the Nordic region and Europe.

A key component of Scandinavian Biogas's strategy is to increase Bio-LNG deliveries. The Company's first international supply agreement, with Dutch filling station chain Rolande, was expanded in 2021. The agreement covers deliveries of waste-based Bio-LNG to Rolande's distribution network of fuelling stations, supplying lorries in the Netherlands, Belgium and Germany with Bio-LNG.

The markets for compressed biogas (CBG) and Bio-LNG are expected to develop from local into national or European markets in future.

Mission

Our mission is to help achieve society's goal of converting to renewable energy.

Vision - how we generate value for shareholders

Our vision is to be world-leading in large-scale biogas production.

Business concept

Our business concept is to be a leader in the design, management and operation of biogas plants.

Operational goal 2024

Biogas production capacity \geq 700 GWh by 2024

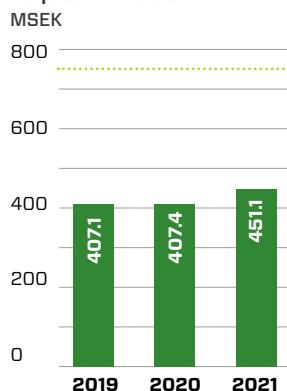
Financial goals 2024

- Total revenues \geq SEK 750 million
- Operating EBITDA margin \geq 30 per cent
- Equity/Assets ratio \geq 25 per cent on an ongoing basis

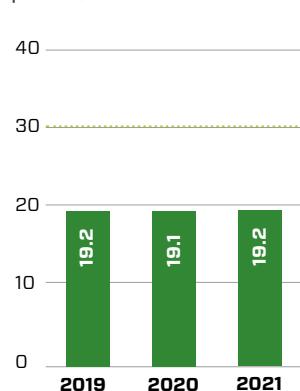
Long-term goal

Biogas production \geq 3 TWh by 2030

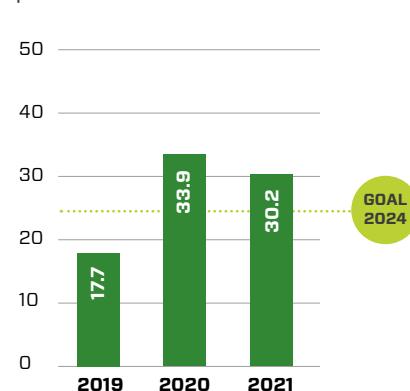
Total revenue, incl. capitalised work



Operating EBITDA margin per cent



Equity/Assets ratio per cent



About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Strategic plan for sustainable and profitable growth

Scandinavian Biogas's overall strategic ambition is to leverage its current market position, expertise in biogas production with its self-developed HOLD Technology™, and experience in advanced project development. The Company has adopted an ambitious growth strategy to create opportunities to benefit from favourable market conditions, and significant advances were made in several investment projects in 2021. The strategic growth plan is focused on four areas.

1

Increased production

The expansion of production capacity is a key aspect of Scandinavian Biogas's growth strategy. Ongoing efforts to increase capacity are being pursued on multiple levels. New investment opportunities are continuously explored, ranging from the design of new plants and takeover of biogas plants from third parties, to the expansion of existing plants. The Company's HOLD Technology™ will be further developed and utilised to a greater extent to improve capacity at existing plants.

The trend in biogas production is towards the construction of ever larger plants. Scandinavian Biogas's strategy is to focus on plants with an annual capacity of over 80 GWh CBG or 120 GWh Bio-LNG (liquid biogas). In recent years, a key aspect of the strategy has been to consolidate a strong position in the Stockholm area. One step towards the realisation of this strategy is the agreement previously entered into by the Company with Stockholm Vatten och Avfall (the municipal water and waste company in the Stockholm region), which guarantees operations at Henriksdal and Bromma for many years to come.

During 2021 the Company started expansion work on investment projects Stockholm Bio-LNG and Skogn II pursuant to the growth strategy. Stockholm Bio-LNG, scheduled for commissioning in 2023, will produce an additional 40 GWh of Bio-LNG at the Södertörn plant. The investment will be approximately SEK 300 million and will become Northern Europe's largest Bio-LNG production plant. Skogn II will be ready for commissioning at the end of 2022 and will produce 35 GWh of Bio-LNG. Together with local farmers, we are planning to invest in a Bio-LNG production plant in Mönsterås.

To further support the growth strategy, the Company will build on its experience in advanced project development and consolidate its position as a leading biogas supplier. Scandinavian Biogas has identified several specific expansion projects to increase the production capacity of existing and new facilities.

2

Utilise HOLD Technology™ and the Company's unique expertise

HOLD Technology™, Scandinavian Biogas's self-developed process technology for biogas production, is the core of the Company's operations. HOLD Technology™ produces a stable process capable of handling extremely large loads, which in turn produces optimal cost- and resource-efficient production.

After more than ten years of research and development, combined with in-depth practical experience in biogas production, Scandinavian Biogas has world-leading expertise in the optimal design and operation of biogas facilities. The Company's plants in Korea and at Södertörn are good examples of the technology's application. High production levels and a minimal amount of digestates are achieved with optimised digestion tank capacity. Based on its extensive and world-leading expertise in the field of biogas, Scandinavian Biogas is well positioned to capture growth in the market for resource and energy recovery.

Important work is being done to identify new substrate sources. The Group's research and development efforts have evaluated the suitability of more than 400 organic materials. Potentially interesting substrates have been identified and are already being used in the pulp and paper industry and elsewhere.

 Read more about HOLD Technology™ on page 15.

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

3

Increase Bio-LNG production capacity

Scandinavian Biogas will further expand its Bio-LNG (liquid biogas) production capacity. This will give the Company greater access to national, Nordic and European gas markets. The investment in and commissioning of the plant in Skogn, Norway, was a step in this strategic direction. Having secured equity financing in 2020 as well as investment grants, investments can begin in four prioritised projects: Stockholm Bio-LNG, Skogn II, Skogn III and Mönsterås. The Company therefore expects to have a production capacity of at least 700 GWh by late 2024. The long-term goal is to produce 3 TWh of biogas by 2030, with European heavy transport as a key driver.

Based on the growing demand for biogas in general and Bio-LNG (liquid biogas) in particular, driven by the transition to gas as fuel for heavy vehicles and shipping, the Company has identified the need to increase its Bio-LNG capacity. One advantage with Bio-LNG is that it is easy to transport over longer distances, offering the Company good prospects for addressing the European gas market.

4

Develop partnerships

Due to its market-leading expertise in biogas production, Scandinavian Biogas has formed strong and trusting relationships with several local and regional players. An example of this is the Company's long-term agreement with Stockholm Vatten och Avfall for the upgrading of raw gas to fuel-quality biogas at the Henriksdal wastewater treatment plant in Stockholm. Another example is Stockholm Bio-LNG, where the Company collaborates with Gasnätet Stockholm, Stockholm Vatten och Avfall, and SRV återvinning AB.

Scandinavian Biogas will continue to secure and strengthen long-term strategic partnerships across the entire value chain, from substrate suppliers to valuable by-product customers. The growth projects currently under development by the Company will also be pursued in close collaboration with partners and customers. An example of this is our collaboration with industrial partner Norske Skog at the plant at Skogn.

The business was expanded in late 2020 with the acquisition of Ekdalens Biotransporter, a market leader in the transport of organic material to and from biogas facilities in southern Sweden. The acquisition was part of Scandinavian Biogas's strategy to achieve greater integration across the entire biogas value chain and the capacity to offer comprehensive transport service to the whole biogas industry.

In assessing potential new growth projects, the Company uses its well-established project development process, which covers everything from thorough evaluation of the project's potential to construction of the plant in accordance with HOLD Technology™. Based on this process, Scandinavian Biogas can offer long-term partnerships, such as designing and operating biogas production plants for external partners.

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

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 Bio-LNG (liquid biogas).

Total investments in 2021 amounted to SEK 156.6 million before investment grants. By the end of 2024, Scandinavian Biogas plans to have invested a total of approximately SEK 1.1 billion in its four prioritised investment projects: Stockholm Bio-LNG, Skogn II, and Skogn III (expansion and upgrading of existing plants), and Mönsterås (establishment of entirely new facility).

All projects have a clear focus on Bio-LNG. When completed, the projects are expected to generate a total yearly capacity increase of approximately 290 GWh of Bio-LNG.

During 2021 Scandinavian Biogas received an investment grant of SEK 146 million from Klimatkivet. The grant pertains to projects for expansion of production capacity and liquefaction of biogas produced at the Company's plants in the Stockholm region. The projects commenced in 2021 and will enable total annual production of approximately 220 GWh of Bio-LNG in Stockholm, corresponding to around 22 million litres of diesel.

The investment grant gives Scandinavian Biogas the financial strength to complete the projects, which are a key component of the Group's growth plan and adaptation to a growing market with new customer segments.

The Skogn II project was also started during the year, with SEK 170 million invested in a Bio-LNG plant in Skogn. The plant, which will be ready for commissioning at the end of 2022, will produce 35 GWh biogas. Taken together, the Skogn II and III investment projects will double the capacity at Skogn by 2024.

Environmental permits for the expansion in Mönsterås have been obtained, and the investment decision is expected to be taken during the first half of 2022. The growth project in Mönsterås has received an investment grant of SEK 154 million from Klimatkivet.

Scandinavian Biogas expects to receive around SEK 350 million in investment grants, where the majority already have been granted prior to year-end 2021. With the successful share issue of SEK 350 million in December 2020, the green corporate bond of SEK 700 million in June, and the revolving credit facility of up to SEK 300 million, we consider the financing of the Group's current growth plan to be largely secured. Financing is expected to be in line with previous levels, that is, 30 to 35 per cent equity and 65 to 70 per cent loan financing.

Overview of planned investments

Stockholm Bio-LNG	Skogn II	Skogn III	Mönsterås
40 GWh Planned additional production	35 GWh Planned Bio-LNG production	90 GWh Planned Bio-LNG production	125 GWh Planned Bio-LNG production
Bio-LNG	Bio-LNG	Bio-LNG	Bio-LNG
SEK 200m Estimated net capex	NOK 120m Estimated net capex	NOK 180m Estimated net capex	SEK 450m Estimated net capex
Q2 2023 Commissioning estimated	Q3 2022 Commissioning estimated	H1 2024 Commissioning estimated	H1 2024 Commissioning estimated
<ul style="list-style-type: none"> Part of off-take agreement signed Project commencement confirmed in December 2021 Technology supplier selected and signed Feedstock assured mainly with current agreements Location and infrastructure related contracts signed - SRV & Gasnätet Stockholm Investment grant approved SEK 145 m 	<ul style="list-style-type: none"> Required permits granted Project commencement confirmed in April 2021 Investment grant approved NOK 49m Negotiated and signed agreements with technology suppliers Off-take agreement signed Project execution progressing very well - on schedule and cost 	<ul style="list-style-type: none"> Environmental permit process ongoing Investment grant to be applied in Q1/22 Agreements negotiated with technology suppliers - subject to changes aligned with updated feasibility study Negotiations for feedstock and off-take ongoing 	<ul style="list-style-type: none"> Environmental permit granted Project commencement expected Q2/22 Very strong political support Klimatkivet 154 MSEK grant approved Annual substrate requirements assured through owners/ farmers participation Final negotiations with preferred technology supplier German market offer high price for manure-based LBG. Contract terms to be confirmed Q1/22

Business model

Scandinavian Biogas essentially operates under two business models, based on its world-leading HOLD Technology™. The Company's strength lies in its qualified engineering expertise and knowledge of microbiology, which enable development of resource-efficient, economical processes for many different types of substrate.

With HOLD Technology™, the process concept includes the entire chain – from biogas plant design to managing, pre-treating, and digesting organic material and upgrading biogas to vehicle fuel quality. The efficient operation of biogas facilities is at the core of Scandinavian Biogas's business model. The Company attaches great importance to systematically improving and fine-tuning the digestion process.

Scandinavian Biogas's two business models

Build-Own-Operate (BOO) focuses on constructing biogas plants in accordance with HOLD Technology™ and on operating them in a resource-efficient manner based on Scandinavian Biogas's expertise.

Engineering and Operations (E&O) emphasises Scandinavian Biogas's service offering as biogas plants are being designed and operated in accordance with HOLD Technology™.

Value creation through Scandinavian Biogas's qualified engineering expertise and knowledge of microbiology

- Produces more gas per cubic metre of digestion tank volume
- Provides qualified expertise for a wide range of substrates
- Dramatically shortens the period between start-up and full production capacity
- Achieves greater reactor stability during the digestion process
- Ensures high-quality bio-fertiliser
- Upgrades gas with very low levels of methane leakage
- Achieves cost- and resource-efficient production
- Continuously increases production capacity through process improvements

HOLD Technology™

One of Scandinavian Biogas's success achievements is its self-developed HOLD Technology™, an advanced process technology used to optimise large-scale biogas production. The method is one of the most effective in the world and has been implemented at all of the Company's full-scale plants, starting with the plant in Ulsan, Korea, where HOLD Technology™ has increased production efficiency 3-5 times since the Company took over in 2007. HOLD stands for High Organic Load Digestion.

The method, developed by the Company's R&D department in close collaboration with Linköping University, is founded on three cornerstones:

- The first cornerstone involves designing the biogas plant for maximum efficiency. This includes reducing energy consumption at all stages – from waste collection to stirring design – as well as for pipes, pumps and heat exchangers. This is the hardware in HOLD Technology™.
- The second cornerstone is in-depth expertise in how various substrates should be combined. Since 2005, Scandinavian Biogas has tested over 400 different substrates in a laboratory environment. Substrate blends often need to be supplemented with additives to achieve an optimal balance between maximum energy extraction, efficient decomposition and minimal production of by-products. The right combination – the recipe – is the software in HOLD Technology™.
- The third cornerstone involves the way the substrate is introduced to the digestion tank to allow the micro-organisms to maintain efficient production with a high utilisation rate of substrate energy. The product – biogas and bio-fertiliser – is then processed and transported, and any by-products are taken care of in order to close the circle.

HOLD Technology™ is the foundation of Scandinavian Biogas's operations, and its development is one of the Company's greatest successes. Identification of a substrate mix that facilitates the efficient microbiological decomposition of organic material into biogas that can subsequently be refined into vehicle fuel quality: this is the Company's key driver – The Leadership of Microbes™.

Market and key drivers

The global biogas market is undergoing a paradigm shift as the benefits of Bio-LNG (liquid biogas) become more apparent for sectors such as heavy transport and shipping, in the Nordic region and elsewhere in Europe. The market is growing, and biogas is increasingly identified as an essential part of the future energy mix.

In 2021, both Sweden and the EU specified that long-term investments in biogas are crucial for the green conversion. Today's infrastructure for gas is well developed; biogas can easily be blended into existing natural gas flows, and biogas has many advantages as an energy source. Biogas 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. With low particle and nitric oxide emissions, biogas also benefits the local environment.

Growing biogas market

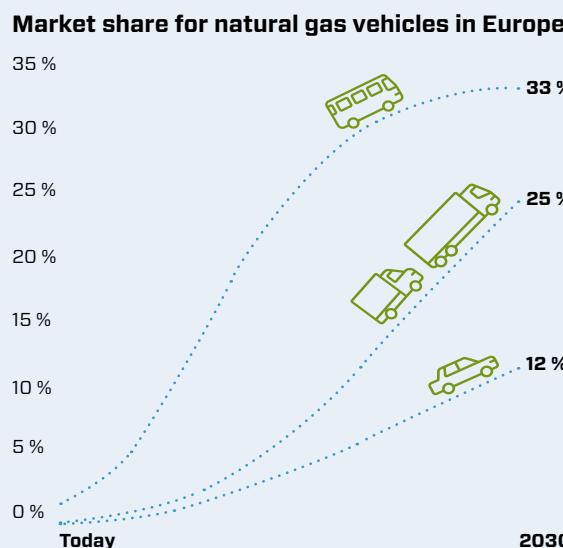
Scandinavian Biogas is a market-leading producer of biogas in the Nordic region. Biogas has a wide range of applications and the purpose for which biogas is used is partly determined by conditions and demand in markets where it is produced. In Scandinavia, biogas is used primarily as transport fuel or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



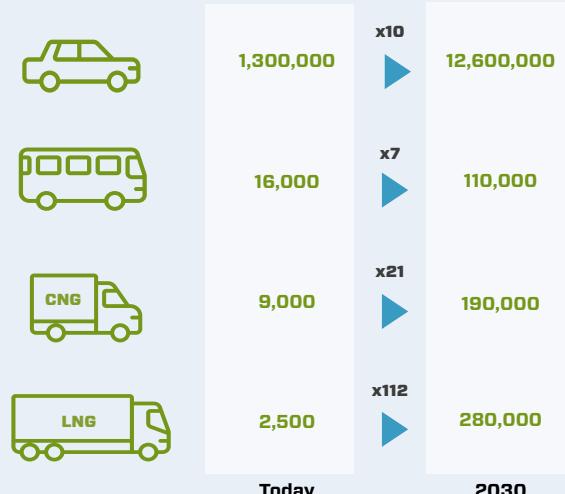
EU initiatives updated or implemented in 2021

- EU-Taxonomy
- Alternative Fuels Infrastructure Directive (AFID)
- FuelEU Maritime
- Carbon Border Adjustment Mechanism (CBAM)
- Energy Taxation Directive (ETD)
- EU Emissions Trading System (EU ETS)
- Renewable Energy Directive (RED) version II
- Emissions quotas for light vehicles within the climate neutral by 2050 framework

Gas vehicles in Europe 2030



Development of natural gas vehicle fleet



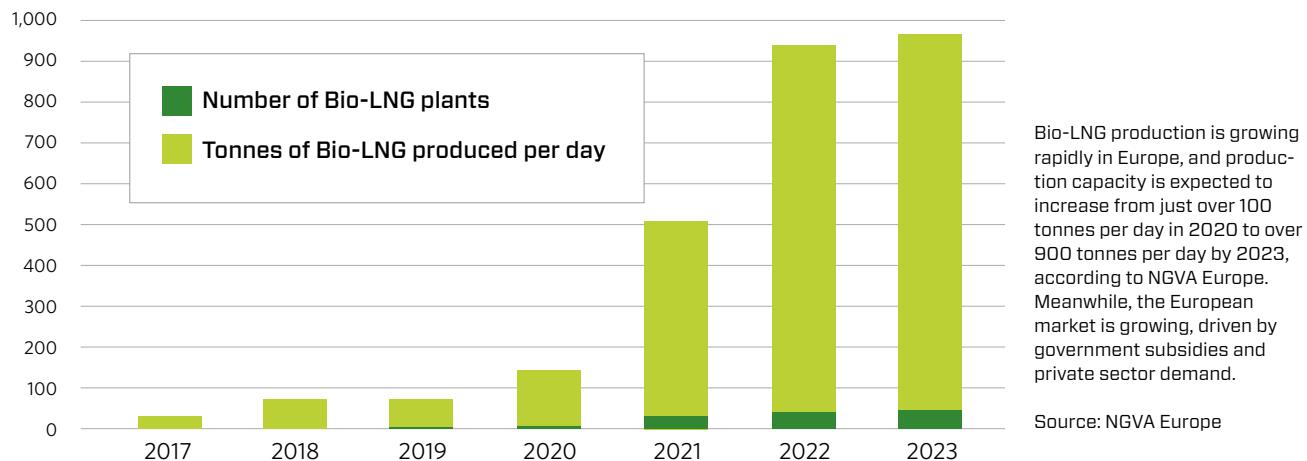
Huge potential for growth in Europe

According to estimates, the market for methane-fuelled vehicles in Europe has enormous potential. The European trade association NGVA expects the vehicle fleet to be 13 million strong by 2030, distributed between passenger cars, light vehicles, buses, heavy vehicles and ships. There are currently 1.4 million gas vehicles in Europe. The development potential for gas-fuelled lorries is deemed particularly significant - from the current 2,500 vehicles to 280,000 in 2030. The supply of biogas is expected to increase in parallel with this development.

Source: NGVA, <https://www.ngva.eu/medias/natural-gas-infrastructure-and-outlook-towards-2030/>

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Development of Bio-LNG production capacity in Europe



The European market for compressed biogas (CBG) has grown rapidly. Annual average production growth was above 70 per cent between 2011 and 2019.¹ CBG is currently the most utilised form of biogas in the Nordic region.

Demand for biogas is growing in Europe. In 2021, the EU initiated several regulations and directives that are expected to have a positive impact on biogas demand. This included the FuelEU Maritime initiative, aimed at increasing the use of renewable fuels in the European shipping industry.

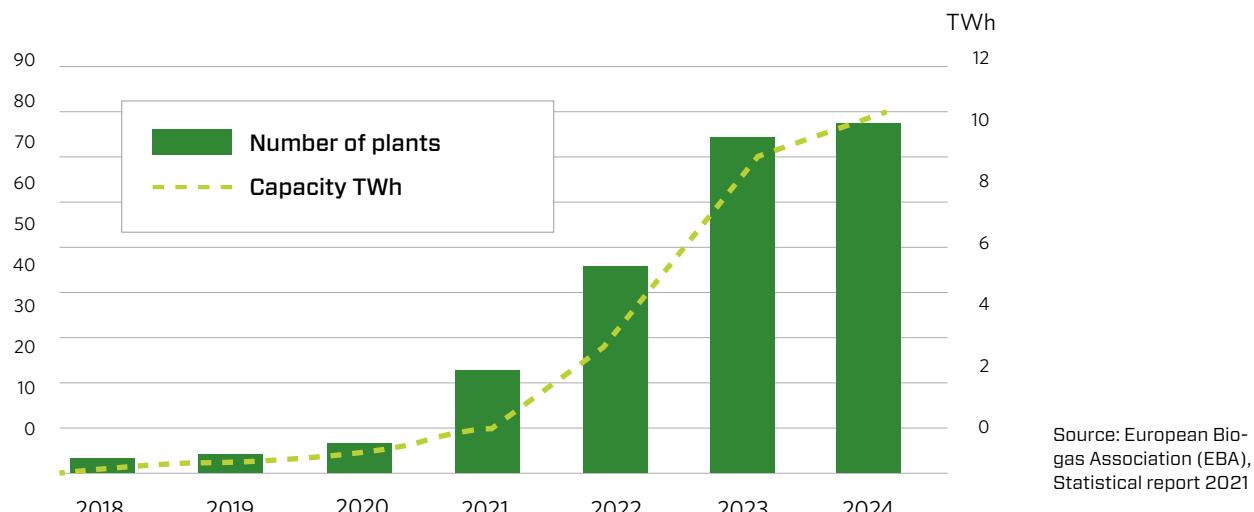
Enormous potential for Bio-LNG

A paradigm shift is currently underway as the advantages of Bio-LNG become increasingly apparent for heavy transport and shipping in the Nordic region and Europe. Up to and including 2021, the Swedish Environmental Protection Agency has granted subsidies through the Klimatkivet initiative for 62

production facilities for biogas, other biofuels and hydrogen, as well as 177 renewable fuel filling stations across Sweden. More and more gas-powered vessels are being procured by Nordic shipping companies and others, and Bio-LNG may eventually power these vessels.

The manufacturing industry has also begun to show interest in Bio-LNG. Toyota Material Handling in Mjölnby, which manufactures industrial trucks, was one of the first Nordic industry operators to do so. A prerequisite for realising the long-term potential of biogas is continuing to scale up Bio-LNG production, as it is easier to use biogas in liquid form in industry and as vehicle fuel. Bio-LNG 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.

Current and future development of Bio-LNG in Europe



1. European Biogas Association, 2020



Scandinavian Biogas's first international delivery of Bio-LNG

During 2021 Scandinavian Biogas expanded its agreement with the Dutch gas distribution company, Rolande, regarding deliveries of waste-based Bio-LNG (liquid biogas) to Rolande's distribution network of fuelling stations. Rolande currently supplies its customers with vehicle gas through a network of 20 fuelling stations across the Netherlands, Belgium and Germany, providing liquid natural gas (LNG) and Bio-LNG primarily to lorries. This is Scandinavian Biogas's first major international delivery agreement for Bio-LNG.



Lot van Aubel, Manager
New Business, Rolande

Interview with Lot van Aubel, Manager New Business, Rolande

How is demand for Bio-LNG in your markets in Europe?

In light of the Paris Agreement, CO₂ tax and consumers' growing environmental awareness, pressure is increasing rapidly on all sectors to become greener. We are convinced that Bio-LNG is the most sustainable and economically viable alternative right now. The transport sector is opting for Bio-LNG to an increasing extent thanks to its proven technology and established infrastructure, and because it reduces CO₂ emissions. Europe has a complete and comprehensive LNG network, and Bio-LNG reduces CO₂ emissions up to 99 per cent.

Why is the expanded collaboration with Scandinavian Biogas important for Rolande?

Scandinavian Biogas is an important partner for Rolande because we share the same mission: 100 per cent clean road transport. Together with Scandinavian Biogas, we help our customers move towards fossil-free road transport, and in doing so contribute to a cleaner world for tomorrow.

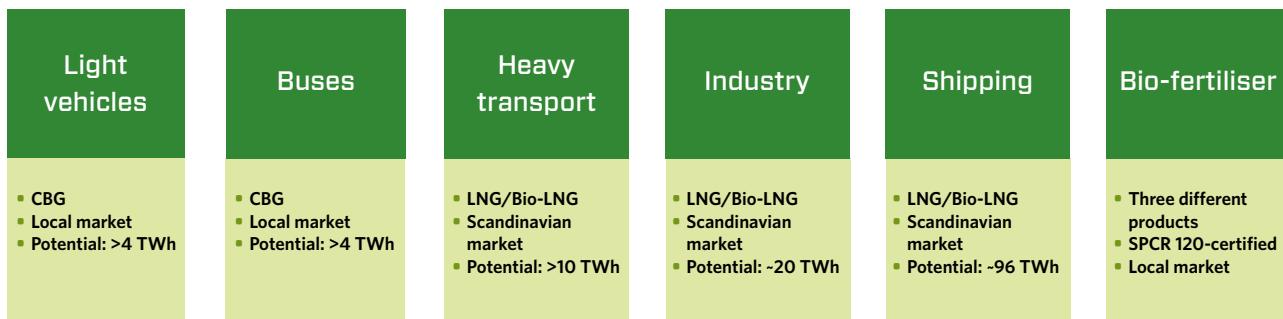
How will the European Bio-LNG market develop in coming years?

We believe that the LNG fuelling station network will be further developed in coming years and that supply of and demand for Bio-LNG will increase. More fuel suppliers will enter the LNG market and invest in LNG fuelling stations, which will increase supply. There will be greater demand for Bio-LNG because it will help transport companies achieve their sustainability goals and is an economically viable alternative to diesel.

What are your upcoming Bio-LNG priorities and projects?

Our priorities are to expand our network of LNG fuelling stations and increase the supply of Bio-LNG in the European market. In 2022 we plan to build 10 fuelling stations in the Netherlands, Belgium and Germany. We are also co-investing in a Bio-LNG production facility in the Northern Netherlands, which will produce around 9,000 tonnes of Bio-LNG per year.

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------



Market segments with interesting business opportunities for Scandinavian Biogas

Feedstock for biogas

Substrate is needed to produce biogas, and in most cases various types of waste are used as feedstock. Today, as the circular economy mind-set gains more traction, more and more players view waste as a valuable resource. This increases competition for certain waste streams. To improve efficiency and strengthen competitiveness, Scandinavian Biogas places great emphasis on identifying new substrates.

In Sweden, the most common substrate used in biogas production is sewage sludge, which accounted for nearly 50% of production in 2020. Most Swedish treatment plants are equipped with digestion tanks, which limits the growth potential for sewage sludge as a substrate. Food waste is one substrate with great growth potential, as only a small amount of Swedish household food waste is currently being collected. In 2020, food waste as a substrate for biogas production increased by 12 per cent but accounted for only 3% of all biogas production substrate in Sweden.¹ Meat industry and forestry residues are other feedstocks with increasing potential as biogas substrates.

Main market segments for biogas

Light vehicles

Compressed biogas (CBG) for light vehicles is a key segment. The number of small lorries in Europe will increase from 9,000 in 2018 to 190,000 in 2030. Together with heavy transport, this segment is expected to constitute 25 per cent of the European natural gas market by 2030.

In Sweden, this market is currently dependent on policy instruments and is limited by the supply of gas cars and filling stations. Filling stations are mainly concentrated in metropolitan areas, along the natural gas pipeline on the country's west coast, and in Bergslagen. It is today possible to drive a gas vehicle throughout Götaland and Svealand and along the entire Norrland coast. There are currently 26 Bio-LNG filling stations in Sweden, nine more than in early 2019. In total, there are more than 200 public filling stations for vehicle gas, including compressed and liquid biogas.²

Buses

Public transport is a strong market for biogas and will remain a key driver in the industry due to a well-functioning infrastructure and other factors. In 2020, approximately 21 per cent of Sweden's entire bus fleet was comprised of gas-powered buses. According to NGVA statistics, the European market share is expected to be 33 per cent in 2030.

Municipalities in Sweden are often responsible for both sewage treatment plants as well as public transport, which has provided opportunities for local cycles that utilise waste. In Sweden, Stockholm Public Transport (SL) and its operators have historically used the most biogas. Looking forward, it is notably Skånetrafiken and Västtrafiken that have identified biogas as an important step towards fossil-free public transport going forward.

Heavy transport

An increasing number of heavy vehicles are powered by alternative fuels such as Bio-LNG. This also applies to long-haul traffic. Volvo, Scania, MAN, Mercedes, and Iveco are some of the companies that have invested heavily in developing efficient, sustainable fuel solutions. The Euro 6 gas engine is essentially as effective as a diesel engine. Meanwhile, interest in gas trucks and lorries is on the rise in several European countries. In 2021, Amazon announced that it will be using gas lorries in Europe. Since freight transport is normally done across national borders, this also affects conditions for biogas use in Sweden and Norway. Renewable alternatives such as biogas also benefit from the expected rise in oil prices in the long term. Bio-LNG production and access to filling stations are factors that are currently limiting the use of biogas as a fuel in this segment.

Industry

Industry is currently the single largest market for fuel gas. Swedish industries, from heavy steel production to chemical processes and food production, use fuel gases as fuel and raw material. The type of fuel gas used is determined primarily by the industry's geographical location. Natural gas and biogas are the main types used in western Sweden, where there is a gas

1. https://www.energigas.se/media/3zyj1lr/biogasstatistikrapport_2020-energigas-sverige.pdf

2. <https://www.energigas.se/fakta-om-gas/fordonsgas-och-gasbilar/statistik-om-fordonsgas/och> <https://www.energigas.se/fakta-om-gas/fordonsgas-och-gasbilar/tanka-lng-lbg/>

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------



network, while industries in other parts of the country choose between LPG, Bio-LPG, LNG and Bio-LNG. Industries on the west coast of Sweden increased their use of biogas 2021 due to increased imports of biogas from Denmark.¹

In addition to reducing climate impact, the transition to gas from oil and other fossil fuels enables more precise process control. The food industry is therefore particularly interested in gas as a fuel.

Stronger financial incentives and increased Bio-LNG production would enable biogas to achieve an impact in industry. Several industrial companies and steel manufacturers – including Sandvik, SSAB and HYBRIT – are expressing greater interest in biogas.

Shipping

The shipping sector has increased its use of gas as fuel in recent years. A 2017 review of newly ordered vessels with links to Sweden showed that half of all new vessels were built to run on gas.

Although mainly liquid natural gas is being used, biogas can easily be blended with natural gas, or can replace it entirely. This trend has its origin in the sector's environmental ambitions and tough new sulphur emissions standards for the Baltic Sea.

According to the United Nations International Maritime Organization (IMO), greenhouse gas emissions from shipping should be reduced by at least 50 per cent by 2050. Investments in gas is playing an important role in this. Neither natural gas nor biogas give rise to sulphur emissions. Carbon dioxide emissions can be reduced by around 30 per cent using natural gas instead of heavy oil, and by a full 120 per cent using biogas.² Supplying the shipping sector's needs, however, requires large quantities of gas. As the supply of Bio-LNG increases, several shipping companies are ordering gas-powered vessels. And as more and more vessels are powered by gas, the need for Bio-LNG also increases dramatically.

The shipping sector is of great interest for the future and is expected to be a major market for Bio-LNG. Destination Gotland has gradually begun blending in biogas for their ferries; according to the shipping company's 2020 climate roadmap, it will use a biogas blend of at least 30 per cent by 2030. Other examples include Viking Line, which has been running its cruise ship Viking Grace on liquid gas since 2013. Viking Line has built a new gas-powered ship, Viking Glory, which is among the world's most climate-smart vessels and operates on the Stockholm-Åbo route since March 2022. The company's goal is to switch from LNG to Bio-LNG in future.

In Sweden, the newly started shipping company Wallenius SOL intends to run its vessels on liquid natural gas. Another example is Gothia Tanker Alliance, which currently has thirteen vessels that can be run on biogas or natural gas.³

Market for bio-fertiliser by-product

A residue is formed when organic waste is broken down into biogas. This residue is called "digested sludge" at treatment plants and "bio-fertiliser" when produced at other types of plants. Digested sludge and bio-fertiliser have several benefits when used as fertiliser.

Bio-fertiliser is made of nutrients recovered from waste, and some substrates are more appropriate than others. Animal waste, for example, needs to be heat-treated to kill bacteria and infective agents, while vegetable waste does not.

Since bio-fertiliser is rich in nitrogen and phosphorous, it can be highly beneficial in organic farming, where alternatives for nitrogen and phosphorous fertilisers are limited. Today, around half of all bio-fertiliser produced by Swedish biogas plants is utilised. Fertiliser production will be a significant revenue stream for biogas plants going forward.

1. <https://www.energigas.se/fakta-om-gas/sa-har-anvands-gas-i-sverige/industri/>

2. www.energigas.se/fakta-om-gas/biogas/biogas-och-miljoen/biogasens-klimatprestanda/

3. <https://www.di.se/nyheter/storsatsning-pa-nytt-svenskt-rederi-bestaller-for-miljarder/>

The future biogas market

Interview with Jonas Strömberg, Sustainability Director, Scania Sustainable Transport Solutions

What is the potential for biogas use in heavy transport?

Our internal studies and forecasts indicate that there will be around 150,000 heavy natural gas vehicles in Europe by 2025 and around 280,000 by 2030. Approximately 50 per cent of these could be powered by biomethane (CBG) if demand follows the same trend as Scandinavia has seen, with biomethane being used increasingly in the transport sector. Meanwhile, studies by Traton show that gas production can potentially be increased up to 10 per cent for heavy transport over the next 10 to 15 years.

What sort of interest are you seeing from your customers?

We are seeing a sharp increase in gas vehicles in Europe. Even more important, we are seeing increased global understanding of the benefits of producing biogas from waste. We have unique knowledge of this in Scandinavia, which we should convey internationally to a greater extent. Along with electrification, biomethane is one of the key solutions for reducing carbon emissions in the heavy transport sector.

Can you tell us more about your bus service between Stockholm and Oslo?

It's a collaboration between Scania, Flixbus and Gasum, with buses run on Bio-LNG. This reduces greenhouse gas emissions by 90 per cent. It's a good example of how heavy vehicles can use biomethane in an extremely cost-effective and environmentally friendly way, and can even drive diesel out of the market. And the distance is no longer a problem - the buses only need to be refuelled once between Stockholm and Oslo.

What investments in biogas are you planning for the future?

We've developed a new 13-litre biomethane gas engine for long-distance transports, which we believe will allow the transport sector to further reduce its emissions. Gas engines are already available for lorries and will be introduced for buses in 2022.

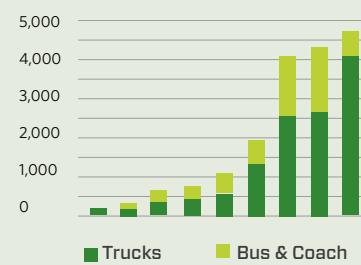
What do you think is the most important factor in terms of growing the biogas market?

Biomethane is an important long-term solution for the future, both for the circular economy and to reduce emissions in sectors like heavy transport and shipping. Unfortunately, the positive effects of biomethane are undervalued by transport operators as well as decision makers. It is also worrying that politicians often focus only on vehicle emissions, and ignore life cycle emissions (WTW). So for many carriers, there is no incentive to choose biomethane over fossil natural gas. The long-term value for sustainability of biomethane and its lifecycle emissions needs to be quickly acknowledged in policy. A system for trade in biomethane certificates also needs to be put in place, similar to the one we have for electricity.



Jonas Strömberg, Sustainability Director, Scania Sustainable Transport Solutions

Sales of gas vehicles 2013-2021



Top 10 markets 2020



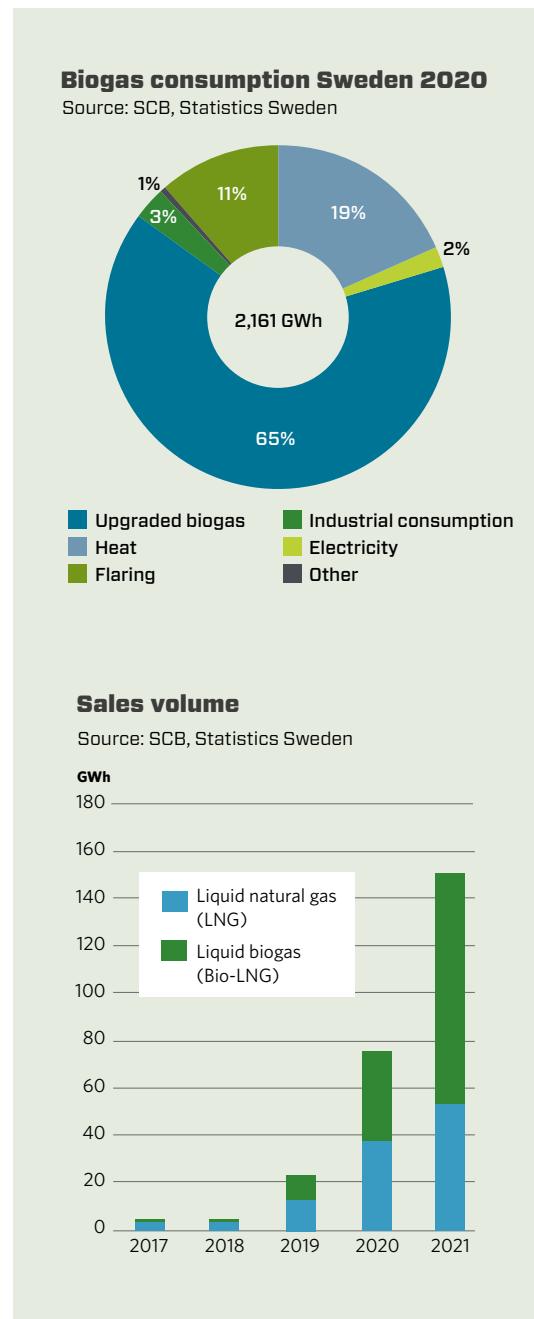
About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Biogas consumption in Scandinavian Biogas markets

Scandinavian Biogas's main markets are Sweden and Norway. The Company also has operations in Korea.

Sweden

- In 2020 biogas production increased 2.4% over 2019 levels, to 2,161 GWh. Biogas production increased at co-digestion plants (+81 GWh) and farm-scale biogas plants (+7 GWh) but otherwise decreased somewhat. The most important substrates are sewage sludge (48%), industrial sludge (34%) and manure (9%).¹
- Sales of Bio-LNG increased dramatically in 2019 and 2020. Of the 75 GWh of liquid methane sold in 2021, Bio-LNG comprised 48 per cent, corresponding to 36 GWh of Bio-LNG.
- During 2021, the liquefied vehicle gas increased by 201 per cent compared to previous year. The proportion of liquified renewable vehicle gas increased from 49 per cent to 65 per cent.²
- In 2020 the share of renewable fuel delivered on the Swedish market amounted to 23.3%, the highest percentage since record-keeping began in 2011.³
- The Swedish biogas market is distinguished by having a large number of small-scale operators – a total of 282 plants.⁴
- At the end of 2019, there were 53,982 gas vehicles in Sweden. Of these were 2,618 buses, 1,034 heavy vehicles and the remaining passenger cars vans. In 2021, the proportion of biogas-powered passenger cars corresponded to 5 per cent of newly registered cars.⁵
- The share of biogas is steadily increasing, with biogas currently accounting for 95% of compressed vehicle gas sales. Liquid vehicle gas is seeing a rapid rise in sales, also with a high share of biogas – nearly 50% Bio-LNG.⁶
- Companies taking steps to reduce greenhouse gas emissions are eligible to apply for financial support via Klimatkivet. The initiative, part of the government budget, granted a total of SEK 2.3 billion in 2021.
- During 2020, the EU Commission approved Sweden's state aid application for tax exemption for biogas. The approval is valid for ten years.
- In 2021, the government decided to introduce expanded, long-term subsidies for biogas production for the 2022-40 period and to increase investments in Klimatkivet. The biogas production subsidy will amount to SEK 500 million in 2022 and will increase to SEK 700 million in following years. At least one new Bio-LNG plant was commissioned during 2021, and more are underway.⁷



1. https://www.energias.se/media/3zyj1lrf/biogasstatistikrapport_2020-energias-sverige.pdf

2. <https://www.energimyndigheten.se/nyhetsarkiv/2022/ny-statistik-stor-andel-fornybart-i-fordonsgasen-2021/>

3. <http://www.energimyndigheten.se/globalassets/om-oss/lagesrapporter/biobransle/2021/laget-pa-energimarknaderna-for-biodrivmedel-och-fasta-bio-branslen-november-2021.pdf>

4. <https://www.energias.se/fakta-om-gas/biogas/faq-om-biogas/>

5. <https://www.energias.se/fakta-om-gas/fordonsgas-och-gasbilar/statistik-om-fordonsgas/>

6. <https://www.energias.se/fakta-om-gas/fordonsgas-och-gasbilar/statistik-om-fordonsgas/>

7. <https://www.energias.se/fakta-om-gas/biogas/statistik-om-biogas/>

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Norway

- In 2021, 699 GWh biogas was produced from approximately 50 plants.⁸
- The biogas market had an average annual growth rate of 66 per cent between 2015 and 2021.
- Norway's biogas production is the least developed among Nordic countries, although there is a clear strategy to increase biogas production in coming years. In 2022, 22 new plants are planned for or built.
- ST1 Norge AS, a new operator, entered the Norwegian biogas market in 2021.
- During 2021, the Norwegian Parliament decided to put biogas on par with green electricity and hydrogen. Biogas vehicles are also put on par with zero-emission vehicles. Overall, this policy decision included several measures that will remove obstacles for biogas production in Norway.
- In January 2021, the Parliament presented its Climate Plan 2021-30, with the objective of having all new passenger cars and city buses be net-zero or biogas-powered vehicles by 2025.
- Sales of advanced liquid biofuels for commercial vehicles amounted to 330 million liters in 2020, an increase of 41 per cent.⁹
- Gas-powered buses are driving demand for biogas. In 2019, 238 GWh of biogas was used in the transport sector, an increase of nearly 100% over 2017. (The transport sector used 35% of 807 GWh in 2019).¹
- Several transport companies are investing in liquid biogas and have signed letters of intent for hundreds of heavy biogas-powered vehicles. Since autumn 2017, operators can apply via Norwegian Enova for financial support for investments in heavy transport and refuelling infrastructure.
- There is enormous potential within shipping, where liquid biogas can be used as a natural gas supplement and a fossil fuel substitute.

Korea

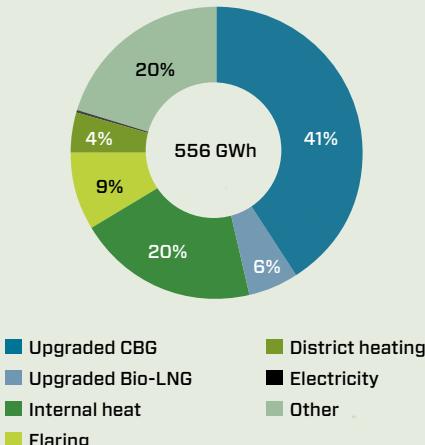
- The market is comprised of a small number of large-scale biogas plants.
- The amount of biogas used for electricity production has increased 15.5 per cent between 2015 and 2020.
- The Government of Korea has announced an increase in renewable electricity to 20% by 2030, in line with the Paris Agreement's climate target.
- Subsidies and low-interest loans are offered to support investments in the biogas industry.
- 1,258,000 tonnes of food waste were used for biogas production in Korea in 2020, which corresponds to a quarter of the total food waste in the country.

8. <https://biogassnorge.no/2022/03/15/biogasstatistikk-2021/>

9. <https://www.miljodirektoratet.no/ansvarsområder/klima/fornybar-energi/biodrivstoff/>

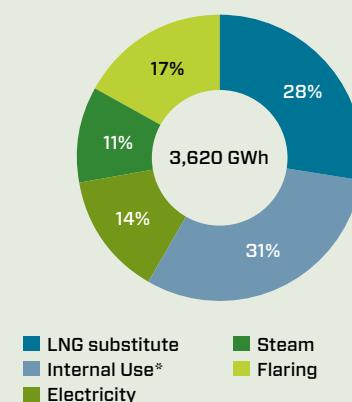
Biogas consumption, Norway 2020

Source: Statistisk sentralbyrå, Statistics Norway



Biogas consumption, Korea 2020

Source: South Korea Ministry of Environment



* Refers to internal use of biogas plants, such as wastewater management and heating.

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Cost-efficient, large-scale biogas plants

Scandinavian Biogas's core business, which has historically been the production and upgrading of biogas in Sweden and biogas production in Korea, now also includes the production of Bio-LNG (liquid biogas) at the Company's plant in Norway. The aim is to promote a sustainable, fossil-free future by increasing the production capacity of existing plants and constructing new facilities with a clear focus on Bio-LNG.

The plant in Skogn, Norway – the world's largest Bio-LNG production facility – produces and delivers biogas for the Norwegian market. During the year, we started the expansion of the Norwegian Bio-LNG plant. Extensive investments in coming years will meet the high demand from heavy transport and shipping.

 Read more about operations in Norway on page 29.

Demand for vehicle gas and bio-fertiliser remains high in Sweden. The ongoing expansion of the plant at Södertörn, under the Stockholm Bio-LNG project, is designed to meet the growing demand and simultaneously fine-tune the process chain to enable delivery of greater volumes of food waste. The Company is planning to invest in a plant in Mönsterås for the production and liquefaction of manure-based biogas.

 Read more about operations in Sweden on page 26.

New substrates and feedstocks are continuously tested, and new collaborations provide access to restaurant and household food waste and business waste from various industries. Scandinavian Biogas's operations lay the groundwork for a circular economy and support sustainable development.

.....

Biogas deliveries of **341 GWh** equivalent to annual supply for **858 city buses**

93 244 tonnes CO₂e emissions reduction thanks to biogas

Production of **46 198 tonnes of bio-fertiliser** to replace artificial fertiliser

.....





EffiSludge for LIFE

During 2021, Scandinavian Biogas finalised the EffiSludge for LIFE project in collaboration with subsidiary company and biogas producer Biokraft and the Norske Skog Skogn paper mill.

The EffiSludge for LIFE demonstration project was launched in 2015 with support from the EU. The project was focused on demonstrating the environmental benefits of integrating management of industrial wastewater, in this case from the paper industry, with a biogas plant that digests nutrient-rich organic waste.

Treatment of paper mill wastewater, an energy-intensive process that also requires chemical additives, is a costly process that generates large amounts of carbon dioxide. EffiSludge for LIFE developed an integrated treatment process that creates a symbiosis between industries. The project demonstrates that it is possible to treat industrial wastewater in a more resource-efficient way.

EffiSludge for LIFE has reduced energy consumption and CO₂ emissions from wastewater treatment at the Norske Skog Skogn paper mill, and biogas has been produced from the wastewater and by-products from the Norwegian fishing industry.

The estimated CO₂ emission reduction benefits are between 2,500 and 9,000 tonnes per year, corresponding to emissions from 5,000 petrol/electric hybrid cars driven 10,000 kilometres per year. If the EffiSludge concept were to be implemented at Europe's more than 900 pulp and paper mills, which are represented by CEPI (the Confederation of European Paper Industries), annual CO₂ emissions savings could reach 1 million tonnes of CO₂ eq.

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Sweden

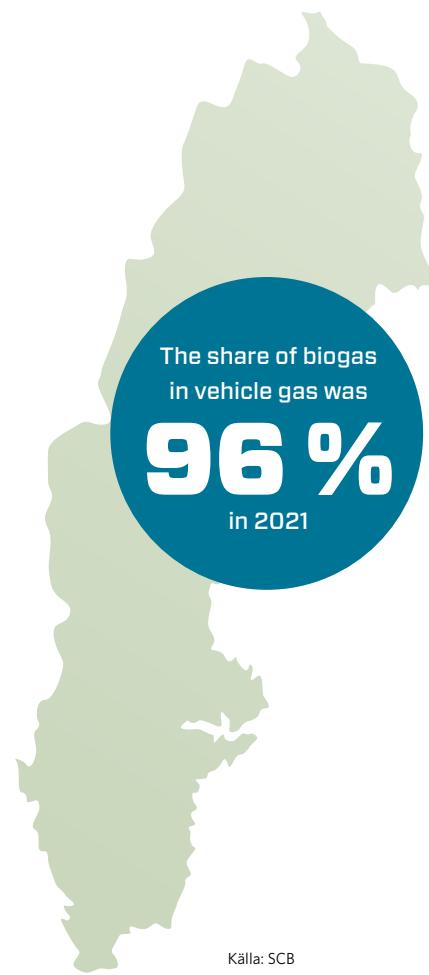
Sweden is currently Scandinavian Biogas's main market for biogas as vehicle fuel. The Company has three full-scale production plants in the Stockholm area with a collective production capacity of approximately 406 GWh. These plants supply the Swedish market with both bio-fertiliser and biogas. Part of the Company's strategy is to maintain a strong presence in local and regional markets where biofuel markets are improving. Demand for biogas is on the rise and a transition is clearly underway in Sweden. An investment decision was taken in 2021 for the Stockholm Bio-LNG project. Future focus is on growth, recruitment and adjusting production to meet growing demand in Sweden.

Operations partially recovered from the effects of Covid-19 in 2021 but remained somewhat affected, and the plants did not utilise their full capacity.

The outlook is good in light of the positive political discussion on the future of biogas. Biogas is exempt from both the energy and the carbon tax, and growth has been stable for many years. 2021 has in many ways been a breakthrough year for biogas. We are seeing increased demand for Bio-LNG (liquid biogas) from both large and small customers, due in part to the increased price of natural gas. There has been a clear shift, and we are making concentrated efforts to meet the growing demand.

As a positive political signal during 2021, the government's autumn budget included an expanded, long-term investment in areas including biogas, to run through to 2040. For biogas specifically, this involves a new production subsidy of approximately SEK 500 million next year, to be increased to SEK 700 million in following years. The budget also proposes a significantly increased investment in Klimatkivet.

The investments are designed to create a circular economy and convert to more sustainable energy in the transport sector and industry. This is a crucial message for us and the entire biogas market, as it creates long-term ground rules for producers, vehicle



Plants in Sweden



About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

manufacturers and hauliers, to name a few. Furthermore, since the budget is approved by Parliament, it also means that the risks involved in investing in biogas have been reduced significantly, as biogas now has a long-term endorsement throughout the EU.

Also in 2021, the EU issued its eagerly anticipated proposal specifying that biogas will play a central role in the EU's green conversion, aimed at achieving the target of becoming the world's first climate neutral region by 2050. The EU proposes that one-third of the EUR 1.8 trillion investment go towards the "Green Deal", in which biogas is included as a component of the conversion. The EU Taxonomy will also have a positive impact on Scandinavian Biogas's operations and on conditions for the Swedish biogas industry.

The government's official report presented in December 2019 proposed a production target of 10 TWh by 2030 for Swedish biogas, corresponding to a fivefold increase over current production. According to the report, this would produce benefits for the economy as whole that greatly outweigh the costs, while also dramatically reducing the transport sector's climate emissions. The proposal is a step in the right direction and may be useful in establishing a long-term perspective for the biogas market. The report also proposed a production subsidy of 0.30-0.40 SEK per kWh for biogas produced through a manure digestion process, which would partially offset the current competitive disadvantage against Danish production. The report's proposals also include an upgrading subsidy of 0.20-0.30 SEK per kWh and a liquefaction subsidy of 0.10-0.15 SEK per kWh.

Biogas is particularly attractive within the public transport sector across the country. Approximately one in five bus kilometres is now fuelled by biogas. The transport sector is the single largest source of emissions in Sweden – accounting for one-third of the country's carbon emissions. Compared with other European countries, Sweden is well advanced when it comes to using renewable energy as transport fuel.

According to the Swedish Energy Agency, the share of renewable fuel used in road traffic increased to 23.3% in 2020, the

highest figure since 2011.¹ The political objective is to reduce the transport sector's greenhouse gas emissions 70 per cent by 2030 compared to the base year 2010. Biodiesel is the renewable fuel used most widely in Sweden, with 84 per cent of the market. Biogas, with a market share of 8.7 per cent ranks second, followed by ethanol.²

In 2021, the government announced that government agencies continue to classify natural gas cars as green cars, indicating that biogas, as a sustainable fuel, is an important component in the transport sector's conversion.

Bigger plants with increased capacity

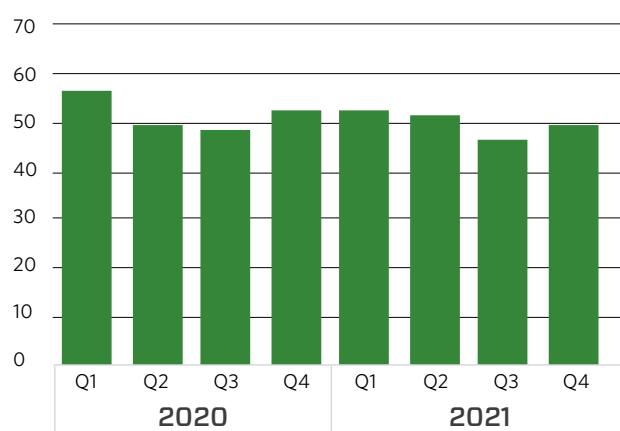
The location of Scandinavian Biogas's plants has arisen from the Company's strategy of establishing a strong presence in local and regional markets, with a focus on vehicle fuel. Strong relationships with long-term partners have allowed Scandinavian Biogas to deploy and further develop its operations.

All biogas production at Bromma and Henriksdal is conducted within the framework of close co-operation with Stockholm Vatten och Avfall, under which we produce biogas from sludge and raw gas provided by them. To meet the demand from Stockholm's growing population, the City of Stockholm has decided to increase water treatment capacity and biogas production in the region. The Henriksdal treatment plant will therefore be modernised and expanded, while the Bromma plant is scheduled for decommissioning in 2026. Construction began in late 2017 on a tunnel that will redirect wastewater currently going to Bromma to the Henriksdal treatment plant. The biogas plant at Henriksdal is Scandinavian Biogas's largest in terms of biogas production. An agreement was signed in 2020 with OrangeGas for operation and development of the gas tank station at Bromma, which was executed in January 2021. Gas sold by the station is pure biogas from the adjacent treatment facility produced in a collaboration between Stockholm Vatten och Avfall and Scandinavian Biogas.

The plant at Södertörn is owned and operated in collaboration with SRV återvinning AB, a specialised waste management company owned by the municipalities of Huddinge, Haninge, Botkyrka, Salem, and Nynäshamn. Under the environmental permit granted in 2017, Scandinavian Biogas is licensed to process up to 260,000 tonnes of food waste annually per facility. Due to production process efficiency, a full 70-80 per cent of the waste's energy can be utilised. The plant's current production capacity is 80 GWh, corresponding to 8.8 million litres of petrol and enough to meet the annual fuel needs of 5,000 private motorists.

Scandinavian Biogas has started the project to increase the plant's capacity for received volumes, for biogas production, and to begin producing Bio-LNG. An investment decision was taken in 2021 in favour of the Stockholm Bio-LNG project and expansion work was started. An agreement was also signed with a technical supplier for the project. The expansion will also allow the reception of additional types of waste. Various changes to biogas logistics are also being considered. In addition to biogas, the Södertörn plant also produces quality-certified bio-fertiliser.

GWh sold per quarter, Business Area Sweden



1. <https://www.energimyndigheten.se/nyhetsarkiv/2021/drivmedel-bioravaror-bidrar-till-mal-for-minskade-vaxthusgasutslapp/>

2. Swedish Energy Agency. Statistik över transportsektorns energianvändning 2019



Ekdalens Biotransporter switches to Bio-LNG

Ekdalens is a market leader in the transport of organic material, with a focus on substrate and bio-substrate, to and from biogas facilities mainly in southern Sweden.

Ekdalens Biotransporter has been part of Scandinavian Biogas since December 2020. The acquisition was part of Scandinavian Biogas's strategy to achieve greater integration across the entire value chain, from organic waste to produced biogas and bio-fertiliser. The reliability of substrate deliveries is improved with the integration of a dependable logistics operator – a key factor in guaranteeing high supply levels for the production facilities.

Ekdalens Biotransporter has begun converting its entire lorry fleet to Bio-LNG (liquid biogas). While some of its lorries can already be fuelled with Bio-LNG, by 2023 half of the fleet's 20 biogas lorries will run on Bio-LNG. The goal is to convert the entire fleet to Bio-LNG by 2026.

Biogas production is a growing sector, and reliable substrate suppliers are absolutely crucial for the biogas industry. Biogas producers therefore need a strong logistics partner with a high level of expertise, such as Ekdalens Biotransporter. Scandinavian Biogas can support the continued strong development of the company's offer of comprehensive transport services for the entire biogas industry.

Ekdalens Biotransporter's expertise will be important and advantageous for the Swedish biogas industry as a whole, as well as for Scandinavian Biogas's future growth projects, including the project we are pursuing with farmers in Mönsterås Municipality. Ekdalens Biotransporter will continue to operate in its current form as a separate company within the Swedish operations.

Sourcing

Organic waste from several sources can be used for the biogas process, e.g. food waste, sludge, pulp process, waste, agri waste and fish industry waste.

In-bound logistics

In-bound transportation of raw materials.

Production of raw biogas

Production process involving pre-processing of input and anaerobic digestion to produce raw biogas. Upgrade process to produce CBG or Bio-LNG.

Out-bound logistics

Out-bound distribution of biogas by road or pipe.

Delivery

Final product delivered to customers, often in cooperation with distributors, within the transportation sector.

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Norway

Scandinavian Biogas operations in Norway comprise the biogas plant in Skogn, outside Trondheim. The plant is the world's largest for the integrated production of Bio-LNG (liquid biogas), with an annual capacity of 12 million Nm³ of methane. Expansion of the plant started in 2021 within the Skogn II project, in which NOK 170 million will be invested to increase Bio-LNG production capacity.

The Norwegian economy is facing a major conversion as fossil fuels are to be replaced with renewables. In the Norwegian public sector, several municipal companies are taking the lead and using biogas as vehicle fuel. Public transport in Oslo (Ruter), Trondheim (Atb), and Østfold are three examples of this. Progress is also being made in the shipping sector, including Lundin Energy's decision to convert tanks in North Sea vessels to Bio-LNG.

The Norwegian Climate Act, which came into force in 2018, forms the basis for the Norwegian conversion to a low-emission society by 2050 and includes specific sub-targets to be achieved by 2030. As from 2018, biofuel is required to comprise at least 10 per cent of the volume of fuel used in road traffic annually. Of this, at least 3.5 per cent must be advanced biofuel and at least 4 per cent must be biofuel used in petrol-powered vehicles.

In an important breakthrough in 2021, the Norwegian Parliament decided to put biogas and hydrogen on par with green electricity.

The plant

The biogas plant in Skogn is instrumental in the conversion of the heavy transport sector and reduction of total carbon dioxide emissions.

Norwegian subsidiary Biokraft, which owns and operates this plant, has been wholly owned by Scandinavian Biogas since December 2020. In 2021 the Norwegian plant received ISCC certification, which allows it to offer premium Bio-LNG with audited proof of sustainability.

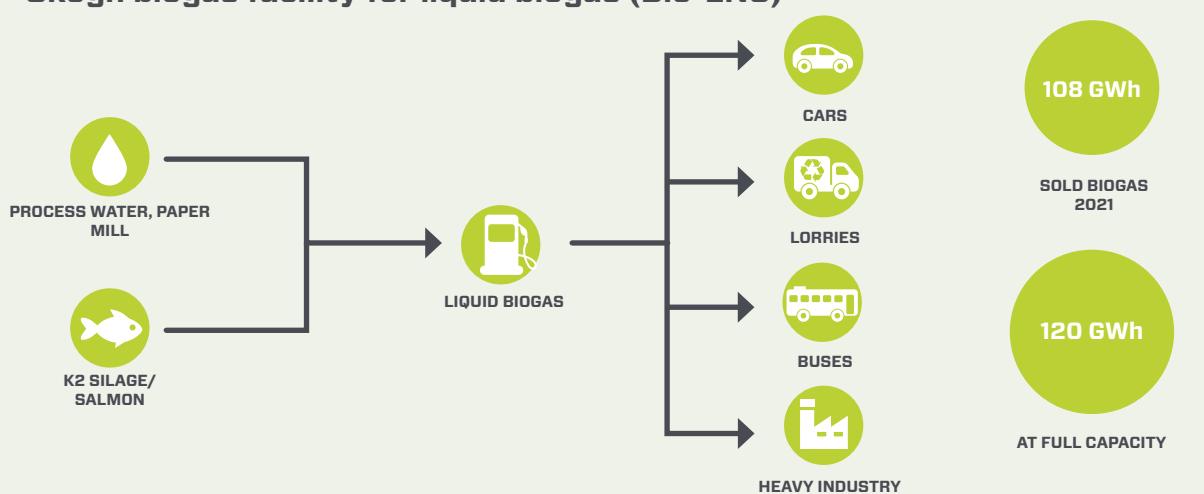
In 2021 the plant delivered 11.1 million Nm³ of Bio-LNG to Norwegian customers. The main area of use is fuel for public transport buses and, increasingly, for private sector heavy transport vehicles. The main feedstocks are silage from the Norwegian salmon farming industry and process water from Norske Skog's pulp and paper industry in Skogn. A new filling station was opened in Tiller, Norway, during the year, where heavy transports can refuel with biogas produced at Skogn and manufactured from Norske Skog feedstocks.

In terms of production, the plant had a weak start to the year due to Covid-19 and low capacity utilisation. Necessary maintenance measures to develop Bio-LNG technology were completed successfully early in the year. The plant regained full capacity in early February 2021. The operations in Norway developed strongly during the year and reached a production record of 29 GWh in the second quarter. With two prioritised investment projects, the aim is to double production capacity and achieve a total capacity of 240 GWh per year. This work commenced during the year with the expansion of the plant.

The Group is investing approximately NOK 170 million in the project, Skogn II, to increase Bio-LNG production capacity by an amount corresponding to 35 GWh. The plant will be operational at the end of 2022.

The liquid biogas is purchased and distributed by Gasum, which took over AGA's Norwegian gas operations in 2020.

Skogn biogas facility for liquid biogas (Bio-LNG)



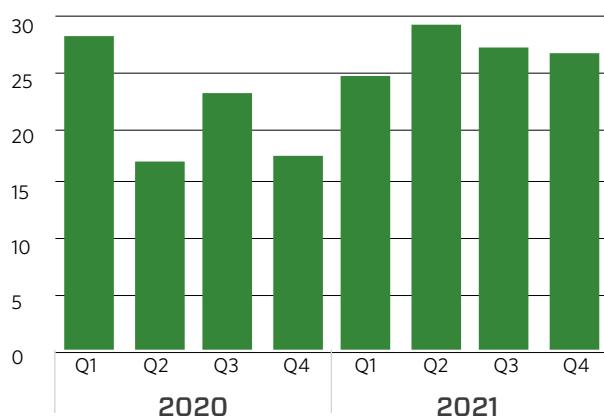
About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------



An important step was taken in 2021 with the expanded agreement with Rolande, under which the plants in Sweden and Norway will supply mainly the Dutch and German markets with Bio-LNG. Deliveries, totalling 90 GWh per year, will start in 2022.

Looking forward, the plant will focus on producing and delivering to meet demand in Norway, Sweden and beyond Scandinavia.

GWh sold per quarter, Business Area Norway



Collaborations

Scandinavian Biogas has worked with its subsidiary Biokraft, and in collaborations with various national research programmes, to make major investments in research and development. The goal is to develop new methods and systems to increase productivity and make the most of resources along the entire production chain.

Investments in a demonstration plant for the EffiSludge project were made possible through a unique collaboration with Norske Skog. Another research collaboration – the COMPLETE project – is being conducted with partners that include NTNU and SINTEF Ocean.

The Norwegian operations are also a key partner to the Norwegian fishing industry. Silage from the Norwegian salmon farming industry is the main feedstock for biogas production in Skogn. The fishing industry is expected to continue to grow over the next decade, which provides good prospects for increasing the biogas plant's feedstock and improving the reputation of the fishing industry.

For the Skogn II expansion, Scandinavian Biogas is collaborating with ABB, Andion, Grande and Wärtsilä.

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Korea

At the Yongyun plant in Ulsan, Korea, Scandinavian Biogas manages the food waste produced by more than one million residents. The plant has undergone major changes since Scandinavian Biogas took over in 2007, and now has an annual production capacity of 65 GWh. Biogas is produced through pre-treatment of collected food waste followed by co-digestion with primary sludge from Yongyun's wastewater treatment plant.

Korea wants to promote sustainable development and is striving to become a world leader by successfully implementing Agenda 2030 in the country's development plan. Major focus is on the conversion to renewable energy. The capital city of Seoul has adopted its own development targets based on the UN Global Goals, which specify how Seoul can be developed into a sustainable city. In November 2021, the Korean government established the goal of reducing greenhouse gas emissions by 40 per cent from 2017 levels by 2030. The aim is to achieve net-zero emissions by 2050.

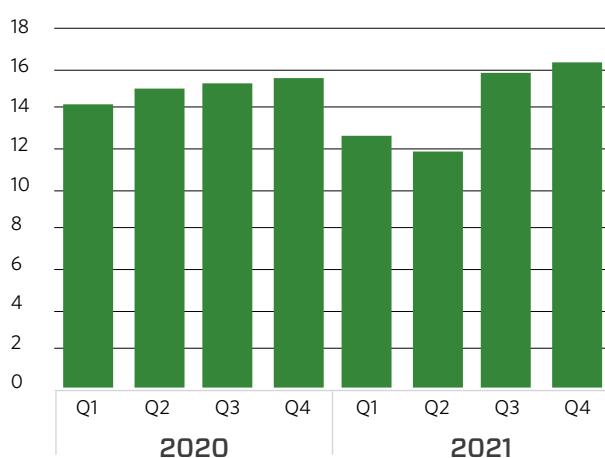
In 2021, the Korean government signed the international agreement the Global Methane Pledge, which aims to reduce methane emissions by 30 per cent from 2020 levels by 2030. To reach this target, the government plans to build ten new biogas plants until 2030 to reduce methane emissions from agriculture.

Today, there are 110 biogas plants in Korea. The government plans to increase the number of biogas plants in the country to a total of 150 by 2030.

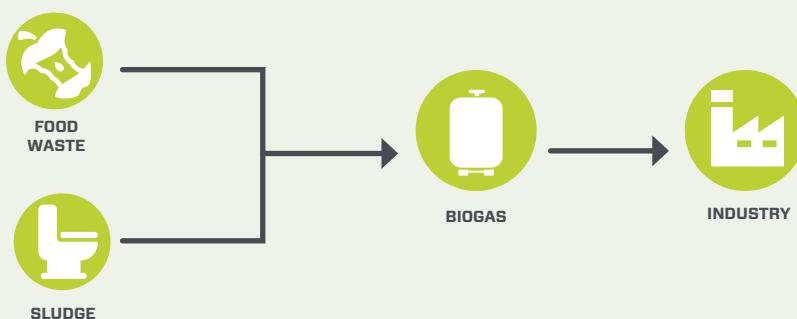
Stable production at the plant

After Scandinavian Biogas took over the biogas plant in Ulsan in 2007, the operations have undergone major changes. A fivefold increase in the amount of treated waste was achieved by optimising the plant and biogas production in accordance with the Company's self-developed HOLD Technology™. Approximately

GWh sold per quarter, Business Area Korea



Yongyun biogas facility



56,8 GWh
SOLD BIOGAS 2021

60 GWh
AT FULL CAPACITY

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------



40 tonnes of food waste were handled per day in 2007, as compared with 188 tonnes per day in 2021.

With the changes, the City of Ulsan has positioned itself as a model for other Korean cities. This position was strengthened in 2013 when Yongyun's biogas facility was named the country's most efficient – a position the Company has successfully defended. The plant was also designated a best practice facility by the Ministry of the Environment in 2015.

Operations in Korea continue to perform at a high level in terms of volume of treated food waste. Production at the plant was the Group's most stable in 2021 and the plant performed on par with 2020. The plant in Korea has an average annual

production of 60 GWh. The production in 2021 amounted to 63 GWh. Revenues are generated from fees for food waste management, which totalled 188 tonnes (197) during the year. Additional revenues are generated through the sale of raw gas, which totalled 56.8 GWh (59.9) in 2021.

Production includes the management, pre-treatment and digestion of large volumes of waste from City of Ulsan residents, as well as primary sludge from the adjacent Yongyun wastewater treatment plant. Operations in Ulsan are based on close collaboration with the major metropolis and are regulated by a concession agreement that runs through 2026.¹

1. South Korean Ministry of Environment, 2020 Biogas Facility of Organic Waste.

Sustainability

The key driver and vision for Scandinavian Biogas is to take an active role in the transition to a fossil-free, circular, and sustainable society.



About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Our sustainability work

Our mission is to help society transition towards renewable energy. How we do business – how we design, operate and manage our biogas plants, is continuously evaluated based on the economic, social and environmental impact that we have on our environment and stakeholders such as local communities, employees, customers, suppliers, and owners.

We are one of the Nordics leading biogas energy companies, with our headquarters in Sweden and with operations in Sweden, Norway and Korea. We produce and upgrade both compressed biogas (CBG) as well as Bio-LNG (liquid biogas) mainly from sewage sludge, food waste, waste from salmon farms and waste from industries. Our biogas is mainly used for heating, fuelling vehicles and our bio-fertiliser within agriculture. Since 2020, we also have a logistics arm in Sweden through our subsidiary Ekdalens Biotransporter, which has taken us even closer to ensuring a circular loop in our operations with their fleet soon to be fuelled by Bio-LNG.

As a company that produces biogas, we handle areas of sustainability and circularity on a day-to-day basis. We are acutely aware of how we can always do more to create positive impacts and minimise negative impacts on the environment and local communities. In 2021, we continued to do just that, and developed our sustainability work even further in Sweden, Norway and to some extent in Korea. In Sweden, our most significant impacts are linked to our production facilities and we have defined sustainability goals and targets to tackle these issues.

Our employees are at the heart of all we do. In order to create a sense of community and common direction for the company, we have defined a set of values. These values guide us as

employees and as a company to constantly develop and grow. Our core values are Respect, Expertise, Joyfulness, and Passion!

Our overarching sustainability goals

Scandinavian Biogas is guided by three overarching sustainability goals. These overarching aims outline the main purpose for why we work with sustainability and what greater impact and purpose we seek to have on the environment and society. These overarching goals are outlined below.

Our 2021 sustainability report is structured around these three overarching goals and our material sustainability issues – with the first sections describing these and how we manage sustainability at Scandinavian Biogas, followed by insights in the later pages sharing our progress during the year.

Defining key sustainability issues

Scandinavian Biogas has identified a number of sustainability issues, that are all linked to our overarching sustainability goals. From these key sustainability issues we have created a prioritisation list that channels the company's sustainability efforts.

The defined sustainability issues are a result of a materiality analysis conducted in 2017, and supplementary stakeholder dialogue and materiality analysis in 2020. The issues take into consideration Scandinavian Biogas's environmental, social and economic impact and include the entire Group.



Scandinavian Biogas's three overarching sustainability goals

1

Promote a fossil-free, circular, and sustainable society
through investments, innovation, and growth in the biogas field.

2

Ensure efficient and responsible operations

- Continuously reduce the operation's negative environmental impact and produce renewable products with high environmental performance and resource efficiency.
- Be a responsible and transparent partner and manage the business in a trustworthy manner.

3

Be an attractive employer
that supports a safe and secure workplace, with committed employees.

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Stakeholder dialogue

Scandinavian Biogas values dialogue with our stakeholders, and the stakeholder dialogue we conducted in 2020 helped us gain greater understanding of our stakeholders' needs and expectations for the Company's sustainability work. Dialogue was conducted using qualitative interviews as the primary method for obtaining detailed input from people of particular importance to Scandinavian Biogas. Interviewees were selected based on stakeholder groups identified ahead of the 2017 stakeholder dialogue. In 2020, thirteen interviews were conducted in Sweden and Norway with 17 key persons from the following groups:

- Owners
- Employees
- Customers
- Suppliers
- Nearby residents
- Politicians/Public authorities

Results from the stakeholder dialogue were used to directly update the materiality analysis. The issues that stakeholders considered to be most important for Scandinavian Biogas to focus on were sustainable products, emissions to air and water, and health and safety for personnel.

Materiality analysis

In addition to stakeholders' perspectives on identifying the most important sustainability issues, the Company's environmental, social and economic impact on the surroundings was taken into consideration when defining Scandinavian Biogas's

material sustainability issues. During a workshop with senior Scandinavian Biogas personnel from Norway and Sweden, participants assessed the Company's impact in the areas that stakeholders had identified as most significant. The results of this work – notably, eight key material issues, five important informing issues, and four monitoring issues – which have been approved by the Scandinavian Biogas management team, are presented in the table further down on this page.

The Company's material sustainability issues – that is, the sustainability issues judged as most important in terms of impact and relevance for the company and its stakeholders – are where Scandinavian Biogas focuses sustainability efforts and reporting. You will find a description of these eight issues on the next page.

In addition to the eight material issues, Scandinavian Biogas has a further five informing issues which are included in our sustainability work and this report. These are of lesser importance than the material issues, but nevertheless important to both directly work with and inform of progress on in our reporting. Last year, *Water use* was a separate informing issue, however since 2021 this has been integrated into the material issue *Feedstock and Material*.

Furthermore, an additional four monitoring issues are considered significantly important to keep track of internally and prioritise if circumstances require.

There is a further description of the materiality analysis on page 101, where you will also find the materiality matrix.

Scandinavian Biogas's sustainability issues and relation to the overarching sustainability goals

We have eight material sustainability issues, for which we report topic-specific information in our GRI-referenced sustainability report. In the table below, we also include our five informing issues, and four monitoring issues.

Our three overarching sustainability goals & our three levels of focus	1 Promote a fossil-free, circular, and sustainable society	2 Ensure efficient and responsible operations	3 Be an attractive employer
Material issues Issues which are of highest focus in our work and reporting.	<ul style="list-style-type: none"> ▪ Sustainable products ▪ Long-term returns ▪ Investments in sustainable energy 	<ul style="list-style-type: none"> ▪ Emissions to air and water ▪ Feedstock and material ▪ Suppliers 	<ul style="list-style-type: none"> ▪ Health & Safety ▪ Expertise
Informing issues Issues which we actively work with and include in our reporting.	<ul style="list-style-type: none"> ▪ Intangible assets 	<ul style="list-style-type: none"> ▪ Energy Use ▪ Nearby areas ▪ Compliance ▪ Business ethics 	
Monitoring issues Issues which we follow closely in our work and raise when needed		<ul style="list-style-type: none"> ▪ Waste ▪ Ecosystems and biodiversity 	<ul style="list-style-type: none"> ▪ Equal treatment ▪ Human rights

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Material sustainability issues for Scandinavian Biogas

Our material issues are of focus in our sustainability reporting and work, and here we share an overview of what these issues mean for us.

Sustainable Products

Our main product, biogas, creates sustainable energy sources for our local communities by replacing fossil fuels and reducing CO₂ emissions for society. In our operations, biogas is produced in a circular business model which uses waste and residual products to transform them into a new viable energy resource. Our biproduct, bio-fertiliser, helps form our circular business model and reduce CO₂ emissions from the agriculture sector.

Long-term returns

Our operations and investments should bring long-term returns, and as such contribute to the sustainable economic growth of the company rather than short-term wins. This is of benefit for not only the present generation, but also for future generations to come.

Investments in sustainable energy

We invest in our business and are building for a future sustainable energy system in which biogas plays an important part. These investments in sustainable energy in our current and future biogas plants secure energy production for the future whilst also securing a healthy environment for local communities.

Emissions to air and water

Our operations, by nature, create various emissions and waste products which must be handled in a responsible way. We ensure our operations are efficient and that emissions to water and air are as low as possible, and we strive to improve wherever possible.

Feedstock and material

Our key ingredient in our biogas production process is our feedstock – usually referred to as substrates. We use only substrates which are classified as waste or residual products, and these range from organic household waste to industrial residual products. In addition to our feedstock, our processes also require the use of chemicals and drinking water in order to extract the maximum potential from our substrates. We strive to be as efficient as possible with these resources.

Suppliers

Our suppliers, and particularly our carriers – the companies who transport our feedstock, other input goods, and products –, are a key component of our value chain, where we endeavour to minimise negative impacts and develop our important relationships. Our Code of Conduct is central to all our dealings with our suppliers and we expect that our code is respected throughout the value chain.

Health and Safety

The health and safety of our employees is of the utmost importance. Our workplaces are safe and secure for all and we look after our employees through various trainings, benefits and developed processes. Good working conditions are key for us to be a responsible and attractive employer.

Expertise

Our business is knowledge-intensive and the expertise and competence of our employees is critical for our operations and growth. We must attract and retain the most skilled and experienced employees on the market so that we can develop, prosper and continue to contribute to a sustainable society.

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Sustainability management

The goal of Scandinavian Biogas's sustainability management is to integrate sustainability in all parts of the business, with proactive accountability from an environmental, social, and economic perspective. Initiatives were launched during the latter part of 2020 to integrate sustainability work in the Norwegian operations, as well as Korea to a certain extent; this work has continued in 2021 and is still ongoing.

The Group management is responsible for overall sustainability strategy, targets, activities, and follow-up, while operational responsibility lies with the individual business areas. Each sustainability target and KPI, once defined for each material, informing and monitoring sustainability issue, has a designated supervisor responsible for tracking and following up. Results are presented to Group management twice annually and within each business area on a quarterly basis.

Sustainability work at the production facilities is carried out by the production manager and sustainability manager, who work with operating personnel to produce targets and action plans.

Business area management has overall responsibility for working environment and social sustainability issues, which are delegated to departmental heads. The HR manager is responsible for monitoring targets and activities.

Operations are governed by a range of policies adopted by the Board of Directors. Our policies guide the company in its dealings

Policy documents for Group operations, adopted by Group Board on 24 March 2021



- Working environment policy
- Environment and sustainability policy
- Employee policy
- Gender equality policy
- Quality policy
- Code of conduct for suppliers
- IP policy
- Financial policy
- Guidelines for trade secrets
- Group Financial Handbook
- Transfer Pricing Policy

with co-workers, suppliers, customers, local communities and environment and bring accountability to us and our stakeholders.

All Company policies were reviewed in 2020 and updated for adoption by the Board during Q1 2021. All employees were informed of our policies in a group-wide Digital conference in Q2 2021, and they are readily available to all in our internal systems. Our policies are maintained at group level, and an ongoing work for each subsidiary is the development of guidelines under these policies as needed for their business areas. During 2022, much focus will be placed on developing such guidelines and implementing a business management system which enables continued work with our ISCC certifications (more information on these can be found on page 49) and our general sustainability management.



About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Our progress in 2021 with our material issues

As part of our sustainability management process, we have developed targets for most of our eight material sustainability issues, which you will find in the table below. We are still in the process of developing targets for our material issues *Suppliers* and *Expertise*. Our work with each of these material issues is continual and in the coming year we intend to further incorporate all business areas in our goals and targets.

Scandinavian Biogas's material sustainability issues, with set goals, targets and results

Our material issues & targets	Target year	Target value	Results 2021	Results 2020
Sustainable products				
Produced biogas reduces emissions compared to fossil fuel equivalent	2024	165,000 tonnes CO ₂ eq	93,244 tonnes CO ₂ eq	87,327 tonnes CO ₂ eq
Long-term returns				
Increased operating income	2024	750 MSEK	451 MSEK	407 MSEK
Increased operative EBITDA margin	2024	30%	19.2%	19.1%
Investments in sustainable energy				
Increased investments in biogas production capacity	2024	700 GWh	406 GWh	406 GWh
Emissions to air and water				
Reduce CO ₂ emissions per unit biogas produced	2024	10% reduction (from 2020)	6% increase	--
Reduce the amount of nitrogen in wastewater in Södertörn	2024	70% reduction (from 2018)	55% reduction	48% reduction
Ekdalens Biotransporter have fossil-free transportation	2026	100% fossil-free	7%	0%
Feedstock and materials				
100% of feedstock used for biogas production are classed as waste and residual products	Every year	100%	100%	100%
Reduce the use of drinking water per unit biogas produced in Swedish operations	2024	50% reduction (from 2018)	40% reduction	23% reduction
Suppliers				
Targets are being developed	--	--	--	--
Health & Safety				
Zero cases of work-related accidents resulting in absence	Every year	0 cases	0 cases	--
Expertise				
Targets are being developed	--	--	--	--

During 2021, most results moved closer to their target values: increasing the value of our sustainable products by delivering more reductions in emissions compared to fossil fuel usage, moving closer to stable long-term returns with increased operating income and operative EBITDA margin, further reducing emissions to water, and our logistics arm building their fossil-free truck fleet. We met our annual goals for our sustainable feedstock origins and for the health and safety of our employees. Our only result which in total moved further away from our target was our emissions to air per unit biogas produced. This can be explained by this value increasing slightly for both Sweden and Korea. It decreased for Norway, however the Norwegian operations generally have higher specific emissions and furthermore represented a larger proportion of the Group's biogas production during the year compared to the baseline year 2020. The coming sections describe more around our work and progress in each of these material sustainability issues and our overarching sustainability goals.

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

We promote a fossil-free, circular, and sustainable society

Scandinavian Biogas plants operate in a circular, closed-loop system whereby organic waste is treated and processed into renewable, locally produced fuel and bio-fertiliser. Our biogas replaces fossil fuels, and our bio-fertiliser returns the nutrients from organic waste back into agricultural food production, from which residues are again digested into biogas and bio-fertiliser.

At the core of our business, is the creation of sustainable products. For our company to continue to promote a sustainable society, we are built on stable financial foundations and aim for long-term returns. In order to increase our impact, we are driving our growth through investments in sustainable energy in the form of expanding and building new biogas plants. These three areas form our three material issues towards our goal for promoting a fossil-free, circular and sustainable society. In the coming pages, we describe how we are working, measuring, and progressing with these issues.

Promoting a fossil-free, circular and sustainable society

Sustainable products

Long-term returns

Investments in sustainable energy

Our impact on the value chain is determined through regular evaluations of feedstock and through life cycle analyses of produced biogas based on the EU's Renewable Energy Directive (RED and RED II).

The Group's plants produced 341 GWh of biogas in 2021, corresponding to just over 38 million litres of petrol. The plants also produced 46,198 tonnes of concentrated bio-fertiliser as fossil fertiliser replacement, supplying agriculture with nutrients and soil-improving mulching material. Bio-fertiliser is produced at the Swedish and Norwegian plants. Under Korean law, digestate from biogas production is incinerated.

Emissions from biogas production totalled 7.0 g CO₂eq/MJ (weighted average), with the Group's production facilities emitting a total of 8,322 tonnes CO₂eq during the year. Meanwhile, the replacement of fossil fuels with produced biogas reduced emissions by 93,244 tonnes CO₂eq, representing an emissions reduction of 92.1 per cent (weighted average) for our biogas as compared with fossil fuel usage. Emissions reductions for each business area are presented on page 47.

We are constantly aiming to develop our business and our partnerships. In 2020, we acquired the logistics company Ekdalens, which is a key part of our value chain – ensuring deliveries to our plants. In 2021, the pilot project EffiSludge was completed in Norway, which explored the opportunities for industrial symbiosis between local industry and our operations – learn more about this project on page 25 in the Annual report. As we develop and grow, we aim to find more opportunities and partnerships to create sustainable products that contribute further to a more sustainable society.

In 2021, we progressed on our goals for long-term returns – increasing our operating income by over 10%, and maintaining our operative EBITDA margin. More information on our financial results can be found later in the Annual report, starting on page 62.

More information regarding our third material issue – investments in sustainable energy – can be found on pages 42-44, in our newly established Green Financing Report, where we elaborate our work and progress with this issue.

Achievements in 2021

7.0 g
CO₂eq/MJ
Emissions from produced biogas



Emissions reduction

92%
as compared with fossil fuel

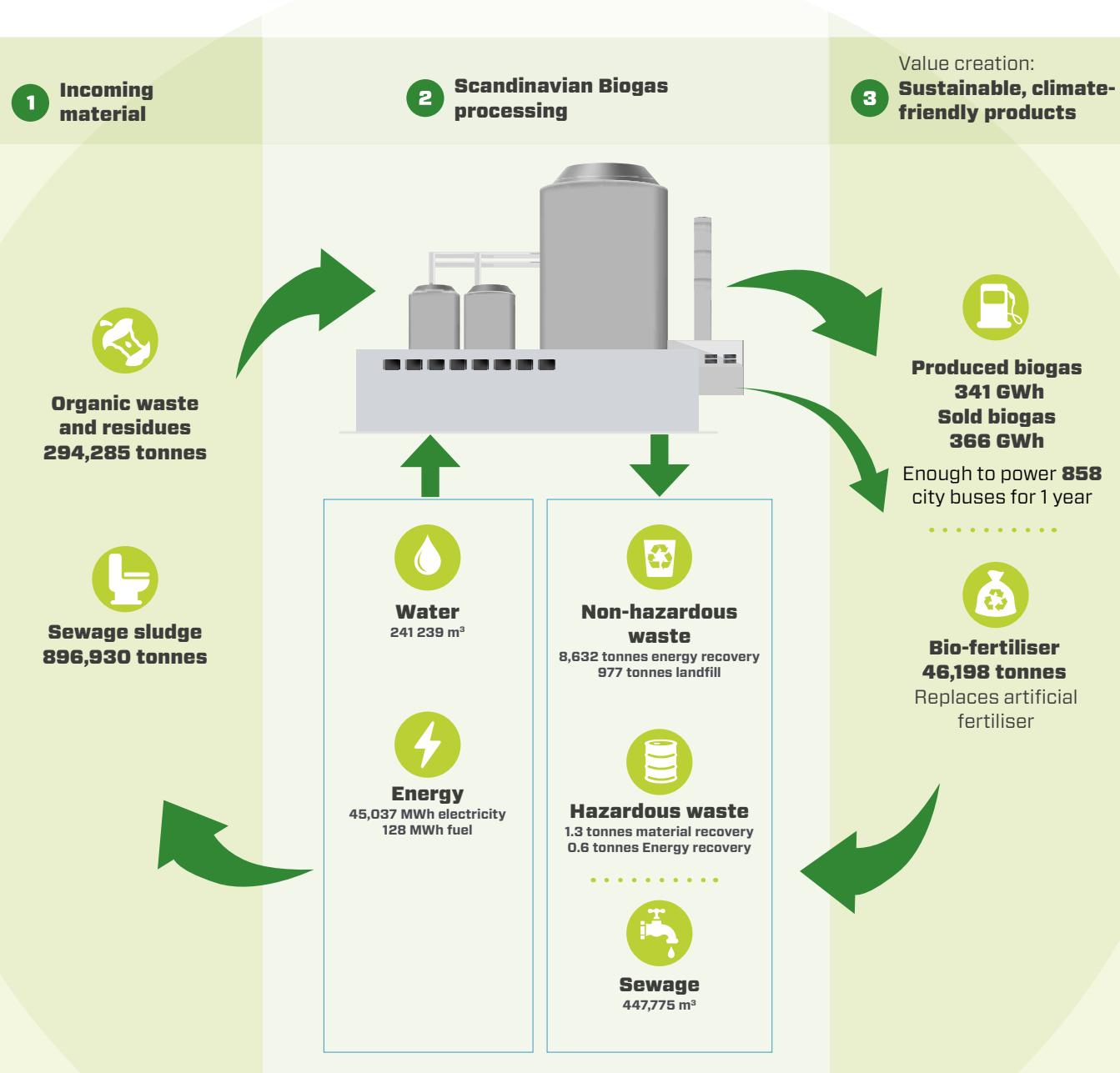


Industrial symbiosis demonstration project successfully completed in Norway

Group value chain for produced biogas from a feedstock and product perspective

93,244 tonnes CO₂e reduction in Sweden

Emissions, g CO₂ eq/MJ (weighted average) 7.0



Scandinavian Biogas produces renewable energy from essentially all types of organic material using processes that are among the world's most efficient. In this way, Scandinavian Biogas closes the circle, participates in the circular economy, and actively supports a sustainable society. Biogas is the most eco-friendly vehicle fuel from a holistic perspective.

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Scandinavian Biogas actively contribute to the UN's Sustainable Development Goals

Agenda 2030 – the UN's agenda for sustainable development, with 17 sustainable development goals is based on the three dimensions of sustainability: economic, social, and environmental. According to a study by the Biogas Research Centre,¹ global biogas production directly or indirectly supports all sustainable development goals. The Swedish Gas Association,² a trade association, argues that utilisation of biogas and bio-fertiliser reduces dependence on imported natural gas and artificial fertilisers, which improves security of supply for energy and food. It also creates local jobs and new business opportunities.

Scandinavian Biogas's core business is directly linked to the following six global goals.



SUSTAINABLE DEVELOPMENT GOALS

Sustainable energy for all – significantly increase the share of renewable energy in the global energy mix.



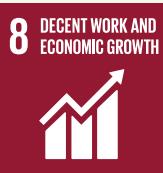
In achieving this development goal, biogas is a key component in the global energy mix. Scandinavian Biogas invests in and produces biogas, which replaces fossil fuels. We ensure that our biogas provides an emissions reduction of more than 90 per cent as compared with fossil fuels and that the feedstocks used have not caused damage to areas of high biological value.

Sustainable cities and communities – reduce cities' environmental impact per person. The goal involves devoting particular attention to air quality and waste management.



We create an alternative to waste incineration by offering biological treatment of organic waste, in which energy and nutrients are recovered. When used as fuel, biogas also improves city air quality by reducing exhaust emissions of nitric oxides and harmful particles as compared with combustion of other fuels. Noise emissions are also reduced by biogas-fuelled vehicles.

Decent work and economic growth – safeguard employee rights and promote a safe and secure working environment.



Laying the foundation for a safe and secure working environment through systematic working environment management and empathetic leadership is a high priority issue for Scandinavian Biogas.

Sustainable consumption and production – responsible waste recycling.



Scandinavian Biogas views organic waste as a resource. In 2021 the Group recovered 294,285 tonnes of organic waste and residues, delivered 366 GWh of biogas to society and restored 46,198 tonnes of bio-fertiliser to agriculture. Operating our biogas plants in a responsible manner is a foundation of our sustainability work. Focus is on material, energy, and water optimisation and on preventing emissions to air, water, and land.

Sustainable industry, innovation and infrastructure – adapt industries to make them more sustainable, and improve resource efficiency.



One of the Group's focus areas is to constantly improve resource efficiency at the production plants. We also work continuously to replace older technology with cleaner, more efficient alternatives.

Combat climate change – take urgent action to combat climate change and its impacts.



Scandinavian Biogas produces renewable products in the form of biogas and bio-fertiliser, enabling corporates and consumers to switch from fossil to renewable alternatives.

1. The Role of Biogas Solutions in the Circular and Bio-Based Economy, Biogas Reserach Center, 2016.

2. Proposal for Nationell Biogas strategy 2.0, The Swedish Gas Association, April 2018

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Green Financing Report

Our Green Financing Framework is a key part of our financial strategy and guiding sustainability work which enables us to promote a fossil-free, circular and sustainable society. This report details our progress as we use our green financing to drive our growth and commitment to a green transition and circular future.

In September 2020, our green financing framework was established, and this is our first green financing report in which we share our status at the end of the year 2021, including information regarding our green investments and our specific projects selected for green financing. Proceeds have been allocated to our selected projects and several important steps have taken place during the year in order to move forward with our largest investments.

Summary of green financing received under Green Financing Framework

As detailed earlier in the Annual report, our green financing comes from a variety of sources.

The green financing that we receive supports us in our goal of promoting the transition to a fossil free, circular and sustainable society. Net proceeds are allocated to projects that are deemed

eligible to fit into one of three project categories – renewable energy, sustainable wastewater management and pollution prevention, and clean transportation. Our largest investments in 2021 and the coming three years are in expanding our biogas production capacity and converting to or building new Bio-LNG production facilities. These investments will produce more renewable fuel and hence support the transport sector in reducing fossil fuel use, as well as utilise waste and residual products to create the renewable fuel, and produce bio-fertiliser to help close the circular loop.

Green investment project overview

Our list of green projects is maintained in a green project register. In the overview below, we share a general overview of these projects and how they contribute to the green transition. For more information regarding status and updates during 2021, see page 13.

Type of financing	Date received/issued	Maturity	Nominal value
Share issue, Nasdaq Nordic	December 2020	-	324 MSEK
Senior green bond issue	June 2021	June 8 2026	685 MSEK
Revolving credit facility	June 2021	June 7 2026	Up to 300 MSEK
Investment grants 2020	Approved during 2020	-	49 MSEK
Investment grants 2021	Approved during 2021	-	300 MSEK
Total			1,658 MSEK

Stockholm Bio-LNG, Sweden

The main part of the project is taking place at our plant at Gladö Kvarn Recycling area in southern Stockholm, which is a biogas production facility, where today all stages in the production process are included to create compressed biogas (CBG). The key part of this project is to invest in a new large scale plant where we will upgrade CBG to Bio-LNG (liquid biogas). At the same time, we will connect Gladö Kvarn to the gas grid in Stockholm, enabling us to also liquefy the biogas produced at the Henriksdal Wastewater treatment plant.

We will also increase the amount and types of waste that we can use to produce biogas and bio-fertiliser at Södertörn, and thereby increase production capacity. The total increase in biogas production capacity on site is expected to be 40 GWh per year. After a ramp-up period we will reach a total production of Bio-LNG greater than 200 GWh in Gladö Kvarn.

Mönsterås, Sweden

Mönsterås will be a new biogas production plant in southern Sweden, developed through a strong local support and engaged partners, in the form of local farmers. The plant will use manure from the local agriculture industry as feedstock to produce Bio-LNG. Bio-fertiliser will also be produced in the process and used in the local agriculture industry, contributing to the circular business model. The annual plant production capacity is being designed for greater than 125 GWh.

Skogn II, Norway

The Skogn facility, located outside Trondheim is currently the world's largest Bio-LNG plant. The Skogn II investment project is the first of two expansions of the Skogn facility. Skogn II increases the Skogn production capacity with 35 GWh annually, increasing the Skogn facility to 160 GWh annual output. The project is currently proceeding according to schedule and will be completed by Q3 2022.

Maintenance CAPEX, Norway & Sweden

Maintenance is carried out each year at our biogas production plants to ensure that they can continue to produce renewable fuel as efficiently and responsibly as possible over time. The investment project consists of several smaller projects, and they can range from exchanging hardware components to upgrading parts of the production process. These projects allow us to maintain our stable and well-functioning facilities, with high utilization.

Skogn III, Norway

This second investment project at Skogn will take place at the same site. The project introduces a new substrate mix, and as such increases the flexibility of the entire Skogn facility. The planned increase in production capacity is 90 GWh annually, bringing the Skogn facility up to a joint production capacity of 250 GWh annually. The project will commence in 2022 and be commissioned by 2024.

Ekdalens Biotransporter, Sweden

Ekdalens Biotransporter are transforming their entire truck fleet to renewable fuel, and plan to be fuelled mainly by Bio-LNG produced in our biogas production facilities. Investments in this category are solely for the purpose of supporting this green transition.

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Allocation of net proceeds per project category

Our investment projects are allocated to a single project category and accumulated net proceeds are given per category in the table below, alongside the expected environmental impact. Measurement of environmental impact will be further developed in the coming year as we progress with our investments.

Project category	Investment projects	Allocation of net proceeds up to 31 December 2021	Environmental impact of projects financed
Renewable energy	<ul style="list-style-type: none"> Stockholm Bio-LNG Skogn II Skogn III Mönsterås 	125 MSEK	<p>All projects under development. Expected impact:</p> <ul style="list-style-type: none"> 75 000 CO₂eq tonnes reduction 290 GWh biogas production
Sustainable wastewater management and pollution prevention	Maintenance CAPEX	20 MSEK	
Clean transportation	Ekdalens Biotransporter Bio-LNG	No green financing allocated in 2021	
Total net proceeds allocated to projects		145 MSEK	

Net proceeds used for financing and refinancing

Net proceeds have both been allocated to our green investment projects, as well as used to refinance old loans. These previous loans were used to construct our now operational biogas plants where we already today produce biogas and bio-fertilisers, contributing to the green transition.

In June 2021, all the Group's loans to credit institutions were refinanced in conjunction with the bond of SEK 700 million being issued. The same day as the issue, a nominal amount of SEK 63.8 million was repurchased. Outstanding nominal amount after repurchase amounts to SEK 636.2 million as of 31 December 2021. Scandinavian Biogas has the right to sell them at any time of SEK 63.8 million on the market. The assessment is that it will take place within the next 2 years. Previous loans that were refinanced amounted to 475.8 MSEK. These loans were raised in previous years as project financing for the facility in Skogn, Norway and in Södertörn, Sweden.

To end of 2021	
Net proceeds used for financing	145 MSEK
Net proceeds used for refinancing	476 MSEK
Unallocated net proceeds	1,037 MSEK

Our green financing framework

Our Green Financing Framework is aligned with the ICMA Green Bond Principles 2018 and the LMA/APLMA/LSTA Green Loan Principles 2018. Under this framework, Scandinavian Biogas and any of its subsidiaries, is able to issue green bonds, loans or other financial instruments. The framework can be found on our website.

The Green Financing Committee has been established in line with the framework and includes the Executive Management team and an additional representative from the Sustainability function. This Committee is in charge of the governance of the green financing and has approved the green project register and reporting for 2021. This report has not been externally assured, however this will be considered in future by the Committee.

Our “Dark green shading” and CICERO Shades of Green

CICERO Shades of Green AS ("CICERO") provides a market-leading, independent, research-based evaluations of green and sustainability bonds as well as full company assessments. In order to make these assessments, they use a rating system from *Dark Green*, *Medium Green*, *Light Green* in descending order of the alignment of a green or sustainability bond with a low-carbon resilient future. The Green Financing Framework of Scandinavian Biogas has been allocated a Dark Green shading, and the CICERO company assessment also allocated a Dark Green shading to the company.

Dark Green Shares

Scandinavian Biogas was the first company to receive a 100 per cent Dark Green Shading from CICERO for all of the company's revenue streams and investments, including all shares. The financing from the IPO is part of our framework for green financing and is included in our summary of green financing.

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

We ensure efficient and responsible operations

Ensuring our operations are efficient and responsible means ensuring our operations have as little negative impact on the surrounding environment as possible, that we utilise as much of the resources we put into our operations as we possibly can, and that we take responsibility for any effects our operations have on upstream and downstream value chains.

Throughout our value chain, we aim to be as efficient as possible with our use of resources and to be a responsible company in our actions and collaborations. Our operations create emissions to the environment around us, both into the air and water, and we aim to minimise these. The feedstock and materials that we use in our processes are at the centre of creating sustainable products and we strive to be as efficient as possible in our processes. Our suppliers enable our operations and processes and we endeavour to develop our relationships with them, as well as take into account the impacts that occur in our upstream value chain.

These three areas mentioned are our three material issues in ensuring that our operations are efficient and responsible.

Ensuring efficient and responsible operations

Emissions to air and water

Feedstock and material

Suppliers

In the coming pages, we elaborate how we are working on these material issues, and we make a distinction between our work with environmental issues and challenges – such as emissions and other environmental impacts – and social and governance issues – such as our work with suppliers and partners, as well as with business ethics and compliance.



Achievements in 2021



40%

Reduction in water use at Södertörn compared to 2018



ISCC EU & ISCC Plus certification obtained in Norway

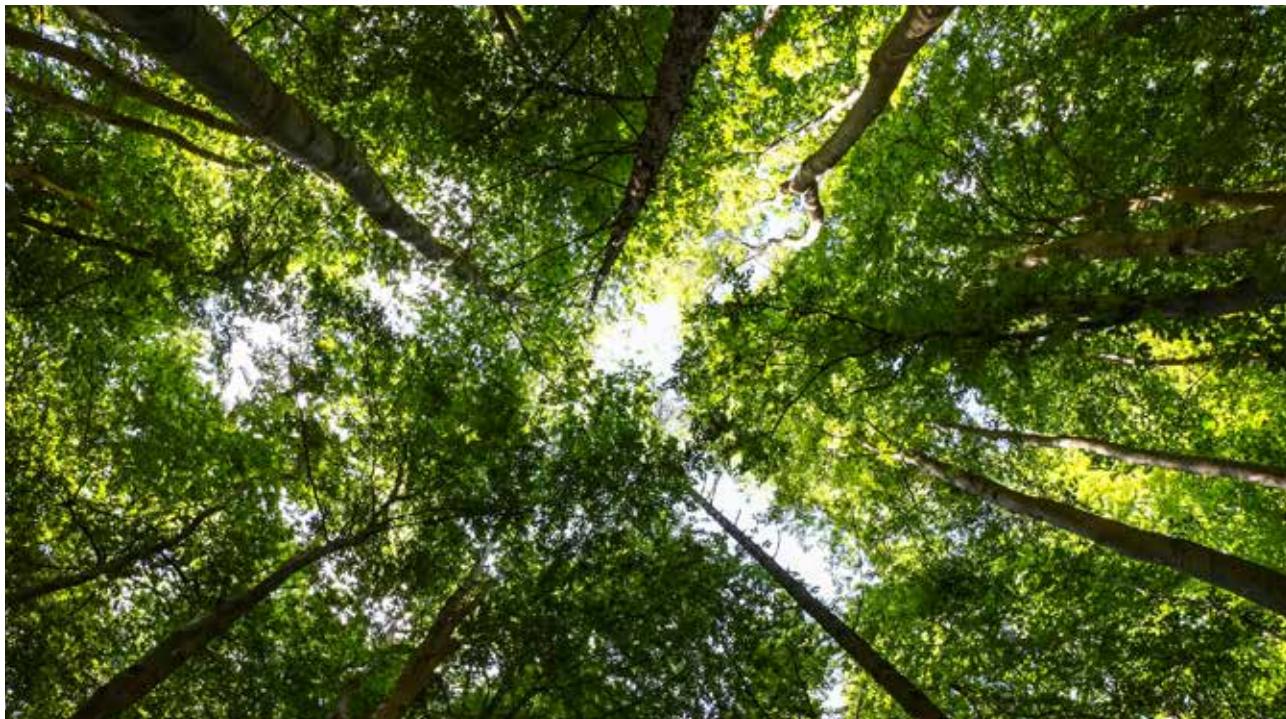


First lorry fuelled by Bio-LNG on the road at Ekdalen

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Efficient operations & managing environmental impacts

With the greatest possible resource efficiency, Scandinavian Biogas produces biogas and bio-fertiliser with the lowest environmental impact for the betterment of the environment and society.



Our feedstock, environmental benefits and resource efficiency

Producing and consuming biogas creates many benefits for the environment and society. Society's waste and residues are taken care of and processed, the use of biogas as a fuel replaces fossil fuels and improves air quality, and bio-fertiliser replace artificial fertilisers and increase harvests by improving the soil. A biogas car can drive nearly 4 km with biogas produced from one bag of food waste.

In 2021, we treated and processed 294,285 tonnes of waste and residual products. To create the greatest environmental benefit and circularity, we only use 100% waste and residual products from industrial processes for our substrates (feedstock) – and these are materials that otherwise need to be managed such as through incineration or landfill. We avoid feedstocks that may be used as food or that have a negative environmental

impact due to their origin, such as palm oil products. To ensure that we maintain this practice in future, we have set a goal that 100 per cent of our substrate mix will be comprised of waste and residual products from ethically defensible sources.

The Company's HOLD Technology™ provides an optimised biogas process with efficient substrate utilisation, maximised production, and minimised water, energy, and chemical usage; you can read more about our HOLD Technology™ on page 15. The resource-efficient operation of our biogas plants also means minimising emissions to air, water, and land. These considerations are directly linked to the environmental impact of the biogas plants, the environmental and climate performance of the products produced, and go hand-in-hand with cost efficiency. The table on page 38 presents environmental targets for the production facilities in Sweden and for the Group.

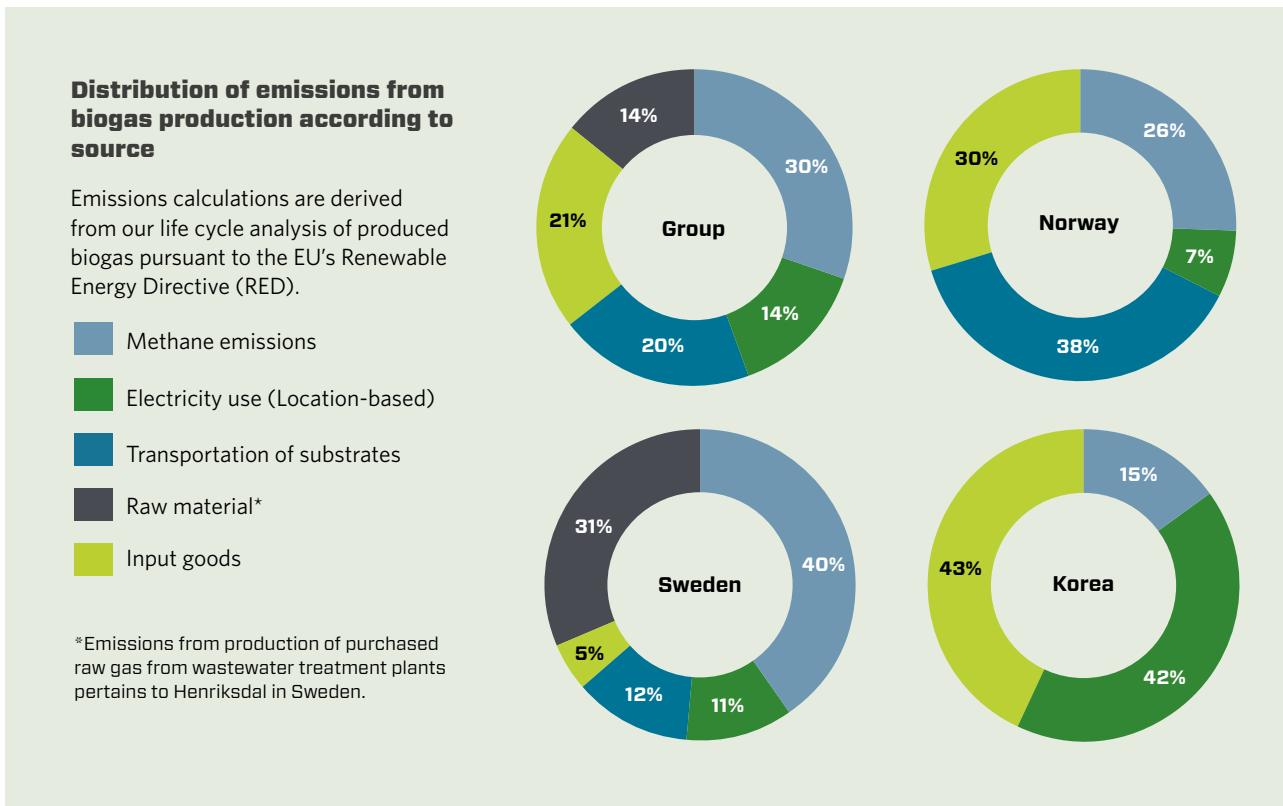


A biogas car can drive nearly

4 km 

with biogas produced from **one bag of food waste**

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------



Emissions to air

Emissions to air is a highly prioritised issue for Scandinavian Biogas. Although our overall impact on the environment and society is positive, since our renewable products replace fossil fuels and artificial fertilisers, our operations and emissions can still have a negative impact on the environment and stakeholders. We are committed to reducing this impact to the furthest extent possible.

Based on our life cycle analysis for produced gas in accordance to the EU's Renewable Energy Directive, we have identified the major sources of the Group's greenhouse gas emissions which occur in the biogas production and upgrading processes. These are: emissions of methane to the atmosphere (direct emissions, scope 1); electricity consumption (indirect emissions, scope 2); and transportation of substrates (value chain emissions, scope 3). Although much work has already been done to reduce our own emissions, our goal is to reduce emissions from biogas production – including scope 1, 2, and 3 as mentioned previously – an additional 10% from 2020-levels by 2024.

Low methane emissions from production processes are crucial to biogas climate performance, the plants' security and the Company's finances. All plants have emission provisions for methane gas pursuant to applicable environmental permits, and systematic leakage detection is conducted regularly at all plants to prevent and address any leakage. To prevent leakage, pressurised devices and safety valves in the gas system are regularly checked by accredited bodies. The Swedish plants utilise an upgrading technology that produces slightly higher emissions of residual methane. Accordingly, all Swedish plants have an action plan and internal targets in place to minimise methane

emissions and methane content in residual gas and to improve availability of the destruction units that incinerate emissions from the digestion and upgrading process. The Swedish plants are affiliated with the Swedish Waste Management Association's Self-monitoring Methane Loss initiative, a voluntary undertaking for biogas plants focused on identification and reduction of methane emissions.

Ekdalens Biotransporter was acquired in 2020. The company is a market leader in the transport of organic material to and from biogas facilities in southern Sweden. For several years, Ekdalen has been working to reduce emissions from its transportation activities. Their achievements in this area include reducing fuel consumption through providing eco-driving training, monitoring driver statistics, and delivering feedback to their drivers – not least through nominating a "driver of the week" award for the driver who drives most eco-friendly. As a result of these initiatives, Ekdalen managed to reduce their emissions by 25 per cent per kilometre in 2020 compared to 2018, and a further 12 per cent per kilometre in 2021. Efforts have also been made and are ongoing to increase the share of backhaul and the share of renewable fuel in their fuel mix. Ekdalen has set a bold and ambitious goal to be fossil-free by 2026, by which time their entire fleet will run on Bio-LNG. After purchasing their first lorry that runs on Bio-LNG in 2021, 7% of their cargo fleet is now fossil-free, which is already planned to increase in 2022.

Water and energy use

Scandinavian Biogas has a circular production process, with internal water and heat recovery. Our plants produce their own heat from the combustion of biogas and waste heat from machinery and equipment. Focus is on efficient utilisation of

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

water and energy resources. In Sweden, all purchased electricity is origin- and eco-labelled, and machinery is run solely on renewable fuel.

During the latter part of 2021, an energy survey at Söder-törn's biogas plant was conducted by a third-party. Several energy-saving measures were identified in this process and decisions will be taken during early 2022 regarding selection and implementation. Additionally, insights drawn from the energy survey will be considered for the other Swedish plants.

Scandinavian Biogas aims to minimise the use of drinking water in production processes at our facilities. The plant in Korea already uses minimal amounts of drinking water, instead taking its process water from adjacent treatment plants. The upgrading technology used at Bromma's upgrading facility does not require process water and a minimal amount of water is used in the rest of the plant by Scandinavian Biogas. At Henriksdal, all possible measures have been taken to reuse water within operations, and some drinking water will always be required in the process due to technical requirements.

At Södertörn's biogas facility, the amount of drinking water added during the process is minimised by recycling reject water from dewatered bio-fertiliser and rinse water. Efforts to minimise the use of drinking water focus here, since it is where we can have impact and make improvements. The goal for the Swedish operations is to reduce drinking water consumption per unit produced biogas energy by 50 per cent by 2024 at Södertörn, and in 2021 we were well on our way to reaching our goal by achieving a 40 per cent reduction.

In Norway, options for increasing the use of recirculated water will be evaluated during the coming year. Energy and water optimisation initiatives are led by production managers in collaboration with process and project managers.

The amount of drinking water and energy consumed in our biogas operations in 2021 is illustrated in the value chain on page 40.

Emissions to land and water

Scandinavian Biogas is committed to reducing emissions to land and water from our production facilities. As a minimum requirement, all facilities must comply with their environmental permits and applicable BAT (Best Available Technique) conclusions. We avoid environmentally hazardous chemicals to the greatest possible extent by conducting pre-purchase risk assessments and regular inventories of chemicals at the plants.

Spillages may occur when the biogas plants receive, treat, and dispatch organic material (e.g. during unloading). At the Söder-törn biogas plant, we work on preventive measures regarding emissions to land and water. Examples include sealing cracks in the digestion tank, tightening up procedures to prevent spills, and asphalting surfaces to facilitate spill clean-up. As operational optimisations continue to minimise drinking water consumption, the amount of wastewater and total amount of nutrients in the wastewater will be reduced.

In Norway, wastewater nutrients can have a positive effect when they are added to the nutrient-poor fjord outside Skogn, where the plant is located. A new environmental permit for expansion of the plant in Norway is expected in 2022 and, accordingly, goals and opportunities to further reduce emissions to water will be evaluated after the new requirements have been finalised.

The plant in Korea has been designated a Best Practice facility for several years due to its production and efficiency. The distinction has been renewed each year.

Scandinavian Biogas's environmental targets

In conjunction with our review of our materiality analysis in 2020 and subsequent work, we have adapted our reporting to focus on our material sustainability issues. Last year's report included many environmental targets and KPIs, many of which remain internally, however our reporting from 2021 details our revised, and in some cases newly developed, targets for our material sustainability issues. These issues include environmental targets, as well as other strategic, financial, and social sustainability targets. You will find this table on page 38.



About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------



Responsible operations

Scandinavian Biogas is a responsible business, meaning we run our operations in a responsible manner, we maintain high level of product quality, and we are a responsible and transparent business partner.

Suppliers

Our suppliers, particularly our carriers – the companies who transport our feedstock, other input goods, and products –, are a key component of our value chain. In terms of carriers, we have specified purchased road transport as the segment in which we can have the most impact. It is, however, worth noting that we have fewer options for imposing requirements when receiving and treating food waste. This applies, for example, to all operations in Korea, where the substrate is transported solely by municipal refuse lorries that carry food waste to the plant. In Norway, most of the transportation of substrates is by boat.

The Group's Code of Conduct for suppliers includes environmental, social, and governance aspects. We are reviewing options to impose specific social and environmental requirements at the supplier level. In 2021, we started the work in formulating goals in this focus area – in 2022, we will further develop this work and implement new goals and targets.

In the Swedish operations, the transportation of new substrates are being evaluated with regard to fuel, distance, load volume, and backhaul to ensure that sustainability criteria can be met. We also have ongoing dialogue with carriers regarding conversion to renewable fuels.

In the coming years, we are building and expanding our

biogas operations. As we move into this construction phase, our project suppliers will also be an important aspect within this material issue. In 2022, we will consider our potential impact here also, through evaluating such options as the inclusion of sustainability criteria in the procurement of these services. We will evaluate how to work with these suppliers to ensure that our new plants are built with sustainability in mind, and that our Code of Conduct is upheld throughout the process.

ISCC certification

In 2021, our Norwegian operations became both ISCC EU, and the broader ISCC Plus, certified. These certification schemes verify that all sources of purchased feedstock comes from environmentally and socially sound sources. The certifications include sustainability and traceability criteria and the ISCC EU certification provides legal recognition under the targets set by European regulations for transportation fuels. Our Swedish operations began working towards achieving these certifications in 2021, with the aim of completing in 2022.

Nearby operations and residents

The Company's facilities are located near other businesses, such as wastewater treatment plants, industrial facilities, and residential areas. Dialogue and co-operation with nearby operations are essential to Scandinavian Biogas's ability to operate as a biogas producer and to minimise risks.

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

We take responsibility to maintain good relationships and provide adequate information by holding regular collaborative meetings with neighbouring businesses. We also take responsibility to maintain a good relationship with nearby residents; for example, by informing them whenever changes are made to a production facility and responding directly to any complaints.

Odour from biogas plants is an issue that often affects nearby residents. We have therefore an internal target for the Swedish operations to receive zero complaints regarding odour from Scandinavian Biogas plants. This target is monitored on a monthly basis by the production manager. Issues that occurred and were resolved in 2020 regarding odour from Södertörn's biogas plant resulted in measures that continue to be implemented and have improved the overall management of this topic.

Anti-corruption and ethical guidelines

Our employee policy includes business ethics principles for employees and stipulates zero tolerance for corruption, the importance of compliance, and respect for the UN Declaration of Human Rights. Our code of conduct for suppliers specifies the Company's requirements and expectations regarding working conditions, human rights, the environment, and anti-corruption.

Our core values govern norms and behaviours and serve as an important benchmark for how we treat ourselves, each other, and our customers, suppliers, and partners. Our defined values are Respect, Expertise, Joyfulness and Passion! These values guide us in all our undertakings, and help us stay aligned. We respect each other and create safe spaces for each co-worker to develop. We value each other's expertise and are well aware that the success of the business relies on our combined pool of knowledge and experience. We believe that our company can only prosper if our employees enjoy coming into work every day, be it physically or virtually. And last, we value the passion that our employees have towards their work objectives and the difference their work is having on the environment and society.

Compliance

Our operating companies are subject to authorisation and notification requirements. Accordingly, the companies are required to have environmental permits as well as permits to use explosives and inflammable products and substances in their operations. Scandinavian Biogas has a management system with self-monitoring programmes for safety, quality, environment, and working environment. Working preventively and applying the precautionary principle are fundamental considerations when, for example, purchasing new technology. The Company maintains regular dialogue with regulatory authorities and reports any incidents and operational disruptions that may affect the external environment or human health.

Membership organisations

Scandinavian Biogas is a member of four membership organisations. Avfall Sverige is the Swedish waste management and recycling association, and they monitor developments, educate and perform investigations with the goal to minimise waste in society. Energas Sverige is an industry organisation that mediates between its members – who operate within the industries of biogas, natural gas, hydrogen and others – and legislators, media and the public. Biodriv Öst is a regional cooperative organisation that gathers various actors who work

Legal requirements for security, environment, working environment, and quality

- Act on Sustainability Criteria for Biofuels and Bioliquids
- Act on Inflammable and Explosive Products
- Seveso Directive
- Environmental Code (environmental permits)
- ABP Ordinance (ABP permits)
- Planning and Building Act (building permits)
- Work Environment Act



to promote a fossil-free transport sector. Biodriv Öst also runs the regional network Biogas Öst, that works to promote biogas production in eastern Sweden. Through being members of these organisations, Scandinavian Biogas is actively engaged in our sector and striving to contribute to a more sustainable society.

Product quality

Strict oversight of quality parameters, such as the energy content of produced biogas and the presence of undesirable substances in biodiesel and biogas, is of great importance to us. Produced bio-fertiliser is spread on arable land and must be of high quality. Food waste contains undesirable substances such as plastic, sand, stones, and metal objects. Upstream work – in the form of detailed quality requirements, random sampling, regular supplier visits, and collaboration with waste management operators – is therefore crucial in maintaining a high level of product quality.

The Swedish bio-fertiliser products are certified under the Swedish Waste Management and Recycling Association's SPCR120 regulations. This certification involves strict quality control of everything from incoming feedstock to the final product, with stringent requirements for traceability, infectious disease control, metal content, and pollutants. The Swedish operations have also received Collection System Approval from the Swedish Board of Agriculture. This approval signifies that Scandinavian Biogas is able to guarantee traceability, quality control, and self-monitoring across the entire collection chain – a step towards KRAV-certified bio-fertiliser. The Korean plant does not produce bio-fertiliser, as digestate from biogas production is incinerated pursuant to Korean law.

Produced biogas meets quality standards for vehicle gas and biogas in each business area. The Swedish facilities hold Swedish Energy Agency sustainability determinations, certifying that the produced biogas is sustainable in accordance with the Act on Sustainability Criteria for Biofuels and Bioliquids. We conduct annual life cycle analysis calculations for sold biogas to ensure that it meets these sustainability criteria. According to the criteria, the feedstock used must not have caused damage to areas of high biological value and the biogas must produce must produce at least 50 to 60 per cent less greenhouse gas emissions than fossil fuels, depending on the age of the production plant.

We are an attractive employer

Our staff are highly-skilled and at the heart of all that we do. They have a central role in our business of today and in the future. We must develop as an employer, look after our current workforce to ensure they thrive, as well as make sure that we are attractive for potential future employees as we expand our business and grow.

Our staff are spread across locations – in offices, laboratories, production facilities, and in road transportation – and, of course, in different countries. These workplaces provide different challenges and require different attention. Wherever located, we consider the health and safety of our personnel with the utmost importance and a key priority in our operations is to ensure that our workplaces are safe and secure for all.

Our operations require a range of expertise, from industrial plant management to deeply specialised knowledge of the intricate details of biogas production, amongst many others. This knowledge and competence are core to the business, and ensuring that our staff are trained and have up-to-date knowledge is both critical for our operations and business success as well as an important factor for individual development and work satisfaction.

These two areas are our material sustainability issues in becoming and remaining an attractive employer.



In the coming pages, we elaborate how we are working on these material issues, as well as our other key areas when looking after our employees and in making our workplace safe, secure, and engaging, and ensuring that we have a skilled and committed workforce.

Achievements in 2021

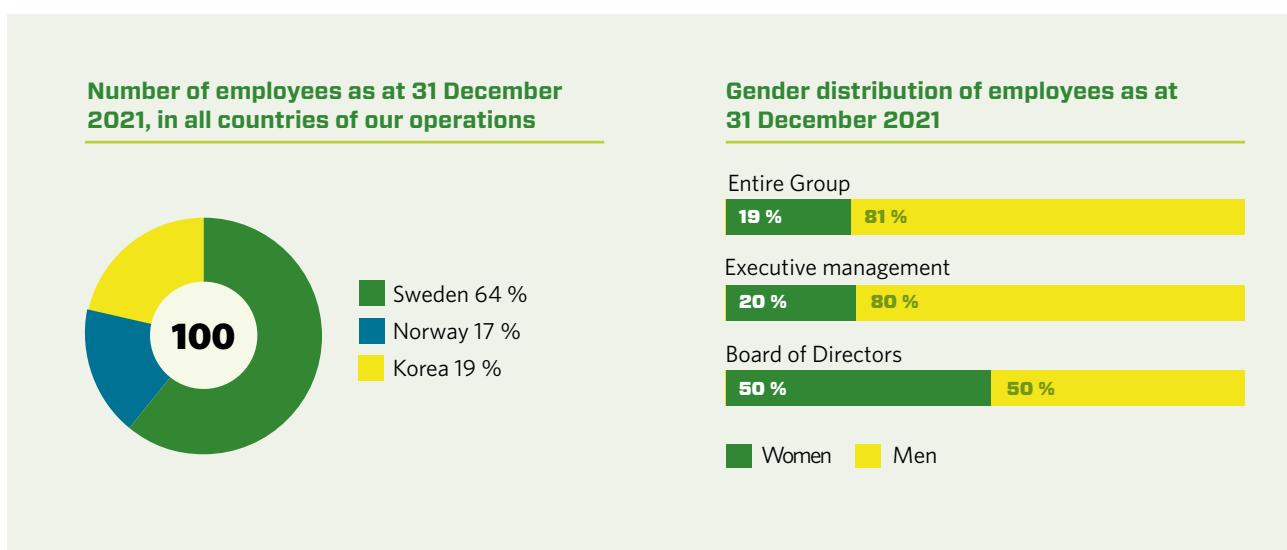
Zero
Accidents that led
to absence



Introduction of new
regular employee
survey system



Development of
internal employee
platform



About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Being an attractive employer

Our employees are critical for the progress and success of the Company. Scandinavian Biogas operates in the gas, waste, and construction industries, and our employees may be exposed to various types of risks in their daily work. A systematic working environment is therefore a decisive factor in minimising risks and preventing ill-health and accidents. From 2021, we introduced a new target for our workplace health & safety across the Group: Zero work-related accidents leading to sickness absence and in 2021 we met our target and had zero cases. Psychosocial issues such as equal treatment, workload, and organisational working environment are crucial to employee well-being. We endeavour to continuously improve work attendance rates for our employees and to be an attractive employer for current and prospective employees.

Governance

Sustainability in our daily work is fundamental for us. To successfully navigate the opportunities and challenges we face, it is therefore essential that all employees understand where we are going, why, and how we will get there.

Scandinavian Biogas has a working environment management system, with safety rules and procedures comprising a fundamental component of plant operation. The HR manager has overall responsibility for the systematic management of the working environment. Each manager has operational responsibility and works with employees to pursue

ongoing working environment efforts, identify inadequacies, and implement improvement measures.

The Company in Sweden has a safety committee which consists of an equal number of representatives from the employee and employer side. This is an important forum for exchanging health & safety experience and managing potential risks and requirements. The Company also collaborates with local unions in Sweden, SACO and Unionen, that follow issues concerning the physical and psychosocial working environment. A summary of the Company's systematic working environment management is reported annually to evaluate methods for improvement.

**Respect,
Expertise,
Joyfulness,
and Passion**

Leadership

Good leadership is a prerequisite for employee commitment and well-being. Empathetic leadership creates a sense of community and highlights successes in employees' daily work. An understanding of people's similarities and differences not only creates a sense of security – it also provides an internal structure that forms the foundation for employees' personal development and feeling of loyalty towards the organisation.

Values

Our core values are Respect, Expertise, Joyfulness, and Passion! Through our core values, we aim to be the industry's best workplace and to develop our employees to achieve their full potential. We want to ensure that we have the best, most committed employees and the right expertise in the Company.



About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Expertise

For us, expertise is not only about education. It also involves the capacity to assimilate new types of information and put it into practice. This is particularly important at our production facilities, where expertise can be a decisive safety factor. Procedures and checklists are in place to train new employees and ensure that they have the knowledge they need to maintain a safe and secure workplace. The immediate supervisor is responsible for conducting and documenting the full introduction for new employees. During 2022, the onboarding and offboarding processes will be further developed.

Our production facilities ensure that relevant personnel receive the training they need to maintain a safe workplace and stable operation. Training plans are in place for gas safety, fire safety, transport of hazardous goods, chemicals management, amongst others, and completed training is documented in a training register. During 2021, the internal training plans were reviewed and developed in the Swedish operations.

In the Swedish biogas operations, all employees have a performance review with their immediate supervisor at least once per year, during which skills needs are evaluated. These were conducted in November 2021. This process has been developed during 2021, with a new process established and with new goals included. Descriptions of job roles were also aligned in 2021 to allow for better understanding between employees, supervisors and the Company. Looking forward, a skills inventory is being considered for the Swedish operations, in order to develop an overview of strengths and weakness in our combined competences across our workforce.

Going forward, we will further develop our KPIs and goals within our material issue of expertise, as well as further align between our business areas.

Systematic working environment management

For quality assurance of working environment management, all managers, safety representatives, and HSEQ managers are offered working environment training. This training for managers will be further developed in the Swedish operations in 2022. In addition, trainings in first aid & CPR, as well as fire safety are being developed and we aim to implement improvements during 2022.

Regular safety inspections and targeted risk assessments are key components for detecting operational risks. Targeted risk assessments are conducted, for example when renovations are made, new chemicals are purchased, new substrates are used at the plants, or when organisational changes are made. The top priority is eliminating hazards, followed by reducing the likelihood of the event occurring, and finally introducing measures to mitigate consequences if the event were to happen.

Scandinavian Biogas has a zero vision for accidents leading to sickness absence. All companies have systems in place to report incidents in their operations. Reports are regularly reviewed to identify systematic errors and shortcomings. Gas managers and safety representatives are entitled to stop a work process, or shut down the entire plant, if the work presents an immediate serious hazard for an employee.

Care for employees

Scandinavian Biogas is responsible for ensuring a safe and secure working environment for its employees as well as for contracted staff. All employees in Sweden are covered by collective bargaining agreements, have access to health services and wellness benefits, as well as insurance. All employees in Norway have equivalent working conditions as their Swedish colleagues. We ensure that contracted staff and contractors are insured via their employers. All staff and contractors who visit the plants are required to agree to and sign specific security rules before beginning any work.

Engagement and well-being

The engagement of our employees in their work and the Company is critical to our success. Their well-being is fundamental to working and contributing to our goals, and is very important for us. In 2021, an online internal employee platform was developed and will be ready for implementation in early-2022 in the Sweden operations. In this system, which all employees have access to, employees are able to easily access information concerning their employment, working rights, and Company policies and guidelines.

In order to ensure a working environment that is inclusive, confident, and respectful, we realise it is important to ask our employees how they experience their working life, to listen to the answers, and to develop and grow accordingly. In November 2021, we introduced our new online employee survey system, &frankly. This tool derived directly from previous employee feedback and is a regular surveying tool that all employees should answer at different points in the year, including questions on working environment, job satisfaction, and engagement. So far, this is implemented solely in the Swedish biogas operations, and is being considered for other business areas also.



About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Corporate governance report

Good corporate governance aims to create favourable conditions for active shareholder engagement and a well-defined and well-balanced assignment of responsibilities between the shareholders, Board of Directors and executive management, and to ensure that accurate information about Scandinavian Biogas Fuels International AB is presented to the market. Good corporate governance also involves ensuring that the Company is managed sustainably, responsibly, and as efficiently as possible. The overall goal is to increase value for shareholders and thereby meet the requirements shareholders have for their invested capital.

Scandinavian Biogas Fuels International AB (publ) is a Swedish public limited liability company. Its shares have been listed on Nasdaq First North Premier Growth Market since 16 December 2020. Additional information about the Scandinavian Biogas share and ownership structure is presented in the Share and Shareholders section on page 8 of the annual report.

Governance of the Company and the Group is based on the articles of association, the Swedish Companies Act, other applicable Swedish and foreign laws and regulations, and internal guidelines and policies. The Company also complies with the Nasdaq First North Growth Market Rulebook and applies the Swedish Corporate Governance Code (the "Code"), as well as internal rules and instructions.

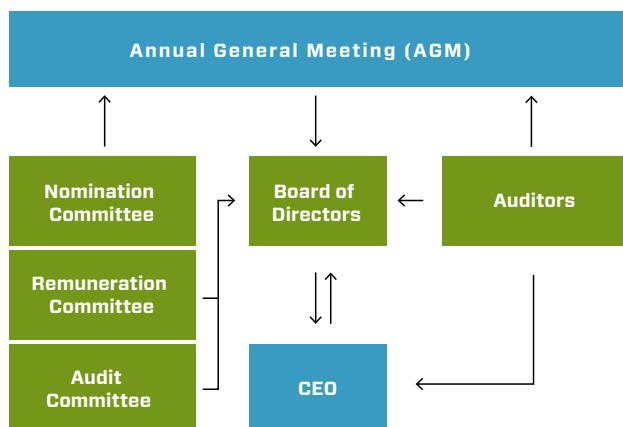
The internal corporate governance framework is comprised of the Company's articles of association, rules of procedure for the Board of Directors, instructions for the CEO, instructions for financial reporting, and other policies and guidelines.

Management deems that the Code has been adhered to with no deviations. The Annual General Meeting held on 29 April 2021 adopted guidelines for remuneration to executive management.

Scandinavian Biogas is governed, managed, and controlled through a division of responsibilities between shareholders at the Annual General Meeting, the Board of Directors, and the CEO in accordance with the Companies Act. The Company's corporate governance is organised and monitored as illustrated below.

Annual General Meeting

Pursuant to the Swedish Companies Act (2005:551), the Annual General Meeting (AGM) is the Company's highest decision-making body. At the AGM, shareholders exercise their voting rights



in key issues, such as changes to the articles of association, the election of Board of Directors and auditor, adoption of the income statement and balance sheet, discharge from liability of the Board of Directors and the CEO, and appropriation of profit or loss. The AGM also resolves on issues including guidelines for remuneration to the Board of Directors and potential new share issues.

The AGM must be held within six months of the end of each fiscal year. Extraordinary general meetings may be convened by instruction from the Board of Directors in addition to the AGM.

Pursuant to the Company's articles of association, the AGM notice is published in the Swedish Official Gazette (Sw. Post och Inrikes Tidningar) and made available on the Company's website (scandinavianbiogas.com). Notice details are published in Dagens Industri.

Shareholders listed in the share register, maintained by Euroclear Sweden AB ("Euroclear"), at the record date and who have provided notification of their participation by the date specified in the AGM notice are entitled to participate and vote at the AGM, in person or by proxy. Shareholders may be accompanied by assistants at general meetings upon notification.

Shareholders who wish to have a specific matter brought before the AGM must submit a written request to the Company's Board of Directors. Such requests must normally have been received by the Board of Directors no later than seven weeks prior to the AGM.

Documents to be presented at the AGM are made available at the Company's head office and on the Company's website no less than three weeks prior to the AGM and are mailed to shareholders upon request.

The AGM held on 29 April 2021 resolved, in accordance with the Board's proposal, to authorise the Board during the period through the next AGM to make decision(s), within the scope of the articles of association and with or without deviation from shareholders' preferential rights, on the issue of shares, bonds, and/or convertible instruments. The Board is authorised to approve the issue of a maximum total of 3,053,385 shares. The shares are to be issued at the market subscription price, subject to market rate subscription discounts when applicable. Payment for shares shall be in cash, in kind, set-off of Company debt, or as otherwise qualified.

Nomination Committee

According to the Code, the Company shall have a Nomination Committee, the purpose of which is to submit proposals regarding election of the AGM chairman, members of the Board of Directors, the Chairman of the Board of Directors, and auditor. The Nomination Committee shall also propose fees and other remuneration for each board member as well as remuneration for committee work, remuneration to auditors and, if applicable, shall submit a proposal for Nomination Committee members for the following Annual General Meeting.

The Nomination Committee members are Anders Bengtsson (Chairman of the Board) and Jonas Bengtsson, Bengt Kjell, and Olav Sem Austmo, who are representatives of the three largest shareholders. Anders Bengtsson chairs the Nomination Committee. No remuneration is paid by Scandinavian Biogas to Nomination Committee members for their committee work.

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

The Extraordinary General Meeting held on 23 November 2020 resolved to adopt principles for the appointment of, and instructions for, the Nomination Committee. Pursuant to the instructions, the Nomination Committee shall be composed of the Chairman of the Board of Directors and three members representing the three largest shareholders as per the last banking day in August. Nomination Committee membership for the 2022 Annual General Meeting shall be based on shareholdings as per the last banking day in December 2021. If any of these shareholders does not wish to exercise its right to appoint a member to the Nomination Committee, the next shareholder in succession will be offered the right to appoint a committee member, and so on. The names of Nomination Committee members and of the shareholders who appointed the members shall be published no later than six months prior to the AGM. Ahead of the 2022 AGM, the committee's composition shall be published as soon as the Nomination Committee has been constituted. This was done on 17 February 2022 with the publication of the year-end report.

Members of the Board of Directors may be appointed to the Nomination Committee but may not constitute a majority of its members. If more than one member of the Board of Directors is appointed to the Nomination Committee, no more than one of these may be dependent of a major shareholder in the Company. The member representing the largest shareholder in terms of voting rights shall be appointed chairman of the Nomination Committee. Members of the Board of Directors may not serve as chairman of the Nomination Committee. If the member representing the largest shareholder in terms of voting rights is a member of the Board of Directors, the Nomination Committee shall appoint another member as chairman.

In the event a member leaves the Nomination Committee prior to completion of the committee's work, a representative from the same shareholder may replace the resigning member, if the committee deems this necessary. In the event a shareholder represented in the Nomination Committee has reduced its holding of shares in the Company, the representative from such shareholder may resign and, if deemed appropriate by the committee, the shareholder next in line in terms of size of shareholding may be provided an opportunity to nominate a new representative. If the Company's ownership structure is otherwise significantly changed prior to completion of the committee's work, the committee may, if it deems appropriate, decide on a change in the committee's composition. Changes in the composition of the Nomination Committee shall be announced as soon as possible.

The Nomination Committee's term expires when appointment of a new committee has been announced.

Work of the Nomination Committee

The Nomination Committee meets at least once per year. The previous committee held four meetings in 2021.

The Nomination Committee's proposals to the 2022 AGM will be presented in the AGM notice. Further information on the Nomination Committee's work is presented in the committee's report ahead of the 2022 AGM.

Board of Directors

The Board of Directors is the Company's second-highest decision-making body, after the general meeting.

Pursuant to the Company's articles of association, the Board of Directors shall be composed of at least three (3) and no more than ten (10) ordinary members with no more than ten (10) deputy members. Board members are elected at the AGM for a term continuing until the close of the next AGM. Currently, the Board of Directors is composed of five (5) ordinary members, serving through the close of the 2022 AGM, and two (2) employee representatives.

Work of the Board of Directors

Pursuant to the Swedish Companies Act, the Board of Directors is responsible for the organisation and management of the Company's affairs, signifying that the Board's responsibilities include establishing targets and strategies, securing procedures and systems for monitoring established targets, continuously assessing the Company's financial position, and evaluating the executive management. The Board is also responsible for ensuring that the annual report, consolidated financial statements, and interim reports are prepared in a timely manner. The Board also appoints the Company's CEO.

According to the Code, the Chairman of the Board shall be appointed by the AGM and shall have specific responsibility for managing the Board's work and ensuring that this work is well-organised and conducted in an efficient manner. The Board adheres to written rules, which are revised annually and adopted at the statutory board meeting. The rules of procedure regulate, among other things, the Board's tasks, decision-making within the Company, the agenda for board meetings, the Chairman's duties, and allocation of responsibilities between the board members, the committees, and the CEO. Instructions for the CEO, including instructions for financial reporting, are also adopted in conjunction with the statutory board meeting.

The Board of Directors meets regularly in accordance with a schedule indicated in the rules of procedure that specifies standing items and items to be addressed when necessary.

The 2021 AGM elected Anders Bengtsson (Chairman), Tina

Annually recurring Board items:

First quarter	Second quarter	Third quarter	Fourth quarter
<ul style="list-style-type: none"> ▪ Year-end report (Q4) ▪ Annual accounts ▪ Annual report ▪ Issues to be addressed ahead of the AGM 	<ul style="list-style-type: none"> ▪ Annual General Meeting ▪ Statutory board meeting ▪ Corporate governance documents ▪ Interim report (Q1) ▪ Appointment of committee members 	<ul style="list-style-type: none"> ▪ Interim report (Q2) 	<ul style="list-style-type: none"> ▪ Business plan ▪ Annual goals ▪ Interim report (Q3) ▪ Evaluation of Board of Directors ▪ Evaluation of CEO

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Helin, Petra Einarsson, Håkon Welde, Sara Anderson, and David Schelin, and employee representatives Malin Gustafsson and Lars Bengtsson. Hans Hansson declined re-election. Additional details on the Board of Directors are presented on pages 57-58.

The Board of Directors met 18 times in 2021.

The CEO, Director of Business Area Sweden, and the CFO are not members of the Board but do attend board meetings, except in cases where a matter to be addressed may present a conflict of interest or otherwise render attendance inappropriate. The auditors attend at least one board meeting per year to report the results of their audit of the Group and its legal entities.

The Board of Directors may establish committees to prepare certain matters and may also delegate decision-making to such committees. The Board may not, however, disclaim responsibility for decisions made on this basis. If the Board sets up committees, the rules of procedure for the Board shall specify the duties and decision-making powers that the Board has delegated to the committees, as well as the manner in which the committees must report to the Board. The Board has established two ordinary committees in accordance with the Companies Act and the Code: the Audit Committee and Remuneration Committee.

Independence of the Board

The composition of the Board of Directors of Scandinavian Biogas meets the requirements of the Code pertaining to independence. Further details are presented in the table on pages 57-58.

Evaluation of the Board

The Board of Directors is evaluated annually in order to develop its work and form a basis for the Nomination Committee's evaluation of the Board's composition. The next evaluation of the Board will be conducted in 2022.

Remuneration to the Board

The Nomination Committee submits proposals for board fees for resolution by the AGM. The 2021 AGM resolved to approve the Nomination Committee's proposal on fees. The committee's remuneration proposal to the 2022 AGM is presented in the AGM notice.

Audit Committee

The Board of Directors has established an Audit Committee composed of Anders Bengtsson, Håkon Welde, and Petra Einarsson (chairman).

The Audit Committee's duties, which shall not affect other Board duties and tasks, include:

- I. monitoring the Company's financial statements,
- II. monitoring the efficiency of the Company's internal controls and risk management with regard to the financial statements,
- III. remaining informed about the audit of the annual report and consolidated financial statements,
- IV. informing the Board of the results of the audit and the manner in which the audit contributed to the reliability of the financial statements, as well as the tasks the committee has performed,
- V. quality-assuring the year-end report and the interim reports prior to Board's decision,
- VI. auditing and monitoring the auditor's impartiality and independence and noting in particular whether the auditor provides the Company with services other than auditing services, and

VII. assisting in the preparation of proposals regarding auditors for resolution at the general meeting.

Remuneration Committee

The Board has established a Remuneration Committee composed of Anders Bengtsson (Chairman), David Schelin, and Tina Helin.

According to the Code, the main tasks of the Remuneration Committee are to:

- I. Prepare the Board's decisions on issues concerning principles for remuneration as well as remuneration and other terms of employment for executive management,
- II. monitor and evaluate programmes for variable remuneration, both ongoing programmes and those that have ended during the year, for executive management, and
- III. monitor and evaluate the application of the guidelines for remuneration to the Board and executive management that the AGM is legally obliged to establish, as well as the current remuneration structures and levels in the Company.

CEO and executive management

The CEO is subordinated to the Board of Directors and responsible for the everyday management and operation of the Company. The division of duties between the Board and the CEO is established by the rules of procedure for the Board of Directors and the instructions for the CEO. The CEO is also responsible for preparing reports and compiling information from executive management ahead of board meetings.

The CEO is, according to the instructions for financial reporting, responsible for the Company's financial reporting and must thus ensure that the Board receives sufficient information to enable it to assess the Company's financial position.

The Company's CEO is Matti Vakkula. Further information about the CEO and other executive management is presented on page 59. Kenny Cho, Director of Business Area Korea, resigned in the autumn of 2021. Matti Vakkula is serving as interim general manager for Korea.

To meet the growing demand for Bio-LNG, Group management was strengthened in early 2022 with a Growth Opportunities Executive and a Director of Major Investments. Michael Olausson now heads the Growth function, Robert Hammarstedt is Director of Major Investments, and Fredrik Henckel is interim director of Business Area Sweden.

Auditor

The auditor shall review the Company's annual and financial reports and the Board's and CEO's administration. At the close of each financial year, the auditor shall submit an auditor's report and an audit report of the consolidated accounts to the AGM. Pursuant to the Company's articles of association, the AGM shall appoint one or two approved or authorised public accountants along with no more than two deputy auditors, or a registered public accounting firm.

The auditor and deputy auditors, if any, are elected on an annual basis by the AGM for the period through conclusion of the next AGM.

Registered public accounting firm Öhrlings PricewaterhouseCoopers AB was elected auditor by the 2021 AGM for a one-year term. Authorised public accountant Lars Kylberg has served as auditor in charge.

Board of Directors



	Anders Bengtsson (Chairman of the Board)	Petra Einarsson (Board member)	Sara Anderson (Board member)	Tina Helin (Board member)
Born	1963	1967	1976	1960
Education	MBA, Monterey Institute of International Studies, USA. Certified controller, IHM Business School, Stockholm.	MBA, Uppsala University.	M.Sc. in Chemical Engineering, Royal Institute of Technology, Stockholm.	M.Sc. in Geotechnology, Luleå University of Technology.
Elected to the Board	2009, elected Chairman 2021	2021	2015	2021
Other experience	MBA from Monterey Institute of International Studies, USA. Twenty years of experience as CEO of small and mid-sized companies. Several years' experience as management consultant, including at Semcon AB. Board member and partner at BTAB Invest and board member of listed company Diös Fastigheter AB and other companies.	Former President & CEO of packaging company Billerud Korsnäs. Prior to that, several years' experience in management positions at engineering group Sandvik.	Fifteen years' experience in driving the development of and increased use of biogas as vehicle fuel. Works as consultant and head of Water & Resource Flows section at IVL Swedish Environmental Research Institute. Previously worked as a consultant at 2050 Consulting and was responsible for fuel and energy strategy at Stockholm Public Transport (SL).	Former CEO of E.ON Gas Sverige AB, deputy CEO of OKG AB, chairman of E.ON Biofor AB, and board member of Energiforsk AB.
Other current positions	CEO of DIMITRA AB. Chairman of Sustainability Finansiering Stockholm AB. Board member of Bengtssons Tidnings Aktiebolag, Dala Marknad AB, Kakel Max AB (publ), Elfvik Strand Fastighets AB, Bjärebyholding AB, and other companies.	Board member of Alimak Group AB, SSAB, Svenska Aerogel Holding AB.	-	Chairman of Prefabsystem Syd Entreprenad AB and board member of Österlen-skraft, Biogas Ystad Österlen, Gillebo Röda Korskrets, and other companies.
Prior positions	Board member of Diös Fastigheter AB, Svenska Landsortstidningars Förlagsaktiebolag, Bengtssons Värdepapper AB, and other companies		-	-
Total remuneration 2021/2022, kSEK	245	133	122	100
Independence	Independent in relation to the Company and management, but not in relation to major shareholders.	Independent in relation to the Company, management, and major shareholders.	Independent in relation to the Company, management, and major shareholders.	Independent in relation to the Company, management, and major shareholders.
Holdings in Scandinavian Biogas	275,737 shares (partly through company)	No shares	No shares	No shares
Committee	Remuneration Committee, Audit Committee	Audit Committee		Remuneration Committee
Board meetings	18/18	13/14	18/18	14/14
Audit Committee	7/7	4/4	-	-
Remuneration Committee	6/6	-	-	6/6

Board of Directors, continued



Håkon Welde (Board member)		David Schelin (Board member)	Lars Bengtsson (Board member and employee representative)
Born	1973	1979	1963
Education	Executive management program - INSEAD Fontainebleau, France (2014 - 2015), Cand Mag, Political Science NTNU - Trondheim, Norway / University of East London, UK (1992- 1997)	M.Sc. in Electrical Engineering, Chalmers University of Technology, Sweden. Reserve officer, Royal Swedish Naval Academy. Executive MBA, Columbia Business School, USA.	Studied biogas technology at Halmstad University.
Elected to the Board	2021	2017	Employed 2015, elected 2018
Other experience	Extensive experience as board member of companies including Dynavec AS, Vigor AS, and Trønderenergi Elektro AS.	Has been advisor to several companies. Formerly COO of Niscayah Group and held senior positions in the telecom sector, most recently as VP Services for Ericsson in Southeast Asia.	Background in industrial and municipal wastewater and water treatment operations. Over ten years' experience in research and testing of anaerobic wastewater treatment and biological decomposition.
Other current positions	Head of M&A and Corporate Ownership at Trønder Energi AS since 2019, board member of Midgard Vind Holding AS, Frøya vind AS, and chairman of Usma Kraft AS.	CEO of Euromaint Gruppen AB and Vasaholmen Consulting AB.	-
Prior positions	-	CEO of Ragn-Sells Recycling AB. Chairman of Swedish Modules i Emtunga AB, Re: NewCell AB, Omoe AB, and Restproduktbearbetning i Boden Aktiebolag. Board member of Polarbröd Aktiebolag, and other companies.	Board member of HPSolarTech AB.
Total remuneration 2021/2022, kSEK	120	117	0
Independence	Independent in relation to the Company, management, but not in relation to major shareholders.	Independent in relation to the Company, management, and major shareholders.	-
Holdings in Scandinavian Biogas	No shares	No shares	No shares
Committee	Audit Committee	Remuneration Committee	-
Board meetings	14/14	16/18	18/18
Audit Committee	4/4	-	-
Remuneration Committee	-	6/6	-

Executive management



Matti Vakkula		Anna Budzynski	Michael Wallis Olausson
President and CEO, interim general manager for Business Area Korea.		CFO	Director, Business Area Sweden. Director of Growth since February 2022.
President and CEO since 2011		CFO since 2019	Employed 2009
Born	1960	1979	1962
Education	M.Sc. in Economics, Helsinki School of Economics.	MBA, Stockholm University.	MBA, Stockholm School of Economics.
Other experience	Several management and/or board member positions at private and listed companies.	Several management responsibilities in various roles. Previously authorised public accountant for 10 years at PricewaterhouseCoopers. CFO at OKQ8 and SRV återvinning AB and part of both companies' group management	Former Lt. Colonel, Swedish Armed Forces, and management consultant at Deloitte.
Other current positions	CEO of Tuvica Oy. Chairman of Kristina Cruises Oy, ResCus Partners Oy, and Finrema Oy. Board member of Aina Group Oy, Anison Oy, and Arkkitehtitoimisto Olli Vakkula Oy.	Board member of Consortis Miljöansvar AB, Young och Fischer AB, Icambio AB, and Budzynski Consulting AB.	-
Prior positions	Chairman of iTaito Oy, Adison Oy, and AinaCom Oy.	Board member of OK-Q8 Shared Service AB, Bensinpumpen BENFA Fastigheter AB, Arithma Holding AB, and OK-Q8 Bank AB.	
Holdings in Scandinavian Biogas	190,000 shares	33,500 shares (partly through company)	13,518 shares



Jörgen Ejlertsson		Håvard Wollan
Director, R&D		Director, Business Area Norway. Head of Group Sales, Sourcing, and Sustainability since 1 February 2022
Co-founder of Scandinavian Biogas Fuels AB, 2005		Director of Business Area Norway since 2016
Born	1965	1965
Education	M.Sc. in Agriculture, Swedish University of Agricultural Sciences (SLU), Uppsala; Ph.D. and senior lecturer, Environmental Change unit, Linköping University.	M.Sc. from NTNU, Norway, and MBA from Heriot-Watt University, UK.
Other experience	Adjunct professor at Team M, process engineer at Tekniska verken.	Over 20 years' international experience as an entrepreneur, manager, consultant, and investor.
Other current positions	-	Chairman of Ocean Space Huvudstad AS, Aqualoop AS, MSB International AS, Marine Bio Solutions AS, and Joytrack AS. Board member of the Norwegian Energy Gas Association.
Prior positions	-	-
Holdings in Scandinavian Biogas	60,911 shares	135,466 shares (through company)

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Board of Directors' report on internal control over financial reporting

This section has been prepared in accordance with the Code and the Annual Accounts Act and provides details on the Company's internal control and risk management with regard to the financial reporting. The objective is to give shareholders and other stakeholders an understanding of how internal control over financial reporting is organised at Scandinavian Biogas.

The Board of Directors is responsible for ensuring that Scandinavian Biogas has good internal control and processes and that established principles for financial reporting and internal control are complied with. The Board is also responsible for ensuring that financial reporting complies with the Companies Act, applicable accounting standards, and other requirements imposed on listed companies.

Scandinavian Biogas's work with internal governance and control over financial reporting is defined through a framework based on laws, regulations and governing documents, and roles and responsibilities. It also covers recurring activities; selection, risk assessment, definition and implementation of controls, evaluation of and reporting on compliance, and improvement activities.

The Company's framework is based on the framework for internal governance and control produced by the Treadway Commission's Committee of Sponsoring Organisations (COSO). This framework has five fundamental components: 1) control environment, 2) risk assessment, 3) control activities, 4) information and communication, and 5) monitoring and improvement.

Control environment

A good control environment forms the basis of the effectiveness of a company's internal system of control. A good control environment is based on an organisation that has distinct decision-making procedures, policies that assign authority and responsibility, and a company culture with shared values. The control environment is also affected by the actions and behaviour of executive management and individual employees. Provisions in the Board's rules of procedure and CEO's instructions ensure a well-defined assignment of roles and responsibilities, designed to produce effective control and management of the business's risks.

In March 2021, the Board also adopted a number of underlying policies and governing documents that are important for maintaining effective control, including a finance policy, policy for internal pricing, financial handbook, environment and sustainability policy, employee policy, gender equality policy, quality policy, working environment policy, IPR policy, and code of conduct for suppliers.

Risk assessment

The Audit Committee is responsible for ensuring that significant risks of errors in the financial reporting are identified and managed. Within Scandinavian Biogas, continuous dialogue is conducted with each subsidiary to ensure good internal control and awareness of operational risks. For details on the Group's risks and risk management, see the Risk and Risk Management section on pages 63-65 of the annual report.

Control activities

Scandinavian Biogas's internal control structure for financial reporting is based on established policies and guidelines. Risks for financial reporting errors are reduced through good internal control over financial reporting, with particular focus on significant areas defined by the Board. Scandinavian Biogas's control structures are composed of well-defined organisational roles that enable the effective and – from an internal control perspective – appropriate assignment of responsibilities, and specific control activities aimed at detecting or preventing reporting error risks in a timely manner. Examples of control activities include detailed decision-making processes and resolution procedures for important decisions, performance analyses, and other control activities for significant processes.

Information and communication

Policies and guidelines are of particular importance for accurate accounting, reporting, and information disclosure. Scandinavian Biogas updates and communicates policies and guidelines concerning the financial process on an ongoing basis. The Group's finance function has direct operational responsibility for regular financial reporting and for the uniform application of the Group's guidelines, principles, and instructions for financial reporting. Business units and other relevant units, including each legal entity, regularly submit financial reports and reports on operating activities to Group management, which in turn reports to the Board of Directors. For communication with internal and external parties, the communication policy provides guidelines on how this communication should be done. The policy is designed to ensure that all disclosure requirements are complied with correctly and completely. Financial information is provided on a regular basis through annual reports, interim reports, press releases, and notifications on the Company's website.

Monitoring and improvement

The Board of Directors evaluates the information submitted by executive management and the auditors. The Audit Committee is responsible for preparing the Board's work in this regard by ensuring the quality of the Group's financial reporting. The CEO and CFO have monthly reviews with each operations manager regarding the unit's financial position. The Group's Controlling department also works closely with the subsidiaries

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

on annual accounts and reporting. Follow-up and feedback on any deviations that occur in internal control are a central element of internal control work, as this is an effective way for the Company to ensure that errors are corrected and control is improved.

Scandinavian Biogas's model for internal control

The foundation for well-functioning risk work is a strong and common risk culture. Scandinavian Biogas's model for internal control and governance is based on a model with two lines of defence specifying the assignment of responsibilities for internal control and governance.

The Board of Directors is responsible for ensuring that processes are in place to identify and define operational risks and that risk-taking is measured and controlled. The CEO is responsible for the ongoing work of maintaining effective governance and control. The Board evaluates the need for a separate internal audit function on an annual basis. Scandinavian Biogas currently has no separate internal audit function, with regards to the size of the Group's operations.

Board of Directors

CEO

First line of defence

The operating business units/companies

Own and manage risks

Group functions

Support the operating companies and Group management

Second line of defence

Risk and control functions

Support first line of defence and provide information to Group management

Auditor's report on the Corporate Governance Statement

To the general meeting of the shareholders in Scandinavian Biogas Fuels AB, corporate identity number 556528-4733

Engagement and responsibility

It is the Board of Directors that is responsible for the corporate governance statement for the year 2021 on pages 54-59 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 16, the auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement differs to, and is substantially smaller in scope, than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6, section 6, second paragraph, points 2-6 of the Annual Accounts Act, and chapter 7, section 31, second paragraph of the same law are consistent with the annual accounts and the consolidated accounts, and are in accordance with the Annual Accounts Act.

Uppsala, 31 March 2022

Öhrlings PricewaterhouseCoopers AB

Lars Kylberg
Authorised Public Accountant

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Board of Directors' report

The Board of Directors and the Chief Executive Officer of Scandinavian Biogas Fuels International AB (publ), 556528-4733, hereby submit the annual report and consolidated accounts for the financial year 2021.

Operations

Scandinavian Biogas is a leading player in large-scale biogas production, with world-leading expertise in the design and operation of biogas facilities – encompassing everything from pre-treatment to fuel upgrading – to optimise biogas production. The Group's focus is on facilitating the transition from fossil to renewable energy.

The business concept is to be a leader in the design, management and operation of biogas plants. This is achieved by constantly improving the biogas production digestion process from various types of biomass, generated primarily from wastewater treatment sludge, food waste, and industrial processes such as food and biofuel (e.g. glycerol) manufacturing. The Group also provides leading expertise in the purification process for upgrading biogas to vehicle fuel quality and for utilising digestion process residues as bio-fertiliser. Scandinavian Biogas is focused on markets in the Nordic region and Korea. The Group invests in owned or leased production facilities, primarily in the Nordic region, and provides its expertise as a service in other markets.

With the Group's strategic focus on research and development, Scandinavian Biogas prioritizes developing methods to improve biogas and bio-fertiliser production efficiency for both established and new types of waste, residues, and other organic material. Cost and resource efficiency improvements to production are made possible thanks to the Company's expertise and methodology.

The Group's operations are primarily conducted via subsidiaries, while the Parent Company serves in an administrative capacity.

Scandinavian Biogas Fuels International AB (publ) is domiciled and headquartered in Stockholm. At the end 2021 the Company had a total of 100 (96) employees: 64 (60) in Sweden, 19 (19) in Korea, and 17 (17) in Norway.

Licensable activities

The Company conducts operations subject to the environmental code in three Swedish subsidiaries. The Group's licence and registration activities affect the external environment mainly through subsidiaries Scandinavian Biogas Stockholm AB (SBSt), Scandinavian Biogas Södertörn AB (SBSö), and Scandinavian Biogas Recycling AB (SBR), which are subject to environmental permits and permits to conduct business with explosive and flammable products and substances. SBSt and SBSö produce upgraded biogas and may affect the external environment through the emission of methane. SBSö also produces bio-fertiliser, which may affect the external environment through the leakage of nitrogen-rich bio-fertiliser. SBR receives and pre-treats organic waste, which may affect the external environment primarily through the leakage of pre-treated organic waste (slurry).

To minimize the risk of external influences on the environment, all companies have a business system that includes regular controls and the ongoing management of any incidents. As an example, the upgrading facilities are connected to methane destruction facilities in order to combust any leakage of methane.

The Group

Scandinavian Biogas Fuels International AB (publ) is the Parent Company of the Scandinavian Biogas Group, which encompasses a number of wholly and partly owned companies registered in Sweden, Korea, and Norway. The Parent Company is listed on First North Premier Growth Market since December 2020. Operations are primarily conducted in the subsidiaries.

Financial overview

Group

(SEK thousand)	2021	2020	2019	2018	2017
Net sales	393,821	338,386	363,559	275,234	258,363
Total revenue, incl. capitalised work	451,101	407,432	407,050	310,212	289,331
EBITDA	90,113	80,597	87,848	-6,247	21,587
Operating EBITDA	80,902	70,301	75,778	15,600	35,200
Operating EBITDA, %	19.2	19.1	19.2	5.3	12.9
Operating results	4,993	-6,038	-1,940	-71,808	-42,159
Earnings per share	-1.27	-2.07	-3.32	-10.26	-7.01
Balance sheet total	1,653,157	1,539,498	1,294,063	1,234,842	1,161,238
Equity/Assets ratio, %	30.2	33.9	17.7	10.7	19.7

Parent Company

(KSEK)	2021	2020	2019	2018	2017
Net sales	3,933	3,046	1,220	1,200	1,200
Operating results	-2,941	-1,702	-487	-2,742	-1,930
Balance sheet total	1,417,881	1,122,084	633,668	509,816	517,628
Equity/Assets ratio, %	55.8	67.8	55.9	41.7	49.4

Reported earnings

Consolidated net sales totalled SEK 393.8 million (338.4) for the full financial year, an increase of 16.4 per cent compared to the same period last year. Total revenues, consisting of sales, biogas subsidies, and capitalised costs, amounted to SEK 451.1 million (407.4) for the full year.

Costs for raw materials and consumables decreased by SEK 3.0 million compared to last year.

Other external costs increased by SEK 19.9 million, attributable mainly to the fact that the acquisition of Ekdalens Biotransporter AB was not consolidated until 18 December 2020. Personnel costs increased by SEK 17.3 million in comparison to last year, primarily due to new hires and the acquisition of Ekdalens.

Consolidated EBITDA totalled SEK 90.1 million (80.6) for the full year 2021. EBITDA was impacted by an SEK 4.1 million revaluation of the additional purchase price for Ekdalens Biotransporter

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

AB and by compensation of SEK 5.1 million received under an agreement pertaining to Hurtigruten. Consolidated operating EBITDA totalled SEK 80.9 million (70.3) for full year 2021.

The Group posted an operating profit of SEK 5.0 million (-6.0) for the full year 2021. In addition to the above-referenced one-off items, operating profit/loss for the full financial year was also impacted by an SEK 3.2 million write-down of non-current assets due to uncompleted projects.

The Group posted a loss after tax of SEK -38.7 million (-63.2) for the full financial year, of which SEK 11.8 million (-9.4) is attributable to unrealised exchange rate fluctuations, mainly due to long-term intra-group financing of foreign subsidiaries.

Other

Total assets on 31 December 2021 amounted to SEK 1,653.2 million (1,539.5), a 7.4 per cent year-on-year increase. Lease-related borrowing totalled SEK 287.9 million (302.4). Equity was impacted by net profit/loss for the period, by changes in exchange rate effects, and by capital contribution from holds without controlling influence.

The Group's cash flow development in 2021 was stable due to improved cash flow from operating activities before changes in working capital and to a favourable development of working capital.

Investments

Investments in tangible and intangible assets before investment grants totalled SEK 156.6 million (58.7) during the financial year.

The carrying amount of the Group's tangible and intangible non-current assets was SEK 1,066.3 million (1,015.2) on 31 December 2021. SEK 275.1 million (295.7) of this amount pertains to leased assets held by the Group under lease contracts subject to IFRS 16.

Parent Company

The Parent Company's total revenues amounted to SEK 3.9 million (3.0) during the financial year. The Parent Company posted a profit after tax of SEK 30.8 million (-53.9) for the January-December 2021 period. The positive result is attributable to group contribution received of SEK 29.9 million.

Liquid assets on 31 December 2021 totalled SEK 237.3 million (318.5). Total assets amounted to SEK 1,417.9 million (1,122.1) on the same date.

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 note. The note was a bridge financing and was raised in September 2020 and defined as related. The note was repaid in full at the time of the corporate bond issue on 8 June 2021.

A small amount of contract-based compensation was received from a major shareholder during 2021.

No other transactions with related parties have taken place.

Significant events during the year

Issue of SEK 700 million bond

During the year Scandinavian Biogas successfully placed senior green covered corporate bonds totalling SEK 700 million within a SEK 1,200 million framework. The bond has a five-year maturity and carries a floating interest rate of 3 months STIBOR plus 6.00 per cent. On the same day as the issue, repurchases were made for a nominal amount of SEK 63.8 million. Outstanding nominal amount after repurchase amounts to SEK 636.2 million as of December 31, 2021. Scandinavian Biogas has the right to sell the SEK 63.8 million on the market. The assessment is that it will take place within the next 2 years. The Group also obtained a revolving credit facility of up to SEK 300 million, which can be used against guarantees or cash and cash equivalents. The corporate bond and the revolving credit facility are consolidated with conditions. At the end of the period, SEK 13.6 million was used by the credit facility for guarantees.

Ongoing investment projects

EffiSludge/LIFE

During 2021, Scandinavian Biogas finalised the EffiSludge for LIFE project in collaboration with subsidiary company and biogas producer Biokraft and the Norske Skog Skogn paper mill. The EffiSludge for LIFE demonstration project was launched in 2015 with support from the EU. The project was focused on demonstrating the environmental benefits of integrating management of industrial wastewater, in this case from the paper industry, with a biogas plant that digests nutrient-rich organic waste. The total project cost was approximately SEK 41 million and the grant from EU was approximately SEK 18 million.

Risks and risk management

All business activities entail risk. Well-managed risks can present opportunities, while poorly managed risks can result in damage and loss.

The ability to identify, evaluate, manage, and monitor risk is a crucial element in the governance and control of Scandinavian Biogas's operations. The objective is to achieve the Group's goals through well-considered risk-taking within established frameworks.

The foundation for well-functioning risk work is a strong and common risk culture. Scandinavian Biogas has a well-established process for managing and working with risks. The Audit Committee established by the Board of Directors is responsible for identifying and managing all significant risks associated with financial reporting. Within Scandinavian Biogas, continuous dialogue is conducted with each business unit and subsidiary to ensure good internal control and awareness of operational risks.

The Board of Directors is responsible for ensuring that processes are in place to identify and define operational risks and that risk-taking is measured and controlled. The CEO is responsible for the ongoing work of maintaining effective governance and control.

The Corporate Governance Report on pages 54-61 provides a detailed description of the internal control processes that are designed to manage financial reporting risks.

Sustainability risks – such as environmental risks, climate impact, working environment risks, or risks involving compliance, anti-corruption, and human rights – are integrated into the

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

business and also apply at the supplier level. Read more about sustainability risks on pages 34-53.

Significant risks

The risks considered by Scandinavian Biogas to be significant are based on the probability that they will occur and cause financial damage or other negative impact and for which management at the Group level is therefore warranted.

The following section describes the major risks that may be significant for Scandinavian Biogas's business and future development. This description does not claim to be comprehensive, and the risk factors are presented in no particular order.

Business- and market-related risks

Investments, acquisitions, and joint ventures

Scandinavian Biogas's future growth is dependent on the Company expanding existing production plants and establishing new ones. Accordingly, new investments, acquisitions, collaborations, and joint ventures that are aligned with the Group's objectives are evaluated on an on-going basis.

Projects are planned and prepared over a significant amount of time, and there is a risk that the preparatory work will not lead to completed projects, entailing a loss of resource value and work hours expended. When the Group proceeds with an investment, a period of time is required until the investment becomes cash-flow positive and generates a profit.

Investments in existing production plants and construction of new plants is always associated with risk, since it is not possible to determine how each project will develop. There is also a risk that future projects will become more time consuming and/or costly than anticipated and that disputes may arise with the Group's subcontractors regarding the construction of new plants or upgrades or expansions of existing plants.

Upgrades and expansions of existing plants may also have a greater than anticipated impact on the plant's current production and may halt production for a longer period of time than originally planned.

Investments are made to some extent with co-investors and, accordingly, Scandinavian Biogas may not have full control over the projects and may need to accept measures and actions that are not beneficial for the Group or in line with its business plan. In cases where there is no long-term relationship between the Group and a key counterparty who is essential to the functioning of a new project in accordance with the Group's plans, there is a risk that the counterparty may be financially or in any other way less stable or reliable than expected. This may result in a need to replace the counterparty or, if that is not possible, to terminate the project.

Acquisition activities may also involve certain financial, managerial, and operational risks, including diversion of Group management's attention from existing core business, difficulties when integrating or separating businesses from existing operations. This may affect sales levels and profitability of the acquired units therefore not justify the investments made.

Production facilities

The Group's production activities are conducted at the production facilities in Henriksdal, Bromma, and Södertörn in

Sweden, Skogn in Norway, and Ulsan in Korea. Some facilities are owned by Scandinavian Biogas's co-investors, who are often Group suppliers.

An interruption or a disturbance – such as a breakdown, labour dispute, IT failure, pandemic, or natural disaster – may have a major impact on the Group's ability to fulfil its obligations to its customers in a timely manner or at all. If a production facility or any of the Group's distribution hubs were to be damaged, destroyed (e.g. by fire or explosion), closed, or if facility equipment were to be seriously harmed or destroyed, the production and distribution of the Group's products may be obstructed or aborted for a certain period of time. A comprehensive and long-lasting production halt could have a significant effect on the Group's ability to produce or distribute the relevant products and/or services.

A majority of the Group's customer agreements also include volume and quality commitments for the Group. Failure to comply, for any reason, with such commitments may incur liability for the Group in the form of damages to the counterparty and/or price reductions, and may in some cases entitle the customer to terminate the agreement. There is a risk that the scope of the Group's insurance will not cover risks that materialise and that the total amount of the Company's loss will not be fully compensated in the event damages are imposed.

In addition to obtaining permits from the authorities, the Group also needs permission from the property owner to carry out planned reconstruction and adjustments to the plant. There is a risk that such permission will not be granted.

Competition

The Group operates within the biogas industry. It primarily offers biogas as an energy carrier, but also waste management services and bio-fertilisers. The amount of organic material required to produce biogas and other services is expected to increase, but to be limited over time. The future market is likely to allow only a limited number of producers. The number of competitors is nevertheless expected to increase, resulting in improved industrial development and increased competition for organic material as well as customers. It is therefore crucial that Scandinavian Biogas continues its strategic research to enable digestion of new types of waste and allow the Company to make the biogas exchange of the organic waste currently being digested more efficient in the long term.

Companies in the industry compete in terms of quality of goods, price, and innovations, but also in terms of other competitive factors such as optimised distances, production capacity, updated technology, and market penetration. In addition, other renewable sources, petrol, and diesel are in competition with the biogas industry. There is therefore a risk that the competitive landscape will restrict the growth rate and sales, which may have a negative effect on the Group's operations, results, profitability, and outlook.

Key employees

The Group has a relatively small organisation and is engaged in a line of business that requires access to employees with highly specialised knowledge in technical and regulatory matters. The Group's employees have a comprehensive knowledge of the industry in general and the Group in particular.

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

The Group's future development and success is therefore dependent on its ability to recruit and retain qualified management and other key personnel. If such key personnel leave the Group or take up employment with a competing business, there is a risk that this will have a negative effect on the Group's business and outlook.

Legal and regulatory risks

Political risks

Many of the Group's suppliers and customers are municipalities or equivalent, state-owned organisations, and companies. Provided that certain conditions are met, the Group may be granted governmental subsidies for its projects. In the event that government support is granted on erroneous grounds, the Group may be obligated to repay that support. Political decisions therefore have a significant impact on biogas supply and demand, and thus on the Group's business. Any change in political commitment or interest, as well as modified tax rules, subsidies, or considerations, may have a significant impact on the Group's business and results.

Governmental incentive schemes for the production and/or usage of renewable energy and fuel vary between European countries. The reasons for this may include variations in political ambition and goals in these areas. The ways and means of accomplishing such political ambitions differ and include taxation of energy and/or emissions quotas or reduction requirements, incentive schemes targeting production of raw materials used in the relevant process, and general performance-based regulation. Generous government incentive schemes for biogas production in countries where the Group does not operate may provide unfair competitive advantages to Scandinavian Biogas competitors. To mitigate such competitive disadvantages in Sweden and to stimulate biogas production, an official Swedish government report has proposed the introduction of subsidies to support biogas production from manure, the upgrading of biogas, and liquid biogas. On March 29, 2022, the government published the regulation on state aid for production of biogas that is upgraded to biomethane.

Disputes

The Korean subsidiary has been involved in a dispute with Ulsan City since 2018 regarding the contractual obligation to invest in a gas upgrading facility in Ulsan by the end of 2017. The lawsuit has proceeded and the judicial decision was issued in July 2020. The judge upheld the previous decision, meaning that the subsidiary is obliged to pay a 50% penalty on biogas sales. As the ruling is now final, the provision was reclassified in 2020 to "financial liability" and the previous present value computation has been adjusted from 15.60% to 12.92%.

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 negotiation took place in May 2021 and the outcome was received in September 2021. The judicial decision was negative and has been appealed. The administrative costs have already been accounted for in their entirety.

As previously communicated, one of the Group's suppliers to the project at Skogn, Norway, has made compensation claims, mainly for groundwork. In October 2021 the parties came to an agreement and signed a settlement agreement, for which payment was made during the fourth quarter. The settlement does not affect the financial result as the amount has been reserved in its entirety. The value of the tangible assets consisting of the production facilities has been reduced slightly due to the settlement.

Environmental permits

The Group is dependent on receiving the necessary environmental permits to conduct its business and effectuate upgrades, expansions, and new projects. However, Scandinavian Biogas cannot receive the required permits prior to having commenced planning of and negotiations for the new production plant or extension. There is therefore a risk that the Group will incur costs should a new investment be initiated without the necessary permit being subsequently received. Should the Group permanently or temporarily lose or be unable to renew the required permit due to non-compliance with regulations, this may cause business delays, production stoppages, and additional costs to obtain such permit. An inability to obtain, or a withdrawal of, necessary permits and approvals for its existing and future production could delay or have other material negative effects on the Group's business and financial position.

Financial risks

Financial risks refer to financing risks and liquidity risks, which may involve difficulties in raising new loans or equity, as well as taxes and currency risks that may have a negative impact on the Group's result. Other financial risks include interest rate risk and insurance risk. Read more about Scandinavian Biogas's financial risk management in Note 3, pages 81-82.

Expectations regarding future development

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 Bio-LNG (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 Swedish parliament and government are clearly interested in biogas as a component of the future fossil-free energy solution.

Since late February 2022 the war in Ukraine has had a major impact on the security policy situation in Europe. The energy market has also been significantly affected and energy prices have risen. To reduce imports of Russian gas, in March 2022 the EU Commission increased the 2030 target for biomethane, announced in summer 2021 as part of the Fit for 55 programme, from 17 bcm (> 170 TWh) to 35 bcm (> 350 TWh). While it is still too early to assess the war's long-term impact on the biogas industry, it appears obvious that prices in future sales contracts will be more variable than they have traditionally been.

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

A significant number of Scandinavian Biogas's supply agreements in Sweden will be renegotiated in coming years as its agreements with SL expire. Also, with a reduced supply of Russian artificial fertiliser, there are likely to be new opportunities for bio-fertiliser.

The Group's long-term goal is to utilise Scandinavian Biogas's expertise and experience to ensure the expansion of biogas supply and use. The goal is to produce at least 3 TWh biogas annually by 2030. 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.

The Group's goal is to achieve:

- biogas production capacity corresponding to at least 700 GWh by 2024
- total revenues corresponding to at least SEK 750 million by 2024
- an operating EBITDA margin of at least 30% by 2024
- an equity/assets ratio of at least 25%

Due to the market transformation in Scandinavia, the Group anticipates increased demand for biogas, particularly Bio-LNG (liquid biogas). The Group plans investments and improvements in line with market needs.

In recent years, the Group has focused on increasing biogas deliveries and production. This work is proceeding but is now focused on Bio-LNG.

Financing

Liquid assets on 31 December 2021 totalled SEK 452.6 million (378.8).

The business is financed by way of equity, loans from external creditors, and finance leasing. In Sweden, a major portion of the production facilities are leased under lease agreements with durations of around 25 years. Non-current interest-bearing liabilities from leasing amounted to SEK 287.9 million (302.4). Non-current interest-bearing liabilities, exclusive of leases, totalled SEK 670.2 million (532.6) on 31 December 2021.

The Group has the ambition to expand further in the future and is actively working on new growth projects in addition to the Group's current business plan. The Group expects that financing of major future projects will require various types of collaboration and financing, primarily loan capital, depending on the project's structure and positioning.

The equity/assets ratio amounted to 30.2 (33.9) per cent on 31 December 2021.

Growth

Financial targets for 2024 were adopted in conjunction with the listing in December 2020. The growth plan advanced further during the year. Investment decisions for the Skogn II project in Trondheim, Norway, and for Stockholm BioLNG in Södertörn, Sweden, were taken in April and December, respectively. The projects are progressing according to plan.

Klimatklivet awarded an investment grant of SEK 154 million during the year for the project in Mönsterås and the environmental permit has become legally binding.

The Stockholm Bio-LNG project is collaborating with Gasnätet Stockholm regarding gas infrastructure, in order to connect the Södertörn plant to the Stockholm gas grid and enable liquefaction of the biogas produced at Henriksdal. The equipment to be used in the project comes from French company Air Liquide. The plant, constructed with proven technology, is the largest of its kind. Klimatklivet awarded an investment grant of SEK 145 million during the year.

The investment grant for Mönsterås will be decided in the second quarter of 2022.

The share

The total number of shares is 30,533,852 (30,533,852). The quotient value is SEK 2.00 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 32.0 on 30 December 2021.

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

Significant events after the end of the period

New long-term goal to produce 3 TWh biogas annually by 2030.

The growth function and Program Office have been strengthened in Group management to meet the growing demand for Bio-LNG.

Proposed allocation of profit/loss

The Board of Directors proposes that the following amount, SEK 727,935,497, be allocated as follows:

	Amount in SEK
Accumulated profit/loss	-474,310,835
Share premium reserve	1,171,473,241
Profit for the year	30,773,091
Total	727,935,497
Carried forward	727,935,497
Total	727,935,497

With regard to the Company's performance and financial position, please refer to the following financial statements and accompanying notes.

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Consolidated statement of comprehensive income

Amounts in SEK thousand	Note	2021	2020
Net sales	6	393,821	338,386
Capitalised work on own account	8	20,661	17,286
Other income	11, 13	36,619	51,760
Total		451,101	407,432
Raw materials and consumables		-194,675	-197,659
Other external costs	9	-78,582	-58,720
Personnel costs	10	-87,731	-70,456
Depreciation, amortisation and impairment of tangible and intangible assets	11, 14	-84,325	-85,723
Other operating expenses		-795	-912
Total		-446,108	-413,470
Operating profit/loss		4,993	-6,038
Net exchange differences		11,849	-9,441
Other financial income		392	214
Other financial expense		-62,720	-49,203
Net financial items	12, 14	-50,479	-58,430
Profit/loss before tax		-45,486	-64,468
Income tax	13	6,755	1,273
Profit/loss for the year		-38,731	-63,195
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences	14	7,067	-7,572
Other comprehensive income, net of tax		7,067	-7,572
Total comprehensive income for the year		-31,664	-70,767
Profit/loss for the period attributable to:			
Parent Company shareholders		-34,145	-56,775
Non-controlling interests		-4,586	-6,420
Total		-38,731	-63,195
Total comprehensive income attributable to:			
Parent Company shareholders		-26,928	-61,024
Non-controlling interests		-4,736	-9,743
Total		-31,664	-70,767
Basic/diluted earnings per share, SEK		-1.27	-2.07

The notes presented on pages 77-96 are an integrated part of these annual and consolidated accounts.

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Consolidated financial position

Amounts in SEK thousand	Note	31 Dec 2021	31 Dec 2020
ASSETS			
Non-current assets			
Intangible assets	15	108,774	119,510
Tangible assets	16	682,388	600,022
Right-of-use assets	16	275,133	295,696
Non-current financial assets	19	3,513	16,604
Deferred tax assets	18	29,933	22,531
Other non-current assets		444	889
Total non-current assets		1,100,185	1,055,252
Current assets			
Inventories		8,636	9,907
Trade accounts receivable		56,743	58,584
Other receivables	5	15,210	20,125
Prepaid expenses and accrued income		19,815	16,859
Cash and cash equivalents		452,568	378,771
Total current assets		552,972	484,246
TOTAL ASSETS		1,653,157	1,539,498

The notes presented on pages 77-96 are an integrated part of these annual and consolidated accounts.

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Consolidated financial position, continued

Amounts in SEK thousand	Note	31 Dec 2021	31 Dec 2020
EQUITY			
Share capital	26	61,067	61,067
Other paid-in capital		1,271,372	1,271,372
Translation reserve		8,280	1,048
Accumulated profit/loss including profit/loss for the year		-834,093	-799,948
Equity attributable to Parent Company shareholders		506,626	533,539
Non-controlling interests		-6,577	-11,733
Total equity		500,049	521,805
LIABILITIES			
Non-current liabilities			
Borrowings	27, 29, 30	655,580	479,835
Lease liabilities		264,667	285,426
Deferred tax liabilities	18	11,209	12,249
Provisions	28, 30	-	13,063
Total non-current liabilities		931,456	790,573
Current liabilities			
Borrowings	27	14,629	52,746
Lease liabilities		23,243	16,967
Accounts payable		80,036	67,665
Other liabilities	31	58,692	33,563
Accrued expenses and deferred income	32	45,052	56,179
Total current liabilities		221,652	227,120
TOTAL EQUITY AND LIABILITIES		1,653,157	1,539,498

The notes presented on pages 77-96 are an integrated part of these annual and consolidated accounts.

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Consolidated statement of changes in equity

Amounts in SEK thousand	Attributable to Parent Company shareholders						
	Share capital	Other paid-in capital	Translation reserve	Accumulated profit/loss incl. profit/loss for the year	Total	Non-controlling interests	Total equity
Opening balance, 1 January 2020	33,652	880,048	5,297	-743,173	175,823	53,093	228,922
Profit/loss for the year				-56,775	-56,775	-6,420	-63,195
Exchange differences			-4,249		-4,249	-3,323	-7,572
Total comprehensive income	-	-	-4,249	-56,775	-61,024	-9,743	-70,767
New share issues	20,993	371,588			392,581		392,581
Issue expenses ¹		-28,926			-28,926		-28,926
Contribution from non-controlling interests	6,421	48,662			55,083	-55,083	-
Total contribution from and value transfers to shareholders, reported directly in equity	27,414	391,324	-	-	418,738	-55,083	363,655
Closing balance, 31 December 2020	61,067	1,271,372	1,048	-799,948	533,538	-11,733	521,805
Opening balance, 1 January 2021	61,067	1,271,372	1,048	-799,948	533,538	-11,733	521,805
Profit/loss for the year				-34,144	-34,144	-4,586	-38,730
Exchange differences		7,232			7,232	-145	7,087
Total comprehensive income	-	-	7,232	-34,144	-26,912	-4,731	-31,643
Contribution from non-controlling interests						9,887	9,887
Total contribution from and value transfers to shareholders, reported directly in equity	-	-	-	-	-	9,887	9,887
Closing balance, 31 December 2021	61,067	1,271,372	8,280	-834,092	506,626	-6,577	500,049

The notes presented on pages 77-96 are an integrated part of these annual and consolidated accounts.

1 The tax effect of issue expenses recognised in equity totals SEK 6.2 million (2.0).

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Consolidated statement of cash flows

Amounts in SEK thousand	Note	2021	2020
Cash flow from operating activities			
Operating profit/loss		4,993	-6,038
Amortisation/depreciation		84,325	85,723
Other non-cash items	35	7,010	18,389
Interest paid		-30,229	-30,206
Cash flow from operating activities before changes in working capital		66,099	67,868
Cash flow from changes in working capital			
Increase/decrease in inventories		1,271	7,687
Increase/decrease in operating receivables		3,800	11,221
Increase/decrease in operating liabilities		-15,429	2,590
Total changes in working capital		-10,358	21,498
Cash flow from operating activities		55,741	89,366
Cash flow from investing activities			
Acquisition of intangible assets	15	-4,351	-3,244
Acquisition of tangible assets	16	-152,296	-55,496
Disposal of tangible assets		-	41
Investment grants received		100,515	-
Acquisition of subsidiaries		-13,703	-15,724
Restricted bank balances and other changes in non-current financial assets		12,765	1,129
Cash flow from investing activities		-57,070	-73,294
Cash flow from financing activities			
New share issue, net of issue expenses	26	-	321,074
Loans raised	27	627,303	410,513
Loan and lease amortisation	27	-561,263	-502,505
Contribution from non-controlling interests	17	7,247	-
Cash flow from financing activities		73,287	229,082
Total cash flow for the period		72,058	245,154
Decrease/increase in cash and cash equivalents			
Cash and cash equivalents at beginning of year	25	378,771	136,384
Exchange differences in cash and cash equivalents		1,234	-2,767
Cash and cash equivalents at end of year	25	452,568	378,771

The notes presented on pages 77-96 are an integrated part of these annual and consolidated accounts.

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Parent company income statement

Amounts in SEK thousand	Note	2021	2020
Operating income			
Net sales	6, 7	963	1,320
Other operating income	11	2,970	1,726
Total operating income		3,933	3,046
Operating expenses			
Other external costs	9	-5,687	-3,999
Personnel costs	10	-1,187	-749
Total operating expenses		-6,874	-4,748
Operating profit/loss		-2,941	-1,702
Profit/loss from participations in group companies	12, 17	-6,300	-62,000
Interest income		43,470	8,576
Interest expense		-33,321	-19,291
Net financial items	12	3,849	-72,715
Profit/loss before appropriations and tax		908	-74,417
Appropriations			
Group contributions paid/received		29,865	20,498
Total appropriations		29,865	20,498
Profit/loss before tax		30,773	-53,919
Income tax	13	-	-
Profit/loss for the year		30,773	-53,919

No items are recognised as other comprehensive income in the Parent Company and, accordingly, total comprehensive income corresponds with profit/loss for the period.

The notes presented on pages 77-96 are an integrated part of these annual and consolidated accounts.

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Parent company financial position

Amounts in SEK thousand	Note	31 Dec 2021	31 Dec 2020
ASSETS			
Non-current assets			
Non-current financial assets			
Participations in group companies	17	381,958	355,427
Receivables from group companies		721,041	432,197
Total non-current financial assets		1,102,999	787,624
Total non-current assets		1,102,999	787,624
Current assets			
Current receivables			
Receivables from group companies		76,748	12,149
Other receivables	23	119	1,412
Prepaid expenses and accrued income	24	679	2,404
Total current receivables		77,546	15,965
Cash and bank balances	25	237,336	318,495
Total current assets		314,882	334,460
TOTAL ASSETS		1,417,881	1,122,084

The notes presented on pages 77-96 are an integrated part of these annual and consolidated accounts.

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Parent company financial position, continued

Amounts in SEK thousand	Note	31 Dec 2021	31 Dec 2020
EQUITY AND LIABILITIES			
Equity	26		
Restricted equity			
Share capital		61,067	61,067
Statutory reserve		2,044	2,044
Total restricted equity		63,111	63,111
Non-restricted equity			
Accumulated profit/loss		-474,311	-420,392
Share premium reserve		1,171,473	1,171,473
Profit/loss for the year		30,773	-53,919
Total non-restricted equity		727,935	697,162
Total equity		791,046	760,273
Non-current liabilities			
Non-current interest-bearing loans	27, 29	622,964	200,000
Liabilities to group companies	27	-	142,217
Total non-current liabilities		622,964	342,217
Current liabilities			
Current interest-bearing loans	27	-	19
Accounts payable		465	6,955
Liabilities to group companies		-	6,239
Accrued expenses and deferred income	32	3,406	6,381
Total current liabilities		3,871	19,594
TOTAL EQUITY AND LIABILITIES		1,417,881	1,122,084

The notes presented on pages 77-96 are an integrated part of these annual and consolidated accounts.

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Parent company statement of changes in equity

Amounts in SEK thousand	Note	Restricted equity		Non-restricted equity		
		Share capital	Statutory reserve	Share premium reserve	Accumulated profit/loss	Total equity
Opening balance, 1 January 2020		33,651	2,044	738,919	-420,392	354,222
Profit/loss for the year					-53,919	-53,919
Transactions with shareholders					-53,919	-53,919
New share issue	26	27,417		461,481		488,898
Issue expenses ¹				-28,926		-28,926
Closing balance, 31 December 2020		61,067	2,044	1,171,473	-474,311	760,273
Opening balance, 1 January 2021		61,067	2,044	1,171,473	-474,311	760,273
Profit/loss for the year					30,773	30,773
Closing balance, 31 December 2021		61,067	2,044	1,171,473	-443,538	791,046

The notes presented on pages 77-96 are an integrated part of these annual and consolidated accounts.

1 The tax effect of issue expenses recognised in equity totals SEK 0.0 million (6.2).

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Parent company statement of cash flows

Amounts in SEK thousand	Note	2021	2020
Cash flow from operating activities			
Operating profit/loss		-2,941	-1,702
Adjustments for non-cash items	35	-	-
Interest paid		-24,926	-18,575
Cash flow from operating activities before changes in working capital		-27,867	-20,277
Cash flow from changes in working capital			,
Increase/decrease in operating receivables		3,358	25,417
Increase/decrease in operating liabilities		-15,704	13,355
Total changes in working capital		-12,346	38,772
Cash flow from operating activities		-40,212	18,494
Investing activities			
Investments in subsidiaries	17	-32,831	-
Loans to subsidiaries		-288,844	-24,465
Cash flow from investing activities		-321,675	-24,465
Financing activities			
New share issue, net of issue expenses	26	-	321,074
Loans raised	27	622,964	396,167
Amortisation of debt	27	-342,236	-450,000
Cash flow from financing activities		280,728	267,270
Cash flow for the year		-81,159	261,270
Cash and cash equivalents at beginning of the year	25	318,495	57,225
Cash and cash equivalents at year end	25	237,336	318,495

The notes presented on pages 77-96 are an integrated part of these annual and consolidated accounts.

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Notes

Note 1 General information

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

The Board of Directors approved the publication of the consolidated accounts and annual report on 31 March 2022.

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

Note 2 Summary of key accounting principles

The principal accounting policies applied in these consolidated accounts are set out below. These policies have been consistently applied to all years presented, unless otherwise stated. The consolidated accounts include Scandinavian Biogas Fuels International AB (publ) and its subsidiaries.

Segment reporting

Operating segments are reported in a manner consistent with internal reporting submitted to the chief operating decision maker, i.e. the function responsible for allocation of resources and assessment of the operating segments' results. The Group CEO is the chief operating decision maker. The Group has identified the following three operating segments based on the way in which the business is monitored: Business Area Sweden, Business Area Norway, and Business Area Korea.

EBITDA is the income measure that is measured per operating segment. Assets and liabilities are only monitored for the Group as a whole.

Provisions

Provisions are reported when the Group has an existing obligation resulting from the occurrence of an event, when it is likely that an outflow of resources will be required to settle the obligation, and a reliable estimate of the settlement amount can be made.

A provision is set aside for the amount corresponding to the best estimate of the amount required to settle the existing obligation at the close of the reporting period, taking into account the risks and uncertainties associated with the obligation. When a provision is valued using estimated cash flows to settle the existing obligation, the value is the present value of future cash flows (if the time value of money is significant).

2.1 Basis of presentation

The consolidated accounts for Scandinavian Biogas Fuels International AB (publ) have been prepared in accordance with the Swedish Annual Accounts Act, RFR 1 Supplementary Accounting Rules for Groups, and International Financial Reporting Standards (IFRS) and interpretations by the IFRS Interpretations Committee (IFRS IC) as adopted by the EU. The consolidated accounts have been prepared using the cost method, with the exception of financial liabilities in the form of contingent additional purchase price in business combinations, which are reported at fair value through profit or loss.

The Parent Company's financial statements are prepared in accordance with RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act. In cases where the Parent Company applies other accounting principles than those applied by the Group, these are listed separately at the end of this note.

The preparation of financial statements in conformity with IFRS requires the use of certain significant estimates for accounting purposes. It also requires management to exercise its judgement in applying the Group's accounting policies; see Note 4, Significant Estimates and Assessments.

New and amended accounting standards applicable as from 1 January 2021

No new IFRS standards or IFRIC interpretations have had a significant effect on the Group's 2021 results or position. No new IFRS standards or interpretations have been applied retrospectively.

New and amended accounting standards applicable as from 1 January 2022

No new IFRS standards or IFRIC interpretations will have a significant effect on the Group's 2022 results or position. No new IFRS standards or interpretations have been applied retrospectively.

2.2 Consolidated accounts

The consolidated accounts comprise the Parent Company and its subsidiaries. Subsidiaries are all companies over which the Group has controlling influence. The Group controls a company when it is exposed or entitled to variable returns from its holding in the company and is able to impact such returns through its influence in the company. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. A subsidiary is no longer consolidated from the date such control ceases.

The acquisition method is applied in reporting the Group's business combinations. The purchase price for acquisition of a subsidiary is the fair value of transferred assets, liabilities, and equity interests issued by the Group. The purchase price also includes the fair value of all assets and liabilities that are the result of an agreement on a conditional purchase price. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities assumed in a business combination are initially measured at their fair values at the date of acquisition.

Intra-group transactions, balances, and unrealised profit and loss on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistent application of the Group's policies.

2.3 Translation of foreign currency

Functional currency and reporting currency

The Group's various units use local currency as functional currency, as local currency has been defined as the currency of the primary economic environment in which the entity mainly operates. The consolidated accounts are presented in Swedish Kronor (SEK), which is both the Parent Company's functional currency and the Group's presentation currency.

Transactions and balance sheet items

Foreign currency transactions are translated into functional currency using the exchange rates in effect on the transaction date. Exchange rate gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing day rate are recognised in operating profit/loss in the income statement.

Translation of foreign Group companies

The results and financial position of all Group entities with functional currency different from the reporting currency are translated into the reporting currency. Assets and liabilities from each entity's balance sheet are translated from their functional currency into the Group's reporting currency (Swedish Kronor) at the exchange rate in effect at the closing date. Revenues and expenses from each income statement are translated to Swedish Kronor at the average exchange rates in effect at each transaction date. Exchange rate differences arising on translation of foreign operations are recognised in other comprehensive income. Accumulated translation differences are reported in profit/loss for the period when foreign operations are divested in whole or in part. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities within that operation and are translated at the closing day rate.

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

2.4 Intangible assets

Capitalised expenditures

Capitalised expenditures for development and similar work are comprised of internally developed intangible assets. The Scandinavian Biogas Fuels International Group engages in research and development. Research costs are expensed as research expenditures when incurred. Development expenditures or such costs incurred in the development phase of an internal project, which are directly attributable to the development and testing of the substrates from which biogas can be produced, are reported as assets in the statement of financial position only when all of the following conditions have been met:

- It is technically possible to complete the intangible asset for use or sale.
- The Group intends to complete the intangible asset and to use or sell it.
- The Group is able to use or sell the intangible asset.
- The Group can demonstrate how the intangible asset is likely to generate future financial advantages.
- There are sufficient technical, financial, and other resources for completion of the intangible asset and its use or sale.
- The Group can reliably calculate expenses attributable to the intangible asset during its development.

Internally developed intangible assets are amortised on a straight-line basis over a 5-10-year period.

Concessions and similar rights

The subsidiary in Ulsan, Korea, has signed a service agreement that does not convey the right to control the use of the Company's public service infrastructure. The Group recognises an intangible asset to the extent it is entitled to charge for the use of the public service (see also subsection 2.18, Service Concession Arrangements). Amortisation is calculated over the contract period (i.e. 15-year period through March 2026) using the straight-line method.

Customer relationships

Customer relationships have been acquired through business combinations and are reported at fair value at time of acquisition. Depreciation is done on a straight-line basis over the projected useful life. Following initial recognition, customer relationships are reported at acquisition value after deduction for accumulated amortisation and any accumulated impairments. The estimated useful life of customer relationships is 7 years, which corresponds to the estimated amount of time they will generate cash flow.

2.5 Tangible assets

Tangible assets are reported at cost of acquisition less depreciation. Cost of acquisition includes expenditures directly attributable to acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will benefit the Group and the cost of the asset can be reliably measured. The carrying amount of a replaced part is removed from the balance sheet. All other repairs and maintenance are reported as expenses in the income statement during the period incurred.

Each part of a tangible asset with a cost of acquisition that is significant in relation to the asset's total cost of acquisition is depreciated separately. Land and construction work in progress are not depreciated. Other assets are depreciated on a straight-line basis as follows:

Buildings and land	25-30 years
Plant and machinery	5-30 years
Equipment, tools, fixtures, and fittings	3-10 years

The assets' residual value and useful life are reviewed at each reporting date and adjusted if necessary. An asset's carrying amount is immediately written down to its recoverable value if the carrying amount exceeds the estimated recoverable value. See also Note 4, Significant Estimates and Assessments.

Gains and losses on the disposal of tangible assets are determined by comparing sale proceeds with the carrying amount and are recognised in other operating income and other operating expenses in the statement of comprehensive income.

2.6 Impairment of non-financial assets

Assets with an indefinite useful life (e.g. goodwill) are not written down but are tested annually for impairment. Assets are assessed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised as the amount by which the asset's carrying amount exceeds its recoverable value.

The recoverable value is an asset's fair value less costs related to its sale or its value in use, whichever is greater. For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

2.7 Inventories

Inventories are comprised of granules and organic material substrates and are reported at cost of acquisition or net realisable value, whichever is lower. Obsolescence risk is taken into account. Cost of acquisition is calculated based on the first-in, first-out principle, and includes fees for bringing the goods to their present location and condition.

2.8 Financial instruments – general

Financial instruments are included in several balance sheet items and are specified below.

2.8.1 Initial recognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial instruments are recognised initially at fair value plus transaction costs directly attributable to the acquisition or issue of the financial asset or financial liability (e.g. fees and commissions), with the exception of financial assets or financial liabilities at fair value through profit or loss. Transaction costs for financial assets and financial liabilities at fair value through profit or loss are carried as an expense in the statement of comprehensive income.

2.8.2 Classification

The Group classifies its financial assets and liabilities in the amortised cost category. Classification is based on the purpose for which the financial asset or liability was acquired.

Financial assets at amortised cost

Assets held to collect contractual cash flows comprising only principal and interest are recognised at amortised cost. The carrying amount of these assets is adjusted for expected credit losses that are reported (see the Impairment section below). Interest income from these financial assets is recognised pursuant to the effective interest rate method and included in financial income. The Group's financial assets at amortised cost are comprised of the items non-current receivables, liquid assets, accrued income, and a portion of other current receivables.

Financial assets at amortised cost

The Group's other financial liabilities are recognised at amortised cost applying the effective interest rate method. Other financial liabilities are comprised of borrowings, accounts payable, and portions of other current liabilities.

2.8.3 Derecognition of financial instruments

Derecognition of financial assets

Financial assets or parts thereof are derecognised from the statement of financial position when the contractual rights to receive cash flows from the assets have expired or been transferred and

- (i) substantially all risks and rewards of ownership or control have passed from the Group, or

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

(ii) the Group does not transfer or retains substantially all risks and rewards associated with ownership and the Group has not retained control of the asset.

Derecognition of financial liabilities

Financial liabilities are derecognised from the balance sheet when the obligation has been settled, cancelled, or otherwise terminated. The difference between the carrying amount of a financial liability (or part thereof) that has been extinguished or transferred to another party and the remuneration that has been paid, including any transferred assets that are not cash or liabilities that have been assumed, is reported in the statement of comprehensive income. When the terms and conditions of a financial liability are renegotiated and are not derecognised from the balance sheet, a profit or loss is reported in the statement of comprehensive income. The profit or loss is calculated as the difference between the original contractual cash flows and the modified cash flows, discounted to the original effective interest rate.

2.8.4 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and an intention to adjust them on a net basis or to realise the asset and adjust the liability simultaneously. The legal right must not depend on future events and must be legally binding for the Company and the counterparty, both in the course of normal business activities and in the event of default, insolvency, or bankruptcy.

2.8.5 Impairment of financial instruments

Assets carried at amortised cost

The Group assesses the future expected credit losses that are connected to assets recognised at amortised cost. The Group recognises a credit reserve for expected credit losses at each reporting date. The Group applies the simplified approach to calculate impairment on trade receivables – i.e. the reserve corresponds to expected credit losses over the life of the trade receivable. To measure expected credit losses, trade receivables are grouped into categories of shared credit risk characteristics and days past due. The Group uses prospective variables for expected credit losses. Expected credit losses are recognised in the statement of comprehensive income in other external costs.

2.9 Trade accounts receivable

Trade accounts receivable are financial instruments comprised of amounts due from customers for goods and services sold in the ordinary course of business. Payments expected within a year or less are classified as current assets; other expected payments are reported as non-current assets.

Trade accounts receivable with short durations are reported at nominal value, less deduction for expected credit losses.

2.10 Cash and cash equivalents

Cash and cash equivalents are financial instruments and include cash and bank balances reported in the balance sheet and statement of cash flows. Restricted bank balances with terms exceeding one year are reported as non-current receivables.

2.11 Accounts payable

Accounts payables are financial instruments and represent obligations to pay for goods and services acquired from suppliers in the ordinary course of business. Accounts payable are classified as current liabilities if payment is due within one year or less; otherwise, they are reported as non-current liabilities.

Accounts payable are recognised at amortised cost using the effective interest method.

2.12 Borrowings

Borrowings and loans from shareholders, which were repaid during 2021, are financial instruments and are initially recognised at fair value, net of transaction costs. Borrowings are subsequently stated at amortised cost, with any difference between the proceeds (net of transaction costs) and the redemption value recognised in the income statement over the term of the loan using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.13 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets (assets that necessarily take a substantial period of time to prepare for intended use or sale) are reported as part of such assets' cost of acquisition. Capitalisation ceases when all activities necessary to prepare the asset for its intended use or sale are substantially completed.

All other borrowing costs are expensed as incurred.

2.14 Government grants

Government grants related to investments in plants, machinery, and equipment are recognised as a liability until the corresponding investment cost has been incurred by the Company, after which the cost of acquisition for the relevant asset is reduced. Government grants related to cost recovery are expensed and recognised as revenue in the income statement over the periods covered by the grants. Government grants are recognised at fair value, as there is reasonable certainty that the grants will be received and that the Group will meet the terms and conditions associated therewith.

2.15 Current and deferred tax

Tax expense for the year comprises current and deferred tax. Current tax expense is calculated based on tax provisions enacted or substantively enacted as at the balance sheet date in the countries in which the Parent Company and its subsidiaries operate and generate taxable income.

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the consolidated accounts. Deferred income tax is determined using tax rates enacted or substantively enacted as of the balance sheet date and expected to be applicable when the related deferred income tax asset is realised or the deferred tax liability is paid.

Deferred tax assets on tax losses are recognised to the extent it is probable that future taxable profit will be available, against which the loss can be utilised.

Deferred tax assets and liabilities are offset when there is either a legally enforceable right to offset current tax assets against tax liabilities, or when the deferred tax assets and liabilities pertain to taxes levied by the same taxation authority on the same or different taxable entities and the intention is to settle the balances through net payments.

2.16 Employee benefits

Pension commitments

The Group has defined contribution and defined benefit pension plans.

In Sweden, the Group's primary defined contribution pension plan is the ITP1 plan, secured through fees to Alecta. The pension plan in Norway is similar to the plan in Sweden.

The Group has defined benefit plans in Korea, where the employees are entitled to post-employment benefits based on final salary and length of employment.

A defined contribution plan is a pension plan under which the Group pays fixed contributions to a separate legal entity. The Group has no legal or constructive obligations to pay further contributions if the legal entity does not hold sufficient assets to pay all employee benefits relating to employee service in current and prior periods.

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual, or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as a personnel cost when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available to the Group.

Bonus plans

Group redovisar en skuld och en kostnad för bonus. Group The Group recognises a liability and an expense for bonuses. The Group recognises a provision when there is a legal obligation or a constructive obligation to do so due to past practice.

2.17 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and corresponds to the amount received for goods or services sold, less discounts and VAT. The Group recognises revenue when the amount can be measured reliably, it is probable that future economic benefits will flow to the Company, and specific criteria have been met for the Group's operations (described below).

2.17.1 Sale of goods

The Group's revenues from the sale of goods mainly consist of the sale of biogas. These revenues are recognised when control of the biogas is transferred to the customer, which occurs when the goods (biogas) are delivered to the customer.

2.17.2 Sale of services

The Group's revenues from the sale of services relate primarily to the receipt of organic waste. These revenues are recognised when the work is performed, i.e. when the organic waste is transferred to the customer.

2.17.3 Interest income

Interest income is recognised by applying the effective interest rate method.

2.18 Service concession arrangements

The operations in Korea have entered into service concession arrangements associated with the biogas plant there. As service concession arrangements do not transfer the right to control the use of the infrastructure for public services to the Group, infrastructure associated with these arrangements is not recognised as a tangible asset. Compensation received or receivable by the Group is recognised at fair value. Compensation has been assessed as entitlement to an intangible asset, as the arrangement gives the Group the right (licence) to charge users for the public service.

2.19 Leases

The Group leases various office spaces, land, storage tanks, cars, and IT equipment. No subleasing is conducted. Lease agreements normally cover periods of 3-25 years and may include an extension option, as detailed below.

Assets and liabilities arising under lease agreements are initially recognised at present value. Lease liabilities include the present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease

If the Group is reasonably certain to exercise an option to extend a lease agreement, lease payments are included for the extension period in the valuation of the liability.

Lease payments are discounted using the interest rate implicit in the lease.

If that rate cannot be readily determined, which is normally the case for the Group's lease agreements, the lessee uses the lessee's marginal lending rate; i.e., the interest the individual lessee would have to pay to borrow the funds necessary to purchase an asset of similar value to the right-of-use asset in a similar economic environment with similar terms and assurances.

Lease payments comprise amortisation of the debt and interest. Interest is recognised in the income statement over the lease term.

Right-of-use assets are valued at cost of acquisition and include the following:

- the amount of the initial measurement of the lease liability
- any lease payments made at or before the commencement date, less any lease incentives received
- any initial direct costs
- costs to restore the assets to the condition specified in the lease agreement

Right-of-use assets are normally depreciated on a straight-line basis over the right-of-use period or the leasing period, whichever is shorter. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments made under short-term leases of equipment and vehicles, and all low-value lease agreements, are charged to the statement of comprehensive income on a straight-line basis.

Short-term agreements have a lease term of 12 months or less, with no purchase option. Short-term agreements include those for office space and IT equipment.

2.20 Cash flow statement

The cash flow statement is prepared using the indirect method. Accordingly, operating income is adjusted for transactions that do not result in cash payments during the period and for any income or expense attributable to investment or financing activity cash flows.

2.21 Share capital

Ordinary shares are classified as equity. Transaction costs directly attributable to the issue of new shares or warrants are recognised in equity, net of tax, as a deduction from the issue proceeds.

2.22 Share-based benefits

The Group has no share-based benefits programme.

2.23 Parent Company accounting principles

The Parent Company applies accounting principles other than those applied by the Group as detailed below.

Presentation

The income statement and balance sheet follow the Swedish Annual Accounts Act. The statement of changes in equity also follows the Group's table format but must contain the columns specified in the Annual Accounts Act. There are also differences in terminology, particularly in respect of financial income, expenses, and equity.

Participations in subsidiaries

Participations in subsidiaries are recognised at cost after deduction for any impairment losses. Costs include acquisition-related expenses and any additional purchase consideration paid.

An estimate of recoverable amount is made when there is an indication that participations in subsidiaries have decreased in value. If this amount is lower than the carrying amount, a write-down is recognised and reported in the item "participations in Group companies".

Group contributions

Group contributions are recognised as appropriations in the income statement.

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Lease agreements

All leases, regardless of whether they are finance or operating leases, are classified as operating lease agreements. Leasing fees are recognised as expenses on a straight-line basis over the lease term. IFRS 16 is not applied in the Parent Company.

Financial instruments

IFRS 9 is not applied in the Parent Company, and financial instruments are valued at cost of acquisition.

Guarantee commitments/financial guarantees

The Parent Company has signed guarantees on behalf of subsidiaries. Such commitments are classified under IFRS as financial guarantee contracts. For these agreements, the Parent Company applies relaxation rules pursuant to RFR 2 (IAS 39, p. 2), and accordingly reports the surety as a contingent liability. A provision is made when the Parent Company believes that a payment will likely be required to settle an obligation.

Of the Group's total interest-bearing debt of SEK 971.4 million (835.0), SEK 47.2 million (248.8) is at a fixed interest rate and the remainder at a variable rate. The Group is therefore exposed to a certain amount of interest rate risk. The Group has cash and cash equivalents totalling SEK 452.6 million (378.8). The Group's interest income is affected by the general interest rate climate.

Variable-rate liabilities as at the balance sheet date totalled SEK 924.2 million (586.2). A +/- one per cent change in interest rates would result in an impact on net interest income/expense of +/- SEK 9.2 million (5.9). An interest rate reduction produces a lower effect than an interest rate increase in SEK, as the rate on the corporate bond has a STIBOR floor of 0.00 per cent.

b) Credit risk

Credit risk or counterparty risk is the risk that the counterparty to a financial transaction fails to fulfil its obligations when due. Scandinavian Biogas's credit risk includes cash and cash equivalents, trade accounts receivable, and other receivables.

With respect to cash and cash equivalents, credit risk is considered to be low given that counterparties are a large well-known bank, Nordea (credit rating AA3), and Sparebank 1 SMN (credit rating A1), for which loans to the Group are higher than deposits. Scandinavian Biogas deems credit risk to be low, as sales are made to large, stable customers with whom the Group has good WTP (willingness to pay) experience. The Group monitors customers' credit ratings and reviews the terms of credit if necessary.

c) Liquidity risk

Liquidity risk is the risk of the Group having insufficient funds to pay its financial liability obligations.

The objective of the Company's liquidity management is to minimise the risk that the Group will not have sufficient cash to meet its commercial obligations. Cash flow forecasts are prepared regularly. Management closely monitors rolling forecasts of the Group's liquidity reserve to ensure that the Group has sufficient cash resources to meet the needs of operating activities. Liquidity risks in the operating companies Scandinavian Biogas Stockholm AB and Scandinavian Biogas Korea Co., Ltd. are considered minor, while the risk is higher in the development company Scandinavian Biogas Fuels AB and in Scandinavian Biogas Södertörn AB.

The financing of existing projects and operations in the coming year will largely be resolved with equity and borrowed capital. The Group is looking at a number of different alternatives such as project financing, refinancing, and other strategic and capital structure alternatives.

A number of capital adequacy requirements (covenants) are applicable to the Group's borrowings. These are mainly comprised of requirements for financial key ratios such as profitability and equity/assets ratio, as well as requirements for cash-in-hand. The corporate bond was repaid in its entirety in February 2020 and replaced with other senior debt, which in turn was repaid in June 2021 when a corporate bond of SEK 700 million was issued together with the receipt of a revolving credit facility of SEK 300 million. The corporate bond and the credit facility are consolidated with covenants. Of the Group's total borrowings of SEK 958.1 million (835), SEK 700 million (275) is subject to various capital adequacy requirements. There are no covenants for the Group's leases. Upon the issue of the corporate bond, a repurchase of SEK 63.8 million was made, which can be sold at any time.

At 31 December 2021 the Group's liquid assets totalled SEK 452.6 million (378.8). The Group has since June 2021 a revolving credit facility on SEK 300 million. Other future liquidity pressures are the payment of accounts payable for operation and investments, other current liabilities as well as repayment of loans. The table below shows the contractual, undiscounted cash flows that comprise financial liabilities, broken down by duration on the balance sheet date to the contractual maturity date. The Parent Company issued an SEK 200 million corporate bond in February 2016 and a subsequent bond of SEK 30 million in June 2017. The bonds had four-year durations, matured on 10 February 2020, and are refinanced with an SEK 200 million credit facility. In 2021, loans to credit institutions in Norway and Sweden were largely refinanced in connection with the issue of the corporate bond of SEK 700 million.

Note 3 Financial risk management

3.1 Financial risk factors

Through its business activities, the Group is exposed to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk, and liquidity risk. The Group's overall strategy focuses on reducing the potentially adverse effects on financial performance.

a) Market risk

(i) Currency risk

Scandinavian Biogas is exposed to currency risk given that the Company conducts transactions in foreign currencies (transaction risk) and has foreign subsidiaries (translation risk).

Transaction risk

Transaction risk is the risk of impact on consolidated net income and cash flow due to changes to the value of commercial flows in foreign currencies following changes in exchange rates. The subsidiaries in Korea and Norway use KRW and NOK, respectively, as accounting currency, but exposure is deemed negligible as revenue and expenses are in the same currency. The Group makes certain purchases in EUR but this does not present a significant currency risk, as it does not have any significant foreign currency transactions.

In 2021, exchange rate differences recognised in the Group's results totalled SEK 11.8 (-9.4) million. The Group has analysed its sensitivity to changes in exchange rates. If the Swedish Krona had weakened/strengthened by one per cent against the USD, KRW, and EUR, with all other variables held constant, net results for the year would have been SEK 1.6 (1.6) million higher/lower.

Translation risk

There is risk associated with the Group's translation of the net assets of foreign subsidiaries to the consolidating currency, the Swedish Krona (SEK). The Group's foreign subsidiaries are in Korea (KRW) and Norway (NOK). The Group is also affected by the translation of foreign subsidiaries' income statements into SEK. This exposure is not hedged.

The Group has analysed its sensitivity to changes in exchange rates. If the Swedish Krona had weakened/strengthened by one per cent against the KRW and NOK, with all other variables held constant, net results for the year would have been SEK 1.9 million (2.0) higher/lower.

(ii) Interest rate risk

Changes in interest-bearing financial assets and liabilities held by the Group linked to market interest rates affect the results and cash flow from operations. Interest rate risk is the risk that changes in market interest rates may have an adverse impact on the Group's net income. Borrowings issued at variable rates expose the Group to cash flow interest rate risk, which is partially offset by cash assets at floating rates.

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

At 31 December 2021 (SEK thousand)	< 1 year	1-2 years	2-5 years	> 5 years
Borrowings	51,532	48,870	791,928	7,251
Lease liabilities	30,298	25,436	74,508	244,259
Accounts payable	80,036	-	-	-
Other current liabilities	65,072	7,480	-	-

At 31 December 2020 (SEK thousand)	< 1 year	1-2 years	2-5 years	> 5 years
Borrowings	77,602	67,195	164,093	101,029
Lease liabilities	26,571	30,456	79,091	257,623
Senior credit facility	-	200,000	-	-
Account payable	67,665	-	-	-
Other current liabilities	33,563	-	-	-

d) Refinancing risk

The Company needs to continuously secure the Group's long-term financing. A refinancing risk may arise due to the market situation and the Company's underlying profitability in general. Management works on an ongoing basis with various financial alternatives.

3.2 Capital risk management

The Group's goal with regard to its capital structure is to safeguard the Group in its ability to continue its operations, in order to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

3.3 Calculation of fair value

The carrying value, less impairment provisions, of trade accounts receivable and other receivables and of accounts payable and other liabilities is assumed to correspond to their fair values, given that these items are short-term in nature.

Note 4 Significant estimates and assessments

Estimates and assessments are evaluated regularly and are based on historical experience and other factors, including expectations of future events deemed reasonable under current conditions.

Significant estimates and assessments for accounting purposes

The Group makes estimates and assumptions about the future. The accounting estimates that result from these, by definition, seldom correspond to actual results. The estimates and assumptions that have a significant risk of material adjustments to the carrying values of assets and liabilities within the next financial year are outlined below.

Valuation of loss carry-forwards

The Group reviews on an annual basis the appropriateness of capitalising deferred tax assets for the year's tax loss carry-forwards.

Deferred tax assets are only recognised for loss carry-forwards when it is probable that they can be utilised against future taxable income and against temporary taxable differences. Loss carry-forwards in the Norwegian companies are valued upon determination that there is sufficient future profit to utilise them. No elements of the other loss carry-forwards have been valued, as it is not deemed that profits in the foreseeable future are likely to exceed the costs for development, commissioning of new investment projects, and Group-wide functions. See Note 18, Deferred Tax.

Goodwill

The Group's goodwill is derived from the acquisition of the Norwegian group Biokraft and Ekdalens Biotransporter and is considered to have an indefinite useful life. Impairment testing is conducted on a continuous basis through the Group's review of future cash flows and determination of a number of estimates and assessments, mainly related to future biogas price and operating costs. For the facility in Norway production and sales

volumes were estimated based on sales of produced Bio-LNG in 2019 and 2020, previous experience, and management's expectations for future market development. Cash flow forecasts are based on the approved budget and forecasts for the next five years. See Note 15, Intangible Assets.

Additional purchase price for acquisition

Additional purchase prices are payable for the acquisition of Ekdalens Biotransporter. These are based on normalised EBITDA for years 2020-22 and may not exceed SEK 35.0 million, and have been for 2020 discounted to SEK 30.3 million in the acquisition analysis. Ekdalens Biotransporter AB was consolidated as from the 18 December 2020 acquisition date. In 2021, SEK 13.7 million was paid in additional purchase consideration. At the end of 2021, the outstanding additional purchase consideration was SEK 13.8 million and the present value was calculated at SEK 12.6 million.

Acquisition-related intangible assets

The Group's acquisition-related intangible assets are comprised of customer relationship arising from the acquisition of Ekdalens Biotransporter AB and are deemed to have a useful life of 7 years. Testing for potential write-down requirements is done on a regular basis through the Group's examination of future cash flows.

Service concession arrangements

The Group has service concession arrangements and, accordingly, an intangible asset (concession right) is recognised to the extent the Group is entitled to charge users of the public service. The intangible asset is recognised based on the fair value of consideration the Group has received or will receive. Fair value was estimated at the present value of future cash flows the Group expects to receive from the concession rights. Assessment of expected future cash flows requires management to make estimates and assessments concerning the future, the most significant of which are future market price of liquid natural gas (LNG) and operating costs. See Note 15, Intangible Assets.

Valuation of tangible assets

Impairment testing of the Group's facilities is conducted on a regular basis. Impairment testing is based on estimated future cash flows, with several assumptions applied in this assessment – the most significant of which are future production volumes, biogas price, and operating costs. Each facility was assessed independently, excluding the two leased from Stockholm Vatten och Avfall (Bromma and Henriksdal), which were treated as a single cash-generating unit. See Note 16, Tangible Assets. A 10.5 per cent cost of capital was applied.

Penalty fee provision

A provision for the penalty fee in Ulsan City has been made in view of the upgrading issue at the plant in Korea. The provision was calculated as the present value of the Korean subsidiary's accumulated liability under the terms of the contract, as at the balance sheet date. An assessment of the probable amount of the penalty fee was made in calculating present value, which produced a discount rate of 13.86 per cent. According to legal opinions received in 2018 from three leading Korean law firms, the contractual amount is unreasonable and the penalty fee should be significantly lower – a maximum of 37.5 per cent of the contractual amount. Under the contract, the accumulated liability for the period November 2012 through December 2018 is to be amortised continuously through the end of the contractual period (i.e. for just over eight years). See also Note 28, Provisions. The lawsuit proceeded in 2019 and an updated overall assessment has been made. The overall assessment was that the provision as of 31 December 2019 would amount to 30 per cent.

A leave to appeal was filed with the Supreme Court during summer 2020 and was denied during the autumn. Assessments were updated in the consolidated annual accounts in response to the judicial decision issued in July, resulting in an increase of SEK 11.6 million in "other provisions" and an SEK 6.5 million write-down of the concession pertaining to Korea. The result for 2020 has therefore been charged a total of SEK 18.1 million. As the ruling is now final, the provision has been reclassified to "financial liability" and the previous present value computation has been adjusted to 12.92%, producing an increase of approximately SEK 1.0 million in financial cost.

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Capitalised development costs

The Group recognises development costs that meet all criteria specified in IAS 38, p. 57, as intangible assets. Costs are primarily comprised of lab tests of various organic substrates and substrate combinations from which biogas can be produced and optimised. Capitalisation is only done on development costs for assets that the Group i) deems are technically possible to complete; ii) intends to complete; iii) deems are possible to use or sell; iv) deems will have the capacity to generate future financial advantages; v) deems there are sufficient technical, financial, and other resources to complete; and vi) deems it is possible to reliably measure development costs. Estimates and assessments must be made in assessing which development costs to capitalise, based on expectations of future cash flows that the asset is expected to generate.

Investment in Biogas Uppland

Management has analysed the degree of influence the Group has over Biogas Uppland AB and has determined that the Group has control over operations. This determination was based on representation on the board and on contract terms, even though the Group holds a 50.0 per cent stake. The investment has therefore been classified as a subsidiary and has been consolidated.

Claims on subsidiary in Korea

In the Swedish part of the Group there are claims on subsidiary Scandinavian Biogas Korea Co., Ltd., denominated in USD and KRW. Exchange rate fluctuations in 2021 resulted in an unrealised exchange difference of SEK 0.6 million (1.2). Given that debt is amortised pursuant to a fixed plan and is expected to be fully amortised by 2025, the Group has determined that this claim should not be seen as a net investment in the Korean company. Accordingly, exchange rate fluctuations are recognised in net financial items and not, as otherwise would have been the case, in other comprehensive income.

Note 5 Segment reporting

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

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

	2021	2020
Revenue incl capitalised work		
Business Area Sweden	179,537	241,473
Business Area Norway	97,529	106,426
Business Area Korea	52,046	58,795
Service Centre and R&D	23,216	16,470
Eliminations	-17,870	-15,732
Group total	451,101	407,432
Operating expenses		
Business Area Sweden	-205,773	-182,325
Business Area Norway	-89,076	-70,657
Business Area Korea	-41,319	-59,232
Service Centre and R&D	-42,690	-30,352
Eliminations	17,870	15,732
Group total	-360,988	-326,835
EBITDA		
Business Area Sweden	73,834	59,148
Business Area Norway	25,025	35,769
Business Area Korea	10,727	-437
Service Centre and R&D	-19,474	-13,882
Group total	90,113	80,597
Depreciation & amortisation	-85,120	-86,635
Operating profit/loss	4,993	-6,038
Financial items - net		
Financial items - net	-50,479	-58,430
Group total	-50,479	-58,430
Consolidated profit before tax	-45,486	-64,468

Note 6 Distribution of net sales

Net sales are distributed by type of revenue as follows:

Group	2021	2020
Sale of goods, Sweden	178,104	184,246
Sale of goods, Norway	97,409	73,316
Sale of goods, Korea	14,139	17,405
Sale of services, Sweden	61,331	19,429
Sale of services, Norway	3,378	2,600
Sale of services, Korea	37,906	41,390
Business-related re-invoicing, Sweden	1,554	-
Group total	393,821	338,386
Parent Company	2021	2020
Sale of services	963	1,320
Parent Company total	963	1,320

Of the Group's net sales of SEK 393.8 million (338.4), the largest individual customers account for SEK 96.2 million (95.8), SEK 97.4 million (72.5), and 37.9 million (41.4), respectively. During 2021, three customers accounted for more than 10 per cent of sales. These customers account for 58.8 per cent (62.0) of the Group's total net sales, of which 28.8 per cent (21.5) is attributable to Norway, 11.2 per cent (12.2) to Korea, and the remainder to Sweden. No other customers account for more than 10 per cent of sales.

Of total tangible and intangible assets of SEK 1,066.3 million (1,015.2), SEK 565.5 million (599.2) are located in Sweden, SEK 36.8 million (46.9) in Korea, and SEK 464 million (383.1) in Norway.

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Note 7 Parent Company sales to and purchases from Group companies

During the year the Parent Company invoiced subsidiaries SEK 1.0 million (1.3) for Group-wide services.

Note 8 Capitalised work on own account

The Group capitalised staff costs related to work performed on new construction work in progress and on development projects. The costs capitalised relate to direct labour costs, social fees, and a mark-up for other expenses.

Note 9 Remuneration to auditors

An audit assignment refers to examination of the annual report and accounting records, the board and CEO's administration of the Company, other duties resting with the Company's auditors, and advisory services and other support arising in the course of such examination or performance of such other duties. Everything else is considered other services.

Remuneration to PwC is distributed as follows: SEK 0.6 million (0.4) to Norway and SEK 1.6 million (2.9) to Sweden.

Group	2021	2020
PwC		
Audit assignment	1,474	1,310
Audit work other than audit assignment	85	32
Tax consultancy	407	278
Other services	176	1,649
Total	2,142	3,269
Other auditors		
Audit assignment	124	129
Audit work other than audit assignment	-	-
Tax consultancy	49	47
Other services	15	16
Total	188	192
Group total	2,330	3,461
Parent Company		
PwC		
Audit assignment	640	590
Audit work other than audit assignment	50	32
Tax consultancy	-	-
Other services	176	1,649
Total	866	2,271

Note 10 Employee benefits, etc.

Group	2021	2020
Salaries and other benefits	62,188	51,840
Social fees	14,800	10,463
Pension expenses, defined contribution plans	6,851	4,836
Pensions expenses - defined benefit plans	831	866
Group total	84,670	68,005

Salaries, other benefits, and payroll overhead

	2021	2021	2020	2020
	Salaries and other benefits (of which, bonuses)	Social fees (of which, pension costs)	Salaries and other benefits (of which, bonuses)	Social fees (of which, pension costs)
Board members, CEO, other executives	10,212 (497)	4,170 (2,554)	10,694 (1,470)	3,245 (1,733)
Other employees	50,619 (95)	18,312 (5,261)	41,146 (175)	12,919 (3,970)
Group total	61,832 (592)	22,481 (7,815)	51,840 (1,645)	16,164 (5,703)

Gender distribution - board members and other senior executives, Group (including subsidiaries)

	2021	2021	2020	2020
	No. on balance sheet date	Of which, women	No. on balance sheet date	Of which, women
Board members		3	5	1
CEO and other executives	6	1	6	1
Group total	12	4	11	2

Parent Company

	2021	2020
Salaries and other benefits	927	655
Social fees	252	94

Parent Company total

	2021	2021	2020	2020
	Salaries and other benefits (of which, bonuses)	Social fees (of which, pension costs)	Salaries and other benefits (of which, bonuses)	Social fees (of which, pension costs)
Board members, CEO, other executives	927 (-)	252 (-)	655 (-)	94 (-)
Other employees	-	-	-	-
Parent Company total	927 (-)	252 (-)	655 (-)	94 (-)

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Remuneration to senior executives

Remuneration to the CEO and other senior executives is comprised of basic salary, variable remuneration, other benefits, and financial instruments, etc. "Other senior executives" are the individuals who, together with the CEO, comprise Group management. For management structure, see the Corporate Governance section of the Board of Directors' Report. The CEO is entitled to 12 months' salary in the event his employment is terminated by the Company. There are no other termination benefit agreements.

Board members and senior executives received the following remuneration:

Remuneration and other benefits, 2021	Basic salary / director's fee	Variable remuneration	Other benefits	Pension costs	Total
Chairman Göran Persson (until AGM)	117	-	-	-	117
Chairman Anders Bengtsson (as from AGM)	245	-	-	-	245
Board member Andreas Ahlström	17	-	-	-	17
Board member Tina Helin	100	-	-	-	100
Board member Sara Anderson	122	-	-	-	122
Board member David Schelin	117	-	-	-	117
Board member Håkon Welde	120	-	-	-	120
Board member Petra Einarsson	133	-	-	-	133
CEO Matti Vakkula	3,399	292	105	1,125	4,921
Other senior executives (5 persons)	5,080	205	162	1,429	6,876
Total	9,449	497	267	2,554	12,766

Remuneration and other benefits, 2020	Basic salary / director's fee	Variable remuneration	Other benefits	Pension costs	Total
Chairman Göran Persson	350	-	-	-	350
Board member Anders Bengtsson	75	-	-	-	75
Board member Andreas Ahlström	50	-	-	-	50
Board member Sara Anderson	65	-	-	-	65
Board member David Schelin	50	-	-	-	50
CEO Matti Vakkula	3,246	1,100	190	825	5,361
Other senior executives (5 persons)	5,323	370	117	1,019	6,829
Total	9,159	1,470	307	1,844	12,780

The chairman, board members, and members of the Audit Committee receive remuneration as determined by the Annual General Meeting. No specific payment is made for other committee work. With regard to Parent Company salaries and compensation, board-related expenses totalled SEK 1,186 thousand (749), while the subsidiaries' other external expenses, totalling SEK 0 thousand (14), relate to consultancy fees to the employer of a board member.

Average number of employees, by country

	2021	2021	2020	2020
	Average number of employees	Of which, women	Average number of employees	Of which, women
Sweden	-	-	-	-
Parent Company total	-	-	-	-
Subsidiaries				
Sweden	67.6	15.9	42.0	12.7
Korea	22.6	1.3	21.3	1.3
Norway	18.5	3.0	15.0	3.0
Total subsidiaries	108.7	20.2	78.3	17.0
Group total	108.7	20.2	78.3	17.0

Gender distribution – board members and other senior executives, Parent Company

	2021	2021	2020	2020
	No. on balance sheet date	Of which, women	No. on balance sheet date	Of which, women
Board members	6	3	5	1
CEO and other senior executives	1	-	1	-
Parent Company total	7	3	6	1

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Pension plans

Group	31 Dec 2021	31 Dec 2020
-------	-------------	-------------

Obligations in the balance sheet for:

Defined benefit pension plans	-3,366	-4,160
Recognition in the income statement for:		
Costs for defined benefit pension plans	888	972
Costs for defined contribution pension plans	6,816	4,836
Amounts reported in other comprehensive income	4	-75

Group	31 Dec 2021	31 Dec 2020
-------	-------------	-------------

Present value of unfunded obligations	-3,366	-4,160
Net liability in the balance sheet		

Change in the defined benefit obligation for the year:

Group	31 Dec 2021	31 Dec 2020
At beginning of the year	4,160	3,824
Costs for employee service during the current year	800	815
Interest expense	92	82
Actuarial losses(+)/gains(-)	-4	75
Exchange differences	22	-285
Benefits paid	-1,704	-350
At year end	3,366	4,160

Amounts recognised in the income statement for defined benefit plans:

Group	31 Dec 2021	31 Dec 2020
Costs for employee service during the current year	800	815
Interest expense	92	82
Net actuarial gains/losses recognised during the year	-4	75
Total	888	972

Principal actuarial assumptions:

Group	31 Dec 2021	31 Dec 2020
Discount rate	2.60%	2.30%
Future salary increases	2.00%	2.00%

Plan assets are comprised of:

Group	31 Dec 2021	31 Dec 2020
Other	2,968	3,156
Total	2,968	3,156
Present value of defined benefit obligation	-3,366	-4,160

Fair value of plan assets	2,968	3,156
Deficit	-398	-1,003

Note 11 Other operating income and other operating expense

Other operating income	Group		Parent Company	
	2021	2020	2021	2020
Exchange gains	304	-	-	-
Grants received	17,196	22,474	-	-
Non-business-related re-invoicing	504	969	1,470	1,725
Insurance compensation	-	20,381	-	-
Other	18,615	7,936	1,500	-
Total other operating income	36,619	51,760	2,970	1,725

Other operating expenses	Group		Parent Company	
	2021	2020	2021	2020
Exchange losses	730	491	-	-
Other	65	421	-	-
Total other operating expenses	795	912	-	-

Note 12 Financial income and expense/Interest income and expense

Financial income/ Interest income	Group		Parent Company	
	2021	2020	2021	2020
Interest income on bank deposits	38	104	2,188	-
Interest income from Group companies	-	-	31,445	8,576
Exchange gains	11,849	-	9,837	-
Other financial income	354	110	-	-
Total financial income/ Interest income	12,241	214	43,470	8,576

Financial expense/ Interest expense	Group		Parent Company	
	2021	2020	2021	2020
Impairment of participations in subsidiaries	-	-	6,300	62,000
Interest expense on borrowings	39,151	26,090	28,295	14,719
Interest expense on the lease liability	8,967	9,221	-	-
Intra-Group interest expense	-	-	479	1,118
Exchange losses	-	9,441	-	-
Accrued transaction costs	14,602	13,892	4,547	3,454
Total financial expense/ Interest expense	62,720	58,644	39,621	81,291
Total net financial items	-50,479	-58,430	3,849	-72,715

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Note 13 Income tax/Tax on profit for the year

	Group		Parent Company	
	2021	2020	2021	2020
Current tax:				
Current tax on profit for the year	-	110	-	-
Total current tax	-	110	-	-
Deferred tax (see Note 18):				
Accrual and reversal of temporary differences	6,755	1,383	-	-
Total deferred tax	6,755	1,383	-	-
Income tax	6,755	1,273	-	-

Income tax on profit differs from the theoretical amount that would have arisen if the weighted average tax rate on profit was applied to profits for the consolidated companies, as follows:

	Group		Parent Company	
	2021	2020	2021	2020
Profit/loss before tax	-45,486	-64,468	30,773	-53,919
Tax calculated pursuant to applicable national tax rates on profit/loss before tax in each country	8,887	11,355	-6,339	11,539
Tax effects of:				
Non-taxable income	3,484	4,360	-	-
Non-deductible expense	-5,148	-3,710	-1,299	-13,268
Non-deductible interest expense	-3,753	-5,073	-	-1,862
Unrecorded expense to be deducted	-	6,190	64	6,190
Tax losses for which no deferred tax asset is recognised	3,285	-11,355	7,574	-2,599
Adjustments related to previous years	-	-495	-	-
Tax revenue/expense	6,755	1,273	-	-

The weighted average tax rate is 21.1 per cent (21.5) for the Group and 20.6 per cent (21.4) for the Parent Company.

	Group		Parent Company	
	2021	2020	2021	2020
Income tax recognised in equity during the year:				
Deferred tax:				
Issue expenses	-	6,190	-	6,190
Total income tax recognised in equity	-	6,190	-	6,190

Note 14 Exchange differences

Exchange differences are recognised in the income statement as follows:

	Group		Parent Company	
	2021	2020	2021	2020
Exchange differences in operating profit/loss	-426	-519	-	-2,006
Exchange differences in net financial items	11,849	-9,441	9,837	-
Total exchange differences in the income statement	11,423	-9,960	9,837	-2,006
Amount reported in other comprehensive income	7,067	-7,572	-	-

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Note 15 Intangible assets

Group	Goodwill	Capitalised development costs	Concessions and similar rights	Patents and licences	Customer relationships	Total
Financial year 2020						
Opening carrying amount	6,833	11,713	67,832	1,423	-	87,801
Purchases/reprocessing	-	3,244	-	-	-	3,244
Reclassification	-	1,945	-	-	-	1,945
Grants	23,407	-	-	-	28,432	51,840
Retirement of assets	-	-1,507	-	-	-	-1,507
Translation differences	-667	531	-4,543	-285	-	-4,964
Amortisation	-	-1,878	-10,157	-348	-	-12,383
Impairment	-	-	-6,466	-	-	-6,466
Closing carrying amount	29,574	14,048	46,666	790	28,432	119,510
At 31 December 2020						
Cost of acquisition	29,574	21,507	197,273	6,267	28,432	283,053
Accumulated amortisation and impairment	-	-7,459	-150,607	-5,477	-	-163,543
Closing carrying amount	29,574	14,048	46,666	790	28,432	119,510
Financial year 2021						
Opening carrying amount	29,574	14,048	46,666	790	28,432	119,510
Purchases/reprocessing	-	3,893	-	458	-	4,351
Reclassification	-	111	-	-	1,200	1,311
Grants	-	-1,682	-	-	-	-1,682
Retirement of assets	-	-	-603	-	-	-603
Translation differences	457	246	675	-1	-	1,377
Amortisation	-	-914	-10,011	-300	-4,266	-15,491
Impairment	-	-	-	-	-	0
Closing carrying amount	30,031	15,702	36,727	948	25,366	108,774
At 31 December 2021						
Cost of acquisition	30,031	24,075	199,499	6,726	29,632	289,963
Accumulated amortisation and impairment	0	-8,373	-162,772	-5,778	-4,266	-181,189
Closing carrying amount	30,031	15,702	36,727	948	25,366	108,774

The total amount for research and development expensed during the period was SEK 6.6 million (4.4).

Based on the results of an impairment test of goodwill, it was deemed that there was no write-down requirement during the financial year.

The Group conducted a sensitivity analysis against changes in the impairment test. If the cost of capital had been 0.5 per cent higher and profitability (EBITDA margin) one percentage point lower, with all other variables held constant, there would nonetheless have been no write-down requirement for goodwill. The cost of capital before tax, produced by an external party, is based on assessments of weighted return requirements for interest-bearing liabilities and equity in proportion to estimated percentage in an optimal industrial capital structure. A 2 per cent long-term growth rate and a 10.5 per cent cost of capital were used in this year's impairment testing of goodwill. The Group's goodwill is attributable to Business Area Norway 6.6 (6.2) SEK and Sweden 23.4 (23.4) million. The impairment test was prepared based on discounted value in use.

Based on the results of an impairment test of the concession right, it was deemed that there was no write-down requirement during the financial year. The Group conducted a sensitivity analysis against changes in the impairment test. If the cost of capital had been 0.5 percentage point higher and profitability (EBITDA margin) one percentage point lower, with all other variables held constant, there would nonetheless have been no write-down requirement. A 2.5 per cent long-term growth rate and a 13.3 per cent cost of capital were used in this year's impairment testing of the concession right. The Group's concession right is attributable to Business Area Korea. The impairment test was prepared based on value in use.

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Note 16 Tangible assets

Financial year 2020

Opening carrying amount	214,812	321,600	4,293	44,176	584,880
Acquisition of subsidiaries	1,527	4,124	23,320		28,971
Purchases		872	4,169	50,455	55,496
Sales and disposals	-231	-1,083	-1,820	-587	-3,721
Reclassifications	353	-185	444	1,421	2,034
Translation differences	-13,536	-11,714	-74	-1,149	-26,473
Amortisation	-8,905	-24,113	-1,290		-34,308
Impairment	-3,415	-2,011		-1,428	-6,854
Closing carrying amount	190,602	287,490	29,042	92,888	600,022

At 31 December 2020

Cost of acquisition	236,270	408,247	37,394	108,679	790,590
Accumulated depreciation	-45,668	-120,757	-8,352	-15,791	-190,569
Carrying amount	190,602	287,490	29,042	92,888	600,022

Group	Buildings and land	Plant and machinery	Equipment, tools, fixtures, and fittings	Construction work in progress	Total
Financial year 2021					
Opening carrying amount	190,602	287,490	29,042	92,888	600,022
Purchases	313	760	13,035	138,188	152,296
Sales and disposals	0	-118	-1,304	-1,594	-3,016
Reclassifications	17,717	2,851	0	-3,046	17,522
Translation differences	8,755	14,142	131	2,947	25,975
Grants			-120	-63,259	-63,379
Amortisation	-9,130	-26,562	-6,494	0	-42,186
Impairment	0	-170	0	-4,676	-4,846
Closing carrying amount	208,257	278,393	34,290	161,448	682,388

At 31 December 2021

Cost of acquisition	264,609	428,505	59,530	183,031	935,675
Accumulated depreciation	-56,352	-150,112	-25,240	-21,583	-253,287
Carrying amount	208,257	278,393	34,290	161,448	682,388

During the year the Group capitalised borrowing fees of SEK 1.4 million (0.0) on qualifying assets in the form of construction work in progress.

Based on the results of impairment tests, it was deemed that there was no write-down requirement for tangible assets during the financial year; see also Note 4, Significant Estimates and Assessments. The Group conducted a sensitivity analysis against changes in the impairment test. If the cost of capital had been 0.5 percentage point higher and profitability (EBITDA margin) one percentage point lower, with all other variables held constant, there would nevertheless have been no write-down requirement for the plants in Norway, Södertörn, Henriksdal, or Bromma. A cost of capital of 10.5 per cent for Sweden and Norway and of 13.3 per cent for Korea was used in this year's assessment. The cost of capital is based on assessments of weighted return requirements for interest-bearing liabilities and equity in proportion to estimated percentage in an optimal industrial capital structure.

Right-of-use assets

Tangible assets include leased assets held by the Group under lease contracts with the following amounts:

Group	Equipment, tools, fixtures, and fittings			Construction work in progress	Total
	Buildings and land	Plant and machinery	Construc-		
Financial year 2020					
Opening carrying amount	152,425	167,708	7,708	-	327,841
Change	-6,892	-6,533	6,992	-	-6,433
Amortisation	-10,358	-10,652	-4,702	-	-25,712
Closing carrying amount	135,175	150,523	9,998	-	295,696

Group	Buildings and land	Plant and machinery	Equipment, tools, fixtures, and fittings	Construction work in progress	Total
Financial year 2021					
Opening carrying amount	135,175	150,523	9,998	-	295,696
Change	-2,153	3,204	188	-	1,239
Amortisation	-8,467	-8,493	-4,842	-	-21,802
Closing carrying amount	124,555	145,234	5,344	-	275,133

The Group applied a discount rate of 3.2 per cent for Business Area Sweden, as this corresponds to the interest rate on current bank loans and is on a par with the current ground rent interest rate in Stockholm. The discount rate applied for Business Area Norway was 4.43 per cent, corresponding to the interest rate on the business area's current bank loans. With the transition to IFRS 16, several previous operating leases are now included in the overview presented above. There is also a difference in the discount rate, and the assets were depreciated during the financial year. Changes to accounting policy IAS 17 and the Group's previous calculations have been systemised to comply with IFRS 16. During the financial year EBITDA was improved by approximately SEK 32.3 million (33.4), as IFRS 16 reduces operating expenses while simultaneously increasing aggregate depreciation/amortisation and financial expense by a corresponding amount.

Note 17 Participations in Group companies

Parent Company	31 Dec 2021	31 Dec 2020
Accumulated cost		
Opening cost of acquisition	847,988	657,174
Shareholders' contribution paid	32,831	94,498
Acquisitions during the year	-	96,316
	880,819	847,988
Accumulated impairment		
Opening balance	-492,561	-430,561
Impairment for the year	-6,300	-62,000
	-498,861	-492,561
Closing carrying amount at year end	381,958	355,427

Participations in Group companies increased SEK 32.8 million during the financial year due to an SEK 10 million conditional capital contribution to Scandinavian Biogas Fuels AB and to the Scandinavian Biogas Sweden with SEK 22.8 million. The Parent Company received in 2021 group contributions of SEK 29.8 million (20.5).

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

The Parent Company holds shares in the following subsidiaries:

Name	CIN	Domicile	Share of equity	No. of shares	Carrying amount	
					31 Dec 2021	31 Dec 2020
Direct holdings						
Scandinavian Biogas Fuels AB	556691-9196	Stockholm	100.00%	166,667	15,974	12,274
Scandinavian Biogas Sweden AB	556807-2986	Stockholm	100.00%	50,000	177,058	154,227
Biokraft Holding AS	916 683 405	Trondheim (Norge)	100.00%	52,147,487	188,926	188,926
Indirect holdings						
Biogas Uppland AB	556636-0227	Uppsala	50.00%			
Scandinavian Biogas Södertörn AB	556712-1735	Stockholm	100.00%			
Scandinavian Biogas Fuels i Varberg AB	556748-8357	Varberg	100.00%			
Scandinavian Biogas Korea Co., Ltd.	610-84-00961	Ulsan (Korea)	82.17%			
Scandinavian Biogas Korea Co., Ltd.	285011-0174239	Seoul (Korea)	90.00%			
Scandinavian Biogas Stockholm AB	556489-7899	Stockholm	100.00%			
Mönsterås Biogasproduktion AB	559148-3168	Stockholm	100.00%			
Scandinavian Biogas Recycling AB	556934-4384	Stockholm	60.00%			
Ekdalens Biotransporter AB	556742-8783	Nyvång	100.00%			
Biokraft AS	894 625 902	Trondheim (Norge)	100.00%			
Total					381,958	355,427
Direct holdings at 31 Dec 2021	Equity	Profit/loss for the year				
Scandinavian Biogas Fuels AB	15,934	-14,674				
Scandinavian Biogas Sweden AB	61,559	-11,263				
Biokraft Holding AS	169,823	-180				

Significant subsidiaries and their activities

Scandinavian Biogas Fuels AB designs biogas facilities, with a major focus on optimising production and conducting research in the biogas field.

Scandinavian Biogas Korea Co., Ltd. operates a plant in Ulsan that produces raw gas, primarily from food waste. Revenues are generated by gate fees (i.e. payment for receiving waste) and from gas sales.

Scandinavian Biogas Stockholm AB's operations comprise the production and trade of upgraded biogas.

Scandinavian Biogas Södertörn AB (SBSö) and Scandinavian Biogas Recycling AB (SBR) work in close collaboration, with their overall business encompassing the entire biogas production process. SBR is responsible for pre-treatment and SBSö for the digestion, upgrading, and management of digestate.

In early 2016, 50.03 per cent of the shares were acquired in Norwegian company Biokraft Holding AS, which owned 100 per cent of the shares in Biokraft AS. Biokraft AS has made an investment in an LBG production facility in Skogn, Norway, which has an estimated production capacity of 120 GWh at full capacity. In conjunction with the IPO conducted in December 2020, the minority shares were converted into shares in Scandinavian Biogas Fuels International AB (publ) and, accordingly, Biokraft Holding AS is now owned 100 per cent by Scandinavian Biogas Fuels International AB (publ).

All subsidiaries are consolidated in the Group. The share of voting power in subsidiaries directly owned by the Parent Company does not differ from the share of ordinary shares owned.

Biogas Uppland AB is consolidated, given that Scandinavian Biogas Fuels AB is entitled to appoint the chairman who in turn holds the casting vote. Accordingly, Scandinavian Biogas Fuels is deemed to have control over Biogas Uppland.

Ekdalens Biotransporter AB was acquired 18 December 2020 and is 100 per cent owned by Scandinavian Biogas Fuels Sweden AB. Ekdalens provides transport and other services, with a focus on manure and bio-substrate transports to and from biogas plants in southern Sweden and on large animal farms.

The total ownership of non-controlling interests for the period amounted to SEK -6.6 million (-11.7), which is mainly attributable to subsidiaries in Korea for 2020. Holdings of non-controlling interests in the remaining subsidiaries with minority shareholders are insignificant.

Significant constraints

There are no significant constraints within the Group other than certain restrictions in moving capital between subsidiaries due to loan agreement regulations, etc.

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Note 18 Deferred tax

	Group	
	2021	2020
Deferred tax expense, temporary differences	91	92
Deferred tax revenue, temporary differences	6,664	1,291
Total deferred tax in the income statement	6,755	1,383

Deferred tax assets

	31 Dec 2021	31 Dec 2020
--	-------------	-------------

Deferred tax assets to be utilised after 12 months	29,933	22,531
Deferred tax assets to be utilised within 12 months	-	-
Total deferred tax assets	29,933	22,531

Deferred tax liabilities

	31 Dec 2021	31 Dec 2020
--	-------------	-------------

Deferred tax liabilities to be utilised after 12 months	11,209	12,249
Deferred tax liabilities to be utilised within 12 months	-	-
Total deferred tax liabilities	11,209	12,249

Net deferred tax liabilities/assets	18,724	10,282
--	---------------	---------------

Changes in deferred tax assets and liabilities during the year as reported in the income statement, without taking into account setoffs made in the same fiscal jurisdiction, are presented below.

Deferred tax liabilities

	31 Dec 2021	31 Dec 2020
--	-------------	-------------

At 1 January	12,249	1,961
Acquisition of subsidiaries	-949	10,380
Development costs	-91	-92

At 31 December	11,209	12,249
-----------------------	---------------	---------------

Deferred tax assets

	31 Dec 2021	31 Dec 2020
--	-------------	-------------

At 1 January	22,531	23,453
Deferred tax on net results for the year in Norwegian subsidiaries	5,006	482
Leasing debt	707	775
Translation difference	1,689	-2,196

At 31 December	29,933	22,531
-----------------------	---------------	---------------

Deferred tax assets are reported for tax loss carry-forwards to the extent it is likely they can be utilised against future taxable profit. Loss carry-forwards do not expire at any given date, with the exception of the Korean loss carry-forward which expires after 10 years.

Deferred tax assets are mainly attributable to the Norwegian subsidiaries. An assessment has been made that operations in Norway will generate a taxable surplus in the foreseeable future, while within other operations there remain significant deficits that are not expected with any reasonable certainty to be covered by surpluses in the foreseeable future. Loss carry-forwards for which deferred tax assets have not been capitalised total SEK 525 million (532). Due to uncertainties regarding when these companies will show profit, not all loss carry-forwards are reported as deferred tax assets. For precautionary purposes, therefore, these loss carry-forwards have not been reported as deferred tax assets.

Note 19 Other non-current receivables

Group	31 Dec 2021	31 Dec 2020
Restricted bank balances	760	12,694
Other	2,753	3,910
Group total	3,513	16,604

Note 20 Other non-current assets

Group	31 Dec 2021	31 Dec 2020
Accumulated cost		
At beginning of the year	889	1,333
Deductible portion	-445	-444
Carrying amount at year end	444	889

Non-current prepaid expenses pertain to a renegotiation fee expensed over the term of the agreement (9 years).

Note 21 Financial instruments by category

All Group assets and liabilities are valued at amortised cost.

Assets on the financial statement report sheet at amortised cost

	31 Dec 2021	31 Dec 2020
Trade accounts receivable	56,743	58,584
Other receivables	18,723	36,729
Cash and cash equivalents	452,568	378,771
Total	528,034	474,084

Liabilities on the financial statement report sheet at amortised cost

	31 Dec 2021	31 Dec 2020
Borrowings	670,209	834,974
Convertible debt instruments	12,548	-
Accounts payable	80,036	67,665
Accrued liabilities	2,858	3,988
Other liabilities	58,692	33,564
Total	824,343	940,190

Note 22 Trade accounts receivable

Group	31 Dec 2021	31 Dec 2020
Trade accounts receivable	56,743	58,644
Provision for doubtful receivables	-	-60
Trade accounts receivable - net	56,743	58,584

An age analysis of trade accounts receivable is presented below:

	31 Dec 2021	31 Dec 2020
1 - 30 days	14,778	23,036
31 - 60 days	987	154
> 61 days	452	2,020
Total overdue trade accounts receivable	16,217	25,210

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Changes in the provision for doubtful receivables:

	31 Dec 2021	31 Dec 2020
At 1 January	-60	-66
Provision for doubtful receivables	-	-
Receivables written off during the year as non-recoverable	60	10
Exchange difference	-	-4
At 31 December	-	-60

Allocations to and reversals of provisions for doubtful receivables are included in other external expenses in the income statement. No collateral or other guarantee is provided for receivables outstanding as at the balance sheet date.

Note 23 Other receivables

Group	31 Dec 2021	31 Dec 2020
Tax account and preliminary F-tax	1,397	1,744
VAT receivable	1,893	2,279
Late penalty	-	14,127
Other items	11,920	1,975
Group total	15,210	20,125
Parent Company	31 Dec 2021	31 Dec 2020
VAT receivable	119	115
Parent Company total	119	115

Group	31 Dec 2021	31 Dec 2020
Accrued income	1,015	1,730
Prepaid insurance premiums	706	830
Prepaid rents and lease payments	482	8,690
Other items	17,612	5,609
Group total	19,815	16,859

Parent Company	31 Dec 2021	31 Dec 2020
Prepaid insurance premiums	31	-
Other items	648	2,404
Parent Company total	679	2,404

Note 25 Cash and cash equivalents/ Cash and bank balances

The following items are included in cash and cash equivalents on the balance sheet and statement of cash flows:

Group	31 Dec 2021	31 Dec 2020
Bank balances	452,568	378,771
Group total	452,568	378,771

Parent Company	31 Dec 2021	31 Dec 2020
Bank balances	237,336	318,495
Parent Company total	237,336	318,495

None of the funds in cash and cash equivalents are restricted.

Note 26 Share capital, other paid-in capital, and proposed appropriation of profit

	No. of shares (thousand)	Share capital	Other paid-in capital	Total
At 1 January 2020	168,257	33,652	880,048	913,700
New share issue prior to share merger	37,133	1,426	24,252	25,678
1:10 share merger	-184,851	-	-	-
New share issue after share merger	9,994	19,567	347,336	366,903
Issue expenses	-	-	-28,926	-28,926
Contribution from non-controlling interests	-	6,421	48,662	55,083
At 31 December 2020	30,533	61,067	1,271,372	1,332,438
At 1 January 2021	30,533	61,067	1,271,372	1,332,438
New share issues	-	-	-	-
Issue expenses	-	-	-	-
At 31 December 2021	30,533	61,067	1,271,372	1,332,438

The number of shares at 31 December 2021 totalled 30,533,852 (30,533,852). The quotient value is SEK 2.0 (2.0) per share. Each share carries one vote. All outstanding shares are ordinary shares and therefore carries the right to equal shares in the assets and profit of Scandinavian Biogas Fuels International AB (publ).

The Board of Directors proposes that unappropriated earnings, SEK 727,935,497, be distributed as follows:

	Amount in SEK
Retained earnings	-474,310,835
Share premium reserve	1,171,473,241
Profit/loss for the year	30,773,091
Total	727,935,497
Carried forward	727,935,497
Total	727,935,497

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Note 27 Borrowings

Group	31 Dec 2021	31 Dec 2020
Non-current		
Loans from credit institutions	8,868	251,487
Senior credit facility	622,964	-
Finance lease liabilities	-	200,000
Other non-current borrowings	23,748	28,348
Total non-current borrowings	655,580	479,835
Current		
Loans from credit institutions	4,363	35,253
Other current borrowings	10,266	17,493
Total current borrowings	14,629	52,746
Total borrowings	670,209	532,581
Parent Company		
Non-current		
Interest-bearing loans	622,964	200,000
Intra-group loans	-	142,217
Total non-current borrowings	622,964	342,217
Current		
Loans from shareholders	-	19
Total current borrowings	-	19
Total borrowings	622,964	342,236

Loans from credit institutions

Loans from credit institutions mature through 2026 and finance leases run through 2039 at the latest. Interest-bearing loans carry an average annual interest rate of 6.0 per cent (4.3). Group borrowings are in SEK and NOK.

Total borrowings include bank loans and other secured borrowings of SEK 700 million (814.6). Security for loans from credit institutions is comprised of liens on assets as well as pledged intra-group loans, assets, and shares in subsidiaries.

The carrying amount and fair value of non-current borrowings is presented below.

	Carrying amount		Fair value	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Loans from lenders	8,868	251,487	8,868	251,487
Corporate bond	622,964	-	648,419	-
Senior credit facility	-	200,000	-	200,000
Other non-current borrowings	23,748	28,348	23,748	28,348
Total	655,580	479,835	681,035	479,835

The fair value of non-current financial liabilities is calculated based on future cash flows of principal and interest discounted at the current market rate on the balance sheet date.

The fair value of current borrowings corresponds to the carrying amount, as the discount rate is not significant.

Note 28 Provisions

Group	2021	2020
At 1 January	13,063	21,917
Provision for the year, penalty fee risk	-	17,650
Reclassification	-13,231	-24,989
Translation difference	168	-1,515
At 31 December	-	13,063

There is a risk that the subsidiary Scandinavian Biogas Korea Co., Ltd. in Ulsan will need to pay a penalty to Ulsan City for not upgrading gas. As per agreement, an investment in an upgrading plant in Ulsan was to be made by December 2017. As there is currently no interest in upgraded gas in Korea, the Company deems the contractual obligation to be unreasonable and has therefore not made the investment. Ulsan City is therefore entitled under the terms of the contract to charge a penalty fee equivalent to a portion of gas sales. This penalty fee applies retroactively from November 2012 (the Company has already paid through October 2012). The nominal value of the provision corresponding to the entire contractual penalty fee was approximately SEK 55 million at the balance sheet date. The Company deems the penalty fee level to be unreasonable. In 2018 the Group retained three leading Korean law firms, who maintain that a significantly lower penalty fee is more reasonable. Nonetheless, the provision at the close of the 2018 financial year corresponded to the present value of the entire contractual penalty fee amount, payable within approximately seven years.

A leave to appeal was filed with the Supreme Court during summer 2020 and was denied during the autumn. Assessments were updated in the consolidated annual accounts in response to the judicial decision issued in July, resulting in an increase of SEK 11.6 million in "other provisions" and an SEK 6.5 million write-down of the concession pertaining to Korea. The result for 2020 has therefore been charged a total of SEK 18.1 million. As the ruling is now final, the provision has been reclassified to "financial liability" and the previous present value computation has been adjusted to 12.92%, producing an increase of approximately SEK 1.0 million in financial cost.

The Parent Company has no provisions.

Note 29 Pledged assets

Group	31 Dec 2021	31 Dec 2020
Liens on assets	5,700	53,700
Pledged assets	0	401,328
Ownership reservation	17,840	13,883
Assets financed through leasing	269,578	292,461
Shares in Scandinavian Biogas Stockholm AB	-	73,520
Shares in Scandinavian Biogas Södertörn AB	-	5,880
Shares in Scandinavian Biogas Fuels Varberg AB	-	250
Shares in Ekdalens Biotransporter AB	-	48,423
Shares in Scandinavian Biogas Sweden AB*	132,837	-
Shares in Scandinavian Biogas Fuels AB*	15,931	-
Shares in Biokraft Holding AS*	265,046	-
Group total	706,932	889,445

*Equity reported in the Group from subsidiaries

Parent Company	31 Dec 2021	31 Dec 2020
Shares in Scandinavian Biogas Sweden AB	132,837	154,227
Shares in Scandinavian Biogas Fuels AB	15,931	12,274
Shares in Biokraft Holding AS	265,046	188,927
Pledged receivables*	721,041	-
1,134,855	355,428	

*Parent company's receivables from the subsidiaries Biokraft Holding AS, Scandinavian Biogas Sweden AB and Scandinavian Biogas Fuels AB.

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Note 30 Contingent liabilities

Group	31 Dec 2021	31 Dec 2020
Contingent liability - subsidiary investment grants	103,845	12,190
Contingent liability - Parent Company corporate bond	700,000	-
Contingent liability - Parent Company credit facility	-	200,000
Contingent liability - subsidiary loans from credit institutions	-	32,500
Group total	803,845	244,690

Parent Company	31 Dec 2021	31 Dec 2020
Contingent liability - subsidiary loans from credit institutions	-	32,500
Contingent liability - subsidiary investment grants	103,845	12,190
Parent Company total	103,845	44,690

Contingent liabilities for subsidiary loans from credit institutions pertain to general guarantee commitments. Subsidiary Scandinavian Biogas Fuels AB has guaranteed the Parent Company's corporate bond.

Note 33 Lease agreements

When determining the length of the lease agreement, management considers all available information that provides a financial incentive to exercise an extension option, or to refrain from exercising an option to terminate an agreement. Options to extend an agreement are only included in the length of a lease agreement if it is reasonably certain that the agreement will be extended (or not terminated).

The lease term is reconsidered if an option is exercised (or not exercised) or if the Group is obliged to exercise (or not exercise) the option. The assessment of reasonable certainty is reconsidered only if a significant event or change in circumstances affects this assessment, and the change is within the lessee's control.

Cars are leased under three-year contracts after which i) the car is returned at no charge, or ii) the lease may be extended on a one-year basis, or iii) the car may be purchased at contractual residual value. The land at Henriksdal and Södertörn is leased for a 25-year period and the land at Bromma until the closure of Stockholm Vatten's treatment plant in Bromma, which is currently scheduled for 2026. The storage tank lease agreement runs for five years with a five-year extension option for the lessee. If the agreement is not cancelled or extended for five years, it is automatically extended for consecutive two-year periods. At the end of the leasing period, the lessee's only responsibility is to clean the tank thoroughly.

The Group also has lease agreements for biogas/pre-treatment plants and other tangible assets located mainly at Henriksdal, Bromma, Södertörn, and Skogn. A 25-year lease agreement covering land and facilities at Henriksdal and Bromma was signed with Stockholm Vatten AB in 2014. Rent for the land and facility at Henriksdal is calculated at book value at time of sale spread over 20 years, with a rent rebate the first and last 30 months, and a variable rate corresponding to two-year government bonds plus a market-rate margin. Rent for the land and facility at Bromma is calculated in the same way, without a rent rebate.

This agreement applies as long as the facility at Bromma remains. The City of Stockholm has decided to phase out the facility during 2026, according to the current timetable. The effects on the Group of the City of Stockholm's phase-out of the plant at Bromma are not expected to be significant, as redirection of biogas production to Henriksdal is planned.

Land and other assets were broken down based on the carrying amount of assets sold at time of sale. The Group reports the portion related to other assets as tangible assets and the debt is recorded to Stockholm Vatten AB.

Subsidiary Scandinavian Biogas Recycling AB leases land and facilities from SRV återvinning AB under a 25-year lease agreement. Rent is calculated at carrying acquisition value at commencement of the rental period divided over 20, 15, and 7 years using a variable rate corresponding to three months STIBOR plus a market-rate margin.

The Group's finance lease expenses totalled SEK 30.6 million (32.3) for the financial year.

No lease agreements are held by the Parent Company.

Note 31 Other liabilities

Group	31 Dec 2021	31 Dec 2020
Income tax liability	2,517	2,594
VAT liability	1,604	3,745
Tax at source	1,419	1,305
Public funding	43,112	15,509
Other	10,040	10,410
Group total	58,692	33,563

Note 32 Accrued expenses and deferred income

Group	31 Dec 2021	31 Dec 2020
Accrued interest	2,909	1,972
Accrued payroll-related expenses	11,592	10,059
Accrued expenses - gas and electricity	3,623	11,519
Accrued board fees	254	519
Construction work in progress	-	6,976
Accrued lease and rental expenses	36	1,478
Operation and maintenance	3,245	1,193
Other items	23,393	22,463
Group total	45,052	56,179

Parent Company	31 Dec 2021	31 Dec 2020
Accrued interest	2,909	73
Accrued board fees	254	519
Other items	2,43	5,789
Parent Company total	3,406	6,381

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Note 34 Other non-cash items

Group	31 Dec 2021	31 Dec 2020
Reclassification	-	24,989
Other provisions	-	-8,854
Other	7,010	2,254
Group total	7,010	18,389
Parent Company	31 Dec 2021	31 Dec 2020
Unrealised exchange difference	-	-
Parent Company total	-	-

Note 35 Cash flow on borrowings and leasing

Reconciliation of financial liabilities is presented below, which is reported in the financing operations in the cash flow.

Group	Leasing < 1 year	Leasing > 1 year	Loans < 1 year	Loans > 1 year	Total
Net debt at 1 January 2020	-22,781	-311,475	-253,277	-306,874	-894,407
Cash flow	5,814	26,049	35,453	7,822	75,138
Reclassifications	-	-	200,000	-200,000	-
Exchange rate adjustments	-	-	1,018	8,266	9,284
Other non-cash items	-	-	-35,940	10,951	-24,989
Net debt at 31 December 2020	-16,967	-285,426	-52,746	-479,835	-834,974

Change financial debts	Leasing < 1 year	Leasing > 1 year	Loans < 1 year	Loans > 1 year	Total
1 January 2021	-16,967	-285,426	-52,746	-479,835	-834,974
Cash flow	30,580	-	35,253	-131,973	-66,140
Reclassifications	-36,856	20,759	2,864	-35,622	-48,855
Exchange rate adjustments	-	-	-	-8,150	-8,150
Other non-cash items	-	-	-	-	-
Net debt at 31 December 2021	-23,243	-264,667	-14,629	-655,580	-958,119

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Not 36 Related-party transactions

TrønderEnergi AS owns 12.2 per cent and Bengtssons Tidnings AB (and related parties) 11.9 per cent of the shares in Scandinavian Biogas Fuels International AB (publ), and are deemed to have significant influence over the Group. Of the remaining 75.9 per cent of the shares, no single owner holds more than 10 per cent. Other related parties are Group subsidiaries and senior executives (i.e. board members and management) and their families.

The following transactions were conducted with related parties:

Purchase of goods and services	2021	2020
Purchase of services:		
-Owner with significant influence	1,500	-
Total	1,500	-

The purchase of services in the above table pertains to a small amount of contract-based compensation.

Goods and services are purchased from and sold to subsidiaries on normal market terms. Services purchased from related parties are based on normal market terms and purchases are conducted on a commercial basis.

Loans from companies with significant influence over the Company:

	2021	2020
At beginning of the year	200,000	20,407
Loans raised during the year	-	400,000
Loans repaid during the year	-200,000	-220,000
Interest	4,716	12,145
Interest paid	-4,716	-12,552
At year end	-	200,000

Note 37 Definition of key ratios

Debt/Equity ratio

The Group evaluates capital on the basis of the debt/equity ratio. This key ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including consolidated balance sheet items current borrowings and non-current borrowings) less cash and cash equivalents. Equity is calculated as equity in the consolidated balance sheet. Total capital is calculated as net debt plus equity.

	31 Dec 2021	31 Dec 2020
Total borrowings (Note 27)	958,119	834,974
Less: Cash and cash equivalents (Note 25)	-452,568	-378,771
Net debt	505,551	456,203
Equity	500,049	521,805
Total capital	1005,600	978,008
Debt/Equity ratio	50.30%	46.60%

Operating results (EBIT)

Operating results (EBIT - Earnings Before Interest and Tax) 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 result of events or transactions that are not extraordinary but are important to consider in comparison 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	2021	2020
Operating results	4,993	-6,038
-Amortisation/depreciation and impairment of tangible and intangible assets	84,325	85,723
-Other operating expenses	795	912
EBITDA	90,114	80,597

Operating EBITDA

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

Operating EBITDA	2021	2020
EBITDA	90,114	80,597
Change in "other provisions" pertaining to legal dispute (Korea)		11,625
Insurance compensation (Norway)		-20,381
Government subsidies related to COVID-19		-1,541
Change in additional purchase price	-4,085	
Compensatory agreement	-5,127	
Operating EBITDA	80,902	70,301

Operating 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.

Gross profit/loss	2021	2020
Total revenues	451,101	407,432
-Raw materials and consumables	-194,675	-197,659
Gross profit/loss	256,426	209,773

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	31 Dec 2021	31 Dec 2020
Total equity (incl. non-controlling interests)	500,049	521,805
Total assets	1,653,157	1,539,498
Equity/Assets ratio	30.2%	33.9%

Note 38 Events after the balance sheet date

A new long-term goal was defined for 2030: 3 TWh of biogas production.

Strengthening of growth function and Program Office has taken place in Group management to meet ever-stronger demand for Bio-LNG.

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

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Stockholm, 31 March 2022

Anders Bengtsson
Chairman of the Board

Matti Viikkula
Chief Executive Officer

Tina Helin
Board member

Petra Einarsson
Board member

David Schelin
Board member

Sara Anderson
Board member

Håkon Welde
Board member

Lars Bengtsson
Board member

Our audit report was submitted on 31 March 2022.

Öhrlings PricewaterhouseCoopers AB

Lars Kylberg
Authorised Public Accountant
Chief Auditor

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Auditor's report

To the general meeting of the shareholders of Scandinavian Biogas Fuels International AB (publ),
corporate identity number 556528-4733

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Scandinavian Biogas Fuels International AB (publ) for the year 2021. The annual accounts and consolidated accounts of the company are included on pages 62-97 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2021 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our audit approach

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated

financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

The Group's operations consist of waste management and production of biogas in both liquid and gaseous form. This takes place in our own as well as in leased facilities in Sweden, Norway and South Korea.

All subsidiaries that were deemed to be significant have been subject to audit. In Sweden, the group team performed the audit, while in Norway we used a local team from PwC. For the operations in Korea, a local audit firm has conducted the audit. The group team has held reconciliation meetings and taken part in parts of the work carried out by the local teams. All significant companies in the Group are covered by statutory audit, where PwC submits audit reports for all units with the exception of the units in Korea. In addition, the Group team has examined the Group consolidation, the Group's annual report and assessed a number of complex transactions and issues.

All in all, this means that we have made sure that sufficient audits have been carried out and preferably within PwC's network.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Key audit matter

Valuation of tangible fixed assets

Of the Group's total assets of SEK 1,653 million, tangible fixed assets constitute SEK 958 million, ie approximately 58%. The tangible fixed assets consist partly of leased assets, partly of acquired assets and partly of self-developed assets. Common to these assets is that their respective value is to some extent based on assumptions and assessments made by management. The assumptions include:

- decisions regarding from which time expenses are to be capitalized as an asset,
- what type of expenses are to be capitalized,
- how long the useful life of different assets is and
- which return requirement is relevant when the value of the assets is tested.

How our audit took into account the key audit matter

In our audit, we have taken note of and assessed the routine the Group has regarding from which time activation is to take place and, by random sampling, examined that the described routine is complied with. We have also, through random sampling, tested parts of the expenses that have been capitalized. The selection consisted of both agreements with and invoices from suppliers. Furthermore, we have examined controls regarding the time for own staff that is activated as an asset. For the assets that have begun to be depreciated, we have assessed the assumed useful lives and examined that the Group reports these useful lives in the annual report. For the parts of the tangible fixed assets where the Group has established impairment tests, we have examined the mathematical correctness of the model, randomly matched the included parameters to the adopted business plan and also tested the assumed return requirement and ensured that relevant assumptions are reported in the annual report.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-61. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated

accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of Scandinavian Biogas Fuels International AB (publ) for the year 2021 and the proposed appropriations of the company's profit or loss.

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Director's and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the 4 av 4 parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Öhrlings PricewaterhouseCoopers AB, Box 179, 751 04 Uppsala, was appointed auditor of Scandinavian Biogas Fuels International AB (publ) by the general meeting of the shareholders on the 29 April 2021 and has been the company's auditor since the 18 June 2007.

Uppsala 31 March 2022

Öhrlings PricewaterhouseCoopers AB

Lars Kylberg
Authorized Public Accountant

About the Sustainability Report

Accounting principles

The Sustainability Report follows Scandinavian Biogas's financial year and refers to the period 1 January–31 December 2021. The most recent report for 2020 was published 31 March 2021. The reporting of environmental data includes the production facilities in Sweden, Norway, and Korea. Employee data includes all three business areas and countries. Financial information follows the same accounting principles as those used for Scandinavian Biogas's consolidated accounts.

The report is a GRI-referenced report and, accordingly, Scandinavian Biogas has selected a number of disclosures from the GRI Standards, which are presented in the GRI index on pages 105-106. Reporting is done annually; this is the Company's fourth GRI-referenced report. The report is based on GRI principles: the inclusion of stakeholders, sustainability context, materiality, and completeness. The report has not been subject to external certification or third-party review.

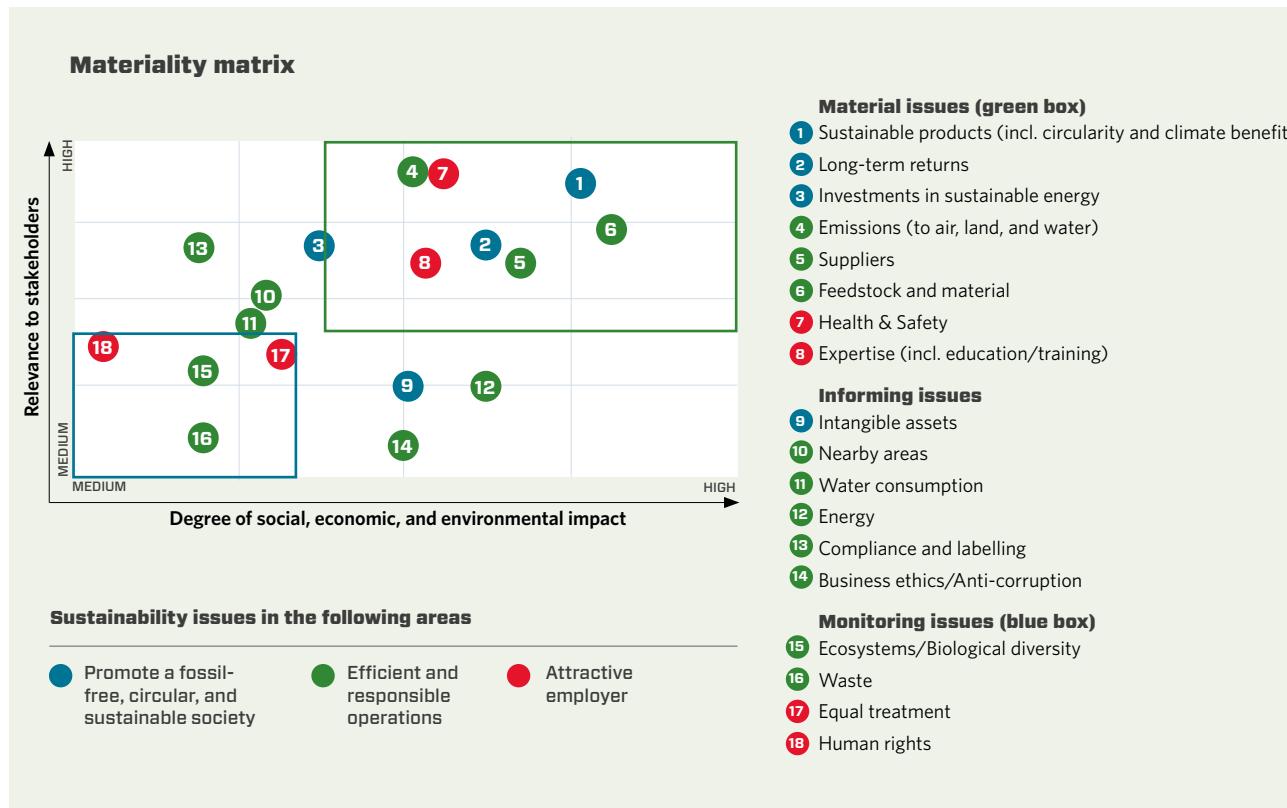
Contact

Matti Vikkula, President and CEO
+46 70 597 99 38
matti.vikkula@scandinavianbiogas.com

Validation of the materiality analysis and materiality matrix

A structured stakeholder dialogue was conducted in 2020 with owners, employees, suppliers, nearby residents, and politicians/public authorities in Norway and Sweden, and is presented on page 35. The Group's key issues were identified in a workshop held with senior Scandinavian Biogas personnel and were subsequently validated by the management team. Results from the stakeholder dialogue and impact workshop were evaluated together in a materiality matrix (see below).

The materiality matrix lists the eighteen sustainability issues highlighted as important during the materiality analysis process. These issues were placed in the matrix according to the scales of stakeholder relevance and degree of social, economic, and environmental impact. Issues that have both high relevance and high impact are our material sustainability issues. The matrix forms the basis for determining the three levels of focus for sustainability issues: material/focus issues, informing issues, and monitoring issues. Additional information about these issues is presented in detail on pages 34–36 and more generally in the Sustainability Report on pages 33–53.



About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Methods of measurement and calculation

Climate and environmental impact

Calculations of the operating companies' emissions reduction for produced biogas used an industry-specific life cycle analysis tool¹ (LCA tool) produced by the Swedish Gas Association for reporting on amounts of sustainable biofuel sold to the Swedish Energy Agency. The LCA tool is based on the EU's Renewable Energy Directive (RED and RED II). Emissions reduction calculations include:

- Substrate gas potential and dry matter content
- Carbon dioxide emissions from transporting waste and residues to the plant
- The plant's methane gas emissions
- Carbon dioxide emissions from inputs such as water and chemical consumption
- Energy consumption (electricity, water), using emissions values for each national electricity mix
- The plant's internal fuel consumption

None of the production facilities purchase heat, but rather use self-produced biogas and/or surplus heat from process equipment.

The distribution of emissions for each business area, based on the above-referenced life cycle analysis, is presented on the next page.

Electricity and water consumption

Water consumption is monitored monthly and reconciled with invoiced volumes. Recycled water is measured and calculated with internal meters.

Electricity consumption is measured and logged on a continuous basis, internally and externally. The Swedish operations purchase only eco- and origin-labelled electricity, which does not give rise to carbon emissions. Life cycle analysis calculations, however, use an emissions factor for the national energy mix in each country, pursuant to the Renewable Energy Directive (RED II), rather than for emissions from the electricity actually purchased.

Road transport of substrate

The calculation of emissions reduction for produced biogas includes carbon dioxide emissions from the transport of in-bound waste and residues to the plants. The LCA tool takes into account distance, type of fuel used, and backhaul. Emissions from the transport of gas sold by the plants to end customers are included in the LCA tool. For gas that is re-sold by customers, transport emissions are not included in the LCA tool, as customers include this in their reporting to the Swedish Energy Agency. Emissions from the transport of bio-fertiliser are not included, as these emissions are allocated to the bio-fertiliser.

Methane emissions

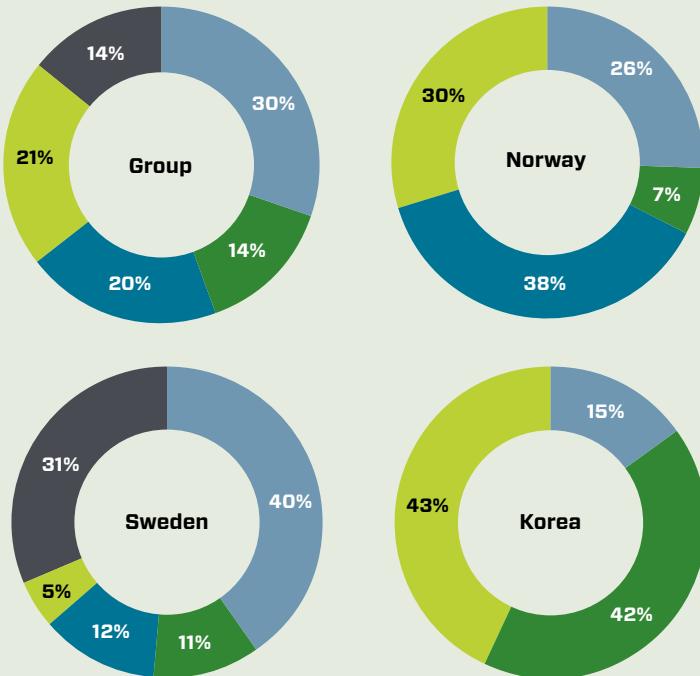
Calculation of methane gas emissions in Sweden is based on continuous measurement of incoming and outgoing gas flows, including diffuse emissions, and on external measurements of the plants' total emissions. Methane emissions from the production facilities in Norway and Korea are based on standardised values.

Distribution of emissions from biogas production according to source

Emissions calculations are derived from our life cycle analysis of produced biogas pursuant to the EU's Renewable Energy Directive (RED).

- Methane emissions
- Electricity use (Location-based)
- Transportation of substrates
- Raw material*
- Input goods

*Emissions from production of purchased raw gas from wastewater treatment plants pertains to Henriksdal in Sweden.



About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Value chain for produced biogas

The Group's value chain for produced biogas from a feedstock and product perspective is shown in an image on page 40. This section presents the data for the Group used to produce that image, as well as each business area's value chain.

For produced biogas:	Group	Sweden	Norway	Korea
CO ₂ eq reduction, tonnes	93,244	47,731	32,689	12,823
Emissions, g CO ₂ eq/MJ (weighted average)	7.0	6.4	8.0	6.8
Incoming material:				
Organic waste and residues, tonnes	294,285	155,411	70,366	68,508
Sewage sludge, tonnes	896,930	821,016	-	75,914
Scandinavian Biogas processing:				
Drinking water, m ³	241,239	64,551	174,764	1,924
Electricity, MWh	45,037	15,024	27,290	2,723
Fuel, MWh	128	113	15	-
Output: Hazardous waste, tonnes				
- Material recovery	1.3	1.3	-	-
- Energy recovery	0.6	0.6	-	-
Output: Non-hazardous waste, tonnes				
- Energy recovery	8,632	3,200	-	5,433
- Biological recovery	-	-	-	-
- Landfill	977	977	-	-
Output: Sewage, m³	447,775	72,236	193,183	182,356
Sustainable, climate-friendly products:				
Produced biogas, GWh*	341	168	110	63
Bio-fertiliser, tonnes	46,198	19,600	26,598	-**

*Sold GWh corresponded to 366 GWh.

**Digestate is incinerated pursuant to Korean law

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Glossary

Biomethane: Umbrella term for gas blends comprised mainly of methane gas and produced from biomass. This includes gas from the biogas process as well as from thermal gasification.

Digestate: The part of the organic material / substrate that has not been converted to biogas but remains in solid / liquid form.

Digester / Digestion tank: Gastight container for the anaerobic digestion of organic material.

Drinking water: Water purchased from a municipal treatment plant.

Energy carrier: Substance or physical process that is used to store or transport energy. Examples include electricity, hydrogen, ethanol, petrol, and methane.

Energy sources: Natural resources or natural phenomena that can be converted into energy forms such as light, movement, and heat. A distinction is made between stored (fossil) and abundant (renewable) energy sources. Examples of stored energy include oil, natural gas, and coal; examples of renewable energy sources are biomass, hydropower, and wind and solar energy.

Feedstock: The plants' inbound substrate includes all waste and residues received at the production facilities, including sewage sludge and grease trap sludge digested by Stockholm Vatten och Avfall at the Henriksdal treatment plant, as well as sewage sludge in Korea.

Gas cleaning: Process for purifying raw gas from water vapour, sulphur compounds and particulates. The gas may then be further processed to separate methane and carbon dioxide. Vehicle fuel-quality biogas contains 97±1 per cent methane.

Greenhouse gases: Gases that have the ability to retain some of the thermal radiation emitted by the Earth (greenhouse effect). The greenhouse effect is essential for life on earth (without it the Earth's average temperature would be around -18°C) but is now intensifying due to increasing levels of greenhouse gases in the atmosphere. Examples of greenhouse gases are carbon dioxide, water vapour, methane, and nitrogen oxides.

HOLD stands for High Organic Load Digestion.

Methane: Odourless gas with high energy content (~10 kWh per normal cubic metre). Methane (CH₄) is the simplest

hydrocarbon and is composed of one carbon atom and four hydrogen atoms.

Natural gas: A stored (fossil) gas mixture compromised of approximately 90 per cent methane.

Normal cubic metre relative to one litre: A normal cubic metre of biogas upgraded to vehicle fuel (97 per cent methane and 3 per cent CO₂) contains as much energy as 1.1 litres of petrol.

Organic waste: Waste containing organically bound carbon. In the biogas context, interesting organic waste includes food waste from households, restaurants, etc. and waste from the food industry and agriculture.

Pre-treatment in biogas production: Organic material to be digested (broken down in oxygen-free conditions) during the biogas process needs in some cases to be pre-treated. The purpose of pre-treatment is to remove extraneous material from the waste (e.g. plastic, gravel, and sand) and increase the material's total biogas potential (i.e. the quantity of biogas that can be extracted from the material) and/or to increase the speed of digestion. Pre-treatment may be thermal, chemical or mechanical, and combinations of one or more methods may be used. The treatment opens up/breaks down complex organic molecules, making them more accessible to digestion microorganisms.

Raw gas: Gas formed in a biogas process. Raw gas mainly contains methane and carbon dioxide but also sulphur compounds, water vapour, particulates, among others.

Substrate: Organic material digested in a biogas process.

Upstream work: Preventive efforts to preclude appearance of undesirable substances in incoming substrates. Involves dialogue with and audit visits to waste operators.

Vehicle fuel: Energy source used as fuel in vehicles. Raw gas produced in the biogas process must be cleaned and upgraded to 97±1% methane in order to be defined and sold as vehicle fuel.

Waste: Waste generated at the plants is disposed of by well-established waste operators holding valid licences for environmentally hazardous operations. The amount of waste generated is dependent on the type of waste and residues received by the plants.

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

GRI-index

The annual report for Scandinavian Biogas refers to GRI-standards and disclosures in this GRI-index.

Disclosure	Description	Comments	Page
GRI 102 – General disclosures 2016			
Organisational profile			
102-1	Name of the organisation		62
102-2	Activities, brands, products, and services		3
102-3	Location of headquarters		62
102-4	Location of operations		62
102-5	Ownership and legal form		8-9, 62
102-6	Markets served		3, 16-23
102-7	Scale of the organisation		5, 8-9, 62
102-9	Supply chain		12, 19, 40, 49
102-10	Significant changes to the organisation and its supply chain	No significant changes	
102-11	Precautionary principle or approach		50
102-12	External initiatives		50
102-13	Membership of associations		50
Strategy			
102-14	Statement from senior decision-maker		6-7
Ethics and integrity			
102-16	Values, principles, standards, and norms of behaviour		34, 37, 49-50, 52-53
Governance			
102-18	Governance structure		37, 44, 52, 54-56
Stakeholder engagement			
102-40	List of stakeholder groups		35
102-41	Collective bargaining agreements		53
102-42	Identifying and selecting stakeholders		35
102-43	Approach to stakeholder engagement		35
102-44	Key topics and concerns raised		35-37, 101
Reporting methodology			
102-45	Entities included in the consolidated financial statements		62
102-46	Defining report content and topic boundaries		34-36, 101
102-47	List of material topics		35-36
102-48	Restatements of information	No significant changes	
102-49	Changes in reporting		35, 38, 48
102-50	Reporting period		101
102-51	Date of most recent report		101
102-52	Reporting cycle		101
102-53	Contact point for questions regarding the report		101
102-54	Claims of reporting in accordance with the GRI Standards		101
102-55	GRI content index		105-106
102-56	External assurance		101

About Scandinavian Biogas	Market and key drivers	Operations	Sustainability	Corporate governance report	Financial reports
---------------------------	------------------------	------------	----------------	-----------------------------	-------------------

Material topics

Disclosure	Description	Comments	Page
Economic standards			
GRI 201: Economic performance 2016. Material topic: Long-term returns			
103-1-2	Governance		36-38, 63-64
201-1	Direct economic value generated and distributed		63, 80
Environmental standards			
GRI: 301: Material 2016			
103-1-3	Governance		36-38, 45-48
301-1	Materials used by weight or volume		40, 103
GRI: 305: Emissions to air 2016			
103-1-3	Governance		36-38, 46-47
305-5	Reduction of GHG emissions		38, 47, 102
Social standards			
GRI 403: Occupational health and safety 2018			
103-1-2	Governance		36-38, 51-53
403-1	Occupational health and safety management system		52-53
403-2	Hazard identification, risk assessment and incident investigation		52-53
403-3	Occupational health services		53
403-4	Worker participation, consultation, and communication on occupational health and safety		52-53
403-5	Worker training on occupational health and safety		52-53
403-6	Promotion of worker health		52-53
403-7	Prevention and mitigation of occupational health and safety impacts		52-53
403-8	Workers covered by an occupational health and safety management system directly linked by business relationships		52-53

Shareholder information and investor relations

Reporting

All interim reports, annual reports, press releases, etc. are available on Scandinavian Biogas's website: www.scandinavianbiogas.com

2021 Annual Report

This publication constitutes the Annual Report of Scandinavian Biogas Fuels International AB (publ) and is available in digital format on the Company's website.

2022 financial calendar

Interim report January–March	28 April 2022
Annual General Meeting in Stockholm	28 April 2022
Interim report January –June	20 July 2022
Interim report January –September	27 October 2022

Contact

Questions from shareholders, investors, and other stakeholders can be directed to Matti Vikkula, President & CEO: email matti.vikkula@scandinavianbiogas.com; phone +46-70-597 99 38.

2022 Annual General Meeting

Scandinavian Biogas's Annual General Meeting will be held on Thursday, 28 April 2022 at Westmanska Palatset, Holländargatan 17 in Stockholm. Shareholders will also be offered the option of exercising their voting rights through postal ballot. Shareholders who wish to participate in the AGM must be entered in the share register administered by Euroclear Sweden AB as of 20 April 2022, or must either provide notification of their participation or cast their postal vote so that it is received by Scandinavian Biogas no later than 22 April 2022. Additional information on the registration and postal ballot option will be provided in the AGM notice, which will be published in a separate press release and will be available on Scandinavian Biogas's website, www.scandinavianbiogas.com.

**Contact**

Scandinavian Biogas
Holländargatan 21A
111 60 Stockholm

+46 (0)8 503 872 20
info@scandinavianbiogas.com
www.scandinavianbiogas.com