



## **Solør Bioenergy Group – Interim report for the second quarter and first half year of 2020**

January – June 2020

Solør Bioenergi Holding AB (publ), Corp. Reg. No. 556907-9535

Stockholm, July 10, 2020

## Solør Bioenergi Group highlights

### The second quarter 2020

- By the end of May 2020 Åsnes Fjernvarme AS was acquired. At the same time the Group divested the operations in Brumunddal.
- In mid June 2020 the Group successfully completed the acquisition of Vasa Värme Holding Group.
- The second quarter of 2020 was characterized by colder weather in comparison to the same period during the previous year. The average number of heating hours during the second quarter of 2020 was 92.0 percent of normal (87.8).
- Energy deliveries amounted to 230 GWh (219). The increase is mainly explained by a positive effect following the acquisitions during the second half year of 2019.
- Net sales amounted to SEK 234 M (225) and EBITDA increased to SEK 51 M (49).

### The first six months of 2020

- By the end of March 2020 the Group successfully completed its refinancing project.
- The first six months of 2020 was characterized by in average warmer weather in comparison to the same period during the previous year. The weather was warmer especially in the beginning of the year. The average number of heating hours during the first half of 2020 was 83.2 percent of normal (90.5).
- Energy deliveries amounted to 704 GWh (708). The acquisitions during the second half year of 2019 contributed positively to energy deliveries, while the warmer weather has had an adverse effect.
- Net sales amounted to SEK 631 M (643) and EBITDA increased to SEK 198 M (185).

### Key figures

SEK million	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019	Last 12 months
Net sales	234	225	631	643	1,204	1,192
Raw materials and cost of goods sold	-75	-72	-229	-251	-464	-442
Gross contribution	159	153	402	392	740	750
<i>Gross margin</i>	68%	68%	64%	61%	61%	63%
Other operating income	24	5	30	14	113	129
Personnel expenses	-48	-44	-92	-84	-181	-189
Other operating expenses	-84	-65	-142	-137	-262	-267
EBITDA	51	49	198	185	410	423
<i>EBITDA margin</i>	22%	22%	31%	29%	34%	35%

Unless otherwise specified, all figures in this interim report are presented in SEK million (M). The subtotals and totals in some of the tables and explanations may not equal the sum of the amounts shown due to rounding.

Solør Bioenergi Group provides essential energy services primarily in Sweden. The Group produces wood-based bioenergy for the public and private sector including private households, municipalities, industrial customers and local/regional governments. As a leading bioenergy company, the Group is operating in the entire value chain from procurement, production and distribution to sale of energy in form of district heating, industrial steam, electricity and various biomass products. The head office is located in Stockholm, Sweden. Read more about Solør Bioenergi Group at [www.solorbioenergi.com](http://www.solorbioenergi.com).

## Developments in the second quarter 2020

### Group

The second quarter 2020 was characterized by colder weather in comparison to the same period of the previous year and normal. The average number of heating hours during the quarter was 92.0 percent of normal (87.8).

Energy deliveries increased by 5 percent and amounted to 230 GWh (219). The increase is mainly explained by a positive effect following the acquisitions during the second half year of 2019.

Net sales increased by 4 percent and amounted to SEK 234 M (225).

Gross contribution increased by 4 percent and amounted to SEK 159 M (153). Gross margin for the period was stable at 68 percent (68).

Earnings Before Interest, Tax, Depreciations and Amortisations (EBITDA) amounted to SEK 51 M (49). EBITDA was positively impacted by a gain related to the divestment of the Brumunddal operations by SEK 15 M. On the other hand, EBITDA for the period was burdened by acquisition related expenses by SEK -16 M (-3). Adjusted for the above non-recurring items, EBITDA for the second quarter of 2020 amounted to SEK 52 M (52).

### Segments

#### District Heating

Energy deliveries increased by 4 percent and amounted to 203 GWh (195). The increase is mainly explained by a positive effect following the acquisitions during the second half year of 2019.

Net sales amounted to SEK 159 M (151), an increase by 5 percent.

Gross contribution increased by 4 percent to SEK 106 M (102), and gross margin was 67 percent (68).

EBITDA amounted to SEK 46 M (40), an increase by 15 percent. The increase is mainly explained by the gain related to the divestment of the Brumunddal operations and lower group internal management fees, partly offset by acquisition related expenses.

#### Local Heat

Energy deliveries increase to 27 GWh (24). The increase is an acquisition effect in the Norwegian operations from late 2019.

Net sales amounted to SEK 30 M (32). The decrease is due to lower customer prices in Norway linked to decreasing electricity prices and decreased sales of pellets to external customers.

Gross contribution amounted to SEK 21 M (23) and gross margin was 70 percent (72).

EBITDA improved to SEK 7 M (4). The increase is mainly explained by the gain related to the divestment of the Brumunddal operations.

#### Biomass

Net sales amounted to SEK 48 M (47).

Gross contribution increased to SEK 32 M (29) and gross margin amounted to 67 percent (62).

EBITDA improved to SEK 11 M (5). The increase is mainly due to lower group internal management fees.

Due to the diversified and volatile nature of the segment, contribution and EBITDA might fluctuate inbetween the quarters. However, on

an annualised basis the segment's earnings have stabilised on a moderate level and show a positive trend.

### Financial net

Consolidated financial net for the second quarter 2020 amounted to SEK -122 M (-74). Financial net was affected negatively by unrealized loss due to changes in fair value of the Group's interest rate swaps, amounting to SEK -62 M (-4). Adjusted for the above, consolidated financial net for the second quarter 2020 amounted to SEK -60 M (-74). The improvement is mainly due to lower average interest rates post refinancing performed during the first quarter of 2020.

### Cash flow

Cash flow from operating activities amounted to SEK 4 M (16). The decrease is mainly a consequence higher working capital tied-up in comparison to the corresponding period during previous year.

Cash flow from investing activities amounted to SEK -646 M (-74). The difference is mainly explained by the acquisition of the Vasa Värme Holding Group.

Cash flow from financing activities amounted to SEK 685 M (42). The difference is mainly explained by draw-downs on the Group's investment credits following the acquisition of the Vasa Värme Holding Group.

## Developments in the first six months of 2020

In March 2020, the Group completed its refinancing project. All in all, the refinancing resolved 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 loans in Poland.

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

SFA and JFA are including investment credits (CAPEX facilities) totaling SEK 1,500 M and SEK 400 M, respectively. In addition, the SFA includes a revolving credit facility (RCF) of SEK 200 M.

The first half year of 2020 was characterized by in average warmer weather in comparison to the same period during the previous year. The weather was warmer especially in the beginning of the year.

The average number of heating hours during the first half of 2020 was 83.2 percent of normal (90.5).

Energy deliveries amounted to 704 GWh (708), a decrease by 1 percent. The acquisitions during the second half year of 2019 contributed positively to energy deliveries, while the warmer weather has had an adverse effect.

Net sales amounted to SEK 631 M (643), a decrease by 2 percent.

Gross contribution improved by 3 percent to SEK 402 M (392) and gross margin amounted to 64 percent (61). This is mainly explained by higher margins in segment Biomass and to a minor extent higher margins in segment District Heating.

EBITDA amounted to SEK 198 M (185). EBITDA was positively impacted by gain related to the divestment of the Brumunddal operations by SEK 15 M. On the other hand, EBITDA for the period was burdened by acquisition related expenses by SEK -16 M (-3). EBITDA for the previous year was also negatively impacted by non-recurring related party expenses

amounting to SEK -15 M. Adjusted for the above non-recurring items, EBITDA for the first six months of 2020 amounted to SEK 199 M (203).

## Segments

### District Heating

Energy deliveries decreased by 1 percent and amounted to 617 GWh (623). The acquisitions during the second half year of 2019 contributed positively to energy deliveries, while the warmer weather has had an adverse effect.

Net sales amounted to SEK 442 M (435), an increase by 2 percent.

Gross contribution increased by 3 percent to SEK 287 M (280), and gross margin was 65 percent (64).

EBITDA amounted to SEK 178 M (172), an increase by 3 percent.

### Local Heat

Energy deliveries increase to 87 GWh (84). The increase is an acquisition effect in the Norwegian operations from late 2019.

Net sales amounted to SEK 92 M (98). The decrease is due to lower customer prices in Norway linked to decreasing electricity prices and decreased sales of pellets to external customers.

Gross contribution amounted to SEK 55 M (56) and gross margin was 60 percent (57).

EBITDA improved to SEK 22 M (21).

### Biomass

Net sales amounted to SEK 107 M (124).

Gross contribution amounted to SEK 60 M (56) and gross margin amounted to 56 percent (45).

EBITDA amounted to SEK 16 M (13).

Due to the diversified and volatile nature of the segment, contribution and EBITDA might fluctuate inbetween the quarters. However, on an annualised basis the segment's earnings have stabilised on a moderate level and show a positive trend.

## Financial net

Consolidated financial net for the first six months of 2020 amounted to SEK -410 M (-132). Financial net was affected negatively by unrealized loss due to changes in fair value of the Group's interest rate swaps, amounting to SEK -62 M (-4).

Moreover, as a consequence of the successfully performed refinancing process during the first quarter of 2020, consolidated net financial items were affected negatively by SEK -157 M related to remaining transaction fees connected to the old financing structure. In addition net financial items were burdened by non-recurring interest compensation expenses related to the KLP bond by SEK -22 M as well as non-recurring cancellation fees related to the old JFA amounting to SEK -59 M.

Adjusted for the above effects, net financial items amounted to SEK -110 M (-128). The improvement is mainly due to lower average interest rates post refinancing performed during the first quarter of 2020.

## Cash flow

Cash flow from operating activities amounted to SEK 72 M (98). The decrease is mainly a consequence higher working capital tied-up in comparison to the corresponding period during previous year.

Cash flow from investing activities amounted to SEK -668 M (-116). The difference is mainly explained by the acquisition of the Vasa Värme Holding Group.

Cash flow from financing activities amounted to SEK 607 M (117). The difference is mainly



explained by drawdowns on the Group's investment credits following the acquisition of the Vasa Värme Holding Group.

### Financial position and liquidity

At the end of the period, consolidated cash and cash equivalents amounted to SEK 200 M (159).

Consolidated interest-bearing debt amounted to SEK 6,031 M (4,517).

Consolidated equity at the end of the period amounted to SEK -874 M (-313).

### Related party transactions

BE Bio Energy Group AG has invoiced the Group with SEK 26 M (25), whereof SEK 11 M (10) are related to service fees for the full financial year while SEK 15 M (15) are related to fees in connection to the successfully completed refinancing (previous years fees of SEK 15 M were related to the extension and amendment of the financing at that time).

Contactit AG has invoiced the Group SEK 2 M (2) for technical services provided by one of the Group's senior executives.

In addition the Group has accrued expenses related to Polhem Infra KB amounting to SEK 0.5 M (-).

The impact on profit or loss from related party transactions during the first six months of 2020 amounted to SEK -8 M (-22).

In addition to above, no other related party transactions have taken place that have had a material impact on the Group's earnings and financial position during the first six months of 2020.

### Risk factors

The Parent Company and the Group are exposed to risk factors inherent to the industry and specific to the company that could affect operational and financial performance and the

ability to meet corporate objectives. The bioenergy business is reliant on weather conditions and earnings are sensitive to warmer/colder weather conditions compared to normal levels.

The 2019 Annual Report provides more information on risks and uncertainties. Those risks and uncertainties have been reviewed prior to the issuance of this interim report. There were no significant changes from the risks and uncertainties described in the 2019 Annual Report.

### Sustainability work within the Group

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

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 receives 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 performs an integrated bioenergy business operating in the entire 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.

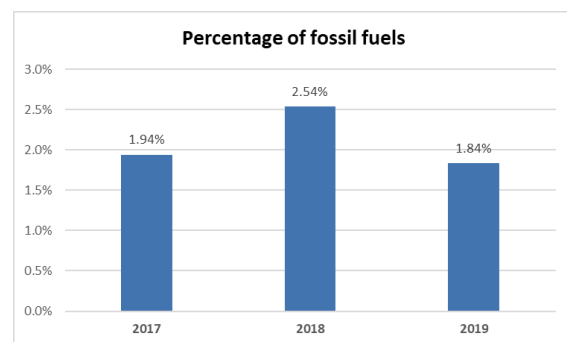
As part of the Group's ambition to be climate neutral, as much as possible, the Group aims to improve efficiency at the production facilities and use a fuel mix that, as far as possible, does not contain fossil fuels. The Group is continuously working on improvement projects aimed at increasing the proportion 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.



Personnel, 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 steer the work in the right direction, such as Work environment policy, Gender equality and equal treatment policy, Alcohol and drug policy.

The Group has an 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.

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.

#### 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 there have been no cases of corruption.

#### **Subsequent events**

On July 1, 2020 the Extraordinary General Meeting of Solör Bioenergi Holding AB decided to distribute dividend to its shareholders in total of SEK 150 M. Part of the dividend is expected to be paid out by mid July.

In addition to above, no other subsequent events with material impact on the Group's earnings and financial position have occurred prior to the issuance of this report.



### Condensed consolidated statement of profit or loss

SEK million	Note	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019	Last 12 months
Net sales	1	234	225	631	643	1,204	1,192
Other operating income		24	5	30	14	113	129
<b>Total operating revenue</b>		<b>258</b>	<b>230</b>	<b>661</b>	<b>657</b>	<b>1,317</b>	<b>1,321</b>
Raw materials and cost of goods sold		-75	-72	-229	-251	-464	-442
Personnel expenses		-48	-44	-92	-84	-181	-189
Depreciation, amortisation and impairment	1	-59	-57	-113	-110	-228	-231
Other operating expenses		-84	-65	-142	-137	-262	-267
<b>Total operating expenses</b>		<b>-266</b>	<b>-238</b>	<b>-576</b>	<b>-582</b>	<b>-1,135</b>	<b>-1,129</b>
<b>Operating profit/loss (EBIT)</b>	1	<b>-8</b>	<b>-8</b>	<b>85</b>	<b>75</b>	<b>182</b>	<b>192</b>
Net financial items		-122	-74	-410	-132	-268	-546
<b>Profit/loss before tax</b>		<b>-130</b>	<b>-82</b>	<b>-325</b>	<b>-57</b>	<b>-86</b>	<b>-354</b>
Income tax		25	5	28	0	15	43
<b>Profit/loss for the period</b>	1	<b>-105</b>	<b>-77</b>	<b>-297</b>	<b>-57</b>	<b>-71</b>	<b>-311</b>
<u>Attributable to:</u>							
Shareholders of the Parent Company		-105	-77	-297	-57	-71	-311
Non-controlling interests		0	0	0	0	0	0
		<b>-105</b>	<b>-77</b>	<b>-297</b>	<b>-57</b>	<b>-71</b>	<b>-311</b>

### Condensed consolidated statement of comprehensive income

SEK million	Note	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019	Last 12 months
<b>Profit/loss for the period</b>		<b>-105</b>	<b>-77</b>	<b>-297</b>	<b>-57</b>	<b>-71</b>	<b>-311</b>
<b>Other comprehensive income:</b>							
<i>Items that may be reclassified to profit or loss in subsequent periods</i>							
Exchange differences on translation of foreign operations		-2	1	-57	1	0	-58
<b>Total other comprehensive income</b>		<b>-2</b>	<b>1</b>	<b>-57</b>	<b>1</b>	<b>0</b>	<b>-58</b>
<b>Total comprehensive income for the period</b>		<b>-107</b>	<b>-76</b>	<b>-354</b>	<b>-56</b>	<b>-71</b>	<b>-369</b>
<u>Attributable to:</u>							
Shareholders of the Parent Company		-107	-76	-354	-56	-71	-369
Non-controlling interests		0	0	0	0	0	0
		<b>-107</b>	<b>-76</b>	<b>-354</b>	<b>-56</b>	<b>-71</b>	<b>-369</b>

## Condensed consolidated statement of financial position

SEK million	Note	30 Jun 2020	30 Jun 2019	31 Dec 2019
Goodwill and intangible assets		302	80	77
Property, plant and equipment		5,196	4,384	4,519
Participation in Joint Ventures		37	36	34
Financial assets		4	4	4
Deferred tax assets		1	1	1
<b>Total non-current assets</b>		<b>5,540</b>	<b>4,505</b>	<b>4,635</b>
Inventories		135	86	102
Operating receivables		180	156	264
Cash and cash equivalents		200	159	189
<b>Total current assets</b>		<b>515</b>	<b>401</b>	<b>555</b>
<b>Total assets</b>		<b>6,055</b>	<b>4,906</b>	<b>5,190</b>
Equity attributable to the shareholders of the Parent Company		-885	-313	-381
Non-controlling interests		11	0	0
<b>Equity</b>		<b>-874</b>	<b>-313</b>	<b>-381</b>
Interest bearing debt		5,769	4,461	4,621
Derivatives		62	7	0
Deferred tax liabilities		586	443	422
<b>Total non-current liabilities</b>		<b>6,417</b>	<b>4,911</b>	<b>5,043</b>
Interest bearing debt		262	56	190
Operating liabilities		250	252	338
<b>Total current liabilities</b>		<b>512</b>	<b>308</b>	<b>528</b>
<b>Total equity and liabilities</b>		<b>6,055</b>	<b>4,906</b>	<b>5,190</b>

### Condensed consolidated statement of cash flows

SEK million	Note	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019	Last 12 months
Profit/loss before tax		-130	-82	-325	-57	-86	-354
Income tax paid		0	-37	0	-37	-37	0
Difference between expensed and paid interest		33	-18	-28	14	36	-6
Adjustment for non-cash items		105	71	402	132	186	456
Change in working capital		-4	82	23	46	11	-12
<b>Cash flow from operating activities</b>		<b>4</b>	<b>16</b>	<b>72</b>	<b>98</b>	<b>110</b>	<b>84</b>
Net Investments/divestments in PPE		-26	-36	-48	-60	-281	-269
Business combinations, net of acquired cash	3	-620	-38	-620	-56	-149	-713
<b>Cash flow from investing activities</b>		<b>-646</b>	<b>-74</b>	<b>-668</b>	<b>-116</b>	<b>-430</b>	<b>-982</b>
Net increase/decrease in interest bearing debt		685	42	607	117	448	447
<b>Cash flow from financing activities</b>		<b>685</b>	<b>42</b>	<b>607</b>	<b>117</b>	<b>448</b>	<b>938</b>
<b>Net increase/decrease in cash and cash equivalents</b>		<b>43</b>	<b>-17</b>	<b>11</b>	<b>98</b>	<b>128</b>	<b>41</b>
Cash and cash equivalents at beginning of period		157	176	189	61	61	159
<b>Cash and cash equivalents at end of period</b>		<b>200</b>	<b>159</b>	<b>200</b>	<b>159</b>	<b>189</b>	<b>200</b>

### Condensed consolidated statement of changes in equity

SEK million	Equity attributable to the shareholders of the Parent	Equity attributable to non-controlling interests	Total equity
<b>At beginning of period, January 1, 2020</b>	<b>-381</b>	<b>0</b>	<b>-381</b>
Comprehensive income for the period	-354	0	-354
Change in scope of consolidation	0	11	11
Dividends	-150	0	-150
<b>At end of period, June 30, 2020</b>	<b>-885</b>	<b>11</b>	<b>-874</b>

SEK million	Equity attributable to the shareholders of the Parent	Equity attributable to non-controlling interests	Total equity
<b>At beginning of period, January 1, 2019</b>	<b>-199</b>	<b>0</b>	<b>-199</b>
Comprehensive income for the period	-56	0	-56
Dividends	-58	0	-58
<b>At end of period, June 30, 2019</b>	<b>-313</b>	<b>0</b>	<b>-313</b>

## Note 1 Operating segments

Segment information is presented in accordance with the internal reporting made to the chief operating decision maker which has been defined as the Group Management. Group Management monitors the operating segments results and uses this information make decisions on resource allocation. The segments measure of profit or loss is measured in the same manner as in the consolidated financial statements.

The Group has three operating segments, reflecting the organisation and the business model.

### District Heating

The segments 62 district heating plants mainly produce thermal heat energy for district heating and industrial steam for customers in the public and private sector. The district

heating plants and the corresponding grids are located in Sweden, Norway and Poland.

### Local Heat

In this operating segment 95 local heat plants in Sweden and Norway are included, supplying the customers with local heat solutions. Within the segment there are also two pellets plants in Sweden and Norway supplying fuel to the local heat businesses and external customers.

### Biomass

The Group has three environmental terminals, one in Sweden and two in Norway, receiving impregnated and treated wood, as well as production of biomass for sale to own district heating plants and external energy customers. In this operating segment are also included the Group's two pellets plants in Sweden and the briquettes plant in Norway.

### Net sales per segment

SEK million	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019	Last 12 months
<b>District heating</b>						
External	158	148	441	432	782	791
Internal	1	3	1	3	5	3
	<b>159</b>	<b>151</b>	<b>442</b>	<b>435</b>	<b>787</b>	<b>794</b>
<b>Local Heat</b>						
External	30	31	90	96	183	177
Internal	0	1	2	2	7	7
	<b>30</b>	<b>32</b>	<b>92</b>	<b>98</b>	<b>190</b>	<b>184</b>
<b>Biomass</b>						
External	46	46	100	115	239	224
Internal	2	1	7	9	12	10
	<b>48</b>	<b>47</b>	<b>107</b>	<b>124</b>	<b>251</b>	<b>234</b>
<b>Other/elimination</b>	<b>-3</b>	<b>-5</b>	<b>-10</b>	<b>-14</b>	<b>-24</b>	<b>-20</b>
<b>Total net sales</b>	<b>234</b>	<b>225</b>	<b>631</b>	<b>643</b>	<b>1,204</b>	<b>1,192</b>

### Gross contribution per segment

SEK million	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019	Last 12 months
<b>District Heating</b>						
Net sales	159	151	442	435	787	794
Raw materials	-53	-49	-155	-155	-281	-281
<b>Gross contribution</b>	<b>106</b>	<b>102</b>	<b>287</b>	<b>280</b>	<b>506</b>	<b>513</b>
<i>Gross margin (%)</i>	<i>67%</i>	<i>68%</i>	<i>65%</i>	<i>64%</i>	<i>64%</i>	<i>65%</i>
<b>Local Heat</b>						
Net sales	30	32	92	98	190	184
Raw materials and cost of goods sold	-9	-9	-37	-42	-79	-74
<b>Gross contribution</b>	<b>21</b>	<b>23</b>	<b>55</b>	<b>56</b>	<b>111</b>	<b>110</b>
<i>Gross margin (%)</i>	<i>70%</i>	<i>72%</i>	<i>60%</i>	<i>57%</i>	<i>58%</i>	<i>60%</i>
<b>Biomass</b>						
Net sales	48	47	107	124	251	234
Cost of goods sold	-16	-18	-47	-68	-128	-107
<b>Gross contribution</b>	<b>32</b>	<b>29</b>	<b>60</b>	<b>56</b>	<b>123</b>	<b>127</b>
<i>Gross margin (%)</i>	<i>67%</i>	<i>62%</i>	<i>56%</i>	<i>45%</i>	<i>49%</i>	<i>54%</i>

### EBITDA per segment

SEK million	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019	Last 12 months
District heating	46	40	178	172	378	384
Local heat	7	4	22	21	42	43
Biomass	11	5	16	13	27	30
Other/elimination	-13	0	-18	-21	-37	-34
<b>Total EBITDA</b>	<b>51</b>	<b>49</b>	<b>198</b>	<b>185</b>	<b>410</b>	<b>423</b>



#### Depreciations, amortisations and impairment per segment

SEK million	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019	Last 12 months
District heating	-37	-36	-69	-68	-144	-145
Local heat	-9	-7	-17	-15	-30	-32
Biomass	-10	-11	-21	-21	-42	-42
Other/elimination	-3	-3	-6	-6	-12	-12
<b>Total</b>	<b>-59</b>	<b>-57</b>	<b>-113</b>	<b>-110</b>	<b>-228</b>	<b>-231</b>

#### EBIT per segment

SEK million	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019	Last 12 months
District heating	9	4	109	104	234	239
Local heat	-2	-3	5	6	12	11
Biomass	1	-6	-5	-8	-15	-12
Other/elimination	-16	-3	-24	-27	-49	-46
<b>Total EBIT</b>	<b>-8</b>	<b>-8</b>	<b>85</b>	<b>75</b>	<b>182</b>	<b>192</b>

#### Reconciliation of segment reporting to profit/loss for the period

SEK million	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019	Last 12 months
EBIT	-8	-8	85	75	182	192
Net financial items	-122	-74	-410	-132	-268	-546
Income tax	25	5	28	0	15	43
<b>Profit/loss for the period</b>	<b>-105</b>	<b>-77</b>	<b>-297</b>	<b>-57</b>	<b>-71</b>	<b>-311</b>

## Note 2 Shareholders

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

**This report has not been subject to review by the Company's auditors.**

Questions concerning this report may be directed to:

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