

INTERIM REPORT Q2 JANUARY – JUNE 2023



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CONTINUED FOCUS ON GROWTH AND OPERATIONAL EFFICIENCY

SECOND QUARTER 2023 IN BRIEF

- Energy sold totalled 82.0 (82.2) GWh.
- Total revenue, including capitalised work, increased by 33.7% to SEK 135.1 (101.1) million.
- Operating EBITDA totalled SEK 17.7 (1.1) million, and the EBITDA margin, 13.6 (1.2) %.
- Profit/loss after tax was SEK -12.2 (-43.1) million.
- Basic and diluted earnings per share were SEK -0.28 (-1.41).
- At the end of the quarter, the order book totalled 2.4 TWh, corresponding to a market value (end of quarter) of approximately SEK 3.3 billion. We also have contracts for the supply of raw materials corresponding to 2.3 TWh.
- According to the general meeting resolution in April 2023, the company changed its name to Biokraft International AB (publ).
- Perstorp council has approved a land allocation agreement where Biokraft is planning a biogas plant.
- Stockholm Bio-LNG has entered the final phase, and start-up of the plant has been ongoing since July.
- Biokraft established subsidiaries and entered into an agreement to develop two biogas plants in Germany with a combined capacity of approximately 240 GWh.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- No significant events occurred after the end of the interim period.

GROUP	3 months			6 months			12 mos.
	Apr–Jun 2023	Apr–Jun 2022	+/-	Jan–Jun 2023	Jan–Jun 2022	+/-	Full year 2022
SEK million, unless otherwise stated							
GWh sold	82.0	82.2	-0.3%	170.1	167.7	1.4%	328.1
Net sales	109.3	92.8	17.7%	216.6	185.7	16.6%	366.7
Other revenue	20.5	3.0	575.9%	37.7	3.6	962.1%	20.3
Total revenue, including capitalised work	135.1	101.1	33.7%	265.2	199.4	33.0%	407.4
EBITDA	17.7	3.7	376.3%	25.6	7.4	245.8%	19.7
Operating EBITDA	17.7	1.1	n/a	25.6	4.8	435.1%	16.4
Operating EBITDA %	13.6%	1.2%	12.5pp	10.1%	2.6%	7.5pp	4.3%
Operating income	-6.2	-17.7	n/a	-21.5	-34.6	n/a	-65.2
Earnings per share (SEK)	-0.28	-1.41	n/a	-1.63	-1.80	n/a	-1.95
Cash flow from operating activities	16.5	5.7	186.5%	-5.8	-9.6	n/a	7.4
Equity/assets ratio	37.4%	28.1%	9.3pp	37.4%	28.1%	9.3pp	38.6%

CONTINUED FOCUS ON GROWTH AND OPERATIONAL EFFICIENCY



MATTI VIKKULA
President and CEO

We continue our intense transformation and growth journey. The focus is on increasing production capacity, and we passed several important milestones in the quarter. In addition, our business areas have focused on increasing efficiency in their day-to-day operations, while also having to deal with some minor disruptions.

Our efforts to drive growth are multifaceted. For example, we established subsidiaries in Germany to run two growth projects in cooperation with an external development team. We also decided to divide Södertörn III into smaller sub-projects with a focus on efficiency and increased productivity.

It is important to continue the work of identifying new projects, as experience shows that not all growth projects live up to our high standards. In line with this, we have intensified our networking and PR work to spread knowledge and increase interest among politicians, farmers and other substrate suppliers. Despite significantly lower market prices for LNG and GHG certificates, profitability remains good for future fertiliser-based projects.

When it comes to our plant projects, Stockholm Bio-LNG has entered the final phase and start-up of the plant began in July, while Mönsterås is in the early construction phase.

Organisationally, we took an important step when we changed our name and launched our new brand name, Biokraft. Our new logo and graphic profile revitalise our identity and reflect our purpose: *A sustainable world that produces bioenergy and plant nutrients in a circular cycle*. This is a guiding principle that inspires us to push boundaries and drive innovation. In connection with the name change, we also sharpened our business concept to: *Biokraft will operate profitable, large-scale biorefineries that extract bioenergy and plant nutrients from organic waste and residues*. As an important part of the branding work, we have also launched Biokraft.com, which highlights our new brand, mission, goals and activities.

Less visible externally, but more important internally, is that during the quarter we created a common Microsoft platform that enables seamless communication between different functions within the Group. The work to create a group-wide IT platform is continuing, and it feels good that we have a framework in place. Another but very important milestone was the introduction of a common system for continuous improvement. The implementation is taking place in stages, starting in Business Area Sweden. The Biokraft Business System is holistic, fact-based and focuses on four main areas: safety, quality, delivery and cost. This system ensures high efficiency and the ability to grow sustainably. We also expect to significantly realise productivity gains as we continuously streamline our processes and foster a culture of collaboration and team spirit.

Operationally, the quarter offered stable production, planned maintenance and some minor

challenges in Norway. Input costs remained at a high level, partly due to annual indexation in relation to the prices we can charge to customers. New contracts are gradually replacing old ones, at a higher price level and better linked to general price increases for inputs, for example.

The Swedish operations continued their efficiency efforts and increased both production volume and energy sold for the fourth consecutive quarter. The Norwegian operation unfortunately lost a few days of production due to an unplanned shutdown in May, but since then, production has gradually increased, and we expect to reach the planned production volume. The Korean operations continue to deliver stable production and profitability. Our customer carried out a major maintenance stop during the quarter, and the volume sold was therefore slightly lower than the corresponding period last year, while revenues increased due to price increases.

Going forward

The European biogas market shows continued strength with a structurally driven demand for biomethane. It is mainly in Germany where manure-based liquid biogas has the greatest potential within a green transition of heavy road transport. Shipping and industrial use are also expected to increase the consumption of liquid biogas.

We continue to view the future very positively with great growth opportunities in Northern Europe. The work continues to expand the business and develop our project portfolio to reach a production capacity of 1.2 TWh by 2026 and at least 3 TWh by 2030.

Operationally, the focus is on efficiencies, and we have initiated several improvement projects with the aim of increasing profitability and flexibility in production and removing bottlenecks.

Regarding our financial goals, we feel confident with our production capacity and revenue goals for 2024. Concerning the profitability goal of 30% operating EBITDA margin, it is firm although current market prices for biomethane and certificates make it more challenging to reach the goal as early as 2024. New projects are expected to contribute positively to increased profitability.

Outlook

As previously communicated, operating EBITDA will continue to be weak throughout 2023 given that we have a large proportion of fixed delivery agreements with fixed low prices that do not enable compensation for greatly increased costs.

We continue to break new ground, and it is gratifying to see how we as a team are developing the opportunities that lie ahead and building a remarkable and sustainable future.

GROUP TARGET 2024

- The production capacity for biogas should reach at least 600 GWh in 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 should always be at least 25%.
- Reduce CO₂-eq by 170,000 tonnes by 2024.
- To have zero workplace injuries leading to sick leave.

LONG-TERM OBJECTIVES

- The production capacity for biogas should be at least 1.2 TWh for 2026 and at least 3 TWh for 2030.

GROWTH AND PROJECT PORTFOLIO

GROWTH PROJECTS

The projects in Kalmar and Skåne's Fagerhult are progressing according to plan, and both the environmental permit process and the detailed planning process are in progress. Efforts to secure substrates from the local area are being actively pursued with good results. A significant volume is already secured and negotiations for the remaining volumes are ongoing.

Perstorp council has allocated zoned industrial land for the project in Perstorp (previously known as Sverige VII), and the environmental permit process has begun.

Project Södertörn III, which aimed to create additional production capacity in the existing plant, up to 30 GWh, has been divided into smaller sub-projects focusing on increased capacity and efficiency.

Gasnätet Stockholm AB intends to connect the Södertörn plant to their gas network, which means the biogas produced in Henriksdal can be transported to Södertörn for conversion to Bio-LNG. This connection is expected to be completed in autumn 2024.

In Norway, work on Skogn III has been divided into two phases. Phase 1, which focuses on creating greater flexibility and profitability, is a prerequisite for Phase 2, which aims to increase production capacity by up to 90 GWh.

In Germany, the Group has established a holding company and project companies for the development of at least two projects. The Group is working with an external team to develop two production plants with a combined capacity of around 240 GWh. Work is ongoing on environmental permit processes and final design of the facilities. The work is largely proceeding according to plan.

PROJECT	Type	Additional capacity, GWh*		Feedstock type	Status	Estimated commissioning
		Biogas	Bio-LNG			
Stockholm Bio-LNG	Extension/improvement	-	220	Conversion of CBG to LBG	Commissioning	2023
Mönsterås	Green field	125	125	Manure and agri-based waste	Construction	2024
Södertörn III	Extension/improvement	< 30	-	Manure and other organic waste	Investment planning	2025
Germany I	Green field	65	tbd	Manure and agri-based waste	Investment planning	2025
Germany II	Green field	175	tbd	Manure and agri-based waste	Investment planning	2025
Skogn III	Extension/improvement	< 90	< 90	Manure and other organic waste	Env. permit phase	2025
Skånes Fagerhult	Green field	135	135	Manure and agri-based waste	Env. permit phase	2025
Kalmar	Green field	120	120	Manure and agri-based waste	Env. permit phase	2026
Perstorp	Green field	125	125	Manure and agri-based waste	Env. permit phase	2026
Total		865	815			

*Biogas refers to additional production capacity for biomethane (upgraded raw gas). Bio-LNG refers to additional capacity for upgrading biomethane to liquid biogas.

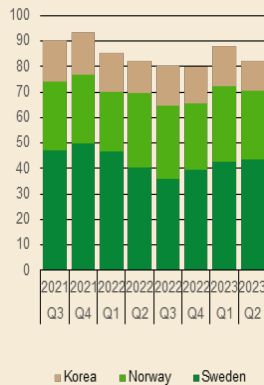
Each project starts with a concept study that identifies substrate and land availability. The next step is a study that evaluates the feasibility, including environmental permits and access to substrates. If the project meets all the requirements of the feasibility study, a detailed requirement specification and implementation plan for the investment

will be developed and presented to the Board for a final investment decision, assuming that the environmental permit has been secured, after which construction will start. The process from concept study to final investment decision costs up to SEK 20 million and usually takes 12 to 18 months.

CONSTRUCTION PROJECTS

The Stockholm Bio-LNG project, which involves the construction of a liquefaction plant adjacent to regular biogas production at Södertörn, has entered the final phase, and the start-up of the plant has been underway since July.

The Mönsterås project is in an active construction phase and preparations are underway for the construction of buildings and digesters, which will begin in the summer of 2023. Work is also underway on planning for operation and takeover. The work has largely progressed according to plan.

Sold energy
Group, GWh

GROUP TURNOVER AND PROFIT

SECOND QUARTER 2023

The Group's net sales increased by 17.7% compared to the second quarter of 2022, totalling SEK 109.3 (92.8) million. The increase comes from all business areas.

Total revenue including capitalised work, consisting of sales, biogas production subsidy and capitalised work, was SEK 135.1 (101.1) million. The item 'Other income' mainly includes biogas production subsidies. Recognised production subsidy totalled SEK 20.3 (-0.2) million.

The cost of raw materials and consumables increased significantly, totalling SEK 63.1 (50.2) million. The higher costs are mainly explained by higher input costs and significantly higher energy costs. The increase is also attributable to increased production in Business Area Sweden.

Other external costs increased by SEK 4.9 million, compared to the same period in the previous year, and totalled SEK 25.8 (21.0) million. Personnel costs totalled SEK 28.5 (26.2) million, corresponding to an increase of SEK 2.3 million

compared to the same period the previous year, which is largely explained by new recruitments.

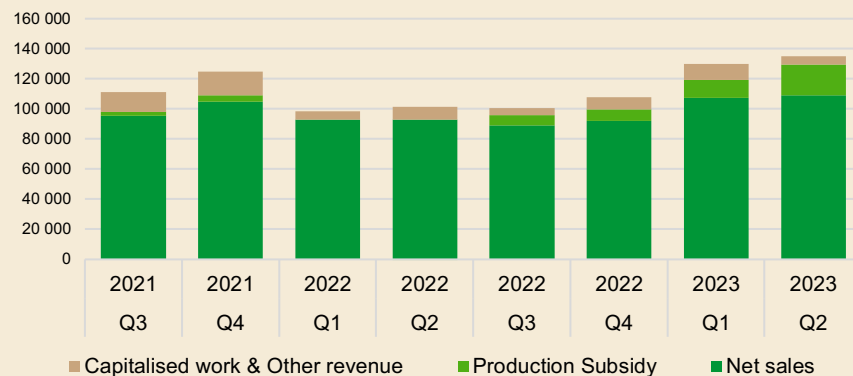
Group EBITDA was SEK 17.7 (3.7) million. No items affecting comparability affected Operating EBITDA, which was SEK 17.7 (3.7) million.

Depreciation and amortisation of fixed assets totalled SEK -23.1 (-20.9) million, and the operating profit was SEK -6.2 (-17.7) million.

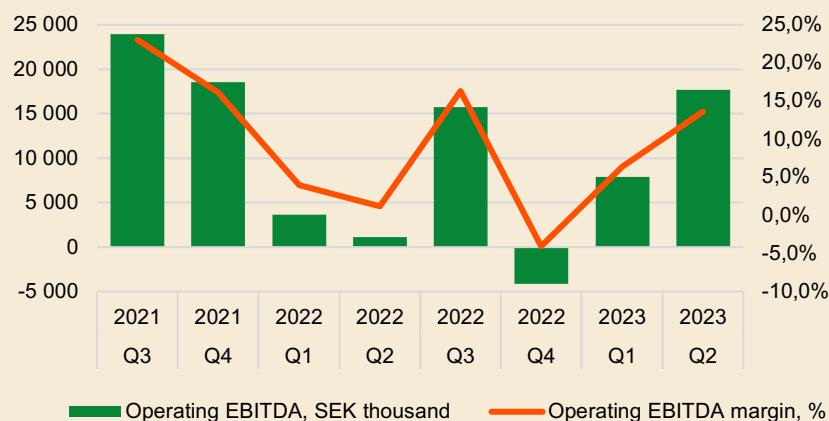
Other financial expenses totalled SEK -18.9 (-12.7) million and consist mainly of interest on the corporate bond and lease liabilities. A small portion of the financial expenses relates to accrued financial expenses related to the issued bond. During the first quarter, SEK 228.3 million was invested in a bond portfolio that runs up to 12 months, of which SEK 69.0 million was sold during the period April–June 2023.

Group profit after tax was SEK -12.2 (-43.1) million, of which SEK 9.0 (-13.7) million was due to translation differences.

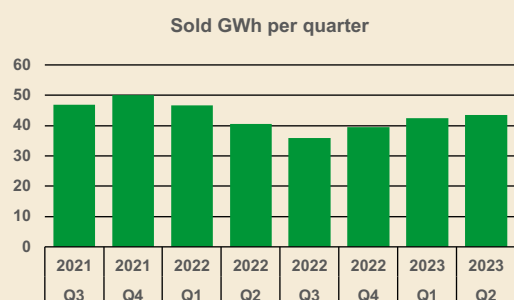
Total revenue including capitalised work per quarter, SEK thousand



Operating EBITDA and Operating EBITDA margin



BUSINESS AREA SWEDEN



*The above graph is adjusted for the natural gas deal that ended after 2021

EVENTS IN THE QUARTER

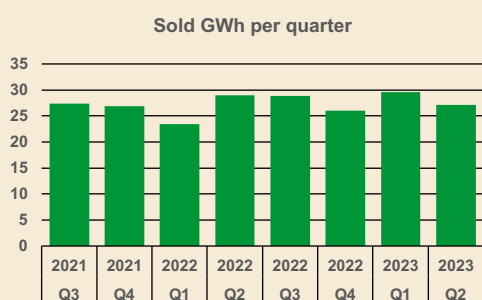
- Energy sold increased by 7%
- The commissioning of Stockholm Bio-LNG has begun, and the first delivery is expected in the third quarter

SWEDEN	3 months			6 months			12 mos.
SEK million, unless otherwise stated	Apr–Jun 2023	Apr–Jun 2022	+/-	Jan–Jun 2023	Jan–Jun 2022	+/-	Full year 2022
GWh sold	43.4	40.6	7%	85.9	87.2	-1%	162.4
Net sales	57.4	51.2	12%	109.8	106.5	3%	199.4
Other revenue	20.5	0.0	n/a	37.7	0.0	n/a	19.2
Total revenue	82.5	57.5	43%	156.3	116.2	35%	232.4
Operating expenses	-63.1	-52.1	n/a	-123.5	-105.4	n/a	-200.0
EBITDA	19.4	5.4	257%	32.8	10.8	203%	32.4
Operating EBITDA	19.4	2.8	590%	32.8	8.2	300%	29.2
Operating EBITDA %	24.9%	5.8%	19.1pp	22.2%	7.9%	14.4pp	13.5%

Biogas production continued to increase during the quarter, driven by increased substrate intake. Total revenue, including capitalised work, was 43% higher than in the same quarter of 2022. The increase is mainly attributable to the item Other income and biogas subsidies, which totalled 20.3 (-0.2), of which approximately SEK 8.0 (0.0) million is attributable to 2022. Operating EBITDA was SEK 19.4 (2.8) million. Operating expenses were negatively affected by higher personnel costs and continued high prices for electricity and input goods. The subsidiary Ekdalens Biotransporter AB is a logistics company that does not sell energy. Their net sales for the second quarter, SEK 8.6 (9.4) million, are included in the table above.

The total amount of treated organic waste (excluding sewage sludge and process water) averaged 203 (198) tonnes per day in the quarter.

BUSINESS AREA NORWAY



EVENTS IN THE QUARTER

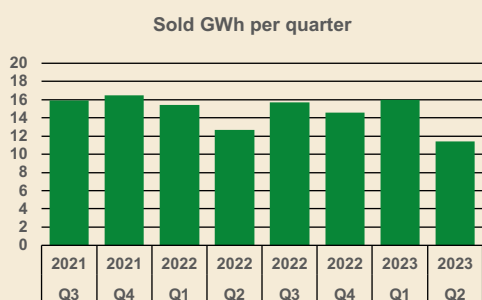
- Energy sold decreased by 6%
- Production continues to ramp up
- The business suffered an unplanned shutdown in May due to a water interruption at the supplier

NORWAY	3 months			6 months			12 mos.
SEK million, unless otherwise stated	Apr–Jun 2023	Apr–Jun 2022	+/-	Jan–Jun 2023	Jan–Jun 2022	+/-	Full year 2022
GWh sold	27.2	29.0	-6%	56.8	52.4	8%	107.4
Net sales	34.6	28.9	19%	70.6	53.3	33%	111.1
Other revenue	0.0	0.0	n/a	0.0	1.1	n/a	1.0
Total revenue	35.3	30.4	16%	72.5	57.3	27%	117.3
Operating expenses	-30.1	-24.9	n/a	-67.3	-47.2	n/a	-109.7
EBITDA	5.2	5.5	-5%	5.2	10.1	-48%	7.6
Operating EBITDA	5.2	5.5	-5%	5.2	10.1	-48%	7.6
Operating EBITDA %	15.1%	19.0%	-3.9pp	7.3%	18.5%	-11.2pp	6.7%

Access to the new liquefaction plant enables increased production of Bio-LNG. During the quarter, operations suffered an unplanned stop due to a water interruption at a subcontractor. Total revenue, including capitalised work, was 16% higher than in the same quarter in 2022. Operating EBITDA was SEK 5.2 (5.5) million. Profitability has been negatively affected by a weaker Bio-LNG yield in relation to produced raw gas, as well as high energy and chemical costs.

The total amount of treated organic waste (excluding sewage sludge and process water) averaged 173 (192) tonnes per day in the quarter.

BUSINESS AREA KOREA



EVENTS IN THE QUARTER

- Energy sold decreased by 10% due to planned maintenance.

KOREA	3 months			6 months			12 mos.
SEK million, unless otherwise stated	Apr–Jun 2023	Apr–Jun 2022	Δ	Jan–Jun 2023	Jan–Jun 2022	Δ	Full year 2022
GWh sold	11.4	12.7	-10%	27.4	28.1	-2%	58.4
Net sales	17.3	12.7	36%	36.2	25.9	40%	56.2
Other revenue	-	-	-	-	-	-	-
Total revenue	17.3	12.7	36%	36.2	25.9	40%	56.2
Operating expenses	-13.6	-11.5	n/a	-27.1	-22.1	n/a	-45.6
EBITDA	3.7	1.2	219%	9.0	3.8	139%	10.6
Operating EBITDA	3.7	1.2	219%	9.0	3.8	139%	10.6
Operating EBITDA, %	21.5%	9.2%	12.3pp	25.0%	14.6%	10.4pp	18.9%

Production decreased by 10% due to scheduled maintenance at the customer. However, net sales increased by 36%, due to higher prices. Operating EBITDA increased by SEK 2.5 million, totalling SEK 3.7 (1.2) million.

The total amount of treated organic waste (excluding sewage sludge and process water) averaged 193 (168) tonnes per day in the quarter.

EARNINGS AND EARNINGS PER SHARE

Profit/loss after tax was SEK -12.2 (-43.1) million for the quarter. Basic and diluted earnings per share were SEK -0.28 (-1.41).

CASH FLOW

Cash flow from operating activities for the quarter totalled SEK 16.5 (5.8) million. Total cash flow for the second quarter totalled SEK -76.2 (-114.0) million and is mainly attributable to investment activities, which include sales of short-term investments in the amount of SEK 69.0 (0.0) million. Cash flow from investments in tangible assets, gross of investment grants, totalled SEK -146.6 (-118.6) million in the second quarter and is mainly attributable to the growth projects in Sweden. During the period April–June 2023, investment grants of SEK 0.8 (4.5) million were received for property, plant and equipment. During the same period, an investment grant of SEK 0.7 (0.0) million was also repaid.

INVESTMENTS

The investments in tangible and intangible fixed assets before investment grants in the second quarter was SEK 147.8 (119.4) million. Investment grants for tangible and intangible fixed assets amounted to SEK 0.1 (4.5) million in the same period.

At 30 June 2023, the carrying amount of the Group's tangible and intangible fixed assets was SEK 1,303.9 (1,140.1) million, of which SEK 210.8 (240.6) million relates to right-of-use assets.

FINANCING AND FINANCIAL POSITION

Investment projects and operations are currently financed with equity, corporate bonds, a revolving loan facility 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.

Cash and cash equivalents as of 30 June 2023 totalled SEK 167.6 (297.4) million, and the parent company's short-term investments in corporate bonds totalled SEK 159.2 (0.0) million. In Sweden, a large portion of the production facilities is leased with an initial term of about 25 years. Borrowing related to lease liabilities totalled SEK 247.5 (251.4) million. Borrowing, excluding leases, totalled SEK 661.3 (669.4) million at 30 June 2023.

The balance sheet total on 30 June 2023 was SEK 1,786.4 (1,580.8) million. Equity has changed during the quarter with the profit/loss for the period, share-based payments, contributions from non-controlling interests and changes in translation differences on foreign subsidiaries. The equity ratio was 37.4% (28.1%) at 30 June 2023.

It should be noted that the company's financial position and liquidity are good in relation to existing operations, although profitability is significantly below our profitability target.

SIGNIFICANT OPERATIONAL RISKS AND UNCERTAINTIES

In December 2022, the European Court of Justice annulled the tax exemption granted to Sweden for biogas in 2021–2030. As a result, the Swedish Tax Agency no longer allows deductions or refunds under previous tax exemption provisions. A higher energy tax on biogas in Sweden has led to a drop in demand for biogas on the Swedish market. However, the decision does not affect exports to other markets, such as Germany, where biogas is favoured by other government policies. The company manages the risk in new contracts through clear price adjustments for customers, and the company relies on the possibility of price adjustments for a few older contracts. The Swedish government is well aware of this development and has clearly communicated that it is working to resolve the issue in a way that is favourable to biogas.

DISPUTES

The Korean subsidiary has ongoing 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.biokraft.com.

THE SHARE

The number of shares was 43,578,852 (30,533,852) at 30 June 2023. 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 Biokraft International AB (publ).

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 37.50 per share. The closing price at 30 June 2023 was SEK 19.74 per share.

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

Shareholders on 30 June 2023	Number of shares	%
Aneo Renewables Holding AS	15,891,422	36.5%
St1 Sverige AB	6,655,519	15.3%
Bengtssons Tidnings AB	4,408,376	10.1%
Wipunen Varainhallinta Oy	3,850,000	8.8%
Fondita Sustainable Europe	1,111,225	2.5%
Fondita Global Megatrends	955,244	2.2%
Lannebo Sverige Hållbar	942,327	2.2%
Skandia Sverige Hållbar	800,000	1.8%
Erik Danielsson	713,588	1.6%
Anders Bengtsson	584,360	1.3%
	35,912,061	82.4%
Other	7,666,791	17.6%
Total shares	43,578,852	100.0%

RELATED-PARTY TRANSACTIONS

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

EMPLOYEES

On 30 June 2023, the Group had a total of 111 (100) employees, of which 42 (40) were employed in Business Area Sweden, 18 (18) in Business Area Korea, 17 (15) in Business Area Norway and 34 (27) in the Service Centre and R&D segment, which includes Technology, Growth, Program Office and Administration.

PARENT COMPANY

Biokraft International AB (publ) is the parent company of the Biokraft Group, which comprises several wholly and partly owned companies registered in Sweden, Norway, Korea and Germany. The Group's business is mainly operated through subsidiaries. Biokraft International AB (publ) is domiciled and headquartered in Stockholm, Sweden.

The parent company's total revenue for the second quarter of 2023 was SEK 0.8 (0.7) million, and profit after tax totalled SEK 14.4 (-16.8) million. The financial items include translation differences of SEK 6.6 (-16.7) million. Cash and bank balances as of 30 June 2023 totalled SEK 3.7 (141.7) million, and short-term investments totalled SEK 159.2 (0.0) million. The balance sheet total was SEK 1,762.3 (1,421.7) million on the same date.

GOING FORWARD

The European biogas market shows continued strength with a structurally driven demand for biomethane. It is mainly in Germany where manure-based liquid biogas has the greatest potential within the green transition of heavy road transport. Shipping and industrial use are also expected to increase the consumption of biomethane liquid biogas.

We continue to view the future very positively with great growth opportunities in Northern Europe. We continue the work to expand the business and develop our project portfolio to reach a production capacity of 1.2 TWh by 2026 and at least 3 TWh by 2030.

Operationally, the focus is on efficiencies, and we have initiated several improvement projects with the aim of increasing profitability and flexibility in production and removing bottlenecks.

Regarding our financial goals, we feel confident with our production capacity and revenue goals for 2024. The profitability goal of 30% operating EBITDA margin is firm even if current market prices for biogas and

certificates make reaching the goal as early as 2024 more challenging. New projects are expected to contribute positively to increased profitability.

OUTLOOK

As previously communicated, operating EBITDA will continue to be weak throughout 2023 given that we have a large proportion of fixed delivery agreements with fixed low prices that do not enable compensation for greatly increased costs.

EXPECTED SELLING PRICE AND CONTRACTED VOLUMES

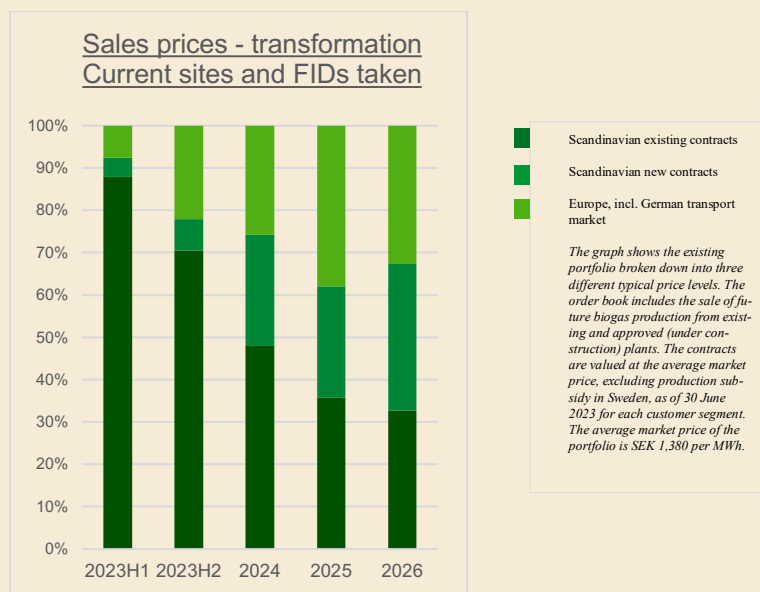
By the end of 2024, we expect that more than 50% of the volumes of existing and started plants will be sold at new market prices for biomethane, Bio-LNG and green certificates.

The graph to the left illustrates how our contract portfolio is adjusted to the market as old contracts expire and are replaced by new ones. The graph does not consider planned but not yet decided capacity expansion.

We estimate that our future prices in Scandinavia, including Swedish production subsidies, will be between 50% and 100% above the Group's average biomethane price in 2022, which totalled approximately SEK 900 per MWh.

In the German market, the price level, including certificates, is significantly higher, and we expect prices to be up to 300% higher. As of 30 June 2023, our average price was SEK 1,380 per MWh.

At the end of the quarter, the order backlog for existing plants and plants with investment decisions totalled 2.4 TWh, corresponding to a market value of approximately SEK 3.3 billion. We also have contracts for the supply of raw materials corresponding to 2.3 TWh. At least 75% of both the order book and raw material contracts are 49 months or longer.



Stockholm, 20 July 2023

Anders Bengtsson
Chairman

David Schelin
Board member

Petra Einarsson
Board member

Tina Helin
Board member

Håkon Welde
Board member

Jan Helland Eide
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.

Every care has been taken in the translation of this report. However, in the event of discrepancies, the original Swedish version will supersede the English translation.

OTHER INFORMATION

Biokraft International AB (publ), registration number 556528-4733,
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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 participate in the conference, click on the [Teams link](#) or visit Biokraft's website.

CALENDAR

Interim Report January–September 2023
Interim report January–December 2023

31 October 2023
7 February 2024

This information herein is information that Biokraft International AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons, on Thursday 20 July 2023 at 7:30 a.m. (CEST).

CONTACTS

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, SUMMARY

GROUP	Note	3 months		6 months		12 mos.
SEK thousand		Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Full year 2022
Net sales		109,268	92,837	216,577	185,733	366,709
Capitalised work on own account		5,417	5,203	10,912	10,134	20,389
Other revenue		20,453	3,026	37,736	3,553	20,343
Total	4	135,138	101,066	265,225	199,420	407,441
Raw materials and consumables		-63,079	-50,172	-135,327	-99,006	-205,630
Other external costs		-25,828	-20,971	-47,023	-42,915	-80,985
Personnel costs		-28,546	-26,210	-57,306	-50,104	-101,121
Depreciation, amortisation and impairment of tangible and intangible assets		-23,090	-20,937	-45,714	-41,122	-83,965
Other operating expenses		-791	-478	-1,389	-840	-919
Total		-141,334	-118,768	-286,759	-233,987	-472,620
Operating income		-6,196	-17,702	-21,534	-34,567	-65,179
Net translation differences		9,031	-13,692	-22,156	5,635	18,221
Other financial income		3,398	1,190	6,979	2,198	5,856
Other financial expenses		-18,917	-12,725	-35,204	-28,586	-54,267
Net financial items		-6,488	-25,227	-50,381	-20,753	-30,190
Profit/loss before tax		-12,684	-42,929	-71,915	-55,320	-95,369
Income tax		436	-162	877	377	10,447
Profit/loss for the period		-12,248	-43,091	-71,038	-54,943	-84,922
Other comprehensive income						
<i>Items that may be reclassified to profit or loss for the period</i>						
Actuarial results on postemployment benefits		-	-	-	-	412
Translation differences		-2,873	-5,959	-2,816	-1,623	-4,869
Other comprehensive income for the period, net after tax		-2,873	-5,959	-2,816	-1,623	-4,457
Total comprehensive income for the period		-15,121	-49,050	-73,854	-56,566	-89,379
<i>Profit/loss for the period attributable to:</i>						
Parent Company shareholders		-12,069	-41,313	-70,710	-51,450	-81,895
Non-controlling interests		-179	-1,778	-328	-3,493	-3,027
Total		-12,248	-43,091	-71,038	-54,943	-84,922
<i>Total comprehensive income for the period attributable to:</i>						
Parent Company shareholders		-14,254	-46,866	-73,677	-52,573	-84,802
Non-controlling interests		-867	-2,184	-177	-3,993	-4,577
Total		-15,121	-49,050	-73,854	-56,566	-89,379
Earnings per share, basic and diluted, SEK		-0.28	-1.41	-1.63	-1.80	-1.95

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, SUMMARY

GROUP		30 June		31 Dec
SEK thousand	Note	2023	2022	2022
ASSETS				
<i>Non-current assets</i>				
Intangible assets		91,337	100,133	99,165
Tangible assets		1,001,779	799,275	837,820
Right-of-use assets	3	210,802	240,644	244,680
Financial assets		41,216	33,802	43,091
Other non-current assets		-	222	-
Total non-current assets		1,345,134	1,174,076	1,224,756
<i>Current assets</i>				
Inventories		9,158	9,338	9,319
Accounts receivable		55,476	66,116	48,142
Other receivables		29,343	14,396	17,539
Prepaid expenses and accrued income		20,549	19,493	13,301
Short-term investments		159,190	-	-
Cash and cash equivalents		167,585	297,377	561,076
Total current assets		441,301	406,720	649,377
TOTAL ASSETS		1,786,435	1,580,796	1,874,133
EQUITY				
<i>Equity attributable to equity holders of the Parent Company</i>				
Share capital		87,158	61,067	87,158
Other paid-in capital		1,579,385	1,271,372	1,584,738
Translation reserve		2,060	7,130	5,027
Retained earnings, incl. comprehensive income for the period		-1,003,628	-881,684	-934,078
		664,975	457,884	742,845
Non-controlling interests		2,782	-14,428	-20,112
Total equity		667,757	443,456	722,733
LIABILITIES				
<i>Non-current liabilities</i>				
Borrowings	5	652,896	657,457	652,160
Lease liabilities		222,256	231,419	232,629
Deferred tax liabilities		8,411	10,604	9,033
Total non-current liabilities		883,563	899,480	893,822
<i>Current liabilities</i>				
Borrowings	5	8,359	11,973	16,949
Lease liabilities		25,198	19,997	24,850
Trade payables		87,233	94,907	95,023
Other liabilities		52,817	63,663	71,624
Accrued expenses and deferred income		61,508	47,320	49,132
Total current liabilities		235,115	237,860	257,578
TOTAL EQUITY AND LIABILITIES		1,786,435	1,580,796	1,874,133

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY, SUMMARY

Amount in SEK thousand	Attributable to shareholders of the Parent Company					Non-controlling interests	Total equity
	Share capital	Other paid-in capital	Translation reserve	Balance sheet result, including profit for the period	Total		
Opening balance at 1 Jan 2022	61,067	1,271,372	8,280	-834,092	506,626	-6,577	500,049
Profit/loss for the period				-51,450	-51,450	-3,493	-54,943
Translation differences			-1,150		-1,150	-500	-1,650
Total comprehensive income			-1,150	-51,450	-52,600	-3,993	-56,593
Acquisitions of non-controlling interests				3,858	3,858	-3,858	-
Total contributions from and value transfers to shareholders, recognised directly in equity				3,858	3,858	-3,858	-
Closing balance at 30 June 2022	61,067	1,271,372	7,130	-881,684	457,884	-14,428	443,456
Opening balance at 1 Jan 2023	87,158	1,584,738	5,027	-934,078	742,845	-20,112	722,733
Profit/loss for the period				-70,710	-70,710	-328	-71,038
Translation differences			-2,967		-2,967	151	-2,816
Total comprehensive income			-2,967	-70,710	-73,677	-177	-73,854
Share-based payments				866	866		866
Contributions from non-controlling interests ¹		-5,353		294	-5,059	23,071	18,012
Total contributions from and value transfers to shareholders, recognised directly in equity	-	-5,353	-	1,160	-4,193	23,071	18,878
Closing balance at 30 June 2023	87,158	1,579,385	2,060	-1,003,628	664,975	2,782	667,757

¹ Contributions from non-controlling interests primarily relate to the subsidiary Scandinavian Biogas Mönsterås AB.

CONSOLIDATED STATEMENT OF CASH FLOWS, SUMMARY

GROUP		3 months		6 months		12 mos.
		Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Full year 2022
SEK thousand	Note					
<i>Cash flow from operating activities</i>						
Operating income		-6,196	-17,702	-21,534	-34,567	-65,179
Depreciation, amortisation and impairment		23,090	20,937	45,714	41,122	83,965
Other non-cash items		1,547	-5,236	3,943	-6,313	200
Interest received		3,236	977	6,195	1,917	5,111
Interest paid		-17,629	-11,427	-38,211	-22,431	-48,538
Income tax paid		-	-	-	-2,730	-2,730
Cash flow from operating activities before change in working capital		4,048	-12,450	-3,893	-23,002	-27,171
<i>Cash flow from changes in working capital</i>						
Increase/decrease in inventories		-2,155	-878	161	-702	-683
Increase/decrease in operating receivables		-10,408	-13,490	-26,386	-8,137	12,786
Increase/decrease in operating liabilities		24,985	32,567	24,367	22,246	22,439
Total changes in working capital		12,422	18,199	-1,858	13,407	34,542
Cash flow from operating activities		16,470	5,749	-5,751	-9,595	7,371
<i>Cash flow from investing activities</i>						
Acquisition of intangible assets		-1,221	-849	-1,601	-1,942	-6,135
Acquisition of tangible assets		-146,551	-118,580	-223,865	-145,408	-272,522
Disposal of tangible assets		-	-	1,950	-	-
Investment grants received		86	4,528	2,900	12,125	91,074
Acquisition of subsidiaries		-	-	-5,825	-	-5,063
Increase/decrease of short-term investments		69,049	-	-159,190	-	-
Cash flow from investing activities		-78,637	-114,901	-385,631	-135,225	-192,646
<i>Cash flow from financing activities</i>						
New issue, net of issue costs		-	-	-	-	316,330
Loans raised	5	747	4,259	9,953	4,259	12,017
Loan and lease repayment		-14,748	-9,104	-28,988	-18,073	-35,104
Contributions to/from non-controlling interests		4	-	18,012	2,640	-2,460
Cash flow from financing activities		-13,997	-4,845	-1,023	-11,174	290,783
Total cash flow for the period		-76,164	-113,998	-392,406	-155,994	105,508
<i>Decrease/increase in cash and cash equivalents</i>						
Cash and cash equivalents at beginning of period		242,587	412,441	561,076	452,568	452,568
Exchange differences in cash and cash equivalents		1,163	-1,066	-1,085	803	3,000
Cash and cash equivalents at end of period		167,585	297,377	167,585	297,377	561,076

PARENT COMPANY PROFIT AND LOSS STATEMENT, SUMMARY

PARENT COMPANY		3 months		6 months		12 mos.
SEK thousand		Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Full year 2022
<i>Operating income</i>						
Net sales		778	661	1,597	1,390	2,824
Total operating income		778	661	1,597	1,390	2,824
Operating expenses		-2,484	-3,336	-4,868	-6,850	-11,273
Operating profit/loss		-1,706	-2,675	-3,271	-5,460	-8,449
Net financial items		16,098	-14,103	-641	5,758	1,697
Profit/loss before appropriations and tax		14,392	-16,778	-3,912	298	-6,752
<i>Appropriations</i>						
Group contributions received/paid		-	-	-	-	25,533
Total appropriations		-	-	-	-	25,533
Profit/loss before tax		14,392	-16,778	-3,912	298	18,781
Income tax		-	-	-	-	-
Profit/loss for the period		14,392	-16,778	-3,912	298	18,781

PARENT COMPANY BALANCE SHEET SUMMARY

PARENT COMPANY		30 June		31 Dec
SEK thousand	Note	2023	2022	2022
<i>Non-current assets</i>				
<i>Financial assets</i>				
Participations in Group companies		396,783	383,958	371,258
Receivables from Group companies		1,051,319	830,380	1,010,593
Total financial assets		1,448,102	1,214,338	1,381,851
Total non-current assets		1,448,102	1,214,338	1,381,851
<i>Current assets</i>				
<i>Current receivables</i>				
Receivables from Group companies		148,969	64,057	125,997
Other receivables		166	115	539
Prepaid expenses and accrued income		2,248	1,478	1,815
Total current receivables		151,383	65,650	128,351
Short-term investments		159,190	-	-
Cash and bank balances		3,670	141,687	251,165
Total current assets		314,243	207,337	379,516
TOTAL ASSETS		1,762,345	1,421,675	1,761,367
<i>EQUITY AND LIABILITIES</i>				
<i>Equity</i>				
Restricted equity		89,201	63,111	89,201
Non-restricted equity		1,033,044	728,233	1,036,956
Total equity		1,122,245	791,344	1,126,157
<i>Non-current liabilities</i>				
Borrowings	5	623,013	624,468	625,626
Total non-current liabilities		623,013	624,468	625,626
<i>Current liabilities</i>				
Trade payables		736	511	4,297
Liabilities to Group companies		11,096	1,299	-
Other liabilities		60	-	-
Accrued expenses and deferred income		5,195	4,053	5,287
Total current liabilities		17,087	5,863	9,584
TOTAL EQUITY AND LIABILITIES		1,762,345	1,421,675	1,761,367

NOTES

NOTE 1 GENERAL INFORMATION

Biokraft 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 22 Stockholm.

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

NOTE 2 SUMMARY OF ACCOUNTING POLICIES

Biokraft International AB (publ) 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 2022.

Accounting policies used in this report are in accordance with the policies applied in the previous financial year. No 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 period January–June 2023, EBITDA was improved by approximately SEK 14.5 (14.7) million, as IFRS 16 reduces operating expenses while simultaneously increasing aggregate depreciation/amortisation and financial expense by a corresponding amount. Lease liabilities totalled SEK 247.5 (251.4) million at 30 June 2023.

NOTE 4 SEGMENT REPORTING

Biokraft has identified three operating segments on the basis of geographical location from the internal reporting to the most senior decision-maker. The Group's activities are managed and reported on the basis of 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.

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.

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

Note 4	3 months		6 months		12 mos.
	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Full year 2022
<i>Net sales</i>					
Sales of goods, Sweden	46,598	38,690	87,439	80,801	148,853
Sales of goods, Norway	33,872	27,847	69,034	51,076	104,113
Sales of goods, Korea	6,005	3,749	14,603	7,962	16,860
Sales of services, Sweden	10,797	12,498	22,350	25,739	50,572
Sales of services, Norway	688	1,094	1,568	2,196	6,941
Sales of services, Korea	11,309	8,959	21,584	17,959	39,370
Group total	109,268	92,837	216,577	185,733	366,709

Note 4, cont.	3 months		6 months		12 mos.
	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Full year 2022
Revenue					
Business Area Sweden	82,479	57,512	156,269	116,179	232,416
Business Area Norway	35,317	30,409	72,531	57,278	117,285
Business Area Korea	17,313	12,708	36,186	25,921	56,230
Service Centre and R&D	8,562	8,051	17,543	14,029	30,849
Eliminations	-8,533	-7,615	-17,304	-13,986	-29,339
Group total	135,138	101,065	265,225	199,420	407,441
Operating expenses					
Business Area Sweden	-63,074	-52,081	-123,451	-105,363	-199,976
Business Area Norway	-30,085	-24,907	-67,344	-47,209	-109,731
Business Area Korea	-13,589	-11,542	-27,147	-22,135	-45,600
Service Centre and R&D	-19,239	-16,438	-39,018	-31,304	-61,767
Eliminations	8,534	7,615	17,304	13,986	29,339
Group total	-117,453	-97,353	-239,656	-192,025	-387,736
EBITDA					
Business Area Sweden	19,405	5,431	32,818	10,815	32,440
Business Area Norway	5,232	5,502	5,187	10,069	7,553
Business Area Korea	3,724	1,166	9,039	3,786	10,630
Service Centre and R&D	-10,676	-8,387	-21,474	-17,275	-30,919
Group total	17,685	3,712	25,569	7,395	19,705
Depreciation, amortisation, other operating expenses	-23,881	-21,415	-47,103	-41,962	-84,884
Group total	-23,881	-21,415	-47,103	-41,962	-84,884
Financial items					
Net financial items	-6,488	-25,227	-50,381	-20,753	-30,190
Group total	-6,488	-25,227	-50,381	-20,753	-30,190
Profit/loss before tax	-12,684	-42,929	-71,915	-55,320	-95,369

NOTE 5 BORROWINGS

GROUP	Carrying amount			Fair value		
	30 Jun 2023	30 Jun 2022	31 Dec 2022	30 Jun 2023	30 Jun 2022	31 Dec 2022
<i>Non-current</i>						
Liabilities to credit institutions	16,289	10,128	12,834	16,289	10,128	12,834
Corporate bond	623,013	624,468	625,626	626,706	621,934	629,888
Other non-current borrowings	13,594	22,861	13,700	13,594	22,861	13,700
	652,896	657,457	652,160	656,589	654,923	656,422
<i>Current</i>						
Liabilities to credit institutions	5,725	4,751	6,554	5,725	4,751	6,554
Other current borrowings	2,634	7,222	10,395	2,634	7,222	10,395
	8,359	11,973	16,949	8,359	11,973	16,949

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, had a fair value of SEK 689.5 (684.3) million at 30 June 2023. The maturity of the bond is 5 years from the issue date 8 June 2021 and bears interest at (Stibor 3M + 6%). Transaction costs related to the bond totalled approximately SEK 15.0 million and are being expensed 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 repurchase was made for a nominal amount of SEK 63.8 million. The outstanding nominal amount after repurchase was SEK 636.2 (636.2) million at 30 June 2023. Biokraft is entitled to sell the repurchased bonds on the market at any time. The company expects this to happen within the coming 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 December 2022, an agreement was signed for a revolving loan facility that can total SEK 300 million. The loan facility is tied to certain conditions. By the end of the period on 30 June 2023, the facility had not been drawn on.

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

NOTE 6 ALTERNATIVE KEY FIGURE 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 months		6 months		12 mos.
SEK thousand	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Full year 2022
Operating income	-6,196	-17,702	-21,534	-34,567	-65,179
Depreciation, amortisation and impairment	23,090	20,937	45,714	41,122	83,965
Other operating expenses	791	478	1,389	840	919
EBITDA	17,685	3,713	25,569	7,395	19,705

Operating EBITDA

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

OPERATING EBITDA	3 months		6 months		12 mos.
SEK thousand	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Full year 2022
EBITDA	17,685	3,713	25,569	7,395	19,705
Change earn-out	-	-2,617	573	-2,617	-2,233
Profit on sale of property, plant and equipment	-	-	-575	-	-1,050
Operating EBITDA	17,685	1,096	25,567	4,778	16,422

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	30 Jun 2023	30 Jun 2022	31 Dec 2022
Total equity (incl. non-controlling interests)	667,757	443,456	722,733
Total assets	1,786,435	1,580,796	1,874,133
Equity/assets ratio	37.4%	28.1%	38.6%

NOTE 7 SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

No significant events occurred after the end of the interim period.