An aerial photograph of a multi-lane highway cutting through a vast, dense forest. The road curves from the top center towards the bottom left. A white car is visible in the upper right lane, and a white truck is in the lower left lane. The surrounding forest is thick and green, with some brown patches of earth visible along the road's edge.

Annual and sustainability report 2023

BIO
J
RPM
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RPM

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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.

About Biokraft

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Biokraft is a Nordic greentech company that produces bioenergy and plant nutrition in a circular cycle by recycling organic waste and residual products in large-scale biorefineries.

PURPOSE

We enable a more sustainable society

MISSION

We transform organic waste and residual products into renewable energy and biofertiliser for a better tomorrow

Our key words are
**RESPECT, KNOWLEDGE,
JOY & PASSION**

BY RESPECT WE MEAN:

- ✓ Treating colleagues and partners with dignity and friendliness
- ✓ Being considerate
- ✓ Not discriminating or harassing our colleagues or partners
- ✓ Being there for each other

BY KNOWLEDGE WE MEAN:

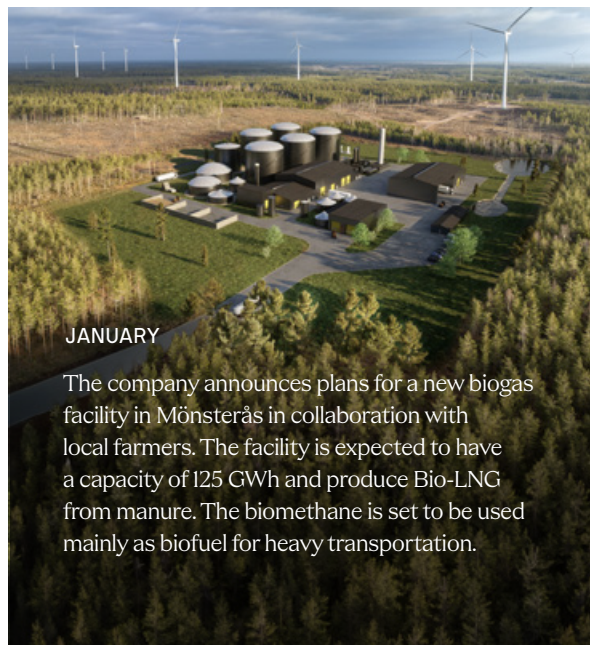
- ✓ Sharing our knowledge and expertise
- ✓ All employees knowing how the organisation works
- ✓ All employees being an important part of the organisation
- ✓ Being a leader in the biogas process

BY JOY WE MEAN::

- ✓ Having a good working environment and community
- ✓ Seeing opportunities
- ✓ Being committed
- ✓ Taking pride in what we do

**OUR PASSION IS TO MAKE A
DIFFERENCE!**

2023 in brief



JANUARY

The company announces plans for a new biogas facility in Mönsterås in collaboration with local farmers. The facility is expected to have a capacity of 125 GWh and produce Bio-LNG from manure. The biomethane is set to be used mainly as biofuel for heavy transportation.

APRIL

The company decides to establish a subsidiary in Germany to explore investment opportunities within biogas. An agreement with German Biogas i Sverige AB for the development of biogas production facilities in Germany is made. The collaboration will initially focus on project development.

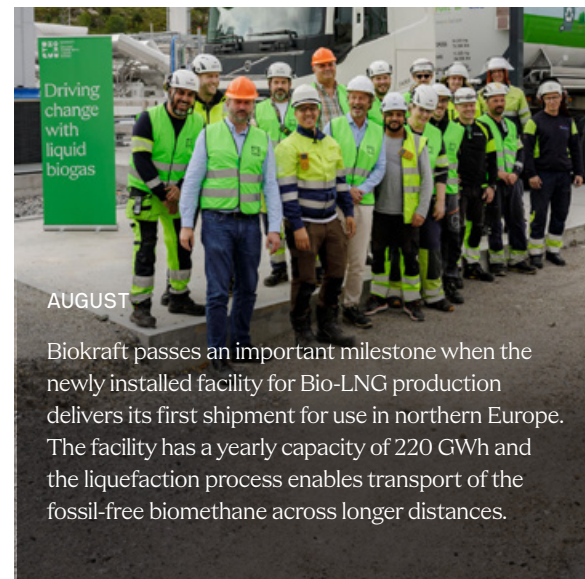
JUNE

Biokraft announces plans for a biogas facility in Perstorp following the approval of a land assignment agreement on municipal industrial land by the Perstorp municipality. The planned facility in Perstorp, which is similar to the facilities in Mönsterås, Kalmar and Skånes Fagerhult, will be based on manure and involve collaboration with local farmers. Expected capacity will be 125 GWh.

BIO **BIOKRAFT**
T **DRIVING**
RAR **CHANGE WITH**
LIQUID
BIOGAS

JUNE

The Group announces a new brand and changes its name from Scandinavian Biogas to Biokraft. The name originates from the Norwegian subsidiary with the same name, which has previously been known as a leading producer of Bio-LNG. With the new name, the company aspires to maintain its leading position within the Group as a whole.



AUGUST

Biokraft passes an important milestone when the newly installed facility for Bio-LNG production delivers its first shipment for use in northern Europe. The facility has a yearly capacity of 220 GWh and the liquefaction process enables transport of the fossil-free biomethane across longer distances.

DECEMBER

Biokraft receives new ISCC certificates for facilities Henriksdal and Södertörn in Sweden and Skogn in Norway. The certificates ensure traceability and the upholding of sustainability standards through the entire production chain. The certification also enables continued export to important markets in Europe and meets strict Nordic customer demands.

Biokraft's two major shareholders, Aneo Renewables Holding AS and Stl Sverige AB, announce their intention to consolidate their shares into a new company, iVision Biogas. Read more under Significant Events After the End of the Period.

Summary of 2023

CONSOLIDATED
NET SALES

446
MSEK

GROUP BIOGAS
SALES¹

348
GWh

EMISSIONS REDUCTION
FOR THE GROUP

100 676
tonnes CO₂eq

GROUP MANAGEMENT OF
ORGANIC WASTE, RESIDUES
AND PROCESS WATER

1 120 883
tonnes

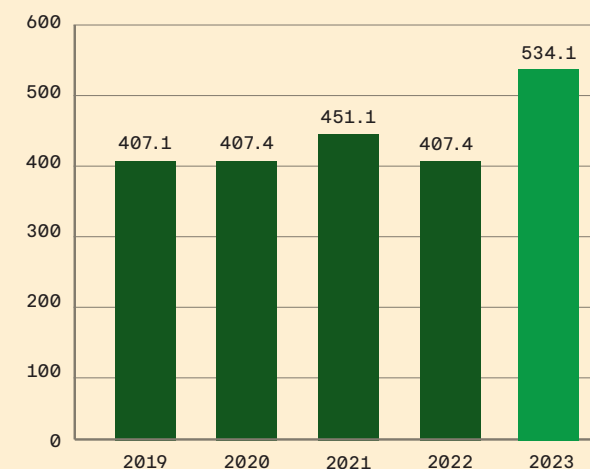
Group, MSEK	2023	2022	2021	2020	2019
Sold GWh ¹	348.0	328.1	366.3	354.7	352.0
Net sales	445.8	366.7	393.8	338.4	363.6
Other income	64.7	20.3	36.6	51.8	31.5
Total revenues, incl capitalised work	534.1	407.4	451.1	407.4	407.1
EBITDA ²	31.7	19.7	90.1	80.6	87.8
Operating EBITDA ²	31.7	16.4	80.9	70.3	75.8
Operating EBITDA % ²	6.2%	4.3%	19.2%	19.1%	19.2%
Operating profit/loss	-73.1	-65.2	5.0	-6.0	-1.9
Earnings per share (SEK) ³	-3.65	-1.95	-1.27	-2.07	-3.32
Cash flow from operating activities	22.7	7.4	55.7	89.4	0.0
Balance sheet total	1,961.6	1,874.1	1,653.2	1,539.5	1,294.1
Equity/Assets ratio, %	29.80%	38.6%	30.2%	33.9%	17.7%

1. Biogas sales include CBG, Bio-LNG and raw biogas.

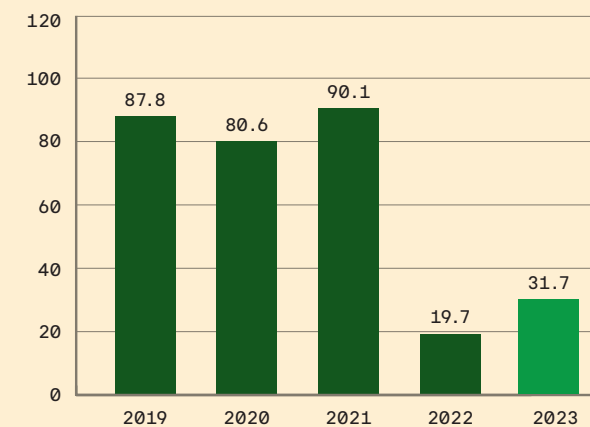
2. Note 35, Key Figure Definitions.

3. Due to the 10-to-1 share consolidation conducted in autumn 2020, the number of shares for the 2018-19 period has been divided by 10 to produce comparable data.

TOTAL REVENUES, MSEK



EBITDA, MSEK



A word from the CEO

A year of high activity and operational challenges

Interest in biogas, especially Bio-LNG, has remained high on the European market. The unrest in the region, including Russia's ongoing invasion of Ukraine, unrest in the Middle East and uncertainty in the shipping lanes for maritime transport, are contributing to the increase in interest. The European Commission's stated target of an annual production of biomethane of 350 TWh by 2030, combined with an increased ambition for European and domestic self-sufficiency, puts the issue further in focus. All in all, this provides Biokraft with excellent opportunities to continue its growth journey and to continue to contribute to the green transition for heavy transport, shipping and industry.

2023 has been an intense year as we have reached several important milestones. During the year, we launched our new company name and brand, Biokraft, which we believe better describes the entirety of our business. In addition, Biokraft was already a well-known brand through our Norwegian operations of the same name and our business with liquefied biogas. The new brand has been positively received by employees, customers and other key stakeholders.

During the year, we also began commissioning our liquefied biogas plant at Södertörn in Sweden. In August, the first shipment of liquefied biogas was able to leave the plant and be transported to Europe. In Norway, our expansion at our Skogn facility was finally received by the operating organisation from the supplier. The project, Skogn II, was a capacity expansion of 35 GWh of liquefied biogas. Both Skogn and Södertörn are among the largest facilities of their kind in the world. Our investment in liquefied biogas is our most important contribution to a sustainable society where our products contribute to the green transition and reduce greenhouse gas

emissions, while also contributing to an increased degree of self-sufficiency in renewable fuels in Europe.

We also started the construction of our future manure-based plant in Mönsterås. It marks an important starting point in a new phase in our growth journey as the facility is intended to set a new standard for how our future facilities will be constructed according to the same concept. This will contribute to increased economies of scale in terms of investment costs, operation and maintenance, as well as stable production.

It is gratifying that all of our facilities that are ISCC-certified, Skogn in Norway and Henriksdal and Södertörn in Sweden, have received renewed certificates. On the one hand, it is an important part of our sustainability work that provides traceability throughout the production chain, and on the other hand, it gives us access to the European export market where certificates can provide a price premium. We also see that interest in certified biogas is increasing in our domestic markets.



2023 has also been a very challenging year, which we were aware of and communicated already at the beginning of the year. In December 2022, the so-called Landvärme ruling was issued, which in one stroke removed biogas's tax exemption in Sweden. It has, of course, affected the industry and Swedish growth. We also entered 2023 with high inflation and increased costs for certain input goods, in particular certain chemicals, for which we were unable to receive compensation due to old, fixed customer contracts. However, during the year, we have worked to replace our old contracts with new ones with market pricing, and we are proud of the price transformation we have achieved. As we enter 2024, the balance looks completely different, although we still have some long-term contracts at fixed prices. However, we have seen the levels of green certificate prices in Germany go down. They were very high at the beginning of the year but then fell to stabilise at a low level.

2023 has also been marked by operational challenges at several of our facilities, including Skogn in Norway and Södertörn in Sweden. Altogether, the challenges have meant that we have had a lower production than expected and that we have not yet been able to return on the capacity expansions at these plants in the way we wanted, something we are obviously not satisfied with.

Strong order book and continued price transformation

We continue to have strong demand for our produced biogas and biomethane. Most of our volumes in the coming years are already contracted and we expect to continue our price transformation where the new contracts are clearly linked to market prices for energy and green certificates. At year-end, the order book for existing and approved facilities amounted to 2.1 TWh, corresponding to a contract value of approximately SEK 2.9 billion. We also have agreements for raw material supply corresponding to 2.3 TWh.

Continued strong focus on growth

In 2022, we set ambitious targets for our growth. Our target of 1.2 TWh by 2026 and 3 TWh by 2030 means that we need to have several parallel growth projects. Our project portfolio includes around ten development projects in various stages, from initial discussions to advanced feasibility studies and environmental permits applied for. The portfolio includes three projects that are approaching investment decisions, Skånes Fagerhult and Perstorp in southern Sweden, and one project in Germany. We plan to be able to make investment decisions on these projects during the current or coming year.

Summary results 2023

In terms of earnings, 2023 was a weak year, although energy sold increased by 6.1 per cent to 348.0 (328.1) GWh. Revenue, including capitalised work, also increased by 31.1 per cent to SEK 534.1 (407.4) million. Operating EBITDA amounted to SEK 31.7 (16.4) million and the operating EBITDA margin was 6.2 (4.3) per cent. The weak result is partly attributable to increased costs for input goods, certain operational challenges and the weak Swedish Krona, which has affected certain investment costs, and partly to increased costs for personnel as the organisation has prepared for significant growth in the coming years.

Going forward and outlook

All indications are that interest in biogas and biomethane will continue to be high. Within the EU, intensive work is underway through, among others, REPowerEU and the Biomethane Industrial Partnership to improve the conditions for achieving the European Commission's ambitious goals. The expansion of infrastructure such as filling stations and continued imports of gas from Denmark via the West Swedish gas grid strengthen our belief in market conditions.

For 2024, we see that the price transformation will have an effect right from the beginning of the year, where more

than 60 per cent of contracted volumes will be sold through new agreements at market price of biomethane, Bio-LNG and green certificates. The cost of inputs remains at a high level. In connection with the IPO in 2020, the Group's overall financial targets for 2024 were set. The targets were adjusted in connection with the report for the second quarter of 2022 and since then are to reach a production capacity of at least 600 GWh, total revenues of at least SEK 650 million, an operational EBITDA margin of at least 30 per cent and an ongoing equity/assets ratio of 25 per cent. As we enter 2024, we see that we will achieve these, except for the target of operational EBITDA margin. As previously communicated, it remains firm but will take longer to achieve. Our profitability will gradually improve during the year. For 2024, an operational EBITDA of SEK 90-120 million is forecast, excluding the Mönsterås project. At least the same level is also forecast for 2025, excluding the Mönsterås project. The issue of electricity grid connection and the timetable for commissioning of Mönsterås may result in a risk of postponement of commissioning by six to twelve months.

Significant events after the end of the year

In December 2023, our two largest shareholders, Aneo Renewables Holding AS and StI Sverige AB, announced their intention to consolidate their ownership in a jointly owned limited liability company, IVision Biogas AB. The consolidation has been completed and IVision Biogas has, following a mandatory offer, achieved 96.8 per cent of the shares and votes in Biokraft. Biokraft International AB was delisted from Nasdaq First North Premier Growth Market on April 9, 2024. Read a complete summary of the course of events on page 70 and under Note 36, Events after the Balance Sheet Date, on page 100.

Stockholm, May 2024

Matti Vikkula, *CEO and President*

Biokraft as an investment

Share and shareholders

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

Biokraft's market capitalization amounted to approximately SEK 887 million on 31 December 2023. The number of shareholders totalled 2,730 at year end, and the total number of shares and votes was 43,578,852.

Share performance and trading volume

During the period January 2 to December 29, 2023, approximately 4.3 million shares in Biokraft were traded on Nasdaq Stockholm. The average daily turnover for Biokraft was 17,204 shares and the average price was SEK 20.29.

In 2023, the share price for Biokraft fell by 16.9 per cent, from SEK 24.50 to SEK 20.35. The highest price paid in 2023 was SEK 26.50 on 23 January and the lowest price paid was SEK 15.52 on 8 November. The share price on 29 December 2023 amounted to SEK 20.35 (last paid).

BIOKRAFT INTERNATIONAL AB (PUBL)

Trading venue	Nasdaq Nordic
Share name	Biokraft International
Short name (ticker)	BIOGAS
ISIN code	SE001542896
Segment	Premier
Sector	Energy
Currency	SEK
Total number of outstanding shares	43,578,852
Total number of shares listed on Nasdaq Stockholm	43,578,852
Closing price, 29 Dec 2023	20,35 SEK
Market value 31 Dec 2023	887 MSEK
Certified Adviser	Carnegie Investment Bank AB (publ)





Share capital and capital structure

Biokraft's share capital on 31 December 2023 totalled SEK 87,157,707. The total number of shares was 43,578,852. The quota value is SEK 2.0. The company holds no own shares.

Biokraft carried out a directed share issue in November 2022, which increased the number of shares and voting rights by 13,045,000. In 2023, no share issues were carried out.

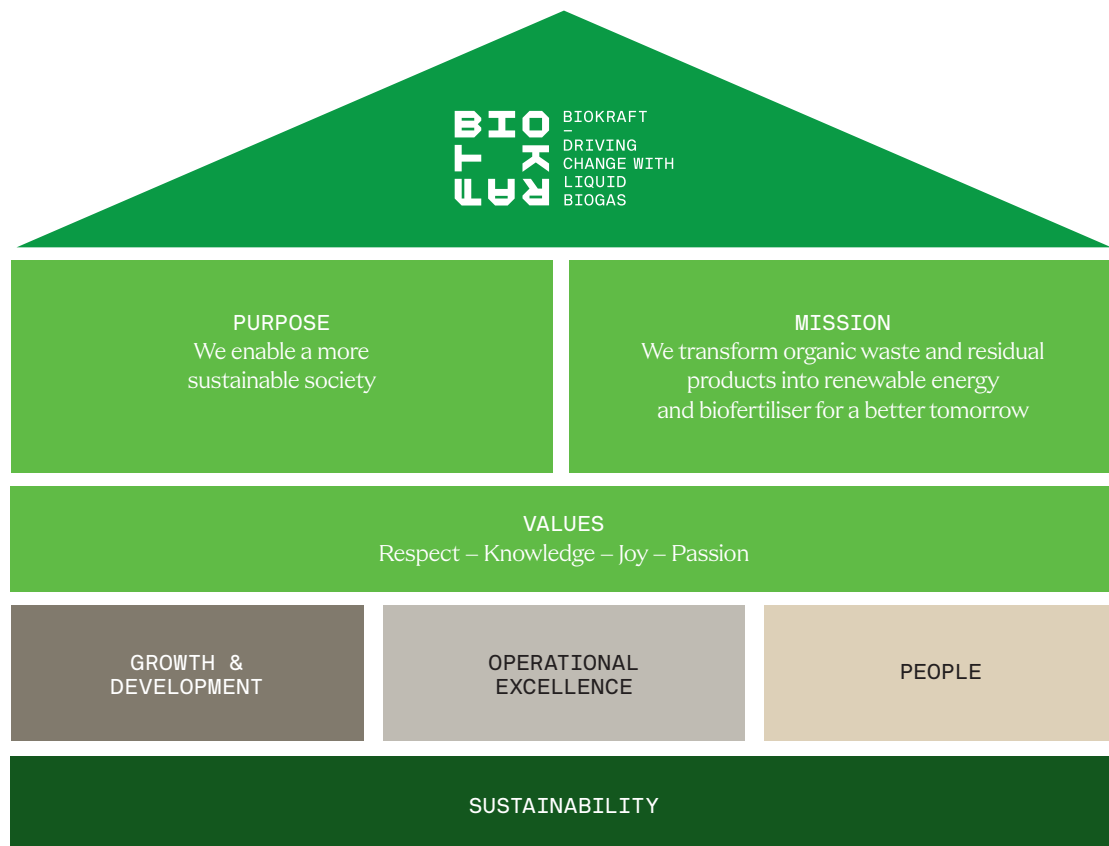
OWNERS AT 31 DECEMBER 2023

Owner	Number of shares	%
Aneo Renewables Holding AS	15,891,422	36.5%
StI Sverige AB	8,085,810	18.6%
Bengtssons Tidnings AB	4,408,376	10.1%
Wipunen Varainhallinta Oy	4,084,785	9.4%
Fondita Sustainable Europe	1,111,225	2.5%
Fondita Global Megatrends	955,244	2.2%
Lannebo Sverige Hållbar	773,241	1.8%
Erik Danielsson	584,631	1.3%
Anders Bengtsson	584,360	1.3%
RBCB Lux Ucits Ex-Mig	550,689	1.3%
	37,029,783	85.0%
Other	6,549,069	15.0%
Total shares	43,578,852	100.0%

Strategy and market

Biokraft's purpose and mission is to contribute to the green transition through our bioenergy and biofertiliser products. Our main production is located in Sweden and Norway, but we consider all of northern Europe to be our home market, where we have sales for our products. We also operate a facility in South Korea. Our long-term ambition is to reach a production capacity of 3 TWh in 2030.

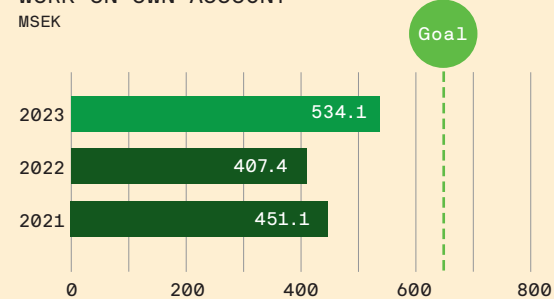
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INVESTMENTS IN RENEWABLE ENERGY	17
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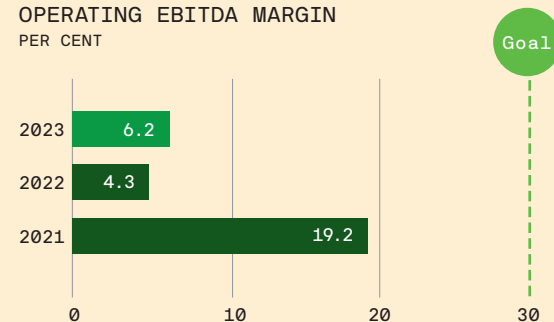
Business model

Our business model is to build, own and operate large-scale bio-refineries that produce biogas and biofertiliser. Our facilities are based on our proprietary HOLD Technology™ that produces biogas in a resource-efficient way. We can also offer long-term partnerships for technical consultancy and operation of biogas facilities designed according to our concept.

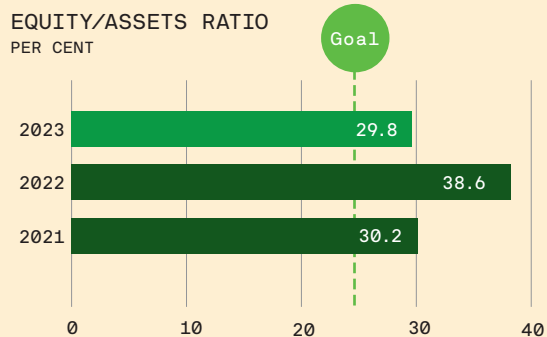
TOTAL REVENUES INCL. CAPITALISED WORK ON OWN ACCOUNT
 MSEK



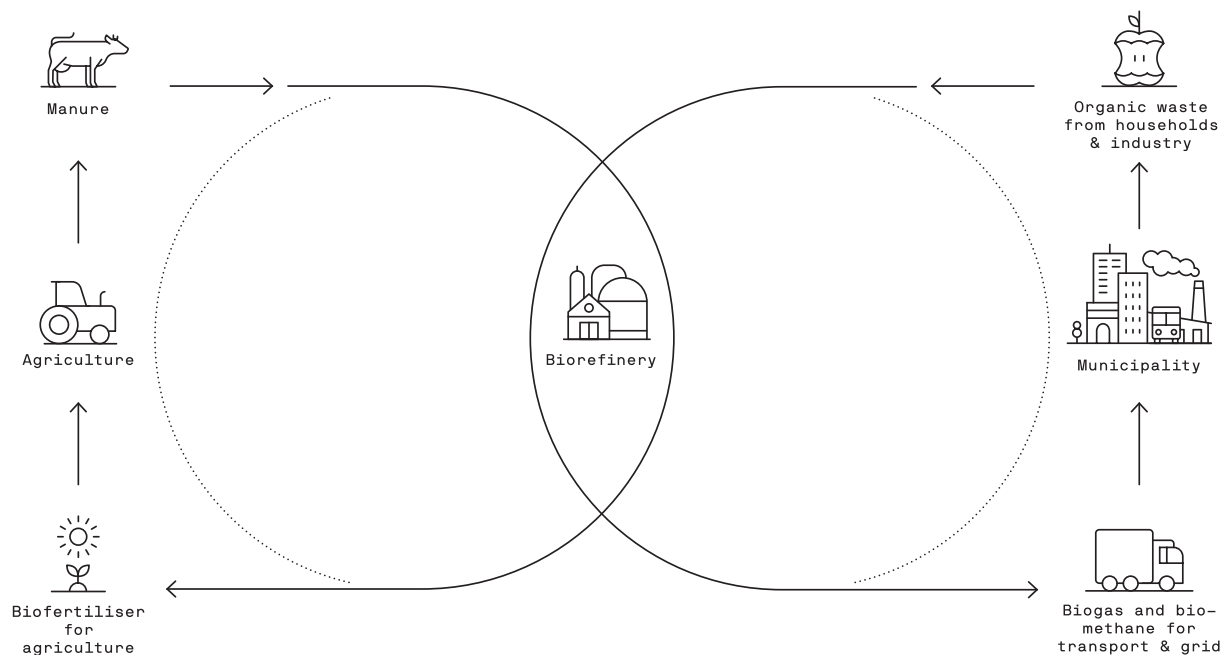
OPERATING EBITDA MARGIN
 PER CENT



EQUITY/ASSETS RATIO
 PER CENT



Our value chain



A circular cycle

Biogas production is an endless cycle for which the main feedstock is organic waste and residues. Cities provide sewage sludge and food and industrial waste, agriculture provides manure and other residues. Out comes a completely renewable fuel that helps reduce emissions and enables the green transition. Biofertiliser is also generated, supporting a greener agriculture. And it starts all over again – a true circular economy.

Organic waste and residues

Our biogas is produced solely from organic waste and residues that are not fit for human consumption in any other way. We do not use crops grown specifically to make biogas. In Sweden, most of the substrate comes from food and industrial waste, sewage sludge or manure. In Norway, the majority consists of process water and fish silage from nearby industries. In Korea, the substrate consists mainly of food waste and primary sludge from nearby wastewater treatment plants.

Biogas production

Biogas can be used as an umbrella term for all forms of biogas, but it is often divided into different subgroups based on the level of refinement or upgrading.

Biogas

Biogas, or raw biogas, is the gas that is formed when organic material decomposes in the first step of the refining process. It has several uses, such as electricity and heating. We produce biogas at our plants Södertörn in Sweden, Skogn in Norway and Ulsan in Korea.

Upgraded biogas

If the biogas is upgraded, biomethane is obtained. It has the same chemical composition as fossil gas and can replace it as a biofuel for city buses and trucks, for example. Upgraded biogas can also be referred to as compressed biogas (CBG). We produce CBG at all our plants in Sweden.

Liquefied biogas

Biomethane can also be liquefied and as such more energy dense. This makes it easier to transport longer distances. It is ideal as a biofuel for heavy transport and shipping. Liquefied biogas is also known as Bio-LNG. We produce Bio-LNG at our plants Skogn in Norway and Södertörn in Sweden. Both facilities are among the largest of their kind in the world.

Biofertiliser

The digestate left over from the production of biogas is used to produce a biofertiliser that has soil-improving properties and can replace artificial fertilisers. In addition, it contains more favourable levels of nutrients such as nitrogen and phosphorus, which means that it has a greater spreading potential than other fertilisers. When the biofertiliser is returned to agriculture, the circle is closed and what was once waste can be turned into new crops and food.

Our strategy



Growth and development

Reaching our long-term target of 3 TWh by 2030 requires an ambitious growth plan to add new production capacity. We have divided our growth strategy into stages that include the expansion and improvement of existing facilities and the addition of new capacity in both the short and long term.



SHORT TERM: STABILISATION 2024

Focus on creating stable production from our existing plants, where we have expanded production capacity to include, among other things, liquefaction equipment in Södertörn, Sweden, as well as the commissioning of our future facility in Mönsterås in southeast Sweden.



SHORT TERM: STANDARDISATION 2025-2026

With our new facility in Mönsterås, we start a new era in our growth journey. Additional plants are planned and constructed using the same standard, to create economies of scale at all stages, from plan development, construction and commissioning to stable production of biogas and biofertiliser. For this stage of the growth strategy, we have a number of development projects we call 'ready to go'. These are well advanced in the exploration phase and can be started when we are ready for an investment decision.



MEDIUM TERM: ACCELERATION 2026-2030

Provided that we can carry out our planned efforts for stabilisation and standardisation, we can enter the next phase, which we call acceleration. In this phase, we intend to be able to add additional projects that we have in the exploration phase to be able to reach our long-term goal of 3 TWh by 2030. These projects are further away from investment decisions; from initial investigations to more concrete investigations of the availability of substrates, suitable land and conditions for, for example, environmental permits.



Read more about our ongoing growth projects on page 17



Strategically important partnerships

Co-operation remains a very important success factor, and the ambition is to increase the number of long-term and strategic partnerships along the entire value chain, primarily with customers, substrate suppliers and distributors of biogas and biofertiliser.



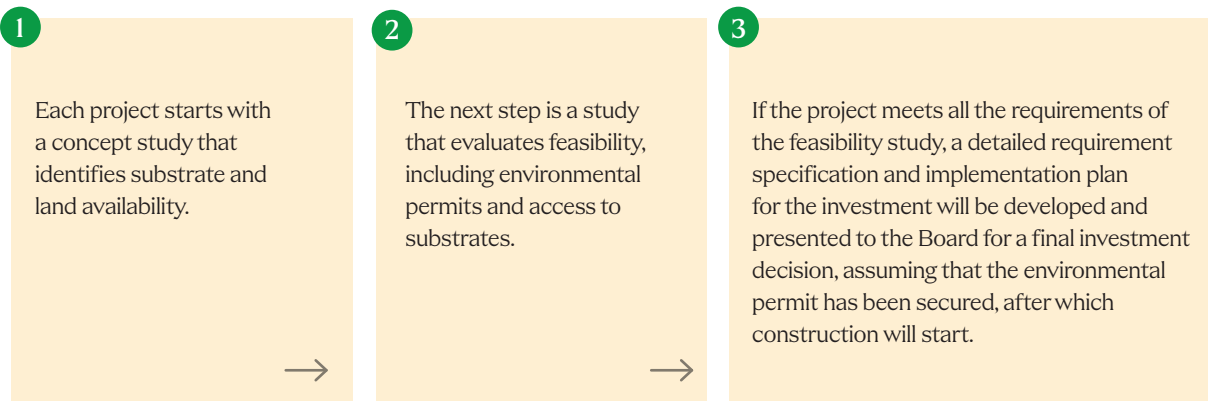
Research and product development

An important part of our growth strategy is the activities conducted in our laboratory where we constantly evaluate and optimise different substrates and input materials to create as favourable and stable gas production as possible. Our proprietary HOLD Technology™ forms the basis of our business. Developed over fifteen years based on research and practical experience from large-scale biogas production, the result is our unique, world-leading expertise in how bio-refineries should be designed and operated for optimal cost- and resource-efficient production.

In our laboratory, over 400 organic materials from 40 countries have been analysed and evaluated so far, and new combinations are continuously tested to optimise the formula based on substrate availability.

We also have a strategic focus on developing and creating profitable biofertiliser products favourable to different types of agriculture. Biofertiliser is an important part of our circular value chain, with organic waste and residues we bring into the process returned to the cycle and transformed into new production.

OUR GROWTH PROJECT PROCESS



← TIME: 18 TO 36 MONTHS COST: UP TO 20 MSEK →



As certification according to different classification systems such as ISCC has become a more important component of the European gas market, we have expanded our strategic focus to diversify our offer with different biogas products. By offering a number of different products, both gaseous and liquid, based on the substrates they are produced from, we can create a more dynamic customer portfolio that better follows both the market and prevailing conditions, such as the availability of substrates and other inputs.



Operational excellence

World leader in large-scale biogas production operations

In addition to our proprietary HOLD Technology™ that underpins our production, we have a comprehensive business management system, the Biokraft Business System, that will ensure safe and efficient operation of our existing and future plants. The system provides the basis for systematic and continuous improvements according to four basic principles in the following order of priority:

Safety: Our main priority is always to put safety first and create the conditions for safe production for both people and the environment.

Quality: Our customer promise is to produce and deliver the promised quality of our products. An important component in maintaining our trust is transparency and traceability in production, which is why we follow various certification programmes such as ISCC and SPCR-120 and hold a sustainability certificate from the Swedish Energy Agency.

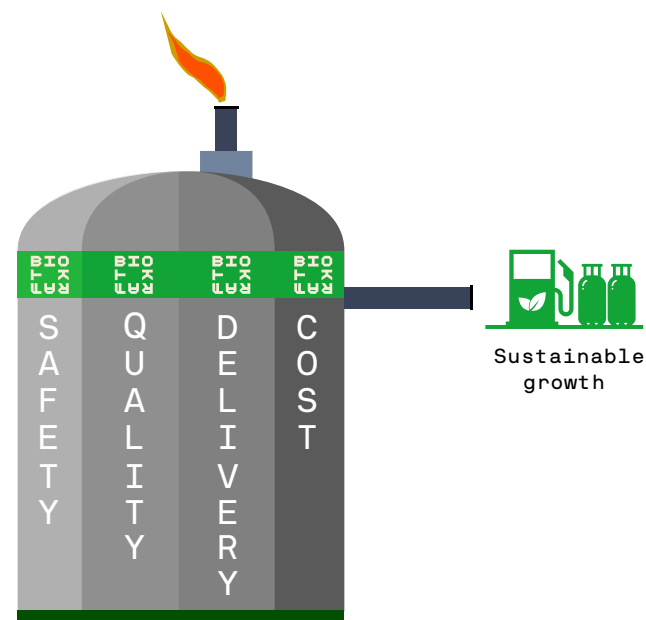
Delivery: An extension of our customer promise is to deliver the contracted quantity on time.

Cost: Conscious cost control and systematic and continuous streamlining of our production ensure that we are competitive and profitable.

People

Biokraft is a knowledge-intensive company. It is our employees' skills, knowledge and commitment that create value and enable us to be an industry leader and develop our business. Therefore, our people are a strategic cornerstone that we intend to continue developing.

We aim to be an industry leader in attracting, retaining and developing talent – no matter where they are in their career journey. To achieve this, we have a strong organisational culture based on our purpose, mission and values.





Investments in renewable energy

Decided and ongoing projects

For the full year, investments in tangible and intangible assets before investment grants amounted to SEK 554.4 (278.7) million. In 2023, investment grants of SEK 129.1 (91.1) million were received from Klimatklivet and Enova.

The Group aims to achieve a production capacity of 1.2 TWh by the end of 2026, most of which will be processed into Bio-LNG.

Stockholm Bio-LNG, Sweden

This project aims to build a liquefaction plant with a production capacity of 220 GWh and to increase the production capacity by up to 30 GWh in the existing plant at Gladö Kvarn in Södertörn. The Stockholm Gas Network (Gasnätet Stockholm) is running a project to connect the Södertörn plant to the gas grid and thereby enable liquefaction of biogas production from Henriksdal. In 2023, work continued on the expansion of the liquefaction plant and start-up began in late summer 2023.

Mönsterås, Sweden

The project involves the construction of a manure-based biogas plant with a technical production capacity of 125 GWh of liquefied biogas and 200,000 tonnes of biofertiliser. The investment decision was made at the end of 2022. The plant will have a high proportion of manure substrate that provides an excellent CO₂ reduction value, which with current market prices and certificate values will result in better profitability. The Mönsterås project is in an active construction phase and the work is progressing according to schedule. Most of the structures have been erected and installation work is underway. The commissioning is dependent on the connection to the electricity grid, and

we see a risk that the schedule for the connection will be shifted by the grid owner. The project is working in parallel with the grid owner to establish a timetable for connection and several interim solutions to enable commissioning of the plant. Commissioning was originally planned for the second half of 2024, but there is a risk that the schedule may be delayed by six to twelve months.

Projects under evaluation/project planning

Skogn, Norway

Within the Skogn project, we have identified the opportunity to increase the flexibility of the facility with modified technical solutions to enable reception of a wider range of substrates. Planning is underway. Once an investment decision is made, commissioning can begin within 18 months.

Skånes Fagerhult, Sweden

Skånes Fagerhult refers to a production facility for liquefied biogas with a technical production capacity of 135 GWh and 200,000 tonnes of biofertiliser. Production will mainly be based on manure and other organic residual waste from nearby farms and food production. The liquefied biogas is primarily intended to be sold to the transport sector. Investment decision is planned to be made in the third quarter of 2024, which means that commissioning can begin in the first half of 2026. The project has been granted SEK 154 million in investment grants through the Swedish Environmental Protection Agency's Climate Leap (Klimatklivet). During the year, Biokraft completed the purchase of the land, continued the process for environmental permits and signed agreements with local farmers as suppliers of manure.

Perstorp, Sweden

The project concerns a biogas production facility with a technical production capacity of 125 GWh and 200,000 tonnes of biofertiliser. Here, too, production will mainly be based on manure and other organic residual waste from nearby farms and food production. The production facility is intended to be connected to western Sweden's natural gas grid, and the biogas is intended to be sold to the transport sector and industry. The assumption is that investment decisions can be made during the first quarter of 2025, meaning that commissioning can begin in the second half of 2026.

Kalmar, Sweden

The Group is also running a project in Kalmar for a production plant for liquefied biogas with a technical capacity of 120 GWh and 200,000 tonnes of biofertiliser. The input material will consist of manure from animal husbandry, as well as some organic waste from the food industry. The project's schedule will be adapted to the possibilities of connection to the electricity grid.

Germany

This project concerns a biogas production plant with a technical production capacity of approximately 175 GWh and 200,000 tonnes of biofertiliser. Production will mainly be based on manure. The production facility is intended to be connected to the German gas grid, and the biogas is intended to be sold to the transport sector and industry. The assumption is that investment decisions can be made during the first quarter of 2025, which means that commissioning can begin in the second half of 2026.

OVERVIEW OF ONGOING AND PLANNED INVESTMENTS

Project	Type	Additional capacity biogas, GWh*	Additional capacity LBG, GWh*	Feedstock type	Status	Estimated commissioning
Stockholm Bio-LNG	Extension/Improvement	-	220	Conversion of CBG to LBG	Commissioning	2023
Södertörn	Extension/Improvement	<30	-	Manure and other organic waste	Investment planning	2025
Skogn	Improvement	-	-	Manure and other organic waste	Investment planning	2024-2025
Mönsterås	Green field	125	125	Manure and agri-based waste	Construction	2024
Skånes Fagerhult	Green field	135	135	Manure and agri-based waste	Environmental permit phase	2026
Perstorp	Green field	125	125	Manure and agri-based waste	Environmental permit phase	2026
Tyskland	Green field	175	tbd	Manure and agri-based waste	Investment planning	2026
Kalmar	Green field	120	120	Manure and agri-based waste	Environmental permit phase	tbd
Total		710	725			

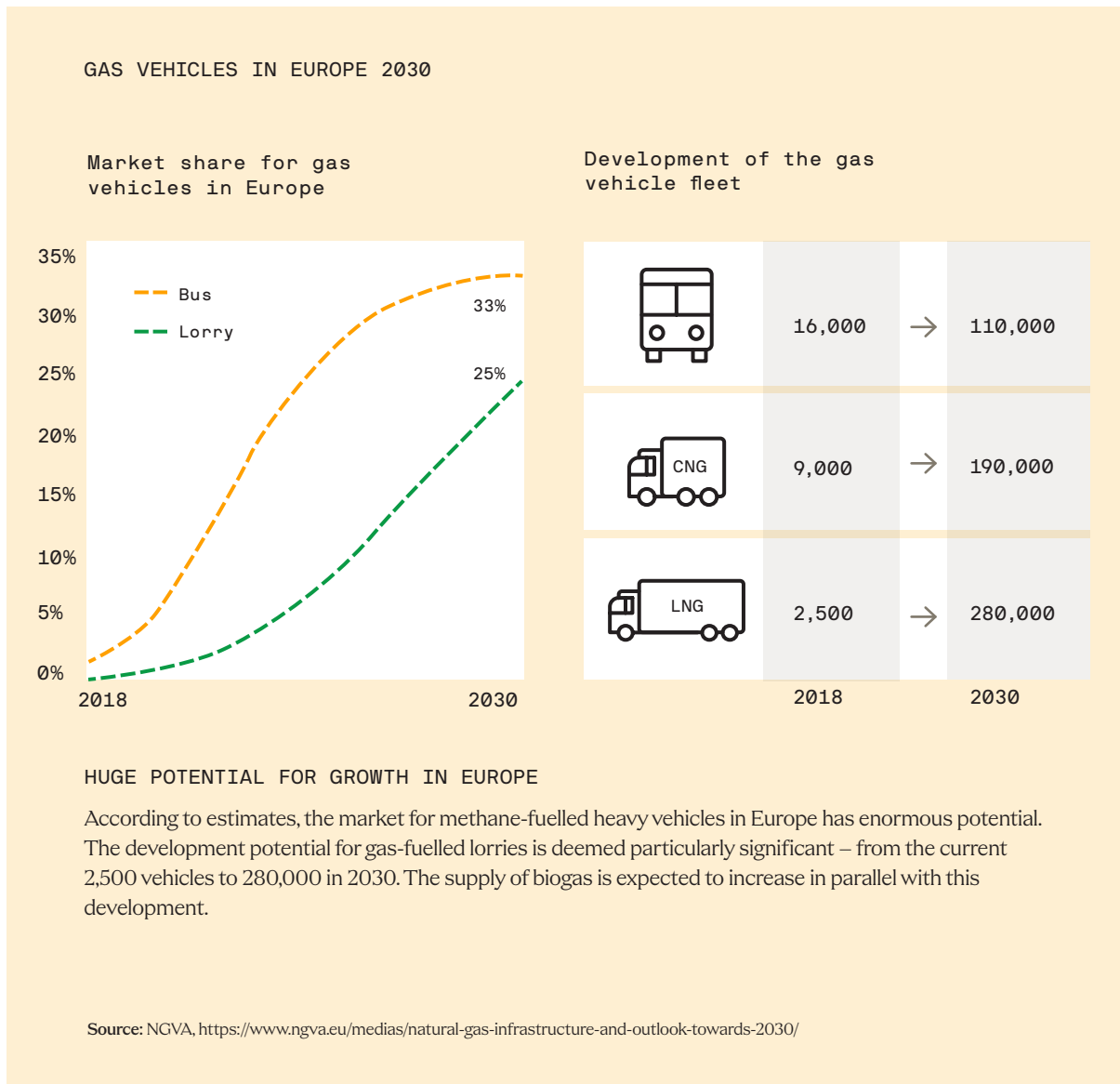
* Biogas pertains to subsequent production capacity for biomethane (upgraded raw gas). LBG pertains to subsequent capacity for upgrading biomethane to liquid biogas.

Market and key drivers

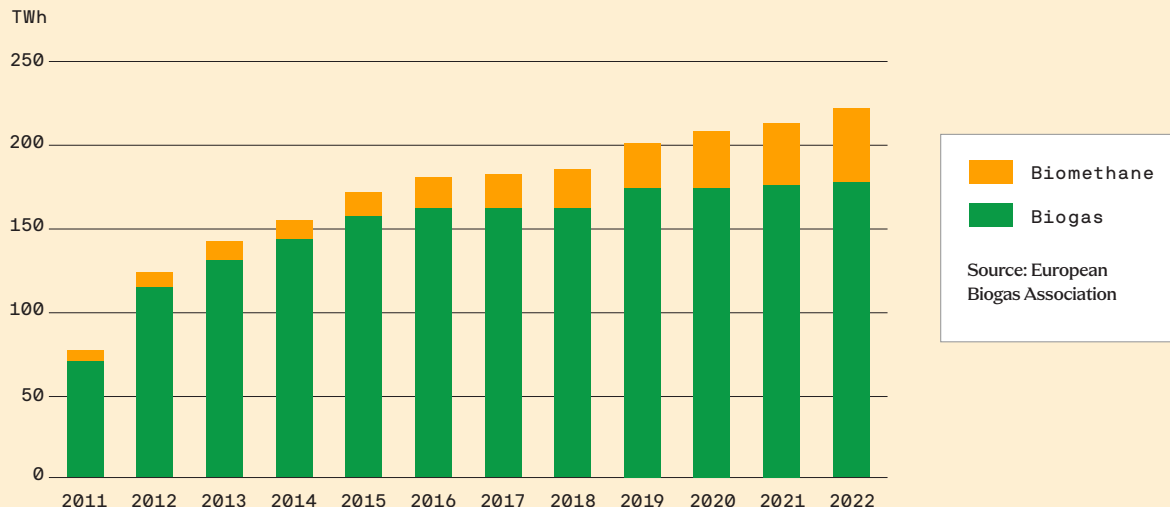
Biogas has a great growth potential in Europe and globally. Russia's invasion of Ukraine is driving a desire for increased self-sufficiency in energy and fuels, while political ambitions for a faster green transition provide biogas with an excellent opportunity to be a natural part of the future energy mix.

Biogas can directly replace fossil gas and can be easily integrated into existing fossil gas flows and infrastructure in Europe. The gas is increasingly seen as an important part of the future energy mix, especially when produced from organic material that has no other suitable uses. Thanks to green certificates and subsidies, it is also becoming increasingly competitive with fossil gas.

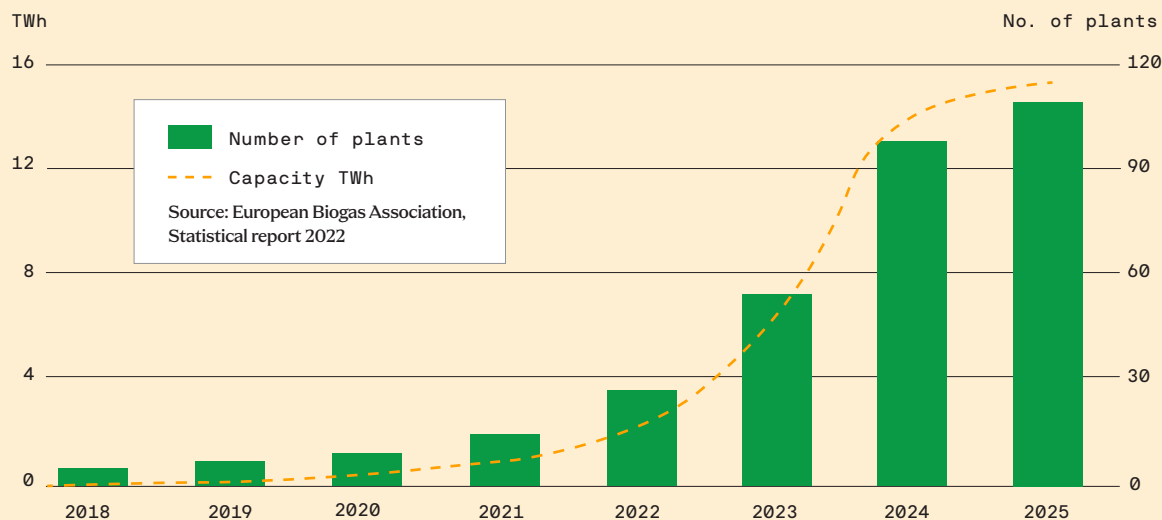
Geopolitical tensions and increased imports of fossil gas into the EU make biomethane production a relevant and mature solution to secure the EU's gas supply. The European Commission's announced target of 350 TWh or 35 bcm (billion cubic metres) by 2030 demonstrates high ambitions. Estimates from our European industry organisation, the European Biogas Association (EBA), show that biogas production already amounts to 21 bcm and could reach around 150 bcm by 2050, based on available sustainable feedstock.



PRODUCTION OF BIOMETHANE AND BIOGAS IN EUROPE



CURRENT AND FUTURE DEVELOPMENT OF BIO-LNG IN EUROPE



A growing biogas market

Biogas is produced for many different uses, and the supply depends on different market conditions regarding infrastructure and access to substrates. In Scandinavia, biogas is mainly used as a fuel or for electricity and heating. The biggest growth potential in Europe is in fuels for heavy transport, maritime and industrial processes. In Korea, biogas is more commonly used to produce industrial heat and electricity.

European biomethane production, sold as compressed biogas or Bio-LNG, grew by 18 per cent between 2021 (37 TWh) and 2022 (around 44 TWh). Biogas accounts for six per cent of the EU gas market. We see a growing interest in Bio-LNG in the Nordic region and the rest of Europe.¹ For example, the largest trading platform for biomethane has seen a tenfold increase in volumes in just over a year.

Great potential in Bio-LNG

An important part of Biokraft's strategy is to expand production capacity and increase sales of Bio-LNG. Our increased focus on mainly Bio-LNG has meant that Biokraft's potential market has expanded from local to European. In the late summer of 2023, the commissioning of equipment for Bio-LNG began at Södertörn and the first shipment could go to our strategically important customers in Europe, where we receive a certificate premium on the prices. Biokraft can now supply Bio-LNG from two plants, Skogn in Norway and Södertörn in Sweden.

Bio-LNG has clear advantages as a fuel for heavy road transport and shipping. It is easy to transport, has a high energy content per cubic metre and can be easily transported and distributed to different filling stations. In addition, the Bio-LNG can fully or partially replace liquid fossil gas in existing installations or vehicles, thus contributing to reduced CO₂ emissions in the transport sector.

The market expects the demand for renewable energy suitable for heavy transport to increase significantly.¹ For

1. European Biogas Association, European Biogas Association Statistical Report 2023, Brussels, December 2023.



example, Sweden's Klimatklivet has provided support for renewable fuel production facilities and refuelling stations across the country. Demand from Nordic shipping is also increasing as more and more shipping companies are investing in gas-powered vessels, which can eventually be fuelled by Bio-LNG.

Bio-LNG is the most scalable and cheapest form of renewable gas and currently accounts for one sixth of the total biogas market. The potential is huge and EBA estimates that 35–60 per cent of Europe's total gas demand could be met by biomethane. Companies can achieve their emission targets relatively easily with biomethane, as it is economical and uses the same infrastructure and systems

as fossil gas. It therefore does not require as much investment as other renewable energy sources.

Bio-LNG is also attractive for several different industrial applications, such as electricity and heat production.

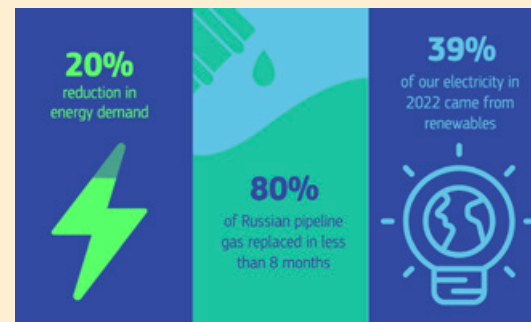
Realising the long-term potential of Bio-LNG requires the expansion of production capacity in line with increasing demand, which in turn requires increased recovery of organic material.

Feedstocks for biogas

The feedstock for biogas production consists of organic material, also called substrate, which is broken down by microorganisms (digested) in an oxygen-free environment. In most cases, organic waste is used as substrate, such as food waste, sewage sludge, silage, and manure. Organic material is also cultivated to produce biogas. This has been criticised as it risks displacing the cultivation of food. Biokraft does not use such types of organic material. When choosing a substrate, it is important to consider biodiversity and the ecological cycle. Local production with local resupply of digestate in the form of biofertiliser is therefore preferable.

Since it was founded, Biokraft has focused on building up expertise in substrates and how biogas production can be optimised by mixing different types of substrates.

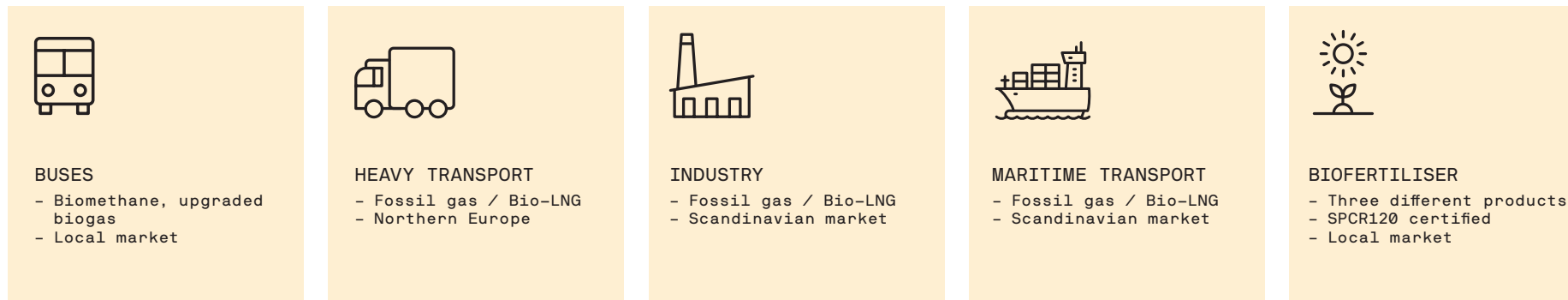
The availability of substrates in Northern Europe is good, especially in terms of the use of manure and organic residues from agriculture. Food waste and slaughterhouse residues are also a growing category as households, restaurants and industries become better at sorting and separating their waste. National legislation such as the Norwegian Act on Sorting of Food Waste for Business from 1 January 2023 and the Swedish Act on Mandatory Sorting and Collection of Food Waste for All, which came into force on 1 January 2024, are driving the development.



REPOWEREU

In 2022, the REPowerEU initiative was launched with the aim of reducing dependence on Russian fossil fuels and responding to the climate crisis. The initiative has resulted in the formation of the Biomethane Industrial Partnership, BIP, to promote the production and use of biomethane. The purpose of the partnership is to support the overall goal of a production capacity of 350 TWh and a sustainable use of biomethane and create conditions to increase its potential by 2050. The BIP consists of members from the Commission, EU member states, industry representatives, substrate producers, academia and stakeholder organisations. Biokraft's CEO, Matti Vikkula, is the chairman of one of BIP's Task Forces, i.e. groups that specifically investigate certain parameters to remove barriers to establishment and bottlenecks. The objective of Task Force 4 and 4.2 is to provide insights into best practices for efficient and low-cost production and grid injection, as well as to explore strategies to minimise both technology and operational costs associated with biomethane production.

MARKET SEGMENTS WITH INTERESTING BUSINESS OPPORTUNITIES FOR BIOKRAFT



Main market segments for biogas

Buses

Public transport is an important customer segment and is expected to contribute to continued positive development in the biogas market, as there is a functioning infrastructure in place.

According to statistics from NGVA, the market share of gas-fuelled buses in Europe is expected to reach 33 per cent by 2030.

Heavy transport

More and more heavy vehicles are running on alternative fuels such as Bio-LNG, and interest in gas-fuelled trucks is growing in several European countries. This also applies to long-haul traffic. Volvo, Scania, MAN and Iveco are investing in developing efficient and sustainable fuel solutions. For example, Euro 6 gas engines are now almost as efficient as a diesel engine. In addition, other actors in the transport chain such as large haulage companies

and distributors have decided to run their trucks on gas in Europe. This development has a positive impact on the infrastructure for vehicle gas in the Nordic countries as well, as freight transport usually crosses national borders. Renewable alternatives such as biogas also benefit from higher oil prices.

Today, it is mainly Bio-LNG production that limits the use of biogas as a fuel in this area.

Industry

Industry is still the single largest market for energy gases. For example, industries from heavy steel production to chemical processes and food production in Sweden use energy gases as fuel and raw material. The geographical location of the industry primarily determines which gas is used.

In addition to reducing climate impact, switching to gas from oil, for example, enables more precise process control.

According to Mobility Sweden, 11.1 per cent of all new heavy trucks registered in Sweden in 2023 were powered by gas. In comparison, the number of new registrations for electric vehicles was only 4.3 per cent.





Since biofertiliser is rich in nitrogen and phosphorus, it can be very useful in organic farming.

Therefore, there is a particular interest in gas as a fuel in the food industry. Stronger economic incentives and increased production of Bio-LNG would allow for the penetration of biogas in industry. Several industrial companies and steel producers are showing growing interest in biogas.

Maritime transport

The transformation of shipping is still in its infancy, but the use of gas as a fuel has increased significantly in recent years. It is mainly liquefied fossil gas that is used, but biogas can easily be mixed with natural gas or replace it completely.

The development is driven by the industry's climate ambitions and new stringent requirements to reduce sulphur emissions in the Baltic Sea.

The UN's International Maritime Organisation (IMO) has set a target of reducing greenhouse gas emissions from shipping by at least 50 per cent by 2050, with gas initiatives playing a key role. Neither fossil gas nor biogas produces any sulphur emissions. At the same time, the use of gas results in lower CO₂ emissions compared to heavy fuel oil; 30 per cent lower for fossil gas. The corresponding figure for biogas can be as high as 120 per cent¹. However, supplying the needs of the shipping sector requires large

quantities of gas. As the availability of Bio-LNG increases, more shipping companies are ordering gas-fuelled ships. As more and more ships are fuelled by gas, the potential for Bio-LNG increases significantly.

In summary, the maritime sector is a very interesting area for the future and is expected to be a major market for Bio-LNG. Destination Gotland has gradually started mixing biogas in its ferries. The aim according to the 2020 climate roadmap is to have a 30 per cent biogas mix by 2030. Other examples include the shipping company Viking Line, which has been running its vessel Viking Grace on liquid gas since 2013. Their new vessel Viking Glory is one of the world's most climate-smart vessels and has been operating the Stockholm-Abo route since March 2022.

Biofertiliser

When organic waste is broken down into biogas, a residual product is produced, which is called digested sludge in wastewater treatment plants and biofertiliser when produced in other types of plants. Biofertiliser has several benefits when used as fertiliser.

Biofertiliser consists of nutrients released from waste. Some substrates are more suitable than others. For example, animal waste needs to be heat-treated to kill bacteria and pathogens in the biofertiliser, while vegetable waste does not require this.

Because biofertiliser is rich in nitrogen and phosphorus, it can be very useful in organic farming, where alternatives to nitrogen or phosphorus fertilisers are limited. Today, about half of all digestate produced at Swedish biogas plants is recovered. Biofertiliser production has the potential to be a revenue stream for biogas plants, but the market is still immature because artificial fertiliser is an established product that is economically advantageous for farmers to use.

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

Our operations

Biokraft's core business is the production of biogas that is upgraded to compressed biogas or Bio-LNG. The ambition is to contribute to a sustainable and fossil-free future by both expanding production capacity at existing plants and building new plants with a clear focus on Bio-LNG.

BUSINESS AREA SWEDEN	25
BUSINESS AREA NORWAY	28
BUSINESS AREA KOREA	30



Business Area Sweden

SOLD GWh
178
GWh

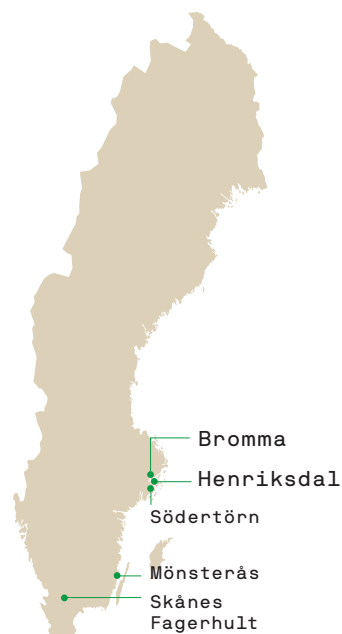
NET SALES
241
MSEK

EMPLOYEES
43
people

MANAGEMENT OF ORGANIC
WASTE, RESIDUES AND
PROCESS WATER
80 517
tonnes

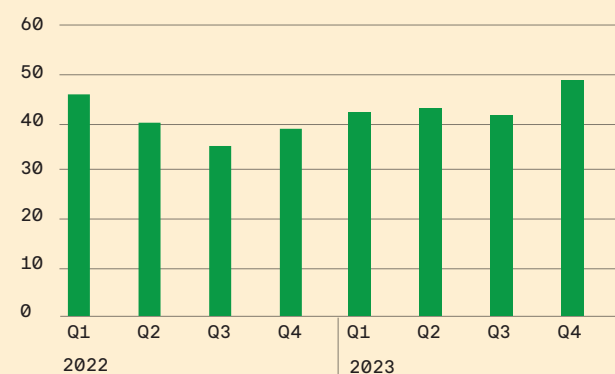
The year in brief

- Energy sold increased by 9 per cent compared with the previous year.
- The Henriksdal and Södertörn facilities received renewed ISCC certificates after an annual audit.
- Biogas production support amounted to SEK 51.6 (14.6) million for 2023.
- Commissioning of the liquefaction equipment for Stockholm Bio-LNG began and the first shipment was delivered in the end of August.
- Construction of the new facility in Mönsterås began in the spring.
- Klimatklivet granted SEK 154 million in investment grants for Skåne's Fagerhult.



MSEK, unless otherwise indicated	2023	2022
Production capacity GWh	370	230
Number of employees	43	41
Sold GWh	177.6	162.4
Net sales	240.5	199.4
Other income	64.6	19.2
Total revenue, incl. capitalised work	324.2	232.4
Operating expenses	-264.6	-200.0
Operating EBITDA	59.6	29.2
Operating EBITDA %	19.5%	13.5%

GWh SOLD PER QUARTER, BUSINESS AREA SWEDEN



Activities

Business Area Sweden has three production facilities in the Stockholm area: Södertörn, Henriksdal and Bromma. The total production capacity is approximately 370 GWh of biomethane (upgraded biogas) and liquefied biogas, Bio-LNG. In 2023, biogas sold amounted to the equivalent of 177.6 GWh. The biogas mainly supplies buses and heavy vehicles on the Swedish market with compressed biogas.

The Swedish operations focus primarily on the efficient operation of existing facilities, which includes reception and pre-treatment of organic waste, anaerobic digestion of biomass, purification and upgrading of biogas, compression and liquefaction as well as delivery of gas. In addition, there is maintenance and service of the facilities.

In addition to day-to-day operations, we have been working to improve our quality with the aim of adapting our operations to ISO requirements. Since 1 January 2023, our products are sold with ISCC certificates, which has opened for delivery to the German market and potentially higher compensation for environmental certificates.

The plant in **Södertörn** specialises in biogas production that is upgraded to biomethane. The plant has a production capacity of 80 GWh and produces raw gas from sorted food waste, slaughterhouse residues, other organic waste and glycerine. The food waste is obtained through co-operation with various municipalities, restaurants, and food companies, while the glycerine is procured on the market. Produced raw gas is upgraded to compressed biogas and since late summer 2023 it can also be converted to Bio-LNG when the commissioning of the liquefaction equipment began. The unit for liquefaction has a total capacity of 220 GWh which means it has the opportunity to take in additional volumes of biomethane from our other facilities, or an external supplier. In addition to biogas, quality-certified biofertiliser is also produced.

Since 2017, Södertörn has had an environmental permit that gives the right to dispose of up to 260,000 tonnes of food waste per year at the facility. The efficiency of the production

process means that as much as 70-80 per cent of the energy in the waste can be recovered.

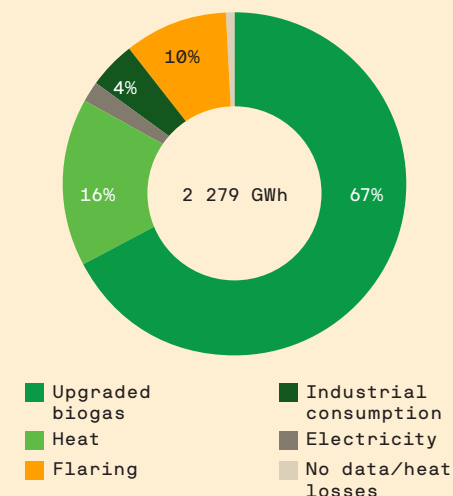
The facilities in **Bromma and Henriksdal** are operated in collaboration with Stockholm Water and Waste (SVOA). The plants upgrade the raw gas generated from the digestion of sewage sludge from the treatment plants. To meet the demand from Stockholm's growing population, the City of Stockholm has decided to expand water treatment capacity and biogas production in the region. The treatment plant in Henriksdal is being modernised and expanded, while the plant in Bromma is planned to be taken out of operation when incoming wastewater is connected to the Henriksdal treatment plant in Nacka. Work on this connection began in 2017 and it is still unclear when it will be completed. The biogas plant in Henriksdal is Biokraft's largest in terms of biomethane production. The total production capacity is 120 GWh. The plant in Bromma has a capacity of 30 GWh.

During the year, construction began on a new plant in **Mönsterås** with a production capacity of 125 GWh of liquefied biogas. The main substrate is planned to be manure and other organic waste from surrounding farms. Construction is progressing according to plan, most of the construction has been erected and installation work has begun. The commissioning is dependent on the connection to the electricity grid, and we see a risk that the connection will be delayed by the grid owner. The project is working in parallel with the grid owner to establish a timetable for connection and several interim solutions to enable commissioning of the plant. Commissioning was originally planned for the second half of 2024, but there is a risk that the schedule may be delayed by six to twelve months.

Ekdalens Biotransporter has been part of Business Area Sweden since December 2020 and is a market-leading transporter of organic material to biogas plants, with a focus on biosubstrate and manure. Ekdalens increases the reliability of substrate deliveries, which is an important factor in guaranteeing high availability at the production facilities.

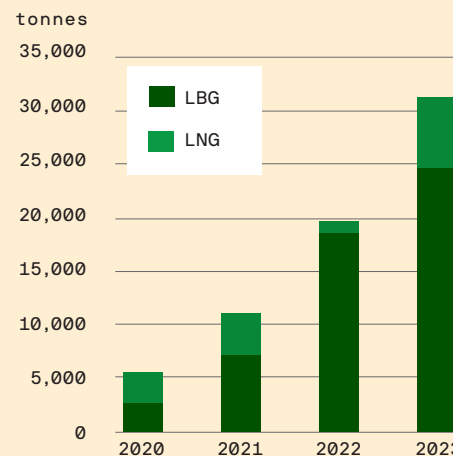
BIOGAS CONSUMPTION, SWEDEN 2022

Source: Energigas Sverige



LIQUID VEHICLE GAS, VOLUMES 2023

Source: SCB



The biogas market in Sweden

According to a report from Energigas Sverige, biogas production was estimated to be 2.3 TWh in 2022.¹ Overall, the total biogas use in Sweden was just over 4.4 TWh in 2022. Swedish biogas production increased by 13 GWh, or 0.6 per cent. At the same time, net imports of biogas to the southern Swedish gas network fell by 22 per cent to just under 2 TWh. In contrast, net imports of Bio-LNG increased sharply from 64 GWh in 2021 to 226 GWh, an increase of 250 per cent, which shows that the trend we have seen over the past ten years of increased use of bio-LNG is continuing. Total Bio-LNG use (production + net imports) was estimated at 382 GWh in 2022 – an increase of 142 per cent, driven mainly by rapid market development of biogas-fuelled heavy lorries.

Statistics from the Swedish Energy Agency show that the total amount of vehicle gas continues to increase in Sweden. Liquid vehicle gas increased by 76 per cent in 2022. During the same period, the share of liquid renewable vehicle gas increased from 49 per cent to 95 per cent. The number of public refuelling stations has also gradually increased over the years, and in 2022 there were almost 230.

In 2021, the government introduced long-term, expanded support for biogas production for the period 2022–2040, as well as expanded investments in Klimatklivet. In the Government's budget proposal for 2024, the appropriation for biogas subsidies was SEK 200 million per year through 2026. The total allocation for these subsidies is SEK 900 million per year.



Substrate

In Sweden, the most common substrates for biogas production are sewage sludge and industrial sludge, which accounted for just under 26 per cent and 63 per cent of production in 2022, respectively. Most Swedish wastewater treatment plants are already equipped with digesters, and the growth potential of sewage sludge as a substrate is therefore limited. In 2022, sewage sludge increased by four per cent compared to the previous year. Industrial sludge, which includes industrial wastewater and industrial sludge, increased by 88 per cent compared to the previous year.

One substrate with some room to grow is food waste, given the legislation that came into force at the turn of the year, which now makes sorting food waste mandatory for all residents and all types of organisations. We also see a great potential in manure as a substrate. Our coming facility in Mönsterås is an example of this where the main portion of the substrate is planned to consist of manure and organic waste from nearby farms.

Outlook for Business Area Sweden

The outlook for the future is good, given the biogas report's proposed production target from 2019 for Sweden to produce 10 TWh by 2030. The report was followed up with a government decision in 2022 on an ordinance for an expanded and long-term investment in biogas up to and including 2040. In 2023, the Government also made a decision on support for manure-based biogas. The decision meant that a subsidy of a maximum of 40 öre/kWh of biogas produced will continue to be paid.

In light of this paradigm shift regarding the existence of biogas, Biokraft is working intensively to meet the increasing demand for liquefied biogas in Sweden and Northern Europe. For business area Sweden, this means that we plan to manage planned and additional facilities and volumes.

1. https://www.enerdigas.se/media/ztlh34w0/biogasstatistikrapport_2022_webbs2.pdf

Business Area Norway

SOLD GWh
112
GWh

NET SALES
129
MSEK

EMPLOYEES
18
persons

MANAGEMENT OF ORGANIC
WASTE, RESIDUES AND
PROCESS WATER
914 906
tonnes

The year in brief

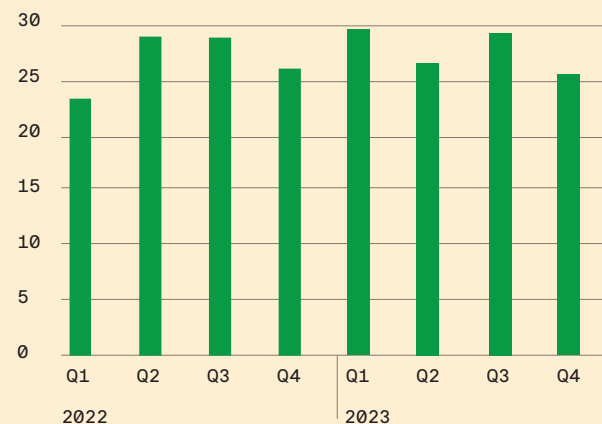
- Energy sold increased by 4 per cent compared with the previous year, which was lower than expected given previous investments in increased capacity.
- Challenges in the production process during the third and fourth quarters are the reason behind the lower production.
- The Skogn II project was handed over from the supplier and received by the operating organisation.
- Skogn received a renewed ISCC certificate after completing an annual audit.



MSEK, unless otherwise indicated	2023	2022
Production capacity GWh	155	155*
Number of employees	18	18
Sold GWh	111.8	107.4
Net sales	129	111.1
Other income	0	1.0
Total revenue, incl. capitalised work	132.5	117.3
Operating expenses	-133.3	-109.7
Operating EBITDA	-0.8	7.6
Operating EBITDA %	-0.6%	6.7%

*Commissioning of Skogn II began in late 2022, resulting in a capacity increase of 35 GWh.

GWh SOLD PER QUARTER, BUSINESS AREA NORWAY



Activities

In Norway, Biokraft's operations consist of a large-scale biogas plant in Skogn near Trondheim. The plant is one of the largest integrated Bio-LNG production facilities in the world, with a production capacity of approximately 155 GWh per year.

The facility is ISCC-certified and can therefore offer high-quality Bio-LNG with audited proof of sustainability.

At the beginning of 2023, the Skogn II project was received by the organisation. The project aimed to double the production capacity and increase the profitability of the production. Unfortunately, the year has been marred by unrelated problems in production, which has meant that we have not yet received the full return on investment. The organisation is preparing for further improvement projects in order to further stabilise and increase profitability.

Substrate

The most common substrate in Norway is sewage sludge and food waste, while recovery of silage from salmon farms is one of the main raw materials for biogas production in Skogn.

Skogn is thus an important sustainability partner for the Norwegian fishing industry. Skogn's primary raw materials are silage from the Norwegian salmon farming industry and process water taken from Norske Skog's pulp and paper industry in Skogn.

The fishing industry is expected to continue to grow over the next ten years, providing good opportunities for both more raw materials for the biogas plant and a better reputation for the fishing industry.

The biogas market in Norway

Norway produces large amounts of energy in the form of crude oil, fossil gas and hydropower. In 2022, a total of

2,510 TWh¹ was produced, most of which was exported. Domestic energy consumption amounted to 218 TWh. Thanks to the high availability of hydropower, Norway has a large share of renewable energy; in 2022 hydropower accounted for 43 per cent of total energy consumption². At the same time, biogas use is still relatively low. Biofuels and other renewable energy sources together accounted for about 1.7 per cent of total energy consumption. Total biogas production amounted to 736 GWh in 2022.³

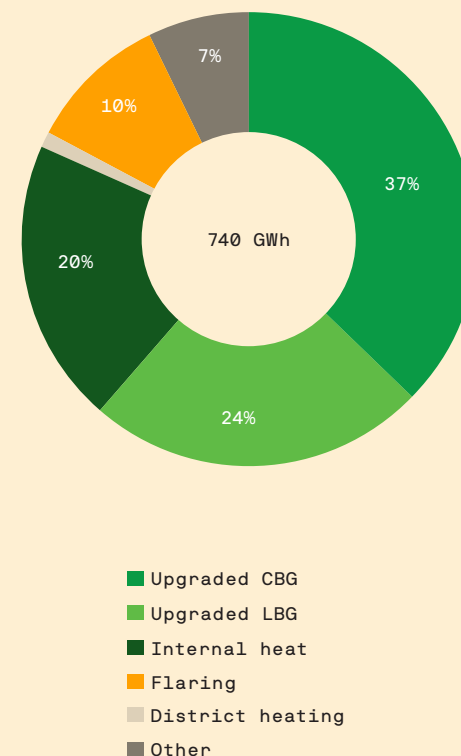
The Norwegian Parliament, Stortinget, made important decisions in 2021 that equated biogas with green electricity and hydrogen. Furthermore, biogas vehicles were equated with zero-emission vehicles. Overall, this policy decision included several measures to remove barriers to biogas production in Norway. Stortinget's Climate Plan 2021-2030 also set clear goals for all new cars and buses in cities to be net-zero vehicles or biogas-powered by 2025.

The Norwegian Climate Act, which entered into force in 2018, forms the basis for Norway's transition to a low-emission society by 2050 and contains concrete interim targets for the period through 2030. As of 2018, it is a requirement that at least 10 per cent of the volume of fuel consumed by road traffic per year is made up of biofuels. Of these, the minimum requirement is that 3.5 per cent should be advanced biofuels, and at least 4 per cent should be biofuels in petrol vehicles. The Norwegian market is thus facing a major transition as the transport sector switches from fossil to renewable fuels.

In the public sector, several municipal companies, such as Public Transport in Oslo (Ruter), Trondheim (AtB) and Østfold, choose biogas as a vehicle fuel to lead the way. Norwegian shipping is also a major potential market where liquefied biogas can complement liquefied fossil gas and even replace fossil fuels.

BIOGAS CONSUMPTION NORWAY 2022

Source: Biogass Norge Bransjens biogasstatistikk



1. <https://www.ssb.no/energi-og-industri/energi/statistikk/produksjon-og-forbruk-av-energi-energi-balanse-og-energiregnskap>

2. <https://ourworldindata.org/grapher/share-of-primary-energy-consumption-by-source?country=-NOR>

3. <https://biogassnorge.no/fakta-om-biogass/statistikk/>

Business Area Korea

SOLD GWh
59
GWh

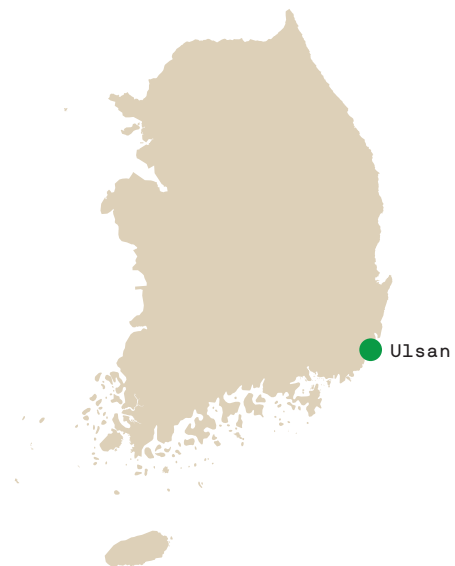
NET SALES
76
MSEK

EMPLOYEES
19
persons

MANAGEMENT OF ORGANIC
WASTE, RESIDUES AND
PROCESS WATER
125 460
tonnes

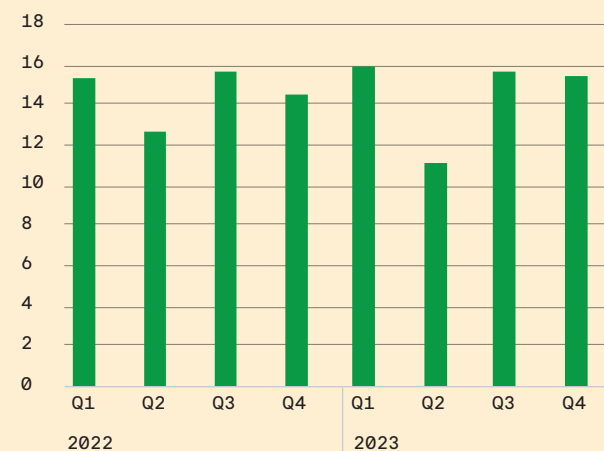
The year in brief

- Very stable production and customer demand.
- Net sales increased by 36%, which is explained by higher prices.



MSEK, unless otherwise indicated	2023	2022
Production capacity GWh	60	60
Number of employees	19	20
Sold GWh	58.6	58.4
Net sales	76.3	56.2
Other income	–	–
Total revenue, incl. capitalised work	76.3	56.2
Operating expenses	-56.1	-45.6
Operating EBITDA	20.2	10.6
Operating EBITDA %	26.5%	18.9%

GWh SOLD PER QUARTER, BUSINESS AREA KOREA



Activities

At the Yongyun plant in the industrial city of Ulsan, Korea, Biokraft processes the food waste of over a million people.

Since Biokraft took over the Yongyun biogas plant in 2007, the operation has undergone major changes. By optimising the plant and biogas production according to the company's proprietary HOLD Technology™, the amount of food waste treated has grown 300 per cent–500 per cent. At the time of the takeover in 2007, around 40 tonnes of food waste per day was disposed of, compared with an average of 190 tonnes per day in 2023. The plant currently has an annual production capacity of 60 GWh.

This positive development has led to the city of Ulsan becoming a model for other cities in Korea, as confirmed in 2013 when the Yongyun biogas plant was named the most efficient in the country, a title the company has defended. The facility was also recognised as best practice by the Department of the Environment in 2015.

The biogas plant in Korea continues to perform at a high level in terms of volume and treated food waste. Production at the plant remained the most stable in the Group in 2023. Energy sold increased slightly, and sales of raw gas in 2023 totalled 58.6 (58.4) GWh. Revenue is also generated through fees for receiving food waste, which amounted to an average of 190 (183) tonnes per day during the year.

Substrate

Biogas production involves the disposal, pre-treatment and digestion of large volumes of food waste from the residents of the city of Ulsan, together with primary sludge from the

nearby Yongyun wastewater treatment plant. Operations in Ulsan are carried out in co-operation with the city and are regulated by a concession agreement that runs until 2026.

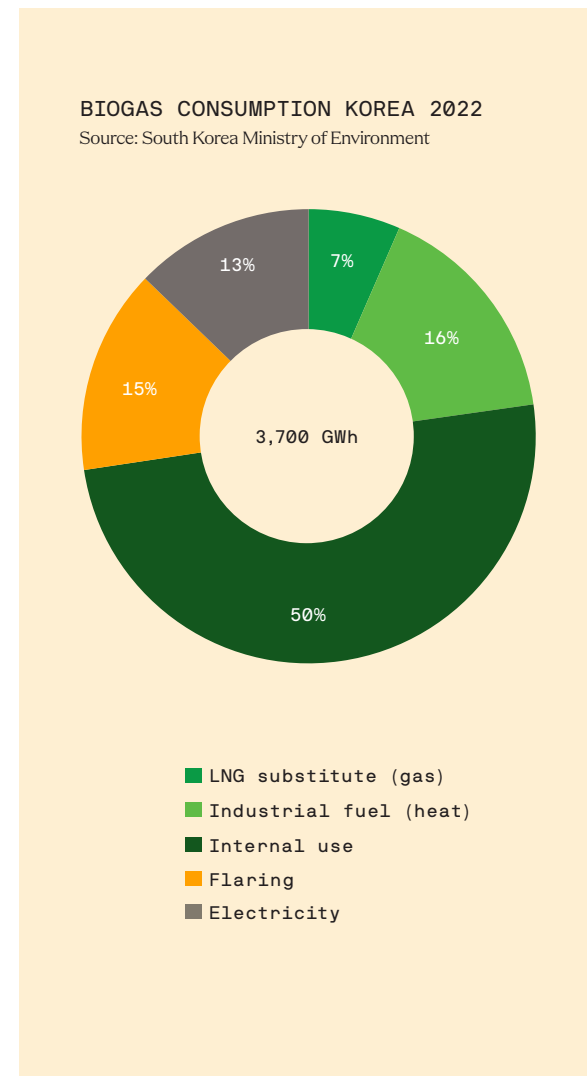
The biogas market in Korea

Domestic energy consumption reached 3,460 TWh in 2021, of which renewable energy sources accounted for 96 TWh.¹ The market consists of a few large-scale biogas plants.

The Korean government has announced that renewable electricity will increase to 20 per cent by 2030, in line with the Paris Agreement's climate goals. Support measures such as grants and soft loans are offered to support investments in the biogas sector.

Korea wants to promote sustainable development and aims to be a leading country by successfully implementing the 2030 Agenda in its development plan. There is a strong focus on the transition to renewable energy. The capital city of Seoul has adopted its own development goals, based on the SDGs, which set the direction for how Seoul can become a sustainable city. In November 2021, the Korean government made a decision to reduce greenhouse gas emissions by 40 per cent by 2030, compared with 2017 levels. The goal is to reach net zero emissions by 2050.

In 2021, the Korean government also signed the international agreement Global Methane Pledge, which aims to reduce methane emissions by 30 per cent by 2030 (based on 2020 levels). To achieve this goal, the government has planned to build ten new biogas plants by 2030 to reduce methane emissions from agriculture.



1. BP Statistical Review of World Energy

A close-up photograph of a person's hand holding a clump of dark, rich soil. The hand is positioned in the center of the frame, with the soil resting in the palm. The background is a vast field of similar dark soil, stretching towards the horizon under a clear sky. The lighting is natural, highlighting the texture of the soil and the skin of the hand.

Sustainability

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Our sustainability work

Biokraft's business model is circular, and we contribute to society's green transition through the production of biogas and biofertiliser. Biogas can directly replace fossil gas, and biofertiliser can fully or partially replace fossil fertiliser. The goal is to increase the production of biogas and biofertiliser, as well as create increased returns that are invested in several sustainable solutions while developing and improving other dimensions of sustainability in our operations.

In designing, managing and operating biogas plants, we produce and upgrade compressed biogas (CBG) and Bio-LNG (LBG) from different types of waste. The main feedstocks currently used are wastewater sludge, food waste, and industrial and commercial waste and residual products. Our biogas is mainly used as a vehicle fuel, and our biofertiliser can replace commercial fertiliser in agriculture.

In the future, a large part of the raw materials for biogas production will come from agricultural residues, such as manure. Biogas produced from manure has an extra positive climate effect because manure itself emits methane, but if biogas is instead produced from the manure, the methane will be converted into carbon dioxide during combustion in a vehicle engine, which in turn has a significantly lower climate impact than methane. At the same time, the residues from anaerobic digestion provide a biofertiliser that has a more readily available nutrient content than manure that is spread directly.




The Group's sustainability work covers all three ESG (Environment, Social & Governance) dimensions and is managed and monitored within the framework of three overarching sustainability goals. The aim is to continuously improve our operations to minimise negative impacts on people and the environment and to develop

those areas where we have a positive impact on the world around us. We are also keen to constantly develop our relationships with our stakeholders such as customers, neighbours, employees, suppliers and owners.

As a producer of biogas, we work with sustainability and circularity on a daily basis. Our activities contribute to several of the UN's Sustainable Development Goals (see page 39), while there is potential to further improve our technology, working methods and monitoring. Our biggest impact occurs at our facilities, so several investments in new technology and equipment have been made to increase capacity while reducing the impact on people and the environment. Furthermore, extensive logistics are required to transport substrates and raw materials to the plants and the products to the customers. Also, this has a major impact on the climate, which is why we encourage our suppliers to use renewable fuel as far as possible. Our wholly owned subsidiary Ekdalens Biotransporter AB has the ambition to be completely fossil-free by 2026.

Our people are crucial to the growth of the organisation. Ensuring a safe and inclusive working environment is key. In order to be an attractive employer, we have implemented a number of measures to facilitate and strengthen safety at the installations.



 <p>PROMOTE A CLIMATE-NEUTRAL, CIRCULAR AND SUSTAINABLE SOCIETY</p>	 <p>BE AN ATTRACTIVE EMPLOYER</p>	 <p>ENSURING EFFICIENT AND RESPONSIBLE OPERATIONS</p>	<p>TARGET AREA</p>
<p>LONG-TERM RETURNS & INVESTMENTS IN SUSTAINABLE SOLUTIONS</p> <ul style="list-style-type: none"> • Total revenues, incl. capitalised work • Operative EBITA margin • Biogas production capacity <p>SUSTAINABLE CIRCULAR PRODUCTS</p> <ul style="list-style-type: none"> • Amount of biogas produced • Biofertiliser 	<p>EMPATHETIC LEADERSHIP</p> <ul style="list-style-type: none"> • Leadership • Employee engagement 	<p>GOOD WORKING CONDITIONS WITH A FOCUS ON SAFETY AND HEALTH</p> <ul style="list-style-type: none"> • Work-related accident leading to ≥1 day sick leave • Sick leave <p>RESIDUES</p> <ul style="list-style-type: none"> • Non-hazardous waste • Hazardous waste • Discharge of process water <p>GREENHOUSE GAS EMISSIONS</p> <ul style="list-style-type: none"> • Reduces emissions compared to fossil gas • Scope 1 (own transports, methane harvest) • Scope 2 (purchased electricity) • Scope 3 (other transport, chemicals, business travel, etc.) <p>WORKING CONDITIONS AT SUPPLIER</p> <ul style="list-style-type: none"> • Code of Conduct - follow-up 	<p>MATERIAL TOPICS & KPIS</p>

Overall targets and key topics

Biokraft has three overall sustainability targets that frame our sustainability work and clarify our impact in relation to society, people and the environment. Linked to these targets are the company's material topics. The seven material topics were developed through a structured process including a desk analysis, stakeholder dialogue and an internal workshop. The topics were validated by the company's management team in November 2022, and the board is informed (see page 107 for a detailed description of the process).

The stakeholders, seven in number, were selected on the basis that they could provide

insights and suggestions on aspects where our activities have the greatest impact. These represent customers, building contractors, substrate suppliers, researchers and trade organisations for biogas producers. We also regularly meet with investors, politicians and local residents, as they are very important stakeholders for Biokraft.

As of 2027, Biokraft is subject to the Corporate Sustainability Reporting Directive (CSRD) and the EU Taxonomy, and we will therefore perform the double materiality analysis required by the CSRD in 2025.

PROMOTING A CLIMATE-NEUTRAL, CIRCULAR AND SUSTAINABLE SOCIETY

Long-term returns & investment in sustainable solutions

Our business shall provide long-term returns, to ensure sustainable growth for the company, rather than short-term profits. Investments in existing and future biogas plants secure energy production for the future while promoting the development of local communities.

Sustainable and circular products

Our business is based on producing biogas and biofertiliser in a circular business model that transforms waste and residual products from society into new sustainable products. Biogas and Bio-LNG are fuels that can replace fossil fuels and thus reduce carbon dioxide emissions in society. Our biogas production also benefits domestic energy production, while our biofertiliser helps increase local manure self-sufficiency in agriculture and reduces carbon dioxide emissions from the agricultural sector.

Biofertiliser increases yields while making agriculture and food production more sustainable. Biofertiliser replaces or complements artificial fertiliser. In addition to important nutrients such as nitrogen, phosphorus and potassium, biofertiliser has soil-improving properties and is suitable for spreading on both clay soils and light soils. Nutrient content and structures contribute to increased vegetation and moisture retention.

We are keen to take responsibility for all the impacts of our activities and therefore report on more than just the material topics. We work continuously to minimise our use of purchased energy and fresh water, and to reduce and improve chemical management. See a summary of outcomes on page 108.

BE AN ATTRACTIVE EMPLOYER

Empathetic leadership

Empathetic leadership builds community and highlights successes in daily work, understanding that people's differences contribute to the development of the organisation. Biokraft strives to be an attractive employer where all employees wish to be ambassadors for our company. We aim to build our culture on our values of mutual respect based on clear missions, targets and expectations.

ENSURE EFFICIENT AND RESPONSIBLE OPERATIONS

Good working conditions with a focus on safety and health

We want our workplaces to be safe and secure for everyone, and we continuously develop our processes, provide training and offer benefits and skill development. A good working environment is central to being a responsible and attractive employer.

Residual products

Our Swedish production generates residual products in the form of metal, glass, plastic and paper, as well as a small amount of hazardous waste in the form of electronics and chemicals. Much of the non-hazardous waste comes from the food waste arriving at our facilities. Although it is sorted food waste, there is some glass, plastic and metal that we separate before the food waste goes into the digester to be converted into biogas and biofertiliser. We also get some glass, metal and plastic from the drinks that come into the plant for recycling. The hazardous waste comes mainly from the production site in the form of end-of-life electronics or surplus chemicals.

In the Norwegian operations, there is virtually no solid residual waste, as the substrates originate mainly from the

aquacultural and forestry industries.

Residual waste from the Korean plant is required by national legislation to be incinerated, and energy is recovered from the material.

Greenhouse gas (GHG) emissions

Even though our overall climate impact is positive, as our renewable products replace fossil fuels and fertilisers, greenhouse gas emissions occur at our sites and in our value chain. Our goal is to reduce them as much as possible both in absolute terms and in relation to the amount of biogas produced.

Our emissions come, for example, from the transport of substrates and end-products, our use of electricity, chemical consumption, waste management and from the methane emissions in our production. Greenhouse gases are also emitted in the construction of new facilities, both through transport and the manufacture of building components. We ensure that our operations are energy-efficient, that transport is mainly based on renewable fuels and that our methane emissions are minimised. Greenhouse gas emissions arise from all parts of our value chain, and our ambition is to reduce emissions as much as possible. Pursuant to CSRD, we will gradually fully map our emissions according to scope 1, 2 and 3 and then set targets and activities to reduce our emissions as far as possible in relation to the amount of biogas produced.

Supplier labour conditions

We are committed to ensuring that employees of our suppliers, such as freight forwarders, contractors and construction companies, have good and safe working conditions for their employees. We require this through our Business Partner Code of Conduct, which is annexed to new contracts when they are signed. A new version of this was developed and approved by the Biokraft Board in October 2023 and will be implemented in early 2024.



Sustainability management

The aim of Biokraft's sustainability management is to integrate sustainability into all parts of the business, actively assuming responsibility from an environmental, social and economic perspective, which also corresponds to the three ESG dimensions. Several initiatives have been implemented over the past year to drive sustainability efforts in a positive direction. Examples include investments in better technology to increase the capacity and quality of facilities that also have positive impacts on the environment, ISCC certification in Sweden, and expansion in Norway in symbiosis with local industry.

Group management is responsible for the overall sustainability strategy, targets, activities and follow-up, while operational responsibility lies with each business area. In order to manage the material topics, targets and activities have been set for 2023 and will be monitored by each business area. The results are regularly reported to Group management.

The sustainability work at our production facilities is driven by the operations manager and sustainability manager who, together with operational and other staff, develop operational targets and action plans. Topics related to health and safety and social sustainability are the responsibility of Group management, which delegates the work to business area and department managers. The follow-up of targets

and activities related to the working environment is led by the HR manager. Training programmes are carried out to support the implementation of the action plans; for example, ISCC and health and safety training programmes have been carried out in the past year.

To the right are our current policies that guide the company in relation to employees, the supply chain, customers, local communities and the environment. They ensure the accountability of the company and our stakeholders. In 2023, new policies on anti-corruption, competition law, trade compliance and whistle-blowing were adopted by the Board of Directors. At the same time, a code of conduct for suppliers (Business Partner Code of Conduct) and a Group-wide code of conduct for all employees or persons performing work in the name of Biokraft (Code of Conduct) were also adopted.

Our Group-wide policies are accessible to all employees via our intranet. The environmental and sustainability policy is also available on our website. The Business Partner Code of Conduct is communicated to our suppliers and will be further systematised in the future.

Each business area has refined its business systems during the year to improve governance of ESG and sustainability matters and to facilitate external certification such as ISCC and SPCR120.

POLICY DOCUMENTS FOR GROUP OPERATIONS

- ✓ Anti-corruption policy
- ✓ Working environment policy
- ✓ Financial policy
- ✓ Group financial handbook
- ✓ Trade compliance policy
- ✓ Information policy
- ✓ Insider policy
- ✓ IP policy
- ✓ Gender equality policy
- ✓ Competition law policy
- ✓ Quality policy
- ✓ Employee policy
- ✓ Environment and sustainability policy
- ✓ Guidelines for trade secrets
- ✓ Transfer pricing policy
- ✓ Code of conduct for suppliers
- ✓ Code of conduct for employees
- ✓ Whistleblower policy

Targets and outcomes for material sustainability topics

Material sustainability topics	Target 2024	Results 2023	Results 2022
Sustainable circular products			
Energy sold, GWh	-	348 GWh	328 GWh
Biofertiliser	Biofertiliser shall be a profitable product for the company before the end of 2025	Evaluates potential profitability projects from the aspect of quality, technology and market. In Sweden, there is a plan in the near future to find local disposal for manure, as transport is a large cost.	-
Long-term returns & investments in sustainable solutions			
Total revenues, incl. capitalised work	650 MSEK 2024	534 MSEK	407 MSEK
Operating EBITDA margin	30% 2024*	6.2%	4.3%
Biogas production capacity	600 GWh 2024, 1.2 TWh 2026, 3 TWh 2030	585 GWh	445 GWh
Greenhouse gas emissions			
Reduced CO ₂ emissions per unit biogas produced as compared with fossil fuels	170,000 tonnes CO ₂ eq 2024	100,676 tonnes CO ₂ eq	99,799 tonnes CO ₂ eq
Scope 1, 2 & 3	Map and start reporting emissions according to the GHG Protocol Standard	Scope 1: 5,157 tonnes CO ₂ eq Scope 2: 2,328 tonnes CO ₂ eq Scope 3: 2,165 tonnes CO ₂ eq	Scope 1: 4,519 tonnes CO ₂ eq Scope 2: 1,688 tonnes CO ₂ eq Scope 3: 2,155 tonnes CO ₂ eq
Residues			
Non-hazardous waste	Mapping of waste in order to set activities to increase the recycling rate	Working groups are put together with the intention of mapping activities for increased recycling.	-
Hazardous waste	>95% of hazardous waste shall be recycled (source report from SRV)	Working groups are put together to ensure >95% recycling.	-
Discharge of process water to sewer and/or recipient.	Reduce sewage costs by 40% by the end of 2025 (relative to 2022 SVOA's tariff)	Working groups are put together with the intention of lowering the sewage cost.	-

*In connection with the IPO in 2020 and the report for the second quarter of 2022, the Group's overall financial targets were set to reach a production capacity of at least 600 GWh by 2024, total revenues of at least SEK 650 million, an operational EBITDA margin of at least 30 per cent and an ongoing equity/assets ratio of 25 per cent. Moving into 2024 we see that these targets will be achieved, with the exception of the operational EBITDA margin target. As previously communicated, this target remains in place but will take longer to achieve. Read more under Future Outlook, page 69.

Material sustainability topics	Target 2024	Results 2023	Results 2022
Suppliers working conditions			
Percentage of suppliers that have signed Business Partner Code of Conduct	New targets will be set in 2024	A new code of conduct for suppliers was developed during 2023, which was approved by management and the Board in October. Implementation of the code of conduct has begun and new goals are defined in 2024.	-
Percentage of suppliers reviewed	New targets will be set in 2025	A new code of conduct for suppliers was developed during 2023, which was approved by management and the Board in October. Implementation of the code of conduct has begun and new goals are defined in 2024.	-
Employee working condition			
Cases of work-related accidents resulting in sick leave, LTI (Lost Time Injury)	0	1	0
Sick leave, measured as absence/planned work hours	<4% 2024	2.63%	4.23%
Empathetic leadership*			
Leadership, based on employee survey questions in leadership	84%, 2024	72%	83%
Employee commitment, based on employee survey	79%, 2024	71%	78%

* Not including Korea

Comments on outcomes 2023

In 2023, the amount of gas produced increased to 356 (351) GWh. The emission reduction compared with fossil gas increased to 100,676 (99,799) tonnes of CO₂ equivalent. Our total CO₂ equivalent emissions (Scope 1, 2 and 3) increased to 9,650 tonnes. The increase can mainly be attributed to the fact that this year we also have a basis for measuring emissions from our facility in Bromma and that the additional liquefaction facility at Södertörn consumes more electricity, which thus means higher emissions. Our reporting is currently based on calculations from the HBK tool, but in 2024 we will map and start reporting according to the GHG Protocol.

The KPI for hazardous waste has increased from 2 to 8 tonnes, but mainly consists of separating limonene from the process in a more efficient way. As in previous years, all our hazardous waste goes to either energy or material recycling. In 2023, we defined three new target areas for residual products with the intention of reducing the amount of waste or

increasing the recycling rate. For non-hazardous waste, more than 95 per cent is recycled.

A new Business Partner Code of Conduct was drawn up and approved by management and the Board of Directors in October. Implementation of the Code has begun and new targets will be defined during the year.

In 2023, we had 1 LTI. It concerned a transport truck belonging to the wholly owned subsidiary Ekdalens Biotransporter AB that overturned due to icy road conditions. Sick leave decreased to 2.6 (4.23) per cent, which is a positive development. For the target area Empathetic Leadership, where we measure Leadership and Employee Engagement, the outcome in 2023 was slightly lower than the previous year. Leadership fell to 72 (83) per cent and employee engagement to 71 (78) per cent. To reverse the trend, a number of measures have been initiated in each area and these will be implemented in 2024.

UN Sustainable Development Goals

The 2030 Agenda – the UN's sustainable development agenda with 17 global sustainability goals – is based on the three dimensions of sustainable development: economic, social and environmental. Global biogas production contributes, directly or indirectly, to all of the SDGs, according to a study by the Biogas Research Centre. The industry organisation

Energigas Sverige argues that the use of biogas and biofertiliser reduces dependence on imported fossil gas and artificial fertiliser, leading to food and energy supply security. It also contributes to local jobs and new business opportunities. There is a direct link between Biokraft's core business and six of the SDGs.

Affordable and clean energy – significantly increase the share of renewable energy in the global energy mix.

To achieve this development goal, biogas is an important component of the global energy mix. Biokraft invests in and produces biogas, which replaces fossil fuels. Our biogas contributes to an emission reduction approximately 90% compared to fossil fuels.



Decent work and economic growth – protecting workers' rights and promoting a safe and secure working environment.

Creating conditions for a safe and secure working environment through systematic work environment management and empathetic leadership is highly prioritised for Biokraft.



Sustainable industry, innovation and infrastructure – adapting industries to make them more sustainable and more resource efficient.

One of the Group's focus areas is to constantly increase resource efficiency in its production facilities. We also work continuously to replace older technologies with cleaner and more efficient alternatives.



Sustainable cities and communities – reducing the per capita environmental impact of cities. The goal involves paying particular attention to air quality and waste management.

We are creating an alternative to waste incineration by offering biological treatment of organic waste that recovers energy and nutrients. The use of biogas as a fuel also significantly improves air quality in cities, with lower levels of nitrogen oxides and harmful particles from exhaust gases compared to burning other fuels. Noise is also reduced when vehicles run on biogas.



Responsible consumption and production – recycle waste responsibly.

Biokraft sees organic waste as a resource. In 2023, the Group recycled 1,116,113 tonnes of organic waste and residual products, delivered 348 GWh of biogas to society and returned 45,234 tonnes of biofertiliser to agriculture. Operating the biogas plants in a responsible way is part of the foundation of our sustainability work. The focus is on material, energy and water optimisation and preventing emissions to air, water and soil.



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

Biokraft produces renewable products in the form of biogas and biofertiliser, which enable businesses and consumers to switch from fossil fuels to renewable alternatives with a significantly lower climate impact.



Products for a sustainable society

Biokraft creates circular flows and sustainable products from biological waste. Renewable and locally produced biogas replaces fossil fuels, and the biofertiliser returns residues from organic waste back to agriculture, from which residues can again be digested into biogas and biofertiliser.

PROMOTE A CLIMATE-NEUTRAL, CIRCULAR AND SUSTAINABLE SOCIETY
with investments, innovation, and growth in the biogas sector

SUSTAINABLE CIRCULAR PRODUCTS

LONG-TERM RETURNS & INVESTMENTS IN
SUSTAINABLE SOLUTIONS

Our business model is to produce circular and sustainable products from organic waste. We run our business with the aim of achieving long-term sustainable returns that contribute to an environmentally and socially sustainable society. By investing in existing and new biogas plants, we are creating more sustainable energy solutions. In this way, we are contributing to the growth and expansion of the industry and to a more sustainable society.

Governance through goals and policies

One of our three overall sustainability targets is to contribute to a fossil-free, circular and sustainable society. We are steering towards this by focusing on two key topics – circular and sustainable products and long-term returns & sustainable investments. The environmental and sustainability policy and the financial policy guide our daily work. We work to improve capacity, technology and processes at existing sites and invest in new sites to continuously increase production.

Testing new types of substrates

Waste from society, which would otherwise have to be dealt with in another way, becomes our raw material, which we call substrate. We only use substrates that are ethically justifiable. For example, we do not use crops grown on land that could produce food, or materials that have a negative environmental impact. To optimise biogas production, new substrates are constantly being evaluated through tests in our lab environment and through large-scale production.

Biogas reduces the negative climate impact

Biogas has the same chemical composition as fossil gas and can therefore directly replace it in all applications. When fossil gas is replaced by biogas, the climate impact in terms of CO₂ equivalents can be reduced by well over 100 per cent. Different substrates give rise to different reductions in CO₂ equivalents, and in our production, the annual average is just over 90 per cent. The reduction is calculated by adding up all CO₂ equivalents generated during production, transport



A BIOGAS CAR CAN DRIVE
NEARLY 4 KM WITH BIOGAS
PRODUCED FROM ONE BAG
OF FOOD WASTE

and distribution, as well as the CO₂ equivalents carried by the substrate. For waste, this figure is 0, for fertiliser it is -111.9. This figure is compared to the corresponding standard value for fossil gas (94 g CO₂ eq/MJ). In 2023, our biogas production contributed to savings of 100,676 tonnes of fossil CO₂ equivalents. From the digestate, we have also produced 45,234 tonnes of biofertiliser, which is a direct replacement for fossil-based artificial fertiliser, thus further saving CO₂-equivalents and resulting in further cuts in climate impact.

Biofertiliser promotes sustainable agriculture

During the year, 45,234 tonnes of biofertiliser were produced, which can replace fossil-based artificial fertilisers and provide agriculture with nutrients and soil-improving mulching material. The production of biofertiliser in the Swedish and Norwegian plants contributes to the self-sufficiency of domestic agriculture.

Due to Korean legislation and the lack of infrastructure

in place in the country, all residual products from biogas production in Korea must be incinerated.

Long-term returns and investments

EBITDA for 2023 was SEK 31.7 (19.7) million. Operating EBITDA for 2023 was SEK 31,7 (16.4) million. The operating EBITDA margin was 6.2 (4.3) per cent and was negatively affected by increased costs for the commissioning of Skogn II and higher substrate and production costs for electricity and chemicals. In connection with the IPO in 2020 and the report for the second quarter of 2022, the Group's overall financial targets were set to reach a production capacity of at least 600 GWh by 2024, total revenues of at least SEK 650 million, an operational EBITDA margin of at least 30 per cent and an ongoing equity/assets ratio of 25 per cent. Moving into 2024 we see that these targets will be achieved, with the exception of the operational EBITDA margin target. As previously communicated, this target remains in place but will take longer to achieve. Read more under Future Outlook, page 69.

In March 2023, the construction of a biogas plant in Mönsterås started. The facility is being built in co-operation with local farmers in the area and is an example of the partnership model we are aiming for in future projects. The installation in Mönsterås itself is also a model for the upcoming standardisation of future installations we previously communicated. The installation is expected to be completed in the second half of 2024.

Product quality

It is important to ensure good product quality, such as high energy content of the produced biogas and low presence of any unwanted substances in the biofertiliser. Food waste is an example of a substrate that can contain unwanted substances such as plastic, sand, stone, glass and metal objects. These substances cannot be carried over into the biofertiliser and are therefore separated before

the substrate reaches the digester. The biofertiliser also undergoes extensive chemical analysis before reaching the end customer to ensure high quality.

Since 2017, we have been certified according to Certified Recycling and Swedish Waste Management's regulations SPCR 120. The certification involves quality control of everything from substrate to the final product, with high standards of traceability, infection control, metal content and pollutants. The Swedish operation also holds the Swedish Board of Agriculture's authorisation for collection systems. The authorisation means that Biokraft can guarantee traceability, quality control and self-monitoring throughout the chain. The certification means that the quality is checked annually by an external auditor.

Produced biogas for export is certified according to ISCC and thus fulfils sustainability criteria according to the EU directives RED I and RED II (Renewable Energy Directive). Biogas sold in Sweden has the Swedish Energy Agency's sustainability certificate, which confirms that the biogas can be considered sustainable according to the Act on sustainability criteria for biofuels and bioliquids in Sweden. Each year, greenhouse gas calculations are performed for sold biogas to ensure that the biogas fulfils the sustainability criteria of the Swedish Energy Agency. The criteria require that the substrates have not destroyed areas of high biological value and that the biogas contributes to at least 60% lower GHG emissions than fossil fuels.

Certifications for sustainability and traceability

Since 2021, the Norwegian operations have been both ISCC EU-certified and ISCC Plus-certified (International Sustainability and Carbon Certification). In September, the annual ISCC audit on Skogn was completed without remarks, resulting in renewal of the certificate for another year. The certifications ensure that substrates and materials come from environmentally and socially sustainable sources and

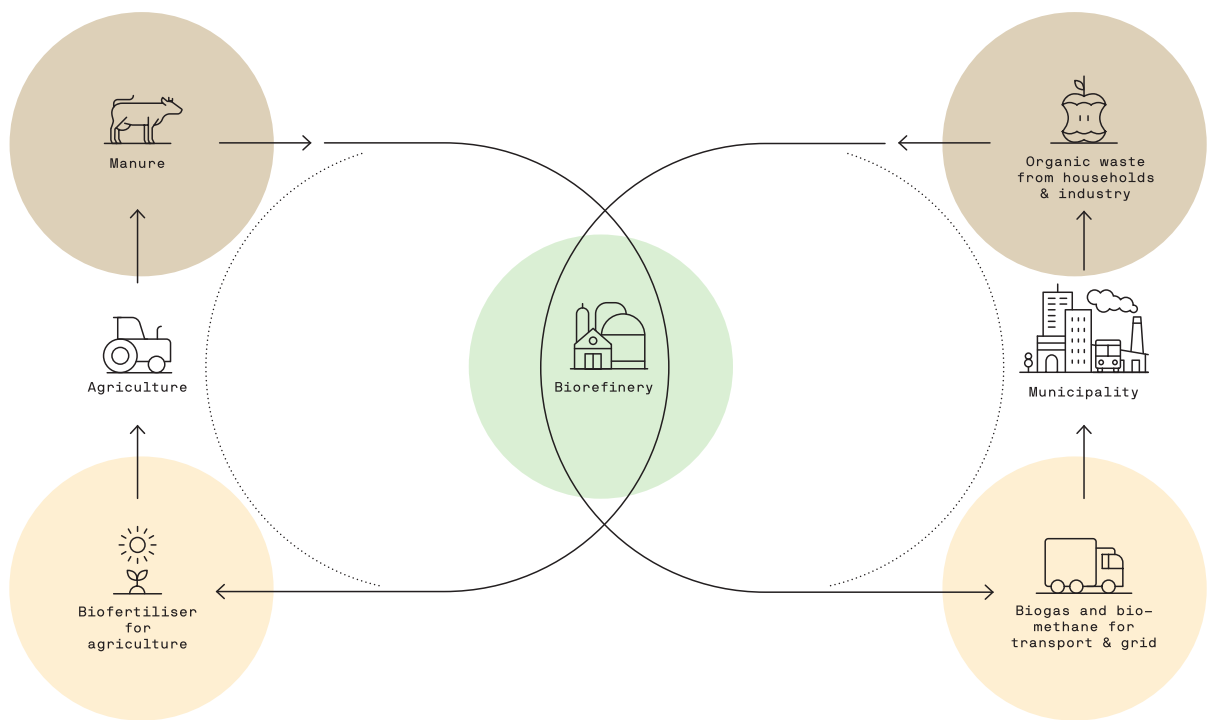


are fully traceable. The certifications include sustainability and origin criteria, and the ISCC EU certification means that the operation is legally authorised within the European regulatory framework for the transport of fuels.

In 2022, the Swedish operations at Södertörn and Henriksdal also underwent the ISCC certification process and have held ISCC certificates since January 2023. The annual audit was carried out in November with good results, and both facilities received renewed certificates for 2024. In preparation for the third-party audit, the internal processes have been further quality-assured and digitalised, making the system simpler and auditable.

Competence within the company is ensured, among other things, by a mandatory internal ISCC training all new employees must undergo. The training must be approved by Dekra, which is also accredited to carry out ISCC audits.

Biokraft value chain



Biokraft's value chain from incoming material via the plants to outgoing products. In a circular flow, these products provide new incoming material for the production of biogas and biofertiliser. The figures show outcomes for 2023 and 2022. Our production in 2023 reduced CO₂ equivalents in society by 100,676 tonnes.

Incoming substrates	2023	2022
Sewage sludge (tonnes)	56,007	62,075
Food waste from households (tonnes)	107,379	113,303
Waste from industry & commerce (tonnes)	96,596	171,277
Process water from industry (tonnes)	843,456	504,942
Manure from agri- and aquaculture (tonnes)	13,813	10,030
Purchased rawgas (Nm ³)	16,223	15,548

Outgoing products	2023	2022
Produced biogas (GWh)	356	351
Sold amount energy (GWh)	348	328
Biofertiliser (tonnes)	45,234	41,341

Production process	2023	2022
Energy (MWh)	49,951	44,440
Water (m ³)	391,536	350,570
Non-hazardous waste (tonnes)	11,447	10,814
Hazardous waste (tonnes)	8	2
Methane slip (CO ₂ eq)	3,413	4,350
Treated process water (tonnes)	843,456	504,924
Sewage (m ³)	300,768	261,948

Annual report on green financing

Our green finance framework is an important part of our financial strategy and sustainability work that enables us to promote a fossil-free, circular and sustainable society. This report outlines our progress on green finance to drive company growth and our commitment to a green transition and circular future.

Three years ago, our green finance framework was established. In this report, we present our green investments made in 2023 and describe the status of previous investments. We also describe the specific projects selected for green financing. The revenue has been allocated to selected investment projects, and during the year several activities have been implemented to create sustainable solutions and improvements.

Summary of green financing under the green framework

Biokraft's green financing comes from a variety of sources. The green financing supports us in our goal of promoting the transition to a fossil-free, circular and sustainable society. Green financing is allocated to projects deemed to fit into one of three project categories: renewable energy, sustainable wastewater management and pollution prevention, and clean transport. Our major investments from 2021 and for the next three years are all focused on expanding our biogas production capacity and converting or building new Bio-LNG production facilities. These investments will increase the share of renewable fuels in society and thus support the transport sector's transition to reduce the use of fossil fuels.

Overview of green investment projects

The company's list of green projects is documented in a green project register. On page 44, we provide a general overview of our projects and how they contribute to the green transition. For more information on the status and updates in 2023, see page 18.

Allocation of financing funds

Funds have been allocated to the green investment projects and used to refinance older loans. The older loans have been used to build our current biogas plants where we already produce biogas and biofertiliser.

In June 2021, all the Group's loans from credit institutions were refinanced in connection with the issuance of a corporate bond of SEK 700 million. On the same day as the

GREEN FINANCING

Type of financing	Date received/ issued	Maturity	Nominal value	Amount paid through 2023
Share issue, Nasdaq Nordic	December 2020	-	350 MSEK	321 MSEK
Senior green bond issue	June 2021	2026-06-08	700 MSEK	636 MSEK
Investment grants 2021	Approved 2020	-	49 MSEK	49 MSEK
Investment grants 2022	Approved 2022	-	300 MSEK	233 MSEK
Investment grants 2023	Approved 2022	-	0	0
Directed new share issue	November 2022	-	326 MSEK	316 MSEK
Revolving credit facility	December 2022	June 2027	300 MSEK	150 MSEK
Total			2,025 MSEK	1,705 MSEK

issue, a nominal amount of SEK 63.8 million was repurchased. The outstanding nominal amount after repurchase amounts to SEK 636.2 million as at 31 December 2023. Biokraft is entitled to sell the SEK 63.8 million on the market at any time. Previous loans refinanced totalled SEK 475.8 million. These loans were raised in previous years as project financing for the plant in Skogn, Norway, and in Södertörn, Sweden.

Green financing framework

Our green financing framework is aligned with the ICMA Green Bond Principles 2018 and the LMA/APLMA/LSTA Green Loan Principles 2018. Under this framework, Biokraft and its subsidiaries may issue green bonds, loans or other financial instruments. The framework is available on our website.

A green financing committee has been established in line with the framework and includes the management team and the head of sustainability. The committee is responsible for the governance of green funding, the approval of the green project register and the reporting for 2023. The reporting is not externally audited, as described in the framework.

"Dark Green Shading" and CICERO

CICERO Shades of Green AS ("CICERO") provides market-leading, independent and research-based evaluation of green and sustainable bonds and full company assessments. To make these assessments, a classification system using the colours dark green, medium green and light green in descending order are used for green and sustainable bonds with a climate-proof future. The Biokraft green finance framework has been awarded a dark green rating, and CICERO also awarded a dark green rating to the Group.

Dark green shares

Biokraft was the first group in Sweden to receive a 100 per cent dark green classification from CICERO for all income and investments, including all shares. The 2020 IPO funding is part of our green financing framework and is included within our green financing summary.

Allocation of green financing per project category

Our investment projects are allocated to a single project category. Accumulated financing funds are presented per category in the table below, alongside the expected environmental impact. Measurement of environmental impact will be further developed in the coming year as we progress with our investments.



Product category	Investment project	Allocation of financing funds 2023	Environmental impact from financed projects
Renewable energy	-Stockholm Bio-LNG -Skogn II -Mönsterås	458 MSEK	Skogn II is commissioned and other projects are under development. Expected impact: <ul style="list-style-type: none"> • 75,000 tonne CO₂e reduction • 290 GWh biogas production
Sustainable wastewater management and pollution prevention	Maintenance CAPEX	42 MSEK	
Clean transports	Ekdalens Biotransporter liquid biogas	12 MSEK	
Total financing allocated to projects		512 MSEK	

Investments in tangible assets totalled SEK 550 million in 2023, of which SEK 512 million is attributable to the green framework. Other investments totalled SEK 16 million and pertain mainly to heavy vehicles not powered by liquid biogas and SEK 22 million attributable to biogas growth projects.

STOCKHOLM BIO-LNG, SWEDEN

This project aims to build a liquefaction plant with a production capacity of 220 GWh and to increase the production capacity by up to 30 GWh in the existing plant at Gladö Kvarn in Södertörn. The Stockholm Gas Network (Gasnätet Stockholm) is running a project to connect the Södertörn plant to the gas grid and thereby enable liquefaction of biogas production from Henriksdal. In 2023, work continued on the expansion of the liquefaction plant and commissioning began in late summer 2023.

MÖNSTERÅS, SWEDEN

The project involves the construction of a manure-based biogas plant with a technical production capacity of at least 125 GWh of liquefied biogas and 200,000 tonnes of biofertiliser. The investment decision was made at the end of 2022.

The plant will have a high proportion of manure substrate that provides an excellent CO₂ reduction value, which with current market prices and certificate values will result in significantly better profitability. The Mönsterås project is in an active construction phase and the work is progressing according to schedule. Most of the structures have been erected and installation work is in progress. The commissioning is dependent on the connection to the electricity grid and we see a risk that the schedule for the connection will be shifted by the grid owner. The project is working in parallel with the grid owner to establish a timetable for connection and several interim solutions to enable commissioning of the plant. Commissioning was originally planned for the second half of 2024, but there is a risk that the schedule may be delayed by six to twelve months.

MAINTENANCE INVESTMENTS, NORWAY AND SWEDEN

Several improvements and investments in new technology were made during the year in both Norway and Sweden. Technology to dewater substrates, increase the circulation of water, and even out the flows and thus create a more quality-assured production has been installed. The facilities at Södertörn, Henriksdal and Skogn have undergone an annual ISCC audit without remarks. In Norway, we have identified opportunities to improve and increase production and thereby improve the profitability of the entire plant in Skogn through changed technical solutions, mainly attributable to changes in raw materials.

Committed employees

Our people are crucial to the growth of Biokraft. Based on our keywords – respect, knowledge, joy and passion – we want to develop both leadership and employee engagement.

BE AN ATTRACTIVE EMPLOYER

dedicated to creating a safe and secure workplace, with committed employees

EMPATHETIC LEADERSHIP

A safe and inclusive working environment is an important foundation for an engaged and happy workforce. That is why we offer ongoing training and individual skill development. At Biokraft, we have several different types of professions that require different skills, all equally important. Wherever our employees are, their health and safety is our top priority. Without the broad and in-depth knowledge of its employees, the company cannot grow. Therefore, we are keen to continuously train our employees and help them develop their skills. This is important both for the company's progress and for the individual employee's well-being and development within the Group.

Governance through goals and policies

Our overall goal is to be an attractive employer. To support employees and managers, Biokraft has a number of policies that can provide guidance on the physical and psychosocial work environment and how we should behave towards each other in our daily work (see page 36 for policies). Good working conditions with a focus on a safe and healthy working environment and empathetic leadership are key topics decided by management in this area, which we monitor through a number of indicators.

Empathetic leadership

Our values of Respect, Knowledge, Joy and Passion guide good leadership and employee engagement. Biokraft aims to be one of the industry's leading employers where our employees can realise their full potential. Achieving this requires empathetic leadership, which we will continue to work on and monitor to create a good working environment with committed employees. Empathetic leadership builds community and highlights successes in daily work, understanding that people's differences contribute to the development of the organisation.

Continuous professional development

In Sweden, there is an internal training log, and training courses are held regularly in gas and electrical safety, fire protection, transport of dangerous goods and chemical management. Voluntary CPR (cardiopulmonary resuscitation) training for all staff is carried out every five years, the last class being held in 2022. Ekdalens' drivers undergo continuous training for the Swedish certificate of professional competence (YKB).

Skogn has a similar log for training programmes to ensure competence levels. In addition to preparedness



At Södertörn, we installed a sprinkler system at the alcohol crusher during the year as a risk of explosion was identified when alcohol is crushed on hot summer days. The floors in the reception hall have also been treated to reduce the risk of slipping.

drills, training programmes linked to different parts of the management system are also carried out.

In the Nordic operations, all employees have a performance review with their line manager at least once a year, which includes an evaluation of competence needs. The appraisal process was recently developed with a new process and new objectives.

Social and psychosocial working environment

Psychosocial issues such as equal treatment, workload and organisational working environment are important for well-being, and a number of activities have therefore been carried out. For example, in the Swedish operations, we have collaboration meetings with local trade union clubs four times a year, and we encourage remote working up to two days a week when possible.

Recruitment and new employees

During the year, recruitment of new talent has been ongoing in both Sweden and Norway. The induction process for new employees has been developed to ensure that the new employee receives the knowledge needed to maintain a safe and secure workplace and that the induction is equivalent, regardless of where in the organisation they start. Clear checklists for line managers and virtual welcome meetings with Group Management are part of the induction programme. The Swedish and Norwegian organisations have digital platforms to which all employees have access, with information on employment, policies, etc.

Benefits and new incentive programme

All employees in Sweden are covered by collective agreements, have access to health services and wellness grants and insurance. Employees in Norway have similar working conditions and access to occupational health care. In Sweden, employees have also been offered the possibility of salary exchange. Working conditions at the Korean plant comply with national health and safety legislation. There is no formal trade union at the site, but there is a group that can negotiate collectively. In 2022, a three-year incentive programme (LTI) was launched for all employees working in Sweden and Norway at that time. The programme gives employees the opportunity to receive a certain number of share rights. The decision to exercise the rights will be

taken in 2025. The programme is based on two criteria: One criterion is based on the performance of the share price, with a minimum level of SEK 30 per share. The second is that the biogas produced provides an emission reduction of between 170,000–200,000 tonnes of CO₂ equivalent in 2024. Staff hired after the programme's introduction cannot join.

Satisfied employees

In order to implement and follow up measures in the areas of commitment, social and organisational working environment and leadership, we have conducted employee surveys at the Swedish and Norwegian sites. A digital platform has been used to conduct quarterly surveys on issues such as job satisfaction, commitment, working environment and organisation. Our managers are responsible for following up on the survey results through ongoing dialogue with their team.

The Empathetic Leadership Index is based on the key driver of leadership and includes four questions pertaining to overall leadership within the organisation as well as employees' trust in their immediate supervisor, the qualities the employee appreciates, and the qualities they would like to see more of.

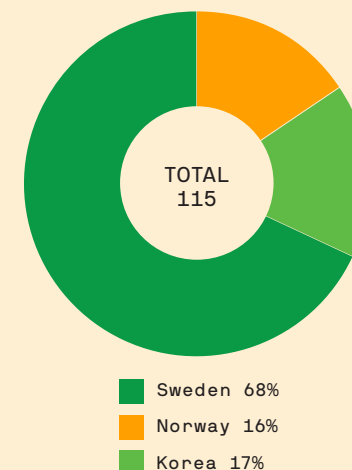
The Employee Engagement Index is based on eight questions based on an engagement model about drivers that affect employee engagement levels: Direction, Collaboration, Development, Leadership, Pride, Validation, and Well-being.

Serious accidents

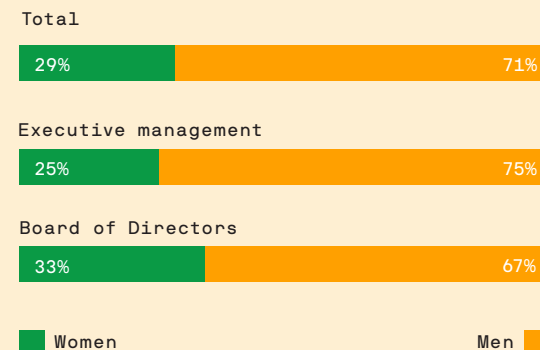
During the year, one serious accident led to sick leave, Lost Time Injury. A transport truck belonging to wholly owned subsidiary Ekdalens Biotransporter AB overturned due to icy road conditions.

During the year, we also had a serious incident during the construction of Stockholm Bio-LNG. An amino acid leak caused by a ruptured gasket in connection with work carried out by subcontractors put two people at risk. The incident did not result in any demonstrable immediate injury.

AVERAGE NUMBER OF FULL-TIME EMPLOYEES, 2023



GENDER DISTRIBUTION AS OF 31 DECEMBER 2023



Development and new technologies for more responsible operations

We want to continuously develop our operations and value chain to increase capacity and ensure that production is as responsible as possible. We work continuously to improve technology and streamline our processes at the plants to create positive impacts on electricity and water use, chemical management, the working environment, supply security and our profitability.

ENSURING EFFICIENT AND RESPONSIBLE OPERATIONS
 By continuously reducing the operation's negative climate impact and by producing renewable products with high resource efficiency.
 By being a responsible and transparent partner and managing the business in a trustworthy manner.

GOOD WORKING CONDITIONS WITH A FOCUS ON SAFETY AND HEALTH

GREENHOUSE GAS EMISSIONS

RESIDUES

WORKING CONDITIONS AT SUPPLIER

Governance through goals and policies

One of our three overall goals is to ensure efficient and responsible operations. We also want actors in our value chain to take responsibility and contribute to the SDGs. To help us steer towards efficient and responsible operations, we have three policies that guide our daily work: Environmental and Sustainability Policy, Quality Policy and Business Partners Code of Conduct. We have decided that our material topics of greenhouse gas emissions, generation of residues, supplier labour conditions and good working conditions with a focus on health and safety are linked to

the target of efficient and responsible operations. Read more about our sustainability strategy on page 34.

Systematic health and safety management

Our systematic working environment management, which has been in place for a long time, has been further improved and tightened over the past year. Our health and safety management systems include procedures and processes that are fundamental to the organisation. Procedures for reporting deviations in incidents and accidents have been developed and digitised in recent years. The reports are



regularly reviewed to detect any systematic errors and shortcomings. We carry out targeted risk assessments during refurbishment, purchase of new chemicals, introduction of new substrates to the facilities or organisational changes. Our first priority is always to eliminate hazards, then reduce the risk of an event occurring and finally introduce measures to mitigate the consequences.

The Swedish operation has a safety committee that has four documented meetings per year, with representatives from management and the staff in the form of safety representatives. The operations manager; HR manager; quality, environment and health & safety manager; and safety representative regularly review the operations to identify any health & safety risks. The results of these safety audits are reported to the Safety Committee. The conditions for safe handling of chemicals are constantly improving, as all relevant documentation, such as safety data sheets, are on a digital platform.

In order to improve preparedness in case of an accident, we have carried out four emergency drills in Norway based on different scenarios. The lessons learned from these preparedness drills enable us to minimise any potential damage or accident. There are monthly meetings and safety rounds, the latter with specific focuses, such as protective equipment and first aid.

At the Korean site, an already comprehensive safety management system has been further developed over the past year. Until recently, national legislation for industrial safety did not apply to biogas production, but this has changed. The internal system has therefore been developed to comply with the new legislation, PSM (Process Safety Management). Some changes have been made to fulfil the requirements to strengthen the prevention of explosion and leakage of hazardous chemicals, for example through systematic management of routine and emergency situations. The PSM report was submitted to the authorities for review in 2023, and we expect to

implement PSM in the first half of 2024.

We are committed to providing a safe working environment for temporary staff and contractors. They must be insured through their employers, and everyone on site must sign specific safety rules before any work can be carried out.

All employees are able to report deviations in the operational systems and can also report issues to their line manager. In order to further improve the possibility of identifying and following up on any deficiencies regarding, e.g., the work environment, a whistle-blower policy has been adopted by Biokraft's Board of Directors and a whistle-blower function has been established. The company's HR manager has the overall responsibility for systematic working environment management in collaboration with each operational manager.

The wholly owned subsidiary Ekdalens Biotransporter AB also has an extensive working environment programme. All lorries have cruise control and alcolocks, and we ensure that relevant protective equipment is always available. There is a safety representative at the company, and the vehicles are inspected every day, for example for tyre pressure.

Continuous development of management systems

In addition to our own impact reduction targets, operating organisations must comply with extensive environmental and health and safety legislation, as they are subject to licensing and reporting requirements. Monitoring of targets and legal compliance is ensured through systematic work in internal management systems for safety, quality, environment and working environment. It is fundamental to work preventively and apply the precautionary principle, for example when purchasing new technologies. If deviations are detected, they are documented and followed up according to established procedures. We have improved



and developed the management systems during the year in all three countries.

We have mapped all processes in our Swedish operations and defined process owners in a major project aimed at creating transparency and improving governance and follow-up of the operations. During the year we also introduced a comprehensive management system, the Biokraft Business System, described on page 16. The Biokraft Business System will be implemented in the Norwegian operations in 2024.

We have developed the management system in Korea, too, where it has been further adapted to national legislation.

Since February 2022, a project has been underway to further improve and simplify the monitoring requirements of the authorities and certifications. The ambition is to fully comply with ISO 9001, 14001, 26000 and 45001.

Technological developments bring several improvements

At Södertörn, the dewatering equipment that was installed in 2022 has been put into use during the first half of 2023. Due to a number of technical problems, it has not yet been possible to meet the expected reduction in the consumption of process chemicals, but energy savings and outlet to sewage have been achieved. The new equipment has also led to an improved working environment as it is quieter (less vibration) and produces a reduced odor.

In connection with the expansion of Skogn II, we made several improvements to the installation. We installed technology that dewateres the substrate, resulting in lower chemical use, and we reconstructed so that a greater proportion of the heat generated is recovered. Furthermore, the installed buffer tank for hygienised substrate has provided a more even and stable flow in the installation. The substrate mix has remained largely unchanged in Norway, with the majority coming from the aquacultural and forestry industries.

Methane emissions from the anaerobic digestion process

Some methane emissions from a biogas plant are unavoidable and arise, for example, from the purification of the gas to obtain vehicle gas standards. The plants have emission conditions for methane gas in accordance with the current environmental permit and systematic leak detection is carried out regularly at all plants to prevent and remedy leaks. Pressurised devices and safety valves in the gas system are regularly checked by an accredited body.

The Swedish plants are a part of Swedish Waste Management's collaborative project Self-Inspection of Methane Emissions, a voluntary commitment for biogas plants focused on identifying and reducing methane emissions.

Emissions from transport

Ekdalens Biotransporter AB, a strategically important subsidiary of Biokraft, is a leading player in the transport of organic materials to and from biogas plants. Ekdalens minimises emissions through, among other things, eco-driving, monitoring of driver statistics, more fuel-efficient vehicles, feedback to the drivers and optimisation of return transports. Fuel consumption has been reduced by almost a third between 2019 and 2023. Six of the company's 18 lorries are new gas-powered vehicles, purchased in 2022–2023. The remaining 12 run on renewable fuels or Bio-diesel. The company's goal is to be completely fossil-free by 2026.

In Norway, the majority of substrate transport is by boat, and a small amount is by lorry. The responsibility for the Norwegian inbound transport lies with the suppliers.

We are not able to influence the environmental performance of transport in Korea, as municipal refuse trucks bring food waste to the plant.

Having responsible operations means that we have a safe workplace with no injuries or accidents, that we comply with all environmental permits, and that we continuously reduce our external impact. We also have a life-cycle perspective for our investments.



Greenhouse gas emissions

Reported CO₂ equivalents in tonnes for entire Group, 2022 and 2023.

Based on calculations from the HBK tool.

SCOPE 1 (tonnes CO₂eq)

Scope 1 includes methane emissions and emissions from machinery and owner-operated lorries.



SCOPE 2 (tonnes CO₂eq)

Scope 2 includes emissions from purchased electricity and water.



SCOPE 3 (tonnes CO₂eq)

Scope 3 includes emissions from substrate and bio-fertiliser transports and emissions from purchased chemicals.



Scope 1: Reporting now also includes the Bromma plant, for which we previously lacked data.

Scope 2: The increase is due to the capacity increase at the liquefaction plant at Södertörn, Sweden, and to changes to the electricity mix at Skogn, Norway.

Emissions from construction

Cement is an important building component in new biogas plants and has a high climate impact during production. We plan to gradually impose requirements on building materials and construction to reduce our overall climate impact in the value chain.

Residual products

Biokraft works to reduce the generation of waste and emissions to water from our facilities. The minimum requirements are to comply with the facilities environmental permit and to apply the best available techniques (BAT). We avoid environmentally hazardous chemicals as much as possible through pre-purchase risk assessments and regular chemical inventories at our facilities.

The cyclone technology at Södertörn improves the possibility of sorting out materials such as eggshells, gravel or undesirable inorganic materials before the waste enters the digestion process. It also extends the life of the equipment, which is heavily worn by gravel and other hard particles.

Efficient utilisation of heat and water

At Biokraft, we have a strong focus on efficient resource utilisation of heat and water, and therefore we strive for increased heat recovery and water circulation.

The excess heat from burning biogas and from machinery and equipment generates our own heat. The Swedish operations only use origin-labelled, fossil-free electricity and renewable fuels for work machines.

In 2021, an energy audit was carried out which resulted in a series of measures in 2022 and work that continued in 2023, such as switching to LED ceiling fittings. The lessons learnt from the mapping exercise continue to inform the work at the other sites.



At Södertörn, there is ongoing work to make more efficient use of the gas from the digesters. When the gas is upgraded, more of the methane content of the gas is used to heat the plant.

About five per cent of the gas produced at the Ulsan facility is used internally in the process. The Group's total energy consumption has decreased by just over one per cent compared with the previous year.

Recirculation of water

Since 2022, Södertörn has had a cyclone that separates unwanted material. Water added to the cyclone is then pressed out with a screw press and recirculated. What goes into the biogas installation is a thickened slurry with

a higher nutrient content. With this technology in place, we can receive waste from grease traps, which is a good biogas substrate.

The amount of fresh water consumed at Södertörn has decreased, due to increased usage of the evaporator.

The upgrading technology used at Bromma does not require process water, and the rest of the plant uses a minimal amount of water. At Henriksdal, measures have been taken to reuse water within the operation, but some fresh water will always be needed in the process due to technical requirements.

The planned water recirculation project in Skogn was slightly delayed, and installation is expected in Q1 2024. This means that the amount of incoming water can be reduced

by up to 50 per cent and that chemical consumption is reduced.

In Korea, virtually no fresh water is used in the process; instead recycled water from the wastewater treatment plant is used.

Follow-up of complaints

The company's facilities are adjacent to other activities, such as wastewater treatment plants, industrial activities and housing. Dialogue and collaboration with nearby neighbours is important for Biokraft. We inform our neighbours about major changes and follow up on any complaints by taking action and giving feedback on our actions.

Governance

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Corporate governance report

The purpose of good corporate governance is to create favourable conditions for active shareholder involvement, a clear and well-balanced division of responsibilities between owners, the Board of Directors and executive management, and to ensure that information about Biokraft International AB (publ) is available to the market and is correct. Good corporate governance is also about ensuring that the company is managed sustainably, responsibly and as effectively as possible. The overall goal is to increase the value for the shareholders and thereby meet the requirements shareholders have for their invested capital.

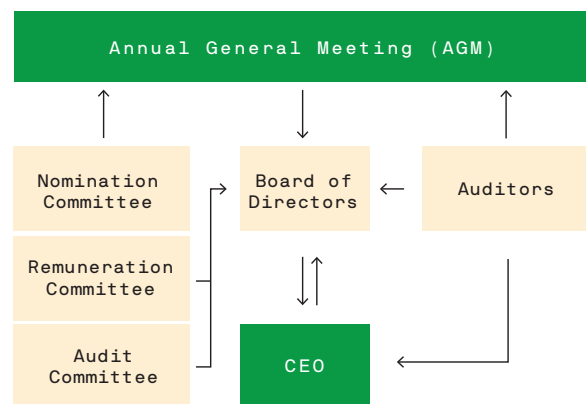
Biokraft International AB (publ) is a Swedish public limited liability company listed on Nasdaq First North Premier Growth Market since 16 December 2020. More information about Biokraft's share and ownership structure can be found in the Biokraft as an Investment section on page 9.

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

The internal regulations for the company's governance consist of the Articles of Association, the Board's rules of procedure, instructions for the CEO, instructions for financial reporting, and other policies and guidelines.

The Board of Directors' assessment is that the Code is complied with and that there are no deviations. At the Annual General Meeting on 29 April 2021, guidelines for remuneration to senior executives were adopted.

Governance, management and control of Biokraft takes place through the division of responsibilities between shareholders at the Annual General Meeting, the Board of Directors and the CEO. The company's governance is organised and monitored as shown in the illustration below.



Annual General Meeting

In accordance with the Swedish Companies Act (2005:551), the Annual General Meeting is Biokraft's highest decision-making body. At the Annual General Meeting, shareholders exercise their influence on important issues such as amendments to the Articles of Association, election of the Board of Directors and auditor, adoption of the income statement and balance sheet, and resolution on discharge from liability and appropriation of the company's result. In addition, the Annual General Meeting resolves on, among

other things, guidelines for remuneration to the Board of Directors and any new share issues.

The Annual General Meeting shall be held within six months of the end of the financial year. In addition to the Annual General Meeting, the Board of Directors may convene Extraordinary General Meetings.

Notice of General Meetings shall be made in accordance with the Company's Articles of Association by announcement in the Swedish Official Gazette and by making the notice available on the Company's website (www.biokraft.com). Information about the notice shall be made through an announcement in Dagens Industri.

Shareholders who are registered in the share register, which is held by Euroclear Sweden AB ("Euroclear"), as of the record date and have provided notification of their attendance no later than the date stated in the notice, are entitled to attend and vote at the Annual General Meeting, either in person or by proxy. A shareholder may bring assistants to the general meeting if this has been notified.

Shareholders who wish to have a specific matter addressed at the Annual General Meeting must submit a written request to the company's Board of Directors. Such a request must normally be received by the Board of Directors no later than seven weeks prior to the Annual General Meeting.

Documents to be presented at the Annual General Meeting shall be available at the company's head office and website no later than three weeks prior to the Annual General Meeting and shall be sent to shareholders upon request.

Nomination Committee

According to the Code, the company shall have a Nomination Committee whose task is to submit proposals for the election of the Chairman of the Annual General Meeting, election of Board members, Chairman of the Board of Directors and auditor. The Nomination Committee shall also propose fees and other remuneration to each Board member as well as remuneration for committee work, auditors' fees and, if appropriate, proposals for the Nomination Committee for the next Annual General Meeting.

Up until 15 April 2024, when a new board was elected, the members of the Nomination Committee consisted of Olav Sem Austmo (representing Aneo Renewables Holding AS), Christian Janssen (representing Stl Sverige AB), Jonas Bengtsson (representing Bengtssons Tidnings AB) and Anders Bengtsson, Chairman of the Board.

Rules for the appointment of and instructions for Biokraft's Nomination Committee were adopted at an Extraordinary General Meeting on 23 November 2020. According to the instructions, the Nomination Committee shall consist of the Chairman of the Board of Directors and members of the three largest shareholders in terms of voting rights as of the last trading day in August. If any of these shareholders does not wish to exercise their right to appoint a member of the Nomination Committee, the shareholder who is next in line will be offered the right to appoint a member of the Nomination Committee, and so on. The names of the members of the Nomination Committee and of the shareholders who have appointed them shall be announced no later than six months before the Annual General Meeting. Ahead of the 2024 Annual General Meeting, the composition shall be announced as soon as the Nomination Committee has been appointed. It was published on Biokraft's website on 6 October 2023 and was announced in the report for the third quarter of 2023 published on 31 October 2023.

Board members may be appointed to the Nomination

Committee but shall not constitute a majority of its members. If more than one member of the Board of Directors is appointed to the Nomination Committee, no more than one of them may be dependent in relation to the company's major shareholders. The member representing the largest shareholder in terms of voting rights shall be appointed Chairman of the Nomination Committee. Board members may not be the Chairman of the Nomination Committee. If the member representing the largest shareholder in terms of voting rights is a member of the Board of Directors, the Nomination Committee shall appoint another member as Chairman.

If a member leaves the Nomination Committee before its work has been completed, a representative from the same shareholder may replace the resigning member, if the Nomination Committee deems it necessary. If a shareholder represented in the Nomination Committee reduces its shareholding in the company, the member representing such shareholder may resign and, if the Nomination Committee deems it appropriate, the shareholder who is next in line in terms of voting rights shall be given the opportunity to appoint a member instead. If the ownership structure has changed in any other way significantly before the Nomination Committee's assignment has been completed, the Nomination Committee may, if it deems it appropriate, decide to make changes to the composition of the Nomination Committee. Changes in the composition of the Nomination Committee shall be announced as soon as possible.

The Nomination Committee's term of office ends when the composition of a new Nomination Committee has been announced.

Work of the Nomination Committee

The Nomination Committee meets at least once a year. In 2023, the previous Nomination Committee held two meetings. The Nomination Committee's proposals for the 2024

Board elected after Extraordinary General Meeting April 15, 2024

For more information, see Significant events after the period, pages 70, and 100.

Henrikki Talvitie, Chairman of the board

Representing IVision Biogas AB

Kati Ylä-Autio, Board Member

Representing IVision Biogas AB

Miika Johansson, Board Member

Representing IVision Biogas AB

Jan Harald Solstad, Board Member

Representing IVision Biogas AB

Christian Kronstad, Board Member

Representing IVision Biogas AB

Håkon Welde, Board Member

Representing IVision Biogas AB

Anders Bergvatten, Board Member and Employee Representative

Lars Bengtsson, Board Member and Employee Representative

Annual General Meeting are assumed to be presented in the notice convening the Annual General Meeting. Further information about the work of the Nomination Committee is presented in the Nomination Committee's report ahead of the 2024 Annual General Meeting.

Board of Directors

The Board of Directors is, after the Annual General Meeting, the company's highest decision-making body.

According to the Articles of Association, the Board of Directors shall consist of a minimum of three (3) and not more than ten (10) ordinary members with a maximum of ten (10) deputies. Board members are elected at the Annual General Meeting until the end of the next Annual General Meeting. Currently, the Board of Directors consists of six (6) ordinary members, elected until the 2024 Annual General Meeting, and two (2) employee representatives.

Work of the Board of Directors

According to the Swedish Companies Act, the Board of Directors is responsible for the organisation and management of the company's operations, which means that the Board is responsible for, among other things, establishing goals and strategies, securing processes and systems for monitoring set goals, continuously evaluating the company's financial position and executive management. The Board of Directors is also responsible for ensuring that the annual report, consolidated financial statements and interim reports are prepared in a timely manner. In addition, the Board of Directors appoints the company's CEO.

According to the Code, the Chairman of the Board shall be appointed by the Annual General Meeting and shall have special responsibility for governing the work of the Board and for ensuring that the work of the Board is well organised and carried out in an efficient manner. The Board of Directors follows written rules that are revised annually and adopted at the statutory Board meeting.

The rules of procedure regulate, among other things, the duties of the Board of Directors, decision-making within the company, the Board's agenda for meetings, the duties of the Chairman of the Board and the division of responsibilities between the Board members, the committees and the CEO. Instructions for the CEO, including instructions for financial reporting, are adopted in connection with the statutory Board meeting.

The Board of Directors is responsible for reviewing and approving the company's sustainability reporting, including the company's material matters.

The Board of Directors meets regularly in accordance with a schedule set out in the rules of procedure, which includes certain fixed matters and certain matters as necessary.

At the 2023 Annual General Meeting, Anders Bengtsson (Chairman), Tina Helin, Petra Einarsson, Håkon Welde, Jan Helland Eide and David Schelin were elected. In addition, the Board of Directors consists of employee representatives Anders Bergvatten and Lars Bengtsson. Further information about the Board of Directors can be found on pages 58-59.

In 2023, the Board of Directors met 15 times.

The CEO and CFO are not members of the Board of Directors, but they attend Board meetings, except in matters where conflict of interest may be considered or where it is otherwise inappropriate. The auditors attend at least one Board meeting per year at which they report the results of their audit of the Group and the legal entities.

The Board may set up committees to prepare certain matters and may also delegate decision-making to such committees. However, the Board of Directors may not disclaim responsibility for decisions made on this basis. If the Board of Directors establishes committees, the rules of procedure of the Board of Directors shall specify the tasks and decisions of the Board of Directors with the powers delegated to the committees, as well as how the

committees are to report to the Board. The Board of Directors has established two ordinary committees in accordance with the Swedish Companies Act and the Code: the Audit Committee and the Remuneration Committee.

Independence of the Board

The composition of Biokraft's Board of Directors complies with the rules of the Swedish Code of Corporate Governance regarding independence. For more information, see the table on pages 58-59.

Critical Issues

In 2023, no case that can be considered a whistleblower case has been brought to the attention of either senior management or the Board of Directors. At the statutory meeting in April 2023, the Board decided on a new whistleblower policy in connection with the launch of a whistleblower function.

Evaluation of the Board

The Board of Directors is evaluated annually with the aim of developing the work of the Board and creating a basis for the Nomination Committee's evaluation of the composition of the Board.

Remuneration to the Board

The Nomination Committee presents proposals for resolution at the Annual General Meeting regarding Board fees. The 2023 Annual General Meeting resolved in accordance with the Nomination Committee's proposal on fees. The Nomination Committee's proposal for remuneration for the 2024 Annual General Meeting is set out in the notice convening the Annual General Meeting.

Audit Committee

The Board of Directors has established an Audit Committee which until 15 April, 2024, consisted of members Petra

Einarsson (Chairman), Anders Bengtsson and Håkon Welde.

The Audit Committee shall, without prejudice to the Board's other responsibilities and duties:

- I. monitor the company's financial statements;
- II. with respect to financial statements, monitor the effectiveness of the company's internal control and risk management;
- III. keep itself informed about the audit of the annual accounts and consolidated financial statements;
- IV. inform the Board of the results of the audit and the way in which the audit has contributed to the reliability of the financial statements, as well as the duties assigned to the Committee;
- V. ensure the quality of the year-end report and interim reports prior to the Board's decision;
- VI. review and monitor the impartiality and independence of the auditor and thereby pay attention to whether the auditor provides the company with services other than audit services;
- VII. assist in the preparation of proposals for the Annual General Meeting's resolution on the election of auditors; and
- VIII. follow up the work including legal compliance regarding the environment, work environment and other sustainability issues, such as the outcome of the ISCC certifications and preparation for CSRD.

Remuneration Committee

The Board of Directors has established a Remuneration Committee which until 15 April, 2024, consisted of David Schelin (Chairman), Anders Bengtsson and Tina Helin.

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

- I. prepare the Board of Directors' decisions on matters relating to principles for remuneration, remuneration and other terms of employment for the Group Executive Committee;
- II. monitor and evaluate programmes for variable remuneration, both ongoing and those that have been completed during the year for the executive management; and
- III. monitor and evaluate the application of the guidelines for remuneration to the Board of Directors and Group Management, which the Annual General Meeting is legally obliged to adopt, as well as the current remuneration structures and levels in the company.

CEO and Executive Management

The CEO is subordinated to the Board of Directors and is responsible for the day-to-day management and operation of the company. The division of responsibilities between the Board of Directors and the CEO is determined by the rules of procedure for the Board of Directors and the instructions for the CEO. The CEO is also responsible for producing reports and compiling information from the management team for board meetings.

According to the instructions for financial reporting, the CEO is responsible for the company's financial reporting and must thereby ensure that the Board receives sufficient information to be able to assess the company's financial position.





The company's CEO is Matti Vikkula. Further information on the CEO and other members of the Group's management can be found on pages 60-61.

Michael Wallis Olausson is VP Growth. Robert Hammarstedt is VP Programme Office. Håvard Wollan is VP Business Area Norway and is also VP for the Markets function. Matti Vikkula has continued as interim VP Business Area Korea since 2021. Jörgen Ejlertsson and Anna Budzynski will continue in their roles as VP Process Technology and R&D and CFO, respectively. Magnus Gyllenrapp is VP Business Area Sweden. Heidi Wold has been the VP Communications since August 2023, replacing Anna Oxenstierna.





Auditor

The auditor shall review the company's annual accounts and financial statements, as well as the administration of the Board of Directors and the Managing Director. After each financial year, the auditor shall submit an auditor's report for the consolidated financial statements to the Annual General Meeting. In accordance with the company's Articles of Association, the Annual General Meeting shall appoint one or two authorised public accountants with a maximum of two deputy auditors or one registered accounting firm. The auditor, and any deputy auditors, are elected annually at the Annual General Meeting for the period until the next Annual General Meeting has been held. The accounting firm Öhrlings PricewaterhouseCoopers AB was elected as auditor at the 2023 Annual General Meeting for a period of one year. Authorised public accountant Lars Kylberg has been the auditor in charge.

Board of Directors




				
	ANDERS BENGTSSON (CHAIRMAN)	JAN HELLAND EIDE (BOARD MEMBER)	DAVID SCHELIN (BOARD MEMBER)	TINA HELIN (BOARD MEMBER)
Born	1963	1987	1965	1960
Education	MBA, Monterey Institute of International Studies, USA. Certified controller, IHM Business School, Stockholm.	MSc in Technology and Policy from the Massachusetts Institute of Technology (MIT), USA and BSc in Mechanical Engineering from INSA de Toulouse, France.	M.Sc. in Electrical Engineering, Chalmers University of Technology, Sweden. Reserve officer, Royal Swedish Naval Academy. Executive MBA, Columbia Business School, USA.	M.Sc. in Geotechnology, Luleå University of Technology.
Tenure	2009 – April 15, 2024, Chairman 2021 – 2024	2023 – April 15, 2024	2017 – April 15, 2024	2021 – April 15, 2024
Experience	MBA from Monterey Institute of International Studies, USA. Twenty years of experience as CEO of small and mid-sized companies. Several years' experience as management consultant, including Semcon AB. Experience from several board assignments within various industries in both public and unlisted environments. Active in both tech and greentech industries.	Extensive expertise and experience from the global renewable energy sector, including Vice President of Project Development and Country Manager for Vietnam for Scatec ASA.	30 years of experience in senior positions in telecom, technical security, recycling and the train industry. Great commitment to sustainability in various forms, but often in board roles.	Extensive experience in project management and management of large international projects in the energy industry such as tunnels and hydropower in South Africa, Peru and Sweden as well as wind power in Sweden and Denmark.
Other significant positions	CEO of Dimitra AB. Board member of Bengtssons Tidnings AB, Dala Marknad AB, Kakel Max AB (publ), Apelsin-höjden Holding AB, Slipskäraren Holding AB, Bjärebyholding AB, and other companies.	Partner in HitecVision.	Chairman of the board: Renall Holding AB, Surf-cleaner AB, Logiwaste AB. Board member: Pamica group, EW Group, Bellman Group, Cling systems.	Chairman of the Board of Österlenskraft AB and Simrishamns Röda Korskreets.
Prior positions	Board member of Diös Fastigheter AB (publ), Chairman of Sustainability Finansiering Stockholm AB. Svenska Landsortstidningars Förlagsaktiebolag, Nordic Iron AB (publ), Mälarterrassen Holding AB, and other companies.	-	Former Vice President Services at Ericsson in Asia, COO Niscaya, CEO of Ragn-Sells Recycling AB, CEO of Euromaint Rail. Chairman of the Board of Renewcell AB. Member of the Board of Polarbröd Aktiebolag, Svensk bevakningstjänst.	CEO of E.ON Gas Sverige AB, Deputy CEO of OKG AB, Chairman of the Board of E.ON Biofor AB and Board member of the Swedish Gas Technology Centre, which later became Energiforsk AB.
Independence	Independent in relation to the Company and management, but not in relation to major shareholders.	Independent in relation to the Company and management, but not in relation to major shareholders.	Independent in relation to the Company, management, and major shareholders.	Independent in relation to the Company, management, and major shareholders.
Holdings in Biokraft	584,360 shares (partly through company)	No shares	13,334 shares (through company)	No shares
Committee	Remuneration Committee, Audit Committee	-	Remuneration Committee	Remuneration Committee
Board meetings	15/15	12/12*	14/15	15/15
Audit Committee	8/8	-	-	-
Remuneration Committee	6/6	-	6/6	6/6

*Due to a conflict of interest, board members Jan Helland Eide and Håkon Welde have not participated in the Board's handling of or decisions regarding the offer from IVision Biogas.

				
	PETRA EINARSSON (BOARD MEMBER)	HÅKON WELDE (BOARD MEMBER)	ANDERS BERGVATTEN (BOARD MEMBER AND EMPLOYEE REPRESENTATIVE)	LARS BENGTSSON (BOARD MEMBER AND EMPLOYEE REPRESENTATIVE)
Born	1967	1973	1980	1963
Education	MBA Uppsala University	Executive management programme, INSEAD Fontainebleau, France; Cand Mag. Political Science NTNU, Trondheim, Norway, and University of East London, UK.	M.Sc. Engineering Biology, Linköping University	Biogas Technology, Halmstad University.
Tenure	2021 – April 15, 2024	Elected 2021	Employed 2019, elected 2022	Employed 2015, elected 2018
Experience	Former President and CEO of Billerud Korsnäs. Prior to that, she had a long career in senior positions in the engineering group Sandvik.	Extensive experience as board member of companies including On Energi AS, Midgard Vind Holding AS, Frøya Vind AS, Roan Vind DA, Sørmarkfjellet AS, Stokkfjellet AS and STN Invest AS.	Worked with industrial biogas production since 2006. Worked in Scandinavia, South Korea and Southeast Asia with large-scale biogas production for the production of electricity, heat, CBG and LBG.	Background from industrial and municipal operations in wastewater and water treatment. More than ten years of experience in research and anaerobic wastewater treatment and biological decomposition.
Other significant positions	Board member of Alimak Group AB, Norsk Hydro, SSAB.	Head of M&A and Corporate Ownership at Aneo AS and board member of IVision Biogas AB, Roan Vind DA, Sørmarkfjellet AS, STN Invest AS, Frøya Vind AS, Midgard Vind Holding AS, Stokkfjellet AS and ON Energi AS.	Board member of Oscar Energy Holdings Pte. Ltd.	-
Prior positions	-	Investor Relations & Strategy Director, Active 24 ASA. Board Member of Loqal AS, Biokraft AS, Biokraft Marin AS, HydroEnergi AS, Norwind Installer AS, Owec Tower AS, Teknisk Data AS, TrønderEnergi Elektro AS, Vigor AS, Dynavec AS and Usma Kraft AS.	Board member of several biogas production companies in Southeast Asia.	Board member of Renowaste AB.
Independence	Independent in relation to the Company, management, and major shareholders.	Independent in relation to the Company and management, but not in relation to major shareholders.	-	-
Holdings in Biokraft	6,346 shares	No shares	5,029 shares	1,200 shares
Committee	Audit Committee	Audit Committee	-	-
Board meetings	14/15	12/12*	15/15	15/15
Audit Committee	8/8		-	-
Remuneration Committee	-	-	-	-

*Due to a conflict of interest, board members Jan Helland Eide and Håkon Welde have not participated in the Board's handling of or decisions regarding the offer from IVision Biogas.

Executive management

				
	MATTI VIKKULA	ANNA BUDZYNSKI	MICHAEL WALLIS OLAUSSON	JÖRGEN EJLERTSSON
	CEO and Interim VP Business Area Korea	CFO	VP Growth	VP Process and Technology
	CEO of Biokraft since 2011	Employed 2019	Employed 2009	Co-founder, 2005
Born	1960	1979	1962	1965
Education	M.Sc. in Economics, Helsinki School of Economics.	MBA, Stockholm University	MBA Stockholm School of Economics, Graduate of Swedish Defence University top executive programme.	M.Sc. in Agriculture, Swedish University of Agricultural Sciences (SLU), Uppsala; Ph.D. and senior lecturer, Environmental Change unit, Linköping University.
Experience	Several positions as CEO or in management teams as well as a member of the Board of Directors of private and listed companies.	Management responsibilities in several different roles. Previously chartered accountant for 10 years at PricewaterhouseCoopers.	Head of Business Area Sweden 2016-2022. Former Lieutenant Colonel of the Swedish Armed Forces and management consultant at Deloitte.	Adjunct professor at Team M, Linköping University and process engineer at Tekniska verken.
Other current positions	Chairman of Loihde Oy, Origin by Ocean. Board member of Kristina Cruises Oyj.	Board member of Consortis Miljöansvar AB, Young och Fischer AB and Budzynski Consulting AB. Member of the Board of Directors of OK-Q8 Shared Service AB, Bensinpumpen BENFA Fastigheter AB, Arithma Holding AB and OK-Q8 Bank AB.	Board member of Energigas Sverige.	-
Prior positions	Partner at PricewaterhouseCoopers Management Consulting, CEO Saunalahti and member of Elisa's management team. Chairman of the Board of Efore, Ruukki Group, iTaito, Adison and AinaCom. Member of the Board of Aina Group, Trainers House.	CFO at OKQ8 and SRV återvinning AB and member of the management team for both companies.		-
Holdings in Biokraft	450,000 shares	33,500 shares (partly through company)	No shares	60,911 shares

				
	HEIDI WOLD	ROBERT HAMMARSTEDT	MAGNUS GYLLENRAPP	HÅVARD WOLLAN
	VP Communications	VP Programme Office	VP Business Area Sweden	VP Business Area Norway, VP Markets
	Employed 2023	Employed 2022	Employed 2023	Employed 2016
Born	1985	1979	1974	1965
Education	Marketing and Communication, IHM; Business Administration, University of Linköping; Economics, University of Mälardalen.	LL.B, Stockholm University, BA in business economics, Södertörn University	M.Sc. in Civil Engineering, Chalmers University of Technology; PhD in Technology, Karlstad University; MBA, Stockholm School of Economics.	M.Sc Norwegian University of Science and Technology, and MBA, Heriot-Watt University, UK.
Experience	Has worked as communications advisor to listed companies since 2008. Member of executive management since August 2023.	Management responsibility in various roles and industries. Four years' experience leading management teams; 10 years' experience as management team member.	International experience as factory manager, COO, Operations Director and General Manager at companies including Crane, IL Recycling and Stena Recycling.	More than 20 years of international experience as an entrepreneur, business leader, consultant and investor.
Other current positions	-	Board member of Biotisk Energier Sweden AB and J Hammarstedt Fastighets AB.	Chairman of Trident EQT.	Chairman of Ocean Space Capital AS, Aqualoop AS, MSB International AS, Marine Bio Solutions AS and Joytrack AS. Chairman of Biogas Norway.
Prior positions	Communications director Scandic Hotels Sverige, Communications director Scandi Standard.	Lawyer at a firm, property manager at Preem and Tyresö Municipality, property development manager at Telge Bostäder.	Board member of First Recycling (Poland), Chairman of KINAB.	
Holdings in Biokraft	No shares	No shares	30,000 shares	135,466 shares (through company)

Board of Directors' report on internal control over financial reporting

This section has been prepared in accordance with the Code and the Annual Accounts Act and describes the company's internal control and risk management with respect to financial reporting.

The purpose is to provide shareholders and other stakeholders with an understanding of how internal control over financial reporting is organised in Biokraft.

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

Biokraft's work with internal governance and control over financial reporting is defined through a framework for internal governance and control over financial reporting. The framework is based on laws, regulations and governing documents as well as roles and responsibilities. It also covers recurring activities: selection, risk assessment, defining and implementing controls, evaluating and reporting compliance and improvement activities.

The company's framework is based on the framework for internal governance and control developed by the Committee of Sponsoring Organisations of the Treadway Commission (COSO). This framework has five basic components:

1. Control environment, 2. Risk assessment, 3. Control activities, 4. Information/communication and 5. Follow-up and improvement.

Control environment

A good control environment is the basis for the effectiveness of a company's internal control system. A good control environment is based on an organisation where there are clear decision-making paths and where authority and responsibility are distributed through governing documents, as well as a corporate culture with shared values. In addition, the control environment is affected by the actions of the management team as well as the individual employee. The Board's rules of procedure and the CEO's instructions ensure a clear division of roles and responsibilities, with the aim of effective control and management of the business's risks.

In April 2023, the Board also adopted a number of policies and governing documents that are important for the maintenance of effective control, such as the finance policy, transfer pricing policy, financial handbook, environmental and sustainability policy, employee policy, gender equality policy, quality policy, whistleblower policy, work environment policy, IP policy, insider policy and the Supplier Code of Conduct.

Risk assessment

The Audit Committee is responsible for ensuring that significant risks of errors in financial reporting are identified and managed. The company conducts a continuous dialogue with each subsidiary to ensure good internal control and to raise awareness of the risks associated with the business. For a description of the Group's risks and risk management, see the Risks and Risk Management section on pages 67-69 in the Annual Report.

Control activities

Biokraft's internal control structure for financial reporting is based on established policies and guidelines. The risk of errors in financial reporting is reduced through good internal control with a focus on material areas defined by the Board of Directors. Within the company, the control structures consist partly of an organisation with clear roles that enable an effective and, from an internal control perspective, appropriate division of responsibilities, and partly of specific control activities aimed at detecting or preventing risks of errors in reporting in time. Examples of control activities are clear decision-making processes and decision-making procedures for significant decisions, performance analyses and other control activities for significant processes.

Information and communication

Policies and guidelines are important for correct accounting, reporting and disclosure. Within Biokraft, policies and guidelines regarding the financial process are updated and communicated on an ongoing basis. The Group's finance function has direct operational responsibility for the day-to-day financial reporting and for the uniform application of the Group's guidelines, principles and instructions for financial reporting. Business units and other potentially relevant entities, including the respective legal entities, regularly submit financial and operational reports to Group Management, which in turn reports to the Board of Directors. For communication with internal and external parties, there is a communication policy that sets out guidelines for how this communication should take place.

The purpose of the policy is to ensure that all information obligations are complied with correctly and completely. Financial information is provided regularly through the annual report, interim reports, press releases and announcements on the company's website.

Follow-up and improvement

The Board of Directors evaluates the information provided by the executive management and the auditors. In connection with this, the Audit Committee is responsible for the preparation of the Board's work to ensure the quality of the Group's financial reporting. The CEO and CFO have monthly briefings with the respective Operations Managers regarding the financial position. The Group's finance function also works closely with the subsidiaries regarding financial statements and reporting. Follow-up and feedback on any deviations that arise in the internal controls is a central part of the internal control work as this is an effective way for the company to ensure that errors are corrected and that the control is further strengthened.

Biokraft's model for internal control

The foundation of well-functioning risk management is a strong and shared risk culture. Biokraft's model for internal control and governance is based on a model with two lines of defence. It describes how the responsibility for internal control and governance is divided.

The Board of Directors is responsible for ensuring that processes are in place to identify and define risks within the business and that risk-taking is measured and controlled. The CEO is responsible for the day-to-day work of maintaining effective governance and control. The Board of Directors evaluates the need for a separate internal audit function on an annual basis. At present, according to the Board of Directors, there is no need for an internal audit function.

BOARD OF DIRECTORS

CEO

FIRST LINE OF DEFENCE

The operating business units/companies

Own and manage risks

Group functions

Support the operating companies and Group management

SECOND LINE OF DEFENCE

Risk and control functions

Support first line of defence and provide information to Group management

Auditor's report on the Corporate Governance Report

To the Annual General Meeting of Biokraft International AB (publ), org.nr 556528-4733

Assignment and division of responsibilities

The Board of Directors is responsible for the corporate governance report for the year 2023 on pages 54-57 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our review has been conducted in accordance with FAR's recommendation RevR 16 Auditor's review of the Corporate Governance Report. This means that our review of the Corporate Governance Report has a different focus and a significantly smaller scope compared to the focus and scope of an audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that this examination provides us with a sufficient basis for our statements.

Statement

A corporate governance report has been prepared. Disclosures in accordance with Chapter 6, Section 6, second paragraph, points 2–6 of the Annual Accounts Act and Chapter 7, Section 31, second paragraph of the same Act is consistent with the annual accounts and consolidated accounts and is in accordance with the Annual Accounts Act.

Uppsala, 15 May 2024

Öhrlings PricewaterhouseCoopers AB

Lars Kylberg,
Authorised Public Accountant

Sara Wallinder,
Authorised Public Accountant

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Directors' report

The Board of Directors and the Chief Executive Officer of Biokraft International AB (publ), 556528-4733, hereby submit the annual report and consolidated accounts for the financial year 2023.

Operations

Biokraft is a leading player in large-scale biogas production with world-leading expertise in the design and operation of biogas plants to optimise production, from pre-treatment of raw materials to upgrading of biogas. The Group works to promote the transition from fossil fuels to renewable energy.

The business concept is based on being a leader in the design, management and operation of biogas plants. This is achieved by constantly improving the digestion process in biogas production from biomass. Ordinary substrates are sludge generated during wastewater treatment, food waste, and organic residual products from industrial processes such as food production and biofuels. Going forward, substrates based on manure and other residual products from agriculture will also increase. In addition, the Group provides leading expertise in digester gas purification processes for the upgrading and liquefaction of biogas to fuel quality and for the use of the residual product from the digestion process as biofertiliser. Focus is on markets in Northern Europe and Korea.

With the Group's strategic focus on research and development, Biokraft places great emphasis on developing methods for increasingly efficient biogas and biofertiliser production from both established and new types of waste, residues and other organic material. The company's knowledge and methodologies mean that biogas production today can be carried out more cost- and resource-efficiently than before.

Biokraft International AB (publ) is domiciled and

headquartered in Stockholm, Sweden. At the end of 2023, the company had a total of 122 (107) employees, of which 46 (42) were employed in Business Area Sweden, 20 (19) in Business Area Korea, 18 (18) in Business Area Norway and 38 (28) in the Service Centre and R&D segment, which includes Technology, Growth, Administration and Programme Office.

Activities subject to authorisation

The Group conducts activities subject to authorisation under the Environmental Code in three Swedish subsidiaries. The Group's activities requiring authorisation and

notification affect the external environment mainly through the subsidiaries Biokraft Stockholm AB (SBSt), Biokraft Södertörn AB (SBSö) and Biokraft Recycling Stockholm AB (SBR). The facilities operate with an environmental permit and a licence to operate with explosives and flammable goods. SBSt and SBSö produce upgraded biogas and may affect the external environment through methane emissions. SBSö also produces biofertiliser, which can affect the external environment through leakage of nitrogen-rich biofertiliser. SBR receives and pre-treats organic waste, which can affect the external environment mainly through

Financial overview

Group					
SEK thousand	2023	2022	2021	2020	2019
Net sales	445,830	366,709	393,821	338,386	363,559
Total revenue, including capitalised work	534,134	407,441	451,101	407,432	407,050
EBITDA*	31,728	19,705	90,113	80,597	87,848
Operating EBITDA*	31,738	16,422	80,901	70,301	75,778
Operating EBITDA %*	6.2	4.3	19.2	19.1	19.2
Operating profit/loss	-73,113	-65,179	4,993	-6,038	-1,940
Earnings per share, SEK	-3.65	-1.95	-1.27	-2.07	-3.32
Balance sheet total	1,961,619	1,874,133	1,653,157	1,539,498	1,294,063
Equity/assets ratio, %	29.8	38.6	30.2	33.9	17.7
Parent Company					
SEK thousand	2023	2022	2021	2020	2019
Net sales	919	919	963	1,320	1,220
Operating profit/loss	-7,950	-8,449	-2,941	-1,702	-487
Balance sheet total	1,888,387	1,761,367	1,417,881	1,122,084	633,668
Equity/assets ratio, %	58.5	63.9	55.8	67.8	55.9

*See Note 35, Key Figure Definitions

leakage of pre-treated organic waste, known as slurry.

The Group also conducts business through a subsidiary in Norway where the operations are licensed under three authorities:

Permit to conduct polluting activities (Miljødirektoratet), consent to handle dangerous substances (Direktoratet for samfunnssikkerhet og beredskap) as well as permit for the transformation of animal by-products into biogas and bio-residue products (Mattilsynet).

All companies have an operational system with regular checks and ongoing management of any incidents, aimed at minimising the risks of external impact on the environment. For example, the upgrading plants are linked to methane destruction plants in order to incinerate any leakage of methane.

Group

Biokraft International AB (publ) is the Parent Company of the Biokraft Group, which comprises several wholly and partly owned companies registered in Sweden, Korea, Norway and Germany. The Parent Company has been listed on Nasdaq First North Premier since December 2020.

Reported earnings

Consolidated net sales amounted to SEK 445.8 (366.7) million for the full year, corresponding to an increase of 21.6 per cent compared with the same period last year. The increase is mainly due to higher selling prices combined with increased sales volumes. Total revenue, consisting of sales, biogas support and capitalised work, was SEK 534.1 (407.4) million for the financial year.

Costs for raw materials and consumables increased by 36.1 per cent compared with the previous year, which is explained by increased prices for energy and input goods and challenges at the plants in Södertörn and Skogn.

Other external costs increased by SEK 18.3 million and totalled SEK -99.3 (-81.0) million. Personnel costs have increased by SEK 22.2 million compared with the previous year, due to a

larger organisation linked to our growth ambitions.

Consolidated EBITDA for 2023 was SEK 31.7 (19.7) million. EBITDA is affected by an additional purchase price for Ekdalens Biotransporter AB of SEK -0.6 (2.2) million and by a gain on the sale of fixed assets of SEK 0.6 (1.1) million. Consolidated operating EBITDA totalled SEK 31.7 (16.4) million for full-year 2023.

The operating result for financial year 2023 totalled SEK -73.1 (-65.2) million.

The consolidated profit after tax totalled SEK -159.2 (-84.9) million for the full financial year, of which SEK -40.0 (18.2) million is attributable to unrealised exchange rate fluctuations, mainly due to long-term intra-group financing of foreign subsidiaries.

Other

Total assets on 31 December 2023 totalled SEK 1,961.6 (1,874.1) million, a 4.7 per cent year-on-year increase. Lease-related borrowing totalled SEK 236.6 (257.5) million. During the period, equity changed with the profit/loss for the year, share-based payments, contributions from non-controlling interests, divested subsidiary, and changes in translation differences on foreign subsidiaries.

Investments

Investments in tangible and intangible assets for the full year, before investment grants received, totalled SEK 554.4 (278.7) million, and investment grants received totalled SEK 129.1 (91.1) million.

The carrying amount of the Group's tangible and intangible assets was SEK 1,466.0 (1,181.7) million on 31 December 2023. SEK 198.5 (244.7) million of this amount pertains to leased assets held by the Group under lease contracts subject to IFRS 16.

Parent Company

The Parent Company's total revenue for the full year

totalled SEK 3.8 (2.8) million. The profit/loss after tax was SEK -22.2 (18.8) million in 2023, of which SEK -31.4 (12.2) million is from unrealised translation differences. Group contributions of SEK 9.0 (25.5) million were received.

Liquid assets on 31 December 2023 totalled SEK 169.6 (251.2) million. The balance sheet total was SEK 1,888.4 (1,761.4) million on the same date.

Related-party transactions

During the financial year, sales on commercial terms to related parties outside the Group totalled SEK 34.9 (31.3) million.

Significant events during the year

Stockholm Bio-LNG

The commissioning of Stockholm Bio-LNG began in late summer, and the first deliveries of Bio-LNG have been made from Business Area Sweden.

Trademark and name

During the year, the company changed its name and brand from Scandinavian Biogas to Biokraft. The name change also applies to most of the subsidiaries.

New construction project

The construction of a biogas plant in Mönsterås has begun.

Other

In December 2023, the two largest shareholders, Aneo Renewables Holding AS and St1 Sverige AB, announced their intention to consolidate their ownership in a jointly owned limited liability company, IVision Biogas AB.

Ongoing investment projects

Mönsterås

The Mönsterås project is in an active construction phase, and work is proceeding according to schedule. Most structures have been erected and installation work is in full

swing. The commissioning is dependent on connection to the electrical grid, and we see a risk that the timetable for the connection may be postponed by the grid owner. The project is working in parallel with the grid owner to establish a timetable for connection and several interim solutions to enable commissioning of the plant. Commissioning was originally planned for the second half of 2024, but there is a risk that the schedule may be delayed by six to twelve months.

Stockholm Bio-LNG

The Stockholm Bio-LNG project, which involves the construction of a Bio-LNG plant next to regular biogas production at Södertörn, is in its final phase. Commissioning of the plant began in late summer and work is now underway to achieve stable operation so that it can be handed over by the technology provider. However, the project was hampered by operational challenges with the equipment, which delayed the process towards full commissioning and handover from the technology provider.

Risks and risk management

All business activities are associated with risks. Risks that are well managed can lead to opportunities and value creation, while risks that are not properly managed can lead to harm and losses. The ability to identify, evaluate, manage and monitor risks is an important part of the governance and control of Biokraft's operations. The aim is to achieve the Group's goals through well-considered risk-taking within established limits.

The basis for effective risk management is a strong and shared risk culture. Biokraft has an established process for managing and working with risks. The Audit Committee is responsible for identifying and managing material risks related to financial reporting. Within Biokraft, there is a continuous dialogue with each business unit and each subsidiary to ensure good internal control.

The Board is responsible for ensuring that processes

are in place to identify and define operational risks and the measurement and control of risk-taking. The CEO is responsible for ongoing efforts to maintain effective governance and control. The Corporate Governance Report, on pages 54-57, contains a detailed description of the internal controls aimed at managing risks related to financial reporting.

Sustainability risks such as environmental risks, climate impact, occupational health and safety risks or risks in the area of compliance, anti-corruption and human rights are integrated into the business and also concern the supply chain. Read more about sustainability risks on pages 33-52.

Material risks

The risks that Biokraft considers to be material are based on the likelihood that they will occur and cause financial damage or other negative impact and accordingly warrant management at Group level.

The following section describes the main risks that may affect the operations and future development. The description is not exhaustive, and the risk factors are not listed in any order of priority.

Operational and market risks

Investments, acquisitions and joint ventures

Biokraft's future growth depends on the Group expanding existing production facilities and establishing new ones. This means that new investments, acquisitions, collaborations and joint ventures in line with the Group's strategic objectives are continuously evaluated.

As the planning and preparation of projects takes place over a significant period of time, there is a risk that the preparatory work will not result in completed projects and the value of resources and labour spent may be lost. After an investment decision, there is a period that passes before the investment becomes cash flow positive and generates a profit.

Investments in existing production facilities and the construction of new facilities are always associated with

risks, as it is impossible to foresee how each project will develop. Examples of this include delays in the delivery of technical equipment and the connection to and limitation of electricity and gas networks.

There is also a risk that future projects will be more time- and/or cost-intensive than expected and that disputes may arise with the Group's subcontractors regarding the construction of new facilities or upgrades and expansions of existing facilities.

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

Investments are made jointly with other parties to some extent, which may mean that Biokraft does not have full control over all projects and needs to accept actions that are not favourable to the Group or in line with its business plan. There is also a risk that important parties that are necessary for new projects to function in accordance with Biokraft's plans are financially, or otherwise, less stable or reliable than expected in cases where there is no long-term business relationship between the Group and the party. This may result in the need to replace the party or, if that is not possible, to terminate the project.

Acquisition activities may also entail certain financial, governance and operational risks, including diversion of management's attention from existing core businesses and difficulties in integration or in separating businesses from existing operations. This may affect the sales and profitability of the acquired entities and thus not justify the investment made.

Production facilities

The Group's production activities are conducted at production facilities in Henriksdal, Bromma and Södertörn in Sweden; in Skogn in Norway; and in Ulsan in Korea. Some of the production facilities are owned by Biokraft's investment partners, who are often also the Group's suppliers.

An interruption or disruption, such as a production stoppage, labour dispute, IT problem, pandemic or natural disaster, can have a major impact on the Group's ability to meet its commitments to customers in a timely manner or at all. If a production facility is damaged, destroyed (e.g. by fire or explosion), closed, or if the equipment in the facilities is seriously damaged or destroyed, the production and distribution of the Group's products and/or services may be suspended or stopped for a certain period of time. A major and sustained interruption in production could have a significant impact on the Group's ability to produce or distribute relevant products and/or services.

A majority of the Group's customer contracts contain volume and quality commitments. Failure, for various reasons, to fulfil such commitments may result in obligations for Biokraft in the form of damages to the counterparty, price reductions and, in some cases, the customer being able to terminate the contract. There is a risk that the scope of the Group's insurance does not cover the risks that materialise and that the total amount of the company's loss is not fully compensated in the event of a claim.

In addition to permits from the authorities, the Group needs to obtain permission from property owners to carry out planned renovations and adjustments to the facilities. There is a risk that such authorisations will not be obtained.

Competition

The Group operates primarily in the biogas industry offering biogas as an energy carrier, but also offers waste management and biofertiliser. The organic material required to produce biogas and other services is expected to increase, but become limited over time. Going forward, the market is likely to accommodate only a limited number of producers. Nevertheless, the number of players is expected to increase, contributing to improved industrial development, but also increasing competition for both organic material and customers. It is therefore crucial that

Biokraft continues with strategic research that enables the digestion of new types of organic waste and that the company can eventually improve the efficiency of the biogas yield of the organic waste that is currently being digested.

Other companies in the industry compete on quality of goods, price and innovation, as well as other factors such as distance optimisation, production capacity, updated technology and market penetration. In addition, other renewable sources, technologies and types of energy, as well as fossil-based fuels such as natural gas, petrol and diesel, compete with the biogas industry. Consequently, there is a risk that competition will inhibit growth rates and sales, which could have an adverse effect on the Group's business, results, profitability and prospects.

Key employees

Biokraft has a relatively small organisation and is involved in an industry that requires access to employees with high levels of technical and regulatory expertise. The Group's employees have extensive knowledge of the industry in general and the Group in particular. The Group's future development and success therefore depend on its ability to recruit and retain qualified managers and other key personnel. If such persons leave the Group in the future or take up employment with a competing company, there is a risk in relation to the Group's business and future prospects.

Legal and regulatory risks

Political risks

Many of the Group's suppliers and customers are municipalities, publicly owned organisations and similar companies. Provided certain conditions are met, the Group may receive government subsidies for its projects. If any state aid is granted improperly, the Group may be required to repay the aid. Changes in political involvement or interest, as well as changes in tax rules, subsidies or considerations, could have a significant impact on Biokraft's business and results.

Government incentive programmes for the production and/or use of renewable energy and fuels vary from country to country in Europe. This may be due, for example, to differences in political ambitions and objectives in this area. Ways and means to achieve such policy ambitions differ and include taxation of energy and emission quotas or reduction requirements and incentive programmes designed for the production of raw materials used in the process in question or for general performance-based regulation. Generous government incentive programmes for the production of biogas in countries where the Group does not operate may contribute to unfair competitive advantages for Biokraft's competitors. To limit such competitive disadvantages in Sweden and stimulate the production of biogas, the government has introduced subsidies to support the production of biogas from manure and to support the upgrading and liquefaction of biogas.

Disputes

The lawsuit regarding certain administrative costs that Biokraft's Korean subsidiary has pursued through various courts since 2017 has now been settled in Ulsan City's favour. The ruling does not affect the financial results, as all costs have already been recognised in full. The company has chosen not to appeal the ruling.

Environmental permit

The Group is dependent on obtaining the necessary environmental permits to operate and carry out upgrades, expansions and new projects. However, Biokraft cannot obtain these authorisations before planning and negotiations for the new or expanded production facility have begun. If the Group permanently or temporarily loses or is unable to renew the permit due to non-compliance, it may result in delays, production stoppages and additional costs to obtain the permit. Inability to obtain the necessary permits and approvals for existing and future production could have an impact on the Group's operations and its financial position.

Financial risks

Financial risks include financing risks, liquidity risks and currency risks that can have a negative impact on the Group's profit. There are also interest rate and insurance risks. Read more about Biokraft's financial risk management in Note 3, pages 83-84.

Outlook

There is a great need for renewable energy that can replace fossil fuels (e.g. coal, oil and natural gas) at reasonable prices. According to various studies of renewable alternatives that can be mass-produced, interest in biogas has increased. This in turn bolsters demand for biogas, which is expected to gain further traction as it becomes more available. In the heavy transport and other sectors, demand for Bio-LNG is expected to increase significantly in coming years.

Long-term objectives

Long-term production capacity target 2030

Production capacity for biogas of at least 3 TWh by 2030.

Production capacity targets

The production capacity should be at least 600 GWh by the end of 2024 and around 1,200 GWh by the end of 2026.

Financial targets 2024

In connection with the IPO in 2020 with an adjustment in the interim report for the second quarter of 2022, the Group's overall financial target 2024 was set to achieve:

- Total revenue of at least SEK 650 million
- Operational EBITDA margin of at least 30 per cent
- Equity/assets ratio of at least 25 per cent

Sustainability targets 2024

- CO₂ equivalent reduction of 170,000 tonnes (93,000 base year 2021)
 - Zero workplace injuries leading to sick leave
- Moving into 2024 we see that these targets will be achieved,

with the exception of the operational EBITDA margin target. As previously communicated, this target remains in place but will take longer to achieve. During the year, the Group communicated the challenges of achieving an operational EBITDA margin of 30 per cent. The operational EBITDA forecast for 2024, published in the 2023 year-end report, amounted to SEK 90-120 million, exclusive of the growth project in Mönsterås. At least the same level is forecast for 2025.

Long-term growth targets will be achieved through the expansion of large-scale farm-based installations, partnerships with third parties and acquisitions.

Outlook

Interest in biogas, especially Bio-LNG, remains high on the European market. This interest is buoyed by the prevailing geopolitical turmoil – with Russia's continuing war in Ukraine and, more recently, events in the Middle East and uncertainty in shipping lanes – combined with greater ambitions for European and domestic self-sufficiency. The European Commission's target of an annual biomethane production of 350 TWh by 2030 puts the issue in focus and, through the REPowerEU initiative, several activities are underway to create conditions for our industry to scale up production. For us, this means that we see that demand for our produced biogas remains high, and we have contracted most of our produced volumes for coming years. We also see that substrate availability remains good.

Profitability affected during the year by fixed prices for customers (at times significantly below market price) combined with sharply increased operating costs for electricity, chemicals and other input goods. While we anticipate input costs to remain at a relatively high level, we expect that our pricing transformation, as we transition from old to new contracts, along with systematic improvements to current operations will enable us to balance these costs more effectively. Following the 'Landvärme' ruling in December 2022, Sweden was required to remove its tax exemption for biogas. The European Commission has now announced that it is

launching an in-depth investigation to reconsider whether the tax exemption is compatible with EU rules on state aid for climate, environmental protection and energy. It is important for the continued development of the industry that governing politicians understand the contribution of biogas to the future energy mix and can decide on instruments such as green certificates, tax exemptions and other subsidies that drive the green transition forward.

Forecast

For 2024, we see the price transformation taking effect from the beginning of the year. More than 60 per cent of contracted volumes will be sold through new contracts at market prices for biomethane, Bio-LNG and green certificates. Input costs remain at a high level. Our profitability will gradually improve during the year. For 2024, an operational EBITDA of SEK 90–120 million is forecast, excluding the Mönsterås project. At least the same level is also forecast for 2025, excluding the Mönsterås project. The issue of electricity grid connection and the timetable for the commissioning of Mönsterås may cause a delay of six to twelve months.

Financing

Liquid assets on 31 December 2023 totalled SEK 295.8 (561.1) million.

Operations are financed by way of equity, corporate bonds, a revolving credit facility and leasing. In Sweden, a major portion of the production facilities are leased under lease agreements with initial durations of around 25 years. Borrowing related to lease liabilities totalled SEK 236.6 (257.5) million. Borrowings, excluding leases, totalled SEK 817.9 (669.1) million at 31 December 2023. The change is mainly attributable to the utilised portion, SEK 150 million, of the revolving credit facility. The equity ratio was 29.8 (38.6) per cent at 31 December 2023.

The Group expects that the business will have additional financing needs over the coming twelve months. The Group's parent company, IVision Biogas AB, has undertaken

to finance the repayment of corporate bonds that bondholders have elected to redeem following "Change of Control Events", totalling approximately SEK 587.5 million. At the date of publication of this Annual Report, SEK 557.5 million has been repaid. IVision Biogas AB has also undertaken to provide up to SEK 450 million in additional funding. Based on this, together with other available credit facilities, the Board deems that the business can be financed for the next twelve months. The Group is reviewing the long-term financing for additional growth projects as well as systematic improvements to existing facilities.

The share

The total number of shares is 43,578,852 (43,578,852). The quotient value is SEK 2.0 per share, with each share carrying 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 on listing day was SEK 37.50 per share. The share price closed at SEK 20.35 on 29 December 2023.

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

Significant events after the end of the period

On 18 December 2023, our two largest shareholders, Aneo Renewables Holding AS and Stl Sverige AB, announced their intention to consolidate their ownership in a jointly owned limited liability company, IVision Biogas AB, subject to the necessary permits from competition authorities. On 29 January, IVision Biogas AB received the necessary permits for consolidation of its ownership in Biokraft, signifying that Aneo Renewables Holding AS and Stl Sverige AB were able to transfer their ownership, which together amounted to 55 per cent. On 2 February, IVision Biogas AB made a mandatory cash offer of SEK 20.65 per share to the shareholders, after which Biokraft's independent Board of

Directors announced that the offer is being evaluated and that a fairness opinion will be obtained.

The offer deadline for IVision Biogas AB's mandatory offer expired on 11 March. On 13 March, IVision Biogas AB announced that it now controls 95.2 per cent of the shares and votes in Biokraft International AB. At the same time, the offer deadline was extended to 27 March and IVision Biogas communicated its intention to call for redemption of the remaining shares and to promote a delisting of the shares from Nasdaq First North Premier Growth Market. Following the offer extension, IVision Biogas communicated the acquisition of another 1.6 per cent of the shares and that there would be no further deadline extension. On March 22, Biokraft announced the board's decision to apply for delisting. The application was accepted by Nasdaq Stockholm on March 26. The last day of trade was April 8.

At the Extraordinary General Meeting on April 15, a new board of directors was elected. The members of the new board can be found on page 55.

With the consolidation of ownership, a "Change of Control Event" occurred for the company's issued corporate bonds. Biokraft therefore initiated a revision procedure for the terms and conditions to enable ownership consolidation. On 19 February, Biokraft announced that the revision procedure for the terms and conditions of the company's issued corporate bonds was withdrawn, as approximately half of the bondholders had announced their intention to exercise their right to have their shares repurchased. On 7 March, Biokraft announced that holders of bonds corresponding to SEK 557.5 million had exercised the option to request repurchases. On 6 May, the repurchase of SEK 557.5 million was completed via a loan from IVision Biogas AB.

A 'Change of Control Event' occurred upon the Company's delisting on 9 April, prompting bondholders holding bonds in an additional total amount of SEK 30 million to exercise their right of redemption. The redemption date will be no later than 11 July, after which Biokraft will hold bonds totalling a nominal amount of SEK 651.25 million.

On 26 February, Biokraft's Board of Directors announced its intention to resolve on a share issue to finance the repurchase of the bond up to a value of SEK 650 million, and on a rights issue of 150 MSEK to finance improvements to existing facilities and create conditions for the continued growth journey. A notice of Extraordinary General Meeting was sent in conjunction with this announcement. The Board of Directors also announced its recommendation to the shareholders regarding IVision Biogas AB's mandatory offer and published a fairness opinion. IVision Biogas guaranteed to subscribe for shares corresponding to its participating interest and has underwritten the remaining shares in the issue. Ahead of the Extraordinary General Meeting on March 27, IVision Biogas confirmed their participation in the meeting and communicated its intention to vote against the proposal to authorise the Board of Directors in Biokraft to resolve on the Rights Issue of 650 MSEK. Therefore, the proposal was not passed during the extraordinary general meeting. The meeting did approve the proposed Rights Issue of up to 150 MSEK to be used for investments in the company's ongoing operations.

Proposal for the appropriation of the company's profit/loss

The Board of Directors proposes that the available funds, SEK 1,014,732,547, be allocated as follows:

	Amount in SEK
Retained earnings	-424,755,800
Share premium reserve	1,461,712,308
Profit/loss for the year	-22,223,961
Total	1,014,732,547
Carried forward	1,014,732,547
Total	1,014,732,547

With regard to the company's profit/loss and position in general, reference is made to the following income statements and balance sheets and the accompanying notes to the financial statements.

Consolidated statement of comprehensive income

Amount in SEK thousand	Note	2023	2022
Net sales	6	445,830	366,709
Capitalised work on own account	8	23,583	20,389
Other revenue	9	64,721	20,343
Total		534,134	407,441
Raw materials and consumables		-279,836	-205,630
Other external costs	10	-99,286	-80,985
Personnel costs	11	-123,284	-101,121
Depreciation, amortisation and impairment of tangible and intangible assets	15, 16	-95,507	-83,965
Other operating expenses	9	-9,334	-919
Total		-607,247	-472,620
Operating profit/loss		-73,113	-65,179
Net exchange differences		-40,041	18,221
Other financial income		15,753	5,856
Other financial expenses		-74,955	-54,267
Net financial items	12, 13	-99,243	-30,190
Profit/loss before tax		-172,356	-95,369
Income tax	14	13,168	10,447
Profit/loss for the year		-159,188	-84,922

Amount in SEK thousand	Note	2023	2022
Other comprehensive income			
<i>Items that may be reclassified to profit or loss for the year</i>			
Actuarial results on postemployment benefits	11	-533	412
Translation differences	13	2,287	-4,869
Other comprehensive income for the year, net after tax		1,754	-4,457
Total comprehensive income for the year		-157,434	-89,379
Profit/loss for the year attributable to:			
Parent Company shareholders		-160,109	-81,895
Non-controlling interests		921	-3,027
Total		-159,188	-84,922
Total comprehensive income for the period attributable to:			
Parent Company shareholders		-159,541	-84,802
Non-controlling interests		2,107	-4,577
Total		-157,434	-89,379
Earnings per share, basic and diluted, SEK		-3.65	-1.95

The notes presented on pages 79-100 are an integrated part of these annual and consolidated accounts.

Consolidated financial position

Amount in SEK thousand	Note	31 Dec 2023	31 Dec 2022
ASSETS			
Non-current assets			
Intangible assets	15	78,090	99,165
Tangible assets	16	1,189,370	837,820
Right-of-use assets	16	198,508	244,680
Financial assets	18	4,190	4,006
Deferred tax assets	19	48,524	39,085
Total non-current assets		1,518,682	1,224,756
Current assets			
Inventories		9,309	9,319
Accounts receivable	21	91,097	48,142
Other receivables	22	29,793	17,539
Prepaid expenses and accrued income	23	16,961	13,301
Cash and cash equivalents	24	295,777	561,076
Total current assets		442,937	649,377
TOTAL ASSETS		1,961,619	1,874,133
EQUITY			
Share capital & other paid-in capital	25	1,663,328	1,671,896
Translation reserve		6,037	5,027
Retained earnings, including profit/loss for the year		-1,089,438	-934,078
Equity attributable to equity holders of the Parent Company		579,927	742,845

Amount in SEK thousand	Note	31 Dec 2023	31 Dec 2022
Non-controlling interests		4,937	-20,112
Total equity		584,864	722,733
LIABILITIES			
Non-current liabilities			
Borrowings	26-28	805,544	652,160
Lease liabilities		211,950	232,629
Deferred tax liabilities	19	7,781	9,033
Total non-current liabilities		1,025,275	893,822
Current liabilities			
Borrowings	26	12,377	16,949
Lease liabilities		24,671	24,850
Accounts payable		189,905	95,023
Other liabilities	29	62,703	71,624
Accrued expenses and deferred income	30	61,824	49,132
Total current liabilities		351,480	257,578
TOTAL EQUITY AND LIABILITIES		1,961,619	1,874,133

The notes presented on pages 79-100 are an integrated part of these annual and consolidated accounts.

Consolidated statement of changes in equity

Amount in SEK thousand	Attributable to Parent Company shareholders			Total	Non-controlling interests	Total equity
	Share capital & other paid-in capital	Translation reserve	Retained earnings, incl. profit/loss for the year			
Opening balance on 1 January 2022	1,332,439	8,280	-834,093	506,626	-6,577	500,049
Profit/loss for the year			-81,895	-81,895	-3,027	-84,922
Actuarial results on post-employment benefits			346	346	66	412
Translation differences		-3,253		-3,253	-1,616	-4,869
Total comprehensive income	-	-3,253	-81,549	-84,802	-4,577	-89,379
New share issue	326,126			326,126		326,126
Issue costs ¹	-9,796			-9,796		-9,796
Acquisitions of non-controlling interests	23,127		-19,289	3,838	-3,858	-20
Share-based payments			853	853		853
Dividend				-	-5,100	-5,100
Total contributions from and value transfers to shareholders, recognised directly in equity	339,457	-	-18,436	321,021	-8,958	312,063
Closing balance, 31 December 2022	1,671,896	5,027	-934,078	742,845	-20,112	722,733
Opening balance on 1 January 2023	1,671,896	5,027	-934,078	742,845	-20,112	722,733
Profit/loss for the year			-160,109	-160,109	921	-159,188
Actuarial results on post-employment benefits			-442	-442	-91	-533
Translation differences		1,010		1,010	1,277	2,287
Total comprehensive income	-	1,010	-160,551	-159,541	2,107	-157,434
Divestment of subsidiaries ²	-3,215		3,151	-64	-129	-193
Share-based payments			1,746	1,746		1,746
Contribution from non-controlling interests ³	-5,353		294	-5,059	23,071	18,012
Total contributions from and value transfers to shareholders, recognised directly in equity	-8,568	-	5,191	-3,377	22,942	19,565
Closing balance, 31 December 2023	1,663,328	6,037	-1,089,438	579,927	4,937	584,864

¹ The tax effect on issue costs recognised in equity is SEK 0 (2,018) thousand.

² Refers to the sale of Biogas Uppland AB, which has been dormant since January 2022.

³ Refers primarily to Biokraft Mönsterås AB, which has received unconditional shareholders' contributions.

The notes presented on pages 79-100 are an integrated part of these annual and consolidated accounts.

Consolidated statement of cash flows

Amount in SEK thousand	Note	2023	2022
Cash flow from operating activities			
Operating profit/loss		-73,113	-65,179
Depreciation, amortisation and impairment		95,507	83,965
Other non-cash items	32	21,932	200
Interest received		14,652	5,111
Interest paid		-76,149	-48,538
Income tax paid		-	-2,730
Cash flow from operating activities before changes in working capital		-17,171	-27,171
Cash flow from changes in working capital			
Increase/decrease in inventories		10	-683
Increase/decrease in operating receivables		-58,869	12,786
Increase/decrease in operating liabilities		98,741	22,439
Total changes in working capital		39,882	34,542
Cash flow from operating activities		22,711	7,371
Cash flow from investing activities			
Acquisition of intangible assets	15	-4,185	-6,135
Acquisition of tangible assets	16	-550,244	-272,522
Sale of property, plant and equipment		2,708	-
Investment grants received		129,092	91,074
Acquisition of subsidiaries ¹		-5,825	-5,063
Divestment of subsidiaries ²		54	-
Cash flow from investing activities		-428,400	-192,646

Amount in SEK thousand	Note	2023	2022
Cash flow from financing activities			
New issue, net of issue costs	25	-	316,330
Loans raised	26	177,301	12,017
Loan and lease repayment	26	-51,890	-35,104
Contribution from non-controlling interests	17	18,012	-2,460
Cash flow from financing activities		143,423	290,783
Total cash flow for the period		-262,266	105,508
Decrease/increase in cash and cash equivalents			
Cash and cash equivalents at beginning of year	24	561,076	452,568
Exchange differences in cash and cash equivalents		-3,033	3,000
Cash and cash equivalents at end of year	24	295,777	561,076

¹ Refers to additional purchase price for Ekdalens Biotransporter AB.

² Refers to the sale of Biogas Uppland AB, which has been dormant since January 2022.

The notes presented on pages 79-100 are an integrated part of these annual and consolidated accounts.

Parent Company income statement

Amount in SEK thousand	Note	2023	2022
Operating income			
Net sales	6, 7	919	919
Other operating income	9	2,929	1,905
Total operating income		3,848	2,824
Operating expenses			
Other external costs	10	-9,703	-9,691
Personnel costs	11	-2,084	-1,554
Other operating expenses	9	-11	-28
Total operating expenses		-11,798	-11,273
Operating profit/loss		-7,950	-8,449
Profit/loss from shares in Group companies	12, 17	-38,700	-25,700
Interest income		123,579	80,064
Interest costs		-108,198	-52,667
Net financial items	12, 13	-23,319	1,697
Profit/loss before appropriations and tax		-31,269	-6,752
Appropriations			
Group contributions		9,045	25,533
Total appropriations		9,045	25,533
Profit/loss before tax		-22,224	18,781
Income tax	14	-	-
Profit/loss for the year		-22,224	18,781

The notes presented on pages 79-100 are an integrated part of these annual and consolidated accounts.

Parent Company balance sheet

Amount in SEK thousand	Note	31 Dec 2023	31 Dec 2022
ASSETS			
Non-current assets			
Financial assets			
Participations in Group companies	17	386,383	371,258
Receivables from Group companies		1,112,427	1,010,593
Total financial assets		1,498,810	1,381,851
Total non-current assets		1,498,810	1,381,851
Current assets			
Current receivables			
Receivables from Group companies		217,252	125,997
Other receivables	22	80	539
Prepaid expenses and accrued income	23	2,694	1,815
Total current receivables		220,026	128,351
Cash and bank balances	24	169,551	251,165
Total current assets		389,577	379,516
TOTAL ASSETS		1,888,387	1,761,367

Amount in SEK thousand	Note	31 Dec 2023	31 Dec 2022
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		87,158	87,158
Statutory reserve		2,043	2,043
Total restricted equity		89,201	89,201
Non-restricted equity			
Retained earnings		-424,756	-443,537
Share premium reserve		1,461,712	1,461,712
Profit/loss for the year		-22,224	18,781
Total non-restricted equity		1,014,732	1,036,956
Total equity		1,103,933	1,126,157
Non-current liabilities			
Non-current interest-bearing liabilities	26-28	774,936	625,626
Total non-current liabilities		774,936	625,626
Current liabilities			
Accounts payable		2,646	4,297
Accrued expenses and deferred income	30	6,872	5,287
Total current liabilities		9,518	9,584
TOTAL EQUITY AND LIABILITIES		1,888,387	1,761,367

The notes presented on pages 79-100 are an integrated part of these annual and consolidated accounts.

Parent Company changes in equity

Amount in SEK thousand	Note	Restricted equity		Non-restricted equity		Total equity
		Share capital	Statutory reserve	Share premium reserve	Retained earnings	
Opening balance on 1 January 2022		61,067	2,043	1,171,473	-443,537	791,046
Profit/loss for the year					18,781	18,781
Transactions with shareholders						
New share issue	25	26,091		300,035		326,126
Issue costs ¹				-9,796		-9,796
Closing balance, 31 December 2022		87,158	2,043	1,461,712	-424,756	1,126,157
Opening balance on 1 January 2023		87,158	2,043	1,461,712	-424,756	1,126,157
Profit/loss for the year					-22,224	-22,224
Closing balance, 31 December 2023		87,158	2,043	1,461,712	-446,980	1,103,933

¹ The tax effect on issue costs recognised in equity is SEK 0 (2,018) thousand.

Parent Company cash flow statement

Amount in SEK thousand	Note	2023	2022
Cash flow from operating activities			
Operating profit/loss		-7,950	-8,449
Interest received		13,596	8,133
Interest paid		-74,514	-48,081
Cash flow from operating activities before changes in working capital		-68,868	-48,397
Cash flow from changes in working capital			
Increase/decrease in operating receivables		14,726	2,499
Increase/decrease in operating liabilities		-2,963	6,263
Total changes in working capital		11,763	8,762
Cash flow from operating activities		-57,105	-39,635
Investing activities			
Investments in subsidiaries	17	-53,825	-15,000
Loans to subsidiaries		-120,684	-247,866
Cash flow from investing activities		-174,509	-262,866

Amount in SEK thousand	Note	2023	2022
Financing activities			
New issue, net of issue costs	25	-	316,330
Loans raised	26	150,000	-
Cash flow from financing activities		150,000	316,330
Cash flow for the year		-81,614	13,829
Cash and cash equivalents at beginning of year	24	251,165	237,336
Cash and cash equivalents at end of year	24	169,551	251,165

The notes presented on pages 79-100 are an integrated part of these annual and consolidated accounts.

Notes

Note 1 General information

Biokraft International AB (publ) 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, III 22 Stockholm.

On 22 March 2024, these consolidated and annual accounts were approved by the Board of Directors for publication.

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

Note 2 Summary of key accounting principles

The key accounting policies applied in the preparation of these consolidated accounts are set out below. These principles have been applied consistently for all years presented, unless otherwise stated. The consolidated accounts pertain to Biokraft International AB (publ) and its subsidiaries.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief executive decision-maker. The chief executive decision-maker is the function responsible for allocating resources and assessing the performance of the operating segments and is the Group's Chief Executive Officer. The Group has identified the following three operating segments based on how the business is monitored: Business Area Sweden, Business Area Norway and Business Area Korea. Operations also include the Service Centre and Research & Development segment. Business Area Germany is being established.

The performance metric measured by operating segment is EBITDA. Assets and liabilities are monitored only for the Group as a whole.

2.1 Basis for preparing the reports

The consolidated accounts for Biokraft International AB (publ) have been prepared in accordance with the Swedish Annual Accounts Act, RFR I Supplementary Rules for Groups, and International Financial Reporting Standards (IFRS) and interpretations from the IFRS Interpretations Committee (IFRS IC) as adopted by the EU. The consolidated accounts have been prepared pursuant to the cost method, with the exception of financial liabilities in the form of contingent consideration in business combinations, which are recognised at fair value through profit or loss.

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

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

New and amended accounting standards effective from 1 January 2023

There are no new IFRS standards or IFRIC interpretations that have had a significant impact on the Group's profit/loss and position in 2023. No newly issued IFRS standards or interpretations have been applied early.

New and amended accounting standards effective from 1 January 2024

There are no new IFRS standards or IFRIC interpretations that will have a significant impact on the Group's profit/loss and position in 2024. No newly issued IFRS standards or interpretations have been applied early.

2.2 Consolidated accounts

The consolidated accounts pertain to the Parent Company and its subsidiaries. Subsidiaries are all entities over which the Group has control. The Group controls an entity when it is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its leverage over the entity. Subsidiaries are included in the consolidated accounts from the date on which control is transferred to the Group. They are excluded from the consolidated accounts from the date on which control ceases.

The acquisition method is used to account for the Group's business combinations. The consideration for the acquisition of a subsidiary is the fair value of the assets and liabilities transferred and any shares issued by the Group. The purchase price also includes the fair value of any assets or liabilities resulting from a contingent consideration agreement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities assumed in a business combination are initially measured at fair value at the acquisition date.

Intra-group transactions and balance sheet items, as well as unrealised gains and losses on transactions between Group companies, are eliminated. Where appropriate, the accounting policies of subsidiaries have been changed to ensure consistent application of the Group's policies.

2.3 Foreign currency translation

Functional and reporting currency

The Group's various entities use local currency as their functional currency, as local currency has been defined as the currency of the primary economic environment in which the entity primarily operates. The consolidated accounts are presented in Swedish Krona (SEK), which is the functional currency of the Parent Company and the reporting currency of the Group.

Transactions and balance sheet items

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

Translation for foreign Group companies

The profit/loss and financial position of all Group entities that have a functional currency other than the reporting currency are translated into the Group reporting currency. Assets and liabilities for each of the balance sheets are translated from the functional currency of the foreign operation into the Group's reporting currency, Swedish Krona, at the exchange rate in effect at the balance sheet date. Income and expenses for each of the income statements are translated into Swedish Krona at the average exchange rate in effect at each transaction date. Translation differences arising from the foreign currency translation of foreign operations are recognised in other comprehensive income. Accumulated translation differences are recognised in profit or loss when the foreign operation is sold in whole or in part. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of that operation and translated at the closing rate.

2.4 Intangible assets

Capitalised development expenditure

Capitalised development expenditure consists of internally generated intangible assets. The Biokraft Group carries out both research and development work. Expenditure on research is expensed as it is incurred. Development expenditures or such costs incurred in the development phase of an internal project, which are directly attributable to the development and testing of the substrates from which biogas can be produced, are reported as assets in the statement of financial position only when all of the following conditions have been met:

- It is technically possible to complete the intangible asset so that it can be used or sold.
- The Group intends to finalise the intangible asset and use or sell it.
- The Group has the ability to use or sell the intangible asset.
- The Group demonstrates how the intangible asset will generate probable future economic benefits.
- There are adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- The Group can reliably estimate the expenditure attributable to the intangible asset during its development.

Internally generated intangible assets are amortised on a straight-line basis over 5–10 years.

Concessions and similar rights

The subsidiary in Ulsan, Korea, has concluded service agreements that do not transfer the right to control the use of the public service infrastructure to the company. The Group recognises an intangible asset to the extent that it obtains the right to charge the user of the public service (see also subsection 2.18, Service Concession Arrangements). Amortisation is calculated over the contract period (i.e. 15-year period through March 2026) using the straight-line method.

Customer relationships

Customer relationships have been acquired through business combinations and are recognised at fair value at the time of acquisition. Depreciation is done on a straight-line basis over the projected useful life. After initial recognition, customer relationships are recognised at cost less accumulated amortisation and any accumulated impairment losses. The estimated useful life of customer relationships is seven years, which corresponds to the estimated amount of time they will generate cash flow.

2.5 Tangible assets

Tangible fixed assets are recognised at cost, less depreciation and any impairment losses. Cost includes expenditure directly attributable to the acquisition of the asset.

Subsequent expenditure is added to the asset's carrying amount or

recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of a replaced part is removed from the statement of financial position. All other forms of repairs and maintenance are recognised as expenses in the statement of comprehensive income in the period in which they are incurred.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset is depreciated separately. No depreciation is applied to land or to construction in progress. Other assets are amortised on a straight-line basis as follows:

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

The assets' residual values and useful lives are reviewed at the end of each reporting period and adjusted if necessary. An asset's carrying amount is immediately written down to its recoverable amount if the asset's carrying amount exceeds its estimated recoverable amount (see also Note 4, Significant Estimates and Assessments).

Gains and losses on the sale of an item of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised in other operating income or other operating expenses in the statement of comprehensive income.

2.6 Impairment of non-financial assets

Assets with an indefinite useful life, such as goodwill, are not amortised but are tested annually for impairment. Assets subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of the asset's fair value less selling costs and its value in use. In assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

2.7 Inventories

Inventories include granules and substrates in the form of external organic material and are stated at the lower of cost and net realisable value. The risk of obsolescence has been taken into account. Cost is calculated on a first-in, first-out basis. The acquisition cost includes not only the cost of purchase but also the cost of bringing the goods to their present location and condition.

2.8 Financial instruments in general

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

2.8.1 Initial accounting period

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

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

2.8.2 Classification

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

Financial assets at amortised cost

Assets held for the purpose of collecting contractual cash flows, where those cash flows are solely principal and interest, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit losses recognised (see the section on impairment below). Interest income from these financial assets is recognised in accordance with the effective interest method and is included in financial income. The Group's financial assets measured at amortised cost consist of the items non-current receivables, cash and cash equivalents, accrued income and part of other current receivables.

Financial liabilities at amortised cost

The Group's other financial liabilities are classified as measured at amortised cost using the effective interest method. Other financial liabilities consist of borrowings, trade payables and other current liabilities.

2.8.3 Derecognition of financial instruments

Derecognition of financial assets

Financial assets are derecognised from the statement of financial position when the right to receive cash flows from the instrument has expired, or has been transferred, and the Group has transferred practically all the risks and rewards of ownership.

Derecognition of financial liabilities

Financial liabilities are derecognised from the statement of financial position when the obligations are settled, cancelled or otherwise extinguished. The difference between the carrying amount of a financial

liability (or part of a financial liability) that is settled or transferred to another party and the consideration paid, including non-cash assets transferred or liabilities assumed, is recognised in the statement of comprehensive income. When the terms of a financial liability are renegotiated and not derecognised from the statement of financial position, a gain or loss is recognised in the statement of comprehensive income. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate.

2.8.4 Offsetting of financial instruments

Financial assets and liabilities are offset and netted in the statement of financial position only when there is a legal right to offset the recognised amounts and an intention to settle on a net basis or to realise the asset and settle the liability simultaneously. The legal right must not be dependent on future events and must be legally binding on the company and the counterparty both in the normal course of business and in the event of default, insolvency or bankruptcy.

2.8.5 Impairment of financial assets

Financial assets recognised at amortised cost

The Group assesses future expected credit losses associated with assets recognised at amortised cost. The Group recognises a credit reserve for such expected credit losses at each reporting date. For trade receivables, the Group applies the simplified approach to credit provisioning, i.e. the provision will be equal to the expected loss over the life of the trade receivable. To measure the expected credit losses, the trade receivables have been grouped based on distributed credit risk characteristics and days past due. The Group uses forward-looking variables for expected credit losses. Expected credit losses are recognised in the consolidated statement of comprehensive income under other external costs.

2.9 Accounts receivable

Accounts receivables are financial instruments that consist of amounts due from customers for goods and services sold in the ordinary course of business. If payment is expected within one year or less, they are classified as current assets. If not, they are recognised as non-current assets.

Accounts receivables are recognised at nominal value due to their short maturity, less expected credit losses.

2.10 Cash and cash equivalents

Cash and cash equivalents are financial instruments and include, in both the balance sheet and the statement of cash flows, cash and bank balances. Restricted bank balances are recognised as non-current receivables if the maturity exceeds one year.

2.11 Accounts payable

Accounts payables are financial instruments and relate to obligations to pay for goods and services acquired in the ordinary course of business from suppliers. Accounts payables are classified as current liabilities if they fall due within one year or less. If not, they are recognised as non-current liabilities.

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

2.12 Borrowings

Borrowings and loans from shareholders are financial instruments and are initially recognised at fair value, net of transaction costs. Borrowings are subsequently carried at amortised cost and any difference between the amount received (net of transaction costs) and the amount to be repaid is recognised in the income statement over the term of the loan, using the effective interest method.

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

2.13 Borrowing costs

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

All other borrowing costs are expensed as incurred.

2.14 Government subsidies

Government subsidies related to investments in plants, intangible assets, machinery and equipment are recognised as a liability until the corresponding investment cost is incurred by the company and reduces the cost of the asset. In the consolidated statement of cash flows, however, government subsidies for investments are reported at the time of payment, which may produce differences as compared with subsidies reported in the notes for intangible and tangible fixed assets. Government subsidies related to cost recovery are accrued and recognised as income in the statement of comprehensive income over the same periods as the costs they are intended to cover. Government subsidies are recognised at fair value when there is reasonable assurance that the subsidies will be received and the Group will comply with the conditions attached to the subsidies. During the financial year, government subsidies of SEK 58.3 (14.8) million have been recognised as revenue and SEK 129.5 (91.1) million have reduced the carrying value of intangible and tangible fixed assets.

2.15 Current and deferred taxes

The tax expense for the period includes current and deferred tax. The current tax expense is calculated on the basis of the tax rules enacted or substantively enacted at the balance sheet date in the countries where the Parent Company and its subsidiaries operate and generate taxable income.

Deferred tax is recognised, using the balance sheet method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated accounts. Deferred income tax is calculated using tax rates that have been enacted or announced at the balance sheet date and are expected to apply when the relevant deferred tax asset is realised or the deferred tax liability is settled.

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

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

2.16 Employee benefits

Pension commitments

The Group has both defined contribution and defined benefit pension plans.

In Sweden, the Group's main defined contribution plan is the ITPI plan, secured through contributions to Alecta. The pension scheme in Norway is similar to the one in Sweden.

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

A defined contribution pension plan is a plan under which the Group pays fixed contributions to a separate legal entity. The Group has no legal or constructive obligation to pay additional contributions if that legal entity does not have sufficient assets to pay all employee benefits relating to employee service in the current or prior periods. For defined contribution pension plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. Contributions are recognised as personnel costs when they fall due. Prepaid contributions are recognised as an asset to the extent that cash refunds or reductions in future payments may benefit the Group.

Bonus schemes

The Group recognises a liability and an expense for bonuses. The Group recognises a provision when there is a legal obligation or a constructive obligation arising from past practice.

2.17 Revenue recognition

Revenue is measured at the fair value of what has been or will be received and represents the amounts received for goods and services sold less discounts and VAT. The Group recognises revenue when its amount can be measured reliably, it is probable that future economic benefits will flow to the entity, and specific criteria have been met for the Group's operations as described below.

2.17.1 Sale of goods

The Group's revenue from the sale of goods comes primarily from the sale of biogas. This revenue is recognised when control of the biogas is transferred to the customer, which occurs when the goods, i.e. the biogas, are delivered to the customer. We are transitioning from agreements with fixed prices towards agreements with market-based prices.

2.17.2 Sales of services

The Group's revenue from services relates mainly to compensation for the reception of organic waste for biogas production. This revenue is recognised when the organic waste is transferred from the customer.

2.17.3 Interest income

Interest income is recognised as revenue using the effective interest method.

2.18 Service concession arrangements

Activities in Korea include service concession arrangements related to the biogas plant built there. Infrastructure related to service concession arrangements is not recognised as property, plant and equipment because the service contract does not transfer the right to control the use of the public service infrastructure to the Group. The remuneration received or to be received by the Group is recognised at fair value. The compensation has been assessed as the right to an intangible asset as the Group obtains the right (authorisation) to charge the user of the public service through the contract.

2.19 Leasing

The Group leases production facilities, various offices, land, storage tanks, cars and IT equipment. There is no subletting to third parties. Lease agreements are normally written for fixed periods between 3-25 years but there may be opportunities for extension, as described below. Assets and liabilities arising from leases are initially recognised at present value. The lease liabilities include the present value of the following lease payments:

- Fixed charges (including substantially fixed charges), after deducting any benefits associated with the signing of the lease to be received.
- Variable lease payments that depend on an index or price, initially valued using the index or price at the commencement date.
- Amounts expected to be paid by the lessee under residual value guarantees.
- The exercise price of an option to buy if the Group is reasonably certain to exercise such an option.
- Penalties payable on termination of the lease, if the lease term reflects that the Group will exercise an option to terminate the lease.

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

The lease payments are discounted using the interest rate implicit in the lease. If this rate cannot be determined easily, as is normally the case for Group leases, the lessee's incremental borrowing rate is used, which is the rate that the individual lessee would have to pay to borrow the necessary funds to purchase an asset of similar value to the right-of-use asset in a similar economic environment with similar terms and security.

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

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

- The amount at which the lease liability was originally measured.
- Lease payments made at or before the commencement date, after deducting any benefits received in connection with the signing of the lease.
- Initial direct expenditure.
- Expenditure to restore the asset to the condition prescribed by the terms of the lease.

Rights of use are usually amortised on a straight-line basis over the shorter of the useful life and the lease term. If the Group is reasonably certain to exercise a call option, the right of use is amortised over the useful life of the underlying asset.

Payments for short-term contracts for equipment and vehicles and all low-value leases are expensed on a straight-line basis in the statement of comprehensive income.

Short-term contracts are contracts with a leasing period of 12 months or less without a purchase option. Short-term contracts include office space and IT equipment.

2.20 Cash flow statement

The cash flow statement is prepared using the indirect method. This means that the operating result is adjusted for transactions that did not result in cash inflow or outflow during the period and for any income and expenses related to the cash flows of investing or financing activities.

2.21 Share capital

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

2.22 Share-based payments

The fair value of the service that entitles employees to share rights is recognised as an employee expense with a corresponding increase in equity. The total cost is recognised over the vesting period, i.e. the period over which all the specified vesting conditions must be met. Social security contributions incurred in connection with the granting of share rights are considered an integral part of the grant, and the cost is treated as a cash-settled share-based payment.

2.23 Parent Company accounting policies

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

Forms of organisation

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

Shares in subsidiaries

Shares in subsidiaries are recognised at cost less any impairment losses. The cost of acquisition includes acquisition-related costs and any contingent consideration.

When there is an indication that shares in subsidiaries are impaired, the recoverable amount is calculated. If this is lower than the carrying amount, an impairment loss is recognised. Impairment losses are recognised in the item "Profit/loss from shares in Group companies".

Group contributions

Group contributions are recognised as appropriations in the income statement.

Lease agreements

All leases, whether financial or operating, are classified as operating leases. Lease payments are recognised as an expense on a straight-line basis over the term of the lease. IFRS 16 is not applied in the Parent Company.

Financial instruments

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

Commitments/financial guarantees

The Parent Company has signed guarantees in favour of subsidiaries. Such an obligation is classified as a financial guarantee contract in accordance with IFRS. For these contracts, the Parent Company applies the relief rule in RFR 2 (IAS 39 p.2) and thus recognises the guarantee as a contingent liability. A provision is recognised when the Parent Company deems it probable that a payment will be required to settle an obligation.

Note 3 Financial risk management

3.1 Financial risks factors

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

a) Market risk

(i) Currency risk

Biokraft is exposed to currency risk as it has transactions in foreign currency (transaction risk) and subsidiaries abroad (translation risk). The Board continuously evaluates the Group's exposure in foreign currencies.

Transaction risk

Transaction risk is the risk of impact on the Group's net income and cash flow resulting from changes in the value of commercial flows in foreign currencies due to changes in exchange rates. The subsidiaries in Korea, Norway and Germany have KRW, NOK and EUR as their reporting currency, but the exposure is considered insignificant as both revenue and expenses are in the same currency. The Group makes some purchases in EUR but has no material currency risk as it has no significant transactions in foreign currencies.

In 2023, exchange rate differences recognised in the consolidated profit/loss totalled SEK -40.0 (18.2) million. The Group has analysed its sensitivity to changes in exchange rates. If the Swedish Krona had weakened/strengthened by 1 per cent in relation to the USD, KRW and EUR, with all other variables constant, profit/loss for the year would have been SEK 1.4 (1.7) million higher/lower.

Translation risk

The Group has a risk when translating the net assets of foreign subsidiaries into the reporting currency of Swedish Krona (SEK). Foreign subsidiaries are located in Korea (KRW), Norway (NOK) and Germany (EUR). The Group is also affected by the translation of foreign subsidiaries' income statements into SEK. This exposure is not hedged.

The Group has analysed its sensitivity to changes in exchange rates. If the Swedish Krona had weakened/strengthened by 1 per cent in relation to the KRW, NOK and EUR, with all other variables constant, the translation effect on equity would have been SEK 0.9 (1.5) million higher/lower.

(ii) Interest rate risk

Changes in interest-bearing financial assets and liabilities held by the Group linked to market interest rates affect the results and cash flow

from operations. Interest rate risk is the risk that changes in the general level of interest rates will adversely affect the Group's net income. Floating rate borrowings expose the Group to cash flow interest rate risk, which is partially neutralised by floating rate cash balances.

Of the Group's total interest-bearing debt of SEK 1,054.5 (926.6) million, SEK 0.0 (24.1) million is at fixed interest rates and the remainder is at variable rates. The Group is therefore exposed to interest rate risk. The Group has cash and cash equivalents totalling SEK 295.8 (561.1) million. The Group's interest income is affected by changes in general interest rates.

Liabilities at variable interest rates totalled SEK 1,054.5 (902.5) million on the balance sheet date. A change in interest rates of +/- 1 per cent would affect net interest income by about SEK 10.5 (9.0) million.

b) Credit risk

Credit risk or counterparty risk is the risk that the counterparty to a financial transaction will not fulfil its obligations on the due date. Biokraft's credit risk includes cash and cash equivalents, trade receivables and other receivables.

With regard to cash and cash equivalents, the credit risk is deemed to be low as the counterparty, Nordea, is a large, well-known bank with a high credit rating. Biokraft believes that the risk of customer losses is low, as sales are made to large, stable customers with good payment histories. The Group monitors the creditworthiness of its customers and reassesses credit terms when necessary.

c) Liquidity risk

Liquidity risk is the risk that the Group will not have sufficient cash and cash equivalents to meet its financial liability obligations.

The objective of the company's liquidity management is to minimise the risk that the Group does not have sufficient liquid assets to meet its commercial commitments. Cash flow forecasts are prepared on an ongoing basis. Management closely monitors rolling forecasts of the Group's liquidity reserve to ensure that the Group has sufficient cash resources to meet its operating needs. The liquidity risks in the operating companies Biokraft Stockholm AB, Ekdalens Biotransporter AB and Scandinavian Biogas Korea Co., Ltd. are considered small, while the risk is higher in the development company Biokraft Shared Services Nordics AB and in Biokraft Södertörn AB.

Both equity and debt capital are expected to be able to cover the financing of existing projects and activities in the coming years. The Group is looking at a number of different options such as project financing, refinancing and other strategic and capital structure options.

The Group's borrowing is subject to a number of capital requirements, known as covenants, which primarily consist of requirements for financial key ratios such as profitability and equity/assets ratio.

In June 2021 a corporate bond of SEK 700 million was issued, and in December 2022 a revolving credit facility of SEK 300 million was signed. The corporate bond and the credit facility are subject to covenants, which are met during the financial year (see also Note 36, Events After the Balance Sheet Date). Of the Group's total borrowing of SEK 1,054.5 (926.6) million, SEK 850 (700) million is linked to various capital requirements. There are no covenants for the Group's leases. When the corporate bond was issued, a buy-back of SEK 63.8 million was made, which can be sold at any time.

Consolidated liquid assets totalled SEK 295.8 (561.1) million on 31 December 2023. Other future liquidity pressures relate to payment of accounts payables for operations and investments, other current liabilities and amortisation of loans. The table below shows the contractual undiscounted cash flows from the Group's financial liabilities that constitute financial liabilities, categorised by the time remaining at the balance sheet date until the contractual maturity date.

At 31 December 2023 (SEK thousand)	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Borrowings	89,865	89,709	845,176	-	1,024,750
Lease debt	28,451	25,372	68,654	173,459	295,936
Accounts payables	189,905	-	-	-	189,905
Other current liabilities	62,703	-	-	-	62,703
Group total	370,924	115,081	913,830	173,459	1,573,294

At 31 December 2022 (SEK thousand)	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Borrowings	69,006	68,721	730,441	-	868,168
Lease debt	28,947	27,932	71,321	198,808	327,008
Accounts payables	95,023	-	-	-	95,023
Other current liabilities	76,876	-	-	-	76,876
Group total	269,852	96,653	801,762	198,808	1,367,075

d) Refinancing risk

The company needs to ensure long-term financing in the Group on an ongoing basis. There may be a risk of refinancing depending on the market situation and the company's underlying profitability in general. Management is continuously working on different financial options.

3.2 Management of capital risk

The Group's capital structure objectives are to safeguard the Group's ability to continue as a going concern in order to generate returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure in order to minimise the cost of capital.

3.3 Calculation of fair value

The carrying amounts, net of any impairment losses, of trade and other receivables and trade and other payables are assumed to approximate their fair values, given the short-term nature of these items.

Note 4 Significant estimates and assessments

Estimates and assessments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant estimates and assessments for accounting purposes

The Group makes estimates and assumptions about the future. The resulting estimates for accounting purposes will, by definition, rarely correspond to actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are summarised below.

Valuation of loss carry-forwards

The Group assesses annually whether it is appropriate to capitalise deferred tax assets relating to tax loss carry-forwards for the year.

Deferred tax assets are recognised only for loss carry-forwards when it is probable that they can be utilised against future taxable profits and against taxable temporary differences. The loss carry-forwards in the Norwegian companies are valued, as it is assessed that there are sufficient future surpluses to be utilised against them. However, none of the other loss carry-forwards are valued, as the surpluses expected to arise in the foreseeable future are not considered sufficiently likely to exceed the costs of development, commissioning of new investment projects and group-wide functions. See Note 19, Deferred Tax.

Goodwill

The Group's goodwill arises from the acquisition of the Norwegian group and Ekdalens Biotransporter AB and is considered to have an indefinite useful life. Impairment testing is carried out continuously

by the Group, looking at future cash flows and making a number of estimates and assessments, particularly regarding future biogas prices and operating costs. For the plant in Norway, production and sales volumes have been estimated based on sales of produced Bio-LNG during 2019–2023, previous experience and management's expectations of future market development. The forecast cash flow is based on the adopted budget and forecasts for the next five years. See Note 15, Intangible Assets.

Acquired intangible assets

The Group's acquisition-related intangible assets consist of customer relationships and arise from the acquisition of Ekdalens Biotransporter AB and are considered to have a useful life of seven years. Impairment testing is performed continuously by assessing the Group's future cash flows.

Service concession arrangements

As the Group has service concession arrangements, an intangible asset (concession right) is recognised to the extent that the Group has the right to charge the users of the public service. The intangible asset is recognised based on the fair value of the consideration received or to be received by the Group. The fair value has been assessed as the present value of the future cash flows from the concession right that the Group is expected to receive. Assessing the expected future cash flows requires management to make estimates and judgements about the future, the most significant of which are the future market price of liquefied natural gas (LNG) and operating costs. See Note 15, Intangible Assets.

Valuation of tangible assets

Impairment testing of the Group's facilities is conducted on a regular basis. Impairment testing is based on estimated future cash flows, with several assumptions applied in this assessment – the most significant of which are future production volumes, biogas price and operating costs. The facilities in Bromma and Henriksdal have been considered a cash-generating unit, as have the pre-treatment and production facilities at Södertörn. Other installations have been assessed individually. See Note 16, Tangible Fixed Assets. The discount rate used is 10.84 (10.84) per cent.

Capitalised development costs

The Group recognises development costs that meet all criteria specified in IAS 38, p. 57, as intangible assets. Costs are primarily comprised

of lab tests of various organic substrates and substrate combinations from which biogas can be produced and optimised. Estimates and assessments must be made in assessing which development costs to capitalise, based on expectations of future cash flows that the asset is expected to generate.

Receivables from subsidiaries in Korea

In the Swedish part of the Group there are claims on subsidiary Scandinavian Biogas Korea Co., Ltd., denominated in USD and KRW. Exchange rate fluctuations in 2023 resulted in an unrealised exchange difference of SEK -5.2 (7.4) million. Given that the claim is amortised pursuant to a fixed plan and is expected to be fully amortised by 2025, the Group has determined that this claim should not be seen as a net investment in the Korean company. Accordingly, exchange rate fluctuations are recognised in net financial items and not, as otherwise would have been the case, in other comprehensive income.

Note 5 Segment reporting

The Group's activities are managed and reported on the basis of the operating segments Business Area Sweden, Business Area Korea and Business Area Norway. Operations also include the Service Centre and Research & Development segment. Business Area Germany is being established. The business areas are geographical organisations, with the head of each business area reporting directly to the Group 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 intra-group items. The majority of staff in Sweden are employed in the subsidiary Biokraft Shared Services Nordics AB – part of the Service Centre and Research & Development segment – which then invoices other Group companies for work performed.

	2023	2022
Revenue, including capitalised work¹		
Business Area Sweden	324,239	232,416
Business Area Norway	132,531	117,285
Business Area Korea	76,332	56,230
Service Centre and R&D	37,677	30,849
Eliminations	-36,645	-29,339
Group total	534,134	407,441
Operating expenses		
Business Area Sweden	-264,609	-199,976
Business Area Norway	-133,312	-109,731
Business Area Korea	-56,103	-45,600
Service Centre and R&D	-85,027	-61,767
Eliminations	36,645	29,339
Group total	-502,406	-387,736
EBITDA		
Business Area Sweden	59,630	32,440
Business Area Norway	-781	7,553
Business Area Korea	20,229	10,630
Service Centre and R&D	-47,349	-30,919
Group total	31,728	19,705
Depreciation, amortisation & impairment and Other operating expenses	-104,841	-84,884
Operating income	-73,113	-65,179
Net financial items		
Net financial items	-99,243	-30,190
Group total	-99,243	-30,190
Consolidated profit/loss before tax	-172,356	-95,369

Note 6 Breakdown of net sales

The breakdown of net sales by type of revenue is as follows:

Group	2023	2022
Sales of goods, Sweden	193,652	148,853
Sales of goods, Norway	120,164	104,113
Sales of goods, Korea	31,353	16,860
Sales of services, Sweden	46,844	50,572
Sales of services, Norway	8,839	6,941
Sales of services, Korea	44,978	39,370
Group total	445,830	366,709
Parent Company	2023	2022
Sales of services	919	919
Parent Company, total	919	919

Of the Group's net sales of SEK 445.8 (366.7) million, the largest individual customers account for SEK 101.2 (69.3) million, SEK 79.1 (101.4) million and SEK 45.0 (39.4) million, respectively. During both 2022 and 2023, three customers accounted for more than 10 per cent of sales. These customers account for 50.5 (57.3) per cent of the Group's total net sales, of which 17.7 (27.6) per cent relates to Norway and 10.1 (10.7) per cent relates to the operations in Korea; the remainder relates to Sweden. No other customers account for more than 10 per cent of sales.

Of the total tangible and intangible fixed assets of SEK 1,455.4 (1,181.7) million, SEK 947.9 (622.0) million are located in Sweden, SEK 16.4 (28.9) million in Korea, SEK 491.1 (530.8) million in Norway and SEK 10.5 (0.0) million in Germany.

Note 7 The Parent Company sales to and purchases from Group companies

During the year, the Parent Company invoiced the subsidiaries SEK 0.9 (0.9) million for group-wide services. The Parent Company purchased services from Group companies in the amount of SEK 0.0 (0.6) million.

Note 8 Capitalised work on own account

The Group has capitalised costs for staff working on ongoing new construction and development projects. The capitalised costs relate to direct salary costs, social security contributions and a mark-up for other overheads.

1. Capitalised work is included, amounting to SEK 19.0 (13.8) million for Business Area Sweden, SEK 3.5 (5.2) million for Business Area Norway and SEK 1.1 (1.3) million for Service Centre and R&D.

Note 9 Other operating income and other operating expenses

	Group		Parent Company	
	2023	2022	2023	2022
Other operating income				
Exchange rate gains	6,265	909	2	15
Government subsidies	58,287	14,809	-	-
Non-operational re-invoicing	112	692	2,927	1,890
Profit on sale of fixed assets	563	1,050	-	-
Other	-506	2,883	-	-
Total other operating income	64,721	20,343	2,929	1,905

	Group		Parent Company	
	2023	2022	2023	2022
Other operating expenses				
Exchange rate losses	2,789	919	11	28
Loss on sale of fixed assets	6,545	-	-	-
Total other operating expenses	9,334	919	11	28

Note 10 Remuneration to auditors

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

Group	2023	2022
PwC		
The audit assignment	1,625	1,500
Audit activities other than the audit assignment	167	117
Tax advice	545	93
Other services	10	20
Total	2,347	1,730
Other auditors		
The audit assignment	134	129
Tax advice	57	54
Other services	530	-
Total	721	183
Group total	3,068	1,913
Parent Company	2023	2022
PwC		
The audit assignment	890	690
Audit activities other than the audit assignment	167	117
Tax advice	453	93
Total	1,510	900
Other auditors		
Other services	514	-
Total	514	-
Parent Company total	2,024	900

Note 11 Employee benefits etc.

Group	2023	2022
Salaries, wages and other remuneration	85,382	71,007
Social security contributions	21,632	17,164
Pension costs – defined contribution plans	9,821	7,529
Pension costs – defined benefit plans	494	580
Group total	117,328	96,280

Salaries, wages & other remuneration and social security costs

	2023	2023	2022	2022
	Salaries, wages and other pay (of which bonuses)	Social security contributions (of which pension costs)	Salaries, wages and other pay (of which bonuses)	Social security contributions (of which pension costs)
Board members, CEOs and other senior executives	16,305 (1,758)	6,284 (3,086)	12,284 (879)	4,539 (2,300)
Other employees	69,077 (612)	25,663 (7,229)	58,722 (1,364)	20,735 (5,810)
Group total	85,382 (2,370)	31,946 (10,315)	71,007 (2,242)	25,273 (8,110)

Gender distribution in the Group (including subsidiaries) for board members and other senior executives

	2023	2023	2022	2022
	Number on balance sheet date	Of which Female	Number on balance sheet date	Of which Female
Board members	6	2	6	3
CEO and other senior executives	8	2	8	2
Group total	14	4	14	5

Parent Company	2023	2022
Salaries, wages and other remuneration	1,805	1,184
Social security contributions	336	370
Parent Company, total	2,141	1,554

Salaries, wages & other remuneration and social security costs

	2023	2023	2022	2022
	Salaries, wages and other pay (of which bonuses)	Social security contributions (of which pension costs)	Salaries, wages and other pay (of which bonuses)	Social security contributions (of which pension costs)
Board members, CEOs and other senior executives	1,805 (400)	336 (-)	1,184 (-)	370 (-)
Other employees	-	-	-	-
Parent Company, total	1,805 (400)	336 (-)	1,184 (-)	370 (-)

Remuneration of senior executives

Remuneration to the CEO and other senior executives consists of basic salary, variable remuneration, other benefits and financial instruments, etc. Other senior executives are persons who, together with the CEO, make up the Group management. For the composition of the Executive Board, see Corporate Governance in the Directors' Report.

If the company decides to terminate the CEO's employment, the CEO is entitled to 12 months' salary in severance pay. There are no other agreements on severance pay.

The profit/loss for the year includes the following remuneration to the Board of Directors and senior management:

Pay and other benefits 2023	Basic salary/ Board fees	Variable Pay	Other benefits	Pension-cost	Total
Chairman of the Board Anders Bengtsson	340	-	-	-	340
Board Member Tina Helin	155	-	-	-	155
Board Member Sara Anderson (until the AGM)	52	-	-	-	52
Board Member David Schelin	155	-	-	-	155
Board Member Håkon Welde	185	-	-	-	185
Board Member Petra Einarsson	205	-	-	-	205
Board Member Jan Helland Eide (as of the AGM)	-	-	-	-	-
CEO Matti Vikkula	3,808	578	138	1,182	5,706
Other senior executives (7 people)	9,202	1,181	203	1,904	12,490
Total	14,103	1,758	341	3,086	19,288

Pay and other benefits 2022	Basic salary/ Board fees	Variable Pay	Other benefits	Pension- cost	Total
Chairman of the Board Anders Bengtsson	337	-	-	-	337
Board Member Tina Helin	153	-	-	-	153
Board Member Sara Anderson	153	-	-	-	153
Board Member David Schelin	153	-	-	-	153
Board Member Håkon Welde	183	-	-	-	183
Board Member Petra Einarsson	203	-	-	-	203
CEO Matti Vikkula	3,466	527	89	1,114	5,197
Other senior executives (5 people*)	6,427	351	239	1,186	8,204
Total	11,076	879	328	2,300	14,582

*In 2022 there were seven senior executives other than the CEO, two of whom invoiced consultancy fees and are not included in these amounts.

Fees are paid to the Chairman and members of the Board of Directors and to the Audit Committee, as decided by the General Meeting. No special fee is paid for other committee work. Of the Parent Company's total costs, SEK 1,474 (1,554) thousand relates to salaries and remuneration to the Board of Directors. In the subsidiaries there are no costs related to the Board of Directors.

Average number of employees with geographical distribution by country

	2023	2023	2022	2022
	Average number of employees	Of which Female	Average number of employees	Of which Female
Sweden	-	-	-	-
Total Parent Company	-	-	-	-
Subsidiaries				
Sweden	78	23	67	16
Korea	19	1	20	1
Norway	18	4	18	3
Total subsidiaries	115	28	105	20
Group total	115	28	105	20

Gender distribution of the Board of Directors and other senior executives in the Parent Company

	2023	2023	2022	2022
	Number at balance sheet date	Of which Female	Number at balance sheet date	Of which Female
Board members	6	2	6	3
CEO and other senior executives	1	-	1	-
Parent Company, total	7	2	7	3

Pension schemes

Group	31 Dec 2023	31 Dec 2022
Commitments in the balance sheet for:		
Defined benefit pension plans	-3,813	-3,672
Accounting in the income statement for:		
Costs of defined benefit pension plans	1,158	1
Costs of defined contribution pension plans	9,821	7,529
Amount recognised in other comprehensive income	-533	412

Group	31 Dec 2023	31 Dec 2022
Present value of unfunded obligations	-3,813	-3,672
Net debt in the balance sheet	-3,813	-3,672

The change in the defined benefit obligation during the year is as follows:

Group	31 Dec 2023	31 Dec 2022
At beginning of year	3,672	3,366
Current year service costs	508	360
Interest costs	176	87
Actual return on plan assets	-59	-34
Actuarial losses(+)/gains(-)	533	-412
Exchange differences	-265	305
Remuneration paid	-753	-
At end of year	3,813	3,672

The amounts recognised in the income statement in respect of defined benefit plans are as follows:

Group	31 Dec 2023	31 Dec 2022
Current year service costs	508	360
Interest costs	176	87
Actual return on plan assets	-59	-34
Net actuarial gains/losses reported during the year	533	-412
Total	1,158	1

The main actuarial assumptions used were as follows:

Group	31 Dec 2023	31 Dec 2022
Discount rate	4.20%	5.20%
Future pay increases	2.00%	2.00%

Plan assets consist of the following:

Group	31 Dec 2023	31 Dec 2022
Other	4,551	4,186
Total	4,551	4,186
Present value of defined benefit obligation	-3,813	-3,672
Fair value of plan assets	4,551	4,186
Surplus/deficit	739	514

Share-based payments

A long-term performance-based incentive programme was adopted by AGM decision of 28 April 2022. The Board of Directors considers it important and in the interest of all shareholders that the CEO and other employees deemed important for the Group's further development have a long-term interest in the Biokraft share's positive value development. A personal long-term shareholder commitment can be expected to promote an increased interest in the Group's operations and performance as a whole and to improve employee motivation, resulting in a greater community of interests between Biokraft and its shareholders.

Share rights, which vest monthly and in full after three years, were granted to employees free of charge on 31 August 2022 and entitle them to acquire shares, provided that certain performance conditions related to the company's share price and reduction in CO₂e emissions are met. Certain provisions also apply, with some exceptions, requiring the employees' continued employment within the Group. The share rights are not transferable and may not be pledged.

The maximum number of shares that can be acquired under the share rights is 576,601 shares. Each share right gives the right to subscribe for one share in the company until 31 October 2025 at a subscription price corresponding to the quota value of the shares, which amounts to SEK 2.

The fair value is calculated using a Monte Carlo simulation model that takes into account the exercise price, the maturity, the share price at the grant date and the risk-free interest rate for the life of the share right. Accrued costs are reserved on an ongoing basis and, in addition, personnel costs of SEK 1.7 (0.9) million have been booked directly against equity.

The inputs to the model for the share rights allocated were:

- The share rights are granted free of charge and earned over a three-year period
- Redemption price: SEK 2
- Grant date: 31 August 2022
- Due date: 31 August 2025
- Share price on the grant date: 20.25 SEK
- Risk-free interest rate: 1 per cent

Note 12 Net financial items

Financial income/ Interest income	Group		Parent Company	
	2023	2022	2023	2022
Interest income on bank deposits and similar items	12,839	5,200	11,770	4,973
Intra-group interest income	-	-	109,884	62,843
Profit from Group companies	55	-	-	-
Exchange rate gains	845	22,943	-	12,248
Other financial income	2,859	656	1,925	-
Total financial income/ interest income	16,598	28,799	123,579	80,064

Financial expense/ Interest costs	Group		Parent Company	
	2023	2022	2023	2022
Impairment of shares in subsidiaries	-	-	38,700	25,700
Interest expense on borrowings	62,175	42,770	70,852	49,129
Interest expense on lease liabilities	7,297	5,353	-	-
Exchange rate losses	40,886	4,722	31,416	-
Accrued transaction costs, including refinancing costs	5,483	6,144	5,930	3,538
Total financial expenses/interest expenses	115,841	58,989	146,898	78,367
Total net financial items	-99,243	-30,190	-23,319	1,697

Note 13 Exchange rate differences

Exchange rate differences have been recognised in the income statement as follows:

	Group		Parent Company	
	2023	2022	2023	2022
Exchange rate differences within operating profit/loss	3,476	-10	-9	-13
Exchange rate differences in net financial items	-40,041	18,221	-31,416	12,248
Total exchange rate differences in profit or loss	-36,565	18,211	-31,425	12,235
Amount recognised in other comprehensive income	2,287	-4,869	-	-

Note 14 Income tax/Tax on profit/loss for the year

	Group		Parent Company	
	2023	2022	2023	2022
Current tax:				
Current tax on profit for the year	-176	-	-	-
Total current tax	-176	-	-	-
Deferred tax (see Note 19):				
Origination and reversal of temporary differences	13,344	10,447	-	-
Total deferred tax	13,344	10,447	-	-
Income tax	13,168	10,447	-	-

The income tax on profits/losses differs from the theoretical amount that would have resulted from using the weighted average tax rate on the profits/losses of the consolidated companies as follows:

	Group		Parent Company	
	2023	2022	2023	2022
Profit/loss before tax	-172,356	-95,369	-22,224	18,781
Income tax calculated at national tax rates applicable to profits/losses in each country	36,938	19,491	4,578	-3,869
Tax effects of:				
Non-taxable income	5,172	3,021	-	-
Non-deductible expenses	-2,299	-2,482	-7,974	-5,301
Non-deductible interest expenses	-3,723	-4,110	-	-
Unrecognised costs to be deducted	-	2,018	-	2,018
Tax losses for which no deferred tax asset is recognised	-22,920	-7,492	3,396	7,152
Tax revenue/expense	13,168	10,447	-	-

The weighted average tax rate is 21.4 (20.4) per cent for the Group and 20.6 (20.6) per cent for the Parent Company.

	Group		Parent Company	
	2023	2022	2023	2022
The income tax on items recognised in equity during the year amounts to the following:				
Deferred tax:				
Share issue expenses	-	2,018	-	2,018
Tax revenue/expense	-	2,018	-	2,018

Note 15 Intangible assets

Group	Goodwill	Capitalised development costs	Concessions and similar rights	Patent and licences	Customer relations & other intangible assets	Total
Financial year 2022						
Opening carrying amount	30,031	15,702	36,727	948	25,366	108,774
Purchasing/reprocessing	-	6,135	-	-	-	6,135
Reclassification	-	-5,543	-	-	5,919	376
Government subsidies	-	-3,249	-	-	-	-3,249
Translation differences	205	179	2,694	16	-	3,094
Depreciation and amortisation	-	-586	-10,623	-296	-4,460	-15,965
Closing carrying amount	30,236	12,638	28,798	668	26,825	99,165

At 31 December 2022

Acquisition value	30,236	21,597	224,462	6,706	35,551	318,552
Accumulated depreciation, amortisation & impairment	-	-8,959	-195,664	-6,038	-8,726	-219,387
Closing carrying amount	30,236	12,638	28,798	668	26,825	99,165

Financial year 2023

Opening carrying amount	30,236	12,638	28,798	668	26,825	99,165
Purchasing/reprocessing	-	4,185	-	-	-	4,185
Capitalisation of capitalised costs	-	-2,016	-	2,016	-	-
Sales and disposals	-	-5,880	-	-	-	-5,880
Translation differences	-452	-	-1,403	-32	-382	-2,269
Depreciation	-	-585	-11,030	-472	-5,024	-17,111
Closing carrying amount	29,784	8,342	16,365	2,180	21,419	78,090

At 31 December 2023

Acquisition value	29,784	17,886	209,469	8,688	35,159	300,986
Accumulated depreciation, amortisation & impairment	-	-9,544	-193,104	-6,508	-13,740	-222,896
Closing carrying amount	29,784	8,342	16,365	2,180	21,419	78,090

The total amount for research and development expensed during the period is SEK 5.9 (4.9) million.

An impairment test was performed on goodwill, which resulted in the assessment that there is no need for impairment during the financial year.

The Group has performed a sensitivity analysis to changes in the impairment test. If the discount rate had been 0.5 percentage points higher and profitability (EBITDA margin) 1 percentage point lower, with all

other variables constant, there would still be no impairment of goodwill. The pre-tax discount rate is based on estimates of weighted required rates of return on interest-bearing liabilities and equity in proportion to their estimated percentages in an optimal industrial capital structure. A long-term growth rate of 2 (2) per cent and a pre-tax discount rate of 10.84 (10.84) per cent were used in the impairment test of goodwill for the financial year for both Sweden and Norway. The Group's goodwill is attributable to Business Area Norway SEK 6.4 (6.8) million and Business Area Sweden SEK 23.4 (23.4) million. The impairment test is prepared on the basis of the discounted value in use.

An impairment test was performed on concession rights, which resulted in the assessment that there is no need for impairment during the financial year. The Group has performed a sensitivity analysis to changes in the impairment test. If the discount rate had been 0.5 percentage points higher and profitability (EBITDA margin) 1 percentage point lower, with all other variables constant, there would still be no impairment of the concession right. A long-term growth rate of 2 (2) per cent and a pre-tax discount rate of 13.3 (13.3) per cent were used in the impairment test of concession rights for the financial year. The concession right is attributable to Business Area Korea. The impairment test is prepared on the basis of the value in use.

Note 16 Tangible assets

Group	Buildings and land	Plant and machinery	Equipment, tools, fixtures and fittings	Construction work in progress	Total
Financial year 2022					
Opening carrying amount	208,257	278,393	34,290	161,448	682,388
Purchasing	17,145	25,830	24,453	205,094	272,522
Capitalisation of construction work in progress	-	2,111	477	-2,588	-
Capitalised interest	-	-	-	9,528	9,528
Sales and disposals	-31	-1,307	-3,005	-	-4,343
Reclassifications	-	-327	327	-376	-376
Translation differences	4,364	4,488	166	3,219	12,237
Government subsidies	-	-	-	-87,825	-87,825
Depreciation and amortisation	-10,750	-26,870	-8,590	-101	-46,311
Closing carrying amount	218,985	282,318	48,118	288,399	837,820
At 31 December 2022					
Acquisition value	296,177	449,217	79,916	288,500	1,113,810
Accumulated depreciation, amortisation & impairment	-77,192	-166,899	-31,798	-101	-275,990
Carrying amount	218,985	282,318	48,118	288,399	837,820

Group	Buildings and land	Plant and machinery	Equipment, tools, fixtures and fittings	Construction work in progress	Total
Financial year 2023					
Opening carrying amount	218,985	282,318	48,118	288,399	837,820
Purchasing	250	2,935	35,480	511,579	550,244
Capitalisation of construction work in progress	40,125	125,232	-1,332	-164,025	-
Capitalised interest	-	-	-	16,927	16,927
Sales and disposals	-	-38	-8,217	-15,321	-23,576
Reclassifications	7,397	12,588	2,132	95	22,212
Translation differences	-9,222	-9,460	-577	-11,067	-30,326
Government subsidies	-	-	-1,250	-128,243	-129,493
Depreciation	-11,689	-32,273	-10,476	-	-54,438
Closing carrying amount	245,846	381,302	63,878	498,344	1,189,370
At 31 December 2023					
Acquisition value	324,743	565,099	99,955	498,344	1,488,141
Accumulated depreciation, amortisation & impairment	-78,897	-183,797	-36,077	-	-298,771
Carrying amount	245,846	381,302	63,878	498,344	1,189,370

During the year, the Group capitalised borrowing costs of SEK 16.9 (9.5) million on qualifying assets in the form of construction in progress.

An impairment test has been carried out which resulted in the assessment that there is no need for impairment of property, plant and equipment during the financial year; see also Note 4, Significant Estimates and Assessments. The Group has performed a sensitivity analysis to changes in the impairment test. If the discount rate had been 0.5 percentage points higher and profitability (EBITDA margin) 1 percentage point lower, with all other variables constant, there would still be no need to write down the plants in Skogn, Södertörn, Henriksdal or Bromma. A discount rate of 10.84 (10.84) per cent for Sweden and Norway and 13.3 (13.3) per cent for Korea has been used for the assessment of the financial year. The discount rate is based on estimates of weighted required rates of return on interest-bearing liabilities and equity in proportion to their estimated percentages in an optimal industrial capital structure.

Right-of-use assets

Property, plant and equipment includes lease assets held by the Group under lease agreements in the following amounts:

Group	Buildings and land	Plant and machinery	Equipment, tools, fixtures and fittings	Total
Financial year 2022				
Opening carrying amount	124,555	145,234	5,344	275,133
Change	-21,923	11,394	1,732	-8,796
Depreciation and amortisation	-8,109	-10,789	-2,758	-21,656
Closing carrying amount	94,523	145,839	4,318	244,680
Financial year 2023				
Opening carrying amount	94,523	145,839	4,318	244,680
Change	165	-2,006	961	-880
Reclassifications	-7,397	-14,815	-	-22,212
Depreciation and amortisation	-9,945	-10,489	-2,646	-23,080
Closing carrying amount	77,345	118,530	2,633	198,508

The Group has assumed a discount rate of 3.70-4.43 per cent for Business Area Sweden and Business Area Norway. Business Area Korea has no leasing contracts. See also Note 31, Lease Agreements.

Note 17 Participations in Group companies

Parent Company	31 Dec 2023	31 Dec 2022
Accumulated cost of acquisition		
Opening acquisition value	895,819	880,819
Shareholder contributions paid	53,800	15,000
Acquisitions during the year	25	-
	949,644	895,819
Accumulated impairment losses		
Opening impairment losses	-524,561	-498,861
Impairment losses for the year	-38,700	-25,700
	-563,261	-524,561
Closing carrying amount at year-end	386,383	371,258

Participations in Group companies increased by SEK 53.8 (15.0) million during the financial year due to capital contributions to Biokraft Shared Services Nordics AB and Biokraft Germany AB. The Parent Company received Group contributions of SEK 9.0 (25.5) million in 2023.

The Parent Company holds shares in the following subsidiaries:

Name	Company registration no.	Registered office	Capital share	Number of shares	Carrying amount	
					31 Dec 2023	31 Dec 2022
Direct holdings						
Biokraft Shared Services Nordics AB	556691-9196	Stockholm	100.00%	166,667	9,574	5,274
Biokraft Sweden AB	556807-2986	Stockholm	100.00%	50,000	177,058	177,058
Biokraft Holding AS	916 683 405	Trondheim (Norway)	100.00%	52,147,487	188,926	188,926
Biokraft Germany AB	559422-4320	Stockholm	100.00%	250	10,825	-
Indirect holdings						
Biokraft Södertörn AB	556712-1735	Stockholm	100.00%			
Biokraft Ultra Sonus AB	556748-8357	Stockholm	100.00%			
Scandinavian Biogas Korea Co., Ltd.	610-84-00961	Ulsan (Korea)	82.17%			
Scandinavian Biogas Korea Co., Ltd.	285011-0174239	Seoul (Korea)	90.00%			
Biokraft Stockholm AB	556489-7899	Stockholm	100.00%			
Biokraft Mönsterås AB	559148-3168	Stockholm	84.666%			
Biokraft Recycling Stockholm AB	556934-4384	Stockholm	100.00%			
Ekdalens Biotransporter AB	556742-8783	Helsingborg	100.00%			
Biokraft AS	894 625 902	Trondheim (Norway)	100.00%			
Biokraft Skånes Fagerhult AB	559388-7143	Stockholm	100.00%			
Biokraft Kalmar AB	559413-0238	Stockholm	100.00%			
Biokraft Perstorp AB	559447-5989	Stockholm	100.00%			
Biokraft Germany Holding AB	559424-9947	Stockholm	85.00%			
Biokraft Germany Development GmbH	HRB788724	Berlin (Germany)	100.00%			
Biokraft Hohenmölsen GmbH	HRB284113	Berlin (Germany)	100.00%			
Biokraft Schwarze Pumpe GmbH	HRB284160	Berlin (Germany)	100.00%			
Total					386,383	371,258

Direct holdings at 31/12/2023	Equity	Profit/loss for the year
Biokraft Shared Services Nordics AB	12,180	-35,533
Biokraft Sweden AB	7,048	-42,812
Biokraft Holding AS	163,051	-280
Biokraft Germany AB	10,825	-

Activities of significant subsidiaries

Biokraft Shared Services Nordics AB designs biogas plants with a strong focus on optimising production and conducts research and development in the field of biogas.

Scandinavian Biogas Korea Co., Ltd. operates a plant in Ulsan that produces raw gas, primarily from food waste. Revenues are generated by gate fees (i.e. payment for receiving waste) and from gas sales.

Biokraft Stockholm AB's activities include the production and trading of upgraded biogas.

Scandinavian Biogas Södertörn AB (SBSö) and Scandinavian Biogas Recycling AB (SBR) work in close collaboration, with their overall business encompassing the entire biogas production process. SBR is responsible for pre-treatment and SBSö for digestion, upgrading, liquefaction and digestate management.

Biokraft AS in Norway operates a Bio-LNG plant corresponding to approximately 155 GWh after the expansion of Skogn II.

All subsidiaries are consolidated in the Group. The proportion of voting rights in the subsidiaries directly owned by the Parent Company does not differ from the proportion of ordinary shares owned.

Ekdalens Biotransporter AB was acquired on 18 December 2020 and is 100 per cent owned by Biokraft Sweden AB. Ekdalens provides transport and other services, with a focus on manure and bio-substrate transports to and from biogas plants in southern Sweden and large animal farms.

The total ownership for non-controlling interests for the period totals SEK 4.9 (-20.1) million, which mainly stems from the subsidiaries in Korea and Mönsterås, Sweden. The non-controlling interest in the remaining subsidiaries with minority shareholders is not material.

Significant limitations

There are no significant limitations within the Group other than certain restrictions in moving capital between subsidiaries due to loan agreement regulations, etc.

Note 18 Financial assets

Group	31 Dec 2023	31 Dec 2022
Deposits and guarantees	4,042	3,734
Other	148	272
Group total	4,190	4,006

Note 19 Deferred tax

Group	2023	2022
Deferred tax expense relating to temporary differences	1,252	2,176
Deferred tax revenue relating to temporary differences	12,092	8,271
Total deferred tax in the income statement	13,344	10,447

Deferred tax assets	31 Dec 2023	31 Dec 2022
Deferred tax assets that will be utilised after more than 12 months	48,524	39,085
Deferred tax assets that will be utilised within 12 months	-	-
Total deferred tax assets	48,524	39,085

Deferred tax liabilities	31 Dec 2023	31 Dec 2022
Deferred tax liabilities to be utilised after more than 12 months	7,781	9,033
Deferred tax liabilities to be utilised within 12 months	-	-
Total deferred tax liabilities	7,781	9,033
Deferred tax liabilities/assets (net)	40,743	30,052

Changes in deferred tax assets and liabilities during the year that have been recognised in the income statement are shown below:

Deferred tax assets	31 Dec 2023	31 Dec 2022
At 1 January	39,085	29,933
Deferred tax on profit/loss for the year in Norwegian subsidiaries	11,612	8,338
Lease debt	480	-67
Translation difference	-2,653	882
At 31 December	48,524	39,085

Deferred tax liabilities	31 Dec 2023	31 Dec 2022
At 1 January	9,033	11,209
Untaxed reserves	-1,280	-824
Acquisition of subsidiaries	-1,157	-1,157
Development costs	-1,297	-195
Capitalised interest	2,482	-
At 31 December	7,781	9,033

The Group recognises net deferred tax on finance leases, and the gross amounts are shown in the table below.

	31 Dec 2023	31 Dec 2022
Deferred tax asset finance leasing	38,816	41,850
Deferred tax liability finance leasing	-36,074	-39,588
Net deferred tax on finance leasing	2,742	2,262

Deferred tax assets are reported for tax loss carry-forwards to the extent it is likely they can be utilised against future taxable profit. Loss carry-forwards do not expire at any given date, with the exception of the Korean loss carry-forward which expires after 10 years.

Deferred tax assets mainly relate to the Norwegian subsidiaries. An assessment has been made that the operations in Norway will generate a taxable surplus in the foreseeable future, while other operations still have significant deficits that are not expected to be covered by surpluses with reliable certainty in the foreseeable future. Tax loss carry-forwards for which no deferred tax assets have been capitalised total SEK 651 (587) million. Due to uncertainties regarding when these companies will show profit, not all loss carry-forwards are reported as deferred tax assets.

Note 20 Financial instruments by category

All of the Group's financial assets and liabilities are measured at amortised cost.

Assets in the statement of financial position measured at amortised cost

Assets	31 Dec 2023	31 Dec 2022
Financial assets	4,190	4,006
Accounts receivable	91,097	48,142
Other receivables	33,983	21,545
Cash and cash equivalents	295,777	561,076
Total	425,047	634,769

Liabilities in the statement of financial position measured at amortised cost

	31 Dec 2023	31 Dec 2022
Borrowings	817,921	663,857
Additional purchase consideration on acquisition	-	5,252
Accounts payables	189,905	95,023
Accrued expenses	3,813	3,672
Other liabilities	62,703	71,624
Total	1,074,342	839,428

Note 21 Accounts receivable

Group	31 Dec 2023	31 Dec 2022
Accounts receivable	91,461	48,363
Provision for bad debts	-364	-221
Accounts receivable, net	91,097	48,142

The ageing analysis of these receivables is shown below:

	31 Dec 2023	31 Dec 2022
1–30 days	40,602	11,446
31–60 days	685	644
> 61 days	1,451	918
Total overdue accounts receivable	42,738	13,008

Changes in the provision for bad debts are as follows:

	31 Dec 2023	31 Dec 2022
At 1 January	-221	-
Provision for bad debts	-158	-221
Translation differences	15	-
At 31 December	-364	-221

Allocations to and reversals of provisions for bad debts are included in other external costs in the income statement. There are no securities or other guarantees for the accounts receivable outstanding on the balance sheet date.

Note 22 Other receivables

Group	31 Dec 2023	31 Dec 2022
Tax account and preliminary corporate income tax (F-skatt)	4,652	5,549
VAT receivable	24,212	8,780
Other items	929	3,210
Group total	29,793	17,539

Parent Company	31 Dec 2023	31 Dec 2022
VAT receivable	80	539
Parent Company, total	80	539

Note 23 Prepaid expenses and accrued income

Group	31 Dec 2023	31 Dec 2022
Accrued income	6,185	2,404
Prepaid insurance premiums	3,018	2,463
Prepaid rents and lease payments	2,357	1,212
Other items	5,401	7,222
Group total	16,961	13,301

Parent Company	31 Dec 2023	31 Dec 2022
Prepaid insurance premiums	2,183	1,695
Other items	511	120
Parent Company, total	2,694	1,815

Note 24 Cash, cash equivalents and bank

Cash and cash equivalents in the balance sheet and cash flow statement include the following items:

Group	31 Dec 2023	31 Dec 2022
Bank balances	295,594	561,076
Restricted bank balances	183	-
Group total	295,777	561,076

Parent Company	31 Dec 2023	31 Dec 2022
Bank balances	169,551	251,165
Parent Company, total	169,551	251,165

The Group's cash and cash equivalents include blocked bank funds of SEK 183 (0) thousand. The funds are blocked in favour of the Swedish Tax Agency for biogas tax and have been assessed as short-term.

Note 25 Share capital, other paid-in capital and proposed appropriation of profit

	Number of shares (thousands)	Share capital	Other paid-in capital	Total
At 1 January 2022	30,534	61,067	1,271,372	1,332,438
Acquisitions of non-controlling interests			23,127	23,127
New share issue	13,045	26,091	300,035	326,126
Share issue expenses			-9,796	-9,796
At 31 December 2022	43,579	87,158	1,584,738	1,671,895
At 1 January 2023	43,579	87,158	1,584,738	1,671,895
Divestment of subsidiaries			-3,215	-3,215
Contribution from non-controlling interests			-5,353	-5,353
At 31 December 2023	43,579	87,158	1,576,170	1,663,328

The number of shares was 43,578,852 (43,578,852) as of 31 December 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 Board of Directors proposes that the available funds, SEK 1,014,732,547, be allocated as follows:

	Amount in SEK
Retained earnings	-424,755,800
Share premium reserve	1,461,712,308
Profit/loss for the year	-22,223,961
Total	1,014,732,547
Carried forward	1,014,732,547
Total	1,014,732,547

Note 26 Borrowings

Group	31 Dec 2023	31 Dec 2022
Non-current		
Liabilities to credit institutions	169,683	12,834
Corporate bond	628,536	625,626
Other non-current borrowings	7,325	13,700
Total	805,544	652,160
Current		
Loans from credit institutions	6,917	6,554
Other current borrowings	5,460	10,395
Total current borrowings	12,377	16,949
Total borrowings	817,921	669,109
Parent Company	31 Dec 2023	31 Dec 2022
Non-current		
Interest-bearing loans	774,936	625,626
Total non-current borrowings	774,936	625,626
Current		
Total current borrowings	-	-
Total borrowings	774,936	625,626

Loans from credit institutions

Loans from credit institutions mature through 2026 and leases run until 2039 at the latest. Interest-bearing loans carry an average annual interest rate of 8.4 (5.6) per cent. The Group's borrowings are in SEK.

Total borrowing includes bank loans and other borrowing against collateral of SEK 850.0 (700.0) million. Collateral for loans from credit institutions consists of mortgages and pledged internal loans, assets and shares in subsidiaries. Some of the external borrowing is secured by covenants. For further information, see the accounting principles.

The carrying amounts and fair values of non-current borrowings are as follows:

	Carrying amount		Fair value	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Liabilities to credit institutions	169,683	12,834	169,683	12,834
Corporate bond	628,536	625,626	628,297	629,888
Other non-current borrowings	7,325	13,700	7,325	13,700
Total	805,544	652,160	805,305	656,422

The fair value of non-current financial liabilities corresponds to the market value at the balance sheet date.

The fair value of current borrowing represents the carrying amount, as the discounting effect is not of a material nature.

Note 27 Pledged assets

Group	31 Dec 2023	31 Dec 2022
Business mortgages	5,700	5,700
Ownership reservation	37,746	24,479
Assets financed by leasing	198,508	244,680
Shares in Biokraft Sweden AB*	253,653	242,373
Shares in Biokraft Shared Services Nordics AB*	12,179	4,711
Shares in Biokraft Holding AS*	173,851	243,744
Group total	681,637	765,687

* Equity from subsidiaries reported in the Group.

Parent Company	31 Dec 2023	31 Dec 2022
Shares in Biokraft Sweden AB	177,058	177,058
Shares in Biokraft Shared Services Nordics AB	9,574	5,274
Shares in Biokraft Holding AS	188,926	188,926
Pledged receivables*	1,112,427	1,010,593
	1,487,985	1,381,851

*The Parent Company's receivables from the subsidiaries Biokraft Holding AS, Biokraft Sweden AB and Biokraft Shared Services Nordics AB.

Note 28 Contingent liabilities

Group	31 Dec 2023	31 Dec 2022
Contingent liability for subsidiaries' investment grants	261,570	III,116
Contingent liability for the Parent Company's corporate bond	700,000	700,000
Group total	961,570	811,116
Parent Company	31 Dec 2023	31 Dec 2022
Contingent liability for subsidiaries' investment grants	261,570	III,116
Parent Company, total	261,570	III,116

Contingent liabilities for subsidiaries' investment grants relate to general guarantees, and the subsidiary Biokraft Shared Services Nordics AB has provided a guarantee for the Parent Company's corporate bond.

Note 29 Other liabilities

Group	31 Dec 2023	31 Dec 2022
Tax debt	2,757	-
VAT debt	1,260	1,915
Withholding tax	4,171	1,758
Penalty fee Korea	11,350	14,776
Government subsidies	42,981	51,650
Other	184	1,525
Group total	62,703	71,624

Note 30 Accrued expenses and deferred income

Group	31 Dec 2023	31 Dec 2022
Accrued interest	4,795	3,957
Accrued salary-related costs	15,645	13,060
Accrued expenses, gas & electricity purchases	15,814	14,178
Accrued directors' fees	244	254
Construction work in progress	5,481	6,974
Accrued leasing and rental costs	151	1,495
Operation and maintenance	13,276	2,500
Deferred income	58	-
Other items	6,360	6,714
Group total	61,824	49,132
Parent Company	31 Dec 2023	31 Dec 2022
Accrued interest	4,795	3,957
Accrued salaries and directors' fees	854	254
Other items	1,223	1,076
Parent Company, total	6,872	5,287

Note 31 Lease agreements

In determining the lease term, management considers all available information that provides an economic incentive to exercise an extension option, or not to exercise an option to terminate a lease. Options to extend a lease are included in the lease term only if it is reasonably certain that the lease will be extended (or not terminated).

The lease term is reviewed if an option is exercised (or not exercised) or if the Group is required to exercise (or not exercise) the option. The assessment of reasonable assurance is reviewed only if there is a significant event or change in circumstances that affects that assessment and the change is within the lessee's control.

Car leasing is based on three-year contracts after which (i) the object is returned free of charge, (ii) the object can continue to be leased on an annual basis or (iii) the object can be purchased at the agreed residual value. The land in Henriksdal and Södertörn will be leased for 25 years, and the land in Bromma until Stockholm Vatten's treatment plant in Bromma is closed. It is currently uncertain when this will happen. The storage tank lease is for five years with an option to extend for a further five years at the request of the lessee. If the contract is not cancelled or extended for five years, it is automatically extended for two years at a time. At the end of the leasing period, the lessee is only responsible for the proper cleaning of the tank.

The Group also has lease agreements for biogas plants and other tangible fixed assets, primarily in Henriksdal, Bromma and Skogn. In 2014, a lease agreement was signed with Stockholm Vatten AB to rent the land and facilities in Henriksdal and Bromma. The lease is for 25 years. The rent for the land and facilities in Henriksdal is calculated on the book value at the time of sale over 20 years, with a rent discount for the first and last 30 months, and a variable interest rate corresponding to a two-year government bond plus a

market margin. According to an agreement dated 7 March 2022, the company will receive a full rent discount in Bromma from 1 January 2022 until the closure of the facility. The City of Stockholm has decided that the treatment plant in Bromma will be closed but it is still uncertain when this will happen. The effects for the Group if the City of Stockholm closes the plant in Bromma are not considered to be significant, as the plan is that the production of biogas will then be diverted to Henriksdal. An allocation has been made between land and other assets based on the book value of the assets sold at the time of sale. The portion relating to other assets has been added back to the Group as tangible fixed assets, and a loan liability has been recognised against Stockholm Vatten och Avfall AB.

Costs for finance leasing in the Group during the financial year totalled SEK 29,3 (28.2) million.

The Parent Company has no lease agreements.

Note 32 Other non-cash items

Group	31 Dec 2023	31 Dec 2022
Gain/loss on disposal of fixed assets	23,576	-
Other	-1,644	200
Group total	21,932	200

The Parent Company has no non-cash items.

Note 33 Cash flows on borrowings and leases

A reconciliation of financial liabilities recognised in financing activities in cash flow is presented below.

Change in financial liabilities	Leasing <1 year	Leasing >1 year	Loans <1 year	Loans >1 year	Total
At 1 January 2022	-23,243	-264,667	-14,629	-655,580	-958,119
Cash flows	69	28,110		-5,092	23,087
New and amended leases		12,006			12,006
Interest on lease liabilities		-8,000			-8,000
Exchange rate adjustments	-1,676	-78	376	1,570	192
Reclassifications			-2,696	6,942	4,246
At 31 December 2022	-24,850	-232,629	-16,949	-652,160	-926,588

Change in financial liabilities	Leasing <1 year	Leasing >1 year	Loans <1 year	Loans >1 year	Total
At 1 January 2023	-24,850	-232,629	-16,949	-652,160	-926,588
Cash flows	179	29,163	-363	-154,390	-125,411
New and amended leases		-4,987			-4,987
Interest on lease liabilities		-7,302			-7,302
Exchange rate adjustments		3,805	-343		3,462
Reclassifications			5,278	1,006	6,284
At 31 December 2023	-24,671	-211,950	-12,377	-805,544	-1,054,542

Note 34 Related-party transactions

Aneo Renewables Holding AS owns 36.5 per cent, Stl Sverige AB 18.6 per cent and Bengtssons Tidnings AB 10.1 per cent of the shares in Biokraft International AB (publ) and are deemed to have significant influence over the Group. For the remaining 34.9 per cent of the shares, no single shareholder owns more than 10 per cent of the shares. Other related parties are all subsidiaries within the Group and senior executives of the Group, i.e. the Board of Directors and management, and their family members.

Goods and services are bought and sold within the Group on normal commercial terms. During the financial year, sales of biogas on commercial terms to Stl Sverige AB totalled SEK 34.9 (31.3) million.

Note 35 Key figure definitions

Debt/equity ratio

The Group assesses capital on the basis of the debt/equity ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowing (comprising the short-term borrowing and long-term borrowing items in the consolidated balance sheet) less cash and cash equivalents. Equity is calculated as equity in the consolidated balance sheet. Total capital is calculated as net debt plus equity.

	31 Dec 2023	31 Dec 2022
Total borrowings (Note 26)	817,921	669,109
Total lease debt	236,621	257,479
Less: cash and cash equivalents (Note 24)	-295,777	-561,076
Net debt	758,765	365,512
Equity	584,864	722,733
Total capital	1,343,629	1,088,245
Debt/equity ratio	56.5%	33.6%

Operating profit/loss (EBIT)

Operating profit/loss (EBIT – Earnings Before Interest and Tax) 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	2023	2022
Operating profit/loss	-73,113	-65,179
-Depreciation, amortisation and impairment of tangible and intangible assets	95,507	83,965
-Other operating expenses	9,334	919
EBITDA	31,728	19,705

Operating EBITDA

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

Operating EBITDA	2023	2022
EBITDA	31,728	19,705
Change in additional purchase consideration	573	-2,233
Profit on sale of property, plant and equipment	-563	-1,050
Operating EBITDA	31,738	16,422

Operating EBITDA margin

Operating EBITDA margin is defined as operating EBITDA divided by net sales plus other operating income adjusted for items affecting comparability.

Gross profit/loss

Gross profit/loss is a profitability measure showing the company's revenues less variable production costs.

Gross profit/loss	2023	2022
Total revenue	534,134	407,441
-Raw materials and consumables	-279,836	-205,630
Gross profit/loss	254,298	201,811

Equity/assets ratio

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

Equity/assets ratio	31 Dec 2023	31 Dec 2022
Total equity (incl. non-controlling interest)	584,864	722,733
Total assets	1,961,619	1,874,133
Equity/assets ratio	29.8%	38.6%

Note 36 Events after the balance sheet date

On 18 December 2023, our two largest shareholders, Aneo Renewables Holding AS and Stl Sverige AB, announced their intention to consolidate their ownership in a jointly owned limited liability company, IVision Biogas AB, subject to the necessary permits from competition authorities. On 29 January, IVision Biogas AB received the necessary permits for consolidation of its ownership in Biokraft, signifying that Aneo Renewables Holding AS and Stl Sverige AB were able to transfer their ownership, which together amounted to 55 per cent. On 2 February, IVision Biogas AB made a mandatory cash offer of SEK 20.65 per share to the shareholders, after which Biokraft's independent Board of Directors announced that the offer is being evaluated and that a fairness opinion will be obtained.

The offer deadline for IVision Biogas AB's mandatory offer expired on 11 March. On 13 March, IVision Biogas AB announced that it now controls 95.2 per cent of the shares and votes in Biokraft International AB. At the same time, the offer deadline was extended to 27 March and IVision Biogas communicated its intention to call for redemption of the remaining shares and to promote a delisting of the shares from Nasdaq First North Premier Growth Market. Following the offer extension, IVision Biogas communicated the acquisition of another 1.6 per cent of the shares and that there would be no further deadline extension. On March 22, Biokraft announced the board's decision to apply for delisting. The application was accepted by Nasdaq Stockholm on March 26. The last day of trade was April 8.

At the Extraordinary General Meeting on April 15, a new board of directors was elected. The members of the new board can be found on page 55.

With the consolidation of ownership, a "Change of Control Event" occurred for the company's issued corporate bonds. Biokraft therefore initiated a revision procedure for the terms and conditions to enable ownership consolidation. On 19 February, Biokraft announced that the revision procedure for the terms and conditions of the company's issued corporate bonds was withdrawn, as approximately half of the bondholders had announced their intention to exercise their right to have their shares repurchased. On 7 March, Biokraft announced that holders of bonds corresponding to SEK 557.5 million had exercised the option to request repurchases. On 6 May, the repurchase of SEK 557.5 million was completed via a loan from IVision Biogas AB.

A 'Change of Control Event' occurred upon the Company's delisting on 9 April, prompting bondholders holding bonds in an additional total amount of SEK 30 million to exercise their right of redemption. The redemption date will be no later than 11 July, after which Biokraft will hold bonds totalling a nominal amount of SEK 651.25 million.

On 26 February, Biokraft's Board of Directors announced its intention to resolve on a share issue to finance improvements to existing facilities and create conditions for the continued growth journey. A notice of Extraordinary General Meeting was sent in conjunction with this announcement. The Board of Directors also announced its recommendation to the shareholders regarding IVision Biogas AB's mandatory offer and published a fairness opinion. IVision Biogas guaranteed to subscribe for shares corresponding to its participating interest and has underwritten the remaining shares in the issue. Ahead of the Extraordinary General Meeting on March 27, IVision Biogas confirmed their participation in the meeting and communicated its intention to vote against the proposal to authorise the Board of Directors in Biokraft to resolve on the Rights Issue of 650 MSEK. Therefore, the proposal was not passed during the extraordinary general meeting. The meeting did approve the proposed Rights Issue of up to 150 MSEK to be used for investments in the company's ongoing operations.

Stockholm 15 May 2024

Henrikki Talvitie
Chairman of the Board

Matti Vikkula
Chief Executive Officer

Kati Ylä-Autio
Board member

Miika Johansson
Board member

Jan Harald Solstad
Board member

Håkon Welde
Board member

Christian Kronstad
Board member

Lars Bengtsson
Board member (employee representative)

Anders Bergvatten
Board member (employee representative)

Our audit report was submitted on 15 May 2024
Öhrlings PricewaterhouseCoopers AB

Lars Kylberg
*Authorised Public Accountant
Chief Auditor*

Sara Wallinder
Authorised Public Accountant

Auditor's report

To the general meeting of the shareholders of Biokraft International AB (publ), corporate identity number 556528-4733

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts Biokraft International AB (publ) for the year 2023. The annual accounts and consolidated accounts of the company are included on pages 65-101 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our audit approach

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

The Group's operations consist of waste management and production of biogas in both liquid and gaseous form. This takes place in owned as well as in leased facilities in Sweden, Norway and South Korea.

All subsidiaries that were assessed to be significant have been subject to audit. In Sweden, the group team performed the audit, while in Norway we used a local team from PwC. For the operations in Korea, a local audit firm has conducted the audit. The group team has held reconciliation meetings and taken part in parts of the work carried out by the local teams. All significant companies in the Group are covered by statutory audit, where PwC submits audit reports for all units with the exception of the units in Korea. In addition, the Group team has examined the Group consolidation, the Group's annual report and assessed a number of complex transactions and issues.

All in all, this means that we have made sure that sufficient audits have been carried out and preferably within PwC's network

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from

material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Key audit matters

Valuation of tangible fixed assets

Of the Group's total assets of SEK 1 962 million, tangible fixed assets constitute SEK 1 189 million, ie approximately 60%. The tangible fixed assets mainly consist of Construction work in progress and Plant and machinery, but also include buildings and land as well as Equipment, tools, fixtures and fittings.

Common to these assets is that their respective value is to some extent based on assumptions and assessments made by management. The assumptions include:

- decisions regarding from which time expenses are to be capitalized as an asset,

- what type of expenses are to be capitalized,
- how long the useful life of different assets is,
- future cash flows from the different assets and,
- which return requirement is relevant when the value of the assets is tested.

How our audit took into account the key audit matter

In our audit, we have taken note of and assessed the routine the Group has regarding from which time activation is to take place and, by random sampling, examined that the described routine is complied with.

We have also, through random sampling, tested parts of the expenses that have been capitalized. The selection consisted of both agreements with and invoices from suppliers. Furthermore, we have examined controls regarding the time for own staff that is activated as an asset.

For the assets that have begun to be depreciated, we have assessed the assumed useful lives and examined that the Group reports these useful lives in the annual report.

For the parts of the tangible fixed assets where the Group has established impairment tests, we have examined the mathematical correctness of the model, randomly matched the included parameters to the adopted business plan and also tested the assumed return requirement and ensured that relevant assumptions are reported in the annual report.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and can be found on pages 1-53 and 105-114. The Board of Directors and the Managing Director are responsible for the other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts

and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Biokraft International AB (publ) for the year 2023 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our

responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of

assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Öhrlings PricewaterhouseCoopers AB, Vaksalagatan 6, 753 20 Uppsala, was appointed Biokraft International AB's (publ) auditor by the annual general meeting on 27 April 2023 and has been the company's auditor since 18 June 2007.

Uppsala 15 May 2024

Öhrlings PricewaterhouseCoopers AB

Lars Kyllberg

Authorised Public Accountant, Chief Auditor

Sara Wallinder

Authorised Public Accountant

About the sustainability report

Accounting principles

The Sustainability Report follows Biokraft's financial year and refers to the period 1 January to 31 December 2023. The latest report for 2022 was published on 29 March 2023. The reporting of environmental data covers the biogas production plants in Sweden, Norway, and Korea, as well as Ekdalens Biotransporter. Employee data refers to all business areas and countries. Financial information follows the same accounting principles as Biokraft's consolidated accounts.

The report is a GRI-referenced report, which means that Biokraft has selected a number of disclosures from the GRI Standards that are presented in the GRI index on pages I10-I13. Reporting is done annually. This is the sixth time the company has produced a GRI-referenced report, and this year we are based on the GRI Standard 2021. The report has not been subject to external certification or third-party review.

In 2023, the strategy and the material issues developed in 2022 were further clarified with new KPIs and target areas. This means, among other things, that we have included biofertiliser as a future profitable product, that in 2024 we will analyse and begin measuring our emissions according to the GHG Protocol Standard, and that we will set out a plan for implementation of the new Business Partner Code of Conduct. Otherwise, no significant changes have been made to the sustainability report.

Contact

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Process for new materiality analysis

In order to comply with GRI's revised standards, we conducted a new materiality analysis and stakeholder dialogue in the autumn of 2022. The purpose of the analysis was to update Biokraft's material issues, based on the company's most significant impact on the economy, the environment, and people, including human rights. In this work, Biokraft's actual and potential negative and positive impact has been re-mapped, and different stakeholders' perspectives

have been taken into account during the process. Initially, Biokraft's value chain, activities and corporate relationships were mapped, in order to further deepen the understanding of challenges in the biogas industry, in the value chain and society at large.

Via a desk analysis, a preliminary list of Biokraft's actual and potential impacts was compiled. Information was obtained from internal and external sources, such as existing internal processes and governing documents,

STAKEHOLDERS	RELEVANT AREAS	FORMS OF DIALOGUE
Investors	Financial and sustainability outcomes and developments	Meetings, Annual Report & Sustainability Report
Owners	Financial and sustainability outcomes and developments	Meetings, Annual General Meeting, Annual Report & Sustainability Report
Employees	Ongoing information, training, health & wellness, etc.	Performance review, employee survey, internal meetings
Neighbours	Impact and effects of any disturbance	Collaborative meetings, information
Politicians	Conditions for profitable biogas production	Trade and professional associations, meetings
Business partners	Follow-up of sustainability issues with suppliers and distributors	Meetings with suppliers and customers

websites and business intelligence. In connection with this step, a stakeholder dialogue was conducted with the aim of identifying the impact that Biokraft has on the outside world, how large that impact is and what is important to our stakeholders. Interviews were held with representatives from customers, researchers, industry organizations, construction contractors and substrate suppliers. A total of seven qualitative interviews were conducted. The results of the stakeholder dialogue were used to develop and improve the desk analysis. In addition, an internal workshop was conducted in which the majority of the management participated, as well as other relevant employees, to define the company's impact. The survey and stakeholder dialogue resulted in a gross list of Biokraft's positive and negative impacts that we have or can have on the environment, economy and people, including human rights. Each adverse impact was assessed on the basis of severity, using a combination of scale, magnitude and redress. Each positive impact was assessed based on scale and scope. For potential impacts, probability was also taken into account. Ten aspects with the greatest significance in this analysis were presented to Biokraft's management, who then discussed, grouped and validated them to finally agree on seven essential questions. The Board of Directors is informed of these seven issues that govern the content of this Sustainability Report.

PARTICIPATION IN MEMBERSHIP AND PROFESSIONAL ASSOCIATIONS

Biokraft is member or partners in a range of membership and trade associations.

Avfall Sverige, the Swedish waste management and recycling association, monitors developments, educates and conducts investigations with the goal of minimising waste in society.

EBA, the European Biogas Association, is focused on facilitating development of and investments in biogas in Europe.

Energigas Sverige (Swedish Gas Association), a trade organisation, mediates between its members (who operate in the biogas, natural gas, hydrogen and other industries) and legislators, media, and the public. Biokraft has a representative on its board.

Biogas Solutions Research Center, a national competence centre for biogas, based at Linköping University.

Biodriv Öst, a regional co-operative organisation, gathers various actors focused on promoting a fossil-free transport sector. It also runs the regional Biogas Öst network, which promotes biogas production in eastern Sweden.

Norsk Bioenergiforening Nobio, a Norwegian bioenergy association, focuses on promoting increased use of sustainable bioenergy in Norway.

Norsk Industri, (Federation of Norwegian Industries), a professional association with some 3,000 members in Norway.

Næringslivets Hovedorganisasjon (NHO), (Confederation of Norwegian Enterprise), an employers' organisation for Norwegian companies.

Biogass Norge, a professional organisation for companies and organisations focused on developing the biogas market in Norway. Biokraft has a seat on its board.

Sjømatbedriftene Biokraft, a national non-political industry organisation representing all areas of the Norwegian seafood industry.

ZERO – Zero Emission Resource Organisation, an independent non-profit organisation that promotes practical solutions to climate issues.

As a member or partner in these organisations, Biokraft is active and engaged in the sector and endeavours to promote a more sustainable society.

Comparison with previous material issues

In 2023, the strategy and the material issues developed in 2022 were further clarified with new KPIs and target areas. This means, among other things, that we have included biofertiliser as a future profitable product, that in 2024 we will analyse and begin measuring our emissions according to the GHG Protocol Standard, and that we will create a plan for introducing the new Business Partner Code of Conduct. Otherwise, no significant changes have been made to the sustainability report.

Biokraft and EU taxonomy

Biokraft as a whole is not subject to reporting requirements according to the EU Taxonomy as the company does not meet the thresholds for reporting as a non-financial market participant. The current thresholds refer to the NFRD (Non Financial Reporting Directive) and will change when the new Corporate Sustainability Reporting Directive (CSRD) comes into force. This means that Biokraft will be required to report in accordance with the EU taxonomy from 2027 for the financial year 2026. In order for Biokraft to comply with the European standard for green bonds (EUGBS), the company's bonds must be used to finance activities that are 100 per cent taxonomy compliant at the bond's maturity date.

Measurement and calculation methods

Climate and environmental impact

In the calculation of the operating companies' emissions reduction from produced biogas, an industry-specific carbon dioxide calculation tool (HBK) is used, developed by the Swedish Energy Agency for reporting on sold sustainable amounts of biofuels. The calculations of greenhouse gas emissions reduction in 2023 are based on the EU's Renewable Energy Directive, RED II, which replaced the previous directive (RED I) on 1 July 2021.

When calculating emissions reduction, the following are included:

- Gas potential and wet matter content of the substrate.
- Carbon dioxide emissions from transports of waste and residues to the plant.
- Methane gas emissions from the installation.
- Carbon dioxide emissions from inputs such as consumption of water and chemicals.
- Energy consumption (electricity, heating). Emission values for each national electricity mix are used.
- Internal fuel consumption at the plant.

None of the production facilities purchase heat. Self-produced biogas and/or surplus heat from process equipment are used for heating.

The breakdown of emissions for each business area, based on the calculation mentioned above, is presented on the next page.

Electricity and water consumption

Water consumption is monitored on a monthly basis and compared with invoiced volumes. The reclaimed water is measured and calculated using internal meters. Electricity consumption is continuously measured and logged internally and externally. The Swedish operations only purchase electricity labelled with Good Environmental Choice, which means that it has no carbon dioxide emissions. The calculation uses an emission factor for the national electricity mix of each country, in accordance with the Renewable Energy Directive (RED II).

Substrate transport by road

In the calculation of emissions reduction from produced biogas, carbon dioxide emissions from the transport of incoming waste and residues to the plants are included. There, the HBK tool takes into account distance, fuel type and return freight. Emissions from the transport of gas sold to the end customer from the plants are included in the tool.

For gas that is resold by the customer, the emissions from the transport are not included in the tool because the customer includes them in their reporting to the Swedish Energy Agency. Emissions from the transport of biofertiliser are not included, as these emissions are allocated to the biofertiliser.

Methane emissions

Calculation of methane gas emissions in Sweden is based on continuous measurement of incoming and outgoing gas flows, including diffuse emissions, as well as an external measurement of the total emissions from the plants. Methane emissions from the production facilities in Norway and Korea are based on standard values.

Scope 1, 2 & 3 calculations

Scope 1, 2 & 3 are based on data from HBK reporting. Scope 1 includes methane emissions and emissions from machinery and self-owned trucks. Scope 2 includes emissions from purchased electricity and water. Scope 3 includes emissions from the transport of substrates, as well as emissions from purchased chemicals.

Incoming material/substrate

We report our incoming materials/substrates in five subcategories: food waste from households, waste from industry and trade, sewage sludge, manure, and process water from industry. The latter results in large volumes in tonnes but produces little biogas.

Residual waste

All residual waste is disposed of in accordance with environmental permits and legislation by external actors. As far as possible, the waste is sent to material or energy recovery and, ultimately, to landfill. The information on volumes in Stockholm is obtained from SRV Återvinning AB, and in Korea, volumes that go to energy recovery are measured and reported by the recipient companies.

Biogas Value Chain

On page 42, the Group's value chain for produced biogas from a raw material and product perspective is presented in an illustration. In this section, we share the information behind the illustration for the Group, as well as the value chain for each business area.

	Group	Sweden	Norway	Korea
Reduction of CO ₂ eq, tonnes	100,676	51,396	36,353	12,927
Emissions, g CO ₂ eq/MJ	8.92	11.58	6.22	7.02
Scope 1, tonnes CO ₂ eq	5,157	4,038	890	229
Scope 2, tonnes CO ₂ eq	2,328	412	595	1,321
Scope 3, tonnes CO ₂ eq	2,165	435	1,167	563
Incoming material and substrate				
Household food waste, tonnes	107,379	36,678	1,248	69,453
Industrial & commercial waste, tonnes	96,597	36,775	59,822	-
Sewage sludge, tonnes	56,007	-	-	56,007
Manure, tonnes	13,813	3,432	10,381	-
Industrial process water, tonnes	843,456	-	843,456	-
	1 117,252	76,885	914,907	125,460
Purchased raw gas, Nm³ thousand				
	16,223	16,223	-	-
Biokraft processing				
Fresh water, m ³	391,536	23,298	366,404	1,834
Electricity, MWh	49,951	15,893	31,294	2,764
Fuel, MWh	152	133	19	-

	Group	Sweden	Norway	Korea
Output, hazardous waste, tonnes				
Material recovery	2.8	2.8	-	-
Energy recovery	5.3	5.3	-	-
Output, non-hazardous waste, tonnes				
Material recovery	4.8	4.8	-	-
Energy recovery	10,881	4,262	-	6,619
Landfill	560	560	-	-
Biological recovery	1.46	1.46	-	-
Output, sewage, m³				
	300,768	51,816	91,324	157,628
Sustainable & circular products				
Produced biogas, GWh	356	168	121	67
Biofertiliser, tonnes	24,618	12,828	11,790	-*
Liquid Biofertiliser, tonnes	20,616	7,916	12,700	-*

*Biofertiliser in Korea is received by the sewage treatment plant for energy use.

Glossary

Biomethane: Umbrella term for gas blends comprised mainly of methane gas and produced from biomass. This includes gas from the biogas process as well as from thermal gasification.

Digestate: The part of the organic material/substrate that has not been converted to biogas but remains in solid/liquid form.

Digester/Digestion tank: Gastight container for the anaerobic digestion of organic material.

Drinking water: Water purchased from a municipal treatment plant.

Energy carrier: Substance or physical process that is used to store or transport energy. Examples include electricity, hydrogen, ethanol, petrol, and methane.

Energy sources: Natural resources or natural phenomena that can be converted into energy forms such as light, movement, and heat. A distinction is made between stored (fossil) and abundant (renewable) energy sources. Examples of stored energy include oil, natural gas, and coal; examples of renewable energy sources are biomass, hydropower, and wind and solar energy.

Feedstock: The plants' inbound substrate includes all waste and residues received at the production facilities, including sewage sludge and grease trap sludge digested by Stockholm Vatten och Avfall at the Henriksdal treatment plant, as well as sewage sludge in Korea.

Greenhouse gases: Gases that have the ability to retain some of the thermal radiation emitted by the Earth

(greenhouse effect). The greenhouse effect is essential for life on earth but is now intensifying due to increasing levels of greenhouse gases in the atmosphere. Examples of greenhouse gases are carbon dioxide, water vapour, methane, and nitrogen oxides.

HOLD: High Organic Load Digestion. See page 12.

Methane: Odourless gas with high energy content (~10 kWh per normal cubic metre). Methane (CH₄) is the simplest hydrocarbon and is composed of one carbon atom and four hydrogen atoms.

Natural gas: A stored (fossil) gas mixture comprised of approximately 90 per cent methane.

Normal cubic metre relative to one litre: A normal cubic metre of biogas upgraded to vehicle fuel (97 per cent methane and 3 per cent CO₂) contains as much energy as 1.1 litres of petrol.

Organic waste: Waste containing organically bound carbon. In the biogas context, interesting organic waste includes food waste from households, restaurants, etc. and waste from the food industry and agriculture.

Pre-treatment in biogas production: Organic material to be digested (broken down in oxygen-free conditions) during the biogas process needs in some cases to be pre-treated. The purpose of pre-treatment is to remove extraneous material from the waste (e.g. plastic, gravel, and sand) and increase the material's total biogas potential (i.e. the quantity of biogas that can be extracted from the material) and/or to increase the speed of digestion. Pre-treatment may be thermal, chemical, or mechanical, and combinations

of one or more methods may be used. The treatment opens up/breaks down complex organic molecules, making them more accessible to digestion microorganisms.

Raw gas: Gas formed in a biogas process. Raw gas mainly contains methane and carbon dioxide but also sulphur compounds, water vapour, particulates, etc.

Substrate: Organic material digested in a biogas process.

Vehicle fuel: Energy source used as fuel in vehicles. Raw gas produced in the biogas process must be cleaned and upgraded to 97±1% methane in order to be defined and sold as vehicle fuel.

Waste: Waste generated at the plants is disposed of by well-established waste operators holding valid licences for environmentally hazardous operations. The amount of waste generated is dependent on the type of waste and residues received by the plants.

GRI-index

Biokraft submits this report with reference to GRI 2021. The report pertains to the 1 January – 31 December 2022 period.

GRI I: Foundation 2021

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