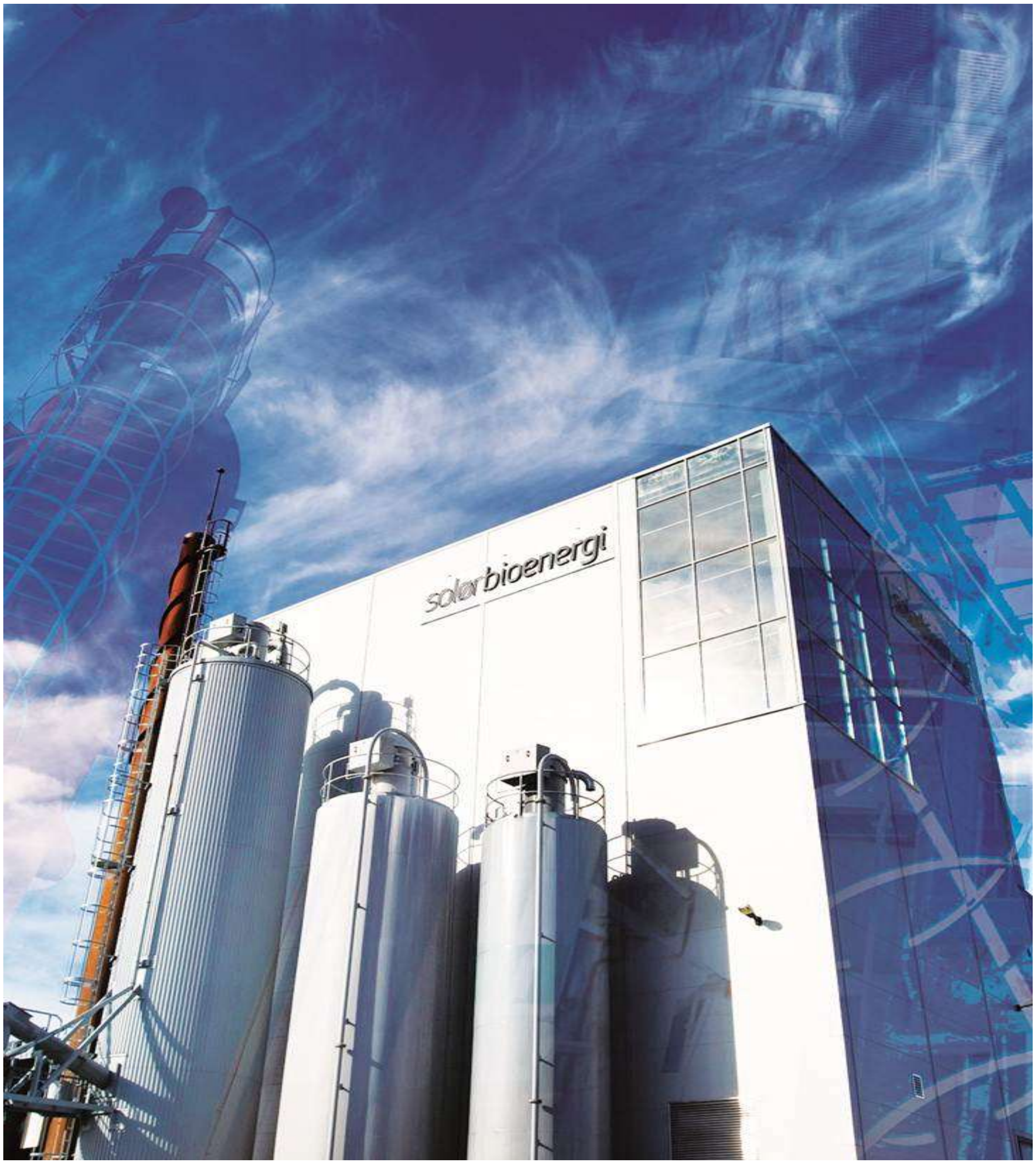

ANNUAL REPORT 2020

SOLÖR BIOENERGI HOLDING AB (PUBL)

Unofficial transaltion

solørbioenergi

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Board of Directors’ report

The Board of Directors and the Managing Director of Solör Bioenergi Holding AB (publ), corporate identity number 556907-9535, domiciled in Stockholm, hereby present the Annual Report including the consolidated financial statements for the financial year January 1, 2020 – December 31, 2020.

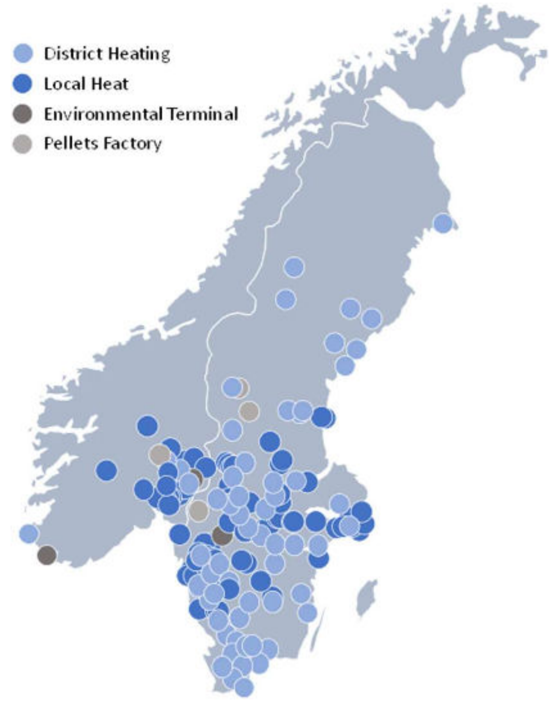
Solör Bioenergi Holding AB Group consists of the parent company Solör Bioenergi Holding AB and its subsidiaries, see Group Note 2. The Group has its main operations in Sweden and a minor part in Norway and Poland. Solör Bioenergi Holding AB is a Swedish limited liability company domiciled in Stockholm. The address of the corporate office is Norrlandsgatan 16, 111 43 Stockholm, Sweden. The Group’s functional currency is Swedish Krona (SEK). All amounts in the Annual Report are presented in SEK million (SEK M) if not otherwise stated. Certain subtotals and totals in the tables may differ from the sum of the figures presented due to rounding.

The operations

The Group’s operations are production of thermal energy, biofuel production in the form of wood chips, briquettes and pellets and energy recovery of impregnated wood. The operations are organized in three main segments, district heating, local heat and biomass. As part of the long-term growth strategy, in addition to the above, the Group also engages in transaction activities. These include acquisitions, operational and financial restructurings and disposals of businesses and assets.

Within the Group's operations, there are 63 power plants, 100 local heat plants, 3 environmental terminals, 4 pellets plants and 1 briquette plant.

The map below shows the plants in Sweden and Norway where the Group operates.



Significant events during the financial year

In March 2020, the Group completed its’ refinancing project. In total, the new financing replaced all previous borrowing, such as senior and junior financing, other bank loans in Sweden, bond loan and overdraft facilities in Norway, as well as bank loans and overdraft facilities in Poland.

The Group's new financing is divided into a new senior loan (SFA - Senior Facilities Agreement) and a new junior loan (JFA - Junior Facilities Agreement). The nominal amount of SFA is SEK 3,455 million, while the nominal amount of JFA is SEK 1,740 million. Both loans have a term of 7 years.

SFA and JFA also include investment credits (CAPEX facilities) with a limit of SEK 1,500 million and SEK 535 million, respectively (initially SEK 400 million, increased by SEK 135 million during August 2020). In addition, SFA includes a revolving credit facility (RCF) with a limit of SEK 200 million.

Through the refinancing, the Group has continued its expansion, partly through acquisitions and partly through investments in existing operations.

At the end of May, Åsnes Fjernvarme AS was acquired in Norway. At the same time, the Group divested its district heating operations in Brumunddal, Norway.

In mid-June, the Group successfully completed the acquisition of the Vasa Värme Group. The acquisition includes five district heating plants and a local heat plant with a total annual energy delivery of approximately 140 GWh to approximately 1,000 customers. Following the acquisition, the Group has continued its investments in the development project in Ekerö via the subsidiary Ekerö Vasa Värme AB, which is co-owned with Ekerö Municipality.

At the end of August 2020, Glåmdal Bioenergi AS was acquired in Norway.

At the beginning of September 2020, H. Lennartsson Energi AB, rebranded to Solör Bioenergi Töcksfors AB, was acquired.

At the end of September 2020, the Group completed the acquisition of Glimåkra Biovärme AB and Hästveda Bioenergi AB, rebranded to Solör Bioenergi Glimåkra AB and Solör Bioenergi Hästveda AB, respectively.

In mid-December, the Group acquired five local heat plants from Bionär.

In addition to the above acquisitions, the Group also continued to invest in its development project in Jessheim, Norway, during 2020.

At the end of 2020, the Svea Court of Appeal announced the decision in a dispute regarding the interpretation of an option regarding the acquisition of an energy plant that was called for by a customer. The decision has entailed an impairment of the carrying amount of the energy plant of SEK 13 million and indemnity and legal costs of approximately SEK 4 million.

In 2020, a dispute also arose regarding a municipality's notice of a call option at one of the Group's production and distribution facilities for district heating. The legality of the summons has been reviewed by the Administrative Court and has been appealed to the Court of Appeal, which is expected to announce the decision in 2021. The Group's assessment is that future outcomes will be positive. Even if the invocation itself were to be found legal, the Group's legal advisor makes the assessment that the option is invalid as it relates to real property. The counterparty currently has no other counterclaim, which means that the Group's exposure is limited to its own costs in the procedure. Costs during the financial year attributable to the dispute amounted to approximately SEK 3 million.

The global pandemic of Covid-19 has had a marginal impact on the Group's earnings and financial position, even though ongoing operational measures such as repairs, maintenance and investments were somewhat postponed.

Multi-year review

	2020	2019	2018
Net sales	1,183	1,204	1,052
EBITDA	305	410	227
EBIT	47	182	21
Profit/loss before tax	-487	-86	-185
Net profit	-433	-71	-406
Total assets	6,204	5,190	4,771
Equity	-1,166	-381	-199
Equity ratio (%)	neg.	neg.	neg.
Average number of employees (persons)	206	194	184

Net sales and earnings

2020 was characterized by higher temperatures on average compared with the previous year. The average ambient temperature measured in heating degree days in 2020 was 82.4 percent (91.1) of a normal year. The number of heating degree days in a year is the sum of the deviations of the daily average temperatures from a reference temperature.

Energy deliveries during the year amounted to 1,278 GWh (1,273). The acquisitions contributed positively to energy deliveries of approximately 71 GWh, while the higher temperatures had a negative effect.

Net sales during the year amounted to SEK 1,183 M (1,204). Net sales were positively affected by completed acquisitions of SEK 68 million. On the other hand, the higher temperatures had a negative effect.

Gross contribution improved by 1 percent to SEK 750 M (740) and the gross contribution margin improved to 63 percent (61). The increase is mainly explained by higher margins in the Biomass segment.

The Group's operating profit before depreciation, amortisation and impairment (EBITDA) amounted to SEK 305 M (410), of which completed acquisitions contributed SEK 5 M. EBITDA was positively affected by a gain related to the divestment of the operations in Brumunddal of SEK 13 M (-). On the other hand, EBITDA for the period was charged with acquisition-related costs of SEK -34 M (-3) and non-recurring legal costs of SEK -7 M (-). EBITDA for the previous year was positively affected by a non-recurring gain of SEK 91 million and negatively by other non-recurring expenses amounting to SEK -15 million. Adjusted for the above non-recurring items, EBITDA for 2020 amounted to SEK 333 M (337).

The Group's operating profit (EBIT) amounted to SEK 47 M (182). Adjusted for the above non-recurring items, EBIT amounted to SEK 75 M (109). The difference is essentially explained by higher depreciation as a result of completed acquisitions.

Segment District Heating

The District Heating segment accounted for 68 percent (65) of the Group's net sales. The segment's energy plants produce energy for district heating, industrial steam and electricity for customers in the public and private sectors. The energy plants are located in Sweden, Norway and Poland.

Energy deliveries during the year amounted to 1,126 GWh (1,122). The completed acquisitions contributed positively to energy deliveries of approximately 70 GWh, while the higher temperatures have had a negative effect.

Net sales increased by 3 percent and amounted to SEK 814 M (787). The increase is related to revenues from the acquired companies in combination with slightly increased customer prices.

Gross contribution increased by 3 percent and amounted to SEK 522 M (506), while the gross contribution margin amounted to 64 percent (64).

EBITDA amounted to SEK 255 M (378). EBITDA for the period was positively affected by a capital gain of SEK 20 M (-). On the other hand, EBITDA was negatively affected with acquisition-related costs of SEK -37 million (-20) and an additional SEK -7 million (-) related to non-recurring legal costs. Last year's EBITDA was positively affected by a capital gain of SEK 91 million. In addition to the above, EBITDA was negatively affected by intra-group management fees of SEK -52 M (-26). Adjusted for the above, EBITDA amounted to SEK 331 M (333). The decrease is mainly explained by additional operating expenses from the acquired entities.

Segment Local Heat

The Local Heat segment accounted for 15 percent (15) of the Group's net sales. This segment includes the Group's local heat plants in Sweden and Norway as well as two production plants for pellets, which supply the local heat plants with fuel.

Energy deliveries amounted to 152 GWh (152). Energy deliveries were positively affected by completed acquisitions in the Norwegian part of the business and by organic growth. On the other hand, energy deliveries have been negatively affected by higher temperatures compared with the previous year.

Net sales amounted to SEK 175 M (190). The decrease is due to lower customer prices in Norway linked to declining electricity prices and reduced sales of pellets to external customers.

Gross contribution amounted to SEK 105 M (111) and the gross contribution margin was 60 percent (58). The higher margin is explained by lower average raw material costs attributable to lower pellet prices in combination with lower cost for oil at peak load.

EBITDA amounted to SEK 32 M (42). EBITDA for the period was negatively affected by intra-group management fees of SEK -10 million (-). Adjusted for the above, EBITDA amounted to SEK 42 M (42). The relatively lower decrease in EBITDA in relation to the gross contribution is explained by cost savings in other operating expenses (OPEX).

Segment Biomass

The Biomass segment accounted for 17 percent (20) of the Group's net sales. The segment has three environmental terminals for energy recovery of recycled wood, which are further processed into biomass for sale to own energy plants and external energy customers. The segment also includes three production facilities for the production and sale of briquettes and pellets.

Net sales amounted to SEK 215 M (251).

Gross contribution amounted to SEK 123 M (123) and the gross contribution margin to 57 percent (49).

EBITDA increased to SEK 39 M (27). EBITDA was negatively affected by intra-group management fees of SEK -12 million (-25). Adjusted for the above, EBITDA amounted to SEK 51 M (52).

Net financial items

The Group's net financial items amounted to SEK -534 M (-268). Net financial items were negatively affected by unrealized changes in the value of the Group's interest rate swaps amounting to SEK -51 million (2).

As a result of the refinancing process during the first quarter of 2020, where earlier borrowing was terminated prematurely, the Group's net financial items were negatively affected by SEK -157 million. This non-recurring cost is related to the previous financing and attributable to the remaining financing expenses, which were not reported as an expense in the income statement. In addition, net financial items were charged with non-recurring interest-compensation costs related to the KLP bond of SEK -22 million and cancellation fees related to the previous junior financing amounting to SEK -59 million.

Adjusted for the above non-recurring effects, net financial items amounted to SEK -245 M (-270). The improvement is mainly due to lower average interest rates after the completion of the refinancing during the first quarter of 2020.

Cash flow

Cash flow from operating activities amounted to SEK 59 M (110). The decrease is mainly due to higher working capital tied up and lower operating profit.

Cash flow from investing activities amounted to SEK -875 M (-430). The difference is mainly explained by the acquisition of the Vasa Värme Group.

Cash flow from financing activities amounted to SEK 760 M (448). The difference is mainly explained by the utilization of the Group's investment credits in connection with the acquisition of the Vasa Värme Group.

Financial position and liquidity

At the end of the financial year, cash and cash equivalents amounted to SEK 133 M (189) and there were unutilized credit facilities in the form of investment credits amounting to SEK 869 M (719) and revolving credit facilities amounting to SEK 75 M (78).

The Group's interest-bearing liabilities at the end of the financial year amounted to SEK 6,414 M (4,811), while the Group's equity amounted to SEK -1,066 M (-381).

Employees

The number of employees in the Group increased to 211 at the end of the financial year compared with 201 at the beginning of the financial year, mainly as a consequence of the completed acquisitions. The average number of employees during the financial year was 206 (194).

Sustainability report

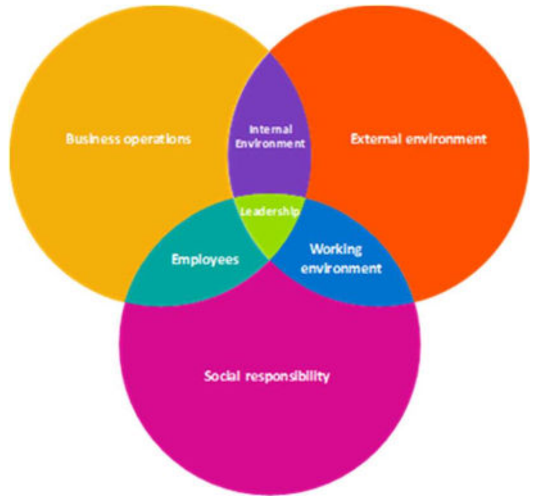
The below presented sustainability report for 2020 covers the Group companies according to the same principles as for the financial reporting.

Solör Bioenergi is a leader in renewable energy in the form of district heating for residential buildings, companies and industries. The Group produces biofuels from waste from the forest industry and recycles hazardous, impregnated wood waste for a greener environment.

A description of the Group's operations and business model can be found on page 4 and description of sustainability risks can be found on pages 10-11 (section ”Industry and market risks” and ”Operational risks”).

Sustainability work in the Group

The Group is actively working with sustainability questions as a natural part of its business and is on an on-going basis evaluating its position related to the below seven fields:



Based on the on-going evaluation of the seven fields above, the Group creates a clear picture of improvement potentials, enabling the Group to move another step closer to a sustainable development according to the UN global goals.

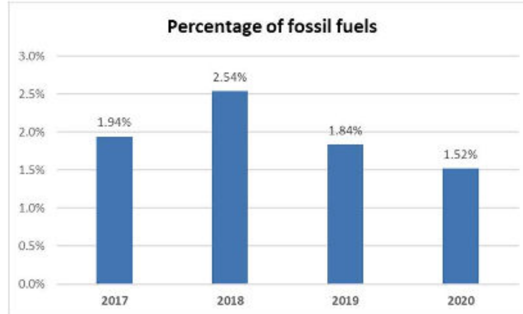
The Group operates throughout the entire bioenergy value chain from procurement, production and distribution to sale of wood-based bioenergy, including energy recovery from contaminated wood. The core business is the production of thermal energy, biofuel production in the form of wood chips, briquettes and pellets and energy recovery of impregnated wood.

As part of the Group's ambition to be climate neutral, as much as possible, the Group aims to improve efficiency at the production facilities and use a fuel mix that, as far as possible, does not contain fossil fuels. The Group is continuously working on improvement projects aimed at increasing the proportion of biofuels, decreasing the use of fossil fuels, reduced electricity consumption and increased efficiency in production, which in turn will result in operational excellence. The work is done, among other things, by benchmarking different production facilities and thereby identifying and implementing a "best practice" for all plants. Overall, this continuous work has been positive both from a sustainability perspective as well as from an economic perspective, resulting in lower fuel consumption and higher margins.

Environment

Solör Bioenergi works actively with environmental issues and strictly follows the laws and regulations that apply in the environmental field. There is an established environmental policy within the Group that strives to have a fossil-free production of energy. Converting 10 MWh of fossil-produced energy to bio-based energy corresponds to a reduction of 3 tons of carbon dioxide.

The diagram below shows the Group's use of fossil fuels in the Swedish district heating business.



The subsidiaries within the Group operate plants that are notifiable under the Swedish Environmental Code. There are currently 86 notifiable production facilities and 4 licensed sites within the Group. Environmental impact consists of emissions of greenhouse and acid gases into the air. During 2020, work on complying with the MCP directive on dust emissions has been intensified.

As flammable fuels are used in the operations, license is required for the handling and storage of such substances. The company holds all the essential permits and has made the necessary filings.

The Group’s environmental terminals receive wood waste for storage, processing and production of contaminated wood chips. The operations run by Solør Bioenergi AS in Kirkenær, Norway, have a license from the Norwegian Environment Agency for collection of CCA and creosote treated wood, contaminated wood/demolition wood, as well as permission to receive, burn and store creosote contaminated, CCA-impregnated or otherwise contaminated wood.

In Trollhättan, Solör Bioenergi Recycling AB has permission to receive, process and store up to 175,000 tons of waste wood each year. In Svenljunga, Solör Bioenergi Fjärrvärme AB has permission to produce thermal energy from waste wood, with a maximum annual volume of 25,000 tons. All other types of waste generated in the production are handled by current regulations. Environmental waste is delivered to collection terminals that are approved. Other waste is delivered to terminals for recycling.

Employees, social conditions and respect for human rights

The Group continues its strong focus on further development of Health Environment and Safety (HMS – Hälsa Miljö och Säkerhet).

Solör Bioenergi has established several policies to further develop working conditions, such as Work environment policy, Gender equality and equal treatment policy, Alcohol and drug policy.

The Group has one employee whose sole focus is on risk analysis and handling deviations at all facilities, especially related to fire prevention measures and personal injuries. All discrepancies are reported and handled. During 2020 no incidents occurred that led to personal injury of serious character.

In addition to the above, the Group has in 2020 taken preventive measures to avoid the spread of Covid-19. The measures taken include, among other things, a ban on visiting facilities, working from home when possible, minimizing travel, etc.

In order to be an attractive employer, the Group continuously strives to offer the best possible conditions for its employees. The working conditions shall be marketable, competitive and based on union agreements and other current conditions in the labour market. It is also a matter of course within the Solör Bioenergi Group to respect fundamental human rights.

At the end of the financial year, the Group had 211 employees, of which 13 percent were women and 87 percent were men. There are no reported cases of discrimination. Absence due to illness within the Group has during the financial year been 3 percent (2).

Counteraction against corruption

Solör Bioenergi Group has zero tolerance for corruption in all aspects of its operations. This means that action is taken if any employee, board member or business partner violates applicable law. During the year, no cases of suspected corruption were identified.

The company's future development

The Solör Bioenergi Group operates in an attractive part of the energy industry with increasing demand for wood-based energy. The company expects continued significant expansion in Scandinavia in the coming years.

The Group will continue to work with several ongoing improvement projects:

- Improvement projects are performed on all plants with a focus on increased bio-share and increased efficiency with the aim to reach operational excellence.
- Integration of the acquired entities with the aim to reach synergies primarily within administration.
- Strategic improvements in the raw materials sourcing process in order to reach synergies.

In addition to continuous improvement processes, the Group expects stable organic growth combined with further acquisitions. The Group will continue to pursue its growth strategy based primarily on acquisitions in Sweden.

The Board of Directors expects stable and increasing price trends for significant portions of energy sales. The customer base is stable with a significant share of public sector customers which ensures long-term stable level of activity on existing businesses.

Risks and uncertainties

The Group's earnings and financial position are affected by several factors. Some of these are beyond the Group's control. The Group operates in several countries with different laws, regulations and guidelines. Hence, the Group is exposed to risks due to changes in these laws, regulations and guidelines. Risk management within the Group is guided by established policies and procedures which are regularly revised by Group management and/or the Board of Directors. The Board of Directors in Solör Bioenergi Holding AB has overall responsibility for identifying, monitoring and managing the risks.

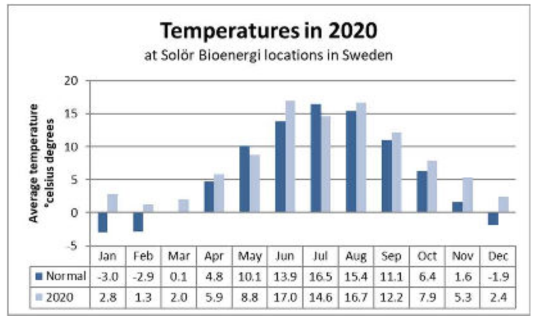
The principal risks and uncertainties for the Group can be divided into:

- industry and market risks,
- operational risks,
- legal risks, and
- financial risks.

<u>Industry and market risks</u>

The Group's business is subject to general fluctuations in the demand for energy, which includes weather conditions affecting customer needs.

Temperature affects the demand for district heating. Deviations from the "normal curve" are typically in the range of 4-7 percent. The average temperature in 2020 was warmer than normal.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Normal	-3.0	-2.9	0.1	4.8	10.1	13.9	16.5	15.4	11.1	6.4	1.6	-1.9
2020	2.8	1.3	2.0	5.9	8.8	17.0	14.6	16.7	12.2	7.9	5.3	2.4

Energy plants are designed to handle these fluctuations, for example through flexible production systems for thermal energy. Base load normally delivers 90-95 percent of the energy needs during a year.

Particularly in cold winter periods however, the peak load drives raw material costs higher if the energy plants are producing more from the backup system (for example oil or electricity). This can be mitigated by design of the facilities and personnel know-how regarding the operations.

Energy production at the Group's plants is based on biomass. The cost of biomass varies in line with the market prices of the various sources of biomass.

<u>Operational risks</u>

In accordance with current industry practice, neither the Group's customers nor suppliers are, to any large extent, tied to the Group through long-term, formal binding agreements. Traditionally, the Group relies primarily on its good customer and supplier relationships, which are often long lasting, as well as customs that arose between the parties.

The Group's business is subject to risks that are usually linked to industrial production, such as the risk of equipment failure, accidents, fire or explosion. These risks may result in personnel injuries or death, operational interruption, damage on property and equipment, pollution and environmental damages. The Group may be subject to claims due to these risks. Moreover, the Group may also be subject to claims arising from the products and services supplied. The Group's policy to cover these risks, by contractual limitations of liability and indemnity, as well as by insurance, cannot always be effective. Failure to successfully protect the Group from any of the above industry risks, may expose the Group to significant costs and potentially lead to material losses. Moreover, the presence of any of these risks may damage the Group's reputation.

The Group has a strong focus on fire prevention measures because the risk of fire is seen as a kay risk factor. The focus is on risk analysis and management of abnormalities at all plants, especially deviations related to fire prevention. All deviations are reported and handled.

In addition to the above, the Group is insured to a satisfactory extent in order to be compensated for unplanned downtime and loss of each part in the value chain.

For its future development and success, the Group depends on competent employees. The ability to recruit, retain and develop skilled employees and being an attractive employer are important elements of success. If key people leave and successors cannot be recruited, this may have a negative effect on the operations.

Legal risks

The Group may in the future be subject to legal claims from customers, authorities, including tax authorities, and other third parties. The Group may from time to time be involved in disputes in the ordinary course of its business activities. Such disputes may disrupt business operations and adversely affect the results of operations and financial position. No assurance can be given to the outcome of any such disputes.

The Group's operations are also subject to numerous national laws and regulations regarding environment, health and safety, as well as regulations, treaties and directives from EU (together "regulations"). Those include, among other regulations controlling the discharge of materials into the environment, requiring removal and clean-up of environmental contamination. Moreover certification, licensing, payment of certain taxes, development of working and training standards and other measures are required relating to the protection of human health and the environment. Amendments of existing regulations or the adoption of new regulations curtailing or further regulating the Group's operations could have a material adverse effect on the Group's operating results or financial position.

The Group cannot predict the extent to which future earnings may be affected by compliance with such new regulations. In addition, the Group may be subject to fines and penalties if it does not comply with such regulations, many of which relate to the discharge of chemicals or hazardous substances and the protection of the environment. Pursuant to these regulations, the Group could be held liable for remediation of some types of pollution, including the release of chemicals, hazardous substances and waste from production and industrial facilities. Such potential environmental remediation costs could be significant and cause substantial losses. Furthermore, some environmental regulations provide joint and strict obligations for remediation of releases of hazardous substances, which could result in responsibility for environmental damage without regard to the Group's grade of negligence or fault. Such laws and regulations could expose the Group to responsibility arising out of the conduct of operations or conditions caused by others, or the Group's acts which were compliant to all applicable laws at the time the acts were performed. Additionally, the Group may be subject to claims regarding personnel injuries or property damage as a result of alleged exposure to hazardous substances. Changes in environmental laws and regulations, or claims for damages to persons, property, natural resources or the environment, could result in substantial costs and liabilities to the Group.

Financial risks

The Group has its main activities in Sweden but is exposed to exchange rate fluctuations in different currencies, mainly Norwegian Krone (NOK). Since the Group's reporting currency is Swedish Krona (SEK), changes in relationships between SEK and other currencies in which the Group conducts its operations, can affect the Group's financial results.

More than half of the Group's customers are public or public-owned companies, which means that the credit risk is assessed to be low. Historical credit losses are at low levels. To private customers, the Group provides a basic service for which it is considered almost unlikely that customers would not pay for it. The willingness of customers to pay is considered to be high as there is an opportunity for the Group to turn off the supply of heat to customers who do not pay. As a result, no major receivables are built up and the credit risk is assessed to be low.

The Group is mainly financed through loans at variable interest rates. Interest rate risk is attributable to changes in market interest rates and their impact on the Group's loan portfolio that could result in higher interest expenses in the future.

The Group uses derivative instruments in its risk management in order to reduce exposure in underlying loans with variable interest rate.

The Group management is responsible for managing financial risks. For more information, refer to Group Note 22.

The parent company

Operations

The parent company Solör Bioenergi Holding AB (publ), based in Stockholm, shall invest and manage ownership in companies operating in the bioenergy business. The parent company also provides Group internal administrative services to its subsidiaries.

Multi-year review

	2020	2019	2018	2017	2016
Net sales	50	88	71	92	68
Profit/loss after financial items	758	-139	208	1,070	-366
Net profit/loss for the year	856	-139	257	1,076	-119
Total assets	2,990	2,950	2,938	3,119	3,596
Equity	2,851	2,295	2,544	2,824	1,748
Equity ratio (%)	95%	78%	87%	91%	49%
Average number of employees (persons)	3	3	3	3	3

Significant events during the financial year

Under the management of the parent company, a refinancing of the group was carried out in 2020. The parent company has also worked actively to support the implementation of the acquisitions and expansion projects in the various operating group companies.

Results and financial position

Parent company net sales, which consist of intra-group services, amounted to SEK 50 M (88). The decrease in net sales is mainly linked to the Group's refinancing, where certain intra-group costs are no longer allocated to the parent company, which in turn results in lower intra-group revenues for the parent company.

Operating profit before depreciation, amortisation and impairment (EBITDA) amounted to SEK -11 million (-44), while operating profit (EBIT) amounted to SEK -13 million (-46). The improvement is mainly a result of the Group's refinancing, where certain intra-group costs are no longer allocated to the parent company.

Net financial items amounted to SEK 771 M (-93), of which dividends from subsidiaries amounted to SEK 834 M (353), write-downs of shareholdings in subsidiaries amounted to SEK -45 M (-434), while capital losses amounted to SEK -15 M (-). Adjusted for the above, net financial items amounted to SEK -3 million (-12). The difference is mainly explained by exchange rate effects on intra-group deposits and loans in foreign currency.

Profit for the year before and after tax for the financial year amounted to SEK 856 M (-139).

As for the results and financial position, please refer to the financial statements and accompanying notes at the end of this report.

Employees

The number of employees was 3 at the end of the financial year.

Risks and uncertainties

By managing ownership in companies that conduct operations in the bioenergy business, the parent company is exposed to the underlying operations' industry and market risks as well as operational risks, see the earlier description for the Group in the Board of Directors' report. These risks may affect the value of the parent company's shares in subsidiaries and the recoverable amount of the parent company's intra-group receivables and liabilities.

Profit or loss for the year and appropriations of earnings

The Annual Shareholders Meeting has the following available funds:

	SEK
Share premium reserve	2,153,949,792
Retained earnings	-498,919,166
Profit/loss for the year	855,922,749
Total	**2,510,953,375**

The Board of Directors proposes that non-restricted equity of SEK 2,510,953,375 shall be disposed of as follows:

	SEK
Dividends to shareholders	0
Retained earnings carried forward	2,510,953,375
Total	**2,510,953,375**

Consolidated statement of profit or loss

All amounts in SEK M if not otherwise stated	Note	2020	2019
Net sales	5.6	1,183	1,204
Other operating income	7	47	109
Total operating income		**1,230**	**1,313**
Raw materials and cost of goods sold	8	-433	-464
Personnel expenses	10	-187	-181
Depreciation, amortisation and impairment	6,14,15	-258	-228
Other operating expenses	9.11	-309	-262
Total operating expenses		**-1,187**	**-1,135**
Profit from participation in joint venture	2	4	4
Operating profit or loss (EBIT)	6	**47**	**182**
Financial income	12	4	4
Financial expenses	12	-538	-272
Financial net		**-534**	**-268**
Profit or loss before tax		**-487**	**-86**
Tax on profit or loss for the year	13	54	15
Net profit or loss for the year		**-433**	**-71**
Attributable to:			
Shareholders of the Parent Company		-433	-71
Non-controlling interests		0	0
		-433	**-71**

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Consolidated statement of comprehensive income

All amounts in SEK M if not otherwise stated	**Note**	**2020**	**2019**
Net profit or loss for the year		**-433**	**-71**
Other comprehensive income:			
Items that may be reclassified to profit or loss in subsequent periods			
Exchange differences on translation of foreign operations		-65	0
Total other comprehensive income		**-65**	**0**
Total comprehensive income for the year		**-498**	**-71**
Attributable to:			
Shareholders of the Parent Company		-498	-71
Non-controlling interests		0	0
		-498	**-71**

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Consolidated statement of financial position

All amounts in SEK M if not otherwise stated	Note	Dec 31, 2020	Dec 31, 2019
Non-current assets			
Goodwill	14	34	34
Other intangible assets	14	246	43
Total intangible assets		**280**	**77**
Buildings and land	15	1,153	990
Energy centrals, machinery and technical equipmen	15	3,963	3,390
Other equipment	15	14	12
Construction in progress	15	178	127
Total property, plant and equipment		**5,308**	**4,519**
Other receivables		4	4
Total financial assets		**4**	**4**
Participation in joint venture	2	34	34
Deferred tax assets	13	12	1
Total non-current assets		**5,638**	**4,635**
Current assets			
Inventories	16	169	102
Accounts receivable	17	135	153
Other receivables	18	32	21
Accrued income	19	91	79
Prepaid expenses		6	11
Cash and cash equivalents	20	133	189
Total current assets		**566**	**555**
Total assets		**6,204**	**5,190**

All amounts in SEK M if not otherwise stated	Note	Dec 31, 2020	Dec 31, 2019
Equity			
Share capital	21	340	340
Other contributed capital	21	584	584
Currency translation reserve		-41	24
Retained earnings including net profit or loss for the year		-2,063	-1,329
Equity attributable to the shareholders of the parent company		**-1,180**	**-381**
Non-controlling interests		**14**	**0**
Total equity		**-1,166**	**-381**
Non-current liabilities			
Bond loan	22	-	373
Liabilities to credit institutions	22	6,232	4,194
Lease obligations	23	48	54
Derivatives	22	51	-
Deferred tax liabilities	13	572	422
Total non-current liabilities		**6,903**	**5,043**
Current liabilities			
Bond loan	22	-	9
Bank overdraft	22	125	141
Liabilities to credit institutions	22	2	33
Lease obligations	23	7	7
Accounts payable	22	140	120
Liabilities to related parties	11.22	-	25
Income tax liabilities		1	3
Other liabilities	24	81	75
Accrued expenses	22.25	107	111
Deferred income		4	4
Total current liabilities		**467**	**528**
Total equity and liabilities		**6,204**	**5,190**

Consolidated statement of cash flows

All amounts in SEK M if not otherwise stated	Note	2020	2019
Cash flows from operating activities			
Profit or loss before tax		-487	-86
Adjustements for non-cash items			
Difference between recognized interest and received/paid interest	12	274	87
Depreciations and impairment of property, plant and equipment and intangible assets	14.15	258	228
Disposal gains	7.9	-15	-91
Unrealized gain/loss on derivative instruments	12	51	-2
Profit from participation in joint venture		-4	-4
Dividend from joint venture		4	4
Income tax paid		-1	-37
Change in working capital			
Change in inventories		-57	-15
Change in operating receivables		20	5
Change in operating liabilities		16	21
Net cash flows from operating activities		**59**	**110**
Cash flows from investing activities			
Acquisition of intangible assets	14	0	0
Acquisition of property, plant and equipment	15	-247	-281
Disposal of property, plant and equipment		41	0
Business combinations	5	-669	-149
Net cash flows from investing activities		**-875**	**-430**
Cash flows from financing activities			
New loans, net after transaction fees	22	5,006	-
Repayment of bond loan	22	-383	-10
Repayment of liabilities to credit institutions and lease obligations	22.23	-4,830	-36
Drawdown of investment credits	22	1,166	715
Drawdown of revolving credit facility	22	125	-26
Repayment of liabilities to related parties	22	-25	-19
Dividends to shareholders		-300	-176
Shareholders' contribution from non-controlling interests		1	-
Net cash flows from financing activities		**760**	**448**
Net cash flows for the year		**-56**	**128**
Cash and cash equivalents at the beginning of the year		189	61
Currency translation effect in cash and cash equivalents		0	0
Cash and cash equivalents at the end of the year	20	**133**	**189**

Consolidated statement of changes in equity

All amounts in SEK M if not otherwise stated	Share capital	Other contributed capital	Currency translation reserve	Retained earnings including net profit or loss for the year	Equity attributable to the share-holders of the parent company	Non-controlling interests	Total equity
Equity as of January 1, 2019	**337**	**584**	**24**	**-1,144**	**-199**	**0**	**-199**
Net profit or loss for the year				-71	-71	0	-71
Other comprehensive income			0		0		0
Total comprehensive income	0	0	0	-71	-71	0	-71
Bonus issue	3			-3	0		
Dividend to shareholders				-111	-111		-111
Equity as of December 31, 2019	**340**	**584**	**24**	**-1,329**	**-381**	**0**	**-381**
Net profit or loss for the year				-433	-433	0	-433
Other comprehensive income			-65		-65		-65
Total comprehensive income	0	0	-65	-433	-498	0	-498
Acquisition of non-controlling interests					0	12	12
Shareholders' contribution from shareholders of the parent company				-2	-2	2	-2
Shareholders' contribution from non-controlling interests				1	1	0	2
Dividend to shareholders				-300	-300		-300
Equity as of December 31, 2020	**340**	**584**	**-41**	**-2,063**	**-1,180**	**14**	**-1,166**

Group notes

Note 1: Accounting policies

Below are the most significant accounting policies applied in the consolidated financial statements. Those principles have been applied consistently for all periods, unless otherwise indicated.

1.1 Basis of preparation

The consolidated accounts of Solör Bioenergi Holding AB (publ) have been prepared in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the European Union (EU). Furthermore, the Group has also applied the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary accounting rules for groups. All amounts are, unless otherwise stated, rounded to the nearest million Krona (SEK M).

These financial statements were approved by the Board of Director's on April 22, 2021 for adoption by the Annual General Meeting 2021.

The consolidated financial statements have been based on historical cost except derivatives that are accounted at fair value. Preparation of financial statements in accordance with IFRS requires management to make judgements and estimates. Areas that require a high degree of judgement and areas where assumptions and estimates are significant for the financial statements are described in Group Note 2. The consolidated financial statements have been prepared on a going concern basis.

Below is a description of changes in accounting principles and disclosures:

New IFRSs and interpretations for 2020

No new standards have been issued that will enter into force for financial years beginning on or after January 1, 2020. A number of amendments and interpretations of standards will take effect for financial years beginning on or after January 1, 2020. None of these have a significant impact on the Group's accounts.

New IFRSs and interpretations for 2019

IFRS 16 Leases

IFRS 16 is a new standard relating to accounting of leases to be applied on annual periods starting January 1, 2019 or later.

For lessees, previous classification according to IAS 17 in operational and finance leases disappears. This has been replaced in the new standard with a model where assets and liabilities for all lease arrangements are recognized in the balance sheet. Exemptions for accounting in the balance sheet are for leases of low value assets and contracts with a maximum term of 12 months. Depreciation and amortisation are reported separately from interest expenses attributable to the lease liability. For lessors, there are no major changes compared to previous rules in IAS 17, besides additional disclosure requirements.

The Group has applied IFRS 16 to agreements previously identified as lease arrangements in accordance with IAS 17. The first-time application has been made retroactively with the cumulative effect of the initial application on the first day of application, i. e. January 1, 2019. For more information about the first-time application of IFRS 16, see Group Note 23.

Other

In addition to above, there are no new or amended standards or interpretations which are effective for annual periods beginning on January 1, 2019 that had a material impact on the consolidated financial statements.

<u>Standards, amendments and interpretations of standards not yet effective</u>

There are currently no standards and interpretations that the Group expects will have a material impact on additional information, financial position or results when these are applied in the future.

11.2 Consolidation

a) Subsidiaries

Subsidiaries are companies under Solör Bioenergi Holding AB's control. A controlling influence exists if the parent company has influence over the investee, is exposed, or has rights to variable returns from its involvement and to use its influence over the investment to affect returns. When determining whether a controlling influence exists, potential voting rights are considered and whether de facto control exists. De facto control can occur in situations when other votes are distributed among large number of owners who do not have a realistic opportunity to coordinate their voting. In the assessment of control, a decisive importance is given to situations where the Group can elect the Board of Directors. Financial statements of subsidiaries are included in the consolidated financial statements from the acquisition date until the date that control ceases.

The acquisition method is used for accounting the Group's business combinations, regardless of whether the acquisition consists of equity investments or investment in other assets. The purchase price for an acquisition of a subsidiary consists of the fair values of:

- transferred assets
- liabilities that the Group incurs to previous owners
- shares issued by the Group
- assets or liabilities resulting from a conditional purchase price agreement
- previous equity investments in the acquired company

Identifiable acquired assets, assumed liabilities and assumed contingent liabilities in a business combination, with a few exceptions, are initially measured at fair values on the acquisition date. For each acquisition the Group determines whether non-controlling interests in the acquired company are recognized at fair value or at the proportionate share of the holding in the carrying amount of the acquired company's identifiable net assets.

Acquisition-related costs are expensed as incurred.

Goodwill refers to the amount by which

- consideration transferred,
- possible holding without controlling influence in the acquired company, and
- the fair value at the acquisition date on the previous equity interest in the acquired company (if the business combination was carried out in steps),

exceeds the fair value of identifiable net assets acquired. If the amount is less than the fair value of the net assets acquired, in the event of an acquisition at low price, the difference is recognized directly in the income statement.

In cases where all or part of a purchase price is deferred, future payments shall be discounted to the present value at the time of acquisition. The discount rate is the company's marginal loan rate, which is the interest rate the company would have paid for financing through loans during the corresponding period and similar terms.

Contingent consideration is classified either as equity or as financial debt. Amounts classified as financial liabilities are revalued at fair value each period. Any revaluation gains and losses are recognized in the income statement.

If the business combination is carried out in several stages, the previous equity investments in the acquired company are revalued to their fair value at the time of acquisition. Any gain or loss arising from the revaluation is recognized in the income statement.

Intercompany receivables and liabilities, income or expenses and unrealized gains or losses arising from intercompany transactions are eliminated in their entirety when preparing the consolidated financial statements.

b) Disposal of subsidiaries

When controlling influence ceases any remaining interest is valued at fair value carried through profit or loss. Fair value thereafter represents the historical cost of holdings in associates, joint ventures or financial assets. Amount previously recognized in other comprehensive income relating to this company is treated as if the Group disposed the underlying assets and liabilities. This might lead to amounts previously recognized in other comprehensive income are reclassified to the statement of profit or loss.

1.3 Segment reporting

Operating segments are reported in accordance with the internal reporting provided to the chief operating decision maker in order to allocate and distribute resources and assess performance. The chief operating decision maker is defined as the Group management.

1.4 Currency translation

a) Functional currency and reporting currency

Functional currency is the currency in the primary economic environment where the companies carry out their operations. The parent company's functional currency is Swedish Krona (SEK), which also is the reporting currency for the parent company and the Group. The financial statements are presented in Swedish Krona.

b) Transactions and balances

Transactions in foreign currencies are translated to the functional currency at the exchange rate prevailing at the transaction date. Exchange rate differences arising from translation of assets and liabilities in foreign currencies are recognized in the statement of profit or loss at the exchange rate prevailing at the closing date.

Exchange gains and losses on operating receivables and liabilities are recognized in the operating results, while gains and losses on financial assets and liabilities are reported as financial items.

c) Group companies

The statement of profit or loss and the statement of financial position of group with a functional currency different from the reporting currency are translated as follows:

i. The statement of financial position is translated at the closing date rate.

ii. The statement of profit or loss is translated at average exchange rate (if the average rate used does not provide a reasonable estimate of the transaction, the transaction date rate is used instead).

iii. Exchange differences arising from translation of foreign operations are recognized in other comprehensive income and accumulated in a separate component within equity named currency translation reserve.

1.5 Property, plant and equipment

Property, plant and equipment primarily consists of district heating plants and the respective distribution networks, production facilities for briquettes and pellets as well as environmental terminals. Property, plant and equipment are carried out at historical cost less depreciation. Historical cost includes costs directly related to the acquisition of the assets.

Additional expenditures are added to the asset's carrying amount or recognized separately when it is likely that future economic benefits associated with the item will benefit the Group and the acquisition cost can be measured reliably. The carrying amount of parts being replaced is derecognized from the statement of financial position. Other costs related to repair and maintenance are expensed in the period they occur.

Construction in progress are tangible non-current assets that are under construction and not yet ready for use. Borrowing costs according to IAS 23 are not included in the acquisition value for construction in progress. Depreciation begins at the date of completion and when the asset is ready for use.

Tangible non-current assets consist of different categories, which in turn are divided into different components. These components are depreciated on a straight-line basis over the estimated useful life as follows:

- Buildings 50 years
- Land not depr.
- Ground facilities 10-20 years
- Fuel reception 10-30 years
- Incinerator 10-50 years
- Boilers 10-30 years
- Combustion air and flue gas systems 10-50 years
- Ash discharge 15-40 years
- Electrical and control systems 5-15 years
- Media system 20-40 years
- Electricity generation 30 years
- Heating and steam distribution 5-75 years
- Other equipment 5-10 years

Useful life and residual value are reviewed each reporting date and adjusted if necessary. If there is any impairment indication, a test is performed in order to determine the asset's recoverable amount. When the carrying amount of an asset exceeds its estimated recoverable amount, the asset is impaired to its recoverable amount.

The gain or loss arising from disposal or retirement of an asset comprise the difference between the sales price and the assets carrying amount minus directly related selling costs. Gains and losses are recognized as other operating income or other operating expenses.

1.6 Intangible assets

a) Goodwill

In business combinations where consideration transferred exceeds the fair value of the separately recognized acquired assets and assumed liabilities, the difference is recognized as goodwill.

Goodwill is not amortized but tested for impairment annually or whenever changes in circumstances indicate that the carrying amount may not be recoverable.

In the impairment test goodwill is grouped at the lowest levels of which there are separately identifiable cash flows (cash generating units). Goodwill is allocated to cash generating units (CGU) or groups of cash generating units expected to benefit from the acquisition in which the goodwill arose.

Impairment loss is the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Impairment of goodwill is not reversed.

b) Licenses

Licenses are recognized at historical cost. Licenses obtained in connection with a business combination is measured at fair value at the acquisition date. Licenses are depreciated over their expected useful life, usually 10 years.

c) Software

The acquisition value of software licenses includes expenses to make the programs operational. Depreciation is made over the estimated useful life, which is usually 5 years.

d) Customer relationships

Customer relationships are reported at acquisition value. The customer relationships that have been acquired in connection with a business combination are valued at fair value at the time of acquisition. These are depreciated over the expected useful life, usually 20 years.

1.7 Financial assets

Financial assets are initially measured at fair value plus, in case the asset is not recognized at fair value through profit or loss, transaction costs directly attributable to the purchase. Transaction costs attributable to financial assets that are recognized at fair value through the profit or loss are expensed directly in the income statement.

Subsequent measurement for financial assets is carried out at:

- Amortized cost,
- Fair value through other comprehensive income, or
- Fair value through profit or loss.

Which measurement category that a financial asset is covered by is governed partly by the Group's business model and partly by which contractual cash flows the Group will receive from the financial asset. The Group's business model is based on that financial assets are held to receive contractual cash flows and these cash flows consist solely of capital amounts and, where applicable, interest. Thus, all the Group's financial assets are measured at amortized cost, except derivative instruments that are measured at fair value through profit or loss.

Acquisitions and disposals of financial assets are recognized at the transaction date. The transaction date is the date the company commits to acquire or dispose the asset. Financial assets are removed from the statement of financial position when the contractual rights are realized, have expired or if the Group loses control over them.

1.8 Netting of financial assets and liabilities

Financial assets and liabilities are accounted for at a net basis in the statement of financial position when there is legally enforceable right to offset the recognized amounts and an intention to either settle on a net basis or to realize the asset and settle the liability.

1.9 Impairment of financial assets

The Group values future expected credit losses related to investments in debt instruments recognized at amortized cost based on forward-looking information. In accordance with IFRS 9, the Group applies a simplified method for impairment testing of accounts receivable. The simplification means that the reserve for expected credit losses is calculated based on the loss risk for the entire term of the claim and is recognized when the receivable is initially recognized.

1.10 Inventories

Inventories are measured at the lowest of the acquisition value and net realizable value. Acquisition value is calculated according to the so-called first-in, first-out principle. Acquisition value of finished manufactured goods includes raw material cost, direct labor, other direct costs and indirect production costs (based on normal production capacity). Net realizable value is defined as the selling price less costs of completion and selling expenses.

1.11 Accounts receivable

Accounts receivable arise from sales of goods or services covered by the ordinary activities. If settlement of a receivable is expected within one year it is classified as a current asset. If not, they are classified as non-current assets. Accounts receivable are measured at fair value at initial recognition. At subsequent measurement, accounts receivable is measured at amortized cost using the effective interest method, less any potential provisions for impairment.

1.12 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and immediately available balances at banks and similar institutions, and short-term liquid investments with original maturities of three months or less.

1.13 Share capital and other contributed capital

Ordinary shares are classified as equity.

Costs directly attributable to the issuance of new shares or options less tax are recognized as a reduction of shareholders' equity.

1.14 Financial liabilities

Financial liabilities are valued at fair value at recognition date.

Subsequent measurement for financial liabilities is carried out at:

- Amortized cost, or
- Fair value profit or loss.

All the Group's financial liabilities are measured at amortized cost, except for derivative instruments that are measured at fair value through profit or loss.

1.15 Derivative instruments

Derivatives are recognized in the balance sheet on the business day and measured at fair value, both initially and at subsequent revaluations at the end of each reporting period. The changes in value are reported in the income statement. Hedge accounting is currently not applied by the Group.

1.16 Accounts payable

Accounts payable are obligations to pay for goods or services from suppliers in the ordinary operations. Accounts payable are classified as current liabilities if payment is due within one year, otherwise they are classified as non-current liabilities.

Accounts payable are measured at fair value at initial recognition. In subsequent periods, accounts payable are measured at amortized cost using the effective interest method.

1.17 Loans and borrowings

Loans and borrowings are initially recognized at fair value, net after transaction costs. In subsequent periods, loans and borrowings are measured at amortized cost using the effective interest method. The difference between the loan amount (net of transaction costs) and the repayable amount is recognized as a financial expense over the loan term using the effective interest method.

If likely to occur, transaction costs related to committed credit facilities are carried forward pending the utilization of the facility and recognition of a financial liability. When the financial liability is recognized, the transaction costs are accounted for as a part of the initial value of the financial liability.

1.18 Current and deferred tax

Income taxes consists of current and deferred tax. Income tax is recognized in profit or loss unless the underlying transaction is recognized in other comprehensive income or in equity, in which related tax effect is recognized in other comprehensive income or in equity.

Current tax is the tax payable or refundable for the current year, using tax rates that have been decided or substantively enacted at the closing date in the countries where the parent company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions asserted in tax return where applicable tax regulation is subject to interpretation. Based on management's assessment provisions are recognized for expected tax payments when deemed necessary.

Deferred tax is recognized in its entirety on temporary differences arising between the tax basis of assets and liabilities and their corresponding carrying amounts. Temporary differences on goodwill is not considered. If a temporary difference arises from the initial recognition of an asset or liability that is not a business combination and at the time of the transaction neither affects the accounting profit nor the taxable profit, the corresponding deferred tax is not recognized. Deferred tax is calculated using the tax rates and tax laws that have been decided or substantially enacted at the closing date and is expected to be applied when related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets for deductible temporary differences and tax losses carry forward are recognized only to the extent that it is probable that they will be utilized.

Deferred tax is calculated at temporary differences arising from shares in subsidiaries and associates, except when the Group controls the timing of the reversal of the temporary differences that are not expected to reverse in the foreseeable future. Deferred tax assets and deferred tax liabilities are accounted for on a net basis when there is a legally enforceable right to set off current tax assets against current tax liabilities and deferred tax assets and deferred tax liabilities relate to taxes levied by the same taxation authority on the same taxable entity or different taxable entities which intends to settle debts and obtain payment of claims net.

1.19 Pensions obligations

The Group's pension obligations are only covered by defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or informal obligations to pay further contributions if this legal entity has insufficient assets to pay all employee contributions relating to employee service in the current and prior periods.

The Group has therefore no additional risk. The Group's obligations for defined contribution plans, are recognized as an expense in the statement of profit or loss as they are earned by the employee performing services for the Group during a period. Prepaid contributions are recognized as an asset to the extent they can be refunded or reduce future payments.

1.20 Provisions

The Group recognizes provisions for environmental restoration, restructuring costs and legal claims when there is a present legal or informal obligation as result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable amount can be estimated. Provisions for restructuring costs include charges for lease terminations and termination payments to employees. Provisions are not recognized for future operating losses. If there are several similar obligations, an assessment of the likelihood that an outflow of resources will be required by considering the class of obligations in total. Thus, a provision can be made even if the probability of regulation linked to a single obligation may be low.

Provisions are measured at the present value of expected payments to settle the obligation. A discount rate before tax is used for reflecting the current market conditions and the risks specific to the obligation. Increase in liabilities due to changes in the time value are recognized as financial expenses.

1.21 Revenue

The Group sells thermal energy, industrial steam and electricity to private and corporate customers. Sales are read from meters and invoiced after the end of each month, based on the prices stated in the agreements. Customers have 30 days credit. Revenue is recognized when the Group's performance obligation is fulfilled, which coincides with the delivery of the energy to the customer.

The Group has its own manufacturing facilities for production of briquettes and pellets sold to customers. Customers are billed based on the agreements, either based on volume or the total energy content. The Group's performance commitment is fulfilled in conjunction with delivery and revenue is reported. There are no agreements where the time between the delivery of the goods to the customer and the payment from the customer exceeds one year. As a result, the Group does not adjust the transaction price for the effects of a significant financing component.

The Group has couple of environmental terminals for receiving impregnated and creosote treated wood. Compensation, so-called gate-fee, is received in connection with the receipt of return wood. This compensation is invoiced when weighing and control have been carried out, based on agreed prices. The Group's performance obligation is met, in vast majority of cases, in connection with the receipt of return wood, after which revenue is reported. If, however, an agreement stipulates that the Group's performance obligation is first fulfilled in connection with the processing of the material received, a contractual liability corresponding to the remuneration received is reported as appropriate. In such a case, revenue is recognized over time as the Group's performance obligation is fulfilled by allocating the proceeds received pro rata per processed quantity in relation to the total quantity of received material.

1.22 Government grants

Government grants are recognized at fair value when there is reasonable certainty that the grant will be received and the company will comply with the conditions associated with the grant.

If the group receives a grant related to assets, the Group has chosen a principle to recognize the contribution as deferred income that is recognized in profit or loss consistent with the achievement of production targets over the useful life of the asset.

Government grants in the form of emission rights are recognized at nominal value (zero) when received from the public authorities.

When selling granted emission rights, the fair value of the consideration received is recognized in revenue.

1.23 Interest income

Interest income is recognized by applying the effective interest method.

1.24 Income from dividends

Dividends received are recognized when the right to receive dividends is established.

1.25 Lease contracts

The Group has entered into several different lease agreements, primarily lease agreements regarding land and buildings, but also leasing of premises, leasing of machines and cars. A right of use and a lease obligation are recognized for each lease, except short-term leases and lease contracts for which the underlying asset has a low value.

Initially, the lease obligation is measured at the present value of future lease payments. Discounting is primarily done using the implicit interest rate of the lease, if this interest rate can be easily determined. If this interest rate cannot be easily determined, discounting is made using the Group's marginal loan interest rate. The Group's marginal loan interest rate is calculated as a weighted average based on the Group's loan structure at each time point. The portion of the lease obligation that is due for payment later than one year from the balance sheet date is recognized among non-current liabilities. In subsequent periods, the lease obligation is measured as follows:

- the carrying amount is increased to reflect the interest on the lease obligation,
- the carrying amount is reduced to reflect lease fees paid, and
- the carrying amount is revalued to reflect a possible reconsideration or amendment of the lease.

The right of use assets is measured at acquisition value among the Group's fixed assets, which initially corresponds to the same value as the lease obligation plus any advance payments. In subsequent periods, the right of uses assets is measured at cost less accumulated depreciation and any accumulated impairment. In case the lease agreement includes an option to buy out the underlying leased asset and the acquisition value of the right of use asset reflects that the option will be exercised, depreciation is carried out over the useful life of the underlying asset. Otherwise, the right of use asset is depreciated over the lease period or over the useful life of the underlying asset if it is shorter than the lease period.

1.26 Dividends

Dividends to shareholders are recognized as a liability at the time the dividends are approved by the Annual Shareholders Meeting.

1.27 Joint ventures

Joint ventures are companies over which the Group has a joint controlling influence together with other joint owners. Holdings in joint ventures are reported according to the equity-share method in the consolidated financial statements. The equity-share method means that the Group's reported value of the shares in joint ventures corresponds to the Group's share in joint ventures equity, plus potential consolidated goodwill and other consolidated surplus and deficit values. In the Group's consolidated statement of profit or loss, the share of profit for the period is reported in operating profit as "Profit from participation in joint venture". The share of profit is adjusted for any depreciation, write-downs and resolutions of acquired surplus or deficit values. The share of profit is reduced by any dividends received from joint ventures. The Group's share of other comprehensive income in joint ventures is reported, where applicable, on a separate row in other comprehensive income for the Group.

1.28 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence is confirmed only by one or more uncertain future events beyond the Group's control or when there is a commitment that is not reported as a liability or provision because it is unlikely that an outflow of resources will be required or cannot be measured with sufficient reliability.

Note 2: Information regarding group companies and joint ventures

The below table shows the Group structure where Solör Bioenergi Holding AB (publ) is the parent company:

	Corporate ID-number	Country	Share of capital	Voting share
Solör Bioenergi Holding AB	556907-9535	Sweden	-	-
Rindi Energi AB	556495-8758	Sweden	100.00%	100.00%
JC JSC Rindibel	KO 0056503	Belarus	27.54%	27.54%
Solör Bioenergi HoldCo Ett AB	559227-8567	Sweden	100.00%	100.00%
Solör Bioenergi Holding 2 AB	556982-8469	Sweden	100.00%	100.00%
Solör Bioenergi Holding 3 AB	556873-8552	Sweden	100.00%	100.00%
Solör Bioenergi Management AB	556862-2566	Sweden	100.00%	100.00%
Solör Bioenergi Fjärrvärme AB	556936-0737	Sweden	100.00%	100.00%
Solör Bioenergi Öst AB	556607-0255	Sweden	100.00%	100.00%
Solör Bioenergi Syd AB	556632-0692	Sweden	100.00%	100.00%
Solör Bioenergi Glimåkra AB	556853-9505	Sweden	100.00%	100.00%
Solör Bioenergi Hästveda AB	556834-2934	Sweden	100.00%	100.00%
Solör Bioenergi Töckfors AB	556736-7924	Sweden	100.00%	100.00%
Filipstads Värme AB	556544-7975	Sweden	50.00%	50.00%
Solör Bioenergi Infrastruktur AB	556928-0059	Sweden	100.00%	100.00%
Solør Bioenergi Varme Holding AS	990,905,231	Norway	100.00%	100.00%
Solør Bioenergi Varme AS	982,435,358	Norway	100.00%	100.00%
Solør Bioenergi Jessheim AS	919,944,870	Norway	100.00%	100.00%
Solör Bioenergi Värme AB	556310-5328	Sweden	100.00%	100.00%
Vasa Värme Holding AB	556292-2508	Sweden	100.00%	100.00%
Vasa Värme Kalix AB	556012-9958	Sweden	100.00%	100.00%
Vasa Värme Krokek AB	556860-1081	Sweden	100.00%	100.00%
Vasa Värme Malmköping AB	556459-9057	Sweden	100.00%	100.00%
Vasa Värme Voxnadalen AB	556309-9430	Sweden	100.00%	100.00%
Ekerö Vasa Värme AB	559176-1376	Sweden	65.00%	65.00%
Solør Bioenergi Holding AS	989 244 051	Norway	100.00%	100.00%
Solør Bioenergi AS	989,236,482	Norway	100.00%	100.00%
Solør Bioenergi Infrastruktur AS	996,746,798	Norway	100.00%	100.00%
Solör Bioenergi Biobränslen Holding AB	556946-3432	Sweden	100.00%	100.00%
Solör Bioenergi Recycling AB	556211-2754	Sweden	100.00%	100.00%
Solör Bioenergi Pellets AB	556736-2446	Sweden	100.00%	100.00%
Rindi Biobränsle AB	556633-3984	Sweden	100.00%	100.00%
Solör Bioenergi Europe AB	559227-8542	Sweden	100.00%	100.00%
Solor Bioenergy Polska S.A.	611327745	Poland	100.00%	100.00%
Biopal Sp. z o. o.	771624500	Poland	100.00%	100.00%
Solör Bioenergi AG	CHE-152787201	Switzerland	100.00%	100.00%

Solør Bioenergi Holding AS with company address in Kirkenær, Norway, supports the Group with central group functions such as financing, cash management, accounting and reporting.

Solør Bioenergi AS (100% owned by Solør Bioenergi Holding AS) with company address in Kirkenær, is an industrial company with the purpose to operate bioenergy plants, including production and sale of thermal heat and electricity based on biomass, as well as energy recovery from contaminated wood and production of briquettes. The company has the following production sites:

- Environmental Terminal in Kirkenær
- Combined heat and power plant (CHP) in Kirkenær
- Briquette production in Kirkenær
- District heating distribution in Kirkenær
- Energy plant in Rena

- Energy plant in Haslemoen
- Energy plant in Grødaland
- Energy plant in Flisa
- Environmental Terminal in Vigrestad

Solør Bioenergi Infrastruktur AS owns infrastructure assets in Norway that are leased to Norwegian group companies.

Solör Bioenergi Recycling AB is an industrial company with energy recovery from recycled wood as main operations and has an environmental terminal in Trollhättan.

Solör Bioenergi Management AB supports the companies within the Group with administrative services. The company is the holder of the Group's senior debt.

Solör Bioenergi Pellets AB produces and sells pellets. Production of pellets takes place in the production facilities located in Älvdalen and Vansbro.

Solor Bioenergy Polska S.A. operates 3 energy plants in Chojnice, Hajnowka and Minsk Mazowiecki, Poland.

Biopal Sp. z o. o. performs biomass sourcing and operates 1 energy plant in Czersk, Poland.

Solör Bioenergi Holding 2 AB holds shares in subsidiaries and has the Group's junior debt.

Solör Bioenergi Fjärrvärme AB is the Group's main company regarding district heating in Sweden and is also the parent company of all operating district heating and local heating companies in Sweden. Until the Group's refinancing in the spring of 2020, the company was the holder of the Group's senior debt. Within the company's operations are the following energy plants:

- Alsike
- Bollebygd
- Charlottenberg
- Dorotea
- Fliseryd
- Garphyttan
- Hanaskog
- Horndal
- Lagan
- Lammhult
- Landvetter
- Lidhult
- Mölnlycke
- Mönsterås
- Nora
- Nordmaling
- Odensbacken
- Pershyttan
- Rundvik
- Ryd
- Sandudden
- Skinnskatteberg
- Strömsnäsbruk
- Sunne
- Sveg
- Svenljunga
- Vansbro
- Vilhelmina
- Vännäs
- Vännäsby
- Åseda
- Älvdalen

In addition, operations are performed through the subsidiaries:

- Solör Bioenergi Öst AB – 6 energy plants in Flen, Gnesta, Herrljunga, Vadstena, Vingåker and Vårgårda.
- Solör Bioenergi Syd AB – 8 energy plants in Broby, Höör, Hörby, Knislinge, Markaryd, Sjöbo, Svalöv and Tomelilla.
- Solör Bioenergi Glimåkra AB – energy plant in Glimåkra.
- Solör Bioenergi Hästveda AB – energy plant in Hästveda.
- Solör Bioenergi Töcksfors AB – energy plant in Töcksfors.
- Solör Bioenergi Infrastruktur AB – owns infrastructure assets that are leased to Solör Bioenergi Fjärrvärme AB and its subsidiaries.
- Solør Bioenergi Varme AS – 19 local heat plants in Norway and a pellet production facility in Brumunddal, Norway.
- Solør Bioenergi Jessheim AS – heat plant in Jessheim, Norway.
- Solör Bioenergi Värme AB – 79 local heat plants in Sweden and a pellet production facility in Säffle.
- Vasa Värme Kalix AB – energy plant in Kalix.
- Vasa Värme Krokek AB – local heat plant.
- Vasa Värme Malmköping AB – energy plant in Malmköping.
- Vasa Värme Voxnadalen AB – 2 energy plants in Alfta och Edsbyn.
- Ekerö Vasa Värme AB – energy plant in Ekerö.

At the beginning of 2021, the operations in Solör Bioenergi Töcksfors AB, Vasa Värme Kalix AB and Vasa Värme Voxnadalen AB were transferred to Solör Bioenergi Fjärrvärme AB. The operations of Solör Bioenergi Glimåkra AB and Solör Bioenergi Hästveda AB have been transferred to Solör Bioenergi Syd AB. Vasa Värme Malmköping AB has transferred its operations to Solör Bioenergi Öst AB, while

Vasa Värme Krokek AB has transferred its operations to Solör Bioenergi Värme AB.

During the spring of 2021, all companies that transferred their businesses were merged into Solör Bioenergi Infrastruktur AB.

Vasa Värme Holding AB holds shares in subsidiaries and performs intra-group administrative and operational services for its subsidiaries.

Solör Bioenergi AG with company address in Zürich, Switzerland is a service company supporting the Group with expertise within financing, cash management, accounting and reporting.

Remaining group companies are holding companies and/or have no operations.

Filipstads Värme AB and JC JSC Rindibel, which are joint ventures, are reported according to the equity-share method. Filipstads Värme AB conducts district heating operations in Filipstad and Storfors. The company is jointly owned with Filipstad municipality. The tables below present a summary of financial information for the holding in Filipstads Värme AB.

Condensed statement of profit or loss		
All amounts in SEK M if not otherwise stated	**2020**	**2019**
Net sales	37	40
Raw materials and cost of goods sold	-12	-15
Personnel expenses	-3	-3
Depreciation, amortisation and impairment	-4	-4
Other operating expenses	-5	-5
Operating profit or loss (EBIT)	**13**	**13**
Financial net	-1	-1
Appropriations	-2	-2
Resultat före skatt	**10**	**10**
Tax on profit or loss for the year	-2	-2
Net profit or loss for the year	**8**	**8**

Condensed statement of financial position		
All amounts in SEK M if not otherwise stated	**Dec 31, 2020**	**Dec 31, 2019**
Assets		
Property, plant and equipment	86	87
Inventories	4	2
Other current assets	10	13
Cash and cash equivalents	2	8
Total assets	**102**	**110**
Equity	**-15**	**-15**
Untaxed reserves	**-33**	**-32**
Liabilities		
Non-current interest bearing liabilities	-49	-54
Current interest bearing liabilities	-1	-1
Other current liabilities	-4	-8
	-54	**-63**
Total equity and liabilities	**-102**	**-110**

The investment in JC JSC Rindibel is not significant as the company conducts operations operates only to a small extent. Solör Bioenergy Group's share of capital is zero.

Note 3: Significant judgements and estimates

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions deemed to be realistic. There may be situations or changes in market conditions that could lead to changes in estimates, which consequently would affect the company's assets, liabilities, equity and profit.

The company's most significant judgements and estimates relate to the following items:

- Depreciation and amortisation of tangible and intangible assets
- Recognition of deferred tax assets

<u>Tangible and intangible assets</u>

Depreciation and amortisation are recognized at a straight-line basis over the asset's estimated useful life. Estimated useful life is based on historical experience and assumptions relating to the asset's future technical and economic use. Actual useful lives may deviate from the assessments made on an ongoing basis. The depreciation and amortisation period are adjusted if there are changes in those estimates.

If there are any indications regarding impairment of non-current tangible and intangible assets, an impairment test is performed. For information of the most important estimates for calculating future cash flows, please refer regarding impairment of goodwill, see Group Note 14.

<u>Recognition of deferred tax assets</u>

At each balance sheet date, an assessment is made regarding deferred tax assets related to tax losses carry-forward, not previously recognized in the statement of financial position. Such tax assets are recognized to the extent it is considered likely that sufficient taxable profit will be available in the future.

Changed assessments in future periods may have a material impact on the financial reports in future periods.

Note 4: Business combinations

During the financial year 2020, the Group has performed several business acquisitions. The business combinations in chronological order are described below. All business combinations have been financed through use of the investment facilities linked to the Group's senior and junior financing, see Group Note 22. All purchase price allocations are final.

Åsnes Fjernvarme AS

At the end of May, 100% of the shares and votes in Åsnes Fjernvarme AS, Norway, were acquired. The acquisition includes a district heating plant in Flisa, Norway. The purchase price amounted to SEK 26 million. In close connection with the acquisition, acquired interest-bearing liabilities of SEK 8 million were amortized. Simultaneously with the acquisition, the Group divested its operations in Brumunddal, Norway. At the end of the financial year, Åsnes Fjernvarme AS was merged into Solør Bioenergi AS.

During the holding period 2020, the acquired operations affected the Group's net sales by SEK 3.5 million, EBITDA by SEK 1.3 million and profit before tax by SEK -0.5 million. If the acquisition had taken place at the beginning of the financial year 2020, the acquired operations would have affected the Group's net sales by SEK 6.7 million, EBITDA by SEK 2.5 million and profit before tax by SEK 0.1 million.

Vasa Värme Holding AB

In mid-June, the Group successfully completed the acquisition of the Vasa Värme Group, comprising the parent company Vasa Värme Holding AB with the subsidiaries Vasa Värme Kalix AB, Vasa Värme Krokek AB, Vasa Värme Malmköping AB, Vasa Värme Voxnadalen AB and Ekerö Vasa Värme AB. The acquisition includes five district heating plants and a local heat plant with a total annual energy delivery of approximately 140 GWh to approximately 1,000 customers. Ekerö Vasa Värme AB is co-owned with Ekerö municipality.

The acquisition of Vasa Värme has further strengthened the Group's growth platform. Through integration into the Solör Bioenergy Group, the Group expects to generate cost synergies.

The purchase price amounted to SEK 623 million. In close connection with the acquisition, acquired interest-bearing liabilities of SEK 180 million in the form of preference shares were amortized. Acquisition-related expenses amounted to SEK 34 million.

After the end of the financial year, the operations conducted in the subsidiaries Vasa Värme Kalix AB, Vasa Värme Krokek AB, Vasa Värme Malmköping AB and Vasa Värme Voxnadalen AB were transferred within the Group to Solör Bioenergi Fjärrvärme AB, Solör Bioenergi Öst AB and Solör Bioenergi Värme AB. The companies that transferred their businesses have been merged into Solör Bioenergi Infrastruktur AB.

During the holding period 2020, the acquired operations affected the Group's net sales by SEK 57.0 million, EBITDA by SEK 0.8 million and profit before tax by SEK -25.9 million. If the acquisition had taken place at the beginning of the financial year 2020, the acquired operations would have affected the Group's net sales by SEK 108.2 million, EBITDA by SEK 11.3 million and profit before tax by SEK -34.5 million.

The result during the holding period for the Vasa Värme Group includes non-recurring costs amounting to SEK -14.8 million. Adjusted for this, EBITDA amounts to SEK 15.6 million and profit before tax to SEK -11.1 million.

The full-year result for the Vasa Värme Group includes non-recurring costs amounting to SEK -31.4 million. Adjusted for this, EBITDA amounts to SEK 42.7 million and profit before tax to SEK -3.1 million.

Glåmdal Bioenergi AS

At the end of August 2020, 100% of the shares and votes in Glåmdal Bioenergi AS, Norway were acquired. The acquisition includes a local heat plant in Glåmdal, Norway. The purchase price amounted to SEK 2 million. In close connection with the acquisition, acquired interest-bearing liabilities of SEK 1 million were amortized. At the end of the financial year, Glåmdal Bioenergi AS was merged into Solør Bioenergi Varme AS.

During the holding period 2020, the acquired operations affected the Group's net sales by SEK 1.0 million, EBITDA by SEK 0.0 million and profit before tax by SEK -0.1 million. If the acquisition had taken place at the beginning of the financial year 2020, the acquired operations would have affected the Group's net sales by SEK 2.9 million, EBITDA by SEK 0.4 million and profit before tax by SEK -0.1 million.

H. Lennartsson Energi AB

At the beginning of September 2020, 100% of the shares and votes in H. Lennartsson Energi AB, rebranded to Solör Bioenergi Töcksfors AB, were acquired. The acquisition includes a district heating plant in Töcksfors. The purchase price amounted to SEK 22 million. In close connection with the acquisition, acquired interest-bearing liabilities of SEK 15 million were amortized. After the end of the financial year, the operations were transferred within the Group to Solör Bioenergi Fjärrvärme AB and the company was merged into Solör Bioenergi Infrastruktur AB.

During the holding period 2020, the acquired operations affected the Group's net sales by SEK 4.6 million, EBITDA by SEK 3.8 million and profit before tax by SEK 2.9 million. If the acquisition had taken place at the beginning of the financial year 2020, the acquired operations would have affected the Group's net sales by SEK 8.4 million, EBITDA by SEK 5.5 million and profit before tax by SEK 2.8 million.

Glimåkra Biovärme AB

At the end of September 2020, the Group completed the acquisition of Glimåkra Biovärme AB, rebranded to Solör Bioenergi Glimåkra AB. The acquisition includes a district heating plant in Glimåkra. The purchase price amounted to SEK 17 million. After the end of the financial year, the operations were transferred within the Group to Solör Bioenergi Syd AB and the company was merged into Solör Bioenergi Infrastruktur AB.

During the holding period 2020, the acquired operations affected the Group's net sales by SEK 1.1 million, EBITDA by SEK 0.5 million and profit before tax by SEK -0.0 million. If the acquisition had taken place at the beginning of the financial year 2020, the acquired operations would have affected the Group's net sales by SEK 4.3 million, EBITDA by SEK 1.9 million and profit before tax by SEK 0.4 million.

Hästveda Bioenergi AB

At the end of September 2020, the Group completed the acquisition of Hästveda Bioenergi AB, rebranded to Solör Bioenergi Hästveda AB. The acquisition includes a district heating plant in Hästveda. The purchase price amounted to SEK 11 million. After the end of the financial year, the operations were transferred within the Group to Solör Bioenergi Syd AB and the company was merged into Solör Bioenergi Infrastruktur AB.

During the holding period 2020, the acquired operations affected the Group's net sales by

SEK 0.9 million, EBITDA by SEK 0.3 million and profit before tax by SEK -0.1 million. If the acquisition had taken place at the beginning of the financial year 2020, the acquired operations would have affected the Group's net sales by SEK 3.1 million, EBITDA by SEK 1.4 million and profit before tax by SEK 0.2 million.

Acquisition from Bionär

In mid-December, the Group acquired five local heat plants from Bionär through its subsidiary Solör Bioenergi Värme AB. The purchase price amounted to SEK 17 million.

During the holding period 2020, the acquired operations affected the Group's net sales by SEK 0.4 million, EBITDA by SEK 0.1 million and profit before tax by SEK -0.1 million. If the acquisition had taken place at the beginning of the financial year 2020, the acquired operations would have affected the Group's net sales by SEK 6.5 million, EBITDA by SEK 1.6 million and profit before tax by SEK -0.4 million.

The table below describes the final purchase price allocations in summary for the financial year 2020, i. e. fair value of acquired net assets and the associated purchase price:

	Åsnes Fjernvarme AS	Vasa Värme Holding AB	Glåmdal Bioenergi AS	H. Lennartsson Energi AB	Glimåkra Biovärme AB	Hästveda Bioenergi AB	Rörelseförvärv från Bionär	Total
Assets								
Intangible assets	-	229	-	-	-	-	-	229
Property, plant and equipment	38	735	3	41	30	21	17	885
Inventories	0	10	0	0	0	0	-	10
Receivables	0	20	0	0	0	0	-	20
Cash and cash equivalents	0	29	0	3	-	0	-	32
	38	**1,023**	**3**	**44**	**30**	**21**	**17**	**1,176**
Liabilities								
Deferred tax liabilities	-3	-180	0	-4	-4	-3	-	-194
Interest-bearing debt	-8	-182	-1	-15	-9	-7	-	-222
Other liabilities	-1	-26	0	-3	0	0	-	-30
	-12	**-388**	**-1**	**-22**	**-13**	**-10**	**0**	**-446**
Non-controlling interests	**-**	**-12**	**-**	**-**	**-**	**-**	**-**	**-12**
Total acquired net assets	**26**	**623**	**2**	**22**	**17**	**11**	**17**	**718**
Consideration transferred	**26**	**623**	**2**	**22**	**17**	**11**	**17**	**718**

During the financial year 2019, the Group performed several business acquisitions. The business combinations in chronological order are described below. All business combinations, except the business combination in Poland, were financed through use of the investment facilities linked to the Group's senior and junior financing. The business combination in Poland was financed with local credit in Poland taken up by the group company Solor Bioenergy Polska S.A. All purchase price allocations are final. The business combinations during 2019 have not conditioned any group external acquisition-related expenses.

Borgstena Energi AB

At the beginning of January 2019, the Group acquired 100% of the shares and votes in Borgstena Energi AB (rebranded to Solör Bioenergi Herrljunga AB). The acquisition includes a district heating plant in Herrljunga. The purchase price amounted to SEK 19 million. During the financial year 2020, Solör Bioenergi Herrljunga AB was merged into Solör Bioenergi Öst AB.

During the financial year 2019, the acquired operations affected the Group's net sales by SEK 8.8 million, EBITDA by SEK 0.4 million and profit before tax by SEK -2.3 million. The full-year effect from the business combination during the financial year 2020 regarding the Group's net sales amounts to SEK 8.7 million, EBITDA SEK 1.8 million and profit before tax SEK -0.6 million.

Acquisition from Veolia

In April 2019, the Group signed an agreement with Veolia regarding the acquisition of operations conducted in four different locations; Alsike, Horndal and Sandudden in Sweden and Kongsberg in Norway. The Swedish operations have been integrated into the group company Solör Bioenergi Fjärrvärme AB, while the Norwegian operations have been integrated into the group company Solør Bioenergi Varme AS. The acquisition included heat plants including associated grid. The total purchase price amounted to SEK 38 million.

During the financial year 2019, the acquired operations affected the Group's net sales by SEK 12.0 million, EBITDA by SEK 1.0 million and profit before tax by SEK -1.5 million. The full-year effect from the business combination during the financial year 2020 regarding the Group's net sales amounts to SEK 15.9 million, EBITDA SEK 2.2 million and profit before tax SEK -1.3 million.

Minsk Mazowiecki

On July 1, 2019, the Group acquired through its wholly owned Group company Solor Bioenergy Polska S.A. a district heating business in Minsk Mazowiecki, Poland. The business includes a district heating plant with associated grid. The purchase price amounted to SEK 30 million.

During the holding period 2019, the acquired operations affected the Group's net sales by SEK 4.8 million, EBITDA by SEK 0.3 million and profit before tax by SEK -0.8 million. The full-year effect from the business combination during the financial year 2020 regarding the Group's net sales amounts to SEK 10.5 million, EBITDA SEK 2.2 million and profit before tax SEK -1.0 million.

Odal Biovarme AS

At the beginning of August 2019, the Group acquired 100% of the shares and votes in Odal Biovarme AS. The company was merged into Solør Bioenergi Varme AS at the end of 2019. The acquisition includes three local heat plants in Norway. The purchase price amounted to SEK 2 million. Acquired interest-bearing liabilities were amortized in their entirety in close connection with the acquisition.

During the holding period 2019, the acquired operations affected the Group's net sales by SEK 0.5 million, EBITDA by SEK -0.2 million and profit before tax by SEK -0.3 million. The full-year effect from the business combination during the financial year 2020 regarding the Group's net sales amounts to SEK 2.1 million, EBITDA SEK 0.4 million and profit before tax SEK -0.1 million.

Bioenergi AS

At the beginning of December 2019, the Group acquired 100% of the shares and votes in Bioenergi AS (rebranded to Solør Bioenergi Dikemark AS). The acquisition includes a local heat plant in Dikemark, Norway. The purchase price amounted to SEK 34 million. Acquired interest-bearing liabilities were repaid in full at the beginning of the financial year 2020. During the 2020 financial year, Solør Bioenergi Dikemark AS was merged into Solør Bioenergi Varme AS.

During the holding period 2019, the acquired operations affected the Group's net sales by SEK 1.3 million, EBITDA by SEK 0.5 million and profit before tax by SEK 0.4 million. The full-year effect from the business combination during the financial year 2020 regarding the Group's net sales amounts to SEK 9.1 million, EBITDA SEK 4.0 million and profit before tax SEK 1.1 million.

Bollebygds Fjärrvärme AB

At the beginning of December 2019, the Group acquired 100% of the shares and votes in Bollebygds Fjärrvärme AB (rebranded to Solör Bioenergi Bollebygd AB). The acquisition includes a district heating plant with associated grid in Bollebygd. The purchase price amounted to SEK 24 million. Acquired interest-bearing liabilities were amortized in their entirety in close connection with the acquisition.

During the holding period 2019, the acquired operations affected the Group's net sales by SEK 1.7 million, EBITDA by SEK 1.4 million and profit before tax by SEK 1.2 million. The full-year effect from the business combination during the financial year 2020 regarding the Group's net sales amounts to SEK 5.7 million, EBITDA SEK 1.3 million and profit before tax SEK -1.7 million.

Acquisition from Bionär

In mid-December 2019, the Group acquired the grid in Horndal from Bionär through the group company Solör Bioenergi Fjärrvärme AB. The purchase price amounted to SEK 8 million.

During the holding period 2019, the acquired operations affected the Group's net sales by SEK 0.1 million, EBITDA by SEK 0.1 million and profit before tax by SEK 0.1 million. The full-year effect from the business combination during the financial year 2020 regarding the Group's net sales amounts to SEK 1.9 million, EBITDA SEK 0.4 million and profit before tax SEK -0.2 million.

The table below describes the final purchase price allocations in summary for the financial year 2019, i. e. fair value of acquired net assets and the associated purchase price:

	Borgstena Energi AB	Veolia	Minsk Mazowiecki	Odal Biovarme AS	Bioenergi AS	Bollebygds Fjärrvärme AB	Rörelseförvärv från Bionär	Total
Assets								
Intangible assets	-	-	9	-	-	-	-	9
Property, plant and equipment	21	38	21	4	45	34	8	171
Inventories	1	0	0	0		1	-	2
Receivables	2	-	0	0	3	11	-	16
Cash and cash equivalents	1	-	0	1	3	1	-	6
	25	**38**	**30**	**5**	**51**	**47**	**8**	**204**
Liabilities								
Deferred tax liabilities	-5	-	-	0	-7	-6	-	-18
Interest-bearing debt	-	-	-	-3	-8	-16	-	-27
Other liabilities	-1	0	0	0	-2	-1	-	-4
	-6	**0**	**0**	**-3**	**-17**	**-23**	**0**	**-49**
Total acquired net assets	**19**	**38**	**30**	**2**	**34**	**24**	**8**	**155**
Consideration transferred	**19**	**38**	**30**	**2**	**34**	**24**	**8**	**155**

Note 5: Net sales and information regarding the Group's contracts with customers

The Group's contracts with customers regarding the sale of thermal energy are characterized by a stable customer base with low credit risks and stable prices. The revenues from these customer contracts depend on weather and prices. The prices are subject to indirect competition particularly in relation to heating solutions based on electricity. At present, thermal energy is priced at a competitive level in relation to heating solutions based on electricity. An increase in electricity market prices increases the Group's competitive advantage.

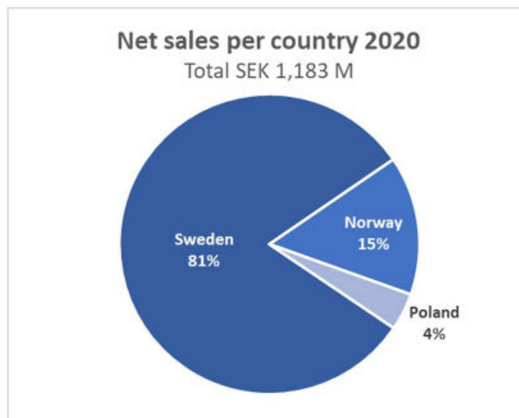
The Group's contracts with customers for the sale of pellets and briquettes are relatively local operations that are characterized by a diversified customer base, from small private customers to large energy companies and commercial customers, who use the Group's products for their own heat supply, heat production or in their own retail business. Market prices depend on both access to raw materials in the form of unprocessed biomass and demand from end customers. The price trend and hence the Group's revenues with respect to this type of contracts with customers, therefore, are overall more volatile.

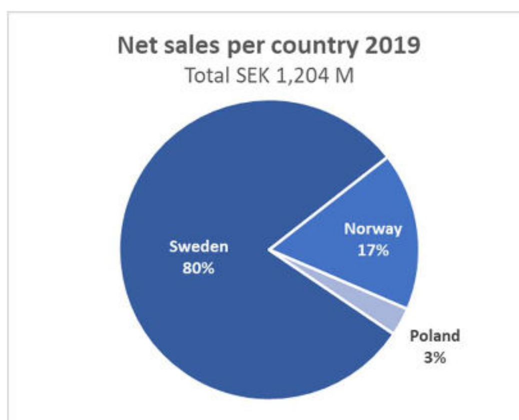
The Group's contracts with customers regarding energy recovery from recycled wood is an international market that is characterized by the competition between various European recycling companies. This competition is in turn affected by demand and market prices for biomass as described above. There is currently a positive trend for prices for the reception of impregnated wood.

The table below shows information on the distribution of net sales:

Distribution of net sales	2020	2019
Thermal energy	913	881
Pellets and briquettes	137	178
Energy recovery from recycled wood	89	88
Other	44	57
Total net sales	**1,183**	**1,204**

Of the total net sales, SEK 959 M (966) is generated in Sweden, which corresponds to 81 percent (80) of the Group's net sales. SEK 182 M (203), corresponding to 15 percent (17) of net sales is generated in Norway and SEK 42 M (35) corresponding to 4 percent (3) of net sales is generated in Poland. The distribution of sales is based on the group companies' domicile. No customer accounts for more than 10 percent of total revenue.





The distribution of net sales per segment is shown in the table below (for more information, see also Group Note 6):

Net sales per segment	2020	2019
District heating		
External sales	807	782
Internal sales	7	5
	814	**787**
Local heat		
External sales	172	183
Internal sales	3	7
	175	**190**
Biomass		
External sales	204	239
Internal sales	11	12
	215	**251**
Other/eliminations	**-21**	**-24**
Total net sales	**1,183**	**1,204**

The table below shows information on the Group's receivables, contract assets and, where applicable, contract liabilities attributable to contracts with customers:

	2020	2019
Receivables (Accounts receivable)	135	153
Contract assets (Accrued income)	91	79
Contract liabilities (Deferred income)	-4	-4
	222	**228**

Note 6: Operating segments

Segment information is designed in accordance with the internal reporting made to the chief operating decision maker, which has been identified to be the Group Management. As of January 1, 2020, the Group has divided its operations into three operating segments (until December 31, 2019, two operating segments) that constitute ordinary operations and are reflected in the organization and the business model. Comparative figures have been recalculated.

District Heating

The segments' energy plants produce thermal energy for district heating, industrial steam and electricity to customers in the public and private sectors. Energy facilities are located in Sweden, Norway and Poland.

Local Heat

Within the segment's operations, energy supply is delivered to customers in local heat production or some other type of mobile heating production central. The concept also includes overall responsibility for operation and maintenance. This segment includes the Group's local heat plants in Sweden and Norway, as well as two production facilities for pellets, which supply the local heat plants with fuel.

Biomass

The segment has three Environmental terminals for energy recovery of recycled wood, which is processed to biomass for sales to own energy plants and external energy customers. Within the segment's operations, there are also three production facilities for the manufacture and sale of briquettes and pellets.

Other

Other mainly includes the holding companies' income and expenses and other transactions not directly attributable to the operating segments.

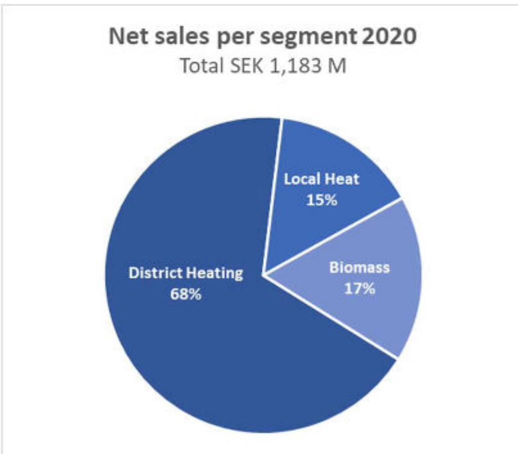
Management monitors the segment's operating result before depreciation (EBITDA) and operating profit (EBIT). This information is used to assess the performance and to make decisions about allocation of resources.

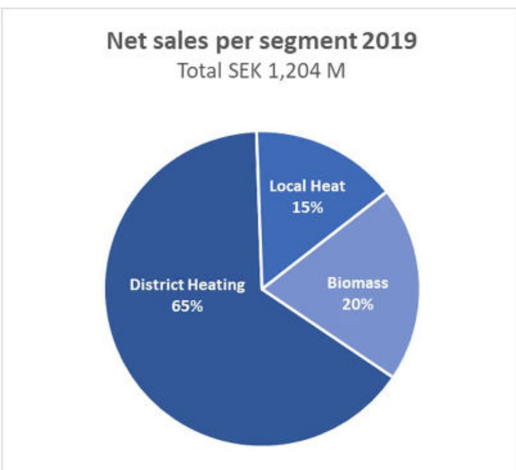
Segment reporting is prepared according to the same principles as the consolidated financial statements. Transactions between segments are based on market prices, which are corresponding to the terms for external third parties. Transactions between segments are eliminated in the Group. The operating segments' operating results (EBIT) includes income and expenses from transactions with other segments of the Group.

The Group does not disclose information on the assets and liabilities linked to each segment, since this is not part of the reporting to the chief operating decision maker.

The segments District Heating, Local Heat and Biomass contain almost entirely external revenues. Internal deliveries of biomass are limited.

The District Heating segment accounted for 68 percent (65) of the Group's net sales, the Local Heat segment for 15 percent (15) and the Biomass segment for 17 percent (20).





Information about the Group's operating segments is presented in the tables below:

Net sales per segment	2020	2019
District heating		
External sales	807	782
Internal sales	7	5
	814	**787**
Local heat		
External sales	172	183
Internal sales	3	7
	175	**190**
Biomass		
External sales	204	239
Internal sales	11	12
	215	**251**
Other/eliminations	**-21**	**-24**
Total net sales	**1,183**	**1,204**

Gross contribution per segment	2020	2019
District heating		
Net sales	814	787
Raw materials	-292	-281
Gross contribution	**522**	**506**
Gross margin (%)	*64%*	*64%*
Local heat		
Net sales	175	190
Raw materials and cost of goods sold	-70	-79
Gross contribution	**105**	**111**
Gross margin (%)	*60%*	*58%*
Biomass		
Net sales	215	251
Raw materials and cost of goods sold	-92	-128
Gross contribution	**123**	**123**
Gross margin (%)	*57%*	*49%*

EBITDA per segment	2020	2019
District heating	255	378
Local heat	32	42
Biomass	39	27
Other/eliminations	-21	-37
Total EBITDA	**305**	**410**

Depreciation and impairment per segment	2020	2019
District heating	-172	-144
Local heat	-33	-30
Biomass	-42	-42
Other/eliminations	-11	-12
Total depreciation and impairment	**-258**	**-228**

EBIT per segment	2020	2019
District heating	83	234
Local heat	-1	12
Biomass	-3	-15
Other/eliminations	-32	-49
Total EBIT	**47**	**182**

Reconciliation of segment reporting to net profit or loss for the year	2020	2019
EBIT	47	182
Financial net	-534	-268
Income tax	54	15
Net profit or loss for the year	**-433**	**-71**

Note 7: Other operating income

	2020	2019
Disposal gains	22	91
Rental income	3	3
Insurance reimbursement	1	5
Sale of emission rights	16	5
Other	5	5
Total other operating income	**47**	**109**

Note 8: Raw materials and cost of goods sold

	2020	2019
Raw materials	-281	-265
Finished goods	-92	-126
Transportation costs	-43	-48
Other cost	-17	-25
Total raw materials and cost of goods sold	**-433**	**-464**

Note 9: Other operating expenses

	2020	2019
Costs for hired staff	-37	-23
Rent	-12	-11
Repair and maintenance expenses	-69	-67
Consultant fees	-40	-56
Energy costs	-35	-40
IT costs	-14	-11
Insurance costs	-14	-12
Control and environmental fees	-8	-7
Travel expenses	-3	-6
Acquisition related expenses	-34	-
Disposal losses	-7	0
Other	-36	-29
Total other operating expenses	**-309**	**-262**

Other operating expenses include fees to auditors as follows:

Audit fees - PwC	2020	2019
Audit engagement	-3	-3
Other audit in addition to the audit engagement	-1	-1
Tax advice	-	-
Other services	0	-
Total	**-4**	**-4**

In addition to the above, PwC has performed services of approximately SEK 4 million related to the Group's refinancing. The invoiced fee is part of the direct financing expenses that are expensed as interest expense over the term of the loan according to the effective interest method, see also Group note 22.

Audit fees - other audit firms	2020	2019
Audit engagement	0	0
Other audit in addition to the audit engagement	-	-
Tax advice	-	-
Other services	-	-
Total	**0**	**0**

Note 10: Employees and personnel expenses

In the table below, the average number of employees in the Group is specified:

	2020		2019	
	Average employees	thereof women	Average employees	thereof women
Parent company				
Sweden	3	0	3	0
Subsidiaries				
Sweden	128	20	120	20
Norway	32	3	33	3
Poland	41	3	35	3
Switzerland	2	0	3	1
Group total	**206**	**26**	**194**	**27**

Gender distribution of the parent company and the Group for the Board of Directors and the Managing Director:

	2020		2019	
	Number Dec 31	thereof women	Number Dec 31	thereof women
Board members	5	0	5	0
Managing Director	1	0	1	0
Group total	**6**	**0**	**6**	**0**

Salaries and other remuneration, pension costs and social security expenses in total for the Group:

	2020	2019
Salaries and other remuneration	-133	-130
Pension costs	-21	-18
Social security expenses	-29	-30
Other personnel expenses	-4	-3
Total	**-187**	**-181**

Salaries and other remuneration to Board members, senior executives and other employees:

	2020		2019	
	Salaries and other remu-neration (thereof bonuses)	Social security expenses (thereof pensions)	Salaries and other remu-neration (thereof bonuses)	Social security expenses (thereof pensions)
Parent company				
Board and other senior executives	8	4	10	4
	(5)	(1)	(7)	(1)
Other employees	6	2	6	2
	(3)	(1)	(3)	(1)
Parent company total	**14**	**6**	**16**	**6**
Subsidiaries				
Board and other senior executives	11	3	14	3
Other employees	108	41	100	39
Subsidiaries total	**119**	**44**	**114**	**42**
Group total	**133**	**50**	**130**	**48**

Principles for remuneration

Fee to the Board of Directors is totaling SEK 1 M per year.

The Managing Director has a base salary of SEK 3 M. There is no fixed bonus system, but a discretionary bonus, determined by the board and usually runs over a three-year payment period.

Other senior executives have a remuneration level between SEK 1-3 M as base salary, while other senior executives working on a consultancy basis, are invoicing their time on basis of the agreement and time spent, see also Group Note 11.

Other senior executives are included in the same discretionary bonus arrangements as the Managing Director and receive any bonus decided upon over a three-year period, except other senior executives who work on a consultancy basis and who receive their entire bonus in connection with decisions. A prerequisite for payment is that the employees covered by the agreements are still employed within the Group at the time of payment.

In addition to the discretionary bonus arrangements, the Group has signed agreements on cash-settled share-based remuneration with the Managing Director, two other senior executives and two additional employees.

Remuneration is paid on the sale of shareholders' shareholdings in the parent company Solör Bioenergi Holding AB, based on the shareholders' circumstances at the time of signing the agreement, to external third parties and is based on price per share. Payment is made over a three-year period; of which one-third is paid in connection with a possible change of ownership, one-third is paid 18 months after a possible change of ownership, and one-third is paid 36 months after a possible change of ownership.

Remuneration is also paid in connection with the payment of dividends to the parent company's shareholders. Payment is made on one occasion in connection with the payment of the dividend to the parent company's shareholders.

The agreement includes a total of 467,836 synthetic shares, of which 146,199 are for the Managing Director, 204,678 are related to other senior executives and 116,959 other employees. There is no higher cap for the compensation, however, 100 percent compensation is defined at a price of SEK 171 per share, which would mean a total cash-settled compensation of SEK 80 M, of which SEK 25 M to the Managing Director, SEK 35 M to other senior executives and SEK 20 M to other employees. The possible compensation for a change of ownership will thus ultimately be calculated based on the price per share multiplied by the number of synthetic shares issued.

Dividends paid to the parent company's shareholders have resulted in share-based payments totaling SEK 4.9 million (2.5) excluding social security contributions, of which SEK 1.5 million (0.8) to the Managing Director, SEK 2.2 million (1.1) to other senior executives, and SEK 1.2 million (0.6) to other employees.

In 2019, Polhem Infra KB acquired shares in Solör Bioenergi Holding AB. This shareholder change resulted in share-based payments totaling SEK 13.5 million excluding social security contributions, of which SEK 4.2 million to the Managing Director, SEK 5.9 million to other senior executives, and SEK 3.4 million to other employees.

As of the balance sheet date, the unpaid liability for share-based payment amounts to SEK 9.0 million (11.0), of which SEK 2.8 million (4.2) to the Managing Director, SEK 4.0 million (4.0) to other senior executives, and SEK 2.2 million (2.8) to other employees.

During the financial year, the Board decided to distribute a discretionary bonus to the Group's employees totaling SEK 11.4 million (8.2) excluding social security contributions, of which SEK 3.0 million (1.5) to the Managing Director, SEK 5.6 million (4.4) to other senior executives and SEK 2.8 million (2.3) to other employees. As of the balance sheet date, the unpaid bonus liability amounts to SEK 8.1 million (6.5), of which SEK 2.5 million (1.5) to the Managing Director, SEK 3.4 million (2.6) to other senior executives, and 2.2 MSEK (2.4) to other employees.

Pensions

There are no defined benefit pension plans in the Group, neither to current nor former employees. All employees, including senior executives have defined contribution pension plans.

Termination and severance pay

The notice period for all senior executives is between three and six months. No contractual severance pay is determined, except for the Managing Director who has a severance pay equal to six months' salaries.

The table below outlines the remuneration of senior executives:

2020 *thousands kronor*	Board remu- neration	Base salary	Bonus	Benefits in kind	Pension costs	Total
Board of Directors						
Martinus Brandal (chairman)	250	-	-	-	-	250
Ola Strøm (vice chairman)	250	-	-	-	-	250
Jonathan F. Finn	250	-	-	-	-	250
Erik A. Lynne	250	-	-	-	-	250
Oskar Backman	-	-	-	-	-	0
Managing Director						
Anders Pettersson	-	3,064	4,530	63	585	8,242
Other senior executives						
(3 persons)*	-	8,085	7,339	44	1,219	16,687
Total	**1,000**	**11,149**	**11,869**	**107**	**1,804**	**25,929**
thereof parent company	*1,000*	*3,064*	*4,530*	*63*	*585*	*9,242*
thereof subsidiaries	*-*	*8,085*	*7,339*	*44*	*1,219*	*16,687*

* A senior executive has invoiced his fee to one of the Group's subsidiaries. The total invoiced amount for the financial year 2020 amounts to SEK 4,042 thousand and is included in the amount reported in the column for base salary in the table. The statement of profit or loss does not include this cost among personnel expenses but among other operating expenses. See also the Group's note 11.

2019 *thousands kronor*	Board remu- neration	Base salary	Bonus	Benefits in kind	Pension costs	Total
Board of Directors						
Martinus Brandal (chairman)	250	-	-	-	-	250
Ola Strøm (vice chairman)	250	-	-	-	-	250
Jonathan F. Finn	250	-	-	-	-	250
Erik A. Lynne	250	-	-	-	-	250
Oskar Backman	-	-	-	-	-	0
Managing Director						
Anders Pettersson	-	3,072	6,514	53	642	10,281
Other senior executives						
(4 persons)**	-	24,151	9,096	83	1,329	34,659
Total	**1,000**	**27,223**	**15,610**	**136**	**1,971**	**45,940**
thereof parent company	*1,000*	*18,470*	*6,514*	*53*	*642*	*26,679*
thereof subsidiaries	*-*	*8,753*	*9,096*	*83*	*1,329*	*19,261*

** Two senior executives have invoiced their fees. The total invoiced amount for the 2019 financial year amounts to SEK 19,138 thousands (18,797), whereof invoiced to the parent company SEK 15,398 thousands (15,016). In the statement of profit or loss, the amounts are not included among personnel expenses but among other operating expenses. See also Group Note 11.

Note 11: Related party transactions

The Group has conducted various transactions with related parties. All transactions are carried out as part of the regular business operations and to market conditions. No securities have been issued by the Group on behalf of related parties.

Related party	Relationship
BE Bio Energy Group AG	Solör Bioenergi Holding AB's parent company, at the balance sheet date, directly or indirectly through it's shareholdings in Nordic Infrastructure AG, holds 50.00 percent (50.00) of the shares and votes in Solör Bioenergi Holding AB.
Polhem Infra KB	Polhem Infra KB holds at the balance sheet date 21.45 percent (21.45) of the shares and votes in Solör Bioenergi Holding AB.
Contactit AG	The group company Solör Bioenergi AG has a consultant agreement with Contactit AG regarding technical services. Contactit AG is owned by one of the Group's senior executives.
Jilkén & Jilkén AG	Solör Bioenergi Holding AB had during 2019 a consultant agreement with Jilkén & Jilkén AG regarding legal services. One of the owners of Jilkén & Jilkén AG was during 2019 a senior executive in the Group.
Daniel Jilkén	Shareholder in Jilkén & Jilkén AG.

2020 Related party	Total amount invoiced	Thereof with direct effect in the form of expense in profit or loss	Liability at balance sheet date
BE Bio Energy Group AG	-36	-21	-
Polhem Infra KB	-6	-6	-
Contactit AG	-4	-4	-
	-46	**-31**	**-**

2019 Related party	Total amount invoiced	Thereof with direct effect in the form of expense in profit or loss	Liability at balance sheet date
BE Bio Energy Group AG	-25	-10	-
Contactit AG	-4	-4	-
Jilkén & Jilkén AG	-15	-15	-
Daniel Jilkén	-6	-6	-
	-50	**-35**	**-**

In addition to what is presented in the tables above, the parent company Solör Bioenergi Holding AB, by the end of the financial year 2019, also had a liability to shareholders of SEK 25 M relating to decided but not yet paid dividend. The liability was fully paid during February and March 2020.

Note 12: Financial items

	2020	2019
Financial income		
Interest income	1	1
Foreign currency exchange gains	3	0
Gain on derivative instruments	-	2
Other financial income	0	1
Total financial income	**4**	**4**
Financial expenses		
Interest expenses	-409	-258
Foreign currency exchange losses	-2	-2
Loss on derivative instruments	-51	-
Expenses in connection to refinancing	-59	-
Other financial expenses	-17	-12
Total financial expenses	**-538**	**-272**
Financial net	**-534**	**-268**

Interest expenses	**2020**	**2019**
Interest expenses SFA	-62	-60
Interest expenses JFA	-113	-102
Interest expenses bond loan	-22	-26
Interest expenses leasing	-4	-9
Other interest expenses	-4	-10
Expensed refinancing transaction fees according to the effective interest method	-48	-51
Expensed remaining transaction fees in connection to refinancing	-156	-
Total interest expenses	**-409**	**-258**

Received interest amounts to SEK 1 M (1), while paid interest amounts to SEK -135 M (-171).

Note 13: Tax

Specification of major components of tax expense/income for the year:

	2020	2019
Current tax		
Tax expense for the period	-2	-3
Adjustments relating to prior periods	2	2
Total current tax	**0**	**-1**
Deferred tax		
Change in temporary differences	31	14
Change in tax losses carryforward	23	2
Effect of changes in income tax rate	0	0
Total deferred tax	**54**	**16**
Total tax	**54**	**15**

There has been no income tax effect posted in other comprehensive income or directly in equity.

Reconciliation of effective tax for the year:

	2020	2019
Profit or loss before tax	**-487**	**-86**
Tax based on the parent company's tax rate (21.4 %)	104	18
Effect of foreign tax rates	0	0
Non deductible expenses (permanent differences)	-80	-42
Non taxable income (permanent differences)	5	1
Effect of unrecognized tax value i current year's tax losses carryforward	-66	-19
Effect of utilized unrecognized tax value from prior year's tax losses carryforward	88	53
Effect of changes in income tax rate	0	0
Prior year adjustments/other	3	4
Total tax	**54**	**15**

Specification of net deferred tax liability:

	2020	2019
Property, plant and equipment (including excess depreciation)	-564	-432
Intangible assets	-48	-6
Other temporary differences	12	-3
Recognized tax losses carryforward	40	20
Net deferred tax liability	**-560**	**-421**
thereof deferred tax asset	*12*	*1*
thereof deferred tax liability	*-572*	*-422*

Development of net deferred tax liability for the period:

	2020	2019
Opening balance January 1	-421	-423
Effect of acquired subsidiaries	-194	-18
Deferred tax of the period recognized in profit or loss	54	16
Currency translation effects	1	4
Closing balance December 31	**-560**	**-421**
thereof deferred tax asset	*12*	*1*
thereof deferred tax liability	*-572*	*-422*

2020	**Opening balance**	**Deferred tax recognized in profit or loss**	**Effect of acquired subsid-iaries**	**Foreign currency effects**	**Closing balance**
Property, plant and equipment (including excess depreciation)	-432	11	-147	4	-564
Intangible assets	-6	5	-47	-	-48
Other temporary differences	-3	15	0	0	12
Recognized tax losses carryforward	20	23	-	-3	40
Net deferred tax liability	**-421**	**54**	**-194**	**1**	**-560**

2019	**Opening balance**	**Deferred tax recognized in profit or loss**	**Effect of acquired subsid-iaries**	**Foreign currency effects**	**Closing balance**
Property, plant and equipment (including excess depreciation)	-450	32	-18	4	-432
Intangible assets	-9	3	-	-	-6
Other temporary differences	18	-21	0	0	-3
Recognized tax losses carryforward	18	2	0	0	20
Net deferred tax liability	**-423**	**16**	**-18**	**4**	**-421**

Due to remaining uncertainty regarding the Group's ability to utilize tax losses carry forward within a foreseeable future, deferred tax assets related to tax losses carry forward corresponding to SEK 688 M (885), have not been recognized in the statement of financial position. Unrecognized tax losses carry forward are attributable to the Swedish operations corresponding to SEK 300 M (403) and the Norwegian operations corresponding to SEK 388 M (482), giving an unrecognized deferred tax effect of SEK 62 M (86) and SEK 85 M (106). There is no limitation in time for using the tax losses carryforward in Sweden and Norway against taxable profits in the future. The income tax rate in Sweden was during the financial year 21,4 percent. For financial years beginning on or after January 1, 2021, the income tax rate has been decreased to 20.6 percent. The income tax rate in Norway was 22.0 percent during the financial year.

Note 14: Intangible assets

Goodwill

Goodwill in the Group amounts to SEK 34 M (34) at the end of the financial year.

Goodwill	**2020**	**2019**
Opening balance January 1	34	34
Carrying amount	**34**	**34**

Goodwill is not amortized but tested annually for impairment. Goodwill is attributable to the cash generating units (CGU's) Charlottenberg and Svenljunga, both included in the subsidiary Solör Bioenergi Fjärrvärme AB.

Goodwill	**2020**	**2019**
CGU Charlottenberg	10	10
CGU Svenljunga	24	24
Carrying amount	**34**	**34**

Goodwill per country	**2020**	**2019**
Sweden	34	34
Total goodwill	**34**	**34**

In accordance with IAS 36, the goodwill is tested annually for impairment. The impairment test is performed as of December 31. Upon impairment testing, the recoverable amount is determined based on an assessment of the value in use. The value in use is calculated by discounting expected future cash flows after tax, discounted by an interest rate reflecting maturity and risk. The forecasts for cash flows are based on budget approved by management and covers a period of 5 years. The detailed budget is extrapolated over the useful life of this type of long-term asset. The main assumptions on which cash flow forecasts are based are sales volumes and prices based on experience and historical figures combined with assumptions based on external sources of information such as expectations of price development in the market.

After the forecast period, the growth rate in net cash flows is estimated at 2.5 percent (2.5), reflecting the market according to the Group's experience.

The interest rate used to discount cash flows is 7.0 percent (7.0) after tax, which represents a rate of 8.2 percent before tax (8.2) for CGU Charlottenberg and 8.5 percent before tax (8.5) for CGU Svenljunga.

Both CGU's have been tested for sensitivity. For the CGU Charlottenberg headroom is SEK 198 M (183). For the CGU Svenljunga headroom is SEK 208 M (196). A change of the pretax interest rate with +1 percent would not cause impairment neither for CGU Charlottenberg nor the CGU Svenljunga. Impairment would be needed upon an increase of the pretax interest rate with 27.5 percentage points (20.3) for CGU Charlottenberg and 20.8 percentage points (17.2) for CGU Svenljunga.

The sensitivity analysis includes goodwill, intangible assets and tangible assets. Any impairment in excess of the carrying amount of goodwill will also imply an impairment of intangible and tangible assets.

Other intangible assets

Other intangible assets consist of customer contracts, licenses and software that are normally acquired in connection with business acquisitions.

	2020	2019
Accumulated cost		
Opening balance January 1	207	195
Business combinations	229	9
Disposals	-17	0
Currency translation differences	-1	3
Closing balance December 31	**418**	**207**
Accumulated depreciation		
Opening balance January 1	-164	-143
Depreciations	-25	-23
Disposals	17	0
Currency translation differences	0	2
Closing balance December 31	**-172**	**-164**
Carrying amount	**246**	**43**

Useful lives for intangible assets are between 5 and 20 years. Amortisation is carried out on a straight-line basis.

Specification of intangible non-current assets	**2020**	**2019**
Customer contracts	244	11
Licenses	1	31
Software	1	1
Carrying amount	**246**	**43**

Other intangible assets per country	**2020**	**2019**
Sweden	237	33
Norway	1	1
Poland	8	9
Total intangible assets	**246**	**43**

Note 15: Property, plant and equipment

	Buildings and land		Energy centrals, machines and other technical equipment		Other equipment		Construction in progress	
	2020	2019	2020	2019	2020	2019	2020	2019
Accumulated cost								
Opening balance January 1	1,095	964	4,781	4,533	45	44	127	74
Additions	6	79	56	128	6	4	179	128
Business combinations	52	23	794	147	0	1	39	0
Disposals	-27	0	-102	-103	0	-4	-3	0
Reclassification	341	21	49	53	-4	0	-156	-74
Currency translation differences	-29	8	-83	23	-1	0	-8	-1
Closing balance December 31	**1,438**	**1,095**	**5,495**	**4,781**	**46**	**45**	**178**	**127**
Accumulated depreciation								
Opening balance January 1	-97	-51	-1,199	-1,098	-28	-27	-	-
Depreciations	-42	-37	-176	-155	-3	-4	-	-
Disposals	9	0	15	56	0	3	-	-
Reclassification	-171	-6	-62	6	3	0	-	-
Currency translation differences	13	-3	12	-8	1	0	-	-
Closing balance December 31	**-288**	**-97**	**-1,410**	**-1,199**	**-27**	**-28**	**-**	**-**
Accumulated impairment								
Opening balance January 1	-8	-8	-192	-177	-5	-6	-	-
Impairment/reversal of impairment	-	-	-13	-9	-	-	-	-
Disposals	-	-	82	-	-	1	-	-
Reclassification	-	-	-	-	-	-	-	-
Currency translation differences	-	-	12	-6	0	-	-	-
Closing balance December 31	**-8**	**-8**	**-111**	**-192**	**-5**	**-5**	**-**	**-**
Carrying amount	**1,142**	**990**	**3,974**	**3,390**	**14**	**12**	**178**	**127**

Construction in progress consists of on-going projects in the Group. The Group's project expenditures are capitalized or expensed depending on the probability of retaining a future economic value. Expenditures include both externally purchased services and internal direct and indirect wages and wage-related costs.

The carrying amount at the end of the financial year related to rights of use assets according to leases agreements, recognized among property, plant and equipment, amounts to SEK 59 M (75), of which SEK 44 M (50) is reported in the item “Buildings and land” and SEK 15 M (25) in the item “Energy centrals, machinery and other technical equipment”.

The carrying amount reported within the item "Buildings and land" refers to rental agreements for land and premises, preferably within the Group's biomass operations, while the carrying amount reported within the item "Energy centrals, machinery and other technical equipment" refers essentially to the rental of machines within the Group's biomass operations.

Otherwise, the Group has not signed any commitments for new investments in property, plant and equipment.

Property, plant and equipment per country	2020	2019
Sweden	4,035	3,204
Norway	1,163	1,199
Poland	110	116
Total property, plant and equipment	**5,308**	**4,519**

Note 16: Inventories

	2020	2019
Raw materials and fuel	103	73
Finished goods	66	29
	169	**102**

No impairment of inventories has been recognized during the financial year. Costs for raw materials and cost of goods sold is presented in Group Note 8.

Note 17: Accounts receivable

Accounts receivables are non-interest bearing and generally have an average credit period of 30 days. As of the balance sheet date, the Group had the accounts receivable as shown in the table below, which also shows the age analysis of accounts receivable and provisions for bad debt:

	2020		2019	
	Gross amount (sum of invoice amount)	Provision for bad debt	Gross amount (sum of invoice amount)	Provision for bad debt
Accounts receivable, not overdue as at Dec 31	123	-	138	-
Accounts receivable, overdue as at Dec 31				
< 30 days	10	-	13	-
30-60 days	1	-	1	-
60-90 days	0	0	2	-1
> 90 days	2	-1	0	0
	136	-1	154	-1
Accounts receivable, gross amount	136		154	
Provision for bad debt	-1		-1	
Accounts receivable, carrying amount	**135**		**153**	

The provision for bad debt has changed according to the following:

	2020	2019
Opening balance January 1	-1	-2
Current year's provisions	-2	0
Realized losses	2	0
Reversal of provisions	0	0
Foreign currency exchange rate differences	0	1
Closing balance December 31	**-1**	**-1**

The Group applies the simplified method for calculating expected credit losses. The method means that expected losses during the entire term of the receivable are used as a starting point for accounts receivable.

In order to calculate expected credit losses, accounts receivable have been grouped based on credit risk characteristics and the number of days delayed.

Note 18: Other receivables

	2020	2019
VAT receivable	15	9
Receivable on tax account	3	1
Other	14	11
	32	**21**

Note 19: Accrued income

	2020	2019
Accrued revenue from energy sales	91	78
Other	0	1
	91	**79**

Note 20: Cash and cash equivalents

In the statement of financial position and the statement of cash flows, cash and cash equivalents consist of the following items as of December 31:

	2020	2019
Cash and bank balances	133	189
Total cash and cash equivalents	**133**	**189**

Note 21: Share capital, information regarding shareholders and dividend

	2020	2019
No. of ordinary shares, quoted value SEK 10.85	31,330,570	31,330,570

All shares have equal rights to the company's remaining net assets. Owners of ordinary shares are entitled to dividends and the shareholdings entitles the shareholder to vote at the Annual General Meeting with one vote per share. All shares are fully paid and no shares are reserved for transfer. No shares are held by the company itself or its subsidiaries. Changes in share capital and other contributed capital of the Group:

	2020			2019		
thousands kronor	Share capital	Other contributed capital	Total	Share capital	Other contributed capital	Total
Ordinary shares issued and paid at the beginning of the year	339,996	584,257	924,253	337,174	584,257	921,431
Redemption of shares			0			0
Bonus issue			0	2,822		2,822
Ordinary shares issued and paid at the end of the year	**339,996**	**584,257**	**924,253**	**339,996**	**584,257**	**924,253**

During the financial year 2020, dividend of SEK 300 million was decided for the parent company's shareholders, of which SEK 150 million at the Extraordinary General Meeting (EGM) in March and SEK 150 million at the EGM in July. The dividend decided at the EGM in March was paid during the same month, while the dividend decided at the EGM in July was paid in the amount of SEK 80 million during the same month, while the remaining part of SEK 70 million was paid in August.

During the financial year 2019, dividend of SEK 110.8 million was decided for the parent company's shareholders, of which SEK 40.8 million at the Annual General Meeting (AGM) in April and SEK 70 million at the EGM in June. The dividend decided at the AGM in April was paid during the same month, while the dividend decided at the EGM in June was paid out with SEK 45 million during the same month, while the remaining part of SEK 25 million was paid out during February and March 2020.

	31 Dec 2020		31 Dec 2019	
Shareholder	Number of shares	Ownership in percent	Number of shares	Ownership in percent
Nordic Infrastructure AG*	15,640,079	49.92%	15,640,079	49.92%
Highview Finance Holding Company Limited	7,798,630	24.89%	7,798,630	24.89%
Polhem Infra KB	6,719,329	21.45%	6,719,329	21.45%
YRC Worldwide, Inc. Master Pension Plans Trust	1,146,532	3.66%	1,146,532	3.66%
BE Bio Energy Group AG	26,000	0.08%	26,000	0.08%
Total	**31,330,570**	**100.00%**	**31,330,570**	**100.00%**

*The company is fully owned by av BE Bio Energy Group AG

Solör Bioenergi Holding AB is a subsidiary of BE Bio Energy Group AG with its registered office in Switzerland. The parent company's address is: Zollikerstrasse 226, 8008 Zürich, Switzerland. BE Bio Energy Group AG's direct and indirect shareholdings in Solör Bioenergi Holding AB amount to 15,666,079 shares as of the balance sheet date, which corresponds to 50 percent plus an additional 794 shares, i. e. approximately 50,003 percent.

Note 22: Financial instruments and risk management

The main purpose of the Group's management of capital is to ensure that the Group has good creditworthiness and reasonable loan terms that relate to the business being conducted. By complying with all financial covenants, the Group aims to pursue sustainable operations and thereby maximize shareholders' value.

In March 2020, the Group completed its refinancing project. In total, the refinancing replaced all previous financing, such as senior and junior financing, other bank loans in Sweden, bond loans and overdraft facilities in Norway, as well as bank loans and overdraft facilities in Poland.

The Group's new financing is divided into a new senior financing (SFA - Senior Facilities Agreement) and a new junior financing (JFA - Junior Facilities Agreement). The nominal amount of SFA is SEK 3,455 million, while the nominal amount of JFA is SEK 1,740 million. Both loans have a term of 7 years.

SFA and JFA also include investment credits (CAPEX facilities) with a limit of SEK 1,500 million and SEK 535 million, respectively (originally SEK 400 million, increased by SEK 135 million during August 2020). In addition, SFA includes a revolving credit facility (RCF) with a limit of SEK 200 million.

SFA, which has been raised by the group company Solör Bioenergi Management AB, runs over 7 years until March 2027. Until the refinancing, the previous senior financing was taken up by the group company Solör Bioenergi Fjärrvärme AB.

The nominal amount of the senior loan is SEK 3,455 million. SFA also includes investment credit (CAPEX facility) with a limit of SEK 1,500 million and revolving credit facility (RCF) with a limit of SEK 200 million. As of the balance sheet date, unused credit attributable to the investment credit and revolving credit facility amounts to SEK 738 million and SEK 75 million, respectively.

SFA (senior loans and utilized parts of investment credit and revolving credit facility) has a variable interest rate corresponding to 3-month STIBOR, which is fixed quarterly plus a credit margin. 3-month STIBOR amounts to -0.096 percent as of the balance sheet date, while the credit margin as of the balance sheet date amounts to 1.55 percent. The credit margin is adjusted upwards annually at the end of March as follows:

Year 1	1.55%
Year 2	1.60%
Year 3	1.65%
Year 4	1.95%
Year 5	2.15%
Year 6	2.20%
Year 7	2.40%

Unused part of the credit facilities (investment credit and revolving credit facility) is charged with a commitment fee, which is reported as other financial expenses, corresponding to 35 percent of the credit margin, which as of the balance sheet date corresponds to 0.5425 percent.

Interest and commitment fees are paid quarterly on the last bank day in March, June, September and December, respectively.

In connection with the refinancing, in order to reduce the Group's risk exposure to fluctuations in market interests regarding 3-month STIBOR, the Group subscribed interest rate swaps that exchange variable interest according to 3-month STIBOR for a fixed interest rate of 0.4505 percent on part of the senior loan up to SEK 3,330 million. The term of the interest rate swaps is until the end of March 2025.

The fair value of the interest rate swaps amounts to SEK -51 million as of the balance sheet date. The change in value of the interest rate swaps is reported in net financial items. The Solör Bioenergy Group does not apply hedge accounting.

Direct financing expenses attributable to SFA in connection with the most recent refinancing amounted to SEK 152 million. These are expensed over the term of the loan as interest expense in accordance with the effective interest method. The cost during the financial year 2020 amounted to SEK 155 M (43). The cost for 2020 includes a non-recurring cost of SEK 119 million regarding remaining financing expenses from previous senior financing. The remaining part of SEK 36 million is distributed with SEK 7 million until the refinancing and SEK 29 million cost regarding the new financing.

JFA, which has been raised by the group company Solör Bioenergi Holding 2 AB, runs over 7 years until March 2027.

The nominal amount of the junior loan is SEK 1,740 million. JFA also includes two investment credits (CAPEX A and CAPEX B facilities) with a limit of SEK 400 million and SEK 135 million, respectively. As of the balance sheet date, unused credit attributable to investment credits amounts to SEK 78 million and SEK 53 million, respectively.

The junior loan runs for the first three years with a fixed interest rate of 5.51 percent including a credit margin. From the fourth year onwards, the junior loan will have a variable interest rate corresponding to 3-month STIBOR plus a credit margin. The credit margin for year 4 through year 7 is as follows:

Year 4	5.75%
Year 5	5.75%
Year 6	6.25%
Year 7	6.25%

The investment credits (CAPEX A and CAPEX B) run at a variable interest rate corresponding to 3-month STIBOR, which is fixed semi-annually, plus a credit margin. Negative 3-month STIBOR is not taken into account and is calculated as zero (0). The credit margin on the investment credits amounts to the following:

	CAPEX A	CAPEX B
Year 1	6.00%	7.00%
Year 2	6.00%	7.00%
Year 3	6.00%	7.00%
Year 4	6.25%	7.00%
Year 5	6.25%	7.00%
Year 6	6.75%	7.00%
Year 7	6.75%	7.00%

Unused part of the investment credits is charged with a commitment fee of 1.5 percent.

Interest and commitment fees are paid semi-annually on the last bank day in February and August, respectively.

Direct financing expenses attributable to JFA in connection with the most recent refinancing amounted to SEK 35 million. These are expensed over the term of the loan as interest expense in accordance with the effective interest method. The cost during the financial year 2020 amounted to SEK 49 M (8). The cost for 2020 includes a non-recurring cost of SEK 37 million regarding remaining financing expenses from previous junior financing. The remaining part of SEK 12 million refers to interest expense according to the effective interest method of SEK 3 million until the refinancing and SEK 9 million after the refinancing.

The Group's borrowing through SFA and JFA has financial covenants that are measured semi-annually. The credit terms related to SFA and JFA are Interest Coverage Ratio and Leverage Ratio. During 2020 and as of the balance sheet date, all financial covenants are met and there are no indications that these will not be met in the future.

In connection with the acquisition of Solör Bioenergi Glimåkra AB and Solör Bioenergi Hästveda AB, interest-bearing liabilities were added, which as of the balance sheet date amount to SEK 9 million and SEK 7 million, respectively.

Within the Swedish part of the district heating operations, there are a couple of interest-bearing installment contracts regarding acquired wheel loaders. The total debt as of the balance sheet date amounts to SEK 6 million (5), of which the current portion amounts to SEK 1 million (1).

In addition, the Group has several lease agreements, see also Group Note 23.

Essentially the fair values of the Group's financial instruments correspond to the carrying amounts in the statement of financial position. The carrying amount is considered a reasonable approximation of the fair value.

The assessment of the fair value of the financial assets and liabilities has been carried out in accordance with hierarchy level 2 as defined by IFRS 13. The Group uses market assessment and a return value assessment. When applying market assessment, prices and other relevant information from comparable market transactions is used. The valuation technique means that market multiples are calculated based on quantitative and qualitative assessments in the individual cases. When applying return value assessment, present value of future cash flows is calculated. Besides assessment of future cash flows, important input in the valuation technique is also the discount rate reflecting the time value of money, i. e. the risk-free interest rate, and the uncertainty in the cash flows, i. e. the risk premium.

The tables below show the Group’s interest-bearing liabilities at the balance sheet date, as well as the development of the liabilities between the years and the effect on consolidated cash flows from financing activities:

	Carrying amount 2020	Carrying amount 2019
SFA nominal loan	3,455	2,452
Remaining non-exepensed refinancing transaction fees	-122	-126
Utilized investment credit facility SFA	762	291
Utilizedrevolving credit facility SFA	125	80
JFA nominal loan	1,740	1,470
Remaining non-exepensed refinancing transaction fees	-26	-40
Utilized investment credit facility JFA (CAPEX A)	322	90
Utilized investment credit facility JFA (CAPEX B)	82	-
Bond loan	-	382
Other liabilities to credit institutions	21	90
Other bank overdrafts	-	61
Lease obligations	55	61
	6,414	**4,811**

			Non-cash effective changes			
	1 January 2020	Cash flows (new loans + / repayment of loans -)	Business combina-tions	Foreign currency effects	Other	**31 December 2020**
Bond loan	**382**	-393	-	-11	22	**0**
SFA	**2,697**	1,287	-	-	236	**4,220**
JFA	**1,520**	547	-	-	51	**2,118**
Other liabilities to credit institutions	**90**	-281	212	0	-	**21**
Other bank overdrafts	**61**	-69	8	0	-	**0**
Lease obligations	**61**	-7	2	-1	-	**55**
	4,811	**1,084**	**222**	**-12**	**309**	**6,414**

			Non-cash effective changes			
	1 January 2019	Cash flows (new loans + / repayment of loans -)	Business combina-tions	Foreign currency effects	Other	**31 December 2019**
Bond loan	**379**	-10	-	13	-	**382**
SFA	**2,285**	369	-	-	43	**2,697**
JFA	**1,261**	251	-	-	8	**1,520**
Other liabilities to credit institutions	**67**	-5	27	1	-	**90**
Other bank overdrafts	**17**	44	0	0	-	**61**
Lease obligations	**137**	-6	0	0	-70	**61**
	4,146	**643**	**27**	**14**	**-19**	**4,811**

The main financial risks which the Group is exposed to are market risk (interest rate and currency risk), liquidity risk, and to a limited extent credit risk. The Group management continuously assess those risks and establishes guidelines for how they should be handled.

(i) Market risk

Market risk is the risk that fluctuations in market rates, such as interest and exchange rates, will impact the Group’s profits or financial position.

Interest rate risk

Interest rate risk is attributable to fluctuations in market interest rates and their effect on the Group’s loan portfolio. The Group´s interest-bearing debt is mainly subject to variable interest rates, except for the junior loan which during the first three years runs with fixed interest.

In order to reduce the Group's interest rate exposure for future interest rate increases (3-month STIBOR) on the Group's senior loan, Solör Bioenergi Management AB has entered into interest rate swap agreements for parts of the senior debt.

A change in the interest rate of +/- 1 percentage point would affect net financial items by approximately +/- SEK 13 million. The sensitivity analysis has been calculated on the basis of interest-bearing loans at variable interest rates at the end of the financial year, including the effect of financial derivative instruments.

Currency risk

Exchange rate risk is related to changes in the Swedish krona (SEK) against other currencies. After the refinancing, the Group's entire borrowing is in Swedish kronor (SEK) and thus there is no currency risk related to the Group's borrowing. On the other hand, there is a risk exposure attributable to the Group's foreign operations with a functional currency other than the Group's reporting currency. The exchange rate risk is related to the translation of the results and equity of the foreign operations, as the translation is affected by the exchange rate used in translating the results and net assets of the foreign subsidiaries.

(ii) Liquidity risk

Liquidity risk is the risk that the Group cannot meet its financial obligations as they fall due. The Group's approach to manage liquidity risk is to have sufficient funds at any time to meet its financial obligations in time, under both normal and exceptional circumstances, without risking unacceptable losses or at the expense of the Group's reputation.

The liquidity risk also includes refinancing risk, which is linked to the Group's borrowing and the risk that the Group would not meet the financial covenants at each measurement date.

The below tables show an overview of the maturity structure of the Group's financial liabilities based on undiscounted contractual payments:

2020	Within 6 months	6-12 months	Year 2-5	Later than year 5	Total
SFA	43	170	403	4,345	4,961
JFA	20	63	511	2,357	2,951
Other liabilities to credit institutions	2	1	11	13	27
Lease obligations	5	5	29	37	76
Accounts payable	140	-	-	-	140
Accrued expenses	107	-	-	-	107
Total	**317**	**239**	**954**	**6,752**	**8,262**

2019	Within 6 months	6-12 months	Year 2-5	Later than year 5	Total
SFA	41	121	2,858	-	3,020
JFA	54	55	1,848	-	1,957
Bond loan	-	34	397	-	431
Other liabilities to credit institutions	18	78	45	19	160
Lease obligations	6	5	32	42	85
Liabilities to related parties	25	-	-	-	25
Accounts payable	120	-	-	-	120
Accrued expenses	111	-	-	-	111
Total	**375**	**293**	**5,180**	**61**	**5,909**

(iii) Credit risk

The Group is exposed to credit risk related to accounts receivable from sales in the ordinary course of business. There is no significant concentration of credit risk due to the diversified customer base. The Group has guidelines to ensure that sales are made to customers who have not had payment problems and that outstanding amounts do not exceed established credit limits. Maximum risk exposure is represented by the carrying amount of the financial assets in the statement of financial position. For more information regarding accounts receivable, see Group Note 18.

Note 23: Leases

Lease obligations	Note	2020	2019
Opening balance		61	183
New leases		0	12
Cancelled leases		-	-128
Amortization		-6	-6
Closing balance	22	**55**	**61**
thereof non-current part		*48*	*54*
thereof current part		*7*	*7*

Interest expenses on lease obligations	Note	2020	2019
	12	-4	-9

Right of use assets from leases	Note	2020	2019
Buildings and land		44	50
Energy centrals, machinery and other technical equipment		15	25
Carrying amount	15	**59**	**75**

Depreciation on right of use assets from leases	Note	2020	2019
Buildings and land		-3	-3
Energy centrals, machinery and other technical equipment		-5	-8
Total	15	**-8**	**-11**

Lease expense	Note	2020	2019
Short-term leases		-12	-11
Low value leases		0	0
Total	9	**-12**	**-11**

For information on cash outflows and maturity analysis related to leasing agreements, see Group Note 22.

The table below summarizes the effects on the Group's statement of financial position in connection with the first-time application of IFRS 16 as of January 1, 2019.

Leases according to IFRS 16 2019	
Opening balance 1 January 2019 - finance lease obligations according to IAS 17	137
Opening balance 1 January 2019 - furure minimum lease payments on operational leases according to IAS 17	83
Amount representing interest	-24
Short-term leases and low value leases	-13
Opening balance 1 January 2019 - lease obligations according to IFRS 16	183
New leases	12
Cancelled leases	-128
Amortization	-6
Closing balance 31 December 2019 - lease obligations according to IFRS 16	**61**
thereof non-current part	*54*
thereof current part	*7*

Note 24: Other liabilities

	2020	2019
VAT	15	20
Taxes and charges	9	9
Liabilities to staff	47	40
Other	10	6
	81	**75**

Note 25: Accrued expenses

	2020	2019
Accrued interest	43	62
Other accruals	64	49
	107	**111**

Note 26: Pledged assets and contingent liabilities

	2020	2019
Pledged assets		
Property mortages	849	103
Floating charges	307	40
Property, plant and equipment	6	84
Inventories	-	20
Accounts receivable	-	16
Other receivables	-	3
Cash and cash equivalents	-	51
	1,162	**317**

In addition to the above, the Group has pledged shares in Group companies and intra-group receivables in connection with the refinancing. Shares for SFA and JFA are pledged as follows:

Pledging group company	Pledged shares in	Carrying amount
Solör Bioenergi Holding 2 AB	Solör Bioenergi Holding 3 AB	3,940
Solör Bioenergi Holding 3 AB	Solör Bioenergi Management AB	3,940
Solör Bioenergi Management AB	Solör Bioenergi Biobränslen Holding AB	266
	Solör Bioenergi Fjärrvärme AB	3,236
	Solør Bioenergi Holding AS	466
Solör Bioenergi Biobränslen Holding AB	Solör Bioenergi Pellets AB	69
Solör Bioenergi Fjärrvärme AB	Solör Bioenergi Öst AB	177
	Solör Bioenergi Syd AB	598
	Solör Bioenergi Infrastruktur AB	211
	Vasa Värme Holding AB	838
	Solør Bioenergi Varme Holding AS	376
Solør Bioenergi Holding AS	Solør Bioenergi Infrastruktur AS	257
Solør Bioenergi Varme Holding AS	Solør Bioenergi Varme AS	76
	Solör Bioenergi Värme AB	0

	2020	2019
Contingent liabilities		
Guarantee commitments	-	-
Other	0	1
	0	**1**

Note 27: Subsequent events

At the beginning of April 2021, Solör Bioenergi Group entered into an agreement with Nordion Energi regarding the acquisition of Falbygdens Energi AB. The acquisition includes district heating and the fiber network in the sites in Falköping, Stenstorp and Floby. The electricity network operations in Falköping and the surrounding area will continue to be owned and operated by Nordion Energi. Closing is preliminary in early May 2021.

Parent company’s income statement

All amounts in SEK M if not otherwise stated	Note	2020	2019
Net sales	4	50	88
Total operating income		**50**	**88**
Personnel expenses	5	-20	-22
Depreciation and impairment	12.13	-2	-2
Other external costs	6,18,19	-42	-110
Total operating expenses		**-64**	**-134**
Operating profit or loss (EBIT)		**-14**	**-46**
Profit or loss from participation in group companies	7	775	-81
Other interest income and similar profit items	8	0	2
Other interest expenses and similar loss items	9	-3	-14
Financial net		**772**	**-93**
Profit or loss after financial items		**758**	**-139**
Appropriations	10	98	-
Profit or loss before tax		**856**	**-139**
Tax on profit or loss for the year	11	-	-
Net profit or loss for the year		**856**	**-139**

Parent company’s other comprehensive income

All amounts in SEK M if not otherwise stated	Note	2020	2019
Net profit or loss for the year		**856**	**-139**
Other comprehensive income		**-**	**-**
Total comprehensive income		**856**	**-139**

Parent company's balance sheet

All amounts in SEK M if not otherwise stated	**Note**	**31 Dec 2020**	**31 Dec 2019**
Non-current assets			
Other intangible assets	12	1	2
Total intangible assets		**1**	**2**
Equipment	13	0	0
Total property, plant and equipment		**0**	**0**
Participations in group companies	14	2,886	2,781
Other receivables		1	1
Total financial assets		**2,887**	**2,782**
Total non-current assets		**2,888**	**2,784**
Current assets			
Receivables from group companies	16	9	160
Other receivables		0	0
Accured income and prepaid expenses		1	1
Cash and cash equivalents	15	2	5
Total current assets		**12**	**166**
Total assets		**2,900**	**2,950**

All amounts in SEK M if not otherwise stated	Note	31 Dec 2020	31 Dec 2019
Equity			
Share capital	17	340	340
Restricted equity		**340**	**340**
Share premium reserve	17.22	2,154	2,154
Profit or loss brought forward	22	-499	-60
Profit or loss for the year	22	856	-139
Non-restricted equity		**2,511**	**1,955**
Total equity		**2,851**	**2,295**
Non-current liabilities			
Liabilities to group companies	16	-	286
Total non-current liabilities		**0**	**286**
Current liabilities			
Accounts payables		1	1
Liabilities to group companies	16	122	324
Other liabilities		14	43
Accrued expenses and deferred income		2	1
Total current liabilities		**139**	**369**
Total equity and liabilities		**2,990**	**2,950**

Parent company's statement of cash flows

All amounts in SEK M if not otherwise stated	Note	2020	2019
Cash flows from operating activities			
Profit or loss before tax		856	-139
Adjustements for non-cash items			
Difference between recognized interest and received/paid interest	8.9	-	12
Currency translation gains/losses	8.9	3	0
Depreciations and impairment of property, plant and equipment and intangible assets	12.13	2	2
Dividends from group companies	7	-534	-123
Impairment of non-current financial assets	7	45	434
Gain/loss on disposals	7	14	0
Received/distributed group contributions	10	-98	0
Change in working capital			
Change in operating receivables		0	0
Change in operating liabilities		-3	10
Net cash flows from operating activities		**285**	**196**
Cash flows from investing activities			
Acquisition of intangible assets		0	-
Net cash flows from investing activities		**0**	**0**
Cash flows from financing activities			
Net change in deposits/lending from/to group companies		37	-15
Dividends to shareholders		-325	-176
Net cash flows from financing activities		**-288**	**-191**
Net cash flows for the year		**-3**	**5**
Cash and cash equivalents at the beginning of the year		5	0
Cash and cash equivalents at the end of the year		**2**	**5**

Parent company's statement of changes in equity

	Restricted equity	Non-restricted equity			
All amounts in SEK M if not otherwise stated	Share capital	Share premium reserve	Profit or loss brought forward	Profit or loss for the year	Total equity
Equity as of January 1, 2019	**337**	**2,154**	**-204**	**257**	**2,544**
Appropriation of previous year's ernings according to decision of the Annual Shareholders Meeting			257	-257	0
Net profit or loss for the year				-139	-139
Other comprehensive income				-	0
Total comprehensive income	0	0	0	-139	-139
Bonus issue	3		-3		0
Dividend			-110		-110
Equity as of December 31, 2019	**340**	**2,154**	**-60**	**-139**	**2,295**
Appropriation of previous year's ernings according to decision of the Annual Shareholders Meeting			-139	139	0
Net profit or loss for the year				856	856
Other comprehensive income				-	0
Total comprehensive income	0	0	0	856	856
Dividend			-300		-300
Equity as of December 31, 2020	**340**	**2,154**	**-499**	**856**	**2,851**

Parent company's notes

Note 1: Parent company's accounting principles

The parent company has prepared its annual report in accordance with the Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. RFR 2 means that the parent company in the annual report for the legal company shall apply all EU-approved IFRS's and Interpretations as far as possible within the framework of the Annual Accounts Act, the Pension Protection Act and considering the relationship between accounting and taxation. The recommendation specifies the exceptions and additions from/to IFRS to be made.

Differences between the Group's and parent company's accounting principles are described below. The accounting principles of the parent company have been consistently applied in all periods presented in the parent company's financial statements.

<u>Classification and presentation</u>

Income statement and balance sheet for the parent company are presented in accordance with the Annual Accounts Act, while statement of other comprehensive income, statement of changes in equity and statement of cash flows are based on IAS 1 Preparation of Financial Statements and IAS 7 Statement of Cash Flows.

<u>Subsidiaries and associated companies</u>

Shares in subsidiaries and associated companies are accounted at the cost method. This means that transaction costs are included in the carrying amount of the shares in subsidiaries and associated companies.

<u>Shareholder contributions</u>

Shareholder contributions are accounted as an increase in shares to the extent impairment is not required.

<u>Group contributions</u>

Group contributions are presented as appropriations.

<u>Financial instruments</u>

In accordance with the rules of the Swedish Financial Reporting Board's recommendation RFR 2, and the relationship between accounting and taxation, the rules on financial instruments and hedge accounting in IFRS 9 are not applied in the parent company as legal entity. Those rules are only applied in the consolidated accounts. In the parent company financial non-current assets are measured at cost less any impairment and financial current assets at the lower of cost and fair value. Liabilities that do not constitute derivatives are measured at amortized cost. Derivative assets are measured at the lower of cost and fair value and derivative liabilities are measured to the highest value principle.

<u>Financial guarantees</u>

The parent company's financial guarantee agreements mainly consist of capital guarantees on behalf of subsidiaries. Financial guarantees mean that the company has an obligation to compensate the holder of the debt instrument for losses it incurs because a specified debtor fails to make payments when due under the contract terms. When accounting for financial guarantees, the parent company applies one of the Swedish Financial Reporting Board's approved exemption rule in comparison to the rules in IFRS 9. The exemption rule pertains to financial guarantees issued on behalf of subsidiaries and associated companies. The parent company presents financial guarantees as provisions in the balance sheet when the company has a commitment for which payment will probably be required to settle the obligation.

Leases

The parent company accounts all leases as operating leases.

Untaxed reserves

Untaxed reserves include deferred tax liabilities in the parent company's presentation. In the consolidated accounts, untaxed reserves are divided into deferred tax liabilities and equity.

Note 2: Information regarding the parent company

Solör Bioenergi Holding AB is a subsidiary of BE Bio Energy Group AG, corporate registration number CHE-115.475.915 with its registered office in Zürich, Switzerland.

Note 3: Significant judgements and estimates

The parent company's most significant judgements and estimates relate to the valuation of shares in subsidiaries. Changes in profitability and future cash generation capabilities in the underlying business may affect the value of the parent company's holdings in subsidiaries.

Note 4: Net sales

The parent company's net sales in all material aspects consists of group internal services.

Net sales divided in group external and group internal	2020	2019
Group external	0	0
Group internal	50	88
Total net sales	**50**	**88**

Of the net sales, SEK 21 M (38) pertains to further invoiced costs.

Net sales divided per country	2020	2019
Sweden	45	74
Other countries	5	14
Total net sales	**50**	**88**

Note 5: Employees and personnel expenses

The table below shows the average number of employees and the gender distribution:

	2020	2019
Average number of employees	3	3
(thereof women)	*(0)*	*(0)*

Salaries and other remuneration, social security expenses including pension costs amounts to the following for the parent company:

	2020	2019
Salaries and other remuneration	14	16
Social security expenses	6	6
(thereof pension costs)	*(2)*	*(2)*

Of the pension costs, SEK 1 M (1) is related to the Board of Directors and Managing Director. The company has only defined contribution pension plans and there are no outstanding pension commitments.

The table below shows salaries and other remuneration divided on Board of Directors and Managing Director and other employees:

	2020		2019	
	Board and MD	Other employees	Board and MD	Other employees
Salaries and other remuneration	8	6	10	6
(thereof bonuses)	*(5)*	*(3)*	*(7)*	*(3)*

The Managing Director has under the current agreement a gross salary of SEK 3 M per year and 6 months' notice. Upon termination by the company, in addition to salary during the notice period, severance pay equivalent to 6 months' salaries shall be paid.

There is no fixed bonus system, but a discretionary bonus, determined by the board and usually runs over a three-year payment period. A prerequisite for payment is that the employees covered by the agreements are still employed within the Group at the respective payment occasion.

In addition to the discretionary bonus arrangements, the Group has signed agreements on cash-settled share-based remuneration with the Managing Director, two other senior executives and two additional employees. Remuneration is paid on the sale of shareholders' shareholdings in the parent company Solör Bioenergi Holding AB, based on the shareholders' circumstances at the time of signing the agreement, to external third parties and is based on price per share. Payment is made over a three-year period; of which one-third is paid in connection with a possible change of ownership, one-third is paid 18 months after a possible change of ownership, and one-third is paid 36 months after a possible change of ownership.

Remuneration is also paid in connection with dividends to the parent company's shareholders. Payment is made at one time in connection with the dividend to the parent company's shareholders.

The agreement includes a total of 204,678 synthetic shares, of which 146,199 are for the Managing Director. There is no higher cap for the compensation, however, 100 percent compensation is defined at a price of SEK 171 per share, which would mean a total cash-settled compensation of SEK 35 M, of which SEK 25 M to the Managing Director. The possible compensation for a change of ownership will thus ultimately be calculated based on the price per share multiplied by the number of synthetic shares issued.

In 2020, the parent company distributed SEK 300 million to its shareholders. This dividend resulted share-based payments of a total of SEK 2.1 million excluding social security contributions, of which SEK 1.5 million to the Managing Director.

In 2019, Polhem Infra KB acquired shares in Solör Bioenergi Holding AB. This shareholder change resulted in share-based remuneration of a total of SEK 5.9 million excluding social security contributions, of which SEK 4.2 million to the Managing Director.

As of the balance sheet date, the unpaid liability for share-based payments excluding social security contributions amounts to SEK 4.0 million (5.9), of which SEK 2.8 million (4.2) to the Managing Director.

During the financial year, the Board decided to distribute discretionary bonuses to the employees of the parent company with a total of SEK 5.7 million (4.1) excluding social security contributions, of which SEK 3.0 million (1.5) to the Managing Director. As of the balance sheet date, the unpaid bonus liability excluding social security contributions amounts to SEK 4.6 million (2.4), of which SEK 2.5 million (1.5) to the Managing Director.

The tables below set out the remuneration of Board members and the Managing Director:

2020 *thousands kronor*	Board remu- neration	Base salary	Bonus	Benefits in kind	Pension costs	Total
Board of Directors						
Martinus Brandal (chairman)	250	-	-	-	-	250
Ola Strøm (vice chairman)	250	-	-	-	-	250
Jonathan F. Finn	250	-	-	-	-	250
Erik A. Lynne	250	-	-	-	-	250
Oskar Backman	-	-	-	-	-	0
Managing Director						
Anders Pettersson	-	3,064	4,530	63	585	8,242
Total	**1,000**	**3,064**	**4,530**	**63**	**585**	**9,242**

2019 *thousands kronor*	Board remu- neration	Base salary	Bonus	Benefits in kind	Pension costs	Total
Board of Directors						
Martinus Brandal (chairman)	250	-	-	-	-	250
Ola Strøm (vice chairman)	250	-	-	-	-	250
Jonathan F. Finn	250	-	-	-	-	250
Erik A. Lynne	250	-	-	-	-	250
Oskar Backman	-	-	-	-	-	0
Managing Director						
Anders Pettersson	-	3,072	6,514	53	642	10,281
Total	**1,000**	**3,072**	**6,514**	**53**	**642**	**11,281**

Note 6: Other external costs

	2020	2019
Consulting fees, group internal	-7	-47
Consulting fees, related parties	-12	-46
Consulting fees, other	-6	0
Insurance premiums	-12	-8
Other	-5	-9
Total other external costs	**-42**	**-110**

Group internal consulting fees primarily refer to personnel-related services performed on behalf of the parent company by personnel employed in other Group companies, together with travel expenses and other associated administrative expenses. For information on consulting fees from related parties, see Note 18. Insurance premiums have been re-invoiced to other Group companies.

Audit fees - PwC	2020	2019
Audit engagement	0	-1
Other services	0	0
Total	**0**	**-1**

Audit engagement costs refer to the statutory audit of the annual accounts and the Board of Directors' and the Managing Director's duties, as well as audit or other review conducted in accordance with a specific engagement agreement. This includes other duties that are incumbent on the company's auditor, and advice or other assistance arising from observations during such examination or implementation of such other tasks.

Note 7: Profit or loss from participation in group companies

	2020	2019
Dividend	834	353
Gain/loss on disposal	-14	0
Impairment	-45	-434
Total	**775**	**-81**

Note 8: Interest income and similar profit items

	2020	2019
Interest income, group external	0	0
Interest income, group internal	-	2
Currency translation gains, group internal	-	0
Total	**0**	**2**

Received interest amounts to SEK 0 M (0).

Note 9: Interest expenses and similar loss items

	2020	2019
Interest expenses, group external	0	0
Interest expenses, group internal	-	-
Currency translation losses, group external	0	0
Currency translation losses, group internal	-3	-14
Total	**-3**	**-14**

Paid interest amounts to SEK 0 M (0).

Note 10: Appropriations

	2020	2019
Distributed group contribution	0	-
Received group contribution	98	-
Total	**98**	**0**

Note 11: Tax on profit or loss for the year

Tax expense/income for the period consists of the following breakdown between current and deferred tax:

	2020	2019
Curent tax	-	-
Deferred tax	-	-
Total tax	**0**	**0**

The following table summarizes the reconciliation between actual and theoretical tax expense/income:

	2020	2019
Profit or loss before tax	**856**	**-139**
Tax based on current income tax rate 21.4 percent	-183	30
Non-deductible expenses	-14	-101
Non-taxable income	178	75
Effect of unrecognized tax value in current year´s tax losses carryforward	-	-4
Effect of utilized unrecognized tax value from prior year's tax losses carryforward	19	-
Total tax	**0**	**0**

At the end of the financial year, the company has no unused tax loss carryforwards. Last year, the unutilized tax loss carryforward amounted to SEK 88 million, for which no deferred tax asset of SEK 19 million was reported.

Note 12: Intangible assets

	2020	2019
Accumulated cost		
Opening balance January 1	8	8
Additions	-	-
Closing balance December 31	**8**	**8**
Accumulated depreciation		
Opening balance January 1	-6	-4
Depreciations	-1	-2
Closing balance December 31	**-7**	**-6**
Carrying amount	**1**	**2**

Intangible assets refer software and databases for monitoring and analysis of the subsidiaries' results and economic development.

Note 13: Property, plant and equipment

Equipment	2020	2019
Accumulated cost		
Opening balance January 1	0	0
Additions	1	-
Disposals	-	-
Closing balance December 31	**1**	**0**
Accumulated depreciation		
Opening balance January 1	0	0
Depreciations	-1	0
Disposals	-	-
Closing balance December 31	**-1**	**0**
Carrying amount	**0**	**0**

The parent company's property, plant and equipment relate to the head office's furniture and equipment.

Note 14: Participation in group companies

	2020	2019
Accumulated cost		
Opening balance January 1	6,224	5,623
Acquisition	376	301
Disposal	-4,799	-
Shareholders' contribution	1,130	300
Closing balance December 31	**2,931**	**6,224**
Accumulated impairment		
Opening balance January 1	-3,443	-3,009
Disposal	3,443	-
Impairment	-45	-434
Closing balance December 31	**-45**	**-3,443**
Carrying amount	**2,886**	**2,781**

The following table details the carrying amount per subsidiary:

	2020	2019
Solør Bioenergi Holding AS	-	466
Solör Bioenergi Biobränslen Holding AB	-	213
Solör Bioenergi Holding 2 AB	2,630	1,500
Solör Bioenergi Holding 3 AB	-	300
Solör Bioenergi AG	-	1
Rindi Energi AB	256	301
Solör Bioenergi HoldCo Ett AB	0	0
Solör Bioenergi Europe AB	-	0
Closing balance December 31	**2,886**	**2,781**

Number of owned shares in each subsidiary and the percentage of shareholdings:

2020	**Number of shares**	**Stake in percent**
Solör Bioenergi Holding 2 AB	500	100%
Rindi Energi AB	1,578,542	100%
Solör Bioenergi HoldCo Ett AB	100	100%

2019	**Number of shares**	**Stake in percent**
Solør Bioenergi Holding AS	55,216	100%
Solör Bioenergi Biobränslen Holding AB	500	100%
Solör Bioenergi Holding 2 AB	500	100%
Solör Bioenergi Holding 3 AB	50,000	100%
Solör Bioenergi AG	1,000,000	100%
Rindi Energi AB	1,578,542	100%
Solör Bioenergi HoldCo Ett AB	100	100%
Solör Bioenergi Europe AB	100	100%

Number of shares relates to both shares and votes.

The subsidiaries corporate identity numbers and headquarters:

	Corp. Id. Number	Headquarter
Solør Bioenergi Holding AS	989,244,051	Kirkenær, Norway
Solör Bioenergi Biobränslen Holding AB	556946-3432	Stockholm, Sweden
Solör Bioenergi Holding 2 AB	556982-8469	Stockholm, Sweden
Solör Bioenergi Holding 3 AB	556873-8552	Stockholm, Sweden
Solör Bioenergi AG	CHE-152787201	Zürich, Switzerland
Rindi Energi AB	556495-8758	Vadstena, Sweden
Solör Bioenergi HoldCo Ett AB	559227-8567	Stockholm, Sweden
Solör Bioenergi Europe AB	559227-8542	Stockholm, Sweden

For complete information about the structure of the Group, refer to Group Note 2.

Note 15: Cash and cash equivalents

The parent company's cash and cash equivalents consist of bank balances.

Note 16: Financial instruments and risk management

In connection with the Group's refinancing, the Parent Company's interest-bearing intra-group receivables and liabilities were resolved.

The following tables show an overview of the maturity structure of the parent company's financial liabilities based on undiscounted contractual payments:

2020	Within 6 months	6-12 months	Year 2-5	Later than year 5	Total
Accounts payable	1	-	-	-	1
Liabilities to group companies	122	-	-	-	122
Other liabilities	14	-	-	-	14
Accrued expenses	2	-	-	-	2
Total	**139**	**0**	**0**	**0**	**139**

2019	Within 6 months	6-12 months	Year 2-5	Later than year 5	Total
Accounts payable	1	-	-	-	1
Liabilities to group companies	324	-	335	-	659
Other liabilities	43	-	-	-	43
Accrued expenses	1	-	-	-	1
Total	**369**	**0**	**335**	**0**	**704**

Note 17: Number of shares, share capital and information regarding shareholders

	2020	**2019**
No. of ordinary shares, quoted value SEK 10.85	31,330,570	31,330,570

All shares have the same right to the company's remaining net assets. Holders of ordinary shares are entitled to dividends that are determined gradually and the shareholding entitles to voting rights at the Annual General Meeting with one vote per share. All shares are fully paid and no shares are reserved for transfer. No shares are held by the company itself or its subsidiaries. Changes in the parent company's share capital and share premium reserve are shown in the table below:

	2020			**2019**		
thousands kronor	Share capital	Share premium reserve	Total	Share capital	Share premium reserve	Total
Ordinary shares issued and paid at the beginning of the year	339,996	2,153,950	2,493,946	337,174	2,153,950	2,491,124
Bonus issue			0	2,822		2,822
Ordinary shares issued and paid at the end of the year	**339,996**	**2,153,950**	**2,493,946**	**339,996**	**2,153,950**	**2,493,946**

During the financial year 2020, dividend of SEK 300 million was decided for the parent company's shareholders, of which SEK 150 million at the Extraordinary General Meeting (EGM) in March and SEK 150 million at the EGM in July. The dividend decided at the EGM in March was paid during the same month, while the dividend decided at the EGM in July was paid in the amount of SEK 80 million during the same month, while the remaining part of SEK 80 million was paid in August.

During the financial year 2019, dividend of SEK 110.8 million was decided for the parent company's shareholders, of which SEK 40.8 million at the Annual General Meeting (AGM) in April and SEK 70 million at the EGM in June. The dividend decided at the AGM in April was paid during the same month, while the dividend decided at the EGM in June was paid out with SEK 45 million during the same month, while the remaining part of SEK 25 million was paid out during February and March 2020.

	31 Dec 2020		31 Dec 2019	
Shareholder	Number of shares	Ownership in percent	Number of shares	Ownership in percent
Nordic Infrastructure AG*	15,640,079	49.92%	15,640,079	49.92%
Highview Finance Holding Company Limited	7,798,630	24.89%	7,798,630	24.89%
Polhem Infra KB	6,719,329	21.45%	6,719,329	21.45%
YRC Worldwide, Inc. Master Pension Plans Trust	1,146,532	3.66%	1,146,532	3.66%
BE Bio Energy Group AG	26,000	0.08%	26,000	0.08%
Total	**31,330,570**	**100.00%**	**31,330,570**	**100.00%**

*The company is fully owned by BE Bio Energy Group AG

Solör Bioenergi Holding AB is a subsidiary of BE Bio Energy Group AG with its registered office in Switzerland. The parent company's address is: Zollikerstrasse 226, 8008 Zürich, Switzerland. BE Bio Energy Group AG's direct and indirect shareholdings in Solör Bioenergi Holding AB amount to 15,666,079 shares as of the balance sheet date, which corresponds to 50 percent plus an additional 794 shares, i. e. approximately 50,003 percent.

Note 18: Related party transactions

The parent company has conducted different transactions with related parties. All transactions are conducted as a part of the ordinary course of business and based on an arms' length principle. No pledges have been made by the parent company on behalf of related parties.

Related party	Relationship
BE Bio Energy Group AG	Solör Bioenergi Holding AB's parent company, at the balance sheet date, directly or indirectly through it's shareholdings in Nordic Infrastructure AG, holds 50.00 percent (50.00) of the shares and votes in Solör Bioenergi Holding AB.
Polhem Infra KB	Polhem Infra KB holds at the balance sheet date 21.45 percent (21.45) of the shares and votes in Solör Bioenergi Holding AB.
Jilkén & Jilkén AG	Solör Bioenergi Holding AB had during 2019 a consultant agreement with Jilkén & Jilkén AG regarding legal services. One of the owners of Jilkén & Jilkén AG was during 2019 a senior executive in the Group.
Daniel Jilkén	Shareholder in Jilkén & Jilkén AG.

The table below outlines Solör Bioenergi Holding AB's related party transactions except transactions with related group companies. For transactions with group companies, please refer to Note 4, 6, 8, 9 and 16.

2020 Related party	Total amount invoiced	Thereof with direct effect in the form of expense in profit or loss	Liability at balance sheet date
BE Bio Energy Group AG	-11	-11	-
Polhem Infra KB	-1	-1	-
	-12	**-12**	**-**

2019 Related party	Total amount invoiced	Thereof with direct effect in the form of expense in profit or loss	Liability at balance sheet date
BE Bio Energy Group AG	-25	-10	-
Jilkén & Jilkén AG	-15	-15	
Daniel Jilkén	-6	-6	-
	-46	**-31**	**-**

In addition to what is presented in the tables above, the parent company Solör Bioenergi Holding AB, by the end of the financial year 2019, also had a liability to shareholders of SEK 25 M relating to decided but not yet paid dividend. The liability was fully paid during February and March 2020.

Note 19: Lease commitments

2020	Within 1 year	Year 2-5	Later than year 5	Total
Future minimum lease payments	2	3	-	5

2019	Within 1 year	Year 2-5	Later than year 5	Total
Future minimum lease payments	2	6	-	8

Future lease commitments relate to office premises. Lease expenses during the year amounted to SEK 2 M (1), of which variable fees amounted to SEK 0 M (0).

Note 20: Pledged assets and contingent liabilities

All amounts in SEK M if not otherwise stated	**2020**	**2019**
Pledged assets		
Shares in group companies	-	1,500
	0	**1,500**
Contingent liabilities		
Parent company guarantees on behalf of subsidiaries	-	300
	0	**300**

Note 21: Subsequent events

No events of a material nature have occurred after the end of the financial year that have a significant impact on the Parent company's earnings and position.

Note 22: Profit or loss for the year and appropriations of earnings

The Annual Shareholders Meeting has the following available funds:

	SEK
Share premium reserve	2,153,949,792
Retained earnings	-498,919,166
Profit/loss for the year	855,922,749
Total	**2,510,953,375**

The Board of Directors proposes that non-restricted equity of SEK 2,510,953,375 shall be disposed of as follows:

	SEK
Dividends to shareholders	0
Retained earnings carried forward	2,510,953,375
Total	**2,510,953,375**

The Board of Directors and the Managing Director hereby confirms that the Annual Report has been prepared in accordance with Generally Accepted Accounting Principles in Sweden and that the consolidated financial statements have been prepared in accordance with the Standards defined in Regulation (EC) 1606/2002 of the European Parliament and the Council of July 19, 2002 concerning application of International Financial Reporting Standards. The Annual Report and the consolidated financial statements give a true and fair view of the financial position and performance of the Parent Company and the Group. The Board of Directors' Report provides a true and fair overview regarding the development of the Parent Company and the Group's operations, financial position and performance and describes the significant risks and uncertainty factors relevant to the Parent Company and the subsidiaries included in the Group.

Stockholm, April 22, 2021

Martinus Brandal Chairman	Ola Strøm Vice Chairman	Erik A. Lynne Board Member
Jonathan F. Finn Board Member	Oskar Backman Board Member	Anders Pettersson Managing Director

Our Audit Report has been issued on April 2021.

Pricewaterhouse Coopers AB

Martin Johansson Authorized Public Accountant Partner in charge	Johan Wirén Authorized Public Accountant

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Auditor’s report

Unofficial translation

To the general meeting of the shareholders of Solör Bioenergi Holding AB (publ), corporate identity number 556907-9535

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Solör Bioenergi Holding AB (publ) for the year 2020 except for the statutory sustainability report on pages 8-10.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2020 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 2020 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. Our opinions do not cover the statutory sustainability report on pages 8-10. 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.

Basis for Opinions

We performed the audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities in accordance with these standards are described in more detail in the Auditor’s responsibility section. We are independent in relation to the Parent Company and the Group in accordance with good auditing practice in Sweden and have otherwise fulfilled our professional ethical responsibility in accordance with these requirements.

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

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

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Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of Solör Bioenergi Holding AB (publ) for the year 2019 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 Director's and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company´s organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

The auditor's opinion regarding the statutory sustainability report

The Board of Directors is responsible for the statutory sustainability report on pages 8-10, and that it is prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with FAR:s auditing standard RevR 12 The auditor´s opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A statutory sustainability report has been prepared.

Stockholm April 2021

PricewaterhouseCoopers AB

Martin Johansson Authorized Public Accountant Partner in charge	Johan Wirén Authorized Public Accountant