

## COMPREHENSIVE AGREEMENT FOR 1 TWH BIO-LNG WITH ALTERNOIL SIGNED, ORDER VALUE OF SEK 2.7 BILLION

### SIGNIFICANT EVENTS IN THE SECOND QUARTER OF 2022

- Major supply contract worth EUR 2.7 billion has been signed with German LNG distributor Alternoil.
- The growth projects in Sweden and Norway are on track and the process of ISCC certification of the plants is progressing.
- Klimatklivet has granted SEK 154 million in investment grants for biogas project in Örkelljunga municipality.
- Profitability significantly affected by the fact that production aid in Sweden is not paid in the first half of the year but from 1 July 2022.
- Pre-treatment facility in Södertörn acquired for SEK 40 million.
- Head of the Swedish operations has been hired and will start his role in early 2023.
- Long-term performance-based incentive programme introduced based on AGM decision of 28 April.

### FINANCIALS SECOND QUARTER 2022

- Energy sold decreased by 11.2% to 82.2 (92.2) GWh. Comparable decrease of 5.3%, 82.2 (86.8) GWh
- Net sales totalled SEK 92.8 (96.0) million, representing a decrease of 3.3%.
- Total revenue, total revenue, including capitalised work, decreased by 7.5% and totalled to 101.1 (110.2) million.
- EBITDA was SEK 3.7 (21.5) million.
- Operating EBITDA was SEK 1.1 (21.5) million.
- The operating EBITDA margin was 1.2% (20.5%).
- Profit/loss after tax was SEK -43.1 (-27.6) million.
- Basic and diluted earnings per share was SEK -1.41 (-0.90).
- Cash flow from operating activities was SEK 5.8 (19.8) million.

### SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- Scandinavian Biogas updated financial targets for 2024 confirm the EBITDA margin of at least 30 percent, while the production volume is estimated to reach 600 GWh, and total revenues to reach approximately SEK 650 million in 2024. The Group has also set a target for production capacity in 2026 amounting to 1.2 TWh. The Board has decided to explore various financing alternatives, equity or debt financing, for continued growth.
- Biogas subsidies will be available again starting in July, after the break in the first half of the year.

GROUP	3 Month.			6 Month.			Full
	April-June	April-June	Δ	Jan-June	Jan-June	Δ	
SEK million, unless otherwise stated	2022	2021		2022	2021		2021
Sold GWh	82.2	92.6	-11.2%	167.7	183.2	-8.5%	366,3
Net sales	92.8	96.0	-3.3%	185.7	193.6	-4.0%	393,8
Other revenue	3.0	8.5	-64.4%	3.6	10.8	-67.0%	36,6
Total revenue, including capitalised work	101.1	110.2	-8.2%	199.4	215.4	-7.4%	451,1
EBITDA	3.7	21.5	-82.7%	7.4	38.4	-80.7%	90,1
Operating EBITDA	1.1	21.5	-94.9%	4.8	38.4	-87.6%	80,9
Operating EBITDA %	1.2%	20.5%	-19.4pe	2.6%	18.8%	-16.2pe	19,2%
Operating income	-17.7	1.5	na	-34.6	-1.8	na	-5,0
Earnings per share (SEK)	-1.41	-0.90	na	-1.80	-1.14	na	-1,27
Cash flow from operating activities	5.8	19.8	na	-9,6	17.9	na	55,7
Equity/assets ratio	28.1%	30.2%	-2.1pe	28.1%	30.2%	-2,1pe	30,2%

## Breakthrough in the German market with a contract worth 2.7 billion for the supply of Bio-LNG



**MATTI VIKKULA**

*President and  
CEO*

### GROUP GOALS

- Production capacity for biogas to be at least 600 GWh by 2024.
- Total revenue to be at least SEK 650 million by 2024.
- Operating EBITDA margin to be at least 30% by 2024.
- Equity/assets ratio to be at least 25% on an ongoing basis.
- Production capacity for biogas in 2026 will amount to at least 1.2 TWh.

### LONG-TERM OBJECTIVE

- Biogas production of biogas to be 3 TWh by 2030.

Demand for biogas and bio-LNG (liquid biogas) is accelerating as a result of long-term policy decisions that have created stable conditions for deployment and market growth. The benefits of bio-LNG for heavy transport and shipping are becoming increasingly apparent, and we are also seeing a growing interest from the industrial sector. The rate of growth is currently limited mainly by production capacity in the Nordic countries and Europe, which offers enormous growth potential.

The ability to safely and cost-effectively transport liquid biogas over longer distances has fundamentally changed the market, which is now converting to bio-LNG. This was confirmed in early June when we signed a long-term contract with German Althernoil for the supply of bio-LNG from our Nordic facilities for heavy transport in Germany. The cumulative order value, based on today's market prices, is about 2.7 billion and marks a breakthrough for us in Europe, as well as for the whole biogas industry. The agreement with Althernoil is an important part of our growth plan. During the construction phase, we will deliver about 8,000 tonnes, and from 2025 onwards, about 11,500 tonnes per year. The order corresponds to a total energy supply of about 1 TWh, with the possibility for the parties to double the contract to 2 TWh (1 TWh corresponds to 5,500 trucks each driving 100,000 km).

Our work to convert our plants in Sweden, Södertörn and Henriksdal to bio-LNG is on track. Future start-ups will focus primarily on the production of bio-LNG. The investment cost of bio-LNG plants is higher, but the payback period is shorter as the profitability is better. We also see opportunities to grow through acquisitions. During the quarter, we acquired the pre-treatment plant in Södertörn and the minority stake in our subsidiary Scandinavian Biogas Recycling AB.

At the end of the quarter, we were awarded a new investment grant of SEK 154 million for the production of bio-LNG in Fagerhult in Skåne. The intention is to convert manure in Örkelljunga and the surrounding area. The capacity is estimated at 130 GWh, equivalent to 13 million litres of diesel. The CO<sub>2</sub> reduction is estimated at 53,000 tonnes. The residual product is 200,000 tonnes of high-quality fertiliser for the region's farmers. We expect production to start in 2025,

provided we make the final investment decision before the end of 2023. As previously communicated, the second quarter was relatively weak. Total revenues, including capitalised work for own account, fell to SEK 101.1 (110.2) million and operating EBITDA totalled SEK 1.1 (21.5) million. The lower profitability is explained mainly by the absence of production aid in the first half of the year. In addition, the result was negatively affected by higher prices for a small number of inputs and fuels.

In general, we benefit from higher energy prices, but contracted prices are adjusted annually in relation to the KPI, which results in a delay before we credit the higher price level. The external environment has pushed up energy prices and inflation. Some inputs, such as glycerol, have become significantly more expensive. We are actively working to replace expensive inputs with cheaper alternatives, and our use of glycerol is now marginal. We are actively negotiating with our customers for compensation for the cost increases in the current contract period, and we are cautiously positive.

Business area Sweden was affected by the absence of production support, which explains most of the lower profitability in the quarter. Our Norwegian operations continue to deliver at a high level, showing both higher sales and increased profitability compared to last year. Operations in Korea continue to deliver in line with last year and show stable production and business inflow, although production was affected by a temporary disruption in the quarter.

In summary, the first half of the year was characterised by an accelerated transition to green energy and higher energy prices. This has meant that, despite increased capital costs, greater geopolitical concerns and higher inflation, demand for biogas and bio-LNG is stronger than ever. These developments have accelerated our efforts to develop expansion plans and build a project pipeline to ensure long-term growth. We have a strong market position today and see great opportunities to both gain market share and increase our production capacity by investing in new facilities and acquisitions to achieve our 2024 and 2030 targets.

## SIGNIFICANT EVENTS IN THE SECOND QUARTER OF 2022

### CONTRACT WITH GERMAN ALTERNAIL

Scandinavian Biogas has entered into a supply contract for Bio-LNG worth at least 2.7 billion with leading German LNG distributor. The order volumes amount to 8,000 tonnes in 2024, increasing to 11,500 tonnes (160 GWh) per year from 2025–2030.

### HEAD OF SWEDISH OPERATIONS HIRED

Scandinavian Biogas has strengthened the Group management with Magnus Gyllenrapp, new Business Area Executive Sweden starting 1 January 2023. Magnus Gyllenrapp will have overall responsibility for the operational biogas business in Sweden and the profitability of the business. Magnus is a senior leader with international experience in building and transforming organisations and with knowledge in recycling, process and product development.

## LONG-TERM GOALS AND THE WAY FORWARD

Last spring, we communicated a long-term goal of achieving biogas production of at least 3 TWh by 2030, which corresponds to an annual growth rate of more than 25 percent per year. Political decisions have created stability in the market, and a growing demand for fossil-free energy suitable for heavy road and sea transport has opened up good growth opportunities for mainly bio-LNG in Northern Europe. Our long-term growth ambition builds on the targets we set for 2024, and planning work has begun to expand capacity beyond 2024. We see good opportunities to invest in capacity expansion of existing plants, but the majority of new production capacity will be created through new plants and acquisitions.

In the short term, the Board has decided to update the business plan for 2024. This means that the volume target of 700 GWh for 2024 is adjusted down to 600 GWh, the revenue target is adjusted down to SEK 650 million, while the EBITDA margin target of 30 percent and equity / assets ratio above 25 percent remains.

The reason for updating the business plan is a changed technical solution and a higher cost situation compared with our assumptions in the 2020 investment plan. In the preparation of the investment decisions regarding our planned production facilities, primarily Skogn III and Mönsterås, a need arose to change the technical solution for more efficient handling of the substrate mix. The change entails a significantly increased productivity and profitability compared with assumptions in 2020. The higher cost situation together with a changed technical solution entails an increased investment cost of a total of approximately SEK 300 million. In summary, this means that the total investment costs in the updated investment plan have increased from SEK 1,300 million to approximately SEK 1,600 million.

### GROWTH PLAN

Work to deliver on our 2024 financial targets is going according to plan, but inflation and supply chain disruptions have increased costs and there is a risk that the total investment cost will be higher than planned for each project. Nonetheless, we believe overall profitability should increase given significantly higher prices for fossil-free gas.

### Ongoing investment projects

**Skogn II.** In Norway, we have started commissioning Skogn II, and the first delivery is expected early in the fourth quarter.

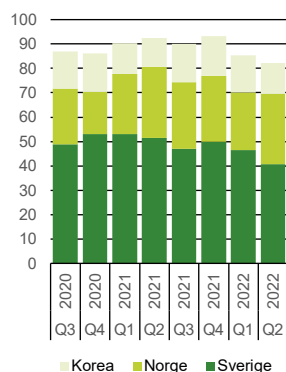
**Stockholm bio-LNG.** The expansion and conversion of the plant at Gladö Kvarn on Södertörn for the production of liquid biogas equivalent to 220 GWh is on schedule, with production starting in the second half of 2023. Work is also underway to connect the Södertörn plant to the Stockholm gas grid, which in turn will allow the gas produced in Henriksdal to be transported to Södertörn for conversion to bio-LNG.

### Projects awaiting investment decisions

**Mönsterås.** The investment decision regarding the expansion of a full-scale, mainly manure-based plant for the production of 120 GWh of liquid biogas and 70,000 tonnes of bio-manure located in Mönsterås has been slightly delayed due to technical complexity. The cost of the project is higher than previously anticipated, mainly due to higher prices but also due to design changes. Given the high number of fertilizers with excellent CO<sub>2</sub> reduction value as raw material, the financial result (EBITDA margin) is expected to be significantly higher than the Group's operating EBITDA margin (assuming current market prices continue). The investment decision is expected in the third quarter of 2022, and the start of production is scheduled in the Summer 2024.

**Skogn III.** The plant's production capacity is estimated at 90 GWh of liquid biogas. We have identified the possibility of increasing profitability through changed technical solutions, mainly attributable to changes in raw materials. The changes in the requirements specification have delayed the investment decisions. Should an investment decision be made no later than the beginning of 2023, production can begin no later than the turn of the year 2024/2025.

**Skåne's Fagerhult.** On 29 June 2022, we were awarded SEK 154 million in investment grants by Climate Leap for a biogas project for the production of liquid biogas (bio-LNG) in Skåne's Fagerhult in Örkelljunga municipality. The gas will be produced using mainly manure from livestock in the area, and the production capacity is estimated to be 130 GWh. Should investment decisions be taken before the end of 2023, production could start in mid-2025.

Sold energy  
Group, GWh

## GROUP SALES AND PROFIT OR LOSS

### SECOND QUARTER

Group net sales decreased by 3.3%, totalling SEK 92.8 (96.0) million. The change is mainly due to the discontinuation of minor sales of natural gas from the beginning of the year. Sales for this business in the second quarter of 2021 were approximately SEK 5 million. Adjusted for this business, net sales were in line with the comparative quarter.

Total revenue, consisting of sales, biogas support and capitalised work, was SEK 101.1 (110.2) million. Other operating income mainly includes biogas production subsidies, other types of EU subsidies, and items affecting comparability.

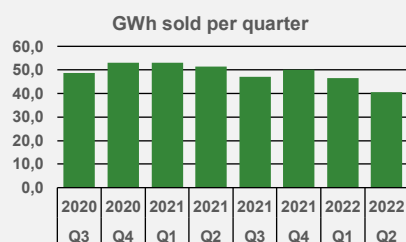
Costs of raw materials and supplies were broadly in line with the previous year and were SEK 50.2 (47.3) million. Other external costs increased by SEK 0.9 million and amounted to SEK 21.0 (20.0) million, partly explained by costs within the growth function for potential acquisitions that did not materialize. Personnel costs totalled SEK 21.0 (21.4) million, up SEK 4.8 million on the previous year which has the largest

explanation in the employment of people in the Service Center, Research and Development segment, which also includes the newly established functions "Growth" and "Program Office".

Group EBITDA was SEK 3.7 (21.5) million in the quarter. EBITDA includes a change in the additional purchase price of SEK 2.6 million related to the acquisition of Ekdalens Biotransporter AB, which was completed in December 2020. Operating EBITDA was SEK 1.1 (21.5) million.

Operating income was SEK -17.7 (1.5) million. Group profit or loss after tax was SEK -43.1 (-27.6) million, of which SEK -13.7 (-6.5) million is due to translation differences. Depreciation, amortisation and impairment of fixed assets was -20.9 (-19.8) MSEK. Financial expenses totalled SEK -12.7 (-26.8) million. Financial expenses consist mainly of interest on the corporate bond and lease liabilities. A small portion of the financial expenses relates to accrued financial expenses related to the issued bond.

## BUSINESS AREA SWEDEN



## Events during the quarter

- Biogas volumes were slightly lower, excluding a small natural gas business that ended in the first quarter. The business has had little impact on profitability.
- No biogas production subsidy received during the period.
- The Stockholm bio-LNG growth project is on track. Klimatklivet has granted SEK 154 million to projects in Örkellunga municipality.

## SWEDEN

SEK million, unless otherwise stated	3 Month			6 Month			Full year
	Apr– Jun 2022	Apr– Jun 2021	Δ	Jan–June 2022	Jan–June 2021	Δ	
GWh sold	40.6	51.5	-21,2%	87,2	104,6	-16,7%	201,5
Net sales	51.2	57,9	-11,6%	106,5	119,9	-11,1%	240,7
Other revenue	0.0	7,4	na	-	9,3	na	24,3
Total revenue	57.5	69,6	-17,3%	116,2	137,4	-15,5%	279,6
Operating expenses	-52.1	-51,4	1,4%	-105,4	-104,0	1,3%	-205,6
EBITDA	5.4	18,2	-70,2%	10,8	33,4	-67,6%	73,8
Operating EBITDA	2.8	18,2	-84,5%	8,2	33,4	-75,5%	69,7
Operating EBITDA %	5.8%	27,9%	-22,1pe	7,9%	25,9%	-18,0pe	26,7%

Energy sold was -21.2% lower than in the same period of the previous year. Adjusted for the discontinued natural gas business (5.8 GWh), production is 11.2% lower compared to the comparative period. Total income incl. capitalized work, adjusted for the discontinued deal with natural gas (approx. SEK 5 million), was 11.0% lower compared with the corresponding quarter in 2021, mainly as part of increased prices for energy and substrates and that no biogas subsidy was received in the current quarter but in the comparative period. Subsidy received for the quarter was SEK 0.0 (5.3) million, as part of a government decision. In the 2021 financial year, production subsidy totalled SEK 11.9 million.

Biogas subsidy are available from 1 July 2022. Operating EBITDA was SEK 1.3 (18.2) million. Business area Sweden processed a total of 198 (182) tonnes of organic waste per day during the quarter.

## BUSINESS AREA NORWAY



## Events during the quarter

- Production remained stable and high.
- The Skogn II project is on schedule, in its final stages, and is expected to be in production by the end of 2022.

## NORWAY

SEK million, unless otherwise stated	3 Month			6 Month			Full year
	Apr– Jun 2022	Apr– Jun 2021	Δ	Jan–June 2022	Jan–June 2021	Δ	
GWh sold	29,0	29,1	-0,5%	52,4	53,7	-2,4%	108,0
Net sales	28,9	26,9	7,6%	53,3	50,4	5,8%	100,9
Other revenue	0,0	1,1	na	1,1	1,1	-8,2%	7,5
Total revenue	30,4	29,4	3,6%	57,3	54,4	5,2%	114,1
Operating expenses	-24,9	-22,3	11,9%	-47,2	-43,3	9,0%	-89,1
EBITDA	5,5	7,1	-22,6%	10,1	11,1	-9,4%	2,5
Operating EBITDA	5,5	7,1	-22,6%	10,1	11,1	-9,4%	19,9
Operating EBITDA %	19,0%	25,4%	-6,4pe	18,5%	21,6%	-3,0pe	19,3%

Production remained stable and high. Total revenue, including work in progress, was 3.6% higher than in the same quarter of 2021. Operating EBITDA was SEK 5.5 (7.1) million. EBITDA was SEK 5.5 (7.1) million.

Business Area Norway processed an average of 192 (195) tonnes of organic waste per day during the quarter.

## BUSINESS AREA KOREA



## Events during the quarter

- Stable production and customer demand.

## KOREA

SEK million, unless otherwise stated	3 Month			6 Month			Full year
	Apr– Jun 2022	Apr– Jun 2021	Δ	Jan–June 2022	Jan–June 2021	Δ	
GWh sold	12,7	11,9	6,6%	28,1	24,8	13,3%	56,8
Net sales	12,7	11,3	12,9%	25,9	23,3	11,3%	52,0
Other revenue	-	-	-	-	-	-	-
Total revenue	12,7	11,3	12,9%	25,9	23,3	11,3%	52,0
Operating expenses	-11,5	-9,3	24,7%	-22,1	-18,8	17,5%	-41,3
EBITDA	1,2	2,0	-41,8%	3,8	4,4	-14,8%	10,7
Operating EBITDA	1,2	2,0	-41,8%	3,8	4,4	-14,8%	10,7
Operating EBITDA %	9,2%	17,8%	-8,9pe	14,6%	19,1%	-4,5pe	20,6%

Production slightly higher than in the same period of the previous year. Operating EBITDA is in line with the same period of the previous year and was SEK 1.2 (2.0) million.

Business Area Korea processed an average of 168 (166) tonnes of organic waste per day.



**EARNINGS AND EARNINGS PER SHARE**

Profit/loss after tax was SEK -43.1 (-27.6) million for the period. Basic and diluted earnings per share was SEK -1.41 (-0.90).

**CASH FLOW**

Cash flow from operating activities for the quarter was SEK 5.8 (19.8) million. Total cash flow for the second quarter was SEK -113.9 (131.2) million and is mainly attributable to operating activities and investing activities. Cash flow from investments in property, plant and equipment, gross of investment grants, amounted to SEK 118.6 (37.7) million in the second quarter and is mainly attributable to the growth projects in Sweden and Norway. Approximately SEK 40 million of investments in property, plant and equipment relates to the early termination of leases where the asset was previously recognised as a right-of-use asset in the balance sheet. During the quarter, investment grants of SEK 4.5 (0.0) million were received. The contribution is reported on a separate line within cash flow from investing activities.

**INVESTMENTS**

Investments in tangible and intangible fixed assets before investment grants in the second quarter were SEK 119.4 (37.1) million. Investments in tangible and intangible fixed assets, net of investment grants, totalled SEK 114.9 (37.7) million.

At 30 June 2022, the carrying amount of the Group's tangible and intangible assets was SEK 1,140.1 (1,040.1) million, of which SEK 240.6 (289.5) million relates to right-of-use assets.

**FINANCING AND FINANCIAL POSITION**

Investment projects and operations are currently financed with equity, corporate bonds and leasing. In addition, the company receives government investment grants earmarked for specific investments. Our long-term goals mean we will continue to identify and develop attractive investment projects to build a strong pipeline of growth projects.

Liquid assets on 30 June 2022 totalled SEK 297.4 (458.4) million. Operations are financed by equity, corporate bonds and leasing. In Sweden, a large proportion of the production facilities are leased with an initial term of about 25 years. Borrowing related to lease liabilities totalled SEK 251.4 (298.9) million. Borrowings, excluding leases, totalled SEK 669.4 (701.2) million on 30 June 2022.

The equity ratio was 28.1% (30.2%) on 30 June 2022.

The need for financing has changed due to higher investment costs, acquisition of the pre-treatment plant in Södertörn, no production subsidy in 2022 and lower operating cash flow. To take the next step in the development plan, the Board has decided to explore the market's various financing alternatives, equity or debt, to ensure continued growth.

It should be noted that the company's financial position and liquidity are good in relation to existing operations, however, profitability is temporarily lower than our profitability target. We expect profitability to gradually improve because of higher market prices. We expect the EBITDA margin to strengthen gradually as the share of the higher-priced Bio-LNG increases from the current just over 25 percent.

**Green financing – equity framework**

Scandinavian Biogas was reviewed in 2020 by CICERO Shades of Green AS ('CICERO'), which provides a market-leading independent, research-based evaluation of green bonds and sustainability bonds and ranks liabilities on a scale from pale to dark shades of green to offer investors better insight into environmental quality and climate risks as well as full company assessments.

CICERO has also developed a new method for assessing companies by expanding the green financing framework to include the entire company and its equity.

**Scandinavian Biogas's ratings**

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

as good. The 2021 Annual Report contains the Green Framework Report.

**SIGNIFICANT OPERATIONAL RISKS AND UNCERTAINTIES**

The 2022 Swedish national budget includes a SEK 500 million production subsidy for biogas which will increase to SEK 700 million per year from 2023. However, at the end of March, partially new rules and a new process for production subsidies were published, which meant that production subsidies would not be received until July 2022.

There is still some ambiguity regarding the design of the long-term subsidy scheme and there is a risk that the future subsidy levels expected by Scandinavian Biogas cannot be obtained.

**Disputes**

Updates on what has happened regarding the Group's unsettled disputes are provided below. The status is otherwise unchanged; for a more detailed description of the disputes, please refer to the 2021 Annual Report.

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

Significant risks and uncertainties are detailed in the most recent annual report, which is available at [www.scandinavianbiogas.com](http://www.scandinavianbiogas.com).

**FINANCIAL POSITION**

The balance sheet total on 30 June 2022 was SEK 1,580.8 (1,635.2) million. Non-current and current lease liabilities totalled SEK 251.4 (298.9) million. Equity changed during the quarter with the profit for the period and the change in translation differences on foreign subsidiaries.

**THE SHARE**

The number of shares in issue is 30,533,852 (30,533,852) as of 30 June 2022. The quotient value is SEK 2.0 (2.0) per share, and each share carries one vote. All outstanding shares are ordinary shares and therefore carry the right to equal shares in the assets and profits of Scandinavian Biogas Fuels International AB (publ).

At the Annual General Meeting on 28 April 2022, a performance-based long-term incentive programme was introduced for a period of 3 years. In total, the programme covers all employees in Norway and Sweden and amounts to a maximum of 436,000 share rights. In year 3, the right to acquire shares in the company is granted at the subscription price, corresponding to the quota value of the share, provided that the performance targets are met. The performance targets are partly based on share price performance and partly linked to certain sustainability targets related to CO2 equivalent emission reduction. The maximum dilution effect is 1.84 percent.

The Company's shares have been listed on Nasdaq First North Premier Growth Market since 16 December 2020. The subscription price at listing was SEK 37.5 per share. The share price closed at SEK 20.5 on 30 June 2022.

The shares are listed with ticker BIOGAS, with ISIN code SE001542896. The LEI code is 549300VWBIVTYSH87870.

**OWNERSHIP STRUCTURE ON 30 JUNE, %**

Shareholders on 30 June 2022	Number of shares	%
TrønderEnergi AS	3.713.272	12.2%
Bengtssons Tidnings AB	3.648.376	11.9%
Northern Trust	2.819.195	9.2%
Ilija Batljan Invest AB	2.666.400	8.7%
Länsförsäkringar Småbolag	2.469.940	8.1%
Apriori AB	1.434.284	4.7%
Handelsbanken Hållbar Energi	1.321.389	4.3%
Lannebo Sverige Hållbar	942.327	3.1%
Fondita Sustainable Europe	911.225	3.0%
Skandia Sverige Hållbar	800.000	2.6%
<b>Other</b>	<b>9,807,444</b>	<b>32.2%</b>
<b>Total shares</b>	<b>30,533,852</b>	<b>100.0%</b>

**RELATED-PARTY TRANSACTIONS**

The company did not have any related party transactions during the quarter.

**EMPLOYEES**

On 30 June 2022, the business had a total of 101 (92) employees: 68 (56) in Sweden, 18 (20) in Korea and 15 (15) in Norway.

**PARENT COMPANY**

Scandinavian Biogas Fuels International AB (publ) (the 'Company') is the Parent Company of the Scandinavian Biogas Group, which comprises several wholly and partly owned companies registered in Sweden, Norway and

Korea. The Group's business is mainly operated through subsidiaries. Scandinavian Biogas Fuels International AB (publ) is domiciled and headquartered in Stockholm, Sweden.

The Parent Company's total revenue for the second quarter of 2022 was SEK 0.7 (0.6) million.

Profit/loss after tax was SEK -16.8 (-7.2) million. Cash and bank balances at 30 June 2022 totalled SEK 141.7 (358.9) million. The balance sheet total was SEK 1,421.8 (1,388.7) million on the same date.

**OUTLOOK**

Scandinavian Biogas has updated the financial targets for 2024, implying an operating EBITDA margin of at least 30 percent, production capacity is estimated to reach 600 GWh, which is 100 GWh lower than the previous target of 700 GWh. Higher prices for biogas partly counteract the volume effect on revenues, which is estimated to reach approximately SEK 650 million in 2024. The Group has also introduced a target for production capacity in 2026 amounting to 1.2 TWh, which includes volumes from the Mönsterås, Skogn III projects and the recently communicated project in Örkelljunga municipality. This is well in line with the long-term production target of 3 TWh communicated in the spring of 2030.

In the short term, we have seen a decline in profitability due to certain production disruptions, year-based prices, increased costs for equipment and substrates and 6 months of non-production support in 2022. We believe that some factors are transient while we deal with others through alternative solutions.

The European biogas market is experiencing a paradigm shift and is developing very rapidly, especially in the market for Bio-LNG (liquefied biogas). We see clear signs of a rapid growth in demand in heavy road transport. Shipping and industrial use are also expected to follow.

The higher cost situation together with a changed technical solution entails an increased investment cost of a total of approximately SEK 300 million. In summary, this means that the total investment costs in the updated investment plan have been increased from SEK 1,300 million to approximately SEK 1,600 million.

**MARKET OUTLOOK**

The market for heavy transport vehicles is expected to grow from 2,800 to 280,000 vehicles in the 2020s (source: NGVA), a customer segment that requires a significant amount of energy to be bio-LNG. Over the same period, production of biogas and bio-LNG in Europe is expected to grow from 191 TWh to 467 TWh (source: European Commission/EBA). Scandinavian Biogas expects a significant portion of the growth to be in Bio-LNG.

The Group sees a positive long-term price trend for bio-LNG, especially in selected export markets and user segments. Prices are assumed to be more closely linked to dynamic market prices.

Given the latest energy and emission prices in selected export markets and user segments, Bio-LNG is assumed to have a premium of 50–100% over the Group's current CBG (compressed biogas) prices. The positive price development is mainly the result of new business opportunities and Bio-LNG's emission reductions.

The Group remains committed to its growth plan and long-term objectives and will, in the current circumstances, evaluate viable financing options, including both ongoing growth projects and new project opportunities in the pipeline.

## Signatures

Scandinavian Biogas Fuels International AB (publ)

Stockholm, 20 July 2022

Anders Bengtsson  
*Chairman*

David Schelin  
*Board member*

Petra Einarsson  
*Board member*

Tina Helin  
*Board member*

Sara Anderson  
*Board member*

Håkon Welde  
*Board member*

Matti Vikkula  
*Chief Executive Officer*

Lars Bengtsson  
*Employee member*

Anders Bergvatten  
*Employee member*

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

## OTHER INFORMATION

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

### PRESS AND ANALYSTS MEETING ON 20 JULY AT 10:00 A.M.

Investors, analysts and media are invited to a Teams presentation, where CEO Matti Vikkula and CFO Anna Budzynski will give a brief presentation of the report followed by a Q&A session. The presentation will be given in English and recorded in order to be made available online afterwards. To attend the conference, click on the [TEAMS link](#) or visit the Scandinavian Biogas website.

### Contacts

Matti Vikkula, CEO, phone: +46 70 597 99 38  
Anna Budzynski, CFO, phone: +46 70 043 43 13

### Calendar

Interim Report January–September 2022	27 October 2022
Year-end report 2022	15 February 2023
Annual Report 2022	31 March 2023

*This information is such that Scandinavian Biogas Fuels International AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication on behalf of the contact persons on Wednesday, 20 July 2022 at 7:30 am (CET).*



## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, SUMMARY

GROUP	Note	3 mos.		6 mos.		12 mos.
		April-June 2022	April-June 2021	Jan-June 2022	Jan-June 2021	Full year 2021
<b>SEK thousand</b>						
Net sales		92,837	96,017	185,733	193,554	393,821
Capitalised work on own account		5,203	5,629	10,134	11,112	20,661
Other revenue		3,026	8,504	3,553	10,751	36,619
<b>Total</b>	4	<b>101,066</b>	<b>110,150</b>	<b>199,420</b>	<b>215,417</b>	<b>451,101</b>
Raw materials and consumables		-50,172	-47,287	-99,006	-95,374	-194,675
Other external costs		-20,971	-20,024	-42,915	-38,773	-78,582
Personnel costs		-26,210	-21,383	-50,104	-42,865	-87,731
Depreciation, amortisation and impairment of tangible and intangible assets		-20,937	-19,764	-41,122	-39,937	-84,325
Other operating expenses		-478	-167	-840	-306	-795
<b>Total</b>		<b>-118,768</b>	<b>-108,625</b>	<b>-233,987</b>	<b>-217,255</b>	<b>-446,108</b>
<b>Operating income</b>		<b>-17,702</b>	<b>1,525</b>	<b>-34,567</b>	<b>-1,838</b>	<b>4,993</b>
Translation differences		-13,692	-6,520	5,635	-452	11,849
Other financial income		1,190	3,111	2,198	3,140	392
Other financial expenses		-12,725	-26,757	-28,586	-36,714	-62,720
<b>Net financial items</b>		<b>-25,227</b>	<b>-30,166</b>	<b>-20,753</b>	<b>-34,026</b>	<b>-50,479</b>
<b>Profit/loss before tax</b>		<b>-42,929</b>	<b>-28,641</b>	<b>-55,320</b>	<b>-35,864</b>	<b>-45,486</b>
Income tax		-162	1,073	377	995	6,755
<b>Profit/loss for the period</b>		<b>-43,091</b>	<b>-27,568</b>	<b>-54,943</b>	<b>-34,869</b>	<b>-38,731</b>
<b>Other comprehensive income</b>						
<i>Items that may be reclassified to profit or loss for the period</i>						
Translation differences		-5,959	-3,434	-1,623	4,608	7,067
<b>Other comprehensive income for the period, net after tax</b>		<b>-5,959</b>	<b>-3,434</b>	<b>-1,623</b>	<b>4,608</b>	<b>7,067</b>
<b>Total comprehensive income for the period</b>		<b>-49,050</b>	<b>-31,002</b>	<b>-56,566</b>	<b>-30,261</b>	<b>-31,664</b>
<b>Profit/loss for the period attributable to:</b>						
Parent Company shareholders		-41,313	-26,572	-51,450	-32,511	-34,145
Non-controlling interests		-1,778	-996	-3,493	-2,358	-4,586
<b>Total</b>		<b>-43,091</b>	<b>-27,568</b>	<b>-54,943</b>	<b>-34,869</b>	<b>-38,731</b>
<b>Total comprehensive income for the period attributable to:</b>						
Parent Company shareholders		-46,866	-30,377	-52,573	-27,892	-26,928
Non-controlling interests		-2,184	-625	-3,993	-2,369	-4,736
<b>Total</b>		<b>-49,050</b>	<b>-31,002</b>	<b>-56,566</b>	<b>-30,261</b>	<b>-31,664</b>
<b>Earnings per share, basic and diluted, SEK</b>		<b>-1.41</b>	<b>-0.90</b>	<b>-1.80</b>	<b>-1.14</b>	<b>-1.27</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION, SUMMARY

SEK thousand	Note	2022-06-30	30 Jun 2021	31 Dec 2021
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets		100,133	113,038	108,774
Tangible assets		799,275	637,536	682,388
Right-of-use assets	4	240,644	289,534	275,133
Financial assets		33,802	27,569	33,446
Other non-current assets		222	667	444
<b>Total non-current assets</b>		<b>1,174,076</b>	<b>1,068,344</b>	<b>1,100,185</b>
<b>Current assets</b>				
Inventories		9,338	9,339	8,636
Accounts receivable		66,116	54,127	56,743
Other receivables	5	14,396	25,085	15,210
Prepaid expenses and accrued income		19,493	19,907	19,815
Cash and cash equivalents		297,377	458,375	452,568
<b>Total current assets</b>		<b>406,720</b>	<b>566,833</b>	<b>552,972</b>
<b>TOTAL ASSETS</b>		<b>1,580,796</b>	<b>1,635,177</b>	<b>1,653,157</b>
<b>EQUITY</b>				
<b>Equity attributable to equity holders of the Parent Company</b>				
Share capital		61,067	61,067	61,067
Other paid-in capital		1,271,372	1,271,372	1,271,372
Translation reserve		7,130	5,663	8,280
Retained earnings, including comprehensive income for the pe-		-881,684	-832,459	-834,093
		<b>457,884</b>	<b>505,648</b>	<b>506,626</b>
Non-controlling interests		-14,428	-11,322	-6,577
<b>Total equity</b>		<b>443,456</b>	<b>494,320</b>	<b>500,049</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Borrowings	7	657,457	672,120	655,580
Lease liabilities		231,419	274,321	264,667
Deferred tax liabilities		10,604	10,475	11,209
Other provisions		-	-	-
<b>Total non-current liabilities</b>		<b>899,480</b>	<b>956,916</b>	<b>931,456</b>
<b>Current liabilities</b>				
Borrowings	7	11,973	29,094	14,629
Lease liabilities		19,997	24,529	23,243
Accounts payable		94,907	75,913	80,036
Other liabilities		63,663	10,149	58,692
Accrued expenses and deferred income		47,320	44,256	45,052
<b>Total current liabilities</b>		<b>237,860</b>	<b>183,941</b>	<b>221,652</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,580,796</b>	<b>1,635,177</b>	<b>1,653,157</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY SUMMARY

Amount in SEK thousand	Attributable to shareholders of the Parent Company				Total	Non-controlling interests	Total equity
	Share capital	Other paid-in capital	Conversion reserve	Retained earnings profit/loss for the period			
<b>Opening balance at 1 Jan 2021</b>	<b>61,067</b>	<b>1,271,372</b>	<b>1,048</b>	<b>-799,948</b>	<b>533,538</b>	<b>-11,733</b>	<b>521,805</b>
Profit/loss for the period				-32,511	-32,511	-2,358	-34,869
Translation differences			4,615		4,615	-11	4,604
<b>Total comprehensive income</b>			<b>4,615</b>	<b>-32,511</b>	<b>-27,896</b>	<b>-2,369</b>	<b>-30,265</b>
Contribution from non-controlling interests						2,780	2,780
<b>Total contributions from and value transfers to shareholders recognised directly in equity</b>						<b>2,780</b>	<b>2,780</b>
<b>Closing balance on 30 June 2021</b>	<b>61,067</b>	<b>1,271,372</b>	<b>5,663</b>	<b>-832,459</b>	<b>505,642</b>	<b>-11,322</b>	<b>494,320</b>
<b>Opening balance at 1 Jan 2022</b>	<b>61,067</b>	<b>1,271,372</b>	<b>8,280</b>	<b>-834,092</b>	<b>506,626</b>	<b>-6,577</b>	<b>500,049</b>
Profit/loss for the period				-51,450	-51,450	-3,493	-54,943
Translation differences			-1,150		-1,150	-500	-1,650
<b>Total comprehensive income</b>			<b>-1,150</b>	<b>-51,450</b>	<b>-52,600</b>	<b>-3,993</b>	<b>-56,593</b>
Contribution from non-controlling interests				3,858	3,858	-3,858	-
<b>Total contributions from and value transfers to shareholders recognised directly in equity</b>				<b>3,858</b>	<b>3,858</b>	<b>-3,858</b>	
<b>Closing balance on 30 June 2022</b>	<b>61,067</b>	<b>1,271,372</b>	<b>7,130</b>	<b>-881,684</b>	<b>457,884</b>	<b>-14,428</b>	<b>443,456</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS, SUMMARY

GROUP		3 mos.		6 mos.		
SEK thousand	Note	April-June 2022	April-June 2021	Jan-June 2022	Jan-June 2021	Full year 2021
<b>Cash flow from operating activities</b>						
Operating income		-17,702	1,525	-34,567	-1,838	4,993
Depreciation, amortisation and impairment		20,937	19,764	41,122	39,937	84,325
Other non-cash items		-2,578	-761	-3,655	2,657	7,010
Interest received		977	-	1,917		-
Interest paid		-11,427	-6,810	-22,431	-10,132	-30,229
Income tax paid		-	-	-2,730		-
<b>Cash flow from operating activities before changes in working capital</b>		<b>-9,793</b>	<b>13,718</b>	<b>-20,344</b>	<b>30,624</b>	<b>66,099</b>
<b>Cash flow from changes in working capital</b>						
Increase/decrease in inventories		-878	-347	-702	568	1,271
Increase/decrease in operating receivables		-13,590	-708	-8,237	-3,492	3,800
Increase/decrease in operating liabilities		32,667	7,128	22,246	-9,796	-15,429
<b>Total changes in working capital</b>		<b>18,199</b>	<b>6,073</b>	<b>13,307</b>	<b>-12,720</b>	<b>-10,358</b>
<b>Cash flow from operating activities</b>		<b>8,406</b>	<b>19,791</b>	<b>-7,037</b>	<b>17,904</b>	<b>55,741</b>
<b>Cash flow from investing activities</b>						
Acquisition of intangible assets		-849	-567	-1,942	-1,608	-4,351
Acquisition of tangible assets		-118,580	-37,122	-142,408	-45,677	-152,296
Disposal of tangible assets		-	-	-	-	-
Investment grants received		4,528	-	12,125		100,515
Acquisition of subsidiaries		-	-	-	-	-13,703
Restricted bank balances and other changes in financial		-	25,058	-	12,765	12,765
<b>Cash flow from investing activities</b>		<b>-114,901</b>	<b>-12,631</b>	<b>-132,225</b>	<b>-34,520</b>	<b>-57,070</b>
<b>Cash flow from financing activities</b>						
Loans raised	5	4,198	625,200	4,198	627,303	627,403
Loan and lease repayment	5	-11,601	-502,538	-20,570	-534,490	-561,263
Contributions to/from non-controlling interests		-	1,380	2,640	2,780	7,247
<b>Cash flow from financing activities</b>		<b>-7,403</b>	<b>124,042</b>	<b>-13,732</b>	<b>95,593</b>	<b>73,387</b>
<b>Total cash flow for the period</b>		<b>-113,898</b>	<b>131,202</b>	<b>-155,994</b>	<b>78,977</b>	<b>72,058</b>
<b>Decrease/increase in cash and cash equivalents</b>						
Cash and cash equivalents at beginning of period		412,441	327,480	452,568	378,771	378,771
Exchange differences in cash and cash equivalents		-1,066	-805	803	627	1,234
<b>Cash and cash equivalents at end of period</b>		<b>297,377</b>	<b>457,876</b>	<b>297,377</b>	<b>458,375</b>	<b>452,568</b>

## PARENT COMPANY INCOME STATEMENT SUMMARY

PARENT COMPANY	3 mos.		6 mos.		12 mos.
	April-June	April-June	Jan-June	Jan-June	Full year
SEK million	2022	2021	2022	2021	2021
<b>Operating income</b>					
Net sales	661	608	1,390	1,216	3,933
<b>Total operating income</b>	<b>661</b>	<b>608</b>	<b>1,390</b>	<b>1,216</b>	<b>3,933</b>
Operating expenses	-3,336	-1,741	-6,850	-3,774	-6,874
<b>Operating income</b>	<b>-2,675</b>	<b>-1,133</b>	<b>-5,460</b>	<b>-2,558</b>	<b>-2,941</b>
Net financial items	-14,103	-6,025	-5,758	-1,156	3,849
<b>Profit/loss before appropriations and tax</b>	<b>-16,778</b>	<b>-7,158</b>	<b>-11,218</b>	<b>-3,714</b>	<b>908</b>
<b>Appropriations</b>					
Group contributions received/paid	-	-	-	-	29,865
<b>Total appropriations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,865</b>
<b>Profit/loss before tax</b>	<b>-16,778</b>	<b>-7,158</b>	<b>-11,218</b>	<b>-3,714</b>	<b>30,773</b>
Income tax	-	-	-	-	-
<b>Profit/loss for the period</b>	<b>-16,778</b>	<b>-7,158</b>	<b>-11,218</b>	<b>-3,714</b>	<b>30,773</b>

## PARENT COMPANY BALANCE SHEET SUMMARY

Amount in SEK thousand	Note	2022-06-30	30 Jun 2021	31 Dec 2021
<b>ASSETS</b>				
<b>Non-current assets</b>				
<b>Financial assets</b>				
Participations in Group companies		383,958	359,597	381,958
Receivables from Group companies		830,380	643,860	721,041
<b>Total financial assets</b>		<b>1,214,338</b>	<b>1,003,457</b>	<b>1,102,999</b>
<b>Total non-current assets</b>		<b>1,214,338</b>	<b>1,003,457</b>	<b>1,102,999</b>
<b>Current assets</b>				
<b>Current receivables</b>				
Receivables from Group companies		64,057	25,015	76,748
Other receivables		115	31	119
Prepaid expenses and accrued income		1,478	1,297	679
<b>Total current receivables</b>		<b>65,650</b>	<b>26,343</b>	<b>77,546</b>
<b>Cash and bank balances</b>		<b>141,687</b>	<b>358,903</b>	<b>237,336</b>
<b>Total current assets</b>		<b>207,337</b>	<b>385,246</b>	<b>314,882</b>
<b>TOTAL ASSETS</b>		<b>1,421,675</b>	<b>1,388,703</b>	<b>1,417,881</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Restricted equity		63,111	63,111	63,111
Non-restricted equity		728,233	693,448	727,935
<b>Total equity</b>		<b>791,344</b>	<b>756,559</b>	<b>791,046</b>
<b>Non-current liabilities</b>				
Borrowings	7	624,468	625,364	622,964
<b>Total non-current liabilities</b>		<b>624,468</b>	<b>625,364</b>	<b>622,964</b>
<b>Current liabilities</b>				
Borrowings	7	-	-	-
Accounts payable		511	182	465
Liabilities to Group companies		1,299	3,286	-
Accrued expenses and deferred income		4,053	3,312	3,406
<b>Total current liabilities</b>		<b>5,863</b>	<b>6,780</b>	<b>3,871</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,421,675</b>	<b>1,388,703</b>	<b>1,417,881</b>



## NOTES

### NOTE 1 GENERAL INFORMATION

Scandinavian Biogas Fuels International AB (publ). 556528-4733, is engaged in business activities in the form of a limited liability company and has its registered office in Stockholm, Sweden. The address of the head office is Kungsbron 1, 111 23 Stockholm.

Unless otherwise specified, all amounts are stated in SEK thousand. Figures in brackets pertain to the same period of the previous year.

### NOTE 2 SUMMARY OF ACCOUNTING POLICIES

Scandinavian Biogas Fuels International AB (publ) (the 'Company') applies IFRS

(International Financial Reporting Standards) as adopted by the European Union. This interim report has been prepared in accordance with IAS 34, Interim reporting and the Annual Accounts Act. The report for the Parent

Company has been prepared in accordance with Chapter 9 of the Annual Accounts Act and RFR 2, Accounting for Legal Entities. The interim report should be read in conjunction with the annual

financial statements for the year ended 31 December 2021.

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

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

### NOTE 3 RIGHT-OF-USE ASSETS

During the interim period January to June 2022, MSEK 14.7 (15.9) improved EBITDA, as IFRS 16 reduces operating expenses while depreciation and financial expenses increase by a corresponding amount overall. Lease liabilities totalled SEK 251.4 (298.9) million at 30 June 2022.

### NOTE 4 SEGMENT REPORTING

Scandinavian Biogas has identified three operating segments on the basis of geographical location based on internal reporting to the most senior executive decision maker. The Group's operations are managed and reported based on the operating segments Business Area Sweden, Business Area Norway and Business Area Korea. Operations also include the Service Centre and Research & Development segment. The business areas are geographical organisations, with the head of each business area reporting directly to the Group's CEO. In 2022, the organisation has been expanded to include a growth function and a Program Office function. The Growth Manager and the Program Office report to the Group CEO and form part of the Group management. They form part of the Service Centre and Research and Development segment.

Segment data is based on the same accounting policies as those applied by the Group as a whole and is consolidated, i.e. net of intragroup items).

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

### NOTE 4 SEGMENT REPORTING, CONT.

	3 Month		6 Month		12 Month
	April-June	April-June	Jan-June	Jan-June	Full year
	2022	2021	2022	2021	2021
<b>Revenue</b>					
Business Area Sweden	55,690	69,573	114,357	137,445	279,608
Business Area Norway	30,409	29,361	57,278	54,438	114,102
Business Area Korea	12,708	11,259	25,921	23,280	52,046
Service Centre and R&D	10,668	4,286	16,646	9,831	23,216
Eliminations	-7,615	-4,329	-13,986	-9,577	-17,870
<b>Group total</b>	<b>101,861</b>	<b>110,150</b>	<b>200,215</b>	<b>215,417</b>	<b>451,101</b>
<b>Operating expenses</b>					
Business Area Sweden	-52,081	-51,369	-105,027	-104,022	-205,773
Business Area Norway	-24,907	-22,252	-47,423	-43,325	-89,076
Business Area Korea	-11,542	-9,255	-22,135	-18,835	-41,319
Service Centre and R&D	-16,438	-10,147	-32,221	-20,407	-42,690
Eliminations	7,615	4,329	13,986	9,577	17,870
<b>Group total</b>	<b>-97,353</b>	<b>-88,694</b>	<b>-192,820</b>	<b>-177,012</b>	<b>-360,988</b>
<b>Profit/loss</b>					
<b>EBITDA</b>					
Business Area Sweden	5,431	18,204	10,815	33,424	73,834
Business Area Norway	5,502	7,109	10,069	11,113	25,025
Business Area Korea	1,166	2,004	3,786	4,445	10,727
Service Centre and R&D	-8,387	-5,861	-17,275	-10,576	-19,474
<b>Group total</b>	<b>3,713</b>	<b>21,457</b>	<b>7,395</b>	<b>38,405</b>	<b>90,113</b>
<b>Depreciation, amortisation &amp; other operating expenses</b>					
Depreciation, amortisation, impairment and other operating charges	-21,415	-19,931	-41,962	-40,243	-85,120
<b>Group total</b>	<b>-21,415</b>	<b>-19,931</b>	<b>-41,962</b>	<b>-40,243</b>	<b>-85,120</b>
<b>Financial items, net</b>					
Financial items, net	-25,227	-30,166	-20,753	-34,026	-50,479
<b>Group total</b>	<b>-25,227</b>	<b>-30,166</b>	<b>-20,753</b>	<b>-34,026</b>	<b>-50,479</b>
<b>Profit/loss before tax</b>	<b>-42,929</b>	<b>-28,642</b>	<b>-55,320</b>	<b>-35,865</b>	<b>-45,486</b>

	3 Month		6 Month		12 Month
	Apr-Jun	Apr-Jun	Jan-June	Jan-June	Full year
	2022	2021	2022	2021	2021
<b>Net sales</b>					
Sales of goods, Sweden	38,690	43,679	80,801	88,661	178,104
Sales of goods, Norway	27,847	26,163	51,076	48,857	97,409
Sales of goods, Korea	3,749	2,958	7,962	6,159	14,139
Sales of services, Sweden	12,498	13,280	25,739	30,346	61,331
Sales of services, Norway	1,094	727	2,196	1,501	3,378
Sales of services, Korea	8,959	8,301	17,969	17,121	37,906
Onward invoicing of activities	-	909	-	909	1,554
<b>Group total</b>	<b>92,837</b>	<b>96,017</b>	<b>185,733</b>	<b>193,554</b>	<b>393,821</b>
<b>Parent Company</b>	<b>Apr-Jun</b>	<b>Apr-Jun</b>	<b>Jan-June</b>	<b>Jan-June</b>	<b>Full year</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2021</b>
Sales of services	661	608	1,390	1,216	963
<b>Parent Company, total</b>	<b>661</b>	<b>608</b>	<b>1,390</b>	<b>1,216</b>	<b>963</b>

**NOTE 5 BORROWINGS**

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

	Carrying amount			Fair value		
	2022-06-30	30 Jun 2021	31 Dec 2021	2022-06-30	30 Jun 2021	31 Dec 2021
<b>Non-current</b>						
Liabilities to credit institutions	10,128	8,114	8,868	10,128	8,114	8,868
Corporate bond	624,468	625,364	622,964	621,934	638,613	648,419
Other non-current borrowings	22,861	38,642	23,748	22,861	38,642	23,748
	<b>657,457</b>	<b>672,120</b>	<b>655,580</b>	<b>654,923</b>	<b>685,369</b>	<b>681,035</b>
<b>Current</b>						
Liabilities to credit institutions	4,751	2,763	4,363	4,751	2,763	4,363
Other current borrowings	7,222	26,331	10,266	7,222	26,331	10,266
	<b>11,973</b>	<b>29,094</b>	<b>14,629</b>	<b>11,973</b>	<b>29,094</b>	<b>14,629</b>

The fair value of current borrowing represents the carrying amount, as the discounting effect is not of a material nature. The corporate bond, excluding the repurchase, has a carrying value of SEK 684.3 (702,6) million at 31 June 2022. The maturity of the bond is 5 years from the date of issue of 8 June 2021 and bears interest (Stibor (3m) + 6%). Transaction costs totalled approximately SEK 15.0 million and are accrued over the life of the bond. In total, corporate bonds with a nominal value of SEK 700 million were issued on 8 June 2021. On the same day as the issue, a nominal amount of SEK 63.8 million was repurchased. The outstanding nominal amount after repurchase is SEK 636.2 (636.2) million at 31 June 2022. Scandinavian Biogas has the right to sell the SEK 63.8 million on the market at any time. It is estimated that this will happen within the next year.

The corporate bond is listed on the Nasdaq Stockholm corporate bond list with ISIN: SE0015812441. The bond is subject to loan terms based on an equity/assets ratio of at least 22.5% each quarter. Over the life of the bond, the equity/assets ratio will be gradually increased to a maximum of 27.5%. The loan terms have been met during the period for the corporate bond.

In connection with the issuance of the bond, a revolving credit facility of up to SEK 300 million was signed, which can be used for guarantees or cash. This facility is also subject to terms. During the period April–June 2022, a waiver was obtained for one of the loan terms. At the end of the period on 31 March 2022, SEK 13.6 million (9.0) of the credit facility had been used for guarantees. During the period April–June 2022, waiver has been received for one of the loan terms.

The collateral for the corporate bond consists of a pledge of shares in subsidiaries and long-term intercompany loans.

**NOTE 6 ALTERNATIVE KEY PERFORMANCE INDICATOR DEFINITIONS****Operating income/EBIT**

Operating income provides an overview of the Group's total earnings generation and is calculated as operating profit or loss before financial items and tax.

**Items affecting comparability**

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

**EBITDA**

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

EBITDA	3 mos.		6 mos.		12 mos.
	Apr– Jun 2022	Apr– Jun 2021	Jan– June 2022	Jan– June 2021	Full year 2021
SEK thousand					
Operating income	-17,702	1,525	-34,567	-1,838	4,993
Depreciation, amortisation and impairment	20,937	19,764	41,122	39,937	84,325
Other operating expenses	478	139	840	306	795
EBITDA	3,713	21,428	7,395	38,405	90,114

**Operating EBITDA**

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

OPERATING EBITDA	3 mos.		6 mos.		12 mos.
	Apr– Jun 2022	Apr– Jun 2021	Jan– June 2022	Jan– June 2021	Full year 2021
SEK thousand					
EBITDA	3,713	21,456	7,395	38,405	90,114
Change earn-out	2,617				-4,085
Compensation agreement Norway					-5,127
Operating EBITDA	1,096	21,456	4,778	38,405	80,902

**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 or loss is a measure of profitability that shows total revenue including capitalised work minus variable production costs

**Equity/assets ratio**

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

EQUITY/ASSETS RATIO	2022-06-30	30 Jun 2021	31 Dec 2021
Total equity (incl. non-controlling interests)	443,456	494,320	500,049
Total assets	1,580,796	1,635,177	1,653,157
Equity/assets ratio	28.1%	30.2%	30.2%

**NOTE 7 EVENTS AFTER THE END OF THE PERIOD****UPDATED FINANCIAL GOALS FOR 2024 AND PROSPECTION OF FINANCING OPTIONS FOR CONTINUED GROWTH**

Updated financial targets for 2024 confirm the EBITDA margin of at least 30 percent, while the production volume is estimated to reach 600 GWh, which is 100 GWh lower than previous targets of 700 GWh. Higher prices for biogas partly counteract the volume effect on revenues, which is estimated to reach approximately SEK 650 million in 2024.

The Group has also introduced a target for production capacity in 2026 amounting to 1.2 TWh, which partly includes volumes from the Mönsterås, Skogn III projects and the recently communicated project in Örkelljunga municipality. This is well in line with the spring-announced long-term production target of 3 TWh by 2030. With current Bio-LNG prices, the EBITDA margin is expected to be even better in the future as Bio-LNG deliveries increase.

The reason for updating the business plan is a changed technical solution and a higher cost situation compared with our assumptions in the 2020 investment plan. In the preparation of the investment decisions regarding our planned production facilities, primarily Skogn III and Mönsterås, a need emerged to change the technical solution for more efficient handling of the substrate mix. The change entails a significantly increased productivity and profitability compared with assumptions in 2020. The higher cost situation together with a changed technical solution entails an increased investment cost of a total of approximately SEK 300 million. In summary, this means that the total investment costs in the updated investment plan have increased from SEK 1,300 million to approximately SEK 1,600 million. The Board has decided to explore various financing alternatives for continued growth.

**PRODUCTION SUBSIDY FOR 2022 CAN BE APPLIED AGAIN**

From 1 July 2022, production subsidy for biogas can be applied for again for the second half of 2022.

## ABOUT SCANDINAVIAN BIOGAS

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

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

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

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

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

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

### STRATEGY AND BUSINESS MODEL

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

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

The Nordic heavy road transport sector is currently the most significant area for the Company's growth ambitions. Although the biogas market is also expected to grow within maritime transport and industry. At the same time, the demand for bio-LNG (liquid biogas) has increased in recent years, and the supply of biogas-powered vehicles has grown.

This affects the market for compressed biogas (CBG), which is currently local but is expected to develop into regional or national markets in future.

### Investments in renewable energy

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

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

### MARKET AND KEY DRIVERS

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

### The biogas market

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

### Bio-LNG (liquid biogas)

A paradigm shift is taking place as the benefits of bio-LNG (liquid biogas) become increasingly apparent for heavy transport and shipping in the Nordic region. The Swedish Environmental Protection Agency, through the 'Klimatklivet' initiative, has granted subsidies for 45 filling stations and the procurement of over 400 heavy lorries powered by Bio-LNG (liquid biogas). More and more gas-powered vessels are being procured by Nordic shipping companies. These could eventually be fuelled by bio-LNG (liquid biogas). Industry has also begun to show interest in bio-LNG, and among the first was Toyota Material Handling in Mjölby, which manufactures forklift trucks. A prerequisite for realising the long-term potential of biogas is continuing to scale up the production of bio-LNG, as it is easier to use gas in liquid form in industry and as a vehicle fuel. bio-LNG (liquid biogas) is also better suited for longer distance transport and can thus open up a Scandinavian biogas market. Biogas is currently distributed locally and regionally by lorry or via a gas pipeline network.

